



# CITY COUNCIL ACTION FORM

DEPARTMENT	PRESENTED BY	DATE
Administration	Kristi Jefferson - City Clerk	March 4, 2025

## **AGENDA ITEM**

New Hotel and Restaurant Liquor License for Hacienda Jalisco Family Restaurant, LLC, dba Hacienda Jalisco at 1220 E. Highway 50.

## **BACKGROUND**

A new Colorado Hotel and Restaurant Liquor License application was filed with the City Clerk on January 16, 2025. The Notice of Public Hearing was published on January 28, 2025 in the Mountain Mail and the premises was posted on February 19, 2025.

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

Police and Fire Inspections have been scheduled.

## **FISCAL NOTE**

There is no fiscal impact.

## **RECOMMENDATION**

Staff recommends that the Liquor Licensing Authority approve a new Hotel and Restaurant Liquor License request for Hacienda Jalisco Restaurant at 1220 E. Highway 50.

## **MOTION**

Following a public hearing on the matter, a Liquor Authority Member should state "I move to \_\_\_\_\_ a new Hotel and Restaurant Liquor License request for Hacienda Jalisco Family Restaurant," followed by a second and a roll call vote.

# CERTIFICATE OF PUBLICATION

STATE OF COLORADO } SS

County of Chaffee

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

That the annexed

PUBLIC NOTICE

FROM

CITY OF SALIDA

In the matter of

HACIENDA JALISCO RESTAURANT HOTEL AND RESTAURANT  
LIQUOR LICENSE

This a true copy of the original, and the same was regularly published in the newspaper proper and not in a supplement, for the full period of 1 INSERTIONS of said newspaper, and that the first publication was in the issue dated JANUARY 28<sup>TH</sup>, 2025 and that the last publication of the same was in the issue dated JANUARY 28<sup>TH</sup>, 2025 and the said Herald Democrat has been established, printed and published for the full period of fifty-two consecutive weeks, and continuously and uninterruptedly prior to the said date of the first publication of the notice aforesaid, in the County of Chaffee and State of Colorado, and is a newspaper duly qualified for the publishing of said notice within the meaning of an Act of the General Assembly of the State of Colorado, approved May 30th, 1923, and entitled "An act to Amend an Act Entitled 'An Act Concerning Legal Notices, Advertisements and Publications and the Fees of Printers and Publishers thereof, and to Repeal all Acts and Parts of Acts in Conflict with the Provisions of this Act'," and within the meaning of an Act amendatory thereof, approved May 18th, 1931 and entitled "An Act to Amend Section 4, of Chapter 139, Session Laws 'of Colorado, 1923, relating to Legal Notices and Advertisements," and within the meaning of any and all other Acts amendatory thereof or supplemental thereto. And further affiant saith not.

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

James O'Rourke

The above certificate of publication was subscribed and sworn to before me by the above named James O'Rourke who is personally known to me to be the identical person described in the above certificate, on the 28th day of January, 2025 A.D.

FEIN # 92-1379977

Tomalee Young

Tomalee Young

NOTARY PUBLIC/STATE OF COLORADO

NOTARY ID #20034020559

My Commission Expires: July 15, 2027

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

## PROOF OF PUBLICATION

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

Pursuant to the Liquor Laws of the State of Colorado, Hacienda Jalisco Restaurant, has requested the Local Licensing Authority of the City of Salida, Colorado grant a Hotel and Restaurant (City) liquor license to to sell malt, vinous and spirituous liquors for consumption on premises at 1220 East Highway 50, Salida, CO 81201.

A hearing on the application, received January 16, 2025 will be held before the Local Licensing Authority of the City of Salida, Colorado at the hour of 6:00 p.m., or as soon thereafter as may be heard, on Tuesday, March 4, 2025. At said time and place, any interested persons may appear to be heard for or against the granting of said license.

#### LOCAL LICENSING AUTHORITY

Kristi Jefferson, City Clerk  
Published in The Mountain Mail January 28, 2025



# NOTICE

## PURSUANT TO THE LIQUOR LAWS OF COLORADO

Hacienda Jalisco Family Restaurant, LLC

1220 E. Hwy 50

Salida, CO. 81201

HAS REQUESTED THE LICENSING  
OFFICIALS OF

City of Salida

TO

LICENSE AT:

Approve a new Hotel and Restaurant Liquor license

1220 E. Hwy 50

Salida, CO. 81201

HEARING ON APPLICATION TO BE HELD AT:

City Council Chambers

448 E. 1st St, Ste #119 Salida, CO. 81201

TIME AND DATE:

March 4, 2025

DATE OF APPLICATION:

January 16, 2025


BY ORDER OF:

City of Salida

OFFICERS:

City Council

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

 COLORADO  
Department of Public Safety  
Division of Liquor Control





## Colorado Liquor Retail License Application

\* Note that the Division will not accept cash ☒ Paid by Check Date Uploaded to Movelt

☐ Paid Online

January 27, 2025

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

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

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

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

Hacienda Jalisco Family Restaurant, LLC

FEIN Number

State Sales Tax Number

Trade Name of Establishment (DBA)

Business Telephone

Hacienda Jalisco

719-207-4787

Address of Premises (specify exact location of premises, include suite/unit numbers)

1220 E. Rainbow Blvd

City

County

State

ZIP Code

Salida

Chaffee

CO

81501

Mailing Address (Number and Street)

City or Town

State

ZIP Code

1220 E. Rainbow Blvd.

Salida

CO

81201

Email Address

HaciendaJalisco25@gmail.com

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

Present Trade Name of Establishment (DBA)

Present State License Number

Present Class of License

Present Expiration Date



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

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

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

If "yes", explain in detail.

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

or

Waiver by local ordinance? ☐ Yes ☐ No

Other

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

6. Is your Liquor Licensed Drugstore (LLDS) or Retail Liquor Store (RLS) within 3000 feet of another retail liquor license for off-premises sales in a jurisdiction with a population of less than (<) 10,000? **NOTE:** The distance shall be determined by a radius measurement that begins at the principal doorway of the LLDS/RLS premises for which the application is being made and ends at the principal doorway of the Licensed LLDS/RLS..... ☐ Yes ☒ No

For additional Retail Liquor Store only.

- a. Was your Retail Liquor Store License issued on or before January 1, 2016?.... ☐ Yes ☒ No
- b. Are you a Colorado resident?..... ☒ Yes ☐ No
7. Has a liquor or beer license ever been issued to the applicant (including any of the partners, if a partnership; members or manager if a Limited Liability Company; or officers, stockholders or directors if a corporation)? If yes, identify the name of the business and list any **current** financial interest in said business including any loans to or from a licensee..... ☒ Yes ☐ No
8. Does the applicant, as listed on line 2 of this application, **have legal possession of the premises by ownership**, lease or other arrangement?..... ☒ Yes ☐ No

☐ Ownership ☒ Lease ☐ Other (Explain in detail)

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

Landlord

Martin Rangel

Tenant

Leticia Garcia

Expires

12-31-2029

- b. Is a percentage of alcohol sales included as compensation to the landlord?  
If yes, complete question on page 9..... ☐ Yes ☒ No
- c. Attach a diagram that designates the area to be licensed in black bold outline (including dimensions) which shows the bars, brewery, walls, partitions, entrances, exits and what each room shall be utilized for in this business. This diagram should be no larger than 8½" X 11".



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

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

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

10. Optional Premises or Hotel and Restaurant Licenses with Optional Premises:  
Has a local ordinance or resolution authorizing optional premises been adopted?.... ☐ Yes ☒ No

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

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

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

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

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

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

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

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

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

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

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

14. Campus Liquor Complex applicants answer the following:

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

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

15. For all on-premises applicants.

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

Last Name of Manager

*Garcia*

First Name of Manager

*Leticia*

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

Name

*La Terraza*

Type of License

*Hotel & Restaurant*

Account Number

*[REDACTED]*



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

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

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

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

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

Last Name of Manager

First Name of Manager

**18. Tax Information.**

- a. Has the applicant, including its manager, partners, officer, directors, stockholders, members (LLC), managing members (LLC), or any other person with a 10% or greater financial interest in the applicant, been found in final order of a tax agency to be delinquent in the payment of any state or local taxes, penalties, or interest related to a business?..... ☐ Yes ☒ No
- b. Has the applicant, including its manager, partners, officer, directors, stockholders, members (LLC), managing members (LLC), or any other person with a 10% or greater financial interest in the applicant failed to pay any fees or surcharges imposed pursuant to section 44-3-503, C.R.S.?..... ☐ Yes ☒ No

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

Name				Date of Birth (MM/DD/YY)	
<div>Leticia Garcia</div>				<div></div>	
Street Address					
<div></div>					
City	State	ZIP Code	Position	%Owned	
<div></div>	<div>CO</div>	<div></div>	<div>Manager</div>	<div>100%</div>	
Name				Date of Birth (MM/DD/YY)	
<div></div>				<div></div>	
Street Address					
<div></div>					
City	State	ZIP Code	Position	%Owned	
<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	
Name				Date of Birth (MM/DD/YY)	
<div></div>				<div></div>	
Street Address					
<div></div>					
City	State	ZIP Code	Position	%Owned	
<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	
Name				Date of Birth (MM/DD/YY)	
<div></div>				<div></div>	
Street Address					
<div></div>					
City	State	ZIP Code	Position	%Owned	
<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	
Name				Date of Birth (MM/DD/YY)	
<div></div>				<div></div>	
Street Address					
<div></div>					
City	State	ZIP Code	Position	%Owned	
<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	
Name				Date of Birth (MM/DD/YY)	
<div></div>				<div></div>	
Street Address					
<div></div>					
City	State	ZIP Code	Position	%Owned	
<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	



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

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

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

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

### Oath Of Applicant

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

Printed Name

Leticia Garcia

Title

Sole Member

Authorized Signature

Leticia Garcia

Date (MM/DD/YY)

01-08-2025

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

Date application filed with local authority

January 16, 2025

Date of local authority hearing (for new license applicants; cannot be less than 30 days from date of application)

March 4, 2025

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

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

☒ Fingerprinted

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

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

(Check One)

☐ Date of inspection or anticipated date

☒ Will conduct inspection upon approval of state licensing authority

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

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

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

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

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

Local Licensing Authority for

Telephone Number

☐ Town, City

☐ County

Printed Name

Title

Signature

Date (MM/DD/YY)

Printed Name

Title

Signature

Date (MM/DD/YY)



## Tax Check Authorization, Waiver, and Request to Release Information

I, Leticia Garcia

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

(the "Applicant/Licensee")

Hacienda Jalisco

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)

Hacienda Jalisco

Social Security Number/Tax Identification Number

[REDACTED]

Home Phone Number

[REDACTED]

Business/Work Phone Number

719-207-4787

Street Address

1220 E. Rainbow Blvd.

City

Salida

State

CO

ZIP Code

81201

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

Leticia Garcia

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

Leticia Garcia

Date Signed

01-08-2025

### Privacy Act Statement

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

## Individual History Record

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

Name of Business

Hacienda Talisco

Home Phone Number

N/A

Cellular Number

Your Full Name (last, first, middle)

Garcia Leticia

List any other names you have used

Peña, Leticia

Mailing address (if different from residence)

1220 E. Rainbow Blvd. Salida CO 81201

Email Address

HaciendaTalisco25@gmail.com

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

Current Street and Number

Current City, State, ZIP

[Redacted Address Information]

## Individual History Record (Continued)

Name of Relative

Relationship to You:

Position Held

Name of Licensee

Name of Relative

Relationship to You:

Position Held

Name of Licensee

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

(If yes, answer in detail.)

Yes, I applied and obtained a license on 07-07-2024

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

(If yes, answer in detail.)

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

(If yes, answer in detail.)

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

(If yes, answer in detail.)



## Individual History Record (Continued)

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

(If yes, answer in detail.)

### Personal and Financial Information

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

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

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

Driver's License Number	Driver's License State
<div></div>	<div>Colorado</div>

### Financial Information

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

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

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

## Personal and Financial Information (Continued)

**11.** Provide details of the personal investment described in question 10. You must account for all of the sources of this investment. (Attach a separate sheet if needed)

Type: Cash, Services or Equipment

Bank Name

Account Type

Amount

Type: Cash, Services or Equipment

Bank Name

Account Type

Amount

Type: Cash, Services or Equipment

Bank Name

Account Type

Amount

Type: Cash, Services or Equipment

Bank Name

Account Type

Amount

**12.** Provide details of the corporate investment described in question 9. You must account for all of the sources of this investment. (Attach a separate sheet if needed)

Type: Cash, Services or Equipment

Bank Name

Loans

Account Type

Amount

Type: Cash, Services or Equipment

Bank Name

Loans

Account Type

Amount

Type: Cash, Services or Equipment

Bank Name

Loans

Account Type

Amount

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

Name of Lender

Address

Term

Security

Amount

## Personal and Financial Information (Continued)

Name of Lender

Address

Term

Security

Amount

Name of Lender

Address

Term

Security

Amount

Name of Lender

Address

Term

Security

Amount

## Oath of Applicant

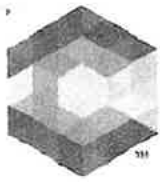
I declare under penalty of perjury that this application and all attachments are true, correct, and complete to the best of my knowledge.

Authorized Signature

Print Signature

Title

Date (MM/DD/YY)



# Colorado Secretary of State

Colorado Secretary of State

ID#: 20251027944

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## Articles of Organization for a Limited Liability Company

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

**The domestic entity name of the limited liability company is** Hacienda Jalisco Family Restaurant, LLC

**The principal office street address is**

1220 E Rainbow Blvd  
Salida CO 81201  
US

**The principal office mailing address is**

1220 E Rainbow Blvd  
Salida CO 81201  
US

**The name of the registered agent is** Leticia Garcia

**The registered agent's street address is**

1220 E Rainbow Blvd  
Salida CO 81201  
US

**The registered agent's mailing address is**

1220 E Rainbow Blvd  
Salida CO 81201  
US

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

**The management of the limited liability company is vested in** Members

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

**Person(s) forming the limited liability company**

Leticia Garcia  
1220 E Rainbow Blvd  
Salida CO 81201  
US

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



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

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

Leticia Garcia  
1220 E Rainbow Blvd  
Salida CO 81201  
US

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,

Hacienda Jalisco Family Restaurant, LLC

is a

Limited Liability Company

formed or registered on 01/07/2025 under the law of Colorado, has complied with all applicable requirements of this office, and is in good standing with this office. This entity has been assigned entity identification number 20251027944 .

This certificate reflects facts established or disclosed by documents delivered to this office on paper through 01/06/2025 that have been posted, and by documents delivered to this office electronically through 01/07/2025 @ 17:37:37 .

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 01/07/2025 @ 17:37:37 in accordance with applicable law. This certificate is assigned Confirmation Number 16874473 .

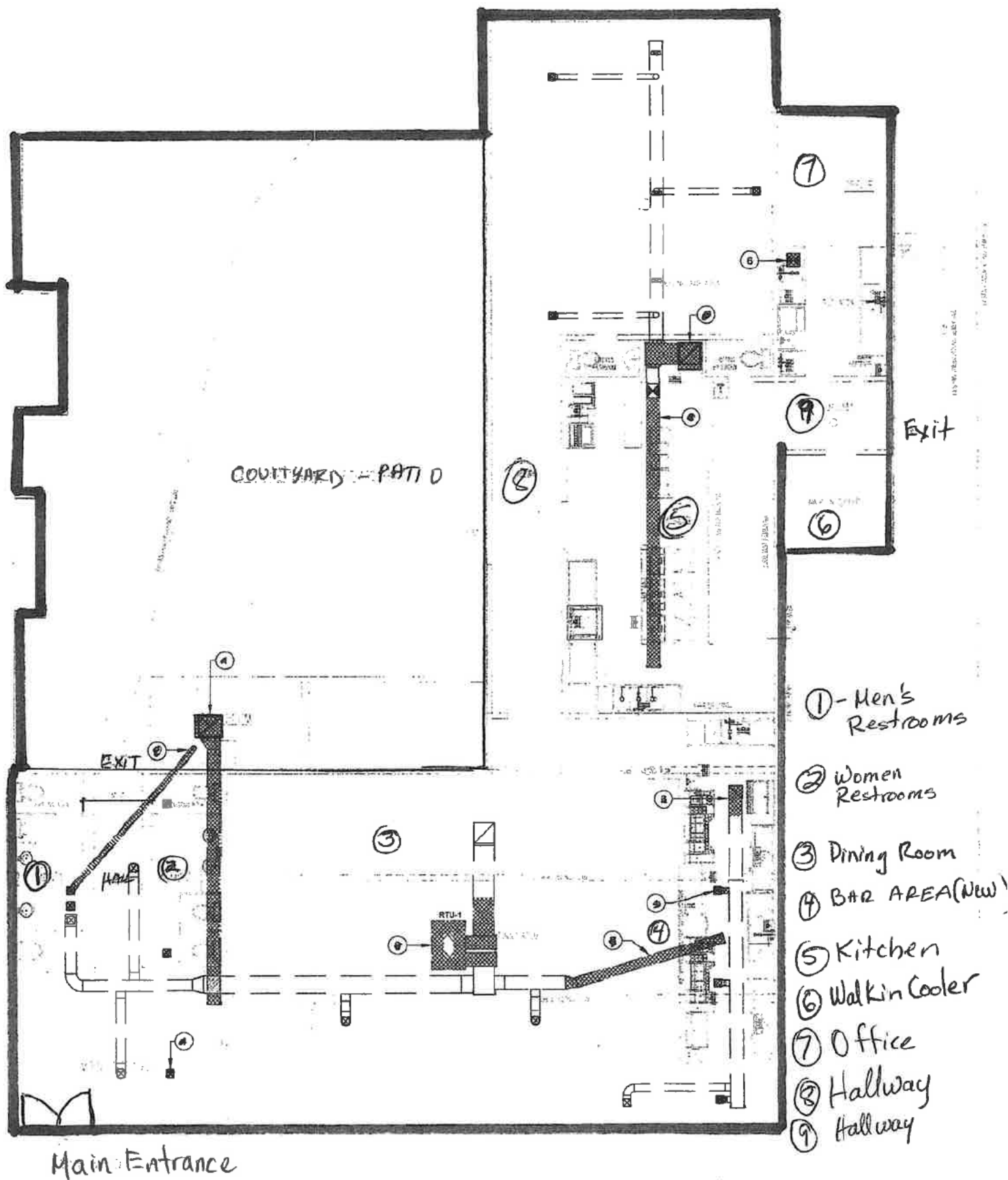


*Jena Griswold*

Secretary of State of the State of Colorado

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

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



**LEASE AGREEMENT**

By and Between

**RANGEL COMMERCIAL PROPERTY NO. 2, LLC,  
a Colorado limited liability company**

as Landlord

and

**HACIENDA JALISCO FAMILY RESTAURANT, LLC, a Colorado limited liability company**

as Tenant



## ARTICLE 1: BASIC TERMS/DEFINITIONS

This Article One contains the Basic Terms and Definitions of this Lease between the Landlord and Tenant named below. Other Articles, Sections and Paragraphs of this Lease referred to in this Article One explain and define the Basic Terms and are to be read in conjunction with the Basic Terms.

**Section 1.1 Date of Lease.** January 1, 2025.

**Section 1.2 Landlord.** [REDACTED]  
company.

Address of Landlord: [REDACTED]

**Section 1.3 Tenant.** Hacienda Jalisco Family Restaurant, LLC, a Colorado limited liability company ("Tenant").

Address of Tenant: [REDACTED]

**Section 1.4 Property.** That certain real property, including all improvements thereon, having the street address of 1220 E. Rainbow Boulevard (a/k/a 1220 E. Highway 50), Salida, Colorado, 81201 (the "Property"), legally described in the attached Exhibit A.

**Section 1.5 Premises.** Same as the Property (the "Premises").

**Section 1.6 Commencement Date.** January 1, 2025 (the "Commencement Date").

**Section 1.7 Lease Term.** A period of sixty (60) months, commencing on the Commencement Date and expiring on December 31, 2029 (the "Term" or "Initial Term").

**Section 1.8 Pre-Condition to Delivery of Possession.** Notwithstanding anything to the contrary in this Lease, prior to Landlord's delivery of possession of the Premises to Tenant, Tenant shall have provided Landlord with a promissory note in a form approved by Landlord [REDACTED]

**Section 1.9 Existing License.** Tenant acknowledges that (a) United Parcel Service, Inc., an Ohio corporation ("Licensee"), the lessor of the property depicted in blue on the attached Exhibit B (the "Licensee Property"), adjacent to the Premises on the north, holds a non-exclusive right and license (the "License") to access and enter upon, over and across that area of the Premises depicted in red on the attached Exhibit B (the "Access License Area") for the purposes of pedestrian and vehicular ingress, egress and access to and from the Licensee Property between the hours of 9 p.m. and 10 a.m. Mountain Time and (b) this Lease is subject to the License. Tenant shall not interfere with or obstruct in any manner Licensee's exercise of its rights under the License. Tenant shall promptly notify Landlord upon becoming aware of Licensee's use of the Access License Area outside the hours referenced in the preceding sentence.

## **Section 1.10 Options to Extend.**

(a) If this Lease has not been terminated and no material default or breach then exists, Tenant shall have one option (the "Option") to extend the Term for a period of five (5) years (the "Renewal Term"). Tenant must exercise an Option, if at all, by giving two hundred and seventy (270) days' written notice (the "Option Notice") to Landlord prior to the last day of the Initial Term. If the Option is effectively exercised, then the Term and all terms, covenants and conditions of this Lease shall be extended with the same force and effect as if the Renewal Term had originally been included in the Term, except that (i) Base Rent during such Renewal Term shall be at Fair Market Rent as determined pursuant to Section 1.10(b), but in any event shall begin at a rate not less than the Base Rent scheduled for the final month of the Initial Term with not less than 3% annual escalations thereafter, (ii) there shall be no further right to renew the Term, (iii) no allowances, abatements or other financial concessions shall apply, (iv) the Security Deposit shall be adjusted to bear the same relationship to Base Rent as was originally agreed, and (v) Landlord may require a change to the types and/or amounts of insurance coverages to conform to what Landlord or its affiliates then require in connection with new leases; provided, however, that a Renewal Term shall not commence, at Landlord's option, despite an effective Option Notice, if Tenant shall be in material breach or default at any time thereafter and prior to commencement of such Renewal Term. If Tenant does not exercise an Option as provided in this Section 1.10, then Tenant shall be deemed to have waived the same.

(b) "Fair Market Rent" shall mean the fair market annual base rent payable from time to time for leased property comparable to the Premises, taking into consideration all relevant factors including, without limitation, creditworthiness of tenant; location, size, type, classification, and quality of premises, building, and project; annual or other periodic rental escalations; brokerage commissions payable (or not payable); the applicable rent commencement date; and applicable concessions (i.e. improvement allowances and free rent), if any. If Landlord and Tenant have not agreed on Fair Market Rent within thirty (30) days of an Option Notice, then Fair Market Rent shall be determined as follows: within thirty (30) days thereafter, each party shall give written notice to the other setting forth the name and address of an Appraiser (hereinafter defined) selected by such party who has agreed to act in such capacity to determine Fair Market Rent. Each party shall pay the fees and expenses related to its respective Appraiser. If either party fails to timely select an Appraiser, Fair Market Rent shall be determined by the Appraiser selected by the other party. Each Appraiser shall independently make his or her determination of Fair Market Rent and provide notice of the same to the other party within ninety (90) days of the Option Notice. If the difference between the two determinations is ten percent (10%) or less of the higher determination, then the average between the determinations shall be Fair Market Rent. If the difference is greater than ten percent (10%) of the higher determination, then the two Appraisers shall, within thirty (30) days of the date the second determination is submitted to the parties, designate a third Appraiser. The sole responsibility of the third Appraiser will be to determine which of the determinations made by the first two Appraisers is more accurate. The third Appraiser shall have no right to propose a middle ground or any modification of either of the determinations made by the first two Appraisers. The third Appraiser's choice shall be submitted to the parties within thirty (30) days after his or her selection. Such determination shall bind both of the parties and shall establish Fair Market Rent. Each party shall pay equal shares of the fees and expenses of the third Appraiser. "Appraiser" shall mean a real estate broker licensed in the State of Colorado who has been regularly engaged in such capacity in the business of commercial leasing in the Salida, Colorado, market for at least ten (10) years immediately preceding such person's appointment hereunder and not then representing Landlord or Tenant. As used in this Lease, "Term," "term of this Lease" and similar terms shall refer to the Initial Term together with the Renewal Term, if any.

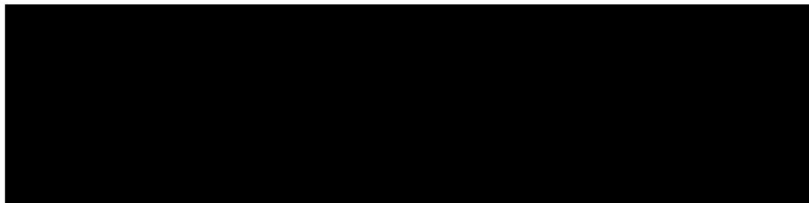
**Section 1.11 Permitted Use.** Tenant may use and occupy the Premises solely for operation of a restaurant specializing in and serving Mexican food under the trade name of "Hacienda Jalisco" ("Permitted Use"). No other use of the Premises shall be permitted without the express written consent of

Landlord, to be granted or withheld in its sole discretion. Tenant shall not cause or permit the Premises to be used in any way which constitutes a violation of any law, ordinance (including but not limited to zoning ordinances) or governmental regulation, license, permit or order, or which constitutes a nuisance or waste. Tenant's use of the Premises shall be subject to and shall not violate any applicable CC&Rs or other restrictions of record. Tenant shall obtain, pay for and comply with all permits required for Tenant's occupancy of the Premises and operation of its business (including but not limited to any liquor license) and shall promptly take all actions necessary to comply with all applicable statutes, ordinances, rules, regulations, codes, orders, decrees and requirements (collectively, "Laws") regulating the use by Tenant of the Premises, including but not limited to, all Environmental Laws (defined below), the Occupational Safety and Health Act and similar state and local Laws, and all food safety Laws. During the Term, Tenant shall continuously conduct Tenant's Permitted Use in the Premises during customary business hours of businesses of like character in the county where the Premises is located and shall not discontinue use of any portion of the Premises except with the prior written consent of Landlord.

**Section 1.12 Tenant's Guarantors.** Leticia Pena Garcia and Raul Antonio Avila Gonzalez, each pursuant to the Unconditional Lease Guaranty attached as Exhibit C.

**Section 1.13 Rent and Other Charges Payable by Tenant.**

(a) **BASE RENT.** Base Rent beginning on the Commencement Date shall be as follows:



(b) **Triple Net.** This Lease is what is commonly called a "*Triple Net Lease*," it being understood and agreed that Landlord shall receive all Rent required by this Lease free and clear of any and all impositions, real estate and other taxes, liens, utility and other charges, insurance and other expenses of any kind or nature whatsoever in connection with, relating to or arising out of, in the broadest sense, the ownership and operation of the Premises. In addition to the Base Rent payable hereunder, Tenant shall pay to Landlord, as Additional Rent, any transaction privilege tax, gross receipts tax, sales tax, rent tax or any like tax (but not federal or state income tax) presently or hereafter levied, assessed, or imposed by any governmental authority upon or measured by any rents, charges or other payments required to be paid under this Lease. In addition to the Base Rent, Tenant shall also pay certain operating costs concerning, relating to or arising out of the Premises as described in Article Four, Article Six or elsewhere in this Lease.

(c) **Other Periodic Payments.** Other periodic payments that are the responsibility of Tenant include: Real Property Taxes (see Sections 4.01 and 4.06); Personal Property Taxes (see Section 4.02); Utilities (see Section 4.03); Insurance Premiums (see Sections 4.04 and 4.05); and, Maintenance, Repairs and Alterations (see Article Six), including all applicable rental and privilege taxes on said periodic payments.

**Section 1.14 Additional Rent.** All charges payable by Tenant to Landlord under this Lease other than Base Rent are called "Additional Rent." Unless this Lease expressly provides otherwise, Tenant shall pay all Additional Rent then due with the next monthly installment of Base Rent. The terms "rent" or "Rent" shall mean Base Rent and Additional Rent.

## Section 1.15

## Section 1.16

(a)

(b)

(c)

## ARTICLE 2: LEASE TERM

**Section 2.1 Lease of Premises for the Term.** For and in consideration of the Rent and other sums hereinafter reserved, and upon the covenants and conditions hereof, Landlord does hereby lease the Premises to Tenant, and Tenant hereby leases the Premises from Landlord, for the Term. The Term is for the period stated in Section 1.07 and shall begin and end on the dates specified in Section 1.07, unless the beginning or end of the Term is changed under any provision of this Lease. The Commencement Date shall be the date specified in Section 1.06 for the beginning of the Lease Term, unless advanced or delayed under any provision of this Lease.

**Section 2.2 Holding Over.** Tenant shall vacate the Premises upon the expiration or earlier termination of this Lease. Tenant shall reimburse Landlord for and indemnify Landlord against all damages which Landlord incurs from Tenant's delay in vacating the Premises. If Tenant does not vacate the Premises upon the expiration or earlier termination of this Lease and Landlord thereafter accepts Rent from Tenant, Tenant's occupancy of the Premises shall be a "month-to-month" tenancy, subject to all of the terms of this Lease, except that the Base Rent then in effect shall be increased by one hundred fifty percent (150%). Landlord's right to collect such rent shall be in addition to and shall not preclude concurrent, alternative or successive exercise of any other rights or remedies available to Landlord.

## ARTICLE 3: BASE RENT

**Section 3.1 Time and Manner of Payment.** Upon execution of this Lease, Tenant shall pay Landlord the Base Rent and Additional Rent due for the first full month of the Lease Term, and for any initial partial month thereof if the Commencement Date is not the first day of a calendar month ("Initial Rent Payment Upon Execution"). Any such initial partial month Base Rent and Additional Rent shall be calculated on a prorated basis by multiplying the Base Rent and Additional Rent amounts applicable for the first full month of the Lease Term by a fraction, the numerator of which shall be the actual number of days from the Commencement Date to the end of month and the denominator of which shall be the total number of days in the month. Beginning on the first day of the second full month of the Lease Term and on the first day of each month thereafter, Tenant shall pay Landlord the Base Rent and Additional Rent, in advance, without offset, deduction or prior demand. The Base Rent and Additional Rent shall be payable at Landlord's address or at such other place as Landlord may designate in writing. Any payments of Base Rent and Additional Rent for any fractional calendar month shall be prorated as provided above.

(a) **Late Charges.** Tenant's failure to pay Rent promptly may cause Landlord to incur unanticipated costs. The exact amount of such costs is impractical or extremely difficult to ascertain. Therefore, if Landlord does not receive any rent payment within five (5) days after it becomes due, Tenant shall pay Landlord a late charge equal to five percent (5%) of the overdue amount. The parties agree that such late charge represents a fair and reasonable estimate of the costs Landlord will incur by reason of such late payment. Such late charge shall be in addition to and not in lieu of any other remedy of Landlord hereunder.



(b) **Interest on Past Due Obligations.** Any amount owed by Tenant to Landlord which is not paid when due shall bear interest at the rate of eighteen percent (18%) per annum from the due date of such amount. However, interest shall not be payable on late charges to be paid by Tenant under this Lease. The payment of interest on such amounts shall not excuse or cure any default by Tenant under this Lease. If the interest rate specified in this Lease is higher than the rate permitted by law, then the interest rate is hereby decreased to the maximum legal interest rate permitted by law. Such interest shall be in addition to and not in lieu of any other remedy of Landlord hereunder.

**Section 3.2 Security Deposit.** Upon the execution of this Lease, in addition to payment of the Initial Rent Payment Upon Execution, Tenant shall deposit with Landlord a cash Security Deposit in the amount set forth in Section 1.15, as security for the full performance by Tenant of its obligations hereunder. If Tenant defaults under any provision hereof, Landlord shall be entitled, at its option, to apply or retain all or any part of the Security Deposit for the payment of any Base Rent, Additional Rent, other sum owing by Tenant to Landlord, or any amount which Landlord may become obligated to spend because of Tenant's default, or to compensate Landlord for any loss or damage which Landlord may suffer because of Tenant's default. If any portion of the Security Deposit is so used or applied, Tenant shall, within five (5) days after written demand therefor, deposit cash with Landlord in an amount sufficient to restore the Security Deposit to its full amount. Tenant's failure to do so shall be a material default under this Lease. Landlord shall not be required to keep the Security Deposit separate from its other accounts, and no trust relationship is created with respect to the Security Deposit. The Security Deposit shall be held in a non-interest-bearing account of Landlord. If Tenant fully performs every provision of this Lease to be performed by it, then the Security Deposit or any balance thereof shall be returned to Tenant at the expiration of the Term of this Lease or any period of holding over. Landlord's rights with respect to the Security Deposit shall be in addition to and shall not preclude concurrent, alternative or successive exercises of any other rights or remedies available to Landlord.

**Section 3.3 Rental/Privilege Taxes.** Tenant shall pay Landlord any and all privilege, commercial rental tax, transactional, excise or other taxes (not including Landlord's income taxes) imposed or levied by any taxing authority against Landlord for, or on Landlord's right to receive or the receipt by Landlord of, Base Rent, Additional Rent and any other charges or sums payable by Tenant under this Lease, said taxes to be paid and due at the time provided for payment of said Base Rent, Additional Rent or other sums or charges by Tenant. As of the Commencement Date, the rental tax is not applicable.

#### **ARTICLE 4: OTHER CHARGES PAYABLE BY TENANT**

##### **Section 4.1 Real Property Taxes.**

(a) **Real Property Taxes.** In addition to the Base Rent, Tenant shall pay to Landlord (who shall pay to the taxing authority) all real property taxes on the Property (including any fees, taxes or assessments against, or as a result of, any tenant improvements installed on the Property by or for the benefit of Tenant) during the Lease Term in accordance with Section 4.06. Landlord shall reimburse Tenant for any real property taxes paid by Tenant covering any period of time prior to or after the Lease Term.

(b) **Definition of "Real Property Tax."** "Real Property Tax" means: (i) any fee, license fee, license tax, business license fee, commercial rental tax, levy, charge, assessment, penalty or tax imposed by any taxing authority against the Property; (ii) any tax against Landlord's business of leasing the Property; (iii) any tax or charge for fire protection, streets, sidewalks, road maintenance, refuse or other services provided to the Property by any governmental agency; (iv) any tax imposed upon this transaction or based upon a re-assessment of the Property due to a change of ownership, as defined by applicable law, or other transfer of all or part of Landlord's interest in the Property; and (v) any charge or

fee replacing any tax previously included within the definition of real property tax. "Real Property Tax" does not, however, include Landlord's federal or state income or franchise taxes.

(c) Intentionally deleted.

#### **Section 4.2 Personal Property Taxes.**

(a) Tenant shall pay all taxes charged against trade fixtures, furnishings, equipment, or any other personal property belonging to Tenant. Tenant shall use Tenant's best efforts to have personal property taxed separately from the Property and pay such taxes directly to the taxing authority.

(b) If any of Tenant's personal property is taxed with the Property, Tenant shall pay Landlord the taxes for the personal property together with the next due installment of Base Rent.

**Section 4.3 Utilities and Services to the Premises.** Tenant shall transfer all utility accounts into its name and pay, directly to the appropriate supplier, the cost of all utilities and services supplied to the Premises (including without limitation, as applicable, natural gas, heat, light, power, sewer, telephone, internet, water, refuse disposal, janitorial services and other utilities and services supplied to the Premises).

#### **Section 4.4 Insurance Policies.**

(a) **Liability Insurance.** During the Lease Term, Tenant shall maintain a policy of commercial general liability insurance (sometimes known as broad form commercial general liability insurance) insuring Tenant against liability for bodily injury, property damage (including loss of use of property) and personal injury arising out of the operation, use or occupancy of the Premises, with an endorsement for liquor liability. Tenant shall name Landlord and upon notification by Landlord to Tenant, Landlord's members, managers, trustees, officers, employees, agents and subagents, and such other related parties as Landlord may request, individually and collectively, as additional insureds under such policy. Tenant shall also name any lender whose loan is secured by a loan against the Property. The initial amount of such insurance shall be Two Million Dollars (\$2,000,000) per occurrence and Two Million Dollars (\$2,000,000) aggregate and shall be subject to commercially reasonable periodic increase consistent with the increases required by other landlords of similar buildings, similar premises and similar tenants in similar markets. The liability insurance obtained by Tenant under this Section 4.04(a) shall (i) be primary and non-contributing; (ii) contain cross-liability clauses; and (iii) insure Landlord against Tenant's performance under Sections 5.06 and 12.01. The amount and coverage of such insurance shall not limit Tenant's liability nor relieve Tenant of any other obligation under this Lease. Tenant shall be liable for payment of any deductible amount under Tenant's insurance policies maintained pursuant to this Section 4.04. Landlord may also obtain and maintain commercial general liability insurance in an amount and with coverage determined by Landlord insuring Landlord against liability arising out of ownership, operation, use or occupancy of the Premises. The policy obtained or maintained by Landlord shall not be contributory and shall not provide primary insurance for the Premises. Tenant shall also obtain such other insurance and in such amounts as may from time to time be reasonably required by Landlord against other insurable hazards which at the time are customarily insured against in the case of premises similarly situated in Chaffee County, Colorado, with due consideration for the height and type of building and improvements, their construction, use and occupancy.

(b) **Property Insurance.** During the Lease Term, Landlord shall maintain policies of insurance covering loss of or damage to the Premises in the full amount of its replacement value. Such policy may contain an Inflation Guard Endorsement and Boiler and Machinery Endorsement and provide protection against all perils included within the classification of fire, extended coverage, vandalism, malicious mischief, special extended perils (Special Form), sprinkler leakage and any other perils which

Landlord deems reasonably necessary. Landlord shall have the right to obtain flood and earthquake insurance if required by any lender holding a security interest in the Property. Landlord shall not obtain insurance for Tenant's fixtures or equipment or any tenant improvements on the Premises. Tenant shall be liable for the payment of any deductible amount under Landlord's insurance covering damage to the Premises in an amount not to exceed Ten Thousand Dollars (\$10,000). During the Lease Term, Landlord may also maintain a rental income insurance policy, with loss payable to Landlord, in an amount equal to one year's Base Rent, plus estimated real property taxes and insurance premiums. Tenant shall not do or permit anything to be done which invalidates any such insurance policies.

(c) **Tenant's Workers' Compensation Insurance.** Tenant shall keep and maintain a standard form workers' compensation and employer's liability insurance covering all Tenant's employees for injury or illness suffered in the course of or arising out of their employment, providing statutory workers' compensation benefits and employer's liability limits of not less than required by the laws of the State of Colorado.

(d) **Business Interruption Insurance.** Tenant shall maintain business interruption insurance in an amount sufficient to cover Tenant's Rent obligations under this Lease for a period of twelve (12) months.

(e) **Payment of Premiums.** Tenant shall pay all premiums for those insurance policies described in Sections 4.04(a) through (c) as to be maintained by Landlord in accordance with Section 4.05, except that Landlord shall pay all premiums for non-primary commercial general liability insurance which Landlord elects to obtain as provided in Section 4.04(a). If the Lease Term expires or is terminated before the expiration of an insurance policy described in Sections 4.04(a) through (c), the premium payable by Tenant shall be prorated.

(f) **General Insurance Provisions.**

(i) Before the Commencement Date, Tenant shall deliver to Landlord a copy of any policy of insurance which Tenant is required to maintain under this Section 4.04. At least thirty (30) days prior to the expiration of any such policy, Tenant shall deliver to Landlord a renewal of such policy. As an alternative to providing a policy of insurance, Tenant may provide Landlord a certificate of insurance, executed by an authorized officer of the insurance company, showing that the insurance which Tenant is required to maintain under this Section 4.04 is in full force and effect and containing such other information which Landlord reasonably requires.

(ii) Any insurance which Tenant is required to maintain under this Lease shall include a provision which requires the insurance carrier to give Landlord not less than thirty (30) days' written notice prior to any cancellation or modification of such coverage. If the insurer is unable or unwilling to provide such notice to Landlord, Tenant shall be required to provide notice not less than twenty (20) days prior to any cancellation or modification of such coverage.

(iii) If Tenant fails to deliver any policy, certificate or renewal to Landlord required under this Lease within the prescribed time period, or if any such policy is cancelled or modified during the Lease Term without Landlord's consent, then Landlord may obtain such insurance, in which case Tenant shall reimburse Landlord, within fifteen (15) days after receipt of a statement showing the cost of such insurance, for the cost of same along with interest at the rate provided in Section 3.01(b) from the dates of Landlord's payments.

(iv) Tenant shall maintain all insurance required under this Lease with companies holding an "A.M. Best's Financial Strength Rating" of A+ or better and a Best's Financial Size Category of VIII or better as set forth in the most current issue of "A.M. Best's Credit Rating" and

that are authorized to do business in Colorado. Coverage must be written on an occurrence basis and shall be maintained without interruption from the Commencement Date until the date of termination of this Lease. Tenant acknowledges that the insurance described in this Section 4.04 is for the primary benefit of Landlord. Landlord makes no representation as to the adequacy of such insurance to protect Landlord's or Tenant's interests.

(v) Landlord and Tenant each hereby waive any and all rights of recovery against the other, and against the officers, employees, members, agents or representatives of the other, for loss of or damage to the Premises, its property or the property of others under its control, if such loss or damage is covered by any insurance policy in force (whether or not described in this Lease) at the time of such loss or damage (or would have been covered had the insurance required by this Lease been carried). Each policy of property insurance obtained by Landlord or Tenant pursuant to the provisions of this Lease shall include a waiver of the insurer's right of subrogation against Landlord or Tenant (as the case may be) and shall contain an endorsement to the effect that any loss payable under such policy shall be payable notwithstanding any act or negligence of Landlord or Tenant (as the case may be), or any agent, contractor, employee or invitee of Landlord or Tenant (as the case may be), which might, absent such agreement, result in the forfeiture of payment for such loss. Tenant shall, upon obtaining the policies of insurance required pursuant to this Section 4.04, give notice to its insurance carrier or carriers that a waiver of subrogation is contained in this Section 4.04(e)(v) of this Lease and shall obtain, at Tenant's expense, an appropriate waiver of subrogation endorsement from such insurer(s). If a party either does not insure for full replacement value or fails to obtain the insurance required hereunder, the same shall not affect this waiver.

(vi) None of the requirements contained herein as to the types, limits, or Landlord's approval of insurance coverage to be maintained by Tenant are intended to, and shall not in any manner, limit, qualify, or quantify the liabilities and obligations assumed by Tenant under this Lease or any other agreement with the Landlord, or otherwise provided by law.

(vii) Failure of Tenant to provide insurance as herein required or failure of Landlord to require evidence of insurance or to notify Tenant of any breach by Tenant of the requirements of this Section 4.04 shall not be deemed to be a waiver of any of the terms of this Lease, nor shall the same be deemed to be a waiver of the obligation of Tenant to defend, protect, indemnify, and hold harmless Landlord and/or other parties as required in this Lease. The obligation to procure and maintain any insurance required by this Lease is a separate responsibility of Tenant and independent of the duty to furnish a copy or certificate of such insurance policies.

**Section 4.5 Impounds for Insurance Premiums.** Tenant shall deposit with Landlord, together with each payment of Base Rent, an amount equal to one-twelfth (1/12) of the annual insurance premiums payable by Tenant on insurance to be maintained by Landlord under this Lease, as reasonably estimated by Landlord from time to time. If these deposits by Tenant exceed the actual insurance premiums for a given year, the excess shall be credited against the next installment of Additional Rent due from Tenant. If these deposits are less than the actual amount of insurance premiums for a given year, Tenant shall pay the balance upon written notice from Landlord. Landlord may adjust the amount of the monthly deposit from time to time. Landlord shall not be required to pay interest on such deposits or to keep them separate from Landlord's funds, and such deposits shall be considered part of the rent payable by Tenant hereunder. If Tenant defaults under this Lease, Landlord may apply any funds in the impound account to any obligation then due under this Lease. The initial monthly deposit for insurance premiums shall be **\$700.00/month**.

**Section 4.6 Impounds for Real Property Taxes.** Tenant shall deposit with Landlord, together with each payment of Base Rent, an amount equal to one-twelfth of the annual Real Property Taxes to be levied against the Property, as reasonably estimated by Landlord from time to time. If these

deposits by Tenant exceed the actual real property taxes for a given year, the excess shall be credited against the next installment of Additional Rent due from Tenant. If these deposits are less than the actual amount of real property tax for a given year, Tenant shall pay the balance upon written notice from Landlord. Landlord may adjust the amount of the monthly deposit from time to time. Landlord shall not be required to pay interest on such deposits or to keep them separate from Landlord's funds, and such deposits shall be considered part of the rent payable by Tenant hereunder. If Tenant defaults under this Lease, Landlord may apply any funds in the impound account to any obligation then due under this Lease. The initial monthly deposit for real property taxes shall be **\$775.00/month**.

## **ARTICLE 5: USE OF PREMISES**

**Section 5.1 Permitted Use.** Tenant may use the Premises only for the Permitted Use set forth in Section 1.11.

**Section 5.2 Manner of Use/Compliance with Laws.** Tenant shall not cause or permit the Premises to be used in any way which constitutes a violation of any law, ordinance, or governmental regulation or order, which constitutes a nuisance or waste or which would cause an increase in insurance rates for the Premises or Property. Tenant shall be responsible for ensuring that its use of the Premises is permitted by all applicable zoning and land use regulations and restrictions of record. Tenant shall obtain and pay for all permits required for Tenant's occupancy of the Premises and its operations and shall promptly take all actions necessary to comply with all applicable laws, rules, regulations, ordinances and other requirements of a governmental agency or body regulating Tenant's operations and the use by Tenant of the Premises, including the Occupational Safety and Health Act and all Environmental Laws. Tenant shall further be responsible to comply with the Americans with Disabilities Act of 1990 (42 U.S.C. 12181, et seq.) and all regulations promulgated thereunder (the "ADA"), as provided in Section 5.09.

**Section 5.3 Waste, Nuisance, Etc.** Tenant shall not commit or permit any waste or nuisance on the Premises or in any manner deface or injure the Premises.

**Section 5.4 Signs, Exterior, Etc.** Tenant may not install signage at the Premises except with the prior written consent of Landlord, which may be granted or withheld in its sole discretion. Tenant shall not install any objects upon the roof or exterior of the Premises. Failure to comply with this Section 5.04 shall be a material breach of this Lease.

### **Section 5.5 Hazardous Materials.**

(a) As used in this Lease, the term "Hazardous Material(s)" means: (i) those substances included within any one or more of the terms "hazardous materials," "hazardous wastes," "hazardous substances," "extremely hazardous substances," "industrial wastes," and "pollutants" and "contaminants," as those terms are defined under any Environmental Law (defined below); (ii) petroleum and petroleum products, including, without limitation, crude oil and any fractions thereof, gasoline, diesel fuel and other petroleum hydrocarbons; (iii) natural gas, synthetic gas and any mixtures thereof; (iv) asbestos and or any material which contains any hydrated mineral silicate, including, without limitation, chrysotile, amosite, crocidolite, tremolite, anthophyllite and/or actinolite, whether friable or non-friable; (v) polychlorinated biphenyl ("PCBs") or PCB-containing materials or fluids; (vi) per- and polyfluoroalkyl substances ("PFAS") or PFAS-containing materials or fluids; (vii) radon; (viii) urea formaldehyde; (ix); lead, paints, solvents, cyanide, DDT, printing inks, acids, pesticides, ammonia compounds; (x) any other hazardous, toxic, corrosive, ignitable, explosive, flammable, infectious, carcinogenic, mutagenic, dangerous, reactive or radioactive substance, material, pollutant, contaminant, chemical or waste; and (xi) any other substance with respect to which any Environmental Law or governmental authority requires investigation, monitoring, reporting or remediation or is subsequently found to have adverse effects on the environment or the health and safety of persons. "Release" means

any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping or disposing of any Hazardous Substances. "Environmental Law" means, as amended and in effect from time to time, any federal, state or local law, statute, ordinance, code, rule, regulation, judicial decision, or the judgment, order or decree of a governmental authority, arbitrator or other private adjudicator by which Tenant or the Property is bound, relating to, or imposing liability or standards of conduct or requiring action concerning, the protection of the environment (including without limitation, as to reporting, discharge, spillage, storage, uncontrolled loss, seepage, filtration, disposal, removal, use or existence of Hazardous Materials) or the effect of the environment on human health, including, without limitation, the Comprehensive Environmental Response, Compensation & Liability Act of 1980, the Resource, Conservation & Recovery Act of 1976, the Emergency Planning and Community Right-to-Know Act of 1986, the Clean Water Act, Colorado environmental statutes, and all rules and regulations adopted and guidelines promulgated pursuant to the foregoing.

(b) Tenant shall not cause or permit any Hazardous Material to be generated, produced, brought upon, used, stored, treated or disposed of in or about the Premises by Tenant, its agents, employees, contractors, subtenants, invitees or licensees without the prior written consent of Landlord, to be granted or withheld in its sole discretion. In no event shall Landlord be required to consent to the installation or use of any storage tanks in or on the Premises.

(c) To the extent Tenant is allowed to or otherwise stores or uses any Hazardous Materials in or about the Premises, Tenant shall be responsible for any and all costs, penalties and fines incurred for any environmental contamination and subsequent remediation at the Premises caused by such storage and use of Hazardous Materials. If Tenant, its agents, employees, contractors, subtenants, invitees or licensees, causes or permits a Release of Hazardous Materials or otherwise contaminates the Premises, Tenant shall forthwith cause such contamination to be fully corrected and remediated at Tenant's expense. Tenant, following the expiration or termination of this Lease, shall be allowed access to the Premises only to the extent necessary to remove or otherwise correct and remediate any such environmental contamination and shall conduct no gainful business activity whatsoever at the Premises. The provisions of this Section 5.05 shall survive the expiration or any termination of this Lease.

(d) Without limiting the generality of the foregoing, any flammable materials used or stored by Tenant on the Premises must be used and stored in accordance with all applicable state, federal and local laws and regulations, including without limitation, Environmental Laws.

**Section 5.6 Indemnity.** To the fullest extent permitted by law, Tenant shall indemnify, defend, protect and hold Landlord harmless for, from, and against any and all costs (including, without limitation, attorneys' fees and court costs), claims, losses, damages, expenses, obligations or liabilities (collectively, "Claims") arising from: (a) Tenant's use of the Premises; (b) the conduct of Tenant's business or anything else done or permitted by Tenant to be done in or about the Premises, including any contamination of the Premises or any other property resulting from the presence, use or Release of any Hazardous Material caused or permitted by Tenant; (c) any breach or default in the performance of Tenant's obligations under this Lease; (d) any misrepresentation or breach of warranty by Tenant under this Lease; or (e) other acts or omissions of Tenant. Tenant shall defend Landlord against any such Claim at Tenant's expense with counsel reasonably acceptable to Landlord or, at Landlord's election, Tenant shall reimburse Landlord for any legal fees or costs incurred in connection with any such Claim. As a material part of the consideration to Landlord, Tenant assumes all risk of damage to property or injury to persons in or about the Premises arising from any cause, and Tenant hereby waives all claims in respect thereof against Landlord. As used in this Section 5.06, the term "Tenant" shall include Tenant's employees, agents, contractors, subtenants, customers, invitees and licensees, as applicable, and the term "Landlord" shall include Landlord's members, officers, employees, agents, contractors, representatives and lenders. The provisions of this Section 5.06 shall survive the expiration or any termination of this Lease.



**Section 5.7 Landlord's Entry.** Landlord or its agents may enter the Premises at all reasonable times to (i) show the Premises to potential buyers, investors, tenants or other parties, (ii) in connection with its plans and any future development of the Premises, (iii) to inspect the Premises or perform repairs as required or permitted by this Lease or (iv) for any other purpose Landlord reasonably deems necessary. Landlord shall give Tenant prior notice of such entry, except in the case of an emergency. Landlord may place customary "For Sale" or "For Lease" signs on the Premises, as applicable.

**Section 5.8 Quiet Possession.** If Tenant pays the Rent and complies with all other terms of this Lease, Tenant may occupy and enjoy the Premises for the full Lease Term, subject to the provisions of this Lease free from interference by Landlord. Landlord shall not be responsible for the acts of third parties, including other tenants, if any.

**Section 5.9 Tenant ADA Obligations.** At all times during the Term of this Lease, Tenant, at Tenant's sole cost and expense, shall cause all alterations and improvements on the Premises, Tenant's use and occupancy of the Premises, and Tenant's performance of its obligations under this Lease, to comply with the ADA, and all amendments, revisions or modifications thereto now or hereafter adopted or in effect in connection therewith and to take such actions and make such alterations and improvements as are necessary for such compliance; provided, however, that Tenant shall not make any such alterations or improvements except upon Landlord's prior written consent pursuant to the terms and conditions of this Lease. If Tenant fails to diligently take such actions or make such alterations or improvements as are necessary for such compliance, then Landlord may, but shall not be obligated to, take such actions and make such alterations and improvements and may recover all of the costs and expenses of such actions, alterations and improvements from Tenant as Additional Rent along with interest at the rate provided in Section 3.01(b) from the dates of Landlord's payments. Notwithstanding anything in this Lease to the contrary, no act or omission of Landlord, including any approval, consent or acceptance by Landlord or Landlord's agents, employees or other representatives, shall be deemed an agreement, acknowledgment, warranty or other representation by Landlord that Tenant has complied with the ADA or that any action, alteration or improvement by Tenant complies or will comply with the ADA or shall constitute a waiver by Landlord of Tenant's obligations to comply with the ADA under this Lease or otherwise.

## **ARTICLE 6: CONDITION OF PREMISES; MAINTENANCE, REPAIRS AND ALTERATIONS**

**Section 6.1 Existing Conditions.** The electrical and plumbing systems at the building located on the Premises shall be warranted by the Landlord for a period of three (3) months following the Commencement Date. Except as stated in the preceding sentence, Tenant accepts the Premises "as is," in its condition as of the execution of this Lease, subject to all recorded deed restrictions, covenants, easements and other matters, laws, ordinances, and governmental regulations and orders. Tenant accepts the Premises subject to all apparent and hidden defects, regardless of whether such defects are known to Landlord. Tenant waives all claims for undisclosed defects, whether based on contract, tort, fraud, or otherwise. Except as set forth in the first sentence of this Section 6.01, Tenant acknowledges that neither Landlord nor its agents have made any representation or warranty, express or implied, in fact or by law, as to the condition or size of the Premises, the suitability of the Premises for Tenant's intended use, or the compliance of the Premises with the ADA or other applicable laws, rules and regulations, including but not limited to zoning laws. Tenant represents and warrants that Tenant has made its own inspection of and inquiry regarding the condition and suitability of the Premises and is not relying on any representations of Landlord or any agent of Landlord with respect thereto.

**Section 6.2 Exemption of Landlord from Liability.** Landlord shall not be liable for any damage or injury to the person, business (or any loss of income therefrom), goods, wares, merchandise,

raw materials, work-in-progress or other property of Tenant, Tenant's employees, agents, contractors, subtenants, invitees or licensees or any other person in or about the Premises, whether such damage or injury is caused by or results from: (a) fire, steam, electricity, water, gas, wind, lightning or rain; (b) the breakage, leakage, obstruction or other defects of pipes, sprinklers, wires, appliances, plumbing, air conditioning or lighting fixtures or any other cause; (c) conditions arising in or about the Premises or in the vicinity of the Premises, or from other sources or places; or (d) any act or omission of any other person, including but not limited to theft or vandalism. Landlord shall not be liable for any such damage or injury even though the cause of or the means of repairing such damage or injury are not accessible to Tenant.

**Section 6.3 Landlord's Obligations.** Landlord shall maintain in good condition and repair only the structural portions of the building located on the Premises, including exterior walls (excluding the interior faces thereof), structural elements of interior walls, floor slab, foundation, roof and roof membrane. Tenant shall reimburse Landlord for the cost of such maintenance and repair as an item of Additional Rent upon receipt of an invoice of the same from Landlord. Tenant waives the benefit of any present or future law which might give Tenant the right to repair the Premises at Landlord's expense or to terminate this Lease due to the condition of the Premises.

**Section 6.4 Tenant's Obligations.**

(a) Except as otherwise expressly provided in Section 6.03 (Landlord's Obligations), Tenant shall maintain all portions of the Premises, interior and exterior, in good order, condition and repair and in a state of cleanliness, including but not limited to: HVAC units; mechanical, electrical, gas and plumbing systems; fire sprinklers; parking lot, including striping; landscaping; hoods; coolers; grease traps; interior walls (nonstructural elements) and interior faces of exterior walls; floors and ceilings; doors and windows, including frames and glass; and signs. Tenant shall be responsible for all snow removal at the Premises. Tenant shall properly dispose of all garbage and refuse and not allow the same to accumulate at the Premises. Tenant shall maintain the inside of the Premises at a temperature sufficiently high to prevent freezing of water in pipes and fixtures. Tenant shall be responsible for termite and pest extermination and shall arrange for such services to be provided to the Premises at regular intervals. Tenant shall contract with a servicer or servicers approved by Landlord to service the following every three (3) months: HVAC units; hoods; coolers; and grease traps. If any portion of the Premises or any system or equipment in the Premises which Tenant is obligated to repair cannot be fully repaired or restored, then Tenant shall promptly replace such portion of the Premises or system or equipment in the Premises (upon notice to and receipt of Landlord's approval for capital replacements as defined under generally accepted accounting principles), regardless of whether the benefit of such replacement extends beyond the Lease Term. If any part of the Premises is damaged or destroyed by any act or omission of Tenant, its employees, agents, contractors, subtenants, customers, invitees or licensees (including but not limited to grease damage to the roof), then Tenant shall pay Landlord the cost of repairing or replacing such damaged property, whether or not Landlord would otherwise be obligated to pay the cost of maintaining or repairing such property. All repairs, maintenance, improvements, and replacements shall be done with new materials or equipment in a quality and workmanlike manner in accordance with prevailing standards of quality and in accordance with all applicable building codes. It is the intention of Landlord and Tenant that at all times Tenant shall maintain the Premises in an attractive, first-class and fully operative condition and that Tenant shall turn the Premises over to Landlord in such condition at the expiration or termination of this Lease.

(b) Tenant shall fulfill all of Tenant's obligations under this Section 6.04 at Tenant's sole expense. If Tenant fails to maintain, repair or replace the Premises, its systems or equipment as required by this Section 6.04, then Landlord may, upon ten (10) days' prior notice to Tenant (except that no notice shall be required in the case of an emergency), perform such maintenance, repair or replacement on behalf of Tenant. In such case, Tenant shall reimburse Landlord for all costs incurred in performing

such maintenance, repair or replacement immediately upon demand along with interest at the rate provided in Section 3.01(b) from the dates of Landlord's payments, plus fifteen percent (15%) to cover Landlord's time and overhead.

#### **Section 6.5      Alterations, Additions, and Improvements.**

(a)      Tenant shall not make any alterations, additions, or improvements to the Premises without Landlord's prior written consent, to be granted or withheld in Landlord's sole discretion. All alterations, additions, and improvements shall be done in a good and workmanlike manner, in conformity with applicable laws and regulations, and by a licensed contractor approved by Landlord. Landlord may require Tenant to provide demolition and/or lien and completion bonds in form and amount satisfactory to Landlord. Tenant shall promptly remove any alterations, additions, or improvements constructed in violation of this Section 6.05(a) upon Landlord's written request. Upon completion of any such work, Tenant shall provide Landlord with "as built" plans, copies of all construction contracts, and proof of payment for all labor and materials including appropriate lien releases. Landlord shall have no responsibility or liability for any death or injury to persons, including but not limited to Tenant, Tenant's officers, directors, members, employees, agents, personnel, contractors, invitees, licensees and/or any third persons in or upon the Premises, or for damage to property caused by alterations, additions or improvements made to the Premises by Tenant, whether or not made pursuant to Landlord's prior written consent as required herein.

(b)      Tenant shall pay when due all claims for labor and material furnished to the Premises for Tenant's alterations, additions, or improvements to the Premises. Tenant shall give Landlord at least twenty (20) days' prior written notice of the commencement of any work on the Premises. Tenant shall keep the Premises free and clear of any liens arising out of any work performed, materials furnished or obligations incurred by or on behalf of Tenant. If any such lien is filed against the Premises, then Tenant shall, within ten (10) days thereafter, cause the lien to be fully discharged by either paying the obligation secured thereby or obtaining and recording a payment bond in accordance with applicable law. Tenant is not authorized to act for or on behalf of Landlord as its agent, or otherwise, for the purpose of constructing any improvements to the Premises, and neither Landlord nor Landlord's interest in the Premises shall be subject to any obligations incurred by Tenant. Landlord shall be entitled to record and post on the Premises during the course of any construction by Tenant such notices of non-responsibility as Landlord deems appropriate for the protection of Landlord and its interest in the Premises. If Tenant fails to fully discharge any such lien within a 10-day period, then Landlord may (but shall not be so obligated) pay the claim secured by such lien, and the amount so paid, together with any costs and reasonable attorneys' fees incurred in connection therewith, shall be immediately due and owing from Tenant to Landlord, and Tenant shall pay the same to Landlord with interest at the rate provided in Section 3.01(b) from the dates of Landlord's payments. Should any claims of lien be filed against the Premises or any action affecting the title to the same be commenced, the party receiving notice of such lien or action shall forthwith give the other party written notice thereof.

(c)      Unless Landlord requires the removal thereof upon the termination of this Lease, all alterations, additions or improvements to the Premises by Tenant (except movable furniture, equipment and trade fixtures) shall become a part of the Premises and the property of Landlord immediately upon installation thereof. Notwithstanding the foregoing, Tenant shall remove at the expiration or termination of this Lease all movable trade fixtures and personal property belonging to Tenant. Any alteration, addition or improvement which Tenant is permitted or required to remove hereunder, together with any movable furniture, equipment and trade fixtures belonging to Tenant, shall be removed at Tenant's expense upon the expiration or termination of this Lease, and Tenant shall promptly repair any damage to the Premises caused by such removal. In no event, however, shall Tenant remove any of the following materials or equipment (which shall be deemed Landlord's property) without Landlord's prior written consent: any power wiring or power panels; lighting or lighting fixtures; wall

coverings; window coverings; carpets or other floor coverings; heaters, air conditioners or any other heating or air conditioning equipment; fencing or security gates; or other similar building operating equipment.

**Section 6.6 Condition upon Termination or Expiration.** Upon the expiration or termination of this Lease, except as otherwise provided in Section 6.05(c) or in this Section 6.06, Tenant shall surrender the Premises and all alterations, additions and improvements to Landlord, broom clean and in the same condition as received, except for ordinary wear and tear which Tenant was not otherwise obligated to remedy, repair or replace under any provision of this Lease. In addition, Landlord may require Tenant to remove any alterations, additions or improvements made by or on behalf of Tenant (whether or not made with Landlord's consent) prior to the expiration of this Lease and to restore the Premises to its prior condition, all at Tenant's expense. However, Tenant shall not be obligated to repair any damage which Landlord is required to repair under Article Seven (Damage or Destruction) or Article Eight (Condemnation).

## **ARTICLE 7: DAMAGE OR DESTRUCTION**

**Section 7.1 Partial Damage to Property.** Tenant shall notify Landlord in writing immediately upon the occurrence of any damage to the Premises. If the Premises suffers only minor damage (i.e., less than Twenty Thousand Dollars (\$20,000.00) to repair), then this Lease shall remain in effect and Landlord shall repair the damage as soon as reasonably possible, subject to Section 7.03. Landlord is not required to repair any damage to Tenant's fixtures, equipment, or improvements.

**Section 7.2 Substantial or Total Destruction.** If the Premises is substantially or totally destroyed by any cause whatsoever (i.e., the damage to the Premises is greater than minor damage as described in Section 7.01), and regardless of whether Landlord receives any insurance proceeds, this Lease shall terminate as of the date the destruction occurred. Notwithstanding the preceding sentence, if the Landlord determines that the Premises can be rebuilt or repaired within nine (9) months after the date of destruction, then Landlord may elect to rebuild or repair the Premises, in which case this Lease shall remain in full force and effect. Landlord shall notify Tenant of such election within forty-five (45) days after Tenant's notice of the occurrence of total or substantial destruction. If Landlord so elects, Landlord shall rebuild or repair the Premises at Landlord's sole expense, except that if the destruction was caused by an act or omission of Tenant, its employees, agents, contractors, subtenants, invitees or licensees, Tenant shall pay Landlord the difference between the actual cost of rebuilding and any insurance proceeds received by Landlord.

**Section 7.3 Uninsured Loss.** Notwithstanding the other sections of this Article Seven, if the insurance proceeds received by Landlord are not sufficient to pay the entire cost of repair (except for the deductible amount), or if the cause of the damage is not covered by the insurance policies which Landlord maintains under Section 4.04(b), then Landlord may elect either to (i) repair the damage as soon as reasonably possible, provided that Landlord has determined that the damage may be repaired within nine (9) months of its occurrence, in which case this Lease shall remain in full force and effect, or (ii) terminate this Lease as of the date the damage occurred. Landlord shall notify Tenant within forty-five (45) days after receipt of notice of the occurrence of the damage whether Landlord elects to repair the damage or terminate this Lease. If Landlord elects to repair the damage, and if the damage was due to an act or omission of Tenant, its employees, agents, contractors, subtenants, invitees or licensees, then Tenant shall pay the difference between the actual cost of repair and any insurance proceeds received by Landlord. If Landlord elects to terminate this Lease, then Tenant may elect to continue this Lease in full force and effect, in which case Tenant shall repair any damage to the Premises. In such case, Tenant shall pay the cost of such repairs, except that upon satisfactory completion of such repairs, Landlord shall deliver to Tenant any insurance proceeds received by Landlord for the damage repaired by Tenant. Tenant shall give

Landlord written notice of such election within ten (10) days after receiving Landlord's termination notice.

**Section 7.4 Damage Near End of Term.** If the damage to the Premises occurs during the last six (6) months of the Lease Term and such damage will require more than thirty (30) days to repair, either Landlord or Tenant may elect to terminate this Lease as of the date the damage occurred, regardless of the sufficiency of any insurance proceeds. The party electing to terminate this Lease shall give written notification to the other party of such election within fifteen (15) days after Tenant's notice to Landlord of the occurrence of the damage. Landlord shall retain any insurance proceeds.

**Section 7.5 Abatement of Rent.** If the Premises is destroyed or damaged, then rent shall abate in proportion to the interference with Tenant's use of the Premises until the damage or destruction is repaired.

**Section 7.6 Waiver.** Tenant waives the protection of any statute, code or judicial decision which grants a tenant the right to terminate a lease in the event of the substantial or total destruction of the Premises. Tenant agrees that the provisions of this Article Seven shall govern the rights and obligations of Landlord and Tenant in the event of any substantial or total destruction of the Premises.

## **ARTICLE 8: CONDEMNATION**

If all or any portion of the Premises is taken under the power of eminent domain or sold under the threat of that power (either of which is called "Condemnation"), then this Lease shall terminate as to the part taken or sold on the date the condemning authority takes title or possession, whichever occurs first. If it is not feasible for Tenant to continue to conduct its business on the Premises after the Condemnation, then either Landlord or Tenant may terminate this Lease as of the date the condemning authority takes title or possession, by delivering written notice to the other within ten (10) days after receipt of written notice of such taking (or in the absence of such notice, within ten (10) days after the condemning authority takes title or possession). If neither Landlord nor Tenant terminates this Lease, then this Lease shall remain in effect as to the portion of the Premises not taken, except that the Base Rent shall be reduced in the proportion that the value of the Premises taken bears to the whole Premises. Any Condemnation award or payment shall be distributed in the following order: (a) first, to any ground lessor, mortgagee or beneficiary under a deed of trust encumbering Landlord's fee interest in the Premises, the amount of its interest in the Premises; (b) second, to Tenant, only the amount of any award specifically designated for loss of or damage to Tenant's removable trade fixtures or removable personal property; and (c) third, to Landlord, the remainder of such award, whether as compensation for reduction in the value of the leasehold, the taking of the fee, or otherwise. Tenant assigns to Landlord any claim for the value of Tenant's leasehold estate. If this Lease is not terminated, Landlord shall repair any damage to the Premises caused by the Condemnation, except that Landlord shall not be obligated to repair any damage for which Tenant has been reimbursed by the condemning authority, and Landlord shall have no obligation to spend more on such repairs than Landlord receives for severance damages. If the severance damages received by Landlord are not sufficient to pay for such repair, then Tenant shall have the right either to terminate this Lease or make such repair at Tenant's expense.

## **ARTICLE 9: ASSIGNMENT AND SUBLETTING**

**Section 9.1 Landlord's Consent Required.** No right to occupy all or any portion of the Premises and no portion of Tenant's interest in this Lease may be acquired by any other person or entity, whether by sale, assignment, mortgage, sublease, transfer, encumbrance, operation of law, or act of Tenant (each, a "Transfer"), without Landlord's prior written consent, to be granted, withheld or conditioned in its sole discretion. Any attempted Transfer without consent shall be void and shall constitute a non-curable breach of this Lease. If Tenant is an entity, then a cumulative Transfer of fifty percent (50%) or more of

the ownership interests in Tenant or a cumulative Transfer of a controlling interest of the voting interests in Tenant shall be deemed a Transfer and shall require Landlord's consent.

**Section 9.2 No Release of Tenant.** No transfer permitted by this Article Nine, whether in a single transaction or series of transactions, or with or without Landlord's consent, shall release Tenant or any Guarantor or change Tenant's primary liability to pay the rent and to perform all other obligations of Tenant under this Lease. Landlord's acceptance of rent from any other person is not a waiver of any provision of this Article Nine. Consent to one Transfer is not a consent to any subsequent Transfer. If Tenant's transferee defaults under this Lease, then Landlord may proceed directly against Tenant and/or any Guarantor without pursuing remedies against the transferee. Landlord may consent to subsequent assignments or modifications of this Lease by Tenant's transferee, without notifying Tenant or obtaining its consent. Such action shall not relieve Tenant's liability under this Lease.

**Section 9.3 Documentation.** Tenant's request for consent to any Transfer shall set forth in writing (i) the details of the proposed Transfer, (ii) name and address of the prospective transferee, (iii) reasonable satisfactory information about its business and business history, (iv) its proposed use of the Premises, (v) banking, financial and other credit information, (vi) general references sufficient to enable Landlord to determine the proposed transferee's creditworthiness and character, (vii) financial details of the proposed Transfer (e.g., the term of and the rent and any security deposit payable under any proposed assignment or sublease), and (viii) any other information Landlord deems relevant. Tenant's request for consent to a Transfer shall be accompanied by a fee of One Thousand Dollars (\$1,000.00) to defray Landlord's costs in reviewing the request, and Tenant shall additionally reimburse Landlord immediately upon request for its reasonable attorneys' fees incurred in connection therewith.

**Section 9.4 No Merger.** No merger shall result from Tenant's sublease of the Premises under this Article Nine, Tenant's surrender of this Lease or the termination of this Lease in any other manner. In any such event, Landlord may terminate any or all subtenancies or succeed to the interest of Tenant as sublandlord under any or all subtenancies.

**Section 9.5 Excess Rent.** If Tenant receives any consideration (including rent, lump sum payments, or other consideration however denominated) from any transferee of the Premises over and above the Base Rent payable to Landlord (plus any brokerage fees payable on account of said transfer, assignment, or sublease), then Tenant shall pay one-half of such excess consideration to Landlord within ten (10) days after receipt, in each case. If a portion of the Premises is subleased, then excess consideration shall be calculated on a proportionate basis based on the percentage of the area of the Premises subleased.

## **ARTICLE 10: DEFAULTS; REMEDIES**

**Section 10.1 Covenants and Conditions.** Tenant's performance of each of Tenant's obligations under this Lease is a condition as well as a covenant. Tenant's right to continue in possession of the Premises is conditioned upon such performance. Time is of the essence in the performance of all covenants and conditions.

**Section 10.2 Defaults.** Tenant shall be in material default under this Lease:

- (a) If Tenant abandons the Premises;
- (b) If Tenant fails to pay Rent or any other charge when due hereunder and such failure continues for five (5) days thereafter;



(c) If Tenant fails to perform any of Tenant's non-monetary obligations under this Lease for a period of thirty (30) days after written notice from Landlord; provided, that if more than thirty (30) days are required to complete such performance, Tenant shall not be in default if Tenant commences such performance within such thirty (30)-day period and thereafter diligently pursues its completion and completes the same in no more than sixty (60) days. However, Landlord shall not be required to give such notice if Tenant's failure to perform constitutes a non-curable breach of this Lease. The notice required by this Section 10.02(c) is intended to satisfy any and all notice requirements imposed by law on Landlord and is not in addition to any such requirement.

(d) (i) if Tenant or Guarantor makes a general assignment or general arrangement for the benefit of creditors; (ii) if a petition for adjudication of bankruptcy or for reorganization or rearrangement is filed by or against Tenant or Guarantor and is not dismissed within thirty (30) days; (iii) if a trustee or receiver is appointed to take possession of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease and possession is not restored to Tenant within thirty (30) days; or (iv) if substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease is subjected to attachment, execution or other judicial seizure which is not discharged within thirty (30) days. If a court of competent jurisdiction determines that any of the acts described in this subparagraph (d) are not a default under this Lease, and a trustee is appointed to take possession (or if Tenant remains a debtor in possession) and such trustee or Tenant transfers Tenant's interest hereunder, then Landlord shall receive, as Additional Rent, the excess, if any, of the rent (or any other consideration) paid in connection with such assignment or sublease over the rent payable by Tenant under this Lease.

**Section 10.3 Remedies.** On the occurrence of any material default by Tenant, Landlord may, at any time thereafter, with or without notice or demand and without limiting Landlord in the exercise of any right or remedy which Landlord may have:

(a) Re-enter and terminate Tenant's right to possession of the Premises by any lawful means, in which case Tenant shall immediately surrender possession of the Premises to Landlord. In such event, Landlord shall be entitled to recover from Tenant all damages incurred by Landlord by reason of Tenant's default, including: (i) the unpaid Base Rent, Additional Rent and other charges and interest due at the time of termination of possession; (ii) the amount by which the Base Rent, Additional Rent and other charges and interest due after termination of possession until the time of the award exceeds the amount of such rental loss that Tenant proves Landlord could have reasonably avoided; (iii) the worth at the time of the award of the amount by which the unpaid Base Rent, Additional Rent and other charges which Tenant would have paid for the balance of the Lease Term after the time of award exceeds the amount of such rental loss that Tenant proves Landlord could have reasonably avoided; (iv) continuing interest on the amounts set forth in subparagraphs (i) and (ii) above at the rate of interest provided in Section 3.01(b); and (v) any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom, including but not limited to: any costs or expenses Landlord incurs in maintaining, repairing, or preserving the Premises after such default; the cost of recovering possession of the Premises; expenses of reletting, including necessary renovation or alteration of the Premises; any real estate commission paid or payable; and reasonable attorneys' fees incurred in connection with such default, including, but not limited to, in connection with the obtaining of relief from any stay in bankruptcy restraining any action to evict Tenant or the pursuing of any action with respect to Landlord's right to possession of the Premises. All such damages suffered (apart from Base Rent, Additional Rent and other charges payable hereunder) shall constitute pecuniary damages which must be reimbursed to Landlord prior to assumption of this Lease by Tenant or any successor to Tenant in any bankruptcy or other proceeding. As used in subpart (iii) above, the "worth at the time of the award" shall be computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award, plus one percent (1%);

(b) Terminate this Lease, and recover accrued and Base Rent, Additional Rent and other charges and interest and such other amounts as shall be permitted by law, including but not limited to, damages as specified in subparts (ii) through (v) of Section 10.03(a);

(c) Pursue recovery of any damages against any property, real or personal, subject to a security interest, mortgage, pledge, landlord's lien or other lien of Landlord provided by statute or provided for under the terms of this Lease in favor of Landlord against the property of Tenant; and/or

(d) Pursue any other remedy now or hereafter available to Landlord under the laws or judicial decisions of the state in which the Premises is located. No remedy herein conferred upon Landlord shall be considered exclusive of any other remedy, and the same shall be cumulative and shall be in addition to every other remedy given hereunder, or now or hereafter existing at law or in equity or by statute, including, but not limited to, the right to maintain an action to recover all amounts due hereunder. Landlord may exercise its rights and remedies at any time, in any order, to any extent, and as often as Landlord deems advisable. No delay or omission of Landlord to exercise any right or power arising from any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein. No waiver of a default shall be effective unless it is in writing.

**Section 10.4 No Acceptance of Surrender.** No act or conduct of Landlord, whether consisting of the acceptance of the keys to the Premises, or otherwise, shall be deemed to be or constitute an acceptance by Landlord of the surrender of the Premises by Tenant prior to the expiration of the Term hereof, and such acceptance by Landlord of surrender by Tenant shall only flow from, and must be evidenced by, written acknowledgement of acceptance of surrender signed by Landlord.

**Section 10.5 Removal of Tenant and Tenant's Property.** Pursuant to any right of re-entry available to Landlord in this Section 10 or at law or in in equity, including limitation upon any abandonment or attempted surrender of the Premises before the scheduled expiration of the Term of this Lease, Landlord shall have the right to remove all persons from the Premises and shall have the right (but not the obligation) to: (a) deem all personal property located on or about the Premises to be abandoned; (b) remove all such personal property therefrom; (c) enforce any rights Landlord may have against such personal property; (d) store such personal property in any public or private warehouse or elsewhere at the cost and for the account of Tenant or the owner or owners thereof; and (e) dispose of all or part of such personal property in any manner permitted by any applicable Laws or in any other reasonable manner. Any and all costs or expenses incurred by Landlord in connection with any of the foregoing, including without limitation attorneys' fees and costs, shall be deemed to be reasonable and foreseeable damages incurred by Landlord as a result of Tenant's default under this Lease. Except as required by applicable Laws, Landlord shall have absolutely no duty of inquiry or investigation with respect to the legal owner of any such personal property. Tenant shall hold Landlord free and harmless from any liability for the removal, storage and/or disposal of any such personal property, whether of Tenant or any third party. Any such action by Landlord shall not be deemed to be an election by Landlord to terminate this Lease.

**Section 10.6 Termination.** Notwithstanding any other term or provision of this Lease to the contrary, no act by Landlord shall terminate this Lease except notice from Landlord to Tenant in writing affirming Landlord's intent to terminate this Lease.

**Section 10.7 Tenant Property; Landlord Liens; Security Interests.** In consideration of Landlord entering into this Lease of the Premises, Tenant hereby acknowledges the existence in favor of Landlord of a landlord's lien as provided for under A.R.S. § 33-361(D) and A.R.S. § 33-362. In addition, in accordance with the Uniform Commercial Code as adopted and in effect in Colorado, Tenant hereby grants to Landlord a security interest in and to: all materials, fixtures, equipment and personal property now or hereafter incorporated into the Premises by Tenant, including but not limited to trade fixtures and any and all other fixtures, equipment and personal property in which Tenant has an interest which are now

or may hereafter be appropriated for use on or located on the Premises (hereinafter collectively "Collateral"). Landlord, in addition to any other rights with respect to such Collateral, shall have any and all rights afforded to a secured party under the Colorado Uniform Commercial Code ("UCC"). Landlord is hereby authorized to file and/or record one or more financing statements as required or permitted under the UCC covering such Collateral.

**Section 10.8 No Accord and Satisfaction.** No payment by Tenant or receipt by Landlord of a lesser amount than the rent or other sum due hereunder shall be deemed to be other than on account of the earliest rent or any other sum due and payable under this Lease, nor shall any endorsement or statement on any check or in any letter accompanying any check or payment as rent or other sum due and payable be deemed an accord and satisfaction, unless expressly agreed to, in writing, by Landlord. Landlord may accept any such check or payment without prejudice to Landlord's right to recover the balance of such rents or pursue any other remedy provided in this Lease.

## **ARTICLE 11: PROTECTION OF LENDERS**

**Section 11.1 Subordination.** This Lease and Tenant's interest in the Premises shall be subject and subordinate to all mortgages, deeds of trusts or other security agreements which now or hereafter affect the Premises and to any and all advancements to be made thereunder and to all renewals, modifications, consolidations, replacements, and extensions thereof, whenever made or recorded. Tenant shall cooperate with Landlord and any lender which is acquiring a security interest in the Premises or this Lease. Tenant shall execute such further documents and assurances as such lender may require, provided that such documents stipulate that Tenant's right to quiet possession of the Premises during the Lease Term shall not be disturbed if Tenant pays the Rent and performs all of Tenant's obligations under this Lease and is not otherwise in default. If any beneficiary or mortgagee elects to have this Lease superior to the lien of its deed of trust or mortgage and gives written notice thereof to Tenant, then this Lease shall be deemed superior to such deed of trust or mortgage whether this Lease is dated prior or subsequent to the date of said deed of trust or mortgage or the date of recording thereof.

**Section 11.2 Attornment.** If Landlord's interest in the Premises is acquired by any beneficiary under a deed of trust, mortgagee, or purchaser at a foreclosure sale, then Tenant shall attorn to the transferee of or successor to Landlord's interest in the Premises and recognize such transferee or successor as Landlord under this Lease. Tenant waives the protection of any statute or rule of law which gives or purports to give Tenant any right to terminate this Lease or surrender possession of the Premises upon the transfer of Landlord's interest.

**Section 11.3 Signing of Documents.** Within ten (10) days after written request, Tenant shall sign and deliver any instrument or documents necessary or appropriate to evidence any such attornment or subordination or agreement to do so. If Tenant fails to do so within ten (10) days after written request, then Tenant hereby makes, constitutes and irrevocably appoints Landlord, or any transferee or successor of Landlord, the attorney-in-fact of Tenant to execute and deliver any such instrument or document.

**Section 11.4 Tenant's Financial Condition.** Within ten (10) days after written request from Landlord, Tenant shall deliver to Landlord such financial statements as Landlord reasonably requires to verify the net worth and net income of Tenant or any assignee, subtenant, or guarantor of Tenant. In addition, Tenant shall deliver to any lender or purchaser designated by Landlord any financial statements required by such lender or purchaser to facilitate the financing, refinancing, or sale of the Premises. Tenant represents and warrants to Landlord that each such financial statement is a true and accurate statement as of the date of such statement. All financial statements shall be confidential and shall be used only for the purposes set forth in this Lease.

## **Section 11.5 Estoppel Certificates.**

(a) Upon Landlord's written request, Tenant shall execute, acknowledge and deliver to Landlord a written statement certifying: (i) that none of the terms or provisions of this Lease have been changed (or if they have been changed, stating how they have been changed); (ii) that this Lease has not been cancelled or terminated; (iii) the last date of payment of the Base Rent and other charges and the time period covered by such payment; (iv) that Landlord is not in default under this Lease (or, if Landlord is claimed to be in default, stating why); and (v) such other representations or information with respect to Tenant or this Lease as Landlord may reasonably request or which any prospective purchaser or encumbrancer of the Premises may require. Tenant shall execute and deliver such statement to Landlord within ten (10) days after Landlord's request. Landlord may give any such statement by Tenant to any prospective purchaser or encumbrancer of the Premises. Such purchaser or encumbrancer may rely conclusively upon such statement as true and correct.

(b) If Tenant does not deliver such statement to Landlord within such ten (10) day period, then Landlord, and any prospective purchaser or encumbrancer, may conclusively presume and rely upon the following facts: (i) that the terms and provisions of this Lease have not been changed except as otherwise represented by Landlord; (ii) that this Lease has not been cancelled or terminated except as otherwise represented by Landlord; (iii) that not more than one month's Base Rent or other charges have been paid in advance; and (iv) that Landlord is not in default under this Lease. In such event, Tenant shall be estopped from denying the truth of such facts.

## **ARTICLE 12: LEGAL COSTS**

**Section 12.1 Legal Proceedings.** If any action for breach of or to enforce the provisions of this Lease is commenced, then the court in such action shall award to the party in whose favor a judgment is entered a reasonable sum as attorneys' fees and costs. The losing party in such action shall pay such attorneys' fees and costs. Tenant shall also indemnify Landlord against, protect, defend and hold Landlord harmless from all costs, expenses, demands and liability Landlord may incur if Landlord becomes or is made a party to any claim or action: (a) instituted by Tenant against any third party, or by any third party against Tenant, or by or against any person holding any interest under or using the Premises by license or consent of or agreement with Tenant; (b) for foreclosure of any lien for labor or material furnished to or for Tenant or such other person; (c) otherwise arising out of or resulting from any act or transaction of Tenant or such other person; or (d) necessary to protect Landlord's interest under this Lease in a bankruptcy proceeding, or other proceeding under Title 11 of the United States Code, as amended. Tenant shall defend Landlord against any such claim or action at Tenant's expense with counsel reasonably acceptable to Landlord or, at Landlord's election, Tenant shall reimburse Landlord for any legal fees or costs Landlord incurs in any such claim or action. The provisions of this Article 12 shall survive the expiration or any termination of this Lease.

**Section 12.2 Landlord's Consent.** Tenant shall pay Landlord's reasonable attorneys' fees incurred in connection with Tenant's request for Landlord's consent under Article Nine (Assignment and Subletting), or in connection with any other act which Tenant proposes to do and which requires Landlord's consent, in addition to any fee payable to Landlord.

## **ARTICLE 13: MISCELLANEOUS PROVISIONS**

### **Section 13.1 Landlord's Liability; Certain Duties.**

(a) As used in this Lease, the term "Landlord" means only the current owner or owners of the fee title to the Premises at the time in question. Each landlord is obligated to perform the obligations of Landlord under this Lease only during the time such landlord owns such interest or title. Any landlord which transfers its title or interest is relieved of all liability with respect to the obligations of Landlord under this Lease to be performed on or after the date of transfer. However, each landlord shall

deliver to its transferee all funds that Tenant previously paid if such funds have not yet been applied under the terms of this Lease.

(b) Tenant shall give written notice of any failure by Landlord to perform any of its obligations under this Lease to Landlord and to any mortgagee or beneficiary under any deed of trust encumbering the Premises whose name and address have been furnished to Tenant in writing. Landlord shall not be in default under this Lease unless Landlord (or such mortgagee or beneficiary) fails to cure such non-performance within sixty (60) days after receipt of Tenant's notice to Landlord specifying the nature of such default. However, if such non-performance reasonably requires more than sixty (60) days to cure, then Landlord shall not be in default if such cure is commenced within such sixty (60)-day period and thereafter diligently pursued to completion. In the event of a default by Landlord under this Lease, Tenant shall use reasonable efforts to mitigate its damages and losses arising from any such default.

(c) Notwithstanding any term or provision herein to the contrary, (i) the liability of Landlord for the performance of its duties and obligations under this Lease is limited to Landlord's interest in the Premises and shall in no event include any consequential, speculative or punitive damages of any kind or nature, and (ii) neither Landlord nor its partners, members, managers, shareholders, officers or other principals shall have any personal liability under this Lease.

**Section 13.2 Severability.** A determination by a court of competent jurisdiction that any provision of this Lease or any part thereof is illegal or unenforceable shall not cancel or invalidate the remainder of such provision or this Lease, which shall remain in full force and effect.

**Section 13.3 Interpretation.** The captions of the Articles or Sections of this Lease are to assist the parties in reading this Lease and are not a part of the terms or provisions of this Lease. Whenever required by the context of this Lease, the singular shall include the plural, and vice versa, and the masculine, feminine and neuter genders shall each include each of the others. In any provision relating to the conduct, acts or omissions of Tenant, the term "Tenant" shall include Tenant's agents, employees, contractors, invitees, subtenants, licensees, successors or others using the Premises with Tenant's expressed or implied permission. This Lease is the result of negotiations between Landlord and Tenant, and therefore the language contained in this Lease shall be construed as a whole according to its fair meaning and not strictly for or against either Landlord or Tenant. If there is more than one Tenant, then the obligations to be performed by Tenant are joint and several. References to Landlord's "sole discretion" shall be interpreted to mean Landlord's "sole and absolute" discretion.

**Section 13.4 Incorporation of Prior Agreements; Modifications.** This Lease is the only agreement between the parties pertaining to the lease of the Premises, and no other agreements are effective. All amendments to this Lease shall be in writing and signed by all parties. Any other attempted amendment shall be void. All prior and contemporaneous agreements, representations, and understandings of the parties, oral or written, pertaining to the subject matter hereof, are hereby superseded and merged herein.

**Section 13.5 Notices.** All notices required or permitted under this Lease or otherwise given between Landlord and Tenant shall be in writing and shall be personally delivered or sent by certified mail, return receipt requested, postage prepaid or nationally recognized overnight delivery service. Notices to Tenant shall be delivered to the address specified in Section 1.03, except that upon Tenant's taking possession of the Premises, the Premises shall be Tenant's address for notice purposes. Except as provided above for notice to Tenant at the Premises, either party may change its notice address upon written notice to the other party.

**Section 13.6 Business Day.** The term "business day" as used in this Lease means any day except Saturday, Sunday or any other day on which commercial banks located in Salida, Colorado, are authorized or required by law or executive order to be closed for business.

**Section 13.7 Waivers.** All waivers must be in writing and signed by the waiving party. Landlord's failure to enforce any provision of this Lease or its acceptance of rent shall not be a waiver and shall not prevent Landlord from enforcing that provision or any other provision of this Lease in the future. No statement on a payment check from Tenant or in a letter accompanying a payment check shall be binding on Landlord. Landlord may, with or without notice to Tenant, negotiate such check without being bound to the conditions of such statement.

**Section 13.8 Binding Effect; Choice of Law.** This Lease binds any party who legally acquires any rights or interest in this Lease from Landlord or Tenant. However, Landlord shall have no obligation to Tenant's successor unless the rights or interests of Tenant's successor are acquired in accordance with the terms of this Lease. The laws of the state in which the Premises is located shall govern this Lease. The exclusive jurisdiction and venue for any action or proceeding brought by either party shall be the County Court of Chaffee County, Colorado, or the 11th Judicial District Court of Colorado.

**Section 13.9 Entity Authority.** If Tenant is a corporation, partnership or limited liability company, each person signing this Lease on behalf of Tenant represents and warrants that he has full authority to execute and deliver this Lease and that this Lease binds the corporation, partnership or limited liability company. If requested by Landlord, Tenant shall deliver to Landlord a certified copy of a resolution of Tenant's board of directors, partners, managers or members, as applicable, authorizing the execution of this Lease or other evidence of such authority reasonably acceptable to Landlord.

**Section 13.10 Force Majeure.** Landlord will have no liability to Tenant, nor will Tenant have any right to terminate this Lease or abate rent or assert a claim of partial or total actual or constructive eviction, because of Landlord's failure to perform any of its obligations in this Lease if the failure is due in part or in full to reasons beyond Landlord's reasonable control, including without limitation, strikes or other labor difficulties, inability to obtain necessary governmental permits and approvals (including building permits or certificates of occupancy), epidemics, war, riot, civil insurrection, accidents, acts of God and governmental preemption in connection with a national emergency (collectively referred to as "Force Majeure"). Except for the payment of Rent or other charges or sums due hereunder, Tenant shall not have liability to Landlord to the extent performance of an obligation hereunder is delayed or becomes impossible as a result of an event of Force Majeure.

**Section 13.11 Execution of Lease.** This Lease may be executed in counterparts and, when all counterpart documents are executed, the counterparts shall constitute a single binding instrument. Landlord's delivery of this Lease to Tenant shall not be deemed to be an offer to lease and shall not be binding upon either party until executed and delivered by both parties. A fully executed copy of this Agreement shall be treated as an original.

**Section 13.12 Survival.** All representations and warranties of Landlord and Tenant shall survive the termination of this Lease.

**Section 13.13 Time is of the Essence.** Time is of the essence for all provisions of this Lease.

**Section 13.14 Independent Covenants.** All covenants of Tenant under this Lease are independent and not contingent upon any covenant of Landlord under this Lease.



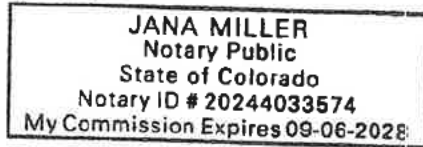
**Section 13.15 No Third-Party Rights/Partnership.** Except as expressly provided herein, no term or provision of this Lease is intended to or shall be for the benefit of any person not a party hereto, and no such other person shall have any right or cause of action hereunder. Nothing contained in this Lease shall create any partnership, joint venture, or other arrangement between Landlord and Tenant.

**Section 13.16 OFAC.** Each of Landlord and Tenant hereby represents its compliance with all applicable anti-money laundering laws, including, without limitation, the USA Patriot Act, and the laws administered by the United States Treasury Department's Office of Foreign Assets Control, including, without limitation, Executive Order 13224. Each of Landlord and Tenant further represents that (i) it is not, and it is not owned or controlled directly or indirectly by, any person or entity on the SDN List published by the United States Treasury Department's Office of Foreign Assets Control and (ii) it is not a person otherwise identified by government or legal authority as a person with whom a U.S. Person is prohibited from transacting business.

*[signature page follows]*

IN WITNESS WHEREOF, Landlord and Tenant have caused this Lease Agreement to be executed and delivered by their duly authorized representatives as of the date written above.

Notary Jana Miller 1/16/25  
09/06/2028



**LANDLORD**

**Rangel Commercial Property No. 2, LLC, a  
Colorado limited liability company**

By: [Signature]  
Name: [Signature]  
Its: Authorized Agent

**TENANT**

**Hacienda Jalisco Family Restaurant, LLC, a  
Colorado limited liability company**

By: [Signature]  
Name: Leticia Pena Garcia  
Its: Authorized Agent

By: [Signature]  
Name: Raul Antonio Avila Gonzalez  
Its: Authorized Agent

## **EXHIBIT A**

### **LEGAL DESCRIPTION OF THE PROPERTY**

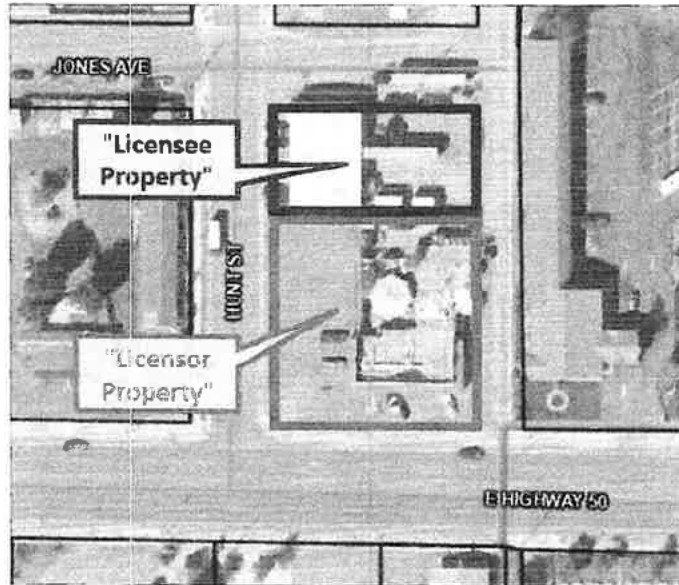
Lots 4, 5, 6, 7, 8 and 9, Block No. 28, ROBERD'S THIRD ADDITION to the Town (now City) of Salida, Chaffee County, Colorado, as set forth in the Warranty Deed recorded at Reception No. 496443 in the Official Records of Chaffee County.

Assessor's Parcel No: 380705428097

## EXHIBIT B

### DEPICTION OF LICENSEE PROPERTY AND ACCESS LICENSE AREA

#### Licensee Property



#### Access License Area

