

RESIDENTIAL LEASE

This Residential Lease ("**Lease**") is made and entered into this ____ day of May, 2018 ("**Effective Date**"), by and between **THE CITY OF BRIGHTON**, a Colorado home rule municipality at 500 South 4th Avenue, Brighton, Colorado 80601 ("**City**" or "**Lessor**") and (**DAVID A. PETROCCO**, doing business as **PETROCCO FARMS, INC.**, having a business address of 14110 Brighton Road, Colorado 80601 ("**Lessee**"). The following exhibits are attached and incorporated into this Lease:

Exhibit A – Description of Property

Exhibit B – Map of Premises

A. CITY owns certain real property consisting of a residential house and barn, and associated out buildings located at 14605 Brighton, CO 80601 in Adams County, State of Colorado, as described on Exhibit A attached hereto and hereby incorporated by this reference, (the "**House**" or "**Premises**").

B. Lessee desires and intends to lease and occupy the House for residential purposes, for a Term of 24 months.

NOW THEREFORE, in consideration of the mutual promises, covenants, terms and conditions herein, CITY leases the Premises to Lessee on the terms and conditions provided herein.

1. Term; Extension and Renewal. This Lease shall commence on the Effective Date and shall terminate twelve (12) months later (the "Term"). Provided that Tenant does not default under this Lease in any respect, the Tenant may request and Landlord may agree, annually, to renew and extend the Term of Tenant's occupancy, for one (1) additional year. Lessee may terminate this Lease by providing at least thirty (30) days' prior written notice.

2. Reserved Rent; Property Maintenance and Repair. Rent for the Term is \$12,000, payable to Lessor by Lessee in equal monthly installments of \$1,000 per month during the Term, due on the first calendar day of each calendar month during the Term. Lessee further agrees (a) to occupy, maintain, and repair the House, structures, and other improvements on the Premises, in a good and workmanlike manner; and (b) to monitor activities on the Property and to provide prompt notice to Lessor of any trespass, improper or suspicious activity, or illegal activity on the Property.

3. Use, Possession, and Occupancy of the House. Lessee shall continue to use, possess, and occupy the House exclusively for residential purposes. In general, this Lease is limited to the House together with associated structures, driveway, yard, and area depicted on Exhibit B. Lessee shall neither use, possess, or occupy the House nor permit the House to be used, possessed, or occupied for any unlawful purpose whatsoever or in any unlawful manner.

4. Assignment or Sublet. Lessee shall not assign this Lease or sublet the House or any portion thereof without first obtaining CITY's written consent, which it may withhold in its sole discretion. In the event of any such assignment or sublet, Lessee shall remain jointly and severally liable with such assignee or sublessee hereunder.

5. Indemnification and Liability Insurance.

a. Lessee shall release, defend, indemnify for reasonable costs, legal fees and other expenses, and hold harmless CITY, its officers, employees, and directors from all uninsured claims,

loss, liability, suits, or damage of every kind, nature, and description directly or indirectly arising out of Lessee's use and occupancy of the House.

- b. Lessee shall be responsible for obtaining and maintaining in force a policy insuring against public liability up to the amount of \$500,000 for a single claim and up to the amount of \$1,000,000 for all claims arising as a result of any one occurrence and up to \$2,000,000 aggregate. These policies shall name CITY, its officers, employees, and directors jointly and severally as additional insured. Lessee shall provide CITY with a certificate of such insurance at the request of CITY within ten (10) business days of the request made by CITY.

6. Condition; As-Is. Lessee accepts its condition in all respects, as-is and with all faults. CITY makes no warranties or representations whatsoever with respect to the condition of the House, and Lessee acknowledges that they have fully inspected same and have assumed its use, possession, and occupancy thereof "as is" and in its present condition.

7. Improvements and Alterations. Lessee shall make no improvements or alterations to the House without CITY's prior written consent and subject to all reasonable conditions thereof as CITY may impose, and any such improvements or alterations shall be made at Lessee's sole cost and expense, unless the parties agree otherwise in advance, and in conformity with all applicable laws and regulations. Any such improvements or alterations shall remain in and become a part of the House and shall be surrendered with the House upon the termination of the Lease.

8. Maintenance, Repair and Upkeep. Lessee shall, as its sole cost and expense, maintain, repair, and keep up the House as necessary to preserve the same at least in its present condition, reasonable wear and tear excepted, including but not limited to securing the House against unlawful entry and vandalism and performing such maintenance and repair as are needed for Lessee's occupancy. Lessee agrees that it shall not use, store, release or dispose of any hazardous substances on or near the Property other than in the ordinary course of its business (if any) and in a prudent manner that complies with all laws and regulations, and only in accordance with any and all applicable labels or instructions provided with such materials or substances. Lessee shall exercise reasonable care, and shall be fully responsible for any damage done to the Property as a result of Lessee's activities on the Property. In the event that Lessee fails to perform its obligations under this Section 8, CITY shall have the right, upon reasonable notice to Lessee and in CITY's sole discretion, to take whatever actions it deems necessary at Lessee's expense to properly maintain, repair, and keep up the House. Notwithstanding the foregoing rights, the CITY shall have no affirmative obligation to undertake Lessee's duty to maintain, repair, and keep up the House and its related improvements.

9. Casualty. In the event of loss, casualty, or destruction to the House, however, caused, CITY may in its sole discretion, terminate this Lease immediately, and CITY shall have no obligation to repair, restore, or rebuild the House or any liability to Lessee.

10. Code Compliance. Lessee shall be responsible for complying, at its sole cost and expense, with all applicable health, safety, fire, and other code requirements and orders with respect to Lessee's activities in the Premises, including any code requirements pertaining to utility connections. Without limiting Lessee's obligations under Section 5 or this Section 10, Lessee shall hold CITY harmless against and shall promptly pay all assessments, penalties, and other charges levied against the Premises on account of Lessee's failure to perform its obligations under this Section 10.

11. Taxes, Utilities, and Services. CITY will be responsible for timely payment of real estate taxes and assessments on the Property. Lessee shall at Lessee's expense promptly pay and discharge when

due all taxes and assessments levied against the Lessee's personal property, all charges and assessments for electricity, sewage, water, gas, heat, telephone, internet access, trash pickup, and all charges for any other utilities and services for the Property used by Lessee. Without limiting Lessee's obligations under Section 5 or this Section 11, Lessee shall hold CITY and the House harmless against and shall promptly pay and discharge any lien, penalty, or interest levied against CITY or the House on account of Lessee's failure to perform its obligations under this Section 11.

12. Entry and Inspection. CITY and its agents or representations shall have the right to enter the Premises upon reasonable advance notice (or at any time in case of emergency), for any purpose related to this Lease including but not limited to the inspection of the House for Lessee's performance of its obligations hereunder, provided that in making such entry or inspection CITY will not unreasonably interfere with Lessee's activities on the House permitted hereunder. This right of inspection includes the right of CITY to inspect the Premises on one or more occasions in the thirty (30) days prior to the expiration of the 12-month lease term. Lessee shall give CITY seven (7) days' notice of the date it intends to vacate the Property ("**Date of Vacation**"). CITY will conduct a final inspection within two (2) days following the Date of Vacation.

13. Termination. This Lease shall terminate upon the earlier of: (a) Lessee's failure to perform and comply with the promises, covenants, terms, and conditions herein, after written notice from City and a period of ten (10) calendar days thereafter in which Lessee shall cure or correct such non-compliance; (b) Lessor's receipt of at least thirty (30) days' prior written notice from Lessee notifying Lessor that Lessee is terminating the Lease; (c) the expiration of the 12-month Term. Upon termination all rights and obligations of the parties hereunder shall cease, and this Lease shall become null and void, except that Lessee's obligations contained in Sections 5, 8, 10, and 11 shall survive termination of this Lease for thirty (30) days for any violation of Sections 5, 8, 10 and/or 11 which occurred prior to termination of this Lease.

14. Surrender of the Property. Immediately upon termination as provided in Section 13, Lessee shall surrender the House in at least the same condition as it was on the commencement date of this Lease (normal wear and tear excepted), all of Lessee's personal property having been removed therefrom upon surrender.

15. Notices. Any notice required hereunder shall be in writing and personally served or sent by first class U.S. Mail, postage prepaid, as follows:

To Lessor:
City of Brighton
Attention: Director of Parks
500 South 4th Avenue
Brighton, CO 80601

To Lessee:
Petrocco Farms Inc.
14110 Brighton Road
Brighton, CO 80601

16. Attorney's Fees and Costs. Any attorney's fees and other costs incurred by the City in connection with enforcing Lessee's obligations hereunder shall become a liability hereunder immediately due and payable by Lessee. Otherwise the prevailing party in any dispute under this Lease shall recover reasonable attorney fees and costs of enforcement from the other party.

17. Successors and Assigns. This Lease shall bind and inure to the benefit of the parties' successors and assigns.

18. Remedies. CITY's rights and remedies hereunder shall be cumulative; CITY's waiver of any particular breach or default hereof by Lessee shall not operate or be construed as a waiver of any other past or future breach or default, whether or not the same or similar in nature, and neither CITY's failure to enforce Lessee's obligation to perform or comply with any promise, covenant, term, or condition herein shall operate or be construed as a waiver or any estoppel or a limitation on CITY's right to enforce Lessee's obligation to perform and comply with all promises, covenants, terms and conditions herein or to exercise any right or remedy available herein on account any breach or default by Lessee whenever it may occur.

IN WITNESS WHEREOF, the parties hereto have caused this lease to be duly executed in duplicate the date and year first above written.

CITY:

LESSEE:

By: _____
Philip Rodriguez, City Manager

By: _____
David A. Petrocco, SR, President

EXHIBIT "A"
DESCRIPTION OF PROPERTY

Parcel 1, Anderson/Hattendorf – Exemption from Subdivision, according to the plat thereof recorded on February 24, 2017 at Reception No. 2017000017238, County of Adams, State of Colorado.

EXHIBIT "B"
MAP OF PREMISES

