

COLORADO CHAUTAUQUA ASSOCIATION SUBLEASE TO COTTAGE OWNER

THIS Sublease is made and entered into as of the 6th day of March, 2001, by and between Colorado Chautauqua Association, a Colorado nonprofit corporation (hereinafter "Association") and [REDACTED] (collectively, "Lessee" as their interests appear above).

1. PREMISES. The Association hereby subleases to Lessee the real property underlying Cottage [REDACTED] (the "Cottage"), approximately described as [REDACTED] which contains 5750 square feet (the "demised premises").

2. TERM. This Sublease shall expire January 14, 2018, unless sooner terminated as provided herein.

3. RIGHT TO OCCUPY. Lessee shall have the right to maintain and occupy the cottage now located on the demised premises.

4. ASSOCIATION RULES. Lessee agrees to obey and conform to all rules and regulations now made or that may hereafter be made from time to time by the Association regarding the use, care and maintenance of the cottages, the occupancy thereof, and the rental of buildings and residences in Chautauqua Park, and said rules and regulations are hereby made a part of this Sublease as if fully set forth herein.

5. HISTORIC AREA. Lessee acknowledges that the cottage and the demised premises are located in an area established and maintained as a Chautauqua assembly, and that in 1978 Chautauqua was designated by the City of Boulder, Colorado as a Landmark Historic District and listed on the National Register of Historic Places. Lessee agrees to comply with the Chautauqua

Park Design Guidelines, the rules and regulations promulgated by the City of Boulder Landmarks Preservation Advisory Board, and all zoning ordinances or other regulations of the City of Boulder affecting or relating to the ownership, use, maintenance, repair, renovation or improvement of the cottage and the demised premises. Said design guidelines, rules, ordinances and regulations are hereby made a part of this Sublease as if fully set forth herein.

6. ASSOCIATION MISSION. Lessee acknowledges that the Association is a Colorado nonprofit corporation and a tax-exempt charitable organization described in Section 501(c)(3) of the Internal Revenue Code, the mission of which is to ensure the stewardship, historic preservation and continued development of the Chautauqua heritage. The Association accomplishes its mission by managing a broad range of accommodations, programs, events and services designed to include and involve the Chautauqua residents, the entire Boulder community and the general public in the Chautauqua heritage. Lessee hereby covenants and agrees to further the Association's mission by supporting, promoting and participating in the Association's educational, cultural and historic programs, capital improvements and recreational and social events. Lessee (including each person whose interests appear collectively as "Lessee") shall be a current member in good standing of the Colorado Chautauqua Association throughout the term of this Sublease.

7. REPLACEMENT, ALTERATIONS AND ADDITIONS. If the cottage presently located on the demised premises shall be destroyed or become uninhabitable, Lessee hereby agrees to construct a new cottage thereon in accordance with plans and specifications to be first approved by the Association. The construction or repair shall commence within twelve (12) months after the date of the destruction or the cause of the uninhabitability. Any proposed alterations or additions to any cottage or any permanent improvements to the grounds shall be first approved in writing by the Association.

8. RENT.

a. On or before March 6, of each year beginning March 6, 2001, the Lessee shall pay ground rent to the Association determined as follows:

(i) On March 6, 2001, the Lessee shall pay the sum of the prior rent paid with respect to the Cottage of \$907.53(the "Prior Rent") plus twenty percent (20%) of the difference between the Prior Rent and the initial new rent of \$1636.51 (the "Initial New Rent"). This sum is referred to as the "First Year Rent."

(ii) On March 6, 2002, the Lessee shall pay the sum of the First Year Rent, adjusted for inflation during calendar year 2001, plus twenty percent (20%) of the difference between the Prior Rent and the Initial New Rent. This sum is referred to as the "Second Year Rent."

(iii) On March 6, 2003, the Lessee shall pay the sum of the Second Year Rent, adjusted for inflation during calendar year 2002, plus twenty percent (20%) of the difference between the Prior Rent and the Initial New Rent. This sum is referred to as the "Third Year Rent."

(iv) On March 6, 2004, the Lessee shall pay the sum of the Third Year Rent, adjusted for inflation during calendar year 2003, plus twenty percent (20%) of the difference between the Prior Rent and the Initial New Rent. This sum is referred to as the "Fourth Year Rent."

(v) On March 6, 2005, the Lessee shall pay the sum of the Fourth Year Rent, adjusted for inflation during calendar year 2004, plus twenty percent (20%) of the difference between the Prior Rent and the Initial New Rent. This sum is referred to as the "Fifth Year Rent."

(vi) On March 6, 2006 and each March 6 thereafter during the term of this Sublease, the Lessee shall pay an amount equal to the ground paid on the immediately preceding March 6, adjusted for inflation during the immediately preceding calendar year.

b. If rent is to be adjusted for inflation during any calendar year, such rent shall be increased or decreased in proportion to the increase or decrease in the CPI during such calendar year, except that such adjustment for any given year shall not exceed four percent (4%) of the rent to be adjusted. CPI shall mean the U.S. City Average Consumer Price Index for Urban Wage Earners and Clerical Workers (All Items; 1982-84 equals 100) published by the United States Department of Labor, Bureau of Labor Statistics or any successor agency that may issue such index. In the event that the CPI is discontinued for any reason, the Association shall use such other index, or comparable statistics, on the cost of living for urban areas of the United States, as shall be computed and published by an agency of the United States or, if no such index is published by an agency of the United States, by a responsible financial periodical of recognized authority.

c. The Association shall notify Lessee of the increased or decreased ground rent on or before February 15 of each year during the term of this Sublease.

9. MAINTENANCE FEES. Lessee shall pay to the Association, in addition to the annual ground rent, an annual maintenance fee for mowing, snow removal, trash pickup, mail services and other maintenance activities, as determined annually by the Association.

10. REPAIR AND MAINTENANCE Lessee shall keep the cottage in good repair and neatly painted and maintained to the satisfaction of the Association and in accordance with the ordinances and regulations of the City. Failure of the Lessee to comply with the provisions of this paragraph shall authorize the Association to make any of said improvements and any sums expended therefor shall become a lien upon the cottage and may be recovered by foreclosure of said lien or by deducting the amount of the indebtedness from any money in the possession of the Association belonging to the Lessee, or by any other legal remedy which the Association desires to utilize. Any such remedies shall be non-exclusive.

11. CITY LEASE. It is understood and agreed between the parties that the Lessee is a sub-lessee and that the Association is a tenant of the City of Boulder by virtue of the lease agreement entered into January 14, 1998 (the "City Lease"). In the event the City Lease is terminated for any reason, this Sublease shall immediately and automatically terminate. All of the provisions of the City Lease are made a part of this Sublease as if fully set forth herein, and Lessee acknowledges receipt of a copy of the City Lease.

12. ASSIGNMENT AND SUBLEASE. This Sublease may not be assigned or transferred by the Lessee, nor may the premises be sublet, without the prior written approval of the Association, which approval shall not be unreasonably withheld. Nonetheless, the Association may impose any reasonable conditions on its approval of any assignment or sublease, including, without limitation, an appearance by the proposed assignee or sublessee before the Association's Board of Directors, and the execution by the proposed assignee or sublessee of the Association's then current form of "Assurances Document."

13. ASSOCIATION RIGHT OF FIRST REFUSAL. During the term of this Sublease, Lessee shall, prior to transferring an ownership interest in the cottage located on the demised premises to or for the benefit of any person not related to Lessee within the fourth degree of consanguinity (including marriage or adoption, as set forth in the chart attached to the City Lease as Exhibit B), offer, in writing, to sell all ownership interests in the cottage to the Association (the "Offer"). The Association shall have twenty one (21) days from the date it receives the Offer to notify Lessee in writing of its determination to proceed with the offer (the "Continuation Notice"). If the Association fails to provide the Continuation Notice within twenty one (21) days following its receipt of the Offer, Lessee may freely transfer his or her interest in the cottage during the rest of the year, ending on the anniversary of the Association's receipt of the Offer. At the conclusion of that

year, the provisions of this paragraph 13 shall again be triggered by any proposed transfer beyond the fourth degree of consanguinity (as defined above). If the Association provides the Continuation Notice within twenty one (21) days following its receipt of the Offer, Lessee and the Association shall proceed as follows:

a. For the thirty (30) days immediately following the Association's provision of the Continuation Notice, the Association and Lessee shall negotiate concerning the price to be paid by the Association for the purchase of all ownership interest in the cottage (the "Negotiated Purchase Price"). If, within or at the conclusion of that thirty (30) day period, the Association and the owner agree in writing on a Negotiated Purchase Price, then Lessee shall transfer all ownership interests in the cottage to the Association for payment of the Negotiated Purchase Price at a closing occurring at a date and time mutually agreeable to the parties, but no later than forty five (45) days after the date on which agreement was reached on the Negotiated Purchase Price. Payment of the Negotiated Purchase Price at the closing shall be apportioned and allocated as follows: first, to the payment of any and all ad valorem or other taxes then due and owing on the cottage, or which will be due and owing for the calendar year, tax year or other relevant period up to the date of closing; second, to the full payment and satisfaction of all liens encumbrances, assessments or other obligations secured by the cottage or any interest in the cottage; third, to the Lessee or his/her designee.

b. If the Association and Lessee are not able to agree in writing on a Negotiated Purchase Price within the thirty (30) day period set forth above, then within seven (7) days after the termination of the thirty (30) days, Lessee and the Association shall jointly request a list of six (6) appraisers from the Appraisal Institute. The appraisers shall have no prior or current professional or financial relationship with the Association or Lessee, shall not have a family relationship of any type with Lessee, and shall have the following minimum qualifications: (1) an MAI or SFA certification;

(2) a minimum of seven (7) years experience in the appraisal of real estate; (3) a minimum of five (5) years experience in the appraisal of real estate in the Denver-Boulder metropolitan area.

c. Within seven (7) days after receipt of the list of appraisers the Association and Lessee shall meet to select two appraisers from the list. The Association and Lessee shall each take turns striking one appraiser from the list until only two appraisers remain (collectively, the "Impartial Appraisers").

d. The Association and Lessee shall jointly inform each Impartial Appraiser of his/her selection, and shall jointly request that each Impartial Appraiser promptly appraise the value of the cottage without regard to the value of the land on which it is situated and which Lessee is entitled to use and occupy by virtue of this Sublease, without regard to any offer which may have been made for the purchase of the cottage, without regard to any contract of sale which may then be outstanding with respect to the cottage, and without communicating with the other Impartial Appraiser concerning his or her appraisal of the cottage. Each Impartial Appraiser shall issue a written report of his or her appraisal to the Association and Lessee ("Appraisal Report"). Except as set forth below, the Association and Lessee shall be equally responsible for the payment of all fees and costs charged by the impartial Appraisers in preparing the Appraisal Reports.

e. The average of the values of the cottage set forth in the Appraisal Reports shall constitute the price which the Association must pay in order to purchase all ownership interests in the cottage (the "Appraised Purchase Price"). The Association shall have twenty one (21) days from its receipt of the second Appraisal Report in which to notify Lessee of its intent to purchase all ownership interests in the cottage at the Appraised Purchase Price (the "Purchase Notice"). If the Association fails to provide the Purchase Notice within twenty one (21) days following its receipt of the second Appraisal Report, Lessee may freely transfer his or her interest in the cottage during the

rest of the year, ending on the anniversary of the Association's receipt of the second Appraisal Report. In addition, if the Association opts not to provide the Purchase Notice to the Lessee, the Association shall, within thirty (30) days following the deadline for providing the Purchase Notice, pay to the Lessee an amount equal to the Lessee's share of the fees and costs incurred and charged by the Impartial Appraisers in preparing the appraisal reports. At the conclusion of that year, the provisions of this paragraph 16 shall again be triggered by any proposed transfer beyond the fourth degree of consanguinity (as defined above).

f. If the Association provides the Purchase Notice within twenty one days following its receipt of the second Appraisal Report, the Association shall be entitled to purchase and receive all ownership interests in the cottage on the terms set forth below unless, within thirty (30) days following his or her receipt of the Purchase Notice, Lessee notifies the Association in writing of his/her decision to terminate the Purchase Notice (the "Termination Notice"). The Termination Notice shall be accompanied by payment from Lessee to the Association in an amount equal to the Association's share of the fees and costs incurred and charged by the Impartial Appraisers in preparing the appraisal reports, and shall be void and ineffective unless accompanied by such payment. If Lessee provides the Termination Notice and required payment to the Association on or within thirty (30) days following his or her receipt of the Purchase Notice, the Association's entitlement to purchase and receive all ownership interests in the cottage shall terminate; provided, however, that the provisions of this paragraph 13 shall again be triggered by any proposed transfer beyond the fourth degree on consanguinity (as defined above) regardless of such transfer occurs or is proposed to occur.

g. If the Association provides the Purchase Notice withing twenty one (21) days following its receipt of the second Appraisal Report, and if Lessee does not provide the Termination

Notice and required payment to the Association on or within thirty (30) days following his or her receipt of the Purchase notice, Lessee shall transfer all ownership interests in the cottage to the Association for payment of the Appraised Purchase Price at a closing occurring at a date and time mutually agreeable to the parties, but not later than forty five (45) days after Lessee's receipt of the Purchase Notice. Payment of the Appraised Purchase Price at the closing shall be apportioned and allocated as follows: first, to the payment of any and all ad valorem or other taxes then due and owing on the cottage, or which will be due and owing for the calendar year, tax year or other relevant period up to the date of closing; second, to the full payment and satisfaction of all liens encumbrances, assessments or other obligations secured by the cottage or any interest in the cottage; third, to the Lessee or his/her designee.

Nothing contained in this paragraph 13 shall limit or otherwise impair the Association's reasonable right to approve any prospective transferee or assignee of this Sublease, as set forth in paragraph 12, whether such prospective transferee or assignee is related to Lessee within the fourth degree of consanguinity (as defined above) or not.

14. TERMINATION. Any material default by Lessee of any provision of this Sublease (including, without limitation, failure to abide by the rules referred to in paragraphs 4 and 5, failure to support the mission of the Association as described in paragraph 6, failure to rebuild a cottage pursuant to paragraph 7, failure to pay rent or maintenance fees in accordance with paragraphs 8 and 9, or failure to maintain the cottage in good repair in accordance with paragraph 10 shall authorize the Association to terminate this Sublease thirty (30) days after delivery of written notice of such termination to Lessee in person, or by certified mail deposited in the United States postal system addressed to Lessee at the address set forth below Lessee's signature, or such other address as Lessee may have provided to the Association in writing, if Lessee has not cured such default or initiated steps

satisfactory to the Association to cure such default within such thirty (30) day period. Any waiver or forbearance by the Association with respect to any default by Lessee shall not eliminate or prejudice the Association's right to terminate this Sublease by reason of any other or subsequent default.

15. DISPOSITION OF IMPROVEMENTS UPON TERMINATION. Upon termination or non-renewal of this Sublease, Lessee shall have the choice of removing all improvements from the demised premises. Any improvements not removed within six months after the termination or non-renewal of this Sublease shall become the property of the Association.

16. MISCELLANEOUS.

a. In the event that any provision hereof shall be held to unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

b. The parties agree to make any modification or amendment to this Sublease that may be necessary at any time to assure that this Sublease does not (i) constitute an "excess benefit transaction" within the meaning of Section 4958 of the Internal Revenue Code, which could give rise to the imposition of a penalty on the Lessee, or (ii) in any way jeopardize the Association's tax-exempt status as an organization described in Section 501(c)(3) of the Internal Revenue Code.

c. No delay, omission or forbearance in exercising the right or power of any party under this Sublease shall impair any such right or power or shall be construed as a waiver thereof, unless such waiver is expressly given in writing and signed by the party sought to be bound thereby.

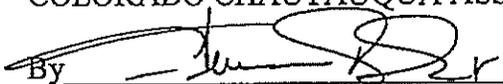
d. The captions contained herein are inserted for ease of reference only and shall not be construed to modify any part hereof.

e. This Sublease contains and constitutes the entire agreement between the Association and Lessee with respect to the subjects addressed herein, and all prior or contemporaneous agreements or leases between the Association and Lessee, whether written or oral, are merged in and superseded by this Sublease.

f. If Lessee is comprised of more than one person, they shall designate from among their number a single individual to receive any notification from the Association, and notification to such individual shall be deemed to be delivered to all persons having an interest in this Sublease.

g. This Sublease is entered into in Boulder, Colorado, and shall be governed by construed in accordance with the laws of the State of Colorado.

COLORADO CHAUTAUQUA ASSOCIATION

By 
Francie Anhut, CCA Board President


LESSEE

Address: 1366 S. LINCOLN
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