LEASE AGREEMENT

The City of Gunnison, a Colorado home-rule municipality ("Landlord") and **Erin McKenzie and Daniel Bruce** ("Tenant"), agree as follows:

Premises.

1. Premises. Landlord, for and in consideration of the rents to be paid herein and the covenants, agreements, and conditions hereinafter listed to be kept and performed by Tenant, by these presents does demise and lease unto the Tenant, and the Tenant does hereby take and hire from the Landlord for the term and upon the terms and conditions hereinafter set forth, real property described as follows: 1325 W. Tomichi Avenue, Gunnison, CO 81230 (the "Premises").

Term.

2. Term. The term of this Lease shall begin at noon on November 6, 2015, and shall be a month-to-month lease with an end date no later than noon on November 5, 2016.

Rent.

3. Rent. Tenant agrees to pay Landlord rental in monthly installments of $750.00 per month, in advance, on or before 12:00 o'clock noon, on the sixth (6th) day of each calendar month during said term, at City Hall, 201 W. Virginia Avenue, P.O. Box 239, Gunnison, Colorado, without notice. Any payment not received by the 6th of the month shall be subject to a $10.00 late fee. The rent payable under this Lease is a joint and several obligation of all tenants on the Lease, meaning each person individually is responsible for the full payment of the rent each month, and if rent is unpaid and collection becomes necessary, Landlord may seek the full amount due from each tenant until such time as the obligation is paid.

Security Deposit/Last Month's Rent.

4. Security Deposit. Upon execution of this Lease, Tenant deposits with Landlord $500.00, receipt of which is acknowledged by Landlord, and which shall be retained by Landlord as security for the payment by Tenant of the rent herein agreed to be paid and for the faithful performance of all the terms, conditions, and covenants of this Lease. If at any time during the term of this Lease Tenant shall be in default in the performance of any of the provisions of this Lease, Landlord shall have the right to use said deposit or so much thereof as necessary in payment of any rental in default and in payment of any damages sustained by Landlord on the Premises, except due to normal wear and tear, and in payment of any cleaning that must be done if the Premises are not left clean. Within sixty (60) days after termination of this Lease, or after

Tenant vacates the Premises, whichever occurs last, Landlord shall mail to Tenant at Tenant's last known address a written statement listing the exact reasons for the retention of any portion of the security deposit, together with so much of the security deposit, without interest, as has not been retained by Landlord. The security deposit may be applied to rent due under this Lease only at Landlord's option.

Tenant shall pay rent for the last month of the term of the lease in the amount of $750.00, the receipt of which is acknowledged by Landlord. The last month's payment shall not be refunded unless this Lease is terminated prior to the end of the term by mutual agreement of the parties.

Animals.

5. Animals. Tenant shall keep no domestic or other animals on or about the Premises without the prior written consent of Landlord. Landlord has given permission for Tenant to keep one (1) pet on the premises.

Utilities.

5. Utilities. Tenant shall be responsible for arranging for and paying for utility services required on the Premises and shall indemnify Landlord against any liability or damages on such account.

Quiet Enjoyment.

6. Quiet Enjoyment. Upon paying the rent and performing the covenants herein contained, Tenant shall peacefully and quietly have, hold, and enjoy the Premises for the agreed term. Unless due to Landlord's negligence or unless Landlord has failed to make repairs within a reasonable time after receipt of notice from Tenant, Landlord shall not be liable for injury to person (including death) or damage to property resulting from steam, gas, electricity, water, rain, or snow that may flow or leak from any part of the Premises or from any pipes, appliances, or plumbing work from the street or subsurface, or from any other place.

Use of Premises.

7. Use of Premises. The Premises shall be used and occupied by Tenant exclusively as a private single-family residence. Neither the Premises nor any part thereof shall be used at any time during the term of this Lease by Tenant for the purpose of carrying on any business, profession or trade of any kind. Tenant shall comply with all sanitary laws, ordinances, rules, and orders of appropriate governmental authorities affecting the cleanliness, occupancy, and preservation of the Premises and the sidewalks connected thereto during the term of this Lease. There shall be no smoking of any substance within the Unit by any person at any time. Failure to adhere to this

prohibition shall constitute a default under the terms of this Lease. There shall not be any marijuana grown on the premises.

Condition of the Premises.

8. Condition of the Premises. Tenant has examined the Premises, including the immediate grounds surrounding the Premises, and agrees that they are, at the time of this Lease, in good order and repair and in a safe, clean and habitable condition. Tenant and Landlord have executed a Rental Unit Checklist dated November 6, 2015, which is attached hereto.

9. Maintenance and Repair.

9.1. Tenant shall use the portion of the Premises under Tenant's control in a reasonably clean and safe manner. Tenant fails to maintain the Premises in a reasonably clean and safe manner when the Tenant substantially fails to:

a. Comply with obligations imposed upon Tenant by applicable provisions of building, health, and housing codes materially affecting health and safety;

b. Keep the Premises reasonably clean, safe, and sanitary as permitted by the conditions of the Premises;

c. Dispose of ashes, garbage, rubbish, and other waste from the Premises in a clean, safe, sanitary, and legally compliant manner;

d. Use in a reasonable manner all electrical, plumbing, sanitary, heating, ventilating, air-conditioning, elevators, and other facilities and appliances in the Premises;

e. Conduct himself or herself and require other persons in the Premises within the Tenant's control to conduct themselves in a manner that does not disturb their neighbors' peaceful enjoyment of the neighbors' property; or

f. Promptly notify Landlord if the Premises is uninhabitable as defined in Section 24 below or if there is a condition that could result in the Premises' becoming uninhabitable if not remedied.

Tenant shall not knowingly, intentionally, deliberately, or negligently destroy, deface, damage, impair, or remove any part of the Premises or knowingly permit any person within Tenant's control to do so.

9.2. Landlord shall be responsible for the maintenance and repair of all structural components, interior and exterior walls, floors, ceiling, roofs, sewer connections, plumbing, wiring, appliances, and glass used in connection with the Premises. More specifically, (i) any 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; and (iii)

any repairs, improvements, or maintenance that are required by applicable state and local laws, ordinances, rules, and regulations. Notwithstanding the foregoing provisions of the Lease, if repairs, replacements, restorations, or maintenance have been necessitated by Tenant's intentional, reckless, or negligent use, misconduct, or abuse of the Premises, improvements, or systems then Tenant shall be responsible for the cost and expense for repairs, improvements, or maintenance occasioned by such acts or omissions.
Tenant shall be responsible for all day-to-day repairs, maintenance and cleaning of the interior of the Premises, including the immediate yard area surrounding the Premises.

9.3. If the parties agree in a separate writing for the Tenant to be responsible for certain repairs and maintenance beyond those articulated to be Tenant's responsibility in Section 9.1 above, then the responsibilities of the Landlord as set forth in Section 9.2 shall be modified accordingly.

Alteration and Improvements.

10. Alteration and Improvements. Tenant shall make no alterations to the buildings on the Premises or construct any building or make other improvements on the Premises without the prior written consent of Landlord. All alterations, changes, and improvements built, constructed, or placed on the Premises by Tenant, with the exception of fixtures removable without damage to the Premises and moveable personal property, shall, unless otherwise provided by written agreement between the Landlord and Tenant, be the property of Landlord and remain on the Premises at the expiration or earlier termination of this Lease, and if any improvement or fixture is removed pursuant to a written agreement between Landlord and Tenant, Tenant shall, after removal, restore the Premises to their condition prior to the installation of the improvement or fixture.

Damage to Premises.

11. Damage to Premises. If the Premises, or any part thereof, shall be damaged by fire or other casualty not due to negligence or willful act of Tenant, their family, agent, or visitor, and Landlord shall decide to rebuild or repair the Premises, there shall be an abatement of rent corresponding with the time during which, and the extent to which, the Premises may have been uninhabitable. If the Premises should be damaged other than by negligence or willful act of Tenant, family, agent, or visitor and Landlord shall decide not to rebuild or repair, the term of this Lease shall end, and the rent shall be prorated up to the time of the damage.

Dangerous Materials.

12. Dangerous Materials. Tenant shall not keep or have on the Premises any article or thing of a dangerous, inflammable, or explosive character that might unreasonably increase the danger of fire on the Premises or that might be considered hazardous or extra hazardous by any responsible insurance company.

Right of Entry.

14. Right of Entry. Landlord and his agents shall have the right at all reasonable times during the term of this Lease and any renewal thereof to enter the Premises for the purpose of inspecting the Premises, for making any repairs or alterations thereto that Landlord deems necessary or desirable, or to show the Premises to any prospective tenant or purchaser.

Tenant's Covenants.

15. Tenant's Covenants. Tenant also covenants and agrees as follows:

15.1. To use the Premises for no purpose prohibited by the laws of the United States, or the State of Colorado, or the ordinances of the City and the County in which the Premises are located, and all police, fire, and sanitary regulations imposed by any municipal, state, or federal authority, either now in force or hereafter enacted, and for no improper or questionable purposes whatsoever;

15.2. To keep no roomers, boarders, or long-term guests, without the prior written consent of Landlord;

15.3. To place no additional or change any locks upon any doors of the Premises;

15.4. Not to commit, permit, or suffer any objectionable or disorderly conduct, noise, or nuisance whatsoever about the Premises on the part of Tenant or on the part of members of his family or guests;

15.5. That this Lease shall be subject and subordinate at all times to the lien of all existing mortgages and trust deeds and all mortgages and trust deeds that hereafter may be made a lien on the Premises, and to execute and deliver such further instruments subordinating this Lease to the lien of any such mortgages or trust deeds as shall be desired by any mortgagee, and further hereby appoints Landlord his attorney-in-fact, irrevocably, to execute any such instrument for Tenant;

15.6. Not to install or permit to be installed on the Premises any waterbed or mattress, or any other form of water-filled furniture;

15.7. To remove all personal property from the Premises upon termination of this Lease, and if Tenant shall have vacated the Premises, or if the rent shall remain unpaid for fifteen (15) days after the same is due and Landlord cannot locate Tenant after reasonable effort, any personal

property remaining on the Premises shall be conclusively presumed to have been abandoned by Tenant, and Landlord may treat said property as his own, or may dispose of said property in any manner whatsoever, without liability or accountability to Tenant.

15.8. Tenant shall maintain hazard insurance covering damage to Tenant's personal property, and Landlord shall have no liability for damage to Tenant's personal property from whatever cause.

Display of Signs.

16. Display of Signs. Landlord reserves the privilege of displaying on the Premises "For Sale" and "For Rent" signs.

Holdover by Tenant.

17. Holdover by Tenant. Should Tenant remain in possession of the Premises after the expiration of the term of this Lease, a new tenancy from month to month shall be created between Landlord and Tenant, which shall be subject to all the terms and conditions hereof but shall be terminable on ten (10) days' written notice served by either Landlord or Tenant on the other party.

Surrender of Premises.

18. Surrender of Premises. At the expiration of the Lease term, Tenant shall quit and surrender the Premises in good repair and condition, reasonable use and wear thereof and any damages by the elements excepted. Tenant shall surrender the keys given to Tenant for exterior doors to the Premises.

Abandonment.

19. Abandonment. If at any time during the term of this Lease Tenant abandons the Premises, Landlord may at his option enter the Premises by any means without being liable for any prosecution therefor, and without becoming liable to Tenant for damages or for any payment of any kind whatever, and may, at his discretion, as agent for Tenant, relet the Premises, or any part thereof, for the whole or any part of the then unexpired term, and may receive and collect all rent payable by virtue of such reletting, and, at Landlord's option, hold Tenant liable for any difference between the rent that had been payable under this Lease during the balance of the unexpired term, if this Lease had continued in force, and net rent for such period realized by Landlord by means of such reletting.

Default.

20. Default. If any default is made in the payment of rent, or any part thereof, at the times hereinbefore specified, or if any default is made in the performance or compliance with any other

term or condition hereof, Landlord may reenter the Premises and remove all persons therefrom, and either sue Tenant for damages for breach of his obligations under this Lease, or without terminating this Lease, relet the Premises on such conditions as Landlord may deem best, collect and receive the rent therefor, in which event, the rents received shall be applied first to the expenses of repossession, reletting, and collection, alteration costs, and expenses of preparing the Premises for reletting, and thereafter toward payment of the rental and of any other amounts payable by Tenant to Landlord. In no event shall Landlord be liable for any failure to relet the Premises or for any failure to collect any rent due upon any such reletting. If the sum realized upon reletting shall not be sufficient to pay Tenant's obligations hereunder, Tenant will pay to Landlord any such deficiency as it accrues. No reentry of the Premises by Landlord shall be construed as an election on Landlord's part to terminate this Lease unless a written notice of such intention is mailed to Tenant at Tenant's last known address. The enumeration of the foregoing remedies does not exclude any other remedy, but all remedies are cumulative and shall be in addition to every other remedy now or hereafter existing at law or in equity. Tenant shall be given written notice of any default or breach, and termination and forfeiture of the Lease shall not result if, within three days of receipt of such notice, Tenant has corrected the default or breach.

Assignment and Subletting.

21. Assignment and Subletting. Without the prior written consent of Landlord, Tenant shall not assign this Lease or sublet or grant any concession or license to use the Premises or any part thereof. Consent by Landlord to one assignment, subletting, concession, or license shall not be deemed to be a consent to any subsequent assignment, subletting, concession, or license. An assignment, subletting, concession, or license without the prior written consent of Landlord, or an assignment or subletting by operation of law, shall be void and shall, at Landlord's option, terminate this Lease.

Notice to Landlord.

22. Notice to Landlord. Tenant agrees to give Landlord prompt written notice of any condition of the Premises that Tenant believes requires repair or maintenance or that Tenant believes renders the Premises uninhabitable or dangerous or hazardous to the life, health, or safety of the occupants of the Premises.

Warranty of Habitability.

23. Warranty of Habitability. Landlord warrants that the Premises are fit for human habitation. Landlord shall be deemed to breach this warranty in the event that:

23.1. The Premises is uninhabitable as described in Section 24 below (or in § 38-12-505, C.R.S., as it may be amended) or otherwise unfit for human habitation; and

23.2. The Premises is in a condition that is materially dangerous or hazardous to the Tenant's life, health, or safety; and

23.3. The Landlord has received written notice of the condition described above in subsections 23.1 or 23.2 and has failed to cure the problem within a reasonable time.

24. <u>Uninhabitable Residential Premises</u>.

24.1. Section 38-12-505(1), C.R.S., provides that the Premises is deemed uninhabitable if it substantially lacks any of the following characteristics:

a. Waterproofing and weather protection of roof and exterior walls maintained in good working order, including unbroken windows and doors;

b. Plumbing or gas facilities that conformed to applicable law in effect at the time of installation and that are maintained in good working order;

c. Running water and reasonable amounts of hot water at all times furnished to appropriate fixtures and connected to a sewage disposal system approved under applicable law;

d. Functioning heating facilities that conformed to applicable law at the time of installation and that are maintained in good working order;

e. Electrical lighting, with wiring and electrical equipment that conformed to applicable law at the time of installation, maintained in good working order;

f. Common areas and areas under the control of the Landlord that are kept reasonably clean, sanitary, and free from all accumulations of debris, filth, rubbish, and garbage and that have appropriate extermination in response to the infestation of rodents or vermin;

g. Appropriate extermination in response to the infestation of rodents or vermin throughout the Residential Premises;

h. An adequate number of appropriate exterior receptacles for garbage and rubbish, in good repair;

i. Floors, stairways, and railings maintained in good repair;

j. Locks on all exterior doors and locks or security devices on windows designed to be opened that are maintained in good working order; or

k. Compliance with all applicable building, housing, and health codes, which, if violated, would constitute a condition that is dangerous or hazardous to Tenant's life, health, or safety.

24.2. If the Premises include areas used by Tenant and other occupants of Landlord's property ("Common Area"), no deficiency in the Common Area renders the Premises uninhabitable as set forth in section 38-12-505, C.R.S., unless it materially and substantially limits the Tenant's use of the portion of the Premises under Tenant's control.

24.3. Notwithstanding the foregoing, when any condition described above is caused by misconduct of the Tenant, a member of the Tenant's household, a guest, or invitee of the Tenant, or a person under the Tenant's direction or control, the condition shall not constitute a breach of Landlord's warranty of habitability. It shall not be misconduct by a victim of domestic violence or domestic abuse, if the condition is the result of domestic violence or domestic abuse, and the Landlord has been given written notice and evidence of domestic violence or domestic abuse as described in section 38-12-402(2)(a), C.R.S.

25. Miscellaneous.

25.1. The covenants and conditions herein contained shall apply to and bind the heirs, personal representatives, successors, and assigns of the parties hereto, and all covenants are to be construed as conditions of this Lease.

25.2. This Lease is the entire agreement of the parties hereto and may not be modified except by their written agreement.

25.3. In case of any violation of this Lease by Tenant wherein Landlord engages an attorney to enforce this Lease, Tenant shall be liable for such reasonable attorney's fees that may be incurred by Landlord.

25.4. Wherever required by the context, the singular number and the plural number shall each be deemed to include the other, and the masculine, neuter and feminine genders shall each be deemed to include the other genders.

25.5. This Lease shall be governed by the laws of the State of Colorado.

IN WITNESS WHEREOF, the parties have executed this Lease on this day of November 6, 2015.

LANDLORD:	TENANT:
City of Gunnison, a Colorado home-rule municipality	
_____	_____
By: Date	Erin McKenzie Date
Attest:	
_____	_____
Gail Davidson, City Clerk	Daniel Bruce Date