AGENDA ITEM or FINAL CONTRACT REVIEW SUBMITTAL FORM

AgendaTitle:
Lease Agreement; Combined Timber Crafts, Inc.

Action Requested: County Manager Signature

Parties to the Agreement: Comined Timber Crafts, Inc. & Gunnison County BOCC

Term Begins: upon execution **Term Ends:** 10/31/2014 **Grant Contract #:**

Summary:
Lease agreement for using property described in agreement for a commercial storage area.

Fiscal Impact:

Submitted by: B. Lucero for M. Crosby **Submitter's Email Address:** Mcrosby@gunnisoncounty.org

Finance Review: (●) Required ( ) Not Required

Comments:

Short-term lease (through October 2014). Revenue will go to PW.

Reviewed by: GUNCOUNTY1\lNienhueser Discharge Date: 4/8/2014

County Attorney Review: (●) Required ( ) Not Required

Comments:

Reviewed by: GUNCOUNTY1\atrezise Discharge Date: 4/9/2014 Certificate of Insurance Required Yes (●) No ( )

County Manager Review:

Comments:
For Acknowledgement

Reviewed by: GUNCOUNTY1\mbirnie Discharge Date: 4/9/2014

(●) Consent Agenda ( ) Regular Agenda ( ) Worksession Time Allotted: consent

Agenda Date: 4/15/2014 Follow Up Agenda Date: n/a

Revised April 2013

LEASE AGREEMENT

THIS LEASE AGREEMENT is made and entered into on this 11th day of April, 2014, by and between the BOARD OF COUNTY COMMISSIONERS OF THE COUNTY OF GUNNISON, COLORADO, a political subdivision of the State of Colorado, whose address is 200 E. Virginia, Gunnison, Colorado 81230 (hereinafter "Lessor") and COMBINED TIMBER CRAFTS, INC., a Colorado corporation, whose address is 220 County 48, Gunnison, Colorado 81230 (hereinafter "Lessee"); and

WHEREAS, Lessor owns the real property described as follows:

> That portion of Block 18 within the chain link fence between the west side of 9th Street and the airport security fence on the south side of the parcel and the triangular corner fence on the west side of the property, according to the official plat of the Rio Grande Addition to the City of Gunnison recorded in the records of the Office of the Clerk and Recorder of Gunnison County, Colorado, bearing Reception No: 247973,
>
> City of Gunnison,
> State of Colorado (herein the "Property"); and

WHEREAS, Lessee desires to lease from Lessor the Property, and Lessor desires to lease to the Lessee the Property; and

NOW, THEREFORE, for and in consideration of the mutual covenants, terms and conditions herein contained, Lessor and Lessee do hereby agree as follows:

1. GRANT OF LEASE.

Lessor hereby leases to the Lessee the Property for a commercial storage area and to occupy and use the same only as set forth in this Lease Agreement.

2. TERM OF LEASE.

The term of this Lease Agreement shall commence upon the date of execution of this Lease Agreement and shall continue month to month through October 31, 2014, unless otherwise terminated or extended under the terms of this Lease Agreement or by mutual agreement of the Lessor and Lessee.

3. LEASE IS NONEXCLUSIVE.

Lessor expressly reserves the right to enter and use the Property, to construct improvements for any and all purposes that will not substantially interfere with Lessee's use.

4. CONSIDERATION.

In full and complete consideration of the rights granted herein, Lessee shall pay Lessor One Hundred and No/100 U.S. Dollars ($100.00) per month. Said payment shall be payable to the Gunnison County Finance Department and forwarded by U.S. mail to 200 East Virginia, Gunnison, CO 81230. Payments shall be made in a timely manner and received no later than the 15th of every month.

5. UTILITIES.

There are no utilities located or to be provided on the leased Property.

6. USE OF PROPERTY.

Lessee shall use the Property exclusively and only for a commercial storage area. Lessee agrees to conduct its uses of the Property in an orderly and good workmanship manner. Lessee, its agents, and employees, will not discriminate against any person or class of person by reason of race, age, religion, gender, creed, sexual preference or national origin in providing any use of the Property. There shall be no alcohol allowed on the Property.

7. FURTHER ORDERS, RULES AND REGULATIONS.

Lessor and Lessee agree that, during the term of this Lease Agreement, in addition to or notwithstanding any terms of this Lease Agreement, Lessor may adopt and enforce such orders, rules or regulations as in the discretion of the Lessor which are reasonably necessary for the administration, protection or maintenance of the Property.

8. OPERATIONS.

Lessee agrees to secure all necessary licenses, permits and other approval required by Gunnison County, the State of Colorado, or the United States of America that may be necessary or associated with the Lessee's business and use of the Property.

9. MAINTENANCE, REPAIRS AND IMPROVEMENTS.

During the term of this Lease Agreement, Lessee shall not modify, alter or reconstruct the Property without the prior written consent of Lessor.

All equipment placed by the Lessee at its expense in, on or about the leased Property, shall remain the items of the Lessee and Lessee shall have the right at any time during the term hereof or at its termination, to remove all such equipment.

10. TAXES.

Lessor shall keep the Property free and clear of all levies, liens, and encumbrances and shall pay all license fees, registration fees, assessments, charges, and taxes (municipal, county, state and federal) which may now or hereafter be imposed.

11. DAMAGE TO OR DESTRUCTION OF PROPERTY.

During the term of this Lease Agreement notwithstanding anything herein to the Contrary, in the event the Property or any portion of it or any improvements to it are damaged or destroyed, partially or wholly, by fire or otherwise, Lessor shall be under no obligation whatsoever to repair, replace or rebuild the same or to provide substitute Property or improvements.

12. LIABILITY

The Lessee agrees to obtain and keep in force, throughout the term of this Lease Agreement, commercial general liability insurance, as follows:

A. For any injury to one person in any single occurrence, Three Hundred Fifty Thousand and No/100 U.S. Dollars ($350,000.00); and

B. For an injury to two or more persons in any single occurrence, the sum of Nine Hundred Ninety Thousand and No/100 U.S. Dollars ($990,000.00).

Lessee shall also maintain in effect personal property insurance for Lessee's personal property. Lessee shall include Lessor in said policy as an additional insured. Lessee shall provide to Lessor with copies of appropriate insurance policies, as described above, within ten (10) days after the execution of this Lease Agreement. The insurance coverage required pursuant to this paragraph 10 shall remain enforce during the term of this Lease Agreement; no cancellation or reduction may be made without thirty (30) days written notice to Lessor. Lessee shall not allow the placement of any lien or other claim against the Property by reason of any improvements placed upon the Property, and shall

indemnify, hold harmless and defend Lessor against any claim upon the premises or whatsoever.

Nothing in this Lease Agreement, including but not limited to the required or the existence of the insurance required hereunder is or shall be deemed a waiver by the Lessor of any defense or claim of sovereign immunity, nor a waiver of any other provision of law relating to the liability of governmental units or the limits thereof.

13. INDEMNIFICATION.

During the term of this Lease Agreement, Lessee shall indemnify, hold harmless and defend Lessor, its Board of County Commissioners, its officers, agents and employees, against any claim for injury or damage caused by any act or omission of the Lessee or any other person arising from the use of the Property.

14. WARRANTIES.

Lessor makes no warranties, either express or implied, as to any matter whatsoever, including but not limited to, the condition of the Property.

15. OWNERSHIP.

The Property is, and shall at all times be and remain, the sole and exclusive property of Lessor, and the Lessee shall have no right, title, or interest therein or thereto.

16 DEFAULT

Lessee shall be considered to be in default of this Lease Agreement upon failing to keep, perform and observe each and every other covenant, term or condition set forth in this Lease Agreement which failure continues for a period of more than 30 days after written notice from the Lessor of such breach or default.

No waiver of default by either party of any of the terms or conditions herein to be performed, kept and observed by the other party shall be construed as, or operate as, a waiver of any subsequent default of any of the terms or conditions herein contained to be performed, kept and observed by the other party.

17. TERMINATION.

This Lease Agreement shall be terminated if:

A. Lessee is determined to be in default as set forth in paragraph 16 above; or

B. Lessor determines that the Property is not being used for the purposes as set forth in this Lease Agreement or an alternative use of said Property would be more beneficial to the best interest of the public; or

C. The Federal Aviation Administration requests that Lessor vacate the Property.

If this Lease Agreement is terminated, it is agreed that Lessor may retake possession of the premises upon thirty (30) days written notice to the Lessee and that Lessee shall surrender and return the Property to Lessor in good condition, normal wear and tear excepted.

18. NOTICES

Service of all notices under this Lease Agreement shall be sufficient if sent via certified registered mail return receipt requested or to the following address:

Lessor: Board of County Commissioners
of the County of Gunnison, Colorado
c/o County Manager's Office
200 East Virginia Avenue
Gunnison, CO 8123O

Lessee: Combined Timber Crafts, Inc.
220 County Road 48
Gunnison, CO 81230

19. PROHIBITION UPON ASSIGNMENT.

Without the prior written consent of Lessor, Lessee shall not (a) assign, transfer, pledge, or hypothecate this Lease Agreement, or any part thereof, or any interest therein, or (b) convey, sublet or lend the Property or any part thereof.

20. NON-WAIVER.

The failure of either party to insist in any one or more instances upon compliance with any of the covenants, terms or conditions agreed upon and herein contained, or the failure of either party to exercise any option, privilege or right agreed upon and herein contained shall not be construed as constituting a waive of such right, option or the right to demand compliance with such covenant, term or conditions.

21. SEVERABILITY

In the event any term, condition or provision contained in this Lease Agreement is held by any court of competent jurisdiction to be invalid, the invalidity of such term, condition or provision shall in no way affect any other covenant, condition or provision herein contained. Provided, however, that if the invalidity of such term, condition or provision causes material prejudice to either party hereto with respect to its respective rights and obligations contained in the remaining valid portions of this Lease Agreement, then at the option of such party, this Lease Agreement may be declared to be terminated.

22. GOVERNING LAW, JURISDICTION AND VENUE

This Lease Agreement is entered into in the County of Gunnison, State of Colorado; and it is agreed that the property jurisdiction and venue of any legal action regarding the interpretation and/or enforcement of this Lease Agreement, or any document related hereto, shall be the County or District Court of the County of Gunnison, State of Colorado and shall be deemed to have been made in and be construed in accordance with the laws of the State of Colorado and be binding upon the parties hereto, their successors and assigns.

23. ENTIRE AGREEMENT

Lessor and Lessee agree that the provisions contained herein constituted the entire agreement and that all representations made by any officer, agent or employee of the respective parties unless included herein are null and void and of no effect. No alterations, amendments, changes or modifications, unless expressly reserved herein, shall be valid unless executed by an instrument in writing by Lessor and Lessee within the same formality as this Lease Agreement.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals on the day and year first set forth above.

LESSOR:

FOR THE BOARD OF COUNTY COMMISSIONERS
OF THE COUNTY OF GUNNISON, COLORADO

GUNNISON COUNTY SEAL COLORADO

By: _____
Matthew Birnie, County Manager

ATTEST:
_____
Deputy County Clerk

LESSEE:

COMBINED TIMBER CRAFTS, INC,
a Colorado corporation

By: _____
Christopher Lennox, President

STATE OF COLORADO)
)ss.
COUNTY OF GUNNISON)

Acknowledged, subscribed and sworn to before me this 3rd day of April, 2014, by Christopher Lennox, President of Combined Timber Crafts, Inc., a Colorado corporation, Lessee herein.

Witness my hand and seal.
My commission expires: 6-28-18.

Deborah Ferchau
Notary Public
Address:

NOTARY PUBLIC
DEBORAH FERCHAU
STATE OF COLORADO