

GROUND LEASE AGREEMENT

[Tax Map 38, Lot 32]

THIS GROUND LEASE AGREEMENT (hereinafter referred to as the "Lease") is made this 23 day of April, 2021 by and between the **INHABITANTS OF THE TOWN OF CASCO**, a Maine municipal corporation with a principal place of business and mailing address of 635 Meadow Road, Casco, Maine 04015 (hereinafter, the "LANDLORD"), and **CROOKED RIVER SNOWMOBILE CLUB**, a Maine nonprofit corporation whose mailing address is P.O. Box 42, South Casco, Maine 04077 (hereinafter called the "TENANT"). The LANDLORD and the TENANT are at times collectively referred to herein as the "Parties" or individually as the "Party."

WITNESSETH:

In consideration of the mutual covenants and agreements contained herein, the LANDLORD and the TENANT hereby agree with each other as follows:

SECTION 1. Premises: The LANDLORD hereby leases to the TENANT, and the TENANT hereby leases from the LANDLORD, for the term and upon and subject to the terms, conditions, covenants and provisions set forth in this Lease, a certain portion of a parcel of land located in the Town of Casco, County of Cumberland, and State of Maine, which is more particularly depicted in **Exhibit A** which is attached hereto and made a part hereof by reference (the "Premises").

SECTION 2. Term: The Term of this Lease shall commence on the date hereof (the "Commencement Date") and shall continue thereafter for a period of twenty (20) years, unless sooner terminated in accordance with the terms and conditions hereof (the "Term"). The LANDLORD and the TENANT shall have the joint option to renew the Lease for an unlimited number of successive twenty (20) year periods (the "Renewal Terms"), if the Parties mutually agree on the terms of such renewal, including any increase in Rent, by the end of the initial Term.

SECTION 3. Rent: The TENANT covenants and agrees to pay to the LANDLORD, as rent for the Premises, One and 00/100 Dollars (\$1.00) per year (the "Rent").

SECTION 4. Use and Restrictions: The Leased Premises shall be used to construct a club house building for the TENANT's members (the "Building") and associated utility connections, along with ancillary parking, all of which shall be constructed in the locations specified on **Exhibit A** (the "Plan"). The Building shall be used exclusively for the operation of the Tenant's club house and activities related thereto, except as otherwise agreed to in writing between the parties (collectively the "Permitted Use(s)"). At no time shall the use of the Leased Premises violate any occupancy restrictions imposed by the Fire Department or any other law, regulation, or restriction imposed by any local, state, or Federal authority.

SECTION 5. Taxes, Utilities, Maintenance:

(a) The TENANT shall, during the Term of this Lease, pay and discharge punctually, all taxes, special and general assessments, water and sewer charges, utility charges, heating and electricity charges, if any, with respect to the Leased Premises or any part thereof, or any improvements, appurtenances, or equipment owned by the TENANT thereon or therein, it being the understanding that the TENANT shall be exclusively responsible for all costs related to the Leased Premises and any improvements thereon during the Term or any renewal thereof, including without limitation the septic system to be designed, installed, and maintained for TENANT's exclusive use of the Premises for the uses authorized in Section 4 of this Lease.

(b) The TENANT, at its own cost, shall, during the Term of this Lease, keep, maintain and repair the Premises in good and safe condition, which such maintenance and repair responsibilities shall include, without limitation, maintenance and repair of any parking and access areas, maintenance and repair of all required exterior lighting and exterior lighting apparatuses, as well as the comprehensive maintenance and repair of the Building the associated septic system, and all water and wastewater connections, it being the understanding that the TENANT shall be exclusively responsible for all costs related to the Leased Premises and for the construction, maintenance, and repair of any improvements thereon during the Term or any renewal thereof, as further specified in Section 6 of this Lease.

(c) Without limiting the foregoing, the TENANT shall, at its own cost, be responsible for clearing all snow and applying proper sand, salt, or grit, to all paved portions of the Premises.

SECTION 6. Construction of Improvements:

(a) **Generally:** The TENANT, at its own cost and expense and after consulting with the LANDLORD and obtaining the LANDLORD's written consent, shall be permitted to construct the planned improvements shown on the Plan, including but not necessarily limited to the Building, and may make changes, improvements, alterations, substitutions, repairs, replacements, demolitions and/or additions thereto, all of which shall be subject to the written approval of the LANDLORD, and subject to the TENANT's receipt of all necessary and applicable approvals from state or municipal authorities. All construction work performed by the TENANT and its contractors shall be performed in a good and workmanlike manner, employing material of good quality and complying with all governmental requirements. The TENANT agrees that all such construction work shall be prosecuted diligently and continuously until the construction has been completed as evidenced by an unconditional certificate of occupancy. The LANDLORD shall not be obligated under this Lease to provide any services to the TENANT, the Premises or with respect to the construction of the improvements, or to perform any other obligations with respect thereto.

(b) **Approvals Required:** The TENANT, at its own cost and expense, shall apply for and prosecute with reasonable diligence all necessary approvals required for the construction mentioned in subparagraph (a) of this Section, including but not limited to obtaining needed building permits and site plan approvals.

(c) **Landscaping and Site Work.** The TENANT shall, as a condition of this Lease, complete all landscaping and site work contemplated by, and in the location proposed, by the Plan. To the extent not shown on the Plan, the TENANT may remove, raze, and/or destroy such trees, plants, shrubs, and topsoil existing on the Property, but only after consulting with the LANDLORD and obtaining the LANDLORD's written consent with respect to same.

(d) **Well Connection:** The TENANT shall, at its own cost and expense, establish suitable water service for the Building and all other permitted uses of the Premises between the Building and the well already in existence on the LANDLORD's adjoining property, which is specifically not part of the Premises. (the "Well Connection"). The TENANT shall, to the extent required by local ordinance or state law or administrative regulation, apply for and receive an adequate permit or other authorization permitting the aforementioned Well Connection, as well as for the operation of the same. During the Term of this Lease, the TENANT shall be solely responsible for the repair and maintenance of the Well Connection, including but not limited to the well itself and all pipes, drains, conduits, and other structural and non-structural components required for the operation of the same. The TOWN makes no representation as to the quality or potability of any water extracted from the aforementioned well and specifically disclaims any warranty, express or implied, applicable to the same. The TENANT shall be responsible for notifying the Landlord before it undertakes the installation of the connection and prior to any repair of the connection once it is established. In addition, the TENANT shall be responsible for restoring any of disturbance in the connection area to its prior condition, to the satisfaction of the LANDLORD, unless the LANDLORD approves some other level of restoration.

(e) **Septic System:** The TENANT shall, at its own cost and expense, install a septic system on the Premises in a size and layout sufficient to meet the requirements of the State of Maine's Subsurface Wastewater Disposal Rules, 10-144 C.M.R. ch. 241, as amended, and in the location more particularly depicted on the Plan (the "Septic System"). The Septic System must be designed by a qualified, licensed professional, and said design must be approved by the Town of Casco Code Enforcement Officer or his designee prior to installation. During the Term of this Lease, the TENANT shall be solely responsible for maintaining the Septic System in proper working condition, and all necessary maintenance and repairs to the same shall be performed at TENANT's sole expense.

SECTION 7. Disposition of Improvements on Termination of Lease: On the expiration or any earlier termination of this Lease, the TENANT shall vacate the Leased Premises, leaving the Premises free and clear of any liens and encumbrances, and the LANDLORD shall become the owner of any buildings or improvements located thereon, including but not limited to the Building, the Well Connection, and the Septic System. The TENANT shall execute any transfer documents reasonably requested by the LANDLORD to evidence same, as well as any other instrument reasonably requested by the LANDLORD to effectuate same.

SECTION 8. Requirements of Public Authority: During the Term of this Lease, the TENANT shall, at its own cost and expense, promptly observe and comply with all present and future laws, ordinances, requirements, orders, directives, rules and regulations of the federal,

state, county, municipal, and local governments and of all other governmental authorities affecting the Leased Premises or appurtenances thereto or any part thereof, whether the same are in force at the commencement of the Term of this Lease or may in the future be passed, enacted or directed.

SECTION 9. Reservation of Use of Leased Premises: The LANDLORD, for the benefit of third parties and the general public, as well as for the protection of the Premises and the LANDLORD's interest in same, reserves the right to enter upon the Premises, at all reasonable times, to inspect the Premises, confirm compliance with this Lease, and for all other reasonable purposes related thereto.

SECTION 10. TENANT's Covenants: The TENANT covenants and agrees as follows:

(a) Upon the expiration or termination of this Lease, to remove its goods and effects and those of all persons claiming under it (except as provided for in Paragraph 7 above) and to yield up peaceably to the LANDLORD the Premises in good order, repair and condition, damage by taking, fire and other insured casualty, and reasonable wear and tear only excepted.

(b) Not to make any use of the Premises which is improper, offensive or illegal, or not a Permitted Use, or authorize or allow another to do the same; nor to permit any act or thing to be done on the Premises which shall constitute a nuisance or waste or which may make void or voidable any insurance on said Premises or the Building or any improvements thereon.

(c) To keep the Premises free of liens for labor and materials and to save the LANDLORD harmless and indemnified from all injury, loss, claims or damage to any person or property occasioned by or arising out of any work done by or on behalf of the TENANT.

(d) To permit the LANDLORD and its agents to examine the Premises and to permit the LANDLORD to enter said Premises as may be required by the LANDLORD under the terms of this Lease, provided that such entry shall be during normal business hours (except in the case of emergency) and shall not unreasonably interfere with the conduct of the TENANT's business.

SECTION 11. Assignment and Subletting; Amendments: The TENANT may not assign or sublease this Lease or any sublease of all or any part of the Leased Premises without the written consent of the LANDLORD. No provision of this Lease may be modified or altered except by written agreement of the parties.

SECTION 12. Non-Waiver of Immunity; Indemnity:

The TENANT hereby agrees to indemnify, defend, and hold harmless the LANDLORD from all claims, demands, liabilities and suits (including reasonable attorney's fees) of any nature whatever arising out of, because of or due to the breach or default of the Lease by the TENANT, its employees, guests, invitees or contractors, or due to any act, occurrence or event by the TENANT, its employees, guests, invitees or contractors, or in any way due to the use of the Leased Premises by the TENANT, its employees, guests, invitees or contractors, which

indemnification shall survive the termination of this Lease with respect to any claims or liability accruing prior to any termination.

Notwithstanding the foregoing, nothing in this Lease is intended, or shall be construed, to constitute a waiver of any defense, immunity or limitation of liability that may be available to the LANDLORD or any of its officers, agents or employees, pursuant to the Maine Tort Claims Act (14 M.R.S. § 8101 *et seq.*), any State or federal statute, the common law or any other privileges or immunities as may be provided by law, or any immunity that may be available to the TENANT pursuant to 14 M.R.S. § 159-A.

SECTION 13. Insurance:

The TENANT and its contractors shall maintain, at its expense, throughout the Term and any renewal thereof, insurance against loss or liability in connection with bodily injury or property damage arising out of the use of the Premises by the TENANT or its agents, employees, officers, invitees, visitors and guests, under one or more policies of general public liability insurance having limits as to each of not less than Four Hundred Thousand Dollars (\$400,000.00) for each occurrence or any higher limit as may be established by amendment of the Maine Tort Claims Act (14 M.R.S. §§ 8101-8118) and such policy shall name the LANDLORD as an additional insured. Such policy shall be cancelable or materially altered only upon at least thirty (30) days prior written notice to the LANDLORD. The TENANT shall provide evidence of such insurance to the LANDLORD prior to, but in any event no later than the execution of this Lease by both Parties.

The TENANT, at its own cost, shall procure and maintain standard "All Risks" property insurance throughout the Term, including Builder's Risk insurance during any period of construction, naming the TENANT as insured and the LANDLORD as additional insured, in an amount not less than One Hundred Percent (100%) of the full replacement cost of the Building and any insurable improvements situated on the Leased Premises and all leasehold improvements made by the TENANT, if any.

The TENANT shall maintain such insurance as will protect it from claims under Workers Compensation Acts and other employee benefit acts as may be applicable and as will protect the LANDLORD and the TENANT from claims for damages because of bodily injury, including death, and from claims for damages to property, which may arise out of or in connection with such work whether performed by the TENANT or by the TENANT's contractors or subcontractors or anyone directly or indirectly employed by any of them; and the TENANT shall defend the LANDLORD and save the LANDLORD harmless and indemnified from all injury, loss, liability claims or damage to any person or property occasioned by or arising out of such work.

SECTION 14. Quiet Enjoyment: The TENANT, upon observing and keeping all covenants, warranties, agreements and conditions of this Lease on its part to be kept shall quietly have, hold and enjoy the Leased Premises during the Term of this Lease, without hindrance, molestation or disturbance.

SECTION 15. Condition of Premises: The Premises are being leased by the TENANT in their AS IS condition, WITHOUT REPRESENTATION OR WARRANTY by the LANDLORD. The TENANT acknowledges that it has inspected the Premises and has found it to be satisfactory.

SECTION 16. Defaults:

(a) The following shall constitute a default of the TENANT hereunder:

(i) The TENANT shall fail to pay any sum payable under the terms of this Lease, whether to the LANDLORD or to any other third party, within thirty (30) days after written notice thereof by the LANDLORD;

(ii) The TENANT shall neglect or fail to perform or observe any term, provision, or covenant herein contained on the TENANT's part to be performed or observed, that is not otherwise specified as an event of default under this paragraph, and the TENANT shall fail to remedy the same within thirty (30) days after the LANDLORD shall have given to the TENANT written notice specifying such neglect or failure, or within such longer period as may be reasonably required to cure such default if it is of such nature that it can be cured, but not within such thirty (30) day period; provided, however, that the TENANT promptly commences to remedy such default and proceeds with reasonable diligence thereafter to cure such default;

(iii) This Lease or the Leased Premises or any part thereof shall be taken upon execution or by other process of law directed against the TENANT or shall be taken upon or subject to any attachment at the instance of any creditor of or claimant against the TENANT, and such attachment is not discharged or disposed of within sixty (60) days after the levy thereof;

(b) This Lease is made on condition that from and after the happening of any of the events of default itemized above (notwithstanding any license or any former breach of covenant or waiver of the benefit hereof or consent in a former instance), the LANDLORD lawfully may, immediately or at any time thereafter, and without demand or notice, enter into and upon said Leased Premises or any part thereof in the name of the whole, and repossess the same as of its former estate, and expel the TENANT and those claiming through or under it and remove its or their effects (forcibly if necessary) without being deemed guilty of any manner of trespass, and without prejudice to any remedies which might otherwise be used for arrears of rent or preceding breach of covenant and upon entry as aforesaid this Lease shall terminate and title to any improvements shall transfer to the LANDLORD in accordance with Section 7.

SECTION 17. Waivers: Notwithstanding anything contained herein, failure of the LANDLORD to complain of any act or omission on the part of the TENANT, no matter how long the same may continue, shall not be deemed to be a waiver by the LANDLORD of any of its rights hereunder. The receipt of rent by the LANDLORD with knowledge of any breach of this Lease by the TENANT or of any default by the TENANT in the observance or performance of any of the conditions or covenants of this Lease shall not be deemed to be a waiver of any provision of this Lease or of any of the LANDLORD's rights hereunder. No waiver by the LANDLORD at any time, express or implied, of any breach of any provision of this Lease shall

be deemed a waiver of a breach of any other provision of this Lease or a consent to any subsequent breach of the same or any other provision.

SECTION 18. Termination: This Lease shall terminate upon (i) any of the events specified herein in this Lease, (ii) at the election of the LANDLORD for any “just cause” not provided for herein in this Lease with ninety (90) days written notice to the TENANT, or (iii) at the election of the TENANT for any reason whatsoever with ninety (90) days written notice to the LANDLORD; provided, however, that once the TENANT begins to clear or remove vegetation for the purposes of commencing the construction of any improvements on the Leased Premises, or after any damage to the improvements on the Leased Premises which the TENANT is obligated to repair, the TENANT shall have no right to terminate this Lease until the construction of improvements have been completed, as evidenced by an unconditional certificate of occupancy or other evidence of completion acceptable to the LANDLORD. For the purposes of this Section, “just cause” shall mean any cause based upon reasonable grounds where the LANDLORD determines that there exists a fair and honest cause or reason to terminate the Lease, which cause or reason shall be regulated by good faith, including but not limited to the taking of the Leased Premises, or any portion thereof, by any exercise of the power of eminent domain, including any transfer in lieu thereof.

SECTION 19. DESTRUCTION. In the event that, at any time during the Term of this Lease, the buildings and improvements on the Premises or any of them shall be destroyed or damaged in whole or in part by fire or other casualty, the TENANT, at its own cost and expense, shall cause the same to be repaired, replaced or rebuilt within a period of time which, under all prevailing circumstances, shall be reasonable and in accordance with plans and specifications approved by the LANDLORD. Any insurance proceeds received from the insurance policies required by this Lease, which are payable with respect to damage to the improvements constructed on the Premises by the TENANT, may be used by and shall be made available to the TENANT to offset the TENANT’s expenses incurred in connection with any such repair, replacement, or rebuilding.

SECTION 20. CONSENT OR APPROVAL OF LANDLORD. For any act or thing in this Lease that requires the approval or consent of the LANDLORD, the LANDLORD shall not be deemed to have approved or consented until the written approval or consent of the Selectboard of the LANDLORD has been obtained.

SECTION 21. NOTICES:

Every notice, approval, consent or other communication authorized or required by this Lease shall not be effective unless the same shall be in writing and either hand delivered or sent postage prepaid by United States registered or certified mail, return receipt requested, directed to the other Party at its address set forth herein below, or such other address as either Party may designate by notice given from time to time in accordance with this Section.

All such notices and other communications initially shall be delivered or addressed as follows:

To the LANDLORD at:

Town of Casco
Attention: _____, Town Manager
635 Meadow Road
Casco, Maine 04015

To the TENANT at:

Crooked River Snowmobile Club
c/o _____
P.O. Box 42
South Casco, Maine 04077

Except as otherwise provided herein, all notices shall be effective when mailed.

SECTION 22. Partial Invalidity: If any term, covenant, condition or provision of this Lease or the application thereof to any person or circumstance shall, at any time or to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such Term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term, covenant, condition and provision of this Lease shall be valid and enforceable to the fullest extent permitted by law.

SECTION 23. Interpretation; Choice of Law: Wherever herein the singular number is used, the same shall include the plural, and the masculine gender shall include the feminine and neuter genders, and vice versa, as the context shall require. The Section headings used herein are for reference and convenience only, and shall not enter into the interpretation hereof. This Lease may be executed in several counterparts, each of which shall be an original, but all of which shall constitute one and the same instrument. This Lease and all rights, duties and performance hereunder or hereof shall be governed, interpreted, and construed in accordance with the laws of the State of Maine.

SECTION 24. Hazardous Waste:

The TENANT covenants that it will continuously, during the Term, use and occupy the Leased Premises for the Permitted Use and not to permit, in violation of any Environmental Laws, as hereinafter defined, on the Leased Premises any element, compound, chemical mixture, contaminant, pollutant, material, waste or other substance which is defined, determined or identified as hazardous or toxic under any Environmental Law, including, without limitation, any "oil," "hazardous material," "hazardous waste," "hazardous substance" or "chemical substance or mixture," as for the foregoing terms (in quotations) are defined in any Environmental Laws (the "Hazardous Materials") nor to permit the emission from the Leased Premises of any objectionable noise or odor, nor to use or devote the Leased Premises or any part thereof for any purpose other than the Permitted Use, nor any use thereof which is improper, offensive, or contrary to any present and future laws, statutes, constitutional provisions, rules, regulations, directives, orders, ordinances, codes, rulings, decisions, determinations, requirements and by-

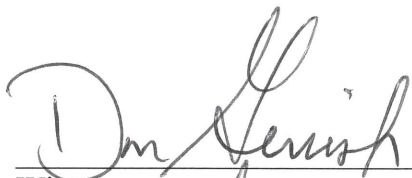
laws enacted or issued by any governmental authority (collectively, "Applicable Laws") or liable to invalidate or increase the premiums for any insurance on the Leased Premises.

As used herein, the term "Environmental Laws" means any federal, State and/or local statute, ordinance, bylaw, code, rule and/or regulation now or hereafter enacted, pertaining to any aspect of the environment or human health.

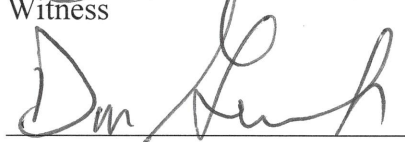
IN WITNESS WHEREOF, the parties hereto have executed this Lease under seal as of the day and year first above written.

LANDLORD:

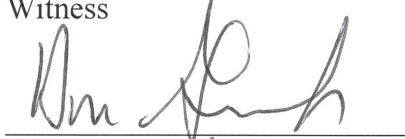
INHABITANTS OF THE TOWN OF CASCO



Witness



Witness



Witness



Witness

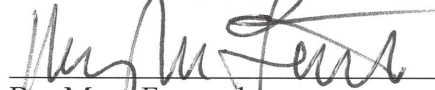


Witness



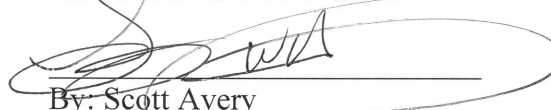
By: Thomas Peaslee

Its: Selectboard Chair



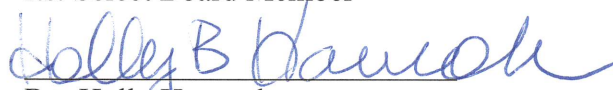
By: Mary Fernandes

Its: Selectboard Vice-Chair



By: Scott Avery

Its: Select Board Member



By: Holly Hancock

Its: Selectboard Member



By: Robert MacDonald


Its: Selectboard Member

TENANT:

CROOKED RIVER SNOWMOBILE CLUB



Witness



By:

Its: President