



City Council Regular Meeting

448 E 1st Street, Room 190 Salida, Colorado 81201
January 6, 2026 at 6:00 PM

Agenda

Please register, **BY 4:30 pm the day of the meeting** for Regular City Council Meeting
https://zoom.us/webinar/register/WN_IJlzcmlQTggcTEDomhRz5A
After registering, you will receive a confirmation email containing information about joining the
webinar. To watch live meetings:
<http://www.youtube.com/@cityofsalidacolorado>

Civility Invocation

Call to Order

Pledge of Allegiance

Roll Call

Amendment(s) to Agenda

Consent Agenda

1. Approve Agenda
2. Approve December 16, 2025 Minutes
3. Approve Uniform and Clothing Policy
4. **Ordinance 2026-01** An Ordinance of the City Council of the City of Salida, Colorado Approving Tenderfoot Communications Site Lease with Smiling J LLC d/b/a Hilltop Broadband. **Approve on first reading and set second reading and public hearing for January 20, 2026.**
5. **Ordinance 2026-02** An Ordinance of the City Council of the City of Salida, Colorado Amending Chapter 2 of the Salida Municipal Code, Concerning Boards and Commissions, to Change the Name, Purpose, Membership and Organization, and Powers and Duties Sections of the Public Art Commission to the Arts and Culture Advisory Commission. **Approve on first reading and set second reading and public hearing for January 20, 2026.**
6. **Ordinance 2026-03** An Ordinance of the City Council of the City Of Salida, Colorado Amending Chapter 2 of the Salida Municipal Code, Concerning Boards and Commissions, to Change the Powers and Duties Section of the Parks, Recreation, Open Space and Trails Advisory Board. **Approve on first reading and set second reading and public hearing for January 20, 2026.**
7. Approve a Support & Commitment Letter for Scott Street Low-Income Housing Tax

Individuals with disabilities needing auxiliary aid(s) may request assistance by contacting the City Clerk at 448 E. 1st Street, Ste. 112, Salida, CO 81201, Ph.719-530-2626 at least 48 hours in advance.

Credit (LIHTC) Senior Apartments Project

Citizen Comment–Three (3) Minute Time Limit

Proclamations

8. Declaring January 19, 2026, Dr. Martin Luther King Jr. Day

Liquor Licensing Authority

9. New Hotel and Restaurant Liquor License for Lago Trattoria, LLC, dba Lago Trattoria at 148 West First Street.

Unfinished Business / Action Items

New Business / Action Items

10. **Ordinance 2026-04** An Emergency Ordinance of the City Council of the City of Salida, Colorado, Approving an Option to Ground Lease Real Property located at Scott Street, Salida, Colorado, for the Eastside Senior Living Apartments, from the City of Salida to Northpointe Development II Corporation, and Declaring an Emergency. **Public Hearing**
11. **Resolution 2026-01** A Resolution of the City Council of the City of Salida, Colorado, Designating the Place for the Posting of Public Notices for City Council Meetings and other City Business.
12. **Resolution 2026-05** A Resolution of the City Council of the City of Salida Colorado, Approving the Park Improvement Agreement Between the City of Salida and Northpointe Development II Corporation.
13. **Resolution 2026-06** A Resolution of the City Council of the City of Salida, Colorado, approving Citizen Appointments to the Sustainability Committee Pursuant to Section 2-18-10 if the Salida Municipal Code.
14. **Resolution 2026-07** A Resolution of the City Council of the City of Salida, Colorado, Approving Citizen Appointments to the Tree Board Pursuant to Section 2-12-10 of the Salida Municipal Code.

Councilors, Mayor and City Treasurer Reports

Council Reports

- Pappenfort - PAC Board
- Martin - Sustainability Committee
- Stephens - Airport Board
- Fontana - Finance Committee and Greater Salida Recreation Corporation Board
- Rovinsky - PROST Board
- Schreiner - Finance Committee

Mayor Report

Attorney Report

Individuals with disabilities needing auxiliary aid(s) may request assistance by contacting the City Clerk at 448 E. 1st Street, Ste. 112, Salida, CO 81201, Ph.719-530-2626 at least 48 hours in advance.

Treasurer Report

Department Updates

Adjourn



City Clerk | Deputy City Clerk

Mayor

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City Council Regular Meeting

448 E 1st Street, Room 190 Salida, Colorado 81201
December 16, 2025 at 6:00 PM

Minutes

Please register for Regular City Council Meeting

https://zoom.us/webinar/register/WN_IJlzcmlQTggcTEDomhRz5A

After registering, you will receive a confirmation email containing information about joining the webinar. To watch live meetings:

<http://www.youtube.com/@cityofsalidacolorado>

Civility Invocation

Call to Order

Pledge of Allegiance

Roll Call

PRESENT

Council Member Wayles Martin
Council Member Shelley Schreiner
Council Member Joey Rovinsky
Council Member Alisa Pappenfort
Council Member Aaron Stephens
Council Member Suzanne Fontana
Treasurer Ben Gilling
Mayor Justin Critelli

Amendment(s) to Agenda

Council Member Pappenfort moved to amend the agenda moving item #11 Resolution 2025-57 to the first item under New Business, seconded by Council Member Fontana.

Voting Yea: Council Member Pappenfort, Council Member Fontana, Council Member Stephens, Council Member Martin, Council Member Rovinsky, Council Member Schreiner

MOTION PASSED

Consent Agenda

Council Member Pappenfort moved to combine and approve items on the consent agenda, seconded by Council Member Martin.

Voting Yea: Council Member Pappenfort, Council Member Fontana, Council Member Stephens, Council Member Martin, Council Member Rovinsky, Council Member Schreiner

Approve Agenda

Approve December 02, 2025 Minutes

Approve 2026 City Council Meeting Calendar and Observed Holidays.

Award the CR105 Bridge Area River Restoration Project.

Award SH-291 West Entry Streetscape Improvements Project.

Award Police Department Remodel Project

MOTION PASSED

Citizen Comment—Three (3) Minute Time Limit

Phil Phillips introduced himself during citizen comment

Unfinished Business / Action Items

New Business / Action Items

Resolution 2025-57 A Resolution of the City Council for the City of Salida, Colorado, Approving a Citizen Appointment to the Salida Airport Advisory Board.

Council Member Stephens moved to approve Resolution 2025-57, seconded by Council Member Rovinsky.

Voting Yea: Council Member Pappenfort, Council Member Fontana, Council Member Stephens, Council Member Martin, Council Member Rovinsky, Council Member Schreiner

MOTION PASSED

Appoint Mayor Pro Tem

Council Member Fontana moved to appoint Councilmember Martin as Mayor Pro Tem, seconded by Council Member Stephens.

Voting Yea: Council Member Pappenfort, Council Member Fontana, Council Member Stephens, Council Member Martin, Council Member Rovinsky, Council Member Schreiner

MOTION PASSED

Appoint Council Liaison to various Boards and Committees

Council Member Fontana moved to appoint the following Council Members as liaisons to various Boards and Committees, seconded by Council Member Pappenfort.

Council Member Martin to the Sustainability Committee

Council Member Schreiner and **Council Member Fontana** to the Finance Committee

Council Member Stephens to the Airport Advisory Board
Council Member Fontana to the Greater Salida Area Recreation Corporation Board
Council Member Rovinsky to the PROST Board
Council Member Martin to the PAC Board

Voting Yea: Council Member Pappenfort, Council Member Fontana, Council Member Stephens, Council Member Martin, Council Member Rovinsky, Council Member Schreiner

MOTION PASSED

Resolution 2025-55 A Resolution of the City Council of the City of Salida, Colorado, Approving an Amendment to Resolution 2024-64 Establishing Budget and Appropriations by Fund for the City of Salida Operations for Calendar Year 2025. **Public Hearing.**

Council Member Pappenfort moved to approve Resolution 2025-55, seconded by Council Member Fontana.

Voting Yea: Council Member Pappenfort, Council Member Fontana, Council Member Stephens, Council Member Martin, Council Member Rovinsky, Council Member Schreiner

MOTION PASSED

Resolution 2025-56 A Resolution of the City Council of The City of Salida, Colorado, Adopting and Approving the 2026 Fee Schedules.

Council Member Martin moved to approve Resolution 2025-56 as amended, seconded by Council Member Pappenfort.

Voting Yea: Council Member Pappenfort, Council Member Fontana, Council Member Stephens, Council Member Martin, Council Member Rovinsky, Council Member Schreiner

MOTION PASSED

Council Member Pappenfort moved to amend Resolution 2025-56 to add a sidewalk construction fee in lieu of \$55.00 per linear foot to the Community Development Department Fee Schedule, seconded by Council Member Fontana.

Voting Yea: Council Member Pappenfort, Council Member Fontana, Council Member Stephens, Council Member Martin, Council Member Rovinsky, Council Member Schreiner

MOTION PASSED

Resolution 2025-58 A Resolution of the City Council for the City of Salida, Colorado, Approving an Appointment to the Chaffee Housing Authority Board.

Council Member Fontana moved to approve Resolution 2025-58, seconded by Council Member Martin.

Voting Yea: Council Member Pappenfort, Council Member Fontana, Council Member Stephens, Council Member Martin, Council Member Rovinsky, Council Member Schreiner

MOTION PASSED

Resolution 2025-59 A Resolution of the City Council of the City of Salida, Colorado, Approving the Commercial Lease Agreement with Salida Bottling Company LLC

Council Member Martin moved to approve Resolution 2025-59, seconded by Council Member Fontana.

Voting Yea: Council Member Pappenfort, Council Member Fontana, Council Member Stephens, Council Member Martin, Council Member Rovinsky, Council Member Schreiner

MOTION PASSED

Ordinance 2025-25 An Emergency Ordinance of the City Council of the City of Salida, Colorado Appointing and Setting Compensation for the Municipal Judge for a Two-Year Term Commencing January 1, 2026 and Running Through December 31, 2027. **Public Hearing**

Council Member Pappenfort moved to approve Emergency Ordinance 2025-25, seconded by Council Member Fontana.

Voting Yea: Council Member Pappenfort, Council Member Fontana, Council Member Stephens, Council Member Martin, Council Member Rovinsky, Council Member Schreiner

MOTION PASSED

Councilors, Mayor and City Treasurer Reports

Council Reports

Pappenfort - Finance Committee and CHA

Martin

Stephens - Airport Board and PROST

Fontana - Finance Committee and Greater Salida Recreation Corporation Board

Rovinsky

Schreiner

Reports were given.

Mayor Report

Report was given.

Attorney Report

Report was given.

Treasurer Report

Report was given.

Department Updates

Newly appointed Municipal Judge Taggart Mosholder was sworn into office.

Adjourn Meeting adjourned at 7:48 pm



City Clerk | Deputy City Clerk

Mayor



COUNCIL ACTION FORM

DEPARTMENT Administration	PRESENTED BY Daryn Ridenour - HR Manager	DATE January 6, 2026
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ITEM

Consent Agenda – Uniform & Clothing Policy

BACKGROUND

The proposed Uniform & Clothing Policy establishes clear, consistent guidance for the provision, use, and replacement of City-issued uniforms and clothing allowances across departments. The policy is intended to promote safety, professionalism, and a consistent public image, while recognizing the varied operational needs of different departments and job classifications.

Over time, uniform and clothing practices have developed inconsistently across departments, resulting in varying approaches to allowances, logoed apparel, replacement expectations, and separation practices. This policy provides a standardized framework while allowing appropriate departmental discretion based on job duties, safety requirements, and public-facing responsibilities.

FISCAL NOTE

The proposed policy is not expected to result in any additional fiscal impact. Department heads have historically accounted for uniform costs within their existing budgets and will continue to manage clothing/uniform expenses as needed within their departments.

STAFF RECOMMENDATION

Staff recommends Council approve the City of the Uniform & Clothing Policy with an effective date of January 6, 2026.

SUGGESTED MOTION

A City Council member should state, "I move to combine and approve items on the consent agenda" followed by a second and a roll call vote.



City of Salida – Uniform & Clothing Policy

Purpose:

The City of Salida provides uniforms and work clothing to support a professional appearance, promote employee identification, and prevent damage to personal items due to job duties. This policy establishes consistent standards for issuing, managing, and reimbursing uniforms and work clothing purchased with City funds. It ensures a fair and equitable approach across departments while allowing flexibility to meet operational needs and ensuring employees are appropriately attired for their work environment.

Scope:

This policy outlines the standards and procedures for uniforms and work clothing, including approved purchasing methods, allowable reimbursements, and disposal requirements. It applies to all full-time City employees, with the exception of Police and Fire personnel, who are governed by their respective departmental policies and procedures.

Definitions:

Clothing

- Clothing items are defined as non-logoed apparel required to meet departmental appearance standards, as determined by each Department Head. These items may be suitable to wear outside of work. Clothing items do not include personal protective equipment (PPE), uniforms, or any safety-related gear. Typical examples of clothing items include shoes, boots, pants, and shorts.

Uniform

- Uniform items are defined as logoed apparel required to meet departmental appearance standards, as determined by each Department Head. Uniform items may include long- and short-sleeved T-shirts, polo shirts, button-down or collared shirts, jackets, hats, sweatshirts, and sweaters.
- Uniform items are to be worn while performing work duties or while commuting to and from the workplace and are not intended for personal use outside of work.
- The City has a uniform standard that applies to all departments. Staff are not permitted to design their own uniforms or apply the city logo to any garment not approved by the Director and HR department.
- Each department has a “Clothing/uniform guidelines” document that clearly defines what garments are issued by the City for each position in the Department. Please note that different positions are issued different garments



Personal Protective Equipment (PPE)

- Personal Protective Equipment required in accordance with the City's Safety Policy for an employee to safely perform their job duties is not subject to the clothing or uniform allowance. All necessary PPE will be provided by the city at no cost to the employee and must meet applicable safety and regulatory standards. Employees are responsible for properly using, maintaining, and returning PPE in accordance with departmental procedures.

Employee Categories:

This policy applies to all full-time City employees except Police and Fire personnel, who are governed by their department's policies and procedures. All full-time positions within the City will be assigned one of two categories to determine the appropriate uniform and clothing allotment:

- Category I – Field Services (Physical or Outdoor Work) – **Eligible for City-issued uniforms and logoed clothing, as well as an annual clothing allowance.**

Positions that require employees to perform work primarily in the field, outdoors, or in industrial-type settings where clothing wear and tear is significant, and clear public identification as a City employee (logoed apparel) is necessary.

Examples include positions within Public Works (Municipal Worker I–IV, Class A–D Operator, Mechanic, Fleet Manager, Construction Inspector, Utility Inspector, Utilities Supervisor, WWTP Manager, Water Plant Manager) and Parks and Recreation (Municipal Worker I–IV, Parks Municipal Worker I–III, Facilities Manager & Supervisor).

- Category II – Office / Administrative and Public Facing Roles – **Eligible for City issued uniforms and logoed clothing, but not eligible for annual clothing allowance.**

Positions that are primarily office-based or involve moderate fieldwork and regular public contact. Public recognition as a City employee may be beneficial, but the physical demands of the work and clothing wear and tear are limited.

Examples include administrative, professional, and supervisory positions.

Administration:

Each department is responsible for establishing the annual clothing and uniform allowance amounts for eligible employees within their operations. Allowance amounts shall be based on operational needs, job duties, expected wear and tear, and available budget. Departments must ensure that allowance levels are applied consistently and comply with City financial guidelines.

Each department shall designate an administrator who is responsible for managing and tracking employee reimbursement requests and approved expenditures, ensuring that all submissions include itemized receipts and required documentation, ordering City-issued uniform items, and



verifying that all City-issued or City-branded apparel complies with established City branding and design standards prior to purchase.

Purchasing and Reimbursement:

Employees are responsible for purchasing approved clothing and uniform items in line with their departmental guidelines, and annual allowance on personal time, not during working hours. Departments must ensure all City-issued or City-branded items meet approved branding standards.

Department Heads will coordinate bulk uniform purchases for their departments, determining the appropriate quantity, type, specifications, and ordering frequency based on operational needs and budget. The designated departmental administrator must verify that all City-issued or City-branded items in bulk orders comply with City branding and design standards.

Employees must submit itemized receipts and required documentation to their departmental administrator, and reimbursements will be processed through regular payroll in accordance with City financial procedures.

Disposal and Return of Items:

Reusable City-issued uniform items (such as PPE, specialty safety gear, or higher-cost apparel) may be requested for return upon separation or replacement when determined appropriate by the Department Head or designee. Returned items will be evaluated by the department to determine whether they may be reused, repurposed, or disposed of based on condition and branding.

Lower-cost or consumable items (such as City-issued shirts, hats, or heavily worn apparel) are not required to be returned and may be retained by the employee; however, such items may not be worn or used in a manner that implies current City employment or City endorsement once the employee is no longer authorized to wear the uniform.

Non-logoed clothing purchased with an approved clothing allowance is considered personal property and may be retained, but it must not be worn or presented in a way that suggests City issuance or endorsement outside of authorized work activities.

Responsibilities:

This policy is approved by the City Administrator, and exceptions to the policy can be granted by the City Administrator.

Existing policies already in place prior to the adoption of this policy should be reviewed and modified according to the guidelines in this policy if it would enhance efficiency of the existing policy.

Any formal future policy written for the City shall follow the guidelines outlined in this policy.



City Council Action Form

Department Administration	Presented By Christy Doon - City Administrator	Date January 6, 2026
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Agenda Item

Ordinance 2026 - 01, An Ordinance of the City Council of the City of Salida, Colorado, Approving the Tenderfoot Communication Site Lease with Smiling J LLC d/b/a Hilltop Broadband, first reading and setting the public hearing for January 20, 2026.

Background

In 2012 the City of Salida, through a grant from the Department of Local Affairs, constructed a communications site, including a tower and equipment shelter, on Tenderfoot Mountain. The site currently houses equipment for Visionary Broadband, Hilltop Broadband, Verizon, KHEN Radio and Emergency Services.

The City entered into a lease agreement with Hilltop Broadband in 2014 and both parties wish to continue the relationship agreement.

Recommendation

Staff recommends Council approve the new Tenderfoot Communications Site Lease Agreement.

Fiscal Impact

From the commencement date until January 31, 2027, monthly rent shall be \$750.
 From February 1, 2027, until January 31, 2028, monthly rent shall be \$1,000.
 From February 1, 2028, until January 31, 2029, monthly rent shall be \$1,250.
 From February 1, 2029, until January 31, 2030, monthly rent shall be \$1,500.
 From February 1, 2030, until January 31, 2031, monthly rent shall be \$1,545.

Following the initial term, the rent and monthly installments shall increase by 4% annually.

Motion

A City Councilmember should make a motion to “combine and approve the items on the consent agenda setting a second reading and public hearing for Ordinance 2026-01 for January 20, 2026”, followed by a second and a roll call.

**City Of Salida, Colorado
Ordinance No. 01
(Series of 2026)**

**An Ordinance of the City Council of the City of Salida, Colorado Approving
Tenderfoot Communications Site Lease with Smiling J LLC d/b/a Hilltop
Broadband**

WHEREAS, the City of Salida, Colorado (the “City”) is a statutory city, duly organized and existing under the laws of the state of Colorado; and

WHEREAS, in 2012 the City of Salida constructed a communication site including a tower and equipment shelter (“Tenderfoot Communications Site”) in order to facilitate additional broadband service within Salida and the surrounding area; and

WHEREAS, Smiling J LLC d/b/a Hilltop Broadband entered into a lease agreement with the City of Salida via Ordinance 2014-14 to lease space at the Tenderfoot Communications Site; and

WHEREAS, the City of Salida and Smiling J LLC d/b/a Hilltop Broadband wish to continue the relationship.

Now, therefore, be it ordained by the City Council of the City of Salida, Colorado, that:

Section 1. The foregoing recitals are incorporated herein as conclusions, facts, determinations, and findings by Council.

Section 2. The City Council for the City of Salida hereby authorizes and approves the lease with Hilltop Broadband on the terms and conditions contained as Exhibit A attached hereto and incorporated herein. The City Administrator is hereby authorized to execute the Lease by and on behalf of the City.

Section 3. Severability: The provisions of this Ordinance are severable and the invalidity of any section, phrase, clause, or portion of this Ordinance as determined by a Court of competent jurisdiction shall not affect the validity or effectiveness of the remainder of the Ordinance.

Section 4. City officials are hereby authorized to take such action as appropriate to implement the Lease Agreement.

Section 5. The City Council finds and declares that this Ordinance is promulgated and adopted pursuant to the City’s police power to preserve and protect the public health, safety, and welfare of the City and its residents, and bears a rational relation to the legislative objects sought to be obtained.

Introduced on First Reading, on the 6th day of January, 2026, adopted and ordered published in full in a newspaper of general circulation in the City of Salida by the City Council on the 6th day of January, 2026, and set for Second Reading and Public Hearing on the 20th day of January, 2026.

Introduced on Second Reading, finally adopted and ordered published by Title only, by the City Council on the ____ day of _____, 20__.

City Of Salida, Colorado

Mayor

[SEAL]

ATTEST:

City Clerk/Deputy Clerk

Published in Full in the Mountain Mail after First Reading on the ____ day of _____, 20__, and by Title only, after final adoption on the ____ day of _____, 20__.

City Clerk/Deputy City Clerk

TOWER LEASE AGREEMENT

THIS TOWER LEASE AGREEMENT (“Agreement”), dated as of the latter of the signature dates below (the “Effective Date”), is entered into by the City of Salida, a Colorado statutory city (“Landlord”), and Smiling J LLC d/b/a Hilltop Broadband, a Colorado limited liability company, with its principal office located at 4015 S. Lincoln Avenue, Suite 500, Loveland, Colorado 80537 (“Tenant”).

BACKGROUND

Landlord is the owner of land and facilities located at the crest of Tenderfoot Mountain in the City of Salida, Chaffee County, State of Colorado (the “Property”), as further described on Exhibit A. Landlord is also the owner of a communications tower which is situated on a portion of the Property (the “Tower”). Tenant is a broadband communications provider and is permitted, licensed, or otherwise authorized by the applicable federal or state governmental authority to operate in all or some areas of the City of Salida. Landlord desires to permit use by Tenant and the Tenant desires to use a portion of the Property and Tower as described below in order to enable Tenant to erect, operate and maintain certain communication equipment of Tenant in connection with its broadband communications business.

1. **RIGHT TO LEASE.** Landlord grants to Tenant the right to lease a portion of the Property consisting of 1) physical space on the Tower to install wireless antennas, 2) space within the existing communications shelter (the “Shelter”) to install the necessary network rack, equipment and power infrastructure, and 3) space within the communications conduit to install and maintain fiber optic cable, together with a non-exclusive easement for ingress and egress and as further described on Exhibit B (collectively, the “Leased Premises”). The Leased Premises, and the specific Tenant facilities and equipment located at and on the Leased Premises as of the Effective Date are depicted on Exhibit B.

2. **PERMITTED USE.**

(a) Tenant shall use the Leased Premises solely for the purposes of providing broadband communications services, for which it has received all necessary approvals from either the Colorado Public Utilities Commission, the Federal Communications Commission (“FCC”), or as otherwise allowed by law.

(b) The Leased Premises may be used for the transmission and reception of communications signals and the installation, construction, maintenance, repair and operation of communications fixtures and related equipment, cables, accessories and improvements, which may include associated antennas, equipment shelters or cabinets and any other items necessary to the successful and secure use of the Leased Premises (collectively, the “Communications Facilities”). Tenant has the right to install and operate transmission cables from the Shelter to the antennas, electric lines from the main feed to the Shelter or cabinet and communication lines from the main entry point to the Shelter or cabinet in the locations depicted on Exhibit B. Landlord and Tenant acknowledge that Exhibit B contains the general description of a future rack location Tenant wishes to install in the Shelter. The generally described future rack location set forth in

Exhibit B may only be installed by Tenant in the Shelter if (i) there is sufficient space in the Shelter to install such rack, (ii) Tenant is solely responsible (financially and otherwise) for any additional necessary improvements or modifications to the Shelter necessitated by such addition(s), and (iii) Tenant obtains Landlord's prior approval of such installation once the items Tenant would like to install are determined. Tenant may also install and maintain a fiber-optic cable within the conduit that runs from the Shelter to the power infrastructure as noted in Exhibit B. It is acknowledged that Landlord owns the existing conduit. Tenant accepts the Leased Premises, including, without limitation, the existing conduit "As-Is, Where-Is" with all faults. It is understood and agreed that when another tenant of the Landlord locates cabling in trenches along the roadway to the Tower site and removes all of the existing exposed conduit, Tenant shall, within ninety (90) days of written notice from Landlord, supply its own new conduit and relocate its Communications Facilities into these trenches at Tenant's expense, whereupon Tenant shall own such conduit. Tenant may upgrade or exchange any equipment that is like kind, and of the same size, location and general appearance as that equipment being replaced. Tenant agrees to comply with all applicable governmental laws, rules, statutes and regulations, relating to its use of the Communications Facilities on the Property and/or Tower. Tenant shall be responsible for the cost of any repairs for any damage caused to the Tower or any other part of the Property during installation, use, maintenance and removal of Tenant's Communications Facilities.

(c) All existing Communications Facilities shall be specifically identified in Exhibit C. Except as provided herein, prior to any alteration or modification to Tenant's Communications Facilities Tenant shall submit copies of the site plan, floor plan, sections, elevations, structural plans, and specifications to Landlord for prior approval. Landlord shall give such written approval or provide Tenant with its requirements for changes upon completion of the development application review process. Notwithstanding the foregoing, prior approval of Landlord is not required for routine maintenance, repairs, the like-kind replacement of the Communications Facilities, or any modifications to the interior of the equipment shelter or items housed therein, so long as the resulting Communications Facilities are of comparable size and exterior appearance, do not extend beyond the space indicated for any of the Communications Facilities identified on Exhibit B, and are in full compliance with this Agreement and all applicable laws and regulations.

(d) Smoking; Solicitations; Dangerous Activities. The Leased Premises are a smoke-free environment. Tenant shall not permit any smoking, canvassing, soliciting or peddling on the Leased Premises. Tenant shall not permit dangerous activities on the Leased Premises.

3. TERM.

(a) The Initial Term of this Agreement shall be five (5) years commencing on February 1, 2026 (the "Commencement Date"), unless it is terminated earlier as expressly provided in this Agreement. The Initial Term will terminate on the fifth (5th) annual anniversary of the Commencement Date.

(b) This Agreement will automatically renew for three (3) additional five (5) year terms (the "Extension Terms"), upon the same terms and conditions, unless either the Tenant or Landlord notifies the other in writing of their respective intention not to renew this Agreement no

more than one-hundred and eighty (180) days and no less than ninety (90) days prior to the end of the Initial Term of this Agreement or any Extension Term, whichever is applicable.

(c) The Initial Term and any Extension Terms are collectively referred to as the “Term.”

4. RENT.

(a) During the Initial Term Tenant shall pay to Landlord an annual rental in the following amounts (the “Rent”):

(i) From the Commencement Date until January 31, 2027, Nine Thousand Dollars (\$9,000.00) in monthly installments of Seven Hundred Fifty Dollars (\$750.00);

(ii) From February 1, 2027 until January 31, 2028, Twelve Thousand Dollars (\$12,000.00) in monthly installments of One Thousand Dollars (\$1,000.00);

(iii) From February 1, 2028 until January 31, 2029, Fifteen Thousand Dollars (\$15,000.00) in monthly installments of One Thousand Two Hundred Fifty Dollars (\$1,250.00);

(iv) From February 1, 2029 until January 31, 2030, Eighteen Thousand Dollars (\$18,000.00) in monthly installments of One Thousand Five Hundred Dollars (\$1,500.00); and

(v) From February 1, 2030 until January 31, 2031, Eighteen Thousand Five Hundred Forty Dollars (\$18,540.00) in monthly installments of One Thousand Five Hundred Forty Five Dollars (\$1,545.00).

(vi) The first monthly installment of Rent shall be paid by Tenant to Landlord upon the Commencement Date and subsequent monthly installments of Rent shall be due and payable on or before the first day of each calendar month thereafter during the Term. Rent shall be payable to Landlord at City of Salida, 448 E. First Street, Suite 112, Salida, CO 81201; Attention: Payables/Finance Department.

(b) Following the Initial Term, the Rent and monthly installments shall increase four percent (4%) annually during the Term on each anniversary of the Commencement Date.

(c) Tenant shall pay Landlord a late payment charge equal to ten percent (10%) of the late payment for any payment 30-days past due. Any amounts not paid when due shall bear interest until paid at the rate of one and one-half percent (1.5%) per month.

5. APPROVALS.

(a) Landlord agrees that Tenant's ability to use the Leased Premises is contingent upon the suitability of the Leased Premises for Tenant's permitted use and Tenant's ability to obtain and

maintain all government approvals. Landlord authorizes Tenant to prepare, execute and file any required applications to obtain government approvals for Tenant's permitted use under this Agreement and further agrees to cooperate with Tenant, at no cost to Landlord, in making such applications for and with obtaining and maintaining the government approvals required for the provision of communication services.

(b) Tenant has the right to obtain a title report or commitment for a leasehold title policy from a title insurance company of its choice and to have the Property surveyed by a surveyor of Tenant's choice, and Tenant shall be responsible for any costs or fees incurred in connection therewith. In the event Tenant determines, in its reasonable discretion, due to the title report results or survey results, that the condition of the Leased Premises will not permit the use granted under this Agreement, Tenant will have the right to terminate this Agreement upon thirty (30) days' written notice to Landlord.

6. **TERMINATION.** This Agreement may be terminated as follows:

(a) by either party on ten (10) days' prior written notice, if the other party remains in default after the applicable cure period expires;

(b) by Tenant upon one hundred twenty (120) days prior written notice to Landlord for any reason, so long as Tenant pays Landlord a termination fee equal to one year's Rent, at the then current rate, or if less than one (1) year remains in the Term the Rent that is required by the terms of this Agreement to be paid by Tenant for such remaining Term; provided, however, no such termination fee will be payable on account of the termination of this Agreement by Tenant under any one or more of Sections 5(b) (Approvals), 6(a) (Termination), 11(c) (Hazardous Substances), 18 (Condemnation and Eminent Domain), or 19 (Casualty);

(c) by Landlord if any government body, other than Landlord, passes an ordinance, law, or regulation that would interfere or render impossible performance of this Agreement or if the structure to which Tenant's equipment is attached is scheduled for removal or deconstruction. If permissible, Landlord shall provide Tenant with ninety (90) days' notice to surrender the Leased Premises and all interests to the Landlord. Tenant shall have no claim against the Landlord for any loss or damage; or

(d) by Landlord upon sixty (60) days' written notice if it determines, (i) based on a certified structural review that there exists structural damage or (ii) destruction of all or part of the Property from any source, provided that Landlord shall first undertake reasonable efforts, as determined by Landlord, to recover any applicable damages from the party causing such damage or destruction and thereafter if Landlord is unable to recover such damages after undertaking such efforts to collect such amounts, Tenant shall then be offered the opportunity to repair the damage. All structural repairs performed by Tenant shall become the property of the Landlord immediately upon completion of such repairs. The cost of such repairs shall be applied towards future monthly Rent charges.

(e) This Agreement shall terminate automatically if events occur and notice is provided as described in Sections 18 and 19 of this Agreement.

(f) Force Majeure. Neither party shall be liable for its inability to perform its obligations under this Agreement, excluding, however, any payment obligations, which payment obligations must always be performed, if caused by conditions beyond its reasonable control including but not limited to acts of terrorism, environmental conditions, pandemics, epidemics, labor strikes, protests, perils and hazards, and acts of God. In the event either party is prevented or delayed in the performance of any of its obligations under this Agreement by reason beyond its reasonable control, that party shall have a reasonable time, under the circumstances, to perform the affected obligation under this Agreement or to procure a substitute for such obligation which is satisfactory to the other party. If either party believes that a reason beyond its reasonable control has prevented or delayed its compliance with the terms of this Agreement, that party shall provide documentation as reasonably required by the other party to substantiate the claim. If the party has not yet cured the deficiency, it shall also provide the other party with its proposed plan for remediation, including the timing for such cure. In order to be entitled to an excuse for any delay or failure to perform under this Agreement pursuant to this subsection (f), the party claiming such excuse shall promptly give written notice to the other party to this Agreement of any event or occurrence which it believes falls within the contemplation of this subsection, and shall not be in default so long as that party is diligently working toward complying with its obligations under this Agreement at the earliest possible time.

(g) If an event causing damage to the Tower and/or Shelter renders the Tenant unable to operate its Communications Facilities, all Tenant payment obligations outlined in the Agreement shall be maintained so long as the Landlord is making a good faith effort to restore the Tower and/or Shelter to a usable state. If the required repairs to render the Tower and/or Shelter usable take longer than sixty (60) days, and if other temporary options to allow for operation of the Communication Facilities at a level of performance that is comparable to the levels obtained from the Communication Facilities on the Tower are not available to Tenant, the monthly Rent owed by Tenant shall be suspended until its Communications Facilities can be utilized. Notwithstanding the foregoing, if the event causing damage to the Tower and/or Shelter was caused by Tenant or its contractors' acts or omissions, Tenant's payment obligations outlined in this Agreement shall continue uninterrupted and Tenant shall be solely responsible for any required repairs to render the Tower and/or Shelter usable.

7. INSURANCE.

(a) During the Term of the Agreement, Tenant shall maintain, or cause to be maintained, in full force and effect and at its sole cost and expense, the following types and limits of insurance:

(i) Worker's compensation insurance meeting applicable statutory requirements and employer's liability insurance with limits of One Hundred Thousand Dollars (\$100,000.00) for each accident/disease/policy limit.

(ii) Commercial general liability insurance with limits of Two Million Dollars (\$2,000,000.00) per occurrence for bodily injury (including death) and property damage and Five Million Dollars (\$5,000,000.00) general aggregate, including for bodily injury,

blanket contractual liability insurance for all written contracts, products and completed operations liability, and coverage for property damage from perils of explosion, collapse or damage to underground utilities, commonly known as XCU coverage.

(iii) Automobile liability insurance covering all owned, hired, and non-owned vehicles in use by Tenant, its employees, or agents, with limits of One Million Dollars (\$1,000,000.00) combined single limit each accident for bodily injury and property damage.

(b) All policies other than those for Worker's Compensation and Employer's Liability shall be written on an occurrence and not on a claims made basis.

(c) The coverage amounts set forth above may be met by a combination of underlying and umbrella policies so long as in combination the limits equal or exceed those stated above.

(d) All policies, except for the Worker's Compensation and Employer's Liability policies, shall name Landlord and its officers, boards, commissions and employees as additional insureds (collectively, the "Additional Insureds").

(e) Certificates of insurance for each insurance policy required to be obtained by Tenant in compliance with this Section 7 shall be provided to the Landlord annually during the Term of the Agreement. Tenant shall immediately advise Landlord of any claim or litigation that may result in liability to Landlord.

(f) Cancellation of Policies of Insurance. All insurance policies required pursuant to this Agreement shall contain the following endorsement:

"At least thirty (30) days prior written notice of cancellation or change of any required coverage shall be given to the City of Salida, 448 E. First Street, Suite 112, Salida, CO 81201; Attention: City Administrator."

(g) Insurance Companies. All insurance shall be effected under valid and enforceable policies, issued by insurers licensed, authorized or permitted to do business by the State of Colorado or surplus line carriers on the State of Colorado Insurance Commissioner's approved list of companies qualified to do business in the State of Colorado. All insurance carriers and surplus line carriers shall be rated A-:VII or better by A.M. Best Company.

(h) Deductibles. Tenant agrees to indemnify and hold harmless Landlord and the Additional Insureds from and against the payment of any deductible and from and against the payment of any premium on any insurance policy required to be obtained and maintained by Tenant under this Agreement.

(i) Contractors. Tenant shall require that every one of its contractors and their subcontractors who perform work on the Leased Premises and/or the Tower carry, in full force and effect, substantially the same coverage with substantially the same limits as required of Tenant.

(j) Review of Limits. Landlord may periodically review the insurance coverages to be carried by Tenant. If Landlord reasonably determines that higher limits of coverage are necessary to protect the interests of Landlord or the Additional Insureds then upon prior written notice to Tenant, Tenant shall obtain the additional limits of insurance, at its sole cost and expense.

8. INTERFERENCE.

(a) Upon the written request of the Tenant, where there are existing radio frequency user(s) on the Property and/or the Tower, the Landlord (to the best of its abilities) will provide Tenant with a list of all existing radio frequency user(s) on the Property and/or the Tower to allow Tenant to evaluate the potential for interference. Tenant warrants that its use of the Leased Premises will not interfere with existing radio frequency user(s) on the Property and/or the Tower so disclosed by Landlord, as long as the existing radio frequency user(s) operate and continue to operate within their respective frequencies and in accordance with all applicable laws and regulations. Tenant further agrees that it will cooperate with Landlord and with any other radio frequency user(s) Landlord permits to be on the Property and/or the Tower, by sharing the requisite information to determine what potential interference issues may exist and to take all reasonable steps necessary to avoid such interference.

(b) Landlord will not grant, after the date of this Agreement, a lease, license or any other right to any third party for use of the Property, if such use may in any way adversely affect or interfere with the Communications Facilities, the operations of Tenant or the rights of Tenant under this Agreement.

(c) The Tenant's Communications Facilities shall be of the type and frequency which will not cause measurable interference, as defined by the FCC, to any currently leased and legally operating communications equipment of the Landlord, other existing entities on the Property, or adjacent landowners. In the event Tenant's Communications Facilities cause such interference, Tenant shall take all reasonable steps necessary to correct and eliminate the interference.

(d) Prior to commencing operations of its Communications Facilities, Tenant shall provide written assurance, in a format reasonable and customarily accepted by the federal government, ensuring that Tenant's Communications Facilities comply with all federal requirements for radio frequency ("RF") emissions, and that Tenant's Communications Facilities will not cause measurable interference with the equipment located on the Property and/or adjacent property. The Landlord may, at the commencement of any Extension Term, in response to a formal interference claim, or at any other time in its reasonable discretion not to exceed one (1) time in any calendar year, require Tenant to engage in testing through a qualified radio frequency engineer, to determine Tenant's RF emissions levels at the Property, as they relate to the total RF environment related to operations on the Tower. All costs of testing and compliance shall be borne equally by Tenant and such other tenants that are similarly situated. Notwithstanding the foregoing, tenants operating equipment, all of which is below the 500Mhz threshold, and tenants operating exclusively equipment on the Tower that is used for public safety and/or emergency communications shall be exempt from paying any of the foregoing testing and compliance costs.

(e) Tenant understands that no use of the Leased Premises and/or Property will be permitted which exceeds federal RF emissions standards within and at the boundaries of the Leased Premises and/or Property. If the cumulative RF emissions levels ever exceed federal standards, all users of the Leased Premises and/or Property that are not public sector entities, including Tenant, will be required to modify operations on a reasonably comparable level, in order to bring the overall RF emissions into compliance.

(f) Notwithstanding any other provision to the contrary, Tenant's activities shall not interfere with the peaceful enjoyment of the Property by Landlord and/or any other tenants, lessees, or licensees, or endanger the health or safety of Landlord's employees and/or such other tenants, lessees, or licensees.

9. INDEMNIFICATION.

(a) Tenant agrees to indemnify, defend and hold Landlord harmless from and against any and all injury, loss, damage, or liability (or any claims in respect of the foregoing), costs or expenses arising from the installation, use, maintenance, repair, or removal of the Communications Facilities or Tenant's breach of any provision of this Agreement, except to the extent attributable to the negligent or intentional act or omission of Landlord, its employees, or agents.

(b) Notwithstanding anything to the contrary in this Agreement, Tenant and Landlord each waives any claims that each may have against the other with respect to consequential, incidental, or special damages.

(c) The provisions of this Section 9 shall survive the expiration or earlier termination of this Agreement.

10. WARRANTIES. Tenant and Landlord each acknowledge and represent that it is duly organized, validly existing and in good standing and has the right, power and authority to enter into this Agreement and bind itself hereto through the party set forth as signatory for the party below.

11. HAZARDOUS SUBSTANCES.

(a) Tenant represents and warrants that its use of the Leased Premises and/or Tower will not generate any Hazardous Substance, and it will not store or dispose of on the Leased Premises and/or Tower nor transport to or over the Leased Premises and/or Property any Hazardous Substance. Tenant further represents and warrants that its installation and maintenance of its Communications Facilities will not involve the bringing of any asbestos containing material onto the Property. Tenant further agrees to hold Landlord harmless from and indemnify Landlord against any release of any such Hazardous Substance and any damage, loss, expense, or liability resulting from such release including all attorneys' fees, costs and penalties incurred as a result thereof except any release caused by the negligence of Landlord, its employees, or agents. Landlord shall be responsible for any release of a Hazardous Substance caused by Landlord, including any damage, loss, expense, or liability resulting from such release. "Hazardous Substance" shall be interpreted broadly to mean any substance or material defined or designated

as hazardous, or other similar term, by any federal, state, or local environmental law, regulation or rule presently in effect or promulgated in the future, as such laws, regulations, or rules may be amended from time to time; and it shall be interpreted to include, but not be limited to, any substance which after release into the environment will or may reasonably be anticipated to cause sickness, death, or disease.

(b) Tenant's indemnification obligations set forth in this Section 11 specifically include reasonable costs, expenses and fees incurred in connection with any investigation of Property conditions or any clean-up, remediation, removal, or restoration work required by any governmental authority.

(c) In the event Tenant becomes aware of any Hazardous Substance on the Property that was not caused by Tenant, its employees, agents, or contractors, or any environmental or industrial hygiene condition or matter relating to the Property that, in Tenant's reasonable determination, renders the condition of the Leased Premises unsuitable for Tenant's use that was not caused by Tenant, its employees, agents, or contractors, or if the leasing or continued leasing of the Leased Premises would expose Tenant to undue risks of government action, intervention, or third-party liability, which action, intervention, or third-party liability was not caused by Tenant, its employees, agents, or contractors, Tenant will have the right, in addition to any other rights it may have at law or in equity, to terminate the Agreement upon written notice to Landlord.

(d) Notwithstanding anything to the contrary herein, Tenant shall have the right to store and use standard quantities of batteries, diesel fuel for backup generators, and any other substances required for the operation of Tenant's Communications Facilities so long as it does so in full compliance with all applicable laws.

12. ACCESS.

(a) At all times throughout the Term of this Agreement, and at no additional charge to Tenant, Tenant and its employees, agents, and contractors, will have reasonable access, including emergency access, twenty-four (24) hours per day, seven (7) days per week pedestrian and vehicular access to and over the Property, to the Leased Premises, for the installation, maintenance and operation of the Communications Facilities and any utilities serving the Leased Premises. All work to the maximum extent possible however, shall be performed by Tenant on non-holiday weekdays between 7:00 am and 5:00 pm. Tenant shall immediately call Chaffee County Dispatch at (719) 539-2596, or such other number as may be provided by Landlord to Tenant, to report any emergency to Landlord. Tenant shall provide to the Landlord a twenty-four (24) hour per day, seven (7) day per week, emergency contact name and telephone number. Notwithstanding the foregoing, Tenant understands and acknowledges that the Landlord may install Christmas lights above the road leading to the Tower at a height of approximately ten (10) feet during the months of November through January. In connection with accessing the Leased Premises during this time period, Tenant is solely responsible for ensuring that its vehicles and equipment can safely access the Leased Premises without causing any damage, including, without limitation, damage to the Christmas lights. Should Tenant, its employees or contractors cause any damage, including, without limitation damage to the Christmas lights, Tenant shall immediately repair such damage to Landlord's reasonable satisfaction at Tenant's sole cost and expense. Tenant shall additionally

post such emergency contact information in a visible location at the Leased Premises. Tenant and its contractors' vehicles shall be clearly marked with a company logo or shall be otherwise reasonably identifiable. Landlord grants to Tenant a license for such access and Landlord agrees to provide to Tenant such codes, keys and other instruments necessary for such access at no additional cost to Tenant. In the event any public utility is unable to use the access provided to Tenant then the Landlord agrees to work with Tenant to identify and grant additional access in a location acceptable to both parties either to Tenant or to the public utility, for the benefit of Tenant.

(b) Security and Invitees. Landlord does not represent that the Property or Leased Premises are safe from theft, injury, or damage to Tenant or Tenant's property. Landlord does not represent that locks or security services or equipment, if any, are provided to protect Tenant's safety, property, or the Leased Premises. Notwithstanding any provision to the contrary, Landlord is not liable for any lack of security with respect to the Property or Leased Premises or for any damages caused by any error or other action regarding the admission to or exclusion from the Property of any person. Tenant is solely responsible for the security of the Leased Premises and its personal property on the Leased Premises. Tenant shall make good faith efforts to monitor and control the conduct of its staff and agents while on the Leased Premises. Tenant shall at all times bear the entire risk of loss to Tenant's property and equipment.

13. REMOVAL/RESTORATION. All portions of the Communications Facilities brought onto the Leased Premises by Tenant will be and will remain Tenant's personal property and, at Tenant's option, may be removed by Tenant at any time during the Term. Landlord covenants and agrees that no part of the Communications Facilities constructed, erected, or placed on the Leased Premises by Tenant will become, or be considered as being affixed to or a part of, the Property, it being the specific intention of the Landlord that all improvements of every kind and nature constructed, erected, or placed by Tenant on the Leased Premises will be and remain the property of the Tenant and may be removed by Tenant at any time during the Term. Within ninety (90) days following the expiration or earlier termination of this Agreement, Tenant will remove all of Tenant's improvements and Tenant will restore the Leased Premises to its condition immediately preceding the installation of such improvements. Any property not removed within such ninety (90) day period shall be deemed abandoned and thereafter, Landlord shall have a right to keep, dispose, or sell such property in its sole discretion and to recover, if applicable, any expenses it may have in connection therewith from Tenant.

14. MAINTENANCE/UTILITIES.

(a) Tenant will keep and maintain the Leased Premises in good condition. Tenant shall maintain the outward appearance of any equipment shelter or other ground equipment.

(b) Landlord will maintain and repair the Property and access thereto, in good and tenantable condition, subject to reasonable wear and tear and damage from the elements. Notwithstanding the foregoing, it is acknowledged that Tenant along with other tenants at the Property store certain of their equipment in the Shelter owned by the Landlord, which Shelter is located on a portion of the Leased Premises. Landlord will from time to time during the Term of this Agreement renovate, make repairs to and maintain all components of such Shelter in its sole discretion. Landlord may request that Tenant perform and pay for any costs associated with

updates or maintenance; provided, however, that Tenant shall not be required to perform any such work unless mutually agreed in writing by the parties in advance. Any such agreement shall specify the scope of work and the amount of the credit to be applied toward monthly Rent, which shall equal the actual, reasonable, and documented costs incurred by Tenant.

(c) Notwithstanding any other provision to the contrary and at Landlord's sole discretion, Landlord may at any time examine, inspect and protect the Property and make alterations, renovations, restorations, repairs, and/or improvements to the Property as long as they do not interfere with Tenant's ability to operate its Communications Facilities.

(d) In addition to the payment of Rent to Landlord, Tenant shall pay to the Landlord Forty Dollars (\$40.00) per month as its share of the utilities used at the Tower site (the "Monthly Utilities Expense"). The first Monthly Utilities Expense payment shall be paid by Tenant to Landlord upon the Commencement Date and subsequent Monthly Utilities Expense payments shall be due and payable on or before the first day of each calendar month thereafter during the Term. The Monthly Utilities Expense shall increase ten percent (10%) during each Extension Term.

(e) Tenant shall pay Landlord a late payment charge equal to ten percent (10%) of the late payment for any payment 30 days past due. Any amounts not paid when due shall bear interest until paid at the rate of one and one-half percent (1.5%) per month.

15. DEFAULT AND RIGHT TO CURE.

(a) The following will be deemed a default by Tenant and a breach of this Agreement: (i) non-payment of Rent if such Rent remains unpaid for more than ten (10) days after receipt of written notice from Landlord of such failure to pay; (ii) Tenant's failure to perform any other term or condition under this Agreement within thirty (30) days after receipt of written notice from Landlord specifying the failure; or (iii) if Tenant is adjudicated as bankrupt, makes any assignment for the benefit of creditors, or if Tenant becomes insolvent. No such failure, however, except for payment of Rent, will be deemed to exist if Tenant has commenced to cure such default within such period and provided that such efforts are prosecuted to completion with reasonable diligence. Delay in curing a default, except for payment of Rent, will be excused if due to causes beyond the reasonable control of Tenant. If Tenant remains in default beyond any applicable cure period, Landlord will have the right to exercise any and all rights and remedies available to it at law or in equity.

(b) The following will be deemed a default by Landlord and a breach of this Agreement: (i) Landlord's failure to provide access to the Leased Premises or cure any interference problem within twenty-four (24) hours after written notice of such default or (ii) Landlord's failure to perform any term, condition, or breach of any warranty or covenant under this Agreement within thirty (30) days after receipt of written notice from Tenant specifying the failure. No such failure, however, will be deemed to exist if Landlord has commenced to cure the default within such period and provided such efforts are prosecuted to completion with reasonable diligence. Delay in curing a default will be excused if due to causes beyond the reasonable control of Landlord. If Landlord

remains in default beyond any applicable cure period, Tenant will have the right to exercise any and all rights available to it at law or in equity.

16. ASSIGNMENT.

(a) Tenant may not assign, sublet or otherwise transfer any portion of its interest in this Agreement or the Communications Facilities, by operation of law or otherwise, without the prior written consent of Landlord, which may be withheld in Landlord's sole and absolute discretion. An assignment, subletting, or transfer in violation of this section shall be null and void and unenforceable against Landlord. Notwithstanding the immediately preceding sentences, Tenant may assign its interest under this Agreement and to the Communications Facilities without Landlord's consent but upon at least thirty (30) days prior written notice to Landlord to (a) one or more entities which shall control, be controlled by, or be under common control with, Tenant, or (b) to any entity which acquires all or substantially all of Tenant's stock or assets in the market defined by the FCC in which the Property is located, in connection with any merger, consolidation or reorganization of Tenant.

(b) Except with respect to any pending claim of default under this Agreement, effective upon transfer by Landlord of Landlord's interest in the Property and/or Tower, Landlord shall be released from all obligations and liabilities arising out of this Agreement.

(c) The parties hereby expressly agree and acknowledge that it is the intention of both parties that in the event that during the Term of this Agreement, Tenant shall become a debtor in any voluntary or involuntary bankruptcy proceeding under the United States Bankruptcy Code, 11 U.S.C. 101, et seq. (the "Code"), for the purposes of proceeding under the Code, this Agreement shall be treated as an unexpired lease of nonresidential real property under Section 365 of the Code, as it may be amended, and, accordingly, shall be subject to the provisions of subsections (d)(3) and (d)(4) of Section 365 of the Code. Any person or entity to which this Agreement is assigned pursuant to the provisions of the Code, shall be deemed without further act to have assumed all of the obligations of the Tenant arising under this Agreement both before and after the date of such assignment. Any such assignee shall upon demand execute and deliver to the Landlord an instrument confirming such assumption. Any monies or other considerations payable or otherwise to be delivered in connection with such assignment shall be paid to the Landlord, shall be the exclusive property of the Landlord, and shall not constitute property of the Tenant or of the estate of the Tenant within the meaning of the Code. Any monies or other considerations constituting the Landlord's property under the preceding sentence not paid or delivered to the Landlord shall be held in trust for the benefit of the Landlord and be promptly paid to the Landlord.

17. NOTICES. All notices, requests, demands and communications hereunder will be given by first class certified or registered mail, postage prepaid, return receipt requested, or by a nationally recognized overnight courier, postage prepaid, to be effective when properly sent and received, refused, or returned undelivered. Notice will be addressed to the parties as follows:

If to Tenant: Smiling J LLC d/b/a Hilltop Broadband
 4015 S. Lincoln Avenue, Suite 500
 Loveland, CO 80537

Attention: Accounting Department

If to Landlord: City of Salida, Colorado
448 E. First Street, Suite 112
Salida, CO 81201
Attention: City Administrator

Either party hereto may change the place for the giving of notice to it by thirty (30) days written notice to the other party given in the manner as provided for herein.

18. CONDEMNATION AND EMINENT DOMAIN.

(a) In the event Landlord receives notification of any condemnation proceedings affecting the Property, Landlord will provide notice of the proceeding to Tenant within fifteen (15) days. If a condemning authority takes all of the Property, or a portion sufficient, in Tenant's reasonable determination, to render the Leased Premises unsuitable for Tenant's permitted use, this Agreement will terminate as of the date the title vests in the condemning authority. Tenant shall have the right at its sole option and at its sole cost and expense, to claim and recover from the condemning authority, but not from Landlord, such compensation as may be separately awarded or recoverable by Tenant on account of any and all damage to Tenant's business and any costs or expenses incurred by Tenant in moving/removing its equipment, personal property and leasehold improvements.

(b) If the entire Property or a portion sufficient to render the Leased Premises unfit for occupancy or make it impossible for Tenant to conduct its business is taken by the power of eminent domain, this Agreement shall terminate as of the date of taking. Tenant shall immediately surrender the Leased Premises and all interests to the Landlord. Tenant shall have no claim against Landlord for any loss or damage.

19. CASUALTY. Landlord will provide notice to Tenant of any casualty affecting the Property within seven (7) days of the casualty if the casualty is not caused by Tenant, its employees, agents, or contractors, and if such casualty renders the Leased Premises unsuitable for Tenant's operations. If any part of the Communications Facilities or Property is damaged by fire or other casualty so as to render the Leased Premises unsuitable, in Tenant's reasonable determination, then Tenant may terminate this Agreement by providing written notice to the Landlord, which termination will be effective as of the date of such damage or destruction so long as such damage was not caused by Tenant, its employees, agents, or contractors. Upon such termination, Tenant will be entitled to collect all insurance proceeds payable to Tenant on account thereof. Tenant shall have no other claims against Landlord for any loss by fire, the elements, or other cause. If notice of termination is not given, and should Landlord or Tenant undertake to rebuild the Communications Facilities and/or Tower, Landlord agrees to use its reasonable efforts to permit Tenant to place temporary transmission and reception facilities on the Property and Rent shall be abated until such time as Tenant is able to activate a replacement transmission facility at another location or the reconstruction of the Communications Facilities and/or Tower are completed.

20. WAIVER OF LANDLORD'S LIENS. Landlord waives all lien rights it may have, statutory or otherwise, concerning the Communications Facilities or any portion thereof. The Communications Facilities shall be deemed personal property for purposes of this Agreement, regardless of whether any portion is deemed real or personal property under applicable law, and Landlord consents to Tenant's right to remove all or any portion of the Communications Facilities from time to time in Tenant's sole discretion and without Landlord's consent.

21. MECHANICS' AND MATERIALMANS' LIENS. Tenant shall not permit any mechanics' or materialmen's liens to be filed against the Leased Premises or the Property by reason of work, labor, services, or materials performed or furnished to or for the benefit of Tenant, its transferees, successors, or permitted assigns. If any such lien is filed, Tenant may contest the same in good faith, but notwithstanding contest, Tenant shall, within thirty (30) days after the filing thereof, cause such lien to be released of record by payment, bond, entry of an order of court of competent jurisdiction, or otherwise. The provisions of this Section 21 shall survive the expiration or earlier termination of this Agreement.

22. TAXES.

(a) Landlord is exempt from paying taxes. Tenant shall be solely responsible for and shall timely pay all personal property taxes levied and assessed against it or its personal property.

(b) Tenant shall have the right to, at its sole option and at its sole cost and expense, to contest all taxes, assessments, charges and impositions assessed against its personal property or improvements.

23. MISCELLANEOUS.

(a) **Amendment; Waiver.** This Agreement cannot be amended, modified, or revised unless done so in writing and then signed by an authorized agent of the Landlord and an authorized agent of the Tenant. No provision, benefit, or obligation under this Agreement shall be deemed waived, unless such waiver is in writing and signed by the party charged with such waiver. No course of dealing between the parties nor any failure by either party at any time, or from time to time, to enforce any term or condition of this Agreement shall constitute a waiver of such term or condition, nor shall such course of dealing or failure affect such term or condition in any way, or affect the right of the parties at any time to avail themselves of such remedies as they may have for any breach of such term or condition.

(b) **Inurement.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

(c) **Third Party Rights.** This Agreement does not create a standard of care for Landlord and does not enlarge Landlord's duties under any applicable law, regulation, or ordinance. This Agreement is for the sole benefit of the parties and their respective successors and permitted assigns. This Agreement affords no claim, benefit, or right of action to any third party. Any party besides Landlord or Tenant receiving services or benefits under this Agreement is only an incidental beneficiary.

(d) **Entire Agreement.** This Agreement together with the exhibits attached hereto constitutes the entire agreement of the parties hereto and supersedes all prior offers, negotiations, and agreements with respect to the subject matter of this Agreement.

(e) **Governing Law; Venue.** The provisions of this Agreement shall be governed by the laws of the State of Colorado, without giving effect to any conflict of law provisions. Any judicial proceeding brought hereunder shall be brought exclusively in Chaffee County, Colorado. Each party hereby consents to the jurisdiction of such county and waives any defense or objection to such jurisdiction and/or venue.

(f) **Interpretation.** Unless otherwise specified, the following rules of construction and interpretation apply: (i) captions are for convenience and reference only and in no way define or limit the construction of the terms and conditions hereof; (ii) use of the term “including” will be interpreted to mean “including, without limitation”; (iii) whenever a party's consent is required under this Agreement, except as otherwise stated in the Agreement, such consent will not be unreasonably withheld, conditioned or delayed; (iv) exhibits are an integral part of the Agreement and are incorporated by reference into this Agreement; (v) use of the terms “termination” or “expiration” are interchangeable; and (vi) reference to a default will take into consideration any applicable notice, grace and cure periods.

(g) **Estoppel.** Either party will, at any time upon twenty (20) business days prior written notice from the other, execute, acknowledge and deliver to the other a statement in writing (i) certifying that this Agreement is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying this Agreement, as so modified, is in full force and effect) and the date to which the Rent and other charges are paid in advance, if any, and (ii) acknowledge that there are not, to such party's knowledge, any uncured defaults on the part of the other party hereunder, or specifying such defaults if any are claimed. Any such statement may be conclusively relied upon by any prospective purchaser or encumbrancer of the Property. The requested party's failure to deliver such statement within such time will be conclusively relied upon by the requesting party that (i) this Agreement is in full force and effect, without modification except as may be properly represented by the requesting party, (ii) there are no uncured defaults in either party's performance, and (iii) no more than one month's Rent has been paid in advance.

(h) **W-9.** Landlord agrees to provide Tenant with a completed IRS Form W-9, or its equivalent, upon execution of this Agreement and at such other times as may be reasonably requested by Tenant.

(i) **Severability.** If any term or condition of this Agreement is found unenforceable, the remaining terms and conditions will remain binding upon the parties as though said unenforceable provision were not contained herein.

(j) **Counterparts; Signatures.** This Agreement may be executed in two (2) or more counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the parties. It being understood that all parties need not sign the same counterpart. Signatures on this Agreement

delivered by facsimile or electronically in a portable document format (pdf) shall be deemed to constitute original signatures.

(k) **Survival of Provisions.** Any obligation of the parties relating to monies owed, as well as those provisions relating to limitations on liability and actions, shall survive the expiration or earlier termination of this Agreement.

(l) **Subordination.** Tenant accepts this Agreement subject and subordinate to any mortgage, deed of trust, or other lien presently existing or hereafter arising upon the Property and to any renewals, modifications, consolidation, refinancing, and extensions thereof, but Tenant agrees that any such mortgagee shall have the right at any time to subordinate such mortgage, deed of trust, or other lien to this Agreement on such terms and subject to such conditions as such mortgagee may deem appropriate in its discretion. This provision is hereby declared to be self-operative and no further instrument shall be required to effect such subordination of this Agreement.

(m) **Attorney's Fees.** In the event of any action filed in relation to this Agreement, the prevailing party in such matter shall be entitled to recover from the other party its reasonable attorney's fees and costs.

(n) **TABOR.** Consistent with Article X, § 20 of the Colorado Constitution, any financial obligation of the City of Salida not performed during the current fiscal year is subject to annual appropriation by the City of Salida, shall extend only to monies currently appropriated, and shall not constitute a mandatory charge, requirement, debt, or liability beyond the current fiscal year.

(o) **Governmental Immunity.** The City of Salida is relying on and does not waive or intend to waive by any provision of this Agreement, the monetary limitations or any other rights, immunities, or protections provided by the Colorado Governmental Immunity Act, C.R.S. § 24-10-101, *et seq.*, as amended, or otherwise available to the City of Salida.

(p) **Open Records.** The parties understand and agree that as a public entity, the City of Salida is subject to the Colorado Open Records Act, C.R.S. § 24-72-200, *et seq.*, as amended, and as such, this Agreement is subject to public disclosure.

the remainder of this page was left intentionally blank

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date of the last signature below.

LANDLORD
City of Salida, Colorado

DATE: _____

By: _____
Print Name: _____
City Administrator

TENANT
Smiling J LLC d/b/a Hilltop Broadband,
a Colorado limited liability company

DATE: _____

By: _____
Print Name: _____
Title: _____

EXHIBIT A

DESCRIPTION OF THE PROPERTY

The Property is situated on a portion of Parcel ID 368133200001 as recorded with the Chaffee County Assessor's Office, which is located on County Road 176 in Unincorporated Chaffee County, Colorado.

The Property includes the Tower and Shelter, which is located at the high point of County Road 176 at the crest of Tenderfoot Mountain. The location of the Tower and Shelter are identified in the below graphics.

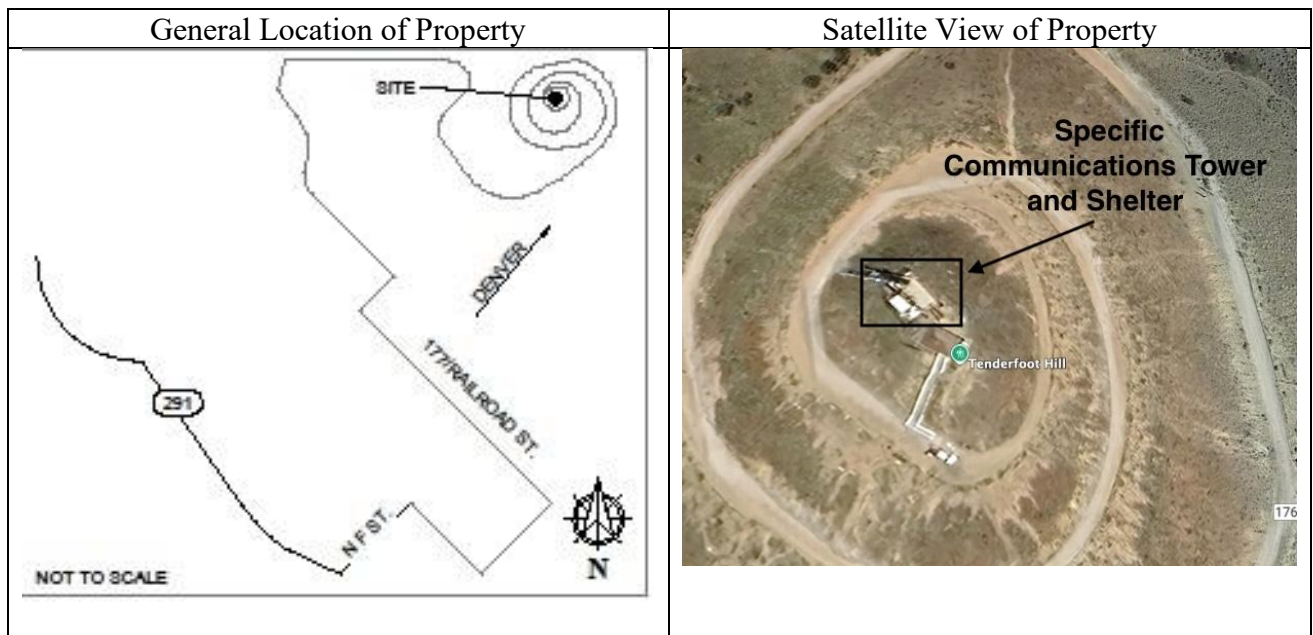


EXHIBIT B

Description of Leased Premises with Drawings and Description/Location of Permitted Tower Use and Related Utility Easements

Tower Photos (Hilltop Equipment Highlighted)



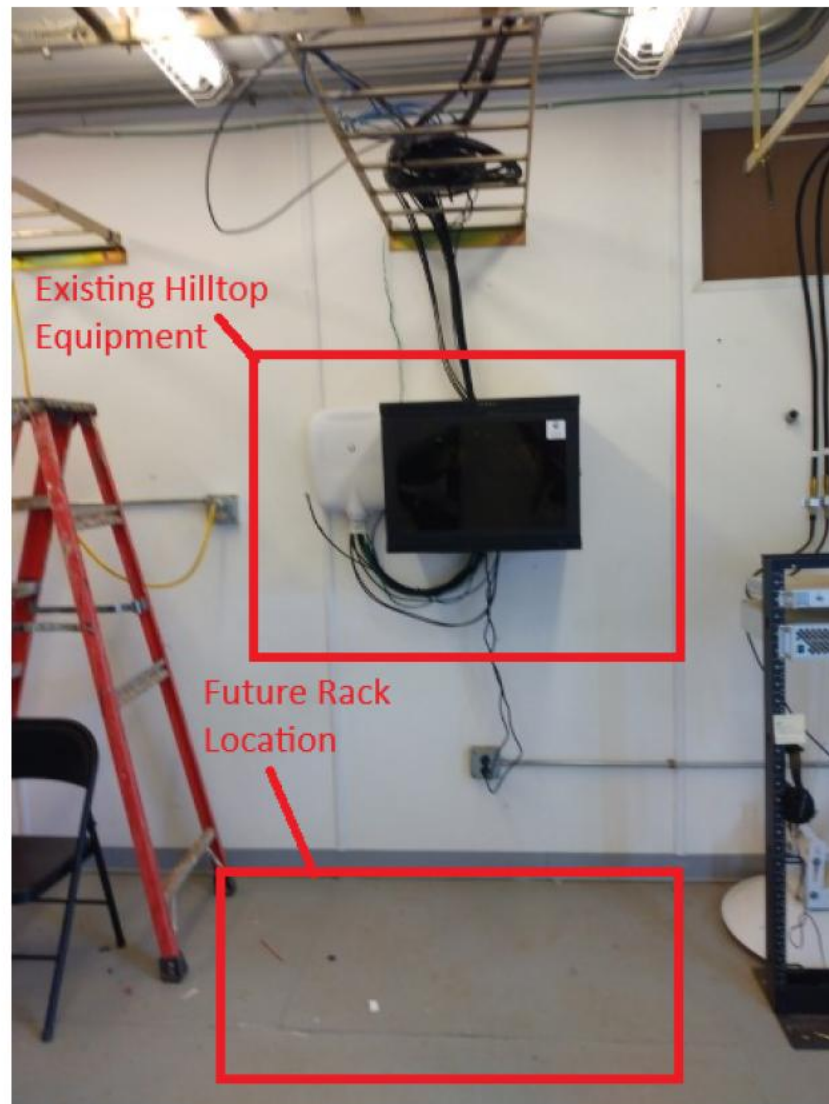
View of Hilltop Broadband Equipment on Tower (1 of 2)



Hilltop
Equipment

View of Hilltop Broadband Equipment on Tower (2 of 2)

Interior Equipment and Notes



Existing Hilltop Equipment and Future Rack Location

Space Usage Note

Hilltop Broadband occupies one black equipment cabinet inside the shelter.

Compliance Statement

All equipment is FCC certified and installed to industry standards.

EXHIBIT C

Existing Communication Facilities

Equipment Overview

Hilltop Broadband maintains telecommunications equipment mounted at multiple orientations on the Tenderfoot Mountain tower.

Equipment	Qty	Height (AGL)	Dimensions (each)
Ubiquiti AirFiber 5XHD (SA link)	1	~12 ft	9" × 4" × 2"
Ubiquiti AirFiber 5 (TF → PCH link)	1	~15 ft	25.6" × 9.6" × 7.5"
Ubiquiti AirFiber 24 (GS link)	1	~30 ft	16" diameter × 10.4" depth
Rocket Prism 2AC sector (315°)	1	~50–55 ft	36" × 10" × 4"
Rocket Prism 2AC sector (SW)	1	~50–55 ft	36" × 10" × 4"
Rocket Prism 2AC sector (W)	1	~50–55 ft	36" × 10" × 4"
Rocket Prism 5AC Gen2 sector (270°)	1	~50–55 ft	24" × 10" × 4"
Rocket Prism 5AC Gen2 sector (200°)	1	~50–55 ft	24" × 10" × 4"
Rocket Prism 5AC Gen2 sector (330°)	1	~50–55 ft	24" × 10" × 4"

Shelter Equipment (Inside Black Cabinet)

Quantity	Model	Notes
2	Ubiquiti EdgePower	DC power units
1	Ubiquiti EdgePoint S16 Switch	Managed PoE switch
2	Duracell 12V 80AH Batteries	Backup power



CITY COUNCIL ACTION FORM

DEPARTMENT Arts and Culture	PRESENTED BY Diesel Post – Art, Parks, Recreation and Culture Director	DATE 1/6/26
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ITEM

Consent Agenda - First Reading and setting of Public Hearing for Ordinance 2026-02: An Ordinance of the City Council for the City of Salida, Colorado Amending Section 2-16 of Article XVI of the Salida Municipal Code to replace it in its entirety.

BACKGROUND

During the 2025 Public Arts Commission update work session, Director Post brought up the need to expand and clarify the duties of the Public Art Commission to include advisement on resource allocation, programming focus, and Department direction. Additionally, the new Land Use Code calls out that the PAC be the reviewing body for “Creative signs” (often considered murals). The rewrite also requires the Commission to review sponsorship and fund requests from the newly created Salida Arts and Culture Fund. The Salida Arts and Culture Fund is managed by the Chaffee County Community Foundation and is intended as a means for the community to financially support the Arts and Culture efforts of the department. This ordinance rewrites the Municipal Code to change the name of the commission from the “Public Art Commission” to the “Arts and Culture Advisory Commission”, expands the scope, and clarifies the roles of the commission.

Highlighted changes to scope of commission:

- To evaluate the arts and cultural budget in January, February, July, and August of each year;
- To recommend funding priorities and strategic initiatives to the City Council in April of each year;
- To facilitate public input regarding arts, cultural programming, and projects and to share that input with City staff;
- To respond to requests for input, suggestions, or review of arts and cultural projects from City Council and City staff;
- To review creative sign permit applications in accordance with Chapter 16;
- To review sponsorship partnership requests; and
- To provide input to Chaffee County Community Foundation on annual distribution plan for the Salida Arts and Culture Fund.

SUGGESTED MOTION

A council person should make the motion to “combine and approve the consent agenda setting a second reading and public hearing for Ordinance 2026-02 for January 20, 2026”, followed by a second and a roll call vote.

Attachments:

Ordinance 2026-02

**City Of Salida, Colorado
Ordinance No. 02
Series of 2026**

**An Ordinance of the City Council of the City of Salida, Colorado
Amending Chapter 2 of the Salida Municipal Code, Concerning Boards and
Commissions, to Change the Name, Purpose, Membership and Organization,
and Powers and Duties Sections of the Public Art Commission to the Arts and
Culture Advisory Commission**

WHEREAS, the City of Salida, Colorado (the “City”) is a statutory city, duly organized and existing under the laws of the State of Colorado; and

WHEREAS, pursuant to C.R.S. § 31-15-101, *et seq.* the City, by and through its City Council, possesses the authority to change and establish boards and commissions in order to effectively administer various programs, operations, and powers; and

WHEREAS, Chapter 2 of the Salida Municipal Code (“Code”) addresses Administration and Personnel and Article XVI addresses the Public Art Commission (“PAC”); and

WHEREAS, the City Council finds it desirable and appropriate, and in the best interest of the general health, safety, and welfare of its residents to amend Chapter 2 of the Code to change the name of the PAC to the Arts and Culture Advisory Commission (“ACAC”) and to establish the purpose, membership and organization, and powers and duties of the ACAC.

Now, therefore, be it ordained by the City Council of the City of Salida, Colorado, that:

Section 1. The foregoing recitals are incorporated herein as conclusions, facts, determinations, and findings by Council.

Section 2. Article XVI of the Salida Municipal Code is repealed and replaced to read as follows:
Arts and Culture Advisory Commission.

Section 3. Section 2-16-10 of the Salida Municipal Code is repealed and replaced to read in its entirety as follows:

Establishment.

There is hereby created and established an Arts and Culture Advisory Commission, which shall perform those duties and exercise those powers and responsibilities as set forth in this Article.

Section 4: Section 2-16-20 of the Salida Municipal Code is repealed and replaced

to read in its entirety as follows:

Purpose.

The purpose of the Commission is to provide recommendations to the Salida City Council regarding public art installations, cultural programming, and the use of financial and staff resources for artistic and cultural initiatives.

Section 5: Section 2-16-30 of the Salida Municipal Code is repealed and replaced to read in its entirety as follows:

Membership and Organization.

- (a) The Arts and Culture Advisory Commission shall consist of seven (7) members. Membership shall consist of two (2) Chaffee County residents and five (5) city residents.
- (b) Members shall be appointed through an interview process conducted by a committee of City Council members, City staff, and current Commission members.
- (c) Members shall have experience in cultural and artistic services.
- (d) Members shall serve staggering two (2) year terms. In the event of a vacancy, a new member shall be appointed to serve the remainder of the unexpired term by staff and City Council.
- (e) A majority of the members shall be a quorum for the transaction of business.
- (f) Members of the Board may be removed by action of the City Council for malfeasance, for non-excused failure to attend three (3) consecutive meetings of the Board, or excessive absences deemed detrimental by a majority vote of the Board. To be considered excused, members must contact the Parks and Recreation Director at least twenty-four (24) hours in advance of the scheduled meeting. Excused absences for emergency or illness will be noted in the meeting minutes.
- (g) The officers of the Arts and Culture Advisory Commission shall be the Chairperson, Vice-Chairperson and Secretary. These officers shall perform the duties prescribed by the Board's bylaws and by the City Council. The officers shall be nominated and elected by the Board members by ballot to serve for one (1) year (beginning on March 1) or until their successors are elected.
- (h) The Chairperson shall preside over all meetings of the Arts and Culture Advisory Commission. In the absence or disability of the Chairperson, the Vice Chairperson shall perform the duties of the Chairperson.
- (i) The Chairperson shall appoint individuals to standing or special committees of the Board, which action shall be approved by a majority of Board members present. The Chairperson shall be an ex-officio member of all committees. Each committee shall be comprised of at least one (1) other member of the Arts and Culture Advisory Commission, and may also be comprised of City residents or qualified professionals. It shall be the responsibility of each Committee Chairperson to submit reports of each meeting to the Director.

- (j) The most recent edition of "Robert's Rules of Order Newly Revised" shall govern the Board as applicable, unless inconsistent with this Code, the Board's bylaws or any special rules of order the Board adopts.
- (k) Special meetings may be called by the Board Chairperson or upon the written request of three (3) Board members filed with the Parks and Recreation Director. The purpose of the meeting shall be stated at the time of the request.

Section 6: Section 2-16-40 of the Salida Municipal Code is repealed and replaced to read in its entirety as follows:

Powers and Duties.

The Arts and Culture Advisory Commission shall have the following powers and duties:

- (a) To review public art submissions on an ongoing basis;
- (b) To evaluate the arts and cultural budget in January, February, July, and August of each year;
- (c) To recommend funding priorities and strategic initiatives to the City Council in April of each year;
- (d) To facilitate public input regarding arts, cultural programming, and projects and to share that input with City staff;
- (e) To respond to requests for input, suggestions, or review of arts and cultural projects from City Council and City staff;
- (f) To propose public art and cultural projects to the City Council for approval after a majority vote of the Commission;
- (g) To review creative sign permit applications in accordance with Chapter 16;
- (h) To review sponsorship partnership requests; and
- (i) To provide input to Chaffee County Community Foundation on annual distribution plan for the Salida Arts and Culture Fund.

Section 7. Severability: The provisions of this Ordinance are severable and the invalidity of any section, phrase, clause, or portion of this Ordinance as determined by a Court of competent jurisdiction shall not affect the validity or effectiveness of the remainder of the Ordinance.

Introduced on First Reading, on the 6th day of January, 2026, adopted and ordered published in full in a newspaper of general circulation in the City of Salida by the City Council on the 6th day of January, 2026, and set for Second Reading and Public Hearing on the 20th day of January, 2026.

Introduced on Second Reading, finally adopted and ordered published by Title only, by the City Council on the ____ day of _____, 20__.

City Of Salida, Colorado

Mayor

[SEAL]

ATTEST:

City Clerk/Deputy Clerk

Published in Full in the Mountain Mail after First Reading on the ____ day of _____,
20__, and by Title only, after final adoption on the ____ day of _____, 20__.

City Clerk/Deputy City Clerk



CITY COUNCIL ACTION FORM

DEPARTMENT Parks and Recreation	PRESENTED BY Diesel Post – Art, Parks, Recreation and Culture Director	DATE 1/6/26
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ITEM

Consent Agenda - First Reading and setting of Public Hearing for Ordinance 2026-03: An Ordinance of the City Council for the City of Salida, Colorado, Amending Section 2-14 of Article XIV of the Salida Municipal Code to adjust the PROST's powers and duties to align with other Boards' and Commissions'.

BACKGROUND

With the change of the Arts and Culture Advisory Commission's power and duties, staff felt that it would be appropriate to also update PROST's powers and duties to parallel those of the ACAC .

SUGGESTED MOTION

A council person should make the motion to "combine and approve the consent agenda setting a second reading and public hearing for Ordinance 2026-03 for January 20, 2026", followed by a second and a roll call vote.

Attachments:

Ordinance 2026-03

**City Of Salida, Colorado
Ordinance No. 03
(Series of 2026)**

**An Ordinance of the City Council of the City Of Salida, Colorado
Amending Chapter 2 of the Salida Municipal Code, Concerning Boards and
Commissions, to Change the Powers and Duties Section of the Parks, Recreation,
Open Space and Trails Advisory Board**

WHEREAS, the City of Salida, Colorado (the “City”) is a statutory city, duly organized and existing under the laws of the State of Colorado; and

WHEREAS, pursuant to C.R.S. § 31-15-101, *et seq.* the City, by and through its City Council, possesses the authority to change and establish boards and commissions in order to effectively administer various programs, operations, and powers; and

WHEREAS, Chapter 2 of the Salida Municipal Code (“Code”) addresses Administration and Personnel and Article XIV addresses the Parks, Recreation, Open Space and Trails Advisory Board (“PROST”); and

WHEREAS, the City Council finds it desirable and appropriate, and in the best interest of the general health, safety, and welfare of its residents to amend Chapter 2 of the Code to change the Powers and Duties section of the PROST Advisory Board.

Now, therefore, be it ordained by the City Council of the City of Salida, Colorado, that:

Section 1. The foregoing recitals are incorporated herein as conclusions, facts, determinations, and findings by Council.

Section 2. Section 2-14-30 of the Salida Municipal Code is repealed and replaced to read in its entirety as follows:

Powers and duties.

The Parks, Recreation, Open Space and Trails Advisory Board shall have the following powers and duties:

- (a) To review parks, recreation, open space, and trail operations and programs on an ongoing basis;
- (b) To evaluate the budget for parks, recreation, open space, and trails in January, February, July, and August of each year;
- (c) To recommend funding priorities and strategic initiatives to the City Council in April of each year;
- (d) To facilitate public input regarding projects and programming related to parks, recreation, open space, and trails;
- (e) To respond to requests for input, suggestions, or review of parks, recreation, open space, and trail projects from City Council and City staff;

- (f) To propose projects to the City Council for approval after a majority vote of the Board;
- (g) To review creative memorial applications and recommend approval to staff; and
- (h) To review outbound sponsorship applications when deemed appropriate by staff.

Section 3. Severability: The provisions of this Ordinance are severable and the invalidity of any section, phrase, clause, or portion of this Ordinance as determined by a Court of competent jurisdiction shall not affect the validity or effectiveness of the remainder of the Ordinance.

Introduced on First Reading, on the 6th day of January, 2026, adopted and ordered published in full in a newspaper of general circulation in the City of Salida by the City Council on the 6th day of January, 2026, and set for Second Reading and Public Hearing on the 20th day of January, 2026.

Introduced on Second Reading, finally adopted and ordered published by Title only, by the City Council on the ____ day of _____, 20__.

City Of Salida, Colorado

Mayor

[SEAL]

ATTEST:

City Clerk/Deputy Clerk

Published in Full in the Mountain Mail after First Reading on the ____ day of _____, 20__, and by Title only, after final adoption on the ____ day of _____, 20__.

City Clerk/Deputy City Clerk



City Council Action Form

Department Community Development	Presented By Kristen Hodges - Associate Planner	Date January 6, 2026
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Agenda Item

Support & Commitment Letter for Scott Street Low-Income Housing Tax Credit (LIHTC) Senior Apartments Project

Background

The purpose of this memo is to request City Council memorialize their support for the Affordable Senior Housing Project at 507 Scott Street by approving the attached Support & Commitment Letter. This letter is highly encouraged as part of the Colorado Housing and Finance Authority's (CHFA) 9% Low-Income Housing Tax Credit (LIHTC) application, which will be submitted by NDC who has been chosen to develop the project.

The CHFA 9% LIHTC program is the primary financing mechanism for the proposed project. Award decisions consider not only project feasibility and design, but also the degree to which local governments have demonstrated need, support, and readiness to partner. The attached letter helps establish that the City of Salida recognizes the urgent need for affordable senior housing, has actively participated in project development, and is committed to advancing the project should the tax credits be awarded.

CHFA places significant emphasis on clear, formal local support. This letter confirms that this project is a community priority, aligns with adopted City goals, and has the backing of the City's governing body. This level of endorsement strengthens the application and improves its competitiveness in what is anticipated to be a highly oversubscribed funding round.

The letter also documents City actions and commitments that go beyond standard regulatory approvals, including public land ownership, local financial participation, applicable affordable housing fee reductions, infrastructure coordination, and demolition responsibilities.

Recommendation

Staff recommends this Support & Commitment Letter be approved by council so it can be included in the CHFA 9% LIHTC application. Approval of this letter does not create new obligations beyond those already described in the MOU with NDC and previously discussed with Council.

Fiscal Impact

There is no fiscal impact.

Motion

A Councilmember should make a motion to "combine and approve the items on the consent agenda", followed by a second and a roll call vote.



January 6, 2026

Jake Victor
Northpointe Development II Corporation
230 Ohio Street, Suite 400
Oshkosh, Wisconsin 54902

RE: Support & Commitment Letter for Scott Street Senior Apartments

Dear Mr. Victor,

The Salida City Council is pleased to express our strong support for the Affordable Senior Housing Project proposed by Northpointe Development II Corporation and Total Concept to be located at 507 Scott Street.

The City recognizes the growing and urgent need for affordable housing options for older adults in our community. Seniors who have lived and worked in Salida for decades are increasingly challenged by rising housing costs and limited availability of age-appropriate homes. This project directly responds to that need by proposing a thoughtfully designed, income-restricted rental community that will allow seniors to age in place while remaining connected to Salida.

City Council has been actively engaged in this project since its onset. The project site is publicly owned, and City staff have worked closely with the development and design team to ensure the proposal aligns with community priorities, adopted housing goals, and long-term planning efforts. The inclusion of a publicly accessible park alongside the residential development further reflects the City's commitment to creating spaces that benefit both future residents and the broader community.

Northpointe Development II Corporation and Total Concept were selected through a competitive request for proposal process based on their experience delivering high-quality affordable housing in rural communities. In addition, their team has engaged extensively with local seniors and with organizations that provide housing, care, and supportive services to older adults in Chaffee County to help inform the project's design and programming. We are grateful for their collaborative approach and their commitment to ensuring the proposed project reflects local needs and priorities.

The City has demonstrated its commitment to this project through direct financial contributions and by actively pursuing competitive grant funding to support its successful implementation. The following summarizes this support to date:

1. Purchase of land (completed spring 2025)
 - a. Approximately \$336,000 from City of Salida Housing fund
 - b. \$750,000 CHFA Land Banking Grant
 - c. Staff time and survey, documentation, and grant writing
2. Annexation & Zoning of Land (completed summer 2025)
 - a. Approximately \$8,000
 - b. Staff time and document creation
3. Public Improvements (to be completed outside of the LIHTC project directly by the city – see Public Improvements Letter provided by the City of Salida)
 - a. Approximately \$100,000 for right-of-way design for adjacent streets
 - b. Approximately \$1,000,000 for the right-of-way construction of adjacent streets
 - c. Approximately \$40,000 for abatement and demolition costs (see below)
 - d. \$71,325 for the fee reduction for the water and wastewater system development
 - e. Waivers for school siting fees, inclusionary housing fees, and open space dedication
4. This project was also recently awarded \$50,000 from a Department of Housing Predevelopment Grant

The City will complete demolition of the existing structures on the property prior to Northpointe exercising their option to ground lease the site. As part of that effort, the City will:

- Conduct required asbestos inspections and any other necessary environmental reviews related to the existing structures
- Complete any asbestos abatement or other remediation required based on those inspections
- Demolish and remove the existing structures in accordance with applicable laws and regulations

The City has agreed to take on the responsibility for coordinating these inspections, abatement activities, and demolition work using qualified contractors. Once demolition is complete, the City will provide confirmation that the work has been completed. This work is contingent upon Northpointe receiving a tax credit award from CHFA.

The Salida City Council believes this project represents a meaningful and lasting investment in our community and our senior population. We strongly support this application.

Sincerely,

Mayor Justin Critelli



Proclamation

DECLARING JANUARY 19, 2026, DR. MARTIN LUTHER KING JR. DAY

Whereas, Dr. Martin Luther King Jr. devoted his life to advancing equality, social justice, and opportunity for all, and challenged all Americans to participate in the never-ending work of building a more perfect nation; and

Whereas, Dr. King's teaching can continue to guide and inspire us in addressing challenges in our communities; and

Whereas, the principles enshrined in the Declaration of Human Rights in 1948 empower us all; and

Whereas, the King Holiday and Service Act, enacted in 1994 designated the King Holiday as a national day of volunteer service and since then millions of Americans have been inspired by the life and work of Dr King to serve their neighbors and communities; and

Whereas, serving others on the King Holiday is an appropriate way to honor Dr. King, meet local and national needs, bring our citizens together, and strengthen our communities and nation; and

Whereas, the King Day of Service is the only federal holiday commemorated as a national day of service, and offers an opportunity for Americans to give back to their communities on the holiday and make it an ongoing commitment to service throughout the year.

Now, therefore, the Salida City Council does hereby proclaim January 19, 2026, as Dr. Martin Luther King Jr. Day in the City of Salida and further encourages all Salidans to participate in a day of service in tribute to the life and works of Dr. Martin Luther King Jr.

Justin Critelli, Mayor

Date



City Council Action Form

Department Administration	Presented By Kristi Keller - City Clerk	Date January 6, 2026
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Agenda Item

New Hotel and Restaurant Liquor License for Lago Trattoria, LLC, dba Lago Trattoria at 148 West First Street.

Background

A new Colorado Hotel and Restaurant Liquor License application was filed with the City Clerk on November 20, 2025. The Notice of Public Hearing was published on November 25, 2025 in the Mountain Mail and the premises was posted on December 23, 2025.

All proper fees have been remitted to the City and State of Colorado. Individual history records and the Colorado Bureau of Investigation background checks have been reviewed by staff with no issues.

Police and Fire Inspections will be scheduled if the liquor license is approved.

Recommendation

Staff recommends that the Liquor Licensing Authority approve a new Hotel and Restaurant Liquor License request for Lago Trattoria at 148 West First Street.

Fiscal Impact

There is no fiscal impact.

Motion

Following a public hearing on the matter, a Liquor Authority Member should state "I move to _____ a new Hotel and Restaurant Liquor License request for Lago Trattoria at 148 West First Street," followed by a second and a roll call vote.

CERTIFICATE OF PUBLICATION

STATE OF COLORADO } SS

County of Chaffee

PROOF OF PUBLICATION

I, JAMES O'ROURKE Being first duly sworn according to law, on oath depose and say, that I am, and at all the times herein mentioned, was the publisher of the Mountain Mail and that said Mountain Mail is a weekly newspaper of general circulation, in said County and State, printed and published in the County of Chaffee and State of Colorado, and that copies of each number thereof are, and at all the times herein mentioned were, regularly distributed and delivered, by carrier or mail, to each of the subscribers said newspaper, in accordance with the customary method of business in newspaper offices.

That the annexed

PUBLIC NOTICE

FROM

CITY OF SALIDA

In the matter of

LAGO TRATTORIA, LLC, HOTEL AND RESTAURANT LIQUOR LICNSE

This a true copy of the original, and the same was regularly published in the newspaper proper and not in a supplement, for the full period of 1 INSERTIONS of said newspaper, and that the first publication was in the issue dated NOVEMBER 25TH, 2025 and that the last publication of the same was in the issue dated NOVEMBER 25TH, 2025 and the said Herald Democrat has been established, printed and published for the full period of fifty-two consecutive weeks, and continuously and uninterruptedly prior to the said date of the first publication of the notice aforesaid, in the County of Chaffee and State of Colorado, and is a newspaper duly qualified for the publishing of said notice within the meaning of an Act of the General Assembly of the State of Colorado, approved May 30th, 1923, and entitled "An act to Amend an Act Entitled 'An Act Concerning Legal Notices, Advertisements and Publications and the Fees of Printers and Publishers thereof, and to Repeal all Acts and Parts of Acts in Conflict with the Provisions of this Act,'" and within the meaning of an Act amendatory thereof, approved May 18th, 1931 and entitled "An Act to Amend Section 4, of Chapter 139, Session Laws of Colorado, 1923, relating to Legal Notices and Advertisements," and within the meaning of any and all other Acts amendatory thereof or supplemental thereto. And further affiant saith not.

Pursuant to C.R.S. 24-70-103(5) this notice has also been posted online and available at: <https://www.leadvilleherald.com> and posted online and available at Colorado Press Association Network-Colorado Public Notice Database at: <https://www.publicnoticecolorado.com>.

The above certificate of publication was subscribed and sworn to before me by the above named James O'Rourke who is personally known to me to be the identical person described in the above certificate, on the 25th day of November, 2025 A.D.
FEIN # 92-1379977

Tomalee Young
Tomalee Young
NOTARY PUBLIC/STATE OF COLORADO
NOTARY ID #20034020559
My Commission Expires: July 15, 2027

TOMALEE YOUNG
Notary Public
State of Colorado
Notary ID # 20034020559
My Commission Expires 07-15-2027

PUBLIC NOTICE
PUBLIC NOTICE PURSUANT TO THE LIQUOR LAWS OF COLORADO
Pursuant to the Liquor Laws of the State of Colorado, Lago Trattoria, LLC, has requested the Local Licensing Authority of the City of Salida, Colorado grant a Hotel and Restaurant (City) liquor license to to sell malt, vinous and spirituous liquors for consumption on premises at 148 West First Street, Salida, CO 81201.
A hearing on the application, received November 20, 2025, will be held before the Local Licensing Authority of the City of Salida, Colorado at the hour of 6:00 p.m., or as soon thereafter as may be heard, on Tuesday, January 6, 2026. At said time and place, any interested persons may appear to be heard for or against the granting of said license.
LOCAL LICENSING AUTHORITY
Kristi Keller, City Clerk
Published in The Mountain Mail November 25, 2025.

NOTICE

PURSUANT TO THE LIQUOR LAWS OF COLORADO

Lago Trattoria, LLC dba Lago Trattoria

148 W. First Street

Salida, CO 81201

**HAS REQUESTED THE LICENSING
OFFICIALS OF** City of Salida

TO Approve a new Hotel and Restaurant Liquor License

LICENSE AT: 148 W. First Street, Salida, CO 81201

HEARING ON APPLICATION TO BE HELD AT:

City Council Chambers

148 E First Street, Ste. 118, Salida, CO 81201

TIME AND DATE: 9:00 AM - January 9, 2020

DATE OF APPLICATION: November 20, 2019

BY ORDER OF: City of Salida

OFFICERS: Robert Balenger, Jonas Harlow, Jason Brooks
& Mabry Brooks

A NOTICE OF THE SALE OF ALCOHOLIC BEVERAGES IS BEING PROVIDED FOR BY STATE



Colorado Liquor Retail License Application

* Note that the Division will not accept cash Paid by Check Paid Online Date Uploaded to Movelt
December 01, 2025

New License New-Concurrent Transfer of Ownership State Property Only Master file

- All answers must be printed in black ink or typewritten
- Applicant must check the appropriate box(es)
- Applicant should obtain a copy of the Colorado Liquor and Beer Code: SBG.Colorado.gov/Liquor

Applicant is applying as a/an Individual Limited Liability Company Association or Other
 Corporation Partnership (includes Limited Liability and Husband and Wife Partnerships)

Applicant Name If an LLC, name of LLC; if partnership, at least 2 partner's names; if corporation, name of corporation

Lago Trattoria LLC

FEIN Number [REDACTED] State Sales Tax Number [REDACTED]

Trade Name of Establishment (DBA) Lago Trattoria Business Telephone (512) 484-8370

Address of Premises (specify exact location of premises, include suite/unit numbers)
148 West 1st Street

City Salida County Chaffee State CO ZIP Code 81201

Mailing Address (Number and Street) 148 W. 1st Street City or Town Salida State CO ZIP Code 81201

Email Address Robbie@friendsofshavano.com

If the premises currently has a liquor or beer license, you **must** answer the following questions.

Present Trade Name of Establishment (DBA)

Present State License Number Present Class of License Present Expiration Date

Section A Nonrefundable application fees*

- Application Fee for New License\$1,100.00
- Application Fee for New License with Concurrent Review\$1,200.00
- Application Fee for Transfer.....\$1,100.00

Section B Liquor License Fees*

- | | | | | |
|--|------------|--|-------|----------|
| <input type="checkbox"/> Add Optional Premises to H & R | \$100.00 X | | Total | |
| <input type="checkbox"/> Add Sidewalk Service Area..... | | | | \$75.00 |
| <input type="checkbox"/> Arts License (City)..... | | | | \$308.75 |
| <input type="checkbox"/> Arts License (County) | | | | \$308.75 |
| <input type="checkbox"/> Beer and Wine License (City)..... | | | | \$351.25 |
| <input type="checkbox"/> Beer and Wine License (County)..... | | | | \$436.25 |
| <input type="checkbox"/> Brew Pub License (City)..... | | | | \$750.00 |
| <input type="checkbox"/> Brew Pub License (County)..... | | | | \$750.00 |
| <input type="checkbox"/> Campus Liquor Complex (City) | | | | \$500.00 |
| <input type="checkbox"/> Campus Liquor Complex (County) | | | | \$500.00 |
| <input type="checkbox"/> Campus Liquor Complex (State) | | | | \$500.00 |
| <input type="checkbox"/> Club License (City) | | | | \$308.75 |
| <input type="checkbox"/> Club License (County)..... | | | | \$308.75 |
| <input type="checkbox"/> Distillery Pub License (City)..... | | | | \$750.00 |
| <input type="checkbox"/> Distillery Pub License (County) | | | | \$750.00 |
| <input checked="" type="checkbox"/> Hotel and Restaurant License (City)..... | | | | \$500.00 |
| <input type="checkbox"/> Hotel and Restaurant License (County) | | | | \$500.00 |
| <input type="checkbox"/> Hotel and Restaurant License with one optional premises (City)..... | | | | \$600.00 |
| <input type="checkbox"/> Hotel and Restaurant License with one optional premises (County)..... | | | | \$600.00 |

Section B Liquor License Fees* (Continued)

- Retail Liquor Store (County).....\$312.50
- Tavern License (City).....\$500.00
- Tavern License (County).....\$500.00
- Vintners Restaurant License (City).....\$750.00
- Vintners Restaurant License (County).....\$750.00

Questions? Visit: SBG.Colorado.gov/Liquor for more information

Do not write in this space - For Department of Revenue use only

Liability Information

License Account Number

Liability Date

License Issued Through (Expiration Date)

Total

\$

1. Is the applicant (including any of the partners if a partnership; members or managers if a limited liability company; or officers, stockholders or directors if a corporation) or managers under the age of twenty-one years?..... Yes No
2. Has the applicant (including any of the partners if a partnership; members or managers if a limited liability company; or officers, stockholders or directors if a corporation) or managers ever (in Colorado or any other state):
 - a. Been denied an alcohol beverage license?..... Yes No
 - b. Had an alcohol beverage license suspended or revoked?..... Yes No
 - c. Had interest in another entity that had an alcohol beverage license suspended or revoked?..... Yes No

If you answered yes to a, b or c above, explain in detail on a separate sheet.

3. Has a liquor license application (same license class), that was located within 500 feet of the proposed premises, been denied within the preceding two years?..... Yes No

If "yes", explain in detail.

4. Are the premises to be licensed within 500 feet, of any public or private school that meets compulsory education requirements of Colorado law, or the principal campus of any college, university or seminary?..... Yes No

or

Waiver by local ordinance? Yes No

Other

5. Is your Liquor Licensed Drugstore (LLDS) or Retail Liquor Store (RLS) within 1500 feet of another retail liquor license for off-premises sales in a jurisdiction with a population of greater than (>) 10,000? **NOTE:** The distance shall be determined by a radius measurement that begins at the principal doorway of the LLDS/RLS premises for which the application is being made and ends at the principal doorway of the Licensed LLDS/RLS..... Yes No

6. Is your Liquor Licensed Drugstore (LLDS) or Retail Liquor Store (RLS) within 3000 feet of another retail liquor license for off-premises sales in a jurisdiction with a population of less than (<) 10,0000? **NOTE:** The distance shall be determined by a radius measurement that begins at the principal doorway of the LLDS/RLS premises for which the application is being made and ends at the principal doorway of the Licensed LLDS/RLS..... Yes No

For additional Retail Liquor Store only.

a. Was your Retail Liquor Store License issued on or before January 1, 2016?.... Yes No

b. Are you a Colorado resident?..... Yes No

7. Has a liquor or beer license ever been issued to the applicant (including any of the partners, if a partnership; members or manager if a Limited Liability Company; or officers, stockholders or directors if a corporation)? If yes, identify the name of the business and list any **current** financial interest in said business including any loans to or from a licensee..... Yes No *RB*

8. Does the applicant, as listed on line 2 of this application, **have legal possession of the premises by ownership, lease or other arrangement?**..... Yes No *RB*

Ownership Lease Other (Explain in detail)

a. If leased, list name of landlord and tenant, and date of expiration, **exactly** as they appear on the lease:

Landlord	Tenant	Expires
Christopher Bambridge	Robert A. Baleser	9/30/2030

b. Is a percentage of alcohol sales included as compensation to the landlord? If yes, complete question on page 9..... Yes No

c. Attach a diagram that designates the area to be licensed in black bold outline (including dimensions) which shows the bars, brewery, walls, partitions, entrances, exits and what each room shall be utilized for in this business. This diagram should be no larger than 8½" X 11".

9. Who, besides the owners listed in this application (including persons, firms, partnerships, corporations, limited liability companies) will loan or give money, inventory, furniture or equipment to or for use in this business; or who will receive money from this business? Attach a separate sheet if necessary.

Last Name		First Name	
<input type="text"/>		<input type="text"/>	
Date of Birth (MM/DD/YY)	FEIN or SSN Number	Interest/Percentage	
<input type="text"/>	<input type="text"/>	<input type="text"/>	
Last Name		First Name	
<input type="text"/>		<input type="text"/>	
Date of Birth (MM/DD/YY)	FEIN or SSN Number	Interest/Percentage	
<input type="text"/>	<input type="text"/>	<input type="text"/>	
Last Name		First Name	
<input type="text"/>		<input type="text"/>	
Date of Birth (MM/DD/YY)	FEIN or SSN Number	Interest/Percentage	
<input type="text"/>	<input type="text"/>	<input type="text"/>	

Attach copies of all notes and security instruments and any written agreement or details of any oral agreement, by which any person (including partnerships, corporations, limited liability companies, etc.) will share in the profit or gross proceeds of this establishment, and any agreement relating to the business which is contingent or conditional in any way by volume, profit, sales, giving of advice or consultation.

10. Optional Premises or Hotel and Restaurant Licenses with Optional Premises:

Has a local ordinance or resolution authorizing optional premises been adopted?... Yes No

Number of additional Optional Premise areas requested. (See license fee chart)

For the addition of a Sidewalk Service Area per Regulation 47-302(A)(4), include a diagram of the service area and documentation received from the local governing body authorizing use of the sidewalk. Documentation may include but is not limited to a statement of use, permit, easement, or other legal permissions.

11. Liquor Licensed Drugstore (LLDS) applicants, answer the following:

a. Is there a pharmacy, licensed by the Colorado Board of Pharmacy, located within the applicant's LLDS premise?..... Yes No

If "yes" a copy of license must be attached.

12. Club Liquor License applicants answer the following: **Attach a copy of applicable documentation**

a. Is the applicant organization operated solely for a national, social, fraternal, patriotic, political or athletic purpose and not for pecuniary gain?..... Yes No

b. Is the applicant organization a regularly chartered branch, lodge or chapter of a national organization which is operated solely for the object of a patriotic or fraternal organization or society, but not for pecuniary gain?..... Yes No

c. How long has the club been incorporated?.....

d. Has applicant occupied an establishment for three years (three years required) that was operated solely for the reasons stated above?..... Yes No

13. Brew-Pub, Distillery Pub or Vintner's Restaurant applicants answer the following:

a. Has the applicant received or applied for a Federal Permit? (Copy of permit or application must be attached)..... Yes No

14. Campus Liquor Complex applicants answer the following:

a. Is the applicant an institution of higher education?..... Yes No

b. Is the applicant a person who contracts with the institution of higher education to provide food services?..... Yes No

If "yes" please provide a copy of the contract with the institution of higher education to provide food services.

15. For all on-premises applicants.

a. For all Liquor Licensed Drugstores (LLDS) the Permitted Manager must also submit an Manager Permit Application - DR 8000 and fingerprints.

Last Name of Manager

First Name of Manager

16. Does this manager act as the manager of, or have a financial interest in, any other liquor licensed establishment in the State of Colorado? If yes, provide name, type of license and account number..... Yes No

Name

Type of License

Account Number

17. Related Facility - Campus Liquor Complex applicants answer the following:

- a. Is the related facility located within the boundaries of the Campus Liquor Complex?**..... Yes No

If yes, please provide a map of the geographical location within the Campus Liquor Complex.

If no, this license type is not available for issues outside the geographical location of the Campus Liquor Complex.

- b. Designated Manager for Related Facility - Campus Liquor Complex**

Last Name of Manager

First Name of Manager

18. Tax Information.

- a. Has the applicant, including its manager, partners, officer, directors, stockholders, members (LLC), managing members (LLC), or any other person with a 10% or greater financial interest in the applicant, been found in final order of a tax agency to be delinquent in the payment of any state or local taxes, penalties, or interest related to a business?**..... Yes No

- b. Has the applicant, including its manager, partners, officer, directors, stockholders, members (LLC), managing members (LLC), or any other person with a 10% or greater financial interest in the applicant failed to pay any fees or surcharges imposed pursuant to section 44-3-503, C.R.S.?**..... Yes No

If applicant is a corporation, partnership, association or limited liability company, applicant must list all **Officers, Directors, General Partners, and Managing Members**. In addition, applicant must list any stockholders, partners, or members with **ownership of 10% or more in the applicant**. **All persons listed below** must also attach form DR 8404-I (Individual History Record), and make an appointment with an approved State Vendor through their website. See application checklist, Section IV, for details.

Name Date of Birth (MM/DD/YY)

Street Address

City State ZIP Code Position %Owned

Name Date of Birth (MM/DD/YY)

Street Address

City State ZIP Code Position %Owned

Name Date of Birth (MM/DD/YY)

Street Address

City State ZIP Code Position %Owned

Name Date of Birth (MM/DD/YY)

Street Address

City State ZIP Code Position %Owned

Name Date of Birth (MM/DD/YY)

Street Address

City State ZIP Code Position %Owned

** If applicant is owned 100% by a parent company, please list the designated principal officer on above.

** Corporations - the President, Vice-President, Secretary and Treasurer must be accounted for above (Include ownership percentage if applicable)

** If total ownership percentage disclosed here does not total 100%, applicant must check this box:

Applicant affirms that no individual other than these disclosed herein owns 10% or more of the applicant and does not have financial interest in a prohibited liquor license pursuant to Article 3 or 5, C.R.S.

Oath Of Applicant

I declare under penalty of perjury in the second degree that this application and all attachments are true, correct, and complete to the best of my knowledge. I also acknowledge that it is my responsibility and the responsibility of my agents and employees to comply with the provisions of the Colorado Liquor or Beer and Wine Code which affect my license.

Printed Name	Title
<i>Robbie Balenger</i>	<i>Owner</i>
Authorized Signature	Date (MM/DD/YY)
<i>[Signature]</i>	<i>11/5/2025</i>

Report and Approval of Local Licensing Authority (City/County)

Date application filed with local authority	Date of local authority hearing (for new license applicants; cannot be less than 30 days from date of application)
<i>November 20, 2025</i>	<i>January 6, 2026</i>

For Transfer Applications Only - Is the license being transferred valid?..... Yes No

The Local Licensing Authority Hereby Affirms that each person required to file DR 8404-I (Individual History Record) or a DR 8000 (Manager Permit) has been:

- Fingerprinted
- Subject to background investigation, including NCIC/CCIC check for outstanding warrants

That the local authority has conducted, or intends to conduct, an inspection of the proposed premises to ensure that the applicant is in compliance with and aware of, liquor code provisions affecting their class of license

(Check One)

- Date of inspection or anticipated date
- Will conduct inspection upon approval of state licensing authority

Is the Liquor Licensed Drugstore (LLDS) or Retail Liquor Store (RLS) within 1,500 feet of another retail liquor license for off-premises sales in a jurisdiction with a population of > 10,000? Yes No

Is the Liquor Licensed Drugstore (LLDS) or Retail Liquor Store (RLS) within 3,000 feet of another retail liquor license for off-premises sales in a jurisdiction with a population of < 10,000? Yes No

NOTE: The distance shall be determined by a radius measurement that begins at the principal doorway of the LLDS/RLS premises for which the application is being made and ends at the principal doorway of the Licensed LLDS/RLS.

Does the Liquor-Licensed Drugstore (LLDS) have at least twenty percent (20%) of the applicant's gross annual income derived from the sale of food, during the prior twelve (12) month period? Yes No

The foregoing application has been examined; and the premises, business to be conducted, and character of the applicant are satisfactory. We do report that such license, if granted, will meet the reasonable requirements of the neighborhood and the desires of the adult inhabitants, and will comply with the provisions of Title 44, Article 4 or 3, C.R.S., and Liquor Rules. **Therefore, this application is approved.**

Local Licensing Authority for Telephone Number Town, City
 County

Printed Name Title

Signature Date (MM/DD/YY)

Printed Name Title

Signature Date (MM/DD/YY)

Tax Check Authorization, Waiver, and Request to Release Information

I, Robbie Balenger

am signing this Tax Check Authorization, Waiver and Request to Release Information (hereinafter "Waiver") on behalf of

(the "Applicant/Licensee")

Lago Trattoria LLC

to permit the Colorado Department of Revenue and any other state or local taxing authority to release information and documentation that may otherwise be confidential, as provided below. If I am signing this Waiver for someone other than myself, including on behalf of a business entity, I certify that I have the authority to execute this Waiver on behalf of the Applicant/Licensee.

The Executive Director of the Colorado Department of Revenue is the State Licensing Authority, and oversees the Colorado Liquor Enforcement Division as his or her agents, clerks, and employees. The information and documentation obtained pursuant to this Waiver may be used in connection with the Applicant/Licensee's liquor license application and ongoing licensure by the state and local licensing authorities. The Colorado Liquor Code, section 44-3-101. et seq. ("Liquor Code"), and the Colorado Liquor Rules, 1 CCR 203-2 ("Liquor Rules"), require compliance with certain tax obligations, and set forth the investigative, disciplinary and licensure actions the state and local licensing authorities may take for violations of the Liquor Code and Liquor Rules, including failure to meet tax reporting and payment obligations.

The Waiver is made pursuant to section 39-21-113(4), C.R.S., and any other law, regulation, resolution or ordinance concerning the confidentiality of tax information, or any document, report or return filed in connection with state or local taxes. This Waiver shall be valid until the expiration or revocation of a license, or until both the state and local licensing authorities take final action to approve or deny any application(s) for the renewal of the license, whichever is later. Applicant/Licensee agrees to execute a new waiver for each subsequent licensing period in connection with the renewal of any license, if requested.

By signing below, Applicant/Licensee requests that the Colorado Department of Revenue and any other state or local taxing authority or agency in the possession of tax documents or information, release information and documentation to the Colorado Liquor Enforcement Division, and its duly authorized employees, to act as the Applicant's/Licensee's duly authorized representative under section 39-21-113(4), C.R.S., solely to allow the state and local licensing authorities, and their duly authorized employees, to investigate compliance with the Liquor Code and Liquor Rules. Applicant/Licensee authorizes the state and local licensing authorities, their duly authorized employees, and their legal representatives, to use the information and documentation obtained using this Waiver in any administrative or judicial action regarding the application or license.

Name (Individual/Business)

Lago Trattoria LLC

Social Security Number/Tax Identification Number

[Redacted]

Home Phone Number

[Redacted]

Business/Work Phone Number

[Redacted]

Street Address

148 West 1st St.

City

Salida

State

CO

ZIP Code

81201

Printed name of person signing on behalf of the Applicant/Licensee

Robbie Bulger

Applicant/Licensee's Signature (Signature authorizing the disclosure of confidential tax information)

[Handwritten Signature]

Date Signed

11/5/25

Privacy Act Statement

Providing your Social Security Number is voluntary and no right, benefit or privilege provided by law will be denied as a result of refusal to disclose it. § 7 of Privacy Act, 5 USCS § 552a (note).

Tax Check Authorization, Waiver, and Request to Release Information

I, Jason Brooks

am signing this Tax Check Authorization, Waiver and Request to Release Information (hereinafter "Waiver") on behalf of

(the "Applicant/Licensee")

Lago Trattoria, LLC

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Name (Individual/Business)

Jason Brooks

Social Security Number/Tax Identification Number

[REDACTED]

Home Phone Number

[REDACTED]

Business/Work Phone Number

Street Address

[REDACTED]

City

[REDACTED]

State ZIP Code

Printed name of person signing on behalf of the Applicant/Licensee

Applicant/Licensee's Signature (Signature authorizing the disclosure of confidential tax information)



Date Signed

11/7/25

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Individual History Record

To be completed by the following persons, as applicable: sole proprietors; general partners regardless of percentage ownership, and limited partners owning 10% or more of the partnership; all principal officers of a corporation, all directors of a corporation, and any stockholder of a corporation owning 10% or more of the outstanding stock; managing members or officers of a limited liability company, and members owning 10% or more of the company; and any intended registered manager of Hotel and Restaurant, Tavern, Lodging Facility, and Entertainment Facility class of retail license

Notice: This individual history record requires information that is necessary for the licensing investigation or inquiry. All questions must be answered in their entirety or the license application may be delayed or denied. If a question is not applicable, please indicate so by "N/A". **Any deliberate misrepresentation or material omission may jeopardize the license application.** (Please attach a separate sheet if necessary to enable you to answer questions completely)

Name of Business

Lago Trattoria, LLC

Home Phone Number

[Redacted]

Cellular Number

[Redacted]

Your Full Name (last, first, middle)

Brooks, Jason Everette

List any other names you have used

[Redacted]

Mailing address (if different from residence)

[Redacted]

Email Address

[Redacted]

1. List current residence address. Include any previous addresses within the last five years. (Attach separate sheet if necessary)

Current Street and Number

[Redacted]

Current City, State, ZIP

[Redacted]

From:

[Redacted]

To:

[Redacted]

Previous Street and Number

[Redacted]

Previous City, State, ZIP

[Redacted]

From:

[Redacted]

To:

[Redacted]

Individual History Record (Continued)

Name of Relative	Relationship to You:
Position Held	Name of Licensee
Name of Relative	Relationship to You:
Position Held	Name of Licensee

4. Have you ever applied for, held, or had an interest in a Colorado Liquor or Beer License, or loaned money, furniture, fixtures, equipment or inventory to any licensee? Yes No

(If yes, answer in detail.)

We have Liquor License for the restaurant, Shavano, in Salida, CO.

5. Have you ever received a violation notice, suspension, or revocation for a liquor law violation, or have you applied for or been denied a liquor or beer license anywhere in the United States? Yes No

(If yes, answer in detail.)

6. Have you ever been convicted of a crime or received a suspended sentence, deferred sentence, or forfeited bail for any offense in criminal or military court or do you have any charges pending? Yes No

(If yes, answer in detail.)

Some ~~juv~~ juvenile offenses and two adult arrests. Nothing since 2005.

7. Are you currently under probation (supervised or unsupervised), parole, or completing the requirements of a deferred sentence? Yes No

(If yes, answer in detail.)

Individual History Record (Continued)

8. Have you ever had any professional license suspended, revoked, or denied?.... Yes No

(If yes, answer in detail.)

Personal and Financial Information

Unless otherwise provided by law, the personal information required in this section will be treated as confidential. The personal information required in this section is solely for identification purposes.

Date of Birth [REDACTED]	Social Security Number [REDACTED]	Place of Birth [REDACTED]		
U.S. Citizen <input checked="" type="radio"/> Yes <input type="radio"/> No	If Naturalized, state where [REDACTED]	When [REDACTED]		
Name of District Court [REDACTED]	Naturalization Certificate Number [REDACTED]	Date of Certification [REDACTED]		
If an Alien, Give Alien's Registration Card Number [REDACTED]	Permanent Residence Card Number [REDACTED]			
Height [REDACTED]	Weight [REDACTED]	Hair Color [REDACTED]	Eye Color [REDACTED]	Gender [REDACTED]

Do you have a current Driver's License/ID? If so, give number and state. Yes No

Driver's License Number [REDACTED]	Driver's License State CO
---------------------------------------	------------------------------

Financial Information

9. Total purchase price or investment being made by the applying entity, corporation, partnership, limited liability company, other..... [REDACTED]
10. List the total amount of the **personal** investment, made by the person listed on page 1 in this business including any notes, loans, cash, services or equipment, operating capital, stock purchases or fees paid..... [REDACTED]

NOTE: If corporate investment only, please skip to and complete question 12
NOTE: Question 10 should reflect the total of questions 11 and 13

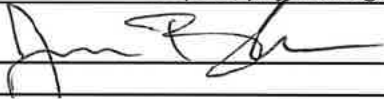
Personal and Financial Information (Continued)

Name of Lender		Address
<input type="text"/>		<input type="text"/>
Term	Security	Amount
<input type="text"/>	<input type="text"/>	<input type="text"/>
Name of Lender		Address
<input type="text"/>		<input type="text"/>
Term	Security	Amount
<input type="text"/>	<input type="text"/>	<input type="text"/>
Name of Lender		Address
<input type="text"/>		<input type="text"/>
Term	Security	Amount
<input type="text"/>	<input type="text"/>	<input type="text"/>

Oath of Applicant

I declare under penalty of perjury that this application and all attachments are true, correct, and complete to the best of my knowledge.

Electronic signature is not accepted, physical signature is required.

	
Print Signature	<input type="text" value="Jason Brooks"/>
Title	Date (MM/DD/YY)
<input type="text"/>	<input type="text" value="11/7/2025"/>

Tax Check Authorization, Waiver, and Request to Release Information

I, Mallory Brooks

am signing this Tax Check Authorization, Waiver and Request to Release Information (hereinafter "Waiver") on behalf of

(the "Applicant/Licensee")

Lago Trattoria, LLC

to permit the Colorado Department of Revenue and any other state or local taxing authority to release information and documentation that may otherwise be confidential, as provided below. If I am signing this Waiver for someone other than myself, including on behalf of a business entity, I certify that I have the authority to execute this Waiver on behalf of the Applicant/Licensee.

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By signing below, Applicant/Licensee requests that the Colorado Department of Revenue and any other state or local taxing authority or agency in the possession of tax documents or information, release information and documentation to the Colorado Liquor Enforcement Division, and is duly authorized employees, to act as the Applicant's/Licensee's duly authorized representative under section 39-21-113(4), C.R.S., solely to allow the state and local licensing authorities, and their duly authorized employees, to investigate compliance with the Liquor Code and Liquor Rules. Applicant/Licensee authorizes the state and local licensing authorities, their duly authorized employees, and their legal representatives, to use the information and documentation obtained using this Waiver in any administrative or judicial action regarding the application or license.

Name (Individual/Business)

Mallony Brooks

Social Security Number/Tax Identification Number

[Redacted]

Home Phone Number

[Redacted]

Business/Work Phone Number

[Redacted]

Street Address

[Redacted]

City

[Redacted]

State ZIP Code

Printed name of person signing on behalf of the Applicant/Licensee

Mallony Brooks

Applicant/Licensee's Signature (Signature authorizing the disclosure of confidential tax information)

Mallony Brooks

Date Signed

11/7/25

Privacy Act Statement

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Individual History Record

To be completed by the following persons, as applicable: sole proprietors; general partners regardless of percentage ownership, and limited partners owning 10% or more of the partnership; all principal officers of a corporation, all directors of a corporation, and any stockholder of a corporation owning 10% or more of the outstanding stock; managing members or officers of a limited liability company, and members owning 10% or more of the company; and any intended registered manager of Hotel and Restaurant, Tavern, Lodging Facility, and Entertainment Facility class of retail license

Notice: This individual history record requires information that is necessary for the licensing investigation or inquiry. All questions must be answered in their entirety or the license application may be delayed or denied. If a question is not applicable, please indicate so by "N/A". **Any deliberate misrepresentation or material omission may jeopardize the license application.** (Please attach a separate sheet if necessary to enable you to answer questions completely)

Name of Business

Lago Trattoria, LLC

Home Phone Number

[REDACTED]

Cellular Number

"

Your Full Name (last, first, middle)

Brooks, Mallory Alexis

List any other names you have used

Cox, Mallory (~~was~~ maiden name)

Mailing address (if different from residence)

[REDACTED]

Email Address

[REDACTED]

1. List current residence address. Include any previous addresses within the last five years. (Attach separate sheet if necessary)

Current Street and Number

Current City, State, ZIP

[REDACTED]

Individual History Record (Continued)

Name of Relative	Relationship to You:
<input type="text"/>	<input type="text"/>
Position Held	Name of Licensee
<input type="text"/>	<input type="text"/>
Name of Relative	Relationship to You:
<input type="text"/>	<input type="text"/>
Position Held	Name of Licensee
<input type="text"/>	<input type="text"/>

4. Have you ever applied for, held, or had an interest in a Colorado Liquor or Beer License, or loaned money, furniture, fixtures, equipment or inventory to any licensee? Yes No

(If yes, answer in detail.)

5. Have you ever received a violation notice, suspension, or revocation for a liquor law violation, or have you applied for or been denied a liquor or beer license anywhere in the United States?..... Yes No

(If yes, answer in detail.)

6. Have you ever been convicted of a crime or received a suspended sentence, deferred sentence, or forfeited bail for any offense in criminal or military court or do you have any charges pending?..... Yes No

(If yes, answer in detail.)

7. Are you currently under probation (supervised or unsupervised), parole, or completing the requirements of a deferred sentence?..... Yes No

(If yes, answer in detail.)

Individual History Record (Continued)

8. Have you ever had any professional license suspended, revoked, or denied?..... Yes No

(If yes, answer in detail.)

Personal and Financial Information

Unless otherwise provided by law, the personal information required in this section will be treated as confidential. The personal information required in this section is solely for identification purposes.

Date of Birth	Social Security Number	Place of Birth		
<div style="background-color: black; width: 100%; height: 20px;"></div>	<div style="background-color: black; width: 100%; height: 20px;"></div>	<div style="background-color: black; width: 100%; height: 20px;"></div>		
U.S. Citizen <input checked="" type="radio"/> Yes <input type="radio"/> No	If Naturalized, state where	W		
<div style="background-color: black; width: 100%; height: 20px;"></div>	<div style="background-color: black; width: 100%; height: 20px;"></div>	<div style="background-color: black; width: 100%; height: 20px;"></div>		
Name of District Court	Naturalization Certificate Number	Date of Certification		
<div style="background-color: black; width: 100%; height: 20px;"></div>	<div style="background-color: black; width: 100%; height: 20px;"></div>	<div style="background-color: black; width: 100%; height: 20px;"></div>		
If an Alien, Give Alien's Registration Card Number	Permanent Residence Card Number			
<div style="background-color: black; width: 100%; height: 20px;"></div>	<div style="background-color: black; width: 100%; height: 20px;"></div>			
Height	Weight	Hair Color	Eye Color	Gender
<div style="background-color: black; width: 100%; height: 20px;"></div>	<div style="background-color: black; width: 100%; height: 20px;"></div>	<div style="background-color: black; width: 100%; height: 20px;"></div>	<div style="background-color: black; width: 100%; height: 20px;"></div>	<div style="background-color: black; width: 100%; height: 20px;"></div>

Do you have a current Driver's License/ID? If so, give number and state. Yes No

Driver's License Number	Driver's License State
<div style="background-color: black; width: 100%; height: 20px;"></div>	Colorado

Financial Information

9. Total purchase price or investment being made by the applying entity, corporation, partnership, limited liability company, other.....

10. List the total amount of the **personal** investment, made by the person listed on page 1 in this business including any notes, loans, cash, services or equipment, operating capital, stock purchases or fees paid.....

NOTE: If corporate investment only, please skip to and complete question 12

NOTE: Question 10 should reflect the total of questions 11 and 13

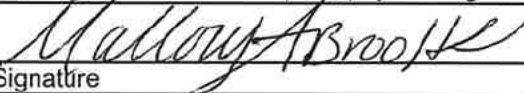
Personal and Financial Information (Continued)

Name of Lender		Address
<input type="text"/>		<input type="text"/>
Term	Security	Amount
<input type="text"/>	<input type="text"/>	<input type="text"/>
Name of Lender		Address
<input type="text"/>		<input type="text"/>
Term	Security	Amount
<input type="text"/>	<input type="text"/>	<input type="text"/>
Name of Lender		Address
<input type="text"/>		<input type="text"/>
Term	Security	Amount
<input type="text"/>	<input type="text"/>	<input type="text"/>

Oath of Applicant

I declare under penalty of perjury that this application and all attachments are true, correct, and complete to the best of my knowledge.

Electronic signature is not accepted, physical signature is required.

	
Print Signature	
Mallory Brooks	
Title	Date (MM/DD/YY)
partial owner	11/07/2025

Tax Check Authorization, Waiver, and Request to Release Information

I, Jonas L Harlow

am signing this Tax Check Authorization, Waiver and Request to Release Information (hereinafter "Waiver") on behalf of

(the "Applicant/Licensee")

Lago Trattoria LLC

to permit the Colorado Department of Revenue and any other state or local taxing authority to release information and documentation that may otherwise be confidential, as provided below. If I am signing this Waiver for someone other than myself, including on behalf of a business entity, I certify that I have the authority to execute this Waiver on behalf of the Applicant/Licensee.

The Executive Director of the Colorado Department of Revenue is the State Licensing Authority, and oversees the Colorado Liquor Enforcement Division as his or her agents, clerks, and employees. The information and documentation obtained pursuant to this Waiver may be used in connection with the Applicant/Licensee's liquor license application and ongoing licensure by the state and local licensing authorities. The Colorado Liquor Code, section 44-3-101. et seq. ("Liquor Code"), and the Colorado Liquor Rules, 1 CCR 203-2 ("Liquor Rules"), require compliance with certain tax obligations, and set forth the investigative, disciplinary and licensure actions the state and local licensing authorities may take for violations of the Liquor Code and Liquor Rules, including failure to meet tax reporting and payment obligations.

The Waiver is made pursuant to section 39-21-113(4), C.R.S., and any other law, regulation, resolution or ordinance concerning the confidentiality of tax information, or any document, report or return filed in connection with state or local taxes. This Waiver shall be valid until the expiration or revocation of a license, or until both the state and local licensing authorities take final action to approve or deny any application(s) for the renewal of the license, whichever is later. Applicant/Licensee agrees to execute a new waiver for each subsequent licensing period in connection with the renewal of any license, if requested.

By signing below, Applicant/Licensee requests that the Colorado Department of Revenue and any other state or local taxing authority or agency in the possession of tax documents or information, release information and documentation to the Colorado Liquor Enforcement Division, and is duly authorized employees, to act as the Applicant's/Licensee's duly authorized representative under section 39-21-113(4), C.R.S., solely to allow the state and local licensing authorities, and their duly authorized employees, to investigate compliance with the Liquor Code and Liquor Rules. Applicant/Licensee authorizes the state and local licensing authorities, their duly authorized employees, and their legal representatives, to use the information and documentation obtained using this Waiver in any administrative or judicial action regarding the application or license.

Name (Individual/Business)

Jonas L Harlow

Social Security Number/Tax Identification Number

[REDACTED]

Home Phone Number

[REDACTED]

Business/Work Phone Number

[REDACTED]

Street Address

[REDACTED]

City

[REDACTED]

State ZIP Code

Printed name of person signing on behalf of the Applicant/Licensee

Jonas L Harlow

Applicant/Licensee's Signature (Signature authorizing the disclosure of confidential tax information)

[Handwritten Signature]

Date Signed

11/7/25

Privacy Act Statement

Providing your Social Security Number is voluntary and no right, benefit or privilege provided by law will be denied as a result of refusal to disclose it. § 7 of Privacy Act, 5 USCS § 552a (note).

Individual History Record

To be completed by the following persons, as applicable: sole proprietors; general partners regardless of percentage ownership, and limited partners owning 10% or more of the partnership; all principal officers of a corporation, all directors of a corporation, and any stockholder of a corporation owning 10% or more of the outstanding stock; managing members or officers of a limited liability company, and members owning 10% or more of the company; and any intended registered manager of Hotel and Restaurant, Tavern, Lodging Facility, and Entertainment Facility class of retail license

Notice: This individual history record requires information that is necessary for the licensing investigation or inquiry. All questions must be answered in their entirety or the license application may be delayed or denied. If a question is not applicable, please indicate so by "N/A". **Any deliberate misrepresentation or material omission may jeopardize the license application.** (Please attach a separate sheet if necessary to enable you to answer questions completely)

Name of Business

Lago Trattoria LLC

Home Phone Number

Cellular Number

Your Full Name (last, first, middle)

Harlow, Jonas, Luke

List any other names you have used

Mailing address (if different from residence)

Email Address

1. List current residence address. Include any previous addresses within the last five years. (Attach separate sheet if necessary)

Current Street and Number

Current City, State, ZIP

Fr

Previous Street and Number

Previous City, State, ZIP

From:

To:

Individual History Record (Continued)

Name of Relative	Relationship to You:
Position Held	Name of Licensee
Name of Relative	Relationship to You:
Position Held	Name of Licensee

4. Have you ever applied for, held, or had an interest in a Colorado Liquor or Beer License, or loaned money, furniture, fixtures, equipment or inventory to any licensee? Yes No

(If yes, answer in detail.)

I'm a 20% stakeholder in Friends of Shawano LLC

5. Have you ever received a violation notice, suspension, or revocation for a liquor law violation, or have you applied for or been denied a liquor or beer license anywhere in the United States? Yes No

(If yes, answer in detail.)

6. Have you ever been convicted of a crime or received a suspended sentence, deferred sentence, or forfeited bail for any offense in criminal or military court or do you have any charges pending? Yes No

(If yes, answer in detail.)

7. Are you currently under probation (supervised or unsupervised), parole, or completing the requirements of a deferred sentence? Yes No

(If yes, answer in detail.)

Individual History Record (Continued)

8. Have you ever had any professional license suspended, revoked, or denied?..... Yes No

(If yes, answer in detail.)

Personal and Financial Information

Unless otherwise provided by law, the personal information required in this section will be treated as confidential. The personal information required in this section is solely for identification purposes.

Date of Birth	Social Security Number	Place of Birth		
<div style="background-color: black; width: 100%; height: 20px;"></div>	<div style="background-color: black; width: 100%; height: 20px;"></div>	<div style="background-color: black; width: 100%; height: 20px;"></div>		
U.S. Citizen <input checked="" type="radio"/> Yes <input type="radio"/> No	If Naturalized, state where	When		
	<div style="background-color: black; width: 100%; height: 20px;"></div>	<div style="background-color: black; width: 100%; height: 20px;"></div>		
Name of District Court	Naturalization Certificate Number	Date of Certification		
<div style="background-color: black; width: 100%; height: 20px;"></div>	<div style="background-color: black; width: 100%; height: 20px;"></div>	<div style="background-color: black; width: 100%; height: 20px;"></div>		
If an Alien, Give Alien's Registration Card Number	Permanent Residence Card Number			
<div style="background-color: black; width: 100%; height: 20px;"></div>	<div style="background-color: black; width: 100%; height: 20px;"></div>			
Height	Weight	Hair Color	Eye Color	Gender
<div style="background-color: black; width: 100%; height: 20px;"></div>				

Do you have a current Driver's License/ID? If so, give number and state. Yes No

Driver's License Number	Driver's License State
<div style="background-color: black; width: 100%; height: 20px;"></div>	Colorado

Financial Information

- 9. Total purchase price or investment being made by the applying entity, corporation, partnership, limited liability company, other.....

- 10. List the total amount of the **personal** investment, made by the person listed on page 1 in this business including any notes, loans, cash, services or equipment, operating capital, stock purchases or fees paid.....

NOTE: If corporate investment only, please skip to and complete question 12
NOTE: Question 10 should reflect the total of questions 11 and 13

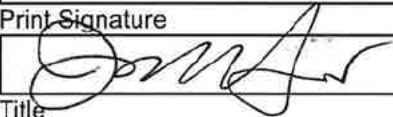
Personal and Financial Information (Continued)

Name of Lender		Address
<input type="text"/>		<input type="text"/>
Term	Security	Amount
<input type="text"/>	<input type="text"/>	<input type="text"/>
Name of Lender		Address
<input type="text"/>		<input type="text"/>
Term	Security	Amount
<input type="text"/>	<input type="text"/>	<input type="text"/>
Name of Lender		Address
<input type="text"/>		<input type="text"/>
Term	Security	Amount
<input type="text"/>	<input type="text"/>	<input type="text"/>

Oath of Applicant

I declare under penalty of perjury that this application and all attachments are true, correct, and complete to the best of my knowledge.

Electronic signature is not accepted, physical signature is required.

<input type="text"/>	
Print Signature	
	
Title	Date (MM/DD/YY)
Partner - co owner	11/7/25

Tax Check Authorization, Waiver, and Request to Release Information

I, Robert Balenzer

am signing this Tax Check Authorization, Waiver and Request to Release Information (hereinafter "Waiver") on behalf of

(the "Applicant/Licensee")

Robert Balenzer

to permit the Colorado Department of Revenue and any other state or local taxing authority to release information and documentation that may otherwise be confidential, as provided below. If I am signing this Waiver for someone other than myself, including on behalf of a business entity, I certify that I have the authority to execute this Waiver on behalf of the Applicant/Licensee.

The Executive Director of the Colorado Department of Revenue is the State Licensing Authority, and oversees the Colorado Liquor Enforcement Division as his or her agents, clerks, and employees. The information and documentation obtained pursuant to this Waiver may be used in connection with the Applicant/Licensee's liquor license application and ongoing licensure by the state and local licensing authorities. The Colorado Liquor Code, section 44-3-101. et seq. ("Liquor Code"), and the Colorado Liquor Rules, 1 CCR 203-2 ("Liquor Rules"), require compliance with certain tax obligations, and set forth the investigative, disciplinary and licensure actions the state and local licensing authorities may take for violations of the Liquor Code and Liquor Rules, including failure to meet tax reporting and payment obligations.

The Waiver is made pursuant to section 39-21-113(4), C.R.S., and any other law, regulation, resolution or ordinance concerning the confidentiality of tax information, or any document, report or return filed in connection with state or local taxes. This Waiver shall be valid until the expiration or revocation of a license, or until both the state and local licensing authorities take final action to approve or deny any application(s) for the renewal of the license, whichever is later. Applicant/Licensee agrees to execute a new waiver for each subsequent licensing period in connection with the renewal of any license, if requested.

By signing below, Applicant/Licensee requests that the Colorado Department of Revenue and any other state or local taxing authority or agency in the possession of tax documents or information, release information and documentation to the Colorado Liquor Enforcement Division, and is duly authorized employees, to act as the Applicant's/Licensee's duly authorized representative under section 39-21-113(4), C.R.S., solely to allow the state and local licensing authorities, and their duly authorized employees, to investigate compliance with the Liquor Code and Liquor Rules. Applicant/Licensee authorizes the state and local licensing authorities, their duly authorized employees, and their legal representatives, to use the information and documentation obtained using this Waiver in any administrative or judicial action regarding the application or license.

Name (Individual/Business)

Caso Trattoria LLC

Social Security Number/Tax Identification Number

[REDACTED]

Home Phone Number

[REDACTED]

Business/Work Phone Number

Street Address

148 West 1st St.

City

Salida

State

CO


ZIP Code

81201

Printed name of person signing on behalf of the Applicant/Licensee

Robert Balmyer

Applicant/Licensee's Signature (Signature authorizing the disclosure of confidential tax information)



Date Signed

11/5/25

Privacy Act Statement

Providing your Social Security Number is voluntary and no right, benefit or privilege provided by law will be denied as a result of refusal to disclose it. § 7 of Privacy Act, 5 USCS § 552a (note).

Individual History Record

To be completed by the following persons, as applicable: sole proprietors; general partners regardless of percentage ownership, and limited partners owning 10% or more of the partnership; all principal officers of a corporation, all directors of a corporation, and any stockholder of a corporation owning 10% or more of the outstanding stock; managing members or officers of a limited liability company, and members owning 10% or more of the company; and any intended registered manager of Hotel and Restaurant, Tavern, Lodging Facility, and Entertainment Facility class of retail license

Notice: This individual history record requires information that is necessary for the licensing investigation or inquiry. All questions must be answered in their entirety or the license application may be delayed or denied. If a question is not applicable, please indicate so by "N/A". **Any deliberate misrepresentation or material omission may jeopardize the license application.** (Please attach a separate sheet if necessary to enable you to answer questions completely)

Name of Business

Lago Trattoria LLC

Home Phone Number

Cellular Number

[REDACTED]

Your Full Name (last, first, middle)

Baleazer, Robert, Terry

List any other names you have used

Mailing address (if different from residence)

[REDACTED]

Email Address

robble@FriendsOfShavano.com

1. List current residence address. Include any previous addresses within the last five years. (Attach separate sheet if necessary)

Current Street and Number

Current City, State, ZIP

[REDACTED]

Individual History Record (Continued)

Name of Relative <input style="width: 95%; height: 25px;" type="text"/>	Relationship to You: <input style="width: 95%; height: 25px;" type="text"/>
Position Held <input style="width: 95%; height: 25px;" type="text"/>	Name of Licensee <input style="width: 95%; height: 25px;" type="text"/>
Name of Relative <input style="width: 95%; height: 25px;" type="text"/>	Relationship to You: <input style="width: 95%; height: 25px;" type="text"/>
Position Held <input style="width: 95%; height: 25px;" type="text"/>	Name of Licensee <input style="width: 95%; height: 25px;" type="text"/>

4. Have you ever applied for, held, or had an interest in a Colorado Liquor or Beer License, or loaned money, furniture, fixtures, equipment or inventory to any licensee? Yes No

(If yes, answer in detail.)

owner/operator of Friends of Shawano LLC
located at 113 E Sackett Ave Salida CO 81201

5. Have you ever received a violation notice, suspension, or revocation for a liquor law violation, or have you applied for or been denied a liquor or beer license anywhere in the United States?..... Yes No

(If yes, answer in detail.)

6. Have you ever been convicted of a crime or received a suspended sentence, deferred sentence, or forfeited bail for any offense in criminal or military court or do you have any charges pending?..... Yes No

(If yes, answer in detail.)

7. Are you currently under probation (supervised or unsupervised), parole, or completing the requirements of a deferred sentence?..... Yes No

(If yes, answer in detail.)

Individual History Record (Continued)

8. Have you ever had any professional license suspended, revoked, or denied?..... Yes No

(If yes, answer in detail.)

Personal and Financial Information

Unless otherwise provided by law, the personal information required in this section will be treated as confidential. The personal information required in this section is solely for identification purposes.

Date of Birth <div style="background-color: black; width: 100%; height: 20px;"></div>	Social Security Number <div style="background-color: black; width: 100%; height: 20px;"></div>	Place of Birth <div style="background-color: black; width: 100%; height: 20px;"></div>		
U.S. Citizen <input checked="" type="radio"/> Yes <input type="radio"/> No	If Naturalized, state where <div style="border: 1px solid black; height: 20px;"></div>	When <div style="border: 1px solid black; height: 20px;"></div>		
Name of District Court <div style="border: 1px solid black; height: 20px;"></div>	Naturalization Certificate Number <div style="border: 1px solid black; height: 20px;"></div>	Date of Certification <div style="border: 1px solid black; height: 20px;"></div>		
If an Alien, Give Alien's Registration Card Number <div style="border: 1px solid black; height: 20px;"></div>	Permanent Residence Card Number <div style="border: 1px solid black; height: 20px;"></div>			
Height	Weight	Hair Color	Eye Color	Gender

Do you have a current Driver's License/ID? If so, give number and state. Yes No

Driver's License Number <div style="background-color: black; width: 100%; height: 20px;"></div>	Driver's License State <div style="border: 1px solid black; padding: 2px;">Colorado</div>
--	--

Financial Information

9. Total purchase price or investment being made by the applying entity, corporation, partnership, limited liability company, other.....
10. List the total amount of the **personal** investment, made by the person listed on page 1 in this business including any notes, loans, cash, services or equipment, operating capital, stock purchases or fees paid.....

NOTE: If corporate investment only, please skip to and complete question 12
NOTE: Question 10 should reflect the total of questions 11 and 13


Personal and Financial Information (Continued)

Name of Lender		Address
<input type="text"/>		<input type="text"/>
Term	Security	Amount
<input type="text"/>	<input type="text"/>	<input type="text"/>
Name of Lender		Address
<input type="text"/>		<input type="text"/>
Term	Security	Amount
<input type="text"/>	<input type="text"/>	<input type="text"/>
Name of Lender		Address
<input type="text"/>		<input type="text"/>
Term	Security	Amount
<input type="text"/>	<input type="text"/>	<input type="text"/>

Oath of Applicant

I declare under penalty of perjury that this application and all attachments are true, correct, and complete to the best of my knowledge.

Electronic signature is not accepted, physical signature is required.

	
Print Signature	
Robert Balenger	
Title	Date (MM/DD/YY)
Owner	11/5/25

First Street

LAGO TRATTORIA LLC FLOOR PLAN

GROUND FLOOR

DINING

DISH

B
A
R

KITCHEN

BATH

BATH

MOF

EXT.
PATIO
(FENCED)

BASEMENT

50

30

30

60

30

60

10

80

90

OFFICE OF THE SECRETARY OF STATE
OF THE STATE OF COLORADO

CERTIFICATE OF FACT OF GOOD STANDING

I, Jena Griswold, as the Secretary of State of the State of Colorado, hereby certify that, according to the records of this office,

Lago Trattoria LLC

is a

Limited Liability Company

formed or registered on 10/07/2025 under the law of Colorado, has complied with all applicable requirements of this office, and is in good standing with this office. This entity has been assigned entity identification number 20258108983 .

This certificate reflects facts established or disclosed by documents delivered to this office on paper through 11/19/2025 that have been posted, and by documents delivered to this office electronically through 11/20/2025 @ 13:14:32 .

I have affixed hereto the Great Seal of the State of Colorado and duly generated, executed, and issued this official certificate at Denver, Colorado on 11/20/2025 @ 13:14:32 in accordance with applicable law. This certificate is assigned Confirmation Number 17906566 .



A handwritten signature in cursive script that reads "Jena Griswold".

Secretary of State of the State of Colorado

*****End of Certificate*****

Notice: A certificate issued electronically from the Colorado Secretary of State's website is fully and immediately valid and effective. However, as an option, the issuance and validity of a certificate obtained electronically may be established by visiting the Validate a Certificate page of the Secretary of State's website, <https://www.coloradosos.gov/biz/CertificateSearchCriteria.do> entering the certificate's confirmation number displayed on the certificate, and following the instructions displayed. Confirming the issuance of a certificate is merely optional and is not necessary to the valid and effective issuance of a certificate. For more information, visit our website, <https://www.coloradosos.gov> click "Businesses, trademarks, trade names" and select "Frequently Asked Questions."



Articles of Organization for a Limited Liability Company

filed pursuant to § 7-90-301 and § 7-80-204 of the Colorado Revised Statutes (C.R.S.)

The domestic entity name of the limited liability company is Lago Trattora LLC

The principal office street address is

130 W. 2nd Street
Suite 2
Salida Colorado CO 81201
US

The principal office mailing address is

PO Box 1224
Salida CO 81201
US

The name of the registered agent is Rocky Mountain Legal, Limited

The registered agent's street address is

130 W. 2nd Street
Suite 2
Salida Colorado CO 81201
US

The registered agent's mailing address is

130 W. 2nd Street
Suite 2
Salida Colorado CO 81201
US

The person above has agreed to be appointed as the registered agent for this entity.

The management of the limited liability company is vested in Managers

There is at least one member of the limited liability company.

Person(s) forming the limited liability company

Principle Law
130 W. 2nd Street
Suite 2
Salida Colorado CO 81201
US

Causing this document to be delivered to the Secretary of State for filing shall constitute the affirmation or acknowledgment of each individual causing such delivery, under penalties of perjury, that the document is the individual's act and deed, or that the individual in good faith believes the document is the act and deed of the person on whose behalf the individual is causing the document to be delivered for filing, taken in conformity with the requirements of part 3 of article 90 of title 7, C.R.S., and, if

applicable, the constituent documents, and the organic statutes, and that the individual in good faith believes the facts stated in the document are true and the document complies with the requirements of that Part, the constituent documents, and the organic statutes.

This perjury notice applies to each individual who causes this document to be delivered to the Secretary of State, whether or not such individual is named in the document as one who has caused it to be delivered.

Name(s) and address(es) of the individual(s) causing the document to be delivered for filing

Emily Walker
130 W. 2nd Street
Suite 2
Salida Colorado CO 81201
US

LEASE AGREEMENT

THIS LEASE AGREEMENT, (this "**Lease**") is made as of October 1, 2025 (the "**Effective Date**"), by and between Kkcc LLC, a Colorado limited liability company ("**Landlord**"), and Lago Trattoria LLC, a Colorado limited liability company ("**Tenant**").

ARTICLE I DEFINITIONS

Section 1.01 Definitions. The terms defined in this ARTICLE I shall have the following meanings whenever used in this Lease:

"**Additional Rent**" shall mean only those monetary obligations of Tenant to Landlord, if any, that are expressly stated in this Lease to be payable in addition to Base Rent.

"**ADA**" shall mean the Americans with Disabilities Act of 1990 (42 U.S.C. §§ 12101 to 12213), as amended by the Americans with Disabilities Act Amendments of 2008 (Pub. L. No. 110-325).

"**Alteration(s)**" shall mean any change, alteration, addition, or improvement to the Premises or the Building.

"**Base Rent**" shall have the meaning set forth in Section 3.01 hereof.

"**Building**" shall mean the manufacturing/distribution and office improvements in which the Premises are located, having a street address of 148 West First Street in the City of Salida, County of Chaffee, State of Colorado.

"**Business Day(s)**" shall mean all days, excluding the following days: Saturdays, Sundays, and all days observed as legal holidays by the State, the Federal Government, and/or by any labor unions servicing the Building.

"**Commencement Date**" shall mean the date on which Landlord delivers the Premises to Tenant for its use and occupancy in accordance with Section 2.01.

"**Embargoed Person**" shall have the meaning set forth in Section 22.14(a).

"**Environmental Laws**" shall mean all Laws: (a) relating to the environment, human health, or natural resources; (b) regulating, controlling, or imposing liability or standards of conduct concerning any Hazardous Materials; (c) relating to Remedial Action; and (d) requiring notification or disclosure of releases of Hazardous Materials or of the existence of any environmental conditions on or at the Premises, as any of the foregoing may be amended, supplemented, or supplanted from time to time.

"**Event(s) of Default**" shall have the meaning set forth in Section 15.02 hereof.

"**Executive Order**" shall have the meaning set forth in Section 22.14(a) hereof.

"**Expiration Date**" shall mean the last day of the month on the fifth anniversary of the Commencement Date, as same may be renewed pursuant to ARTICLE XXIII hereof, or such earlier date on which the Term shall sooner end pursuant to any of the terms, covenants, or conditions of this Lease or pursuant to Law.

"**HVAC**" shall have the meaning set forth in Section 2.02 hereof.

"Hazardous Materials" shall mean any pollutant, contaminant, or hazardous, dangerous, or toxic chemicals, materials, or substances within the meaning of any applicable Environmental Law relating to or imposing liability or standards of conduct concerning any hazardous, toxic, or dangerous waste substance or material, all as amended or hereafter amended, including, without limitation, any material or substance which is: (a) designated as a "hazardous substance" pursuant to Section 311 of the Federal Water Pollution Control Act (33 U.S.C. § 1317) or equivalent State Laws; (b) defined as a "hazardous waste" pursuant to § 1004 of the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 *et seq.* (42 U.S.C. § 6903) or equivalent State Laws; (c) defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. § 9601 *et seq.* (42 U.S.C. § 9601) or equivalent State Laws; (d) petroleum; (e) asbestos or asbestos-containing materials; (f) polychlorinated biphenyls ("PCBs") or substances or compounds containing PCBs; (g) radon; (h) medical waste; and (i) petroleum products.

"Land" shall mean all that certain plot, piece, or parcel of land on which the Building is located at 148 West First Street in the City of Salida, County of Chaffee, State of Colorado and more particularly described on **Exhibit A** attached hereto and made a part hereof.

"Landlord" shall mean the entity specified in the first paragraph of this Lease.

"Landlord Parties" shall have the meaning set forth in Section 12.06 hereof.

"Landlord's Default" shall have the meaning set forth in Section 22.12 hereof.

"Law(s)" shall mean all laws, statutes, and ordinances (including building codes, zoning ordinances, and regulations), rules, orders, directives, and requirements of all federal, state, county, municipal departments, bureaus, boards, agencies, offices, commissions, and other subdivisions thereof, or of any official thereof, or of any governmental, public or quasi-public authority, whether now or hereafter in force, which may be applicable to the Land, the Building, or the Premises, or any part thereof, including, without limitation, the ADA, the OSH Act, and any and all Superior Instruments.

"Lease" shall have the meaning set forth in the first paragraph of this document.

"OSH Act" shall mean the Occupational Safety and Health Act (29 U.S.C. §§ 651 to 678), as amended from time to time.

"Patriot Act" shall have the meaning set forth in Section 22.14(a) hereof.

"Person(s) or person(s)" shall mean any natural person or persons, a limited liability company, a limited partnership, a partnership, a corporation, and any other form of business or legal association or entity.

"Personal Property" shall mean all tangible personal property now or at any time hereafter located on or at the Premises or used in connection with the Premises, including, without limitation, all trade fixtures, machinery, appliances, furniture, equipment, and inventory.

"Permitted Use" shall mean the operation of a restaurant and bar, including the on-premises sale and consumption of food and alcoholic beverages, catering services, incidental retail sale of food and beverages, and such other uses as are customarily incidental to a restaurant and bar.

"Premises" shall mean approximately 2,614 square feet located in the Building, including all improvements therein or to be provided by Landlord under the terms of this Lease.

"**Primary Lease Term**" shall mean the initial term of this Lease of five (5) years, beginning on the Commencement Date and ending on the Expiration Date.

"**Prohibited Person**" shall have the meaning set forth in Section 22.14(a) hereof.

"**Quiet Enjoyment**" shall have the meaning set forth in ARTICLE XX hereof.

"**Real Estate Taxes**" shall mean any form of real estate tax or assessment, general, special, ordinary, or extraordinary imposed upon the Building, the Land, or any portion thereof by any authority having the direct or indirect power to tax, including any city, state, or federal government, or any school, sanitary, fire, street, drainage, or other improvement district thereof, levied against any legal or equitable interest of Landlord in the Building, the Land, or any portion thereof. The term "Real Estate Taxes" shall also include any tax, fee, levy, assessment, or charge, or any increase therein, imposed by reason of events occurring, or changes in applicable zoning, municipal, county, state, and federal Laws, ordinances, and regulations, and any covenants or restrictions of record taking effect during the Term of this Lease, including but not limited to a change in ownership of the Building, the Land, or the improvements thereon (or any portion thereof), the execution of this Lease, or any modification, amendment, or transfer thereof, and whether or not contemplated by the parties hereto. Notwithstanding the foregoing, Real Estate Taxes shall specifically exclude the following: (a) any and all taxes on Landlord's income; (b) franchise taxes or corporate or unincorporated business taxes; (c) estate, gift, succession, or inheritance taxes; (d) any capital gains taxes; (e) transfer taxes, or any similar taxes imposed on Landlord, unless those taxes are levied, assessed, or imposed in lieu of or in substitution for the whole or any part of the taxes, assessments, levies, or impositions that now constitute the defined term "**Real Estate Taxes**."

"**Remedial Action**" shall mean the investigation, response, clean up, remediation, prevention, mitigation, or removal of any Hazardous Materials necessary to comply with any Environmental Laws.

"**Renewal Term**" shall have the meaning set forth in ARTICLE XXIII.

"**Rent**" shall mean Base Rent and any Additional Rent collectively.

"**Rent Payment Address**" shall mean [REDACTED]

"**State**" shall mean the State of Colorado.

"**Structural Alterations**" shall mean any Alterations involving the structural, mechanical, electrical, plumbing, fire/life safety, heating, ventilating, and air-conditioning systems of the Premises and/or the Building.

"**Substantially Destroyed**" shall have the meaning set forth in Section 13.02 hereof.

"**Superior Instruments**" shall mean any reciprocal easement, covenant, restriction, restriction of easement, condominium documents, association requirements, or other agreement of record affecting the Land and/or the Building as of the date of this Lease or subsequent thereto.

"**Tenant**" shall mean the entity identified in the first paragraph of this document.

"**Tenant Parties**" shall have the meaning set forth in Section 12.06(b) hereof.

"**Term**" shall mean the Primary Lease Term and any Renewal Term.

"**Transfer**" shall have the meaning set forth in Section 11.01 hereof.

**ARTICLE II
PREMISES**

Section 2.01 Lease of Premises for Lease Term. Subject to the terms and conditions of this Lease, as of the date hereof, Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, the Premises for the Primary Lease Term (as such Primary Lease Term may be extended or renewed pursuant to ARTICLE XXIII hereof). Landlord shall deliver the Premises to Tenant on the Effective Date (the "**Commencement Date**") clean and free of debris.


Section 2.02 No Representations. Tenant acknowledges that: (a) neither Landlord nor Landlord's agents or employees have made any representations or warranties as to the suitability or fitness of the Premises for the conduct of Tenant's business or for any other purpose; (b) except as expressly provided herein, neither Landlord nor its agents or employees have agreed to undertake any alterations or construct any improvements to the Premises; (c) Tenant has been advised to satisfy itself regarding the condition of the Premises, including, without limitation, the heating, ventilation, and air-conditioning ("**HVAC**") systems, mechanical, electrical, plumbing, and fire sprinkler systems, any structural or environmental matters, and the present and future suitability of the Premises for Tenant's intended use; and (d) Tenant has been advised to satisfy itself regarding the Premises' compliance with the ADA (as defined below) and all other applicable requirements, including all Laws. Tenant further acknowledges by taking possession of the Premises that as of the Commencement Date: (i) Tenant has been given access to the Premises and has made such investigation as it deems necessary with reference to the matters set forth in this Section, is satisfied with reference thereto, and assumes all responsibility therefor as the same relate to Tenant's occupancy of the Premises and/or the terms of this Lease; and (ii) neither Landlord nor any of its agents or employees has made any oral or written representations or warranties regarding said matters or the condition of the Premises other than as expressly set forth in this Lease.

Section 2.03 Tenant's Work. All finish work, including installation of trade fixtures and furnishings, required to make the Premises suitable for Tenant's occupancy and operation of its business therein shall be referred to herein as "**Tenant's Work.**" Tenant's Work shall include, without limitation, painting the interior of the Premises and the installation of the walk-in cooler and certain shelving.

**ARTICLE III
PAYMENT OF BASE RENT**

Section 3.01 Base Rent.

(a) Tenant covenants and agrees to pay base rent ("**Base Rent**") to Landlord throughout the Primary Lease Term of this Lease, which Base Rent shall be as follows:

Term	Monthly Base Rent
	

The parties agree this is a modified gross lease; accordingly, the Base Rent is inclusive of payment of all Real Estate Taxes, and Landlord's property insurance.

(b) Tenant shall pay Base Rent to Landlord in equal monthly installments, in advance, commencing on the first day of each month during the Term, without notice or demand.

(c) Base Rent due for any period of less than twelve (12) months (or any monthly installment of Base Rent due for any period of less than a full month) shall be appropriately apportioned based upon a three hundred sixty (360)-day year (or based upon the number of days in such month).

(d) Base Rent shall be paid, without notice or demand, except as otherwise specifically provided in this Lease by good check drawn on an account at a bank in currency that at the time of payment is legal tender for public and private debts in the United States of America, made payable to Landlord at Landlord's Rent Payment Address or to such other parties and at such other addresses as Landlord shall direct by notice to Tenant from time to time.

Section 3.02 Late Payment. If any payment of Base Rent is not received by Landlord within seven (7) days after its due date, such payment shall be subject to a late payment fee of [REDACTED]

ARTICLE IV TAXES

Section 4.01 Real Estate Taxes. Landlord shall be solely responsible for, and shall pay, all Real Estate Taxes attributable to the Land, the Building, and the Premises during the Term, which are included in and covered by the Base Rent.

Section 4.02 Sales Taxes. Landlord shall be solely responsible for any sales, use, excise, and rental taxes levied, assessed, or payable for or on account of this Lease, the Rent contemplated by this Lease, or the rents and other sums of money payable under or by virtue of the Lease.

Section 4.03 Personal Property Taxes. Tenant shall pay, prior to delinquency, all taxes charged against Tenant's Personal Property.

ARTICLE V USE

Section 5.01 Permitted Use. Tenant shall use the Premises only for the Permitted Use and shall not use the Premises for any other purposes without prior consent. Tenant shall not use the Building or permit the Premises

to be used in violation of any Law, or in a manner which annoys or interferes with the rights of other tenants of the Building or the Building, or which constitutes a nuisance or waste.

Section 5.02 Uses Prohibited. Tenant shall not do or permit anything to be done in or about the Premises nor bring to or keep anything in or on the Premises that is not within the Permitted Use of the Premises or which will in any way materially increase the existing rate on or affect any fire or other insurance upon the Building or any of its contents, or cause a cancellation of any insurance policy or policies covering the Building or any part thereof or any of its contents. Tenant shall not conduct or permit any auctions or sheriff's sales at the Premises.

Section 5.03 Signs. Tenant shall not place any signs on the Premises without Landlord's prior consent, which consent shall not be unreasonably withheld, conditioned, or delayed. Notwithstanding the foregoing, all signage installed within or upon the Premises by Tenant shall be subject to prior review and approval by the City of Salida, and Tenant shall obtain all necessary permits and approvals from the City of Salida before installing any such signage.

Section 5.04 Landlord's Access. Landlord or its agents may enter the Premises only during business hours and upon reasonable prior written notice to Tenant (a minimum of twenty-four (24) hours except in the case of emergency) and at Tenant's option accompanied by a representative of Tenant (provided Tenant makes such representative available), to inspect the Premises or to show the Premises to potential buyers, investors, tenants (but for tenants only during the last six (6) months of the Term or at any time while a continuing and uncured Event of Default occurs after the expiration of applicable notice and cure periods contained in this Lease), or other parties, or for any other purpose Landlord deems commercially reasonable necessary. Landlord shall at all times have and retain a key with which to unlock all the standard entrances and exit doors in, upon, and about the Premises, excluding Tenant's vaults, safes, and files. Landlord may place customary "For Sale" or "For Lease" signs on or about the Premises but may not place such signs in or in front of the Premises until six (6) months prior to the end of the Term of this Lease or if Tenant vacates the Premises prior to the expiration of the Term of this Lease. Landlord shall exercise all reasonable efforts so that any entry into the Premises is reasonably designed to minimize interference with the operation of Tenant's business in the Premises.

Section 5.05 Security. Notwithstanding the foregoing, Landlord is not responsible for the security of persons or property on or about the Building and Landlord is not and shall not be liable in any way whatsoever for any criminal activity or any breach of security on or about the Building. Tenant shall be responsible for obtaining and maintaining all security with respect to the interior of the Premises, whether by the use of devices, security guard personnel, or otherwise.

ARTICLE VI HAZARDOUS MATERIALS

Section 6.01 Tenant Restrictions. Tenant shall not, and shall not permit any of its subtenants, employees, contractors, agents, or invitees, to introduce into the Premises, use or store in the Premises or cause to be released from the Premises any Hazardous Materials. Notwithstanding the preceding sentence, Tenant may use cleaning and office products in accordance with their customary use, provided that Tenant complies with all applicable Laws in connection therewith, and further provided that in no event may Tenant release or discharge such cleaning and/or office products into the plumbing, drainage, or sewer system in excessive amounts. If Tenant breaches its obligations hereunder, Tenant, at Tenant's expense, shall immediately take all remedial action necessary to clean up any release, spill, or discharge of Hazardous Materials.

Section 6.02 Disposal. If Tenant shall be obligated to remediate any Hazardous Materials, it shall remove and dispose of any such Hazardous Materials in compliance with all applicable Laws. Tenant's remediation plan shall be subject to Landlord's approval and Tenant shall keep Landlord fully apprised of the progress of Tenant's remediation efforts.

Section 6.03 Indemnity. Tenant shall indemnify, defend, and hold harmless Landlord, its managing agent, its mortgagee, if any, and their respective members, shareholders, partners, directors, managers, officers, employees, and agents, from and against all liabilities, damages, losses, fines, costs, and expenses (including reasonable attorneys' fees and disbursements) resulting or arising from, or incurred in connection with, any violation by Tenant of its obligations with respect to Hazardous Materials under this Lease or otherwise under any applicable Laws. The provisions of this Section 6.03 shall survive the expiration or sooner termination of this Lease.

ARTICLE VII SERVICES AND UTILITIES

Tenant shall pay, directly to the appropriate supplier, the cost of all natural gas, heat, electricity, sewer service, telephone, water, refuse disposal, snow removal, and all other services and utilities supplied to the Premises, and such costs are not included in the Base Rent.

ARTICLE VIII MAINTENANCE, REPAIRS, AND ALTERATIONS

Section 8.01 Maintenance by Tenant. Tenant shall at all times during the Term of this Lease keep the Premises (including maintenance of exterior entrances and all glass and show window moldings) and all partitions, doors, doorjambes, door closures, door hardware, fixtures, equipment, and appurtenances thereof (including electrical, lighting, heating, plumbing and plumbing fixtures, and any air-conditioning systems, including leaks around ducts, pipes, vents, or other parts of the air-conditioning, heating, or plumbing systems which protrude through the roof), the walk-in cooler, the hood and related equipment, flat top, fryers, freezer, refrigerator, ice maker, grease trap, and prep cooler in good order, condition, and repair. Tenant shall also repair any damage to the structural portions of the roof and the Building resulting from the negligent acts or omissions of Tenant or anyone claiming under or acting by or through Tenant and perform or observe the covenants or conditions contained in this Lease resulting from Alterations, additions, or improvements to the Premises made by Tenant or anyone claiming under or acting by or through Tenant.

Section 8.02 Maintenance by Landlord. If Tenant refuses or neglects to maintain or repair the Premises as required hereunder to the reasonable satisfaction of Landlord as soon as is reasonably practicable within thirty (30) days after written demand from Landlord, Landlord shall have the option, but not the obligation, to make such repairs without liability to Tenant for any loss or damage that may accrue to Tenant's merchandise, fixtures, or property, or to Tenant's business thereof, and upon completion thereof, Tenant shall reimburse Landlord for Landlord's reasonable and documented cost for making such repairs, which reimbursement shall not constitute Rent. Landlord shall maintain, repair, and replace the roof and the roof membrane, the exterior walls, and the structural portions of the Building, and shall periodically paint the exterior walls of the Building from time to time as determined to be necessary by Landlord or its designee, and subject to the obligations of Tenant under the provisions of this Lease. Landlord shall repair and replace plumbing, utility, and/or sewer lines and mains which service the Premises. Except as otherwise provided in this Lease, Landlord shall keep, repair, operate, and maintain the following in good order, condition, and repair, and in compliance with all applicable Laws: (a) the foundation, exterior walls, structural systems, and roof of the Building and the underground utilities serving the Premises; and (b) the electrical, mechanical, plumbing, heating, and air-conditioning systems, facilities, and components located in or adjacent to the Building. Notwithstanding anything contained in ARTICLE VIII to the contrary, Landlord shall be responsible for replacing any equipment in Section 8.01 that malfunctions provided such equipment's replacement is not due to Tenant's negligence or willful misconduct.

Section 8.03 Alterations, Additions, and Improvements.

(a) Tenant shall not make any Alterations, additions, or improvements to the Premises without Landlord's prior consent, which consent shall not be unreasonably withheld, conditioned, or delayed, and Landlord must respond within ten (10) Business Days of receipt of a written request from Tenant; provided, however, Tenant shall not be required to obtain Landlord's consent for such nonstructural Alterations if such nonstructural Alterations: (i) do not exceed Five Thousand and 00/100 Dollars (\$5,000.00) in cost cumulatively over each calendar year; (ii) do not require a permit; (iii) are considered to be cosmetic in nature; (iv) are only for the interior of the Premises; and (v) do not affect building systems. All Alterations, additions, and improvements will be accomplished in a good and workmanlike manner, in conformity with all applicable Laws, and by a contractor (licensed as necessary by the State or municipality) who is registered, bonded, insured, and approved by Landlord. Upon completion of any such work, Tenant shall provide Landlord with "as-built" plans, copies of all construction contracts, and proof of payment for all labor and materials. Tenant agrees that Tenant shall pay all liens of contractors, subcontractors, mechanics, laborers, materialmen, and other items of like character, and shall indemnify Landlord against all expenses, costs, and charges, including bond premiums for release of liens and attorneys' fees and costs reasonably incurred in and about the defense of any suit in discharging the Premises or any part thereof from any liens, judgments, or encumbrances caused or suffered by Tenant. In the event any such lien shall be made or filed, Tenant shall bond against or discharge the same within ten (10) Business Days after the same has been made or filed. It is understood and agreed between the parties to this Lease that the expenses, costs, and charges above referred to shall be due from Tenant as a separate reimbursement obligation and shall not constitute Rent.

(b) All Alterations, additions, or improvements placed on or made to the Premises by Tenant, excluding Personal Property, shall at once become the property of Landlord, and upon termination of this Lease shall be surrendered to Landlord or, at Landlord's option, shall be removed at Tenant's expense. All furniture, Personal Property, trade fixtures, shelves, bins, and machinery installed by Tenant shall be removed by Tenant prior to the expiration or termination of this Lease and all damage to the Premises or the Building caused by the installation or removal of such items shall be repaired at Tenant's expense, prior to the expiration or termination of this Lease. Notwithstanding the foregoing, Tenant shall not be required to remove any Alteration that: (i) did not require Landlord's consent as provided in this Lease; and/or (ii) Landlord did not specifically require in any written consent from Landlord to Tenant to specifically be removed at the end of the Term.

ARTICLE IX COVENANT AGAINST LIENS

Nothing contained in this Lease shall authorize or empower Tenant to do any act which shall in any way encumber Landlord's title to the Building or the Premises, nor in any way subject Landlord's title to any claims by way of lien or encumbrance whether claimed by operation of Law or by virtue of any expressed or implied contract of Tenant, and any claim to a lien upon the Building or the Premises arising from any act or omission of Tenant shall attach only against Tenant's interest and shall in all respects be subordinate to Landlord's title to the Building, and the Premises. If Tenant has not removed or bonded over any such lien or encumbrance within ten (10) Business Days' written notice to Tenant by Landlord, Landlord may, but shall not be obligated to, pay the amount necessary to remove such lien or encumbrance, without being responsible for making any investigation as to the validity or accuracy thereof, and the amount so paid, together with all costs and expenses (including reasonable attorneys' fees) incurred by Landlord in connection therewith, shall be due and payable within thirty (30) days of Tenant's receipt of notice of such payment by Landlord and supporting documentation and shall not constitute Rent.

ARTICLE X SECURITY DEPOSIT

Concurrently with Tenant's execution of this Lease, Tenant shall deliver the sum of [REDACTED] (the "Security Deposit") to Landlord as security for the full, faithful, and timely performance of each and every provision of this Lease to be performed by Tenant. If Tenant defaults with respect to any provision of this Lease, including but not limited to the provisions relating to the payment of Rent, Landlord may, in Landlord's discretion, use, apply, or retain all or any part of the Security Deposit for the payment of any Rent, or any other sum in default, or for the payment of any other amount which Landlord may spend or become obligated to spend by reason of Tenant's default, or to compensate Landlord for any other loss or damage which Landlord may suffer by reason of Tenant's default. If any portion of the Security Deposit is so used, applied, or retained, Tenant shall, within ten (10) days after written demand, deposit cash with Landlord in an amount sufficient to restore the Security Deposit to its original amount. Landlord shall not be required to keep the Security Deposit separate from its general funds, and Tenant shall not be entitled to interest on the Security Deposit. The Security Deposit shall not be deemed a limitation on Landlord's damages or a payment of liquidated damages or a payment of the Rent due for the last month of the Term. Landlord may deliver the Security Deposit to the purchaser of the Premises if the Premises are sold, and after such time, Landlord will have no further liability to Tenant with respect to the Security Deposit.

ARTICLE XI ASSIGNMENT AND SUBLEASING

Section 11.01 Landlord's Consent Required. Tenant may assign this Lease once to an entity controlled by Tenant, effective upon written notice to Landlord. Thereafter, Tenant shall not, directly or indirectly, voluntarily or by operation of Law, sell, assign, encumber, mortgage, pledge, or otherwise transfer or hypothecate all or any part of the Premises, or Tenant's leasehold estate hereunder, or sublet all or any portion of the Premises or permit the Premises to be occupied by anyone other than Tenant (each such act herein referred to as a "**Transfer**"), without Landlord's prior written consent in each instance, which consent shall not be unreasonably withheld, conditioned, or delayed. Any attempted Transfer without Landlord's prior written consent shall be void and shall constitute a non-curable breach of this Lease.

Section 11.02 No Release of Tenant. Except for the one Transfer to an entity controlled by Tenant described in Section 11.01 above, no Transfer permitted under this Lease, whether with or without Landlord's consent, shall release Tenant or change Tenant's primary liability to pay the Rent and to perform all other obligations of Tenant under this Lease. Landlord's acceptance of Rent from any other Person is not a waiver of any provision of this Lease. Consent by Landlord to one (1) Transfer is not consent to any subsequent Transfer. If Tenant's transferee defaults under this Lease, Landlord may proceed directly against Tenant without pursuing remedies against the transferee. Landlord may consent to subsequent Transfers of this Lease by Tenant's transferee, without notifying Tenant or obtaining its consent. Such action shall not relieve Tenant's liability under this Lease.

Section 11.03 Landlord's Election. Tenant's request for consent to any Transfer shall be accompanied by a written statement setting forth the details of the proposed Transfer, including the name, business, and financial condition of the prospective transferee, financial details of the proposed Transfer (such as the term of the sublease and the amount of rent and security deposit payable under any assignment or sublease), and any other information Landlord deems relevant. Except as described in Section 11.01 above, Landlord shall have the right: (a) to withhold consent; (b) to grant consent; or (c) if the Transfer is a sublease of the entire Premises or an assignment of this Lease, to terminate this Lease as of the effective date of such proposed sublease or assignment and enter into a direct lease with the proposed assignee or subtenant.

Section 11.04 No Merger. No merger shall result from Tenant's sublease of the Premises, Tenant's surrender of this Lease or the termination of this Lease in any other manner. In any event, Landlord may terminate any or all subtenancies or succeed to the interest of Tenant as sublandlord thereunder.

ARTICLE XII INSURANCE AND INDEMNIFICATION

Section 12.01 Payment of Premiums. Landlord shall be solely responsible for and shall pay the cost of the premiums for the insurance policies maintained by Landlord, and such costs are included in Base Rent. No amounts in respect of such premiums shall be reimbursed by Tenant. Premiums for policy periods commencing before and ending after the Term of this Lease shall be the Landlord's responsibility to prorate, with no charge to Tenant.

Section 12.02 Liability Insurance. Tenant shall, at Tenant's sole cost and expense, obtain and keep in force during the Term of this Lease a policy of combined single limit, bodily injury and property damage insurance insuring Landlord and Tenant, and any lenders whose names have been provided to Tenant in writing (as additional insureds), against any liability arising out of the ownership, use, occupancy, or maintenance of the Premises and all areas appurtenant thereto. Such insurance shall be provided through a combined single limit policy in an amount not less than One Million and 00/100 Dollars (\$1,000,000.00) per occurrence. The policy shall insure performance by Tenant of the indemnity provision of this ARTICLE XII. The limits of said insurance shall not, however, limit the liability of Tenant hereunder. All insurance to be carried by Tenant shall be primary to and not contributory with any similar insurance carried by Landlord, whose insurance shall be considered excess insurance only. In addition, Tenant shall maintain workers' compensation insurance as is required by the Laws of the State.

Section 12.03 Property Insurance.

(a) Landlord shall pay for, obtain, and keep in force during the Term of this Lease a policy or policies of insurance covering loss or damage to the Building, in the amount of the full replacement value thereof, as the same may exist from time to time, but in no event less than the total amount required by lenders having liens on the Premises, against all perils included within the classification of fire, extended coverage, vandalism, malicious mischief, flood (in the event the same is required by a lender having a lien on the Building), and special extended perils ("all risk" as such term is used in the insurance industry). Said insurance shall provide for a payment of loss thereunder to Landlord or to the holder of deeds of trust or mortgages on the Premises.

(b) Tenant shall not do or permit to be done anything that would increase the premiums of property insurance obtained by Landlord; if Tenant's acts, omissions, use, or occupancy of the Premises cause or would cause such an increase, Tenant shall promptly cease or modify the applicable activity upon notice from Landlord, but Tenant shall have no obligation to reimburse Landlord for any such premiums.

(c) Tenant shall obtain and maintain insurance coverage for full replacement cost on all Tenant's Personal Property, trade fixtures, and Tenant Improvements in, on, or about the Premises. Landlord shall not insure Tenant's Improvements or any of its trade fixtures, equipment, or alterations.

Section 12.04 Insurance Policies. Insurance required hereunder shall be issued by companies holding a "General Policyholders Rating" of not less than "A," or such other rating as may be required by a lender having a lien on the Building or the Building, as set forth in the most current issue of "Best Insurance Guide," or any successor thereto (or if there be none, an organization having a national reputation). No policy carried by Tenant shall be cancelable or subject to reduction of coverage or other modification except after thirty (30) days' prior written notice to Landlord. Not less than thirty (30) days prior to the expiration of such policies, Tenant shall furnish Landlord with renewals or "binders" thereof, or Landlord may order such insurance and charge the cost thereof to Tenant, which amount shall be payable by Tenant upon demand. Such ordered insurance shall be limited to the insurance required to be carried by Tenant under this ARTICLE XII, and Tenant shall have no obligation to reimburse Landlord for premiums for insurance maintained by Landlord. Tenant shall not do or permit to be done anything which shall invalidate the insurance policies carried by Landlord. If Tenant does or permits to be done

anything which shall increase the cost of any insurance policies maintained by Landlord under this ARTICLE XII, Tenant shall promptly cease or modify such activity upon notice from Landlord, and no reimbursement of Landlord's premiums shall be required; provided, however, that this sentence shall not limit Tenant's obligation to maintain and pay for Tenant's own insurance as required herein. Executed copies of policies of insurance or certificates thereof shall be delivered to Landlord within ten (10) Business Days after the Commencement Date.

Section 12.05 Waiver of Subrogation. Tenant and Landlord each hereby release and relieve the other and waive their entire right of recovery against the other for loss or damage arising out of or incident to the perils insured against under this ARTICLE XII, which perils occur in, on, or about the Premises, whether due to the negligence of Landlord, Landlord Parties, or Tenant, or any of their agents, employees, contractors, and/or invitees. Tenant and Landlord shall, upon obtaining the policies of insurance required hereunder, give notice to the insurance carrier or carriers that the foregoing mutual waiver of subrogation is contained in this Lease.

Section 12.06 Indemnity.

(a) Except for the negligence and intentional misconduct of Landlord and/or any Landlord Parties (as hereinafter defined), Tenant shall indemnify, defend and hold harmless Landlord and Landlord's officers, agents, employees, partners, successors, and assigns (collectively, the "**Landlord Parties**") from and against any and all claims arising from Tenant's use of the Premises, or from the conduct of Tenant's business or from any activity, work, or things done, permitted, or suffered by Tenant in, on, or about the Premises or elsewhere, and shall further indemnify and hold harmless all Landlord Parties from and against any and all claims arising from any breach or default in the performance of any obligation on Tenant's part to be performed under the terms of this Lease, or arising from any negligence of Tenant, or any of Tenant's agents, contractors, or employees, and from and against all costs, attorneys' fees, expenses, and liabilities incurred in the defense of any such claim or any action or proceeding brought thereon; and in case any action or proceeding shall be brought against Landlord by reason of any such claim, Tenant, upon notice from Landlord, shall defend the same at Tenant's expense by counsel satisfactory to Landlord. Tenant, as a material part of the consideration to Landlord, hereby assumes all risk of damages to property or injury to persons, in, on, or about the Premises arising from any cause, and Tenant hereby waives all claims in respect thereof against any Landlord Parties.

(b) Except for the negligence and intentional misconduct of Tenant and/or any Tenant Parties (as hereinafter defined), Landlord shall indemnify, defend and hold harmless Tenant and Tenant's officers, agents, employees, partners, successors, and assigns (collectively, the "**Tenant Parties**") from and against any and all claims arising from Landlord's use of the Premises, or the Building, or from the conduct of Landlord's business or from any activity, work, or things done, permitted, or suffered by Landlord in, on, or about the Premises or the Building, and shall further indemnify and hold harmless the Tenant Parties from and against any and all claims arising from any breach or default in the performance of any obligation on Landlord's part to be performed under the terms of this Lease, or arising from any negligence of Landlord, the Landlord Parties, or any of Landlord's agents, contractors, or employees, and from and against all costs, attorneys' fees, expenses, and liabilities incurred in the defense of any such claim or any action or proceeding brought thereon; and in case any action or proceeding shall be brought against Tenant by reason of any such claim, Landlord, upon notice from Tenant, shall defend the same at Landlord's expense by counsel satisfactory to Tenant. Landlord, as a material part of the consideration to Tenant, hereby assumes all risk of damages to property or injury to persons, in, on, or about the Premises or the Building arising from any cause, and Landlord hereby waives all claims in respect thereof against any Tenant Parties.

**ARTICLE XIII
DAMAGE AND DESTRUCTION**

Section 13.01 Partial Damage to Premises. Tenant shall notify Landlord in writing immediately upon the occurrence of any damage to the Premises. If the Premises are only partially damaged and if the proceeds received by Landlord from the insurance policies maintained by Landlord are sufficient to pay for the necessary repairs, this Lease shall remain in effect and Landlord shall repair the damage as soon as is reasonably possible. Landlord shall not be required to make repairs or replacements of any damage to any fixtures, equipment, Personal Property, or leasehold improvements of Tenant. If the insurance proceeds received by Landlord are not sufficient to pay the entire cost of repair, or if the cause of the damage is not covered by the insurance policies which Landlord maintains, Landlord may elect either to: (i) repair the damage as soon as is reasonably possible, in which case this Lease shall remain in full force and effect; or (ii) terminate this Lease effective as of the date the damage occurred. Landlord shall notify Tenant within thirty (30) days after receipt of notice of the occurrence of the damage whether Landlord elects to repair the damage or terminate the Lease. If the damage to the Premises occurs during the last six (6) months of the Primary Lease Term or any Renewal Term, Landlord may elect to terminate this Lease effective as of the date the damage occurred, regardless of the sufficiency of any insurance proceeds. In such event, Landlord shall not be obligated to repair or restore the Premises and Tenant shall have no right to continue this Lease. Landlord shall notify Tenant of its election within thirty (30) days after receipt of notice of the occurrence of the damage.

Section 13.02 Total or Substantially Destroyed. If the Premises are totally or Substantially Destroyed by any cause whatsoever, this Lease shall terminate as of the date the destruction occurred regardless of whether Landlord receives any insurance proceeds. The term "**Substantially Destroyed**" shall mean a fifty percent (50%) destruction of the Premises. Notwithstanding the foregoing, and regardless of whether or not insurance proceeds are available, if the Premises can be rebuilt within one hundred twenty (120) days after the date of destruction, Landlord may elect to rebuild the Premises at Landlord's own expense, in which case, this Lease shall remain in full force and effect. Landlord shall notify Tenant of such election within thirty (30) days after the occurrence of total destruction or if Substantially Destroyed. If the destruction was caused by an act or omission of Tenant, Tenant shall pay Landlord the difference between the actual cost of rebuilding and any insurance proceeds received by Landlord.

Section 13.03 Temporary Reduction of Rent. If the Premises are destroyed or damaged and Landlord repairs or restores the Premises pursuant to the provisions of this Lease, any Base Rent payable during the period of such damage, repair, and/or restoration shall be reduced according to the degree, if any, to which Tenant's use of the Premises is impaired. Except for such possible reduction in Base Rent, Tenant shall not be entitled to any compensation, reduction, or reimbursement from Landlord as a result of any damage, destruction, repair, or restoration of or to the Premises.

ARTICLE XIV EMINENT DOMAIN

Should the Premises or the Building be taken, appropriated, or condemned for public purposes, or voluntarily transferred in lieu of condemnation, in whole or in such substantial part as to render the Building unsuitable for Landlord's purposes or the Premises unsuitable for Tenant's purposes including a material loss of access, the Term of this Lease shall, at the option of Landlord in the first instance and at the option of Tenant in the second instance, terminate when Tenant's right to possession is terminated. All compensation awarded for such taking of the fee and leasehold shall belong to and be the property of Landlord without any deduction therefrom for any present or future estate of Tenant and Tenant hereby assigns to Landlord all its right, title, and interest to any such award. However, Tenant shall have the right to recover from the condemning authority, but not from Landlord, such compensation as may be awarded to Tenant on account of interruption of Tenant's business, for moving and relocation expenses, and for depreciation to and removal of Tenant's goods and trade fixtures.

**ARTICLE XV
DEFAULTS AND REMEDIES**

Section 15.01 Covenants and Conditions. Tenant's performance of each of Tenant's obligations under this Lease is a condition as well as a covenant. Tenant's right to continue in possession of the Premises is conditioned upon such performance. Time is of the essence in the performance of all covenants and conditions.

Section 15.02 Events of Default. Tenant shall be in material default under this Lease if any one (1) or more of the following events (herein sometimes referred to individually as an "**Event of Default**" and collectively as "**Events of Default**") shall occur and shall not be timely remedied as herein provided:

(a) Except as provided in Section 15.02(b), if Tenant fails to make any payment of Base Rent due under this Lease or any part thereof when due and such nonpayment continues after five (5) Business Days' written notice from Landlord.

(b) If Tenant fails to make any payment of any other sum or charge payable under this Lease, other than Base Rent, or any part thereof when and as the same shall become due and payable and such default continues for a period of five (5) Business Days after receipt by Tenant of notice from Landlord specifying the default.

(c) If Tenant fails to observe or perform any of the other covenants, agreements, or conditions of this Lease on the part of Tenant to be kept and performed and such default continues for a period of thirty (30) days after written notice thereof from Landlord to Tenant; provided, however, that with respect to any default (other than a default which can be cured by the payment of money) that cannot be reasonably cured within said thirty (30) day period, Tenant shall have an additional period of thirty (30) days to cure such default.

(d) If Tenant files a petition in bankruptcy or is adjudicated as bankrupt, or files any petition or answer seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief for itself under any present or future Law, or makes an assignment for the benefit of creditors, or if any trustee, receiver, or liquidator of Tenant or of all or any substantial part of its properties or of the Premises shall be appointed in any action, suit, or proceeding by or against Tenant and such proceeding or action shall not have been dismissed within ninety (90) days after such filing or appointment.

(e) If Tenant vacates, abandons, or fails to use the Premises for the Permitted Use as stated in Section 5.01 for a period in excess of fourteen (14) days except that Tenant shall not be deemed to have abandoned or vacated the Premises when and to the extent that the Premises are untenable by reason of damage by fire, other casualty, condemnation, or by Landlord's Default.

Section 15.03 Remedies. In the event of any Event of Default set forth in Section 15.02 hereof, Landlord may, at its option, exercise any and all the remedies listed below. No such remedy herein or otherwise conferred upon or reserved to Landlord shall be considered exclusive of any other remedy, but the same shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at Law or in equity, and every power and remedy given by the Lease to Landlord may be exercised from time to time and as often as the occasion may rise or may be deemed expedient.

(a) Landlord may, without terminating this Lease, enter upon the Premises, without being liable for prosecution or any claim for damages therefor, and do whatever Tenant is obligated to do under the terms of this Lease, in which event Tenant shall reimburse Landlord on demand for any expenses which Landlord may incur in complying with Tenant's obligation under this Lease, and Landlord shall not be

liable for any damages resulting to Tenant from such action, unless caused by the gross negligence of Landlord.

(b) Landlord may, if it elects to do so, bring suit for the collection of Base Rent and/or any damages resulting from Tenant's default without entering into possession of the Premises or voiding this Lease.

(c) Landlord may terminate this Lease after thirty (30) days' written notice to Tenant and this Lease shall terminate on the date specified in such notice. Tenant shall quit and surrender the Premises by said date, failing which, Landlord may enter upon the Premises immediately or at any subsequent time without additional notice or demand (which additional notice or demand is hereby expressly waived by Tenant) without being liable for prosecution of any claim for damages therefor, and expel Tenant and those claiming under Tenant and remove their effects without being guilty of any manner of trespass. Tenant agrees that if Landlord shall cause Tenant's goods or effects to be removed from the Premises pursuant to the terms hereof or of any court order, Landlord's act of so removing such goods or effects shall be deemed to be the act of and for the account of Tenant.

(d) In the event of such termination: (i) Landlord may accelerate and declare the entire remaining unpaid Base Rent and any and all other monies payable under this Lease for the balance of the Term hereof to be immediately due and payable; or (ii) Landlord may collect from Tenant, as liquidated damages: (A) all past due Base Rent and other amounts due Landlord up to the date of expiration or termination; plus (B) the difference between Base Rent provided for herein and the proceeds from any reletting of the Premises, payable in monthly installments over the period that would otherwise have constituted the remaining term of this Lease; plus (C) all expenses in connection with such reletting including, without limitation, all costs, fees, and expenses of repossession, brokers, advertising, attorneys, courts, repairing, cleaning, repainting, and remodeling of the Premises for reletting.

(e) Without waiving its rights to terminate at any time as provided above, Landlord may retake possession of the Premises in the same manner as provided in Section 15.03(a) above. It is agreed that any such retaking or the commencement and prosecution of any action by Landlord in forcible entry and detainer, ejection, or otherwise, or any execution of any judgment or decree obtained in any action to recover possession of the Premises shall not be construed as an election to terminate this Lease unless Landlord expressly exercises its option hereinbefore provided to declare the Term hereof ended, whether or not such entry or re-entry be, had or taken under summary proceedings or otherwise, and shall not be deemed to have absolved or discharged Tenant from any of its obligations and liabilities for the remainder of the current Term of the Lease; rather, this Lease shall continue in effect for the remainder of the then-current Term, and Tenant shall remain liable and obligated under all the covenants and conditions hereof during the said period and shall pay as and when due the Base Rent and any other amounts expressly payable by Tenant hereunder as if Tenant had not defaulted. Landlord may re-lease the Premises for the account of Tenant, crediting the rent received on such re-leasing first to the costs of such re-leasing and then to any other amounts owing by Tenant hereunder. Tenant hereby constitutes and appoints Landlord as its attorney-in-fact to take any and all actions necessary or incidental to such re-leasing and this power shall be irrevocable during the Term of this Lease. Such continuance of this Lease shall not constitute any waiver or consent by Landlord of or to said default or any subsequent default.

Section 15.04 Landlord's Damages. In addition to the foregoing remedies and regardless of which remedies Landlord pursues, Tenant covenants that it shall indemnify Landlord from and against any loss and damage directly or indirectly sustained by reason of any termination resulting from any Event of Default as provided above or the enforcement or declaration of any rights and remedies of Landlord or obligations of Tenant, whether arising under this Lease or granted, permitted, or imposed by Law or otherwise. Landlord's damages hereunder shall include, but shall not be limited to, any loss of Rent prior to or after re-leasing the Premises,

broker's or salesperson's commissions, advertising costs, costs of repairing and remodeling the Premises for re-leasing, moving, and storage charges incurred by Landlord in moving Tenant's property and effects, and legal costs and reasonable attorneys' fees incurred by Landlord in any proceedings resulting from Tenant's default, collecting any damages hereunder, obtaining possession of the Premises by summary process or otherwise or re-leasing the Premises, or the enforcement or declaration of any of the rights or remedies of Landlord or obligations of Tenant, whether arising under this Lease or granted, permitted, or imposed by Law or otherwise. In the event that any court or governmental authority shall limit any amount which Landlord may be entitled to recover under this paragraph, Landlord shall be entitled to recover the maximum amount permitted under Law. Nothing in this paragraph shall be deemed to limit Landlord's recovery from Tenant of the maximum amount permitted under Law or of any other sums or damages which Landlord may be entitled to so recover in addition to the damages set forth herein.

Section 15.05 Non-Waiver of Defaults. No delay or omission of Landlord to execute any right or power arising from any default shall impair any such right or power or shall be construed to be a waiver of any such default or any acquiescence therein. No waiver of any breach of any of the covenants of this Lease shall be construed, taken, or held to be a waiver of any other breach, waiver, or acquiescence in, or consent to, any further or succeeding breach of the same covenant. Receipt by Landlord of less than the full amount due from Tenant shall not be construed to be other than a payment on account of the amounts then due, nor shall any statement on Tenant's check or any letter accompanying Tenant's payment be deemed an accord and satisfaction, and Landlord may accept such payment as a partial payment only. The rights herein given to receive, collect, sue, or distrain for any Rent or rents, monies, or payments, or to enforce the terms, provisions, and conditions of this Lease, or to prevent the breach or nonobservance thereof, or the exercise of any such right (or of any other right or remedy hereunder), or otherwise granted or arising, shall not in any way affect or impair or take away the right or power of Landlord to declare the Term hereby granted ended and to terminate this Lease as herein provided because of any default in or breach of any of the covenants, provisions, or conditions of this Lease.

ARTICLE XVI PROTECTION OF LENDERS

Section 16.01 Subordination. This Lease and Tenant's rights hereunder are and shall be subordinate and inferior to any ground lease, deed of trust, or mortgage encumbering all or any portion of the Building, any advances made on the security thereof and any renewals, modifications, consolidations, replacements, or extensions thereof, whenever made or recorded. If any ground lessor, beneficiary, or mortgagee elects to have this Lease rank prior to the lien of its ground lease, deed of trust, or mortgage, and gives written notice thereof to Tenant, this Lease shall be deemed prior to such ground lease or mortgage whether this Lease is dated prior or subsequent to the date of said ground lease, or mortgage or the date of recording thereof. The provisions of this Section 16.01 shall be self-operative, and no further instrument shall be required to cause the provisions of this Section 16.01 to be effective. Notwithstanding anything to the contrary contained herein, Landlord shall, as a condition to Tenant's subordination of this Lease, provide Tenant with an executed subordination, non-disturbance, and attornment agreement with Landlord's lender, on terms reasonably acceptable to Tenant.

Section 16.02 Attornment. If Landlord's interest in the Building is acquired by any ground lessor, beneficiary under a deed of trust, mortgage, mortgagee, or purchaser at a foreclosure sale, Tenant shall attorn to the transferee of or successor to Landlord's interest in the Building and shall recognize such transferee or successor as Landlord under this Lease. Tenant waives the protection of any statute or rule of Law which gives or purports to give Tenant any right to terminate the Lease or surrender possession of the Premises upon the transfer of Landlord's interest.

Section 16.03 Signing of Documents. Tenant shall sign and deliver any instrument or documents reasonably necessary or appropriate to evidence any such attornment or subordination or agreement to do so. Such subordination and attornment documents may contain such provisions as are customarily required by any ground lessor, mortgagee, or beneficiary under a ground lease, a mortgage, or a deed of trust.

Section 16.04 Estoppel Certificates. Upon Landlord's written request, Tenant shall execute, acknowledge, and deliver to Landlord a written statement certifying: (i) that none of the terms or provisions of this Lease have been changed (or if they have been changed, stating how they have been changed); (ii) that this Lease has not been cancelled or terminated; (iii) the last date of payment of Base Rent and any other amounts expressly payable by Tenant under this Lease, if any, and the time period covered by such payment; (iv) that Landlord is not in default under this Lease (or, if Landlord is claimed to be in default, stating why); and (v) such other matters as may be reasonably required by Landlord or the holder of a mortgage or lien to which the Premises are or become subject. Tenant shall deliver such statement to Landlord within ten (10) Business Days after Landlord's request or Tenant shall be in default under this Lease. Any such statement by Tenant may be given by Landlord to any prospective purchaser or encumbrancer of the Premises. Such purchaser or encumbrancer may rely conclusively upon such statement as true and correct.

ARTICLE XVII WAIVER OF CLAIMS

Tenant agrees that, to the extent not expressly prohibited by Law, Landlord and its lenders, officers, agents, servants, and employees shall not be liable for (nor shall Rent abate as a result of) any direct or consequential damage (including damage claimed for actual or constructive eviction) either to person or property sustained by Tenant, its subtenants, assigns, officers, servants, employees, agents, invitees, or guests due to the Building or any part thereof or any appurtenances thereof becoming out of repair, or due to the happening of any accident in or about said Building, or due to any act or neglect of any tenant or occupant of said Building or of any other person. This provision shall apply particularly (but not exclusively) to damage caused by water, snow, frost, steam, sewage, gas, electricity, sewer gas, or odors or by the bursting, leaking, or dripping of pipes, faucets, and plumbing fixtures, and shall apply without distinction as to the person whose act or neglect was responsible for the damage and whether the damage was due to any of the causes specifically enumerated above or to some other cause of an entirely different kind. Tenant further agrees that all Tenant's trade fixtures, equipment, and all other Personal Property in the Premises or the Building shall be at the risk of Tenant only, and that Landlord shall not be liable for any loss or damage thereto or theft thereof. Notwithstanding the foregoing, Landlord shall not hereby be exculpated from any liability arising from Landlord's, Landlord Parties', and/or Landlord's agents' gross negligence or intentional misconduct.

ARTICLE XVIII WAIVER OF NOTICE

Except as otherwise provided in this Lease, Tenant hereby expressly waives the service of: (a) any notice of intention to terminate this Lease or to re-enter the Premises; (b) any demand for payment of Rent or for possession of the Premises; and (c) any other notice or demand prescribed by any Law.

ARTICLE XIX NOTICES

Unless specifically stated otherwise in this Lease, all notices, waivers, and demands required or permitted hereunder shall be in writing and delivered to the addresses of Landlord and Tenant set forth in the Preamble to this Lease, by one (1) of the following methods: (a) hand delivery, whereby delivery is deemed to have occurred at the time of delivery; (b) a nationally recognized overnight courier company, whereby delivery is deemed to have occurred the Business Day following deposit with the courier; (c) registered U.S. mail, signature required, and postage-prepaid, whereby delivery is deemed to have occurred on the third Business Day following deposit with the United States Postal Service; or (d) electronic transmission by email provided that the transmission is completed no later than 4:00 p.m. MST on a Business Day and the original also is sent via overnight courier or U.S. Mail, whereby delivery is deemed to have occurred at the end of the Business Day on which electronic transmission is

completed. Any Party shall change its address for purposes of this Lease by giving written notice as provided in this ARTICLE XIX and notices shall only be valid if served in the manner provided. All notices and demands delivered by a party's attorney on a Party's behalf shall be deemed to have been delivered by said Party. For purposes hereof, Landlord's address for electronic transmission is the146taphouse@gmail.com and Tenant's address for electronic transmission is robbie@friendsofshavano.com.

ARTICLE XX QUIET ENJOYMENT

Landlord agrees that Tenant, on paying the Base Rent and on keeping, observing, and performing all the other terms, covenants, conditions, provisions, and agreements contained in this Lease on the part of Tenant to be kept, observed, and performed, shall, during the Term of this Lease, peaceably and quietly have, hold, and enjoy the Premises subject to the terms, covenants, conditions, provisions, and agreements hereof, free from hindrance by Landlord or any other person claiming by, through, or under Landlord ("**Quiet Enjoyment**").

ARTICLE XXI END OF TERM

Section 21.01 Surrender of the Premises. Upon the expiration or other termination of this Lease, Tenant shall quit and surrender the Premises vacant, broom clean, and in good order and condition, ordinary wear and tear and damage by casualty or condemnation excepted, failing which Landlord may restore the Premises, equipment, and fixtures to such condition and Tenant shall pay the cost thereof upon demand as Additional Rent. All Tenant's Personal Property, furniture, trade fixtures, shelves, bins, inventory, equipment, and machinery not removed from the Premises when Tenant leaves the Premises upon the expiration or other termination of this Lease shall thereupon be conclusively presumed to have been abandoned by Tenant and immediately become Landlord's property; provided, however, that Landlord may require Tenant to remove such Personal Property, furniture, trade fixtures, shelves, bins, inventory, equipment, and machinery or may have such property removed at Tenant's expense. Prior to Tenant's vacating the Premises, Tenant shall pay to Landlord an amount reasonably estimated by Landlord as necessary to put the Premises including, without limitation, all HVAC systems and equipment therein, in good condition and repair.

Section 21.02 Holding Over. Any holding over by Tenant after the expiration or termination of this Lease, by lapse of time or otherwise, shall not operate to extend or renew this Lease except by the express mutual written agreement between Landlord and Tenant, and in the absence of such agreement, Tenant shall continue in possession as a month-to-month tenant only, except that the monthly Rent shall be increased to an amount equal to one hundred fifty percent (150%) of monthly installment of Base Rent paid in the month immediately preceding the expiration or termination of this Lease. Either party may thereafter terminate such occupancy at the end of any calendar month by first giving to the other party no less than thirty (30) days' prior written notice.

ARTICLE XXII MISCELLANEOUS PROVISIONS

Section 22.01 Governing Law; Venue. The Laws of the State shall govern the validity, performance, and enforcement of this Lease. Tenant consents to personal jurisdiction and venue in the state and judicial district in which the Building is located. The courts of the state where the Building is located shall have exclusive jurisdiction and Tenant hereby agrees to such exclusive jurisdiction.

Section 22.02 Entire Agreement; Waivers. This Lease forms the entire agreement between Landlord and Tenant and no provision hereof shall be altered, waived, amended, or extended, except in a writing signed by both parties. Tenant affirms that, except as expressly set forth herein, neither Landlord nor any of its agents has

made, nor has Tenant relied upon, any representation, warranty, or promise with respect to the Premises or any part thereof. Landlord shall not be considered to have waived any of the rights, covenants, or conditions of this Lease unless evidenced by its written waiver and the waiver of one (1) default or right shall not constitute the waiver of any other. The acceptance of Rent shall not be construed to be a waiver of any breach or condition of this Lease.

Section 22.03 Successors. The provisions of this Lease shall be binding upon and inure to the benefit of Landlord and Tenant, respectively, and their respective successors, assigns, heirs, executors, and administrators. Tenant agrees to become the tenant of Landlord's successor in interest under the same terms and conditions of its tenancy hereunder.

Section 22.04 Partial Invalidity. If any clause or provision of this Lease is found to be illegal, invalid, or unenforceable under present or future laws, the remainder of this Lease shall not be affected thereby and there shall be added as part of this Lease a replacement clause or provision as similar in terms to such illegal, invalid, or unenforceable clause or provision as may be possible and still be legal, valid, and enforceable.

Section 22.05 Relationship of the Parties. Landlord and Tenant agree that the relationship between them is that of landlord and tenant and that Landlord is leasing space to Tenant. It is not the intention of the parties, nor shall anything herein be construed to constitute Landlord as a partner or joint venturer with Tenant, or as a "warehouseman" or a "bailee."

Section 22.06 Headings. The headings as to the contents of particular paragraphs herein are intended only for convenience and are in no way to be constructed as a part of this Lease or as a limitation of the scope of the particular paragraphs to which they refer.

Section 22.07 Survival of Obligations. All obligations of Tenant hereunder not fully performed as of the expiration or earlier termination of the Term of this Lease shall survive the expiration or earlier termination of the Term hereof.

Section 22.08 Independent Covenants. Tenant's covenant to pay Base Rent is independent of Landlord's covenants hereunder and Tenant shall have no right to withhold any such payments on account of any alleged failure by Landlord to perform or comply with any of Landlord's covenants.

Section 22.09 Compliance with Laws. Tenant shall comply at its cost and expense with all Laws enacted after the Commencement Date, and with any direction or recommendation of any public officer or officers, pursuant to Law, or any reasonable request of any insurance company carrying any insurance on the Premises, and any insurance inspection or rating bureau which shall impose any duty upon Landlord or Tenant with respect to the Premises or the use or occupation thereof, and shall bear all costs of any kind or nature whatsoever occasioned by or necessary for compliance with the same, provided such costs or expenses arise from Tenant's specific use of the Premises after the Commencement Date. If, during the Term of this Lease any Law enacted after the Commencement Date requires that an alteration, repair, addition, or other change be made to the Premises, and such alteration, repair, addition, or other change is a result of Tenant's use of the Premises, such work shall be performed at Tenant's expense. Notwithstanding the foregoing, Tenant shall not be required to make any structural repairs, Alterations, or Structural Alterations to the Premises or the Building which may be required by Law (whether presently existing or hereafter enacted), insurance regulations, or otherwise.

Section 22.10 Waiver of Jury Trial. LANDLORD AND TENANT KNOWINGLY, INTENTIONALLY, AND VOLUNTARILY WAIVE TRIAL BY JURY IN ANY ACTION OR PROCEEDING BROUGHT BY EITHER PARTY AGAINST THE OTHER IN ANY MATTER ARISING OUT OF THIS LEASE, THE RELATIONSHIP OF LANDLORD AND TENANT, TENANT'S USE OR OCCUPANCY OF THE PREMISES, OR ANY CLAIM OF INJURY OR DAMAGE.

Section 22.11 Counterparts. This Lease may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original for all purposes, and all such counterparts shall together constitute but one (1) and the same instrument.

Section 22.12 Landlord Default. If Landlord defaults in the performance of any of its obligations under this Lease ("**Landlord's Default**"), Tenant shall notify Landlord of the default and Landlord shall have ten (10) Business Days after receiving such notice to cure the default except in the case of an emergency where no prior notice from Tenant shall be required. If Landlord is not reasonably able to cure the default within a ten (10) Business Day period, Landlord shall have an additional reasonable period of time to cure the default as long as Landlord commences the cure within such initial ten (10) Business Day period and thereafter diligently pursues the cure. In the event of a default by Landlord in the performance of any of Landlord's obligations under this Lease, and provided Tenant shall have so notified Landlord and any party having a recorded mortgage or other lien against the Building of whom Tenant has been given prior written notice, and in the event such default remains uncured for more than ten (10) Business Days after Landlord (and such other party, if necessary) received such notice, or in the event such default is of such a nature that it cannot reasonably be cured within such ten (10) Business Day period and Landlord or such other notified party has not commenced to cure such default with due diligence, Tenant may elect either: (a) to pursue any remedy available to Tenant at law or in equity; or (b) to perform such obligation, in which event Landlord shall reimburse Tenant for the reasonable out-of-pocket costs incurred by Tenant for such performance within ten (10) Business Days from receipt by Landlord of bills and invoices, in reasonably satisfactory detail, covering all items expended and used by Tenant in so performing Landlord's obligations; provided, however, despite such notice and the expiration of such cure period, Tenant shall have no right to perform an obligation of Landlord unless such performance by Tenant: (y) is necessary to prevent imminent injury or damage to persons or Tenant's property; or (z) is necessary to remedy any material and adverse effect on Tenant's business operations at the Premises or the Building, and in no event shall Tenant be entitled to perform any Structural Alterations. In the event Landlord fails to reimburse Tenant as required above and such failure continues for five (5) days following Tenant's delivery of a second written request for such reimbursement, Tenant shall have the right to deduct such amount from Tenant's Base Rent obligations hereunder.

Section 22.13 Prevailing Party. If any Party brings an action or proceeding involving the Premises to enforce the Terms hereof or to declare rights hereunder, then such initiating party shall be entitled to reasonable attorneys' fees, if it is the Prevailing Party in any such proceeding, action, or appeal thereon. The term, "**Prevailing Party**" shall include, without limitation, a Party that substantially obtains or defeats the relief sought, as the case may be, whether by compromise, settlement, judgment, or the abandonment by the other Party of its claim or defense. The attorneys' fees award shall not be computed in accordance with any court fee schedule but shall be such as to fully reimburse all attorneys' fees reasonably incurred. In addition, the Prevailing Party shall be entitled to attorneys' fees, costs, and expenses incurred in the preparation and service of notices of default and consultations in connection therewith, whether or not a legal action is subsequently commenced in connection with such default.

Section 22.14 Patriot Act.

(a) Tenant hereby represents and warrants to Landlord that Tenant: (i) is in compliance with the Office of Foreign Assets Control sanctions and regulations promulgated under the authority granted by the Trading with the Enemy Act, 12 U.S.C. § 95(a) *et seq.*, and the International Emergency Economic Powers Act, 50 U.S.C. § 1701 *et seq.*, as the same apply to it or its activities; (ii) is in compliance with the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, as amended from time to time (the "**Patriot Act**") and all rules and regulations promulgated under the Patriot Act applicable to Tenant; and (iii) (A) is not now, nor has ever been, under investigation by any governmental authority for, nor has been charged with or convicted of a crime under 18 U.S.C. §§ 1956 or 1957 or any predicate offense thereunder; (B) has never been assessed a civil penalty under any anti-money laundering laws or predicate offenses thereunder; (C) has not had any of its funds seized, frozen, or forfeited in any action relating to any anti-money laundering laws or predicate offenses

thereunder; (D) has taken such steps and implemented such policies as are reasonably necessary to ensure that it is not promoting, facilitating, or otherwise furthering, intentionally or unintentionally, the transfer, deposit, or withdrawal of criminally derived property, or of money or monetary instruments which are (or which Tenant suspects or has reason to believe are) the proceeds of any illegal activity or which are intended to be used to promote or further any illegal activity; and (E) has taken such steps and implemented such policies as are reasonably necessary to ensure that it is in compliance with all laws and regulations applicable to its business for the prevention of money laundering and with anti-terrorism laws and regulations, with respect both to the source of funds from its investors and from its operations, and that such steps include the development and implementation of an anti-money laundering compliance program within the meaning of Section 352 of the Patriot Act, to the extent such a party is required to develop such a program under the rules and regulations promulgated pursuant to Section 352 of the Patriot Act. Neither Tenant nor any other person owning a direct or indirect, legal, or beneficial interest in Tenant is in violation of the Executive Order or the Patriot Act. Neither Tenant nor any of its respective constituents, investors (direct or indirect and whether or not holding a legal or beneficial interest) or affiliates, acting or benefiting, directly or indirectly, in any capacity in connection with Landlord and/or the Building or this Lease or any of the transactions contemplated hereby or thereby, is: (1) listed in the Annex to, or otherwise subject to the provisions of, that certain Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001, and relating to Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit or Support Terrorism (the "**Executive Order**"); (2) named as a "specifically designated national (SDN)" on the most current list published by the U.S. Treasury Department Office of Foreign Assets Control at its official website or at any replacement website or other replacement official publication of such list or that is named on any other Governmental Authority list issued post 9/11/01; (3) acting, directly or indirectly for terrorist organizations or narcotics traffickers, including those persons that are included on any relevant lists maintained by the United Nations, North Atlantic Treaty Organization, Financial Action Task Force on Money Laundering, U.S. Office of Foreign Assets Control, U.S. Securities and Exchange Commission, U.S. Federal Bureau of Investigation, U.S. Central Intelligence Agency, U.S. Internal Revenue Service, all as may be amended or superseded from time to time; or (4) owned or controlled by, or acting for or on behalf of, any person described in clauses (1), (2), or (3) above (a "**Prohibited Person**"). None of the funds or other assets of Tenant constitute property of, or are beneficially owned, directly or indirectly, by any person, entity, or government subject to trade restrictions under U.S. Law, including but not limited to: (x) the International Emergency Economic Powers Act; (y) The Trading with the Enemy Act, 50 U.S.C. § 4301; and (z) any Executive Orders or regulations promulgated thereunder, with the result that sale by Tenant or other Persons (whether directly or indirectly), is prohibited by Law (an "**Embargoed Person**"). No Embargoed Person has any interest of any nature whatsoever in Tenant (whether directly or indirectly); and none of the funds of Tenant have been derived from any unlawful activity with the result that an investment in Tenant (whether directly or indirectly) or sale by Tenant, is prohibited by Law or that execution, delivery, and performance of this Lease or any of the transactions or other documents contemplated hereby or thereby is in violation of Law.

(b) Landlord hereby represents and warrants to Tenant that Landlord: (i) is in compliance with Patriot Act and all rules and regulations promulgated under the Patriot Act applicable to Landlord; and (ii) (A) is not now, nor has ever been, under investigation by any governmental authority for, nor has been charged with or convicted of a crime under, 18 U.S.C. §§ 1956 or 1957 or any predicate offense thereunder; (B) has never been assessed a civil penalty under any anti-money laundering laws or predicate offenses thereunder; (C) has not had any of its funds seized, frozen, or forfeited in any action relating to any anti-money laundering laws or predicate offenses thereunder; (D) has taken such steps and implemented such policies as are reasonably necessary to ensure that it is not promoting, facilitating, or otherwise furthering, intentionally or unintentionally, the transfer, deposit, or withdrawal of criminally derived property, or of money or monetary instruments which are (or which Tenant suspects or has reason to believe are) the proceeds of any illegal activity or which are intended to be used to promote or further any illegal activity; and (E) has taken such steps and implemented such policies as are reasonably necessary to ensure that it is

in compliance with all laws and regulations applicable to its business for the prevention of money laundering and with anti-terrorism laws and regulations, with respect both to the source of funds from its investors and from its operations, and that such steps include the development and implementation of an anti-money laundering compliance program within the meaning of Section 352 of the Patriot Act, to the extent such a party is required to develop such a program under the rules and regulations promulgated pursuant to Section 352 of the Patriot Act. Neither Landlord nor any other person owning a direct or indirect, legal, or beneficial interest in Landlord is in violation of the Executive Order or the Patriot Act. Neither Landlord nor any of its respective constituents, investors (direct or indirect and whether or not holding a legal or beneficial interest), or affiliates, acting or benefiting, directly or indirectly, in any capacity in connection with Landlord and/or the Building or this Lease or any of the transactions contemplated hereby or thereby, is a Prohibited Person. None of the funds or other assets of Landlord constitute property of, or are beneficially owned, directly or indirectly, by an Embargoed Person. No Embargoed Person has any interest of any nature whatsoever in Landlord (whether directly or indirectly); and none of the funds of Landlord have been derived from any unlawful activity with the result that an investment in Landlord (whether directly or indirectly) or sale by Landlord, is prohibited by Law or that execution, delivery, and performance of this Lease or any of the transactions or other documents contemplated hereby or thereby is in violation of Law.

ARTICLE XXIII RENEWAL LEASE TERM

So long as this Lease is in full force and effect and Tenant is not in default under this Lease at the time the Renewal Option (hereinafter defined) is exercised or at the commencement of the Renewal Term (hereinafter defined), Tenant shall have the option ("**Renewal Option**") to renew this Lease for one five (5) year term ("**Renewal Term**") on the same terms and conditions as set forth herein, except as expressly modified by this ARTICLE XXIII. To exercise the Renewal Option, Tenant must provide Landlord with at least six (6) months' prior written notice before the expiration of the Primary Lease Term. If Tenant exercises the Renewal Option, the Base Rent for the first year of the Renewal Term shall be an amount equal to the Base Rent in effect at the end of the Primary Lease Term plus [REDACTED]. For each subsequent year of the Renewal Term, the Base Rent shall increase by [REDACTED] per year.

[signature page follows]

IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease as of the Effective Date.

LANDLORD:

Kkcc LLC, a Colorado limited liability company

By: *Christopher Bainbridge*
ID J3QYPF8q5wbuovNsAEovpVU

Name: Christopher Bainbridge

Title: Owner

TENANT:

Lago Trattoria LLC, a Colorado limited liability company

By: *Robbie Balenger*
ID ZApT25tUIRy63BCThunroUWn

Name: Robert Balenger

Title: Owner

EXHIBIT A

LEGAL DESCRIPTION OF THE LAND

All that part of Lot No. 14 in Block No. 5 in the City of Salida, beginning at the Westerly corner of said Lot No. 14;
thence running Northeasterly along the Northwesternly side line of said Lot No. 14, a distance of 90 feet 8 inches to the Northeasterly end of the brick building on said lot;
thence on the same course, a distance of 11 feet 2 inches;
thence at right angles to first course and parallel with First St., a distance of 25 feet;
thence Southwesterly along the Southeasterly side of said Lot No. 14, a distance of 101 feet 8 inches to the Southwesterly side line of said Block;
thence Northwesternly along Southwesterly end line of said Lot No. 14, a distance of 25 feet to the place of beginning.

eSignature Details

Signer ID: ZApTZ5tUIRy638CThunroUWa
Signed by: Robbie Balenger
Sent to email: robbie@friendsofshavano.com
IP Address: 72.175.214.106
Signed at: Oct 9 2025, 11:15 am MDT

Signer ID: J3QYPF8q5wbuovNsAEevfVu
Signed by: Christopher Bainbridge
Sent to email: the146taphouse@gmail.com
IP Address: 69.144.241.114
Signed at: Oct 9 2025, 4:33 pm MDT



City Council Action Form

Department Community Development	Presented By Kristen Hodges - Associate Planner	Date December 16, 2025
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Agenda Item

Ordinance 2026-04: Approving an Option to Ground Lease Real Property, located at 507 Scott Street, from the City of Salida to Northpointe Development II Corporation.

Background

In May of 2025, the City of Salida purchased 2.6-acre property located at 507 Scott Street with assistance from a \$750,000 land banking grant from Colorado Housing Finance Authority (CHFA) for the purposes of developing a Senior Affordable Housing project and adjoining public park. This property was annexed into the City of Salida and zoned R-3 High-Density Residential on July 15th, 2025. On August 19, 2025, City Council approved a Memorandum of Understanding (MOU) with Northpointe Development II Corporation (NDC) to design and develop the project, following their selection through a competitive Request for Proposal process. As evidenced by the quick progression of the project, the intent is to pursue a 9% Low-Income Housing Tax Credit (LIHTC) in the February 2026 application cycle to help fund the project.

The City and the NDC team have already started collaboration and public engagement of the project, and the project is still in the conceptual design phase. However, before the project can be eligible for NDC to apply for the LIHTC grant, the City needs to approve the Option to Ground Lease the property area which will host the Senior Affordable Housing project to NDC to be able to demonstrate site control. The purpose of this is to grant NDC ability to develop, construct, renovate, and operate the Senior Affordable Housing project within the defined boundary of the property. The project consists of approximately 40 apartment units and related uses. The property will also include an approximately 1-acre public park, located outside the boundary of the apartment project. The intent is to subdivide the property at a later date.

Recommendation

Staff recommends approval of Ordinance 2026-04, Approving an Option to Ground Lease Real Property, located at 507 Scott Street, from the City of Salida to Northpointe Development II Corporation.

Fiscal Impact

There is no fiscal impact.

Motion

A City Councilmember should state "I move to _____ 2026-04 Approving an Option to Ground Lease Real Property, located at 507 Scott Street, from the City of Salida to Northpointe Development II Corporation", followed by a second and a roll call vote.

Attachments:

- Ordinance 2026-04
- Option to Ground Lease
- Draft Ground Lease

**City of Salida, Colorado
Ordinance No. 4
(Series of 2026)**

**An Emergency Ordinance of the City Council of the City of Salida, Colorado,
Approving an Option to Ground Lease Real Property located at Scott Street,
Salida, Colorado, for the Eastside Senior Living Apartments, from the City of
Salida to Northpointe Development II Corporation, and Declaring an Emergency**

WHEREAS, the City of Salida, Colorado (“City”) is a statutory city, duly organized and existing under the laws of the State of Colorado; and

WHEREAS, pursuant to Colorado Revised Statutes § 31-15-401, the City, acting by and through its City Council (“Council”), possesses the authority to adopt laws and ordinances within its police power in furtherance of the public health, safety and welfare; and

WHEREAS, pursuant to Colorado Revised Statutes § 31-15-713, the Council also possesses the authority to approve leases of City property for periods in excess of one year by ordinance; and

WHEREAS, the City owns certain real property within the City, located at Scott Street, within the City of Salida, Colorado 81201, and legally described as Tract No. 3 and Tract No. 4, per the Lowry/Cooper Boundary Line Adjustment Plat recorded June 16, 2003, as Reception No. 335781, Chaffee County, Colorado, and more specifically described and referred to within the Option to Ground Lease Agreement, attached hereto as **Exhibit A** (the “Property”); and

WHEREAS, the Property is a prime location for development as affordable housing for the community’s senior citizens, and to help contribute towards meeting the critical need of safe, affordable housing in Salida as identified in the 2022 Chaffee County Housing Needs Assessment; and

WHEREAS, the City issued a Request for Proposals (“RFP”) to select a developer for the planning, design, financing, construction, development and property management of a senior housing rental project and associated public park on the City Property; and

WHEREAS, Northpointe Development II Corporation (“NDC”) submitted a response to the RFP and the City selected NDC as the developer of this housing rental project and public park; and

WHEREAS, in furtherance of community’s housing goals, the City wishes to ground lease the Property to NDC for the purposes of developing the affordable senior housing rental apartment project; and

WHEREAS, the City Council therefore desires to enter into the Option to Ground Lease Agreement with Northpointe Development II Corporation, attached hereto as **Exhibit A**, finding that the lease of the Property will benefit the City, its workforce, its residents, its businesses, and its community; and

WHEREAS, the City also finds and determines that this Ordinance is necessary for the preservation of the public health, safety, and welfare, and that this Ordinance should therefore become effective upon adoption, as authorized by C.R.S. § 31-16-105, due to the February 2, 2026 deadline for submission of an application for this Project to CHFA's 9% LIHTC program, which only occurs once per year, and the importance of this Project to not be delayed for a full year due to the timing necessary for typical ordinances.

Now, therefore, be it ordained by the City Council of the City of Salida, Colorado, that:

Section 1. The foregoing recitals are incorporated herein as conclusions, facts, determinations, and findings by Council.

Section 2. Option to Ground Lease Approved. Pursuant to Colorado Revised Statutes § 31-15-713, the City Council hereby accepts and approves the Option to Ground Lease Agreement between the City of Salida and Northpointe Development II Corporation, attached hereto as **Exhibit A**.

Section 3. Execution of Option to Ground Lease Agreement. The City Council authorizes the Mayor, on behalf of the City to execute the Option to Ground Lease Agreement, attached hereto as **Exhibit A**, and to execute and deliver any and all other documents reasonably necessary or convenient to effectuate the intent of the Option to Ground Lease Agreement, in accordance with the terms of this Ordinance.

Section 4. Severability. The provisions of this Ordinance are severable and the invalidity of any section, phrase, clause or portion of this Ordinance as determined by a Court of competent jurisdiction shall not affect the validity or effectiveness of the remainder of the Ordinance.

Section 5. Emergency Declaration. Pursuant to C.R.S. § 31-16-105, the City Council hereby finds, determines, and declares that an emergency exists and that this ordinance is necessary for the immediate preservation of the public health, safety, and welfare and the financial well-being of the City due to the February 2, 2026 deadline for submission of an application for this Project to CHFA's 9% LIHTC program, which only occurs once per year, and the importance of this Project to not be delayed for a full year due to the timing necessary for typical ordinances.

Introduced, Read, Passed, Finally Adopted, and Ordered Published in Full in a newspaper of general circulation in the City of Salida, Colorado upon the affirmative

vote of not less than three-fourths (3/4) of the members of the City Council on the 6th of January, 2026.

City of Salida, Colorado

Mayor Justin Critelli

[SEAL]

ATTEST:

City Clerk/Deputy Clerk

EXHIBIT A

**Option to Ground Lease Agreement between City of Salida and Northpointe
Development II Corporation**

OPTION TO GROUND LEASE

THIS OPTION TO GROUND LEASE (the “**Agreement**”) is made and entered into this ___ day of _____, 2026 (the “**Effective Date**”), by and between the **CITY OF SALIDA, COLORADO** (hereinafter the “**City**”), a statutory city existing under the laws of the State of Colorado having an address at 448 E. 1st Street, Salida, Colorado 81201, and **NORTHPOINTE DEVELOPMENT II CORPORATION** (hereinafter “**NDC**”), a Wisconsin corporation having an address at 230 Ohio Street, Suite 200, Oshkosh, Wisconsin 54902. Hereinafter the City and NDC may individually be referred to as a “Party” or collectively referred to as the “Parties.”

WITNESSETH:

WHEREAS, the City is the owner of certain real property legally described as Tract No. 3 and Tract No. 4, per the Lowry/Cooper Boundary Line Adjustment Plat recorded June 16, 2003, as Reception No. 335781, Chaffee County, Colorado (the “**City Property**”); and

WHEREAS, the City issued a Request for Proposals (“**RFP**”) to select a developer for the planning, design, financing, construction, development and property management of a senior housing rental project (the “**Apartment Project**”) and associated public park on the City Property; and

WHEREAS, NDC submitted a response to the RFP dated July 28, 2025 (the “**RFP Response**”) and the City selected NDC as the developer of the Apartment Project and associated public park on the City Property. The construction and development of the public park will be governed by a separate agreement to be entered into between the City and NDC; and

WHEREAS, NDC intends to develop the Apartment Project on a portion of the City Property, which portion of the City Property is generally depicted and described on **Exhibit A** (the “**Property**”) utilizing federal low-income housing tax credits (“**LIHTCs**”) allocated by the Colorado Housing and Finance Authority (“**CHFA**”) pursuant to Section 42 of the Internal Revenue Code of 1986, as amended (the “**Code**”). NDC and the City will agree on the exact configuration and legal description of the Property (which shall be generally consistent with Exhibit A) and will cause the Property to be legally subdivided from the City Property prior to entering into the Ground Lease (as defined below); and

WHEREAS, pursuant to the RFP, the City will maintain ownership of the City Property, however the City has agreed to grant NDC an option to enter into a ground lease for the Property; and

WHEREAS, NDC has requested and the City has agreed to grant NDC an option to ground lease the Property for purposes of developing the Apartment Project on the Property, all in accordance with the terms set forth in this Agreement as well as in

compliance with all local, state and federal laws, rules, regulations and requirements, as amended from time to time.

NOW, THEREFORE, for and in consideration of Ten Dollars (\$10.00), the mutual covenants and agreements herein contained, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. Definitions. As used in this Agreement, the following terms shall have the meanings ascribed thereto:

a. Commencement Date shall mean the date the Ground Lease is executed and delivered by NDC and the City and the Ground Lease becomes effective.

b. Environment shall mean water or water vapor, land surface or subsurface, air, wildlife, biota and all other natural resources.

c. Environmental Law shall mean any applicable, or relevant and appropriate, statutes, ordinances, by-laws, directives or other written published laws, any written published rules or regulations, orders, and any licenses, permits, orders, judgments, notices or other requirements issued pursuant thereto, enacted, promulgated or issued by any Governmental Authority relating to pollution or protection of public health or the Environment from Hazardous Materials (including, but not limited to, any air, surface water, groundwater, land surface or sub-surface strata, whether outside, inside or under any structure), or to the identification, reporting, generation, manufacture, processing, distribution, use, handling, treatment, storage, disposal, transporting, presence, release or threatened release, of any Hazardous Materials. Without limiting the generality of the foregoing, Environmental Laws shall include the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, the Toxic Substances Control Act, as amended, the Hazardous Materials Transportation Act, as amended, the Resource Conservation and Recovery Act, as amended, the Clean Water Act, as amended, the Safe Drinking Water Act, as amended, the Clean Air Act, as amended, and all analogous laws enacted, promulgated or lawfully issued by any Governmental Authority.

d. Exercise Date shall mean the date NDC delivers written notice to the City of the exercise of the Option.

e. Governmental Authority shall mean any federal, state or local government, court, agency or other entity, body, organization or group exercising any executive, legislative, judicial, quasi-judicial, regulatory or administrative government function.

f. Ground Lease shall have the meaning provided in Section 4.

g. Hazardous Material shall mean any petroleum, PCBs, asbestos, chemical substance, waste, pollutant or contaminant, as defined in, or regulated by, any Environmental Law or as determined by any Governmental Authority.

h. Option shall have the meaning provided in Section 2.

i. Option Term shall mean the period from the Effective Date to the Termination Date.

j. Termination Date shall have the meaning provided in Section 2.

2. Option to Ground Lease: The City hereby grants to NDC an exclusive option to ground lease the Property (the "**Option**") for purposes of developing the Apartment Project. The Option shall remain in full force and effect during the Option Term and may be exercised by NDC at any time during the Option Term by NDC providing written notice to the City of its election to exercise the Option. The Option shall expire and terminate on December 31, 2027 (hereinafter referred to as the "**Termination Date**").

3. Option Fee. Within five (5) days following the Effective Date, NDC shall pay to City in good and immediately available funds the amount of One Hundred Dollars (\$100.00) (the "**Option Fee**"). If, for any reason, NDC does not timely exercise the Option, the City shall have the right to retain the Option Fee along with all accrued interest thereon, if any. If the Option is exercised, the Option Fee and accrued interest shall be applied as a credit against the payment of rent under the Ground Lease (as defined in Section 4).

4. Terms and Conditions of the Ground Lease: The City and NDC shall negotiate and enter into a ground lease for the Property in a form substantially the same as the form attached hereto as **Exhibit B**, subject to changes required by any lender, funder or equity investor of the Apartment Project and approved by the City and NDC, which approval shall not be unreasonably withheld, conditioned, or delayed (the "**Ground Lease**") no later than one hundred eighty (180) days after the Exercise Date. As set forth in the form of Ground Lease attached hereto as **Exhibit B**, the City acknowledges that CHFA will require the recording of a land use restriction agreement on the Property and improvements in connection with the allocation of LIHTCs to the Apartment Project (the "Extended Use Agreement") and that the Extended Use Agreement will be binding on the City, as lessor, and any successor in interest to lessor under the Ground Lease. The Apartment Project and improvements shall remain subject to the provisions of Section 42(h)(6)(E)(ii) of the Code (which provides that residential tenants may not be evicted other than for good cause and their gross rent may not be increased, except as permitted by the Code) for the three year period after any termination of the Extended Use Agreement by foreclosure or deed in lieu of foreclosure. The Parties shall negotiate the Ground Lease in good faith.

5. Ground Lease Rent and Term: The base rent payable under the Ground Lease shall be ONE DOLLAR (\$1.00) per year. The term of the Ground Lease shall be

no less than forty (40) years from the Commencement Date with two (2) additional five (5) year options to extend or such longer period required by the lenders or equity investor of the Apartment Project, and consented to by NDC and the City of Salida, which consent shall not be unreasonably withheld, conditioned, or delayed. Notwithstanding the foregoing, this Agreement and the terms contained herein shall not constitute a multiyear fiscal obligation for the City.

6. Limitations on City's Contribution to the Apartment Project. The City shall have no obligation to provide contributions, funds, donations, or outlay of funds or in-kind services to assist in the development of the Apartment Project except as may be provided in any separate agreement between City and NDC; provided, however, the City may, in its sole discretion, elect to do so. NDC represents and warrants that it has a good faith belief that it can provide or acquire all necessary funding for the Apartment Project (and the associated public park on the City Property), from sources other than the City. The Parties acknowledge that some sources of financing may require the City to participate in the application, receipt and deployment of such funds.

7. Right to Inspect Property. The Parties acknowledge and agree that the Option is subject to a determination by NDC on the desirability of the Property for the Apartment Project, including NDC's environmental review of the Property, on or before the Termination Date. During the Option Term, NDC may conduct inspections, tests, and studies with respect to the physical and environmental condition of the Property, including all environmental, surveying, engineering, soil borings and other tests with respect to the Property. NDC and its consultants, agents, engineers, inspectors, contractors, and employees, upon notice to the City, shall be given reasonable access to the Property for the purpose of performing such due diligence.

8. Warranties and Representations of the City. As a material inducement to cause NDC to enter into this Agreement, the City represents to NDC that as of the Effective Date the following are true:

- a. The City has title to the Property.
- b. There is no action, suit, proceeding or investigation pending or, to the City's knowledge, threatened before any Governmental Authority which relates to the Property or the City's use of the Property.
- c. There is no known taking affecting the Property.
- d. The Property is not situated in any area classified by any Governmental Authority as being a "wetland" or "flood-prone."
- e. The City has received no notice from any Governmental Authority of a violation of any requirement of such Governmental Authority with respect to the use or occupation of the Property, including, but not limited to, Environmental Law, zoning,

subdivision and other land use requirements, and the City has received no notice and has no knowledge of any violations or investigations relating to any such requirement.

f. The City has received no notice of any default or breach by the City under any covenant, condition, restriction, right of way or easement affecting the Property or any portion thereof, and no such default or breach is known by the City to now exist.

g. There are none, and, without the prior written consent of NDC, on the Commencement Date will be no service contracts, leases, purchase agreements or rights of first refusal affecting all or any part of the Property.

h. There is no litigation or proceeding pending, or to the City's knowledge, threatened against or relating to the Property.

i. To the best of the City's knowledge, the Property is in compliance with, and the City has not been charged with, has not received any notice of and is not under investigation for, failure to comply with any Environmental Law.

j. The City is a statutory city under the laws of the State of Colorado and pursuant to the provisions of Section 31-15-713, Colorado Revised Statutes, prior to entering into the Ground Lease or this Agreement, the City shall adopt an ordinance authorizing the City to enter into the Ground Lease and this Agreement.

9. Covenants of the City. The City covenants that at all times during the Option Term and prior to the Commencement Date:

a. The City shall, at its sole cost and expense, comply with all notices, orders and requirements issued by any Governmental Authority against or affecting the Property, to the extent such notices, orders and requirements are issued as a result of the City's use or ownership of the Property.

b. The City, upon knowledge of the same, shall promptly notify NDC of any material change with respect to the Property, or with respect to any information, representation or warranty heretofore or hereafter furnished by the City to NDC concerning the Property.

c. The City shall, upon request, provide NDC with reasonable access to the Property.

10. Warranties and Representations of NDC. As a material inducement to cause the City to enter into this Agreement, NDC represents and warrants to the City that as of the Effective Date, throughout the term of this Agreement and as of the Commencement Date:

a. NDC has full right, power and authority to execute, deliver and perform this Agreement without obtaining any consents or approvals from, or the taking

of any other actions with respect to, any third parties, and this Agreement when fully executed will constitute a valid and binding agreement of NDC, enforceable against NDC according to its terms.

b. NDC has substantial experience in the financing and development through completion of workforce and affordable housing projects similar to the Apartment Project, as evidenced by the portions of the RFP and RFP Response pertaining to financial capability and project financing, and, further, NDC intends to diligently pursue financing and development of the Apartment Project (and the associated public park on the City owned real property described in the Recitals) through the completion stage.

11. Covenants of NDC. NDC covenants that during the Option Term:

a. NDC shall work judiciously and in good faith at its sole cost to perform any and all due diligence.

b. NDC shall, upon knowledge of the same, promptly notify the City of any material findings or changes with respect to the Property, or with respect to any representation or warranty heretofore or hereafter furnished by NDC to the City.

c. NDC shall, upon request, provide the City with reasonable satisfactory evidence or proof for the purpose of verifying NDC's compliance with the performance of its obligations hereunder. Failure of NDC to provide such evidence or proof to the City for a period of three (3) consecutive months shall constitute an event of default under this Agreement which will entitle the City to terminate the Option and this Agreement, in its discretion.

d. NDC shall not encumber the Property or enter into any lease or other occupancy agreement with any other person, party, or entity without the express written approval of the City.

12. Notice. All notices under this Agreement, including notice of the exercise of the Option, shall be in writing and shall be sent by certified or registered mail, postage prepaid, return receipt requested, Federal Express, or similar private overnight carrier, addressed to the Party for which such notice is intended, at such Party's address set forth below or at such other address as may be provided by such Party to the other Party by notice complying with this Section. All notices sent pursuant to this Section shall be deemed effective when deposited in the mail or delivered to the overnight carrier, as the case may be, addressed as follows:

To the City: City of Salida, Colorado
 448 E. 1st Street, Suite 112
 Salida, Colorado 81201
 Attn: City Administrator

With a copy to: Wilson Williams Fellman Dittman

1314 Main Street, Suite 101
Louisville, Colorado 80027
Attn: Nina P. Williams, Esq.

To NDC: Northpointe Development II Corporation
230 Ohio Street
Suite 400
Oshkosh, Wisconsin 54902
Attn: Jake Victor

With a copy to: Reinhart Boerner Van Deuren S.C.
1000 N. Water Street, Suite 1700
Milwaukee, Wisconsin 53202
Attn: Frank Pitsoulakis, Esq.

13. Miscellaneous Provisions.

a. This Agreement shall be governed by, and construed in accordance with, the internal laws of the State of Colorado, without regard to principles of conflict of laws. The Parties agree and consent that venue for purposes of resolving any dispute or controversy relating to this Agreement shall be exclusively in Chaffee County, State of Colorado.

b. This Agreement, together with its exhibits, embodies and constitutes the entire understanding between the Parties with respect to the subject matter contained herein, and all prior agreements, understandings, representations and statements, oral or written, concerning such subject matter, are merged into this Agreement. Neither this Agreement nor any provision hereof may be waived, modified, amended, discharged or terminated except by an instrument signed by the Party against whom enforcement of such waiver, modification, amendment, discharge or termination is sought, and then only to the extent set forth in such instrument.

c. No waiver by either Party hereto of any failure or refusal by the other Party hereto to comply with its obligations hereunder shall be deemed a waiver of any other or subsequent failure or refusal by such Party to so comply.

d. The captions in this Agreement are inserted for convenience of reference only and in no way define, describe or limit the scope or intent of this Agreement or any of the provisions hereof.

e. NDC may assign this Agreement and NDC'S rights and obligations hereunder to an entity formed for purposes of owning the Apartment Project and whose general partner, manager or managing member, as applicable, is controlled by NDC (a "**Permitted Assign**"). Except for an assignment to a Permitted Assign, this Agreement and the rights and obligations hereunder may not be assigned by NDC without the prior written consent of the City. For purposes of this Section 13.e, "control" shall mean the

possession, directly or indirectly, of the power to direct or cause the direction of the management policies of such person or entity, whether through the ownership of voting securities, as a managing member, as a manager of a manager-managed limited liability company, as the member of a member-managed limited liability company, or otherwise.

f. This Agreement shall be binding upon and shall inure to the benefit of the Parties hereto and their respective heirs, successors and permitted assigns.

g. As used in this Agreement, the masculine shall include the feminine and neuter, the singular shall include the plural and the plural shall include the singular, as the context may require.

h. This Agreement may be executed in a number of identical counterparts, each of which for all purposes is to be deemed as original, and all of which constitute, collectively, one agreement.

i. In the event that any one or more of the provisions contained in this Agreement should be found or held to be invalid, illegal, or unenforceable in any respect, the validity, legality, and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

j. Time is of the essence of this Agreement.

k. City and NDC acknowledge that each Party's entry into this Agreement is voluntary in nature.

l. This Agreement has been carefully read by the Parties, the contents hereof are known and understood by the Parties, and it is signed freely by each Party executing this Agreement. Each Party has had the opportunity to review this Agreement with independent legal counsel.

m. The Parties recognize and acknowledge that the City is a Colorado municipality and is entitled to the protections of the Colorado Governmental Immunity Act, Sections 24-10-101, et seq., Colorado Revised Statutes ("**CGIA**"). By entering into this Agreement, the City does not waive, and does not intend to waive any of the protections to which it is entitled under the CGIA.

n. The Parties acknowledge that the City received grant funds from CHFA, solely in its capacity as the Program Administrator for the Affordable Housing Financing Fund, managed by the Colorado Office of Economic Development and International Trade, in connection with its acquisition of the City Property. As an inducement to and condition of making such grant, the City agreed to enter into certain agreements and restrictive covenants that encumber the City Property. Such agreements and restrictive covenants require CHFA's approval of this Agreement. This Agreement is conditioned upon CHFA's written approval of same.

IN WITNESS WHEREOF, the City and NDC have caused this Agreement to be executed effective as of the day and year first above written.

CITY:

CITY OF SALIDA, COLORADO

By: _____

Name: _____

Title: Mayor

NDC:

Northpointe Development II Corporation

By: _____

Name: Callan L. Schultz

Title: President

ACKNOWLEDGMENTS

STATE OF COLORADO)
) ss.
COUNTY OF CHAFFEE)

On the ___ day of _____, 2026, before me, the undersigned, a notary public in and for the State of Colorado, personally appeared [INSERT], Mayor of the City of Salida, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Notary Public

STATE OF _____)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ___ day of _____, 2026 by Callan L. Schultz, the President of Northpointe Development II Corporation, a Wisconsin corporation.

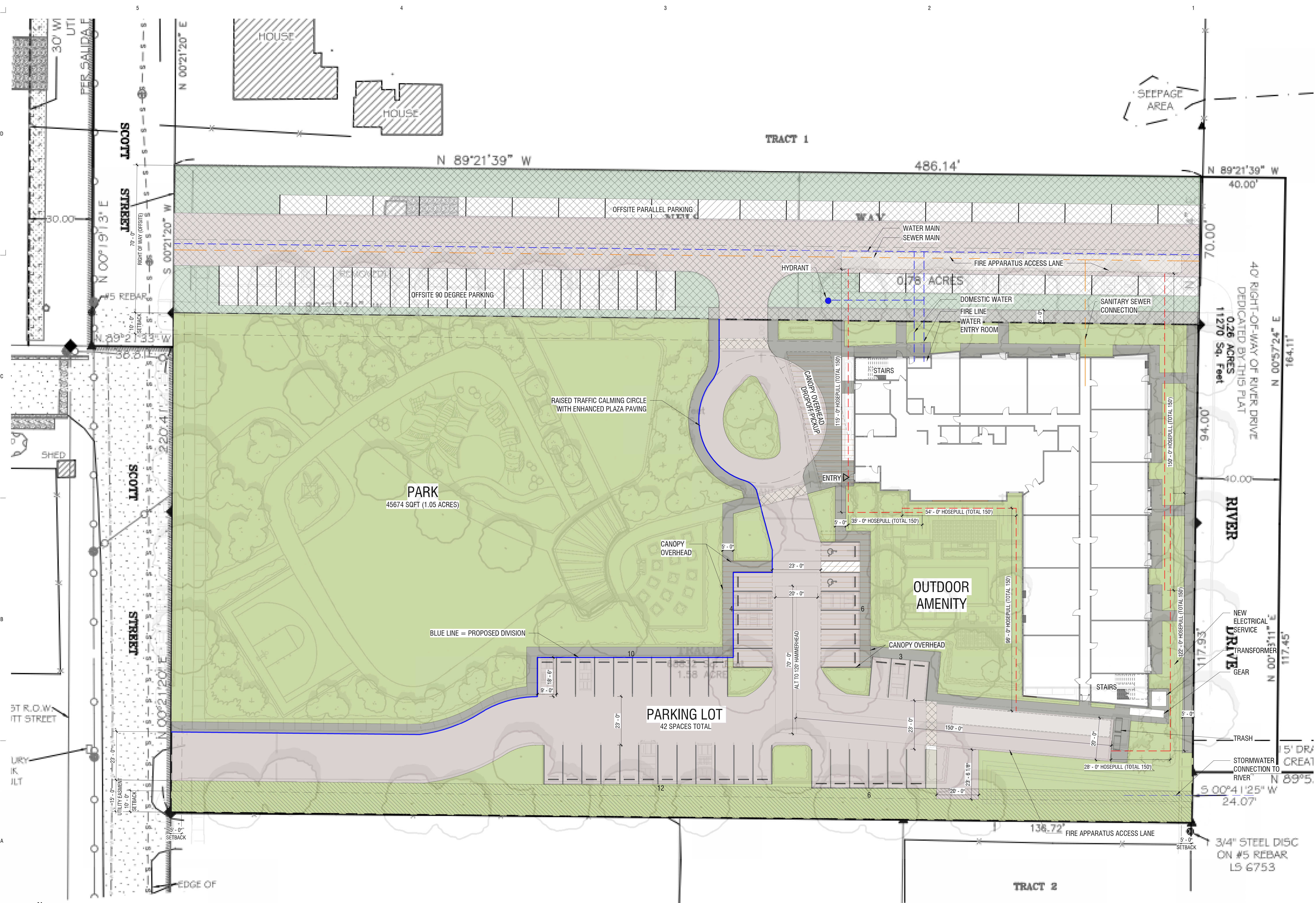
NOTARIAL STAMP OR SEAL (OR
OTHER TITLE OR RANK)

SIGNATURE OF NOTARY
PUBLIC OR OTHER OFFICIAL

EXHIBIT A

The Property

See Attached



1 SITE PLAN
 1" = 20'-0"

EXHIBIT B

Form of Ground Lease

See Attached

GROUND LEASE

THIS GROUND LEASE ("Lease") is made and entered into effective as of the [] day of [], 20[], by and between the **CITY OF SALIDA, COLORADO** ("Lessor"), a statutory city existing under the laws of the State of Colorado having an address at 448 E. 1st Street, Salida, Colorado 81201, and **NORTHPOINTE DEVELOPMENT II CORPORATION** ("Lessee"), a Wisconsin corporation having an address at 230 Ohio Street, Suite 200, Oshkosh, Wisconsin 54902. Hereinafter, the Lessor and Lessee may individually be referred to as a "Party" or collectively referred to as the "Parties."

WHEREAS, Lessor owns certain real property legally described as Tract No. 3 and Tract No. 4, per the Lowry/Cooper Boundary Line Adjustment Plat recorded June 16, 2003, as Reception No. 335781, Chaffee County, Colorado (the "City Property"); and

WHEREAS, the Lessor issued a Request for Proposals ("RFP") to select a developer for the planning, design, financing, construction, development and property management of a senior housing rental project (the "Apartment Project") and associated public park on the City Property; and

WHEREAS, Lessee submitted a response to the RFP dated July 28, 2025 (the "RFP Response") and the Lessor selected Lessee as the developer of the Apartment Project and associated public park on the City Property; and

WHEREAS, Lessee intends to develop the Apartment Project on a portion of the City Property, which portion of the City Property is depicted and more fully described on Exhibit 1 attached hereto (the "Land"), utilizing federal low-income housing tax credits ("LIHTCs") allocated by the Colorado Housing and Finance Authority ("CHFA") pursuant to Section 42 of the Internal Revenue Code of 1986, as amended (the "Code"); and

WHEREAS, pursuant to the RFP, the City will maintain ownership of the City Property, however the Lessor has agreed to ground lease the Leased Premises (as defined herein) to Lessee on the terms set forth herein; and

WHEREAS, the Parties wish to enter into this Lease for the Leased Premises;

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual promises and covenants of Lessor and Lessee set forth in this Lease, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lessor and Lessee agree as follows:

ARTICLE 1: Demise of Leased Premises

1.1 **LEASED PREMISES**: Lessor leases to Lessee and Lessee leases from Lessor, the Land together with any and all rights, privileges, easements, and appurtenances to the Land and any development rights related thereto (collectively referred to in this Lease as the "Leased Premises") depicted and more fully described in the attached **Exhibit 1**. Lessor represents and warrants that as of the date of this Lease, the Leased Premises are free and clear of all liens or encumbrances other than those

which are of record as of the date first set forth above (the "Permitted Encumbrances"). Lessee takes the Leased Premises upon the terms and conditions set forth herein, subject only to the Permitted Encumbrances. Except as expressly set forth in this Lease, Lessee accepts the Land and Leased Premises "AS IS" and "WHERE IS". Lessee acknowledges that neither Lessor nor its agents have made any representations or warranties, except as may be expressly set forth in this Lease, as to the suitability or fitness of the Land and Leased Premises for the conduct of Lessee's business or for any other purpose, nor has Lessor or its agents agreed to undertake any alterations or to construct any Improvements to the Land and/or Leased Premises. "Improvements" shall mean all buildings and other improvements now located, or hereafter erected, on the Land, together with all fixtures now or in the future installed or erected in or upon the Land.

ARTICLE 2: Duration of Lease

2.1 **TERM:** The term of this Lease will be forty (40) years commencing on [] (the "Commencement Date"), and terminating on the fortieth (40th) anniversary of the Commencement Date, unless terminated sooner as hereinafter set forth (the "Initial Term"). So long as Lessee is not in default hereunder at the time of exercise of Lessee's option to renew hereunder and/or at the conclusion of the Initial Term or the first Renewal Term (hereafter defined), as applicable, Lessee shall have the right to extend this Lease for two additional terms of five (5) years each (individually, a "Renewal Term" and collectively the "Renewal Terms"); provided, however, that the right of Lessee to extend the Lease for the Renewal Term shall be effective only if Lessee shall give written notice to Lessor of Lessee's exercise of such option not less than ninety (90) days prior to the expiration of the Initial Term or the first Renewal Term, as applicable. Reference to the "Term" shall mean the Initial Term as it may be extended pursuant to this Section 2.1 consistent with whether the Lease has been extended for the Renewal Term(s). "Expiration Date" shall mean the date which is the fortieth (40th) anniversary of the Commencement Date, or such earlier date on which the Term shall sooner end pursuant to any of the terms, covenants or conditions of this Lease.

ARTICLE 3: Use of Leased Premises

3.1 **USE:** The Leased Premises shall be used as a multifamily housing development consisting of up to forty (40) units of multifamily housing which qualifies as a "qualified low-income housing project" as defined in Section 42 of the Code and any uses incidental or related thereto, subject, however, to any restrictions set forth in the Permitted Encumbrances or applicable law. The Leased Premises shall not be used by Lessee for any unrelated purpose without the prior written consent of the Lessor.

3.2 **RESPONSIBLE USE AND COMPLIANCE WITH LAW:** Lessee will maintain the Leased Premises or cause the Leased Premises to be maintained in a good, safe and habitable condition in all respects, except for normal wear and tear, in full compliance with all applicable laws and regulations.

3.3 **RESPONSIBLE FOR OTHERS:** Lessee will be responsible for the use of the Leased Premises by all tenants, invitees, guests, visitors, members of the public, and anyone else using the Leased Premises.

3.4 **INSPECTION:** Subject to the rights of any subtenants, Lessor may inspect the Leased Premises at any reasonable time and in a reasonable manner upon at least twenty-four (24) hours written notice to Lessee.

3.5 **LESSEE'S RIGHT TO PEACEFUL ENJOYMENT:** So long as Lessee fulfills its obligations under this Lease, it will have the peaceful and undisturbed enjoyment of the Leased Premises.

ARTICLE 4: Ground Lease Fee

4.1 **GROUND LEASE FEE:** On or before the Commencement Date and on or before each anniversary of the Commencement Date during the Term, or at such other time as Lessor and Lessee may mutually agree, Lessee agrees to pay to the Lessor rent in advance in the amount of One Dollar (\$1.00) per annum (the "Ground Lease Fee").

4.2 **NET LEASE:** Lessor shall not be required to furnish Lessee any facilities or services of any kind whatsoever. Lessee shall pay or cause to be paid directly to the providers of such services, as additional rent, all expenses of every kind and nature, relating to or arising from the Leased Premises, including expenses arising from the leasing, insuring, management, operation, maintenance, repair, use or occupancy of the Leased Premises and payment of all real estate taxes, special assessments, and governmental assessments and impositions of any kind that relate to the Leased Premises, if any.

4.3 **PAYMENT OF IMPOSITIONS:** "Impositions" shall mean any and all property taxes of every kind and nature; property assessments (whether general, special, business improvement district, or otherwise); personal property taxes; occupancy and rent taxes; water, water meter, sewer rents, rates, and charges; and any and all other governmental levies, fees, rents, assessments, or taxes and charges, general and special, ordinary and extraordinary, foreseen and unforeseen, of any kind and nature whatsoever, and any interest or costs with respect thereto, which at any time during the Term are assessed, levied, confirmed, imposed upon, or would have become due and payable out of or in respect of, or would have been charged with respect to, the Leased Premises. During the Term of this Lease, Lessee shall pay or cause to be paid all Impositions as follows:

(a) During the Term of this Lease, Lessee shall pay or shall cause to be paid all Impositions directly to the governmental authority charged with the collection thereof. Each Imposition, or installment thereof, during the Term shall be paid prior to the due date thereof. However, if, by law, any Imposition may at the option of the taxpayer be paid in installments (whether or not interest shall accrue on the unpaid balance of such Imposition), Lessee may exercise the option to pay the same in such installments and shall be responsible for the payment of such installments only, together with applicable

interest, if any, provided that all such installment payments together with applicable interest, if any, relating to periods prior to the Expiration Date shall be made prior to the Expiration Date.

(b) Lessee shall have the right to contest the amount or validity, in whole or in part, of any Imposition by appropriate proceedings diligently conducted in good faith, in which event, notwithstanding the provisions of this ARTICLE 4, payment of such Imposition shall be postponed if, and only as long as:

(i) neither the Leased Premises nor any part thereof, or interest therein or any income therefrom (except to the extent covered by security deposited in accordance with this Section 4.3(b)) would by reason of such postponement or deferment, be, in the reasonable judgment of Lessor, in imminent danger of being forfeited or lost or subject to any lien, encumbrance, or charge, and neither Lessor nor Lessee would by reason thereof be subject to any civil or criminal liability;

(ii) Lessee shall have deposited with Depository (defined below) cash or a letter of credit in a form and from an issuer reasonably satisfactory to Lessor in the amount so contested and unpaid, together with all interest and penalties in connection therewith and all charges that may or might be assessed against or become a charge on the Leased Premises or any part thereof in such proceedings, or such other security as shall be reasonably satisfactory to Lessor. "Depository" shall mean the Leasehold Mortgagee holding the Leasehold Mortgage having the highest priority. If there is no Leasehold Mortgagee, or if such Leasehold Mortgagee declines to act as Depository, then the Depository shall mean a savings bank, savings and loan association, commercial bank, or trust company designated by Lessee and approved by Lessor, which approval shall not be unreasonably withheld, conditioned, or delayed, to serve as Depository pursuant to an agreement reasonably acceptable to Lessor and Lessee; and

(iii) no Event of Default (hereafter defined) has occurred and is continuing (in which event only Lessor may commence such proceedings but shall have no obligation to do so).

(c) Upon the termination of such proceedings, it shall be the obligation of Lessee to pay the amount of such Imposition or part thereof as finally determined in such proceedings, the payment of which may have been deferred during the prosecution of such proceedings, together with any costs, fees (including reasonable attorneys' fees and disbursements), interest, penalties, or other liabilities in connection therewith. Upon such payment, Depository shall return, with interest, if any, any amount deposited with it as aforesaid; provided, however, that Depository at Lessee's request or upon Lessee's failure to do so in a timely manner, at Lessor's request, shall disburse said moneys on deposit with it directly to the governmental authority to whom such Imposition is payable and any remaining monies, with interest, if any, shall be returned promptly to Lessee.

(d) In the event that a Leasehold Mortgagee (as defined herein) shall require Lessee to deposit funds with such Leasehold Mortgagee to ensure payment of Impositions, any amount so deposited by Lessee with such Leasehold Mortgagee shall be credited against the amount, if any, which Lessee would otherwise be required to deposit under this Section 4.3. "Leasehold Mortgagee" shall mean the holder of a Leasehold Mortgage (as defined herein).

(e) If there shall be any refunds or rebates on account of any Impositions paid by Lessee, such refund or rebate shall belong to Lessee.

ARTICLE 5: Nature of Lease

5.1 **ANNUAL APPROPRIATION:** No provision of this Lease shall be construed or interpreted as creating a general obligation, multiple fiscal year financial obligation, or other indebtedness of the Lessor within the meaning of any constitutional or statutory debt limitation. No provision of this Lease shall be construed or interpreted as creating an unlawful delegation of governmental powers nor as a donation by or a lending of the credit of the Lessor within the meaning of Article XI, Sections 1 or 2 of the Colorado Constitution. Neither this Lease nor the execution and delivery of any documents related to the construction and maintenance of the Leased Premises shall directly or indirectly obligate the Lessor to make any payments beyond those duly budgeted and appropriated for the Lessor's then current fiscal year. No provision of this Lease shall be construed to pledge or to create a lien on any class or source of Lessor's moneys, nor shall any provision of this Lease restrict the future issuance of any City of Salida Bonds, or obligations payable from any class or source of Lessor's moneys.

ARTICLE 6: Ownership Rights

6.1 **EXCLUSIVE RIGHT TO LEASED PREMISES:** Lessee shall have the exclusive right during the Term of this Lease to occupy and possess the Leased Premises and the Improvements. Lessee shall have the right, without the consent of Lessor, to enter into subleases with residential tenants for apartment units, and with any person who is not a debtor or debtor-in-possession in a voluntary or involuntary bankruptcy proceeding for non-residential portions of the Apartment Project, for the uses permitted by this Lease provided that, (a) no sublease shall have a term that extends beyond the Term of this Lease unless Lessor expressly approves the same in writing and (b) Lessee complies with any restrictions set forth in the Permitted Encumbrances or applicable law.

6.2 **CONSTRUCTION AND ALTERATION:** Lessee shall, at Lessee's sole cost and expense, promptly commence and diligently pursue the completion of construction of the Apartment Project in accordance with the mutually agreed upon plans and specifications attached hereto as Exhibit 3 (the "Approved Plans"). Lessee shall begin construction of the Apartment Project promptly following the Commencement Date and issuance of a building permit by the applicable governmental authorities. No changes may be made to the Approved Plans without Lessor's prior written approval (which approval shall not be unreasonably withheld, conditioned or delayed); provided, however, that Lessee may make changes to the Approved Plans without Lessor's approval if (a)

Lessee obtains the approval of all parties whose approval is required, including any surety and any governmental authority, to the extent approval from such parties is required; (b) the structural integrity of the Improvements will not be impaired by such change; (c) there is no material change in architectural appearance of the Apartment Project; (d) the number of Apartment units in the Apartment Project will not be changed; and (e) the cost resulting from such change does not exceed \$100,000 with respect to any one change and \$250,000 in the aggregate when added to all other changes that have not been approved in writing by Lessor. Any construction is subject to the following conditions:

- (a) Lessee will bear all costs of construction;
- (b) All construction will be performed in a workman-like manner in compliance with all applicable laws and regulations;
- (c) All construction will be consistent with the permitted uses set forth in Article 3 above; and
- (d) Lessee shall complete the Apartment Project prior to the end of 2029 or the applicable placed in service deadline for LIHTCs, but in no event shall Lessee complete the Apartment Project later than any milestone deadlines that are associated with grant funding the Lessor received in connection with its initial purchase of the City Property.

6.3 PROHIBITION OF LIENS: Lessee will procure the record discharge of any mechanic's or materialman's claim of lien which might be filed against the Leased Premises within twenty (20) days of its filing (except any liens arising through Lessor's acts or omissions). If Lessee fails to procure the record discharge of a claim of lien within the time allowed, Lessor may, but is not obligated to, discharge the same by paying the amount in question. Lessee may contest the validity of any lien asserted so long as Lessee furnishes a bond in an amount sufficient to release the Leased Premises from the lien. Any amounts paid by Lessor hereunder in respect of any such liens will be deemed an additional Ground Lease Fee payable by Lessee to Lessor upon demand.

6.4 MAINTENANCE AND SERVICES: Lessee will, at Lessee's sole expense, maintain the Leased Premises as required by Section 3.2 above. Lessor will not be required to furnish any services or facilities, including but not limited to heat, electricity, air conditioning, or water, or to make any repairs to the Leased Premises, and Lessee hereby assumes the sole responsibility for furnishing and paying for all fees, charges, costs, expenses or services associated with the Leased Premises.

6.5 DISPOSITION OF LEASED PREMISES UPON THE EXPIRATION OR EARLIER TERMINATION OF LEASE TERM: Upon the expiration or earlier termination of the Term of this Lease, Lessee will surrender the Leased Premises to the Lessor without liens or encumbrances of any kind, except for the Permitted Encumbrances and any encumbrances expressly permitted pursuant to the terms of this Lease or consented to by Lessor. Any and all Improvements constructed during the Term shall be in good condition, reasonable wear and tear excepted and shall, at the end of the Term, become

the property of the Lessor. The exclusive right to possess the Leased Premises will thereupon revert to Lessor.

6.6 OWNERSHIP OF IMPROVEMENTS. Notwithstanding anything to the contrary set forth herein, it is the intent of Lessor and Lessee for federal income tax purposes, that Lessee shall be the owner of the Improvements during the Term of the Lease. All furniture, fixtures and equipment purchased by Lessee shall be owned by Lessee during the Term of the Lease. During the Term, Lessee alone shall be entitled to all of the federal tax attributes of ownership of the Improvements and Leased Premises and all furniture and other personal property owned or leased by Lessee, located at the Land and used in the operation of the Improvements acquired (or leased) by Lessee, including, without limitation, the right to claim depreciation or cost recovery deductions. The Parties agree to treat this Lease in a manner consistent with this intention, including filing all federal income tax returns and other reports consistent with such treatment. The Lessor will not take any action which is inconsistent with this provision. Lessee's interest in this Lease, the estate in the Leased Premises created hereby, and the Improvements shall be referred to herein as the "Leasehold Estate").

6.7 TRANSFER OF TITLE TO IMPROVEMENTS: Upon the expiration or earlier termination of the Term of the Lease, Lessee, at Lessor's election, shall execute and deliver to Lessor such deed, bill of sale or other instruments reasonably required to evidence the vesting of title to the Leased Premises and the Improvements thereon to the Lessor.

6.8 HOLDING OVER: If Lessee shall hold the Leased Premises after the expiration or earlier termination of the Term of the Lease, such holding over, in the absence of written agreement to the contrary, shall be deemed to have created a month-to-month tenancy terminable on thirty (30) days' written notice by either Party to the other.

ARTICLE 7: Encumbrances

7.1 FEE MORTGAGES; LEASEHOLD MORTGAGES:

(a) Lessor shall not mortgage its fee interest in the Leased Premises without Lessee's consent, which consent Lessee may withhold in its sole discretion.

(b) Lessee, and every permitted successor and assign of Lessee, shall have the right to encumber its interest in this Lease without Lessor's prior consent, provided that: (a) no Event of Default has occurred and remains uncured under this Lease; (b) all rights acquired under the Leasehold Mortgage shall be subject to each of the provisions set forth in this Lease and to all rights and interests of the Lessor therein; and (c) any such encumbrance shall be subordinate to the Permitted Encumbrances. "Leasehold Mortgage" shall mean any loan financing obtained by Lessee, as evidenced by any mortgage, deed of trust, or other instrument and secured by Lessee's interest in this Lease and the Leasehold Estate created hereby, including any extensions, modifications, amendments, replacements, supplements, renewals, and refinancing, thereof.

(c) Lessor acknowledges that CHFA will require the recording of a land use restriction agreement on the Land and Improvements in connection with the allocation of LIHTCs to the Apartment Project (the "Extended Use Agreement") and that the Extended Use Agreement will be binding on the Lessor and any successor in interest to Lessor. The Apartment Project and Improvements shall remain subject to the provisions of Section 42(h)(6)(E)(ii) of the Code (which provides that residential tenants may not be evicted other than for good cause and their gross rent may not be increased, except as permitted by the Code) for the three year period after any termination of the Extended Use Agreement by foreclosure or deed in lieu of foreclosure.

ARTICLE 8: Liability, Insurance, Damage and Destruction, Eminent Domain

8.1 **LESSEE'S LIABILITY:** Lessee assumes sole responsibility and liability to all persons and authorities related to the possession, occupancy, and use of the Leased Premises during the Term of this Lease and will defend, indemnify, and hold Lessor harmless against all liability and claims of liability for injury or damage to person or property from any cause on or about the Leased Premises that occurs during the Term of this Lease, unless it occurred prior to the date of this Lease or is caused by Lessor's gross negligence or intentional wrongdoing. Lessee waives all claims against Lessor for injury or damage arising from or occurring at the Leased Premises except for claims arising prior to the commencement of this Lease or out of Lessor's gross negligence or intentional wrongdoing.

8.2 **PAYMENT BY LESSOR:** If Lessor pays any sum that is the Lessee's responsibility or liability to pay, the Parties acknowledging the Lessor has no obligation to pay any such amount, but which Lessor may pay in its sole discretion, the Lessee will reimburse the Lessor for such payment and for reasonable expenses caused thereby.

8.3 **INSURANCE:** Lessee, at its sole cost and expense, shall procure and maintain throughout the Term of this Lease the following policies of insurance:

(a) property insurance causing Lessee's Improvements and personal property to and in the Leased Premises to be insured for full replacement value under the broadest available special form of property coverage, with provisions and/or endorsements assuring terrorism coverage; and

(b) commercial general liability insurance insuring both Lessor and Lessee against all claims, demands or actions for bodily injury, property damage, personal injury, and medical payments arising out of or in connection with Lessee's use or occupancy of the Leased Premises, with a limit of not less than \$2,000,000.00 per occurrence and \$4,000,000.00 aggregate, and with coverage for contractual liability; and

(c) before any alterations or Improvements are made to the Leased Premises, Lessee shall procure or shall cause its general contractor to obtain and maintain, and shall provide Lessor with evidence of, special form builder's risk insurance for one hundred percent (100%) of the replacement cost, without deduction for depreciation, of (i) all work under construction; (ii) all materials, equipment, supplies, and

temporary structures on the Leased Premises used for performing the work; and (iii) all materials, equipment, and supplies at other locations or in transit to the Leased Premises that are intended to be used for performing the work. The builder's risk insurance shall be effective from the beginning of the performance of such work through the completion of the performance of the same. In addition, Lessee shall cause its general contractor to obtain, and shall provide Lessor with evidence of, the general contractor's general liability insurance which covers any damage to the Leased Premises resulting from the work. Such general liability insurance shall be effective from the beginning of the performance of such work through the completion of the performance of the same.

(d) All insurance procured and maintained by Lessee, and such insurance Lessee is required to cause to be obtained and maintained, shall be written by insurance companies reasonably satisfactory to Lessor which are licensed to do business in the State of Colorado with a general policyholder's rating of not less than A and a financial rating of not less than Class VIII, as rated in the most current edition of Best's Key Rating Guide. Lessor shall be named as an additional insured under all insurance maintained by Lessee; moreover, Lessee shall obtain a written obligation on the part of each insurance company to notify Lessor at least 30 days (10 days for non-payment of premium) prior to cancellation of such insurance. Lessee's liability insurance policies must be endorsed to be primary (rather than excess) with respect to, and to seek no contribution from, any other insurance available to any additional insured.

8.4 DAMAGE OR DESTRUCTION: If any Improvements are damaged or destroyed by fire or other casualty, Lessee shall have the right to receive any insurance proceeds available from such casualty and may use such proceeds (with any costs in excess of the insurance proceeds paid for by the Lessee) to replace the Improvements. In no event shall the Lease terminate, however.

8.5 EMINENT DOMAIN, CONDEMNATION AND PUBLIC DEDICATION:

(a) Total Taking.

(i) If all or substantially all of the Leased Premises shall be taken for any public or quasi-public purpose by any lawful power or authority by the exercise of the right of condemnation, eminent domain, or by agreement among Lessor, Lessee, and those authorized to exercise such right, the Term of this Lease shall terminate on the Date of Taking and the rent payable by Lessee hereunder shall be equitably apportioned as of the Date of Taking. "Date of Taking" shall mean the earlier of the date, pursuant to the provisions of applicable state or federal Law, on which: (a) actual possession of all or part of the Leased Premises, as the case may be, is acquired by the appropriate governmental authority; or (b) title to all or part of the Leased Premises, as the case may be, is vested in the appropriate governmental authority.

(ii) If all or substantially all of the Leased Premises shall be taken or condemned as provided in Section 8.5(a)(i), Lessor and Lessee shall be

entitled to receive and retain such separate awards and portions of lump sum awards as may be allocated to their respective interests in any condemnation proceedings, or as may be otherwise agreed, taking into consideration the fact that Lessor's interest in the Leased Premises is limited to the fee interest in the Land (exclusive of the Improvements), as encumbered by this Lease, and, upon the expiration of the Term, a reversionary interest in the Leased Premises and the Improvements. If the condemning authority does not make separate awards to Lessor and Lessee, Lessor and Lessee agree that any such award will be allocated on a proportionate basis. Notwithstanding the foregoing, if required by a Leasehold Mortgage, Lessee's proportionate share of the award shall be distributed to the senior Leasehold Mortgagee to be disbursed in accordance with its Leasehold Mortgage, and once such lien is satisfied, thereafter to the holder of the Leasehold Mortgage next in lien priority until each encumbrance is satisfied, and, upon payment in full of the Leasehold Mortgages, the balance shall be payable to Lessee. If there be any dispute as to which portion of the award is attributable to the Land and which portion is attributable to the Improvements, such dispute shall be resolved by a court of competent jurisdiction (unless the condemning authority has made such determination, in which case its determination shall control).

(iii) Each of the Parties shall execute any and all documents that may be reasonably required in order to facilitate collection by them of such awards .

(b) Partial Taking. If less than substantially all of the Leased Premises shall be so taken, this Lease and the Term shall continue as to the portion of the Leased Premises remaining without diminution of any of Lessee's obligations hereunder. In the event of any taking pursuant to this Section 8.5(b), Lessor and Lessee shall be entitled to receive and retain such separate awards and portions of lump sum awards as may be allocated to their respective interests in any condemnation proceedings, or as may be otherwise agreed, taking into consideration the fact that Lessor's interest in the Leased Premises is limited to the fee interest in the Land (exclusive of the Improvements), as encumbered by this Lease, and, upon the expiration of the Term, a reversionary interest in the Leased Premises and the Improvements. If the condemning authority does not make separate awards to Lessor and Lessee, Lessor and Lessee agree that any such award will be allocated on a proportionate basis. Each of the parties shall execute any and all documents that may be reasonably required in order to facilitate collection by them of such awards.

(c) If the temporary use of the whole or any part of the Leased Premises shall be taken for any public or quasi-public purpose by any lawful power or authority by the exercise of the right of condemnation or eminent domain or by agreement between Lessee and those authorized to exercise such right, Lessee shall give prompt notice thereof to Lessor and the Term shall not be reduced or affected in any way and Lessee shall continue to pay in full the rent payable by Lessee hereunder without reduction or abatement, and Lessee shall be entitled to receive for itself any award or payments for

such use; provided, however, that if the taking is for a period extending beyond the Term, such award or payment shall be apportioned between Lessor and Lessee as of the Expiration Date.

(d) In the event of a negotiated sale of all or a portion of the Leased Premises in lieu of condemnation, the proceeds shall be distributed as provided in cases of condemnation.

(e) If Lessee shall assign to any Leasehold Mortgagee any condemnation proceeds or award to which it shall be entitled under the provisions of Section 8.5, Lessor shall recognize such assignment and agrees that the condemnation proceeds or award shall be paid to such assignee as its interest may appear.

(f) Lessee and the Leasehold Mortgagee shall have the right to participate in any condemnation proceeding for the purpose of protecting their rights under this Lease, and in this connection, specifically and without limitation to introduce evidence independently of Lessor to establish the value of or damage to the Improvements constructed on the Land.

ARTICLE 9: Transfer, Sale, or Disposition of Leasehold

9.1 **LESSOR'S RIGHT TO SELL:** Lessor may sell or transfer the Leased Premises provided, however, that Lessor shall require any purchaser (i) to assume the Lessor's obligations under the Lease and (ii) agree not to disturb Lessee's possession under this Lease except to the extent permitted by this Lease.

ARTICLE 10: Assignment and Sublease

10.1 Lessee shall not assign, sublease, sell, or otherwise convey any of Lessee's rights under this Lease without the prior written consent of the Lessor, which consent shall not be unreasonably withheld, conditioned or delayed, provided that: (i) no such approved transfer shall relieve Lessee of its obligations hereunder which accrue prior to the date of such transfer, and (ii) any approved assignee or subtenant shall be bound by the use restrictions set forth in Section 3.1. Notwithstanding the foregoing, the following shall be permitted without the prior written consent of Lessor: (a) subleases permitted pursuant to Section 6.1 of this Lease; (b) the granting of a Leasehold Mortgage or other liens on Lessee's Leasehold Interest to Leasehold Mortgagees pursuant to Section 7.1 of this Lease; (c) transfers of Lessee's Leasehold Interest pursuant to any foreclosure proceedings or a transfer by deed (or other instrument of conveyance) in lieu of any such foreclosure to a Leasehold Mortgagee, or thereafter, by such Leasehold Mortgagee to a third party in accordance with the terms of Section 12.2(f) of this Lease; (d) the transfer of any membership interest in the Lessee in accordance with the terms of Lessee's [Amended and Restated Operating Agreement dated as of _____], as such operating agreement may be amended from time to time (the "Operating Agreement"); (e) the removal and replacement of the managing member of the Lessee in accordance with the Operating Agreement; (f) direct or indirect transfers of interests in _____ and its successors and assigns (collectively, "Equity Investor"); and

(g) the disposition and replacement of personal property or fixtures with items of equal or better function and quality.

ARTICLE 11: Default

11.1 **EVENTS OF DEFAULT:** The following events are referred to collectively as "Events of Default," or individually as an "Event of Default":

(a) Lessee defaults in the due and punctual payment of the Ground Lease Fee or any other amounts due to Lessor pursuant to this Lease and such default continues for sixty (60) days after written notice of the failure is given to Lessee and any Leasehold Mortgagee of which Lessor has been provided actual notice;

(b) Subject to Section 8.5 above and Section 12.2(f) below, this Lease or the Leased Premises or any part of the Leased Premises is taken upon execution or by other process of law directed against Lessee, or are taken upon or subject to any attachment at the instance of any creditor or claimant against Lessee and the attachment is not discharged or disposed of within sixty (60) days after its levy;

(c) Lessee files a petition in bankruptcy or insolvency or for reorganization or arrangement under the bankruptcy laws of the United States or under any insolvency act of any state, or admits the material allegations of any such petition by answer or otherwise, or is dissolved or makes an assignment for the benefit of creditors;

(d) Involuntary proceedings under any such bankruptcy law or insolvency act or for the dissolution of Lessee are instituted against Lessee, or a receiver or trustee is appointed for all or substantially all of the property of Lessee, and such proceeding is not dismissed or such receivership or trusteeship vacated within ninety (90) days after such institution or appointment; or

(e) Lessee breaches any of the other material agreements, terms, covenants or conditions which this Lease requires Lessee to perform, and such breach continues for a period of sixty (60) days after notice from Lessor to Lessee; or if such breach cannot reasonably be cured within such sixty (60) day period, Lessee fails promptly within said sixty (60) day period to commence and proceed diligently and in good faith to cure such breach and fails to complete such cure within a reasonable time.

Leasehold Mortgagees shall have the rights afforded them as set forth in Section 12.2 below.

11.2 **TERMINATION:** If any of the Events of Default described above are not cured within the time periods set forth above, Lessor may, subject to the rights of Leasehold Mortgagees contained in this Lease, terminate this Lease and initiate summary ejectment proceedings allowing Lessor to enter and repossess the entire Leased Premises. If this Lease is terminated by Lessor, or if Lessor reenters the Leased Premises after an Event of Default, the Lessee agrees to pay and be liable for any due and any unpaid Ground Lease Fee, damages which may be due or sustained prior to or in connection with the termination or reentry, and all reasonable costs, fees and expenses

(including, without limitation, reasonable attorneys' fees) incurred by Lessor in pursuit of its remedies at law or in equity that may be available to Lessor under this Lease. Upon such termination, and so long as there are no events of default under applicable subleases, Lessor shall grant non-disturbance and attornment agreements to such subtenants.

Lessor shall provide Equity Investor copies of any default notices under this Lease so long as Equity Investor continues to have an ownership interest in Lessee. Such notice shall be given to the Equity Investor at the address set forth in Section 12.1 below. Lessor agrees that any cure of any default made or tendered by Equity Investor shall be deemed to be cured by Lessee and shall be accepted or rejected on the same basis as if made or tendered by Lessee. Equity Investor shall have the same time period to cure a default under this Lease as is granted to Lessee.

11.3 **DEFAULT BY LESSOR:** Lessor will in no event be in default in the performance of any of its obligations under the Lease unless and until Lessor has failed to perform the obligations within sixty (60) days, or within the additional time as is reasonably required to correct any default, after written notice by Lessee to Lessor properly specifying Lessor's failure to perform any obligation.

ARTICLE 12: General Provisions

12.1 **NOTICES:** Whenever this Lease requires either Party to give notice to the other, the notice will be given in writing and delivered (a) in person, (b) sent by nationally recognized commercial overnight delivery service, or (c) mailed, by certified or registered mail, postage prepaid, return receipt requested, to the Party at the address set forth below, or such other address designated by like written notice.

If to Lessor:	City of Salida, Colorado 448 E. First Street, Suite 112 Salida, Colorado 81201 Attention: City Administrator
With a copy to:	Wilson Williams Fellman Dittman 1314 Main Street, Suite 101 Louisville, Colorado 80027 Attn: Nina P. Williams, Esq.
If to Lessee:	Northpointe Development II Corporation 230 Ohio Street, Suite 400 Oshkosh, Wisconsin 54902 Attention: Jake Victor
With a copy to:	Reinhart Boerner Van Deuren S.C. 1000 N. Water Street, Suite 1700 Milwaukee, Wisconsin 53202 Attention: Frank Pitsoulakis, Esq.

If to Equity Investor: []
[]
[]
[]

With a copy to: []
[]
[]
[]

All notices, demands and requests shall be deemed properly given (a) if by personal delivery, when delivered; (b) if mailed by United States certified or registered mail, postage prepaid, return receipt requested, three (3) business days after mailing; (c) if by nationally recognized overnight delivery service, one (1) business day after being deposited with such service by sender; provided that, in all cases, postage or delivery charges shall be prepaid .

12.2 RIGHTS OF LEASEHOLD MORTGAGEES: Lessor shall concurrently with the giving of any notice of an Event of Default under the Lease to Lessee, provide a duplicate copy thereof to any Leasehold Mortgagee of which Lessor has been notified in writing.

(a) If Lessor shall give any notice of an Event of Default (as defined in Article 11) hereunder (hereinafter collectively "Notices"), to Lessee hereunder, Lessor shall simultaneously give a copy of each such Notice to all Leasehold Mortgagees at the address theretofore designated by it in writing to Lessor. Such copies of Notices shall be sent by Lessor and deemed received as described in Section 12.1 above. No Notice given by Lessor to Lessee shall be binding upon or affect a Leasehold Mortgagee unless a copy of said Notice shall be given to such Leasehold Mortgagee pursuant to this Section. In the case of an assignment of any Leasehold Mortgagee's Leasehold Mortgage or change in address of any Leasehold Mortgagee, said assignee or Leasehold Mortgagee, by written notice to Lessor, may change the address to which such copies of Notices are to be sent. Lessor shall not be bound to recognize any assignment of any Leasehold Mortgage unless and until Lessor shall be given written notice thereof, a copy of the executed assignment, and the name and address of the assignee. Thereafter, such assignee shall be deemed to be the Leasehold Mortgagee hereunder with respect to such Leasehold Mortgages being assigned.

(b) In the event of any default by Lessee under the provisions of this Lease, any Leasehold Mortgagee will have the same periods as are given Lessee for remedying such default or causing it to be remedied, plus, in each case, an additional period of (i) with respect to any monetary default, thirty (30) days after the expiration of the initial period or after Lessor has served a notice or a copy of a notice of such default upon the Leasehold Mortgagee, whichever is later and (ii) with respect to any non-

monetary default, (A) sixty (60) days after the date such default is required to be cured by Lessee under the terms of this Lease, and (B) sixty (60) days after the date Leasehold Mortgagee is given notice of Lessee's default, whichever is later; provided that no such Leasehold Mortgagee shall be obligated to cure any default hereunder. Any Leasehold Mortgagee's failure to exercise its cure right under this subparagraph does not waive such Leasehold Mortgagee's right to a new lease under subparagraph (e) below.

(c) In the event that Lessee shall default under any of the provisions of this Lease, any Leasehold Mortgagee, without prejudice to its rights against Lessee, shall have the right to cure such default within the applicable cure periods provided for in the preceding Section 12.2(b), above, whether the same consists of the failure to pay rent or the failure to perform any other matter or thing that Lessee is hereby required to do or perform, and Lessor shall accept such performance on the part of such Leasehold Mortgagee as though the same had been done or performed by Lessee. For such purpose, Lessor and Lessee hereby authorize such Leasehold Mortgagee to enter upon the Leased Premises and to exercise any of its rights and powers under this Lease, subject, however, to the provisions of this Lease.

(d) In the event of any default by Lessee, and if prior to the expiration of the applicable cure period specified in Section 12.2(b), above, a Leasehold Mortgagee shall give Lessor written notice that it intends to undertake the curing of such default, or to cause the same to be cured, or to exercise its rights to acquire the Leasehold Interest of Lessee by foreclosure or otherwise, and shall immediately commence and then proceed with all due diligence to do so, whether by performance on behalf of Lessee of its obligations under this Lease, or by entry on the Leased Premises and/or the Improvements by foreclosure or otherwise, then Lessor will not terminate or take any action to effect a termination of the Lease or re-enter, take possession of or relet the Leased Premises or the improvements or similarly enforce performance of this Lease in a mode provided by law so long as such Leasehold Mortgagee is with all due diligence and in good faith engaged in the curing of such default, or effecting such foreclosure; provided, however, that the Leasehold Mortgagee shall not be required to continue such possession or continue such foreclosure proceedings if such default shall be cured.

(e) If this Lease is terminated for any reason or if this Lease is rejected or disaffirmed by Lessee pursuant to any bankruptcy, insolvency or other law affecting creditor's rights, Lessor shall give prompt notice thereof to each Leasehold Mortgagee which has an unsatisfied Leasehold Mortgage at the time in question (which notice shall set forth in reasonable detail a description of all outstanding defaults) and shall, upon written request of any such Leasehold Mortgagee (or if more than one Leasehold Mortgagee makes such request, the Leasehold Mortgagee whose Leasehold Mortgage has the most senior lien), made any time within thirty (30) days after the giving of such notice by Lessor, shall promptly execute and deliver to such Leasehold Mortgagee or its designee a new lease of the Leased Premises. Such new lease shall be for a term equal to the remainder of the Term before giving effect to such termination and shall contain the same covenants, agreements, terms, provisions and limitations as this Lease, and shall be subject only to the encumbrances and other matters recited in this Lease and acts done or suffered by Lessee. Lessor's agreement to enter into a new lease with any

Leasehold Mortgagee shall be unaffected by the rejection of this Lease in any bankruptcy or insolvency proceeding by either Lessor or Lessee. Upon the execution and delivery of such new lease, the new lessee, in its own name or in the name of Lessor, may take all appropriate steps as shall be necessary to remove Lessee from the Leased Premises and the Improvements, but Lessor shall not be subject to any liability for the payments of fees, including reasonable attorneys' fees, costs or expenses in connection with such removal; and such new tenant shall pay all such fees, including attorneys' fees, costs and expenses or, on demand make reimbursements therefor to Lessor.

(f) Foreclosure of any Leasehold Mortgage, whether by judicial proceedings or by virtue of any power contained in the Leasehold Mortgage, or any conveyance of the Leasehold Estate hereunder from Lessee to any Leasehold Mortgagee or its designee or nominee through, or in lieu of, foreclosure or other appropriate proceedings in the nature thereof, shall not require the consent of Lessor nor shall they constitute a breach of any provision of or a default under this Lease if Lessor was first given notice of the event of default under such Leasehold Mortgage and an opportunity to cure same. Upon such foreclosure or conveyance Lessor shall recognize the Leasehold Mortgagee or such designee as the Lessee hereunder. If any Leasehold Mortgagee or other third party shall acquire Lessee's estate as a result of a judicial or nonjudicial foreclosure under any Leasehold Mortgage, or by means of a deed in lieu of foreclosure, or through settlement of or arising out of any pending or contemplated foreclosure action, such Leasehold Mortgagee or such other third party shall thereafter have the right to further assign or transfer Lessee's estate to an assignee upon such assignee's execution of a written agreement with the Lessor that the Land and Leased Premises will continue to be used for the Apartment Project in accordance with the terms of this Lease. Upon such acquisition of Lessee's estate as described in the preceding sentence by a Leasehold Mortgagee or its designee or nominee, Lessor shall promptly execute an assignment of this Lease to such Leasehold Mortgagee, upon the written request therefor by such Leasehold Mortgagee or its designee or nominee given not later than one hundred twenty (120) days after such party's acquisition of the Lessee's estate if such Leasehold Mortgagee or its designee or nominee has entered into a written agreement with the Lessor that the Land and Leased Premises will continue to be used for the Apartment Project in accordance with the terms of this Lease. Such new ground lease shall be substantially similar in form and content to the provisions of this Lease, except with respect to the Parties thereto, the term thereof (which shall be co-extensive with the remaining Term hereof), and the elimination of any requirements which have been fulfilled by Lessee prior thereto. Upon execution and delivery of such new ground lease, Lessor shall cooperate with the new lessee, at the sole expense of said new lessee, in taking such action as may be necessary to cancel and discharge this Lease and to remove Lessee named herein from the Land and Leased Premises.

(g) No surrender (except a surrender upon the expiration of the Term or upon termination by Lessor pursuant and subject to the provisions of this Lease) by Lessee to Lessor of this Lease, or of the Leased Premises, or any part thereof, or of any interest therein, and no termination of this Lease by Lessee shall be valid or effective, and neither this Lease nor any of the terms of this Lease may be amended, modified,

changed or canceled and no consents of Lessee under this Lease shall be valid or effective without the prior written consent of any Leasehold Mortgagee who shall have previously given Lessor written notice of the existence of its Leasehold Mortgage.

(h) Lessor consents to a provision in Leasehold Mortgages or otherwise for an assignment of rents from subleases of the Leased Premises to the holder of any such Leasehold Mortgage, effective upon any default under such Leasehold Mortgage.

(i) If at any time there shall be more than one Leasehold Mortgage constituting a lien on this Lease and the estate created by this Lease and Lessee's interest in the Improvements, and the holder of the Leasehold Mortgage prior in lien to any other Leasehold Mortgage shall fail or refuse to exercise the rights set forth in this Article 12.2, each holder of a Leasehold Mortgage in the order of the priority of their respective liens shall have the right to exercise such rights and provided further, however, that with respect to the right of the holder of a Leasehold Mortgage under Section 12.2(e), above, to request a new lease, such right may, notwithstanding the limitation of time set forth in Section 12.2(e), be exercised by the holder of any junior Leasehold Mortgage, in the event the holder of prior Leasehold Mortgage shall not have exercised such right, more than sixty (60) days but not more than seventy-five (75) days after the giving of notice by Lessor of termination of this Lease as provided in that Section.

(j) In the event a Leasehold Mortgagee or its designee becomes lessee under this Lease, Leasehold Mortgagee or its designee shall not be personally liable for the obligations of Lessee under this Lease that do not accrue during the period of time that the Leasehold Mortgagee or such designee, as the case may be, remains actual lessee under this Lease. In no event shall any Leasehold Mortgagee or their successors be: (i) liable for any condition of the Leased Premises which existed prior to the date of its acquisition of Lessee's interest in the Leased Premises; (ii) bound by any amendment of this Lease made without the prior written consent of Leasehold Mortgagee (for which no such amendment is allowed); or (iii) liable for any act or omission of any prior lessee of any portion of the Leased Premises (including Lessee).

(k) In the event any Leasehold Mortgagee or its designee or nominee becomes the lessee under this Lease or under any new lease obtained pursuant to the terms herein, the Leasehold Mortgagee or its designee or nominee shall, with the exception of liens against the Land and Leased Premises that are superior to Leasehold Mortgagee's interests, be personally liable for the obligations of Lessee under this Lease or a new lease only for the period of time that the Leasehold Mortgagee or its designee or nominee remains the actual beneficial holder of the Lessee's estate, and only to the extent provided in this Lease or such new lease, but, with the exception of liens against the Land and Leased Premises that are superior to Leasehold Mortgagee's interests, a Leasehold Mortgagee shall not have any personal liability for the obligations of Lessee first arising prior to the date such Leasehold Mortgagee, or its designee or nominee, succeeded to the interests of the Lessee under this Lease or pursuant to a new lease.

12.3 **RECORDING:** At the request of either Lessor or Lessee, a memorandum of lease shall be executed by Lessor and Lessee and recorded in the Office of the Clerk

and County Recorder of Chaffee County, State of Colorado at Lessee's sole cost and expense. In no event shall this Lease be recorded.

12.4 **SEVERABILITY:** If any part of this Lease is declared unenforceable or invalid, the applicable provision shall be deemed removed from this Lease and will not affect the validity of any other part of this Lease or give rise to any cause of action of Lessee or Lessor against the other, and the remainder of this Lease will be valid and enforced to the fullest extent permitted by law.

12.5 **WAIVER:** The waiver by Lessor at any given time of any term or condition of this Lease, or the failure of Lessor to take action with respect to any breach of any term or condition, will not be deemed to be a waiver of the term or condition with regard to any subsequent breach of the term or condition, or of any other term or condition of the Lease. Lessor may grant waivers of the terms of this Lease, but the waivers must be in writing and signed by Lessor before being effective.

The subsequent acceptance of Ground Lease Fee payments by Lessor will not be deemed to be a waiver of any preceding breach by Lessee of any term or condition of this Lease, other than the failure of the Lessee to pay the particular Ground Lease Fee so accepted, regardless of Lessor's knowledge of the preceding breach at the time of acceptance of the Ground Lease Fee payment.

12.6 **LESSOR'S RIGHT TO PROSECUTE OR DEFEND:** Lessor will have the right, but will be under no obligation, to prosecute or defend, in its own name or the Lessee's name, any actions or proceedings appropriate to the protection of its title to, and Lessee's interest in, the Leased Premises. Whenever requested by Lessor, Lessee will give Lessor all reasonable aid in any such action or proceeding.

12.7 **CONSTRUCTION:** Whenever in this Lease a pronoun is used it will be construed to represent either the singular or the plural, masculine or feminine, as the context requires.

12.8 **CAPTIONS:** The captions appearing in this Lease are for convenience only, and are not a part of this Lease and do not in any way limit or amplify the terms or conditions of this Lease.

12.9 **PARTIES BOUND:** This Lease together with its Exhibits sets forth the entire agreement between Lessor and Lessee with respect to the leasing of the Leased Premises. It is binding upon and inures to the benefit of the Parties and, in accordance with the provisions of this Lease, their respective successors in interest. This Lease may be altered or amended only by a writing executed by Lessor and Lessee or their legal representatives or their respective successors in interest.

12.10 **GOVERNING LAW; VENUE:** This Lease will be interpreted and construed in accordance with and governed by the laws of the State of Colorado. All actions and proceedings arising from or related to this Lease will be litigated in courts located within Chaffee County, Colorado. The Parties hereto consent and submit to the jurisdiction and venue of any such court.

12.11 ESTOPPEL CERTIFICATES: Lessor agrees within twenty (20) business days following a written request by Lessee or Leasehold Mortgagee to execute and deliver an Estoppel Certificate to whichever of them has requested the same if the provisions of the Estoppel Certificate as set forth in the next sentence are true and correct. The term "Estoppel Certificate" shall mean an estoppel certificate, certifying (a) that this Lease is unmodified and in full force and effect, or, if modified, stating the nature of such modification and certifying that this Lease, as so modified, is in full force and effect and the date to which the Ground Lease Fee and other charges are paid in advance, if any, (b) that there are no uncured Events of Default on the part of Lessor and to Lessor's knowledge, Lessee hereunder, or if there exist any uncured Events of Default on the part of Lessor and/or Lessee hereunder stating the nature of such uncured defaults on the part of Lessor and/or Lessee, as applicable, (c) that no Ground Lease Fee is delinquent or has been paid in advance, and (d) the correctness of such other information respecting the status of this Lease as may be reasonably required by the Party requesting execution of such Estoppel Certificate. Unless the Lessor has notified the requesting Party that one or more provisions in the proposed Estoppel Certificate are not true and correct, its failure to so execute and deliver an Estoppel Certificate within twenty (20) business days following written request as required above, shall be conclusive upon Lessor that as of the date of said request for the same (x) that this Lease is in full force and effect, without modification except as may be represented by the Party requesting execution of such Estoppel Certificate, (y) that there are no uncured Events of Default in Lessor's or Lessee's obligations under this Lease except as may be represented by the Party requesting execution of such Estoppel Certificate, and (z) that no Ground Lease Fee is delinquent or has been paid in advance except as may be represented by the Party requesting execution of such Estoppel Certificate.

12.12 HAZARDOUS SUBSTANCES: For purposes of this Lease, "Hazardous Substances" means any explosives, radioactive materials, hazardous wastes, or hazardous materials, including without limitation substances defined as "hazardous substances" in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended; the Hazardous Materials Transportation Act of 1975; the Resource Conservation and Recovery Act of 1976; or any other federal, state, or local statute, law, ordinance, code, rule, regulation, order, or decree regulating, relating to, or imposing liability or standards of conduct concerning hazardous substances, waste, or materials now or at any time hereafter in effect (collectively, "Hazardous Substances Laws"). Lessee will not cause, permit or allow the storage, use, generation, or disposition of any Hazardous Substances in, on, or about the Leased Premises except Hazardous Substances of the types and in quantities customarily used in the ordinary course of business in properties similar to the Apartment Project consisting of (a) office, cleaning and building maintenance supplies used in reasonable quantities and in the ordinary course of Lessee's operation of the Apartment Project or subtenants' occupancy of apartment units and (b) gasoline or fuel in the tanks of automobiles located on the Leased Premises, but only so long as in the case of both (a) and (b) that they are always stored, maintained, used and disposed of in compliance with all applicable laws. Lessee will not cause, permit or allow the Leased Premises to be used or operated in a manner that may cause the Leased Premises to be contaminated by any Hazardous Substances in violation of any Hazardous Substances Laws. Lessee will immediately advise Lessor in

writing of (1) any and all enforcement, cleanup, remedial, removal, or other governmental or regulatory actions instituted, completed, or threatened pursuant to any Hazardous Substances Laws relating to any Hazardous Substances affecting the Leased Premises and (2) all claims made or threatened by any third party against Lessee, Lessor, or the Leased Premises relating to damage, contribution, cost recovery, compensation, loss, or injury resulting from any Hazardous Substances on or about the Leased Premises. Without Lessor's prior written consent, Lessee will not take any remedial action or enter into any agreements or settlements in response to the presence of any Hazardous Substances in, on, or about the Leased Premises. Lessee will be responsible for and will defend, indemnify and hold Lessor, its agents, and each of their respective successors and assigns harmless from and against all claims, costs, and liabilities, including attorneys' fees, arising out of or in connection with Lessee's breach of this Section 12.12. Lessee will be responsible for and will defend, indemnify, and hold Lessor, its agents, and each of their respective successors and assigns harmless from and against any and all claims, costs, and liabilities, including attorneys' fees, arising out of or in connection with the removal, cleanup, and restoration work and materials necessary to return the Leased Premises and any other property of whatever nature located in, on, or about the area, to their condition existing prior to the introduction of Hazardous Substances by Lessee. Lessee's obligations under this Section 12.12 will survive the expiration or other termination of this Lease.

12.13 NO WAIVER OF GOVERNMENTAL IMMUNITY: No provision of this Lease shall act or be deemed to be a waiver by the Lessor of the Colorado Governmental Immunity Act, CRS 24-10-101, *et seq.*

12.14 AUTHORITY OF LESSOR: As a material inducement to cause Lessee to enter into this Lease, Lessor represents and warrants to Lessee that:

- (a) as of the date hereof, the Land is vacant land;
- (b) pursuant to the provisions of Section 31-15-713(1)(c), Colorado Revised Statutes, the Lessor has authorized this Lease pursuant to an Ordinance number [] of the City of Salida, Chafee County, Colorado, attached hereto as **Exhibit 2**; and
- (c) this Lease does not require electoral approval pursuant to the provisions of Section 31-15-713, Colorado Revised Statutes.

12.15 JOINT DRAFTING: Each Party and its respective counsel has participated in the drafting of this Lease, which each Party acknowledges is the result of extensive negotiations between the Parties. Accordingly, the Parties agree that in the event an ambiguity or question of intent or interpretation arises, this Lease shall be construed as if drafted jointly by the Parties, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provisions of this Lease.

12.16 CHFA: The Parties acknowledge that the Lessor received grant funds from CHFA, solely in its capacity as the Program Administrator for the Affordable Housing Financing Fund, managed by the Colorado Office of Economic Development and

International Trade, in connection with its acquisition of the Land. As an inducement to and condition of making such grant, the Lessor agreed to enter into certain agreements and restrictive covenants that encumber the Land. Such agreements and restrictive covenants require CHFA's approval of this Lease. This Lease is conditioned upon CHFA's written approval of same.

12.17 **NO JOINT VENTURE:** This Lease shall not be deemed or construed to create or establish any relationship of partnership or joint venture between Lessor and Lessee, the sole relationship between the Parties being that of landlord and tenant.

12.18 **COUNTERPARTS AND SIGNATURES:** This Lease may be executed in any number of counterparts and by the Parties hereto on separate counterparts, each of which when so executed and delivered shall be an original, but all of which shall together constitute one and the same instrument. Signatures by the Parties on this Lease that are delivered by facsimile or electronically in a portable document format (pdf) shall be deemed original signatures.

[Remainder of page intentionally left blank. Signature page to follow.]

IN WITNESS WHEREOF, the Parties have executed this Lease effective on the day and year first above written.

LESSEE:

**NORTHPOINTE DEVELOPMENT II
CORPORATION**

By: _____
Name: _____
Title: _____

LESSOR:

CITY OF SALIDA, COLORADO

By: _____
Name: _____
Title: Mayor

EXHIBIT 1

The Land

See Attached

EXHIBIT 2

Authorizing Ordinance

EXHIBIT 3

Plans and Specifications

[To be attached prior to execution]



City Council Action Form

Department Administration	Presented By Kristi Keller - City Clerk	Date January 6, 2026
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Agenda Item

Resolution 2026-01 A Resolution Designating the Place for the Posting of Public Notices for City Council meetings and other City business.

Background

The City annually designates the place for posting public notices in accordance with § 24-6-402(2)(c)(III). Currently, the official posting place is the [City's website](#) , with the provision that should there be problems with the website, internet or other, staff has the option to physically post public notices on the bulletin board located in the lobby at City Hall and the bulletin board located at the C Street entrance of the Touber Building.

Recommendation

Staff recommends Council approve Resolution 2026-01, designating the City's website as the place for the posting of public notices.

Fiscal Impact

There is no fiscal impact.

Motion

A City Councilmember should state "I move to _____ Resolution 2026-01 designating the place for the posting of public notices for City Council meetings and other City business", followed by a second.

**CITY OF SALIDA, COLORADO
RESOLUTION NO. 01
Series of 2026**

A Resolution of the City Council of the City of Salida, Colorado, Designating the Place for the Posting of Public Notices for City Council Meetings and other City Business

WHEREAS, Section 24-6-402(2)(c), C.R.S. of the Colorado Open Meetings Law requires the City to annually designate the place or places at which the City shall post notices of City meetings and other public notices; and

WHEREAS, the City Council desires to designate the following place for the posting of public notices for the convenience of the public.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SALIDA, COLORADO THAT: the following public place shall be and is hereby designated for the posting of notices for public meetings and other City business:

1. All notices of meetings subject to the Colorado Open Meetings Law shall be posted on this page of the City website at this address: cityofsalida.com, pursuant to C.R.S. Section 24-6-402(2)(c)(III). The City Clerk or his/her designee shall be responsible for posting the required notices no later than twenty-four (24) hours prior to each meeting. All meeting notices shall include specific agenda information, where possible.
2. Pursuant to C.R.S. Section 24-6-402(2)(c)(III), should the City Clerk or his/her designee be unable to post a notice online in exigent or emergency circumstances such as a power outage or interruption in internet service that prevents the public from accessing the notice online, said notice shall be posted on the bulletin board located in the lobby at City Hall, 448 East 1st Street, Suite 112, Salida, Colorado and the bulletin board located at the C Street entrance of the Toubert Building, 448 East 1st Street, Salida, Colorado.

RESOLVED, APPROVED AND ADOPTED this 6th day of January, 2026.

CITY OF SALIDA, COLORADO

By _____
Mayor

[SEAL]

[ATTEST] _____
City Clerk/Deputy City Clerk



City Council Action Form

Department Community Development	Presented By Kristen Hodges - Associate Planner	Date January 6, 2026
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Agenda Item

Resolution 2026-05: A Resolution of the City Council for the City of Salida, Colorado approving the Park Improvement Agreement between the City of Salida and Northpointe Development II Corporation (NDC).

Background

In May 2025, the City acquired the property at 507 Scott Street through a Colorado Housing Finance Authority (CHFA) land banking grant for the purpose of developing a senior affordable housing project and an adjoining public park. Following a Request for Proposals process, City Council approved a Memorandum of Understanding (MOU) with NDC on August 19, 2025, selecting NDC and their selected team to design, finance, and develop the senior housing project and associated park improvements.

Under the RFP response and MOU, NDC and their team have been expected to plan, design, and construct improvements to the public park as part of the overall development. The Park Improvement Agreement outlines and clearly documents these commitments in a single agreement, ensuring that both parties have a shared understanding of the minimum improvements to be provided by the NDC team on the park property.

The primary purpose of the Park Improvement Agreement is to memorialize NDC’s obligation to construct a defined set of park improvements, with responsibility for securing funding and delivering the improvements as part of the overall project. Specifically, the agreement:

- Establishes a clear minimum scope of park improvements that NDC is required to deliver;
- Confirms that the City will retain ownership of the park and all completed improvements (and long-term maintenance);
- Provides a framework for review, inspection, acceptance, and warranty of the completed work; and
- Protects the City by clearly outlining timelines, standards of construction, insurance requirements, and remedies in the event of nonperformance.

This agreement is not intended to expand NDC’s responsibilities beyond what has already been contemplated, but rather to ensure that expectations are clearly documented and enforceable as the project moves forward. Additionally, the agreement is consistent with and implements prior City Council actions and aligns with the City’s commitments under the CHFA land banking grant.

Recommendation

Staff recommends that City Council approve the Park Improvement Agreement. Approval of these items will memorialize previously agreed-upon commitments, provide clarity regarding the minimum park improvements to be delivered, and support the successful implementation of the senior affordable housing and public park project.

Fiscal Impact

All costs associated with the design and construction of the park improvements covered by this agreement will be generated by NDC. Upon completion and acceptance of the improvements, the City will assume responsibility for long-term ownership, maintenance, and operation of the park, consistent with standard City practice for public park facilities.

There is no direct financial obligation to the City created by this agreement beyond routine future park maintenance. If the City chooses to pursue any additional park features or amenities beyond the minimum scope outlined in the agreement, the City would take on the design, funding, and implementation of those improvements.

Motion

A City Councilmember should state "I move to _____ Resolution 2026-05 approving the Park Improvement Agreement between the City of Salida and Northpointe Development II Corporation", followed by a second and a roll call vote.

**City of Salida, Colorado
Resolution No. 5
(Series of 2026)**

A Resolution of the City Council of the City of Salida Colorado, Approving the Park Improvement Agreement Between the City of Salida and Northpointe Development II Corporation

WHEREAS, the City of Salida, Colorado (“City”) is a statutory city, duly organized and existing under the laws of the state of Colorado; and

WHEREAS, the City owns certain real property within the City that is located at Scott Street and legally described as Tract No. 3 and Tract No. 4, per the Lowry/Cooper Boundary Line Adjustment Plat recorded June 16, 2003, as Reception No. 335781, Chaffee County, Colorado, which real property is more specifically described and referred to within the Park Improvement Agreement, attached hereto as **Exhibit A** (the “Property”); and

WHEREAS, the City issued a Request for Proposals (“RFP”) to select a developer for the planning, design, financing, construction, development and property management of a senior housing rental project and associated public park (the “Park”) on the Property; and

WHEREAS, Northpointe Development II Corporation (“NDC”) submitted a response to the RFP and the City selected NDC as the developer of the senior housing rental project and the Park; and

WHEREAS, the City and NDC wish to enter into the Park Improvement Agreement to memorialize their agreements regarding the planning, design, financing, construction and development of the Park; and

WHEREAS, it is the desire of the City Council to approve and adopt the Park Improvement Agreement between the City and NDC; and

WHEREAS, the City Council finds it in the best interest of the City to approve and adopt the Park Improvement Agreement, attached and incorporated herein, to guide the City and NDC through the planning, design, financing, construction and development of the Park.

NOW, THEREFORE, IT IS RESOLVED BY THE CITY COUNCIL OF THE CITY OF SALIDA, COLORADO, THAT:

Section 1. The Salida City Council incorporates the foregoing recitals as its conclusions, facts, determinations and findings.

Section 2. The Park Improvement Agreement, attached and incorporated herein as Exhibit A, is hereby approved and adopted.

RESOLVED, APPROVED, AND ADOPTED this 6th day of January, 2026.

CITY OF SALIDA

By:

Mayor

[SEAL]

ATTEST: _____
City Clerk/Deputy City Clerk

Exhibit A

Park Improvement Agreement

See Attached

PARK IMPROVEMENT AGREEMENT

THIS PARK IMPROVEMENT AGREEMENT (this "Agreement") is made effective as of the ____ day of _____, 2026 by and between NORTHPOINTE DEVELOPMENT II CORPORATION, a Wisconsin corporation ("Developer"), and the CITY OF SALIDA, COLORADO a statutory city existing under the laws of the State of Colorado (the "City"). The Developer and City may be referred to individually herein as a "Party" and collectively as the "Parties."

RECITALS

A. The City is the fee owner of those certain tracts or parcels of real property located in Chaffee County, Colorado and being more particularly described on Exhibit A attached hereto and made a part hereof (the "Property").

B. The City issued a Request for Proposals ("RFP") to select a developer for the planning, design, financing, construction, development and property management of a senior housing rental project (the "Apartment Project") and associated public park (the "Park") on the Property.

C. The Developer submitted a response to the RFP dated July 28, 2025 (the "RFP Response") and was selected as the developer of the Park and Apartment Project. The Developer intends to develop the Apartment Project utilizing federal low-income housing tax credits ("LIHTCs") allocated by the Colorado Housing and Finance Authority ("CHFA") pursuant to Section 42 of the Internal Revenue Code of 1986, as amended.

D. To facilitate the development of the Park and the Apartment Project, the City will subdivide the Property into two parcels prior to the commencement of construction of any improvements. The Apartment Project will be constructed on the portion of the Property generally depicted and designated as the "Apartment Property" on Exhibit B attached hereto. The Park will be constructed on the portion of the Property generally depicted and designated as the "Park Property" on Exhibit B attached hereto. The exact configuration and legal description of the Apartment Property and Park Property (which shall be generally consistent with Exhibit B) will be agreed upon by the City and the Developer.

E. The City will maintain ownership of the entire Property. The City and the Developer have entered into an Option to Ground Lease dated as of _____, 2026 (the "Option Agreement") pursuant to which the City has granted the Developer the option to ground lease the Apartment Property pursuant to the terms of the Option Agreement and the ground lease to be entered into by the Parties

following the exercise of the option set forth in the Option Agreement (the “Ground Lease”).

F. The Developer and the City desire to set forth their agreements regarding the planning, design, financing, construction and development of the Park on the Park Property as required by the RFP Response, the Memorandum of Understanding between the Parties dated September 29, 2025, and the Option Agreement;

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. Construction of Improvements. Subject to the terms and conditions set forth in this Agreement, the Developer shall, at the Developer’s sole cost and expense, install and construct the Park (the “Work”) in accordance with a park plan to be submitted by the Developer to the City and approved by the City (the “Park Plan”), which approval shall not be unreasonably withheld, conditioned or delayed. The Park Plan shall be generally consistent with the preliminary park site plan and specifications attached hereto as Exhibit C. The Work includes the furnishing and installation of all equipment, materials and improvements required by the Park Plan. The Developer shall perform the Work in a good and workmanlike manner in compliance with applicable laws, codes, ordinances and permits. The Developer shall obtain all necessary approvals and permits required in connection with the Work at Developer’s sole cost and expense. The Developer shall construct the Park in connection with its construction of the Apartment Project on the Apartment Property and shall complete the Work no later than December 31, 2029.

2. License. The City hereby grants to the Developer and its contractors, consultants, and agents (collectively, the “Developer Parties”) a license (the “License”) to enter the Park Property for purposes of: (i) performing the Work, (ii) conducting any tests and inspections necessary in connection with the Work and the implementation and development of the Park Plan; and (iii) completing any Warranty Work (as defined herein). The Developer shall restore the surface of any portion of the Park Property disturbed by the Developer Parties during their entry onto the Park Property to substantially the same condition that existed prior to the disturbance and to the extent consistent with the Park Plan. The Developer shall provide the City with at least seventy-two (72) hours’ notice (which may be by telephone or email to the City Administrator) prior to commencing the Work. It is the express intent of the Parties that the License granted herein does not create or convey an estate, interest, or claim in or to the Park Property to the Developer Parties, and that the Developer Parties’ use of the Park Property does not create a license coupled with any property interest in or claim to the Park Property. In connection with its Work hereunder, the Developer shall maintain, or cause its contractor(s) to maintain, (i) commercial general liability insurance for personal injury, bodily injury, death and property damage liability having coverage amounts

of not less than \$1,000,000 per occurrence and \$2,000,000 in the aggregate and (ii) workers' compensation insurance as required by law, such coverages to be issued by an insurer authorized to provide such insurance in the State of Colorado. The commercial general liability insurance policy or policies shall name the City (including its officers, employees, agents and assigns) as an additional insured. Each of such insurance policies shall contain a waiver of subrogation for the City's benefit. Further, the insurance coverages identified in this Section 2 will be primary and noncontributory with respect to any insurance maintained by the City. Developer shall provide the City with certificates of insurance and an additional insured endorsement evidencing the coverages required by this Section 2. The certificates of insurance shall provide that such insurance will not be altered or canceled by the issuing company without a minimum of 30 days (10 days for non-payment of premium) prior written notice to the City. The License granted herein shall terminate upon expiration of the Warranty Period (as defined herein).

3. Project Completion. When the Developer has achieved completion of the Work, Developer shall deliver to the City a written notice stating that the Work has been completed (the "Project Completion Notice"). Upon receipt of a Project Completion Notice, the City shall have thirty (30) days to inspect the Work and to notify Developer in writing of any incomplete or defective work (the "City Objection"). Unless the City provides a timely and valid City Objection, the Work shall be deemed accepted by the City as of the date the Developer first delivered the Project Completion Notice (the "Project Completion Date"). If there is a timely and valid City Objection, the Developer shall take action to complete and correct the Work and shall thereafter deliver to the City another Project Completion Notice when complete. The procedure described herein shall be repeated until there is no timely and valid City Objection. The Parties acknowledge and agree that once the Work is complete, and even during the Warranty Period (hereafter defined), that the City shall be the owner of any improvements resulting from the Work. In connection with the foregoing acknowledgement and agreement, the Developer, pursuant to the City's request, shall execute and deliver to the City a bill of sale or other instrument reasonably required to evidence the ownership of such improvements in the City.

4. Warranty. The Developer warrants that: (i) all materials and equipment furnished under this Agreement will be new and of good quality unless otherwise required or permitted under the Park Plan; (ii) the Work will be free from defects not inherent in the quality required or permitted; and (iii) the Work will conform to the requirements of this Agreement and the Park Plan for the twelve-month period beginning on the Project Completion Date (the "Warranty Period"). Any material or equipment warranties shall be issued in the name of the City or shall be transferable to the City. Any Work not complying with the foregoing requirements shall be deemed defective. The City shall promptly notify the Developer of any defective Work discovered during the Warranty Period and the Developer shall correct such Work at the Developer's sole cost and expense (the "Warranty Work").

5. Maintenance, Repair, and Operation. Except for the Warranty Work required to be performed by the Developer pursuant to Section 4, from and after the Project Completion Date, the City, at the City's sole cost, shall be solely responsible for the ownership, maintenance, repair, replacement, and restoration of the Park and the Park Property, including, without limitation, replacing or repairing any equipment on the Park Property, performing or contracting for the performance of any required landscaping and snow removal services, and otherwise keeping the Park and the Park Property in good operable condition. Notwithstanding the foregoing, Developer will procure the record discharge of any mechanic's or materialman's claim of lien which might be filed against the Park Property as a result of Developer's or its contractors acts or omissions within twenty (20) days of filing. If Developer fails to procure the record discharge of a claim of lien within the time allowed, the City may, but is not obligated to, discharge the same by paying the amount in question. Developer may contest the validity of any lien asserted so long as Developer furnishes a bond in an amount sufficient to release the Park Property from the lien. Any amounts paid by the City hereunder in respect of any such liens will be payable by Developer to the City upon demand.

6. Developer's Conditions Precedent. The Developer's obligations to pay for and perform the Work are conditioned upon: (i) the Developer receiving a reservation of LIHTCs from CHFA for the Apartment Project, and (ii) the Developer and the City entering into the Ground Lease for the Apartment Property. If the foregoing conditions are not satisfied within one hundred eighty (180) days following December 31, 2027, this Agreement shall be null and void, Developer shall have no obligation to construct the Park or complete the Work, and the Parties shall have no further obligations to each other except such obligations as expressly survive this Agreement.

7. Default. In the event that the Developer shall default in the performance of any of its obligations under the terms of this Agreement, the City shall provide written notice to the Developer specifying the default. The Developer shall cure such default within thirty (30) days after the giving of such notice, except that the cure period shall be extended to a reasonable time (not to exceed an additional sixty (60) days) to cure any default that cannot reasonably be cured within the thirty (30) day period, provided the Developer has commenced to cure within the thirty (30) day period and diligently pursues a cure at all times thereafter until the default is cured. If the Developer shall fail or refuse to cure such default within the applicable cure period, the City can take any action allowed by law or equity to enforce its rights, including, without limitation, specific performance, withholding action on any pending applications or approvals of plans, building permits or certificates of occupancy together with any other remedies permitted under the Municipal Code of the City of Salida. In addition to any other remedy allowed by law or in equity, in the event of default by the Developer with respect to any provision of this Agreement, including failure to timely construct the Park, the City may refuse to further process any site development or building permit application for property

owned or leased, in whole or in part, by the Developer. With respect to any breach of Developer's obligations to complete or correct the Work as set forth in Sections 1, 3 and 4 of this Agreement, if the Developer shall fail or refuse to cure such default within the applicable cure period, the City may attempt to cure the default and shall be reimbursed by the Developer for all reasonable, actual costs incurred in so doing. In such event, the Developer shall reimburse the City within thirty (30) days following receipt of a written request and statement setting forth the costs and expenses in reasonable detail. In no case shall any Party have the unilateral right to terminate, cancel or otherwise render null and void any portion of this Agreement. The City shall provide the Developer's tax credit investor (the "Equity Investor") copies of any default notices under this Agreement. Such notices shall be given to the Equity Investor at the address designated by the Equity Investor in a notice given pursuant to Section 11. The City agrees that any cure of any default made or tendered by Equity Investor shall be deemed to be cured by the Developer and shall be accepted or rejected on the same basis as if made or tendered by the Developer. The Equity Investor shall have the same time period to cure a default under this Agreement as is granted to the Developer.

8. Hazardous Material. Developer shall not cause or permit any Hazardous Material to be brought upon, kept, released, discharged, or used in or about the Park Property or the Apartment Property by Developer, its agents, or contractors. If the presence of any Hazardous Material on the Park Property or the Apartment Property brought upon or used in or about the Park Property or the Apartment Property by Developer or its agents or contractors results in any contamination of the Park Property, Apartment Property or any other property in the vicinity of the Property, Developer shall promptly take all actions at its sole expense as are necessary to return the Park Property, Apartment Property and such other properties to the condition existing prior to the introduction of any such Hazardous Material thereto; provided, however, that the approval of the City of such actions shall first be obtained, which approval shall not be unreasonably withheld so long as such actions would not potentially have any material adverse effect on the Park Property, Apartment Property or the City. For purposes of this Agreement, "Hazardous Material" means any explosives, radioactive materials, hazardous wastes, or hazardous substances, including without limitation substances defined as "hazardous substances" in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. § 9601-9657; the Hazardous Materials Transportation Act of 1975, 49 U.S.C. § 1801-1812; the Resource Conservation and Recovery Act of 1976, 42 U.S.C. § 6901-6987; or any other federal, state, or local statute, law, ordinance, code, rule, regulation, order, or decree regulating, relating to, or imposing liability or standard conduct concerning hazardous materials, waste, or substances now or at any time hereafter in effect.

9. Indemnification. Developer agrees to indemnify, defend, and hold harmless the City, its officers, and employees from and against all liability, claims, damages, losses, expenses, and demands caused by an injury or death to any

person or damage to property resulting from the Developer, or its employees, agents, contractors, subcontractors, or invitees, acts or omissions, unless caused by the negligence or willful misconduct of the City or its agents. Developer agrees to investigate, handle, respond to, and provide defense for and defend against any such liability, claims, damages, losses, expenses, or demands at its sole expense, or, at the option of the City, agrees to pay the City or reimburse the City for the defense costs incurred by the City in connection with any such liability, claims, or demands. Developer also agrees to bear all other costs and expenses related thereto, including court costs and reasonable attorney fees, whether or not any such liability, claims, damages, losses, expenses, or demands alleged are groundless, false, or fraudulent. Developer further agrees to indemnify, defend, and hold harmless the City, its officers, and employees from any liability, claims, or actual damages related to any environmental or hazardous materials contamination of the Park Property or Apartment Property arising from Developer's or its contractors', subcontractors', or invitees' acts or omissions, and Developer agrees to bear all costs and expenses related thereto, including but not limited to assessments, inspections, studies, mitigation, penalties, damages, court costs, and attorney fees; provided, however, Developer shall not be responsible for indemnifying the City or its officers and employees from any liabilities, demands, actions, causes of action, suits, claims, losses, damages, costs and expenses arising from the mere discovery or disclosure of any pre-existing adverse condition on the Park Property or Apartment Property. The obligations contained in this Section 9 shall survive the expiration or earlier termination of this Agreement.

10. Governing Law. This Agreement, and the terms, conditions and covenants herein contained, shall be deemed to complement and shall be in addition to the conditions and requirements of the Municipal Code of the City of Salida and other applicable laws, rules and regulations. This Agreement and all the provisions hereof shall be governed by and construed in accordance with the laws of the State of Colorado. Jurisdiction and venue for any cause of action arising under this Agreement shall be proper and exclusive in the Chaffee County District Court, State of Colorado.

11. Notices. All notices required or permitted to be given hereunder shall be given personally, by national overnight courier or hand delivery, or by certified mail, return receipt requested, postage prepaid. Such notices shall be deemed effectively given three (3) days after deposit with the U.S. Postal Service if sent via certified mail, one (1) day after delivery to a national overnight carrier for next day delivery, and upon actual receipt if delivered by hand. Notices shall be given at the addresses set forth below or such other address designated in a written notice from a Party to the other Party and delivered in accordance with this Section 11.

DEVELOPER: c/o Northpointe Development II Corporation
6938 N. Santa Monica Boulevard
Fox Point, Wisconsin 53217
Attention: David Weiss

CITY: City of Salida, Colorado
448 E. First Street, Suite 112
Salida, Colorado 81201
Attention: City Administrator

With a copy to: Wilson Williams Fellman Dittman
1314 Main Street, Suite 101
Louisville, Colorado 80027
Attention: Nina P. Williams, Esq.

12. Amendment. This Agreement may be modified only by a written agreement between the Parties signed by the Parties.

13. Miscellaneous.

13.1 The headings or titles of the sections and subsections of this Agreement are for descriptive purposes only and shall have no effect upon the construction or interpretation of any part of this Agreement.

13.2 If any provision of this Agreement, or the application of such provision to any person, shall be held to be invalid by any court of competent jurisdiction, the remainder of this Agreement, and the application of such provision to any person or circumstance, other than the person or circumstance to which it is held invalid, shall not be affected thereby.

13.3 No waiver of any right or obligation created or arising under this Agreement shall be binding upon Developer or the City unless such waiver is in writing and signed by the Party against whom enforcement thereof is sought.

13.4 Each of the exhibits referred to herein and attached hereto shall be and are hereby incorporated herein by this reference, in the same manner and with the same effect as if fully set forth herein at each place where reference is made thereto.

13.5 The Developer may assign this Agreement and the Developer's rights and obligations hereunder to an entity formed for purposes of owning the Apartment Project and whose general partner, manager or managing member, as applicable, is controlled by the Developer (a "Permitted Assign"). Except for an assignment to a Permitted Assign, this Agreement and the rights and obligations hereunder may not be assigned by Developer without the prior written consent of the City. For purposes of this Section 13.5, "control" shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management policies of such person or entity, whether through the ownership of voting securities, as a managing member, as a manager of a manager-managed limited liability company, as the member of a member-managed limited liability company, or otherwise. The subcontracting of any part of the Work by Developer

shall not be deemed an assignment or delegation of this Agreement for purposes of this Section.

13.6 This Agreement may be executed in several counterparts, each of which shall be deemed an original, and all such counterparts together shall constitute one and the same instrument.

13.7 This Agreement is not intended to create, nor shall it be in any way interpreted or construed to create any third-party beneficiary rights in any person not specifically benefited by the terms and provisions hereof.

13.8 It is understood and agreed that nothing contained in this Agreement shall be considered in any way as constituting a partnership or joint venture between the City and Developer.

13.9 The Parties recognize and acknowledge that the City is a Colorado municipality and is entitled to the protections of the Colorado Governmental Immunity Act, Sections 24-10-101, *et seq.*, Colorado Revised Statutes (“CGIA”). By entering into this Agreement, the City does not waive, and does not intend to waive any of the protections to which it is entitled under the CGIA.

13.10 No provision of this Agreement shall be construed or interpreted as creating a general obligation, multiple fiscal year financial obligation, or other indebtedness of the City within the meaning of any constitutional or statutory debt limitation. No provision of this Agreement shall be construed or interpreted as creating an unlawful delegation of governmental powers nor as a donation by or a lending of the credit of the City within the meaning of Article XI, Sections 1 or 2 of the Colorado Constitution. This Agreement shall not directly or indirectly obligate the City to make any payments beyond those duly budgeted and appropriated for in the City’s then current fiscal year. No provision of this Agreement shall be construed to pledge or to create a lien on any class or source of City monies, nor shall any provision of this Agreement restrict the future issuance of any City of Salida Bonds, or obligations payable from any class or source of City monies.

13.11 Each Party and its respective counsel has participated in the drafting of this Agreement, which each Party acknowledges is the result of extensive negotiations between the Parties. Accordingly, the Parties agree that in the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provisions of this Agreement.

13.12 The undersigned hereby acknowledge and warrant their power and authority to bind the Parties to this Agreement.

13.13 The Parties acknowledge that the City received grant funds from CHFA, solely in its capacity as the Program Administrator for the Affordable Housing Financing Fund, managed by the Colorado Office of Economic Development and International Trade, in connection with its acquisition of the Property. As an inducement to and condition of making such grant, the City agreed to enter into certain agreements and restrictive covenants that encumber the Property. Such agreements and restrictive covenants require CHFA's approval of this Agreement. This Agreement is conditioned upon CHFA's written approval of same.

[SIGNATURES BEGIN ON NEXT PAGE]

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

Tract No. 3 and Tract No. 4, per the Lowry/Cooper Boundary Line Adjustment Plat recorded June 16, 2003, as Reception No. 335781, Chaffee County, Colorado.

EXHIBIT C

PRELIMINARY PARK SITE PLAN AND SPECIFICATIONS

Park to include the following features:

- Elements and their locations generally consistent with those listed numerically in the attached concept plan, plus the following:
- Irrigation system(s)
- Code-compliant playground equipment to be primarily selected to serve children 12 years old and younger, to include:
 - ADA accessible/specific facilities (such as ADA swing and ADA-compatible surface)
 - Natural play areas with features such as processed logs, boulders or similar amenities.
- Drinking fountain and a dog wash station
- One to two dog waste stations
- Porta-potties located adjacent to Nelson Way to allow for greater ease of access and maintenance
- Safety lighting
- Additional access point to the north or west for the Dog Zone
- General conformance with other City of Salida park development and construction manual specifications



Salida Senior | Park Concept
December 2025



- ① On-Street Parking
- ② Activity Loop
- ③ Public Art
- ④ Sport Court
- ⑤ Nature Themed Playground
- ⑥ Portable Restrooms
- ⑦ Landscape Buffer Planting
- ⑧ Bench Seating, Typ.
- ⑨ Dog Zone with Aggregate Surfacing
- ⑩ Picnic Shelter & Table Seating
- ⑪ Irrigated Multi-Purpose Lawn
- ⑫ Native Landscape Buffers, Typ.
- ⑬ Garden Gateway Structure
- ⑭ Community Garden with Raised Beds
- ⑮ Crusher Fines Connecting Paths
- ⑯ Resident Parking





City Council Action Form

Department Administration	Presented By Sara Law - Sustainability Coordinator/PIO	Date January 6, 2026
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Agenda Item

Resolution 2026-06 – A Resolution of the City Council of the City of Salida, Colorado Approving Citizen Appointments to the Sustainability Committee Pursuant to Section 2-18-10 of the Salida Municipal Code

Background

In 2023, the City Council passed Ordinance 2023-15 to establish the Sustainability Committee as an official advisory body to the City Council. In accordance with Section 2-18-10 of the Salida Municipal Code, the City Council shall select and appoint person(s) to serve as members of the City of Salida Sustainability Committee.

The Sustainability Committee shall consist of five to nine appointed members, eight of whom shall be appointed by the City Council and one who shall be appointed by the Board of County Commissioners. Further, one member shall be a youth representative.

The Sustainability Committee is focused on accomplishing the City's Climate Action plan. They focus on the City's carbon footprint through thoughtful analysis of the community's greenhouse gas (GHG) emissions, updating and advancing local guidelines and codes to lower energy consumption, and improvement of waste diversion and recycling to keep our landfill viable.

Recommendation

Staff is recommending Council re-appoint Melanie Gade to the Sustainability Committee.

Fiscal Impact

There is no fiscal impact.

Motion

A City Councilmember should state "I move to _____ Resolution 2026-06 and a Resolution of the City Council of the City of Salida, Colorado Approving Citizen Appointments to the Sustainability Committee Pursuant to Section 2-18-10 of the Salida Municipal Code", followed by a second and a roll call vote.

1. The City Council hereby appoints _____ as a two year member of the Salida Sustainability Committee; term to expire January 1, 2028.

**City Of Salida, Colorado
Resolution No. 06
Series of 2026**

A Resolution of the City Council of the City of Salida, Colorado, approving Citizen Appointments to the Sustainability Committee Pursuant to Section 2-18-10 if the Salida Municipal Code

WHEREAS, in accordance with Section 2-18-10 of the Salida Municipal Code (“SMC”), the City Council shall select and appoint person(s) to serve as members of the City of Salida Sustainability Committee and; and

WHEREAS, the Sustainability Committee (the “Committee”) shall consist of five to nine appointed members, eight of whom shall be appointed by the City Council and one who shall be appointed by the Board of County Commissioners. Further, one member shall be a youth representative, the City Council wishes to fill the vacancy for prescribed terms; and; and

WHEREAS, the City Council appreciates the service these members of the community have devoted to bettering Salida through participation on the Sustainability Committee; and

WHEREAS, in accordance with Section 2-18-10 of the Salida Municipal Code (“SMC”), the City Council shall confirm the appointments by majority vote.

Now, therefore, be it resolved by the City Council of the City of Salida, Colorado that:

1. The City Council hereby appoints _____ as a two year member of the Salida Sustainability Committee; term to expire January 1, 2028.

Resolved, Approved and Adopted this 6th day of January, 2026.

City of Salida, Colorado

By _____
Mayor

[SEAL]

[ATTEST] _____
City Clerk/Deputy City Clerk



City Council Action Form

Department Administration	Presented By Sara Law - Sustainability Coordinator/PIO	Date January 6, 2026
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Agenda Item

Resolution 2026-07 – A Resolution of the City Council of the City of Salida, Colorado Approving Citizen Appointments to the Tree Board Pursuant to Section 2-12-10 of the Salida Municipal Code.

Background

The Tree Board, representing the City of Salida, oversees the portion of the urban forest planted on city property, including trees in parks and “street trees,” which are those trees planted in the space between sidewalks and city streets. This board is responsible for proposing a written annual work plan that includes recommended practices and associated costs for the care, preservation, trimming, planting, replanting, removal or disposition of street and park trees.

The Tree board shall consist of a minimum of three (3) members and the term of appointed members shall be two (2) years. Staff asked the current Tree Board members if they would like to be reappointed for another two year term and the current Tree Board members said they would like to continue to serve.

Recommendation

Staff is recommending Council re-appoint four members to the Tree Board. The members recommended for appointment are Marilyn Moore, Michelle Putz, Josef Bartels, and Kris Chestasky.

Fiscal Impact

There is no fiscal impact.

Motion

A City Councilmember should state “I move to _____ Resolution 2026-07 and a Resolution of the City Council of the City of Salida, Colorado Approving Citizen Appointments to the Tree Board Pursuant to Section 2-12-10 of the Salida Municipal Code”, followed by a second and a roll call vote.

1. The City Council hereby appoints _____ as two year member(s) of the Salida Tree Board; term to expire January 1, 2028.

**City of Salida, Colorado
Resolution No. 07
Series of 2026**

A Resolution of the City Council of the City of Salida, Colorado, Approving Citizen Appointments to the Tree Board Pursuant to Section 2-12-10 of the Salida Municipal Code

WHEREAS, in accordance with Section 2-12-10 of the Salida Municipal Code (“SMC”) the City Council shall select and appoint person(s) to serve as members of the City of Salida Tree Board; and

WHEREAS, the Tree Board shall consist of a minimum of three (3) members. The term of appointed members shall be two (2) years. In the event that a vacancy shall occur during the term of any member, a successor shall be appointed for the unexpired portion of the term; and

WHEREAS, the City Council appreciates the service these members of the community have devoted to bettering Salida through participation of the Tree Board; and

WHEREAS, in accordance with Section 2-12-10 of the Salida Municipal Code (“SMC”) the City Council shall confirm the appointments by majority vote.

Now, therefore, be it resolved by the City Council of the City of Salida, Colorado that:

1. The City Council hereby appoints _____ as a two year member of the Salida Tree Board; term to expire January 1, 2028.
2. The City Council hereby appoints _____ as a two year member of the Salida Tree Board; term to expire January 1, 2028.
3. The City Council hereby appoints _____ as a two year member of the Salida Tree Board; term to expire January 1, 2028.
4. The City Council hereby appoints _____ as a two year member of the Salida Tree Board; term to expire January 1, 2028.

Resolved, Approved and Adopted this 6th day of January, 2026.

City of Salida, Colorado

By _____
Mayor

[SEAL]

[ATTEST] _____
City Clerk/Deputy City Clerk