



REQUEST FOR CITY COUNCIL ACTION

Meeting Date: March 2, 2021

ORIGINATING DEPARTMENT: Administration	PRESENTED BY: Erin Kelley
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ITEM:

New Hotel and Restaurant Liquor License for Ray Kitson, Pizza Rio dba Pizza Rio, 228 N F Street, Suite 300

BACKGROUND:

A new Colorado Hotel and Restaurant Liquor License application was filed with the City Clerk on January 21, 2021. The Notice of Public Hearing was published on January 29, 2021 in the Mountain Mail and the premises was posted on February 17, 2021.

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.

STAFF RECOMMENDATION:

Staff recommends that the Liquor Licensing Authority approve a new Hotel and Restaurant Liquor License for Pizza Rio, conditional upon an inspection by both the police and fire department upon receipt of a Certificate of Occupancy for the structure.

SUGGESTED MOTIONS:

Following a public hearing on the matter, a Licensing Authority member should make a motion to approve a new Hotel and Restaurant Liquor License for Ray Kitson, 228 N F Street, nit 300, dba Pizza Rio, conditional upon an inspection of the premises by police and fire personnel upon receipt of a Certificate of Occupancy for the structure, followed by a second and a roll call vote.

Colorado Liquor Retail License Application

1

Name	Type of License	Account Number
7. 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 <input type="checkbox"/> No <input checked="" type="checkbox"/>
8. 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?		<input type="checkbox"/> <input checked="" type="checkbox"/>
(b) Had an alcohol beverage license suspended or revoked?		<input type="checkbox"/> <input checked="" type="checkbox"/>
(c) Had interest in another entity that had an alcohol beverage license suspended or revoked?		<input type="checkbox"/> <input checked="" type="checkbox"/>
If you answered yes to 8a, b or c, explain in detail on a separate sheet.		
9. 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? If "yes", explain in detail.		
		<input type="checkbox"/> <input checked="" type="checkbox"/>
10. 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?		
		<input type="checkbox"/> <input checked="" type="checkbox"/>
		or
Waiver by local ordinance?		<input type="checkbox"/> <input type="checkbox"/>
Other:		
11. 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.		
		<input type="checkbox"/> <input type="checkbox"/>
12. 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 (<) 10,000? 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.		
		<input type="checkbox"/> <input type="checkbox"/>
13a. For additional Retail Liquor Store only. Was your Retail Liquor Store License issued on or before January 1, 2016?		
		<input type="checkbox"/> <input type="checkbox"/>
13b. Are you a Colorado resident?		
		<input checked="" type="checkbox"/> <input type="checkbox"/>
14. 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.		
		<input checked="" type="checkbox"/> <input type="checkbox"/>
15. Does the applicant, as listed on line 2 of this application, have legal possession of the premises by ownership, lease or other arrangement?		
<input checked="" type="checkbox"/> Ownership <input type="checkbox"/> Lease <input type="checkbox"/> Other (Explain in Detail)		<input checked="" type="checkbox"/> <input type="checkbox"/>
a. If leased, list name of landlord and tenant, and date of expiration, exactly as they appear on the lease:		
Landlord	Tenant	Expires
Kitson Holdings, LLC	Pizza Rio	N/A
b. Is a percentage of alcohol sales included as compensation to the landlord? If yes, complete question 16.		
		<input type="checkbox"/> <input checked="" type="checkbox"/>
c. Attach a diagram 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 8 1/2" X 11".		
16. 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	Date of Birth
Last Name	First Name	Date of Birth
FEIN or SSN		
Interest/Percentage		
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.		
17. Optional Premises or Hotel and Restaurant Licenses with Optional Premises:		
Has a local ordinance or resolution authorizing optional premises been adopted?		<input type="checkbox"/> <input type="checkbox"/>
Number of additional Optional Premise areas requested. (See license fee chart)		
18. 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?		<input type="checkbox"/> <input type="checkbox"/>
If "yes" a copy of license must be attached.		
19. 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?		<input type="checkbox"/> <input type="checkbox"/>
(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?		<input type="checkbox"/> <input type="checkbox"/>
(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?		<input type="checkbox"/> <input type="checkbox"/>
20. 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)		<input type="checkbox"/> <input type="checkbox"/>

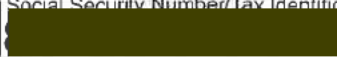
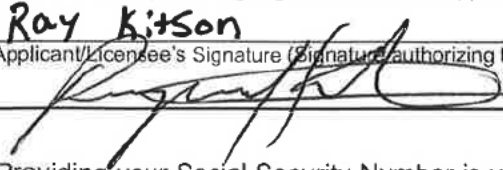
Tax Check Authorization, Waiver, and Request to Release Information

I, Ray Kitson am signing this Tax Check Authorization, Waiver and Request to Release Information (hereinafter "Waiver") on behalf of Pizza Rio (the "Applicant/Licensee") 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.

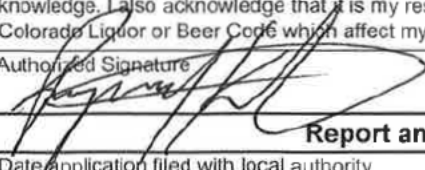
By signing below, Applicant/Licensee requests that the Colorado Department of Revenue and any other state or local taxing authority or agency in the possession of tax documents or information, release information and documentation to the Colorado Liquor Enforcement Division, and is duly authorized employees, 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) <u>Pizza Rio</u>		Social Security Number/Tax Identification Number 	
Address <u>228 N F St.</u>			
City <u>Salida</u>		State <u>CO</u>	Zip <u>81201</u>
Home Phone Number		Business/Work Phone Number <u>719-239-0959</u>	
Printed name of person signing on behalf of the Applicant/Licensee <u>Ray Kitson</u>			
Applicant/Licensee's Signature (Signature authorizing the disclosure of confidential tax information) 			Date signed <u>1-13-21</u>

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).

Name	Type of License	Account Number																														
<p>21. Campus Liquor Complex applicants answer the following:</p> <p>(a) Is the applicant an institution of higher education? Yes <input type="checkbox"/> No <input type="checkbox"/></p> <p>(b) Is the applicant a person who contracts with the institution of higher education to provide food services? Yes <input type="checkbox"/> No <input type="checkbox"/></p> <p style="text-align: center;">If "yes" please provide a copy of the contract with the institution of higher education to provide food services.</p>																																
<p>22. For all on-premises applicants:</p> <p>a. Hotel and Restaurant, Lodging and Entertainment, Tavern License and Campus Liquor Complex, the Registered Manager must also submit an Individual History Record - DR 8404-I and fingerprints.</p> <p>b. For all Liquor Licensed Drugstores (LLDS) the Permitted Manager must also submit an Manager Permit Application - DR 8000 and fingerprints.</p>																																
Last Name of Manager		First Name of Manager																														
<p>23. 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 <input type="checkbox"/> No <input type="checkbox"/></p>																																
<p>24. Related Facility - Campus Liquor Complex applicants answer the following: Yes <input type="checkbox"/> No <input type="checkbox"/></p> <p>a. Is the related facility located within the boundaries of the Campus Liquor Complex? 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.</p> <p>b. Designated Manager for Related Facility- Campus Liquor Complex</p>																																
Last Name of Manager		First Name of Manager																														
<p>25. Tax Dstraint Information. Does the applicant or any other person listed on this application including its partners, officers, directors, stockholders, members (LLC) or managing members (LLC) and any other persons with a 10% or greater financial interest in the applicant currently have an outstanding tax dstraint issued to them by the Colorado Department of Revenue? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> <p>If yes, provide an explanation and include copies of any payment agreements.</p>																																
<p>26. 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 submit fingerprint cards to the local licensing authority.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 25%;">Name</th> <th style="width: 30%;">Home Address, City & State</th> <th style="width: 10%;">DOB</th> <th style="width: 20%;">Position</th> <th style="width: 15%;">%Owned</th> </tr> </thead> <tbody> <tr> <td>Raymond Kitson</td> <td>[REDACTED]</td> <td>[REDACTED]</td> <td>Owner</td> <td>100</td> </tr> <tr> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>			Name	Home Address, City & State	DOB	Position	%Owned	Raymond Kitson	[REDACTED]	[REDACTED]	Owner	100																				
Name	Home Address, City & State	DOB	Position	%Owned																												
Raymond Kitson	[REDACTED]	[REDACTED]	Owner	100																												
<p>** If applicant is owned 100% by a parent company, please list the designated principal officer on above.</p> <p>** Corporations - the President, Vice-President, Secretary and Treasurer must be accounted for above (Include ownership percentage if applicable)</p> <p>** If total ownership percentage disclosed here does not total 100%, applicant must check this box:</p> <p><input checked="" type="checkbox"/> 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 Title 47 or 48, C.R.S.</p>																																

Name		Type of License		Account Number	
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 Code which affect my license.					
Authorized Signature 		Printed Name and Title Ray Kitson, Owner		Date 1-13-21	
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)			
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:					
<input type="checkbox"/> Fingerprinted <input type="checkbox"/> 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)					
<input type="checkbox"/> Date of inspection or anticipated date _____ <input type="checkbox"/> Will conduct inspection upon approval of state licensing authority					
<input type="checkbox"/> 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
				<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> 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?				<input type="checkbox"/>	<input type="checkbox"/>
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.					
<input type="checkbox"/> 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?				<input type="checkbox"/>	<input type="checkbox"/>
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		<input type="checkbox"/> Town, City <input type="checkbox"/> County
Signature	Print	Title		Date	
Signature	Print	Title		Date	

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 and Lodging and Entertainment 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)

1. Name of Business Pizza Rio	Home Phone Number	Cellular Number 719-557-0922
2. Your Full Name (last, first, middle) Kitson, Raymond	3. List any other names you have used	
4. Mailing address (if different from residence) 228 N F St.	Email Address asmith@Kitsonholdingsllc.com	

5. List current residence address. Include any previous addresses within the last five years. (Attach separate sheet if necessary)			
Street and Number	City, State, Zip	From	To
Current [REDACTED]	Salida, CO 81201	1992	2021
Previous			

6. List all employment within the last five years. Include any self-employment. (Attach separate sheet if necessary)				
Name of Employer or Business	Address (Street, Number, City, State, Zip)	Position Held	From	To
Boathouse Cantina	228 N F St. Salida, CO 81201	Owner	2008	2021

7. List the name(s) of relatives working in or holding a financial interest in the Colorado alcohol beverage industry.			
Name of Relative	Relationship to You	Position Held	Name of Licensee

8. 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? (If yes, answer in detail.)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
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Current license - Boathouse Cantina	2008 - present
Ray Kitson, owner 100%	[REDACTED]
Previous license - Rivers Edge	2012-2016 Ray Kitson, owner 100%

9. 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? (If yes, explain in detail.)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
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10. 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? (If yes, explain in detail.) ☐ Yes ☒ No

11. Are you currently under probation (supervised or unsupervised), parole, or completing the requirements of a deferred sentence? (If yes, explain in detail.) ☐ Yes ☒ No

12. Have you ever had any professional license suspended, revoked, or denied? (If yes, explain in detail.) ☐ Yes ☒ No

Personal and Financial Information

Unless otherwise provided by law, the personal information required in question #13 will be treated as confidential. The personal information required in question #13 is solely for identification purposes.

13a. Date of Birth b. Social Security Number c. Place of Birth New York, New York d. U.S. Citizen ☒ Yes ☐ No

e. If Naturalized, state where f. When g. Name of District Court

h. Naturalization Certificate Number i. Date of Certification j. If an Alien, Give Alien's Registration Card Number k. Permanent Residence Card Number

l. Height m. Weight n. Hair Color BRN o. Eye Color BLU p. Gender male q. Do you have a current Driver's License/ID? If so, give number and state ☒ Yes ☐ No # State CO

14. Financial Information.

a. Total purchase price or investment being made by the applying entity, corporation, partnership, limited liability company, other. \$ 0.00

b. List the total amount of the personal investment, made by the person listed on question #2, in this business including any notes, loans, cash, services or equipment, operating capital, stock purchases or fees paid. \$ 200,000

* If corporate investment only please skip to and complete section (d)

** Section b should reflect the total of sections c and e

c. Provide details of the personal investment described in 14b. You must account for all of the sources of this investment. (Attach a separate sheet if needed)

Type: Cash, Services or Equipment	Account Type	Bank Name	Amount
<u>Cash</u>		<u>Owner Financing</u>	<u>\$200,000</u>

d. Provide details of the corporate investment described in 14 (a). You must account for all of the sources of this investment. (Attach a separate sheet if needed)

Type: Cash, Services or Equipment	Loans	Account Type	Bank Name	Amount

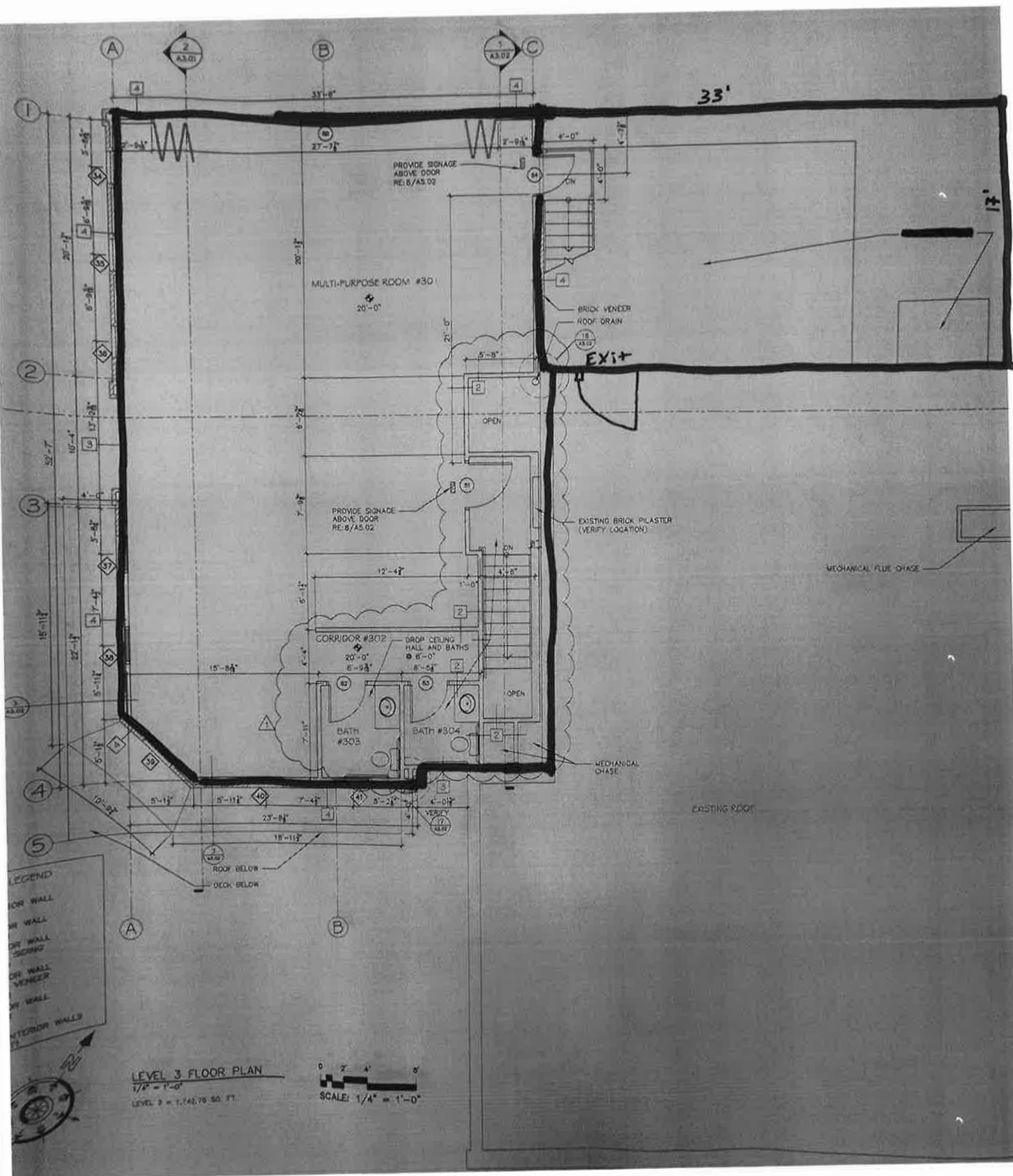
e. Loan Information (Attach copies of all notes or loans)

Name of Lender	Address	Term	Security	Amount

Oath of Applicant

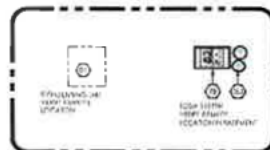
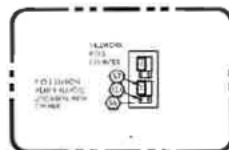
I declare under penalty of perjury that this application and all attachments are true, correct, and complete to the best of my knowledge.

Authorized Signature Raymond Kitson Print Signature Ray Kitson Title owner Date 11/21/21





1 FOODSERVICE EQUIPMENT PLAN LEVEL-3 (OPTION #3)
Scale: 1/8" = 1'-0"



PRELIMINARY
NOT FOR CONSTRUCTION

ITEM NO	QTY	EQUIPMENT CATEGORY	MANUFACTURER	MODEL NUMBER	EQUIPMENT REMARKS	ITEM NO
01	1	COOLER CONDENSER	ARCTIC	RT100MASSA	VERIFY REMOTE LOCATION	01
02	1	WALK-IN COOLER	ARCTIC	QUADRM		02
03	1	EVAPORATOR COIL	ARCTIC	BLAN-09H-IGARE		03
04	3	ROLL-IN REFRIGERATOR BACK	METRO	RF13N	MOBILE	04
05	-	SPARE NUMBER				05
06	3	WIRE SHELVING	CENTRAIR			06
07	1	TRASH RECEPTACLE	BY OWNER	BY OWNER	BY OWNER	07
08	1	DISPOSABLE/3-COMPARTMENT SINK	FABCO	F500TX	FABRICATED W/ (3) 20" X 20" X 12" SINKS	08
09	1	HAND SINK, WALL MOUNT	ADVANCE TABCO	7-PS-60	SOAP & TOWEL DISPENSER BY OWNER	09
10	-	SPARE NUMBER				10
11	1	PRE-RINSE UNIT W/ ASD-ON FAUCET	FISHER	3438B		11
12	1	WALL/SPLASH MOUNT FAUCET	FISHER	3353	12" SWING SPOUT	12
13	1	WAPOR-CHLOR (BY OWNER)	AUTO-CHLOR (BY OWNER)	AST (BY OWNER)	VERIFY REQUIREMENTS WITH OWNER	13
14	1	CLEAN DESK TABLE	FABCO	F500TX	FABRICATED	14
15	-	SPARE NUMBER				15
16	-	SPARE NUMBER				16
17	-	SPARE NUMBER				17
18	1	DUNNAGE RACK	WINHEIT	1040-3-824	TUBULAR	18
19	-	SPARE NUMBER				19
20	1	WIRE SHELVING	CENTRAIR			20
21	1	SERIAL WORKER (BY OWNER)	AMERICAN BAKING SYSTEMS	ABSPM-80	VERIFY REQUIREMENTS W/ OWNER	21
22	1	WORK TABLE WITH SINK	PS FABCO	CUSTOM		22
23	1	FAUCET, WALL MOUNT	FISHER	3353	12" SWING SPOUT	23
24	2	INGREDIENT BIN	CAMRO	882014B		24
25	-	SPARE NUMBER				25
26	1	DOUGH BOUNDER (BY OWNER)	SCHWABER	SDR-400	VERIFY REQUIREMENTS W/ OWNER	26
27	1	HAND SINK, WALL MOUNT	ADVANCE TABCO	7-PS-60	SOAP & TOWEL DISPENSER BY OWNER	27
28	1	SANDWICH/SALAD PREP REFRIGERATOR	TRUE MANUFACTURING	TS3U-36-58-HC		28
29	-	SPARE NUMBER				29
30	1	SHOEZE GUARD	ADVANCE TABCO	SC00-144		30
31	1	PIZZA PREP REFRIGERATOR	TRUE	T9P-47-93-HC	MOBILE	31
32	4	WIRE SHELF, CEILING MOUNT	ADVANCE TABCO	C104KX	HUNG DOWN FROM CEILING BY OTHERS	32
33	1	REFRIGERATOR/FREEZER RACK	METRO	RF13N	MOBILE	33
34	-	SPARE NUMBER				34
35	-	SPARE NUMBER				35
36	-	SPARE NUMBER				36
37	1	FIRE SUPPRESSION SYSTEM	GAFFNEY	ARE	REFER TO EXHAUST HOOD DRAWINGS	37
38	1	EXHAUST HOOD	GAFFNEY	ARE	REFER TO EXHAUST HOOD DRAWINGS	38
39	-	SPARE NUMBER				39
40	-	SPARE NUMBER				40
41	1	6-BURNER COUNTERTOP HOT PLATE	SOUTHBEND	H00-38		41
42	1	REFRIGERATED CHEF BASE	TRUE MANUFACTURING	T90B-36		42
43	1	PASTA COOKER, GAS	SOUTHBEND	H0014		43
44	1	PASTA RINSE STATION	SOUTHBEND	H00414		44
45	-	SPARE NUMBER				45
46	1	PIZZA OVEN (BY OWNER)	PIZZAMASTER	8447D	4 TIER, VERIFY REQUIREMENTS WITH OWNER	46
47	1	CONDENSATE HOOD (BY OWNER)	TBO	TBO	VERIFY REQUIREMENTS WITH OWNER	47
48	1	CONDENSATE HOOD FAN	GAFFNEY	ARE	REFER TO EXHAUST HOOD DRAWINGS	48
49	1	WORK TABLE, WOOD TOP	JOHN BOOS & CO.	TN502	MOBILE	49
50	1	CEILING MOUNTED SHELF	BY GENERAL CONTRACTOR	CUSTOM		50
51	1	UNDERCOUNTER FREEZER (BY OWNER)	BY OWNER	BY OWNER	MOBILE, VRY REQ'D W/ OWNER	51
52	1	WOOD TOP	JOHN BOOS	87M-BL3060		52
53	-	SPARE NUMBER				53
54	-	SPARE NUMBER				54
55	-	SPARE NUMBER				55
56	1	POS COUNTER	BY MILLWORK CONTRACTOR	CUSTOM		56
57	2	POS SYSTEM	BY OWNER	BY OWNER	VERIFY REQUIREMENTS WITH OWNER	57
57.1	2	POS PRINTER	BY OWNER	BY OWNER	VERIFY REQUIREMENTS WITH OWNER	57.1
58	-	SPARE NUMBER				58
59	-	SPARE NUMBER				59
60	1	HEATED HOLDING CABINET	METRO	C568-HDC-L	MOBILE	60
61	1	REFRIGERATED BACK BAR	PERLICK	8853MPL	MOBILE	61
62	1	REFRIGERATED BACK BAR (COASTING)	PERLICK	885500MR	VERIFY REQUIREMENTS WITH OWNER	62
63	1	REFRIGERATED BACK BAR	PERLICK	82534R		63
64	-	SPARE NUMBER				64
65	1	ICE MAKER W/ BIN	SCOTTSMAN	CU033MA-1		65
65.1	1	WATER FILTRATION SYSTEM	SCOTTSMAN	AP1-P		65.1
66	-	SPARE NUMBER				66
67	1	UNDERBAR GLASS RACK STORAGE	PERLICK	7055A-D		67
68	1	UNDERBAR ICE CHEST	PERLICK	7524C/D		68
68.1	1	UNDERBAR SODA GUN FILLER	PERLICK	756500		68.1
69	-	SPARE NUMBER				69
70	1	BAR SIE	BY MILLWORK CONTRACTOR	CUSTOM		70
71	1	UNDERBAR HANDSINK	PERLICK	75129N	LEFT & RIGHT SPLASH	71
72	1	WAPOR-CHLOR, UNDERCOUNTER (BY OWNER)	AUTO-CHLOR (BY OWNER)	324	VERIFY REQUIREMENTS W/ OWNER	72
73	1	DUMP SINK & STORAGE CABINET	PERLICK	7057-3		73
74	1	UNDERBAR GLASS RACK STORAGE	PERLICK	7055A-D		74
75	-	SPARE NUMBER				75
76	1	UNDERBAR ICE CHEST	PERLICK	7524C/D		76
76.1	1	UNDERBAR SODA GUN FILLER	PERLICK	756500		76.1
77	-	SPARE NUMBER				77
78	1	SODA SYSTEM & RACK	--	--	VERIFY UTILITIES IN BASAMENT	78
78.1	1	SODA TANK	--	--	VERIFY UTILITY REQUIREMENTS IN BASAMENT	78.1
79	-	SPARE NUMBER				79
80	-	SPARE NUMBER				80
81-100	-	SPARE NUMBERS				81-100

12/23/2020 PROGRESS PRINT

BARGREEN ELLINGSON
STANDARD & PRACTICE

PIZZA RIO
AT MANHATTAN HOTEL
228 NORTH "F" STREET
SALIDA, COLORADO 81201

REVISION INFORMATION	
#	DATE
1	11/10/20
2	01/05/21
3	01/05/21
4	01/05/21
5	01/05/21
6	01/05/21
7	01/05/21
8	01/05/21
9	01/05/21
10	01/05/21

DESIGN BY:
UCM
PROJECT MANAGER:
ANDREW ARCHULETA
SHEET TITLE:
FOODSERVICE
EQUIPMENT
PLAN
SHEET NUMBER:

FS1-1

1 OF 4

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,

Pizza Rio, Inc.

is a

Corporation

formed or registered on 10/14/2020 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 20201886375 .

This certificate reflects facts established or disclosed by documents delivered to this office on paper through 01/15/2021 that have been posted, and by documents delivered to this office electronically through 01/19/2021 @ 12:40:07 .

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 01/19/2021 @ 12:40:07 in accordance with applicable law. This certificate is assigned Confirmation Number 12863877 .



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 Web site 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 Web site, <http://www.sos.state.co.us/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 Web site, <http://www.sos.state.co.us/> click "Businesses, trademarks, trade names" and select "Frequently Asked Questions."



HEART OF THE ROCKIES

1/21/22

Liquor Enforcement Division
PO Box 17087
Denver, Colorado 80217

LED:

Enclosed please find a completed application for a new Restaurant and Hotel CITY License for Pizza Rio dba Pizza Rio with a check payable to the Colorado Department of Revenue for all applicable fees. They have applied for a concurrent review.

Please let me know if you have any questions.

Respectfully Submitted,

Erin Kelley
City Clerk
City of Salida
clerk@cityofsalida.com
719.530.2630



448 East 1st Street, Suite 112
SALIDA, CO 81201

PHONE 719-539-4555
FAX 719-539-5271

**PUBLIC NOTICE
PURSUANT TO THE LIQUOR LAWS
OF COLORADO**

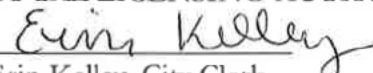
Pursuant to the Liquor Laws of the State of Colorado, Pizza Rio dba Pizza Rio, has requested the Local Licensing Authority of the City of Salida, Colorado to grant a Hotel and Restaurant (City) liquor license to sell malt, vinous and spirituous liquors for consumption on premises at 228 N F Street, Salida, CO 81201.

A hearing on the application received January 21, 2021 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, March 2, 2021, remotely through the GoToWebinar application via the following direct link:
<https://attendee.gotowebinar.com/register/6382995264411204366>

At said time and place, any interested persons may appear to be heard for or against the granting of said license.

Additionally, depending on which "Tier" of its COVID-19 Action Plan the City of Salida is in on March 2, 2021, based upon Public Health Department guidance, the hearing may also take place in the City Council Chambers, 448 East 1st Street, Salida, Colorado.

LOCAL LICENSING AUTHORITY


Erin Kelley, City Clerk

Premises Posted: February 19, 2021
Publish in Mountain Mail: January 29, 2021

**PUBLIC NOTICE
PURSUANT TO THE LIQUOR LAWS
OF COLORADO**

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LOCAL LICENSING AUTHORITY

Erin Kelley, City Clerk

Premises Posted: February 19, 2021

Published in The Mountain Mail January 29, 2021



NOTICE

PURSUANT TO THE LIQUOR LAWS OF COLORADO

Pizza Rio dba Pizza Rio

228 N F Street #300

Salida, CO 81201

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

TO Approve a new Hotel and Restaurant Liquor License
LICENSE AT: 228 N F Street #300

Pizza Rio

HEARING ON APPLICATION TO BE HELD AT:

City Council Chambers 448 E 1st Street Room 190 Salida, CO 81201

<https://attendee.gotowebinar/register/6382995264411304366> or in person if

the County remains in level YELLOW (COVID)

TIME AND DATE: 3/2/21 6 pm.

DATE OF APPLICATION: January 21, 2021

BY ORDER OF: City of Salida

OFFICERS: Ray Kitson

ADDRESS OF THE PLACE AT WHICH PETITIONS OR REMONSTRANCES MAY BE FILED

-Liquor and Beer License Hearing Sign-

* INSERT "GRANT", "RENEW", OR "TRANSFER OWNERSHIP OF"

16A103 BUSINESS INK



Document must be filed electronically.
Paper documents are not accepted.
Fees & forms are subject to change.
For more information or to print copies
of filed documents, visit www.sos.state.co.us.

Colorado Secretary of State
Date and Time: 10/14/2020 12:54 PM
ID Number: 20201886375
Document number: 20201886375
Amount Paid: \$50.00

ABOVE SPACE FOR OFFICE USE ONLY

Articles of Incorporation for a Profit Corporation
filed pursuant to § 7-102-101 and § 7-102-102 of the Colorado Revised Statutes (C.R.S.)

1. The domestic entity name for the corporation is

Pizza Rio, Inc.

(Caution: The use of certain terms or abbreviations are restricted by law. Read instructions for more information.)

2. The principal office address of the corporation's initial principal office is

Street address

228 N. F Street

(Street number and name)

Salida

(City)

CO

(State)

81201

(ZIP/Postal Code)

CO

(Province – if applicable)

United States

(Country)

Mailing address

(leave blank if same as street address)

228 N. F STREET

(Street number and name or Post Office Box information)

Salida

(City)

CO

(State)

81201

(ZIP/Postal Code)

CO

(Province – if applicable)

United States

(Country)

3. The registered agent name and registered agent address of the corporation's initial registered agent are

Name

(if an individual)

Lowe

(Last)

Sandra

(First)

K

(Middle)

(Suffix)

or

(if an entity)

(Caution: Do not provide both an individual and an entity name.)

Street address

228 N. F STREET

(Street number and name)

Salida

(City)

CO

(State)

81201

(ZIP/Postal Code)

Mailing address

(leave blank if same as street address)

(Street number and name or Post Office Box information)

CO

(State)

(ZIP/Postal Code)

(The following statement is adopted by marking the box.)

☒ The person appointed as registered agent above has consented to being so appointed.

4. The true name and mailing address of the incorporator are

Name

(if an individual)

Raymond

Kitson

G

(Last)

(First)

(Middle)

(Suffix)

or

(if an entity)

(Caution: Do not provide both an individual and an entity name.)

Mailing address

(Street number and name or Post Office Box information)

Salida

CO

81201

(City)

(State)

(ZIP/Postal Code)

CO

United States

(Province - if applicable)

(Country)

(If the following statement applies, adopt the statement by marking the box and include an attachment.)

☐ The corporation has one or more additional incorporators and the name and mailing address of each additional incorporator are stated in an attachment.

5. The classes of shares and number of shares of each class that the corporation is authorized to issue are as follows.

☒ The corporation is authorized to issue 100 common shares that shall have unlimited voting rights and are entitled to receive the net assets of the corporation upon dissolution.

☐ Information regarding shares as required by section 7-106-101, C.R.S., is included in an attachment.

6. (If the following statement applies, adopt the statement by marking the box and include an attachment.)

☐ This document contains additional information as provided by law.

7. (Caution: Leave blank if the document does not have a delayed effective date. Stating a delayed effective date has significant legal consequences. Read instructions before entering a date.)

(If the following statement applies, adopt the statement by entering a date and, if applicable, time using the required format.)

The delayed effective date and, if applicable, time of this document is/are

(mm/dd/yyyy hour:minute am/pm)

Notice:

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., 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.

8. The true name and mailing address of the individual causing the document to be delivered for filing are

<u>Lowe</u>	<u>Sandra</u>	<u>K</u>	
<small>(Last)</small>	<small>(First)</small>	<small>(Middle)</small>	<small>(Suffix)</small>
<u>228 N. F STREET</u>			
<small>(Street number and name or Post Office Box information)</small>			
<hr/>			
<u>Salida</u>	<u>CO</u>	<u>81201</u>	
<small>(City)</small>	<small>(State)</small>	<small>(ZIP/Postal Code)</small>	
<u>United States</u>			
<small>(Province - if applicable)</small>		<small>(Country)</small>	

(If the following statement applies, adopt the statement by marking the box and include an attachment.)

- ☐ This document contains the true name and mailing address of one or more additional individuals causing the document to be delivered for filing.

Disclaimer:

This form/cover sheet, and any related instructions, are not intended to provide legal, business or tax advice, and are furnished without representation or warranty. While this form/cover sheet is believed to satisfy minimum legal requirements as of its revision date, compliance with applicable law, as the same may be amended from time to time, remains the responsibility of the user of this form/cover sheet. Questions should be addressed to the user's legal, business or tax advisor(s).

RECORDATION REQUESTED BY:

High Country Bank
7360 West US Highway 50
P.O. Box 309
Salida, CO 81201

WHEN RECORDED MAIL TO:

High Country Bank
7360 West US Highway 50
P.O. Box 309
Salida, CO 81201

SEND TAX NOTICES TO:

High Country Bank
7360 West US Highway 50
P.O. Box 309
Salida, CO 81201

FOR RECORDER'S USE ONLY

DEED OF TRUST

MAXIMUM PRINCIPAL AMOUNT SECURED. The Lien of this Deed of Trust shall not exceed at any one time \$125,000.00 except as allowed under applicable Colorado law.

THIS DEED OF TRUST is dated November 27, 2019, among KITSON HOLDINGS, LLC, A COLORADO LIMITED LIABILITY COMPANY, whose address is 228 N F STREET, SALIDA, CO 81201 ("Grantor"); High Country Bank, whose address is 7360 West US Highway 50, P.O. Box 309, Salida, CO 81201 (referred to below sometimes as "Lender" and sometimes as "Beneficiary"); and the Public Trustee of CHAFFEE County, Colorado (referred to below as "Trustee").

CONVEYANCE AND GRANT. For valuable consideration, Grantor hereby irrevocably grants, transfers and assigns to Trustee for the benefit of Lender as Beneficiary all of Grantor's right, title, and interest in and to the following described real property, together with all existing or subsequently erected or affixed buildings, improvements and fixtures; all easements, rights of way, and appurtenances; all water, water rights and ditch rights (including stock in utilities with ditch or irrigation rights); and all other rights, royalties, and profits relating to the real property, including without limitation all minerals, oil, gas, geothermal and similar matters, (the "Real Property") located in CHAFFEE County, State of Colorado:

See EXHIBIT A. TOGETHER WITH ALL WATER AND WATER RIGHTS, DITCH AND DITCH RIGHTS, WELL AND WELL RIGHTS AND WELL PERMIT ASSIGNED TO SAID PROPERTY. TOGETHER WITH THE RIGHT OF INGRESS AND EGRESS TO SAID PROPERTY. . which is attached to this Deed of Trust and made a part of this Deed of Trust as if fully set forth herein.

The Real Property or its address is commonly known as 228 NORTH F STREET, SALIDA, CO 81201.

REVOLVING LINE OF CREDIT. This Deed of Trust secures the indebtedness including, without limitation, a revolving line of credit, which obligates Lender to make advances to Grantor so long as Grantor complies with all the terms of the Note.

Grantor presently assigns to Lender (also known as Beneficiary in this Deed of Trust) all of Grantor's right, title, and interest in and to all present and future leases of the Property and all Rents from the Property. In addition, Grantor grants to Lender a Uniform Commercial Code security interest in the Personal Property and Rents.

THIS DEED OF TRUST, INCLUDING THE ASSIGNMENT OF RENTS AND THE SECURITY INTEREST IN THE RENTS AND PERSONAL PROPERTY, IS GIVEN TO SECURE (A) PAYMENT OF THE INDEBTEDNESS AND (B) PERFORMANCE OF ANY AND ALL OBLIGATIONS UNDER THE NOTE, THE RELATED DOCUMENTS, AND THIS DEED OF TRUST. THIS DEED OF TRUST IS GIVEN AND ACCEPTED ON THE FOLLOWING TERMS:

PAYMENT AND PERFORMANCE. Except as otherwise provided in this Deed of Trust, Grantor shall pay to Lender all amounts secured by this Deed of Trust as they become due, and shall strictly and in a timely manner perform all of Grantor's obligations under the Note, this Deed of Trust, and the Related Documents.

POSSESSION AND MAINTENANCE OF THE PROPERTY. Grantor agrees that Grantor's possession and use of the Property shall be governed by the following provisions:

Possession and Use. Until the occurrence of an Event of Default, Grantor may: (1) remain in possession and control of the Property; (2) use, operate or manage the Property; and (3) collect the Rents from the Property.

Duty to Maintain. Grantor shall maintain the Property in tenable condition and promptly perform all repairs, replacements, and maintenance necessary to preserve its value.

Compliance With Environmental Laws. Grantor represents and warrants to Lender that: (1) During the period of Grantor's ownership of the Property, there has been no use, generation, manufacture, storage, treatment, disposal, release or threatened release of any Hazardous Substance by any person on, under, about or from the Property; (2) Grantor has no knowledge of, or reason to believe that there has been, except as previously disclosed to and acknowledged by Lender in writing, (a) any breach or violation of any Environmental Laws, (b) any use, generation, manufacture, storage, treatment, disposal, release or threatened release of any Hazardous Substance on, under, about or from the Property by any prior owners or occupants of the Property, or (c) any actual or threatened litigation or claims of any kind by any person relating to such matters; and (3) Except as previously disclosed to and acknowledged by Lender in writing, (a) neither Grantor nor any tenant, contractor, agent or other authorized user of the Property shall use, generate, manufacture, store, treat, dispose of or release any Hazardous Substance on, under, about or from the Property; and (b) any such activity shall be conducted in compliance with all applicable federal, state, and local laws, regulations and ordinances, including without limitation all Environmental Laws. Grantor authorizes Lender and its agents to enter upon the Property to make such inspections and tests, at Grantor's expense, as Lender may deem appropriate to determine compliance of the Property with this section of the Deed of Trust. Any inspections or tests made by Lender shall be for Lender's purposes only and shall not be construed to create any responsibility or liability on the part of Lender to Grantor or to any other person. The representations and warranties contained herein are based on Grantor's due diligence in investigating the Property for Hazardous Substances. Grantor hereby (1) releases and waives any future claims against Lender for indemnity or contribution in the event Grantor becomes liable for cleanup or other costs under any such laws; and (2) agrees to indemnify, defend, and hold harmless Lender against any and all claims, losses, liabilities, damages, penalties, and expenses which Lender may directly or indirectly sustain or suffer resulting from a breach of this section of the Deed of Trust or as a consequence of any use, generation, manufacture, storage, disposal, release or threatened release occurring prior to Grantor's ownership or interest in the Property, whether or not the same was or should have been known to Grantor. The provisions of this section of the Deed of Trust, including the obligation to indemnify and defend, shall survive the payment of the indebtedness and the satisfaction and reconveyance of the lien of this Deed of Trust and shall not be affected by Lender's acquisition of any interest in the Property.

Loan No: 01-680702-01

**DEED OF TRUST
(Continued)**

Page 2

whether by foreclosure or otherwise.

Nuisance, Waste. Grantor shall not cause, conduct or permit any nuisance nor commit, permit, or suffer any stripping of or waste on or to the Property or any portion of the Property. Without limiting the generality of the foregoing, Grantor will not remove, or grant to any other party the right to remove, any timber, minerals (including oil and gas, coal, clay, stone, soil, gravel or rock products) without Lender's prior written consent.

Removal of Improvements. Grantor shall not demolish or remove any improvements from the Real Property without Lender's prior written consent. As a condition to the removal of any improvements, Lender may require Grantor to make arrangements satisfactory to Lender to replace such improvements with improvements of at least equal value.

Lender's Right to Enter. Lender and Lender's agents and representatives may enter upon the Real Property at all reasonable times to attend to Lender's interests and to inspect the Real Property for purposes of Grantor's compliance with the terms and conditions of this Deed of Trust.

Compliance with Governmental Requirements. Grantor shall promptly comply with all laws, ordinances, and regulations, now or hereafter in effect, of all governmental authorities applicable to the use or occupancy of the Property, including without limitation, the Americans With Disabilities Act. Grantor may contest in good faith any such law, ordinance, or regulation and without compliance during any proceeding, including appropriate appeals, so long as Grantor has notified Lender in writing prior to doing so and so long as, in Lender's sole opinion, Lender's interests in the Property are not jeopardized. Lender may require Grantor to post adequate security or a surety bond, reasonably satisfactory to Lender, to protect Lender's interest.

Duty to Protect. Grantor agrees neither to abandon or leave unattended the Property. Grantor shall do all other acts, in addition to those acts set forth above in this section, which from the character and use of the Property are reasonably necessary to protect and preserve the Property.

DUE ON SALE - CONSENT BY LENDER. Lender may, at Lender's option, declare immediately due and payable all sums secured by this Deed of Trust upon the sale or transfer, without Lender's prior written consent, of all or any part of the Real Property, or any interest in the Real Property. A "sale or transfer" means the conveyance of Real Property or any right, title or interest in the Real Property; whether legal, beneficial or equitable; whether voluntary or involuntary; whether by outright sale, deed, installment sale contract, land contract, contract for deed, leasehold interest with a term greater than three (3) years, lease-option contract, or by sale, assignment, or transfer of any beneficial interest in or to any land trust holding title to the Real Property, or by any other method of conveyance of an interest in the Real Property. If any Grantor is a corporation, partnership or limited liability company, transfer also includes any restructuring of the legal entity (whether by merger, division or otherwise) or any change in ownership of more than twenty-five percent (25%) of the voting stock, partnership interests or limited liability company interests, as the case may be, of such Grantor. However, this option shall not be exercised by Lender if such exercise is prohibited by federal law or by Colorado law.

TAXES AND LIENS. The following provisions relating to the taxes and liens on the Property are part of this Deed of Trust:

Payment. Grantor shall pay when due (and in all events prior to delinquency) all taxes, special taxes, assessments, charges (including water and sewer), fines and impositions levied against or on account of the Property, and shall pay when due all claims for work done on or for services rendered or material furnished to the Property. Grantor shall maintain the Property free of all liens having priority over or equal to the interest of Lender under this Deed of Trust, except for the lien of taxes and assessments not due, except for the existing indebtedness referred to below, and except as otherwise provided in this Deed of Trust.

Right to Contest. Grantor may withhold payment of any tax, assessment, or claim in connection with a good faith dispute over the obligation to pay, so long as Lender's interest in the Property is not jeopardized. If a lien arises or is filed as a result of nonpayment, Grantor shall within fifteen (15) days after the lien arises or, if a lien is filed, within fifteen (15) days after Grantor has notice of the filing, secure the discharge of the lien, or if requested by Lender, deposit with Lender cash or a sufficient corporate surety bond or other security satisfactory to Lender in an amount sufficient to discharge the lien plus any costs and attorneys' fees, or other charges that could accrue as a result of a foreclosure or sale under the lien. In any contest, Grantor shall defend itself and Lender and shall satisfy any adverse judgment before enforcement against the Property. Grantor shall name Lender as an additional obligee under any surety bond furnished in the contest proceedings.

Evidence of Payment. Grantor shall upon demand furnish to Lender satisfactory evidence of payment of the taxes or assessments and shall authorize the appropriate governmental official to deliver to Lender at any time a written statement of the taxes and assessments against the Property.

Notice of Construction. Grantor shall notify Lender at least fifteen (15) days before any work is commenced, any services are furnished, or any materials are supplied to the Property, if any mechanic's lien, materialman's lien, or other lien could be asserted on account of the work, services, or materials. Grantor will upon request of Lender furnish to Lender advance assurances satisfactory to Lender that Grantor can and will pay the cost of such improvements.

PROPERTY DAMAGE INSURANCE. The following provisions relating to insuring the Property are a part of this Deed of Trust:

Maintenance of Insurance. Grantor shall procure and maintain policies of fire insurance with standard extended coverage endorsements on a replacement basis for the full insurable value covering all improvements on the Real Property in an amount sufficient to avoid application of any coinsurance clause, and with a standard mortgagee clause in favor of Lender. Grantor shall also procure and maintain comprehensive general liability insurance in such coverage amounts as Lender may request with Trustee and Lender being named as additional insureds in such liability insurance policies. Additionally, Grantor shall maintain such other insurance, including but not limited to hazard, business interruption, and boiler insurance, as Lender may reasonably require. Policies shall be written in form, amounts, coverages and basis reasonably acceptable to Lender and issued by a company or companies reasonably acceptable to Lender. Grantor, upon request of Lender, will deliver to Lender from time to time the policies or certificates of insurance in form satisfactory to Lender, including stipulations that coverages will not be cancelled or diminished without at least thirty (30) days prior written notice to Lender. Each insurance policy also shall include an endorsement providing that coverage in favor of Lender will not be impaired in any way by any act, omission or default of Grantor or any other person. The Real Property is or will be located in an area designated by the Administrator of the Federal Emergency Management Agency as a special flood hazard area. Grantor agrees to obtain and maintain flood insurance, if available, for the full unpaid principal balance of the loan and any prior liens on the property securing the loan, up to the maximum policy limits set under the National Flood Insurance Program, or as otherwise required by Lender, and to maintain such insurance for the term of the loan. Flood insurance may be purchased under the National Flood Insurance Program, from private insurers providing "private flood insurance" as defined by applicable federal flood insurance statutes and regulations, or from another flood insurance provider that is both acceptable to Lender in its sole discretion and permitted by applicable federal flood insurance statutes and regulations.

Application of Proceeds. Grantor shall promptly notify Lender of any loss or damage to the Property. Lender may make proof of loss if Grantor fails to do so within fifteen (15) days of the casualty. Whether or not Lender's security is impaired, Lender may, at Lender's election, receive and retain the proceeds of any insurance and apply the proceeds to the reduction of the indebtedness, payment of any lien affecting the Property, or the restoration and repair of the Property. If Lender elects to apply the proceeds to restoration and repair, Grantor shall repair or replace the damaged or destroyed improvements in a manner satisfactory to Lender. Lender shall, upon satisfactory proof of such expenditure, pay or reimburse Grantor from the proceeds for the reasonable cost of repair or restoration if Grantor is not in default under this Deed of Trust. Any proceeds which have not been disbursed within 180 days after their receipt and which Lender has not committed to the repair or restoration of the Property shall be used first to pay any amount owing to Lender under this Deed of Trust, then to pay accrued interest, and the remainder, if any, shall be applied to the principal balance of the indebtedness. If Lender holds any proceeds after payment in full of the indebtedness, such proceeds shall be paid to Grantor as Grantor's interests may appear.

DEED OF TRUST
(Continued)

Loan No: 01-880702-01

Page 3

Compliance with Existing Indebtedness. During the period in which any Existing Indebtedness described below is in effect, compliance with the insurance provisions contained in the instrument evidencing such Existing Indebtedness shall constitute compliance with the insurance provisions under this Deed of Trust, to the extent compliance with the terms of this Deed of Trust would constitute a duplication of insurance requirements. If any proceeds from the insurance become payable on loss, the provisions in this Deed of Trust for division of proceeds shall apply only to that portion of the proceeds not payable to the holder of the Existing Indebtedness.

Grantor's Report on Insurance. Upon request of Lender, however not more than once a year, Grantor shall furnish to Lender a report on each existing policy of insurance showing: (1) the name of the insurer; (2) the risks insured; (3) the amount of the policy; (4) the property insured, the then current replacement value of such property, and the manner of determining that value; and (5) the expiration date of the policy. Grantor shall, upon request of Lender, have an independent appraiser satisfactory to Lender determine the cash value replacement cost of the Property.

LENDER'S EXPENDITURES. If any action or proceeding is commenced that would materially affect Lender's interest in the Property or if Grantor fails to comply with any provision of this Deed of Trust or any Related Documents, including but not limited to Grantor's failure to comply with any obligation to maintain Existing Indebtedness in good standing as required below, or to discharge or pay when due any amounts Grantor is required to discharge or pay under this Deed of Trust or any Related Documents, Lender on Grantor's behalf may (but shall not be obligated to) take any action that Lender deems appropriate, including but not limited to discharging or paying all taxes, liens, security interests, encumbrances and other claims, at any time levied or placed on the Property and paying all costs for insuring, maintaining and preserving the Property. All such expenditures incurred or paid by Lender for such purposes will then bear interest at the rate charged under the Note from the date incurred or paid by Lender to the date of repayment by Grantor. All such expenses will become a part of the Indebtedness and, at Lender's option, will (A) be payable on demand; (B) be added to the balance of the Note and be apportioned among and be payable with any installment payments to become due during either (1) the term of any applicable insurance policy; or (2) the remaining term of the Note; or (C) be treated as a balloon payment which will be due and payable at the Note's maturity. The Deed of Trust also will secure payment of these amounts. Such right shall be in addition to all other rights and remedies to which Lender may be entitled upon Default.

WARRANTY; DEFENSE OF TITLE. The following provisions relating to ownership of the Property are a part of this Deed of Trust:

Title. Grantor warrants that: (a) Grantor holds good and marketable title of record to the Property in fee simple, free and clear of all liens and encumbrances other than those set forth in the Real Property description or in the Existing Indebtedness section below or in any title insurance policy, title report, or final title opinion issued in favor of, and accepted by, Lender in connection with this Deed of Trust; provided, however, to the extent any such Real Property description, title insurance policy, title report or final title opinion includes any reference to or any document referencing "statutory exceptions", Grantor shall nonetheless warrant and forever defend the title to the Property against all such statutory exceptions; and (b) Grantor has the full right, power, and authority to execute and deliver this Deed of Trust to Lender.

Defense of Title. Subject to the exception in the paragraph above, Grantor warrants and will forever defend the title to the Property against the lawful claims of all persons. In the event any action or proceeding is commenced that questions Grantor's title or the interest of Trustee or Lender under this Deed of Trust, Grantor shall defend the action at Grantor's expense. Grantor may be the nominal party in such proceeding, but Lender shall be entitled to participate in the proceeding and to be represented in the proceeding by counsel of Lender's own choice, and Grantor will deliver, or cause to be delivered, to Lender such instruments as Lender may request from time to time to permit such participation.

Compliance With Laws. Grantor warrants that the Property and Grantor's use of the Property complies with all existing applicable laws, ordinances, and regulations of governmental authorities.

Survival of Representations and Warranties. All representations, warranties, and agreements made by Grantor in this Deed of Trust shall survive the execution and delivery of this Deed of Trust, shall be continuing in nature, and shall remain in full force and effect until such time as Grantor's indebtedness shall be paid in full.

EXISTING INDEBTEDNESS. The following provisions concerning Existing Indebtedness are a part of this Deed of Trust:

Existing Lien. The lien of this Deed of Trust securing the Indebtedness may be secondary and inferior to an existing lien. Grantor expressly covenants and agrees to pay, or see to the payment of, the Existing Indebtedness and to prevent any default on such indebtedness, any default under the instruments evidencing such indebtedness, or any default under any security documents for such indebtedness.

No Modification. Grantor shall not enter into any agreement with the holder of any mortgage, deed of trust, or other security agreement which has priority over this Deed of Trust by which that agreement is modified, amended, extended, or renewed without the prior written consent of Lender. Grantor shall neither request nor accept any future advances under any such security agreement without the prior written consent of Lender.

CONDEMNATION. The following provisions relating to condemnation proceedings are a part of this Deed of Trust:

Proceedings. If any proceeding in condemnation is filed, Grantor shall promptly notify Lender in writing, and Grantor shall promptly take such steps as may be necessary to defend the action and obtain the award. Grantor may be the nominal party in such proceeding, but Lender shall be entitled to participate in the proceeding and to be represented in the proceeding by counsel of its own choice, and Grantor will deliver or cause to be delivered to Lender such instruments and documentation as may be requested by Lender from time to time to permit such participation.

Application of Net Proceeds. If all or any part of the Property is condemned by eminent domain proceedings or by any proceeding or purchase in lieu of condemnation, Lender may at its election require that all or any portion of the net proceeds of the award be applied to the Indebtedness or the repair or restoration of the Property. The net proceeds of the award shall mean the award after payment of all reasonable costs, expenses, and attorneys' fees incurred by Trustee or Lender in connection with the condemnation.

IMPOSITION OF TAXES, FEES AND CHARGES BY GOVERNMENTAL AUTHORITIES. The following provisions relating to governmental taxes, fees and charges are a part of this Deed of Trust:

Current Taxes, Fees and Charges. Upon request by Lender, Grantor shall execute such documents in addition to this Deed of Trust and take whatever other action is requested by Lender to perfect and continue Lender's lien on the Real Property. Grantor shall reimburse Lender for all taxes, as described below, together with all expenses incurred in recording, perfecting or continuing this Deed of Trust, including without limitation all taxes, fees, documentary stamps, and other charges for recording or registering this Deed of Trust.

Taxes. The following shall constitute taxes to which this section applies: (1) a specific tax upon this type of Deed of Trust or upon all or any part of the Indebtedness secured by this Deed of Trust; (2) a specific tax on Grantor which Grantor is authorized or required to deduct from payments on the Indebtedness secured by this type of Deed of Trust; (3) a tax on this type of Deed of Trust chargeable against the Lender or the holder of the Note; and (4) a specific tax on all or any portion of the Indebtedness or on payments of principal and interest made by Grantor.

Subsequent Taxes. If any tax to which this section applies is enacted subsequent to the date of this Deed of Trust, this event shall have the same effect as an Event of Default, and Lender may exercise any or all of its available remedies for an Event of Default as provided below unless Grantor either (1) pays the tax before it becomes delinquent, or (2) contests the tax as provided above in the Taxes and Liens section and deposits with Lender cash or a sufficient corporate surety bond or other security satisfactory to Lender.

**DEED OF TRUST
(Continued)**

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SECURITY AGREEMENT: FINANCING STATEMENTS. The following provisions relating to this Deed of Trust as a security agreement are a part of this Deed of Trust:

Security Agreement. This instrument shall constitute a Security Agreement to the extent any of the Property constitutes fixtures, and Lender shall have all of the rights of a secured party under the Uniform Commercial Code as amended from time to time.

Security Interest. Upon request by Lender, Grantor shall take whatever action is requested by Lender to perfect and continue Lender's security interest in the Rents and Personal Property. In addition to recording this Deed of Trust in the real property records, Lender may, at any time and without further authorization from Grantor, file executed counterparts, copies or reproductions of this Deed of Trust as a financing statement. Grantor shall reimburse Lender for all expenses incurred in perfecting or continuing this security interest. Upon default, Grantor shall not remove, sever or detach the Personal Property from the Property. Upon default, Grantor shall assemble any Personal Property not affixed to the Property in a manner and at a place reasonably convenient to Grantor and Lender and make it available to Lender within three (3) days after receipt of written demand from Lender to the extent permitted by applicable law.

Addressee. The mailing address of Grantor (debtor) and Lender (secured party) from which information concerning the security interest granted by this Deed of Trust may be obtained (such as required by the Uniform Commercial Code) are as stated on the first page of this Deed of Trust.

FURTHER ASSURANCES: ATTORNEY-IN-FACT. The following provisions relating to further assurances and attorney-in-fact are a part of this Deed of Trust:

Further Assurances. At any time, and from time to time, upon request of Lender, Grantor will make, execute and deliver, or will cause to be made, executed or delivered, to Lender or to Lender's designee, and when requested by Lender, cause to be filed, recorded, refiled, or re-recorded, as the case may be, at such times and in such offices and places as Lender may deem appropriate, any and all such mortgages, deeds of trust, security deeds, security agreements, financing statements, continuation statements, instruments of further assurance, certificates, and other documents as may, in the sole opinion of Lender, be necessary or desirable in order to effectuate, complete, perfect, continue, or preserve (1) Grantor's obligations under the Note, this Deed of Trust, and the Related Documents, and (2) the form and security interests created by this Deed of Trust on the Property, whether now owned or hereafter acquired by Grantor. Unless prohibited by law or Lender agrees to the contrary in writing, Grantor shall reimburse Lender for all costs and expenses incurred in connection with the matters referred to in this paragraph.

Attorney-in-Fact. If Grantor fails to do any of the things referred to in the preceding paragraph, Lender may do so for and in the name of Grantor and at Grantor's expense. For such purposes, Grantor hereby irrevocably appoints Lender as Grantor's attorney-in-fact for the purpose of making, executing, delivering, filing, recording, and doing all other things as may be necessary or desirable, in Lender's sole opinion, to accomplish the matters referred to in the preceding paragraph.

FULL PERFORMANCE. Upon the full performance of all the obligations under the Note and this Deed of Trust, Trustee may, upon production of documents and fees as required under applicable law, release this Deed of Trust, and such release shall constitute a release of the lien for all such additional sums and expenditures made pursuant to this Deed of Trust. Lender agrees to cooperate with Grantor in obtaining such release and releasing the other collateral securing the indebtedness. Any release fees required by law shall be paid by Grantor, if permitted by applicable law.

EVENTS OF DEFAULT. Each of the following, at Lender's option, shall constitute an Event of Default under this Deed of Trust:

Payment Default. Grantor fails to make any payment when due under the indebtedness.

Other Defaults. Grantor fails to comply with or to perform any other term, obligation, covenant or condition contained in this Deed of Trust or in any of the Related Documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Grantor.

Compliance Default. Failure to comply with any other term, obligation, covenant or condition contained in this Deed of Trust, the Note or in any of the Related Documents.

Default on Other Payments. Failure of Grantor within the time required by this Deed of Trust to make any payment for taxes or insurance, or any other payment necessary to prevent filing of or to effect discharge of any lien.

False Statements. Any warranty, representation or statement made or furnished to Lender by Grantor or on Grantor's behalf under this Deed of Trust or the Related Documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

Defective Collateralization. This Deed of Trust or any of the Related Documents ceases to be in full force and effect (including failure of any collateral document to create a valid and perfected security interest or lien) at any time and for any reason.

Death or Insolvency. The dissolution of Grantor's regardless of whether election to continue is made), any member withdraws from the limited liability company, or any other termination of Grantor's existence as a going business or the death of any member, the insolvency of Grantor, the appointment of a receiver for any part of Grantor's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Grantor.

Creditor or Foreclosure Proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Grantor or by any governmental agency against any property securing the indebtedness. This includes a garnishment of any of Grantor's accounts, including deposit accounts, with Lender. However, the Event of Default shall not apply if there is a good faith dispute by Grantor as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Grantor gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

Breach of Other Agreement. Any breach by Grantor under the terms of any other agreement between Grantor and Lender that is not remedied within any grace period provided therein, including without limitation any agreement concerning any indebtedness or other obligation of Grantor to Lender, whether existing now or later.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any Guarantor of any of the Indebtedness or any Guarantor dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any Guaranty of the Indebtedness.

Adverse Change. A material adverse change occurs in Grantor's financial condition, or Lender believes the prospect of payment or performance of the Indebtedness is impaired.

Existing Indebtedness. The payment of any installment of principal or any interest on the Existing Indebtedness is not made within the time required by the promissory note evidencing such indebtedness, or a default occurs under the instrument securing such indebtedness and is not cured during any applicable grace period in such instrument, or any suit or other action is commenced to foreclose any existing lien on the Property.

RIGHTS AND REMEDIES ON DEFAULT. If an Event of Default occurs under this Deed of Trust, at any time thereafter, Trustee or Lender may exercise any one or more of the following rights and remedies:

Election of Remedies. Election by Lender to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or to take action to perform an obligation of Grantor under this Deed of Trust, after Grantor's failure to

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perform, shall not affect Lender's right to declare a default and exercise its remedies.

Accelerate Indebtedness. Lender shall have the right at its option without notice to Grantor to declare the entire indebtedness immediately due and payable, including any prepayment penalty which Grantor would be required to pay.

Foreclosure. Lender shall have the right to cause all or any part of the Real Property, and Personal Property, if Lender decides to proceed against it as if it were real property, to be sold by the Trustee according to the laws of the State of Colorado as respects foreclosures against real property. The Trustee shall give notice in accordance with the laws of Colorado. The Trustee shall apply the proceeds of the sale in the following order: (a) to all costs and expenses of the sale, including but not limited to Trustee's fees, attorneys' fees, and the cost of title evidence; (b) to all sums secured by this Deed of Trust; and (c) the excess, if any, to the person or persons legally entitled to the excess.

UCC Remedies. With respect to all or any part of the Personal Property, Lender shall have all the rights and remedies of a secured party under the Uniform Commercial Code.

Collect Rents. Lender shall have the right, without notice to Grantor to take possession of and manage the Property and collect the Rents, including amounts past due and unpaid, and apply the net proceeds, over and above Lender's costs, against the indebtedness. In furtherance of this right, Lender may require any tenant or other user of the Property to make payments of rent or use fees directly to Lender. If the Rents are collected by Lender, then Grantor irrevocably designates Lender as Grantor's attorney-in-fact to endorse instruments received in payment thereof in the name of Grantor and to negotiate the same and collect the proceeds. Payments by tenants or other users to Lender in response to Lender's demand shall satisfy the obligations for which the payments are made, whether or not any proper grounds for the demand existed. Lender may exercise its rights under this subparagraph either in person, by agent, or through a receiver.

Appoint Receiver. Lender shall have the right to have a receiver appointed to take possession of all or any part of the Property, with the power to protect and preserve the Property, to operate the Property preceding foreclosure or sale, and to collect the Rents from the Property and apply the proceeds, over and above the cost of the receivership, against the indebtedness. The receiver may serve without bond if permitted by law. Lender's right to the appointment of a receiver shall exist whether or not the apparent value of the Property exceeds the indebtedness by a substantial amount. Employment by Lender shall not disqualify a person from serving as a receiver. Receiver may be appointed by a court of competent jurisdiction upon ex parte application and without notice, notice being expressly waived.

Tenancy at Sufferance. If Grantor remains in possession of the Property after the Property is sold as provided above or Lender otherwise becomes entitled to possession of the Property upon default of Grantor, Grantor shall become a tenant at sufferance of Lender or the purchaser of the Property and shall, at Lender's option, either (1) pay a reasonable rental for the use of the Property, or (2) vacate the Property immediately upon the demand of Lender.

Other Remedies. Trustee or Lender shall have any other right or remedy provided in this Deed of Trust or the Note or available at law or in equity.

Sale of the Property. In exercising its rights and remedies, Lender shall be free to designate on or before it files a notice of election and demand with the Trustee, that the Trustee sell all or any part of the Property together or separately, in one sale or by separate sales. Lender shall be entitled to bid at any public sale on all or any portion of the Property. Upon any sale of the Property, whether made under a power of sale granted in this Deed of Trust or pursuant to judicial proceedings, if the holder of the Note is a purchaser at such sale, it shall be entitled to use and apply all, or any portion of, the indebtedness for or in settlement or payment of all, or any portion of, the purchase price of the Property purchased, and, in such case, this Deed of Trust, the Note, and any documents evidencing expenditures secured by this Deed of Trust shall be presented to the person conducting the sale in order that the amount of indebtedness so used or applied may be credited thereon as having been paid.

Attorneys' Fees; Expenses. If Lender forecloses or institutes any suit or action to enforce any of the terms of this Deed of Trust, Lender shall be entitled to recover such sum as the court may adjudge reasonable as attorneys' fees at trial and upon any appeal. Whether or not any court action is involved, and to the extent not prohibited by law, all reasonable expenses Lender incurs that in Lender's opinion are necessary at any time for the protection of its interest or the enforcement of its rights shall become a part of the indebtedness payable on demand and shall bear interest at the Note rate from the date of the expenditure until repaid. Expenses covered by this paragraph include, without limitation, however subject to any limits under applicable law, Lender's attorneys' fees whether or not there is a lawsuit, including attorneys' fees and expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunctions, appeals, and any anticipated post-judgment collection services, the cost of searching records, obtaining title reports (including foreclosure reports), surveyors' reports, and appraisal fees, title insurance, and fees for the Trustee, to the extent permitted by applicable law. Grantor also will pay any court costs, in addition to all other sums provided by law.

Rights of Trustee. To the extent permitted by applicable law, Trustee shall have all of the rights and duties of Lender as set forth in this section.

NOTICE. Any notice required to be given under this Deed of Trust, including without limitation any notice of default and any notice of sale shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of the Deed of Trust. All copies of notices of foreclosure from the holder of any lien which has priority over this Deed of Trust shall be sent to Lender's address, as shown near the beginning of this Deed of Trust. Any party may change its address for notices under this Deed of Trust by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Grantor agrees to keep Lender informed at all times of Grantor's current address. Unless otherwise provided or required by law, if there is more than one Grantor, any notice given by Lender to any Grantor is deemed to be notice given to all Grantors.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Deed of Trust:

Amendments. This Deed of Trust, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Deed of Trust. No alteration or amendment to this Deed of Trust shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Annual Reports. If the Property is used for purposes other than Grantor's residence, Grantor shall furnish to Lender, upon request, a certified statement of net operating income received from the Property during Grantor's previous fiscal year in such form and detail as Lender shall require. "Net operating income" shall mean all cash receipts from the Property less all cash expenditures made in connection with the operation of the Property.

Caption Headings. Caption headings in this Deed of Trust are for convenience purposes only and are not to be used to interpret or define the provisions of this Deed of Trust.

Merger. There shall be no merger of the interest or estate created by this Deed of Trust with any other interest or estate in the Property at any time held by or for the benefit of Lender in any capacity, without the written consent of Lender.

Governing Law. This Deed of Trust will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Colorado without regard to its conflicts of law provisions. This Deed of Trust has been accepted by Lender in the State of Colorado.

Choice of Venue. If there is a lawsuit, Grantor agrees upon Lender's request to submit to the jurisdiction of the courts of Chaffee

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County, State of Colorado.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Deed of Trust unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Deed of Trust shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Deed of Trust. No prior waiver by Lender, nor any course of dealing between Lender and Grantor, shall constitute a waiver of any of Lender's rights or of any of Grantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Deed of Trust, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Severability. If a court of competent jurisdiction finds any provision of this Deed of Trust to be illegal, invalid, or unenforceable as to any circumstance, that finding shall not make the offending provision illegal, invalid, or unenforceable as to any other circumstance. If feasible, the offending provision shall be considered modified so that it becomes legal, valid and enforceable. If the offending provision cannot be so modified, it shall be considered deleted from this Deed of Trust. Unless otherwise required by law, the illegality, invalidity, or unenforceability of any provision of this Deed of Trust shall not affect the legality, validity or enforceability of any other provision of this Deed of Trust.

Successors and Assigns. Subject to any limitations stated in this Deed of Trust on transfer of Grantor's interest, this Deed of Trust shall be binding upon and inure to the benefit of the parties, their successors and assigns. If ownership of the Property becomes vested in a person other than Grantor, Lender, without notice to Grantor, may deal with Grantor's successors with reference to this Deed of Trust and the indebtedness by way of forbearance or extension without releasing Grantor from the obligations of this Deed of Trust or liability under the indebtedness.

Time is of the Essence. Time is of the essence in the performance of this Deed of Trust.

Waive Jury. All parties to this Deed of Trust hereby waive their right to any jury trial in any action, proceeding, or counterclaim brought by any party against any other party. (Initials) *[Signature]*

Waiver of Homestead Exemption. Grantor hereby releases and waives all rights and benefits of the homestead exemption laws of the State of Colorado as to all indebtedness secured by this Deed of Trust.

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Deed of Trust. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Deed of Trust shall have the meanings attributed to such terms in the Uniform Commercial Code:

Beneficiary. The word "Beneficiary" means High Country Bank, and its successors and assigns.

Borrower. The word "Borrower" means KITSON HOLDINGS, LLC, A COLORADO LIMITED LIABILITY COMPANY and includes all co-signers and co-makers signing the Note and all their successors and assigns.

Deed of Trust. The words "Deed of Trust" mean this Deed of Trust among Grantor, Lender, and Trustee, and includes without limitation all assignment and security interest provisions relating to the Personal Property and Rents.

Default. The word "Default" means the Default set forth in this Deed of Trust in the section titled "Default".

Environmental Laws. The words "Environmental Laws" mean any and all state, federal and local statutes, regulations and ordinances relating to the protection of human health or the environment, including without limitation the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq. ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1980, Pub. L. No. 99-499 ("SARA"), the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq., or other applicable state or federal laws, rules, or regulations adopted pursuant thereto.

Event of Default. The words "Event of Default" mean any of the events of default set forth in this Deed of Trust in the events of default section of this Deed of Trust.

Existing Indebtedness. The words "Existing Indebtedness" mean the indebtedness described in the Existing Liens provision of this Deed of Trust.

Grantor. The word "Grantor" means KITSON HOLDINGS, LLC, A COLORADO LIMITED LIABILITY COMPANY.

Guarantor. The word "Guarantor" means any guarantor, surety, or accommodation party of any or all of the Indebtedness.

Guaranty. The word "Guaranty" means the guaranty from Guarantor to Lender, including without limitation a guaranty of all or part of the Note.

Hazardous Substances. The words "Hazardous Substances" mean materials that, because of their quantity, concentration or physical, chemical or infectious characteristics, may cause or pose a present or potential hazard to human health or the environment when improperly used, treated, stored, disposed of, generated, manufactured, transported or otherwise handled. The words "Hazardous Substances" are used in their very broadest sense and include without limitation any and all hazardous or toxic substances, materials or waste as defined by or listed under the Environmental Laws. The term "Hazardous Substances" also includes, without limitation, petroleum and petroleum by-products or any fraction thereof and asbestos.

Improvements. The word "Improvements" means all existing and future improvements, buildings, structures, mobile homes affixed on the Real Property, facilities, additions, replacements and other construction on the Real Property.

Indebtedness. The word "Indebtedness" means all principal, interest, and other amounts, costs and expenses payable under the Note or Related Documents, together with all renewals of, extensions of, modifications of, consolidations of and substitutions for the Note or Related Documents and any amounts expended or advanced by Lender to discharge Grantor's obligations or expenses incurred by Trustee or Lender to enforce Grantor's obligations under this Deed of Trust, together with interest on such amounts as provided in this Deed of Trust.

Lender. The word "Lender" means High Country Bank, its successors and assigns.

Note. The word "Note" means the promissory note dated November 27, 2019, in the original principal amount of \$125,000.00 from Grantor to Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the promissory note or agreement.

Personal Property. The words "Personal Property" mean all equipment, fixtures, and other articles of personal property now or hereafter owned by Grantor, and now or hereafter attached or affixed to the Real Property, together with all accretions, curia, and additions to, all replacements of, and all substitutions for, any of such property; and together with all proceeds (including without limitation all insurance proceeds and refunds of premium) from any sale or other disposition of the Property. However, because the Real Property is or will be located in an area designated by the Administrator of the Federal Emergency Management Agency as a special flood hazard area, Personal Property is limited to only those items specifically covered (currently or hereafter) by Coverage A of the standard flood insurance policy issued in accordance with the National Flood Insurance Program or under equivalent coverage similarly issued by a private insurer to satisfy the National Flood Insurance Act (as amended).

Property. The word "Property" means collectively the Real Property and the Personal Property.

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Real Property. The words "Real Property" mean the real property, interests and rights, as further described in this Deed of Trust.
Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guarantees, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the indebtedness.

Rents. The word "Rents" means all present and future rents, revenues, income, issues, royalties, profits, and other benefits derived from the Property.

Trustee. The word "Trustee" means the Public Trustee of CHAFFEE County, Colorado.

GRANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS DEED OF TRUST, AND GRANTOR AGREES TO ITS TERMS.

GRANTOR:

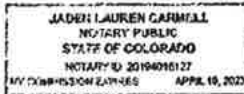
KITSON HOLDINGS, LLC, A COLORADO LIMITED LIABILITY COMPANY

By: [Signature]
RAYMOND G. KITSON, Manager of KITSON HOLDINGS, LLC, A COLORADO LIMITED LIABILITY COMPANY

LIMITED LIABILITY COMPANY ACKNOWLEDGMENT

STATE OF Colorado)
COUNTY OF Chaffee)

This record was acknowledged before me on November 23, 2019 by RAYMOND G. KITSON, Manager of KITSON HOLDINGS, LLC, A COLORADO LIMITED LIABILITY COMPANY.



[Signature]
Signature of Notarial Officer
Notary Public in and for the State of Colorado
My commission expires 4/10/23

EXHIBIT A

The Land referred to herein below is situated in the County of Chaffee, State of Colorado, and is described as follows:

A parcel of land located with the Southeast Quarter of the Southeast Quarter (SE1/4SE1/4) of Section 32, Township 50 North, Range 9 East of the New Mexico Principal Meridian and also being within the City of Salida, all located in Chaffee County, Colorado, said parcel being described as follows:

Beginning at a point on the Northwestern boundary of "F" Street from whence the intersection of the Northwestern boundary of "F" Street with the Northeastern boundary of Sackett Avenue, bears South 37°46' West 123.0 feet; thence proceeding around the parcel herein described North 52°14' West parallel with the said Northeastern boundary of Sackett Avenue 84.0 feet; thence North 37°46' East parallel with said Northwestern boundary of "F" Street 156 feet, more or less, to the centerline of the Arkansas River; thence along said river centerline 84.21 feet, more or less, to a point on the Northwestern boundary of "F" Street; thence along the above said Northwestern boundary South 37°46' West 150 feet, more or less, to the point of beginning.

KITSON HOLDINGS, LLC., A COLORADO LIMITED LIABILITY COMPANY

RAYMOND G. KITSON, MANAGER

