

LEASE AGREEMENT

This Lease is entered into on May 5, 2022, by and between the Steamboat Springs School District RE 2, a Colorado school district ("**Landlord**") and Yampa Valley Performing Arts Council, doing business as Piknik Theatre, a Colorado nonprofit corporation ("**Tenant**").

Whereas, the Landlord is a school district that owns certain real estate located at the street addresses of 39610 and 39620 Amethyst Drive in Steamboat Springs, Routt County, Colorado, parcel number 936092003, where the Strawberry Park Elementary School and Steamboat Springs Middle School are presently located (the "**Property**").

Whereas, the Tenant is a 501(c)3 nonprofit corporation that creates diverse and professional performing arts in the Yampa Valley, including an emphasis on educational programming.

Whereas, the Landlord has agreed to lease a portion of the Property to the Tenant for the sole purpose of constructing and using a performing arts amphitheater in accordance with the terms of this Lease subject to the maintenance and use standards required by the Landlord as a school district.

Now, therefore, the parties agree as follows:

1. Lease. The Landlord hereby leases to the Tenant, subject to the terms and conditions of this Agreement, that portion of the Property that is depicted on **Exhibit A** (the "**Leased Premises**"), commencing on May 5, 2022, and terminating on May 5, 2032. However, if the Tenant has performed its obligations under this Lease in a manner satisfactory to Landlord during the first ten (10) year term and if the Tenant has not been in default under this Lease, the Tenant shall have the option to renew the term of this Lease for one additional ten (10) year term by giving written notice to the Landlord at least six (6) months prior to the termination of the term. If the Tenant exercises its option to renew the term of this Lease, all other terms of this Lease shall remain in effect.

2. License to Use Additional Areas of the Property. The Tenant and its employees, independent contractors, volunteers, guests and other invitees may use the restroom facilities and parking areas of the Property as designated by the Landlord and the restored schoolhouse in connection with its use of the Leased Premises. During each event or performance at the Leased Premises during which the restroom facilities will be used, a licensed security guard shall be on-site to ensure that the Property is secure.

3. Rent. For the ten-year period, the Tenant shall pay rent of one dollar (\$1.00) per year in a lump sum at the commencement of the term of this Lease.

4. Use. The Tenant may use the Leased Premises to produce stage performances of various forms of performing arts, including education-focused programming, and reasonably related uses only, so long as the use is not inconsistent with the terms and conditions of this Lease and the school district's policies for use of the Property. The Tenant agrees that the

acoustics of the performances shall not include amplification. The Tenant may rent the Leased Premises to other entities or individuals to use to produce stage performances and reasonably related uses. Such entities and individuals and their employees, independent contractors, volunteers, guests and other invitees may use the additional areas of the Property as provided in Section 2, above. All revenues received for such uses, after the payment of such reasonable costs incurred by Tenant for such use, shall be deposited in a fund entitled the Facility Maintenance Fund which shall be held by Landlord and shall be utilized to pay for the costs of operation, repair and maintenance of the Facility as described below and Landlord requirements. The Tenant shall comply with all laws, rules, and regulations in connection with its use of the Leased Premises. Tenant agrees that its use of the Property and the use by others approved by Tenant is subject to compliance with School District policy F-12, Facilities Use, which prohibits, among other restrictions, alcohol, drug and tobacco use on the Property, except to the extent that this Lease specifically conflicts with the terms and conditions of School District policy F-12.

5. Improvements. The Tenant may, at its own expense, construct and install improvements upon the Leased Premises, such as but not limited to a stage, back stage, landscaping, storage areas and seating areas including permanent and lawn seating designed for not more than 200 individuals (the "**Facility**"). The Tenant agrees that it shall not install stage lighting at the Facility. Any security lights installed at the Facility shall cast the light downward. However, prior to constructing or installing any improvements, the Tenant shall submit design plans and specifications to the Landlord and obtain the Landlord's written consent. All work to construct, install, maintain or repair the improvements shall be performed in a good and workmanlike condition and in compliance with all governmental authorities, laws and codes and in compliance with the terms and conditions required by the Landlord. All work shall be performed by a contractor who is satisfactory to the Landlord. The Tenant shall not commence construction of the Facility until it has demonstrated, to the satisfaction of the Landlord, that Tenant has secured all funds necessary to complete the construction of the Facility upon the Leased Premises.

The ownership of all improvements made by the Tenant to the Leased Premises shall vest in the Landlord.

During the term of this Lease, the Tenant shall repair and maintain the Facility in a first-class condition. The Tenant shall be responsible to oversee such repair and maintenance work to the Facility. No later than the date on which construction of the Facility commences, the Tenant shall establish a fund named the "Maintenance Fund" and deposit the sum of at least \$10,000.00 into the Maintenance Fund. The Maintenance Fund shall be held by the Landlord and used to pay for the costs of maintaining and repairing the Facility. The Parties agree to keep receipts and accurate accounting records of expenses to maintain and repair the Facility, and either Party may audit such records at any time.

If the rents collected are insufficient to pay such costs, Tenant shall procure other funding as required.

Upon termination of this Lease, the funds held in the Maintenance Fund will be used and disbursed as follows: first, the funds shall be used to pay for any necessary repairs to the Facility

or to restore the Leased Premises to its original condition in accordance with Section 12, below; second, all contributions the Parties made of their own funds to the Maintenance Fund shall be returned to the Party that made the contribution (including, but not limited to, the initial deposit made by the Tenant); third, the Parties shall each receive half of the remaining funds.

6. Naming Rights and Signs. The Tenant shall have the right to name the amphitheater that it constructs on the Leased Premises, subject to the approval of the Landlord. The Tenant may, at its expense, install and maintain one or more signs depicting the name of the amphitheater on the Leased Premises, so long as it obtains the Landlord's prior written consent.

7. Use of the Leased Premises by the Landlord. Notwithstanding anything else in this Lease, the Landlord may use the Leased Premises and the Facility for the purpose of producing stage performances and reasonably related uses during the months of September 1 through May 31 each year (the "**School Year**") at no cost to the Landlord. During the School Year, the Landlord may rent the Leased Premises and the Facility to other entities or individuals.

After payment of the costs resulting from the use of the Leased Premises, all rents collected by the Landlord, if any, shall be used to pay the expenses for such use and the remainder, if any, deposited in the Maintenance Fund to be used to pay the costs of operating and maintaining the Leased Premises and the Facility.

During the School Year, the Tenant may also use the Leased Premises after presenting a request to the Landlord and obtaining its approval; however, the Landlord shall have priority in using the Leased Premises during the School Year.

The Tenant shall have priority in using the Leased Premises during the months of June, July and August (the "**Summer Break**"). During the Summer Break, the Landlord may use the Facility after presenting a request to Tenant and obtaining its approval, which approval will not be reasonably withheld or delayed and the Facility has not already been scheduled to be used on the date(s) the Landlord requests to use it. The Landlord may use the Facility during the Summer Break for unscheduled [impromptu] events without first obtaining the approval of the Tenant so long as the Facility is not then being used by the Tenant.

8. Maintenance. The Landlord shall, at its expense, maintain the lawns of the Leased Premises in a similar condition as the other outdoor areas of the Property. The Landlord shall, at its expense, maintain the additional areas of the Property used in connection with the Leased Premises as provided in Section 2, above. However, if the Landlord incurs additional expenses to maintain the additional areas of the Property, the Landlord shall be reimbursed for the additional expenses from the Maintenance Fund.

9. Utilities. The Landlord shall pay for all utility charges. Tenant will be responsible for initial installation of any utilities shown on the approved plans.

10. Taxes. The Parties acknowledge that the Property is exempt from real estate taxes because it is owned by a school district. However, if this Lease causes the Leased Premises to be subject to real estate taxes, the Tenant shall pay all taxes assessed against the Leased Premises.

11. Insurance. The Tenant shall obtain and maintain at its expense throughout the term of this Lease insurance protecting it from property damage and general liability in amounts satisfactory to Landlord. Such insurance policies shall be approved by Landlord and shall name the Landlord as an additional insured. The Tenant shall provide a copy of the insurance policy to the Landlord annually.

The Landlord shall maintain at its expense such insurance as it may decide. If possible, any property insurance policy shall name the Tenant as a loss payee and the general liability insurance policy shall name the Tenant as an additional insured.

All individuals and entities that rent the Leased Premises shall be required to carry insurance protecting the Landlord and Tenant from property damage and general liability with policies that are satisfactory to the Landlord and Tenant. The property insurance policy shall name the Tenant and Landlord as loss payees and the general liability insurance policy shall name the Tenant and Landlord as additional insureds.

12. Damage to or Destruction of the Leased Premises. If the Leased Premises or the Facility are destroyed or damaged through no fault of either Party or their employees, independent contractors, volunteers, agents, guests or invitees to the extent that it cannot be used as a performing arts amphitheater, either Party may terminate this Lease by giving written notice to the other Party and all costs necessary to restore the Leased Premises to its original status shall be paid first with insurance benefits paid to the Landlord or the Tenant as a result of the damage or destruction and, if the insurance benefits are not sufficient, then from the Maintenance Fund. If the Maintenance Fund does not have sufficient funds to restore the Leased Premises, the payment for such restoration shall be paid by the Tenant.

If damage to the Facility is covered by either Party's insurance policy, the Parties agree to use such insurance benefits to pay for the costs to repair the damage before using the Maintenance Fund. Notwithstanding this, any required deductible shall be paid out of the Maintenance Fund.

However, if there is any damage to the Facility caused intentionally or by the gross negligence of either the Landlord or Tenant or their employees, the Party causing such damage shall pay for the cost to repair such damage.

13. Default and Remedies. Either Party shall be deemed to be in default if it fails to comply with any term of this Lease and fails to cure the noncompliance within thirty (30) days after it receives written notice of the noncompliance from the other Party. However, if the noncompliance is of a nature that cannot be cured within thirty (30) days, the Party shall not be in default if it starts taking action to cure the default within thirty (30) days after receiving written notice of noncompliance and diligently pursues the completion of such cure.

Upon default by either Party, the non-defaulting Party may terminate this Lease.

14. Assignments. If the Tenant dissolves, goes out of business or determines that it is no longer feasible for it to maintain the Leased Premises and to operate stage performances at the Leased Premises, it may assign its rights and delegate its duties under this Lease to another nonprofit entity that is willing and able to maintain the Leased Premises and to operate stage performances at the Leased Premises, subject to the Landlord's prior written consent.

15. Entire Agreement. This Lease contains the entire agreement between the Parties, and any prior agreements or understandings are merged into this Lease.

16. Amendments. No amendment or modification of this Lease shall be valid or binding unless it is in writing and executed by both Parties.

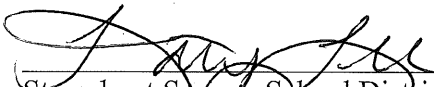
17. Severability. If any term of this Lease is illegal, invalid or unenforceable, then such term shall be stricken from this Lease and the remainder of the terms of this Lease shall remain in full force and effect.

18. Interpretation. The section headings are inserted for convenience in reading only and shall not be considered when interpreting this Lease. Words in the singular mean and include the plural and vice versa. Words in the masculine mean and include the feminine and neuter and vice versa. Both Parties participated in negotiating and drafting this Lease, and agree that the terms of this Lease shall not be construed against either Party as its drafter.

19. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective administrators, successors and assigns.

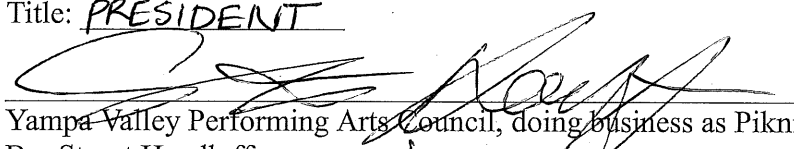
20. Annual Meeting. Landlord and Tenant agree to hold an annual meeting at a time and place that they agree upon to discuss all matters that either party deems important to discuss, such as, but not limited to, schedules and use of the Facility, maintenance and repair work of the Facility and financial reports related to the Maintenance Fund.

By signing below, the Parties acknowledge that they have read, understand and agree with the terms of this Lease.


Steamboat Springs School District RE 2

By: KATY LEE

Title: PRESIDENT


Yampa Valley Performing Arts Council, doing business as Piknik Theatre

By: Stuart Handloff

Title: EXECUTIVE DIRECTOR

