NON-RESIDENTIAL REAL PROPERTY LEASE AGREEMENT (Old Library Building)

THIS LEASE AGREEMENT ("Lease") is made and entered into on ______, 2024, by and between Town of Johnstown, Colorado, a home rule municipality, whose address is 450 So. Parish, Johnstown, Colorado 80534 (hereinafter referred to as "Landlord"), and Johnstown Milliken Christian Church, d/b/a Connections Christian Church, a Colorado non-profit corporation, whose address is 1011 S. Jay Avenue, Johnstown, CO 80534 (hereinafter referred to as "Tenant") (singularly, a "Party" or collectively, the "Parties").

ARTICLE I - GRANT OF LEASE

Landlord, in consideration of the rents to be paid and the covenants and agreements to be performed and observed by Tenant, does hereby lease to Tenant and Tenant does hereby lease and take from Landlord the property described as Lot 16, Block 6, Callahan Heights Addition, Town of Johnstown, County of Weld, State of Colorado, and known by street address as 1011 S. Jay Avenue, Johnstown, CO 80534 (the "Leased Premises"), together with, as part of the parcel, all improvements located thereon.

ARTICLE II - LEASE TERM

Section 1. Total Term of Lease. The term of this Lease shall commence on January 1, 2025 ("Commencement Date") and shall terminate on December 31, 2026.

ARTICLE III - EXTENSIONS; SALE OF BUILDING

Section 1. Extension of Lease. The Parties hereto may elect to extend this Lease upon such terms and conditions as may be agreed upon in writing and signed by the Parties at the time of any such extension.

Section 2. Sale of Leased Premises. In the event the Leased Premises is sold, Landlord shall provide Tenant with at least sixty (60) days written notice. Tenant shall have the right to terminate this Lease without any liability for payment of rents beyond the month in which Tenant vacates the Leased Premises. Landlord shall also have the right to terminate this Lease in the event of sale of the Leased Premises.

ARTICLE IV - DETERMINATION OF RENT

Tenant agrees to pay Landlord and Landlord agrees to accept, during the term hereof, at Landlord's address set forth above, rent at the following rates and times:

<u>Section 1.</u> <u>Annual Rent</u>. Annual rent for the term of the Lease shall be Eleven Thousand Four Hundred Dollars (\$11,400.00).

Section 2. Payment of Yearly Rent. The annual rent shall be paid in equal monthly installments of one-twelfth (1/12) of the total annual rent, which shall be Nine Hundred Fifty Dollars (\$950.00) due on the first day of each and every calendar month during the term hereof, and pro rata for the fractional portion of any month, except that on the first day of the calendar month immediately following the Commencement Date, Tenant shall also pay to Landlord rent at the said rate for any portion of the preceding calendar month included in the term of this Lease.

A late fee in the amount of One Hundred Dollars (\$100.00) shall be assessed if payment is not postmarked or received by Landlord on or before the tenth (10th) day of each month.

ARTICLE V - SECURITY DEPOSIT

Tenant has deposited with Landlord the sum of One Thousand Two Hundred Dollars (\$1,200.00) as security for the full and faithful performance by Tenant of all the terms of this Lease required to be performed by Tenant. Such sum shall be returned to Tenant after the expiration of this Lease, provided Tenant has fully and faithfully carried out all of its terms. In the event of a bona fide sale of the property of which the leased premises are a part, Landlord shall have the right to transfer the security to the purchaser to be held under the terms of this Lease, and Landlord shall be released from all liability for the return of such security to Tenant.

ARTICLE VI-TAXES

<u>Section 1</u>. <u>Personal Property Taxes</u>. The Parties assume that Tenant is exempt from taxes, but in the event that Tenant is not exempt, or loses their tax-exempt status, Tenant shall be liable for all taxes levied against any leasehold interest of Tenant or personal property and trade fixtures owned or placed by Tenant in the Leased Premises.

Section 2. Real Estate Taxes. The Parties assume that they are both exempt from payment of any taxes, but if, at any time, taxes are levied against the property during the term of this Lease, Landlord shall deliver to Tenant a copy of any real estate taxes and assessments against the Leased Premises. From and after the Commencement Date, Tenant shall pay to Landlord not later than twenty-one (21) days after the day on which the same may become initially due, all real estate taxes and assessments applicable to the Leased Premises, together with any interest and penalties lawfully imposed thereon as a result of Tenant's late payment thereof, which shall be levied upon the Leased Premises during the term of this Lease.

Section 3. Contest of Taxes. Tenant, at its own cost and expense, may, if it shall in good faith so desire, contest by appropriate proceedings the levy or the amount of any personal or real property tax. Tenant may, if it shall so desire, endeavor at any time or times, by appropriate proceedings, to obtain a reduction in the assessed valuation of the Leased Premises for tax purposes. In any such event, if Landlord agrees, at the request of Tenant, to join with Tenant, at

Tenant's expense in said proceedings, and Landlord agrees to sign and deliver such papers and instruments as may be necessary to prosecute such proceedings, Tenant shall have the right to contest the amount of any such tax and Tenant shall have the right to withhold payment of any such tax, if the law under which Tenant is contesting such tax so permits.

Section 4. Payment of Ordinary Assessments. There are currently no assessments applicable to the Leased Premises, but in the event that any assessments are levied against the Leased Premises, Tenant shall pay all assessments, ordinary and extraordinary, attributable to or against the Leased Premises not later than twenty-one (21) days after the day on which the same became initially due. Tenant may take the benefit of any law allowing assessments to be paid in installments and in such event Tenant shall only be liable for such installments of assessments due during the term hereof.

Section 5. Changes in Method of Taxation. Landlord and Tenant further agree that if at any time during the term of this Lease, the present method of taxation or assessment of real estate shall be changed so that the whole or any part of the real estate taxes, assessment or governmental impositions now levied, assessed, or imposed on the Leased Premises shall, in lieu thereof, be assessed, levied, or imposed wholly or in part, as a capital levy or otherwise upon the rents reserved herein or any part thereof, or as a tax, corporation franchise tax, assessment, levy or charge, or any part thereof, measured by or based, in whole or in part, upon the Leased Premises or on the rents derived therefrom and imposed upon Landlord, then Tenant shall pay all such taxes, assessments, levies, impositions, or charges.

ARTICLE VII - UTILITIES

<u>Section 1</u>. <u>Utilities</u>. Tenant shall pay for all water, sanitation, sewer, electricity, light, heat, gas, power, fuel, internet, janitorial, and other services incident to Tenant's use of the Leased Premises, whether or not the cost thereof be a charge or imposition against the Leased Premises.

ARTICLE VIII - OBLIGATIONS FOR REPAIRS

<u>Section 1</u>. <u>Landlord's Repairs</u>. Subject to any provisions herein to the contrary, and except for maintenance or replacement necessitated as the result of the act or omission of Tenant, sublessees, licensees, or contractors, Landlord shall be required to repair only defects, deficiencies, deviations, or failures of materials or workmanship in the building. "Building" shall include all permanent fixtures on the Leased Premises including the roof, brick, sidewalk, foundation, electrical system, water system, sewer system, HVAC system (two units) and furnace (two units).

<u>Section 2. Tenant's Repairs</u>. Tenant shall repair and maintain the Leased Premises in good order and condition, except for reasonable wear and tear and for maintenance or replacement necessitated as the result of the act or omission or negligence of Landlord, its employees, agents, or contractors. Landlord recognizes and agrees that, as of the date of the

execution of Lease, the irrigation system is not operational. If Landlord, at its discretion, fixes the irrigation system during the term of the Lease, Tenant shall be responsible for the operation and maintenance of the irrigation system.

Section 3. Requirements of the Law. Tenant agrees that if any federal, state, or municipal government or any department or division thereof shall condemn the Leased Premises or any part thereof as not in conformity with the laws and regulations relating to the construction thereof as of the Commencement Date with respect to conditions latent or otherwise which existed on the Commencement Date or with respect to items which are Landlord's duty to repair pursuant to Section 1 and 3 of this Article; and such federal, state, or municipal government or any other department or division thereof, has ordered or required, or shall hereafter order or require, any alterations or repairs thereof or installations and repairs as may be necessary to comply with such laws, orders, or requirements (the validity of which Tenant shall be entitled to contest); and if by reason of such laws, orders or the work done by Landlord in connection therewith, Tenant is deprived of the use of the Leased Premises, the rent shall be abated or adjusted, as the case may be, in proportion to that time during which, and to that portion of the Leased Premises of which, Tenant shall be deprived as a result thereof, and Landlord shall be obligated to make such repairs, alterations or modifications at Landlord's expense. If repairs prohibit Tenant from conducting the use of the premises for the uses contemplated under Article XI for more than sixty (60) days, Tenant shall have the right to terminate this Lease.

All such rebuilding, altering, installing, and repairing shall be done in accordance with plans and specifications approved by Tenant, which approval shall not be unreasonably withheld. If, however, such condemnation, law, order, or requirement, as in this Article set forth, shall be with respect to an item which shall be Tenant's obligation to repair pursuant to Section 2 of this Article VIII or with respect to Tenant's own costs and expenses, no abatement or adjustment of rent shall be granted; provided, however, that Tenant shall also be entitled to contest the validity thereof.

Section 4. Tenant's Alterations. Tenant shall have the right, at its sole expense, from time to time, to redecorate the Leased Premises and to make such non-structural alterations and changes in such parts thereof as Tenant shall deem expedient or necessary for its purposes; provided, however, that such alterations and changes shall neither impair the structural soundness nor diminish the value of the Leased Premises. Tenant may make structural alterations and additions to the Leased Premises provided that Tenant has first obtained the consent thereto of Landlord in writing. Landlord agrees that it shall not withhold such consent unreasonably.

<u>Section 5.</u> Permits and Expenses. Each Party agrees that it will procure all necessary permits for making any repairs, alterations, or other improvements for installations, when applicable. Each Party hereto shall give written notice to the other Party of any repairs required of the other pursuant to the provisions of this Article, and the Party responsible for said repairs agrees promptly to commence such repairs and to prosecute the same to completion diligently, subject, however, to the delays occasioned by events beyond the control of such Party.

Each Party agrees to pay promptly when due the entire cost of any work done by it upon the Leased Premises so that the Leased Premises at all times shall be free of liens for labor and materials. Each Party further agrees to hold harmless and indemnify the other Party from and against any and all injury, loss, claims, or damage to any person or property occasioned by or arising out of the doing of any such work by such Party or its employees, agents, or contractors. Each Party further agrees that in doing such work that it will employ materials of good quality and comply with all governmental requirements, and perform such work in a good and workmanlike manner.

ARTICLE IX- TENANT'S COVENANTS

Section 1. Tenant's Covenants. Tenant covenants and agrees as follows:

A. To procure any licenses and permits required for any use made of the Leased Premises by Tenant, and upon the expiration or termination of this Lease, to remove its goods and effects and those of all persons claiming under it, and to yield up peaceably to Landlord the Leased Premises in good order, repair, and condition in all respects; excepting only damage by fire and casualty covered by Tenant's insurance coverage, structural repairs (unless Tenant is obligated to make such repairs hereunder) and reasonable wear and tear.

B. To permit Landlord and its agents to examine the Leased Premises at reasonable times and to show the Leased Premises to prospective purchasers of the building and to provide Landlord, if not already available, with a set of keys for the purpose of said examination, provided that Landlord shall not thereby unreasonably interfere with the conduct of Tenant's business.

C. To permit Landlord to enter the Leased Premises to inspect such repairs, improvements, alterations, or additions thereto as may be required under the provisions of this Lease. If such repairs or alterations are not being made at the instance or fault of Tenant and such repairs, etc., substantially interfere with Tenant's use of the Leased Premises as contemplated under Article XI for a period exceeding sixty (60) days, then in that event, Tenant shall have a right to terminate this Lease.

ARTICLE X- INDEMNITY BY TENANT

Section 1. Indemnity and Public Liability. Tenant shall save Landlord harmless and indemnify Landlord from all injury, loss, claims, or damage to any person or property while on the Leased Premises, unless caused by the willful acts or omissions or gross negligence of Landlord, its employees, agents, licensees, or contractors. Tenant shall maintain, with respect to the Leased Premises, public liability insurance with limits of not less than one million dollars for injury or death each occurrence and two million dollars general aggregate and two hundred fifty thousand dollars property damage insurance coverage, insuring Landlord and Tenant against injury to persons or damage to property on or about the Leased Premises. Landlord shall not maintain property insurance for Tenant's personal property at the Leased Premises. Tenant

shall obtain adequate insurance coverage to protect its personal property. A copy of the policy or a certificate of liability insurance shall be delivered to Landlord on or before the Commencement Date and no such policy shall be cancellable without ten (10) days prior written notice to Landlord.

ARTICLE XI- USE OF PROPERTY BY TENANT

Section 1. Use. The Leased Premises may be occupied and used by Tenant exclusively for community resource purposes, youth group activities, and church offices. Community Resource purposes shall include services such as marriage enrichment services and classes, financial classes, support groups, and community meals (including the right to store food pantry items to service Tenant's clients), but shall not include a walk-in food bank or community kitchen/feeding on premises or any similar use.

Nothing herein shall give Tenant the right to use the Leased Premises for any other purpose or to sublease, assign, or license the use of the Leased Premises to any sublessee, assignee, or licensee, without Landlord's prior written consent.

ARTICLE XII - SIGNAGE

Section 1. Exterior Signs. Tenant shall have the right, at its sole risk and expense and in conformity with applicable laws and ordinances, to erect and thereafter, to repair or replace, if it shall so elect, signs on any portion of the Leased Premises, providing that Tenant shall remove any such signs upon termination of this Lease, and repair all damage occasioned thereby to the Leased Premises.

<u>Section 2. Interior Signs</u>. Tenant shall have the right, at its sole risk and expense and in conformity with applicable laws and ordinances, to erect, maintain, place, and install its usual and customary signs and fixtures in the interior of the Leased Premises. Tenant shall remove any such signs upon termination of this Lease, and repair all damage occasioned thereby to the Leased Premises.

ARTICLE XIII- DAMAGE TO DEMISED PREMISES

Section 1. Abatement or Adjustment of Rent. If the whole or any part of the Leased Premises shall be damaged or destroyed by fire or other casualty after the execution of this Lease and before the termination hereof, then in every case the rent set forth in Article IV herein and other charges, if any, shall be abated or adjusted, as the case may be, in proportion to that portion of the Leased Premises of which Tenant shall be deprived on account of such damage or destruction and the work of repair, restoration, rebuilding, or replacement, or any combination thereof, of the improvements so damaged or destroyed, shall in no way be construed by any person to effect any reduction of sums or proceeds payable under any rent insurance policy.

ARTICLE XIV - CONDEMNATION

Section 1. Total Taking. If, after the execution of this Lease and prior to the expiration of the term hereof, the whole of the Leased Premises shall be taken under power of eminent domain by any public or private authority, or conveyed by Landlord to said authority in lieu of such taking, then this Lease and the term hereof shall cease and terminate as of the date when possession of the Leased Premises shall be taken by the taking authority and any unearned rent or other charges, if any, paid in advance, including any Security Deposit that may be due to Tenant under the provisions of Article V, shall be refunded to Tenant.

Section 2. Partial Taking. If, after the execution of this Lease and prior to the expiration of the term hereof, any public or private authority shall, under the power of eminent domain, take, or Landlord shall convey to said authority in lieu of such taking, property which results in a reduction by twenty-five percent (25%) or more of the area in the Leased Premises, or a portion of the Leased Premises that substantially interrupts or substantially obstructs the conducting business on the Leased Premises, then Tenant may, at its election, terminate this Lease by giving Landlord notice of the exercise of Tenant's election within thirty (30) days after Tenant shall receive notice of such taking. In the event of termination by Tenant under the provisions of Section 1 of Article XV, this Lease and the term hereof shall cease and terminate as of the date when possession shall be taken by the appropriate authority of that portion of the entire property that results in one of the above takings, and any unearned rent or other charges, if any, paid in advance by Tenant shall be refunded to Tenant.

Section 3. Restoration. In the event of a taking in respect of which Tenant shall not have the right to elect to terminate this Lease or, having such right, shall not elect to terminate this Lease, this Lease and the term thereof shall continue in full force and effect and Landlord, at Landlord's sole cost and expense, forthwith shall restore the remaining portions of the Leased Premises, if feasible, including any and all improvements made theretofore to an architectural whole in substantially the same condition that the same were in prior to such taking. A just proportion of the rent reserved herein and any other charges payable by Tenant hereunder, according to the nature and extent of the injury to the Leased Premises and to Tenant's business, shall be suspended or abated until the completion of such restoration and thereafter the rent and any other charges shall be reduced in proportion to the square footage of the Leased Premises remaining after such taking.

Section 4. The Award. All compensation awarded for any taking, whether for the whole or portion of the Leased Premises, shall be the sole property of Landlord whether such compensation shall be awarded for diminution in the value of, or loss of, the leasehold or for diminution in the value of, or loss of, the fee in the Leased Premises, or otherwise. Tenant hereby assigns to Landlord all of Tenant's right and title to and interest in any and all such compensation. However, Landlord shall not be entitled to and Tenant shall have the sole right to make its independent claim for and retain any portion of any award made by the appropriating authority directly to Tenant for loss of business, or damage to or depreciation of, and cost of removal of fixtures, personalty and improvements installed in the Leased Premises by, or at the expense of Tenant, and to any other award made by the appropriating authority directly to Tenant. <u>Section 5</u>. <u>Release</u>. In the event of any termination of this Lease as the result of the provisions of this Article XIV, the Parties, effective as of such termination, shall be released, each to the other, from all liability and obligations thereafter arising under this Lease.

ARTICLE XV-DEFAULT

Section 1. Landlord's Remedies. In the event that:

A. Tenant shall on three or more occasions be in default in the payment of rent or other charges herein required to be paid by Tenant [default herein being defined as payment received by Landlord ten (10) or more days subsequent to the due date], regardless of whether or not such default has occurred on consecutive or non-consecutive months; or

B. Tenant has caused a lien to be filed against Landlord's property and said lien is not removed within thirty (30) days of recordation thereof; or

C. Tenant shall default in the observance or performance of any of the covenants and agreements required to be performed and observed by Tenant hereunder for a period of thirty (30) days after notice to Tenant in writing of such default [or if such default shall reasonably take more than thirty (30) days to cure, Tenant shall not have commenced the same within the thirty (30) days and diligently prosecuted the same to completion]; or

D. Sixty (60) days have elapsed after the commencement of any proceedings by or against Tenant, whether by the filing of a petition or otherwise, seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under the present or future Federal Bankruptcy Act or any other present or future applicable federal, state; or other statute or law, whereby such proceeding shall not have been dismissed (provided, however, that the non-dismissal of any such proceeding shall not be a default hereunder so long as all of Tenant's covenants and obligations hereunder are being performed by or on behalf of Tenant); then Landlord shall be entitled to its election (unless Tenant shall cure such default prior to such election), to exercise concurrently or successively, any one or more of the following rights:

(1) Terminate this Lease by giving Tenant notice of termination, in which event this Lease shall expire and terminate on the date specified in such notice of termination, with the same force and effect as though the date so specified were the date herein originally fixed as the termination date of the term of this Lease, and all rights of Tenant under this Lease and in and to the Leased Premises shall expire and terminate, and Tenant shall remain liable for all obligations under this Lease arising up to the date of such termination, and Tenant shall surrender the Leased Premises to Landlord on the date specified in such notice; or

(2) Terminate this Lease as provided herein and recover from Tenant all damages

Landlord may incur by reason of Tenant's default including, without limitation, a sum which, at the date of such termination, represents the then value of the excess, if any, of (a) the minimum rent, percentage rent, taxes and all other sums which would have been payable hereunder by Tenant for the period commencing with the day following the date of such termination and ending with the date herein before set for the expiration of the full term hereby granted, over (b) the aggregate reasonable rental value of the Leased Premises for the same period, all of which excess sum shall be deemed immediately due and payable; or

(3) Without terminating this Lease, declare immediately due and payable all minimum rent, taxes, and other rents and amounts due and coming due under this Lease for the entire remaining term hereof, together with all other amounts previously due, at once; provided, however, that such payment shall not be deemed a penalty or liquidated damages but shall merely constitute payment in advance of rent for the remainder of said term. Upon making such payment., Tenant shall be entitled to receive from Landlord all rents received by Landlord from other assignees, tenants, and subtenants on account of said Leased Premises during the term of this Lease, provided that the monies to which Tenant shall so become entitled shall in no event exceed the entire amount actually paid by Tenant to Landlord pursuant to the preceding sentence less all costs, expenses, and attorney's fees of Landlord incurred in connection with the reletting of the Leased Premises; or

(4)Without terminating this Lease and with or without notice to Tenant, Landlord may, in its own name but as agent for Tenant, enter into and upon and take possession of the Leased Premises or any part thereof, and at Landlord's option, remove persons and property therefrom, and such personal property, if any, may be removed and stored in a warehouse or elsewhere at the cost of, and for the account of Tenant, all without being deemed guilty of trespass or becoming liable for any loss or damage which may be occasioned thereby, and Landlord may rent the Leased Premises or any portion thereof as the agent of Tenant with or without advertisement, and by private negotiations and for any term upon such terms and conditions as Landlord may deem necessary or desirable in order to relet the Leased Premises. Landlord shall in no way be responsible or liable for any rental concessions or any failure to rent the Leased Premises or any part thereof, or for any failure to collect any rent due upon such reletting. Upon such reletting, all rentals received by Landlord from such reletting shall be applied: first, to the payment of any indebtedness (other than any rent due hereunder) from Tenant to Landlord; second, to the payment of any costs and expenses of such reletting, including, without limitation, brokerage fees and attorney's fees and costs of alterations and repairs; third, to the payment of rent and other charges then due and unpaid hereunder; and the residue, if any, shall be held by Landlord to the extent of and for application in payment of future rent as the same may become due and payable hereunder. In reletting the Leased Premises as aforesaid, Landlord may grant rent concessions, and Tenant shall not be credited therefor. If such rentals received from such reletting shall at any time or from time to time be less than sufficient to pay to Landlord the entire sums then due from Tenant hereunder. Tenant shall pay any such deficiency to Landlord. Such deficiency shall, at Landlord's option, be calculated and paid monthly. No such reletting shall be construed as an election by Landlord to terminate this Lease unless a written notice of such election has been given to Tenant by Landlord. Notwithstanding any such election by Landlord to terminate this Lease unless a written notice of such election has been given to Tenant by Landlord. Notwithstanding any such election has been given to Tenant by Landlord. Notwithstanding any such releting without termination, Landlord may at any time thereafter elect to terminate this Lease for any such previous default provided same has not been cured; or

(5) Without liability to Tenant or any other Party and without constituting a constructive or actual eviction, suspend, or discontinue furnishing or rendering to Tenant any property, material, labor, utilities, or other service, whether Landlord is obligated to furnish or render the same, so long as Tenant is in default under this Lease; or

(6) Allow the Leased Premises to remain unoccupied and collect rent from Tenant as it comes due; or

(7)Foreclose the security interest described herein, including the immediate taking of possession of all property on or in the Leased Premises; or

(8) Pursue such other remedies as are available at law or equity.

E. Landlord's pursuance of any remedy or remedies including, without limitation, any one or more of the remedies stated herein shall not (1) constitute an election of remedies or preclude pursuit of any other remedy or remedies provided in this Lease or any other remedy or remedies provided by law or in equity, separately or concurrently or in any combination, or (2) sever as the basis for any claim of constructive eviction, or allow Tenant to withhold any payments under this Lease.

Section 2. Landlord's Self Help. If in the performance or observance of any agreement or condition in this Lease contained on its part to be performed or observed and shall not cure such default within thirty (30) days after notice from Landlord specifying the default [or if such default shall reasonably take more than thirty (30) days to cure, shall diligently prosecuted the same to completion], Landlord may, at its option, without waiving any claim for damages for breach of agreement, at any time thereafter cure such default for the account of Tenant, and any amount paid or contractual liability incurred by Landlord in so doing shall be deemed paid or incurred for the account of Tenant, and Tenant agrees to reimburse Landlord therefor and save Landlord harmless therefrom. Provided, however, that Landlord may cure any such default as aforesaid prior to the expiration of said waiting period, without notice to Tenant if any emergency situation exists, or after notice to Tenant, if the curing of such default prior to the expiration of said waiting period is reasonably necessary to protect the Leased Premises or Landlord's interest therein, or to prevent injury or damage to persons or property. If Tenant shall fail to reimburse Landlord upon demand for any amount paid for the account of Tenant hereunder, said amount shall be added to and become due as part of the next payment of rent due

and shall, for all purposes, be deemed and treated as rent hereunder.

ARTICLE XVI – TITLE

Section 1. Subordination. Tenant shall, upon the request of Landlord in writing, subordinate this Lease to the lien of any present or future institutional mortgage upon the Leased Premises irrespective of the time of execution or the time of recording of any such mortgage. Provided, however, that as a condition to such subordination, the holder of any such mortgage shall enter first into a written agreement with Tenant in form suitable for recording to the effect that:

A. In the event of foreclosure or other action taken under the mortgage by the holder thereof, this Lease and the rights of Tenant hereunder shall not be disturbed but shall continue in full force and effect so long as Tenant shall not be in default hereunder, and

B. Such holder shall permit insurance proceeds and condemnation proceeds to be used for any restoration and repair required by the provisions of Articles XIII, XIII, or XIV, respectively. Tenant agrees that if the mortgagee or any person claiming under the mortgagee shall succeed to the interest of Landlord in this Lease, Tenant will recognize said mortgagee or person as its Landlord under the terms of this Lease, provided that said mortgagee or person for the period during which said mortgagee or person respectively shall be in possession of the Leased Premises and thereafter their respective successors in interest shall assume all of the obligations of Landlord hereunder. The word "mortgage," as used herein includes mortgages, deeds of trust or other similar instruments, and modifications, and extensions thereof The term "institutional mortgage" as used in this Article XVII means a mortgage securing a loan from a bank (commercial or savings) or trust company, insurance company or pension trust or any other lender institutional in nature and constituting a lien upon the Leased Premises.

Section 2. Quiet Enjoyment. Landlord covenants and agrees that, upon Tenant paying the rent and observing and performing all of the terms, covenants, and conditions on Tenant's part to be observed and performed hereunder, that Tenant may peaceably and quietly have, hold, occupy, and enjoy the Leased Premises in accordance with the terms of this Lease without hindrance or molestation from Landlord or any persons lawfully claiming through Landlord.

<u>Section 3</u>. <u>Zoning and Good Title</u>. Landlord warrants and represents, upon which warranty and representation Tenant has relied in the execution of this Lease, that Landlord is the owner of the Leased Premises, in fee simple absolute, free and clear of all encumbrances, except for the easements, covenants, and restrictions of record as of the date of this Lease. Such exceptions shall not impede or interfere with the quiet use and enjoyment of the Leased Premises by Tenant. Landlord further warrants and covenants that this Lease is and shall be a first lien on the Leased Premises, subject only to any mortgage to which this Lease is subordinate or may become subordinate pursuant to an agreement executed by Tenant, and to such encumbrances as shall be caused by the acts or omissions of Tenant; that Landlord has full right and lawful authority to execute this Lease for the term, in the manner, and upon the conditions and provisions herein contained; that there is no legal impediment to the use of the Leased Premises as set out herein; that the Leased Premises are not subject to any easements, restrictions, zoning

ordinances, or similar governmental regulations which prevent their use as set out herein; that the Leased Premises are not subject to any easements, restrictions, zoning ordinances, or similar governmental regulations which prevent their use as set out herein; that the Leased Premises presently are zoned for the use contemplated herein and throughout the term of this Lease may continue to be so used therefor by virtue of said zoning, under the doctrine of "non-conforming use," or valid and binding decision of appropriate authority, except, however, that said representation and warranty by Landlord shall not be applicable in the event that Tenant's act or omission shall invalidate the application of said zoning, the doctrine of "non-conforming use" or the valid and binding decision of the appropriate authority.

ARTICLE XVII-EXTENSIONS/WAIVERS/DISPUTES

Section 1. Extension Period. Any extension hereof shall be subject to the provisions of Article III hereof.

Section 2. Holding Over. In the event that Tenant or anyone claiming under Tenant shall continue occupancy of the Leased Premises after the expiration of the term of this Lease or any renewal or extension thereof without any agreement in writing between Landlord and Tenant with respect thereto, such occupancy shall not be deemed to extend or renew the term of the Lease, but such occupancy shall continue as a tenancy at will, from month to month, upon the covenants, provisions, and conditions herein contained. The rental shall be the rental in effect during the term of this Lease as extended or renewed, prorated and payable for the period of such occupancy. Landlord may terminate any such month to month tenancy by providing thirty (30) days written notice to Tenant.

Section 3. Waivers. Failure of either Party to complain of any act or omission on the part of the other Party, no matter how long the same may continue, shall not be deemed to be a waiver by said Party of any of its rights hereunder. No waiver by either Party at any time, express or implied, or 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. If any action by either Party shall require the consent or approval of the other Party, the other Party's consent to or approval of such action on any one occasion shall not be deemed a consent to or approval of said action on any subsequent occasion. Any and all rights and remedies which either Party may have under this Lease or by operation of law, either at law or in equity, upon any breach, shall be distinct, separate and cumulative and shall not be deemed inconsistent with each other, and no one of them, whether exercised by said Party or not, shall be deemed to be an exclusion of any other; and any two or more or all of such rights and remedies may be exercised at the same time.

<u>Section 4. Disputes</u>. It is agreed that if at any time a dispute shall arise as to any amount or sum of money to be paid by one Party to the other under the provisions hereof, the Party against whom the obligation to pay the money is asserted shall have the right to make payment "under protest" and such payment shall not be regarded as a voluntary payment and there shall survive the right on the part of the said Party to institute suit for the recovery of such sum. If it shall be adjudged that there was no legal obligation on the part of said Party to pay such sum or any part thereof, said Party shall be entitled to recover such sum or so much thereof as it was not legally required to pay under the provisions of this Lease. If at any time a dispute shall arise between the Parties hereto as to any work to be performed by either of them under the provision hereof, the Party against whom the obligation to perform the work is asserted may perform such work and pay the costs thereof "under protest" and the performance of such work shall in no event be regarded as a voluntary performance and shall survive the right on the part of the said Party to institute suit for the recovery of the costs of such work. If it shall be adjudged that there was no legal obligation on the part of the said Party to perform the same or any part thereof, said Party shall be entitled to recover the costs of such work or the cost of so much thereof as said Party was not legally required to perform under the provisions of this Lease and the amount so paid by Tenant may be withheld or deducted by Tenant from any rents herein reserved.

<u>Section 5</u>. <u>Notices</u>. All notices and other communications authorized or required hereunder shall be in writing and shall be given by mailing the same by certified mail, return receipt requested, postage prepaid, and any such notice or other communication shall be deemed to have been given the sooner of when received by the Party to whom such notice or other communication shall be addressed or three (3) days after such mailing. If intended for Landlord, the same will be mailed to the address herein above set forth or such other address as Landlord may hereafter designate by notice to Tenant, and if intended for Tenant, the same shall be mailed to Tenant at the address herein above set forth, or such other address or addresses as Tenant may hereafter designate by notice to Landlord. Notice may also be provided by electronic mail, on the condition that the intended recipient acknowledges receipt thereof, and shall be deemed given when sent.

ARTICLE XVIII - PROPERTY DAMAGE

<u>Section 1</u>. <u>Loss and Damage</u>. Notwithstanding any contrary provisions of this Lease, Landlord shall not be responsible for any loss of or damage to property of Tenant or of others located on the Leased Premises, except where caused by the willful act or omission or negligence of Landlord, or Landlord's agents, employees, or contractors.

Section 2. Force Majeure. In the event that Landlord or Tenant shall be delayed or hindered in or prevented from the performance of any act other than Tenant's obligation to make payments of rent, additional rent, and other charges required hereunder, by reason of strikes, lockouts, unavailability of materials, failure of power, restrictive governmental laws or regulations, riots, insurrections, the act, failure to act, or default of the other Party, war or other reason beyond its control, then performance of such act shall be excused for the period of the delay and the period for the performance of such act shall be extended for a period equivalent to the period of such delay. Notwithstanding the foregoing, lack of funds shall not be deemed to be a cause beyond control of either Party.

ARTICLE XIX- MISCELLANEOUS

Section 1. Assignment and Subletting. Under the terms and conditions hereunder Tenant

shall not have the right to transfer or assign this Lease or to sublet all or any portion of the Leased Premises without Landlord's prior written consent.

Section 2. Fixtures. All personal property, furnishings and equipment presently and all other trade fixtures installed in or hereafter by or at the expense of Tenant and all additions and/or improvements, exclusive of structural, mechanical, electrical, and plumbing, affixed to the Leased Premises and used in the operation of Tenant's business made to, in or on the Leased Premises by and at the expense of Tenant and susceptible of being removed from the Leased Premises without damage, unless such damage be repaired by Tenant, shall remain the property of Tenant and Tenant may, but shall not be obligated to, remove the same or any part thereof at any time or times during the term hereof, provided that Tenant, at its sole cost and expense, shall make any repairs occasioned by such removal.

Section 3. Estoppel Certificates. At any time and from time to time, Landlord and Tenant each agree, upon request in writing from the other, to execute, acknowledge, and deliver to the other or to any person designated by the other a statement in writing certifying that the Lease is unmodified and is in full force and effect, or if there have been modifications, that the same is in full force and effect as modified (stating the modifications), that the other Party is not in default in the performance of its covenants hereunder, or if there have been such defaults, specifying the same, and the dates to which the rent and other charges have been paid.

Section 4. Invalidity of Particular Provision. If any term of provision of this Lease or the application hereof to any person or circumstance shall, to any extent, be held 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 and provision of this Lease shall be valid and be enforced to the fullest extent permitted by law.

Section 5. Captions and Definitions of Parties. The captions of the Sections of this Lease are for convenience only and are not a part of this Lease and do not in any way limit or amplify the terms and provisions of this Lease. The word "Landlord" and the pronouns referring thereto shall mean, where the context admits or requires, the persons, firm, or corporation named herein as Landlord or the mortgagee in possession at any time of the land and building comprising the Leased Premises. If there is more than one Landlord, the covenants of Landlord shall be the joint and several obligations of each of them, and if Landlord is a partnership, the covenants of Landlord shall be the joint and several obligations of each of the partners and the obligations of the firm. Any pronoun shall be read in the singular or plural and in such gender as the context may require. Except as in this Lease otherwise provided, the terms and provisions of this Lease shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns.

Nothing contained herein shall be deemed or construed by the Parties nor by any third party as creating the relationship of principal and agent or of partnership or of a joint venture between the Parties hereto, it being understood and agreed that neither any provision contained herein, nor any acts of the Parties hereto, shall be deemed to create any relationship between the Parties hereto other than the relationship of Landlord and Tenant.

<u>Section 6</u>. <u>Entire Agreement</u>. This instrument contains the entire and only agreement between the Parties, and no oral statements or representations or prior written matter not contained in this instrument shall have any force and effect. This Lease shall not be modified in any way except by a writing executed by the Parties.

<u>Section 7</u>. <u>Governing Law</u>. All matters pertaining to this Lease (including its interpretation, application, validity, performance and breach) in whatever jurisdiction action may be brought, shall be governed by, construed, and enforced in accordance with the laws of the State of Colorado. The Parties herein agree to submit to the personal jurisdiction and venue of a court of subject matter jurisdiction located in Weld County, State of Colorado. In the event that litigation results from or arises out of this Agreement or the performance thereof, the Parties agree, to the extent permitted by law given Landlord's statutory obligations to expend only budgeted and appropriated funds, to reimburse the prevailing party's reasonable attorney's fees, court costs, and all other expenses, whether or not taxable by the court as costs, in addition to any other relief which the prevailing party may be entitled.

<u>Section 8.Extraordinary Remedies</u>. To the extent cognizable at law, the Parties, in the event of breach and in addition to any and all other remedies available thereto, may obtain injunctive relief regardless of whether the injured Party can demonstrate that no adequate remedy exists at law.

IN WITNESS WHEREOF, the Parties hereto have executed this Lease the day and year first above written or have caused this.

TOWN OF JOHNSTOWN, COLORADO

ATTEST:

By:

Meghan Martinez, Town Clerk

By:

Michael P. Duncan, Mayor

JOHNSTOWN MILLIKEN CHRISTIAN CHURCH

By: <u>teve</u> McCarthy Name: Steve McCarthy

Name: Steve McCarthy ² Title: Lead Pastor