

LEASE AND RENTAL AGREEMENT

THIS AGREEMENT, dated this 13th day of October 2025, is by and between the Town of Grand Lake (the "Town"), PO BOX 99, Grand Lake, CO and Mountain Paddlers, LLC, d/b/a Mountain Paddlers (the "Lessee"), PO BOX 2153, Grand Lake, CO for a building lease, site lease, access license, and kayak slip rentals:

WITNESSETH:

That in and for consideration of the services to be rendered and the compensation to be received, the Town and Lessee covenant and agree as follows:

1) Lessee will have full use of the 70 square foot building located on the marina property for its sole use from the Friday prior to Memorial Day each year beginning in 2026 through, the Monday following the third weekend of September each year through September 28, 2030, for the purpose of housing its kayak and stand-up paddleboard rental business, although no kayaks or paddleboards will be stored or kept onsite. This building is being rented for \$4,075 for the 2026 four-month summer season, (\$1,018.75 per month), through the 2025 season. The Lease term for the building shall increase in set increments for the term of the lease as follows:

- 2027 Season - \$4175
- 2028 Season - \$4300
- 2029 Season - \$4425
- 2030 Season - \$4600

The Lessee shall be responsible for paying the rent for the full four months even if it elects to occupy the building later than the Friday prior to Memorial Day each year, or to vacate the property sooner than the Monday following the third weekend of September each year through September 28, 2030.

2) Lessee will have full use of two kayak racks consisting of six kayak slips each, identified as Rack A, Slips 1-6, and Rack D, Slips 1-6 for the purpose of storing its kayaks. Lessee agrees to comply with all of the rules and regulations as outlined in the kayak slip rental agreement, attached hereto as Exhibit A. The lessee is required to sign the kayak slip rental agreement. The rental price for each kayak slip is \$150, or \$1800 total.

3) Lessee shall have use of a site to be mutually determined for the placement of a shelter no larger than 12 ft by 16 ft. The design must be approved by the Town Manager whose consent shall not be unreasonably withheld. The Town shall help prepare the site for said shelter and Lessee shall have exclusive use of said shelter.

4) For lease of the building, use of a site for a shelter located near the kayak launch area, a license to operate the business on the Town Beach, and rental of twelve kayak slips, the Lessee shall pay Headwater's Marina Five Thousand One Hundred Dollars (\$5875). The rental of the kayak slips shall be paid up front, and the lease of the structure shall be prorated over a three-month period in equal payments. Failure to make prompt payment as outlined below shall be cause for the Town to preclude Lessee from using the property in any manner until the payment(s) are received in full.

Payments will be made by the Lessee as follows:

- | | |
|--|-----------------------------------|
| 1 st payment due May 15 th each year of this lease | by the Town: \$1800 through 2030. |
| 2 nd payment due June 15 each year: | \$1,358.00 through 2026. |
| 3 rd payment due July 15, each year: | \$1,358.00 through 2026. |
| 4 th payment due August 15 each year: | \$1,359.00 through 2026. |

5) The Lessee will provide a vessel for rescue or for circumstances when kayak users require assistance; the Town will provide space at the Marina at a place to be designated to dock the vessel.

6) The Lessee acknowledges and agrees to follow all Town, State and Federal laws and regulations, including obtaining a business license, sign permits as needed, etc.

7) Lessee shall be responsible for the acts, errors, or omissions of itself and its employees, consultants, agents and any other persons employed or retained on behalf of Lessee in connection with this Agreement. Lessee agrees to indemnify, hold harmless and defend the Town and its directors, officers, trustees, employees, agents, and attorneys for the actions, errors and omissions of Lessee and Lessee's employees, consultants, agents and any other persons employed or retained on behalf of Lessee in the performance of this Agreement. The parties recognize that the Town is a governmental entity subject to the provisions of the Colorado Governmental Immunity Act, Section 24-10-101. et seq., C.R.S., and the Town does not waive any of its rights under the Act by entering into this Agreement.

8) At its sole cost, Lessee agrees to purchase and maintain in effect through the terms of this Agreement, insurance that will protect the Town and Lessee from claims which may arise out of, result from or be related to the Lessee's performance of the use of the Town's property as outlined in this Agreement, whether such performance be by Lessee or by someone directly or indirectly retained or employed by Lessee, the Lessee's customers, invitees and guests, or by anyone for whose acts, errors, or omissions any of them may be liable. A copy of all policies or signed certificates of insurance shall be on file with the Town at all times, shall be appropriately endorsed to give the Town a minimum of thirty (30) days notice of cancellation or intention of non-renewal or restriction of coverage, shall name the Town of Grand Lake and Headwaters Marina as "Additional Insured", and shall conform with the laws of the State of Colorado. Such insurances required herein shall be written for limits as follows:

A. Commercial General Liability

1. Bodily Injury and Property Damage
\$1,000,000 each occurrence
\$2,000,000 aggregate

Personal Injury
\$1,000,000 each occurrence
\$2,000,000 aggregate

B: Workers' Compensation and Employers' Liability:

2. Workers' Compensation - at statutory levels
3. Employer's Liability
\$100,000 each accident
\$100,000 disease - each employee
\$500,000 disease - policy limit

9) It is specifically agreed that neither Lessee nor any person working on his behalf on the project shall discriminate against any person because of age, race, sex, national origin, ancestry, disability or religion.

10) Lessee shall operate the business in a reasonable manner to provide sufficient, quality service to its customers and shall maintain its premises in a clean, safe manner. If, at the Town Manager's sole discretion it is determined that Lessee is not providing the standard of service required, the Town may terminate the Lease. The Town Manager may not unreasonably make such a determination.

11) This Agreement shall be in force and effect beginning on the date stated above and shall terminate on September 28, 2030. At the end of the contract term, the lease costs terms may be refactored and renewed for another term of five years, subject to appropriation.

12) Upon expiration or termination of this Agreement, the Lessee shall remove all equipment immediately and restore the building to its previous condition.

13) Both parties have consulted with legal counsel to the extent they desire to do so and the contents of the document are the result of their joint drafting efforts.

Town of Grand Lake

Mountain Paddlers, LLC

Christina Bergquist, Mayor

Andrew J. Murphy II, Managing Member

EXHIBIT A

SEASONAL KAYAK SLIP RENTAL AGREEMENT
HEADWATERS MARINA ENTERPRISE
PO BOX 99, GRAND LAKE, CO 80447
(970) 627-5031 * Fax (970) 627-8243

1. PARTIES TO AGREEMENT: The parties to this Slip Rental Agreement are Headwaters Marina (hereinafter "Lessor") and Mountain Paddlers, LLC, d/b/a Mountain Paddlers (hereinafter "Lessee" or "Owner").

2. LESSEE IDENTIFICATION: Lessee's full name and mailing address are:

Name: Mountain Paddlers, LLC	E-Mail: kayak@mountainpaddlers.com	
Home Address: 10553 US Hwy 34/#11	PO Box: 2153	
City: Grand Lake	State: CO	Zip: 80447-2153
Telephone (Home):	Work:	Cell: 970-531-6334

3. AGREEMENT: In consideration of the payment of \$900.00 from Lessee to Lessor, receipt of which is hereby acknowledged, Lessor and Lessee agree as follows.

A. PERMISSION TO STORE VESSEL: By the terms of this Agreement, Lessee shall be allowed to store Lessee's vessels in Rack A, Slips 1-6, and Rack D, Slips 1-6, from the Friday prior to Memorial Day each year beginning in 2021 until the Monday following the third weekend in September each year through September 28, 2025. No other vessels can be stored in this space without prior consent of Headwaters Marina.

B. PERMITTED ACTIVITIES: The Lessee is permitted to store Lessee's vessels as described above. The use and consumption of alcohol is strictly prohibited on Town Property except during Special Events that have obtained a liquor license. By renting this slip, the Town grants no privileges that are not specifically enumerated in this agreement to the Lessee or his agents, which include but are not limited to the Lessee's family member(s), employee(s), agent(s), guest(s), permittee(s) or invitee(s), regarding the use of Town property.

C. LESSOR NOT LIABLE FOR FIRE, THEFT, ETC: Lessee is responsible for launching and storing the vessels, and understands and acknowledges that storing Lessee's vessels at the kayak slip is at the Lessee's own risk. Lessor and its Manager assume no responsibility nor liability for the safety of any vessel or its contents stored at the kayak slips, and will not be liable for fire, theft, damage or vandalism to Lessee's vessels, nor any of the equipment, appurtenances, etc., connected or related thereto, however arising; it being the understanding of Lessor and Lessee that the Lessee shall store the vessels at the Lessee's sole risk. Lessor and its Manager DO NOT insure the Lessee, the vessels, nor any of the equipment, appurtenances, etc., connected or related thereto against risks of fire, theft, damage, vandalism or any other loss or casualty to the same.

D. REMOVAL OF VESSEL UPON EXPIRATION OR TERMINATION: Upon expiration or termination of this Agreement for any reason, Lessee agrees to remove the vessels from the assigned slips within ten (10) days of expiration of this Agreement or notice of termination provided in writing and mailed to the Lessee's address listed above.

E. HOLD OVER: Should Lessee fail to remove the vessels upon expiration or termination of this Agreement, Lessee shall be deemed a hold-over tenant, and shall pay rent at a rate of \$25 per day. If not removed within 10 days of expiration or termination, the Lessor shall have the right, but not the obligation, to remove and store the vessels and to charge Lessee for winter storage, winterization of the vessels, and any other charges that the vessels accrue, in addition to the hold-over amounts discussed above. Any hold-over tenant who has failed to pay any sum due in consideration of such tenancy for a period of nine (9) months after such sum is due and owing, shall be deemed to have abandoned his vessels and such abandoned vessels may be disposed of/by the Town of Grand Lake in the manner provided by state statutes or local laws concerning abandoned property.

F. RENEWAL OF LEASE: Tenancy shall give Lessee renewal priority over another applicant for storage space up to the published renewal deadline date, as long as Lessee is in good standing with Headwaters Marina.

G. RULES AND REGULATIONS: The attached Rules and Regulations of Headwaters Marina Enterprise are made a part of this Lease Agreement. Failure by Lessee to observe these rules shall give the Lessor the right to terminate this Lease Agreement. The rules and regulations are subject to change without notice.

I certify that I have read and agree to the above terms and conditions and that I have read and agree to abide by the attached Rules and Regulations of Headwaters Marina Enterprise.

HEADWATERS MARINA RULES AND REGULATIONS

1. The Lessee agrees to exercise due care in the use of the premises provided under the Agreement and to exercise due care in the operation of any vessel in the Headwaters Marina area.
2. To be admitted to Headwaters Marina and to continue to be slipped or moored at this marina, a Vessel must be registered, identified, marked, equipped and maintained as required by law, shall at all times be capable of moving from its slip/mooring under its own power, and shall at all times present a clean, well-maintained appearance. The Headwaters Marina shall have the right to inspect the Vessel to determine whether these requirements are being observed.
3. Vessels shall be secured in their slips/mooring in a manner acceptable to the Headwaters Marina. If the Vessel is not so secured, the Headwaters Marina, after notice to the Lessee, will properly secure the Vessel for the Lessee, without liability on the part of the Marina, and will charge the Lessee for labor and materials for this work.
4. Lessees will provide the Headwaters Marina with keys or lock combinations for the main hatches and engine hatches of their vessels. Headwaters Marina will store keys in a secure area accessible only to responsible Headwaters Marina personnel. Headwaters Marina will give the keys (or combination) to no person other than the Lessee or Headwaters Marina personnel, and then only upon prior authorization by the Lessee.
5. In the event of a heavy storm, Headwaters Marina personnel will attempt, if practical and possible, to provide preparation and damage prevention services. Lessee agrees to pay for these services as billed. However, Headwaters Marina does not assume responsibility for said protection or for any damages to Lessee's Vessel.
6. Lessees are welcome to perform minor service work on their own Vessels provided, however, that:
 - a. The work is actually performed by the Lessee, members of his/her family, or friends who are not working for pay.
 - b. The Vessel is located in the Lessee's slip.
 - c. Absolutely no paints, thinners, solvents, oils, or similar materials, or any sawdust, sanding residue, paint scrapings or the like be spilled, dumped or discharged into the waters of Headwaters Marina or Grand Lake. Lessees should note that serious damage to other vessels have been caused by accidental spills. In the event of an accidental spill, the offending parties will be held completely responsible for repair of those damages.
 - d. The work is minor in nature, including but not limited to changing of spark plugs, prop replacement, routine engine maintenance, etc.
 - e. The work **is not major** in nature, including but not limited to engine overhaul, fiberglassing, sanding, varnishing, etc.
7. Advertising or soliciting shall not be conducted at Headwaters Marina. This includes the prohibition of for sale signs on the vessel.
8. Headwaters Marina reserves the right to place other vessels in a Lessee's assigned slip, and to charge therefore, when the slip is not being used by the Lessee.

9. The laws of the State of Colorado, and the Clean Water Act of the U.S. Government specifically prohibits discharge or deposit of any rubbish, waste material or refuse material of any kind or description into the waters of any river, stream, lake, pond or tidal waters. Headwaters Marina supports these regulations and will provide every assistance to the enforcement agencies to assure compliance within Headwaters Marina. Lessees and their family and guests are expected to cooperate by using the Town's public restrooms and placing all garbage refuse in the receptacles provided.
10. Dumping of portable toilets is prohibited.
11. Lessees shall not place supplies, materials, accessories, canoes, kayaks, dinghies, or debris on the docks, walkways, or shoreline, and shall not construct thereon any lockers, chests, cabinets, or similar structures. Water hoses and electric cords shall be removed when not in use, or shall be neatly coiled and stowed. Headwaters Marina reserves the right to confiscate any of the above items if in violation of this rule.
12. Lessees are expected to conduct themselves, and to see that children and guests for whom they are responsible also conduct themselves, so as to create no annoyance, hazard or nuisance to Headwaters Marina or to other Lessees. In addition to the good housekeeping practices listed above, this rule specifically includes the following:
 - a. Swimming, diving, or fishing from Headwaters Marina docks is not permitted.
 - b. No charcoal or open fires will be allowed on Headwaters Marina premises.
 - c. Dogs will be kept on a leash or under voice control at all times. Lessees are expected to clean up after their pets promptly and dispose of the waste properly.
 - d. Children shall not be allowed to run on Headwaters Marina docks.
13. Vessels over 20' in length must be pre-approved by the Marina Director for docking.