

## LEASE AGREEMENT

THIS LEASE, Made this 9<sup>th</sup> day of July, 2013, between Samuel Havenga, Jr., Post No. 4265, Veterans of Foreign Wars of the United States, a Colorado nonprofit corporation, 419 East Victory Way, Craig, Colorado 81625, (hereinafter referred to as "Lessor" or "VFW"), and the City of Craig, Colorado, a Municipal Corporation, (hereinafter referred to as "Lessee" or "City").

### RECITALS

Lessor owns and desires to lease the following described real property situate in the City of Craig, County of Moffat, State of Colorado:

Lots 1 through 18, inclusive, in Block 5, and Lots 31 through 46, inclusive, in Block 6 of Rose Dale Addition to the Town of Craig, Colorado, according to the recorded plat thereof (hereinafter referred to as the "Property").

NOW THEREFORE, for and in consideration of the above Recitals, the terms, conditions, and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. This lease shall commence on the 9<sup>th</sup> day of July, 2013 and shall terminate on the 9<sup>th</sup> day of July, 2023 at midnight. At the expiration of the lease term Lessee may renew this Lease for an additional ten (10) year term upon the same terms and conditions as contained in this lease. The renewal of this Lease for an additional ten (10) year term may occur either by Lessor and Lessee executing a written extension of this Lease, or by Lessee remaining in possession of the leased premises and continuing to carry out the terms and covenants of this Lease.

2. As lease payment Lessee shall pay Lessor a sufficient sum of money to cover all utility charges Lessor incurs annually with Lessee, specifically, limited to, water, sewer and trash removal (which are the only utilities provided by the Lessee City) provided for and to Lessor at its Building/Clubhouse located at 419 East Victory Way, Craig, Colorado. Immediately upon execution of this Lease by both parties, and annually thereafter, Lessee shall pay Lessor the sum of Five Thousand Dollars (\$5,000.00), or the adjusted annual payment as discussed below. Lessor shall be responsible to pay its monthly bill for City water, sewer and trash removal. If at the yearly anniversary of the execution of this Lease the bill for Lessor's use of Lessee's utilities, including water, sewer and trash removal, for the year has exceeded \$5,000.00, or adjusted annual payment, then Lessee shall pay to Lessor the sum by which the actual bill for utilities exceeded the annual payment. If the actual bill for utilities does not exceed annual payment there shall be no refund or credit made from Lessor to Lessee. The parties shall meet annually to evaluate whether or not there needs to be an adjustment in the annual payment, plus 10% to cover utility cost increases, from Lessee to Lessor to determine if the annual payment is sufficient or too great to meet Lessee's anticipated annual utility needs based on the costs of the previous year. The annual payment can be adjusted by the agreement of both parties with the



goal to be to set the annual payment at a sum which is believed by the parties to closely approximate the actual total costs that will be incurred in the upcoming year.

3. Lessee shall use the Property for purposes of a Public Park, and shall not make use of the Property in any manner that would be in conflict with or violate any terms of that certain Deed recorded in Book 145 at Page 255 of the records of the Moffat County Clerk and recorder. The Property shall specifically not be used as an auto court, auto trailer camp, camp ground or motel. The Property shall not be used for any purpose that would violate any local, state or federal law.

4. Lessee shall be responsible, at its sole expense, to maintain the Property, in at least as good condition as it exists at the time of signing this Lease and as it maintains its other park properties, in all and every manner, including, but not limited to: watering, fertilizing, weed control, and general care and upkeep of the grass, plants, trees and vegetation; mowing/cutting the grass; repair and maintenance of fences, roads and roadways, asphalt, sidewalks, and snow removal from the same as is appropriate.

5. Lessor shall have the right to erect upon any portion of Lots 29 through 32 of Block 6 a static display and one sign that shall read "Veteran's Memorial Park", or some similar name (hereinafter referred to as the "Memorial"). At the request of Lessor, Lessee, at no cost to Lessor, shall assist in the construction and installation of the Memorial. The Memorial shall be in compliance with applicable construction codes and public health and safety standards. Lessee shall conduct a timely review of the construction plan documents (the "Plans") when submitted to the Community Development Department. Lessor and Lessee shall discuss where the site plan to locate the boundaries for the Memorial, but its final location within Lots 29-32, Block 6 shall be at the discretion of Lessor. Both Lessor and Lessee intend to have the Plans approved at the earliest practicable date. Lessor shall be solely responsible for maintenance and insurance regarding the Memorial.

6. Lessee, after consulting with Lessor, shall have the right to construct, remove, or alter other park improvements upon the Property, but not within the boundaries of the Memorial. Lessee shall not allow the Property to become subject to any liens or encumbrances, of any kind or nature. Any improvements made by Lessee during the term of this Lease shall remain with the Property or be removed from the Property at the termination of the Lease at the discretion of Lessee. During the term of the lease, Lessee shall pay all taxes to which the Property is subject, or reimburse Lessor for the same should Lessor make the payment.

7. Regarding the Property, Lessee shall carry public liability insurance, property damage insurance, and insurance for accidents or damages occurring on the Property. And Lessor shall be responsible for insuring the Memorial.

8. Should Lessee be in material breach of this Lease Agreement then Lessor, after 60 days notice of the breach may declare the Lease Agreement terminated and the premises shall be delivered up by Lessee to Lessor.

9. This Lease Agreement is executed the day and year above written in Craig, Colorado, and inures to the benefit of the parties, their successors and assigns. This Lease Agreement cannot be modified unless by written modification signed by the parties.

IN WITNESS WHEREOF, the undersigned, as Trustees of the VFW, in compliance with the By-Laws of the VFW, and upon proper authorization, have hereunto set their hands and seals on the day and year first above written; and the undersigned, as Mayor of the City of Craig, acting for and on behalf of the City of Craig, by authority of a Resolution passed and approved by the City Council on the 9th day of July, 2013, has hereunto set his hand, attested by the City Clerk, and bearing the Seal of the City of Craig, on the day and year first above written.

VETERANS OF FOREIGN WARS OF  
THE UNITED STATES, a Colorado  
non-profit corporation

By: [Signature]  
Trustee

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

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

CITY OF CRAIG, COLORADO  
a Municipal Corporation

By: [Signature]  
Terry Carwife, Mayor

By: [Signature]  
Shirley Seely, City Clerk

