AGENDA ITEM or FINAL CONTRACT REVIEW SUBMITTAL FORM

Agenda Item: Lease Agreement; Quartz Creek Improvement Associat

Action Requested: Board of County Commissioners' Signature

Parties to the Agreement: BOCC and Quartz Creek Improvement Association

Term Begins: 11/1/15 **Term Ends:** 10/31/2020 **Grant Contract #:**

Summary:

Attached please find the Lease Agreement with the QCIA for the Ohio City Town Hall. QCIA will be responsible for electric costs and certain maintenance tasks.

Fiscal Impact: $10.00 rental revenue per year.

Submitted by: Office of the County Attorney **Submitter's Email Address:** rmagruder@gunnisoncounty.org

Finance Review: (●) Required ( ) Not Required

Comments:
No concerns.

Reviewed by: GUNCOUNTY1\lNienhueser Discharge Date: 11/25/2015

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

Comments:
ok db 11/24/15

Reveiwed by: GUNCOUNTY1\dBaumgarten Discharge Date: 11/24/2015 Certificate of Insurance Required Yes (●) No ( )

County Manager Review:

Comments:

Reveiwed by: GUNCOUNTY1\mbirnie Discharge Date: 12/3/2015

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

Agenda Date: 12/15/2015

Revised April 2015

LEASE AGREEMENT

THIS LEASE AGREEMENT, made and entered into this 19 day of November, 2015, 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 (herein "Lessor") and the Quartz Creek Improvement Association, a Colorado nonprofit corporation, whose address is 115 Miners Avenue, Ohio City, Colorado 81237 (herein "Lessee").

WHEREAS, Lessor is the owner of certain real property located at 8503 County Road, Ohio City, Colorado 81237, together with all improvements situate thereon, (herein "Town Hall"); and

WHEREAS, Lessor has determined that the interests of the public would be best served if the Town Hall were leased to the Lessee; and

WHEREAS, Lessor desires to lease the Town Hall to the Lessee and Lessee desires to lease the Town Hall from Lessor; and

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

1. GRANT OF LEASE.

Lessor hereby leases the Town Hall to Lessee with the right to occupy and use the same only as set forth in this Lease Agreement.

2. TERM OF LEASE.

A. The term of this Lease Agreement shall commence on November 1, 2015, and continue until October 31, 2020, unless otherwise terminated or extended under the terms of this Lease Agreement or mutual agreement of the parties.

B. Lessor may cancel this Lease Agreement prior to the date of termination set forth above upon 30 days written notice that the Lessor has made a formal finding that the Town Hall is required by Lessor for another public purpose or upon the failure of the Lessee to comply with the terms hereof after 30 days notice of such failure.

C. The Lessee may cancel this Lease Agreement prior to the date of termination set forth above upon 30 days written notice to Lessor provided that such cancellation shall not relieve the Lessee of any obligation that has accrued, but has not been fulfilled prior to such cancellation.

D. No waiver of default by Lessor of any of the terms or conditions hereof to be performed by the Lessee shall be construed to be or act as a waiver of rights of the Lessor arising out of any subsequent default of or by the Lessee.

3. COMPENSATION.

For and in consideration of the rights granted herein, the Lessee agrees to pay to Lessor the sum of TEN DOLLARS AND NO/100 U.S. DOLLARS ($10.00) per year by August 31st of each year during the term of this Lease Agreement.

4. UTILITIES.

Lessee shall be financially responsible for electrical costs incurred for the use of the Town Hall.

5. USE OF TOWN HALL.

The Town Hall is hereby leased by Lessor to Lessee for use as a community center by the Lessee for public purposes which benefit the citizens of the Quartz Creek Valley and Gunnison County, which uses shall be conducted in a manner consistent with the terms of this Lease Agreement as are permitted by the Lessee's Articles of Incorporation, Constitution, and in accordance with applicable law, rules and regulations of the United States, State of Colorado and Gunnison County. No alcohol shall be allowed on or consumed on the Town Hall without prior express written approval of Lessor.

The Lessee agrees to provide use of the Town Hall on a fair, equal and non-discriminatory basis. The Lessee will not discriminate against any person or class of persons by reason of age, race, color, sex, creed, religion, disability, national origin, sexual orientation or political affiliation in providing any use of the Town Hall.

6. MAINTENANCE, REPAIRS AND IMPROVEMENTS.

All maintenance, repairs and improvements shall be completed in a good workmanship manner and pursuant to state and local laws and regulations, Colorado Historical Society preferences and requirements and the U.S. Secretary of the Interior's Standards for the Treatment of Historic Properties.

Any future repairs that may necessitate attention shall be addressed at the sole discretion of Lessor.

The Lessee shall not modify, alter or reconstruct the Town Hall or any portion thereof without the prior written consent of Lessor.

During the term of this Lease Agreement, Lessor and Lessor shall be responsible for the following maintenance tasks:

A. Lessor shall:

1. Annually, inspect and assess the condition of the building.

2. Reseal windows, as needed.

3. Oil exterior jointly with Lessee, as needed.

4. Pump out the outhouses, as needed.

B. Lessee shall:

1. Clean and oil interior, as needed.

2. Remove snow off the front entrance deck, as needed.

3. Clean the wood stove pipe as needed per the recommendation of a professional chimney sweeper.

4. Maintain the landscaping.

5. Oil windows, as needed.

6. Oil exterior jointly with Lessor, as needed.

7. Maintain the exterior and interior of the outhouses.

All equipment placed by the Lessee at its expense in, on or about the Town Hall, including all fixtures temporarily affixed to the Town Hall but which may be removed without damage thereto, shall remain the property of the Lessee and the Lessee shall have the right at any time during the term hereof or at its termination, to remove all such equipment.

7. DAMAGE TO OR DESTRUCTION OF TOWN HALL.

During the term of the lease notwithstanding anything herein to the contrary, in the event the Town Hall 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 Town Hall or improvements.

8. TEMPORARY CLOSURE OF THE TOWN HALL.

Should Lessor choose to make any repairs, modifications, alterations or reconstruction of the Town Hall that would require temporary closure of the Town Hall, Lessor shall provide 30 days notice to Lessee prior to the temporary closure. The length of time of the temporary closure shall be determined at the sole discretion of Lessor.

9. LEASE IS NONEXCLUSIVE.

Lessor expressly reserves the right to enter the Town Hall at any reasonable time for the purposes of inspection, repair and preservation of the property.

10. 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 Town Hall by reason of any improvements placed upon the Town Hall, 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.

11. INDEMNIFICATION.

During the term of this Lease Agreement, Lessee agrees to indemnify, defend and hold harmless Lessor, its Commissioners, agents and employees of and from any and all liability, claims, liens, demands, actions and causes of action whatsoever (including

reasonable attorney's and expert's fees and costs) arising out of or related to any loss, cost, damage or injury, including death, of any person or damage to property of any kind caused by the misconduct or negligent acts, errors or omissions of Contractor or its employees, subcontractors or agents in connection with this Lease Agreement.

Nothing in this Lease Agreement shall be construed to be a waiver by Lessor, Gunnison County, the Board of County Commissioners of the County of Gunnison, Colorado, its agents or assigns of the provisions of the Colorado Governmental Immunity Act, C.R.S. § 24-10-101, et. seq.

This provision shall survive any termination or expiration of this Lease Agreement with respect to any liability, injury or damage occurring prior to such termination.

12. WARRANTIES.

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

13. OWNERSHIP.

The Town Hall 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.

14. 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.

15. NOTICES.

All notices and other communications required or permitted under this Lease Agreement shall be in writing and shall be by registered or certified mail, return receipt requested to the required party at the following addresses:

LESSOR: Gunnison County Manager
200 East Virginia Avenue
Gunnison, CO 81230-2297

LESSEE: Quartz Creek Improvement Association
115 Miners Avenue
Ohio City, CO 81237

16. 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 Town Hall or any part thereof.

17. 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.

18. SEVERABILITY.

In the event any covenant, condition or provision contained in this Lease Agreement is held by any court of competent jurisdiction to be invalid, the invalidity of such covenant, condition or provision shall in no way affect any other covenant, condition or provision herein contained. Provided, however, that if the invalidity of such covenant, 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 agreement, then at the option of such party, this agreement may be declared to be terminated.

19. 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 Town Hall.

20. 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.

21. 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:

BOARD OF COUNTY COMMISSIONERS
OF THE COUNTY OF GUNNISON, COLORADO

By _____
Paula Swenson, Chairperson

ATTEST:

_____
Deputy County Clerk

LESSEE:

QUARTZ CREEK IMPROVEMENT ASSOCIATION,
a Colorado non-profit corporation

By: Patri Reinmund
Patri Reinmund, Chairperson

ATTEST:

Cathy Tilly
Secretary