



To: Mayor Kudron and the Grand Lake Board of Trustees
From: John Crone, Town Manager
Re: GLC Modular Lease with the Grand Lake Area Historical Society
Date: November 28, 2022

Background

For several years, the Grand Lake Area Historical Society (GLAHS) has leased space in the GLC modular buildings. GLAHS has requested that its lease be renewed for 2023 at the same terms as 2022 (\$1200/year).

The Board has long recognized the important role that the GLAHS serves in preserving and presenting the history of our area to both locals and tourists. They operate two museums in Town and maintain numerous historical markers. They also present numerous programs throughout the year.

If the Town does not choose to renew either of the leases, staff would recommend using one of the structures for a Public Works office.

Motion

Staff recommends the adoption of the following motion with any changes as directed by the Board.

I move to instruct the Mayor to execute the attached lease with the Grand Lake Area Historical Society for the use of the modular structures located at the Grand Lake Center for the 2023 term as defined in the leases.



LEASE AGREEMENT

THIS AGREEMENT is made and entered into this 28th day of November 2022 by and between the Town of Grand Lake ("Town") and the Grand Lake Area Historical Society ("GLAHS")

ARTICLE 1.0 - RECITALS AND PURPOSE

- 1.1 The Town of Grand Lake is the owner of the real property upon which its Grand Lake Center is located, situated in the Town of Grand Lake, County of Grand, State of Colorado, and more particularly described as follows:
Plot A, Block 11, Grand Lake Estates, Second Filing
- 1.2 The Town is the owner of the modular building ("Structure") that has been placed on the premises.
- 1.3 The Town has determined that the premises are not currently needed for other Town purposes.
- 1.4 GLAHS has requested permission to lease one portion of the modular building, for office use and water sampling/testing. The Town has determined that the Structure is not currently needed for the other Town purposes, and that the leasing of said Structure to GLAHS would serve a valid public purpose, by supporting an underfunded non-profit group, who helps to ensure a high quality of life in the Grand Lake area by monitoring water quality in Grand County watersheds.

NOW THEREFORE, in consideration of the Structure and the mutual promises and covenants set forth herein, the Parties agree as follows:

ARTICLE 2.0 – DEMISE

- 2.1 For and in consideration of the performance of the covenants and agreement herein contained to be kept and performed by the Parties:
 - a. The Town hereby leases to GLAHS and GLAHS hereby leases from the Town the Leased Premises subject to all land use and building and zoning plans, codes, resolutions and regulations; and subject to all reservations, exceptions, restrictions, covenants and easements of record or visible.

2.2 GLAHS agrees to accept the Leased Premises "as is"; and the Town makes no
Lease Agreement

warranty or representation, express or implied, with respect to the merchantability, condition, quality, design, operation, fitness for a particular purpose, or workmanship of the Leased Premises, in any respect whatsoever.

- 2.3 GLAHS agrees to be responsible for all utility costs as long as they have sole possession of the premises. If there are other lessees, GLAHS shall develop a procedure to manage and apportion the building utility costs in a manner deemed fair and reasonable by the other lessees.
- 2.4 Specifically, the Town and GLAHS agree that the center of the structure will be reserved for GLAHS, and that GLAHS will have sole use of the storage room in the common area. In addition, GLAHS will have equal access with other lessees to the kitchen, restrooms and other common areas.

ARTICLE 3.0 - TERM AND TERMINATION

- 3.1 The term of this Lease shall be for a period of one (1) year, commencing January 1, 2023 and ending at midnight on December 31, 2023, unless this Lease shall be sooner terminated in accordance with the other provisions hereof.
- 3.2 The Town may terminate this Lease at any time upon not less than Sixty (60) days written notice to GLAHS, if, in the Town's judgment, such termination is necessary for the Town's intended use of the Leased Premises, to permit the sale or transfer of the Leased Premises, or for any other reason deemed appropriate by the Town.
- 3.3 GLAHS may terminate this Lease at any time upon not less than Sixty (60) days written notice to Town, if, in GLAHS's judgment, such termination is deemed appropriate by GLAHS.

ARTICLE 4.0 – RENT

- 4.1 So long as GLAHS is not in default under this Lease, it may occupy the Leased Premises for One Thousand Two Hundred Dollars (\$1200) per year, due and payable upon execution hereof.
- 4.2 If GLAHS shall be in default hereunder or if GLAHS holds over after the expiration or termination of this Lease, then rent shall accrue at the rate of Two Thousand Dollars (\$2,000.00) per month, for each month or portion thereof from the date of the default or holding over occurs until the default is cured or GLAHS vacates the Leased Premises.

ARTICLE 5.0 - USE OF LEASED PREMISES; RESERVATION BY THE TOWN

- 5.1 GLAHS may occupy and use the Leased Premises for its inventorying items donated to the GLAHS, maintaining its website and other general affairs relating to the GLAHS. No other uses of the Leased Premises shall be permitted without the written consent of the Town.

- 5.2 GLAHS may dispose of up to one bag of refuse (no more than one forty-gallon bag) per month in the Town operated dumpster located at the Public Works Facility.
- 5.3 GLAHS may use any office furniture located in the leased premises, including desks, filing cabinets, or any other thing that is currently located within the leased premises.
- 5.4 The Town reserves the right to enter upon the Leased Premises at any reasonable time to inspect the premises, to show them to prospective purchasers, or for any other purpose deemed appropriate by the Town, so long as the exercise of such right of entry does not unreasonably interfere with GLAHS's use of the Leased Premises.
- 5.5 The Town reserves the right to store anything that it deems desirable or necessary in the Leased Premises, as long as the storage of same does not unreasonably interfere with GLAHS's use of the Leased Premises.
- 5.1 The Town reserves the right to lease any or the entire remaining portion of the property to whomever it deems appropriate and in the best interests of the community. If the Town makes this determination, replacing doors, locks or making other arrangements to keep GLAHS's property secure will be the sole responsibility of GLAHS.

ARTICLE 6.0- PROTECTION OF PROPERTY; MAINTENANCE, ALTERATIONS AND IMPROVEMENTS

- 6.1 GLAHS covenants and agrees:
 - a. Not to commit or permit the commission by others of any waste upon the Leased Premises.
 - b. Not to remove or allow any other person to remove any improvements or fixtures of any kind from the Leased Premises without the Town's prior written consent.
 - c. To maintain the Leased Premises in a neat and orderly condition and shall not allow trash or other items to accumulate at the site outside of secured receptacles or to be blown from the site.
 - d. The cost of all normal wear and tear in the leased premises, including regular maintenance and repairs, shall be the responsibility of GLAHS and the other building tenants as appropriate, as the lessees.

Repair and maintenance costs that would result in an unreasonable burden to GLAHS (over \$250 per instance or \$500 per year), should be brought immediately to the attention of the Town for discussion of possible cost sharing arrangements.

- 6.2 GLAHS shall not make any other material alterations or improvements on or to the Leased Premises without the Town's prior written consent. Any permanent improvements made to the real property by GLAHS during the lease term, shall be deemed a part of the real estate and, at the election of the Town, shall remain upon the Leased Premises at the expiration or termination of this Lease. If requested by the Town following the expiration or termination of this Lease, GLAHS shall promptly

remove any improvements installed by GLAHS and shall restore the real property to the condition it was upon the commencement of this Lease.

ARTICLE 7.0-TAXES

- 7.1 GLAHS shall pay any and all personal property, sales, use, withholding and other taxes with respect to GLAHS's personal property and its operations on the Leased Premises.

ARTICLE 8.0 - INDEMNIFICATION AND INSURANCE

- 8.1 The Town shall not be liable for any injury or damage to person or property as a result of any act or event occurring upon or arising from the Leased Premises during the term of this Lease, if it happens as a direct or indirect result of GLAHS operations.
- 8.2 GLAHS agrees to indemnify and hold harmless the Town, their officers, agents, employees, insurers and/or self-insurance pools, from and against all liabilities, losses, claims, demands, damages and expenses, including reasonable attorney fees, incurred or suffered by the Town as a result of: (a) failure by GLAHS to perform any covenant required to be performed by GLAHS hereunder; (b) any accident, injury, or damage caused by, resulting from, arising out of or in any manner connected with GLAHS's use of the Leased Premises; or (c) failure by GLAHS to comply with all requirements of any governmental authority.
- 8.3 GLAHS shall, at its expense, maintain general hazard insurance upon the Leased Premises to the full insurable value thereof. If desired, GLAHS shall also obtain and pay for hazard insurance coverage on its personal property kept upon the Leased Premises.
- 8.4 GLAHS agrees to obtain and keep in force, at GLAHS's expense, during the entire term of this Lease, such liability insurance as will fully protect GLAHS from claims under Worker's Compensation and other employee benefit laws for bodily injury and death and for property damage that may arise out of GLAHS's operation of the Leased Premises. GLAHS shall also maintain, at its expense a policy of comprehensive general public liability and property damage insurance, providing coverage of GLAHS, and the Town for claims for damages for bodily injury, including wrongful death, as well as claims for property damages, which may arise from the ownership, maintenance, use or operation of the Leased Premises, whether or not the foregoing described use and activities be by GLAHS or by anyone directly or indirectly employed by GLAHS.

Such insurance shall be maintained in amounts of not less than \$1,000,000.00 for injury to one person in any single occurrence and not less than 2,000,000 in the aggregate, or such larger amounts as correspond with the recovery limits applicable to governmental entities under C.R.S. 24-10-114(1) as the same may be from time to time amended. The policy shall be endorsed to include the Town as additional insured and to provide that the coverage afforded under the policy shall not be

canceled, terminated or materially changed until at least thirty (30) days prior written notice has been given to the Town. Such coverage shall be primary insurance, and any insurance carried by the Town or carried or provided through any insurance pool to which the Town belongs shall be excess and not contributory insurance to that provided by GLAHS. Upon the Town's request, GLAHS shall promptly furnish the requesting entity with a certificate of insurance evidencing the insurance coverage required by this Paragraph.

- 8.5 Failure on the part of GLAHS to procure and maintain policies providing the required insurance coverage, conditions, and minimum limits provided in this Article shall constitute a material breach of this Agreement, for which the Town may immediately terminate this Agreement, or at its discretion, the Town may procure or renew any such policy or any extended reporting period thereto and may pay any and all premiums in connection therewith, and all sums so paid by the Town shall be repaid by GLAHS upon demand.
- 8.6 The Parties understand and agree that the Town is relying on, and does not waive or intend to waive by any provision of this Agreement, the monetary limitations or any other rights, immunities, and protections provided by the Colorado Governmental Immunity Act, C.R.S. 24-10-101 *et seq.*, as from time to time amended, or otherwise available to the Town or its officers, agents or employees.

ARTICLE 9.0 - ASSIGNMENT OR SUBLETTING

- 9.1 GLAHS shall not assign its interests under this Lease nor sublet the Leased Premises, in whole or in part, without first obtaining the Town's express written consent in each instance. In the event of any permitted assignment or subletting hereunder, GLAHS shall remain liable to the Town for the performance of all terms, covenants and provisions of this Lease, unless GLAHS is released in writing by the Town.

ARTICLE 10.0-DEFAULT BY GLAHS; REMEDIES

- 10.1 If GLAHS defaults in the performance of any of its obligations under this Lease, the Town may give written notice of such default to GLAHS. If the default is not cured within ten (10) days after such written notice is given, the Town may elect to terminate this Lease by giving a further written notice of such termination to GLAHS. If such further notice is given, this Lease shall terminate on the date fixed in such notice as completely as if that were the date herein definitely fixed for expiration of the term of this Lease, and GLAHS shall then surrender the Leased Property to the Town.
- 10.2 No remedy conferred upon or reserved to the Town shall exclude any other remedy herein or by law provided, but each shall be cumulative and in addition to every other remedy given hereunder or now or hereafter existing at law or in equity.

ARTICLE 11.0 – NOTICE

11.1 Except as otherwise expressly provided herein, all notices required or permitted under this Lease shall be in writing and shall be delivered in person or sent by United States certified mail return receipt requested. If sent by mail, a notice shall be deemed to have been properly given when deposited in any post office, branch post office, or mail depository regularly maintained by the United States Postal Service and sent by certified mail, return receipt requested, with postage thereon pre-paid, addressed as follows:

To the Town: Town of Grand Lake
 Attn: Town Manager
 PO Box 99
 Grand Lake, CO 80447-0099

To GLAHS: GLAHS
 Attn: President
 PO Box 656
 Grand Lake, CO 80447

ARTICLE 12.0 – MISCELLANEOUS PROVISIONS

- 12.1 This lease shall be construed under and shall be governed by the Laws of the State of Colorado, the District Court of Grand County which shall have exclusive jurisdiction over any court action arising there from.
- 12.2 This Lease embodies the entire agreement and understanding between the Parties relating to the subject matter hereof and may not be altered or amended except by a written document signed by both Parties and specifically referring hereto.
- 12.3 Except as otherwise expressly provided herein, this Lease and the rights and duties of the Town and GLAHS hereunder shall be binding upon and shall inure to the benefit of their respective successors and permitted assigns.
- 12.4 Consistent with Article X, § 20 of the Colorado Constitution, any financial obligation of the Town under this Lease not performed during the current fiscal year is subject to annual appropriation, shall extend only to monies currently appropriated, and shall not constitute a mandatory charge, requirement, debt or liability beyond the current fiscal year. To the extent that any of the Town's obligations under this Lease are deemed to constitute a multi-year fiscal obligation, the Town's performance will be conditioned upon annual appropriation by the Town Council, in its sole discretion.
- 12.5 The Town and its officers, attorneys and employees are relying on, and do not waive or intend to waive by any provision of this Lease, the monetary limitations or any other rights, immunities, and protections provided by the Colorado Governmental

Immunity Act, C.R.S. § 24-10-101, *et seq.*, as amended, or otherwise available to the Town and its officers, attorneys or employees.

IN WITNESS WHEREOF, the Parties have hereunto subscribed their signatures, effective the date first above mentioned.

TOWN OF GRAND LAKE

BY: _____
Stephan Kudron, Mayor

ATTEST:

Alayna Carrell, Town Clerk

GRAND LAKE AREA HISTORICAL SOCIETY

BY: _____
Jim Cervenka, President

ATTEST:

Elin Capps, Secretary