RESOLUTION 2020-091
OF THE COUNCIL OF THE CITY OF FORT COLLINS
AUTHORIZING A LIVESTOCK GRAZING LEASE, SUBLEASE
AND RESIDENTIAL LEASE ON SOAPSTONE PRAIRIE NATURAL AREA
WITH FOLSOM GRAZING ASSOCIATION, LLC

WHEREAS, the City is the owner of approximately 21,900 acres of land known as Soapstone Prairie Natural Area in northern Larimer County (the “City Property); and

WHEREAS, in 2005, in order to continue grazing as a habitat management tool while the management plan for the City Property was being completed, City staff proposed leasing portions of the City Property to a local grazing association; and

WHEREAS, on December 20, 2005, the City Council approved Ordinance No. 160, 2005, authorizing a grazing lease with Folsom Grazing Association (“Folsom”) on portions of the City property from January 2006 through December 2008 (the “2006 Lease”); and

WHEREAS, on December 2, 2008, the City Council approved Resolution 2008-116 extending the 2006 Lease through December 2010 and placing new limits on the number of animals and the area that Folsom could graze; and

WHEREAS, on September 21, 2010, following a competitive process to select a tenant for a new grazing lease, the City Council approved Ordinance No. 097, 2010, authorizing a new lease with Folsom through December 2020; and

WHEREAS, with the current lease about to expire, City staff conducted a competitive process to select a tenant for a new 10-year grazing lease, and through that process Folsom was again selected as the tenant; and

WHEREAS, a copy of the proposed grazing lease agreement is attached hereto and incorporated herein as Exhibit “A” (the “Lease”); and

WHEREAS, the portion of the property that would be subject to the Lease is described in Exhibit A to the Lease; and

WHEREAS, the Soapstone shortgrass prairie was historically grazed by large ungulates such as bison, elk, deer, bighorn sheep and pronghorn, whose current population numbers are not sufficient to maintain the health of that ecosystem; and

WHEREAS, managed grazing on the City Property is an essential conservation management tool, helping to enhance wildlife habitat for species such as black-footed ferrets, ground nesting birds and prairie dogs; and

WHEREAS, City staff expects the Lease to generate an annual revenue of approximately $50,000 to $80,000 per year depending on how many animals are grazed and for how long each year; and
WHEREAS, the City Property includes a residence (the “Ranch House”) that would be available to Folsom at no additional rent as housing for an employee, and if Folsom chooses not to use the Ranch House the City reserves the right to lease it to a third party tenant; and

WHEREAS, the Lease also requires Folsom to arrange, through a sublease agreement or services contract, for a grazing contractor to graze an additional 100 to 200 “animal units” on the property in addition to Folsom’s animal units; and

WHEREAS, Section 23-113(b)(1) of the City Code authorizes the City Council to lease any and all interests in real property owned in the name of the City if the City Council first finds that the lease is in the best interests of the City, with such approval being by resolution unless the proposed term of the lease exceeds twenty years; and

WHEREAS, at its regular meeting on August 5, 2020, the Land Conservation and Stewardship Board voted to recommend that the City Council approve the Lease.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF FORT COLLINS as follows:

Section 1. That the City Council hereby makes and adopts the determinations and findings contained in the recitals set forth above.

Section 2. That the City Council hereby authorizes the City Manager to enter into a grazing lease agreement with Folsom Grazing Association in substantially the form of the Lease attached hereto as Exhibit “A”, together with such additional terms and conditions as the City Manager, in consultation with the City Attorney, determines to be necessary or appropriate to protect the interests of the City or effectuate the purposes of this Resolution.

Section 3. That as part of the Lease, and consistent with the terms of the Lease, Folsom is hereby authorized to enter into a sublease agreement or services contract with a grazing contractor, and to authorize an employee to occupy the Ranch House during the term of the Lease.

Passed and adopted at a regular meeting of the Council of the City of Fort Collins this 6th day of October, A.D. 2020.

[Signature]
Mayor

ATTEST:

[Signature]
City Clerk

[Seal]
SOAPSTONE PRAIRIE NATURAL AREA
GRAZING LEASE AGREEMENT

THIS GRAZING LEASE AGREEMENT ("Lease"), is made and entered into this ____ day of ____, 20____, by and between THE CITY OF FORT COLLINS, COLORADO, a municipal corporation (hereinafter referred to as the “Lessor”), and FOLSOM GRAZING ASSOCIATION, LLC, a Colorado limited liability company (hereinafter referred to as the “Lessee”).

RECITALS

A. The Lessor is the owner of that certain real property, together with any improvements located thereon, situated in the County of Larimer, State of Colorado, consisting of approximately 22,497 acres of land, commonly known as the Soapstone Prairie Natural Area (the "Leased Premises"), the legal description of which is set forth in Exhibit "A" attached hereto and incorporated herein by reference, which Exhibit includes the following Attachments:

1. Vicinity Map
2. Soapstone Natural Area Map
3. Residence Map
4. Leased Premises Overview
5. Leased Premises Pasture Descriptions

B. The Lessor desires to lease the Leased Premises to the Lessee for livestock grazing purposes only, and the Lessee desires to lease the Leased Premises from the Lessor for livestock grazing purposes only.

NOW, THEREFORE, in consideration of the mutual covenants, promises, and agreements herein contained, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties do hereby covenant, promise, and agree to and with each other as follows:

Article I. Lease of the Leased Premises.

1.1 The Lessor does hereby lease, demise, and let unto the Lessee, and the Lessee does hereby hire and take from the Lessor the Leased Premises.

1.1.1 The actual acres grazed may be less than the total leased premises acreage, and the actual acres grazed may periodically change.

1.2 This Lease includes all the grazing-related improvements located upon the Leased Premises including, but not limited to, the ranch headquarters facilities. Lessee must ensure that its officers and employee(s) working or residing on the Leased Premises, their dependents, and any guests, strictly comply with the requirements and restrictions set forth in this Lease Agreement, and with all applicable laws, regulations and other legal requirements, in connection with the use or occupation of the Leased Premises.
1.2.1 Lessee may, but is not required to, authorize an employee of Lessee who is assigned to work on the Leased Premises to occupy the ranch headquarters residence ("Residence") at no additional rent, subject to the Residence Lease terms listed in Exhibit "B", attached hereto and incorporated herein by reference. Lessee will notify Lessor at the commencement of this Lease whether Lessee intends to allow an employee to occupy the Residence, who that employee will be, and must provide notification to the Lessor 30 days prior to a change in the occupancy of the Residence.

1.2.2 Lessor reserves the right to reject Lessee's proposed employee occupant of the Residence if the Lessor, in its sole discretion believes the employee will not be a suitable occupant. Any proposed occupant of the Residence must be willing to consent to a criminal background check.

1.2.3 If at any time Lessee has not designated an employee to live in the Residence, Lessor reserves the right to lease the Residence, for a time period in Lessor's discretion, to another tenant suitable to Lessor, which tenant will have access to the Residence on and across the Leased Premises via a route designated by Lessor. Lessor will notify Lessee of any such lease of the Residence.

Article II. Term.

2.1 The term of this Lease is for a period of one (1) year, commencing on the 1st day of January 2021. The term of the Lease shall automatically renew each year for each of nine (9) additional successive years continuing until the 31st day of December 2030, unless terminated by operation of law or as otherwise provided in this Lease Agreement. Either party may cancel this Lease at any time upon one hundred eighty (180) days advanced written notice to the other.

Article III. Rent.

3.1 Except as otherwise provided in this Lease, the Lessee will pay to the Lessor rent calculated each year based upon the formula of a pre-determined dollar amount for each animal unit grazed each month upon the Leased Premises (animal unit month or AUM) per year. The dollar amount for each AUM will be based on the total number of animal units (AUs) grazed on the property, as defined in Section 3.2, below. The AUM fee will be adjusted upward as the total number of AUs increases. For the first one-year term of this Lease, the amount of rent will be as follows:

- $16.00 per AUM for 600 AUs to 750 AUs
- $17.00 per AUM for 751 AUs to 900 AUs
- $18.00 per AUM for 901+ AUs

As an example, if Lessee grazes 1000 AUs for four months, rent would be calculated as follows:
(750 X 4 X 16.00) + (150 X 4 X 17.00) + (100 X 4 X 18.00) = $65,400.

In addition, upon each annual renewal of this Lease, the dollar amounts per AUM shall be increased by 2.0%. The allowable length of time to graze the property will be determined annually as outlined in Article IV. The parties will determine the number of AUMs and the amount of rent for each one year term of the lease as part of the development of the Grazing Plan described in Section 4.3, below. Lessee will pay the total annual rental for each one-year term of this Lease, without demand or notice, as follows: thirty percent (30%) of the total due and payable on May 15 and seventy percent (70%) on December 1 of each year.

3.2 For purposes of this Lease, an animal unit (AU) shall be defined as follows:

1. A cow and un-weaned calf pair shall constitute one (1) animal unit.

2. A mature bull shall constitute one and one-half (1.5) animal units.

3. A 1,000-pound yearling shall constitute one (1) animal unit, but if the yearling weighs less than 1,000 pounds, then the animal unit value assigned to that yearling shall be based upon the percentage that the yearling’s weight is to a 1,000 pounds weight. (For example, if the yearling weighs 600 pounds, then it shall constitute .6 of an animal unit.) The weights for yearlings shall be confirmed by certified scale receipts at the time of delivery of the animal upon the Leased Premises, or by any technique mutually agreeable to the Lessor and the Lessee.

4. A horse shall constitute one and one-half (1.5) animal units.

5. Five (5) sheep or goats shall constitute one (1) animal unit.

6. A bison cow shall constitute one (1) animal unit.

7. A bison bull shall constitute one and one-half (1.5) animal units.

8. AU equivalent for any other animal type will be determined by Lessor.

3.3 Lessee will make all payments of rent at such place as the Lessor may, from time to time, designate in writing. For the present, the Lessor designates City of Fort Collins Natural Areas Department, Attn: Natural Areas Financial Coordinator, P.O. Box 580, Fort Collins, Colorado 80522, as the place for the making of rental payments. All such rent must be paid in current legal tender of the United States as the same is then by law constituted. If Lessor extends the time for the payment of any installment of rent or accepts any money other than of the kind herein specified, Lessor by doing so does not waive its right to insist on having all other payments of rent made in the manner and at the time herein specified.

3.4 Notwithstanding the foregoing provisions of this Article III, the Lessee agrees that if the Lessor determines that the grazing conditions of the Leased Premises warrant it, whether
such conditions are caused by drought, pestilence, insect infestation or any other circumstance beyond Lessor's control, the Lessor may reduce the agreed upon number of AUMs per year to that number that Lessor determines is appropriate under the then-existing grazing conditions. In such event, Lessor agrees that Lessee's rental payment due in May or December shall be reduced in proportion to the reduction in AUMs per year. If favorable grazing conditions exist, and the Lessor determines that conservation objectives will not be negatively impacted by additional grazing, the Lessor may increase the numbers of AUMs per year to a number that Lessor determines is appropriate under the then-existing grazing conditions. In such event, Lessee agrees that Lessee's rental payment due in May or December shall be increased in proportion to the increase in AUMs per year.

3.5 If Lessee fails to pay when due any rental payment required under this Lease, the unpaid rental amount shall accrue interest at the rate of eighteen percent (18%) per annum from the due date until paid.

ARTICLE IV. Range Management Advisory Committee and Conservation Programs.

4.1 The Lessor and the Lessee agree to establish and operate a Range Management Advisory Committee (hereinafter referred to as “the Committee”) for the purpose of enhancing communications between the Lessor and the Lessee in connection with their respective performance under this Lease Agreement and to provide assistance and recommendations concerning matters arising under this Lease Agreement. The Committee will review and make recommendations regarding range management and conservation matters, including, but not be limited to: (a) development of an annual “Grazing Plan”; (b) recommendations to Lessor on grazing related issues; (c) assistance in creating a ranch improvement plan and schedule to help the Lessor address long-range planning issues; (d) assistance in development of land management practices in the areas of vegetative diversity, conservation of threatened and endangered species and noxious plant management; and (e) working with the Colorado Division of Wildlife to help maintain wildlife populations at sustainable levels to match existing forage conditions, and other conservation plans and programs.

4.2 The Lessor reserves the right to identify additional conservation values that warrant additional management actions, e.g. using fence to control access to riparian areas, exclusion of or controlled access to areas of unique vegetation, or the permittance of prairie dog colonies to expand. Impacts of such management actions on the AUMs available to the Lessee will be identified via the Committee and adjustments made to total AUMs with Lessor reserving the right to make final decisions.

4.3 Lessee and Lessor will annually work together in a collaborative effort to develop a "Grazing Plan" for the Leased Premise, which plan includes stocking rates, grazing initiation and ending dates, animal unit months for each pasture, and grazing rotation plans. If the parties have not developed a Grazing Plan for each year's grazing season by May 1 of that year, Lessor will determine the Grazing Plan for that year, and Lessee
agrees to comply with it.

4.4 The Lessee agrees to cooperate with the Lessor in connection with the development of the Grazing Plan for the Leased Premises, as described in Section 4.3, for the purpose of research and evaluation related to range management and restoration and conservation of plant and animal species and resource protection, during the term of this Lease Agreement.

4.5 To support range management evaluation and research efforts, and to provide consulting expertise to Lessee in connection with Lessee’s development of the Grazing Plan, monitoring and management of range conditions and the time and pattern of grazing rotations based on range and weather conditions, the Lessee may hire, at the Lessee's cost, a range management expert.

4.6 To support range management and conservation efforts, the Lessor will hire at the Lessor’s cost a range management specialist. The Lessor reserves the right to have final say on amount of AU’s permitted on Soapstone Prairie and length of grazing season annually.

4.7 Prior to commencing livestock grazing on the Leased Premises, the Lessor’s range management expert shall submit a written report to the Lessee evaluating current range conditions and recommending a date to initiate livestock grazing (but not before May 15), and a draft Grazing Plan for Lessee’s review. Further written evaluations to the Lessee from said expert shall be due on July 15 and September 15 of each year of the term of this Lease. The September 15 evaluation shall include a recommended date for the cessation of livestock grazing for that grazing season.

4.8 On or before December 31 of each year of the term of this Lease, the Lessor shall submit a preliminary report to the Lessee on the outcomes and results of the recommended Grazing Plan and the condition of grazing range, and other property conditions that have resulted from the implementation of the Grazing Plan during the annual term of the Lease (a “Range Report”). The final Range Report regarding each grazing season under this Lease Agreement shall be due to the Lessee no later than March 1 of the succeeding year.

Article V. Use of Leased Premises.

5.1 The Lessee may use the Leased Premises for livestock grazing purposes only, as outlined in Exhibit “A” attached hereto and incorporated herein by reference (hereinafter referred to as "Scope of Work"); except as otherwise provided in this Lease. This Lease does not allow for feeding of livestock outside of the corrals, private or commercial recreational rights, hunting, shooting, trapping or poisoning of wildlife of any kind, or control of prairie dogs. All pets must be on a leash, caged or fenced, with the exception of two spayed cats, which may roam freely around the ranch headquarters to control mice, and dogs owned or controlled by the Lessee and used for ranching activities such as the herding of
livestock. Only licensed vehicles involved in ranching activities are allowed beyond the ranch headquarters and are to remain on existing established roads, identified by the Lessor as open for grazing-related access. Unlicensed vehicles are prohibited except that ATVs used for ranching activities may be used on or off established roads, but only with Lessor’s express written permission. Even with such permission, Lessee must keep off road ATV use to an absolute minimum. Lessor will provide to Lessee on an annual basis maps and documents identifying the acceptable roads and routes that Lessee may use for travel with vehicles and ATVs. Lessor may update these maps and documents from time to time at Lessor’s sole discretion, and any such updates shall be effective when delivered to the Lessee's President and/or the Ranch Manager in the manner described in Article XX.

5.2 Grazing may begin with certain restrictions on June 1 of each year, and must end by November 15, unless moisture conditions and forage availability allow or require modification of time, dates, or stocking rates. If Lessor believes modification is necessary, the Lessor, in consultation with the Lessee, will determine modified grazing dates and stocking rates. The Lessor reserves the right to make the final decision in accordance with the terms of this Agreement.

5.3 Lessee and Lessor will work in a collaborative effort to develop grant proposals to implement the grazing plan. Grant efforts may include payment or reimbursement for infrastructure costs, marketing programs, ecosystem service studies and/or other grazing related management activities.

5.4 The Lessor reserves the right to perform management activities at any time during the year including the grazing season. Any management activity that has the potential to influence stocking rates or grazing dates will be coordinated with the Lessee.

5.5 Lessee acknowledges that the Leased Premises is a City of Fort Collins Natural Area that is open to the public annually from March 1 through November 30. The Lessor reserves the right to open or close any portion of the Leased Premises to public use at any time during this Lease. Lessor will coordinate any modification to stocking rates, grazing dates, and grazing rotations with the Lessee.

5.6 The Lessee must not use the Leased Premises in any way that violates any applicable law, statute, ordinance, rule, or regulation of any governmental entity or body. All cattle moved into Colorado from any other state or country must strictly adhere to all Colorado Department of Agriculture and U.S. Department of Agriculture regulations for animal movement into and within Colorado.

5.7 The Lessee must not permit or suffer the use of, or presence on, the Leased Premises by: (1) the general public, except for members of the public using the Soapstone Prairie Natural Area in accordance with the City of Fort Collins Code and Natural Areas regulations and policies, or by (2) any persons other than Lessee's employees or agents, who are permitted to occupy or use the Leased Premises only to the extent required to
carry out the purposes of the Lease.

5.8 The Lessee is responsible for security activities on the Leased Premises, including but not limited to the following:

- Answer visitors’ questions about the natural area and natural areas rules and regulations if Lessee’s employees are approached on Soapstone Prairie Natural Area.
- Call for emergency response when necessary.
- Inspect fencing, gates, Roman House, Gate Station and other structures or areas prone to security breaches.
- Report suspicious activity including suspicious vehicles, persons or activities on site, in prohibited areas or near site boundary (e.g., access roads).
- If Lessee has an employee living in the Ranch Residence on the Leased Premises, provide after-hours contact and response to Fort Collins dispatch and emergency personnel.
- If Lessee has an employee living in the Ranch Residence on the Leased Premises, provide surveillance of site including parking lots, gate security after hours on an occasional basis or as requested by staff.
- Communicate promptly with appropriate authorities to request assistance or to report an incident when suspicious and/or illegal activity or security breach has occurred. This may include Natural Areas Rangers or other Natural Areas personnel, Larimer County Sheriff, Colorado Division of Wildlife or other appropriate authorities. Lessee’s employees or agents may be required to complete a written statement.
- Perform other related duties as requested on an occasional basis.

ARTICLE VI. Maintenance and Repairs.

The Lessee must maintain and keep in orderly condition and in a good state of repair all of the Leased Premises and all grazing-related improvements located thereon, whether existing as of the date of this Lease or added thereafter, including, but not limited to: boundary and interior fences and gates; all livestock watering facilities including but not limited to stock tanks, corrals; and any buildings Lessee uses constituting part of the ranch headquarters.

6.1 Maintenance of watering facilities includes filling stock tanks prior to grazing activities and draining them, along with other water system infrastructure, upon completion of the grazing season. Lessee and Lessor will share maintenance responsibilities for buried water pipes and pumps as described in Section 6.3 below. The Lessee is not responsible for maintenance or repair of public Natural Areas facilities.
6.2 The Lessee is only responsible for maintenance and repairs on cattle fences in pastures used by Lessee. The Lessee is not responsible for upkeep of infrastructure related to the bison herd unless separate compensation is agreed upon by the City of Fort Collins or CSU. The Lessee is only responsible for repairs that are ordinary and routine in nature and are within the skillset of the Cattle Ranch Manager. Lessee will promptly notify Lessor of needed maintenance and repairs to the Leased premises that are extraordinary or major in nature. (see also Article VII. Alterations and Improvements).

The following repairs are considered extraordinary or major in nature:

- Windmill Repair
- Solar panel repair/replacement
- Submersible pump repair
- Installation of poured concrete
- Digging to a depth greater than 4 feet
- Installing spring collectors or permanent stock tanks
- Any work that is considered a skilled trade such as electrical, carpentry, interior plumbing.
- Building new fence any distance greater than 100 yards.

The following repairs are considered routine in nature:

- Stock tank plumbing repair and install including poly, steel, PVC pipes and associated couplers, joints, valves.
- Mixing ready-made concrete for posts.
- All facets of fence repair/construction including building H-braces, driving t-posts, stretching wire, hammering nails etc.
- Hanging steel gates
- Building wire ranch gates

6.3 The Lessor is responsible for the reasonable cost of all materials necessary for both routine and extraordinary maintenance and repairs. Lessee is responsible for the costs of all labor for routine maintenance and repairs unless otherwise agreed upon with the Lessor. For maintenance and repairs to the Leased Premises that are necessary and are extraordinary or major in nature, the Lessee is responsible for up to One Thousand
Dollars ($1,000.00) in labor per month unless waived by the Lessor. This is calculated at a rate of $25 an/hour per person provided by the Lessee. Any additional labor is the Lessor's responsibility.

6.4 All maintenance and repairs to the Leased Premises required of the Lessee must be made promptly and when necessary. In addition, all such maintenance and repairs must be done in a good and workmanlike manner and in compliance with all applicable laws, statutes, ordinances, rules, orders, regulations, and requirements of all federal, state, and county governments and the appropriate departments, commissions, boards, and officers thereof.

6.5 The Lessee must keep the Leased Premises clean and in good sanitary condition, as required by the statutes, ordinances, resolutions, and health, sanitary, and police regulations of the County of Larimer and State of Colorado. Any equipment, materials or supplies that Lessee brings onto the Leased Premises must be kept under cover (except large equipment such as vehicles and trailers) in a location acceptable to the Lessor and removed from the Leased Premises when no longer needed. Any trash, junked equipment or waste materials generated from Lessee's maintenance and repair activities on the Leased Premises must be stored under cover or removed promptly from the Leased Premises. The Lessee must neither permit nor suffer a disorderly noise or nuisance whatsoever about the Leased Premises having any tendency to annoy or disturb any persons occupying adjacent land. The Lessee shall neither hold nor attempt to hold the Lessor liable for any injury or damage, either approximate or remote, occasioned through or caused by any maintenance, alterations, or repairs made by the Lessee upon or to the Leased Premises or the improvements located thereon.

6.6 If the Lessee fails to perform any maintenance or make any repairs required of it to be made under this Lease, the Lessor may, but is not required to, make such maintenance and repairs on the Lessee's account, and the Lessor may add its costs and expenses for such repairs or replacements as additional rent due to the Lessor under this Lease. Lessee will then pay such amount to the Lessor within thirty (30) days after receiving written notice from the Lessor of the costs and expenses paid by the Lessor for such maintenance and repairs.

ARTICLE VII. Alterations and Improvements.

7.1 The Lessee must not make alterations, additions, improvements or changes to the Leased Premises, or the improvements located thereon, without the prior written approval of the Lessor. Any such alterations, additions, improvements, or changes approved by the Lessor must be done by the Lessee in a good and workmanlike manner and in compliance with all applicable building and zoning laws, and all other applicable laws, statutes, ordinances, orders, rules, regulations, and requirements of all federal, state, and county governments and the appropriate departments, commissions, boards, and officers thereof. If the Lessee wishes to make additions or improvements to the Leased Premises beyond what is required for maintenance and repair as described in
Article VI, the Lessee will be responsible for the cost of such additions and improvements unless the parties agree to a cost-sharing arrangement.

7.2 The Lessee hereby indemnifies and agrees to hold the Lessor harmless from all liens, claims, or charges on account of any alterations, additions, improvements, or changes made to the Leased Premises or the improvements located thereon by the Lessee.

7.3 The Lessee is responsible for construction and maintenance of any temporary fencing necessary to exclude livestock from an area to facilitate rotational grazing. Unless otherwise agreed by the parties in writing, Lessor will provide all materials necessary for the construction and maintenance of grazing enclosures, and such enclosures will be Lessor's property. Responsibility for the costs of constructing and maintaining temporary fencing for rotational grazing, and ownership of such fencing, will be determined between the parties on a case-by-case basis.

7.4 The Lessor reserves the right, from time to time (without invalidating or modifying this Lease) to make alterations, changes and additions to the land and improvements that constitute the Leased Premises.

7.5 At the end of the term of this Lease, all fixtures, equipment, additions and alterations will remain the property of the Lessor, except as otherwise provided under the terms of this Lease. However, the Lessor may require the Lessee to remove any or all such fixtures, equipment, additions and alterations and restore the Leased Premises to the condition that existed immediately prior to such change and installation, normal wear and tear excepted, all at the Lessee's cost and expense. All such work must be done in a good and workmanlike manner and consist of new materials unless otherwise agreed to by the Lessor.

ARTICLE VIII Covenant of Title and Quiet Enjoyment.

8.1 The Lessor covenants that it is well seized of and has good title to lease the Leased Premises and does warrant the title thereto except and subject to the following:

a. All easements, covenants, reservations, restrictions, rights-of-way, and prescriptive or adverse rights, in place or of record;

b. Any restrictions, reservations, or exceptions contained in any United States or State of Colorado patents of record;

c. All zoning and other governmental rules and regulations; and

d. All oil, gas or other mineral reservations or exceptions of record.

ARTICLE IX. Insurance.

9.1 The Lessee, at its sole cost and expense, must procure, pay for, and keep in full force
and effect workers compensation insurance for all of its employees to be engaged in work on the Leased Premises under this Lease.

9.2 The Lessee, at its sole cost and expense, procure, pay for, and keep in full force and effect a comprehensive policy of general liability insurance covering the Leased Premises and insuring the Lessee in an amount not less than One Million Dollars ($1,000,000.00) covering bodily injury, including death to persons, personal injury, and property damage liability arising out of a single occurrence. Such coverage must include, without limitation, the insured's liability for property damage, bodily injuries, and death of persons in connection with the operation, maintenance, or use of the Leased Premises (including acts or omissions of the Lessee or of its officers, employees, or agents), liability arising out of lawsuits related to employment contracts of the Lessee, and protection against liability for non-owned and hired automobiles. Such coverage must also include comprehensive automobile liability insurance and coverage for such other risks as are customarily required by private institutional mortgage lenders with regard to property similar in construction, location, and use as the Leased Premises under this Lease Agreement.

9.3 All policies of insurance carried by the Lessee must name the Lessee as an insured and name the Lessor as an additional insured on the policy. The policy or policies must contain a provision that the policy or policies cannot be canceled or materially altered either by the insured or the insurance company until fifteen (15) days prior written notice thereof is given to the Lessor. Upon issuance or renewal of any such insurance policy, the Lessee must furnish a certified copy or duplicate original of such policy or renewal thereof with proof of premium payment to the Lessor. Any such policy must contain waivers of subrogation and waivers of any defense based on invalidity arising from any act or omission of any assignees or subleases of the Lessee.

9.4 No policy of insurance required by this Article IX can include a deductible clause in an amount greater than Ten Thousand Dollars ($10,000.00). Any insurance policy purchased by the Lessee must be written by an insurance carrier which has a current rating by Best's Insurance Reports of "A" (Excellent) or better and a financial rating of "X" or better or such equivalent classification as may hereinafter be required customarily for properties similarly situated and it must be approved by the Lessee and the insurance carrier must be authorized by law to do business in the State of Colorado. The Lessee must not obtain any policy which, under the terms of the carrier's charter, by-laws, or policy, loss payments are contingent upon action by the carrier's board of directors, policy holders, or members. All insurance policies carried by the Lessee may be reviewed at least annually by the Lessor to ascertain that the coverage provided by such policy adequately covers those risks required by this Article IX to be insured by the Lessee. In case of the breach of any provision of this Article IX, the Lessor, at its option, may take out and maintain, at the expense of the Lessee, such insurance as the Lessor may deem proper and may bill the costs for such insurance directly to the Lessee. When so billed, the Lessee must reimburse the Lessor for the costs of such insurance within thirty (30) days of being billed.
ARTICLE X. Utilities.

[This Article intentionally omitted.]

ARTICLE XI. Signs.

11.1 The Lessee must not affix, erect, or maintain on the Leased Premises any sign or placard without obtaining the Lessor's prior written approval. The costs of erection and maintenance of such sign or placard are the sole responsibility of the Lessee. In addition, any sign or placard approved by the Lessor must comply with all state and county laws, rules, and regulations.

ARTICLE XII. Subletting and Assignment.

12.1 Except for the use of the Residence by an employee of Lessee, the Lessee may not assign this Lease, any interest or a part thereof, any right or privilege appurtenant thereto, nor mortgage or hypothecate the leasehold without the prior written consent of the Lessor. Lessor's consent to one assignment or hypothecation shall not be construed as a consent to any subsequent assignment or hypothecation; and it is hereby mutually covenanted and agreed that, unless such written consent has been obtained, any assignment or transfer or attempted assignment or transfer of this Lease or any interest therein or hypothecation either by the voluntary or the involuntary act of the Lessee or by operation of law or otherwise, shall, at the option of the Lessor, terminate this Lease; and any such purported assignment or transfer without such consent will be null and void. The Lessor's consent to any such assignment does not relieve the Lessee from any obligation under this Lease unless the Lessor expressly agrees in writing to relieve the Lessee from such obligation.

12.2 If Lessee assigns this Lease or sublets or allows anyone other than the Lessee to occupy the Leased Premises or any part thereof without the prior written consent of the Lessor as required in Section 12.1 above, the Lessor may terminate this Lease, or may collect rent from the assignee, subtenant, or occupant, and employ the net amount collected to the rent herein reserved; and no such collection shall be deemed a release of the Lessee from the complete performance of its obligations under this Lease.

12.3 The above notwithstanding, Lessee is responsible for arranging either a grazing sublease or grazing services contract with a firm acceptable to Lessor that is capable of providing grazing on the Leased Premises (the “Grazing Contractor”).

12.3.1 The Lessee and Grazing Contractor will enter into a sublease agreement or services contract in a form acceptable to the Lessor (the "Sublease or Contract"). The Sublease or Contract must require the Grazing Contractor to comply with and be bound by the following provisions of this Lease:

• Sections 5.1, 5.5, 5.6, 5.7 and 5.8 regarding use of the Leased Premises;
• Section 6.4 and 6.5 regarding maintenance of the premises;
• Sections 7.1, 7.2, and 7.4 regarding alterations and improvements;
• Article IX regarding insurance;
• Article XI regarding signs;
• Article XIII regarding mechanics liens;
• Article XV regarding total or partial destruction;
• Article XIX regarding holding the Lessor harmless;
• Article XXI regarding Hazardous Materials;
• Article XXIII regarding access and use by Lessor;
• Article XXV regarding the "as-is" nature of the Leased Premises.

12.3.2 The Grazing Contractor must graze a minimum of 100 AUs but no more than 200 AUs unless otherwise agreed by the Lessor. The AUs grazed by the Grazing Contractor will not count towards the Lessee's AUs. The Lessee will not charge rent for contracted or sublet grazing pursuant to the Sublease or Contract unless otherwise directed or agreed to by the Lessor. The "Grazing Plan" outlined in paragraph 4.3 above will include objectives and requirements for the Grazing Contractor.

ARTICLE XIII.  Mechanic's Liens.

13.1 The Lessee agrees to pay or cause to be paid promptly all bills and charges for material, labor, or otherwise in connection with or arising out of any alterations, additions, maintenance, repairs, or changes made by the Lessee or its agents or subtenants to the Leased Premises; and the Lessee agrees to hold the Lessor free and harmless against all liens and claims of liens for such labor and materials, or either of them, filed against the Leased Premises or any part thereof and from and against any expense and liability in connection therewith. The Lessee further agrees to discharge (either by payment or by filing the necessary bond) any mechanic's, materialman's, or other liens against the Leased Premises arising out of any payment due or alleged to be due for any work, labor, services, materials, or supplies claimed to have been furnished at the Lessee's request in, on, or about the Leased Premises and to indemnify the Lessor against any lien or claim of lien attached to or upon the Leased Premises or any part thereof by reason of any act or omission on the Lessee's part. The Lessee does, however, have the right to contest any mechanic's lien or claims filed against the Leased Premises, provided the Lessee diligently prosecutes any such contest and at all times effectively stays or prevents any sale of the Leased Premises under execution or otherwise and pays or
otherwise satisfies any final judgment adjudging or enforcing such contested liens and thereafter procures record satisfaction of the release thereof. The Lessee also agrees in any such contest, at the Lessee's cost and expense, to defend the same on behalf of the Lessor.

ARTICLE XIV. Condemnation

14.1 If, as a result of any exercise of the power of eminent domain (hereinafter referred to as "proceedings"), either of the following happen: (a) the title to the whole or substantially all of the Leased Premises is taken; or (b) the Leased Premises are deprived of adequate ingress or egress to or from all public streets and highways abutting the Leased Premises, and the Lessee cannot reasonably, operate upon the remainder of the Leased Premises at the time of such taking, then this Lease will terminate as of the date of such taking pursuant to such Proceedings. For the purpose of construing the provisions of this Article, "Proceedings" includes any negotiated settlement of any matter involved in a condemnation; and a "taking" is deemed to occur when title to the Leased Premises or possession thereof is acquired by another governmental authority, whichever first occurs.

14.2 If, during the term of this Lease, title to less than the whole or title to less than substantially all of the Leased Premises is taken in any such Proceedings and the Lessee can reasonably operate on the remainder of the Leased Premises at the time of such taking, this Lease will not terminate. However, the Lessee's obligation to pay rent as provided in Article III. above, will be adjusted accordingly.

14.3 All damages awarded for any taking described in this Article are the property of the Lessor.

ARTICLE XV. Total or Partial Destruction

15.1 If, during the term of this Lease, the Leased Premises or a substantial part thereof is destroyed or so damaged by fire or other casualties so as to become unusable for livestock grazing purposes, then, at Lessee's option, the term hereby created will cease; and this Lease will become null and void from the date of such damage or destruction; and the Lessee must immediately surrender the Leased Premises and its interest therein to the Lessor. The Lessee must exercise such option to terminate this Lease by notice in writing delivered to the Lessor within thirty (30) days after such damage or destruction. The Lessee will continue to be liable to the Lessor for all rent accruing up to the date of termination of this Lease. If the Lessee does not elect to terminate this Lease, this Lease will continue in full force and effect.

15.2 If the Leased Premises are only slightly injured by fire or the elements so as not to render the same unusable for livestock grazing purposes, then the Lessor will repair the same with all reasonable speed. Lessee is not entitled to any compensation or off-set from or claim against the Lessor for any inconvenience or annoyance arising from the necessity of repairing any portion of the Leased Premises, however the necessity may occur.
ARTICLE XVI. Holding Over.

16.1 Any holding over after the expiration of the term of this Lease Agreement or any extended term thereof, with the written consent of the Lessor, will be construed as a tenancy from month-to-month on the same terms and conditions herein specified and at the same rental provided for herein.

ARTICLE XVII. Default of Lessee.

17.1 If any one or more of the following events (hereinafter referred to as "an event of default") happens:

(a) The Lessee defaults in the due and punctual payment of the rent or any other amounts required to be paid hereunder and such default continues for three (3) business days after the receipt of written notice from the Lessor; or

(b) The Lessee neglects or fails to perform or observe any of Lessee's obligations hereunder and the Lessee fails to remedy the same within five (5) business days after the Lessee receives written notice from the Lessor specifying such neglect or failure (or Lessee fails to begin such cure within said five (5) days and proceed with due diligence to complete said cure when the default if it is of such a nature that it cannot be cured within said five (5) day period); or

(c) The Lessee: (i) is adjudicated as bankrupt or insolvent; (ii) files a petition in bankruptcy or for reorganization or for the adoption of an arrangement under the Bankruptcy Act (as now constituted or in the future amended); or (iii) makes an assignment of its property for the benefit of its creditors; or

(d) The Lessee neglects or fails to perform or observe any of Lessee's obligations under this Lease within one hundred and eighty (180) days after prior notice of any such neglect or failure, whether or not such prior neglect or failure was remedied within the time period provided in subparagraph (a) or (b), above.

Then, and in any one or more such events of default, the Lessor has the right, at its election and while any such event of default continues, to give the Lessee written notice of its intention to terminate this Lease on the date of such given notice or any later date specified therein; and on such specified date, the Lessee's right to possession of the Leased Premises will cease; and this Lease will thereupon be terminated. The Lessor may then re-enter and take exclusive possession of the Leased Premises or any part thereof and repossess the same as the Lessor's former estate and expel the Lessee and those claiming through or under the Lessee and remove the property and effects of both or either (forcibly, if necessary) without being deemed guilty of any manner of trespass and without prejudice to any remedies for arrearages of rent or preceding breaches of covenants.

A. Alternatively, the Lessor may elect if an event of default occurs not to terminate
this Lease, but the Lessor will still have the right to elect to retake exclusive possession of the Leased Premises by evicting the Lessee if the Lessee has not otherwise abandoned the Leased Premises. In the event the Lessor elects to so take exclusive possession, the Lessee will not be relieved of its obligations and liabilities under the Lease, all of which will survive such repossession. In the event of such repossession, the Lessee must pay to the Lessor as current liquidated damages: the then value of the rent and other sums as herein provided which would be payable if such repossession had not occurred; less

B. The net proceeds, if any, of any reletting of the Leased Premises after deducting all of the Lessor’s expenses in connection with such reletting, including, without limitation, all repossession costs, brokerage commissions, legal expenses, attorneys fees, expenses of employees, and necessary alteration costs and expenses in preparation of such reletting.

The Lessee must pay such damages to the Lessor within thirty (30) days after receiving written notice from the Lessor of such damages. If the Lessor must commence any action or proceeding to collect the foregoing amounts, or to enforce any other obligation of the Lessee under this Lease, the Lessor will be entitled to reimbursement for all costs and expenses and legal fees incurred in said matter, including reasonable attorney’s fees.

ARTICLE XVIII. Attorney’s Fees.

18.1 The Lessee agrees to pay and indemnify the Lessor against all legal costs and charges, including attorney’s fees, lawfully and reasonably incurred in obtaining possession of the Leased Premises after default of the Lessee or termination of this Lease, incurred in enforcing any covenant of the Lessee herein contained or any right granted to the Lessor, and incurred in collecting any rent, monies, or other damages owed by the Lessee to the Lessor under this Lease.

ARTICLE XIX. Lessee to Save Lessor Harmless.

19.1 The Lessee covenants that it will indemnify, release and hold the Lessor, and its officers and employees, harmless from all claims, demands, judgments, costs, and expenses, including attorney’s fees, arising out of any accident or occurrence causing injury to any person or property whomsoever or whatsoever due directly or indirectly to the use or neglect of the Leased Premises or any part thereof by the Lessee and its officers, agents, employees, licensees, and invitees or any entity or person (and their officers, agents, employees, licensees, and invitees) holding under the Lessee, unless such accident or occurrence results solely from the tortious misconduct or negligent act or omission on the part of the Lessor, or its officers and employees; and the Lessee will indemnify and hold harmless the Lessor, and its officers and employees, from all damages and all penalties arising out of any failure of the Lessee, in any respect, to comply with all of the requirements and provisions of this Lease Agreement; and the Lessee covenants that
the Lessee will keep and save the Lessor, and its officers and employees, and the
Lessor’s interest in and unto the Leased Premises forever harmless from any penalty,
damage, or charge imposed by any violation of any laws, whether occasioned by an act
or omission of the Lessee, or by another or others in the Leased Premises holding under
or through the Lessee. In addition, the Lessor, and its officers and employees, will not
be liable to the Lessee for any livestock injuries or deaths, regardless of cause, incurred
in connection with such livestock grazing upon the Leased Premises under this Lease
Agreement, unless such injuries or deaths result from a negligent act or omission of the
Lessor. However, any liability of the Lessor, or of its officers and employees, to the
Lessee is subject to all the defenses, immunities, and limitations of the Colorado
Governmental Immunity Act (Section 24-10-101, et seq.) and to any other defenses,
immunities, and limitations to liability available to the Lessor, and its officers and
employees, under the law.

ARTICLE XX. Notices.

20.1 Any notice or other communication given by either party to the other relating to this
Lease Agreement must be hand-delivered or sent by registered or certified mail, return
receipt requested, or by overnight commercial courier, addressed to such other party at
its respective addresses set forth below; and such notice or other communication will be
deemed given when so hand-delivered or three (3) business days after so mailed, or the
next business day after being deposited with an overnight commercial courier:

If to the Lessor:

City of Fort Collins Natural Areas Department
Attn: Matt Parker, Resource Management Supervisor
P.O. Box 580
Fort Collins, CO 80522

With a copy to:

City of Fort Collins – Real Estate Department
Attn: Real Estate Manager
P.O. Box 580
Fort Collins, CO 80522

If to the Lessee:

Folsom Grazing Association, LLC
Attn: William Altenburg, Board President
570 East County Road 64
Fort Collins, CO 80524

ARTICLE XXI. Hazardous Material.
21.1 As used herein, the term "Hazardous Material" means any hazardous or toxic substance, material, or waste which is or becomes regulated by any local governmental authority, the State of Colorado or the United States Government. The term "Hazardous Material" includes, without limitation, any material or substance that is: (i) defined as a "hazardous substance" under applicable state law provisions; (ii) petroleum; (iii) asbestos; (iv) designated as "hazardous substance" pursuant to Section 311 of the Federal Water Pollution Control Act (33 U.S.C. Section 1321); (v) defined as "hazardous waste" pursuant to Section 1004 of the Federal Resource Conservation and Recovery Act (42 U.S.C. Section 6903); (vi) defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Section 9601); or (vii) defined as a "regulated substance" pursuant to Subchapter IX, Solid Waste Disposal Act (Regulation of Underground Storage Tanks) (42 U.S.C. Section 6991).

21.2 The Lessee must not cause or permit any Hazardous Materials to be brought upon, kept, or used in or about the Leased Premises by the Lessee, its officers, agents, employees, contractors, licensees, or invitees, without the prior written consent of the Lessor (which the Lessor will not unreasonably withhold as long as the Lessee demonstrates to the Lessor's reasonable satisfaction that such Hazardous Material is necessary or useful to the Lessee's operation; that it will be used, kept, and stored in a manner that complies with all laws regulating any such Hazardous Material and will protect and preserve the Leased Premises and any other property in a safe and environmentally sound condition; and that the Hazardous Material will not materially interfere with the Lessor's use of the Leased Premises or cause damage to said Leased Premises.) If the Lessee breaches the obligation stated in the preceding sentence, or if the presence of Hazardous Material on the Leased Premises caused or permitted by the Lessee results in contamination of the Leased Premises or if contamination of the Leased Premises by Hazardous Material otherwise occurs for which the Lessee is legally liable to the Lessor for damage resulting therefrom, then the Lessee will indemnify, defend, and hold the Lessor, and its officers and employees, harmless from any and all claims, judgments, damages, penalties, fines, costs, liabilities, or losses (including, without limitation, diminution in value of the Leased Premises, damages for the loss or restriction on use of the Leased Premises, and sums paid in settlement of claims, attorneys fees, consulting fees, and expert fees), which arise during or after the Lease term as a result of such contamination. Lessee's indemnification of the Lessor includes, without limitation, any costs incurred in connection with any investigation of site conditions or any clean-up, remedial, removal, or restoration work required by any federal, state, or local governmental agency or political subdivision because of Hazardous Material present in the soil or ground water on or under the Leased Premises. Without limiting the foregoing, if the presence of any Hazardous Material on the Leased Premises caused or permitted by the Lessee results in any contamination of the Leased Premises, the Lessee must promptly take all actions at its sole expense as are necessary to return to the Leased Premises to the condition existing prior to the introduction of any such Hazardous Material to the Leased Premises; provided that Lessee will first obtain the Lessor's written approval of such action, which
approval will not be unreasonably withheld so long as such action would not potentially have any material adverse effect on the Leased Premises or the Lessor's use of the Leased Premises.

**ARTICLE XXII. Time of the Essence.**

22.1 Time is of the essence of this Lease Agreement and each and every provision hereof.

**ARTICLE XXIII. Access and Use By Lessor.**

23.1 The Lessor, and its officers, employees, and any other person properly authorized by the Lessor, including members of the public, shall at all times retain the right to enter upon and use the Leased Premises for any purpose. Lessee understands and agrees that genetically pure and brucellosis-free bison are located on a portion of the Leased Premises. Lessor will coordinate bison-grazing activity with Lessee through development of the Grazing Plan, and Lessee shall have no responsibility or liability for activities or costs associated with such bison grazing unless otherwise agreed to by the parties.

**ARTICLE XXIV. Education.**

24.1 The Lessee or appropriate employee of the Lessee will participate in occasional education and outreach programs on an annual basis. The Lessee's participation will include discussions of ranching heritage, ranch management, and ecological services provided by ranches and livestock.

**ARTICLE XXV. "AS-IS" Nature of Leased Premises.**

25.1 The Lessee acknowledges and agrees that the Lessor has not made, does not make, and specifically negates and disclaims any representations, warranties, promises, covenants, agreements, or guarantees of any kind or character whatsoever, whether expressed or implied, oral or written, past, present, or future, of, as to, concerning or with respect to the Leased Premises and; (a) the value, nature, quality, or condition of the Leased Premises, including, without limitation, the water, soil, and geology of the Leased Premises; (b) the income to be derived from the Leased Premises; (c) the suitability of the Leased Premises for any and all activities and uses which the Lessee may conduct thereon including the grazing of livestock; (d) the compliance of or by the Leased Premises or its operation with any laws, rules, ordinances, regulations of any applicable governmental authority or body; (e) the habitability, merchantability, marketability, profitability, or fitness for a particular purpose of the Leased Premises; (f) the manner or quality of the construction or materials, if any, incorporated into the improvements located on the Leased Premises; (g) the manner, quality, state of repair or lack of repair of the improvements located on the Leased Premises; or (h) any other matter with respect to the Leased Premises and the improvements located thereon, and specifically, that the Lessor has not made, does not make and specifically disclaims any representations regarding compliance with any environmental protection, pollution, or land use laws, rules, regulations, orders, or requirements, including solid waste, as
defined by the U.S. Environmental Protection Agency regulated at 40 C.F.R., Part 261, or the disposal or existence, in or on the Leased Premises, of any hazardous substance, as defined by the Comprehensive Environmental Response Compensation and Liability Act of 1980, as amended, and regulations promulgated thereunder. The Lessee further acknowledges and agrees that having been given the opportunity to inspect the Leased Premises, and the improvements located thereon, the Lessee is relying solely on its own investigation of the Leased Premises and not on any information provided or to be provided by the Lessor. The Lessee further acknowledges and agrees that any information provided or to be provided with respect to the Leased Premises was obtained from a variety of sources and that the Lessor has not made any independent investigation or verification of such information and makes no representations as to the accuracy or completeness of such information. The Lessee agrees that the Lessor is not liable or bound in any manner by any verbal or written statements or representations, or information pertaining to the Leased Premises, or the improvements located thereon, or the operation thereof, furnished by any real estate broker, agent, employee, servant, or other person. The Lessee further acknowledges and agrees that to the maximum extent permitted by law, the lease of the Leased Premises as provided herein is made on an "AS-IS" condition and basis with all faults. It is understood and agreed that the rent provided for under this Lease Agreement and any other consideration provided by the Lessee under this Lease Agreement has been adjusted and taken into consideration by the Lessee to reflect that all of the Leased Premises is being leased by the Lessee from the Lessor subject to the foregoing.

ARTICLE XXVI. General Provisions.

26.1 Words of the masculine gender include the feminine and neuter gender; and when the sentence so indicates, words of the neuter gender refer to any gender. Words in the singular include the plural and vice versa.

26.2 This Lease Agreement is to be construed according to its fair meaning and as if prepared by both parties hereto and is deemed to be and contain the entire understanding and agreement between the parties hereto. There shall be deemed to be no other terms, conditions, promises, understandings, statements, or representations, expressed or implied, concerning this Lease Agreement unless set forth in writing and signed by both of the parties hereto.

26.3 The Article headings used herein are for convenience of reference only and in no way define or limit the scope or intent of any provision under this Lease Agreement.

26.4 Subject to the provisions hereof, the benefits of this Lease Agreement and the burdens hereunder inure to and are binding upon the parties hereto and their respective heirs, administrators, successors, agents and permitted assigns.

26.5 This Lease will be governed by and its terms construed under the laws of the State of Colorado. Any judicial proceedings commenced by either party to enforce any of the
26.6 Nothing contained herein is deemed or should be construed by the parties nor by any third party as creating the relationship of principle and agent, a partnership or a joint venture between the parties, or an employment relationship between the parties, it being agreed that none of the provisions set forth herein nor any acts of the parties will be deemed to create a relationship between the parties other than the relationship of lessor and lessee.

26.7 Failure of the Lessor to exercise any right or rights accruing to it by virtue of the Lessee's breach of any covenant, condition, or agreement herein does not operate as a waiver of the exercise of such right or rights in the event of any subsequent breach by the Lessee, nor will the Lessee be relieved thereby from its obligations under the terms of this Lease Agreement.

26.8 This Lease Agreement is made for the sole and exclusive benefit of the Lessor and the Lessee, their successors and assigns, and it is not made for the benefit of any third party.

26.9 The remedies of the Lessor under this Lease are cumulative; no one of them should be construed as exclusive of any other or of any other remedy provided by law.

26.10 The Lessor reserves the right to grant to any third party such easements and rights-of-way as it desires over, across, and under portions of the Leased Premises and to lease all or any portion of the Leased Premises to any other third party so long as such easements, rights-of-way, and leases do not unreasonably interfere with the Lessee's continuing use of the Leased Premises as provided in this Lease Agreement.

26.11 No act or thing done by the Lessor or the Lessor's officers or employees during the term hereof will be considered as an acceptance of the surrender of the Leased Premises, and no agreement to accept such surrender will be valid unless in writing signed by the Lessor.

26.12 The Lessee, upon the expiration or termination of this Lease, either by lapse of term or otherwise, agrees to peacefully surrender to the Lessor the Leased Premises, including the improvements located thereon together with any alterations, additions, and changes made to such improvements by the Lessee during the term of this Lease Agreement, in good repair, as hereinabove provided, except for acts of God, ordinary wear, and damage by fire or other casualty not caused by the negligence of the Lessee or anyone under the Lessee's control.

26.13 The Lessee acknowledges and agrees that the Lessee has not relied upon any statements, representations, agreements, or warranties except such as they are expressed herein.

26.14 If any covenant, condition, or provision of this Lease Agreement is held to be invalid by
final judgment of any court of competent jurisdiction, the invalidity of such a covenant, condition, or provision will not in any way affect any of the other covenants, conditions, or provisions of this Agreement, provided that the invalidity of any such covenant, condition, or provision does not materially prejudice either the Lessee or the Lessor in their respective rights and obligations under the valid covenants, conditions, and provisions of this Lease Agreement.

26.15 To the extent necessary to carry out all of the terms and provisions hereof, the said terms, obligations, and rights set forth herein survive and will not be affected by the expiration or termination of this Lease Agreement.

26.16 The parties acknowledge that certain items of personal property may now be located on the Leased Premises. The Lessor makes no representations or warranties regarding its ownership of any such items of personal property or regarding the condition of such items. The parties hereto acknowledge that the said items of personal property located on the Leased Premises and within the improvements located on the Leased Premises may belong to third parties. The Lessee agrees to indemnify and hold harmless the Lessor, and its officers and employees, from and against any liability for any improper use or disposition by the Lessee of any items of personal property belonging to third parties.

26.17 Neither the Lessor nor the Lessee will be deemed in violation of this Lease Agreement if prevented from performing any of their respective obligations hereunder by reason of strikes, boycotts, labor disputes, embargoes, shortage of energy or materials, acts of God, acts of public enemies, acts of superior governmental authorities, weather conditions, rights, rebellions, sabotage, or any other circumstances for which they are not responsible or that are not within their control.

26.18 This Lease Agreement will not be recorded. However, at the request of the Lessee, the Lessor and the Lessee will execute a memorandum of lease for recording, containing the names of the parties, the legal description of the Leased Premises, the term of the Lease and such other information as the parties mutually agreed upon.

26.19 The obligations of the Lessor to commit or expend funds after calendar year 2010 are subject to and conditioned upon the annual appropriation of funds sufficient and intended to carry out said obligations by Lessor's City Council, in its sole discretion. If the City Council does not appropriate funds necessary to carry out any such obligations, the Lessor will notify the Lessee promptly of such non-appropriation. If such non-appropriation results in a material impairment of Lessee's right hereunder, the Lessee may terminate the lease, with no further recourse against the Lessor, by providing thirty (30) days written notice to Lessor. If Lessee does not exercise this termination right within sixty (60) days of receiving Lessor's notice of said non-appropriation, then Lessee waives its right to terminate the Lease pursuant to this section.
IN WITNESS WHEREOF the parties hereto have caused this Lease Agreement to be executed the day and year first above written.

THE CITY OF FORT COLLINS, COLORADO,
A municipal corporation

By: _________________________________
   Darin A. Atteberry, City Manager

ATTEST:

_________________________  ____________________________
City Clerk  (Print name)

APPROVED AS TO FORM:

_________________________  ____________________________
Assistant City Attorney  (Print name)

LESSEE: FOLSON GRAZING ASSOCIATION LLC
A Colorado limited liability company

By: _________________________________

Printed: _________________________________

   Member/Manager
EXHIBIT "A"

Legal Description of Leased Premises on Soapstone Prairie Natural Area Township 11 North, Range 68 West of the 6th P.M., Larimer County, CO
Section 4: ALL
Section 5: ALL
Section 6: ALL
Section 19: ALL

Township 12 North, Range 68 West of the 6th P.M., Larimer County, CO Section 19: All in State of Colorado
Section 20: All in State of Colorado Section 21: All in State of Colorado Section 28: ALL
Section 29: ALL
Section 30: ALL
Section 31: ALL
Section 32: ALL
Section 33: ALL

Township 11 North, Range 69 West of the 6th P.M., Larimer County, CO Section 1: ALL
Section 2: ALL
Section 3: ALL
Section 4: SW ¼ of NW ¼, S ½, NE ¼ Section 10: ALL
CURVE, BEING 530.00 FEET, THE CENTRAL ANGLE OF SAID CURVE BEING 11° 05' 14", THE CHORD OF SAID CURVE BEARS N 06° 55' 33" WA DISTANCE OF 102.40 FEET, THENCE ALONG THE ARC OF SAID CURVE A DISTANCE OF 102.56 FEET TO A POINT; THENCE N 12° 28' 10" W, A DISTANCE OF 270.73 FEET TO THE BEGINNING OF A CURVE TO THE LEFT, THE RADIUS OF SAID CURVE BEING 530.00 FEET, THE CENTRAL ANGLE OF SAID CURVE BEING 04° 44' 56", THE CHORD OF SAID CURVE BEARS N 14° 50' 38" WA DISTANCE OF 43.92 FEET, THENCE ALONG THE ARC OF SAID CURVE A DISTANCE OF 43.93 FEET TO A POINT ON THE NORTH LINE OF THE E 1/2 OF THE NE 1/4 OF SECTION 11; THENCE WESTERLY ALONG SAID NORTH LINE 618 FEET, MORE OR LESS, TO THE NW CORNER OF THEE 1/2 OF THE NE 1/4 OF SAID SECTION 11; THENCE SOUTHERLY ALONG THE WEST LINE OF THE E 1/2 OF THE NE 1/4 OF SAID SECTION 11, 2676 FEET, MORE OR LESS, TO THE SW CORNER OF THE E 1/2 OF THE NE 1/4 OF SAID SECTION 11; THENCE EASTERLY ALONG THE SOUTH LINE OF THEE 1/2 OF THE NE 1/4 OF SAID SECTION 11, 1320 FEET, MORE OR LESS, TO THE TRUE POINT OF BEGINNING.

Section 13: NE ¼, SE ¼, SW ¼, West ½ of NW ¼
Section 14: NW ¼, NE ¼, SE ¼
Section 15: NE ¼, North ¼ of NW ¼
Section 23: NE ¼, N ½ of SE ¼
Section 24: East ½ of NW ¼, NE ¼, N ½ of SE ¼, NE ¼ of SW ¼

Township 12 North, Range 69 West of the 6th P.M., Larimer County, CO Section 20: All in State of Colorado
Section 26: ALL
Section 27: ALL
Section 28: ALL
Section 29: ALL
Section 32: ALL
Section 33: ALL
Section 34: ALL
Section 35: ALL
Section 36: ALL
ATTACHMENT 1 TO EXHIBIT A
VICINITY MAP – SOAPSTONE NATURAL AREA
ATTACHMENT 2 TO EXHIBIT A
SOAPSTONE NATURAL AREA MAP

Legend

Roads
ROAD_CLASS
- Public Access
- Primary Maintenance
- ATV and UTV Access
- No Access
- Fence Line

FEATURE_TYPE
- With Line

Natural Areas
NA_NAME
- Red Rock Open Space
- Red Mountain Open Space
- Soapstone Prairie Natural Area

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ATTACHMENT 3 TO EXHIBIT A
RESIDENCE MAP
Soapstone Prairie Natural Area (SPNA) is a City-owned property at the northern boundary of Larimer County, Colorado (see Attachment A – Vicinity Map). The entire property comprises approximately 22,500 acres of land. The City of Fort Collins Natural Areas Department (NAD) owns the property and operates under the following mission:

*The mission of the Natural Areas Department is to protect and enhance lands with existing or potential natural areas values, lands that serve as community separators, agricultural lands, and lands with scenic values. Protection of natural habitats and features is the highest priority, while providing for education and recreation for the Fort Collins community.*

More specific management of SPNA is guided by the *Soapstone Prairie Natural Area Management Plan* (available online at http://fcgov.com/naturalareas/pdf/soapstone-management-plan.pdf). The plan identifies “conservation targets,” or natural and cultural resources of the highest conservation value. This plan will be updated, likely in 2021, but will not substantially change in its direction or mission.

The NAD believes that livestock grazing is a necessary and effective tool to aid in managing for conservation targets and is looking for a cooperator to manage grazing operations on the property. To date, under management of the NAD, grazing utilization has been capped at roughly 50%. Grazing will continue to be managed conservatively to ensure its use as a tool for improving conservation targets. Five of NAD’s conservation targets are directly related to, and influenced by, grazing management on the property. These conservation targets and grazing-related management goals are listed below (“Rare and threatened plants” conservation target changed to “Rare, endangered, and threatened species” in anticipation of upcoming change to management plan):

- **Shortgrass prairie**
  - *Natural Areas Department goal:* Provide high quality habitat for grassland birds, black-tailed prairie dog communities, pronghorn and swift fox.
  - *Grazing role:* Livestock grazing can help the shortgrass prairie system by providing a diversity of grass structure, increasing health and vigor of plants, and helping incorporate seeds into the soil through hoof action. Providing a habitat mosaic, with patches of heavily grazed grasslands and patches of lightly grazed or un-grazed habitat, is essential for grassland wildlife species success. Over time, important components of the shortgrass plant community have been removed or reduced, such as four-wing saltbush, winterfat, and needlegrasses. Timing and duration of grazing can help these species return.

- **Wetlands/Riparian systems**
  - *Natural Areas Department goal:* Maintain or restore functioning riparian systems in order to provide high quality habitat for northern leopard frog, native fish, and birds of prey (see Birds of prey).
  - *Grazing role:* The wetlands and riparian areas on the ranch are highly productive and good sources of forage for livestock. They can benefit from livestock grazing by increasing plant vigor and helping open soils for seed germination (also see comments under Rare and threatened plants, below). However, there is also the potential that livestock can over-use riparian areas. Wetlands and riparian areas are key areas for management of Soapstone Prairie, and the Natural Areas staff
would like to work with the Lessee to ensure that livestock do not over-use and degrade these areas.

- **Rare, endangered, and threatened species**
  - *Natural Areas Department goal:* Improve habitat for, and/or maintain or reintroduce appropriate rare, endangered, and threatened species.
    - Colorado butterfly and Rocky Mountain blazing star
    - **Black-Footed Ferret** – The NAD partnered with the US Fish and Wildlife Service (USFWS) and Colorado Parks and Wildlife (CPW) to reintroduce black-footed ferret to the Laramie Foothills ecosystem in 2014. Since then, NAD and USFWS have released additional ferrets and conducted annual population monitoring.
    - **Fish** – NAD has partnered with the Colorado Parks and Wildlife to reintroduce Northern Redbelly Dace and Plains Topminnow to Spottlewood Creek. NAD is continuing to acquire and document in-stream flows to support additional fish reintroductions.
    - **American Bison partnership** - The NAD partners with Colorado State University (CSU) and Larimer County Department of Natural Resources to provide grazing for and support of the Laramie Foothills Conservation Bison Herd (LFCBH). The LFCB herd is managed through the Animal Reproduction and Biotechnology Laboratory within CSU’s College of Veterinary Medicine & Biomedical Sciences. The herd is comprised of genetically valuable bison from the Greater Yellowstone ecosystem and is an important global natural resource. The herd currently utilizes 2,700 acres in 3 pastures in the southwest area of SPNA.
      - *Grazing role:* We believe these rare plants, which exist in wet meadows on SPNA, exist because of the historic grazing system where the meadows were grazed in late spring and/or fall. Grazing may be necessary to help create open soils for seed germination. Grazing, coupled with prescribed fire, can also be used to expand the extent of prairie dog colonies, therefore providing additional habitat for black-footed ferret. Additionally, appropriately managed grazing systems can provide conditions that promote invertebrate diversity along stream and creek edges, improving larval feeding resources for native fishes.

- **Foothills shrublands system**
  - *Natural Areas Department goal:* Maintain high quality of foothills shrubland system.
    - *Grazing role:* The mountain mahogany shrublands with a mixed grass understory can benefit from grazing through weed management efforts. While the NAD does extensive chemical, biological and mechanical weed control on the property, the timing and type of grazing can help reduce weeds. Dalmatian toadflax is a particular concern in this area.

- **Birds of prey**
  - *Natural Areas Department goal:* Provide future nest locations for birds of prey.
    - *Grazing role:* Soapstone Prairie Natural Area is home to many raptors including golden eagles, ferruginous hawks, Swainson’s hawks, red-tailed hawks, prairie
falcons and American kestrels. Big cottonwoods along riparian areas often serve as nest sites for these birds. Appropriate grazing management can help ensure recruitment of tree and shrub species to provide future nest locations for birds of prey.

A. Resources

- **Land**

  This property lies just east of the boundary between the plains and the Front Range. Moderately rugged hills and shallow canyons associated with the complex geology of this boundary are present in the western part of Soapstone Prairie, with the remainder consisting of the more subdued and generally eastward-sloping grasslands. Elevations range from approximately 5,820 feet on the southeast portion of the Round Butte Pasture to 7,201 feet at the summit of a ridge along the northwestern edge.

- **Vegetation**

  Soapstone contains several high value vegetation complexes, which are generally associated with the area's topography. The hills and canyon areas of the west side contain mountain mahogany shrublands with a mixed grass understory while the gentler eastern side supports shortgrass prairie, with blue grama being the most dominant forage species. Additionally, several wetland and riparian systems are present on the property, including wet meadows that contain populations of rare and threatened plants (Colorado butterfly plant, Rocky Mountain blazing star and pale blue-eyed grass). National Resource Conservation Service range health assessments indicate fair to good condition of the rangeland.

  The NAD will manage both vegetation and wildlife habitat with prescribed fire. Prescribed fires are typically 500-1500 acres in size (though it is possible larger fires may be conducted) and are timed to influence positive changes in vegetation composition or improve wildlife habitat. Natural Areas staff will communicate plans for prescribed burns with Lessee.

- **Water**

  A 2009 decree documents rights on Graves Creek Spring (northwest, northeast, and south), Spottlewood South Spring, Stateline East Spring, Brannigan, Central, Rawhide (south and central), Round Butte East, Mountain Dam Spring, Canyon West Spring, as well as Bear House Spring. Additionally, a series of wells are also adjudicated. All rights identify the beneficial use as watering of livestock.

- **Wildlife**

  These properties support a diverse array of wildlife species. Currently, approximately 1,000 acres of prairie dog colonies are present on the property. The grazing Lessee should recognize that the NAD intends to manage prairie dog colonies as a critical component of a functioning grassland ecosystem. Prairie dog colonies and shortgrass prairie support a diverse bird community which includes a number of Species of Greatest Conservation Need, as identified by the Colorado Division of Wildlife. In 2014 the NAD, in cooperation with Colorado Parks and Wildlife, and the U.S. Fish and Wildlife Service reintroduced Black-footed ferret to Soapstone Prairie. Swift foxes have also been documented on the property. The entire eastern portion of the property provides excellent pronghorn habitat, and the western portion
supports elk and mule deer. Several riparian and wetland systems provide extensive habitat, and numerous intermittent and ephemeral drainages also occur on the property.

Public Recreation

Lessees must be aware that grazing management needs to be accomplished with public use of the property in mind. Soapstone Prairie Natural Area opened to public recreation in the summer of 2009; the property contains two parking lots with associated picnic shelters and restrooms, trails and other visitor facilities. Visitor use is significantly higher on weekends and may fluctuate seasonally. Use is generally greater on the western portion of the property. Recreational uses include hiking, biking and horseback riding on designated trails only. Soapstone Prairie is open to hunting opportunities in the fall via a special permit application process. Recreational hunts will be managed to ensure limited impact to livestock. Visitors are not allowed to use motorized vehicles off the main access road between the parking lots. Dogs are not permitted on the property, with an exception for the grazing lessee as defined in the grazing lease contract.

Research

Natural Areas staff and researchers from other organizations will continue to use the property extensively for research and educational purposes. The NAD expects the grazing Lessee, and representatives of the Lessee, to interact positively and professionally with visitors and encourages Lessee to actively participate in public education. Opportunities for volunteer involvement in ranching operations are also viewed positively by NAD.

Infrastructure

Fencing has been significantly modified or removed in the central and western portions of the property to accommodate public recreation including trails. In these areas historic pastures no longer exist, leaving one large pasture over 5,500 acres in size. The NAD is continually interested in opportunities to improve grazing management via improvements in fencing. Historic pastures remain intact on the remainder of the property and range in size from 200 acres to nearly 4,000 acres. Fence is generally barbed wire, with much of the fencing conforming to NRCS “wildlife-friendly” standards. Lessee may propose new fence location, either temporary or permanent, or other methods of livestock distribution.

Pastures use a combination of surface water, solar-powered tanks, windmills, and spring tanks. See Attachment B for a map depicting location of fences and water infrastructure.

The headquarters in the northeast corner of the property contain corrals and holding pens. A second set of corrals is located at Soapstone Springs, in the central portion of the property. A third set of corrals are located in the eastern section of the Round Butte Pasture.

House/ Caretaker

A house is available for use by the grazing Lessee at the headquarters in the northeast corner of the property per the terms of the Lease. Primary site security responsibility of the caretaker/ranch manager is awareness of prohibited activities and notification of Natural Areas Rangers and/or the Larimer County Sheriff.
A second house, known as the “Roman House” is located in the central portion of the property and is used by the NAD as a maintenance facility. This house is not available for use by the grazing Lessee.

**Access**

Public access to SPNA is from Rawhide Flats Road, the northern extension of County Road 15. There is also an eastern access from the I-25 frontage road via Soapstone Ranch Road. However, this is a private access only, and if this access is used by Lessee it should be for ranch related access only. Large stock trucks traveling to the majority of the property should access from the east. Public access to the headquarters is limited by one or more gates.

**Grazing Management**

Soapstone Prairie Natural Area has historically been grazed by both sheep and cattle. Most recently it has been grazed by cow-calf pairs on the eastern and southern portions in a simple rotation system from June through November, and first year heifers in the Round Butte Pasture for the same period. Sheep had been historically grazed in the west/northwest portions from June through September. If a proposal includes the grazing of sheep in the west/northwest portions, it is advisable to discuss potential disease communication mitigation efforts between domestic and wild sheep. Sheep and goats also present concern for disease transmission with the CSU managed bison herd grazing in adjacent or proximal pastures; a proposal of sheep and/or goats should address these concerns. Grazing animals can include cattle, sheep, bison, goats, and/or any other animal type that Lessee demonstrates can effectively be managed to achieve conservation targets (combinations of grazing animals will be considered and are encouraged).
### ATTACHMENT 5 TO EXHIBIT A
**LEASED PREMISES PASTURE DESCRIPTIONS**

<table>
<thead>
<tr>
<th>PASTURE (ACRES)</th>
<th>WATER RESOURCES</th>
<th>MAX AUM</th>
<th>GRAZING CONSIDERATIONS</th>
</tr>
</thead>
</table>
| Jack Springs (3882 acres) | One tank, surface water               | 1,391   | • Grazing pressure must be heavy in areas to provide short structure grass for nesting grassland birds (e.g., Mountain plover).  
• General focus should be on providing habitat mosaic (areas of heavy grazing as well as areas of light grazing).  
• Large prairie dog colonies may exist in this pasture (currently plagued out but likely to return and expand).  
• A portion of Spottlewood Creek is fenced with a 3-strand high tensile electric fence. It includes access points for livestock at 6 locations. This riparian pasture may be grazed as appropriate. |
| Brannigan (3757 acres) | Three spring tanks, surface water     | 1,006   | • General focus should be on providing habitat mosaic (areas of heavy grazing as well as areas of light grazing).                                                                                                           |
| Meadow (693 acres)    | Surface water                         | 198     | • Rare plants exist in this pasture which must be grazed in spring or fall but not during bulk of growing season.                                                                                                         |
| State Line (613 acres) | Tank                                  | 168     | • General focus should be on providing habitat mosaic (areas of heavy grazing as well as areas of light grazing).                                                                                                           |
| HQ (217 acres)        | Springs/Surface water                 | 111     | • Rare plants exist in this pasture which must be grazed in spring or fall but not during bulk of growing season.                                                                                                         |
| LR/ East & West Canyon (8569 acres) | 18 tanks (2 are windmill, rest are springs or piped from Cedar Canyon) | 1,543   | • The traditional pasture boundaries and fences have been extensively modified or removed to accommodate trails for public recreation. If your proposed grazing animal in this area requires additional fencing, include this information in proposal.  
• Grazing will need to avoid damage to public facilities (restrooms, picnic shelters, etc.).  
• General focus in the shortgrass should be on providing habitat mosaic (areas of heavy grazing as well as areas of light grazing).  
• Focus of grazing in the mountain mahogany shrublands should be on weed control, especially for Dalmatian toadflax.  |
<table>
<thead>
<tr>
<th>Location</th>
<th>Number of Windmills</th>
<th>Number of Windmills</th>
<th>Habitat Mosaic Focus</th>
</tr>
</thead>
<tbody>
<tr>
<td>South Roman (720 acres)</td>
<td>Two windmills</td>
<td>150</td>
<td>General focus should be on providing habitat mosaic (areas of heavy grazing as well as areas of light grazing).</td>
</tr>
<tr>
<td>Tree (343 acres)</td>
<td>One windmill</td>
<td>70</td>
<td>General focus should be on providing habitat mosaic (areas of heavy grazing as well as areas of light grazing).</td>
</tr>
<tr>
<td>Bernard (1760 acres)</td>
<td>One windmill, surface springs</td>
<td>420</td>
<td>General focus should be on providing habitat mosaic (areas of heavy grazing as well as areas of light grazing).</td>
</tr>
<tr>
<td>*Round Butte (1349 acres)</td>
<td>No reliable water source; in the past Lessee has hauled water</td>
<td>130</td>
<td>General focus should be on providing habitat mosaic (areas of heavy grazing as well as areas of light grazing).</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>5,187</strong></td>
<td></td>
</tr>
</tbody>
</table>

*Note: The SE portion of the Round Butte Pasture is not included in this Grazing Lease as it is subject to a separate grazing lease with another Lessee.*
EXHIBIT B

Lease Provisions for Employee Occupancy of Ranch Residence

Should Lessee choose to allow an employee of Lessee to occupy the Ranch Residence located on the Leased Premises, the following terms and conditions will apply.

1. **Definitions.** As used in this Exhibit B, "Residence" refers to the house and any associated facilities located on the Leased Premises, as shown on Attachment 3 to Exhibit 1. "Occupant" refers to an employee of Lessee authorized by Lessee to occupy the Residence.

2. **Occupancy Contingent on Employment.** Occupant’s right to live in the Residence is contingent upon Occupant's continued employment as an agent of the Lessee assigned to Soapstone Prairie. Lessee will require Occupant to vacate the Residence if Occupant is no longer in this designated employment position, for whatever reason, within thirty (30) days from the date of the change in employment status.

3. **Termination.** Upon termination of occupancy of the Residence for any reason, Lessee must remove or ensure that Occupant removes all personal property or improvements not owned by Lessor. If Lessee fails to remove said personal property before vacating the Residence, the Lessor hereby grants the Lessor the absolute right to keep, convey, destroy, or otherwise dispose of such property in any manner Lessor chooses, and Lessee agrees to pay any net costs incurred by Lessor in doing so, within ten (10) days of receipt of Lessor's statement of costs therefor.

4. **Permissible Use of Residence.** Lessee agrees to use and occupy the Residence only for the purpose of residential housing and for no other purpose whatsoever without the prior written consent of the Lessor.

5. **Repairs and Maintenance.**

   (a) The Lessee must, during any term of occupancy by an Occupant and at its sole expense, keep the Residence in a clean, orderly and safe condition, and free of litter, debris, and any unsightly or dangerous condition as required by the ordinances, resolutions, statutes and health, sanitary and police regulations of Larimer County and the State of Colorado, and applicable laws and policies of the City of Port Collins. Lessee must not store or permit the storage of any inoperable vehicles outside of the buildings on the Leased Premises.

   (b) The Lessor, during the term of the Lease, shall keep and maintain the Residence, including without limitation, the structural support, roof, plumbing/electrical, kitchen range, refrigerator, windows, and exterior walls in good condition, working order and repair. The Lessor is responsible for heating system maintenance and repair. Any repairs, other than normal wear and tear, required because of damage caused by the Lessee or Occupant will be the responsibility of the Lessee.
(c) The Lessee must, upon termination of any occupancy by an Occupant, restore the Residence to as good or better condition as it was in at the time the Occupant first occupied the Residence.

6. **Conduct.**

(a) Pets: Occupant is allowed to keep the following pets.

- **Dogs:** Occupant is allowed to keep up to four (4) dogs at the Residence, so long as those dogs are working animals that assist Occupant in his work for Lessee and are not allowed to roam at-large on the surrounding Soapstone Prairie Natural Area. Occupant is only allowed to keep up two dogs if they are considered Pets. All Dogs must be on a leash or under voice command if they are to be allowed outside of a fenced yard. All dogs must have current Rabies and Distemper Vaccinations. Dogs found to be aggressive or otherwise dangerous to visitors will not be permitted.

- **Cats:** No more than two (2) cats may be kept as barn cats, which must be spayed or neutered. Cat are not allowed to be kept inside the residence.

- **Horses:** Occupant may keep up to four (4) horses in the corrals adjacent to the Residence, provided such horses are working animals used in Lessee's work on the Leased Premises.

- **Cows:** up to six (6) pairs. Additional cows can be discussed with the Lessor.

- Any additional pets or working animals require the prior written consent of the Lessor. Since these pets are kept in conjunction with the Occupant's responsibilities as an employee of the Lessee, Lessee may determine the extent to which the Occupant may make use of facilities (barns, outbuildings, corrals, etc.) on the Leased Premises that are not part of the Residence for housing such pets. Animals not belonging to Lessee or Occupant may not be kept or boarded at the Residence. Dogs, cats and horses may not be bred on the Leased Premises. If hay is to be fed to animals, Occupant must feed certified weed free hay.

(b) **Smoking:** The Residence is rented as smoke-free and Lessee agrees not to permit smoking in or near the Residence and to ensure that Occupant's guests adhere to the non-smoking policy.

(c) **Marijuana:** The possession, consumption or cultivation of marijuana plants or products, including hydroponic cultivation, is prohibited on the Leased Premises.

7. **Utilities.** The Lessee is responsible for ensuring the payment of all utilities, including, but not limited to, electricity, water, sewer, trash services, cable services and phone services occasioned by Occupant's use of the Residence. Under no circumstances may anyone burn trash on the Premises.

8. **Right of Inspection.** The Lessor has the right at all reasonable times to enter the Residence for the purpose of inspecting the Residence and all buildings, grounds and improvements thereof. The Lessor will notify the Lessee orally or in writing in any reasonable manner at
least twenty-four (24) hours prior to such visit. This notice requirement does not apply in the event of an emergency reasonably requiring Lessor access to the Residence.

9. **Total or Partial Destruction.** If the Residence or any part thereof is destroyed or so damaged by fire or other casualty as to become untenantable, then, at the option of the Lessor, Lessee’s right to use the Residence will cease; and the Lessee must immediately surrender the Residence and its interest therein to the Lessor; provided, however, that the Lessor must exercise such option to so terminate Lessee’s right to use the Residence by notice in writing delivered to the Lessee within thirty (30) days after such damage or destruction. Or, the Lessor may elect to repair the Residence, in which case Lessor will do so with all reasonable speed, placing the same in as good a condition as it was at the time of the damage or destruction and for that purpose may enter upon the Residence. In either event, the Lessee must remove all rubbish, debris, furniture, furnishings, equipment and other items of personal property within five (5) days after request being made by the Lessor. If the Residence is only slightly injured by fire or the elements so as to not render the same untenantable and unfit for occupancy, then the Lessor will repair the same with all reasonable speed. The Lessee and any Occupant of the Residence through Lessee will have no claim for compensation or otherwise against the Lessor because of any inconvenience or annoyance arising from the necessity of repairing any portion of the Residence, however the necessity may occur.

10. **Insurance.** Lessee may provide or ensure that any Occupant of the Residence procures, pays for and keeps in full force and effect a policy of renter's property insurance covering all of the Lessee's and Occupant's equipment, appliances, furniture, furnishings and personal property from time to time in, on or at the Residence. If neither Lessee nor Occupant procures renter's insurance as described above, the City will not be responsible for any uninsured loss of property belonging to Lessee or Occupant and kept at the residence, and Lessee will indemnify and hold the City harmless against any claims for such loss.

11. **Indemnification.** Lessee agrees to indemnify and hold harmless the Lessor against all damages, claims, liabilities for injury or damage to person, property or whenever and by whomever brought and causes of action arising from or in any way relating to the Occupant's possession or use of the Residence.

**Attachments:**
1. Lead-Based Paint Disclosure
2. Occupancy Limits Disclosure
Disclosure of Information on Lead-Based Paint and/or Lead-Based Paint Hazards

Lead Warning Statement
Housing built before 1978 may contain lead-based paint. Lead from paint, paint chips, and dust can pose health hazards if not managed properly. Lead exposure is especially harmful to young children and pregnant women. Before renting pre-1978 housing, lessors must disclose the presence of known lead-based paint and/or lead-based paint hazards in the dwelling. Lessees must also receive a federally approved pamphlet on lead poisoning prevention.

Lessor’s Disclosure

(a) Presence of lead-based paint and/or lead-based paint hazards (check (i) or (ii) below):
   (i) ____ Known lead-based paint and/or lead-based paint hazards are present in the housing (explain).
   (ii) ___X__ Lessor has no knowledge of lead-based paint and/or lead-based paint hazards in the housing.

(b) Records and reports available to the lessor (check (i) or (ii) below):
   (i) ____ Lessor has provided the lessee with all available records and reports pertaining to lead-based paint and/or lead-based paint hazards in the housing (list documents below).
   (ii) __X___ Lessor has no reports or records pertaining to lead-based paint and/or lead-based paint hazards in the housing.

Lessee’s Acknowledgment (initials)
(c)____ Lessee has received copies of all information listed above.
(d)____ Lessee has received the pamphlet Protect Your Family from Lead in Your Home.

Agent’s Acknowledgment (initials)
(e) ____ Agent has informed the lessor of the lessor’s obligations under 42 U.S.C. 4852d and is aware of his/her responsibility to ensure compliance.

Certification of Accuracy
The following parties have reviewed the information above and certify, to the best of their knowledge, that the information they have provided is true and accurate.

Lessor: CITY OF FORT COLLINS, a Municipal Corporation

By: ______________________ ______________________
   Keith Hanson, Real Estate Services Manager   Date

Lessee ______________________ ______________________

Lessee ______________________ ______________________

Lessee ______________________ ______________________

Ranch House Residential Lease – Folsom Grazing Association
9042 Soapstone Prairie Natural Area Grazing Lease
OCCUPANCY LIMITS DISCLOSURE STATEMENT FOR PROPERTY LEASE

The City of Fort Collins Code requires that any person selling or leasing a home, apartment or other dwelling unit must inform the buyer or renter about the maximum number of people who, by law, are allowed to occupy that home. All parties must sign where indicated below.

The maximum permissible occupancy of this dwelling unit is:
1. One (1) family (related by blood, marriage, adoption) and not more than one (1) addition person; or
2. Two (2) adults and their dependents, if any, and not more than one (1) additional person.
3. Up to four (4) unrelated persons in a dwelling unit located in an apartment complex containing units which were approved by the City to house four unrelated persons.

Actual signatures are required on this form. It is required that this form be verified by electronic means OR notarize, attached to your lease, and a copy kept at the leased property or on-site management office. The shaded areas are for notary use. If the form is not notarized, the shaded areas should be left blank.

PROPERTY ADDRESS: __________________________________________

TENANT 1
Name: __________________________________ Signature: _______________________________ Date:__________

Subscribed to and affirmed before me on __/__/20__ by _________________________
Notary Public: ________________________________ State of Colorado
County of Larimer       My Commission expires: _______________________

TENANT 2
Name: __________________________________ Signature: _______________________________ Date:__________

Subscribed to and affirmed before me on __/__/20__ by _________________________
Notary Public: ________________________________ State of Colorado
County of Larimer       My Commission expires: _______________________

TENANT 3
Name: __________________________________ Signature: _______________________________ Date:__________

Subscribed to and affirmed before me on __/__/20__ by _________________________
Notary Public: ________________________________ State of Colorado
County of Larimer       My Commission expires: _______________________

Property Owner:  CITY OF FORT COLLINS, P.O. Box 580, Fort Collins, CO 80522-0580 Phone: (970)416-2669
Owner/Manager:  Keith Hanson, Real Estate Services Manager, City of Fort Collins Phone: (970)221-6127

Signature: __________________________________ Date: __________________________

If requested by the City, you are required to provide this fully executed disclosure statement to the City pursuant to City Code Section 5-265(b). Failure to properly execute and retain this statement is a civil infraction punishable by a fine of not more than $1000, in addition to any costs, fees or surcharges assessed by a court or referee. Fines may be assessed to the owner, manager, and/or tenant(s).