



**TOWN OF MILLIKEN  
TOWN BOARD  
AGENDA MEMORANDUM**

<b>To:</b> Mayor Tokunaga and Board of Trustees	<b>Meeting Date:</b>
<b>From:</b> Kent Brown, Town Administrator	Wednesday, April 8, 2015

<b>Consent:</b> <b>X</b>	<b>Action:</b>	<b>Discussion:</b>	<b>Information:</b>
<b>Agenda Title:</b> Consideration and Approval of a Lease Renewal with the Johnstown- Milliken Chamber of Commerce and Milliken Business Association for use of the Historic Town Hall, 1109 Broad Street			
<b>Attachments:</b> Proposed Lease			

**PURPOSE**

To review and consider for approval a Renewed Lease Agreement with the Johnstown Milliken Chamber of Commerce and Milliken Business Association to provide the Chamber and Business Association the use of the Historic Town Hall, 1109 Broad Street.

**BACKGROUND**

The Johnstown-Milliken Chamber of Commerce (Chamber) and Milliken Business Association (MBA) had partnered together in 2014 to request joint use of the Historic Town Hall and Public Computing Center located at 1109 Broad Street. This facility has provided office space for the MBA and a larger space for the Chamber who had previously used a small office in the Activity Room at the Town Hall.

The Chamber and MBA have jointly created a concept plan for a Community Welcome Center, Event Information Center, and Community Group Meeting Center and venue for small business development classes. The MBA and Chamber will jointly manage the project. The facility will also continue to house the High Plains Library District's Public Computing Center (PCC) with four computer terminals. The venue will also allow the Small Business Development Center (SBDC) based at UNC to hold meetings and classes to support local small business.

## **BUDGET IMPLICATIONS**

The proposed lease rate is \$500 per year. The arrangement allows Chamber and MBA volunteer or paid staff to be on site to allow expanded hours for the PCC so that additional members of the public can be served.

## **POSSIBLE MOTION**

"I move that the Town approve the proposed Lease Agreement with the Johnstown-Milliken Chamber of Commerce and Milliken Business Association, of the Historic Town Hall, 1109 Broad Street, and direct the Town Administrator to sign on behalf of the Town."

**THIS LEASE HAS IMPORTANT LEGAL THE PARTIES SHOULD CONSULT LEGAL COUNSEL BEFORE SIGNING.**

### **COMMERCIAL LEASE AGREEMENT**

This Commercial Lease Agreement (the "Lease" or "Agreement") is effective April 1, 2015, and is entered into by and between Landlord (as defined below) and Tenant (as defined below). In consideration of the payment of the Rent (as defined below); all costs, charges, and expenses which Tenant assumes, agrees, or is obligated to pay to Landlord pursuant to the Lease (the "Additional Rent"); and the performance of the promises by Tenant set forth below, Landlord hereby leases to Tenant, and Tenant hereby accepts, the Premises (as defined below), subject to the terms and provisions set forth in the Lease.

#### **PARTIES, PREMISES, AND DEFINED TERMS**

1. **Landlord:** The TOWN OF MILLIKEN, a Statutory Municipality, and,

2. **Tenant:** Johnstown Milliken Chamber of Commerce and Milliken Business Association

3. **Premises:** Landlord is the owner of certain real property and will lease to the Tenant the Historic Town Hall and Police Station and Public Computer Center, located at 1109 Broad Street, Milliken in Weld County, Colorado (the "Premises"). Approximately 100 square feet of the main floor area, identified as the "High Plains Computer Center" shall be subject to shared occupancy with the Landlord for public use. The remainder of the property including the basement shall be available for exclusive use by the Tenant subject to paragraph 17.1 of this Agreement. It is specifically understood that Tenant will be primarily responsible for interior housekeeping of the premises including the joint-use or common area as described herein and will, at times, be required to assist patrons of the library/computer areas. Landlord is responsible for building maintenance.

4. **Term:** Landlord Leases the Premises to Tenant for a period of one year, which term may be renewed annually for up to five years from the effective date of this lease. Subject to Tenant's performance of all obligations under the Lease, including, without limitation, payment of Rent and Additional Rent, Tenant shall enjoy quiet possession of the Premises.

5. **Rent:** Rental shall commence on April 1, 2015. Rental for each one year Term is Five Hundred and NO/100 Dollars (\$500.00), one-half payable by the Johnstown Milliken Chamber and one-half payable by the Milliken Business Association. Rent is payable yearly in advance to Landlord on the first day of April each year for that year's rental. Unless otherwise provided in the Lease, all payments due under the Lease, including Additional Rent, shall be mailed, or delivered to Landlord at the following address: 1101 Broad Street, Milliken, Colorado 80543.

6. **Termination:** The Lease shall be reviewed annually by all parties, and may be terminated by either party at any time with at least Forty-five (45) days written notice to the other party.

7. **Security Deposit:** In addition to annual rent, Tenant shall pay a total of \$100 at the time of lease execution as a security deposit. The security deposit shall be refunded to Tenant within sixty (60) days after termination of this Lease Agreement. Lessee shall not use the security deposit towards rent. Landlord may withhold any amounts necessary from the security deposit for amounts owed by Tenant, including without limitation, costs for cleaning and repairs of the premises, changing of locks, and carpet cleaning. Landlord shall provide Lessee with an itemized list of amounts retained from the security deposit within sixty (60) days after termination of this Lease.

8. **Use:** The Premises shall be used as a Community Welcome Center, Community Event Information Center, Community Group Meeting Center and for Business Development Counseling and Classes provided by the Small Business Development Center. Tenant shall not, without the prior written consent of Landlord, permit the Premises to be used for any other purpose.

8.1 The Parties agree that the shared occupancy area identified as the High Plains Computer Center shall remain open for public use for a minimum of forty (40) hours per week which days and times shall be determined between the Parties. Landlord shall provide staffing for the computer center for twenty (20) hours per week and Tenant shall provide staffing for the computer center for an additional twenty (20) hours per week. The Parties shall work together to determine which hours of the week will be staffed by Landlord and which will be staffed by Tenant.

**9. General Improvements: Paragraph 9 Not Applicable.**

**10. Town Requirements:** The Town shall provide: Ceiling and general lighting; electrical circuits; plumbing stub-in (additional plumbing may be installed at Tenant's cost if approved in writing by Landlord); unisex restroom facility that is ADA-compliant; one telephone jack; one mailbox key, and 24-hour use of the building for 365 days of the year.

**11. Late Payments:** If any Rent, Additional Rent, or other payment is received later than the date when due, the parties agree that Additional Rent in the amount of Ten percent (10%) of the outstanding sums shall also be due and payable. The addition of such amount and the collection thereof shall not operate to waive any other rights of Landlord for nonpayment of Rent, or for any other reason.

**12. Tenant Equipment:** All equipment attached as fixtures brought in and used by the Tenant shall be removed upon termination of this Lease with Landlord's prior written approval when able to be removed without damage to the Real Property. The Tenant's personal property and equipment which are not fixtures may be removed at the conclusion of this Lease by the Tenant.

**13. Taxes:** The Landlord is responsible for all taxes on Real Property and the Tenant is responsible for personal property taxes assessed by Weld County.

**14. Utilities:** Landlord will be responsible for all utilities to include, gas, electric, water and sewer.

**15. Cleaning and Janitorial Services:** Tenant is responsible for cleaning the Premises and cleaning of the Common Area used by the Tenant's customers and the public.

**16. Check-In Inspection:** Landlord and Tenant shall conduct an inspection of the Premises at the time of possession. A check-in inspection sheet and photos shall be completed at that time and the information contained therein shall be sufficient and satisfactory proof of the condition of the Premises at the time of possession, should a subsequent dispute arise at a later date as to the condition of the Premises at the time of move-in.

**17. Use of Premises:** Tenant, in consideration of the leasing of the Premises, agrees as follows:

**17.1. Use of Premises:** To use and occupy the Premises solely as and for the use specified in Paragraph 8 of the Lease. Landlord's consent to the aforementioned use is not an assurance, or warranty that the Premises' attributes are sufficient for Tenant's use. Tenant represents and warrants that it has conducted sufficient due diligence to assure itself that the Premises are suitable for its use, and that such use is permitted by applicable law.

**17.2. Signage:** Tenant shall be permitted to erect a sign or signs upon the Premises, provided all signage is in compliance with size and other requirements of Landlord and as may be set forth by applicable ordinances and regulations including, but not limited to, sign and design ordinances. All signage shall conform to aesthetic and design criteria, themes, and standards of the Property and the Improvements. Additionally, Landlord may provide signage space on a common, or community sign at such time as one is located on the Property.

**17.3. Vacancy:** It will be deemed a Default of the Lease if the Premises are left vacant and unoccupied for over seven (7) days. In addition to other remedies contained in the Lease, the Landlord may, without being obligated to do so, and without terminating the Lease, retake possession of the Premises and relet, or attempt to relet them for such rent and upon such conditions as the Landlord deems best, making such changes and repairs as may be required, giving credit for the amount of rent so received, less all expenses of such changes and repairs. Tenant shall be liable for the balance of the Rent and Additional Rent herein reserved until the expiration of the Term.

**17.4. Legal Compliance:** Tenant and its licensees and invitees shall comply with and abide by all federal, state, county, and municipal laws and ordinances in connection with the occupancy and use of the Premises. Tenant and its licensees and invitees may not possess, or consume alcoholic beverages on the Premises unless they are of legal age. No alcoholic beverages shall be sold upon the Premises unless proper licenses have been obtained and authorization is provided in writing by Landlord. No illegal drugs or controlled substances (unless specifically prescribed by a physician for a specific person occupying or present upon the Premises) shall be permitted upon the Premises. Tenant hereby covenants and agrees to use its reasonable efforts to prevent and preclude its employees, guests, invitees, etc. from the aforementioned illegal conduct. Tenant and its

licensees and invitees shall not use the Premises in any way that may result in an increase of the rate or cost to the Landlord to insure the Property. No hazardous or dangerous activities are permitted upon the Premises.

**17.5. Additional Prohibitions:** Neither Tenant nor its subtenants, licensees, volunteers, employees, guests, or invitees shall act in any manner that would interfere with, or be a nuisance to, other subtenants, occupants, or invitees of the Premises, or adjacent property owners, or adjacent tenants, or that would interfere with those other parties' quiet enjoyment of their premises. Said prohibition includes, but is not limited to, loud noises, loud music, noxious or unpleasant odors, and disruptive behavior or actions. Tenant shall not permit any portion of the Premises to be used in a manner that may endanger the person or property of Landlord, co-tenants, or any person living on or near the Premises. Tenant shall keep all portions of the Premises in a clean, safe, sanitary, and habitable condition.

**17.6. Pets and Animals:** Pets or animals shall not be permitted upon the Premises except service animals permitted under the Americans with Disabilities Act.

**17.7. Storage/Trash:** Tenant shall store all personal property entirely within the Premises. Tenant shall store all trash and refuse in adequate containers within the Premises, which Tenant shall maintain in a neat and clean condition, or within designated Common Areas so as not to be visible to members of the public in, or about the Property, and so as not to create any health or fire hazard.

**17.8. Hazardous Material Prohibited:** Tenant shall not cause or permit any hazardous material to be brought upon, kept or used in, or about the Premises by Tenant, its agents, employees, contractors, or invitees. If Tenant breaches the obligations stated in the preceding sentence, or if the presence of hazardous material on the Premises caused, or permitted by Tenant results in contamination of the Premises, or if contamination of the Premises by hazardous material otherwise occurs for which Tenant is responsible to Landlord for resulting damage, then Tenant shall indemnify, defend, and hold Landlord harmless from any and all resulting claims, judgments, damages, penalties, fines, costs, liabilities, or losses.

**17.9. Quiet Enjoyment:** Landlord agrees that upon Tenant paying the Rent and performing Tenant's obligations under the Lease, Tenant shall peacefully and quietly have, hold, and enjoy the Premises throughout the Term or until the Lease is terminated pursuant to its terms. Landlord shall not be responsible for the acts or omissions of any other tenant or third party that may interfere with Tenant's use and enjoyment of the Premises. In the event of any transfer or transfers of Landlord's interest in the Premises or in the Property, other than a transfer for security purposes only, the Landlord shall be automatically relieved of any and all obligations and liabilities accruing from and after the date of such transfer.

**17.10. Rules and Regulations:** Landlord shall provide Tenant with a copy of all rules and regulations affecting the Premises, and Tenant shall abide by all such rules and regulations. All community standards, guidelines and regulations apply. Refer to [www.millikenco.gov](http://www.millikenco.gov)

**18. Subletting or Assignment:** Tenant shall not sublet the Premises or any part thereof, nor assign the Lease or any interest therein, without the prior written consent of Landlord. Such consent shall be at the sole discretion of Landlord. As a condition of assignment or sublease, Landlord may require the continued liability of Tenant or a separate personal guaranty by Tenant or its principal. If Tenant is a corporation, limited liability company, or other entity that is not a natural person, any change in ownership of more than thirty percent (30.0%) (over any period) of the ownership interest shall be deemed an assignment of the Lease. In the event an assignment or sublease is permitted, all payments from assignee or sublessee shall be made directly by said party to Landlord, and not through Tenant.

**19. Surrender of Premises:** Tenant will return the Premises to Landlord at the expiration of the Term in as good order and repair as when Tenant took possession, loss by casualty and normal wear and tear excepted. Any deterioration or damage caused by accident, abuse, carelessness, or negligence shall not be considered normal wear and tear. In the event that Tenant fails to redeliver the Premises in appropriate condition, Landlord may restore the Premises to appropriate condition, including repair, replacement, and cleaning. The cost of any work necessitated shall be deducted from the Security Deposit; if the Security Deposit is insufficient to cover work performed, Tenant shall be obliged to pay the additional balance.

**20. Removal of Fixtures/Redelivery:** Tenant may remove, at the termination of the Lease, provided Tenant is not in Default, Tenant's moveable trade fixtures and other items of personal property that are not permanently affixed to the Premises. Tenant shall remove the alterations and additions and signs made by Tenant as Landlord may request and repair any damage caused by such removal. Tenant shall peaceably yield up the Premises and all alterations and additions thereto (except such as Landlord has requested Tenant to remove); leaving all fixtures, furnishings, floor coverings, and equipment that are permanently

affixed to the Premises which shall thereupon become the property of the Landlord. Any personal property of Tenant not removed within five (5) days following such termination shall, at Landlord's option, become the property of Landlord.

### PAYMENTS

**21. Payments/Dishonored Checks:** Payments shall be deemed received when actually delivered to, and received by, Landlord at the payment location. Dishonored checks and any checks received late in the mail will be treated as late payments. Additional bank and handling charges may also be assessed in the event of a dishonored check. The foregoing items shall be deemed Additional Rent. Landlord may require Tenant to replace such dishonored check with a money order, cashier's check, or other good funds. Landlord may further require that all subsequent payments after a dishonored check be paid with a money order, cashier's check, or other good funds.

**22. Partial Payment:** If any partial payment is made by Tenant, it shall be allocated first to the payment of Additional Rent, including, without limitation, utilities (if applicable) and other expenses; and second to unpaid Rent. Acceptance by Landlord of any partial payment shall not waive the right of Landlord to require immediate payment of the unpaid balance of Rent or waive or affect Landlord's rights to institute legal proceedings including, without limitation, an eviction action.

**23. No Offset:** No assent, express or implied, to any Default of any one or more of the agreements hereof shall be deemed or taken to be a waiver of any succeeding or other Default. The covenants set forth in the Lease are independent. Tenant shall have no right to withhold or set off any Rent due Landlord.

**24. Joint and Several Obligations of Tenant:** In the event more than one person comprises Tenant, it is expressly understood and agreed that each person comprising Tenant is jointly and severally liable for any and all obligations of Tenant in the Lease. This means that all persons comprising Tenant are each, together and separately, responsible for all of Tenant's obligations. Landlord may, at its option, determine whom to hold responsible.

### SECURITY DEPOSIT

**25. Security Deposit:** Tenant improvements may remain on the Premises if acceptable to Landlord in lieu of return of the Security Deposit.

### REPAIRS AND MAINTENANCE

**26. Improvements, Repairs, and Maintenance:** Subject to the limitations set forth in Paragraphs 27 and 28 below, either Landlord or Tenant, as specified in Paragraph 12 above, shall be responsible for the cost and condition of the respective improvements, repairs, and maintenance relating to all structural components, interior and exterior walls, floors, ceiling, roofs, sewer connections, plumbing, wiring, appliances, and glass used in connection with the Premises.

**27. Landlord's Limited Responsibility:** Landlord shall be responsible for: (i) any exterior repairs, replacements, restorations, or maintenance that have been necessitated by reason of ordinary wear and tear; (ii) any repairs, replacements, restorations, or maintenance that have been necessitated by sudden natural forces, or acts of God, or by fire not caused by Tenant; (iii) maintenance services for the building, exterior maintenance of the Premises (snow removal, landscaping, etc.); maintenance of the drive-through service window in driveway on east side of building; (iv) general maintenance of the Premises, including, the plumbing, exterior glass, other windows, and window frames, electric wiring, HVAC equipment, fixtures, appliances, and interior walls, doorways, and appurtenances in Tenant's shared or exclusive leased areas belonging thereto installed for the use or used in connection with the Premises. The cost of any interior maintenance, repairs, or replacements necessitated by the use, act, neglect, misuse, or abuse of Tenant, its agents, employees, customers, licensees, invitees, or contractors shall be paid by Tenant to Landlord promptly upon billing. Landlord shall use reasonable efforts to cause any necessary repairs to be made promptly; provided, however, that Landlord shall have no liability whatsoever for any delays in causing such repairs to be made, including, without limitation, any liability for injury to or loss of Tenant's business, nor shall any delays entitle Tenant to any abatement of Base and Additional Rent or damages, or be deemed an eviction of Tenant in whole or in part.

**28. Tenant's Allowed Responsibilities:** Tenant shall not perform or contract with third parties to perform any repairs of any kind upon the Premises or structure upon which the Premises are located. In the event any repair that is the responsibility of Landlord becomes necessary, Tenant shall notify Landlord as soon as possible, and allow reasonable time for the work to be completed. Any unauthorized work performed or contracted for by Tenant will be at the sole expense of Tenant.

29. **Tenant's Duty to Repair:** If damage is caused by Tenant which necessitates repair, Tenant, after prior written authorization by Landlord, shall at Tenant's own expense, make as and when needed all repairs to the Premises and to all of its equipment, fixtures, appliances, and appurtenances necessary to keep the same in good order and condition. Tenant repairs shall include all replacements, renewals, alterations, and betterments (the "Tenant Repairs"). All Tenant Repairs shall be equal or better in quality and class to the original work. In the event Tenant fails to complete Tenant Repairs, Landlord may obtain them and bill Tenant for such work as Additional Rent.

30. **Tenant Improvements:** Tenant shall be solely responsible for any and all improvements and alterations within the Premises necessary for Tenant's intended use of the Premises, including, but not limited to, electrical wiring, HVAC, plumbing, framing, drywall, flooring, finish work, telephone systems, wiring, and fixtures necessary to finish the Premises to a condition suitable for Tenant's use (the "Tenant Work"). All such work must be pre-approved in writing by Landlord and, with the prior approval of the Landlord, must be removed upon the termination of the Lease, leaving the property in as good a condition as when received with no holes or stains in the walls, floors or ceiling, other than those which exist at the time of the execution of this Lease.

31. **Improvements/Prior Landlord Consent:** Tenant agrees to submit to Landlord complete plans and specifications, including engineering, mechanical, and electrical work covering any and all contemplated Tenant Work, if applicable, and any subsequent improvements or alterations of the Premises. The plans and specifications shall be in such detail as Landlord may require, and in compliance with all applicable statutes, ordinances, regulations, and codes. As soon as reasonably feasible thereafter, Landlord shall notify Tenant of any failures of Tenant's plans to meet with Landlord's approval. Tenant shall cause Tenant's plans to be revised to the extent necessary to obtain Landlord's approval. Tenant shall not commence any Tenant Work, or any other improvements, or alterations of Premises until Landlord has approved Tenant's plans.

32. **Tenant Work and Repairs/Compliance with Codes/Mechanic Liens:** Tenant shall procure all necessary permits before undertaking Tenant Work or Tenant Repairs. Tenant shall perform all Tenant Work or Tenant Repairs in a good and workmanlike manner. Tenant shall use materials of good quality and perform Tenant Work or Tenant Repairs only with contractors previously approved of in writing by Landlord. Tenant shall comply with all laws, ordinances, and regulations, including, but not limited to, building, health, fire, and safety codes. Tenant hereby agrees to hold Landlord and Landlord's agents harmless and indemnified from all injury, loss, claims, or damage to any person or property (including the cost for defending against the foregoing) occasioned by, or growing out of Tenant Work or Tenant Repairs. Tenant shall promptly pay when due the entire cost of any Tenant Work or Tenant Repairs on the Premises undertaken by Tenant, so that the Premises shall at all times be free of liens for labor and materials. Tenant hereby agrees to indemnify, defend, and hold Landlord harmless of and from all liability, loss, damages, costs, or expenses, including reasonable attorneys' fees, incurred in connection with any claims of any nature whatsoever for work performed for, or materials, or supplies furnished to Tenant, including lien claims of laborers, materialmen, or others. Should any such liens be filed or recorded against the Premises or the Improvements with respect to work done for, or materials supplied to, or on behalf of Tenant, or should any action affecting the title thereto be commenced, Tenant shall cause such liens to be released of record within five (5) days after notice thereof. If Tenant desires to contest any such claim of lien, Tenant shall nonetheless cause such lien to be released of record by the posting of adequate security with a court of competent jurisdiction as may be provided by Colorado's mechanic's lien statutes. If Tenant shall be in default in paying any charge for which such mechanic's lien or suit to foreclose such lien has been recorded or filed and shall not have caused the lien to be released as aforesaid, Landlord may (but without being required to do so) pay such lien or claim and any associated costs, and the amount so paid, together with reasonable attorneys' fees incurred in connection therewith, shall be immediately due from Tenant to Landlord as Additional Rent.

33. **Common Area Maintenance:** Landlord shall use reasonable efforts to maintain and repair exterior Common Areas of Property, including walks and parking lots. The cost of any maintenance, repairs, or replacements necessitated by the act, neglect, misuse, or abuse by Tenant, its employees, licensees, invitees, or contractors shall be paid by Tenant to Landlord. Landlord shall use reasonable efforts to cause any necessary repairs to be made promptly; provided, however, that Landlord shall have no liability whatsoever for any delays in causing such repairs to be made, including, without limitation, any liability for injury to or loss of Tenant's business, nor shall any delays entitle Tenant to any abatement of Rent or damages, or be deemed an eviction of Tenant in whole or in part.

34. **Keys/Locks:** Tenant shall not place any additional locks upon the Premises, including, but not limited to, exterior and interior doors. Tenant shall not cause any of the locks or cylinders therein to be changed or re-keyed.

35. **Trash/Rubbish Removal:** Tenant shall be responsible for placing all trash/rubbish in adequate containers for removal. Tenant shall follow all municipal ordinances pertaining to trash/rubbish. Landlord shall pay for removal of all trash/rubbish.

### DEFAULT, NOTICE AND REMEDIES

36. **Default:** If Tenant is in arrears in the payment of any installment of Rent, any Additional Rent, or any portion thereof, or is in violation of any other covenants or agreements set forth in the Lease (a "Default") and the Default remains uncorrected for a period of three (3) days after Landlord has given written notice thereof pursuant to applicable law, then Landlord may, at Landlord's option, undertake any of the following remedies without limitation: (a) declare the Term of the Lease ended; (b) terminate Tenant's right to possession of the Premises and reenter and repossess the Premises pursuant to applicable provisions of the Colorado Forcible Entry and Unlawful Detainer statute; (c) recover all present and future damages, costs, and other relief to which Landlord is entitled; (d) pursue Landlord's lien remedies; (e) pursue breach of contract remedies; and (f) pursue any and all available remedies in law or equity. In the event possession is terminated by reason of a Default prior to expiration of the Term, Tenant shall remain responsible for the Rent and Additional Rent, subject to Landlord's duty to mitigate such damages. Pursuant to §§ 13-40-104(d.5) and (e.5), and 13-40-107.5, C.R.S., hereby incorporated by reference, in the event repeated or substantial Defaults(s) under the Lease occur, Landlord may terminate Tenant's possession upon a written Notice to Quit, without a right to cure. Upon such termination, Landlord shall have available any and all of the remedies listed above.

37. **Abandonment:** In the event of an abandonment of the Premises, Landlord may, without being obligated to do so and without terminating the Lease, retake possession of the Premises and exercise any of the remedies contained in Paragraph 38 below.

38. **Re-Entry:** In the event of re-entry by Landlord as a result of abandonment or a Default by Tenant:

38.1. Tenant shall be liable for damages to Landlord for all loss sustained, including, without limitation, the balance of the Rent and Additional Rent, court costs, and reasonable attorneys' fees;

38.2. Tenant's personal property and the personal property of any guest, invitee, licensee, or occupant may be removed from the Premises and left on the street or alley, or, at Landlord's option, it may be removed and stored, or disposed of at Landlord's sole discretion. Landlord shall not be deemed a bailee of the property removed and Landlord shall not be held liable for the property. Tenant shall indemnify Landlord for any expense in defending against any claim by Tenant or third party and for any legal expense, cost, fine, or judgment awarded to a third-party as a result of Landlord's action under the term of the Lease;

38.3. Landlord may attempt to relet the Premises for such rent and under such terms as Landlord believes appropriate;

38.4. Landlord may enter the Premises, clean and make repairs, and charge Tenant accordingly;

38.5. Any money received by Landlord from Tenant shall be applied first to Rent, Additional Rent, and other payments due; and

38.6. Tenant shall surrender all keys and peacefully surrender and deliver up possession of the Premises.

### INSURANCE AND INDEMNIFICATION

39. **Negligent Damages:** Tenant shall be responsible for and reimburse Landlord for any and all damages to the Premises or Property and persons and property therein caused by the negligent, grossly negligent, reckless, or intentional acts of itself, its employees, agents, invitees, licensees, or contractors.

40. **Liability Indemnification/Insurance:** Tenant shall hold Landlord, Landlord's agents, and their respective successors and assigns, harmless and indemnified from all injury, loss, claims, or damage to any person or property while on the Premises, or any other part of the Property which is a Common Area, or arising in any way out of Tenant's business, which is occasioned by a negligent, intentional, or reckless act, or omission of Tenant, its employees, agents, invitees, licensees, or contractors. Tenant shall maintain public liability insurance insuring Landlord and Landlord's agents, as their interest may appear, against all claims, demands, or actions for injury to or death in an amount of not less than one million dollars (\$1,000,000)

arising out of any one occurrence, made by, or on behalf of any person, firm, or corporation, arising from, related to, or connected with the conduct and operation of Tenant's business, including, but not limited to, events on the Premises and anywhere upon the Property. Tenant shall also obtain coverage in the amount of one million dollars (\$1,000,000) per occurrence covering Tenant's contractual liability under the aforesaid indemnification clauses. Tenant's insurance shall be primary.

**41. Fire/Casualty Insurance:** Tenant shall maintain insurance covering the Premises, fire, extended coverage, vandalism, and malicious mischief insurance and such other insurance as Tenant may deem prudent, covering all of Tenant's stock in trade, fixtures, furniture, furnishings, floor coverings, and equipment in the Premises.

**42. Insurance Requirements:** All of Tenant's insurance related to the Premises and the Property shall be in the form and from responsible and well-rated companies satisfactory to Landlord, shall name Landlord as an additional insured thereunder, and shall provide that the insurance will not be subject to cancellation, termination, or change except after at least thirty (30) days prior written notice to Landlord. The policies or duly executed certificates for such insurance shall be provided to Landlord prior to commencement of Term and upon request of Landlord.

**43. Waiver of Liability:** Landlord and Landlord's agents and employees shall not be liable for, and Tenant waives all claims for, damage to property sustained by Tenant, employees, agents or contractors, or any other person claiming through Tenant, resulting from any accident in or upon the Premises or the Property of which they shall be a part, including, but not limited to, claims for damage resulting from: (1) any equipment or appurtenances becoming out of repair; (2) Landlord's failure to keep the Property or the Premises in repair; (3) injury done or occasioned by wind, water, or other act of God; (4) any defect in, or failure of, plumbing, heating, or air-conditioning equipment, electric wiring, or installation thereof, gas, water and steam pipes, stairs, porches, railings, or walks; (5) broken glass; (6) the backing-up of any sewer pipe, or downspout; (7) the bursting, leaking, or running of any tank, tub, sink, sprinkler system, water closet, waste pipe, drain, or any other pipe or tank in, upon, or about the Property or Premises; (8) the escape of steam, or hot water; (9) water, snow, or ice being upon, or coming through the roof, skylight, doors, stairs, walks, or any other place upon, or near such Property, or the Premises, or otherwise; (10) the falling of any fixtures, plaster, or stucco; (11) fire or other casualty; and (12) any act, omission, or negligence of co-Tenants, or of other persons or occupants of the Property, or of adjoining or contiguous buildings, or of adjacent or contiguous property.

**44. Third-Party Liability:** Landlord shall not be liable to Tenant for any damage by or from any act or negligence of any co-tenant or other occupant of the Improvements, or by any owner or occupant of adjoining or contiguous property. Landlord shall not be liable for any injury or damage to persons or property resulting in whole or in part from the criminal activities of others. To the extent not covered by normal fire and extended coverage insurance, Tenant agrees to pay for all damage to the Improvements.

**45. Landlord Insurance:** Insurance shall be procured by Landlord in accordance with its sole discretion. All awards and payments thereunder shall be the property of the Landlord, and Tenant shall have no interest in the same. Notwithstanding the foregoing, Landlord agrees to obtain building liability and hazard insurance required to be carried for the Property and Premises and adequate hazard insurance, which covers replacement cost of the Property and Premises.

**46. Indemnification Fees and Costs:** In case any claim, demand, action, or proceeding is made or brought against Landlord, its agents, or employees, by reason of any obligation on Tenant's part to be performed under the terms of the Lease or arising from any act of negligence of Tenant or its agents or employees, or which gives rise to Tenant's obligation to indemnify Landlord, Tenant shall be responsible for all costs and expenses, including, but not limited to, reasonable attorneys' fees incurred in defending or prosecution of the same, as applicable.

#### OTHER PROVISIONS

**47. Destruction, or Condemnation of Premises:** Landlord's and Tenant's duties and responsibilities are as follows when destruction or condemnation of the Premises occurs: none.

**47.1. Partial Destruction of the Premises:** In case of partial destruction of the Premises by fire, or other casualty, Landlord at its discretion may repair the Premises with reasonable dispatch after notice of said partial destruction. Tenant shall remain responsible for payment of Rent. Subparagraph (4) of this Paragraph shall apply if Landlord determines that the partial destruction will not be repaired.

**47.2. Premises Untenable:** If the Premises are made totally untenable by fire, the elements, or other casualty, or if the building in which the Premises are located is partially destroyed to the point where Landlord, within a reasonable time, decides not to rebuild, or repair, then Subparagraph (4) of this Paragraph shall apply.

**47.3. Condemnation:** If the whole or part of the Premises are taken by any authority for any public or quasi-public use, or purpose, then Subparagraph (4) of this Paragraph shall apply. All damages and compensation awarded for any taking shall be the sole property of Landlord.

**47.4. Termination of Term:** Tenant agrees that if Landlord decides not to repair, or rebuild the Premises where the destruction has occurred as described in Subparagraphs (1) and (2) of this Paragraph, the Term hereby granted by the Lease shall cease and the Rent and Additional Rent shall be prorated and payable up to the time of the cessation of the Term. A refund will be given for the balance of any Rent paid in advance for which Tenant did not have use of the Premises due to the cessation of the Term under the conditions of this Paragraph. Where the Premises have been taken due to condemnation as described in Subparagraph (3) of this Paragraph, the Term of the Lease shall cease and terminate upon the date that possession of the Premises is taken by the authority. Rent and Additional Rent shall be prorated and payable up to the time of the cessation of the Term. Tenant shall not hold Landlord liable for any damages as a result of any of the acts or events described in this subparagraph.

**48. Holdover:** Tenant shall vacate the Premises and remove all of Tenant's personal property from the Premises prior to 11:59 p.m. on the date the Term expires. Landlord may immediately commence eviction proceedings at its sole discretion. If, after the expiration of the Lease, Tenant shall remain in possession of the Premises and continue to pay Rent without a written agreement as to such possession, then such tenancy shall be regarded as a month-to-month tenancy, at a monthly rental, payable in advance, equivalent to the last month's Rent paid under the Lease, and subject to all the terms and conditions of the Lease.

**49. Entry by Landlord:** Landlord may enter the Premises at all hours for reasonable purposes (such as repairs, inspections, or re-letting to prospective new tenants).

**50. Guarantor: Paragraph 50 Not Applicable**

**51. Subordination/Estoppel/Attornment:** The Lease shall be subordinate to all existing and future mortgages, deeds of trust, and other security interests on the Premises and to any and all extensions, renewals, refinancing, and modifications thereof. Tenant shall execute and deliver whatever instruments may be required for such purposes, or for the purpose of informing a potential or existing lender or purchaser of the Property as to the status of its tenancy. Any such instruments or estoppel letters shall contain all information reasonably required by Landlord or other entity in conjunction with such transaction. Tenant agrees to attorn to a lender or other party coming into title to the Property upon written request of Landlord.

**52. Notices:** All notices required to be sent under the Lease shall be in writing and either: (i) delivered as provided by applicable law, including, *inter alia*, § 13-40-101, C.R.S., *et seq.*, [Colorado Forcible Entry and Unlawful Detainer statute]; (ii) personally delivered, with proper proof of service; or (iii) sent via U.S. first class mail, postage prepaid. All notices required to be sent to Landlord shall be sent or delivered to the address where the Rent is to be paid, and all notices required to be sent to Tenant shall be sent or delivered to the Premises, unless otherwise specified in the Lease. Notwithstanding the foregoing, all notices involving or concerning § 13-40-101, C.R.S., *et seq.* shall be delivered as provided by statute.

**53. Attorneys' Fees:** In the event Tenant or Landlord fails to perform any of its obligations under the Lease, or in the event a dispute arises concerning the meaning or interpretation of any provision of the Lease, the defaulting party, or the party not prevailing in such dispute, as the case may be, shall pay any and all costs and expenses incurred by the other party in enforcing or establishing its rights hereunder, including, without limitation, court costs and reasonable attorneys' fees.

**54. Governing Law:** The Lease shall be governed by and construed in accordance with the laws of the State of Colorado. Venue shall be proper in Weld county where the Premises are located.

**55. Amendments and Termination:** Unless otherwise provided in the Lease, the Lease may be amended, modified, or terminated only by a written instrument executed by Landlord and Tenant.

**56. Captions:** The paragraph titles or captions in the Lease are for convenience only and shall not be deemed to be part of the Lease.

**57. Pronouns; Joint and Several Use of Certain Terms:** Whenever the terms referred to in the Lease are singular, the same shall be deemed to mean the plural, as the context indicates, and vice versa. All references to the "Landlord" shall mean Landlord and/or its authorized agents, contractors, or employees as may be required by the specific context. All references to the "Tenant" shall mean each and every person comprising Tenant, or an individual person, or combination of persons comprising Tenant as may be required by the specific context.

**58. Waivers:** No right under the Lease may be waived except by written instrument executed by the party who is waiving such right. No waiver of any breach of any provision contained in the Lease shall be deemed a waiver of any preceding or succeeding breach of that provision, or of any other provision contained in the Lease. No extension of time for performance of any obligations or acts shall be deemed an extension of the time for performance of any other obligations or acts.

**59. Heirs, Assigns, Successors:** The Lease is binding and inures to the benefit of the heirs, assigns, and successors in interest to the parties, subject to the restrictions on assignment in Paragraph 18.

**60. Time of the Essence:** Time is of the essence of the Lease, and each and all of its provisions.

**61. No Reservation of Option:** Submission of this instrument for examination or signature by Tenant does not constitute a reservation of or option for lease, and is not effective as a lease or otherwise until execution and delivery by both Lessor and Tenant.

**62. Credit Reports: Paragraph 62 Not Applicable**

**63. Corporate Authorization:** If Tenant is a corporation, each individual executing the Lease on behalf of the corporation represents and warrants that he is duly authorized to execute and deliver the Lease on behalf of said corporation in accordance with a duly adopted resolution of the Board of Directors of the corporation and that the Lease is binding upon the corporation in accordance with its terms. Lessee agrees to provide Landlord with such a resolution within five (5) days of the execution of the Lease.

**64. Severability:** If any term, covenant, condition, or provision of the Lease, or the application thereof to any person or circumstance shall, at any time or to any extent, be invalid or unenforceable, the remainder of the Lease, or the application of such term, or provision to persons, or circumstances other than those to which it is held invalid, or unenforceable, shall not be affected thereby, and each provision of the Lease shall be valid and shall be enforced to the fullest extent permitted by law.

**65. Lead-Based Paint Disclosure Rule:** Housing built before 1978 may contain lead-based paint. Lead from paint, paint chips, and dust can pose health hazards if not managed properly. Lead exposure is especially harmful to young children and pregnant women. Before renting pre-1978 housing, landlords must disclose the presence of known lead-based paint and/or lead-based paint hazards in the dwelling. Tenant must also receive a federally approved pamphlet on lead poisoning prevention. In the event the Premises were constructed before 1978, Landlord shall comply with the Lead-Based Paint Disclosure, 42 U.S.C. § 4852d.

**66. Other Applicable Laws:** Federal, state, county, or municipal laws and ordinances may affect the Premises, the Lease, and Landlord/Tenant relationship that are not specifically addressed in the Lease. Landlord and Tenant should consult legal counsel prior to execution of the Lease to ascertain such information.

**67. ADA Compliance:** Tenant shall not cause or permit any violation of the Americans with Disabilities Act (the "ADA") to occur on, or about the Premises by Tenant, its agents, employees, contractors or invitees. Tenant shall indemnify, defend and hold Landlord harmless from any and all claims, judgments, damages, penalties, fines, costs, liabilities, or losses (including, without limitation, diminution in value of the Premises, damages for the loss or restriction of use of rentable or usable space, damages arising from any adverse impact on marketing of space, and sums paid in settlement of claims, attorneys' fees, consultation fees and expert fees) that arise during or after the Term as a result of such violation. This indemnification of Landlord by Tenant includes, without limitation, costs incurred in connection with any investigation of site conditions or any remedial work required by any federal, state, or local governmental agency or political subdivision because of any ADA violation present on or about the Premises. Tenant shall be permitted to make such alterations to the Premises as may be necessary to comply with the ADA, at Tenant's sole expense and upon the prior written consent of Landlord. Without limiting the foregoing, if the presence of any ADA violation on the Premises caused or permitted by Tenant results in remedial work on the Premises, Tenant shall

promptly take all actions at its sole expense as are required by any authority to comply with the ADA; provided that Landlord's consent to such actions shall first be obtained, which shall not be reasonably withheld.

**68. Counterparts:** This Agreement may be executed in separate counterparts, and the counterparts taken together shall constitute the whole of this Agreement.

**69. Additional Provisions: Operations to be Consistent with Municipal and Community Standards.** The parties agree that a commercial operation in a Town-owned facility adjacent to Town Hall and within Town Square must acknowledge the importance of community standards of conduct and appearance. The parties agree that the Landlord, acting through Town Staff, reserves the right of approval of the name of the business, and other key standards, policies and guidelines. The Landlord agrees not to unreasonably withhold approval.

In the event that there are any additional agreements between the parties or provisions with respect to the Premises, an Addendum may be attached to the Lease, which shall be incorporated by this reference as a part of the Lease. An Addendum containing additional provisions is attached. The Lease and the attached Addendum constitute the entire agreement between the parties.

**THE PARTIES SHOULD INITIAL EACH PAGE OF THE LEASE AND SIGN BELOW. EACH PARTY SHOULD RECEIVE A SIGNED COPY OF THE LEASE AND ANY ADDENDA.**

**TENANT: Johnstown-Milliken Chamber of Commerce  
Milliken Business Association**

**LANDLORD: TOWN OF MILLIKEN**

\_\_\_\_\_  
Edgar Schramma, President  
Johnstown-Milliken Chamber of Commerce

\_\_\_\_\_  
Kent Brown, Town Administrator

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

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

\_\_\_\_\_  
Tim Woodcock, President  
Milliken Business Association

Attest: \_\_\_\_\_  
Cheryl Powell, Town Clerk

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

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