

HEROES HALL LEASE AGREEMENT

THIS HEROES HALL LEASE AGREEMENT (“Lease Agreement”) made this ____ day of _____, 2025, between the Heroes Hall Foundation, a non-profit organization, incorporated in the State of Colorado (“Lessee”), and the Board of County Commissioners of the County of Douglas, State of Colorado, a political subdivision of the State of Colorado (“Lessor”). Lessee and Lessor may be referred to herein individually as a “Party,” and collectively as the “Parties.”

WHEREAS, Lessor is the owner of property situated in the County of Douglas, State of Colorado, a portion of the Douglas County Fairgrounds, specifically described in **Exhibit A** attached hereto and incorporated herein by reference (the “Premises”); and

WHEREAS, Lessee is a non-profit organization that provides charitable, social, educational, and community services, including a meeting place for United States Military Veterans and first responders; and

WHEREAS, Lessee herein agrees to the lease and make substantial improvements on the Premises to further its organizational goals and provide essential Veteran Services in Douglas County, Colorado.

AGREEMENT

NOW THEREFORE, in consideration of the foregoing and of the mutual covenants contained herein, the Parties agree as follows:

1. Use of Premises.

Subject to all of the terms of this Lease Agreement, Lessor leases, grants, and demises to Lessee, subject to any easements, rights-of-way, reservations, restrictions, or any other interests of record, the right to use by the Lessee over, upon, and across the Premises, and Lessee hires, leases, and rents from Lessor, for the purpose of conducting in and on such Premises any lawful activity, except as limited below, and for no other purposes, the Premises.

2. Term.

The initial term (“Term”) of this Lease Agreement shall be for fifty (50) years, commencing on May 1, 2025 and ending on June 1, 2075, which thereafter, the Term shall be extended for an additional ten (10) year Term, unless either Party terminates the Lease Agreement by written notice providing sixty (60) days to cease operations and vacate the Premises.

3. Rent.

The annual rent shall be One Dollar (\$1.00), which Lessee shall pay to Lessor, without deduction or offset, due and payable annually on the anniversary date of the latest signature on this Lease Agreement.

4. Warranties of Title and Quiet Possession.

Lessor covenants that Lessor is seized of the Premises in fee simple and has full right to make and enter into this Lease Agreement, and that Lessee shall have quiet and peaceable possession of the Premises during the Term of this Lease Agreement.

5. Delivery of Possession.

If Lessor, for any reason cannot deliver possession of the Premises to Lessee at any time during the Lease Agreement, this Lease Agreement shall be void.

6. Permitted and Prohibited Uses.

- A. Subject to the terms and conditions of this Lease Agreement, Lessee shall have the authority to possess and occupy the Premises for any activity in furtherance of any of Lessee's operations, including operation of the Heroes Hall Foundation business and organizational goals.
- B. In addition to the Prohibited Uses listed in Section 6(F), Lessee shall not use, or knowingly permit any of Lessee's officers, officials, directors, agents, and employees to use the Premises, or any part thereof, to be used for any purpose or purposes other than the purpose or purposes for which the Premises are leased under this Lease Agreement. Best efforts will be made that no use shall be made or permitted to be made of the Premises, or acts done, which will cause a cancellation of any insurance policy covering the Premises, or any part of such building or structure, or any potential liability of Lessor, its officers, officials, directors, agents and employees, nor shall Lessee sell, or permit to be kept, used, or sold, in or about the Premises, any article that may be prohibited by the standard form of fire insurance policies.
- C. Lessee shall not conduct any activities or maintain the Premises in any way that Lessee knows interferes with or obstructs any operations of Lessor.
- D. Lessee shall, at its sole cost, comply with all requirements made known to Lessee pertaining to the Premises, of any insurance organization or company necessary for the maintenance of insurance, as provided in this Lease Agreement.

- E. No sign, notice, or other advertisement, shall be inscribed, painted, affixed, or displayed on any part of the Premises without prior express and written consent of Lessor.
- F. The following uses, for purposes of illustration and not by way of limitation, shall be expressly prohibited upon the Premises:
 - i. Any action that violates Douglas County Fairground policy;
 - ii. Any action that violates applicable Castle Rock zoning and use restrictions; and
 - iii. The use of any interest in the Lease Agreement as capital for any debt instrument.
- 7. Non-Discrimination. Lessee covenants and agrees that in all matters pertaining to the performance of this Lease Agreement, Lessee shall at all times conduct its business in a manner that assures fair, equal, and non-discriminatory treatment of all persons without respect to race, creed, or national origin and, in particular, Lessee will maintain open hiring and employment practices and will welcome applications for employment in all positions from qualified individuals who are members of racial or other minorities. Lessee will comply strictly with all requirements of applicable Federal, State, and local laws and regulations relating to the establishment of non-discriminatory requirements in hiring and employment practices and assuring the service of all patrons, customers, or their guests without discrimination as to anyone's race, creed, color, or national origin. In no event shall Lessee discriminate against any person living within the boundaries of Lessor as to the use and enjoyment of the Premises, including, but not limited to, differential rates, fees, or preferences of any kind. The preceding shall not be constructed to prohibit Lessee from reserving all or a part of the Premises for special groups or functions, related to the Lessee's operations and organizational goals, at the discretion of Lessee. Additionally, Lessee may, at its discretion, restrict use of the Premises to certain days and hours of the day.
- 8. Law Enforcement. Lessee shall exercise due diligence, within the limits of normal law enforcement activities and personnel limitations, to secure compliance by all users of the Premises, authorized and unauthorized, with all Federal and State statutes, county resolutions and ordinances, rules, and regulations applicable or set forth herein. Lessee shall permit unimpeded access to the Premises to all law enforcement personnel in the performance of their official duties.
- 9. Legal Compliance. During the Term of this Lease Agreement, Lessee shall comply with all applicable laws affecting the Premises, the breach of which may result in termination of this Lease Agreement.

10. Waste and Nuisance. Lessee shall not commit, or allow to be committed, any waste or nuisance on the Premises with its reasonable control.

11. Lessor's Right of Entry. Lessee shall permit Lessor and the agents and employees of Lessor to enter into and upon the Premises at all reasonable times for the purpose of inspecting the Premises and conducting any operations of Lessor, and for the purpose of posting notices of non-responsibility for alterations, additions, or repairs, without any rebate of rent and without any liability to Lessee for any loss of occupation or quiet enjoyment of the Premises occasioned by the entry.

12. Subletting and Assignment.

A. Lessee may not sublet, assign, or transfer its interest in the Premises, in whole or in part, without Lessor's prior, express, and written consent, but if such consent is given, the making of any sublease, assignment, or transfer shall not release Lessee from, or otherwise affect in any manner, any of Lessee's obligations under this Lease Agreement. Any sublet or assignment or transfer without consent shall be void, and shall, at the option of Lessor, terminate this Lease Agreement.

B. Neither this Lease Agreement nor the leasehold estate of Lessee nor any interest of Lessee under this Lease Agreement in the Premises or any buildings or improvements on the Premises shall be subject to involuntary assignment, transfer, or sale, or to assignment, transfer, or sale by operation of law in any manner whatsoever. Any such attempted involuntary assignment, transfer, or sale shall be void and of no effect and shall, at the option of Lessor, terminate this Lease Agreement.

13. Notices.

A. All notices, demands, or other writings in this Lease Agreement provided to be given or made or sent, or which may be given or made or sent, by either Party to the other, shall be deemed to have been fully given or made or sent when made in writing and deposited in the United States mail, first class postage prepaid, and addressed as follows:

TO LESSEE: Heroes Hall Foundation
834-F S. Perry St. #104
Castle Rock, CO 80104

TO LESSOR: County Manager

Douglas County
100 Third Street
Castle Rock, CO 80104

and a copy to:

County Attorney
Douglas County
100 Third Street
Castle Rock, CO 80104

- B. The address to which any notice, demand, or other writing may be given or made or sent to any party as above provided may be changed by written notice given by such party as above provided.

14. Construction of New Buildings or Structures.

- A. After prior, express, and written conceptual approval from Lessor, Lessee may seek final approval from Lessor to erect on the Premises any buildings, structures, and improvements necessary for the Lessee's operations and achievement of the Lessee's organizational goals. On or before any application for any building permit or other governmental approval to construct or commencement of construction, whichever is earlier, Lessee shall, at Lessee's sole expense, prepare plans and specifications for a new building or structure to be erected on the Premises which shall provide complete and sufficiently detailed information on which the Lessor can make a decision. Such plans and specifications shall be submitted to Lessor for Lessor's written approval, or any revisions required by Lessor. Lessor shall not unreasonably withhold such approval, and in the event of disapproval, Lessor shall give to Lessee an itemized statement of reasons for disapproval within forty-five (45) days after the plans and specifications are submitted to Lessor. The Lessee shall not erect any buildings, structures, and improvements on the Premises without the Lessor's express written approval. A building or structure hereafter erected or built on or located on the Premises by Lessee shall be constructed and maintained in compliance with the laws of the State of Colorado and the fire, building, and health ordinances and rules of the County of Douglas, and shall be built under inspection and subject to the lawful requirements of such county or of such other agency or office authorized by law to inspect and make rules covering the erection and inspection of buildings.

15. Permits Under Zoning Ordinances or Regulations.

Nothing in this Lease Agreement shall obligate Lessor to assist Lessee in obtaining a permit under any zoning ordinance or regulation for such use as Lessee intends to make of the Premises.

16. Repairs and Destruction of Premises and Improvements.

- A. Lessee shall comply with and abide by all federal, state, county, and other governmental statutes, ordinances, laws, and regulations affecting the Premises, the improvements on or any activity or condition on or in the Premises.
- B. If, during the Term of this Lease Agreement, any law, regulation, or rule requires that an alteration, addition, or any other change or improvement be made to the Premises, the Parties agree as follows: 1.) If the alterations, additions, or other changes or improvements are required as a result of Lessee's use of the Premises or improvements made by the Lessee, the Lessee shall make the required changes and bear all expenses connected with them; 2.) If the alterations, additions, or other changes or improvements are unrelated to Lessee's use and improvements of the Premises, the Lessor may make the required changes as required by law.
- C. The Lessee may not alter, intentionally damage, discard, sale, or otherwise remove any part of any improvement made by any Party, including third parties to the Premises.
- D. Lessee expressly waives all claims for damages due to such alterations, additions, or other changes or improvements.

17. Utilities.

- A. To the extent they are caused by Lessee's use of the Premises, Lessee shall fully and promptly pay for all water, sewage, gas, heat, light, power, telephone service, and other public utilities of every kind furnished to the Premises throughout the Term of this Lease Agreement, and all other costs and expenses of every kind whatsoever of or in connection with the use, operation, and maintenance of the Premises and all activities conducted on the Premises, and Lessor shall have no responsibility of any kind for any such utilities. If Lessee desires additional utilities not already furnished on the Premises, Lessee shall be solely responsible for the construction, maintenance, and connection of any utilities. Additionally, any routing or re-routing of utilities on the Premises shall be the sole responsibility of Lessee. Such new connection, routing, or re-routing shall be approved in writing by Lessor prior to any work.

- B. After construction of the Heroes Hall building or any improvement on the property where a certificate of occupancy is issued, the parties shall amend this Agreement or enter into another agreement for the maintenance and utilities at the property.

18. Redelivery of Premises.

At the expiration or earlier termination of this Lease Agreement, Lessee shall peaceably and quietly quit and surrender to Lessor the Premises in good order and condition subject to the other provisions of this Lease Agreement.

19. Remedies.

Lessee waives all potential legal claims, causes action, and remedies against Lessor arising from performance of this Lease Agreement.

20. Insurance.

- A. Lessee agrees to procure and maintain, at its own expense, all insurance and security requirements as described in Exhibit B.
- B. Said Commercial General Liability insurance policy will name Lessor as an additional insured. Lessee and the insurer will endeavor to give Lessor thirty (30) days written notice before said policy is canceled.
- C. The Parties understand and agree that Lessor and Lessee are relying on, and do not waive or intend to waive by any provision of this Lease Agreement, the monetary limitations or any other rights, immunities, and protections provided by the Colorado Governmental Immunity Act, Sections 24-10-101 *et seq.*, C.R.S. as from time to time amended.

21. Notice of Default.

Except as otherwise provided in this Lease Agreement, Lessee shall not be deemed to be in default under this Lease Agreement in the payment of rent or other moneys required, in the furnishing of any bond or insurance policy when required in this Lease Agreement, or for failure to comply with any of the other covenants in this Lease Agreement unless Lessor shall first give to Lessee written notice of the default.

22. Default.

In the event of any breach of this Lease Agreement by Lessee, Lessor, in addition to the other rights or remedies it may have, shall have the immediate right of re-entry and may remove all persons and property from the Premises. Should Lessor elect to re-enter, as provided in this Lease Agreement, or should it take possession pursuant to legal proceedings or pursuant to any notice provided for by law, Lessor may terminate this Lease Agreement at its sole discretion.

23. Lessor's Right to Perform.

In the event that Lessee by failing or neglecting to do or perform any act or thing provided in this Lease Agreement by it to be done or performed, shall be in default under this Lease Agreement and such failure shall continue after written notice from Lessor specifying the nature of the act or thing to be done or performed, then Lessor may, but shall not be required to, do or perform or cause to be done or performed such act or thing (entering on the Premises for such purposes, if Lessor shall so elect), and Lessor shall not be or be held liable or in any way responsible for any loss, inconvenience, annoyance, or damage resulting to Lessee on account of such election. Lessee shall repay to Lessor on demand, but in no event later than the next minimum rental payment the entire expense incurred on account of such election, including compensation to the agents and employees of Lessor. Any act or thing done by Lessor pursuant to the provisions of this section shall not be or be construed as a waiver of any such default by Lessee, or as a waiver of any covenant, term, or condition contained in this Lease Agreement, or of any other right or remedy of Lessor, under this Lease Agreement or otherwise. All amounts payable by Lessee to Lessor under any of the provisions of this Lease Agreement, if not paid when they become due as in this Lease Agreement provided, shall bear interest from the date they become due until paid at the rate of eight percent (8%) per annum, compounded monthly until paid in full.

24. Mutual Use of Parking

During the Douglas County Annual County Fair and by mutual agreement of the parties, the Lessor shall have access and use of parking at the property for the purpose of providing public parking at no cost.

25. Surrender of Lease.

The voluntary or other surrender of this Lease Agreement by Lessee, or a mutual cancellation of this Lease Agreement, shall not work a merger, and shall, at the option of Lessor, terminate all or any existing subleases or subtenancies, or may, at the option of Lessor, operate as an assignment to it of any or all such subleases or subtenancies.

26. Termination.

The Parties may at any time without cause terminate the Lease Agreement by written notice. The Lease agreement shall terminate if:

- A. Either Party ceases to exist;
- B. The Lessee ceases to operate for its intended purposes or seek its operational goals.

27. Disposition of Improvements on Termination of Lease.

Upon termination of this Lease Agreement by the Lessor for any cause other than Lessee breach; Lessee ceasing to exist; or expiration of this Lease Agreement, the Lessor shall reimburse the Lessee for all improvements made to the Lessee at fair market value at the time of termination.

Upon termination of this Lease Agreement by the Lessee or by the Lessor for Lessee breach; Lessee ceasing to exist; or expiration of this Lease Agreement, Lessee shall surrender the property and all improvements to the Lessor at no additional cost to the Lessee pursuant to this Agreement.

The Lessor shall not dispose of the property during the term of the lease unless made to do so by an order of a court of competent jurisdiction.

28. Waiver.

- A. The waiver by Lessor of, or the failure of Lessor to take action with respect to, any breach of any term, covenant, or condition contained in this Lease Agreement shall not be deemed to be a waiver of such term, covenant, or condition, or subsequent breach of the same, or any other term, covenant, or condition contained in this Lease Agreement.
- B. The subsequent acceptance of rent under this Lease Agreement by Lessor shall not be deemed to be a waiver of any preceding breach by Lessee of any term, covenant, or condition of this Lease Agreement, other than the failure of Lessee to pay the particular rent so accepted, regardless of Lessor's knowledge of a preceding breach at the time of acceptance of rent.

29. Effect of Lessee's Holding Over.

Any holding over after the expiration of the Term of this Lease Agreement, with the consent of Lessor, shall be construed to be a tenancy from month-to-month, at the same rental rate as

required to be paid by Lessee for the period immediately prior to the expiration of the Term of this Lease Agreement, and shall otherwise be on the terms and conditions specified in this Lease Agreement, so far as applicable.

30. Parties Bound.

The covenants and conditions contained in this Lease Agreement shall, subject to the provisions as to assignment, transfer, and subletting, apply to and bind the heirs, successors, executors, administrators, and assigns of all the parties to the Lease Agreement.

31. Section Captions.

The captions appearing under the section number designations of this Lease Agreement are for convenience only and are not a part of this Lease Agreement and do not in any way limit or amplify the terms and provisions of this Lease Agreement.

32. Colorado Law.

This Agreement shall be governed by the laws of the State of Colorado. Venue for any action hereunder shall be in the District Court, County of Douglas, State of Colorado, and the Parties waive any right to remove any action to any other court, whether state or federal.

33. Indemnification.

The County cannot and by this Contract does not agree to indemnify, hold harmless, exonerate, or assume the defense of the Beneficiary or any other person or entity whatsoever, for any purpose whatsoever. The Beneficiary shall defend, indemnify and hold harmless the County, its commissioners, officials, officers, directors, agents and employees from any and all claims, demands, suits, actions or proceedings of any kind or nature whatsoever, including Workers' Compensation claims, in any way resulting from or arising from the services rendered under this Contract; provided, however, that the Beneficiary need not indemnify or save harmless the County, its commissioners, officials, officers, directors, agents and employees from damages resulting from the sole negligence of the County, its commissioners, officials, officers, directors, agents and employees.

34. No Waiver of Governmental Immunity Act.

The Parties hereto understand and agree that the Parties, their commissioners, officials, officers, directors, agents, and employees, are relying on, and do not waive or intend to waive by any provision of this Agreement, the monetary limitations or other rights,

immunities, and protections provided by the Colorado Governmental Immunity Act, §§ 24-10-101 to 120, C.R.S., or otherwise available to the Parties.

35. Entire Agreement.

This Lease Agreement shall constitute the entire Agreement between the Parties. Any prior or contemporaneous understanding or representation of any kind preceding or on the date of this Lease Agreement shall not be binding upon either Party except to the extent incorporated in this Agreement.

36. Modification of Agreement.

Any modification of this Lease Agreement or additional obligation assumed by either Party in connection with this Lease Agreement shall be binding only if evidenced in a writing signed by each Party or an authorized representative of each Party.

37. Additional Documents.

The Parties agree to execute whatever papers and documents may be necessary to effectuate the terms of this Lease Agreement.

38. Authority to Enter.

The below signed individuals affirm that they have full authority of their respective organizations to enter this agreement and that all of actions and documentation required to bind their respective organizations to the terms of this Lease Agreement have been authorized and completed.

39. Maximum Contract Appropriation and Liability.

Any other provisions of this Lease Agreement notwithstanding, in no event shall the Lessee be liable for payment under this Agreement for any amount in excess of One Dollar (\$ 1.00) for the 2025 fiscal year. The Lessee is not under obligation to make any future apportionment or allocation to this Lease Agreement and the parties recognize that pursuant to C.R.S. section 29-1-110, future years of this contract are subject to annual appropriation.

40. No Third-Party Beneficiaries.

The enforcement of the terms and conditions of this Lease Agreement and all rights of action relating to such enforcement, shall be strictly reserved to the Lessor and Lessee, and nothing

contained in this Lease Agreement shall give or allow any such claim or right of action by any other or third person under such Agreement. Any alleged third-party beneficiary of this Lease Agreement is deemed to be an incidental beneficiary only with no right of enforcement.

41. Severability.

It is understood and agree by the Parties hereto that if any part, term, or provision of this Agreement is by the courts held to be illegal or in conflict with any law of the State of Colorado, the validity of the remaining portions or provisions shall not be affected, and the rights and obligations of the Parties shall be construed and enforced as if the Agreement did not contain the particular part, term, or provision held to be invalid.

42. Entire Agreement.

This Agreement merges and supersedes all prior negotiations, representations, and agreements between the Parties hereof and constitutes the entire agreement between the Parties concerning the subject matter hereof. Any conflict between the body of this Lease Agreement and an Exhibit shall be resolved and interpreted in favor of the body of the Lease Agreement. Any conflict between this Lease Agreement shall be resolved and interpreted in favor of the most recently executed document.

IN WITNESS WHEREOF, Lessee and Lessor have executed this Lease Agreement on the date first set forth above.

LESSEE:

By: _____
Philip M. McNairy
Heroes Hall Foundation

ATTEST:

The foregoing instrument was acknowledged before me this ____ day of _____, 2025, by

My commission expires: _____.

By: _____
Abe Laydon, Chair

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EXHIBIT A

Legal Description of the Premises

The Premises as referenced and used in the Lease Agreement by LOT 2 BLK 1 PLUM CREEK COMMERCIAL #2 1.000 AM/L, State Parcel Number 250511412002 owned by Douglas County, Colorado held by the Douglas County Board of County Commissioners.

This legal description of the Premises may be amended only by a written amendment to the Lease Agreement and this Exhibit A.

Exhibit B

Insurance Requirements for Lessees

(Not For Daily or Short Term Rentals)

Lessee shall procure and maintain insurance for the duration of the lease against claims for injuries to persons or damages to property which may arise from or in connection with the Lessee's operation and use of the leased premises. The Lessee shall bear the cost of such insurance. The Lessee shall be liable for any injuries resulting from the negligence of that group during the use of those facilities or grounds.

MINIMUM SCOPE AND LIMIT OF INSURANCE

Coverage shall be at least as broad as:

1. **Commercial General Liability (CGL):** Insurance Services Office Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than **\$2,000,000** per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.
2. **Workers' Compensation** insurance as required by the State of Colorado, with Statutory Limits, and Employer's Liability Insurance with limits of no less than **\$1,000,000** per accident for bodily injury or disease. (This applies to lessees with employees).
3. **Property insurance** against all risks of loss to any tenant improvements or betterments, at full replacement cost with no coinsurance penalty provision.

If the Lessee maintains broader coverage and/or higher limits than the minimums shown above, the Entity requires and shall be entitled to the broader coverage and/or the higher limits maintained by the Lessee. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the Entity.

Other Insurance Provisions

The insurance policies are to contain, or be endorsed to contain, the following provisions:

Additional Insured Status

Douglas County Government, its officers, officials, employees, and volunteers are to be covered as additional insureds with respect to liability arising out of the negligence of the user during the use of the facilities or grounds. General liability coverage can be provided in the form of an endorsement to the Lessee insurance (at least as broad as ISO Form CG 20 10 11 85 or if not available, through the addition of **both** CG 20 10, CG 20 26, CG 20 33, or CG 20 38; **and** CG 20 37 if a later edition is used).

Primary Coverage

For any claims related to this contract, the **Lessee's insurance coverage shall be primary and non-contributory** and at least as broad as ISO CG 20 01 04 13 as respects the Entity, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the Entity, its officers, officials, employees, or volunteers shall be excess of the Lessee's insurance and shall not contribute with it. This requirement shall also apply to any Excess or Umbrella liability policies.

Umbrella or Excess Policy

The Lessee may use Umbrella or Excess Policies to provide the liability limits as required in this agreement. This form of insurance will be acceptable provided that all of the Primary and Umbrella or Excess Policies shall provide all of the insurance coverages herein required, including, but not limited to, primary and non-contributory, additional insured, Self-Insured Retentions (SIRs), indemnity, and defense requirements. The Umbrella or Excess policies shall be provided on a true "following form" or broader coverage basis, with coverage at least as broad as provided on the underlying Commercial General Liability insurance. No insurance policies maintained by the Additional Insureds, whether primary or excess, and which also apply to a loss covered hereunder, shall be called upon to contribute to a loss until the Lessee's primary and excess liability policies are exhausted.

Legal Liability Coverage

The property insurance is to be endorsed to include Legal Liability Coverage (ISO Form CP 00 40 04 02 or equivalent) with a limit equal to the replacement cost of the leased property.

Notice of Cancellation

Each insurance policy required above shall provide that coverage shall not be canceled, except with notice to the Entity.

Waiver of Subrogation

Lessee hereby grants to Entity a waiver of any right to subrogation which any insurer of said Lessee may acquire against the Entity by virtue of the payment of any loss under such insurance. Lessee agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the Entity has received a waiver of subrogation endorsement from the insurer.

Self-Insured Retentions/Deductibles

Self-insured retentions and/or deductibles must be declared to and approved by Douglas County Government. Douglas County Government may require the Lessee to purchase coverage with a lower retention or provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or Douglas County Government. Any and all deductibles and SIRs shall be the sole responsibility of Lessee who procured such insurance and shall not apply to the Indemnified Additional Insured Parties. Douglas County Government may deduct from any amounts otherwise due Lessee to fund the SIR/deductible. Policies shall NOT contain any self-insured retention (SIR) provision that limits the satisfaction of the SIR to the Named. The policy must also provide that Defense costs, including the Allocated Loss Adjustment Expenses, will satisfy the SIR or deductible. Douglas County Government reserves the right to obtain a copy of any policies and endorsements for verification.

Acceptability of Insurers

Insurance is to be placed with insurers authorized to conduct business in the state with a current A.M. Best's rating of no less than A:VII, unless otherwise acceptable to the Douglas County Government.

Verification of Coverage

Lessee shall furnish the Douglas County Government with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause **and a copy of the Declarations and Endorsements Pages of the CGL and any Excess policies listing all policy endorsements**. All certificates and endorsements and copies of the Declarations & Endorsements pages are to be received and approved by Douglas County before the lease commences. However, failure to obtain the required documents before start of the lease beginning shall not waive the Lessee's obligation to provide them. Douglas County reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time. Douglas County reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

Special Risks or Circumstances

Douglas County reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.