

Real Estate Lease Agreement

**3915 W. 73rd Ave
Westminster, CO 80030**

between

City of Westminster (“Landlord”)

and

Knu Brew, LLC (“Tenant”)

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Real Estate Lease Agreement

This Real Estate Lease Agreement ("Lease"), is made and entered into this ___ day of _____, 202__ ("Effective Date"), by and between the City of Westminster, a Colorado home rule municipal corporation located at 4800 W 92nd Ave, Westminster, CO 80005 ("Landlord"), and Knu Brew, LLC d/b/a "TBD" ("Tenant").

1. LEASE; PREMISES:

Upon the terms, conditions, covenants, limitations and agreements, and at the rental and for the Terms as hereinafter set forth, Landlord leases unto Tenant, and Tenant hereby leases from Landlord, the premises containing approximately 4,298 square feet of floor area at 3915 W. 73rd Ave., Westminster, CO 80030, Adams County, Colorado, as more fully described in **Exhibit A**, attached hereto and incorporated herein ("Premises").

2. TERM:

2.1 The term of this Lease ("Term"), and the right of Tenant to take possession and occupy the Premises pursuant to this Lease, shall commence at 12:01 a.m. on the date of the delivery of the Premises to Tenant ("Lease Commencement"), with Landlord Work Requirements (identified below) complete, and, unless sooner terminated or later extended as provided herein, shall expire at 11:59 p.m. on the date that is ten (10) years after Lease Commencement ("Expiration Date").

2.2 Upon the Expiration Date, Tenant shall surrender and deliver up the Premises in as good order, condition and repair (loss by inevitable accident, act of God and ordinary wear and tear excepted) as the Premises was accepted by Tenant at Lease Commencement.

2.3 Notwithstanding the foregoing, Tenant may terminate this Lease if it is unable to obtain a brewpub liquor license and a retail food license prior to June 1, 2025. In such event, Tenant shall provide written notice of termination to Landlord on or before such date or other date agreed upon in writing by the City and Tenant.

2.4 Notwithstanding anything in this Lease to the contrary, in the event the Westminster City Council fails to appropriate funding for the Landlord Work Requirements defined below, Landlord may terminate this Lease upon returning the Security Deposit, and Tenant shall have no recourse, whether at law or in equity, against Landlord for such termination.

2.5 Notwithstanding anything in this Lease to the contrary, in the event that estimates for Tenant's Work Requirements outlined below exceed \$500,000, Tenant may terminate this Lease. In such event, Landlord will return the Security Deposit to Tenant, and Landlord shall have no recourse, whether at law or in equity, against Tenant for such termination.

3. USE AND OCCUPANCY OF PREMISES:

3.1 Upon Lease Commencement, occupancy of all or a part of the Premises by Tenant shall be deemed Tenant's acceptance that the Premises is in good and suitable condition.

3.2 Tenant shall occupy, use and operate the Premises only as Brewpub, offering craft beer, wine, spirits, occasional live music and events, and a planned food offering consisting of Barquentine Bierocks™ and a variety of sides, snacks and desserts ("Permitted Use") in a careful, safe, and proper manner. Tenant will pay for on demand, or repair to Landlord's satisfaction any damage to the Premises caused by the misuse of the same by Tenant and Tenant's guests, invitees, agents or employees. Tenant reserves the right to modify its food and beverage offering as needed to accommodate customer demand without directly competing with other businesses located on W. 73rd Ave in Westminster, CO.

3.3 Tenant shall not:

a. Permit any unlawful practice to be carried on or committed on the Premises:

b. Make any use or allow the Premises or any part thereof to be used: (i) in any manner or for any purpose that might invalidate or increase the rate of insurance on any policy maintained by Landlord; (ii) for any purposes other than the Permitted Use nor for any purpose that shall constitute a public or private nuisance; (iii) in violation of any governmental laws, ordinances or regulations; (iv) contrary to any restrictive covenants, agreements or limitations of record; or (v) in a manner that renders the Premises, or any part thereof, uninsurable with standard insurance at ordinary rates.

c. Keep or permit to be kept or used on the Premises any flammable fluids, toxic materials, or substances of any nature reasonably deemed dangerous by the Landlord or Landlord's insurance carriers without obtaining prior written consent of Landlord;

d. Use the Premises for any purpose that creates a nuisance or injures the reputation of the Premises or Landlord;

e. Commit or suffer any waste in or about the Premises;

f. Permit any odors to emanate from the Premises in violation of any local, state or federal law or regulation;

g. Use any portion of the Premises for storage or other purposes, except as is necessary and allowed with the Permitted Use and in compliance with all applicable federal, state and local rules, regulations and laws; or

h. Conduct, or allow to be conducted, gambling on site.

4. RENT:

4.1 The monthly rental fee for the initial term shall be as provided in **Exhibit B**, attached hereto and incorporated herein ("Rent"). This Rent, exclusive of any additional rents,

shall be payable in advance, in U.S. Dollars, commencing upon Lease Commencement, and on the first (1st) – fifth (5th) for every month of the rental term thereafter. Every such payment referenced above shall be payable without notice or demand whatsoever at the office of Landlord:

City of Westminster
4800 West 92nd Avenue
Westminster, CO 80031
Attn: Department of Community Services.

4.2 If the payment of any Rent, additional rent or any other monies payable under this Lease shall be more than ten (10) days in arrears, Tenant agrees, upon written demand of Landlord, to make a late charge payment to Landlord of five percent (5%) of the amount in arrears.

4.3 Tenant shall, as of the Effective Date, deposit the sum of \$7,000, as security for the faithful performance of all terms, conditions, and covenants of this Lease (“Security Deposit”). If Tenant defaults in the performance of any of the provisions of this Lease, Landlord shall have the right, but not the obligation, to use all or a portion of the Security Deposit to remedy any such default. Tenant shall immediately upon request pay to Landlord any and all such expenditures so that Landlord will at all times have the full amount of the Security Deposit as security. Upon the Expiration Date, Tenant, if not then in default or holding over, shall be entitled to the return of the Security Deposit (without interest thereon) or so much thereof as has not been lawfully expended by Landlord.

5. PARKING:

If Tenant and Landlord are unable to agree, by December 31, 2024, on a mutually agreeable parking plan for the Permitted Use, Tenant may terminate this Lease by providing written notice of termination to Landlord on or before such date or other date as agreed upon in writing by the City and Tenant.

6. UTILITIES:

6.1 Tenant shall directly pay all charges for gas, electrical, water, sewer, telephone, cable, trash removal, security and all other utilities (collectively “Utilities”) serving the Premises. Tenant agrees to contract in Tenant’s own name for Utilities and promptly pay all charges and assessments.

6.2 Tenant agrees that Landlord shall not be liable for any loss or damage caused by interruption or failure of Utilities serving the Premises.

7. MAINTENANCE AND REPAIRS:

7.1 Tenant shall perform, at its sole expense, all maintenance, repairs and required periodic inspections reasonably necessary to keep the Premises in good condition and repair, including maintenance and repair of all Landlord-Owned Equipment and furnishings, as outlined in Exhibit F, that exclusively serve the Premises; provided, however, that Tenant’s total annual cost for repairs of Landlord-Owned Equipment, furnishings, sewer drains, water drains, grease

trap and connections that exclusively serve the Premises **shall not exceed five thousand dollars (\$5,000) per year**, so long as Tenant maintains and keeps proper records of such regular maintenance. If any Landlord-Owned Equipment is in need of repair after Tenant's total annual costs for repair and maintenance has exceeded \$5,000, Landlord agrees to either replace, or pay to repair, the same in a timely manner. All manufacturer warranties will be in effect, and Landlord shall transfer and assign to Tenant any and all warranties on sewer and water connections for the Term. Tenant shall maintain continuously throughout the Term a service contract with a licensed HVAC repair and maintenance contractor approved by Landlord for the maintenance of all such HVAC equipment, which contract provides for the periodic inspection and servicing of the HVAC equipment at least once annually during the Term. Tenant shall furnish Landlord with copies of all such service contracts, which shall provide that they may not be canceled or changed without at least thirty (30) days prior written notice to Landlord.

7.2 Tenant shall keep the Premises, including the restrooms, clean and in the sanitary condition required by the ordinances and regulations of the City of Westminster, the County of Adams and the State of Colorado.

7.3 Tenant shall neither permit nor suffer any disorderly conduct, noise or nuisance whatsoever about the Premises.

7.4 If Tenant shall fail or refuse to complete or perform any maintenance, repairs or upkeep required pursuant to the terms of this paragraph 7 within fifteen (15) days after written request by Landlord to do so, Landlord may cause such maintenance, repairs or upkeep to be made or done and may thereafter charge the reasonable cost thereof to Tenant, and the same shall be and constitute "additional rent" due hereunder.

7.5 Landlord shall, at its sole expense, maintain the foundation, structural walls, roof (including leaks) and any structural component of the Premises.

8. OTHER PAYMENT OBLIGATION:

Tenant shall promptly pay all taxes and fees of whatever nature applicable to the operation of the Premises, including any applicable possessory interest tax, and shall maintain all licenses, whether municipal, county, state or federal, required for the conduct of business and shall not permit any of said taxes or fees to become delinquent. Tenant shall pay promptly when due all bills, debts and obligations attributable to the Premises, including but not limited to Tenant's portion of charges for Utilities as set out in paragraph 6 herein, as well as all charges for snow removal, mowing, landscaping and all other costs and expenses related to the operation of the Premises and the Permitted Use and shall not permit the same to become delinquent or suffer any lien, mortgage, judgement, execution or adjudication in bankruptcy that will in any way impair the rights of Landlord under this Lease. All such costs and expenses of Tenant are to be borne by Tenant. Aside from the foregoing, Tenant will not be obligated to pay any triple net or common area maintenance expenses as part of the Lease. Tenant will self-maintain the Premises and will not be required to pay any property taxes.

9. PARTIES' WORK REQUIREMENTS:

9.1 Landlord Work Requirements. Prior to the Premises being occupied by Tenant, Landlord agrees to complete the work detailed in **Exhibit C**, attached hereto and incorporated herein ("Landlord Work Requirements").

9.2 Tenant Work Requirements. Prior to the Premises being occupied by Tenant, Tenant agrees to complete the work detailed in **Exhibit D**, attached hereto and incorporated herein ("Tenant Work Requirements").

9.3 Work Performed Concurrently. Landlord and Tenant shall perform their respective Work Requirements concurrently, and all Work Requirements shall be completed within 18 months from commencement thereof.

10. LIENS AND CLAIMS:

10.1 Tenant shall pay, when due, for all work performed on or for the benefit of or materials furnished to, the Premises, by any person at Tenant's request. In this regard, Tenant shall indemnify, hold harmless and defend Landlord from any and all liability and expense resulting from any lien, claim of lien, or claim against Landlord arising from such work or labor. Tenant shall have the right to contest the validity of such lien, claim of lien, or claim.

10.2 Tenant shall not contract for the performance of any such labor or the acquisition of or delivery of any such materials in connection with, or the installation of any such improvements (other than the previously agreed upon improvements detailed in **Exhibit D**), without the prior written consent of Landlord, which consent may be withheld at the reasonable discretion of Landlord. This paragraph shall not apply to the Tenant's performance of general maintenance of the Premises in the ordinary course of business.

10.3 Tenant understands and agrees that the front façade, internal barrel roof and windows of the Premises shall not be altered, improved or changed in any way without prior written approval from the Landlord and the Colorado State Historic Fund.

11. INSURANCE:

11.1 Tenant shall procure and continuously maintain at its own expense the minimum insurance coverages listed below, with forms and insurers acceptable to Landlord. In the case of any claims-made policy, the necessary retroactive dates and extended reporting periods shall be procured to maintain such continuous coverage.

a. Commercial General Liability Insurance with combined single limit of not less than \$1,000,000 per occurrence and \$2,000,000 in aggregate. This policy must include Contractor Liability; Products and Completed Operations; Liquor Liability Coverage; Broad Form Property Damage including, but not limited to, coverage for any damage to any Landlord personal or real property due to fire or water related to Tenant's operations pursuant to this Lease; and Personal and Advertising Injury;

b. Owned, hired, and non-owned automobile liability coverage with \$600,000 limit;

- c. Statutory workers' compensation on all employees;
- d. All risk insurance for full insurable replacement value of Landlord-Owned Equipment and personal property.

11.2 The required insurance policies shall be endorsed to include the City of Westminster as additionally insured as its interests may appear under this Lease. Every policy required above shall be primary insurance, and any insurance carried by City of Westminster, its respective elected officials, officers, employees or others working on its behalf, or carried by or provided through any self-insurance pool of the City of Westminster, shall be excess and not contributory insurance to that provided by Tenant. Each party to this Lease agrees to waive subrogation on respective property insurance outlined in subparagraphs 11.1.d and 11.5.

11.3 The certificate of insurance provided to Landlord shall be completed by Tenant's insurance agent as evidence that policies providing the required coverages, conditions and minimum limits are in full force and effect and shall be reviewed and approved by Landlord prior to Lease Commencement. The certificate shall identify this Lease and shall provide the coverages afforded under the policies shall not be cancelled, terminated or materially changed until at least thirty (30) days prior written notice has been given to the Landlord. Certificates of insurance, and all endorsements fulfilling the requirements of subparagraph 11.2, shall be marked to identify this Lease and shall be sent to:

City of Westminster
c/o Department of Community Services
4800 W 92nd Ave
Westminster, CO 80031
Attn: Economic Development Manager

A certified copy of any policy shall be provided to the Landlord each year during the Term of the Lease.

11.4 The parties hereto understand and agree that Landlord is relying on, and does not waive or intend to waive by any provision of this Lease, the monetary limitation or any other rights, immunities and protections provided by the Colorado Governmental Immunity Act, § 24-10-101, *et seq.*, C.R.S., as from time to time amended, or otherwise available to its and its elected officials, officers or employees.

11.5 Landlord, at its sole cost, will insure the Premises against loss or damage by fire and such other perils as are now or hereafter included in a standard "Special Form" or "All Risk" policy or equivalent in common use for commercial structures.

12. DAMAGE BY FIRE OR OTHER CASUALTY:

12.1 Except as set forth in subparagraph 12.2, below, this Lease and all agreements, covenants, terms and conditions contained herein shall remain in full force and effect notwithstanding damage to or destruction of the Premises or any of the furniture, fixtures, inventory or equipment maintained upon the Premises and, regardless of the nature or extent of the damage, Tenant shall not be entitled to any reduction in or abatement of the Rent, except as provided below.

12.2 In the event that such damage or destruction was not caused by any act of Tenant, or its officers, employees or agents, Landlord shall inform Tenant, within thirty (30) days after the date of destruction or damage, of Landlord's intent to remedy such damage or destruction by replacement or renovation of the damaged property (except for such damage covered under the policies of insurance more fully described in paragraph 11, above). If within such thirty (30) day period, the Landlord does not commit to remedy the damage within ninety (90) days of such damage or destruction, Tenant may, at Tenant's option, terminate this Lease. If Landlord does not replace or renovate the non-covered damage or destruction, or if the Premises cannot be reasonably restored to the condition existing at the time of the damage or destruction, within ninety (90) days of such damage or destruction, Tenant may, at Tenant's option terminate this Lease without further obligation on Tenant's part, and Tenant may vacate the Premises within twenty (20) days of such decision to terminate or elect to continue the Lease and cooperate fully with Landlord in repairing the damage or destruction. If Tenant elects to so continue the Lease, and if the Premises is untenantable, Tenant shall receive an abatement of the Rent until the Premises is tenantable.

12.3 If the Premises, without fault of Tenant, shall be slightly damaged by fire or other catastrophe but not so as to interfere with the normal operations of the Premises, Landlord, after receiving notice in writing of the occurrence of the injury, shall cause the same to be repaired with reasonable promptness; but in such event, there shall be no abatement of the Rent.

13. ASSIGNMENT AND SUBLETTING:

13.1 Tenant may not assign this Lease or any interest therein, in whole or in part, nor may Tenant sublet all or any part of the Premises without the prior written consent of Landlord. Such consent will be based on proposed subtenant, proposed use, and competition concerns with other businesses located on W. 73rd Ave in Westminster, CO. Any assignment or sublease in violation of the provisions of this paragraph shall be null, void and of no effect whatsoever, regardless of the fact that Landlord may have received other sums of money or services from the proposed assignee or subtenant. Any sum so received shall be deemed to have been received from Tenant.

13.2 At Landlord's sole option, no attempted assignment or attempted subletting of all or any part of the Premises shall relieve Tenant from any of its obligations under the provisions of this Lease, including the payment of Rent and any notice required to be given by the provisions of this Lease shall be deemed to be properly given to all putative assignees and putative subtenants when given to Tenant as herein provided.

13.3 Tenant may not grant any easement or license with respect to the Premises to any person or entity not a party hereto for any reason whatsoever without the express, prior written consent of Landlord.

14. SURRENDER OF PREMISES:

Upon the expiration or other termination of this Lease or any extension hereof, Tenant shall quit and surrender within 30 days the Premises and all Landlord-Owned Equipment to Landlord in as good order, condition and repair (loss by inevitable accident, act of God and ordinary wear and tear excepted) as when the Premises and Landlord-Owned Equipment were

accepted by Tenant at Lease Commencement. Tenant's obligation to observe or perform the provisions of this paragraph shall survive the expiration or termination of this Lease.

15. HOLDING OVER:

If, after the expiration or other termination hereof, Tenant shall remain in possession without a written agreement therefor, such holding over shall be deemed to be upon a month-to-month tenancy under the same terms, conditions and provisions contained herein, and for a monthly Rent equal to one hundred fifty percent (150%) of the amount of the last monthly installment of Rent paid pursuant to the terms hereof.

16. OPTION(S) TO EXTEND TERM:

16.1 If Tenant shall not be in default of any of the terms of this Lease, Tenant shall have the option to extend the Term for two (2) additional 5-year periods (collectively, the "Extended Terms", and each, an "Extended Term"), upon the same terms and conditions as the initial term, but on and subject to the following schedule:

a. The "First Extended Term" shall begin on the day immediately following the Expiration Date and shall expire on the date that is five (5) years after such date ("First Extended Term Expiration Date").

b. The "Second Extended Term" shall begin on the day immediately following the expiration of the First Extended Term and shall expire on the date that is five (5) years after such date ("Second Extended Term Expiration Date").

16.2 Tenant must exercise its right to extend the Term for the Extended Terms, if at all, by written notice to Landlord given not later than the date that is one hundred eighty (180) days prior to the Expiration Date or First Extended Term Expiration Date. All terms and conditions of the Lease shall remain in full force and effect during the Extended Terms, except the amount of Rent as described in paragraph 4 above. Landlord shall have no obligation to provide Tenant with any tenant improvement allowance or free rent for the Extended Terms.

16.3 If Tenant has not been in default under the Lease, Landlord grants to Tenant two (2) 5-year options to renew the Lease upon the same terms and conditions as the initial term, except regarding Base Rent. For the first option period, the Base Rent shall continue to increase at \$.50/SF per year. For the second option period, the Base Rent shall be at the fair market value for comparable space but not less than fifty cents per square foot (\$.50/s.f.) more than the rent amount immediately prior to the start of the option period (with each successive year during the option period being fifty cents per square foot more than the previous year). Said market rent shall not exceed 110% of the previous year's Base Rent. Tenant shall provide written notice of its intention to exercise this option (if at all) not less than one hundred eighty (180) days before the Expiration Date.

17. DEFAULTS BY TENANT AND REMEDIES:

17.1 Subject to the other provisions of this paragraph, each of the following shall constitute a default by Tenant and a breach of this Lease if not cured within thirty (30) days after

written notice from Landlord, except that a default in payment of Rent shall only require a seven (7) -day written notice:

- a. If the Rent, additional rent, or any part thereof, as herein reserved, shall be unpaid when due.
- b. If Tenant does not comply with any provision of this Lease which imposes a material obligation upon Tenant.
- c. If Tenant should violate or fail to comply with any applicable federal, state or local statutes, ordinances, rules, orders, regulation or requirements, as the same exist or may hereinafter be established or amended.
- d. If Tenant should attempt to sell, assign, sublet or mortgage all or any part of either the Premises or the leasehold interest herein created without the prior, written consent of Landlord.
- e. If, by operation of law, this Lease should be transferred to, or pass to, or devolve upon, any person or entity other than Tenant.
- f. If Tenant should be adjudicated as bankrupt or insolvent and such proceeding should not be vacated within thirty (30) days.
- g. If Tenant should file a petition in bankruptcy or make a general assignment for the benefit of creditors.
- h. If Tenant should file a petition or answer seeking reorganization or readjustment under Federal bankruptcy laws.
- i. If a receiver or trustee should be appointed with respect to all or substantially all personal property of Tenant in any suit or proceeding against Tenant or in any bankruptcy proceeding.
- j. If any execution or attachment shall be issued against Tenant, or any of Tenant's property, whereby someone other than Tenant shall take or occupy the Premises.
- k. If Tenant does not obtain a certificate of occupancy after eighteen months from commencement of construction.

17.2 Upon the occurrence of any of the events of default set forth above, then and at any time thereafter, Landlord may, at Landlord's sole option and in addition to all other rights available to Landlord at law or equity or contained in this Lease, either:

- a. Give Tenant written notice of Landlord's intention to terminate this Lease on the date of such notice or on any later date specified therein, upon which date Tenant's right to use, occupancy and possession of the Premises shall cease, and this Lease shall thereupon be terminated; or

b. Re-enter and take possession of the Premises or any part thereof and repossess the same as Landlord's former estate.

c. Should Landlord take such possession pursuant to the terms of this Lease, legal proceedings or pursuant to any notice provided by law or this Lease, Landlord may, from time to time without terminating this Lease, relet the Premises or any part thereof for such term and at such rental and upon such other terms and conditions as Landlord may deem advisable, with the right to make alterations and repairs to the Premises, but reserving to Landlord the right at any time to elect to terminate this Lease as subparagraph 17.2(a) provides.

17.3 In the event Landlord shall elect to terminate this Lease, Landlord shall give Tenant thirty (30) days written notice of the existence and nature of such default and of Landlord's election to terminate. If such default exists at the expiration of such thirty (30) day period, and Landlord shall not have waived the same in writing, this Lease, and the then-current Term or Extended Term, together with any and all right, title and interest in the Premises as herein granted to Tenant, shall terminate on the date fixed in said notice with the same force and effect (except as to the continuance of Tenant's liability) as if the date fixed by notice were the Expiration Date of the then-current Term or Extended Term.

17.4 In the event Landlord shall elect to retake the Premises without terminating this Lease, Landlord shall give Tenant thirty (30) days written notice of the existence and nature of any such default and of Landlord's election to retake under the terms hereof. If such default exists at the expiration of said thirty (30) day period, and Landlord shall not have waived the same in writing, Landlord may, without terminating this Lease, retake possession of the Premises.

17.5 In the event Landlord does not elect to terminate this Lease as permitted in subparagraph 17.2(a), but instead elects to take possession as provided in subparagraph 17.2(b), then such possession of the Premises by Landlord shall not relieve Tenant of its liability and obligation under this Lease, all of which shall survive such repossession. In the event of such repossession, Tenant shall pay the Rent and all additional rent as herein provided up to the time of termination of this Lease (if Landlord so chooses as permitted in subparagraph 17.2(a)), and thereafter Tenant, until the end of what would have been the then-current Term or Extended Term in the absence of such repossession, and whether or not the Premises shall have been relet, shall be liable to Landlord for, and shall pay to Landlord as liquidated current damages, the following:

a. The Rent and additional rent as herein provided which would be payable hereunder if such possession had not occurred, less the net proceeds, if any, of any reletting of the Premises, after deducting all of Landlord's expenses in connection with such reletting, including, but without limitation, all repossession costs, legal expenses and attorney fees and expenses of preparation for such reletting. Tenant shall pay such current damages to Landlord on the days on which the Rent would have been payable hereunder if Landlord had not repossessed, and Landlord shall be entitled to receive the same from Tenant on each such day.

b. If Tenant breaches or defaults on this Lease pursuant to subparagraph 17.1 above and abandons or vacates the Premises before the end of the then-current Term or Extended Term, or if Tenant's right to possession is terminated by Landlord because of a breach or default

of this Lease, Landlord may recover from Tenant a judgement from a court of law having appropriate jurisdiction, in addition to any other damages provided for at law, in equity, in this Lease, or otherwise, a sum equal to the unpaid lost rent for the balance of the then-current Term or Extended Term, minus the amount of such rental loss for the same period the Tenant proves could be reasonably avoided.

17.6 At the expiration of the thirty (30) day notice period set forth above, if Tenant has not cured any default, Tenant shall immediately quit and surrender to Landlord the entire Premises, and Landlord may enter into or repossess the Premises either by force, summary proceedings or otherwise. Tenant further agrees that, in the event of repossession by Landlord, Landlord may, without notice to Tenant, sell such of Tenant's inventory, furniture, fixtures or equipment as then remain upon the Premises in such manner and for such amount as Landlord may deem advisable. Thereafter, Landlord shall remit the proceeds of such sale, after deduction for the costs of the sale and any monies owed to Landlord by Tenant pursuant to the terms of this Lease, to Tenant.

17.7 In the event the Premises should be abandoned or vacated, or if Tenant violates the provisions of paragraph 18, below, and notwithstanding any other provision herein to the contrary, Landlord shall have the right, at Landlord's sole option and without any necessity of notice (and without restricting or surrendering any of Landlord's other rights hereunder), to immediately take possession of the Premises and all equipment, inventory, contents, furniture, and fixtures therein, of whatever kind or ownership, and to, within a reasonable time and in a reasonable manner, cause the same to be sold and the proceeds thereof applied to any monies owed to Landlord by Tenant pursuant to this Lease. Abandonment or vacation as used herein shall include the attempted removal of equipment, furniture and/or fixtures such as to degrade the ability of Tenant to carry on its business upon the Premises, or cessation of a substantial portion of Tenant's normal business dealings at the Premises.

18. TENANT'S BUSINESS OPERATIONS:

18.1 Beginning at Lease Commencement and continuing through the Term and any Extended Term, Tenant shall continuously conduct and carry on Tenant's business activities in the entire Premises. Tenant agrees that, during the Term and any Extended Term, Tenant shall maintain the minimum hours of operation of 11:00 AM to 9:00 PM six days per week excluding federal, state, or local holidays and excluding closures due to weather, government mandates and occasional private events.

18.2 The Brewpub shall be well-managed and provide high quality service to its customers.

19. IMPROVEMENTS TO PREMISES:

Tenant shall make no external improvements to the Premises (other than as may be detailed in **Exhibit D**) without the prior, written consent of Landlord, which consent may be withheld at the reasonable discretion of Landlord, and only upon such terms and conditions as set forth by Landlord, or any improvements that are subject to locally adopted building codes. Internal non-structural improvements that are below the amount of \$5,000 shall not require consent of Landlord. All such improvements, however denominated, shall be and remain the

property of Landlord unless otherwise agreed to in writing between the parties hereto and may not be removed by Tenant at any time from the Premises without the express, written consent of Landlord.

20. SIGNAGE:

Tenant may cause to be installed one or more interior and exterior signs, at no additional rent or charge by Landlord to Tenant, in such design(s) and location(s) as shall be approved by Landlord, which approval shall not be unreasonably withheld, conditioned or delayed. Such sign(s) shall be and remain the property of Tenant, and Tenant shall be solely responsible for the purchase, installation, operation and maintenance of the sign(s) and all associated costs. Tenant shall maintain all signs or advertisements approved by Landlord in good and attractive condition. Upon the termination of the Lease, unless otherwise agreed to by Landlord, Tenant shall cause such sign(s) and any associated improvements to be immediately removed from the Premises and shall repair any resulting damage to the Premises, all at Tenant's expense. All of Tenant's signs shall be in compliance with the requirements of the City of Westminster sign code and any other applicable regulations.

21. RELATIONSHIP OF PARTIES:

Landlord and Tenant are not nor shall they become, by virtue of this Lease, anything other than Landlord and Tenant. Landlord and Tenant are not joint venturers, partners or agents of one another, nor is either party employed by the other.

22. NOTICES:

All notices, requests, consents and other communications hereunder shall be in writing and shall be deemed to have been sufficiently given or served if deposited in First Class U.S. mail, postage prepaid, and addressed as indicated below:

Landlord:
City of Westminster
c/o Department of Community Services
4800 W 92nd Ave
Westminster, CO 80031
Attn: Economic Development Manager

With a copy to:
City of Westminster
c/o City Attorney's Office
4800 W 92nd Ave
Westminster, CO 80031

Tenant:
Knu Brew LLC
5253 Creation Rock Trl
Morrison, CO 80465

23. TENANT'S PERSONAL PROPERTY:

23.1 Tenant agrees that all property of Tenant, and its agents, employees, customers and guests, of any kind or description whatsoever, kept or stored on the Premises be at the sole risk of Tenant, and Landlord shall not be held liable for any damage or loss to any such personal property or for damage or loss suffered by the business or occupation of Tenant caused by: (1) bursting, overflowing or leaking of water, sewer or steam pipes; (2) heating or plumbing fixtures, or electric wires; (3) gases or odors; or (4) any other manner whatsoever, except the gross negligence of Landlord.

23.2 If Tenant fails to remove all its effects from the Premises within thirty (30) days following abandonment, expiration or termination of this Lease for any cause whatsoever, Landlord, at its option, may remove the same in any manner it shall choose and store such effects without any liability to Tenant for loss or damage. Tenant agrees to pay Landlord on demand any and all expenses incurred in such removal, including court costs, attorney fees and storage charges. Landlord, at its option and without notice, may sell said effects, or any of the same, at public or private sale, for such prices as Landlord may obtain. The proceeds of such sale may be applied to any amounts due to Landlord under this Lease, including removal expense. If such effects, or any portion thereof, shall be offered at public auction, Landlord may become the purchaser thereof.

24. ACCESS AND INSPECTION:

Landlord and its designated agents, employees and servants, and any other person authorized by Landlord, may enter the Premises at any time Tenant is open to the public for the purpose of inspecting the same. Any entry into or inspection of the Premises by Landlord pursuant to this paragraph shall not constitute interference with the operations of Tenant, and no abatement of any payments due under this Lease shall be allowed; provided, however, that the scope and length of the inspection is reasonable and non-disruptive to normal business operations.

25. LANDLORD DEFAULT:

25.1 Landlord's failure to perform or observe any material obligation hereunder shall constitute a default by Landlord, if uncured for a period of thirty (30) days after the Landlord receives notice from Tenant setting forth in reasonable detail the nature and extent of the default and identifying the applicable Lease provision(s).

25.2 In addition to any other remedies available at law or equity, Tenant may, upon prior, written notice to Landlord, terminate this Lease and immediately surrender the Premises to Landlord if Landlord's default remains uncured pursuant to subparagraph 25.1.

26. PERMITS AND LICENSES:

Tenant shall procure, supply and post, at its own expense, in places to be designated by the City of Westminster, all permits and licenses necessary for the operation of its business and shall pay, at its own expense, all taxes assessed or levied against its business and merchandise.

27. TRANSFERS OF LANDLORD'S INTEREST:

27.1 Subject only to Tenant's rights under this Lease, nothing in this Lease will restrict Landlord's right to sell, convey, assign or otherwise deal with Landlord's interest under this Lease.

27.2 A sale, conveyance or assignment of the Premises will automatically release Landlord from liability under this Lease from and after the effective date of the transfer, except for any liability relating to the period prior to such effective date, and Tenant will look solely to Landlord's transferee for performance of Landlord's obligations relating to the period after such effective date. This Lease will not be affected by any such sale, conveyance or assignment, and Tenant will attorn to Landlord's transferee.

28. RIGHT TO PURCHASE:

If Landlord elects to list and/or offer the Property for sale or consider an unsolicited bona fide offer to purchase the Property, Landlord shall provide Tenant with written notice of such intent or offer ("Notice of Potential Sale"). Tenant shall have fifteen (15) business days following the giving of the Notice of Potential Sale to provide Landlord a "Notice of Election to Purchase" the Property at the price identified by Landlord in the "Notice of Potential Sale". In the event Tenant timely provides the Notice of Election to Purchase to Landlord, with time being of the essence and substantial compliance being inadequate, Landlord will draft a Purchase and Sale Agreement (the "PSA"), which PSA shall be mutually executed by the parties within thirty (30) days following Tenant providing Landlord with the Notice of Election to Purchase. Failure to timely provide a Notice of Election to Purchase or to finalize the PSA shall be deemed a waiver of Tenant's rights under this paragraph. Concurrent with the delivery of the Notice of Election to Purchase, Tenant shall deliver to Landlord a \$25,000.00 earnest money deposit, which shall be nonrefundable to Tenant, but shall be applied to the purchase price at closing on Tenant's acquisition of the Property. The closing shall occur within thirty (30) days of the parties' mutual execution of the PSA by Landlord's delivery to Tenant of a special warranty deed and general assignment of the Lease, and such other documents as may be required by the title company closing this transaction, and Tenant's delivery of the purchase price to Landlord. There shall be no prorations, to the extent that Tenant is responsible for expenses of the Premises. Except as otherwise set forth herein, Tenant shall be responsible for all closing costs. Landlord shall be responsible for the base premium of the standard owner's title policy. Tenant shall be responsible for the costs associated with any extended coverage and/or endorsements thereto. The Property shall be sold in its then-current, "as is" condition, without any representations or warranties whatsoever. Additionally, Tenant acknowledges and agrees that no rents paid hereunder shall be applicable to the purchase price.

29. EMINENT DOMAIN:

29.1 If the whole or substantially all of the Premises shall be taken as a result of the exercise of the power of eminent domain, this Lease shall terminate as of the date of vesting of title of the Premises or delivery of possession, whichever event shall first occur, pursuant to such proceeding. For the purpose of this paragraph, "substantially all of the Premises" shall be deemed to have been taken if a taking under any such proceeding shall involve such an area that

Tenant cannot reasonably operate in the remainder of the Premises the business being conducted on the Premises at the time of such proceeding.

29.2 If less than substantially all of the Premises shall be taken by eminent domain, Landlord has the option to either: (1) terminate this Lease by written notice; or (2) reduce the Rent thereafter due and payable by Tenant in such proportion as the nature, value and extent of the part so taken bears to the whole of the Premises. If Landlord chooses the rent reduction option, then Landlord shall, from the proceeds of the condemnation, restore the Premises for the use of the Tenant. If the proceeds of the condemnation are not sufficient to properly restore the Premises, then Tenant shall have the option to (1) terminate this Lease by written notice; or (2) pay any deficiency between the condemnation proceeds and the restoration costs.

29.3 Any award granted for either partial or complete taking regarding the Premises, and designated specifically for Landlord, shall be the exclusive property of Landlord. Any award granted for either partial or complete taking regarding the Premises, and designated specifically for Tenant, shall be the exclusive property of Tenant. Notwithstanding the foregoing, should this Lease survive a partial taking, nothing herein shall preclude Tenant from pursuing its separate award.

30. ENTIRE AGREEMENT:

This Lease, with all exhibits and schedules attached hereto and incorporated herein, contains the entire agreement between Landlord and Tenant, and any agreement hereafter made between Landlord and Tenant shall be ineffective to change, waive, release, discharge, terminate or effect an abandonment of this Lease, in whole or in part, unless such agreement is in writing and signed by both Landlord and Tenant.

31. SEVERABILITY:

If any provision, sentence, phrase or word of this Lease, or application thereof to any person or circumstance, shall be held invalid, the remainder of this Lease, or the application of such provision, sentence, phrase or work to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

32. BINDING EFFECT:

Except as is otherwise provided herein, this Lease shall be binding upon and inure to the benefit of the heirs, administrators, devisees, personal representatives, successors and assigns of Landlord and Tenant.

33. WAIVER:

No assent, express or implied, to any breach of any one or more of the covenants and agreements hereof shall be deemed or taken to be a waiver of any other or succeeding breach.

34. SURVIVAL CLAUSE:

All unperformed agreements, covenants and conditions herein contained shall survive the execution, expiration or termination hereof and shall not be merged therewith.

35. PARAGRAPH HEADINGS:

The paragraph headings contained herein are for convenience only and shall in no way change, alter, modify or affect any of the provisions or conditions herein contained.

36. ACKNOWLEDGMENT:

The parties hereto acknowledge that they have carefully read and thoroughly understand the terms and conditions of this Lease. It contains the entire agreement and understanding under which they have entered into this Lease. Tenant and Landlord accept the terms and conditions hereof in all respects and agree to be bound thereby. Each of the parties hereto acknowledges that they have either had benefit of legal counsel in the negotiation and preparation hereof, or, in the alternative, they recognize the need for such counsel but have elected not to seek the same.

37. TENANT STATEMENT:

Tenant shall at any time and from time to time, upon not more than ten (10) calendar days' written notice from Landlord, execute, acknowledge and deliver to Landlord a statement provided by Landlord certifying: (a) that this Lease is unmodified and in full force and effect (or if modified, stating the nature of such modification and certifying that this Lease as so modified is in full force and effect); (b) the date to which Rent is paid in advance, if any; (c) that, to Tenant's knowledge, there are no uncured defaults on the part of Landlord or Tenant hereunder, or specifying such defaults if any are claimed; (d) the date of commencement of Rent payments and the Expiration Date; and (e) as to any other matters as Landlord may reasonably request. Any such statement may be relied upon by a prospective purchaser or encumbrancer of all or any portion of the building of which the Premises is a part.

38. TENANT'S AUTHORITY:

The individual(s) executing this Lease on behalf of Tenant represents and warrants that they are duly authorized to execute and deliver this Lease on behalf of Tenant, in accordance with the bylaws and other corporate documents, partnership agreement, trust agreement or other governing instruments or documents of Tenant, and further represent and warrant that this Lease is binding on Tenant in accordance with its terms.

39. BROKERS:

Tenant warrants to Landlord, and Landlord represents to Tenant, that each has had no dealings with any real estate brokers or agents in connection with the negotiation of this Lease other than Kinsey & Company Commercial Real Estate (Landlord's Broker) and Fuel & Iron Realty (Tenant's Broker). Landlord's commission obligations to the Brokers shall be governed by a separate written agreement between Landlord and the Brokers.

40. APPLICABLE LAW:

The laws of the State of Colorado and rules and regulations issued pursuant thereto shall be applied in the interpretation, execution and enforcement of this Lease. Any provision of this Lease, whether or not incorporated herein by reference, which provides for arbitration by an

extra-judicial body or person, or which is otherwise in conflict with said laws, rules and regulations, shall be void and unenforceable in any action at law.

41. COUNTERPARTS:

The parties hereto may execute this Lease in multiple counterparts, each of which constitutes an original as against the party that signed it, and all of which together constitute one agreement. This Lease is effective upon delivery of one executed counterpart from each party hereto to the other parties hereto. The signatures of all parties hereto need not appear on the same counterpart. The delivery of signed counterparts by facsimile or email transmission that includes a copy of the sending party's signature(s) is as effective as signing and delivering the counterpart in person.

42. TIME FOR PERFORMANCE:

Time is of the essence in the execution and performance of this Lease and of all of its provisions.

43. INDEMNIFICATION:

Tenant agrees to indemnify and hold harmless Landlord, and its council officers, employees, insurers, and self-insurance pool, from and against all liability, claims and demands on account of injury, loss or damage, including without limitation claims arising from bodily injury, personal injury, sickness, disease, death, property loss or damage, or any other loss of any kind whatsoever, which arise out of Tenant's operation of the Premises, if such injury, loss or damage is caused in whole or in part, or is claimed to be caused in whole or in part, by the act, omission, error, professional error, mistake, negligence or other fault of Tenant, any contractor or subcontractor of Tenant, or any officer, director, shareholder, member, employee, representative or agent of Tenant, or which arise out of any workers' compensation claim of any employee of Tenant or of any employee of any contractor or subcontractor of Tenant. Tenant agrees to investigate, respond to, and to provide defense for and defend against any such liability, claims or demands at the sole expense of Tenant, and agrees to bear all other costs and expenses related thereto, including court costs and attorney fees, whether or not any such liability, claims or demands alleged are groundless, false or fraudulent.

44. LEASE GUARANTEE:

Concurrently with the execution of this Lease, Tenant shall obtain and provide to Landlord a lease guaranty ("Lease Guaranty"), in substantially the form as **Exhibit E**, attached hereto and incorporated herein. The Lease Guaranty shall be signed and acknowledged by the guarantor described therein, whereby the guarantor guarantees payment and performance of the obligations of Tenant under this Lease.

45. ADDITIONAL PROVISIONS:

The Premises shall include neither: a) the sidewalk to the south of the building; nor b) the sidewalk or land located to the north and east of the building, as shown in **Exhibit A**.

Should the Government mandate a City, County or Statewide shut down, or if the Government should choose to reduce occupancy limits for businesses, Tenant shall only be required to pay the portion of Rent for which Tenant is legally allowed to operate the business. For example, if the Government mandates that all restaurants can only occupy at 50% of full capacity, Tenant would only be responsible for 50% of Rent for that time period. If the Government mandates that all restaurants shut down completely for in person dining, Tenant would not be responsible for Base Rent during that time period.

[Remainder of page intentionally blank – signatures follow]

In witness whereof, the parties hereto have executed this Lease on the day and year first above written.

LANDLORD: City of Westminster

Jody Andrews, Acting City Manager

Attest:

City Clerk

Approved as to legal form:

City Attorney's Office

TENANT: Knu Brew, LLC

Edward Knudson,

ATTEST:

Printed Name, Title

Exhibit A

LEASED PREMISES

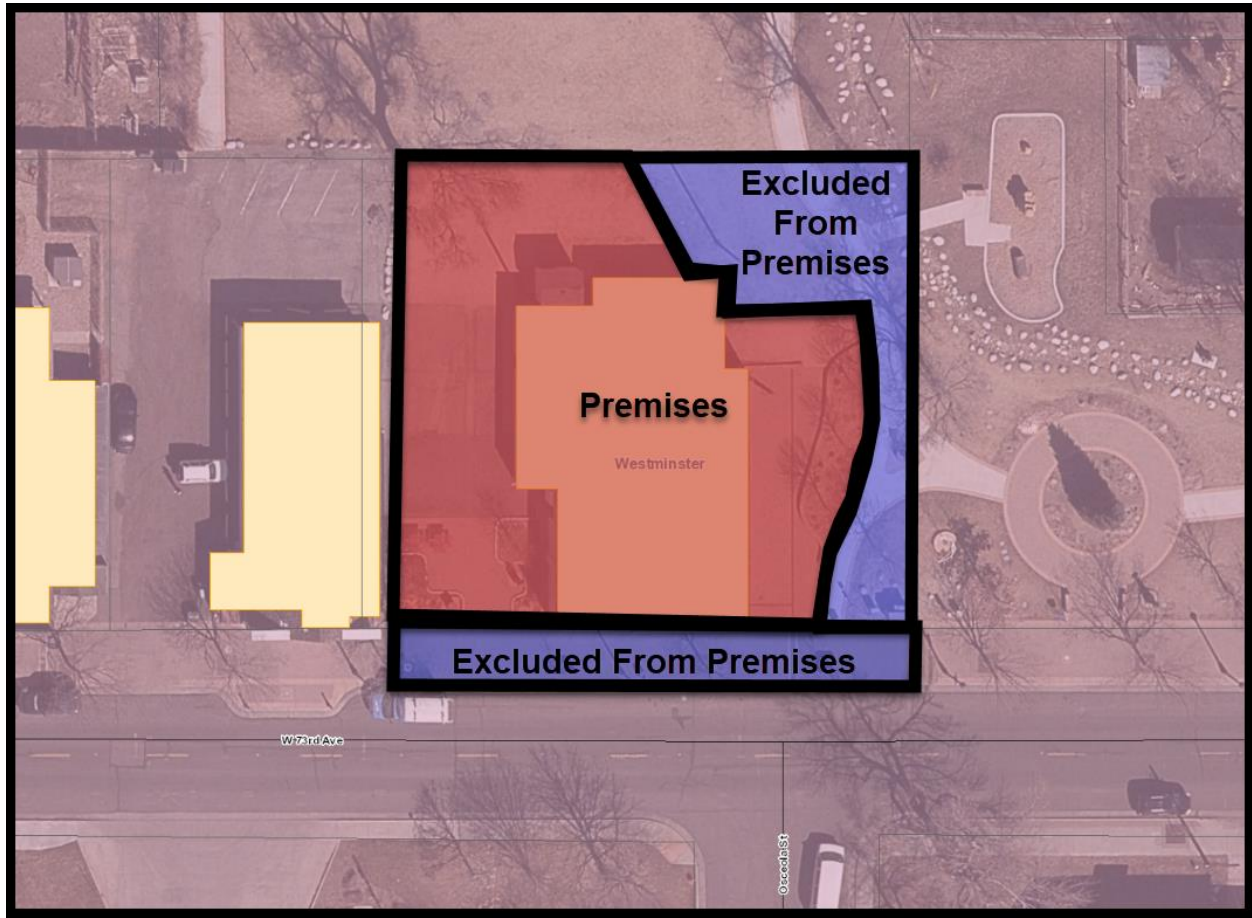


Exhibit B

RENT SCHEDULE

Year	Monthly Base Rent	Annual Base Rent
Year 1	\$0.00	\$0.00
Year 2	\$1,790.83	\$21,490.00
Year 3	\$2,686.25	\$32,235.00
Year 4	\$3,581.67	\$42,980.00
Year 5	\$4,477.08	\$53,725.00
Year 6	\$4,656.17	\$55,874.00
Year 7	\$4,835.25	\$58,023.00
Year 8	\$5,014.33	\$60,172.00
Year 9	\$5,193.42	\$62,321.00
Year 10	\$5,372.50	\$64,470.00

Exhibit C

LANDLORD WORK REQUIREMENTS

Rodeo Market - Core and Shell 3915 W. 73rd Ave City of Westminster
DESCRIPTION
General Conditions & Management (Figured as approx. 8.5% of project cost)
Building Permits
Westminster Use Tax
Demo/sawcut concrete floor for new plumbing, including underground plumbing per Tenant's plans
Demo/remove pavers for access to run new water/sewer lines
Demo/shore east wall - 2 new garage door openings
Demo existing partition walls at front of house - Allowance
New fire line - 4" fire line from city main in 73rd Ave. Cost assumes entry at rear of the building.
New water line - 1.5" tap and stub in from 73rd Ave. Assumes entry at rear of building.
New sewer line - existing line can be scoped to confirm if replacement is necessary. Cost includes new 4" sanitary line from rear of building.
Grease Trap - New 2000-gallon grease trap at back of building stubbed to the space
Range/Oven/Fryer hood with built-in fire suppression system including the exhaust duct and fan, and including the make-up air unit.
Reinstall pavers/site drainage at excavation after new building utilities installed

DESCRIPTION (cont.)
Landscape/Grading to correct drainage away from the building as necessary at West and North Elevations. Combination of hand grading and asphalt overlay as necessary.
Masonry Allowance to open historic window locations (up to 4)
Masonry Allowance to repair stucco prior to paint
Structural steel for new garage door openings at east side
Frame 2 new restrooms - single ADA restrooms
Roof curb framing for RTUs (assuming 2 RTUs on flat roof at back of building)
New Roof - includes removal of 3 layers of existing roofing, new 1/2" OSB decking, R-38 insulation and required crickets, fully adhered 60 mil TPO on 1/4" Densdeck protection board. Existing gutters/downspouts to stay.
Doors for ADA restrooms
New exterior doors - 2 single and one pair (assume hollow metal doors for exterior)
New anodized aluminum and glass sectional overhead doors installed at east side of building
New windows at historic locations - up to four small divided lite sash to match historic
New wood storefront to replace non-historic aluminum units. Also new entry door (pending approval of Historic Preservation Landmark board)
Paint exterior after masonry patching - one color for masonry walls.
Drywall/FRP finish at restrooms . Tenant may elect to finish restrooms with tile if comparably priced with FRP.
Misc. patching at old wall scars from Demo

DESCRIPTION (cont.)
Plumbing - includes new mop sink, drinking fountain, two new ADA restrooms, extension of grease and sanitary lines into building and gas piping to two new RTUs. Restrooms include wall mount lavatory, toilet and floor drain.
HVAC - 2 new 5 Ton RTUs with main branch ductwork including distribution. Ductwork plan to be agreed to by Landlord and Tenant.
Fire Sprinkler - new core and shell coverage includes system design, permitting, backflow preventer.
Electrical - New 600A service, panel and main feed wiring. Limited branch wiring and lighting (interior and exterior) as necessary for core and shell signoff, new mechanical unit wiring.
Fire Alarm - New fire alarm to monitor sprinklers with notification as required in building.

Exhibit D

TENANT WORK REQUIREMENTS

Exhibit E

FORM OF LEASE GUARANTY

The undersigned “Guarantor”, in consideration of the making of the foregoing Lease between Tenant and Landlord, attached hereto and incorporated herein, does hereby unconditionally guarantee the payment of Rent by Tenant and the performance by Tenant of all the financial duties and obligations under the Lease.

Guarantor also agrees that Landlord is not first required to enforce against Tenant or any other person for any liability, obligation or duty guaranteed by this guaranty before seeking enforcement thereof against Guarantor. A lawsuit may be brought and maintained against Guarantor by Landlord to enforce any liability, obligation or duty guaranteed by this guaranty without the necessity of joining Tenant or any other person in the lawsuit.

It is expressly agreed and understood that Guarantor additionally and unconditionally guarantees the performance under the Lease of Tenant.

Provided that the Tenant has not been and is not then in default, beyond any applicable cure period, this Guaranty shall terminate on the third anniversary of the Lease.

All capitalized terms herein shall have the same meaning as those in the Lease.

EXECUTED to be effective as of the ____ day of _____, 2024.

GUARANTOR

SIGNATURE _____

PRINT NAME _____

ADDRESS _____

PHONE NUMBER _____

EMAIL ADDRESS _____

Exhibit F

LANDLORD EQUIPMENT

Exhibit G

TENANT EQUIPMENT