STATE OF COLORADO
acting by and through the
Department of Natural Resources,
for the use and benefit of the Division of Parks and Wildlife
and the Parks and Wildlife Commission

REAL PROPERTY LEASE

Granted by
The City of Craig and the Colorado River Water Conservation District, acting by and through its Colorado River Water Projects Enterprise

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1. PARTIES

This lease ("Lease") is entered into by and between the City of Craig ("the City"), whose legal address is 300 West Fourth Street, Craig, Colorado 81625, and the Colorado River Water Conservation District, a political subdivision of the State of Colorado, acting by and through its Colorado River Water Projects Enterprise ("the District"), whose legal address is 201 Centennial Street, Suite 200, Glenwood Springs, Colorado 81601 (collectively the City and District are called "Lessor") as lessor, and the State of Colorado, acting by and through the Department of Natural Resources, for the use and benefit of the Division of Parks and Wildlife and the Parks and Wildlife Commission (the "State" or "CPW"), whose legal address is 1313 Sherman Street, Denver, Colorado 80203, as lessee. The City, the District, and the State may be referred to in this Lease singularly as "Party" and collectively as "the Parties". The Parties hereby agree to the following terms and conditions.

2. EFFECTIVE DATE AND NOTICE OF NONLIABILITY

This Lease shall not be effective or enforceable until the Effective Date as set forth in **§5.A.** The State shall not be liable to pay or reimburse Lessor for any performance hereunder including, but not limited to, costs or expenses incurred, or be bound by any provision hereof prior to the Effective Date.

3. RECITALS

A. Authority, Appropriation, and Approval

Authority to enter into this Lease exists in CRS §33-1-101, §33-1-104, §33-1-105, §33-9-101, §33-9-109, et seq., §33-10-101, §33-10-106, and §33-10-107 and funds have been budgeted, appropriated and otherwise made available and a sufficient unencumbered balance thereof remains available for payment. Required approvals, clearances, and coordination have been accomplished from and with appropriate agencies.

B. Consideration

The Parties acknowledge that the mutual promises and covenants contained herein and other good and valuable consideration are sufficient and adequate to support this Lease.

C. Exhibits and other Attachments

The following are attached hereto and incorporated by reference herein: **Exhibit A** (Property Legal Description) and **Exhibit B** (Property Map).

D. Purpose

This Lease is entered into for the following purposes: to allow the State to manage the Property (as defined in **§4.F.**) for Public Recreational Uses and Activities (as defined in **§4.G.**) and to allow for the construction of the necessary infrastructure to meet such purpose. Upon the Effective Date as defined in **§4.C.** and set forth in **§5.A.** this Lease shall supersede and replace the Lease Agreement entered into by the Parties on July 19, 2006.

E. References

All references in this Lease to sections (whether spelled out or using the § symbol), subsections, exhibits or other attachments, are references to sections, subsections, exhibits or other attachments contained herein or incorporated as a part hereof, unless otherwise noted.

4. DEFINITIONS

The following terms as used herein shall be construed and interpreted as follows:

A. Conservation Easement

"Conservation Easement" means the perpetual conservation easement in gross that was reserved by the former Colorado Division of Wildlife when it transferred portions of the Property to the City on March 28, 1991 via a Special Warranty Deed recorded in the records of Moffat County, Colorado on October 1, 2002 at Reception No. 2002L4329 and in the records of Routt County, Colorado on October 4, 2002 at Reception No. 570795. As the holder of the Conservation Easement, CPW (as the successor in interest to the former Colorado Division of Wildlife) has the right to manage wildlife-related public recreational activities on the Property including but not limited to fishing and hunting.

B. Dam

"Dam" means the Elkhead Reservoir dam located on the Property.

C. Effective Date

"Effective Date" means the date on which the State approves and signs this Lease.

D. Lease

"Lease" means this Lease, its terms and conditions, attached exhibits, documents incorporated by reference under the terms of this Lease, and any future modifying agreements, exhibits, attachments or references incorporated herein pursuant to Colorado State law, Fiscal Rules, and State Controller Policies.

E. Lease Funds

"Lease Funds" means funds available for payment by Lessor to the State pursuant to this Lease.

F. Property

"The Property" means the real property described in **Exhibit A** and depicted for illustrative purposes only in **Exhibit B**.

G. Public Recreational Uses and Activities

H. "Public Recreational Uses and Activities" means uses of and activities on the Property by members of the general public that are recreational in nature and permitted and managed by the State. This term includes both Parks-related uses and activities that are authorized by and compatible with the Elkhead Reservoir State Park Management Plan, including but not limited to camping, boating, swimming, biking, and hiking, as well as wildlife-related uses and activities that are authorized by and compatible with the Conservation Easement, including but not limited to hunting, fishing, trapping, and wildlife observation. **Recreation Areas**

"Recreation Areas" means those portions of the Property that are managed by the State and used for Public Recreational Uses and Activities, including the surface of the Reservoir. This term includes areas existing on the Property at the time of the execution of this Lease, as well as any future areas established, by mutual agreement of the Parties, subsequent to the execution of this Lease. Recreation Areas may or may not contain Recreational Facilities. The locations of the Recreation Areas existing at the time of the execution of this Lease are depicted for illustrative purposes only on **Exhibit B**.

I. Recreational Facilities

"Recreational Facilities" means those structures or improvements on the Property that are constructed, operated, and maintained by the State and used for Public Recreational Uses and Activities. Recreational Facilities may include but are not limited to boat ramps, campgrounds, restrooms, and trails. This term includes structures or improvements existing on the Property at the time of the execution of this Lease, as well as any future structures or improvements established, by mutual agreement of the Parties, subsequent to the execution of this Lease. This term does not include any structures or improvements constructed, operated, and maintained by the City or the District. The locations of the Recreational Facilities existing at the time of the execution of this Lease are depicted for illustrative purposes only on **Exhibit B**.

J. Reservoir

"Reservoir" means the Elkhead Reservoir located on the Property.

K. Shop

"Shop" means the building to be constructed by the State on the Property to store and service State equipment. The Shop is not be a Recreation Facility and shall not be open to

the general public. The location of the Shop is depicted for illustrative purposes only on **Exhibit B**. The Shop's final location and design must be approved by the District in writing prior to construction.

5. TERM AND EARLY TERMINATION

A. Term

This Lease shall begin on the Effective Date or on January 1, 2016, whichever is later, and end on December 31, 2035, unless sooner terminated as provided for herein. The existing Lease Agreement executed by the Parties on July 19, 2006 shall be terminated upon execution of this Lease.

B. Early Termination in the Public Interest

The State is entering into this Lease for the purpose of carrying out the public policy of the State of Colorado, as determined by its Governor, General Assembly, and Courts. If this Lease ceases to further the public policy of the State, the State, in its sole discretion, may terminate this Lease in whole or in part. Exercise by the State of this right shall not be deemed a breach of its obligations hereunder. In such event, State shall provide Lessor written notice, as provided in **§14** at least 30 days prior to the desired termination date. If this Lease is terminated for convenience, the State shall be paid prorated rent through the termination date, less payments previously made.

C. Two-Month Extension – Holdover

The Parties, upon mutual agreement, may extend the term of this Lease for a period not to exceed two months if the Parties are negotiating a new lease (and not merely seeking a term extension) before the end of any initial term or an extension thereof. The provisions of this Lease in effect when said notice is given, including, but not limited to, rents, costs, and fees shall remain in effect during said two month extension. However, the two-month extension shall immediately terminate when and if a replacement lease is approved and signed by the Colorado State Controller.

D. Term Extension

Upon the mutual agreement of the Parties, the term of this Lease may be extended. The Parties shall meet and discuss any extension within 180 days prior to the expiration of this Lease.

6. LEASE, GRANT, AND DEMISE – USES AND PURPOSES

Lessor hereby leases, grants, and demises unto the State, including its employees, officers, agents, and other authorized parties, the right to access and occupy the Property for the uses and purposes set forth in **§3.D**, as well as the right to conduct all activities reasonably attendant to such uses and purposes, including the construction of the Shop. The Parties shall have the following rights and obligations subject to the following duties and restrictions:

A. Exclusivity

Subject to the retained rights of Lessor to manage the Property for its primary reservoir, dam, and water storage purposes, the State shall have an exclusive right to access and occupy the Property for the uses and purposes set forth in **§3.D**, subject to the following limitations and/or exceptions: Lessor shall have the right to access and occupy the Property for public recreation uses and purposes, including the right to construct, operate, and maintain improvements, provided that such use of the Property is not inconsistent with the State's rights under this Lease, and subject to prior notice to and approval from the State.

B. The State

i. Fees

The State shall establish and collect use fees from the public for the use of the Recreation Areas as authorized by statute. Such fees shall belong to the State. Lessor shall be prohibited from collecting any additional fees for recreational use of the Recreation Areas during the term of this Lease unless the Lease is terminated or breached.

ii. Laws, Rules, Regulations and Enforcement

The State shall provide law enforcement personnel to supervise the use of the Recreation Areas and Recreational Facilities by the public, and to assist Lessor in protecting the remainder of the Property and improvements thereon, including the Reservoir and Dam, from damage by the public. The State shall enforce the laws, rules and regulations relating to parks and recreation areas within the Recreation Areas in order to supervise and control the use of the Recreation Areas. The State shall consult with Lessor prior to the adoption of any new rules and regulations by the State regarding public use of the Property.

iii. Notices

The State shall place signs on the Property or otherwise inform the public that certain portions of the Property, i.e. the Recreation Areas, are operated as part of the State Park System and to inform the public of the rules pertaining to use of the Recreation Areas and Recreational Facilities.

iv. Recreational Facilities and Shop

a. Construction

The State shall fund and construct the Recreational Facilities and the Shop on the Property, including but not limited to boat ramps, campgrounds, restrooms, trails, and other recreational amenities in accordance with current State Park Design Standards, provided that the State, in its sole discretion, determines that there is a need for Recreational Facilities and that the State has secured an appropriation and separate State Controller approval to construct Recreational Facilities. The City or the District may request that the State construct new Recreational Facilities not contemplated by this Lease; however, the State shall not be obligated to provide the same unless the State agrees that the new Recreational Facilities are necessary and is able to obtain an appropriation and separate State Controller approval to construct, operate and maintain such facilities. The potential locations of the Recreational Facilities shall be agreed to by the Parties prior to construction, and the area where the Recreational Facilities are constructed shall thereafter be referred to as a Recreation Area.

b. Operation and Maintenance

The State shall at all times maintain, at its sole cost and expense, the Recreational Facilities and the Shop in good and safe order, condition, and state of repair. The State is responsible for payment of all costs, including electrical utility bills, incurred in the operation and maintenance of all Recreational Facilities and the Shop on the Property, but not for any facilities constructed by the City or the District.

c. Fencing

The State may erect fencing on the Property, at its sole cost and expense, if the State determines such is necessary to protect the Recreation Areas or Recreational Facilities. Such fencing shall not interfere with the primary purposes of the Reservoir or the operation of such.

d. Weed Control

The State shall be responsible for weed control in the vicinity of Recreational Facilities and within 25 feet from the center of any trails on the Property.

e. Ownership at Termination

Upon the termination of this Lease, the Recreational Facilities and any other recreational improvements constructed by the State shall become the property of the City and shall not be removed by the State or the District without the prior written consent of the City. Upon the termination of this Lease, the District shall have the right but not the obligation to assume ownership of the Shop and shall notify the State within 120 days after the termination of the Lease whether the District intends to do so. If the District at its sole discretion chooses not to assume ownership of the Shop, the State shall be given a reasonable amount of time, not to exceed five years to remove the Shop and reclaim the area.

v. Third Party Contracts

The State may enter into written contracts or permits with third parties for the purpose of performing the State's obligations set forth in this Lease, which, in the State's sole authority and discretion, it deems appropriate to delegate. In such event, the State shall promptly provide a copy of each such contracts or permits to Lessor. Such contracts or permits shall be subordinate to, and refer to and incorporate by reference this Lease and shall not relieve the State from the full and complete performance of its obligations under this Lease.

vi. Insurance

The State is self-insured; however, if the State obtains other insurance, such insurance shall name Lessor as an additional insured.

vii. Conservation Easement

The State shall have the right to manage wildlife-related public recreational uses and activities on those portions of the Property that are currently encumbered by the Conservation Easement. Any rights awarded to the State by this Lease related to such uses and activities are in addition to the rights reserved by the State in the Conservation Easement, and any rights awarded to the State by this Lease that are inconsistent with those in the Conservation Easement shall be deemed null and void.

viii. Aquatic Nuisance Species

The State shall manage aquatic nuisance species (ANS) in the Reservoir, including the inspection of all water craft, and Lessor shall support the State's efforts in doing so. The State shall keep Lessor informed of the State's management efforts, including any changes to the State's ANS program that may potentially impact use of the Reservoir. Any ANS management efforts that may affect the use and management of the Reservoir by Lessor must be approved by Lessor. Conversely, Lessor shall give prior notice to the State before implementing any new reservoir management practices that may potentially affect the State's ANS management efforts.

C. The City

i. Use and Management

The City may, without State approval, use and manage the Property, including the Dam and Reservoir, for all other purposes other than Public Recreational Uses and Activities, including but not limited to the following:

a. construction, operation, expansion, modification, repair, replacement, and maintenance of the Dam and Reservoir and any City-owned structures and improvements on the Property;

b. storage, release and delivery of water; and

c. compliance with all agreements, easements, reservations and restrictions, governmental licenses, permits, and approvals to which the Dam, Reservoir and Property are now or hereafter become subject (except to the extent assumed by the State under this Lease).

ii. Weed Control

The City and the District are mutually responsible for weed control on portions of the Property not adjacent to the Recreational Facilities.

D. The District

i. Dam and Reservoir Operation

The District shall operate the Dam and Reservoir for the primary purpose of delivering water downstream for all legal purposes, including deliveries to the City and owners, users or contractors of the water. The District shall have full control over any condition or operation pertaining to the storage and release of water at the Dam and Reservoir, including water levels and fluctuations thereof, and full access to the Property and all structures and improvements, excluding the Recreational Facilities and Shop. The District may subcontract with the City or third parties to operate the Dam and Reservoir.

ii. Use and Management

Subject to its contractual relationship with the City, the District may, without State approval, use and manage the Property, including the Dam and Reservoir, for all other purposes other than Public Recreational Uses and Activities, including but not limited to the following:

a. Construction, operation, expansion, modification, repair, replacement, and maintenance of the Dam and Reservoir and any District-owned structures and improvements on the Property;

b. Storage, release and delivery of water; and

c. Compliance with all agreements, easements, reservations and restrictions, governmental licenses, permits, and approvals to which the Dam, Reservoir and Property are now or hereafter become subject (except to the extent assumed by the State under this Lease).

iii. Water Releases

The District shall provide reasonable notice to the State before releasing water from the Reservoir so that the State may take adequate and necessary precautions to protect the Recreation Areas and Recreational Facilities. The District shall repair or replace, at its sole cost and expense, any Recreational Facilities that are damaged due to inundation as a result of such releases.

iv. Weed Control

The City and the District are mutually responsible for weed control on portions of the Property not adjacent to the Recreational Facilities.

7. PAYMENTS TO LESSEE

Lessor shall, in accordance with the provisions of this **§7**, pay the State amounts due hereunder in the amounts and using the methods set forth below:

A. Payments

i. Amount

The amount of payment owed to the State from Lessor shall be $30,000 per annum. Nothing in this Lease is intended or shall be construed to create a multiple fiscal year financial obligation or debt of Lessor. Where activities or payment obligations provided in this Lease extend beyond the current fiscal year, continued expenditures or appropriations are contingent on the approval of Lessor's respective boards and/or other approving authorities.

ii. Time, Place, and Method of Payment

Lessor shall pay amounts due hereunder in advance via check mailed to the address set forth in **§14** annually on March 31, upon receipt of written invoice from the State.

8. WARRANTIES AND REPRESENTATIONS

A. Regarding the Property

Lessor warrants and represents that it is the owner of the Property or the authorized representative or agent of said owner in the form and manner stated herein. During the term of this Lease, Lessor covenants and agrees to warrant and defend the State in the quiet, peaceable enjoyment and possession of the Property. In the event of any dispute regarding Lessor's ownership, Lessor shall, upon request from and at no cost to the State, immediately furnish proof thereof by delivering to the State copies of documents evidencing that Lessor owns the Property that are sufficient to the State. Lessor further warrants that the Property is not currently subject to any existing leases, easements, or other burdens that would result in this Lease being invalid or that would interfere with the State's intended use and occupancy of the Property.

B. Regarding Legal Authority

Lessor warrants that it possesses the legal authority to enter into this Lease and that it has taken all actions required by its procedures, by-laws, and/or applicable laws to exercise that authority, and to lawfully authorize its undersigned signatory to execute this Lease and to bind Lessor to its terms. The persons signing and executing this Lease on behalf of Lessor hereby represents, warrants, and, guarantees that they have full authorization to do so. If requested by the State, Lessor shall provide the State with proof of Lessor's authority to enter into this Lease within 15 days of receiving such request.

9. CONDITION ON TERMINATION

At the termination hereof, the State shall surrender and deliver the Property in as substantially good order and condition as exists at the inception hereof; excepting however, loss by fire, inevitable accident, acts of nature, damage or neglect attributable to Lessor, and ordinary wear and tear.

10. EMINENT DOMAIN

If the Property shall be taken by right of eminent domain, in whole or in part, for public purposes, then this Lease, at the option of any Party, shall forthwith cease and terminate. In such event, the entire damages which may be awarded for such taking shall be apportioned between the Parties, as their interests appear.

11. CASUALTY

If the property is damaged by fire, flood, or other casualty, the State may terminate this Lease within 30 days of the date the State becomes aware of such occurrence if, in the opinion of the State, the Property has been so damaged as to render it wholly or partially untenantable or unfit for the State's purposes. If the State so elects, it shall terminate this Lease by giving written notice to Lessor as provided in **§14**. Such termination shall be effective 30 days from the date of mailing of the notice of termination.

12. DEFAULT

A. Defined

In addition to any breaches specified in other sections of this Lease, the failure of either Party to perform any of its material obligations hereunder in whole or in part or in a timely or satisfactory manner constitutes a breach. The institution of proceedings under any bankruptcy, insolvency, reorganization or similar law, by or against Lessor, or the appointment of a receiver or similar officer for Lessor or any of its property, which is not vacated or fully stayed within 20 days after the institution or occurrence thereof, shall also constitute a breach.

B. Notice and Cure Period

In the event of a breach, notice of such shall be given in writing by the aggrieved Party to the other Party in the manner provided in **§14**. If such breach is not cured within 30 days of receipt of written notice, or if a cure cannot be completed within 30 days, or if cure of the breach has not begun within 30 days and pursued with due diligence, the State may exercise any of the remedies set forth in **§13**. Notwithstanding anything to the contrary herein, the State, in its sole discretion, need not provide advance notice or a cure period and may immediately terminate this Lease in whole or in part if reasonably necessary to preserve public safety or to prevent immediate public crisis.

13. REMEDIES

If Lessor is in breach under any provision of this Lease, the State shall have all of the remedies available to the State in law or equity, all those listed in this **§13**, and any other remedies set forth in other sections of this Lease. The State may exercise any or all of the remedies available to it, in its sole discretion, concurrently or consecutively.

A. Removal of Improvements

In the event of termination of this Lease for any reason, the State may remove any improvements it placed on the Property that can be removed without substantial injury to the Property. Removal of improvements by the State shall be completed within 90 days of the termination date and any improvements remaining thereafter shall become property of Lessor.

B. Use of Property

After termination of this Lease for any reason, Lessor shall not be required to offer use of the Property to the public, but may reserve exclusive use to Lessor.

14. NOTICES AND REPRESENTATIVES

Each individual identified below is the principal representative of the designating Party. All notices required to be given hereunder shall be hand delivered with receipt required or sent by certified or registered mail to such Party's principal representative at the address set forth below. In addition to, but not in lieu of a hard-copy notice, notice also may be sent by e-mail to the e-mail addresses, if any, set forth below. Either Party may from time to time designate by written notice substitute addresses or persons to whom such notices shall be sent. Unless otherwise provided herein, all notices shall be effective upon receipt.

The State
Colorado Parks and Wildlife
Real Estate Section
6060 Broadway
Denver, CO 80216
brian.ocepek@state.co.us

The City
City of Craig
Office of the City Manager
300 West 4th
Craig, Colorado 81625
jferree@ci.craig.co.us

Copy to:
Elkhead Reservoir State Park
Park Manager
P.O. Box 759
Hayden, CO 81639
ron.dellacroce@state.co.us

The District
Ray Tenney, P.E.
Deputy Chief Engineer
P.O. Box 1120
Glenwood Springs, CO 81602
rtenney@crwcd.org

15. LIABILITY LIMITATIONS

A. Governmental Immunity

Liability for claims for injuries to persons or property arising from the negligence of the Parties, their departments, institutions, agencies, boards, officials, and employees is controlled and limited by the provisions of the Governmental Immunity Act §24-10-101, et seq. and for the State, the risk management statutes, CRS §24-30-1501, et seq., as amended. No term or condition of this Lease shall be construed or interpreted as a waiver, express or implied, of any of the immunities, rights, benefits, protections, or other provisions, of CGIA or the Federal Tort Claims Act, 28 U.S.C. §§1346(b) and 2671 et seq., as applicable now or hereafter amended.

B. Lessor

CRS §33-41-101, et seq., may provide for Lessor to enjoy limitations on its potential liability which arise from use of the Property by members of the public for Public Recreational Uses and Activities.

16. GENERAL PROVISIONS

A. Assignment and Subletting

The State shall not have the right to assign or sublease its interest under this Lease, or any portion thereof, absent Lessor's written consent, which consent shall not be unreasonably withheld.

B. Binding Effect

All provisions herein contained, including the benefits and burdens, shall extend to and be binding upon the Parties' respective heirs, legal representatives, successors, and assigns.

C. Captions and Headings

The captions and headings in this Lease are for convenience of reference only, and shall not be used to interpret, define, or limit its provisions.

D. Construction Against the Drafter

In the event of an ambiguity in this Lease the rule of construction that ambiguities shall be construed against the drafter shall not apply and the Parties hereto shall be treated as equals and no Party shall be treated with favor or disfavor.

E. CORA Disclosure

To the extent not prohibited by federal law, this Lease and the performance measures and standards under CRS §24-103.5-101, if any, are subject to public release through the Colorado Open Records Act, CRS §24-72-101, et seq.

F. Counterparts

This Lease may be executed in multiple identical original counterparts, all of which shall constitute one agreement.

G. Entire Understanding

This Lease represents the complete integration of all understandings between the Parties and all prior representations and understandings, oral or written, are merged herein. Prior or contemporaneous additions, deletions, or other changes hereto shall not have any force or affect whatsoever, unless embodied herein.

H. Extinguishment and Replacement

This Lease extinguishes and replaces any prior leases between the Parties related to the Property upon the effective date hereof.

I. Jurisdiction and Venue

All suits or actions related to this Lease shall be filed and proceedings held in the State of Colorado and venue shall be in the County in which the Property is located. Venue shall be proper in any county in which the Property is located if it is situate in more than one county.

J. Modification

i. By the Parties

Except as specifically provided in this Lease, modifications of this Lease shall not be effective unless agreed to in writing by both parties in an amendment to this Lease, properly executed and approved in accordance with applicable Colorado State law, State Fiscal Rules, and Office of the State Controller Policies, including, but not limited to, the policy entitled MODIFICATIONS OF CONTRACTS - TOOLS AND FORMS.

ii. By Operation of Law

This Lease is subject to such modifications as may be required by changes in Federal or Colorado State law, or their implementing regulations. Any such required modification automatically shall be incorporated into and be part of this Lease on the effective date of such change, as if fully set forth herein.

K. Order of Precedence

The provisions of this Lease shall govern the relationship of the Parties. In the event of conflicts or inconsistencies between this Lease and its exhibits and attachments, including, but not limited to, those provided by Lessor, such conflicts or inconsistencies shall be resolved by reference to the documents in the following order of priority:

i. Colorado Special Provisions;

ii. Remaining pages of this Lease;

iii. Exhibits

L. Quiet Enjoyment

The State is entitled to quiet enjoyment of the Property as long as it is not in default under the provisions of this Lease.

M. Severability

Provided this Lease can be executed and performance of the obligations of the Parties accomplished within its intent, the provisions hereof are severable and any provision that is declared invalid or becomes inoperable for any reason shall not affect the validity of any other provision hereof, provided that the Parties can continue to perform their obligations under this Lease in accordance with its intent.

N. Survival of Certain Lease Terms

Notwithstanding anything herein to the contrary, provisions of this Lease requiring continued performance, compliance, or effect after termination hereof, shall survive such termination and shall be enforceable by the State if Lessor fails to perform or comply as required.

O. Taxes

The State is exempt from paying any taxes, including, but not limited to, real property taxes. Lessor shall be solely liable for paying any taxes associated with this Lease as the State is prohibited from paying or reimbursing Lessor for such taxes.

P. Third Party Enforcement

Enforcement of this Lease and all rights and obligations hereunder are reserved solely to the Parties, and not to any third party. Any services or benefits which third parties receive as a result of this Lease are incidental, and do not create any rights for any third parties.

Q. Waiver

Waiver of any breach of a term, provision, or requirement of this Lease or any right or remedy hereunder, whether explicitly or by lack of enforcement, shall not be construed or deemed as a waiver of any subsequent breach of such term, provision or requirement, or of any other term, provision, or requirement.

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17. COLORADO SPECIAL PROVISIONS

The Special Provisions apply to all Leases except where noted in *italics*.

A. 1. CONTROLLER'S APPROVAL. CRS §24-30-202(1).

This Lease shall not be deemed valid until it has been approved by the Colorado State Controller or designee.

B. 2. FUND AVAILABILITY. CRS §24-30-202(5.5).

Financial obligations of the State payable after the current fiscal year are contingent upon funds for that purpose being appropriated, budgeted, and otherwise made available.

C. 3. GOVERNMENTAL IMMUNITY.

No term or condition of this Lease shall be construed or interpreted as a waiver, express or implied, of any of the immunities, rights, benefits, protections, or other provisions, of the Colorado Governmental Immunity Act, CRS §24-10-101 et seq., or the Federal Tort Claims Act, 28 U.S.C. §§1346(b) and 2671 et seq., as applicable now or hereafter amended.

D. 5. COMPLIANCE WITH LAW.

Lessor shall strictly comply with all applicable federal and State laws, rules, and regulations in effect or hereafter established, including, without limitation, laws applicable to discrimination and unfair employment practices.

E. 6. CHOICE OF LAW.

Colorado law, and rules and regulations issued pursuant thereto, shall be applied in the interpretation, execution, and enforcement of this Lease. Any provision included or incorporated herein by reference which conflicts with said laws, rules, and regulations shall be null and void. Any provision incorporated herein by reference which purports to negate this or any other Special Provision in whole or in part shall not be valid or enforceable or available in any action at law, whether by way of complaint, defense, or otherwise. Any provision rendered null and void by the operation of this provision shall not invalidate the remainder of this Lease, to the extent capable of execution.

F. 7. BINDING ARBITRATION PROHIBITED.

The State of Colorado does not agree to binding arbitration by any extra-judicial body or person. Any provision to the contrary in this Lease or incorporated herein by reference shall be null and void.

18. SIGNATURE PAGE

THE PARTIES HERETO HAVE EXECUTED THIS LEASE

Persons signing for Lessor hereby swear and affirm that they are authorized to act on Lessor's behalf and acknowledge that the State is relying on their representations to that effect.

LESSOR	STATE OF COLORADO
Colorado River Water Conservation District, acting by and through its Colorado River Water Projects Enterprise **By:** Jon Stavney **Title:** President **By:** _____ *Signature* **Date:** _____	John W. Hickenlooper, Governor acting by and through the Department of Natural Resources, for the use and benefit of the Division of Parks and Wildlife and the Parks and Wildlife Commission Bob D. Broscheid, Director **By:** _____ Margaret Taylor-Veach, Assistant Director, Capital, Parks and Trails Branch **Date:** _____
2nd Lessor Signature if Needed City of Craig, Colorado **By:** Raymond Beck **Title:** Mayor **By:** _____ *Signature* **Date:** _____	

ALL CONTRACTS REQUIRE APPROVAL BY THE STATE CONTROLLER

CRS §24-30-202 requires the State Controller to approve all State Contracts/Leases. This Lease is not valid until signed and dated below by the State Controller or delegate. Lessor is not authorized to begin performance until such time. If Lessor begins performing prior thereto, the State of Colorado is not obligated to pay Lessor for such performance or rents or costs incurred hereunder.

STATE CONTROLLER
Robert Jaros, CPA, MBA, JD

By: _____

Date: _____

EXHIBIT A (Property Legal Description)

Several parcels of land located in Township 7 North, Range 89 West of the 6th P.M., County of Routt, State of Colorado, being more particularly described as follows:

PARCEL 1
Section 2: Lots 5 (NE¼NE¼), 6 (NW¼4NE¼), 9 (SW¼NW¼), 10 (SE¼NW¼), 11 (SW¼NE¼), 12 (SE¼NE¼), and that portion of Lot 7 (NE¼NW¼) lying Southeasterly of a diagonal line extending from the Northeast Corner of said lot to the Southwest Corner of said lot.

PARCEL 2
Section 2: Lots 14 (NW¼SE¼), 15 (NE¼SW¼) and 16 (NW¼SW¼), except a tract described as beginning at the Southeast Corner of Lot 16; thence Northerly along the East line of Lot 16 a distance of 330 feet; thence Westerly and parallel to the South line of Lot 16 a distance of 660 feet; thence Southerly and parallel to the East line of Lot 16 a distance of 330 feet; thence Easterly along the South line of Lot 16 a distance of 660 feet to the point of beginning.

PARCEL 3
Section 3: Lot 13 (NE¼SE¼); SE¼SE¼

Section 10: N2NE¼; NE¼NW¼; W2NW¼; NW¼SW¼; Lots 1 (SE¼NE¼), 2 (SW¼NE¼), 3 (SE¼NW¼), 4 (NE¼SW¼), 5 (NW¼SE¼), 8 (SW¼SE¼), 9 (SE¼SW¼), 10 (SW¼SW¼)

PARCEL 4
Section 3: Lot 19 (SW¼SE¼)

PARCEL 5
Section 3: Lots 17 (SW¼SW¼) and 18 (SE¼SW¼)

Several parcels of land located in Township 7 North, Range 89 West of the 6th P.M., County of Moffat, State of Colorado, being more particularly described as follows:

PARCEL 6
Section 4: SE¼SE¼SE¼ (SE¼ of Lot 20)

Section 9: A tract or parcel of land located in Lots 1 (NE¼NE¼) and 2 (NW¼NE¼), being more particularly described as follows: Beginning at the Southwest Corner of the East half of said Lot 1; thence South 89°11'13" West 1,321.74 feet along the South boundary of said Lots 1 and 2; thence North 64°18'59" East 345.69 feet; thence North 17°19'02" East 101.70 feet; thence South 76°53'30" East 1,006.01 feet to the point of beginning.

Section 9: A portion of Lot 10 (SE¼SW¼) being that portion of the E½ SE¼SW¼ lying Easterly of the diagonal line beginning at the Northeast Corner of the E½ SE¼SW¼ and ending at the Southwest Corner of the E½ SE¼SW¼

Section 9: S½ NE¼; N½ SE¼; SW¼SE¼; Lot 11 (SE¼SE¼)

Section 9: E½ NE¼NE¼ (E½ of Lot 1)

PARCEL 7
Section 16: All

Section 21: Lot 2 (NW¼NW¼)

PARCEL 8
Section 21: A parcel of land lying in the North half of Section 21, beginning at the North quarter corner of Section 21; thence North 89°04'31" East a distance of 183.13 feet along the North Section line of Section 21; thence South 00°55'29" East a distance of 450 feet; thence South 44°04 '31" West a distance of 118 feet; thence North 80°55'42" West 806.16 feet; thence South 17° a distance of 480 feet; thence North 73° West a distance of 500 feet; thence North 00°47'25" West a distance of 700 feet; thence North 89°12'35" East a distance of 1,316.87 feet along the North Section line of Section 21 to the point of beginning.

Section 21: A parcel of land located in the NW¼NE¼ and the NE¼NW¼ of Section 21 more particularly described as follows:

Beginning at a point which lies South 16°49'46" West 511.34 feet from the North quarter corner of said Section 21, said point being on the North line of a parcel of land as recorded in the Moffat County Records at Reception No. 200L-2123;

thence along said North line the following courses:

1. South 79°42'11" East 248.92 feet
2. North 45°18'10" East 56.02 feet

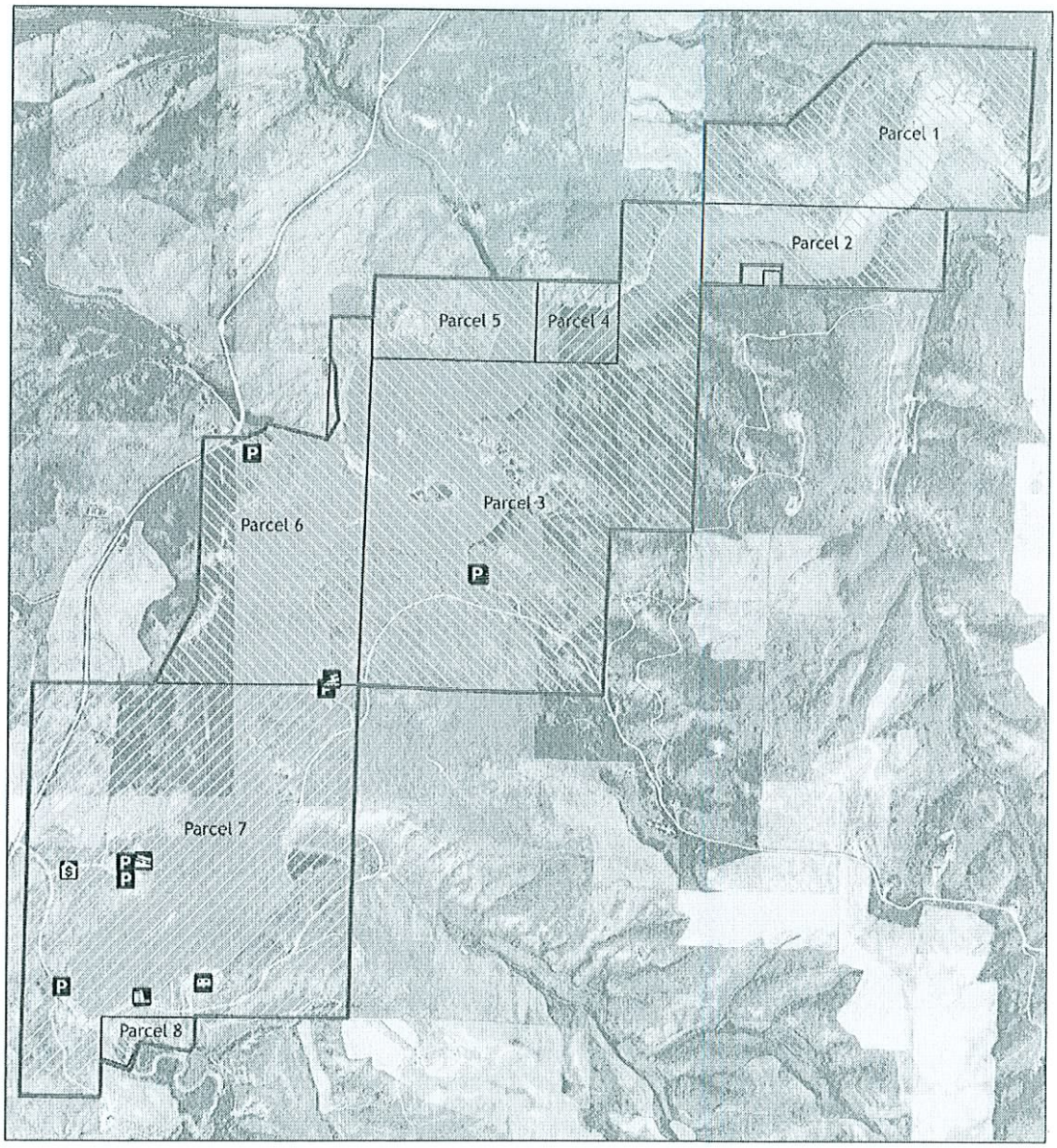
thence departing from said North line, South 09°23'25" West 287.50 feet to the northerly bank of Elkhead Creek;

thence along the northerly bank of said Elkhead Creek the following courses:

1. thence North 11°15'15" West 3.28 feet;
2. thence North 18°00'37" West 10.24 feet;
3. thence North 21°50'18" West 15.66 feet;
4. thence North 32°15'37" West 4.65 feet;
5. thence North 26°01'25" West 14.89 feet;
6. thence North 32°47'58" West 10.04 feet;
7. thence North 36°33'17" West 7.11 feet;
8. thence North 28°45'05" West 6.22 feet;
9. thence North 34°16'14" West 4.65 feet;
10. thence North 50°57'57" West 4.03 feet;
11. thence North 43°49'35" West 4.90 feet;
12. thence North 52°10'59" West 18.38 feet;
13. thence North 55°57'33" West 14.60 feet;
14. thence North 44°02'59" West 6.98 feet;
15. thence North 48°23'22" West 6.26 feet;

16. thence North 53°09'50" West 14.15 feet
17. thence North 41°12'32" West 7.09 feet;
18. thence North 52°45'05" West 5.63 feet;
19. thence North 71°48'57" West 13.36 feet;
20. thence North 62°44'29" West 10.78 feet;
21. thence North 72°44'16" West 3.60 feet;
22. thence North 67°13'28" West 4.82 feet;
23. thence North 56°27'50" West 6.22 feet;
24. thence North 62°07'16" West 4.57 feet;
25. thence North 69°31'09" West 10.63 feet;
26. thence North 75°29'43" West 21.50 feet;
27. thence North 71°30'42" West 8.83 feet;
28. thence North 76°31'47" West 22.87 feet;
29. thence North 69°21'02" West 5.96 feet;
30. thence North 80°59'30" West 4.85 feet;
31. thence South 77°25'48" West 3.93 feet;
32. thence South 64°29'59" West 3.62 feet;
33. thence South 50°06'08" West 3.53 feet;
34. thence South 71°45'11" West 3.47 feet;
35. thence North 79°12'16" West 7.04 feet,
36. thence North 65°07'53" West 3.56 feet;
37. thence North 42°30'4 l" West 3.56 feet;
38. thence North 02°16'20"East 3.51 feet;
39. thence North 48°17'01" West 3.47 feet;
40. thence North 77°45'14" West 12.93 feet;
41. thence North 85°13'06" West 5.41 feet;
42. thence North 07°41'52" East 123.30 feet to the Point of Beginning.

EXHIBIT B (Property Map)

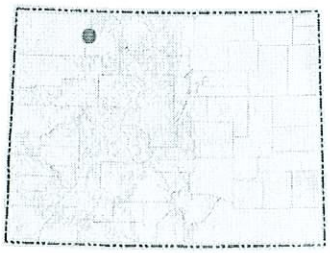


Elkhead Reservoir State Park
CRWCD and City of Craig Lease
Project No. 15-018 | Moffat and Routt County, Colorado

GIS Unit

Elkhead Reservoir State Park Boundary
CITY OF CRAIG
CO. RIVER WATER CONSERVANCY
RV Campground
Swim Beach
Fee Station
Boat Ramp
Dam
Parking

0 0.225 0.45 0.9 1.35 1.8 Miles



MMF 9/11/2015: Projects\Parks\ElkheadReservoir\SP\ElkheadParcels