

Colorado State Board of Land Commissioners  
REQUEST FOR PROPOSALS

**North Mountain Ranch  
Recreation and Grazing Leases**

San Miguel and Dolores Counties, CO



Colorado State Board of Land Commissioners  
1127 Sherman Street, Suite 300  
Denver, CO 80203

COLORADO STATE BOARD OF LAND COMMISSIONERS

**REQUEST FOR PROPOSALS**

**North Mountain Ranch RECREATION AND GRAZING LEASES**

San Miguel and Dolores Counties, CO

March 1, 2021

**1.1 Overview**

**1.2 Issuing Office**

Notice is hereby given that the Colorado State Board of Land Commissioners (the “State Land Board”) will accept written proposals from all interested parties for both a recreation lease and livestock grazing lease on North Mountain Ranch (the “Ranch”) in San Miguel and Dolores Counties, CO. Interested parties may bid on either lease individually, or both leases combined.

**1.3 Purpose**

The purpose of this Request for Proposals (RFP) is to obtain competitive proposals for a 10-year recreation lease and a 10-year agriculture lease on the North Mountain Ranch trust land located in the North Mountain/Lone Cone area of San Miguel and Dolores Counties. The property consists of approximately 10,894 contiguous acres. The 10-year recreation lease is being offered on the entire property, 10,894 acres. The 10-year agricultural lease is being offered on approximately 8,210 acres in the middle and eastern portions of the property.

**1.4 Schedule of Activities and Important dates**

| <b>ACTION</b>   | <b>DATE (*)</b>                   |
|---|-----------------------------------|
| North Mountain Ranch RFP Released                               | March 1, 2021                     |
| RSVP for Ranch Open House                                       | May 31, 2021                      |
| <b>MANDATORY</b> Ranch Open House/Tour**                        | Tues June 29 OR Wed June 30, 2021 |
| Deadline for Written Questions from Applicants                  | July 7, 2021 5:00 PM              |
| Answers to written questions posted on State Land Board website | July 14th, 2021                   |

Colorado State Board of Land Commissioners  
 March 1, 2021  
 Request for Proposals - North Mountain Ranch

| ACTION  | DATE (*)                 |
|---|--------------------------|
| SUBMISSION DEADLINE   | July 28th, 2021, 5:00 PM |
| Evaluation of Proposals by State Land Board                                 | August 2-9, 2021         |
| State Land Board notifies Applicants that have been selected for interviews | August 10, 2021          |
| Interviews with selected Applicants   | August 16-17, 2021       |
| Tours of selected Applicants home operations (if necessary)                 | August 23-26, 2021       |
| State Land Board notifies preferred Applicant(s)                            | August 31, 2021          |
| Approval of preferred Applicant(s) by Board                                 | September 8, 2021        |
| Lease(s) executed/signed  | November 22, 2021        |
| Property available for occupancy  | January 1, 2022          |

(\*) Dates are tentative and subject to change. Revised dates will be posted on the agency website.

(\*\*) MANDATORY Ranch Open House/Tour subject to change or cancellation due to COVID-19 restrictions.

**1.5 Submission**

All proposals must be received by the Southwest District Office, 305 Murphy Drive, Suite A, Alamosa, CO 81101, no later than the date and time shown in the Schedule of Activities, Submission Deadline for receipt of proposals. See Section 4.4 - Submittal for details.

It is the responsibility of the Applicant to ensure that the proposal is received by the State Land Board prior to the deadline. Applicants mailing or shipping proposals should allow ample delivery time to ensure timely receipt of their material. **IMPORTANT: To be fair to all applicants, proposals received after the date and time identified above will not be considered.**

**1.6 Inquiries**

Prospective Applicants may make written inquiries concerning the RFP to obtain clarification of requirements. No inquiries will be accepted after the date and time specified in Section 1.4, Schedule of Activities, Deadline for Written Questions from Applicants.

Questions must be submitted in writing via email as an attachment that can be opened in Microsoft Word 2016. Include your name, address and contact information with your question submission.

All questions must be directed to either:

Questions regarding the Agriculture lease:

Mr. Ron Rivale  
Southwest District Manager  
Email: [ron.rivale@state.co.us](mailto:ron.rivale@state.co.us)

Questions regarding the Recreation lease:

Mr. Abraham Medina  
Recreation Program Manager  
Email: [abraham.medina@state.co.us](mailto:abraham.medina@state.co.us)

Answers to all submitted questions will be posted on the State Land Board website no later than the date and time specified in the Schedule of Activities.

**1.7 Amendments to Request for Proposal**

In the event it should be necessary to revise any portion of this Request for Proposals, an amendment will be posted on the State Land Board website.

**1.8 Evaluation Process and Award**

Proposals will be evaluated and the lease award made as outlined in section 4.0 - Evaluation and Award.

**1.9 Attachments**

The following attachments are included as part of the Request for Proposal:

|   |    |
|---|----|
| Exhibit A: Lease Legal Description                            | 26 |
| Exhibit B: Agreement to Waive C.R.S. § 36-1-118 Rights        | 27 |
| Exhibit C: Photographs of Selected Infrastructure             | 28 |
| Exhibit D: North Mountain Ranch RFP Application Cover sheet   | 36 |
| Exhibit E: North Mountain Ranch Recreation Lease Application  | 38 |
| Exhibit F: North Mountain Ranch Agriculture Lease Application | 43 |
| Exhibit G: Draft Recreation Lease                             | 49 |
| Exhibit H: Draft Agriculture Lease                            | 75 |
| Exhibit I: Driving Directions to North Mountain Ranch         | 91 |

## 2.0 Background

### 2.1 Colorado State Board of Land Commissioners

The State Land Board is a constitutionally created agency that manages a \$4 billion endowment of assets for the intergenerational benefit of Colorado’s K-12 schoolchildren and public institutions. The agency is the second-largest landowner in Colorado and generates revenue on behalf of beneficiaries by leasing nearly three million surface acres and four million subsurface acres for agriculture, grazing, recreation, commercial real estate, rights-of-way, renewable energy, oil, gas, and solid minerals. Unlike public lands, trust lands are closed to public access or use. The agency is entirely self-funded and receives no tax dollars.

### 2.2 North Mountain Ranch

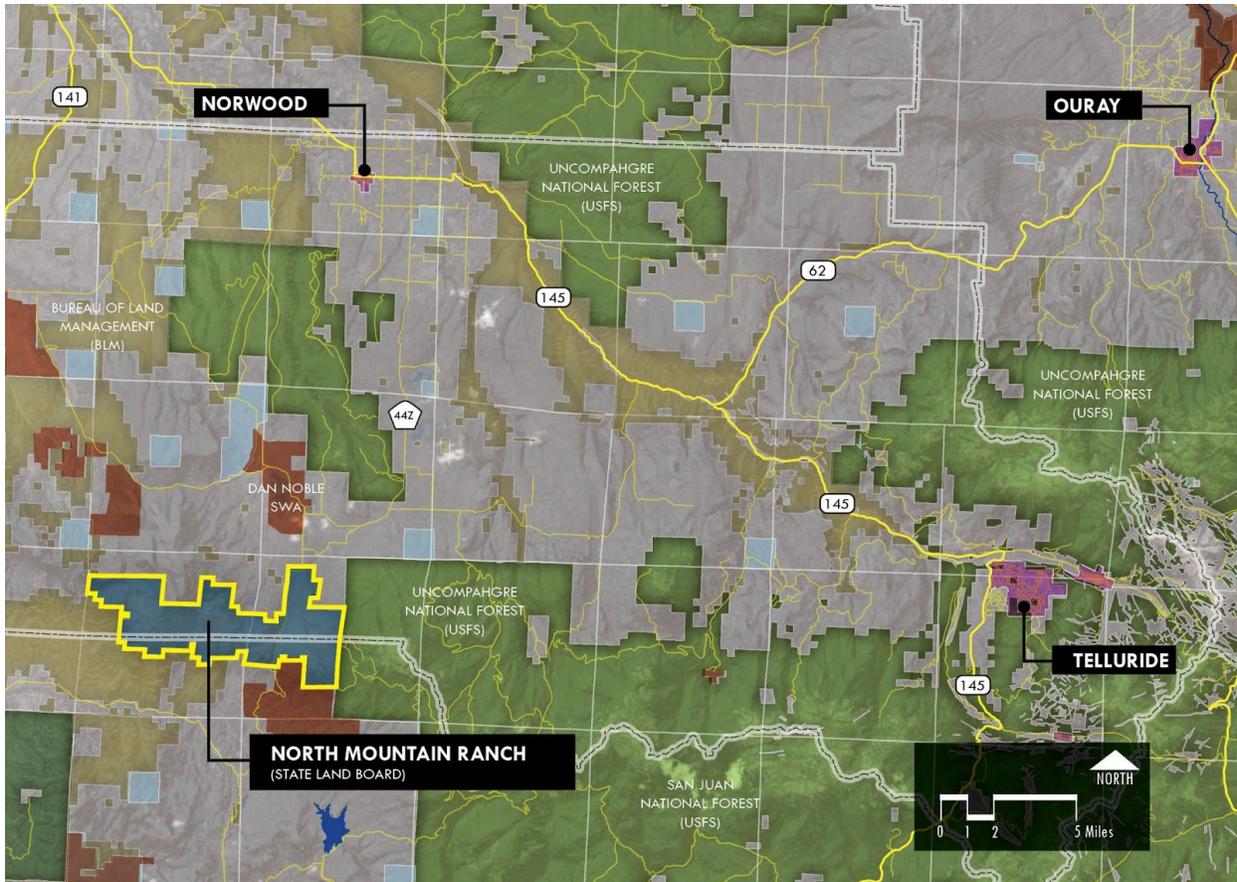
2.3 North Mountain Ranch is located approximately 15 miles southwest of Norwood, 25 miles due west of Telluride and spans the San Miguel and Dolores County line (**Figure 1**). The Ranch is approximately eight miles east to west and approximately three miles north to south. Access to the property is from a county road that bisects the property’s eastern portion. In San Miguel County, this road is named County Road 44Z and in Dolores County, the same road is named County Road 31. This road is also known as the “Dolores-Norwood Road”.

Figure 1: North Mountain Ranch Location Map



The Ranch is bordered by United States Forest Service (USFS) ownership to the east, Colorado Parks and Wildlife (CPW) and Bureau of Land Management (BLM) ownership to the south and west, and private ownership to the north (Figures 2 and 3).

Figure 2. North Mountain Ranch Context Map

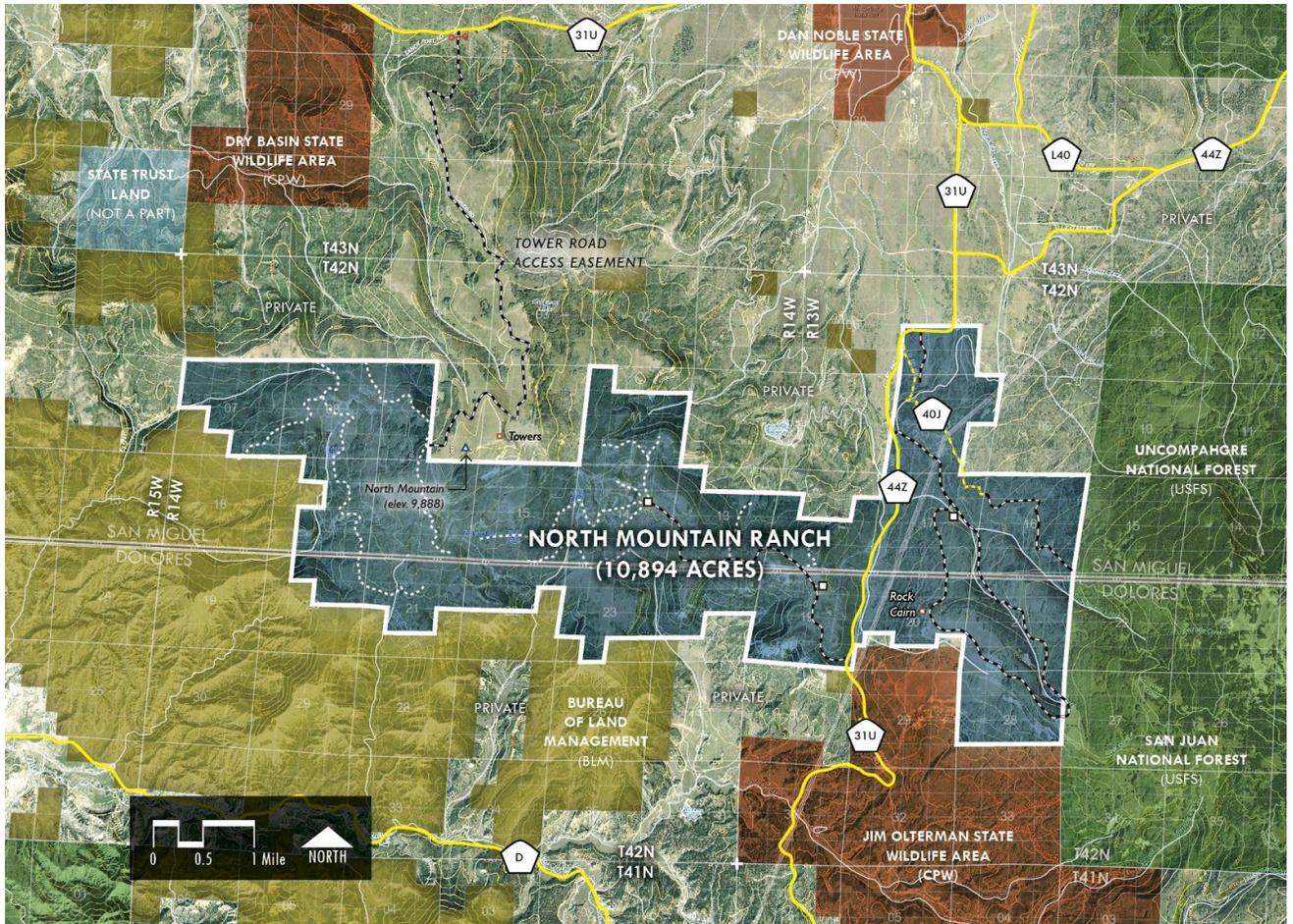


The agency's goal is to lease the Ranch for limited recreation and agricultural uses that produce income for the State Land Board. Maintaining limited use and access ensures the natural resources which make it valuable and unique are protected for the long term.

### Locale and Climate

North Mountain Ranch is situated along a high ridge running between the flanks of North Mountain and Lone Cone Peak and provides exceptional scenic views in nearly all directions. The most dramatic views can be found looking east toward Lone Cone, south overlooking Disappointment Valley, and westward toward the Colorado Plateau.

Figure 3. North Mountain Ranch and Surrounding Ownership



The headwaters of six streams begin on the property, providing numerous wet meadows for summer grazing. On the eastern half of the property, Bear Creek and Spectacle Creek flow year-round running north off the property to join Middle Naturita Creek. The average elevation of the property is 8,977 feet, with a high elevation of 10,023 feet on the eastern border along the flanks of Lone Cone and a low elevation of 7,930 feet on the western border of the property. Elevation and topography are the dominant controls of local climate.

Norwood gets an average of 16.4 inches of rain per year. The average snowfall is 60 inches. Nearly all of the yearly precipitation occurs during the late summer and early autumn monsoon months of July, August, and September. The average annual temperature for Norwood is 46.2°F and the area's first freeze generally occurs near the end of August and the last freeze occurs in June. The average number of frost free growing days in a season is 79.

The Dolores-Norwood Road is not maintained in the winter and in Dolores County there are seasonal road closure gates. In 2020, the gates were closed on December 28th and this road closure date is

subject to change depending on snow conditions. Permits to perform winter maintenance on the road can be obtained from either Dolores County or San Miguel County.

Maintenance of the existing agriculture infrastructure and improvements will be the joint responsibility of the State Land Board and the Lessee(s). In general, the State Land Board will provide required materials and the Lessee(s) will provide labor to maintain improvements in good repair.

The State Land Board will require the Lessee to maintain all building improvements in good working order and return them at the end of the lease in the same condition as they are at the beginning of the lease. At the Board's discretion, lease improvement inspections, including a certified home inspection of the lodge and other buildings, may occur during the lease term. Specific terms and conditions of property and building upkeep can be found in the draft Recreation Lease (**Exhibit G**).

New construction of permanent agricultural infrastructure necessary to contain, direct and manage cattle or other livestock under the lease (such as livestock wells, well pits, livestock water distribution systems, permanent fence, permanent corrals and permanent agricultural buildings) will be funded by the State Land Board subject to the agency's standard policies and procedures, and will be owned by the State Land Board. The Lessee(s) will be solely responsible for the purchase and maintenance of any temporary or portable improvements such as electric fence, moveable stock water tanks etc.

#### **2.4 Assessments, Taxes and Utilities**

Lessees of state trust land and improvements are required to pay all assessments, taxes, fees, water and utility charges, if any, levied or accruing against the Property, improvements, appurtenances, uses or activities of the lessee. Failure to do so can result in loss of the state lease.

### **3.0 Property Resource Base**

#### **3.1 Natural Features**

The State Land Board is committed to protecting and enhancing the natural landscape systems that provide the Ranch with its unique character and value. Lessees will be required to work cooperatively with the Board to identify and implement land management practices that will help achieve the Board's stewardship goals for the property. These practices may include the collection of information regarding the location and condition of plant communities and wildlife habitat on the property and the development of short and long-term plans for the management of those resources.

#### **3.2 Recreation Resource Base**

The region's scenic beauty, natural history, and abundance of recreation opportunities lends to its popularity as a tourism destination. The towns of Telluride, Ouray, Silverton, Pagosa Springs,

Gunnison, Crested Butte and Durango are all popular destinations within the Southwest Region, attracting a wide variety of recreationists.

Outdoor recreation activities in the area include downhill and cross-country skiing, snowmobiling, off-highway vehicle tours, hiking, backpacking, biking, cold-water stream fishing, and big game hunting. The town of Norwood and North Mountain Ranch are in close proximity to the resort town of Telluride and the abundant public lands surrounding the Ranch draw numerous visitors to this region of the state.

The area immediately surrounding North Mountain Ranch includes significant public lands administered by the U.S. Forest Service, the Bureau of Land Management, and Colorado Parks and Wildlife. These public lands provide recreation opportunities beyond those found on the property.

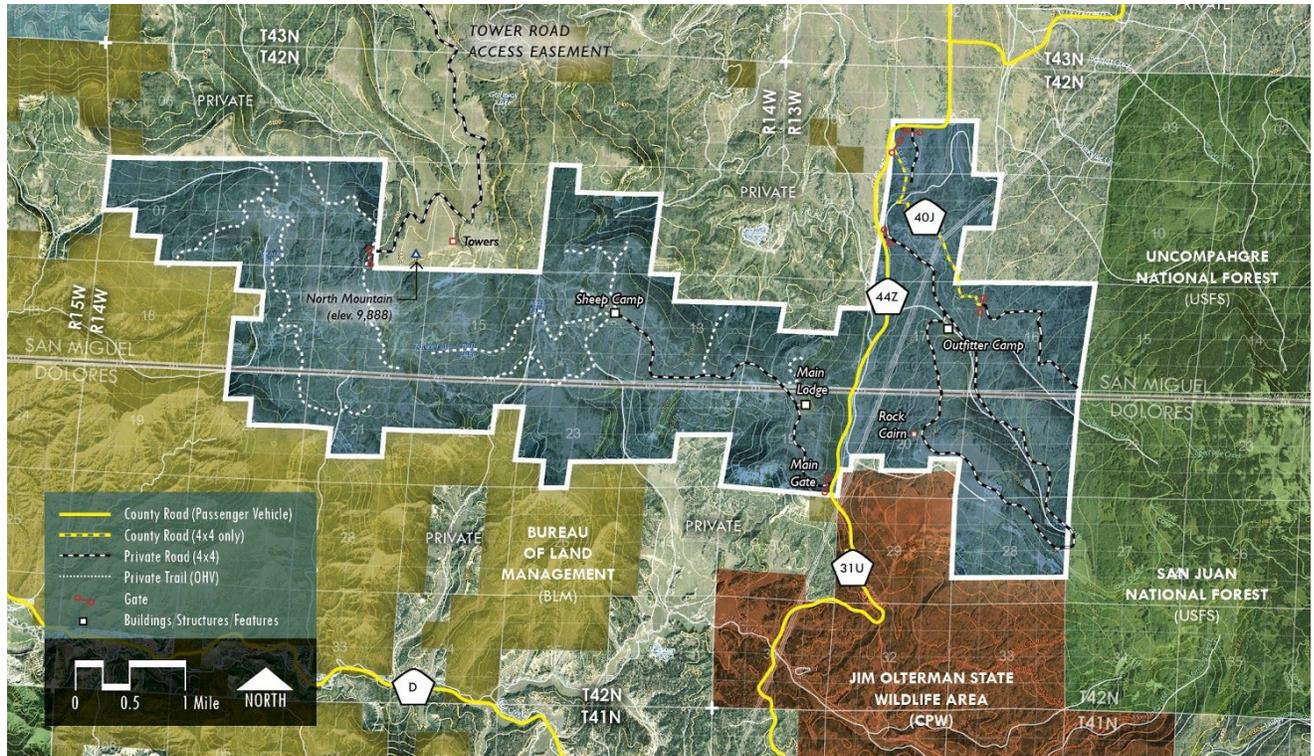
#### Recreation Lease

The recreation lease will include approximately 10,894 acres, and a single recreation lease will be issued as a result of this request for proposal (RFP). The lease will be for private recreational use by the lessee and their guests, or for commercial use through a private recreational enterprise (e.g. hunting outfitter, horseback riding operation, wedding venue, etc.). Subleasing of recreational rights or opening the Ranch to public recreational use will not be permitted. These restrictions are put in place to protect natural values, maintain the private character of the property, and ensure a strong working relationship between the State Land Board and the lessee.

The boundaries of the recreation lease on North Mountain Ranch are illustrated on the map included in **Figure 4**. As shown on the map, the Ranch is directly adjacent to a variety of public lands (e.g. USFS, BLM, CPW). Please note that commercial use of adjacent public land (e.g. USFS and BLM), including outfitting and guiding, requires a separate permit from the appropriate managing agency. Applicants considering the use of surrounding public lands are encouraged to contact the appropriate agency early in the process to discuss permitting requirements.

The entire Ranch is located in Colorado Game Management Unit 70, also referred to as the Dolores/Dry Creek area. Habitat is favorable for multiple big game species, including deer, elk, and black bear. Small game species include rabbit, coyote, and dusky grouse. Big game species numbers remain stable and at Colorado Parks and Wildlife objective levels for both deer and elk. Vehicular access throughout the GMU is good, and as a result, public hunting pressure is heavy on the public lands in the area.

Figure 4. Recreation Lease Boundaries



Outfitting on North Mountain Ranch can be a lucrative enterprise, supplementing or exceeding livestock grazing revenue. Outfitted hunts in the area typically include five days and four night hunts with lodging, meals and guides included. Rates for this type of service can range between \$3,000 to \$8,000 per person, sometimes higher, depending on the big game species hunted, the length of stay, and the level of service. As this property does not qualify for dedicated licenses through the Landowner Preference Program (LPP) or Ranching for Wildlife (RWF), prospective hunters must apply for and obtain game licenses to hunt on the property. Licences marked “Private Land Only” may be used on the ranch as long as they are valid in GMU 70.

The State Land Board anticipates that recreation uses on the Ranch may include both summer and winter activities. Recreation uses possible on the property that expand year-round use include mountain biking, hiking, downhill/cross-country/backcountry skiing, horseback riding, and special events like weddings, reunions or corporate retreats.

The preceding opportunities are only offered as examples of the potential recreational uses that could be offered on the Ranch. The State Land Board is interested in creative proposals that support a multi-faceted, year round recreation program on the property.

Recreation Infrastructure

The infrastructure available for the recreation lease includes the following:

- Main Lodge and Furnishings
- Three Cabins and Shower House (Sheep Camp)
- Three Bunkhouses and Shower House (Outfitter Camp)
- Wood Corrals

The main lodge was constructed in 2006 for use with a guided outfitting lease and consists of a wood frame building that is approximately 4,950 sq ft in size. The lodge has a large main room with a wood stove, a large chef’s kitchen, separate walk-in pantry, 6 bedrooms, 5 bathrooms and laundry room. The lodge is heated by forced air propane and water is supplied by a domestic well. Access is from County Road 31 and is shown in the map in **Figure 4** as a black and white dotted line.

In the middle of the Ranch there are three cabins, a shower house, and several outbuildings, including a corral, barn and storage shed (aka “Sheep Camp”). All buildings have metal roofs. The table below describes the improvements in greater detail (**Figure 5**).

**Figure 5.** Sheep Camp Improvement Summary

| Building     | Size (sq ft) | Construction | Rooms                        | Heat | Electricity | Water |
|--------------|--------------|--------------|------------------------------|------|-------------|-------|
| Cabin #1     | 192          | Log          | Single Room                  | N/A  | Yes         | No    |
| Cabin #2     | 320          | Log          | Single Room                  | N/A  | Yes         | No    |
| Cabin #3     | 192          | Log          | Single Room                  | N/A  | Yes         | No    |
| Shower House | 100          | Log          | 2 Sinks, 2 Toilets, 1 Shower | N/A  | Yes         | Yes   |
| Barn         | 345          | Wood         | Frame Walls, Metal Roof      | N/A  | N/A         | N/A   |
| Storage Shed |              | Wood         | Frame Walls, Metal Roof      | N/A  | N/A         | N/A   |

On the east side of the lease there are three bunkhouses and a shower house used for guided outfitting (aka Outfitter Camp). Each bunkhouse has electricity, water from a spring, and septic systems. The table below lists details of the improvements (**Figure 6**).

**Figure 6. Outfitter Camp Improvement Summary**

| Building     | Size (sq ft) | Construction | Rooms   | Heat            | Electricity | Water |
|--------------|--------------|--------------|---|-----------------|-------------|-------|
| Bunkhouse #1 | 1,154        | Log          | Two bedrooms, kitchen, living area, two bathrooms | Propane Furnace | Yes         | Yes   |
| Bunkhouse#2  | 1,020        | Wood         | Two bedrooms, one shower bath, kitchen/dining     | Propane Heater  | Yes         | Yes   |
| Bunkhouse #3 | 442          | Log          | Two rooms, shower bathroom                        | Propane Heater  | Yes         | Yes   |
| Shower House | 100          | Wood         | One   | N/A             | Yes         | Yes   |

The State Land Board owns all facilities and improvements on the Ranch, including the Main Lodge and its furnishings. The State Land Board will consider proposals that include future improvements on the Ranch that benefit or support recreational uses on the property. Acceptance of a proposal containing proposed future improvements does not guarantee approval for future improvements, and does not commit the State Land Board to expend any funds. If the State Land Board decides that an improvement is beneficial to the long-term recreational use and value of the property, it may consider investing in the improvement through a project cost-share or full cost funding. In this scenario, the lessee may be assessed rent in addition to the “base recreation rent” to recapture all or a portion of the State Land Board’s investment during the remaining term of the lease.

If future improvements are included in a proposal, the applicant should include detailed information regarding the:

- purpose and need,
- proposed location,
- estimated cost,
- proposed funding source, cost-share arrangement with the State Land Board, and/or the payback structure for State Land Board funds utilized towards the improvement(s)

Recreation Bid and Annual Lease Rent

For purposes of this RFP, the bid amount will be referred to as the “base recreation rent.” The minimum base recreation rent that will be accepted for the recreation lease is \$5.00/acre. Bids made for the recreation lease are for the property in an “as is” condition. Recreation lease rent will

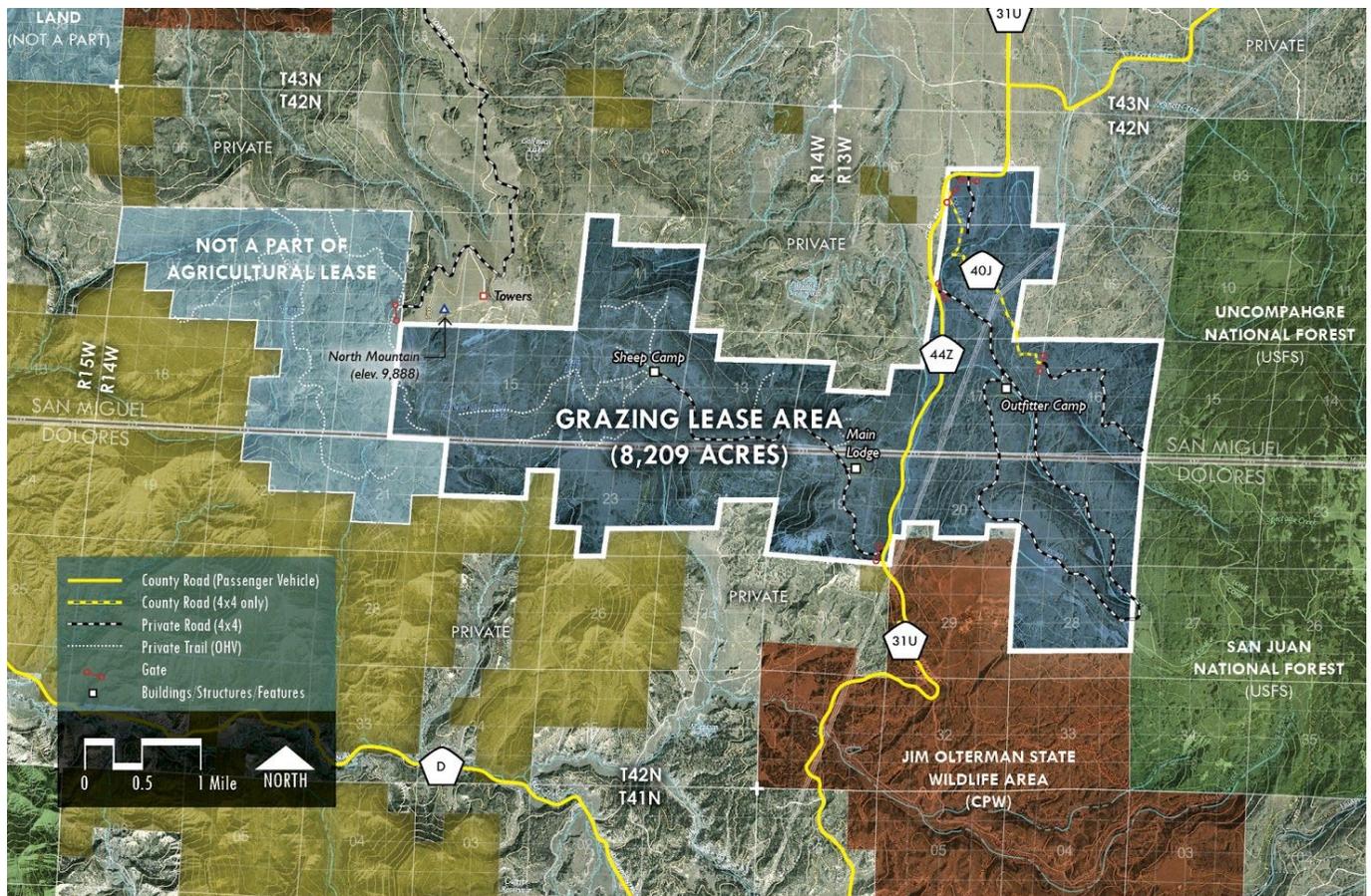
be due annually on the anniversary date of the lease. Applicants may propose alternative payment schedules (e.g. quarterly, biannual) if specific business needs are cited to support the request.

### Agricultural Resource Base

#### Agricultural Leases

The North Mountain Ranch property is currently leased under two separate grazing leases. Each lease is for the exclusive grazing use on a part of the Ranch. The western portion of the property, approximately 2,684.8 acres, has an agricultural lease that expires on 12/31/2030. ***This acreage is not part of the agricultural lease offering for this RFP.*** The second agricultural lease includes approximately 8,210 acres in the middle and eastern portion of the property. ***This acreage is being offered for agricultural lease under this RFP.*** Access to this portion of the property is from County Road 31 in Dolores County or 44Z in San Miguel County. The boundaries and access for agricultural lease are illustrated on the following map (Figure 7).

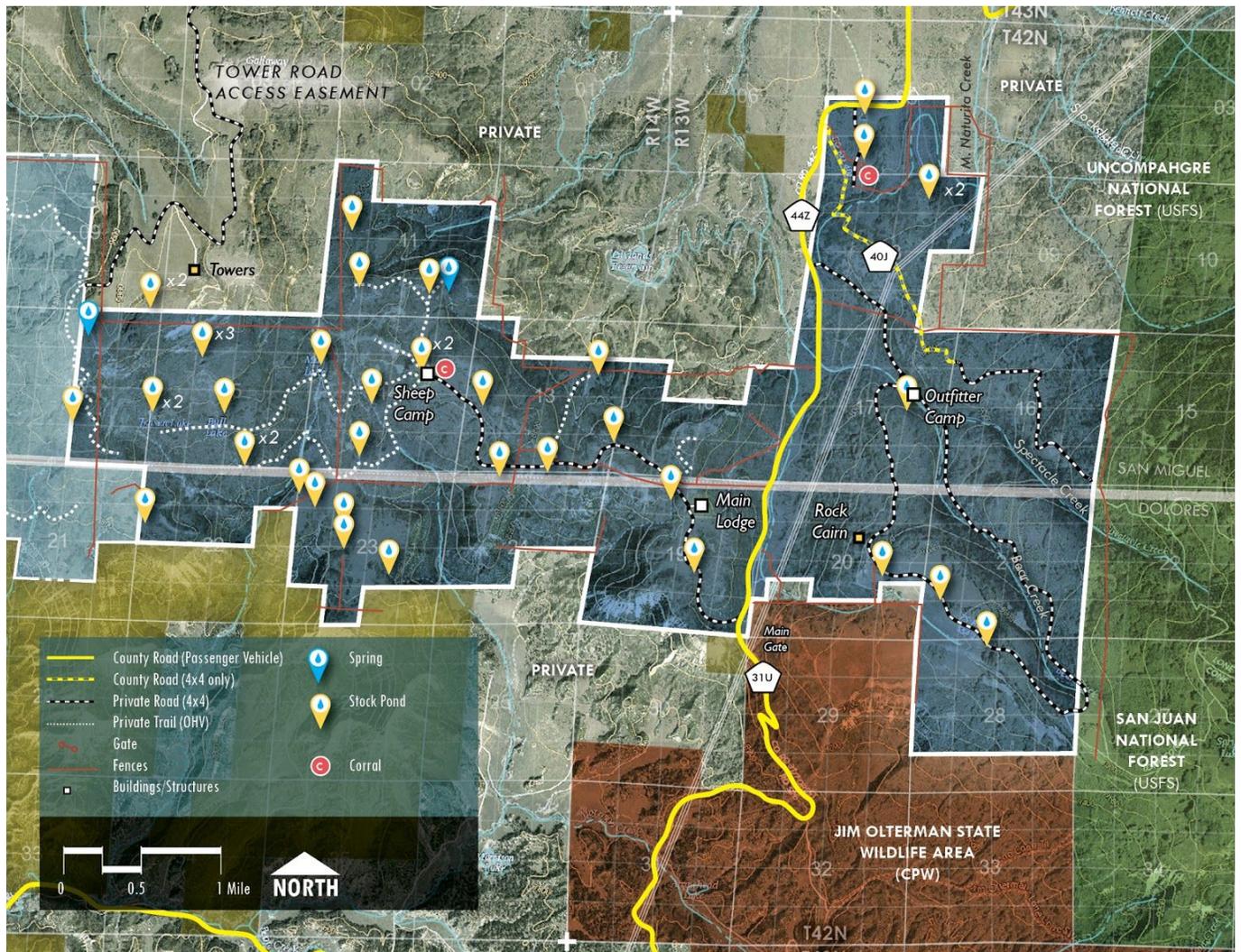
Figure 7. Agriculture Lease Boundaries



Agricultural Infrastructure and Range Resources

The agriculture lease acreage is predominantly Rocky Mountain Aspen Forest and Woodland, which includes areas of heavy timber, aspen stands, and open meadow with scattered oak brush. The predominant forage consists of mountain brome, needle and thread, wildrye, and mountain muhly. The lease area is currently divided into six large pastures that are watered by numerous ponds, springs, several creeks. The creeks include portions of Bear Creek, Spectacle Creek, Middle Naturita Creek and West Naturita Creek (Figure 8). Bear Creek and Spectacle Creek have the longest segments on the ranch at approximately 2.0 miles and 2.3 miles respectively.

Figure 8. Agriculture Lease Infrastructure and Range Resources



### Agricultural Lease Stocking Rate

State Land Board grazing leases are expressed in terms of Animal Unit Months (AUMs):

- Animal Unit: One mature 1,000 pound cow and her suckling calf, or the equivalent as expressed by the “State Land Board Animal-Unit Equivalent Guide” ([click for link](#))
- Animal Unit Months: The tenure of one animal unit for a period of one month

The State Land Board estimates that the optimum stocking rate for the agricultural lease is between 1,365 and 1,640 AUMs. *Animals not listed in the “State Land Board Animal-Unit Equivalent Guide” are not allowed on state trust land leases without the prior approval of the District Manager.*

**The stocking rate established by the State Land Board for the agricultural lease in the initial year of the agriculture lease will be 1,490 AUMs or 5.5 acres per animal unit.**

The number of AUMs allowed after the initial year will be subject to change based on approved grazing plans and the condition of range resources on the Ranch. The agricultural lessee will be expected to provide an annual grazing management plan to the Southwest District Office by February 1st of each year. Additionally, the agricultural lessee is expected to establish a lease-wide range monitoring system. This system will track forage and range resource conditions and allow the lessee to adjust livestock carrying capacity accordingly.

The agricultural lessee will be expected to follow any grazing management guidelines set forth by the State Land Board District Manager. These guidelines may include, but are not limited to, livestock turn out and removal dates, carrying capacity increase/reduction in response to range conditions, and rotational grazing management strategies. Additionally, to manage the agriculture and recreation leases cooperatively, the State Land Board may require that livestock be moved to a separate part of the lease or removed entirely in advance of big game hunting season.

### Agriculture Bid and Annual Rent

The minimum bid for the agriculture lease is the agency’s standard rate for this part of Colorado, \$19.76/AUM. State Land Board grazing rates are reviewed and adjusted every three years. The next lease rate review will be completed in 2022. Agriculture lease payments will be due annually at the beginning of the lease period.

## 4.0 Submittal

### 4.1 MANDATORY Ranch Open House

The State Land Board will host a mandatory open house tour of the property and attendance by the applicant or their representative is required in order to submit a proposal. Party size is limited to three people per interested party. Vehicle access throughout the Ranch is limited and to fully view the property an ATV or UTV is recommended. There is a limit of three ATV's or one UTV per party. Limited touring of the ranch will also be possible via 4WD vehicle. There will be no other opportunity to view the property.

*Please note, all attendees are expected to comply with any and all COVID safety parameters, including wearing masks and social distancing. The open house tour of the property is subject to change or cancellation due to COVID-19 restrictions.*

**Open house participants must RSVP no later than May 31, 2020.** The open house will be held on the day and time described in the Schedule of Activities.

- a) A video overview of the property will be posted on the State Land Board website prior to the ranch open house.
- b) ***Attendance at the ranch open house by the Applicant or their representative is required in order to submit a proposal.***
- c) Ranch Open House Timeline
  - ✓ 8:00am to 8:45am - participants sign in at the main lodge. At 8:15am, a brief property presentation will be given, followed by property overview video.
  - ✓ 8:45am to 11:00am - participants divided into two groups. Each group tours one side of the property with State Land Board staff.
  - ✓ 11:00am - Lunch Break
  - ✓ 11:30am - 1:30pm - second half of the property tour. Groups switch sides to tour the other portion of the ranch.
  - ✓ 1:30pm - 2:00pm - group question and answer period
  - ✓ 2:00pm - 4:00pm - West side of property tour (optional)

Participants need to provide their own food and beverages.

Driving directions to the ranch are included in **Exhibit I**.

Open house participants must RSVP no later than May 31, 2020. Please RSVP either by phone, 719.589.2360, email [dnr\\_slb\\_field\\_ops\\_rfp@state.co.us](mailto:dnr_slb_field_ops_rfp@state.co.us) or by using the RSVP form available on the North Mountain Ranch RFP website ([slb.colorado.gov/NMR](http://slb.colorado.gov/NMR)).

#### Required Qualifications

- a) Applicants must be over 21 years of age and, if applying for the agriculture lease, must be eligible to apply for cost share programs with the USDA Natural Resource Conservation Service (NRCS). To be eligible to apply for NRCS cost-share programs the applicant must also be registered with the Farm Service Agency (FSA).
- b) If selected for the recreation lessee, applicant must obtain a general liability insurance policy in the amount of not less than One Million Dollars (\$1,000,000) per occurrence and Two Million Dollars (\$2,000,000) aggregate, with the State Land Board listed as additional insured. The amount required may be adjusted by the State Land Board during the term of the lease.

#### 4.2 Authorized Signers

- a) If the Applicant is a corporation, both the President and Secretary must sign the proposal. If the corporation has delegated signature authority to someone other than the President, a certified copy of that section of the corporate bylaws or other authorization by the corporation that permits the person to execute the offer for the corporation must be included with the proposal.
- b) If the Applicant is a partnership, all partners must sign the proposal, unless one partner has been authorized to sign for the partnership, in which case, evidence of such authority shall be submitted.
- c) If the Applicant is a limited liability company, all members must sign the proposal, unless one member has been authorized to sign for the company, in which case, evidence of such authority shall be submitted.
- d) If the Applicant is a sole proprietor, he or she must sign the proposal.

#### 4.3 Proposal Format

This section describes the information that must be furnished by the Applicant and the format in which it must be presented.

Applicants can submit their proposal either by digital copy or paper hardcopy. **Digital submissions are preferred. Include the RFP cover sheet provided in Exhibit D with your proposal submission.**

Digital submissions must:

- Be uploaded to the following email address: [dnr\\_slb\\_field\\_ops\\_rfp@state.co.us](mailto:dnr_slb_field_ops_rfp@state.co.us)
- Please include “NMR\_RFP” and your last name or name of the leasing entity in the digital file name. If you have multiple files to upload, please include the preceding information and a numerical number to differentiate files, such as, “NMR\_RFP\_Smith\_1, NMR\_RFP\_Smith\_2”.

Paper hard copy submissions must:

- Be placed in a sealed envelope which includes the following information clearly labeled, “North Mountain Ranch RFP, on the face of the envelope.
- Be printed on 8 ½” X 11” recycled paper.
- Submitted unbound--the use of paper clips, binder clips or rubber bands is acceptable, but three ring binders are not permitted.

#### 4.4 Proposal Forms

- a) If applying for the recreation lease, the completed and signed North Mountain Ranch Recreation Lease Application (**Exhibit E**) **MUST** accompany the recreation lease proposal.
- b) If applying for the grazing lease, the completed and signed North Mountain Ranch Agricultural Lease Application (**Exhibit F**) **MUST** accompany the agriculture lease proposal.
- c) The completed Agreement to Waive C.R.S. § 36-1-118 Rights (**Exhibit B**) **MUST** be signed and accompany all proposals for the agricultural lease, including an application for a combined grazing/recreation lease.
- d) If applying for a combined grazing/recreation lease, completed and signed applications for **BOTH** uses (**Exhibit E** and **Exhibit F**) **MUST** accompany the combined grazing/recreation lease proposal.

#### 4.4 Application Fee

An application fee of \$100 per lease application is required. The fee is non-refundable. Make checks payable to “The State Board of Land Commissioners”. If applying for a combined grazing/recreational lease, two separate \$100 application fees are required. ***For electronically submitted applications, the application fee(s) must be received by the Southwest District Office no later than 5:00pm on July 28th, 2021.***

#### 4.5 Recreation Lease Proposal - Information Required

All recreation lease proposals must include the following information:

- a) Recreation Management Training and Experience: Provide a description of the following items (include photographs, maps and other documentation as necessary):

- Applicant's experience in the recreation business.
  - Scope and location of historical and current operations.
  - Description of the Applicant's formal education, training, and experience relevant to their proposal.
  - Description of Applicant's operation and management experience, including but not limited to managing recreational enterprises, length of involvement, financial planning, personnel management, and working with multiple lessees or other operators.
- b) Recreation Plan: Describe the recreation uses proposed. Include a summary of all enterprises being considered, an outline of the scope of each enterprise, and how it will be managed to minimize conflicts and/or negative impacts on agricultural operations. Include information regarding the number of users/visitors that might be on the Ranch at any one time and anticipated variations in seasonal use.
- c) Hunting Plan: Describe the type and number of hunters that you plan to allow annually, and how your proposal will contribute to the improvement of wildlife resources on the Ranch. Specify whether the proposed hunting activities will be confined within the Ranch boundaries or whether you will anticipate obtaining additional leases or permits for Federal, state or private land adjacent to the Ranch.
- d) Property Management and Maintenance Plan: Describe how the property will be managed and maintained to ensure that the value of existing improvements and the land is retained or improved during your tenure. Specify if you intend to use the property year round or portion of the year and if you will utilize a ranch manager/caretaker. Describe how normal maintenance activities for ranch facilities/infrastructure will be funded and accomplished.
- e) Proposed Improvements: Describe any physical improvements you believe will be required to carry out your proposed recreation plan. Include a preliminary estimate of the cost associated with each improvement. If appropriate, describe how the construction of these improvements will be phased over time.
- f) Financial Bid: Use the form provided in **Exhibit E** to specify the annual base recreation rent and total base recreation rent (over the 10-year term of the lease) that you propose to pay for recreation rights on the North Mountain Ranch.
- g) Financial Assurance: Provide written evidence of the Applicant's ability to make the lease payments (for example, a letter of reference from the Applicant's bank or financial institution).
- h) Other Considerations: Address any other pertinent issues that the Applicant feels would contribute to the State Land Board's understanding of the proposal. For example, what is appealing about this opportunity? How does the Applicant's bid benefit the State Land Board? What is the Applicant's current availability and how much time will they plan to dedicate to management of the Ranch? Will the Applicant be a full or part-time resident of the local community?

- i) References: Provide three business references that may be contacted by phone or email. Include at least one reference representing current and/or recent landlords (within the last three years) of recreational leases or properties).

**If applying for commercial use (e.g. outfitting and guiding), you must provide the following additional information:**

- j) Outfitter License: If the proposal includes guided hunting activities, include the name, outfitter license number, and evidence of good standing with the Colorado Department of Regulatory Agencies.

#### **4.6 Agricultural Grazing Lease Proposal - Information Required**

- a) Agricultural Management Training and Experience: Provide a description of the following items (include photographs, maps and other documentation as necessary):
- Applicant's experience in the Ranching business including but not limited to, rangeland improvement, range utilization methods, rangeland conservation, range monitoring practices, and working with multiple lessees or other operators.
    - If applicable, list past or present work with the Natural Resources Conservation Service (NRCS) with respect to cost-share programs, such as EQIP, and/or grazing management plans. Please include whether the applicant is currently eligible for NRCS cost-share funding and what NRCS programs might be applied to, to fund improvements to the lease's agricultural resources.
  - Scope and location of historical and current agricultural operations. Include livestock numbers, acreages and any current grazing management plans in use.
  - Formal education and training in principles and practices of ranch/range management.
  - Management experience including decision-making, financial planning, planned grazing, and ecosystem processes management, and biological monitoring experience.
- b) Livestock Model and Grazing Plan: Describe the livestock model you propose to use as well as the manner in which you will manage grazing activity on the property.
- c) Range Monitoring System: Describe the type of range monitoring program you propose to use to measure vegetation trends and available forage. Describe how you would use that information to move cattle and manage stocking rates.
- d) Property Management and Maintenance Plan: Describe how the property will be managed and maintained to ensure that the value of existing improvements and the land is retained or improved during your tenure. Specify if you intend to use the property year round or portion of the year and if you will utilize a ranch manager/caretaker. Describe how normal maintenance activities for ranch facilities/infrastructure will be funded and accomplished.

- e) Proposed Improvements: Describe any improvements to the agricultural infrastructure (fencing, livestock water system, structures, etc.) you believe will be required to carry out the grazing plan and manage the lease in an optimum manner. Include a preliminary estimate of the cost associated with each improvement. If appropriate, describe how the construction of these improvements will be phased over time.
- f) Financial Bid: Use the form provided in **Exhibit F** to specify the per AUM bid and total expected initial annual rent that you propose for the Agricultural lease based on your proposed livestock grazing model.
  - The Lessee will be required to prepare a Grazing Plan at least 60 days prior to the beginning of each grazing season documenting the proposed stocking rate (AUMs) for the Ranch during that grazing season. The Grazing Plan will be reviewed and approved by the State Land Board District Manager.
  - The annual payment due from the Lessee will be paid in advance on or before the lease anniversary date.
- g) Financial Assurance: Provide written evidence of the Applicant's ability to make the lease payments (for example, a letter of reference from the Applicant's bank or financial institution).
- h) References: Provide three business references that may be contacted by phone or email. Include at least one reference representing current and/or recent landlords (within the last three years) of grazing and other agricultural lease holdings.
- i) Other Considerations: Address any other pertinent issues that the Applicant feels would contribute to the State Land Board's understanding of the proposal. For example, what is appealing about this opportunity? How does the Applicant's bid benefit the State Land Board? What is the Applicant's current availability and how much time will they plan to dedicate to management of the Ranch? Will the Applicant be a full or part-time resident of the local community?

## 5.0 Evaluation and Award

### 5.1 Evaluation Process and Award

Proposals will be reviewed and scored based on the criteria listed below in Section 5.2. All proposals will receive fair and equal treatment. The evaluation will be made by an appointed, impartial evaluation committee tasked with determining the merit of proposals received in accordance with the evaluation criteria. Failure of the Applicant to provide in their proposal any information requested in this RFP may result in disqualification of the proposal and shall be the sole responsibility of the Applicant.

During the evaluation process, discussions may be conducted with Applicant(s) who have been determined to be likely selected for award. It will be at the sole recommendation of the evaluation committee as to whether discussions for clarification are needed and thereby requested.

Based on the ranking of the proposals after the initial review, the highest-ranked Applicants will be asked to make an oral presentation to the State Land Board. Interviews will be held at the Alamosa State Land Board of Commissioners office, 305 Murphy Drive., Suite A, Alamosa, CO 81101. The proposal(s) that result in the best value to the State Land Board will be endorsed by State Land Board staff and recommended to the Board for award.

While a numerical evaluation method will be used as an aid to evaluate the proposals, the selection is ultimately a business judgment that will reflect an integrated assessment of the relative merits of proposals and presentations.

### 5.2 Evaluation Criteria

#### Recreation Lease Proposals

a) Recreation Plan:

Applicant's plan will be evaluated based on detail, completeness, and the extent to which they support the State Land Board's goals and objectives for the property.

b) Hunting Plan:

Applicant's plan will be evaluated based on detail and completeness, and the extent to which they support the State Land Board's goals and objectives for the property.

c) Property Management and Maintenance Plan:

Applicant's plans will be evaluated based on detail and completeness.

d) Proposed Improvements:

Proposals for improvements will be evaluated based on location, cost, timing, and perceived benefit to the State Land Board.

e) Financial Bid:

Proposals will be assessed based on the monetary benefit to the State Land Board.

f) Management Training and Experience:

Training and experience of the Applicant and other key personnel will be evaluated based on breadth, depth, and similarity to the operation proposed on the Ranch.

Agricultural Lease Proposals

a) Livestock Models and Grazing Plans:

Applicant's models and plans will be evaluated based on detail, completeness, and the extent to which they support the State Land Board's goals and objectives for the property.

b) Ranch Operation and Management Experience:

Applicant's history as a successful and good steward of the land, including but not limited to: rangeland improvement, range utilization methods, rangeland conservation, and working with other lessees or operators.

c) Range Monitoring System:

Monitoring systems will be evaluated in regard to how well they support the lessee's efforts to make informed and timely management decisions on the Ranch.

d) Property Management and Maintenance Plan:

Applicant's plans will be evaluated based on detail and completeness.

e) Proposed Improvements:

Proposals for improvements will be evaluated based on location, cost, timing, and perceived benefit to the State Land Board.

f) Financial Bid:

Proposals will be assessed based on the monetary benefit to the State Land Board.

g) Management Training and Experience:

Training and experience of the Applicant and other key personnel will be evaluated based on breadth, depth, and similarity to the operation proposed on the Ranch.

### 5.3 Award of Lease(s)

Final award will be made to the Applicant(s) whose proposal best meets the evaluation criteria set forth in this RFP and is determined by the evaluation committee to be the most responsive to the State's needs and most advantageous to the State Land Board, taking into consideration the price and other factors set forth herein, subject to discussion and execution of an acceptable contract as described above.

After a preferred Applicant(s) has been identified by the evaluation committee, a recommendation will be made to the appointed commissioners of the Colorado State Board of Land Commissioners during a regularly scheduled public meeting. The recommended Applicant(s) and the new grazing/recreational lease(s) require approval by the Board. No rights or obligations will commence until such approval is secured and a lease has been executed by all parties.

## 6.0 Administrative Information

### 6.1 Applicant Responsibilities

Applicant shall, before submitting his or her proposal, carefully examine all of the proposal documents and the requirements contained in those documents. The Applicant is responsible for inspecting buildings, equipment, fixtures and other structures on the Ranch (during the Ranch Open House) and shall familiarize him or herself with all of the conditions affecting the agreement. If the Applicant's proposal is accepted, the Applicant will be responsible for any/all errors in the Applicant's proposal resulting from the Applicants failure or neglect to comply with these instructions. The State Land Board will not be responsible for any change in anticipated profits resulting from such failure or neglect.

#### **Response Material Ownership**

All material submitted regarding this RFP becomes the property of the State Land Board. The State Land Board has the right to retain the original proposal and other RFP response materials for its files. As such, the State Land Board may retain or dispose of all copies as is lawfully deemed appropriate. The State Land Board has the right to use any or all information/material presented in reply to the RFP, subject to limitations outlined in the clause, Proprietary Information. Applicant expressly agrees that the State Land Board may use the materials for all lawful State purposes, including the right to reproduce copies of the material submitted for purposes of evaluation, and to make the information available to the public in accordance with the provisions of the Colorado Public Records Act.  
***Proposals may be reviewed by any person after the award has been approved by the Board.***

### 6.2 Proprietary Information

All material submitted in response to this RFP will become public record and will become subject to inspection following approval of the successful Applicant by the Board. Any material requested for

treatment as proprietary or confidential must be clearly identified and easily separable from the rest of the proposal. Such requests must include justification for each request. It is not acceptable to label the entirety of the proposal or pricing information as proprietary or confidential.

**NEITHER COST, PRICING INFORMATION OR A TOTAL PROPOSAL WILL BE CONSIDERED PROPRIETARY.**

### **6.3 Colorado Open Records Act.**

Unless subject to an exemption, applications provided to the State Land Board are subject to public release through the Colorado Open Records Act (CORA), § 24-72-201, C.R.S., et seq.

### **6.4 Rejection of Proposals**

The State Land Board reserves the right to reject any or all proposals received in response to this RFP, or to cancel this RFP if it is in the best interest of the State Land Board to do so. Failure to furnish all information, or to follow the proposal format set forth in this RFP, may act to disqualify the proposal. It is the sole responsibility of the Applicant to ensure **ALL** required signature forms and the requisite number of document copies, are included in its submittal package.

Without changing the State Land Board's obligations under CORA and Paragraph 5.5, in the event the State Land Board elects to **NOT** award the lease(s) to any Applicant, or the RFP solicitation is cancelled, all received proposals must be retained as confidential and will not be subject to public inspection. The purpose for this condition is to prevent any future potential Applicants from reviewing other Applicant's proposals and thereby gain any unfair advantage in submitting future proposals.

Any cancellations occurring before the submittal due date will result in received proposals being returned unopened to the appropriate Applicant accompanied by a notice of cancellation letter.

### **6.5 Incurring Costs**

The State Land Board is not liable for any cost incurred by Applicants prior to issuance of a legally executed contract or lease. No property interest of any nature shall occur until a contract is awarded and signed by all concerned parties. No reimbursement of travel and other preparatory costs will be considered for those Applicants recommended for interview, demonstrations or other subsequent travel prior to award.

## EXHIBIT A

### Recreation Lease Legal Description (Public Land Survey System)

| Recreation Lease Legal Description |       |         |                                    |                |
|------------------------------------|-------|---------|------------------------------------|----------------|
| Township                           | Range | Section | Description                        | Acres          |
| 42N                                | 13W   | 5       | SW, W2SE                           | 240            |
| 42N                                | 13W   | 8       | N2, SW, W2SE                       | 560            |
| 42N                                | 13W   | 16      | ALL                                | 640            |
| 42N                                | 13W   | 17      | ALL                                | 640            |
| 42N                                | 13W   | 18      | SE, SENE, E2SW, Lots 2,3,4         | 378.7          |
| 42N                                | 13W   | 19      | ALL                                | 622.0          |
| 42N                                | 13W   | 20      | N2, NWSE, N2NESE, FP NWSW, FP NESW | 391.8          |
| 42N                                | 13W   | 21      | ALL                                | 640            |
| 42N                                | 13W   | 28      | N2, N2S2                           | 480            |
| 42N                                | 14W   | 7       | NE, E2NW, NESW, SE, Lots 1&2       | 533.1          |
| 42N                                | 14W   | 8       | ALL                                | 640.0          |
| 42N                                | 14W   | 9       | W2                                 | 316.8          |
| 42N                                | 14W   | 11      | S2N2, NWNW, S2                     | 497.1          |
| 42N                                | 14W   | 13      | S2N2, NWNW, S2                     | 436.5          |
| 42N                                | 14W   | 14      | ALL                                | 556.3          |
| 42N                                | 14W   | 15      | ALL                                | 641.6          |
| 42N                                | 14W   | 16      | ALL                                | 640.0          |
| 42N                                | 14W   | 17      | NENW, E2SW, E2                     | 424.6          |
| 42N                                | 14W   | 20      | NE1/4, NENW                        | 200.0          |
| 42N                                | 14W   | 21      | N2, NESW, NWSE                     | 405.1          |
| 42N                                | 14W   | 22      | N2NE, SWNE, NW                     | 255.6          |
| 42N                                | 14W   | 23      | N2, N2S2, SESW                     | 417.9          |
| 42N                                | 14W   | 24      | N2, N2SW                           | 337.2          |
| <b>TOTAL ACRES</b>                 |       |         |                                    | <b>10894.4</b> |

### Agricultural Lease Legal Description (Public Land Survey System)

| Agricultural Lease Legal Description |       |         |                                    |               |
|--------------------------------------|-------|---------|------------------------------------|---------------|
| Township                             | Range | Section | Description                        | Acres         |
| 42N                                  | 13W   | 5       | SW, W2SE                           | 240           |
| 42N                                  | 13W   | 8       | N2, SW, W2SE                       | 560           |
| 42N                                  | 13W   | 16      | ALL                                | 640           |
| 42N                                  | 13W   | 17      | ALL                                | 640           |
| 42N                                  | 13W   | 18      | SE, SENE, E2SW, Lots 2,3,4         | 378.7         |
| 42N                                  | 13W   | 19      | ALL                                | 622.0         |
| 42N                                  | 13W   | 20      | N2, NWSE, N2NESE, FP NWSW, FP NESW | 391.8         |
| 42N                                  | 13W   | 21      | ALL                                | 640.0         |
| 42N                                  | 13W   | 28      | N2, N2S2                           | 480.0         |
| 42N                                  | 14W   | 11      | S2N2, NWNW, S2                     | 497.1         |
| 42N                                  | 14W   | 13      | S2N2, NWNW, S2                     | 436.5         |
| 42N                                  | 14W   | 14      | ALL                                | 556.3         |
| 42N                                  | 14W   | 15      | ALL                                | 641.6         |
| 42N                                  | 14W   | 16      | E2                                 | 320.0         |
| 42N                                  | 14W   | 21      | FP NE, FP NWSE                     | 154.8         |
| 42N                                  | 14W   | 22      | N2NE, SWNE, NW                     | 255.6         |
| 42N                                  | 14W   | 23      | N2, N2S2, SESW                     | 417.9         |
| 42N                                  | 14W   | 24      | N2, N2SW                           | 337.2         |
| <b>TOTAL ACRES</b>                   |       |         |                                    | <b>8209.6</b> |

## EXHIBIT B

### Agreement to Waive C.R.S. § 36-1-118 Rights

The undersigned acknowledges that the Colorado State Board of Land Commissioners intends to make a decision regarding renewal of the North Mountain Ranch agricultural lease based on the achievement of the financial and stewardship management goals. The applicant(s) hereby certify to the SLB that he/she is willing to waive lease renewal and all other rights provided to agricultural and grazing lessees through C.R.S. § 36-1-118. *Attach this page to your Proposal.*

Applicants(s):

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Printed Name

Name: \_\_\_\_\_  
Signature

Title: \_\_\_\_\_

By: \_\_\_\_\_  
Printed Name

Name: \_\_\_\_\_  
Signature

Title: \_\_\_\_\_

By: \_\_\_\_\_  
Printed Name

Name: \_\_\_\_\_  
Signature

Title: \_\_\_\_\_

By: \_\_\_\_\_  
Printed Name

Name: \_\_\_\_\_  
Signature

Title: \_\_\_\_\_

**EXHIBIT C:**  
Selected Infrastructure Photographs



Ranch Photo 1: Looking East toward Main Lodge



Ranch Photo 2: Close up of Main Lodge Entrance



Ranch Photo 3: Main Lodge Interior, Main Room



Ranch Photo 4: Main Lodge Interior, Main Room



Ranch Photo 5: Main Lodge Interior, Kitchen



Ranch Photo 6: Sheep Camp Overview, west side of County Road 31



Ranch Photo 7: Sheep Camp Overview, looking east



Ranch Photo 8: Sheep Camp Cabins



Ranch Photo 9: Sheep Camp Cabin Detail



Ranch Photo 10: Outfitter Camp, east side of County Road 31



Ranch Photo 11: Bunkhouse #1



Ranch Photo 12: Bunkhouse #2



Ranch Photo 13: View east towards Sheep Camp and Main Lodge. Note stock ponds.



Ranch Photo 14: West side of recreation lease. Note hunting blind. Photo facing northwest.



Ranch Photo 15: Pasture Overview, South of Sheep Camp. Photo facing east.



Ranch Photo 16: View of Miramonte Reservoir from north property boundary. Photo facing north.

**Exhibit D**

Request for Proposals (RFP) Application Cover Sheet

## North Mountain Ranch Request for Proposal (RFP) Application Cover Sheet

Directions: Please print clearly or type answers.

Applicant(s) Name:

Applicant(s) Entity Name (if applicable):

Mailing address:

Phone number:

Email address:

Lease(s) Applying For:

Recreation

Agricultural

Both the Recreation and Agricultural Leases

**Exhibit E**

**North Mountain Ranch Recreation Lease Application**



## INSTRUCTIONS FOR SUBMITTING THE NORTH MOUNTAIN RANCH RECREATION LEASE APPLICATION

APPLICATION CHECKLIST: \_\_\_ APPLICATION \_\_\_ \$100 NON-REFUNDABLE CHECK \_\_\_ CERTIFICATE OF GOOD STANDING  
(BUSINESS ONLY)

### GENERAL INFORMATION:

Provide information for the primary applicant in this section. If applying as an entity (e.g. Company, Partnership, etc.), the Primary applicant is the entity name.

### ADDITIONAL APPLICANT INFORMATION:

Provide information for additional applicants in this section. The maximum number of applicants on any single application is four (4), including the primary applicant.

### ENTITY INFORMATION:

Indicate the entity type and leasehold requested. If applying as a Company, or LLC, you must provide a "Certificate of Good Standing" from the Colorado Secretary of State. If applying as a partnership or a trust, provide proof of a binding agreement.

### STATE TRUST LAND INFORMATION:

The North Mountain Ranch recreation lease is being offered on the entire acreage as listed in *Exhibit A, Recreational Lease Acreage* table.

### REQUESTED USE:

Indicate if use is for private or business/commercial use. Private use generally includes any activity that does not charge a fee, and where the primary users are the applicant, immediate family, and accompanied guests. Business/commercial use includes any activity that charges a fee (e.g. access fees, activity fees, guided hunting). Indicate the type of recreation use you are requesting. Be as specific as possible and with each use, include a specific time frame.

### SPECIAL REQUESTS:

Indicate any special use requests.

### GUIDING AND OUTFITTING:

If guiding or outfitting, you must provide proof of a valid Outfitter license through the Department of Regulatory Agencies. Provide additional details about your operation, including the type of species you will be hunting (e.g. elk, deer, antelope). If a lease is issued, we will require annual reporting on the number of game species harvested on the leased state trust land.

### ACCESS TO PROPERTY:

Access to the property is via County Road 31 in Dolores County.

### LEASE TERMS REQUESTED:

The term for the North Mountain Ranch recreation lease is ten (10) years.

### MINIMUM RENT BID:

The minimum rent bid for the North Mountain Ranch recreation lease is \$5.00/acre.

### MANDATORY LIABILITY INSURANCE:

It is the lessee's responsibility to have the required minimum insurance coverage state in the lease at all times during the lease term. The Colorado State Land Board may, upon request, require proof of active insurance coverage at any time during the lease term. Failure to provide proof when requested may result in lease default.

### SIGNATURES:

All applicants on the lease must sign the application before it is complete. *Unsigned applications will be disqualified.*



**RECREATION LEASE APPLICATION**

\$100 APPLICATION FEE

**1. GENERAL INFORMATION**

|                                |                 |                |          |
|--------------------------------|-----------------|----------------|----------|
| PRIMARY APPLICANT/ORGANIZATION |                 | CONTACT NAME   |          |
| ADDRESS/PO BOX                 | CITY            | STATE          | ZIP CODE |
| PRIMARY PHONE                  | SECONDARY PHONE | E-MAIL ADDRESS |          |

**2. ADDITIONAL APPLICANT INFORMATION**

|              |         |       |
|--------------|---------|-------|
| APPLICANT #2 | ADDRESS | PHONE |
| APPLICANT #3 | ADDRESS | PHONE |
| APPLICANT #4 | ADDRESS | PHONE |

**3. ENTITY INFORMATION**

ENTITY TYPE     INDIVIDUAL     JOINT TENANTS     CORPORATION/COMPANY     PARTNERSHIP  
 LLC     TRUST     TENANTS IN COMMON     OTHER

|                 |         |   |
|-----------------|---------|---|
| YRS IN BUSINESS | WEBSITE | ARE YOU AUTHORIZED TO SIGN ON BEHALF OF YOUR ENTITY: <input type="checkbox"/> YES <input type="checkbox"/> NO |
|-----------------|---------|---|

**4. STATE TRUST LAND INFORMATION (ATTACH SEPARATE SHEET IF NECESSARY)**

|                              |                                      |                       |                   |
|------------------------------|--------------------------------------|-----------------------|-------------------|
| COUNTY<br>Dolores/San Miguel | TOWNSHIP/RANGE<br>T42N R13W T42N R14 | SECTION(S)<br>Various | ACRES<br>10,894.4 |
| COUNTY                       | TOWNSHIP/RANGE                       | SECTION(S)            | ACRES             |
| COUNTY                       | TOWNSHIP/RANGE                       | SECTION(S)            | ACRES             |

**5. REQUESTED USE**

IS THIS APPLICATION FOR PRIVATE OR BUSINESS USE (SEE INSTRUCTIONS FOR MORE INFORMATION)?     PRIVATE     BUSINESS

|                |             |                |             |
|----------------|-------------|----------------|-------------|
| REQUESTED USE: | TIME FRAME: | REQUESTED USE: | TIME FRAME: |
| REQUESTED USE: | TIME FRAME: | REQUESTED USE: | TIME FRAME: |
| REQUESTED USE: | TIME FRAME: | REQUESTED USE: | TIME FRAME: |

WE STRONGLY ENCOURAGE ALL APPLICANTS TO SUBMIT A SEPARATE NARRATIVE DESCRIBING THE REQUESTED USE OF THE PROPERTY. THIS MAY EXPEDITE YOUR REQUEST.    SEPARATE NARRATIVE ATTACHED TO THIS APPLICATION?     YES     NO

Colorado State Board of Land Commissioners  
 March 1, 2021  
 Request for Proposals - North Mountain Ranch

6. SPECIAL REQUESTS

|  |   |  |  |
|--|---|--|--|
| MOTORIZED USE?<br><input type="checkbox"/> YES <input type="checkbox"/> NO   | CAMPING/RV?<br><input type="checkbox"/> YES <input type="checkbox"/> NO   | ATV/OHV?<br><input type="checkbox"/> YES <input type="checkbox"/> NO   | GROUPS/EVENTS GREATER THAN 20?<br><input type="checkbox"/> YES <input type="checkbox"/> NO |
| FIREARMS (HUNTING ONLY)?<br><input type="checkbox"/> YES <input type="checkbox"/> NO                                 | PACK ANIMALS?<br><input type="checkbox"/> YES <input type="checkbox"/> NO | CAMPFIRES?<br><input type="checkbox"/> YES <input type="checkbox"/> NO | FEE CHARGED FOR USE?<br><input type="checkbox"/> YES <input type="checkbox"/> NO           |
| WILL THIS PROPERTY BE ENROLLED IN RANCHING FOR WILDLIFE?<br><input type="checkbox"/> YES <input type="checkbox"/> NO |   | ENROLLMENT NAME: _____   |  |

7. GUIDING AND OUTFITTING

|                      |                     |   |
|----------------------|---------------------|---|
| OUTFITTER/GUIDE NAME | OUTFITTER LICENSE # | HAVE YOU EVER BEEN SUBJECT TO DISCIPLINARY ACTION :<br><input type="checkbox"/> YES <input type="checkbox"/> NO |
| GAME SPECIES HUNTED: |                     | ESTIMATED NUMBER OF HUNTS/HUNTERS PER YEAR:   |

8. ACCESS TO PROPERTY

|   |   |
|---|---|
| DO YOU HAVE LEGAL ACCESS TO THE REQUESTED PROPERTY?<br><input type="checkbox"/> YES <input type="checkbox"/> NO | WILL YOU BE CROSSING PRIVATE LAND TO ACCESS THE REQUESTED PROPERTY?<br><input type="checkbox"/> YES <input type="checkbox"/> NO |
| DESCRIBE YOUR ACCESS BELOW AND ATTACH A MAP THAT CLEARLY INDICATES YOUR ACCESS POINTS:                          |   |

9. LEASE TERMS REQUESTED

|                                      |   |
|--------------------------------------|---|
| REQUESTED TERM (YEARS):<br><b>10</b> | LEASE BID \$:<br><input type="checkbox"/> PER ACRE <input type="checkbox"/> PER YEAR <input type="checkbox"/> OTHER _____ |
|--------------------------------------|---|

10. TERMS AND CONDITIONS

DO YOU UNDERSTAND THAT ALL RECREATION LEASES REQUIRE LIABILITY INSURANCE AND THAT FAILURE TO PROVIDE PROOF OF INSURANCE WHEN REQUESTED MAY RESULT IN LEASE DEFAULT?  YES  NO INITIAL \_\_\_\_\_

DO YOU UNDERSTAND THAT THE BOARD RESERVES THE RIGHT TO ISSUE MULTIPLE LEASES ON ANY PARCEL OF STATE TRUST LAND, INCLUDING ADDITIONAL RECREATION LEASES?  YES  NO INITIAL \_\_\_\_\_

11. SIGNATURE(S)

BY SIGNING THIS APPLICATION, THE APPLICANTS DECLARE THAT ALL THE INFORMATION PROVIDED ON THIS FORM IS TO THE BEST OF THEIR KNOWLEDGE TRUE AND COMPLETE. FALSE OR INACCURATE INFORMATION IS CAUSE FOR CANCELLATION OF THIS APPLICATION OR ANY ISSUED LEASE.

|                                 |       |                            |       |
|---------------------------------|-------|----------------------------|-------|
| PRIMARY APPLICANT SIGNATURE:    |       | APPLICANT #3 SIGNATURE:    |       |
| PRIMARY APPLICANT NAME (PRINT): | DATE: | APPLICANT #3 NAME (PRINT): | DATE: |
| APPLICANT #2 SIGNATURE:         |       | APPLICANT #4 SIGNATURE:    |       |
| APPLICANT #2 NAME (PRINT):      | DATE: | APPLICANT #4 NAME (PRINT): | DATE: |



**COLORADO**  
 State Land Board

--CUSTOMER EXAMPLE--  
 INSURANCE REFERENCE SHEET

The following minimum liability insurance\* provisions should be identifiable on a Certificate of Insurance (COI) submitted to the Colorado State Land Board:

- **Lease/Contract Number** written into the description of operations section
- The Colorado State Land Board must be named as an **Additional Insured**
- **Waiver of Subrogation** must be provided in favor of the Colorado State Land Board
- Coverage must be **primary and noncontributory**
- Minimum **limits of coverage:**
  - Each occurrence \$1,000,000
  - General aggregate \$2,000,000

| COVERAGES   |   | CERTIFICATE NUMBER:                 |                                     |                   | REVISION NUMBER:        |  |
|---|---|-------------------------------------|-------------------------------------|-------------------|-------------------------|--|
| THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS. |   |                                     |                                     |                   |                         |  |
| INSR LTR  | TYPE OF INSURANCE   | ADDL INSR                           | SUBR WRD                            | POLICY NUMBER     | POLICY EFF (MM/DD/YYYY) | POLICY EXP (MM/DD/YYYY)  |
|   | <b>GENERAL LIABILITY</b><br><input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY<br><input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR<br><br>GEN'L AGGREGATE LIMIT APPLIES PER<br><input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | # Policy Number # | Start Date              | End Date   |
|   |   |                                     |                                     |                   |                         | LIMITS<br>EACH OCCURRENCE \$ <b>1,000,000</b><br>DAMAGE TO RENTED PREMISES (Ea occurrence) \$<br>MED EXP (Any one person) \$<br>PERSONAL & ADV INJURY \$<br>GENERAL AGGREGATE \$ <b>2,000,000</b><br>PRODUCTS - COMPIOP AGG \$ |
|   | <b>AUTOMOBILE LIABILITY</b><br><input type="checkbox"/> ANY AUTO<br><input type="checkbox"/> ALL OWNED AUTOS<br><input type="checkbox"/> HIRED AUTOS<br><input type="checkbox"/> SCHEDULED AUTOS<br><input type="checkbox"/> NON-OWNED AUTOS  |                                     |                                     |                   |                         |  |
|   | <b>UMBRELLA LIAB</b> <input type="checkbox"/> OCCUR<br><b>EXCESS LIAB</b> <input type="checkbox"/> CLAIMS-MADE<br>DED <input type="checkbox"/> RETENTION \$   |                                     |                                     |                   |                         |  |
|   | <b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b><br>ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICE/MEMBER EXCLUDED? (Mandatory in NH) <input type="checkbox"/> Y/N<br>If yes, describe under DESCRIPTION OF OPERATIONS below   |                                     | N/A                                 |                   |                         |  |
|   |   |                                     |                                     |                   |                         | WC STATU-TORY LIMITS <input type="checkbox"/> OTH-ER <input type="checkbox"/><br>E.L. EACH ACCIDENT \$<br>E.L. DISEASE - EA EMPLOYEE \$<br>E.L. DISEASE - POLICY LIMIT \$  |
| DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)   |   |                                     |                                     |                   |                         |  |
| Re: Lease/Contract # _____<br>Colorado State Land Board is added as Additional Insured<br>Waiver of Subrogation is provided in favor of the Colorado State Land Board<br>Coverage is primary and non-contributory of other applicable policies  |   |                                     |                                     |                   |                         |  |

\*Lessees should always refer to the lease to verify the required amount of coverage. Coverage not required at time of application, however shall be in place for the term of the lease.

**Exhibit F**

**North Mountain Ranch Agriculture Lease Application**



## INSTRUCTIONS FOR SUBMITTING THE NORTH MOUNTAIN RANCH AGRICULTURE LEASE APPLICATION

APPLICATION CHECKLIST:  APPLICATION  \$100 NON-REFUNDABLE CHECK  RESOURCE MANAGEMENT QUESTIONNAIRE  APPLICABLE ENTITY INFORMATION (BUSINESS ONLY)

### STATE TRUST LAND INFORMATION:

The North Mountain Ranch agriculture lease is being offered on the 8,209 acres as listed in *Exhibit A, Agriculture Lease Acreage* table. The agriculture lease application must be made on the entire lease parcel.

### APPLICANTS:

Provide information for the applicants, including primary applicant, in this section. If applying as an entity (e.g. Company, Partnership, etc.), the Primary applicant is the entity name. The maximum number of applicants on any single application is four (4), including the primary applicant.

### ENTITY INFORMATION:

Indicate the entity type and leasehold requested. If applying as corporation, company, or other entity, applicant must be registered with the Colorado Secretary of State. Applicant must submit a current "Certificate of Good Standing" issued by the Colorado Secretary of State and Articles of Incorporation including a list of the entity's members, demonstrating who has the ability to bind the entity. If applying as a partnership, applicant must submit the Partnership Agreement indicating the General Partners. If applying as a trust, applicant must submit the Declaration of Trust indicating the Trustee(s).

### RENEWAL OFFER:

Not applicable.

### NEW APPLICANT/COMPETITIVE BID OFFER:

Indicate in this section if your bid is at the standard rate of \$19.76/AUM or at some other bid amount. The minimum lease bid for the North Mountain Ranch agriculture lease is the standard rate of \$19.76/AUM.

### LEASED LAND:

List and detail any other leased land to be used with this state lease.

### LEASE TERMS REQUESTED:

The term for the North Mountain Ranch agriculture lease is ten (10) years.

### SIGNATURES:

All applicants on the lease must sign the application before it is complete. *Unsigned applications will be disqualified.*

Application No. \_\_\_\_\_



**COLORADO**  
 State Land Board

NON-REFUNDABLE  
 APPLICATION FEE: \$100

### AGRICULTURE LEASE APPLICATION

For Renewal or Competitive Bid, List Current Lease Number (if known): MU105708

*IMPORTANT INSTRUCTIONS: The following information is necessary to process this application. Submit the complete application packet to the State Land Board's District Office for consideration. Any information not provided may delay or prevent consideration of this application.*

| Number of Acres | Township | Range | Section | Legal Description    | County             |
|-----------------|----------|-------|---------|----------------------|--------------------|
| 8,209           |          |       | Various | T42N R14W, T42N R13W | Dolores/San Miguel |
|                 |          |       |         |                      |                    |
|                 |          |       |         |                      |                    |

For lengthy legal descriptions, attach additional documentation.

All applicants must be at least 21 years of age. No more than four applicants allowed.

| Applicants       | Name | Address | Contact Information                                  |                   |
|------------------|------|---------|--|-------------------|
| First Applicant  |      |         | Telephone:<br>( ) ( )                                | Fax:<br>( ) ( )   |
|                  |      |         | Cell:<br>( ) ( )                                     | Other:<br>( ) ( ) |
|                  |      |         | Email:   |                   |
|                  |      |         | **All correspondence will be mailed to this person** |                   |
| Second Applicant |      |         | Telephone:<br>( ) ( )                                | Fax:<br>( ) ( )   |
|                  |      |         | Cell:<br>( ) ( )                                     | Other:<br>( ) ( ) |
|                  |      |         | Email:   |                   |
|                  |      |         |  |                   |
| Third Applicant  |      |         | Telephone:<br>( ) ( )                                | Fax:<br>( ) ( )   |
|                  |      |         | Cell:<br>( ) ( )                                     | Other:<br>( ) ( ) |
|                  |      |         | Email:   |                   |
|                  |      |         |  |                   |
| Fourth Applicant |      |         | Telephone:<br>( ) ( )                                | Fax:<br>( ) ( )   |
|                  |      |         | Cell:<br>( ) ( )                                     | Other:<br>( ) ( ) |
|                  |      |         | Email:   |                   |
|                  |      |         |  |                   |

|                                    |  |                       |                   |
|------------------------------------|--|-----------------------|-------------------|
| Local Contact/<br>Ranch<br>Manager |  | Telephone:<br>( ) ( ) | Fax:<br>( ) ( )   |
|                                    |  | Cell:<br>( ) ( )      | Other:<br>( ) ( ) |
|                                    |  | Email:                |                   |
| Title / Position:                  |  |                       |                   |

Applicant(s) request the lease be issued as:

|   |   |   |   |   |
|---|---|---|---|---|
| <input type="checkbox"/> AN INDIVIDUAL  | <input type="checkbox"/> JOINT TENANTS <sup>1</sup> | <input type="checkbox"/> TENANTS IN COMMON <sup>2</sup> | <input type="checkbox"/> A PARTNERSHIP <sup>4</sup> | <input type="checkbox"/> A TRUST <sup>5</sup> |
| <input type="checkbox"/> A COMPANY or CORPORATION <sup>3</sup>  | <input type="checkbox"/> OTHER                      | Specify: _____  |   |   |
| <p><small>1 The tenants will jointly hold an undivided interest in the lease. This option is only available if all tenants are natural persons.<br/>                 2 The tenants will each hold an individual fractional interest in the lease. This option must be selected if there are to be multiple tenants and any one tenant is a non-natural person, e.g., a corporation or a limited liability company. If any one tenant is a corporation, company, or other entity, the requirements set forth in footnote 3 also apply.<br/>                 3 If applying as a corporation, company or other entity, applicant must be registered with the Colorado Secretary of State. Applicant must submit a current "Certificate of Good Standing" issued by the Colorado Secretary of State and Articles of Incorporation including a list of the entity's officers/directors/stockholders, demonstrating who has the ability to bind the entity.<br/>                 4 If applying as a partnership, applicant must submit the Partnership Agreement indicating the General Partners.<br/>                 5 If applying as a trust, applicant must submit the Declaration of Trust indicating the Trustee.</small></p> |   |   |   |   |

Colorado State Board of Land Commissioners  
 March 1, 2021  
 Request for Proposals - North Mountain Ranch

*RENEWAL OFFER (if the offered rate does not meet or exceed the standard rate, the standard rate will be substituted for the offered rate):*

|               |  |  |
|---------------|--|--|
| GRAZING LAND: | <input type="checkbox"/> Standard Rate | <input type="checkbox"/> Bid Rate \$ <u>N/A</u> per acre per year and/or \$ <u>N/A</u> per Animal Unit Month (AUM) |
| CROP LAND:    | <input type="checkbox"/> Standard Rate | <input type="checkbox"/> Bid Rate \$ <u>N/A</u> per acre per year for crop land                                    |

*NEW APPLICANT / COMPETITIVE BID OFFER:*

|               |  |  |
|---------------|--|--|
| GRAZING LAND: | <input type="checkbox"/> Standard Rate | <input type="checkbox"/> Bid Rate \$ _____ per acre per year and/or \$ _____ per Animal Unit Month (AUM) |
| CROP LAND:    | <input type="checkbox"/> Standard Rate | <input type="checkbox"/> Bid Rate \$ _____ per acre per year for crop land                               |

*Applicant proposes to use the leased lands for the following agriculture uses:*

| GRAZING |  | DRYLAND CROP |                     | IRRIGATED CROP |                     |
|---------|--|--------------|---------------------|----------------|---------------------|
| Acres   | Draw livestock brand(s) to be used with lease: | Acres        | Average Production: | Acres          | Average Production: |
|         |  |              |                     |                |                     |

*Consistent with statute CRS 36-1-118(3)(c), I affirm under penalty of perjury that I have provided the information required by this application/renewal application to lease the above-described property from the Colorado State Board of Land Commissioners, and to the best of my knowledge and belief it is true. I understand that providing false or inaccurate information is cause for cancellation of any lease issued as a result of this lease application/renewal application, and any other remedy available at law. Any legally authorized person signing for the applicant hereby swears and affirms that he or she is authorized to act on said applicant's behalf and acknowledges that the State is relying on his or her representations to that effect.*

\_\_\_\_\_  
 #1 APPLICANT'S PRINTED NAME

\_\_\_\_\_  
 #1 APPLICANT'S SIGNATURE

\_\_\_\_\_  
 #2 APPLICANT'S PRINTED NAME

\_\_\_\_\_  
 #2 APPLICANT'S SIGNATURE

\_\_\_\_\_  
 #3 APPLICANT'S PRINTED NAME

\_\_\_\_\_  
 #3 APPLICANT'S SIGNATURE

\_\_\_\_\_  
 #4 APPLICANT'S PRINTED NAME

\_\_\_\_\_  
 #4 APPLICANT'S SIGNATURE

- OR -

\_\_\_\_\_  
 #1 APPLICANT/ENTITY'S PRINTED NAME

\_\_\_\_\_  
 #1 APPLICANT'S SIGNATURE

INDIVIDUALLY AND AS \_\_\_\_\_ POSITION OF \_\_\_\_\_ ENTITY

\_\_\_\_\_  
 #2 APPLICANT/ENTITY'S PRINTED NAME

\_\_\_\_\_  
 #2 APPLICANT'S SIGNATURE

INDIVIDUALLY AND AS \_\_\_\_\_ POSITION OF \_\_\_\_\_ ENTITY

| APPLICANT'S CHECKLIST               |  |
|-------------------------------------|--|
| 1. Required Attachments:            | <input type="checkbox"/> Resource Management Questionnaire<br><input type="checkbox"/> Non-refundable Application Fee of \$100 |
| 2. Other Attachments (if required): | <input type="checkbox"/> Leasehold Documentation (refer to the box at the bottom of page 1)                                    |



**COLORADO**  
 State Land Board

Application No. \_\_\_\_\_

**RESOURCE MANAGEMENT QUESTIONNAIRE**

*Use this form for Agriculture Applications*

|                         |   |
|-------------------------|---|
| Name: _____             | Lease No. _____   |
| County/Countries: _____ | Lease Renewal: <input type="checkbox"/> Competitive Bid: <input type="checkbox"/> |
|                         | Lease Assignment: <input type="checkbox"/>  |

**1. APPLICANT INFORMATION**

Do you live or work in the area? Yes  No

If yes, how long? \_\_\_\_\_

**2. LAND TO BE USED WITH THIS LEASE**

Deeded acreage: \_\_\_\_\_

Counties: \_\_\_\_\_

Leased acreage: \_\_\_\_\_

Counties: \_\_\_\_\_

| Leased acreage owned by: | Federal lease(s) | Private lease(s) | Other lease(s) |
|--------------------------|------------------|------------------|----------------|
| Agency/Name:             | _____            | _____            | _____          |
| Address:                 | _____            | _____            | _____          |
| Phone:                   | _____            | _____            | _____          |

**3. LIVESTOCK AND CROP OPERATION INFORMATION**

Specify type of livestock to be used on State Trust Land (i.e. cow/calf, yearlings, sheep, etc): \_\_\_\_\_

Number of livestock owned: \_\_\_\_\_

Is livestock owned by another person/entity? Yes  No  If yes, who: \_\_\_\_\_

Period of planned grazing season: From: \_\_\_\_\_ To: \_\_\_\_\_

Estimated Crop production of state lease:

| Dryland Crop |                      | Irrigated Crop |                      |
|--------------|----------------------|----------------|----------------------|
| Acres        | Estimated Production | Acres          | Estimated Production |
|              |                      |                |                      |

I understand that subleasing all or any portion of the leased premises for any purpose during any part of the term of the lease, unless authorized by the State Board of Land Commissioners in writing, shall be cause for cancellation at any time, and pasturage agreements shall be prohibited unless authorized by the Board.

Subleasing *will* increase lease rates by at least 50%: \_\_\_\_\_ ← **\*\*INITIALS REQUIRED\*\***

Do you plan on subleasing any portion of this State Trust Land?: Yes  No

**\*\*If 'Yes', please contact your District Office for authorization to sublease\*\***

**4. STEWARDSHIP OF STATE LEASE**

What is your expected carrying capacity of this State Trust Land?: \_\_\_\_\_

Are there currently any hunting or recreational activities occurring on this lease?: Yes  No

If no, would you be interested in a hunting/recreational lease?: Yes  No



## **Exhibit G**

### **Draft Recreation Lease**

*Intended for Informational Purposes Only,*

*Final Terms and Conditions Subject to Change at State Land Board's Discretion*



STATE OF COLORADO  
STATE BOARD OF LAND COMMISSIONERS

**Recreational Lease No.**

**1. PARTIES**

**THIS RECREATIONAL LEASE** is entered into at Denver, Colorado, by and between the State of Colorado, acting through its State Board of Land Commissioners ("Board"), whose address is 1127 Sherman Street, Suite 300, Denver, CO 80203, and **SUCCESSFUL APPLICANT** ("Lessee," whether one or more) as **ENTITY TYPE**, whose address is **SUCCESSFUL APPLICANT'S ADDRESS**. The Board and Lessee ("Parties") agree to the following terms and conditions:

**2. EFFECTIVE DATE**

The "Effective Date" of this Lease is **JANUARY 1, 2022**.

**3. CONSIDERATION**

The Parties acknowledge that the mutual promises and covenants contained in this Lease and other good and valuable consideration are sufficient and adequate to support this Lease.

**4. LEASE DEFINITION**

"Lease" means this Lease, its terms and conditions, attached exhibits, documents incorporated by reference under the terms of the Lease, amendments, riders, and any future modifying agreements, exhibits, attachments or references incorporated in this Lease pursuant to Colorado State Law, Fiscal Rules, State Controller Policies, and Board policies, directives and schedules.

**5. DESCRIPTION OF THE PROPERTY**

The Board leases to the Lessee and Lessee leases from the Board, exclusively for recreational purposes, the state trust lands, in the County(s) of **San Miguel and Dolores** Colorado, (the "Real Property"), and the improvements located thereon (the "Lodge and Cabins") as described in Exhibit A together with the personal property identified in Exhibit B (collectively, the "Property").

**6. TERM**

The initial term of this Lease is for a term of **Ten (10)** years beginning **January 1, 2022**, until **January 1, 2031**, subject to the covenants and agreements, unless terminated sooner as provided for in this Lease.

**7. USE OF THE PROPERTY**

- a) The Lessee may access, occupy, and use the Property only for the following recreational purpose(s):
1. **Approved REC use**
  2. **Approved REC use**
  3. **Approved REC use**

- b) Except as allowed in §7.a, the Lessee must abide by the following use restrictions on the Property:
  - 1. Except during the retrieval of game during hunting operations allowed under §7.a and for routine maintenance of the Property by the Lessee, motorized vehicle use is restricted to maintained roads and trails. No new roads or trails may be created without prior written consent by the Board.
- c) This Lease is subject to any and all presently-existing leases, easements, rights-of-ways, and other interests whether or not visible on the ground.
- d) Any use of the Property for activities not specifically allowed in §7.a., or authorized through a separate agreement with the Board, is prohibited.
- e) Unless specifically allowed in §7.a., or authorized through a separate agreement with the Board, this Property cannot be included or enrolled in any local, state, or federal program. This includes, but is not limited to, any program managed by a third party that allows public access for recreational purposes (e.g. Ranching for Wildlife, Public Access Program, Walk-in Access, Open Gates, etc.). Unauthorized enrollment may result in cancellation of this lease.

**8. RENT**

The annual rental amount for the term of this lease is [SUCCESSFUL APPLICANT'S BID AMOUNT] Dollars (\$XXXX.XX).

**9. PAYMENTS TO THE BOARD**

Lessee must pay to the Board the rental due each and every year, in advance on or before the lease anniversary date, as well as any accrued penalty and interest during the term of this Lease at the office of the State Board of Land Commissioners, Denver, Colorado.

**10. ADJUSTMENTS TO USE AND RENT**

The use of the Property (§7) and/or rental amount (§8), are subject to periodic review and change(s) at the sole discretion of the Board. If at any time during the term of the Lease the Board adjusts these terms and the Lessee does not accept the adjusted terms, the Lessee may cancel this Lease by providing the Board with written notice within thirty (30) days after the date of the notice of adjustment. If cancellation notice is not received by the Board within 30 days, the Board and Lessee agree that all adjusted terms are accepted.

**11. GOVERNMENTAL IMMUNITY**

Liability for claims or injuries to persons or property arising from the negligence of the State of Colorado, its departments, institutions, agencies, boards, officials, and employees is controlled and limited by the provisions of the Governmental Immunity Act, C.R.S. § 24-10-101 et seq., and the risk management statutes, C.R.S. § 24-30-1501 et seq., as amended. No term or condition of this Lease will be construed or interpreted as a waiver, express or implied, of any of the immunities, rights, benefits, protections, or other provisions, of the Governmental Immunity Act as applicable now or hereafter amended.

**12. INDEMNIFICATION**

Lessee assumes all liability arising from the use, occupation or control of the Property by Lessee under this Lease. This assumption includes, but is not limited to, liability for all personal injuries (including death) and environmental and property damage and destruction. Lessee agrees to defend, indemnify and hold harmless the Board from, for, and against any and all liabilities, losses, damages, liens, expenses, claims, demands, debts, obligations, fines,

penalties, suits or actions, judgments, and costs of any kind whatsoever, including without limitation costs of suit and fees for attorneys, consultants, and experts arising from either (1) the use, occupation or control of the Property by Lessee, or Lessee's employees, agents, guests, invitees, contractors or assigns; or (2) any breach of this Lease. This provision shall survive termination, cancellation or relinquishment of this Lease and any cause of action by the Board to enforce it shall not be deemed to accrue until the Board's actual discovery of said liability, claim, loss, damage, or exposure. This indemnity is in addition to any other indemnity provided for in this Lease. Lessee will not be responsible for any liability caused by persons granted other uses of the Property by the Board.

### **13. INSURANCE**

Lessee, at its sole cost and expense, shall during the entire term of this Lease procure, pay for and keep in full force and effect an occurrence based general liability insurance policy from an insurance carrier licensed to do business in Colorado, in an amount not less than one million dollars (\$1,000,000.00) per occurrence and two million dollars (\$2,000,000.00) aggregate. Lessee, at its sole cost and expense, shall during the entire term of this Lease procure, pay for and keep in full force and effect a property insurance policy from an insurance carrier licensed to do business in Colorado covering all insurable improvements owned by the State Land Board located on the Property in an amount not less than necessary to cover the replacement cost. All policies shall name the Board as an additional insured, shall provide that the coverage is primary and noncontributory over any other insurance coverage available to the Board, its agents and employees and shall include a clause waiving all rights of recovery, under subrogation or otherwise against the Board, its agents and employees. Failure to buy and maintain the required insurance is a default of this Lease. Before starting work under this Lease, Lessee shall, at the Board's request, furnish a certificate of liability insurance, referencing the lease number and reflecting the above requirements. The Board may alter any requirements of this § 13 to meet the requirements of the Colorado Governmental Immunity Act or any requirements determined by the Colorado Office of Risk Management.

### **14. ASSESSMENTS, TAXES AND UTILITIES**

Lessee is solely responsible for and must pay, when due, all assessments, taxes, fees, water and utility charges, if any, levied or accruing against the Property, improvements, appurtenances, uses or activities of Lessee, including those that could otherwise result in a lien being placed against the Property.

### **15. PENALTY AND INTEREST**

Both a penalty and interest will be imposed for, but not limited to, late payments, improper or partial payments, and violation of any covenant of this Lease. Penalty and interest and fee schedules, as adopted and modified by the Board, are effective immediately after approval. A current Penalty and Interest schedule is available on-line at <http://www.trustlands.state.co.us> and through any office of the State Board of Land Commissioners.

### **16. IMPROVEMENTS OR ALTERATIONS**

- a) Lessee must not place any improvement on the Property and must not substantially alter the Property in any way, without prior written authorization by the Board. Written authorization can be sought by submitting to the Board an Improvement Application on a form provided by the Board. Improvements placed upon the Property by the Lessee with the Board's prior written authorization are referred to in this Lease as "authorized improvements." Any improvements or alterations made by or for Lessee that have not

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Request for Proposals - North Mountain Ranch

received prior written authorization are referred to in this Lease as “unauthorized improvements.”

- b) Upon the termination of this Lease, and provided Lessee is not then in breach of or in default under this Lease, Lessee must present all authorized improvements to the Board for first offer to purchase. Should the Board decline to purchase the improvement(s), the Lessee may either:
  - 1. remove the improvement(s) without damage to the Property; or
  - 2. sell the improvement(s) to a subsequent lessee pursuant to §36-1-119 C.R.S.

In the event that the new owner or new Lessee and the former Lessee do not agree upon the value of the authorized improvements, the Board will establish the value of the authorized improvements.

- c) Lessee will not be entitled to compensation for, or to sell or remove, any authorized improvements when the Lease is terminated by the Board for violation by the Lessee of the Lease until Lessee has satisfied all outstanding obligations relating to the Lease.
- d) All authorized improvements not removed or sold within sixty (60) days after termination of this Lease will be deemed abandoned and may, at the Board's option, be removed by the Board at the Lessee's expense, retained by the Board for use by subsequent lessees, or sold by the Board with all proceeds going to the Board.
- e) All unauthorized improvements will, at the Board's option:
  - 1. become the property of the Board without cost to the Board or compensation to the Lessee; or
  - 2. be removed by the Lessee at Lessee's expense without damage to the Property; or
  - 3. be removed by the Board at Lessee's expense.
- f) Lessee must not suffer or permit to be enforced against the Property, or any part of the Property, or any improvements on the Property, any mechanics', materialmen's, contractors', or subcontractors' liens arising from, or any claim of damage growing out of the work of any construction, repair, restoration, replacement or improvement, or any other claim or demand howsoever the same may arise. Lessee must pay or cause to be paid all of said liens, claims or demands before any action is brought to enforce such liens, claims or demands against the Property or improvements. Lessee must provide actual and posted notice of nonliability pursuant to §38-22-105 C.R.S. notifying all persons who might claim any liens or encumbrances upon the Property relating to any work, labor, services or materials provided for or improvements to the Property initiated by or conducted for the benefit of Lessee that the Board's interests are not subject to such liens or encumbrances. Lessee will indemnify, defend and hold the Board harmless from, for, and against any claims for any liens or encumbrances upon the Property relating to any work, labor, services or materials provided for or improvements to the Property initiated by or conducted for the benefit of Lessee.
- g) Lessee agrees to maintain with the Board a current and complete list of all authorized improvements on the Property on a form provided by the Board.
- h) Lessee must keep and maintain the Property and all Lessee- and/or Board-owned improvements, whether new or pre-existing, in good order, repair and safe condition, ordinary wear and tear excepted.

**17. COMPLIANCE WITH THE LAWS**

- a) With respect to the Property, Lessee must comply with all applicable federal, state and local laws, ordinances, and regulations, including but not limited to criminal, land use, fencing, noxious weed, environmental, wetlands, hazardous waste, and health and safety laws, ordinances and regulations.
- b) In addition to the foregoing, and not in limitation thereof, Lessee must not cause or knowingly permit any Hazardous Material to be brought upon, kept or used in or about the Property by Lessee or Lessee's agents, employees, contractors or invitees, without the prior written consent of the Board. If the Lessee violates these obligations, or if the presence of Hazardous Material on the Property caused or knowingly permitted by the Lessee results in contamination of the Property, or if contamination of the Property by Hazardous Material otherwise occurs for which the Lessee is legally liable, then the Lessee will indemnify, defend and hold the Board harmless from, for and against any and all claims, judgments, damages, penalties, fines, costs, liabilities or losses (including, without limitation, diminution in value of the Property, damages for the loss or restriction on use of the Property, damages arising from any adverse impact on future leasing of the Property, and sums paid in settlement of claims, attorney fees, consultant fees and expert fees) which arise during or after the lease term as a result of such contamination. This indemnification of the Board by the Lessee includes, without limitation, costs incurred in connection with any investigation of site conditions or any cleanup, 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 Property. Without limiting the foregoing, if the presence of any Hazardous Material on the Property caused or knowingly permitted by the Lessee results in any contamination of the Property, the Lessee must promptly take all actions at Lessee's sole expense as are necessary to return the Property to the condition existing prior to the introduction of any such Hazardous Material to the Property, provided that Lessee obtains the Board's prior approval of such actions. Lessee will not be liable under this § 17.b for the actions or omissions of those persons over whom Lessee has no control.
- c) As used in this Lease, 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 or designated as a "hazardous substance," "hazardous waste" or a "regulated substance" under appropriate state or federal law; (ii) petroleum; or (iii) asbestos.

**18. PROTECTION, STEWARDSHIP AND COOPERATION**

- a) Lessee must not permit, commit, or allow, and must protect the Property against, any loss, damage, any dangerous condition, injury, or waste, except as caused by persons granted other uses of the Property by the Board. Lessee may use the Property only for the purposes granted and in accordance with good resource conservation practices.
- b) Lessee must not store or allow to be stored on the Property, any products, materials, or equipment that is not related to and necessary for the day-to-day management of the recreational activities allowed by this lease.
- c) Lessee must not cut, remove, or use, or allow to be cut, removed or used, any live timber or trees, or remove, use or allow to be removed or used any minerals, ores, metals, coal, asphaltum, oil, gas, sand, gravel, clay, quarry products, peat, geothermal resources or

other naturally occurring resources unless approved in advance in writing by the Board or except as caused by persons granted other uses of the Property by the Board.

- d) Lessee must cooperate with and in no way impede or obstruct the other uses permitted by the Board pursuant to § 21 ("Reservations to the Board").
- e) Lessee must provide the Board with copies of any and all reports prepared on behalf of, or obtained by, the Lessee regarding the past use, present use, and/or condition of the Property and any improvements.
- f) Lessee must immediately notify the Board of any damage or destruction of the Property.
- g) Lessee must not make false statements to the Board regarding the Property or Lessee's use of the Property.
- h) The failure of the Lessee to comply with any of the requirements and obligations of this § 18 will be grounds for immediate cancellation of this Lease at the election of the Board, and will subject the Lessee to sanctions, penalties and fees in accordance with applicable policies, directives and schedules, as adopted by the Board from time to time, and incorporated in this Lease by reference.

#### **19. LAND BOARD POLICIES, DIRECTIVES AND SCHEDULES**

This Lease incorporates and Lessee must comply with all applicable policies, directives and schedules, as adopted by the Board. Such policies, directives and schedules are available on-line at <http://www.trustlands.state.co.us> and through any office of the State Board of Land Commissioners. Lessee is responsible to stay fully informed of all applicable policies, directives and schedules. Lack of actual notice or knowledge of applicable policies, directives and schedules will not provide a defense for any failure to comply. Lessee acknowledges that the Board meets publicly on a monthly basis and at such public meetings may amend or change existing policies, directives and schedules and/or adopt new policies, directives and schedules. Any amendments or changes to existing policies, directives and schedules and any adopted new policies, directives and schedules, will be effective after adoption by the Board and are incorporated into this Lease by reference.

#### **20. NUISANCE**

Lessee must not use, or permit any use of, the Property in a manner that causes a nuisance or that is, using a reasonable person standard, offensive or annoying to other lessees or permitted users on the Property, persons occupying the Property, or person occupying adjacent property.

#### **21. RESERVATIONS TO THE BOARD**

The Board hereby reserves:

- a) Access
  - 1. The right to access to the Property at all reasonable times by the Board, its employees, agents, lessees, licensees, permittees, guests, invitees, contractors or assigns. Lessee hereby grants to the Board, its employees, agents, or contractors a non-revocable license for access on, over, across or through Lessee's other lands during the term of this Lease for access to the Property.
  - 2. The right to access, inspect, and monitor the Property at all reasonable times by the Board, utilizing all reasonable means and methods, including but not limited to gate counters, game cameras and Unmanned Aerial Systems (UAS). The use of UAS will be in accordance with applicable Federal Aviation Administration (FAA) rules and regulations. Lessee will cooperate and not interfere with all reasonable means and

methods of access, inspection, and monitoring including taking actions necessary to comply with FAA rules and regulations.

b) Additional Uses

1. Commercial, Industrial, Residential

The right to lease all or any portion of the Property to other persons for the purpose of land development.

2. Minerals

The right to lease all or any portion of the Property to other persons for the purposes of exploring, producing, mining, extracting, or removing all minerals or minerals resources as defined in §§36-1-100.3 and 125 C.R.S and geothermal resources described in §36-1-147 C.R.S.

3. Agriculture

The right to lease all or any portion the Property to other persons for the purpose of livestock grazing, crop production, or any other agricultural use. Such lease will convey exclusive use for such purpose.

4. Renewable Energy Resources

The right to lease all or any portion of the Property to other persons for the purposes of developing renewable energy resources as described in §36-1-147.5 C.R.S.

5. Timber

The right to lease all or any portion of the Property to other persons for the purposes of timber management, harvest or sale.

6. Rights-of-Ways

The right to grant any right-of-way or easement on, under, over, across or through all or any portion of the Property. If and when such right-of-way or easement is granted, the Lessee will be compensated by the grantee for any damages to Lessee's personal property, crops, fixtures and authorized improvements, but not for loss of use of the land or the Property.

7. Other

The right to put the Property to any other additional uses at any time and for any purpose, and all rights, privileges and uses of every kind or nature not specifically granted to Lessee by this Lease.

Together with reasonable and adequate rights of access and surface rights necessary for the convenient exercise of the above reserved rights.

c) Time of Use

The right to designate or control the time of use of the Property, in order to protect Property its productivity or to accommodate other approved uses of the Property.

d) Cancellation

The right to cancel this Lease as to all or any part or portion of the Property, upon thirty (30) days' prior written notice to the Lessee. Lessee is responsible for all rent payments until the effective date of cancellation (including outstanding rent, penalty and interest assessments, damages, etc.). If the effective date of cancellation falls after the next anniversary date, Lessee will only be responsible for a pro-rated rent payment. The amount due will be calculated from the lease anniversary date to the date Lessee surrenders possession, plus interest and penalty if applicable.

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e) Disposition

The right to sell, exchange, or otherwise dispose of all or any portion of the Property during the term of this Lease.

f) Reversion

The right to reversion of all interests in the Property upon termination of this Lease.

g) Water Rights

Title to all water rights associated or appurtenant to the Property. In addition:

1. No water, ditch, reservoir, well, spring, seepage or other right, permit, or use of any kind, ("water right") may be initiated, established, appropriated or adjudicated (for use on or off the Property) by the Lessee for which the point of diversion, withdrawal, use or storage is on the Property, without the prior written approval of the Board. All applications and documents pertaining to any such water right must be made in the name of the Board, and the Board reserves the right to make or convert any related applications or documents in or to its own name. Any such water right, approved or unapproved is the sole and absolute property of the Board without cost to the Board.
2. Improvements made or constructed by the Lessee in connection with such water right, apart from any such water right, are subject to § 16 ("Improvements or Alterations"). The water right itself, however, will belong to the Board without cost.
3. Lessee must request and receive prior written approval by the Board for any proposal by the Lessee to apply and/or use on the Property an existing water right which is not diverted, withdrawn or stored on the Property, and which is not the property of the Board. Such approval must be in accordance with applicable policies, directives and schedules, as adopted by the Board from time to time, and incorporated in this Lease by reference. Once an application of such water right is approved the Board has the option to:
  - i. require that the water right, or any portion thereof, be sold to the Board or its subsequent lessee at its fair market value, as may be determined by the Board in its reasonable discretion; or
  - ii. permit the water right to be removed from the Property, but only under a reclamation/restoration plan approved by the Board and completed by the Lessee. If the reclamation/restoration is not completed by the Lessee within the time set forth in the approved plan, the water right will remain attached to and available for use on the Property until the reclamation/restoration is completed without cost to the Board.
4. If any water right (and/or related improvements) owned by the Board is leased to the Lessee by this Lease, it will be described in § 5 ("Description of the Property") and in that event will be considered part of the Property. The Lessee must put all leased water to maximum beneficial use, keep records of all such use, and submit an annual report that documents such use to the Board and Division of Water Resources.

h) Historical, Prehistorical, and Archeological Resources

Title to all historical, prehistorical, and archaeological resources in all lands, rivers, lakes, reservoirs, and other areas owned by the state. Historical, prehistorical, and

archaeological resources include all deposits, structures, or objects which provide information pertaining to the historical or prehistorical culture of people within the boundaries of the state of Colorado, as well as fossils and other remains of animals, plants, insects, and other objects of natural history within such boundaries, and in addition to the specific site or deposit, rights-of-way access on state-owned land from a maintained public road for the exploration, protection, preservation, interpretation, and enhancement of the site or deposit proper.

**22. BOARD'S DISCRETION**

Whenever the Board's approval, consent or authorization is sought by the Lessee under this Lease, the Board may withhold such approval, consent or authorization in its sole and absolute discretion unless specified otherwise.

**23. BOARD'S AUTHORITY**

This Lease is entered into pursuant to the authority granted to the Board by Colorado law.

**24. CONDITION OF PROPERTY**

Lessee represents that Lessee has had an opportunity to inspect the Property prior to entering into this Lease, and Lessee accepts the Property in its present condition and acknowledges that the Property is in all respects suitable for the leased purposes. The Board disclaims any and all obligation and Lessee waives any claim that the Board has any obligation to provide access to the Property, to fence, make any repairs to or construct any improvements upon the Property. The Board does not make any warranties or covenants, express or implied, of habitability, quiet enjoyment or that the Property is suitable for the leased purposes.

**25. EMINENT DOMAIN**

If the Property is taken by the valid exercise of the right of eminent domain, in whole or in part, either the Board or Lessee may terminate this Lease effective the date the Property transfers by eminent domain by providing written notice to the other party at least thirty (30) days before the date the Property transfers. Any and all damages that are awarded for such taking of the Property will be the exclusive property of the Board. Lessee hereby disclaims any interest therein and assigns to the Board any and all claims to such award. The Board will not claim any interest in authorized improvements of the Lessee and the Lessee will only be entitled to compensation for authorized improvements as negotiated between the Lessee and the condemning public authority or as determined by the court.

**26. NO LEASEHOLD INTEREST**

Upon sale, condemnation, exchange or other disposition of the Property, or any part thereof, and upon any other cancellation or termination of this Lease, either at or prior to the end of the lease term, Lessee will have no claim or right to any leasehold interest or any right to compensation for any leasehold interest based upon any unexpired term or expectation of extension or renewal of this Lease except as provided by applicable statute. This § 26 does not change Lessee's rights in the authorized improvements set forth in § 16 ("Improvements and Alterations").

**27. NO SALE, ASSIGNMENT, OR SUBLEASING OF LEASE OR PROPERTY**

- a) Lessee is prohibited from the sale, assignment, partial assignment, collateralization, encumbrance, sublease, pasturage or any other use agreement of the Property, (collectively called a "Transfer") to any person or entity unless approved in advance in writing by the Board. Approval of a Transfer will not release Lessee from Lessee's liabilities

or obligations under this Lease. Upon approval of a Transfer, the Board may change or impose new rental amounts, terms, conditions and payments.

- b) Any transfer or change in the control or ownership of the Lease necessitated by bankruptcy, death, divorce, merger, sale of private property or otherwise will be a Transfer requiring Board notification and approval.
- c) Any attempted Transfer by Lessee without prior written Board approval is invalid, will be grounds for immediate cancellation of this Lease at the Board's option and will subject the Lessee to sanctions, penalties and fees in accordance with applicable policies, directives and schedules, as adopted by the Board from time to time, and incorporated in this Lease by reference.

## 28. DEFAULT

### a) Defined

In addition to any defaults specified in other sections of this Lease, the failure of either Party to comply with or to perform any of its obligations under this Lease in whole or in part or in a timely or satisfactory manner, or Lessee actions that diminishes the value of the Property in any way, constitute a default. If Lessee or any party that is member of Lessee holds any other leases with the Board, any default of any other lease constitutes a default of this Lease as well. Lessee is not responsible for the actions of the Board's other lessees of the Property or parties that Board has granted access to the Property outside of this Lease.

### b) Notice and Cure period

#### 1. Non-Monetary Default:

- i. In the event of a non-monetary default, notice of the default will be given in writing by the aggrieved Party to the other Party in the manner provided in § 29. If the defaulting Party has not cured the default within 30 days of receipt of written notice, or if a cure cannot be completed within 30 days, if the defaulting Party has not begun the cure within 30 days and pursued the cure with diligence, the other Party may exercise any of the remedies set forth in § 28(c) or otherwise available at law. But, the Board may intervene immediately, without notice or cure period, if reasonably necessary to preserve public safety or to prevent immediate public crisis, or prevent significant irreparable harm to the Property. Alternatively, the Board may require the Lessee to act immediately to remedy any default, which the Board deems a threat to safety, life, or property.

#### 2. Monetary Default:

- i. If Lessee fails to make any payment to the Board, the Board will send Lessee an invoice that will include applicable penalties and interest ("Delinquent Invoice"). If the Board does not receive full payment of the Delinquent Invoice within fifteen (15) days of the Delinquent Invoice, the Board will send a letter ("Demand for Payment") via certified mail to the Lessee. Other named lease participants and any named collateral interest holder will be copied on the Demand for Payment. If the Board does not receive full payment within thirty (30) days of the date of the Demand for Payment, or if the certified receipt is returned to the Board without a signature, the Board may exercise any of the remedies set forth in § 28(c), or otherwise available at law.

- ii. The Board will accept partial payments. Any acceptance of a partial payment will not waive any rights or claims of the Board or any obligations of Lessee to make full payment. The Board will send Lessee a Delinquent Invoice with the outstanding balance due including applicable penalties and interest and follow the notice and cure process provided in § 28(b)(2)(i).
- iii. If payment cannot be processed due to Non-Sufficient Funds (“NSF”) Lessee will be notified via certified letter of the non-sufficiency and will have three (3) days after receipt of certified letter to cure the NSF. In the event a certified receipt is returned to the Board without a signature, the Board will follow the cure process provided in § 28(b)(2)(i). After notice of NSF, Lessee must make payment by bank check (Cashier’s Check), money order, Automated Clearing House (ACH), or credit card. No personal checks will be accepted. Interest and penalty will be applied.

c) Remedies

If Lessee defaults and fails to cure after notice of the default, the Board will have the following remedies:

1. The Board may terminate the Lease. Upon termination for default, the Board may retain all rental monies previously paid. The Board may also hold, appropriate, sell or otherwise dispose of any fences, improvements, and machinery of Lessee upon the Property to recover the payment of any delinquent rental amounts or any other claims of the Board against Lessee on account of damages, expenses, injury or otherwise.
2. Lessee forfeits all improvements on the Property to the Board and the Board may retain all rental monies previously paid.
3. The Board may enforce the terms of this Lease through specific performance.
4. The Board may seek damages for the failure to comply with the terms of this Lease.
5. The Board may cure the default. If the Board cures the default, Lessee agrees to repay the Board for all costs for curing the default including without limitation costs of suit and fees for consultants, experts, and attorneys.
6. The Board may terminate any other lease that Lessee or any party that is member of Lessee holds with the Board.

These remedies are cumulative. The Board may exercise any of these remedies individually or in any combination. The Board may exercise these remedies concurrently or consecutively.

If the Board defaults and fails to cure after notice of the default, Lessee may seek specific performance. LESSEE WAIVES ALL OTHER REMEDIES INCLUDING DAMAGES AND MUST NOT DEDUCT OR SET OFF ANY RENT OR OTHER PAYMENTS DUE.

**29. NOTICES**

Any notice, request or demand required or permitted to be delivered under this Lease must be in writing and will be deemed to be given and delivered when deposited with the United States Postal Service, postage prepaid addressed to the party intended at the address stated in this Lease, or to such other address as may hereafter be furnished in writing. In addition, Lessee must provide written notification to the Board of any change of address in a timely manner. Failure to do so may result in penalties and interest in accordance with §15 of this Lease.

**30. SURRENDER BY LESSEE**

Lessee may surrender and relinquish this Lease by providing thirty (30) days' written notice to the Board. Lessee shall remain responsible for all rent owed under the Lease, together with penalties and interest thereon, until the earlier of (1) one (1) year from the effective date of the surrender or (2) the effective date of the next lease for the Property. If the Board is able to re lease the Property before one (1) year from the effective date of the surrender, Lessee may be entitled to a pro-rated refund of rent paid for the Property. The refund amount due will be calculated based on the portion of rent paid by Lessee for any period of time covered by the next lease for the Property.

**31. HOLDING OVER**

Lessee agrees to surrender possession and occupancy of the Property peaceably at the termination of the Lease (by expiration or otherwise). If Lessee remains in possession or makes use of the Property in any way after the termination of this Lease, Lessee will be liable for damages in a minimum amount based on a pro-rated amount of the last year's rental during such holdover possession. The amount of damages will not be less than the rate agreed upon in this Lease, and the Board may set damages that Lessee must be pay during continued occupancy. At the Board's option, the Lessee will be deemed to be in possession of the Property and to be occupying the same so long as Lessee uses the Property, or so long as any of Lessee's authorized or unauthorized improvements or personal effects remain on the Property. Continued occupancy will be a tenancy at sufferance, and will not establish a new or extended lease term or other right, no matter how long maintained and regardless of the Board's knowledge thereof.

**32. TERMINATION**

Upon termination, surrender or cancellation of this Lease, Lessee must pay all rental amounts accrued as well as any accrued penalty and interest, must immediately vacate the Property, must remove all improvements and restore the Property as directed by Board and required under this Lease.

**33. CONDITION ON TERMINATION**

At the termination of this Lease at the end of the Lease term or for any other reason, Lessee must surrender and deliver the Property in as substantially good order and condition as it existed at the beginning of this Lease, except loss by fire, inevitable accident, act of God, damage or neglect not attributable to the Lessee, and ordinary wear and tear.

**34. GENERAL PROVISIONS**

a) Historical, Prehistorical, and Archaeological Resources

Under no circumstances may any person destroy, disturb, mar, collect, remove or alter any historical, prehistorical, or archaeological resources of any kind on state lands as provided by law. In the event of discovery of anything of any historical, prehistorical, or archaeological nature, the Lessee must notify the Board immediately.

b) Binding Effect

All provisions of this Lease, including the benefits and burdens, extend to and bind the Parties' respective heirs, legal representatives, successors, and assigns.

c) Captions and Headings

The captions and headings in this Lease are for convenience of reference only, and must not be used to interpret, define, or limit its provisions.

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d) Representation

This Lease is a legal document with binding obligations. Lessee has had the opportunity to engage legal counsel to review this Lease.

e) Construction Against the Drafter

Each Party acknowledges that it has participated in the drafting of this Lease. Accordingly, in the event of an ambiguity in this Lease the rule of construction that ambiguities will be construed against the drafter does not apply and the Parties hereto will be treated as equals and no Party will be treated with favor or disfavor.

f) Colorado Open Records Act ("CORA") Disclosure

To the extent not prohibited by federal law, this Lease and the performance measures if any, are subject to public release through the CORA, §24-72-200.1, C.R.S., et seq.

g) Counterparts

This Lease may be executed in any number of counterparts, which together shall constitute one agreement. Signatures required in this Lease shall be original "wet" handwritten signatures. Executed signature pages may be delivered using pdf or similar file type transmitted via electronic mail, cloud based server or other similar electronic means. Any such transmittal shall constitute delivery of the executed agreement, with signatures binding on the parties as if they were originals.

h) Entire Understanding

This Lease represents the complete integration of all understandings between the Parties and all prior representations and understandings, oral or written, are merged into this Lease. Prior or contemporaneous additions, deletions, or other changes to the Lease will not have any force or effect whatsoever, unless written in this Lease.

i) Extinguishment and Replacement

This Lease extinguishes and replaces any prior leases between the Parties related to the Property upon the Effective Date of this Lease.

j) Insolvency of Lessee

If the Lessee becomes insolvent, bankrupt, or has a receiver appointed, the Board may terminate this Lease. Insolvency as used in this Lease will mean the inability of the Lessee to meet obligations as they come due.

k) Jurisdiction and Venue

The exclusive jurisdiction for all suits, actions, or proceedings related to this Lease will be in the State of Colorado and the exclusive venue will be in the City and County of Denver.

l) Modification

1. By the Parties

Modifications of this Lease are not effective unless agreed to in writing and signed by both Parties in an amendment to this Lease that is properly executed and approved in accordance with applicable Colorado State law. No waiver, modification, amendment, discharge or change of this Lease will be valid unless the same is in writing and signed by the Board. The staff of the Board does not have authority, actual or apparent, to waive, modify, amend, discharge or change

any provision of this Lease, except in writing and explicitly authorized by statute, board order or board policy.

2. By Operation of Law

This Lease is subject to such modifications as may be required by changes in Federal or Colorado State law, or their implementing regulations. Any such required modification will be incorporated into and be part of this Lease automatically on the effective date of such change.

m) Notification of Board Meetings

The Board meets monthly with meeting agendas posted on the State Board of Land Commissioners' website (<http://www.trustlands.state.co.us>). Meetings are open to the public. All parties are granted an opportunity to speak during the open comment period of each meeting.

n) Severability

If any term or provision of this Lease proves to be invalid, unenforceable, void, or illegal, the remainder of this Lease will not be affected thereby, and will be valid and be enforced as written, provided that the Parties can continue to perform their obligations under this Contract in accordance with its intent.

o) Survival of Certain Lease Terms

Notwithstanding anything in this Lease to the contrary, provisions of this Lease requiring continued performance, compliance, or effect after termination of this Lease, will survive such termination and will be enforceable by the Board if Lessee fails to perform or comply as required. However, upon expiration or earlier termination of this Lease, the rights of the Lessee and of all persons, firms, corporations, and entities, claiming under Lessee in and to the Property and all improvements hereon, will cease.

p) Third Party Beneficiaries

Enforcement of this Lease and all rights and obligations under this Lease are reserved solely to the Parties, and not to any third party. Any services or benefits which third parties receive as a result of this Lease are incidental to the Lease, and do not create any rights for such third parties.

q) Waiver

Waiver of any breach of a term, provision, or requirement of this Lease or any right or remedy under this Lease, whether explicitly or by lack of enforcement, will not be construed or deemed as a waiver of any subsequent breach of such term, provision or requirement, or of any other term, provision, or requirement. The acceptance of performance, rent, or any other sum owing by the Board following a breach by the Lessee of any provision of this Lease, will not constitute a waiver of any right of the Board with respect to such breach. The Board will be deemed to have waived any right only if the Board expressly does so in writing.

r) Validity and Enforceability

This Lease will not be valid or enforceable until it is both approved by the Board in accord with the Board's policies and signed by the Board.

**35. ADDITIONAL CONDITIONS**

- a) Lessee's use of the Lodge and Cabins shall be subject to the terms and conditions set forth in the attached Exhibit B.
- b) Lessee shall post a bond, in the form attached hereto as Exhibit C, guaranteeing (1) payment of rent and any other amounts owed by Lessee to the Board under this Lease and exhibits hereto and (2) performance of all obligations set forth in this Lease and exhibits hereto.

Additional conditions, if any other than listed above, are set forth on an attached rider(s) and made a part hereof.

DRAFT

IN WITNESS WHEREOF, the Board and the Lessee, by their signatures below, agree to the terms of this Lease:

**Lessee**

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Signature

\_\_\_\_\_ Title  
Printed Name

STATE OF COLORADO BY THE  
STATE BOARD OF LAND COMMISSIONERS

By: \_\_\_\_\_  
Abraham Medina, Program Manager

(Seal)

Date: \_\_\_\_\_

Date: \_\_\_\_\_

EXHIBIT A

Recreational Lease No. **XXXXXX**

A +/- 4,690 square foot lodge located in Section 19 T42N R13W NMM, the “Sheep Camp” cabins located SENE Section 14 T42N R14W NMM, and the “Outfitter Camp” cabins located SENE Section 17 T42N R13W NMM (the “Lodge and Cabins”).

| Recreation Lease Parcel Legal Description |       |         |                                    |                  |
|---|-------|---------|------------------------------------|------------------|
| Township                                  | Range | Section | Description                        | Acres            |
| 42N                                       | 13W   | 5       | SW, W2SE                           | 240.00           |
| 42N                                       | 13W   | 8       | N2,SW,W2SE                         | 560.00           |
| 42N                                       | 13W   | 16      | ALL                                | 640.00           |
| 42N                                       | 13W   | 17      | ALL                                | 640.00           |
| 42N                                       | 13W   | 18      | SE, SENE, E2SW, LOTS 2, 3, 4       | 378.69           |
| 42N                                       | 13W   | 19      | ALL                                | 621.96           |
| 42N                                       | 13W   | 20      | N2, NWSE, N2NESE, FP NWSW, FP NESW | 391.84           |
| 42N                                       | 13W   | 21      | ALL                                | 640.00           |
| 42N                                       | 13W   | 28      | N2, N2S2                           | 480.00           |
| 42N                                       | 14W   | 7       | NE, E2NW, NESW, SE, LOTS 1 & 2     | 533.10           |
| 42N                                       | 14W   | 8       | ALL                                | 640.00           |
| 42N                                       | 14W   | 9       | W2                                 | 316.80           |
| 42N                                       | 14W   | 11      | S2N2,NWNW,S2                       | 497.08           |
| 42N                                       | 14W   | 13      | S2N2,NWNW,S2                       | 436.52           |
| 42N                                       | 14W   | 14      | ALL                                | 556.30           |
| 42N                                       | 14W   | 15      | ALL                                | 641.64           |
| 42N                                       | 14W   | 16      | ALL                                | 640.00           |
| 42N                                       | 14W   | 17      | NENW, E2SW, E2                     | 424.60           |
| 42N                                       | 14W   | 20      | NE, NENW                           | 200.00           |
| 42N                                       | 14W   | 21      | N2, NESW, NWSE                     | 405.10           |
| 42N                                       | 14W   | 22      | N2NE, SWNE, NW                     | 255.63           |
| 42N                                       | 14W   | 23      | N2, N2S2,SESW                      | 417.95           |
| 42N                                       | 14W   | 24      | N2, N2SW                           | 337.16           |
| <b>TOTAL ACRES</b>                        |       |         |                                    | <b>10,894.37</b> |

## EXHIBIT B

### USE OF LODGE AND CABINS

As part of Lessee's lease of the Real Property, Lessee shall be entitled to use the Lodge and Cabins and the following personal property located therein:

- (9) Queen Beds
- (2) Double Beds
- (10) Nightstands
- (5) Dressers
- (2) Couches
- (2) Loveseats
- (2) Chairs
- (2) Coffee Tables
- (3) End Tables
- (3) Dining Tables
- (20) Dining Chairs
- (1) Desk
- (1) Beverage Cooler Appliance
- (1) Salad Bar
- (1) Ice Freezer
- (1) Pantry Freezer
- (1) Gas Cook Stove, Wolf Range 4 Burner 48" Griddle, Double Oven

Lessee's use of the Lodge and Cabins and the above-listed personal property (the "Premises") is subject to the following terms and conditions.

#### 1. CONDITION OF THE PREMISES.

Within 48 hours after the commencement of the initial Term, Lessee shall provide Board with a written list of all defects or damage to the Premises. Except as specified on such a list, the Premises will be considered to be in clean, safe, and good working condition. Lessee specifically acknowledges that no condition exists in the Premises that makes the Premises materially dangerous or hazardous to Lessee's life, health, or safety. Subject to the information on the written list of defects required by this Section 1, Lessee accepts the Premises in as-is condition, without representation or warranty of any kind, whether express or implied.

#### 2. UTILITIES.

Lessee shall be responsible for arranging for and paying for all utility services required on the Premises and shall indemnify Board against any liability or damages on such account, except that Board shall furnish water via a domestic well. Lessee must not allow utilities to be disconnected—

including disconnection for not paying bills—until the Term or any renewal period ends. Board, at Board's option, may pay any past due utility bill on behalf of Lessee, add the amount paid to the balance due by Lessee under this Lease and utilize all remedies available against Lessee for nonpayment of amounts due under this Lease, including termination of the right of possession and the accruing of late fees on the amounts advanced. Except when due to the negligence of Board, Board shall not be liable for any failure or interruption of services to be supplied by Board. In case of unnecessary use or waste by Lessee of the utility services to be provided by Board, if any, the same shall thereafter be paid for by Lessee.

**3. MAINTENANCE AND REPAIR.**

- a) Lessee shall maintain, replace, repair and keep all parts of the interior of the Premises (which includes, but is not limited to, interior wall surface; interior and exterior doors and partitions together with associated hardware and moldings; lighting fixtures, electrical fixtures and equipment, including electrical wiring; plumbing and plumbing fixtures; and interior and exterior windows) in good order, operating condition, and repair by qualified professional.
- b) Lessee shall be responsible for the routine care and maintenance of the yards, driveway, sidewalk, and other outside areas as directed by Board and not maintained by Board. This provision shall include, but is not limited to, mowing, weeding, watering grass areas, using a trimmer on edges, and general upkeep during the summer months all as may be required by Board, if any. During the winter, Lessee(s) agrees to take all reasonable steps necessary to winterize the Premises to prevent damage to the Premises, whether or not the Premises is in use, as set forth in Section 4.c.

Lessee(s) agrees that should Board determine, in its discretion, that the Lessee(s) is not maintaining the outside of the Premises appropriately and properly, Board may hire an agent or contractor to maintain the outside of the premise at the expense to the Lessee(s). This amount shall be treated as added rent and be billed monthly until the agent or contractor's service is no longer required.

- c) Lessee shall permit no injury to the Premises, and shall at its own cost and expense replace with glass of the same quality any damaged or broken glass, including plate glass or other breakable materials used in any interior or exterior windows and doors on the Premises. In addition, Lessee shall, at its own cost and expense replace any light bulbs, frames, ballast, and accessory parts thereof on the Premises that may be broken or damaged during the Term.
- d) Lessee shall use the portion of the Premises under Lessee's control in a reasonably clean and safe manner. Lessee fails to maintain the Premises in a reasonably clean and safe manner when the Lessee substantially fails to:
  - 1) Comply with obligations imposed upon Lessee by applicable provisions of building, health, and housing codes materially affecting health and safety;
  - 2) Keep the Premises reasonably clean, safe, and sanitary as permitted by the conditions of the Premises;
  - 3) Dispose of ashes, garbage, rubbish, and other waste from the Premises in a clean, safe, sanitary, and legally compliant manner;
  - 4) Use in a reasonable manner all electrical, plumbing, sanitary, heating, ventilating, air-conditioning, elevators, and other facilities and appliances in the Premises;

- 5) Conduct himself or herself, Lessee's guests, Lessee's invitees, and persons under Lessee's direction or control to conduct themselves in a manner that does not disturb their neighbors' peaceful enjoyment of the neighbors' property; or
  - 6) Promptly notify Board if the Premises is uninhabitable or if there is a condition that could result in the Premises becoming uninhabitable if not remedied.
- e) Board shall be responsible for any repairs, replacements, restorations, or maintenance of all structural components, floors, ceiling, roofs, sewer connections, plumbing, wiring, and appliances used in connection with the Premises (i) that have been necessitated by reason of ordinary wear and tear; (ii) that have been necessitated by sudden natural forces or acts of God, or by fire not caused by Lessee; and (iii) that are required by applicable state and local laws, ordinances, rules, and regulations. Notwithstanding the foregoing provisions of the Lease, if repairs, replacements, restorations, or maintenance have been necessitated by Lessee's intentional, reckless, or negligent use, misconduct, or abuse of the Premises, improvements, or systems, then Lessee shall be responsible for the cost and expense for repairs, improvements, or maintenance occasioned by such acts or omissions.
  - f) Unless due to Board's negligence or unless Board has failed to make repairs within a reasonable time after receipt of notice from Lessee, Board shall not be liable for injury to person (including death) or damage to property resulting from steam, gas, electricity, water, rain, or snow that may flow or leak from any part of the Premises or from any pipes, appliances, or plumbing work from the street or subsurface, or from any other place.
4. DAMAGE TO PREMISES.
- a) Lessee shall not knowingly, intentionally, deliberately, or negligently destroy, deface, damage, impair, or remove any part of the Premises or knowingly permit Lessee's guests, Lessee's invitees, or persons under Lessee's direction or control to do so.
  - b) If the Premises, or any part thereof, shall be damaged by fire or other casualty not due to negligence or willful act of Lessee, Lessee's guests, Lessee's invitees, or persons under Lessee's direction or control, and Board shall decide to rebuild or repair the Premises, there shall be an abatement of rent corresponding with the time during which, and the extent to which, the Premises may have been uninhabitable. If the Premises should be damaged other than by negligence or willful act of Lessee, members of Lessee's household, Lessee's guests, Lessee's invitees, or persons under Lessee's direction or control and Board shall decide not to rebuild or repair, the Lease Term shall end, and the rent shall be prorated up to the time of the damage.
  - c) Board shall not be liable to Lessee, Lessee's guests, Lessee's invitees, or persons under Lessee's direction or control for personal injury or damage or loss of personal property from fire, smoke, rain, flood, environmental problems, water leaks, mold, hail, ice, snow, lightning, wind, explosions, or interruption of utilities, except as the Board may be liable under the Colorado Governmental Immunity Act. Board shall have no duty to remove any ice, sleet, or snow but may remove any amount with or without notice. Unless instructed otherwise, Lessee shall, for 24 hours a day during freezing weather (1) keep the Premises heated to at least 50 degrees; (2) keep cabinet and closet doors open; and (3) drip hot and cold water faucets. Lessee shall not leave appliances, other than furnaces or air conditioners, running unattended. Lessee shall be liable for damage to Board's and others' property if

damage is caused by broken water pipes due to Lessees violating these requirements.

**5. DANGEROUS MATERIALS.**

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

**6. ANIMALS.**

Lessee shall keep no domestic or other animals on or about the Premises, with the exception of service animals. If an animal has been in the Premises at any time during the Lease Term (with or without Board's consent), Board may charge Lessee for de-fleaing, deodorizing, or shampooing to protect future Lessees from possible health hazards. Requests for accommodation of a service animal should be in writing. Board may require a written statement from a professional familiar with the party requiring the service animal and the disability certifying that the party is disabled and the animal is necessary for assistance based on the disability and may require the party to sign a separate animal addendum.

**7. LESSEE'S COVENANTS.**

Lessee also covenants and agrees as follows:

- a) To use the Premises for no purpose prohibited by the laws of the United States, or the State of Colorado, or the ordinances of the city and the county in which the Premises are located, and all police, fire, and sanitary regulations imposed by any municipal, state, or federal authority, either now in force or hereafter enacted, and for no improper or questionable purposes whatsoever;
- b) To place no additional or change any locks upon any doors or gates of the Premises;
- c) Not to install or permit to be installed on the Premises any waterbed or mattress, or any other form of water-filled furniture;
- d) To remove all of Lessee's personal property from the Premises upon termination of this Lease.

**8. INSURANCE**

Board does not warrant, represent or guarantee the safety of Lessee's personal property. Lessee hereby releases Board from any and all claims for damage or loss to Lessee's personal property and shall indemnify, defend, and hold Board harmless from, for, and against any claims, costs, or damages, including but not limited to Board's attorney fees and costs, associated with Lessee's personal property regardless of by whom such claims are brought, including Lessee's insurer. Board advises Lessee to obtain insurance for losses due to theft, fire, smoke, water damage, and the like. BOARD'S INSURANCE POLICIES PROVIDE NO COVERAGE FOR LESSEE'S PROPERTY, INCLUDING LESSEE'S MOTOR VEHICLES.

**9. SURRENDER OF PREMISES.**

At the expiration of the Lease Term, Lessee shall quit and surrender the Premises in good repair and condition, reasonable use and wear thereof and any damages by the elements excepted.

**10. NOTICES TO BOARD OF NEED FOR REPAIR.**

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

DRAFT

**EXHIBIT C**  
**BOND FORM**



STATE OF COLORADO  
STATE BOARD OF LAND COMMISSIONERS

**Performance Bond Form**

**Lease/Permit/Contract Type (Choose One)**

- Temporary Access     Solar Energy     Exploration     Commercial  
 Road Access     Wind Energy     Solid Mineral     Tower  
 Right of Way     Other Use     Recreation     Homesite  
 Single Lease Oil & Gas (O/G Lease OR Disposal Well OR SUA)  
 Blanket Bond Oil & Gas Activity (O/G Lease, Disposal Well, and SUA) (see [ACTIVITY ATTACHMENT](#))

**For Office** Lease/Permit/Contract Number(s) \_\_\_\_\_

**Use Only:** ATLAS BI Number \_\_\_\_\_ District Office/Staff Member \_\_\_\_\_

Date Received \_\_\_\_\_ Bond Effective Date \_\_\_\_\_

**Security Instrument Type (Choose One)**

- Irrevocable Letter of Credit     Cash Bond     Surety Bond  
(see LOC TEMPLATE)    (select Surety Type Below)

**Surety Bond Type (Choose One If Applicable)**

- Original Surety Bond     Replacement Surety Bond  
(Original Surety Bond No. \_\_\_\_\_)    (Replacement Surety Bond No. \_\_\_\_\_)

KNOW ALL PERSONS BY THESE PRESENTS:

That \_\_\_\_\_ of the County of \_\_\_\_\_ in the State of \_\_\_\_\_, as Principal ("Principal"), and \_\_\_\_\_ of the County of \_\_\_\_\_ in the State of \_\_\_\_\_, as Surety ("Surety"), a corporation organized, existing and doing business under the laws of the State of \_\_\_\_\_ and duly authorized to transact a bonding and surety business in the State of Colorado, are held and firmly bound unto the State of Colorado, acting by and through the State Board of Land Commissioners ("State Land Board") in the sum of \_\_\_\_\_ (\$ \_\_\_\_\_) ("Bond Amount"), for the payment whereof the Principal and Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents. Pursuant to this Bond, the Surety shall not be liable for a larger amount, in the aggregate, than the Bond Amount.

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WHEREAS, the Principal has entered into the above-referenced lease, permit or contract or the leases, permits, or contracts listed on the Activity Attachment, attached hereto and made a part hereof with the State Land Board (collectively, the "Contract(s)"). The Contract(s) are incorporated by reference and made a part hereof.

WHEREAS, pursuant to the Contract(s), the Principal has agreed to provide a bond to ensure performance of all covenants and agreements set forth in the Contract(s), including, but not limited to, agreements regarding surface reclamation standards and rental payments.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION, is such that, if the Principal shall promptly, fully and faithfully perform all the undertakings, covenants, terms, conditions and agreements of the Contract(s) (collectively, "Original Duties") during the original term of the Contract(s) any extensions thereof that may be granted by the State Land Board with or without notice to the Surety, and during the life of any guaranty or performance required pursuant the Contract(s), and shall also well and truly perform and fulfill all undertakings, covenants, terms, conditions and agreements of any and all duly authorized modifications of said Contract(s) that may hereafter be made (collectively, "Modifications"), notice of which modifications to the Surety being hereby waived, then this obligation shall be null and void; otherwise it shall remain in full force and effect during the Contract(s) term. The Original Duties and Modifications are collectively, the "Obligations."

The Surety, for value received hereby stipulates and agrees that whenever the Principal shall fail to perform any provision of the Contract(s), as declared by the State Land Board and for which the State Land Board has provided written notice to Surety by certified mail, the Surety shall immediately pay to the State Land Board the full Bond Amount. The State Land Board is then authorized to make all necessary arrangements for the satisfaction of the Contract(s). The unused balance of the Bond Amount, if any, shall be returned to the Surety. Payment of the full Bond Amount to the State Land Board shall release the Surety of all liabilities and obligations under this Bond. The Surety hereby waives any right to cover or perform the Obligations of the Principal upon the Principal's default.

The Principal and Surety are aware and understand that certain Obligations relating to surface reclamation in the Contract(s) may require additional time beyond the Contract(s) term, and agree to keep this Bond in place until all Obligations related to surface reclamation have been satisfied by inspection and approval by State Land Board staff or their designee, unless released in whole or in part by the State Land Board in writing prior thereto.

During the term of the Contract(s), the risk this Bond is intended to cover may be reduced through performance by the Principal of its Obligations under the Contract(s). Upon such performance by the Principal and at the discretion of the State Land Board, the State Land Board may reduce the Bond Amount. If the State Land Board chooses to reduce the Bond Amount, it shall provide the Principal and Surety with written

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notice of this action through execution of a Bond Amount Reduction Rider, which upon execution shall become part of this Bond.

Provided that the Principal has provided a replacement bond accepted by the State Land Board to take the place of this Bond ("**Replacement Bond**"), this Bond may be terminated by the Surety upon giving ninety (90) days' written notice prior to the anniversary date of this Bond (as identified above) by certified mail to the State Land Board, which notice shall be deemed to have been given when received by the State Land Board. Provided that a Replacement Bond has been approved and accepted by the State Land Board, the liability of the Surety shall cease at the expiration of the ninety days. If this is a Replacement Bond, the Surety agrees to assume any and all liability of the surety of under the original bond which is being replaced by this Bond.

No right of action shall accrue on this Bond to or for the use of any person or corporation other than the State Land Board.

Nothing herein shall limit or preclude the State Land Board from seeking any liability or remedy against the Principal, in addition to the forfeiture of this Bond, which may be authorized or provided by law.

If any part or provision of this Bond shall be declared unenforceable or held to be invalid by a court of proper jurisdiction, such determination shall not affect the validity or enforceability of the other provisions or parts of this Bond.

Signed on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

\_\_\_\_\_  
Principal Surety

\_\_\_\_\_  
Printed Name Printed Name

\_\_\_\_\_  
Title and Company Title and Company

**BOND TERMINATION (STATE LAND BOARD USE ONLY)** (seal)

APPROVED BY: \_\_\_\_\_

TITLE: \_\_\_\_\_

DATE: \_\_\_\_\_

## Exhibit H

### Draft Agriculture Lease

*Intended for Informational Purposes Only,*

*Final Terms and Conditions Subject to Change at State Land Board's Discretion*



STATE OF COLORADO  
STATE BOARD OF LAND COMMISSIONERS

**DRAFT Agriculture Lease No.**

**1. PARTIES**

THIS LEASE is entered into at Denver, Colorado, on **1/1/2022** by and between the State of Colorado, acting through its State Board of Land Commissioners ("Board"), whose address is 1127 Sherman Street, Suite 300, Denver, CO 80203, and **SUCCESSFUL APPLICANT** ("Lessee," whether one or more) as **ENTITY TYPE**, whose address is **SUCCESSFUL APPLICANT'S ADDRESS**. Lessee shall have no rights to possession of the Property (defined below in §5) or other rights under this Lease until it is approved and signed by the Board. The Board and Lessee ("Parties") agree to the following terms and conditions:

**2. CONSIDERATION**

The Parties acknowledge that the mutual promises and covenants contained in this Lease and other good and valuable consideration are sufficient and adequate to support this Lease.

**3. LEASE DEFINITION**

"Lease" means this Lease, its terms and conditions, attached exhibits, documents incorporated by reference under the terms of the Lease, amendments, riders, and any future modifying agreements, exhibits, attachments or references incorporated in this Lease pursuant to Colorado State Law, Fiscal Rules, State Controller Policies, and Board policies, directives and schedules.

**4. TERM**

The initial term of this Lease is for a term of **ten (10)** years beginning **1/1/2022**, being until **1/1/2032** subject to the covenants and agreements, unless terminated sooner as provided for in this Lease.

**5. DESCRIPTION OF THE PROPERTY**

The Board leases to the Lessee and Lessee leases from the Board the Trust lands, water rights and Board-owned improvements, in the County(s) of **Dolores/ San Miguel**, Colorado, described in Exhibit A ("Property"):

**6. USE OF THE PROPERTY**

a) Lessee may access, occupy, and use the Property only for the following purpose(s):

- |    |                |                                     |
|----|----------------|-------------------------------------|
| 1. | <b>8,209.6</b> | acres for grazing                   |
| 2. | <b>0</b>       | acres for irrigated agriculture     |
| 3. | <b>0</b>       | acres for dryland agriculture       |
| 4. | <b>0</b>       | acres for other purposes*           |
| 5. | <b>0</b>       | acres are considered Non-billable** |

Total **8,209.6** acres

\*The other purposes for this lease, if applicable, are as follows: **N/A**.

\*\*Non-billable acres are not available for use under this lease. This acreage is located within the boundaries of the leased Property but is not factored into the calculation for rent or carrying capacity for Animal Unit Months. The reasons for the non-billable acres under this lease, if applicable, are as follows: **N/A**.

b) This Lease is subject to any and all presently-existing leases, easements, rights-of-ways, and other interests whether or not visible on the ground.

- c) Any non-agricultural activity by the Lessee or any third party authorized by the Lessee is prohibited. Before the Lessee may access or authorize access to or use of the Property, either with or without a fee or other consideration (cash, services or in kind), the Lessee must obtain a separate lease issued by the Board. The Board may grant access to third parties at its sole discretion at any time. Any grant of access to or use of the Property by the Board to parties other than the Lessee for non-agricultural activities will not permit Lessee to use the Property for such use.
- d) Lessee agrees not to use or permit the use of the Premises for any purpose which is related in any manner whatsoever to the marijuana or hemp industries. This includes access on, over or through the Property for any marijuana or hemp related use or purpose.

**7. RENT**

The rental amount for the first year is **SUCCESSFUL APPLICANT'S BID AMOUNT (\$xxxx)**.

**8. CARRYING CAPACITY**

The stocking rate for the Property for the first year is **1,490** Animal Unit Months ("AUM"). The carrying capacity (expressed in AUMs) is determined by the Board.

One AUM equals one mature 1,000 pound cow and her suckling calf or the equivalent as described in the Colorado State Board of Land Commissioners Animal-Unit Equivalent table. Only livestock listed in the current Animal-Unit Equivalent table will be allowed on the Lease.

Current AUM rates and a current Animal-Unit Equivalent table are available on-line through the State Board of Land Commissioner's official website and through any office of the State Board of Land Commissioners.

**9. PAYMENTS TO THE BOARD**

Lessee must pay to the Board the rental due each and every year, in advance on or before the lease anniversary date, as well as any accrued penalty and interest during the term of this Lease at the office of the State Board of Land Commissioners, Denver, Colorado.

**10. ADJUSTMENTS TO USE, RENT AND CAPACITY**

The use of Property (§6), rental amount (§7), and/or the carrying capacity (§8) are subject to review and change(s) annually by the Board. If at any time during the term of the Lease the Board adjusts these terms and the Lessee does not accept the adjusted terms, the Lessee may cancel this Lease by providing the Board with written notice within thirty (30) days after the date of the notice of adjustment. If cancellation notice is not received by the Board within 30 days, the Board and Lessee agree that all adjusted terms are accepted.

**11. ASSESSMENTS, TAXES AND UTILITIES**

Lessee must pay, when due, all assessments, taxes, fees, water and utility charges, if any, levied or accruing against the Property, improvements, appurtenances, uses or activities of Lessee, including those that could otherwise result in a lien being placed against the Property.

**12. PENALTY AND INTEREST**

Both a penalty and interest will be imposed for, but not limited to, late payments, improper or partial payments, violation of any covenant of this Lease. Penalty and interest and fee schedules, as adopted by the Board, are effective immediately after approval. A current Penalty and Interest schedule is available on-line through the State Board of Land Commissioner's official website and through any office of the State Board of Land Commissioners.

**13. IMPROVEMENTS OR ALTERATIONS**

- a) Lessee must not place any improvement on the Property and must not substantially alter the Property in any way, without prior written authorization by the Board. Written authorization can be sought by submitting to the Board an Improvement Application on a form provided by the Board.

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Standard agricultural fences and improvements placed upon the Property by the Lessee with the Board's prior written authorization are referred to in this Lease as "authorized improvements." Any improvements or alterations that have not received prior written authorization are referred to in this Lease as "unauthorized improvements."

- b) Upon the termination of this Lease, and provided Lessee is not then in breach of or in default under this Lease, Lessee must present all authorized improvements to the Board for first offer to purchase. Should the Board decline to purchase the improvement(s), the Lessee may either:
  - 1. remove the improvement(s) without damage to the Property; or
  - 2. sell the improvement(s) to a subsequent lessee pursuant to §36-1-119 C.R.S.
- c) In the event that the new owner or new Lessee and the former Lessee do not agree upon the value of the authorized improvements, the Board will establish the value of the authorized improvements.
- d) Lessee will not be entitled to compensation for, or to sell or remove, any authorized improvements when the Lease is terminated by the Board for violation by the Lessee of the Lease until Lessee has satisfied all outstanding obligations relating to the Lease.
- e) All authorized improvements not removed or sold within sixty (60) days after termination of this Lease will be deemed abandoned and may, at the Board's option, be removed and/or disposed by the Board at the Lessee's expense, retained by the Board for use by subsequent lessees, or sold by the Board with all proceeds going to the Board. The Board may seek reimbursement from the Lessee for all costs associated with sale, removal, or disposal of any improvements. This right to recover costs shall remain in effect after the termination or expiration of this Lease. The Lessee waives all rights or claims for compensation under C.R.S. Section 36-1-119 for Authorized Improvements deemed abandoned.
- f) All unauthorized improvements will, at the Board's option:
  - 1. become the property of the Board without cost to the Board or compensation to the Lessee; or
  - 2. be removed by the Lessee at Lessee's expense without damage to the Property; or
  - 3. be removed by the Board at Lessee's expense.
- g) Lessee must not suffer or permit to be enforced against the Property, or any part of the Property, or any improvements on the Property, any mechanics', materialmen's, contractors', or subcontractors' liens arising from, or any claim of damage growing out of the work of any construction, repair, restoration, replacement or improvement, or any other claim or demand howsoever the same may arise. Lessee must pay or cause to be paid all of said liens, claims or demands before any action is brought to enforce such liens, claims or demands against the Property or improvements. Lessee must provide actual and posted notice of nonliability pursuant to §38-22-105 C.R.S. notifying all persons who might claim any liens or encumbrances upon the Property relating to any work, labor, services or materials provided for or improvements to the Property initiated by or conducted for the benefit of Lessee that the Board's interests are not subject to such liens or encumbrances. Lessee will indemnify, defend and hold the Board harmless against any claims for any liens or encumbrances upon the Property relating to any work, labor, services or materials provided for or improvements to the Property initiated by or conducted for the benefit of Lessee.
- h) Lessee agrees to maintain with the Board a current and complete list of all authorized improvements on the Property on a form provided by the Board.
- i) Lessee must keep and maintain the Property and all Lessee- and/or Board-owned improvements, whether new or pre-existing, in good order, repair and safe condition, ordinary wear and tear excepted.

**14. COMPLIANCE WITH THE LAWS**

- a) With respect to the Property, Lessee must comply with all applicable federal, state and local laws, ordinances, and regulations, including but not limited to criminal, land use, fencing, noxious weed, environmental, wetlands, hazardous waste, and health and safety laws, ordinances and regulations.
- b) In addition to the foregoing, and not in limitation thereof, Lessee must not cause or knowingly permit any Hazardous Material to be brought upon, kept or used in or about the Property by Lessee or Lessee's agents, employees, contractors or invitees, without the prior written consent of the Board. If the Lessee violates these obligations, or if the presence of Hazardous Material on the Property caused or knowingly permitted by the Lessee results in contamination of the Property, or if contamination of the Property by Hazardous Material otherwise occurs for which the Lessee is legally liable, then the Lessee will indemnify, defend and hold the Board harmless from any and all claims, judgments, damages, penalties, fines, costs, liabilities or losses (including, without limitation, diminution in value of the Property, damages for the loss or restriction on use of the Property, damages arising from any adverse impact on future leasing of the Property, and sums paid in settlement of claims, attorney fees, consultant fees and expert fees) which arise during or after the lease term as a result of such contamination. This indemnification of the Board by the Lessee includes, without limitation, costs incurred in connection with any investigation of site conditions or any cleanup, 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 Property. Without limiting the foregoing, if the presence of any Hazardous Material on the Property caused or knowingly permitted by the Lessee results in any contamination of the Property, the Lessee must promptly take all actions at Lessee's sole expense as are necessary to return the Property to the condition existing prior to the introduction of any such Hazardous Material to the Property, provided that Lessee obtains the Board's prior approval of such actions. Lessee will not be liable under this section for the actions or omissions of those persons over whom Lessee has no control. As used in this Lease, 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 or designated as a "hazardous substance," "hazardous waste" or a "regulated substance" under appropriate state or federal law; (ii) petroleum; or (iii) asbestos.

**15. PROTECTION, STEWARDSHIP AND COOPERATION**

- a) Lessee must not permit, commit, or allow, and must protect the Property against, any loss, damage, any dangerous condition, injury, or waste, except as caused by persons granted other uses of the Property by the Board. Lessee may use the Property only for the purposes granted and in accordance with good resource conservation practices. Lessee must employ agricultural and land management practices that will protect soil fertility and forage production, will not contribute to soil erosion, overgrazing, noxious weeds or pests, and will ensure the protection and long-term productivity of the land.
- b) In the event the Lessee locates any noxious weeds or pests which may reduce or impact the productivity of the Property, the Lessee must immediately notify the Board of the location and extent of the infestation and of the Lessee's plan to treat and eliminate said infestation.
- c) Lessee must not store or allow to be stored on the Property, any products, materials, or equipment that is not related to and necessary for the day-to-day management of the agricultural activities allowed by this lease.
- d) Lessee must not cut, remove, or use, or allow to be cut, removed or used, any live timber or trees, or remove, use or allow to be removed or used any minerals, ores, metals, coal, asphaltum, oil, gas, sand, gravel, clay, quarry products, peat, geothermal resources or other naturally occurring resources unless approved in advance in writing by the Board or except as caused by persons granted other uses of the Property by the Board.

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- e) Lessee must cooperate with and in no way impede or obstruct the other uses permitted by the Board pursuant to the paragraph entitled "Reservations to the Board."
- f) Lessee must provide the Board with copies of any and all reports prepared on behalf of, or obtained by, the Lessee regarding the past use, present use, and/or condition of the Property and any improvements.
- g) Lessee must immediately notify the Board of any damage or destruction of the Property.
- h) Lessee must work cooperatively with the Board to identify and implement mutually agreed upon agricultural and land management practices appropriate for the Property throughout the term of this Lease. These practices may include the collection of information and data required to inform both short and long-term range management decisions.
- i) Lessee must follow grazing management guidelines set forth by the Board. These guidelines may include, but are not limited to, livestock turn out and removal dates, changes to carrying capacity in response to range conditions, and rotational grazing management strategies.
- j) Lessee must provide an annual grazing management plan to the Board by February 1st of each year.
- k) Lessee must report the actual annual stocking rate on the Property if requested by the Board.
- l) Lessee must not make false statements to the Board regarding the Property or Lessee's use of the Property.
- m) The failure of the Lessee to comply with any of the requirements and obligations of this section will be grounds for immediate cancellation of this Lease at the election of the Board, and will subject the Lessee to sanctions, penalties and fees in accordance with applicable policies, directives and schedules, as adopted by the Board from time to time, and incorporated in this Lease by reference.

**16. INDEMNIFICATION AND COSTS**

- a) Lessee assumes all liability arising from the use, occupation or control of the Property by Lessee under this Lease. This assumption includes, but is not limited to, liability for all personal injuries (including death) and property damage and destruction. Lessee agrees to indemnify and hold harmless the Board from and against any and all liabilities, losses, damages, liens, expenses, claims, demands, debts, obligations, fines, penalties, suits or actions, judgments, and costs of any kinds whatsoever arising from the use, occupation or control of the Property, caused by any act, omission or neglect of Lessee, or Lessee's employees, agents, guests, invitees, contractors or assigns. Lessee further agrees to indemnify the Board for any costs, including costs of suit and fees for consultants, experts, and attorneys, incurred by the Board in terminating or canceling, enforcing obligations or defending itself against any matter arising under this Lease caused or permitted by Lessee or Lessee's employees, agents, guests, invitees, contractors or assigns. This indemnity is in addition to any other indemnity provided for in this Lease. Lessee will not be responsible for any liability caused by persons granted other uses of the Property by the Board.
- b) The Board does not warrant, represent or guarantee the safety of Lessee's improvements, crops, livestock, personal, or other property. Lessee hereby releases the Board from any and all claims for damage or loss to Lessee's improvements, crops, livestock, personal, or other property and shall indemnify and hold the Board harmless, including the Board's attorney fees and costs, from any claims associated with Lessee's improvements, crops, livestock, personal, or other property regardless who brings such, including Lessee's insurer. The Board advises Lessee to obtain insurance for losses to improvements, crops, livestock, personal, or other property due to theft, fire, smoke, water damage, hail, flood, drought and the like. THE BOARD PROVIDES NO COVERAGE FOR LESSEE'S IMPROVEMENTS, CROPS, LIVESTOCK, PERSONAL, OR OTHER PROPERTY.

**17. LAND BOARD POLICIES, DIRECTIVES AND SCHEDULES**

This Lease incorporates and Lessee must comply with all applicable policies, directives and schedules, as adopted by the Board. Such policies, directives and schedules are available on-line through the State Board of Land Commissioner's official website and through any office of the State Board of Land Commissioners. Lessee is responsible to stay fully informed of all applicable policies, directives and schedules. Lack of actual notice or knowledge of applicable policies, directives and schedules will not provide a defense for any failure to comply. Lessee acknowledges that the Board meets publicly on a monthly basis and at such public meetings may amend or change existing policies, directives and schedules and/or adopt new policies, directives and schedules. Any amendments or changes to existing policies, directives and schedules and any adopted new policies, directives and schedules, will be effective after adoption by the Board and are incorporated into this Lease by reference.

**18. NUISANCE**

Lessee must not use, or permit any use of, the Property in a manner that causes a nuisance or that is, using a reasonable person standard, offensive or annoying to other lessees or permitted users on the Property, persons occupying the Property, or person occupying adjacent property.

**19. RESERVATIONS TO THE BOARD**

The Board hereby reserves:

a) **Access**

1. The right to access to the Property at all reasonable times by the Board, its employees, agents, lessees, licensees, permittees, contractors or assigns. Lessee hereby grants to the Board, its employees, agents, or contractors a non-revocable license for access on, over, across or through Lessee's other lands during the term of this Lease for access to the Property.
2. The right to access, inspect, and monitor the Property at all reasonable times by the Board, utilizing all reasonable means and methods, including but not limited to gate counters, game cameras, and Unmanned Aerial Systems (UAS). The use of UAS will be in accordance with applicable Federal Aviation Administration (FAA) rules and regulations. Lessee will cooperate and not interfere with all reasonable means and methods of access, inspection and monitoring including taking actions necessary to comply with FAA rules and regulations.

b) **Additional Uses**

1. **Commercial, Industrial, Residential**  
The right to lease all or any portion of the Property to other persons for the purpose of land development.
2. **Minerals**  
The right to lease all or any portion of the Property to other persons for the purposes of exploring, producing, mining, extracting, removing all minerals or minerals resources as defined in §36-1-100.3 and 125 C.R.S and geothermal resources described in §36-1-147 C.R.S.
3. **Recreation**  
The right to lease all or any portion the Property to other persons for hunting, fishing or other recreational purposes. Such lease will convey exclusive use for such purpose.
4. **Renewable Energy Resources**  
The right to lease all or any portion of the Property to other persons for the purposes of developing renewable energy resources as described in §36-1-147.5 C.R.S.
5. **Timber**  
The right to lease all or any portion of the Property to other persons for the purposes of timber management, harvest or sale.

6. Rights-of-Ways

The right to grant any right-of-way or easement on, under, over, across or through all or any portion of the Property. If and when such right-of-way or easement is granted, the Lessee will be compensated by the grantee for any damages to Lessee's personal property, crops, fixtures and authorized improvements, but not for loss of use of the land or the Property.

7. Other

The right to put the Property to any other additional uses at any time and for any purpose, and all rights, privileges and uses of every kind or nature not specifically granted to Lessee by this Lease.

Together with reasonable and adequate rights of access and surface rights necessary for the convenient exercise of the above reserved rights.

c) Time of Use

The right to designate or control the time of use of the Property, in order to protect Property its productivity or to accommodate other approved uses of the Property.

d) Cancellation

The right to cancel this Lease as to all or any part or portion of the Property, upon twelve (12) months prior written notice to the Lessee. Lessee is responsible for all rent payments until surrender date (including outstanding rent, penalty and interest assessments, damages, etc.). If the lease cancellation date falls after any anniversary date, Lessee is responsible for pro-rated rent. The amount due will be calculated from the lease anniversary date to the date Lessee surrenders possession, plus interest and penalty if applicable.

e) Disposition

The right to sell, exchange, or otherwise dispose of all or any portion of the Property during the term of this Lease subject to the requirements of §36-1-118 (4), C.R.S.

f) Reversion

The right to reversion of all interests in the Property upon termination of this lease.

g) Water Rights

Title to all water rights associated or appurtenant to the Property. In addition:

1. No water, ditch, reservoir, well, spring, seepage or other right, permit, or use of any kind, ("water right") may be initiated, established, appropriated or adjudicated (for use on or off the Property) by the Lessee for which the point of diversion, withdrawal, use or storage is on the Property, without the prior written approval of the Board. All applications and documents pertaining to any such water right must be made in the name of the Board, and the Board reserves the right to make or convert any related applications or documents in or to its own name. Any such water right, approved or unapproved is the sole and absolute property of the Board without cost to the Board.
2. Improvements made or constructed by the Lessee in connection with such water right, apart from any such water right, are subject to the preceding section entitled "Improvements." The water right itself, however, will belong to the Board without cost.
3. Lessee must request and receive prior written approval by the Board for any proposal by the Lessee to apply and/or use on the Property an existing water right which is not diverted, withdrawn or stored on the Property, and which is not the property of the Board. Such approval must be in accordance with applicable policies, directives and schedules, as adopted by the Board from time to time, and incorporated in this Lease by reference. Once an application of such water right is approved the Board has the option to:

- i. require that the water right, or any portion thereof, be sold to the Board or its subsequent lessee at its fair market value; or
    - ii. permit the water right to be removed from the Property, but only under a reclamation/restoration plan approved by the Board and completed by the Lessee. If the reclamation/restoration is not completed by the Lessee within the time set forth in the approved plan, the water right will remain attached to and available for use on the Property until the reclamation/restoration is completed without cost to the Board.
  4. If any water right (and/or related improvements) owned by the Board is leased to the Lessee by this Lease, it will be described in the paragraph entitled "Description of the Property" and in that event will be considered part of the Property. The Lessee must put all leased water to maximum beneficial use, keep records of all such use, and submit an annual report that documents such use to the Board and Division of Water Resources.
- h) **Historical, Prehistorical, and Archeological Resources**

Title to all historical, prehistorical, and archaeological resources in all lands, rivers, lakes, reservoirs, and other areas owned by the state. Historical, prehistorical, and archaeological resources include all deposits, structures, or objects which provide information pertaining to the historical or prehistorical culture of people within the boundaries of the state of Colorado, as well as fossils and other remains of animals, plants, insects, and other objects of natural history within such boundaries, and in addition to the specific site or deposit, rights-of-way access on state-owned land from a maintained public road for the exploration, protection, preservation, interpretation, and enhancement of the site or deposit proper.

#### **20. BOARD'S DISCRETION**

Whenever the Board's approval, consent or authorization is sought by the Lessee under this Lease, the Board may withhold such approval, consent or authorization in its sole and absolute discretion.

#### **21. BOARD'S AUTHORITY**

This Lease is entered into pursuant to the authority granted to the Board by Colorado law.

#### **22. CONDITION OF PROPERTY**

Lessee represents that Lessee has had an opportunity to inspect the Property prior to entering into this Lease, and Lessee accepts the Property in its present condition and acknowledges that the Property is in all respects suitable for the leased purposes. The Board disclaims any and all obligation and Lessee waives any claim that the Board has any obligation to provide access to the Property, to fence, make any repairs to or construct any improvements upon the Property. The Board does not make any warranties or covenants, express or implied, of habitability, quiet enjoyment or that the Property are suitable for the leased purposes.

#### **23. EMINENT DOMAIN**

If the Property is taken by the valid exercise of the right of eminent domain, in whole or in part, either the Board or Lessee may terminate this Lease effective the date the Property transfers by eminent domain by providing written notice to the other party at least thirty (30) days before the date the Property transfers. Any and all damages that are awarded for such taking of the Property will be the exclusive property of the Board. Lessee hereby disclaims any interest therein and assigns to the Board any and all claims to such award. The Board will not claim any interest in authorized improvements or growing crops of the Lessee and the Lessee will only be entitled to compensation for growing crops and authorized improvements as negotiated between the Lessee and the condemning public authority or as determined by the court.

**24. NO LEASEHOLD INTEREST**

Upon sale, condemnation, exchange or other disposition of the Property, or any part thereof, and upon any other cancellation or termination of this Lease, either at or prior to the end of the lease term, Lessee will have no claim or right to any leasehold interest or any right to compensation for any leasehold interest based upon any unexpired term or expectation of extension or renewal of this Lease except as provided by applicable statute. This section does not change Lessee's rights in the authorized improvements set forth in the section entitled "Improvements."

**25. NO SALE, ASSIGNMENT, OR SUBLEASING OF LEASE OR PROPERTY**

- a) Lessee is prohibited from the sale, assignment, partial assignment, collateralization, encumbrance, sublease, pasturage or any other use agreement of the Property, (collectively called a "Transfer") to any person or entity unless approved in advance in writing by the Board. This condition expressly prohibits any granting of permission by the Lessee for access on, over or through the Property for any agricultural or non-agricultural-related uses or purposes. Approval of a Transfer will not release Lessee from Lessee's liabilities or obligations under this Lease. Upon approval of a Transfer, the Board may change or impose new rental amounts, terms, conditions and payments.
- b) Any transfer or change in the control or ownership of the Lease necessitated by bankruptcy, death, divorce, merger, sale of private property or otherwise will be a Transfer requiring Board notification and approval.
- c) Any attempted Transfer by Lessee without prior written Board approval is invalid, will be grounds for immediate cancellation of this Lease at the Board's option and will subject the Lessee to sanctions, penalties and fees in accordance with applicable policies, directives and schedules, as adopted by the Board from time to time, and incorporated in this Lease by reference.

**26. DEFAULT**

a) Defined

In addition to any defaults specified in other sections of this Lease, the failure of either Party to comply with or to perform any of its obligations under this Lease in whole or in part or in a timely or satisfactory manner, or Lessee actions that diminishes the value of the Property in any way, constitute a default. If Lessee or any party that is member of Lessee holds any other leases with the Board, any default of any other lease constitutes a default of this Lease as well. Lessee is not responsible for the actions of the Board's other lessees of the Property or parties that Board has granted access to the Property outside of this Lease.

b) Notice and Cure period

1. Non-Monetary Default:

- i. In the event of a non-monetary default, notice of the default will be given in writing by the aggrieved Party to the other Party in the manner provided in §27. If the defaulting Party has not cured the default within 30 days of receipt of written notice, or if a cure cannot be completed within 30 days, if the defaulting Party has not begun the cure within 30 days and pursued the cure with diligence, the other Party may exercise any of the remedies set forth in §26c) or otherwise available at law. But, the Board may intervene immediately, without notice or cure period, if reasonably necessary to preserve public safety or to prevent immediate public crisis, or prevent significant irreparable harm to the Property. Alternatively, the Board may require the Lessee to act immediately to remedy any default, which the Board deems a threat to safety, life, or property.

2. Monetary Default:

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- i. If Lessee fails to make any payment to the Board, the Board will send Lessee an invoice that will include applicable penalties and interest (“Delinquent Invoice”). If the Board does not receive full payment of the Delinquent Invoice within fifteen (15) days of the Delinquent Invoice, the Board will send a letter (“Demand for Payment”) via certified mail to the Lessee. Other named lease participants and any named collateral interest holder will be copied on the Demand for Payment. If the Board does not receive full payment within thirty (30) days of the date of the Demand for Payment, or if the certified receipt is returned to the Board without a signature, the Board may exercise any of the remedies set forth in §26c), or otherwise available at law.
- ii. The Board will accept partial payments. Any acceptance of a partial payment will not waive any rights or claims of the Board or any obligations of Lessee to make full payment. The Board will send Lessee a Delinquent Invoice with the outstanding balance due including applicable penalties and interest and follow the notice and cure process provided in §26b).
- iii. If payment cannot be processed due to Non-Sufficient Funds (“NSF”) Lessee will be notified via certified letter of the non-sufficiency and will have three (3) days after receipt of certified letter to cure the NSF. In the event a certified receipt is returned to the Board without a signature, the Board will follow the cure process provided in §26b). After notice of NSF, Lessee must make payment by bank check (Cashier’s Check), money order, Automated Clearing House (ACH), or credit card. No personal checks will be accepted. Interest and penalty will be applied.

c) Remedies

If Lessee defaults and fails to cure after notice of the default, the Board will have the following remedies:

1. The Board may terminate the Lease. Upon termination for default, Lessee forfeits and the Board may retain all rental monies previously paid. Lessee also forfeits and the Board may hold, appropriate, sell, remove, or otherwise dispose of any fences, improvements, growing or stored crops, and machinery of Lessee upon the Property. The Board can seek reimbursement from the Lessee for all costs associated with such sale, removal, or disposal. This right to recover costs shall remain in effect after the termination or expiration of this Lease. Additionally, under this provision, the Land Board is not required to compensate the Lessee for any Authorized Improvements belonging to the Lessee and the Lessee waives all rights or claims for compensation for Authorized Improvements under C.R.S. Section 36-1-119.
2. The Board may enforce the terms of this Lease through specific performance.
3. The Board may seek damages for the failure to comply with the terms of this Lease.
4. The Board may cure the default. If the Board cures the default, Lessee agrees to repay the Board for all costs for curing the default including without limitation costs of suit and fees for consultants, experts, and attorneys.
5. The Board may forward any outstanding debt to the State of Colorado Central Collections for further action.
6. The Board may terminate any other lease that Lessee or any party that is member of Lessee holds with the Board.
7. These remedies are cumulative. The Board may exercise any of these remedies individually or in any combination. The Board may exercise these remedies concurrently or consecutively.

If the Board defaults and fails to cure after notice of the default, Lessee may seek specific performance. Lessee waives all other remedies including damages and must not deduct or set off any rent or other payments due.

**27. NOTICES**

Any notice, request or demand required or permitted to be delivered under this Lease must be in writing and will be deemed to be given and delivered when deposited with the United States Postal Service, postage prepaid addressed to the party intended at the address stated in this Lease, or to such other address as may hereafter be furnished in writing. In addition, Lessee must provide written notification to the Board of any change of address in a timely manner. Failure to do so may result in penalties and interest in accordance with §12 of this Lease.

**28. GOVERNMENT IMMUNITY**

Liability for claims for injuries to persons or property arising from the negligence of the State of Colorado, its departments, institutions, agencies, boards, officials, and employees is controlled and limited by the provisions of the Governmental Immunity Act §24-10-101 C.R.S., et seq. and the risk management statutes, §24-30-1501 C.R.S., et seq., as amended. No term or condition of this Lease will be construed or interpreted as a waiver, express or implied, of any of the immunities, rights, benefits, protections, or other provisions, of the Governmental Immunity Act as applicable now or hereafter amended.

**29. SURRENDER BY LESSEE**

Lessee may surrender and relinquish this Lease by providing thirty (30) days written notice to the Board. If Lessee relinquishes the Lease after any anniversary date, Lessee is responsible for pro-rated rent. The amount due will be calculated from the lease anniversary date to the date Lessee surrenders possession or Lessee's request to relinquish whichever is later, plus interest and penalty if applicable.

**30. HOLDING OVER**

Lessee agrees to surrender possession and occupancy of the Property peaceably at the termination of the Lease (by expiration or otherwise). If Lessee remains in possession or makes use of the Property in any way after the termination of this Lease, Lessee will be liable for damages in a minimum amount based on a pro-rated amount of the last year's rental during such holdover possession. The amount of damages will not be less than the rate agreed upon in this Lease, and the Board may set damages that Lessee must pay during continued occupancy. At the Board's option, the Lessee will be deemed to be in possession of the Property and to be occupying the same so long as Lessee uses the Property, or so long as any of Lessee's authorized or unauthorized improvements or personal effects remain on the Property. Continued occupancy will be a tenancy at sufferance, and will not establish a new or extended lease term or other right, no matter how long maintained and regardless of the Board's knowledge thereof.

**31. TERMINATION**

- a) Upon termination, surrender or cancellation of this Lease, Lessee must pay all rental amounts accrued as well as any accrued penalty and interest, must immediately vacate the Property, must remove all improvements and restore the Property as directed by Board and required under this Lease.
- b) If this Lease is terminated pursuant to §19 of this lease, entitled "Reservations To The Board," Lessee will have the right to re-enter the Property to cultivate and remove any crops planted or sown by Lessee prior to service of demand for possession, and then grown or growing on the Property, except that this provision does not apply to hay, orchard and other crops which normally produce harvestable yields for more than one year after the planting thereof. Before removing such crops, Lessee must first pay the Board compensation for the use of the Property equal to the prorated rental amount from the date of service of the demand for possession to the date removal of the crops is completed and lessee surrenders possession. The actual fertilizing, plowing, and other pre-planting costs of cultivation to the Property, during the customary preparation time for the planting of a crop, not actually planted at the time of service of demand for possession, will be deemed an authorized improvement and treated as such by the Board in the same manner as provided for in the paragraph entitled "Improvements."

### 32. CONDITION ON TERMINATION

At the termination of this Lease at the end of the Lease term or for any other reason, Lessee must surrender and deliver the Property in as substantially good order and condition as it existed at the beginning of this Lease, except loss by fire, inevitable accident, act of God, damage or neglect not attributable to the Lessee, and ordinary wear and tear. Any personal property remaining upon the Property after thirty (30) days following the termination of this Lease shall be deemed abandoned. At the Board's option, abandoned personal property may be removed and/or disposed of by the Board at the Lessee's expense, retained by the Board for use by subsequent lessees, sold by the Board with all proceeds going to the Board. The Board may seek reimbursement from the Lessee for all costs associated with removal or disposal of any abandoned personal property. This right to recover costs shall remain in effect after the termination or expiration of this Lease.

### 33. GENERAL PROVISIONS

a) Historical, Prehistorical, and Archaeological Resources

Under no circumstances may any person destroy, disturb, mar, collect, remove or alter any historical, prehistorical, or archaeological resources of any kind on state lands as provided by law. In the event of discovery of anything of any historical, prehistorical, or archaeological nature, the Lessee must notify the Board immediately.

b) Binding Effect

All provisions of this Lease, including the benefits and burdens, extend to and bind the Parties' respective heirs, legal representatives, successors, and assigns.

c) Captions and Headings

The captions and headings in this Lease are for convenience of reference only, and must not be used to interpret, define, or limit its provisions.

d) Representation

This Lease is a legal document with binding obligations. Lessee has had the opportunity to engage legal counsel to review this Lease.

e) Construction Against the Drafter

In the event of an ambiguity in this Lease the rule of construction that ambiguities will be construed against the drafter does not apply and the Parties hereto will be treated as equals and no Party will be treated with favor or disfavor.

f) Colorado Open Records Act ("CORA") Disclosure

To the extent not prohibited by federal law, this Lease and the performance measures if any, are subject to public release through the CORA, §24-72-200.1, C.R.S., et seq.

g) Counterparts

This Lease may be executed in multiple identical original counterparts, all of which constitute one agreement. Signatures may be delivered by facsimile or email copy. Electronic or facsimile signatures will be binding on the parties as if they were originals.

h) Entire Understanding

This Lease represents the complete integration of all understandings between the Parties and all prior representations and understandings, oral or written, are merged into this Lease. Prior or contemporaneous additions, deletions, or other changes to the Lease will not have any force or effect whatsoever, unless written in this Lease.

i) Extinguishment and Replacement

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This Lease extinguishes and replaces any prior leases between the Parties related to the Property upon the effective date of this Lease.

j) Insolvency of Lessee

If the Lessee becomes insolvent, bankrupt, or has a receiver appointed, the Board may terminate this Lease. Insolvency as used in this Lease will mean the inability of the Lessee to meet obligations as they come due.

k) Jurisdiction and Venue

The exclusive jurisdiction for all suits, actions, or proceedings related to this Lease will be in the State of Colorado and the exclusive venue will be in the City and County of Denver.

l) Modification

1. By the Parties

Modifications of this Lease are not effective unless agreed to in writing and signed by both Parties in an amendment to this Lease that is properly executed and approved in accordance with applicable Colorado State law. No waiver, modification, amendment, discharge or change of this Lease will be valid unless the same is in writing and signed by the Board. The staff of the Board does not have authority, actual or apparent, to waive, modify, amend, discharge or change any provision of this Lease, except in writing and explicitly authorized by statute, board order or board policy.

2. By Operation of Law

This Lease is subject to such modifications as may be required by changes in Federal or Colorado State law, or their implementing regulations. Any such required modification will be incorporated into and be part of this Lease automatically on the effective date of such change.

m) Notification of Board Meetings

The Board meets monthly with meeting agendas posted on the State Board of Land Commissioners' official website. Meetings are open to the public. All parties are granted an opportunity to speak during the open comment period of each meeting.

n) Severability

If any term or provision of this Lease proves to be invalid, unenforceable, void, or illegal, the remainder of this Lease will not be affected thereby, and will be valid and be enforced as written.

o) Survival of Certain Lease Terms

Notwithstanding anything in this Lease to the contrary, provisions of this Lease requiring continued performance, compliance, or effect after termination of this Lease, will survive such termination and will be enforceable by the Board if Lessee fails to perform or comply as required. However, upon expiration or earlier termination of this Lease, the rights of the Lessee and of all persons, firms, corporations, and entities, claiming under Lessee in and to the Property and all improvements hereon, will cease.

p) Third Party Beneficiaries

Enforcement of this Lease and all rights and obligations under this Lease are reserved solely to the Parties, and not to any third party. Any services or benefits which third parties receive as a result of this Lease are incidental to the Lease, and do not create any rights for such third parties.

q) Waiver

Waiver of any breach of a term, provision, or requirement of this Lease or any right or remedy under this Lease, whether explicitly or by lack of enforcement, will not be construed or deemed as a waiver of any subsequent breach of such term, provision or requirement, or of any other term, provision, or

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requirement. The acceptance of performance, rent, or any other sum owing by the Board following a breach by the Lessee of any provision of this Lease, will not constitute a waiver of any right of the Board with respect to such breach. The Board will be deemed to have waived any right only if the Board expressly does so in writing.

**34. ADDITIONAL CONDITIONS**

- a) Lessee waives lease renewal and all other rights provided to agricultural and grazing lessees through § 36-1-118, C.R.S..

Additional conditions, if any other than listed above, are set forth on an attached rider(s), and made a part hereof.

**IN WITNESS WHEREOF**, the Board and the Lessee, by their signatures below, agree to the terms of this Lease:

By Lessee Name: \_\_\_\_\_ Date: \_\_\_\_\_  
Signature \_\_\_\_\_  
Printed Name \_\_\_\_\_ Title \_\_\_\_\_

By Lessee Name: \_\_\_\_\_ Date: \_\_\_\_\_  
Signature \_\_\_\_\_  
Printed Name \_\_\_\_\_ Title \_\_\_\_\_

STATE OF COLORADO BY THE  
STATE BOARD OF LAND COMMISSIONERS

By: \_\_\_\_\_  
**Ron Rivale**, Southwest District Manager  
Date: \_\_\_\_\_

(Seal)

EXHIBIT A

**Agricultural Lease No. XXXXXX**

| Legal Description                    | Meridian | Township | Range | Section | Acreage | County     |
|--------------------------------------|----------|----------|-------|---------|---------|------------|
| SW, W2SE                             | N        | 42N      | 13W   | 5       | 240     | San Miguel |
| N2,SW,W2SE                           | N        | 42N      | 13W   | 8       | 560     | San Miguel |
| ALL                                  | N        | 42N      | 13W   | 16      | 640     | San Miguel |
| ALL                                  | N        | 42N      | 13W   | 17      | 640     | San Miguel |
| SE, SENE, E2SW, Lots 2,3,4           | N        | 42N      | 13W   | 18      | 378.7   | San Miguel |
| ALL                                  | N        | 42N      | 13W   | 19      | 622.0   | Dolores    |
| N2,NWSE, N2NESE, FP NWSW,<br>FP NESW | N        | 42N      | 13W   | 20      | 391.8   | Dolores    |
| ALL                                  | N        | 42N      | 13W   | 21      | 640.0   | Dolores    |
| N2, N2S2                             | N        | 42N      | 13W   | 28      | 480.0   | Dolores    |
| S2N2,NWNW,S2                         | N        | 42N      | 14W   | 11      | 497.1   | San Miguel |
| S2N2,NWNW,S2                         | N        | 42N      | 14W   | 13      | 436.5   | San Miguel |
| ALL                                  | N        | 42N      | 14W   | 14      | 556.3   | San Miguel |
| ALL                                  | N        | 42N      | 14W   | 15      | 641.6   | San Miguel |
| E2                                   | N        | 42N      | 14W   | 16      | 320.0   | San Miguel |
| P NE, FP NWSE                        | N        | 42N      | 14W   | 21      | 154.8   | Dolores    |
| N2NE, SWNE, NW                       | N        | 42N      | 14W   | 22      | 255.6   | Dolores    |
| N2, N2S2,SESW                        | N        | 42N      | 14W   | 23      | 417.9   | Dolores    |
| N2, N2SW                             | N        | 42N      | 14W   | 24      | 337.2   | Dolores    |

Total: 8,209.60 acres

## **Exhibit I**

### **Driving Directions to North Mountain Ranch**

#### **If driving to North Mountain Ranch from the north, via Norwood, Colorado:**

From Norwood, go east on State Highway 145 approximately two miles to County Road 44Z. County Road 44Z is also known as the Dolores-Norwood Road. Turn south onto County Road 44Z. Follow County Road 44Z south for approximately 17.3 miles, at the San Miguel-Dolores County line the road number will change to County Road 31. Proceed on County Road 31 approximately 0.85 miles to the property entrance. The property entrance is on the west side of the road.

#### **If driving to North Mountain Ranch from the east, via Telluride, Colorado:**

From Telluride, go west on Highway 145 approximately 31 miles to County Road 44Z, just east of Norwood. County Road 44Z is also known as the Dolores-Norwood Road. Turn south onto County Road 44Z. Follow County Road 44Z south for approximately 17.3 miles, at the San Miguel-Dolores County Line the road number will change to County Road 31. Proceed on County Road 31 approximately 0.85 miles to the property entrance. The property entrance is on the west side of the road.

#### **If driving to North Mountain Ranch from the south, via Dolores, Colorado:**

From Dolores, go north on County Road 31. County Road 31 is also known as the Dolores-Norwood Road. Go north on County Road 31 for approximately 37 miles to the property entrance. The property entrance is on the west side of the road.