

## **LEASE AGREEMENT**

### **(Space to Create – Grand Spirit Maker Space)**

**THIS LEASE AGREEMENT** (this “**Lease**”) is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2026 (the “**Effective Date**”), by and between the **TOWN OF GRAND LAKE**, a Colorado statutory municipality, whose address is P.O. Box 99, Grand Lake, Colorado 80447 (the “**Town**” or “**Landlord**”), and the **ROCKY MOUNTAIN FOLK SCHOOL**, a Colorado nonprofit corporation organized under Section 501(c)(3) of the Internal Revenue Code, whose address is P.O. Box 545, Grand Lake, Colorado 80447 (“**RMFS**” or “**Tenant**”). The Town and RMFS are sometimes referred to herein individually as a “**Party**” and collectively as the “**Parties**.”

### **RECITALS**

**WHEREAS**, the Town is the owner of certain real property located within the Town of Grand Lake, County of Grand, State of Colorado, commonly known as 1128 Park Avenue, Building A, and referred to as the Space to Create – Grand Spirit Maker Space (the “**Property**”); and

**WHEREAS**, the Town has developed the Space to Create – Grand Lake Project on the Property to provide, among other things, space for artistic and other creative endeavors, which Project consists of nine (9) workforce multi-family rental apartments referred to as the Space to Create Residences and an approximately 3,000 square foot building referred to as the Space to Create – Grand Spirit Maker Space (the “**Building**”); and

**WHEREAS**, the Town and RMFS previously entered into that certain Memorandum of Understanding regarding the leasing and subleasing of space within the Building (the “**MOU**”), which contemplates an initial multi-year lease arrangement between the Parties; and

**WHEREAS**, the Town desires to lease the Building and the adjacent exterior courtyard to RMFS, and RMFS desires to lease the same from the Town, on the terms and conditions set forth in this Lease.

**NOW, THEREFORE**, in consideration of the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

#### **1. Premises.**

The Town hereby leases to RMFS, and RMFS hereby leases from the Town, the Building, consisting of an approximately 3,000 square foot structure located at 1128 Park Avenue, Building A, Grand Lake, Colorado 80447, together with the adjacent exterior courtyard area (collectively, the “**Premises**”). The Premises are leased in their “**AS-IS**” condition existing on the Effective Date, subject to the Town’s maintenance obligations set forth herein.

**2. Term.**

The initial term of this Lease shall be for a period of one (1) year, commencing on **June 1, 2026** (the “**Commencement Date**”), and ending at 11:59 p.m. on **May 31, 2027** (the “**Term**”), unless sooner terminated as provided herein. The Parties acknowledge that this Lease is contemplated by, and consistent with, the MOU and may, upon mutual written agreement of the Parties, be extended or replaced with a successor lease consistent with the term provisions of the MOU.

**3. Rent.**

- (a) **Base Rent.** Consistent with the MOU, no Base Rent shall be due or payable for the period commencing on the Commencement Date through and including December 31, 2026. Beginning **January 1, 2027**, and continuing on the first (1st) day of each month thereafter through the expiration of the Term, RMFS shall pay to the Town base rent in the amount of **Five Hundred and 00/100 Dollars (\$500.00) per month** (“**Base Rent**”).
- (b) **Place and Manner of Payment.** RMFS shall pay all Base Rent to the Town at the address set forth in Section 14 (Notices) of this Lease, or at such other place as the Town may from time to time designate in writing. Rent shall be paid without demand, deduction, or offset, except as otherwise expressly provided in this Lease.
- (c) **Late Charges.** Any installment of Base Rent not received by the Town within ten (10) days after the date such payment is due shall be considered delinquent. The Town reserves the right to assess a reasonable late fee, not to exceed five percent (5%) of the delinquent amount, on any delinquent installment.

**4. Use of Premises.**

RMFS shall use and occupy the Premises for purposes consistent with the mission and programming of the Rocky Mountain Folk School, including but not limited to artistic, educational, cultural, and creative programming, classes, workshops, exhibitions, performances, community events, administrative office use, and the leasing and subleasing of space within the Building to other organizations and users in support of such purposes. RMFS shall not use the Premises for any unlawful purpose or in any manner that would violate the certificate of occupancy for the Building or any applicable federal, state, or local law, ordinance, rule, or regulation.

**5. Subleases.**

RMFS is authorized to sublease portions of the Building to various organizations and users consistent with the use of the Premises permitted under Section 4. RMFS shall provide the Town with written notice of any proposed sublease, including the identity of the sublessee and the general terms thereof, prior to execution of any such sublease. Each sublease shall be subject and subordinate to this Lease, and no sublease shall release RMFS from any of its obligations to the Town under this Lease. RMFS shall be responsible for the acts and omissions of all sublessees and their respective employees, agents, invitees, and guests.

**6. Landlord Responsibilities.**

Throughout the Term, and subject to the other provisions of this Lease, the Town shall:

- (a) Maintain ownership of the Building and lease the Premises to RMFS in accordance with the terms of this Lease;
- (b) Maintain property insurance on the Building consistent with the Town’s insurance practices;
- (c) Be responsible for the initial installation and ongoing maintenance of utilities and services serving the Building, including but not limited to domestic water, sanitary sewer, electrical, Wi-Fi, natural gas, snow removal, and trash service, subject to reimbursement by RMFS as provided in Section 7;
- (d) Perform normal interior and exterior maintenance of the Building, including but not limited to maintenance and repair of the domestic water heater, heating elements, trash removal, snow removal, landscape and hardscape maintenance, repair of breakage of exterior glass, and repair of exterior vandalism by third parties; and
- (e) Subject to annual appropriation by the Board of Trustees of the Town and consistent with the MOU, provide annual financial operating assistance to RMFS in support of the Building of not less than **Twenty-Five Thousand and 00/100 Dollars (\$25,000.00)** for fiscal year 2026. The financial commitment of the Town under this Section 6(e) is subject to annual appropriation by the Town Board of Trustees, and the failure of the Town to appropriate such funds shall not constitute a breach or default by the Town under this Lease.

**7. Tenant Responsibilities.**

Throughout the Term, and subject to the other provisions of this Lease, RMFS shall:

- (a) Take possession of and occupy the Premises commencing on the Commencement Date;
- (b) Be responsible for any and all subleases entered into in accordance with Section 5 above, and shall inform the Town in writing prior to the execution of any such sublease;
- (c) Maintain insurance covering the contents of the Building owned by RMFS and covering occupants and users of the Building, and shall require all sublease tenants to maintain similar insurance policies consistent with applicable statutory requirements and customary practice;
- (d) Reimburse the Town for all utility and service costs associated with the operation of the Building, including but not limited to domestic water, sanitary sewer, electrical, Wi-Fi, trash, and natural gas, within thirty (30) days following receipt of an invoice or statement therefor from the Town; and
- (e) Perform normal cleaning and routine upkeep of the interior of the Building, and otherwise maintain the interior of the Premises in a neat, clean, and orderly condition consistent with the use permitted hereunder.

**8. Insurance.**

In addition to the contents and occupant insurance described in Section 7(c), RMFS shall maintain throughout the Term commercial general liability insurance with limits of not less than One Million Dollars (\$1,000,000) per occurrence and Two Million Dollars (\$2,000,000) in the aggregate, naming the Town as an additional insured. RMFS shall provide the Town with a certificate evidencing such coverage upon request. Each Party waives any right of recovery against the other Party for any loss or damage to the extent such loss or damage is covered by insurance carried by the waiving Party.

**9. Compliance with Laws.**

RMFS shall, at its own expense, comply with all federal, state, and local laws, ordinances, rules, and regulations applicable to its use of the Premises. The Town shall be responsible for compliance of the Building structure with applicable building codes to the extent related to the Town's maintenance obligations under Section 6.

**10. Alterations and Improvements.**

RMFS shall not make any structural alterations, additions, or improvements to the Building without the prior written consent of the Town, which consent shall not be unreasonably withheld, conditioned, or delayed. Non-structural interior alterations and improvements consistent with the permitted use may be made by RMFS without the Town's prior written consent, provided that any such alterations comply with applicable codes and do not adversely affect the Building's structural, mechanical, electrical, or plumbing systems. All permanent alterations and improvements shall, at the Town's option, become the property of the Town upon installation or upon termination of this Lease.

**11. Surrender.**

Upon the expiration or earlier termination of this Lease, RMFS shall peaceably surrender the Premises to the Town in substantially the same condition as existed on the Commencement Date, ordinary wear and tear and damage by casualty excepted. Any of RMFS's personal property remaining on the Premises more than thirty (30) days following the expiration or termination of this Lease shall be deemed abandoned and may be disposed of by the Town without liability to RMFS.

**12. Default; Remedies.**

The occurrence of any of the following shall constitute an event of default by RMFS under this Lease: (i) the failure of RMFS to pay any installment of Base Rent or any other sum due under this Lease within ten (10) days after written notice from the Town that such payment is past due; or (ii) the failure of RMFS to perform any other material obligation under this Lease, which failure continues for thirty (30) days after written notice from the Town specifying such failure (or, if the failure cannot reasonably be cured within thirty (30) days, such longer period as is reasonably necessary so long as RMFS commences the cure within such 30-day period and diligently pursues the same to completion). Upon the occurrence of an event of default, the Town may, in addition to any other remedies available at law or in equity, terminate this Lease upon written notice to RMFS, and recover possession of the Premises.

**13. Annual Review of Operating Costs.**

Consistent with the MOU, the Town and RMFS shall annually review their respective operating costs related to the Building and shall cooperate in good faith to identify reasonable measures to manage and allocate such costs.

**14. Notices.**

Any notice, demand, request, consent, or other communication required or permitted to be given under this Lease shall be in writing and shall be deemed to have been duly given and effective: (i) three (3) days after deposit in the United States mail, postage prepaid, certified mail, return receipt requested; (ii) immediately

upon hand delivery; or (iii) immediately upon receipt of confirmation that an e-mail transmission was received, in each case addressed to the applicable Party at the address set forth below, or to such other address as a Party may designate by notice given in accordance with this Section:

**If to the Town:**

Town of Grand Lake  
Attn: Town Manager  
P.O. Box 99  
Grand Lake, Colorado 80447

**If to RMFS:**

Rocky Mountain Folk School  
P.O. Box 545  
Grand Lake, Colorado 80447

**15. Governmental Immunity.**

The Parties acknowledge and agree that the Town is a governmental entity entitled to the protections of the Colorado Governmental Immunity Act, §24-10-101, et seq., C.R.S., as amended (the “Act”). Liability for claims for injuries to persons or property arising from the negligence of the Town, its divisions, boards, commissions, committees, bureaus, officers, employees, and officials shall be controlled and limited by the provisions of the Act. No term or condition of this Lease shall be construed or interpreted as a waiver, express or implied, of any of the immunities, rights, benefits, protections, or other provisions contained in the Act.

**16. Annual Appropriation.**

Notwithstanding any other provision of this Lease to the contrary, the financial obligations of the Town under this Lease, including without limitation the financial operating assistance described in Section 6(e), are expressly subject to annual appropriation by the Town Board of Trustees in accordance with Article X, Section 20 of the Colorado Constitution and other applicable law. The Town shall not be obligated to appropriate funds for any future fiscal year, and the failure of the Town to appropriate such funds shall not constitute a default by the Town under this Lease.

**17. No Third-Party Beneficiaries.**

This Lease does not, and is not intended to, confer any rights or remedies upon any person or entity other than the Parties. Enforcement of this Lease and all rights and obligations hereunder are reserved solely to the Parties. Any services or benefits which third parties receive as a result of this Lease are incidental.

**18. Assignment.**

RMFS shall not assign this Lease without the prior written consent of the Town, which consent shall not be unreasonably withheld, conditioned, or delayed. Subject to Section 5, RMFS may sublease portions of the Premises as contemplated by this Lease and the MOU.

**19. Entire Agreement; Relationship to MOU.**

This Lease, together with the MOU, constitutes the entire agreement between the Parties with respect to the leasing of the Premises and supersedes all prior negotiations, representations, and agreements between the Parties with respect thereto. In the event of any conflict between the terms of this Lease and the terms of the MOU with respect to the leasing of the Premises during the Term, the terms of this Lease shall control.

**20. Amendments.**

No amendment, modification, or waiver of any provision of this Lease shall be effective unless in writing and signed by both Parties.

**21. Governing Law; Venue.**

This Lease shall be governed by and construed in accordance with the laws of the State of Colorado, without regard to its conflict of laws principles. Venue for any action arising out of or relating to this Lease shall lie exclusively in the District Court for Grand County, Colorado.

**22. Severability.**

If any provision of this Lease is held to be invalid or unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect to the maximum extent permitted by law.

**23. Counterparts; Electronic Signatures.**

This Lease may be executed in one or more counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument. Signatures delivered by facsimile or in electronic (PDF) format shall be deemed originals for all purposes.

**IN WITNESS WHEREOF**, the Parties have executed this Lease as of the Effective Date first written above.

**TOWN OF GRAND LAKE, COLORADO**

By: \_\_\_\_\_  
Christina Bergquist, Mayor

Date: \_\_\_\_\_

**ATTEST:**

\_\_\_\_\_

Alayna Carrell, Town Clerk

**ROCKY MOUNTAIN FOLK SCHOOL,  
a Colorado nonprofit corporation**

By: \_\_\_\_\_

Alan Walker, President

Date: \_\_\_\_\_