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**LEASE AGREEMENT**

THIS LEASE AGREEMENT is made effective as of the 3<sup>rd</sup> day of May, 2001, between the TOWN OF VAIL (Vail) and North Trail Townhomes Homeowners Association, Inc. (HOA).

**RECITAL**

Vail is the owner of a parcel of real property described on Exhibit A (Land). Vail has determined, after an extensive review of proposals and public hearings, that to accomplish its objective of affordable housing and other public objectives with minimal cost to Vail, it is necessary to lease the Land to HOA to create a leasehold condominium.

**SECTION 1**

**Lease:** Vail hereby leases to HOA and HOA hereby leases from Vail, subject to all the terms and conditions of this Lease, the Land, as depicted on attached Exhibit A.

**SECTION 2**

**Term of Lease:** This Lease shall be effective upon execution. The term shall be from the date of this lease and thereafter for ninety-nine (99) years.

**SECTION 3**

**Rent:** For the first ten (10) year period of the term this lease is in effect, the Lessee shall pay as rent to the Town the sum of one dollar (\$1.00) per year. On the 10<sup>th</sup> year anniversary of this lease agreement, the Town Council or the Vail Housing Authority shall review the rent paid by the Lessee, and upon such review, in its sole discretion, may increase said rent to an amount not to exceed the fair rental value of the premises. The Town shall conduct such a review at subsequent five (5) year intervals during the term of this lease agreement, and after each such review may have the option in its sole discretion to increase the rent by an amount not to exceed the fair rental value of the premises.

**SECTION 4**

**Lease and Title to Improvements:** HOA shall cause this Lease and all Improvements to become a leasehold common interest community under Colorado Law; specifically, a leasehold



condominium. This Lease and all Improvements shall be subject to the declaration for such leasehold condominium. Vail shall review and approve the declaration, bylaws, condominium map and any other documents establishing the leasehold condominium. Each Employee Housing Unit shall be a condominium unit and shall be conveyed to individual owners. The remainder shall be Common Elements designated for common ownership. Common Elements shall be maintained at the expense of the HOA.

SECTION 5

**Assignment:** This Lease shall not be subject to assignment.

SECTION 6

**Affordable Housing:** Employee Housing Units shall be sold only to qualified buyers. Vail shall establish the qualifications for such buyers before the first sale of an Employee Housing Unit. Vail shall have the right to modify such qualifications as to any subsequent buyer or buyers of a Unit. All Employee Housing Units shall have such qualifications placed of record in Eagle County, Colorado. After the initial sale to a buyer, the owner of such unit shall only sell such unit with Vail acting as the listing agent. Resale of such Unit shall be to a buyer meeting the then current qualifications established and recorded by Vail for a purchaser of an Employee Housing Unit.

This paragraph shall act as a deed restriction on the Employee Housing Units, shall be binding upon successors and assigns of the first purchasers of the Employee Housing Units, and shall run with the Employee Housing Units. Vail shall review and approve the form of deed used for sale of Employee Housing Units.

SECTION 7

**Maintenance and Charges:** HOA covenants that throughout the applicable term of this Lease, it will, at its sole cost and expense, clean and maintain the Improvements now or hereafter erected or located on the Land in an appropriate manner, and will keep the same in good working order and condition and shall promptly, and at its' own cost and expense, make all repairs to all parts of the Improvements necessary to keep the Improvements in a condition comparable to new condition, ordinary wear and tear excepted. When used in this Lease, the term "repairs" shall include replacements or removal when necessary. All such repairs shall be equal in quality to the original work. The HOA shall pay when due all charges for janitorial



and landscaping services, trash removal and snow removal, fuel, water, gas, sewer, electricity, other utilities and services, and all other charges of every kind and nature, extraordinary or ordinary, general or special, unforeseen or foreseen, whether similar or dissimilar to any of the foregoing, incurred in the use, occupation, maintenance, operation or possession of the Improvements throughout the applicable terms of this Lease or any extension or renewal thereof, shall indemnify, protect and save harmless Vail from any liability thereof. Should HOA fail to pay any such charges, or to maintain the Improvements or to make or commence to make any repair or replacement required by this paragraph for a period of thirty (30) days after receipt of written notice of the necessity for same by Vail to the HOA, Vail at its option with respect to a condition on the Improvements but outside the interior of the units and which poses an immediate risk of personal injury, may pay any such charges or make any such repair or replacement, and any sums paid by Vail for such purposes shall be repaid by HOA to Vail on the first day of the calendar month next following payment thereof.

SECTION 8

- A. **Insurance:** The HOA shall place and maintain at all times during the applicable term, at its expense, a public liability insurance policy covering the Project and insuring the HOA and Vail with limits of at least two million dollars (\$2,000,000.00) for any number of persons injured or killed in one accident and one million dollars (\$1,000,000.00) property damage resulting from any occurrence upon the Project (including any sidewalk or driveway contiguous to or abutting the Project). Upon notice by Vail to the HOA such amount of insurance shall be reviewed each ten (10) years and increased or decreased in an amount based upon the Consumer Price Index for Denver, Colorado, or a similar index if such index is no longer published. The base year shall be 2001.
- B. **Vail's Non-Liability:** Except for the direct acts of Vail or Vail's failure to act as necessary to discharge its obligations under this Lease, Vail shall not be liable for (i) any damages to the Improvements or Units or any part thereof, or (ii) for any damage to any person or property if caused by fire or other casualty, regardless of the cause thereof. HOA will release, indemnify, and defend Vail of and from all liability for such damages and will assure that all insurance policies shall include a clause waiving rights of subrogation against Vail.



Sara J Fisher Eagle, CO

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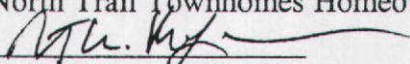
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SECTION 9

**Notices:** If either party desires to give notice to the other in connection with and according to the terms of this agreement, such notice shall be by registered or certified mail and it shall be deemed given when deposited in the United States mail with postage prepaid and such notices are addressed as follows:

Town Manager  
Town of Vail  
75 S. Frontage Road  
Vail, Colorado 81657

President  
North Trail Townhomes Homeowners Assn., Inc.  
  
Vail, Colorado 81658

IN WITNESS WHEREOF, the parties hereto have duly executed this Lease Agreement for Private Development as of the day and year first above written.

TOWN OF VAIL

A Colorado municipal corporation

By Robert W. McLaurin  
Robert W. McLaurin, Town Manager



Attest:

By Lorelei Donaldson  
Lorelei Donaldson, Town Clerk

NORTH TRAIL TOWNHOMES HOMEOWNERS ASSN., Inc.

A Colorado non-profit corporation

By Mina Timm  
Secretary/Treasurer

STATE OF COLORADO )  
 ) ss.  
COUNTY OF EAGLE )

The foregoing instrument was acknowledged before me this 3<sup>rd</sup> day of <sup>May</sup> ~~March~~, 2001,  
by Robert W. McLaurin, Town Manager of the Town of Vail.

Witness my hand and official seal.

My commission expires: 4/2/03

May Alvin Caster  
Notary Public

STATE OF COLORADO )  
 ) ss.  
COUNTY OF EAGLE )

The foregoing instrument was acknowledged before me this 3<sup>rd</sup> day of <sup>May</sup> ~~March~~, 2001,  
by Genea Senin, Secretary/Treasurer of the North Trail Townhomes  
Homeowners Association, Inc.

Witness my hand and official seal.

My commission expires: 4/2/03

May Alvin Caster  
Notary Public



Sara J Fisher Eagle, CO

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PARCEL DESCRIPTION

A PARCEL OF LAND SITUATED IN A PART OF LOT 1, BLOCK H, VAIL DAS SCHONE - FILING No. 2, A RESUBDIVISION OF LOTS 1-4, TOWN OF VAIL, COUNTY OF EAGLE, STATE OF COLORADO, PER THE PLAT THEREOF RECORDED FEBRUARY 13, 2001, AT RECEPTION NUMBER 749907, IN THE OFFICE OF THE EAGLE COUNTY CLERK AND RECORDER, SAID PARCEL BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS;

BEGINNING AT THE NORTHWESTERLY CORNER OF SAID LOT 1; THENCE ALONG THE BOUNDARY OF SAID LOT 1 THE FOLLOWING FIVE COURSES: 1) N81°43'00"E 145.50 FEET; 2) S28°50'00"W 62.50 FEET; 3) S49°35'23"E 135.81 FEET; 4) S44°36'00"W 19.00 FEET; 5) 55.13 FEET ALONG THE ARC OF A CURVE TO THE LEFT WITH A RADIUS OF 362.32 FEET, AN INTERIOR ANGLE OF 08°43'04" AND A CHORD WHICH BEARS S40°14'28"W 55.07 FEET; THENCE DEPARTING SAID BOUNDARY N80°23'23"W 47.65 FEET; THENCE S09°47'27"W 21.16 FEET; THENCE N81°27'41"W 124.69 FEET TO A POINT ON THE WESTERLY BOUNDARY OF SAID LOT 1; THENCE N01°51'00"E 171.87 FEET TO THE POINT OF BEGINNING.

PARCEL EXHIBIT  
LOT 1, BLOCK H, VAIL DAS SCHONE - FILING No. 2  
A RESUBDIVISION OF LOTS 1-4  
TOWN OF VAIL, EAGLE COUNTY, COLORADO



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SHEET  
1 OF 2



LOT 9

B.L.M.  
(UNPLATTED)

N81°43'00"E - 145.50'

LOT 6

POINT OF BEGINNING

S28°50'00"W  
62.50'

LOT 5

N01°51'00"E - 171.87'

SUBJECT PARCEL  
(HATCHED AREA)

S49°35'23"E - 135.81'

B.L.M. LOT 15  
RANGE 81 WEST OF  
THE 6TH PRINCIPAL  
MERIDIAN SECTION  
111, TOWNSHIP 5  
SOUTH

S44°36'00"W  
19.00'

N80°23'23"W  
47.65'

N81°27'41"W - 124.69'

LOT 1  
1.186 ACRES

S09°47'27"W  
21.16'

Delta = 8°43'04"  
R = 362.32'  
T = 27.62'  
L = 55.13'  
CI = 55.07'  
CB = S40°14'28"W

GARMISCH DRIVE  
(50' R.O.W.)



SCALE: 1" = 50'

LOT 1  
(VAIL DAS SCHONE  
FILING NO. 1)



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Sara J Fisher Eagle, CO 204 R 40.00

PARCEL EXHIBIT  
LOT 1, BLOCK H, VAIL DAS SCHONE - FILING No. 2  
A RESUBDIVISION OF LOTS 1-4  
TOWN OF VAIL, EAGLE COUNTY, COLORADO

DRAWN: KB  
PLC JOB#: 791  
DATE: 03/12/01

SHEET  
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