

ORDINANCE NO. 2011-1

AN ORDINANCE OF THE TOWN OF RICO, COLORADO AUTHORIZING THE LEASE OF TOWN OWNED PROPERTY TO THE RICO HISTORICAL SOCIETY, A 501(c)(3) NON-PROFIT CORPORATION

WHEREAS, C.R.S sec. 31-15-715 and Rico Charter, Article 14.1, each authorize the Rico Board of Trustees to lease real property owned by the Town by ordinance.

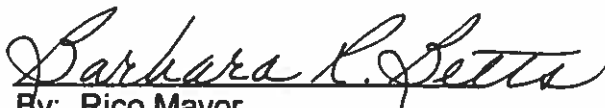
WHEREAS, the Rico Board of Trustees finds that the lease of Town owned property to the Rico Historical Society is a beneficial use of an existing building in Rico and will promote the welfare of the Rico community.

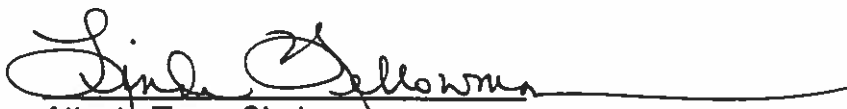
NOW THEREFORE, BE IT ORDAINED, BY THE RICO BOARD OF TRUSTEES AS FOLLOWS:

LEASE APPROVED. The Board of Trustees hereby approves the attached lease which authorizes lease of Town owned property located at 15 S. Glasgow in Rico, Colorado to the Rico Historical Society, a 501(c)(3) non-profit corporation. In connection with such lease, the Town authorizes its officers, including the Mayor, Town Manager and Town Clerk, to execute such instruments as are necessary and convenient to the purpose of this Ordinance.

INTRODUCED, READ, APPROVED AND ADOPTED BY THE BOARD OF TRUSTEES OF THE TOWN OF RICO ON THIS 16TH DAY OF FEBRUARY, 2011.

READ AND APPROVED ON SECOND READING BY THE BOARD OF TRUSTEES OF THE TOWN OF RICO ON THIS 16 DAY OF MARCH, 2011.


By: Rico Mayor


Attest: Town Clerk

RICO MUSEUM LEASE

This Lease is made and entered into this 16TH day of March 2011, by and between the Town of Rico, a Colorado Municipal Corporation, (hereinafter "Lessor") and the Rico Historical Society, a 501(c)(3) nonprofit corporation (hereinafter called "Lessee").

1. **Premises.** In consideration of the mutual promises and covenants contained herein, Lessor leases the premises known as 15 S. Glasgow, Rico, Dolores County, Colorado to Lessee.
2. **Term.** The term of the Lease shall commence at 12:00 noon on the 16TH day of March, 2011, and shall be for a term of one year and shall terminate at 12:00 noon on the 16TH day of March, 2012, unless sooner terminated or extended. The Lease shall automatically be extended for a period of one year commencing at 12:01 noon on the 16TH day of March 2012, and annually thereafter, unless terminated by thirty (30) days prior written notice by either Party to the other.
3. **Designated Use.** The Lessee shall only use the Premises for an historical museum.
4. **Rent.** In exchange for rental of the premises, Lessee agrees to pay Lessor annual rent in the amount of \$1.00 annually for the term of the lease.
5. **Condition.** The Lessee's taking possession of the leased Premises shall be conclusive evidence as against Lessee that said Premises were in good and satisfactory condition when possession was taken, and acknowledgment of completion in full accordance with the provisions hereof.
6. **Possession.** Lessor covenants that Lessee shall peacefully and quietly possess and enjoy the Premises as against all persons claiming any right, title or interest in and to said Premises, so long as Lessee shall faithfully perform the covenants, obligations, agreements and conditions of this Lease. Lessor shall keep the Premises in a clean and sanitary condition. Lessee agrees not to use the Premises in any manner which constitutes a nuisance. If the Lessor determines that any use of the Premises constitutes a nuisance in accordance with the laws of the Town of Rico, Lessor shall have the right to terminate the lease with fourteen (14) days prior written notice. Lessee agrees to keep the leased Premises in good order, condition and repair as when they were entered upon.

7. **Utilities.** Lessee agrees to arrange and pay for all utility services, except water, to include gas, electricity and telephone service. Lessee further agrees to properly clean, maintain and repair the septic tank attached to the Premises.
8. **Repairs/Improvements.** Exterior and interior painting, signage and other desired improvements shall be at the expense of the Lessee, unless otherwise agreed by the Parties in writing. Lessee agrees not to make alterations in or additions to the leased Premises without first obtaining the written consent of Lessor.
9. **Entry.** Lessee agrees to permit Lessor, upon reasonable notice, to enter the leased Premises to examine and inspect the same or make repairs, additions or alterations as Lessor may deem necessary or proper for the safety, improvement or preservation of the Premises.
10. **Legal Compliance.** Lessee shall not use the Premises for any purposes prohibited by the laws of the United States, the State of Colorado, or the Town of Rico. Lessee shall not do any act upon the Premises or bring into or keep upon the Premises any article which will affect the risk of fire. Lessee shall further comply with the rules and requirements of all fire codes, rating bureaus of fire prevention and like bodies and with the requirements of all insurance companies having policies of any kind in effect covering the buildings.
11. **Insurance.** Lessee shall carry liability insurance at its expense against bodily injury and property damage occurring on the Premises and adjacent public areas in the minimum total amounts of \$1,000,000 dollars, combined single limits for bodily injury (if individual limits are specified, then also \$150,000 dollars per person), and \$1,000,000 for property damage. All such required insurance policies shall name Lessor as an additional insured and shall provide for ten days prior written notice to Lessor of a lapse or cancellation for any reason whatsoever. Lessee shall furnish Lessor with certificates evidencing that the insurance is in effect at all times during the term of this Lease.
12. **Indemnity.** Lessee shall indemnify and hold Lessor harmless from and against any and all losses, claims, accidents and damages arising from Lessee's use of the leased Premises or the conduct of its business or from any activity, work or thing done, or permitted by Lessee in or around the leased Premises, and shall further indemnify and hold Lessor harmless from and against any and all claims arising from any breach or default in the performance of any obligation on Lessee's part to be performed under the

terms of this Lease. Lessee hereby assumes all risks of damage to property or injury to person in, upon or about the leased Premises.

13. **Release.** The Lessee shall neither hold, nor attempt to hold the Lessor, its agents, contractors, and employees liable for any injury, damage, claims or loss to person or property occasioned by any accident, condition or casualty to, upon, or about the Premises, including, but not limited to, defective wiring, and the breaking or stopping of the plumbing or sewage upon the Premises.
14. **Damage.** The Lessee shall, at the expiration of the Lease, surrender the premises in as good a condition as when the Lessee entered upon the Premises, ordinary wear and tear excepted. In the event that the Premises are damaged by the negligent, reckless or intentional act or omission of the Lessee or any employees, agents, invitees, licensees or contractors, the Lessee shall bear the full cost of such repair or replacement.
15. **Sublet.** The Lessee shall not sublet any part of the premises, nor assign the Lease, nor any interest therein, without the written consent of the Lessor.
16. **Loss of Premises.** If the Premises shall be destroyed in whole or in part by fire, the elements, or other casualty and if, in the sole opinion of the Lessor, they cannot be repaired with ninety (90) days from said injury and the Lessor informs the Lessee of said decision, or if the premises are damaged in any degree and the Lessor informs the Lessee it does not desire to repair same and desires to terminate this Lease; then this Lease shall terminate on the date of such injury. In the event of such termination, the Lessee shall immediately surrender the possession of the Premises and all rights therein.
17. **Attorney Fees.** In the event any dispute arises concerning the terms of this Lease or the violation of any covenants under this Lease, and the matter is turned over to an attorney, the Party prevailing in such dispute shall be entitled, in addition to other damages or costs, to receive reasonable attorneys' fees from the other Party.
18. This Lease, its validity, interpretation and enforcement, shall be governed by the laws of the State of Colorado.
19. All terms, conditions and covenants to be observed and performed by the Parties hereto shall be applicable to and binding upon their respective heirs, administrators, executors, successors and assigns.

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

LESSOR/TOWN OF RICO:

Sabrina R. Stees

RICO MAYOR

Linda Yellowman

Attest: Linda Yellowman, Town Clerk

LESSEE/ RICO HISTORICAL SOCIETY:

John M. Cannon

STATE OF COLORADO, COUNTY OF DOLORES

The foregoing instrument was acknowledged before me this 2nd day of July, 2011, by Linda Yellowman

WITNESS my hand and official seal,

Erin Johnson

Notary Public

Erin Johnson

(SEAL)

My commission expires: 12/17/2014



My Commission Expires

12/17/2014