



San Miguel Authority for Regional Transportation
Board of Directors Meeting Agenda
Thursday June 9th, 2022
3 p.m.

This meeting will be held virtually:
Please join the meeting from your computer, tablet or smartphone.

<https://us02web.zoom.us/j/81926660362?pwd=CqNt4tTUAavBEO00iOoCWgKIZtZdj.1>

Meeting ID: 819 2666 0362

Passcode: 410174

One tap mobile

+16699009128,,81926660362#,,,,*410174# US (San Jose)

+12532158782,,81926660362#,,,,*410174# US (Tacoma)

Item No.	Presenter	Item Type	Topic	Packet Page	Time (minutes)
1.	-	-	Public Comment	-	5
2.	Board	Meeting Resolution	Resolution 2022-10, Part 1a, regarding the Review and Approval of the June 9th, 2022, Agenda and Consent Items and Part 1b, regarding the Review and Approval of May 12th, 2022 Meeting Minutes	4	5
3.	Averill	Action	Resolution 2022-11: Lease changes and Amendment for Tenants at 135 and 137 Society Dr.	6	5
4.	Averill	Action	Resolution 2022-12 budget and capital plan amendments	33	10
5.	Distefano	Report	May Operations Update	42	10
6.	Averill	Report	Executive Directors Report	46	10
7.	All	Report	Round Table Updates and Reports	-	5

GLOSSARY

5304	FTA program funding for multimodal transportation planning (jointly administered with FHWA) in metropolitan areas and States
5311	FTA program funding for rural and small Urban Areas (Non-Urbanized Areas)
5339	FTA program funding for buses and bus facilities
AAC	SMART Administrative Advisory Committee
ADA	Americans with Disabilities Act of 1990
AIS	Agenda Item Summary
CAAA	Clean Air Act Amendments of 1990 (federal)
CAC	SMART Community Advisory Committee
CDOT	Colorado Department of Transportation
CMAQ	Congestion Mitigation and Air Quality (a FHWA funding program)
DBE	Disadvantaged Business Enterprise
DOT	(United States) Department of Transportation
DTR	CDOT Division of Transit & Rail
FAST ACT	Fixing America's Surface Transportation Act (federal legislation, December 2015)
FASTER	Funding Advancements for Surface Transportation and Economic Recovery (Colorado's S.B. 09-108)
FHWA	Federal Highway Administration
FTA	Federal Transit Administration
FY	Fiscal Year (October – September for federal funds; July to June for state funds; January to December for local funds)
FFY	Federal Fiscal Year
HOV	High Occupancy Vehicle
HUTF	Highway Users Tax Fund (the State's primary funding source for highways)
IGA	Inter-Governmental Agreement
ITS	Intelligent Transportation Systems
LRP or LRTP	Long Range Plan or Long Range Transportation Plan
MOA	Memorandum of Agreement
MOU	Memorandum of Understanding
NAA	Non-Attainment Area (for certain air pollutants)
NAAQS	National Ambient Air Quality Standards
NEPA	National Environmental Policy Act
PPP (also P3)	Public Private Partnership
R3 or R5	Region 3 or Region 5 of the Colorado Department of Transportation
RPP	Regional Priority Program (a funding program of the Colorado Transportation Commission)
RSH	Revenue Service Hour
RSM	Revenue Service Mile
RTP	Regional Transportation Plan
SOV	Single Occupant Vehicle
STAC	State Transportation Advisory Committee
STIP	Statewide Transportation Improvement Program
TA (previously TAP)	Transportation Alternatives program (a FHWA funding program)
TC	Transportation Commission of Colorado
TIP	Transportation Improvement Program
Title VI	U.S. Civil Rights Act of 1964, prohibiting discrimination in connection with programs and activities receiving federal financial assistance
TPR	Transportation Planning Region (state-designated)
TRAC	Transit & Rail Advisory Committee (for CDOT)
VMT	Vehicle Miles Traveled



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Meeting ID: 819 2666 0362

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3.	Averill	Action	Resolution 2022-11: Lease changes and Amendment for Tenants at 135 and 137 Society Dr.
4.	Averill	Action	Resolution 2022-12 budget and capital plan amendments
5.	Distefano	Report	May Operations Update
6.	Averill	Report	Executive Directors Report
7.	All	Report	Round Table Updates and Reports

**San Miguel Authority for Regional Transportation
Board of Directors Meeting May 12th, 2022 Regular Meeting
Virtual meeting minutes**

Member Directors Present: Town of Telluride – Adrienne Christy. San Miguel County – Kris Holstrom. Town of Mountain Village – Patrick Berry, Marti Prohaska, Harvey Mogensen (Alternate). Town of Rico – Joe Dillsworth

Staff Present: David Averill and Kari Distefano (SMART). Kelly Kronenberg, Kari McClanahan (Telluride Express). Mike Bordogna (San Miguel County).

The meeting was called to order at 3:01 p.m.

Item 1: Public Comment

No public comment was offered.

Item 2: Resolution 2022-8 Part 1a, regarding the Review and Approval of the May 12th, 2022 Agenda and Consent Items and Part 1b, regarding the Review and Approval of March 10th, 2022 Meeting Minutes

Harvey Mogenson moved to adopt Resolution 2022-8, parts 1a and 1b.
Joe Dillsworth seconded the motion.

A unanimous vote approved the motion.

Item 3: Resolution 2022-9, Intergovernmental Agreement with San Miguel County and the Telluride Library District for Installation of a Drop Off Kiosk at the Lawson Hill Intercept Lot.

Adrienne Christy moved to adopt Resolution 2022-9
Patrick Berry seconded the motion.

A unanimous vote approved the motion.

Item 4: 1st Quarter '22 Performance Report

Averill provided an update on performance metrics for the first quarter of 2022. Discussion focused on increasing ridership, costs per passenger metrics and rising fuel costs.

Item 5: 1st Quarter '22 Financial Report

Averill provided an update on year-to-date revenues and expenditures. Discussion focused on how revenue is generally strong so far this fiscal year and is offsetting some of the increased expenses SMART is seeing. SMART remains in a strong fiscal position.

Item 6: FY22 Budget and Capital Plan amendment discussion

Averill presented a draft Amended FY22 budget and corresponding capital plan for discussion and future action. Revenue is projected to be higher than what was initially budgeted so a recommendation was made to adjust upwards by \$220,000. Some expenses are also coming in higher than anticipated and so adjustments should be made for these increased operational expenses and capital purchases. The Board will consider taking action on the recommended changes to the FY22 budget and capital plan at the June meeting.

Item 7: January 2022 Operations Update

Distefano presented the March and April Operations report. Updates included Off Season service, a review of post off-season changes being made to the Lawson Hill and Norwood schedules, ridership report, anticipated next efforts for development of a passenger app, and ridership.

Item 8: Executive Directors Report

Averill gave updates on grants, Lawson facility repairs, the Meadows Underpass design project, and progress on the FY21 Fiscal Audit.

Item 9: Round Table updates and reports

A brief discussion of pending summer roadway construction activities took place.

Item 10: Executive Session

Executive Session pursuant to C.R.S. 24-6-402 4(a) and 4(e) (I),(Open Meetings Law) and Sections 6.09 (a) (1) and (a) (5) of the SMART Bylaws for the purpose of: determining positions that may be subject to negotiations, developing strategy for negotiations and instructing negotiators regarding possible acquisition of real property to discuss potential real estate transaction.

The meeting was adjourned at 4:27 p.m.

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN MIGUEL AUTHORITY FOR REGIONAL
TRANSPORTATION EVIDENCING ACTIONS TAKEN AT ITS JUNE 9TH, 2022 REGULAR MEETING**

RESOLUTION NO. 2022-10

RECITALS:

WHEREAS, the San Miguel Authority for Regional Transportation (“SMART”) was approved by the registered electors of the Town of Telluride, Town of Mountain Village, and that portion of the SMART combination that are within that part of the SMART boundaries located within unincorporated San Miguel County, pursuant to the Colorado Regional Transportation Authority Law, C.R.S. Title 43, Article 4, Part 6, at the general election held on November 8, 2016; and

WHEREAS, SMART is governed by the Colorado Regional Transportation Authority Law and SMART Intergovernmental Agreement (“SMART IGA”) conditionally approved by each of the governing bodies of the Town of Telluride, Town of Mountain Village and San Miguel County pending approval by the registered electors at the November 8, 2016 general election; and

WHEREAS, the Board held a regular meeting on June 9th, 2022; and

WHEREAS, Section 3.09 of the SMART IGA requires all actions of the Board to be taken by written resolution; and

WHEREAS, the Board desires to take action on certain items set forth below in accordance with the SMART IGA.

NOW, THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SAN MIGUEL AUTHORITY FOR REGIONAL TRANSPORTATION AS FOLLOWS:

1. At its June 9th, 2022, regular meeting the Board took action on the following:
 - a. Approval of the June 9th, 2022, meeting agenda (Exhibit A)
 - b. Approval of the Board meeting minutes for the May 12th, 2022, regular meeting (Exhibit B)

ADOPTED AND APPROVED BY THE BOARD OF DIRECTORS OF THE SAN MIGUEL AUTHORITY FOR REGIONAL TRANSPORTATION AT A REGULAR PUBLIC MEETING THIS JUNE 9TH, 2022.

Kris Holstrom, Board Chair

ATTEST:

David Averill, Executive Director

AGENDA ITEM SUMMARY (AIS)

San Miguel Authority for Regional Transportation



Meeting Date	Agenda Item	Submitted By
June 9 th , 2022	3	D. Averill
Objective/Requested Action		
Action is requested of the Board to amend an existing lease with Telluride Crossfit LLC for 137 Society Dr. and to execute a new lease with Proset Construction at 135 Society Dr.		Report Work Session Discussion X Action
Key Points		
At the time of its purchase of 137 Society Dr. SMART assumed the existing lease with Telluride Crossfit (Exhibit A). SMART and Telluride Crossfit then executed an Amendment to the lease (Exhibit B), in December of 2020 (Exhibit B). The Tenants have requested an extension of the term of the lease to June 30 th , 2024. The Amendment is included as Exhibit C. CDOT has approved the extension of this lease with the Tenant.		
Over at 135 Society Dr., the existing leaseholder (Floored Inc.) desires to terminate their lease and transfer the remainder of the term to Proset Construction. This new lease with Proset is included as Exhibit D.		
Committee Discussion		
NA		
Supporting Information		
NA		
Fiscal Impact		
These actions will have a net positive fiscal impact for SMART.		
Advantages		
Revenue generated from these properties helps to offset ongoing maintenance and capital repairs of the facility.		
Disadvantages		
None noted.		
Analysis/Recommendation(s)		
Staff recommends the extension of the lease for 137 Society Dr. with Telluride Crossfit and execution of the new lease agreement for 135 Society Dr. with Proset Construction.		
Attachments		
Exhibit A: Original Lease with Telluride Crossfit Exhibit B: SMART amendment to lease with Telluride Crossfit Exhibit C: NEW amendment with Telluride Crossfit to extend the term of the lease Exhibit D: Lease agreement with Proset Construction		

RESOLUTION 2022-11

RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN MIGUEL AUTHORITY FOR REGIONAL TRANSPORTATION (SMART) APPROVING A LEASE AMENDMENT WITH TELLURIDE CROSSFIT LLC FOR 137 SOCIETY DRIVE AND A LEASE WITH PROSET CONSTRUCTION FOR 135 SOCIETY DRIVE

WHEREAS, the San Miguel Authority for Regional Transportation (“SMART”) purchased 135 and 137 Society Drive in Lawson Hill in October of 2020; and

WHEREAS, At the time of its purchase of 137 Society Dr. SMART assumed the existing lease with Telluride Crossfit LLC, dated August 24th 2009, as amended, a copy of which is attached hereto as Exhibit "A"; and

WHEREAS, SMART and Telluride Crossfit LLC executed an Amendment to the lease, attached hereto as “Exhibit B”, in December of 2020 (Exhibit B) which, in addition to other changes, extended the term of the lease to June 30th, 2023; and

WHEREAS, the Board of Directors desires to execute an amendment to the existing amended lease agreement with Telluride Crossfit LLC, to extend the term of the lease to June 30th, 2024, a copy of which is attached hereto as Exhibit “C”; and

WHEREAS, Floored Inc. desires to transfer the existing lease for the upstairs office space of 135 Society Drive to Proset Construction; and

WHEREAS, the Board of Directors desires to enter into a lease agreement with Proset Construction for office space at 135 Society Dr. in Lawson Hill, a copy of which is attached hereto, as Exhibit “D”; and

NOW, THEREFORE, be it resolved by the Board of Directors of SMART as follows:

THAT, the Board of Directors hereby approves the lease amendment with Telluride Crossfit LLC and the lease attached hereto as Exhibit “C”; and

THAT, the Board of Directors hereby approves the lease with Proset Construction attached hereto as Exhibit “D”; and

THAT, the Board of Directors hereby authorizes and directs the SMART Executive Director to execute Exhibits “C” and “D” on behalf of SMART and take all actions necessary and appropriate to effectuate this Resolution.

INTRODUCED, READ AND PASSED by the Board of Directors of the San Miguel Authority for Regional Transportation, Telluride, Colorado, at its regular meeting held on June 9th, 2022.

SAN MIGUEL AUTHORITY FOR REGIONAL
TRANSPORTATION

Kris Holstrom,
Chairman, Board of Directors

Date: _____

WITNESS my hand this _____ day of _____, 2022.

Executive Director

BUSINESS LEASE

This BUSINESS LEASE, dated Aug. 24, 2009, is between **SUMMIT MOUNTAIN PROPERTIES, LLC**, a Colorado limited liability company ("Landlord") and **TELLURIDE GYMNASTICS AND CROSSFIT, LLC**, a Colorado limited liability company ("Tenant") and **TERESA BRACHLE** and **ANDREW BRACHLE** ("Guarantors").

In consideration of the payment of the rent and the performance of the covenants and agreements by the Tenant set forth herein, the Landlord does hereby lease to the Tenant the following described premises situate in the County of San Miguel, in the State of Colorado, being that portion of the premises described on Exhibit "A" attached hereto, the property address of which is 137 Society Drive, Telluride, CO, the legal description of which is Lot J2, Lawson Hill Subdivision. ✓

Said premises, with all the appurtenances, are leased to the Tenant for a term of five (5) years, and for a rental of \$4,000.00 payable monthly in advance, on the first day of each calendar month at the address of Landlord, P.O. Box 239, Montrose, CO 81402, without notice commencing September 1, 2009. ✓

THE TENANT, IN CONSIDERATION OF THE LEASING OF THE PREMISES, AGREES AS FOLLOWS:

1. The Tenant shall pay the rent for the premises above-described and agrees the monthly rent shall increase to \$4,120.00 September 1, 2010; \$4,244.00 September 1, 2011; \$4,371.00 September 1, 2012 and \$4,503.00 September 1, 2013. ✓
2. The Tenant shall, at the expiration of this lease, surrender the premises in as good a condition as when the Tenant entered the premises, ordinary wear and tear excepted. The Tenant shall keep the entire exterior premises free from all litter, dirt, debris and obstructions; and keep the premises in a clean and sanitary condition as required by the ordinances of the city and county in which the property is situate. ✓
3. The Tenant shall not sublet any part of the premises, nor assign the lease, or any interest therein, without the written consent of the Landlord. ✓
4. The Tenant shall use the premises only as a gymnasium school and training facility during normal business hours to be established by Tenant and shall not use the premises for any purposes prohibited by the laws of the United States or the State of Colorado, or of the ordinances of the city or town in which said premises are located, and shall neither permit nor suffer any disorderly conduct, noise or nuisance having a tendency to annoy or disturb any persons occupying adjacent premises. ✓

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5. The Tenant shall neither hold, nor attempt to hold, the Landlord, its agents, contractors and employees, liable for any injury, damage, claims or loss to person or property occasioned by any accident, condition or casualty to, upon, or about the premises, unless such accident, condition or casualty is directly caused by intentional or reckless acts or omission of the Landlord. Notwithstanding any duty the Landlord may have hereunder to repair or maintain the premises, in the event that the improvements upon the premises are damaged by the negligent, reckless or intentional act or omission of the Tenant or any employees, agents, invitees, licensees or contractors, the Tenant shall bear the full cost of such repair or replacement. The Tenant shall hold Landlord, Landlord's agents and their respective successors and assigns, harmless, and indemnified from all injury, loss, claims or damage to any person or property while on the demised premises or any other part of Landlord's property, or arising in any way out of Tenant's business, which is occasioned by an act or omission of Tenant, its employees, agents, invitees, licensees or contractors. The Landlord is not responsible for any damage or destruction to the Tenant's personal property. ✓

6. The Tenant shall neither permit or suffer said premises, or the walls or floors thereof, to be endangered by overloading, nor said premises to be used for any purposes which would render the insurance thereon void or the insurance risk more hazardous, nor make any alterations in or changes in, upon, or about said premises without first obtaining the written consent of the Landlord. ✓

★ 7. The Tenant shall pay 63% of the actual expense for real property taxes, 63% of the expense for HOA dues and liability insurance, 100% for snow removal, and 82% for utilities as may be reasonably incurred by the Landlord, upon billing of same by the Landlord. ✓

8. The Tenant shall permit the Landlord to place a "For Rent" sign upon the leases premises any time during the last year of any term of the Lease, and with notice to the Tenant of same, or, in the event Tenant has breached the terms of the Lease, then at any time. In the event the Lease term is renewed, or the breach has been cured, Landlord shall remove the sign. ✓

9. The Tenant shall allow the Landlord to enter upon the premises at any reasonable hour and Landlord shall use best efforts to give Tenant notice of such entry. ✓

IT IS EXPRESSLY UNDERSTOOD AND AGREED BETWEEN LANDLORD AND TENANT AS FOLLOWS:

10. The Tenant shall be responsible for paying for all utility services to the Premises, being 82% of the billings for same, which shall be due upon billing of same by the Landlord. The Tenant shall be responsible for janitorial and telephone. The Landlord agrees to keep the improvements upon the premises, including but not limited to, structural components, interior and exterior walls, floors, ceiling, roofs, sewer connections, plumbing, wiring and glass in good maintenance and repair at their expense. In the event the Landlord is responsible for repair of the premises, the Tenant shall be obligated to notify the Landlord of any condition upon the premises requiring repair and the Landlord shall be provided a reasonable time to accomplish said repair. ✓

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TB AB

Landlord shall disable the overhead crane located in the premises and shall have the right to remove same at any time.

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

12. If a Lease violation occurs, and Landlord has notified Tenant of same, and Tenant, after reasonable time has not cured the violation and Landlord issues a three-(3) day notice of termination, and the Tenant shall remain in possession of the premises and continue to pay rent without a written agreement as to such possession, then such tenancy shall be regarded as a month-to-month tenancy, at a monthly rental, payable in advance, equivalent to 200% of the last month's rent paid under this lease, and subject to all the terms and conditions of this lease. ✓

13. If the premises are left vacant and any part of the rent reserved hereunder is not paid, then the Landlord may, without being obligated to do so, and without terminating this lease, retake possession of the said premises and rent the same for such rent, and upon such conditions as the Landlord may think best, making such changes and repairs as may be required, giving credit for the amount of rent so received less all expenses of such changes and repairs, and the Tenant shall be liable for the balance of the rent herein reserved until the expiration of the term of this lease. ✓

14. The Landlord acknowledges receipt of a deposit in the amount of ~~\$4,000~~ ^{0 TB AB} to be held by the Landlord for the faithful performance of all of the terms, conditions and covenants of this lease. The Landlord may apply the deposit to cure any default under the terms of this lease and shall account to the Tenant for the balance. The Tenant may not apply the deposit hereunder to the payment of the rent reserved hereunder or the performance of other obligations. ✓

15. If the Tenant shall be in arrears in payment of any installment of rent, or any portion thereof, or in default of any other covenants or agreements set forth in this lease, and the default remains uncorrected for a period of three (3) days after the Landlord has given written notice thereof pursuant to applicable law, then the Landlord may, at the Landlord's option, undertake any of the following remedies without limitation: (a) declare the term of the lease ended; (b) terminate the Tenant's right to possession of the premises and reenter and repossess the premises pursuant to applicable provisions of the Colorado Forcible Entry and Detainer Statute; (c) recover all premises and future damages, costs and other relief to which the Landlord is entitled; (d) pursue breach of contract remedies; and/or (e) pursue any and all available remedies in law or equity. In the event possession is terminated by a reason of default prior to expiration of the term, the Tenant shall be responsible for the rent occurring for the remainder of the term, subject to the Landlord's duty to mitigate such damages. Pursuant to applicable law (13-40-104(d.5), (e.5) and 13-40-107.5, C.R.S.), which is incorporated by this reference, in the event repeated or substantial default(s) under the lease occur, the Landlord may terminate the Tenant's possession upon a written Notice to Quit, without a right to cure. Upon such ✓

termination, the Landlord shall have available any and all of the above-listed remedies. Tenant shall have the right to cure, upon payment of sums due, and with agreement of the parties.

16. If the property or the premises shall be destroyed in whole or in material part by fire, the elements, or other casualty and if, in the sole opinion of the Landlord, they cannot be repaired within ninety (90) days from said injury and the Landlord informs the Tenant of said decision; or if the premises are damaged in any material degree and the Landlord informs the Tenant it does not desire to repair same and desires to terminate this lease; then this lease shall terminate on the date of such injury. In the event of such termination, the Tenant shall immediately surrender the possession of the premises and all rights therein to the Landlord; shall be granted a license to enter the premises at reasonable times to remove the Tenant's property; and shall not be liable for rent accruing subsequent to said event. The Landlord shall have the right to immediately enter and take possession of the premises and shall not be liable for any loss, damage or injury to the property or person of the Tenant or occupancy of, in, or upon the premises. ✓

If the Landlord repairs the premises within ninety (90) days, this lease shall continue in full force and effect and the Tenant shall not be required to pay rent for any portion of said ninety (90) days during which the premises are wholly unfit for occupancy. In the event of damage and repair to a portion of the Premises, Tenant shall be entitled to a pro rata abatement of the rent for the period of repair. ✓

17. In the event any dispute arises concerning the terms of this lease or the nonpayment of any sums under this lease, and the matter is turned over to an attorney, the party prevailing in such dispute shall be entitled, in addition to other damages or costs, to receive reasonable attorneys fees from the other party. ✓

18. In the event any payment required hereunder is not made within ten (10) days after the payment is due, a late charge in the amount of \$200 will be paid by the Tenant.

19. During the term of this Lease and any extensions thereof, Tenant shall at its own cost and expense provide and keep in force for the benefit of Landlord and Tenant, comprehensive general public liability insurance protecting Landlord and Tenant against any and all liability, including costs of defense, in an amount of not less than One Million Dollars (\$1,000,000) in respect of injuries to or death of any one person, One Million Dollars (\$1,000,000) in respect of destruction or damage to property, and Two Million Dollars (\$2,000,000) in respect to injuries, death, destruction, and damage arising as a result of any one accident, such insurance to cover the entire Premises as well as the streets and sidewalks adjacent thereto. Such insurance shall be primary coverage with a combined single limit basis. Such insurance shall be written on an occurrence basis so that claims are not required to be made during the term of the policy. The policy shall contain either an agreed amount endorsement (to avoid the operation of any co-insurance provisions) or a waiver of any co-insurance provisions, all subject to the Landlord's approval. ✓

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20. In the event of a condemnation or other taking by any governmental agency, all proceeds shall be paid to the Landlord hereunder, the Lease shall terminate and the Tenant waives all right to any such payments. ✓

21. This lease is made with the express understanding and agreement that in the event the Tenant becomes insolvent, the Landlord may declare this lease ended, and all rights of the Tenant hereunder shall terminate and cease. ✓

22. All notices hereunder shall be delivered by first class mail, facsimile or other electronic means and the parties acknowledge sufficiency of all such deliveries to the addresses set forth below. ✓

This lease shall be subordinate to all existing and future security interests on the premises. If any term or provision of this lease shall be invalid or unenforceable, the remainder of this lease shall not be affected thereby and shall be valid and enforceable to the full extent permitted by law. This lease shall only be modified by amendment signed by both parties. ✓

This lease shall be binding on the parties, their personal representatives, successors and assigns. When used herein, the singular shall include the plural.

"LANDLORD"

SUMMIT MOUNTAIN PROPERTIES,
LLC, a Colorado limited liability company


By: 
Manager

Address: 1521 Oxbow Dr., #201
Montrose, CO 81401
Fax (970)
E-mail: _____

"TENANT"

TELLURIDE GYMNASTICS AND
CROSSFIT, LLC, a Colorado limited
liability company

By: 
Co-Manager

By: 
Co-Manager
Address: PO Box 79
Telluride, CO 81435
Fax _____
E-mail: telluridegymnastics and
crossfite@gmail.com

"GUARANTORS"



Teresa Brachle

Address:

PO Box 79

Telluride, CO 81435

Fax

E-mail:

telluridegymnastics and crossfit
@gmail.com

Andrew Brachle

Address:

P.O. Box 79

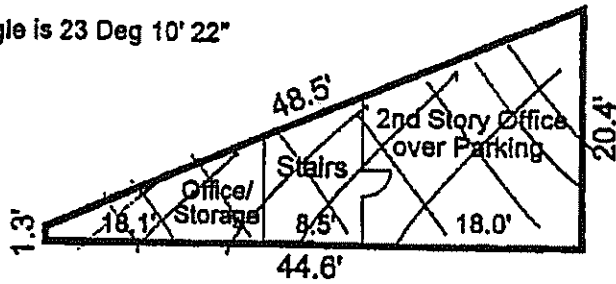
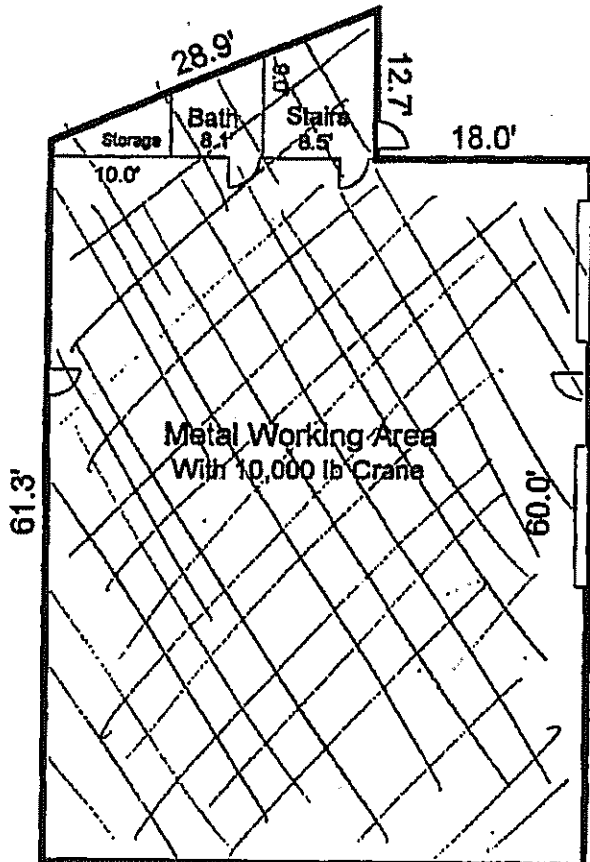
Telluride, CO 81435

Fax

E-mail:

BUILDING FLOOR PLAN

Per Plans Angle is 23 Deg 10' 22"



Second Story floor plan

not included
Unheated Storage over Parking
(Gravel; no floor for parking)

60.0'

Scale: 1" = 16'

AREA CALCULATIONS SUMMARY			
Code	Description	Area (sq ft)	Subtotal
GBAL	First Floor	2860.67	
	Storage	1200.00	
	Second Floor	483.91	4544.58
TOTAL BUILDING (rounded)			4545

BUILDING AREA BREAKDOWN			
Area	Breakdown	Area (sq ft)	Subtotal
First Floor			
	44.6 x 60.0	2675.00	
0.5 x	10.8 x 28.9	151.11	
0.5 x	0.0 x 0.0	0.00	
	1.3 x 26.6	34.56	
Storage			
	20.0 x 60.0	1200.00	
Second Floor			
0.5 x	19.1 x 44.6	423.93	
	1.3 x 44.6	57.98	
7 Areas Total (rounded)			4545

Exhibit "A"

mjm
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EXTENSION TO LEASE AGREEMENT

This EXTENSION TO LEASE AGREEMENT ("Amendment") is made and entered into effective 7/28, 2014, by and among SUMMIT MOUNTAIN PROPERTIES, LLC, a Colorado limited liability company ("Landlord") and TELLURIDE GYMNASTICS AND CROSSFIT, LLC, a Colorado limited liability company ("Tenant").

RECITALS

A. Landlord and Tenant are parties to a Lease Agreement dated August 24, 2009, a copy of which is attached hereto as Exhibit "A" ("Lease").

B. The parties desire to amend the Lease as hereinafter provided.

COVENANTS AND AGREEMENTS

NOW, THEREFORE, the parties agree as follows:

1. Term. The Lease shall be extended through September 1, 2015.

2. Effect of Amendment. Except as expressly modified herein, the Lease is unmodified, is hereby ratified and affirmed, will remain in full force and effect in accordance with its terms and will apply to the Premises. If there is any inconsistency between the terms of the Lease and the terms of this Amendment, the provisions of this Amendment will govern and control the rights and obligations of Landlord and Tenant. ✓

3. Counterparts: Facsimile Signatures. This Amendment may be executed in one or more counterparts, each of which will be deemed to be an original, and all such counterparts taken together will constitute one and the same instrument. This Amendment may be executed and delivered by one party to the other by facsimile or e-mail (PDF) transmission, and counterparts executed and delivered in such manner will be fully binding and enforceable to the same effect as if an original had been executed and delivered instead. ✓

In all other respects, the Lease Agreement remains in full force and effect.

"LANDLORD"

SUMMIT MOUNTAIN PROPERTIES, LLC

By: [Signature]

Printed Name: Matt Mills

Title: OWNER

"TENANT"

TELLURIDE GYMNASTICS AND CROSSFIT, LLC

By: [Signature]

Printed Name: ANDREW BRACHLE

Title: OWNER

"GUARANTOR"

[Signature]
Teresa Brachle

[Signature]
Andrew Brachle

EXTENSION TO LEASE AGREEMENT

This EXTENSION TO LEASE AGREEMENT ("Amendment") is made and entered into effective 7/28, 2014, by and among SUMMIT MOUNTAIN PROPERTIES, LLC, a Colorado limited liability company ("Landlord") and TELLURIDE GYMNASTICS AND CROSSFIT, LLC, a Colorado limited liability company ("Tenant").

RECITALS

A. Landlord and Tenant are parties to a Lease Agreement dated August 24, 2009, a copy of which is attached hereto as Exhibit "A" ("Lease").

B. The parties desire to amend the Lease as hereinafter provided.

COVENANTS AND AGREEMENTS

NOW, THEREFORE, the parties agree as follows:

1. Term. The Lease shall be extended through September 1, 2015.


2. Effect of Amendment. Except as expressly modified herein, the Lease is unmodified, is hereby ratified and affirmed, will remain in full force and effect in accordance with its terms and will apply to the Premises. If there is any inconsistency between the terms of the Lease and the terms of this Amendment, the provisions of this Amendment will govern and control the rights and obligations of Landlord and Tenant. ✓

3. Counterparts: Facsimile Signatures. This Amendment may be executed in one or more counterparts, each of which will be deemed to be an original, and all such counterparts taken together will constitute one and the same instrument. This Amendment may be executed and delivered by one party to the other by facsimile or e-mail (PDF) transmission, and counterparts executed and delivered in such manner will be fully binding and enforceable to the same effect as if an original had been executed and delivered instead. ✓

In all other respects, the Lease Agreement remains in full force and effect.

"LANDLORD"

SUMMIT MOUNTAIN PROPERTIES, LLC



By: 
 Printed Name: Matt Miles
 Title: OWNER

"TENANT"

TELLURIDE GYMNASTICS AND CROSSFIT, LLC

By: _____
 Printed Name: ANDREW BRACHLE
 Title: OWNER

"GUARANTOR"


 Teresa Brachle

 Andrew Brachle

AMENDMENT TO LEASE AGREEMENT

This AMENDMENT TO LEASE AGREEMENT ("Amendment") is made and entered into effective _____, 2015, by and among SUMMIT MOUNTAIN PROPERTIES, LLC, a Colorado limited liability company ("Landlord") and TELLURIDE GYMNASTICS AND CROSSFIT, LLC, a Colorado limited liability company ("Tenant").

RECITALS

- A. Landlord and Tenant are parties to a Lease Agreement dated August 24, 2009, a copy of which is attached hereto as Exhibit "A" ("Lease").
- B. The parties desire to amend the Lease as hereinafter provided.

COVENANTS AND AGREEMENTS

NOW, THEREFORE, the parties agree as follows:

1. Term. The Lease shall be extended to a term of seven (7) years effective upon completion of improvements to the Premises provided by Landlord.
2. Rent. Effective on the first day of the month following completion of improvements to the Premises provided by Landlord, Tenant shall pay monthly rent as follows:

Year 1	\$5,888	beg. 2-1-16
Year 2	\$6,065	2-1-17
Year 3	\$6,247	2-1-18
Year 4	\$6,434	2-1-19
Year 5	\$6,627	2-1-20
Year 6	\$6,826	2-1-21
Year 7	\$7,031	2-1-22 - 1-31-23

3. Effect of Amendment. Except as expressly modified herein, the Lease is unmodified, is hereby ratified and affirmed, will remain in full force and effect in accordance with its terms and will apply to the Premises. If there is any inconsistency between the terms of the Lease and the terms of this Amendment, the provisions of this Amendment will govern and control the rights and obligations of Landlord and Tenant.

4. Counterparts: Facsimile Signatures. This Amendment may be executed in one or more counterparts, each of which will be deemed to be an original, and all such counterparts taken together will constitute one and the same instrument. This Amendment may be executed and delivered by one party to the other by facsimile or e-mail (PDF) transmission, and counterparts executed and delivered in such manner will be fully binding and enforceable to the same effect as if an original had been executed and delivered instead.

In all other respects, the Lease Agreement remains in full force and effect.

"LANDLORD"

SUMMIT MOUNTAIN PROPERTIES, LLC

By: Matt M. M.

Printed Name: Matt M. M.

Title: Manager

"TENANT"

TELLURIDE GYMNASTICS AND CROSSFIT, LLC

"GUARANTOR"

By: 

Printed Name: ANDREW BRACHLE

Title: OWNER



Teresa Brachle



Andrew Brachle

AMENDMENT TO LEASE AGREEMENT

This AMENDMENT TO LEASE AGREEMENT ("Amendment") is made and entered into effective December 16th 2020 by and among the **SAN MIGUEL AUTHORITY FOR REGIONAL TRANSPORTATION, ("SMART")** and Colorado Department of Transportation acting through SMART(collectively "Landlord") and **TELLURIDE GYMNASTICS AND CROSSFIT, LLC**, a Colorado limited liability company ("Tenant").

RECITALS

A. At the time of its purchase of 137 Society Landlord assumed that Lease with Tenant dated August 24 2009, as amended, a copy of which is attached hereto as Exhibit "A" (the "Lease").

B. Landlord and Tenant desire to amend the Lease as hereinafter provided.

COVENANTS AND AGREEMENTS

NOW, THEREFORE, Landlord and Tenant agree as follows:

1. **Term:** The Lease shall be extended to June 30th, 2023. Landlord also agrees that Tenant may terminate the Lease without penalty upon Sixty (60) days advance written notice if Tenant secures a new location to relocate its business.

2. **General Maintenance Responsibilities:** Landlord agrees to arrange for the roof of the gymnasium space to be shoveled as needed throughout the term of the Lease.

4. **Rent:** In recognition of challenges to the Tenant's business due to the effects of the COVID pandemic, Landlord agrees to the following Sliding Scale Rent Schedule effective November 1: 2020 upon the following terms and conditions as agreed to by Tenant:

- a) Tenant's share of HOA dues and Utilities shall remain unchanged from the terms of the original Lease.
- b) Tenant's share of Property Management Fees (where applicable), shall be calculated with the same percentages as those used to calculate Tenant's share of HOA dues and Utilities.
- c) Landlord and Tenant agree that in months where the COVID level changes, rent for that month will be prorated to reflect the different rent rates for the number of days of the month under each COVID level.
- d) Landlord and Tenant agree that It may be necessary to adjust (either through additional payment by Tenant or an application credit by Landlord for rent previously paid) monthly rent invoices due to changes in the COVID mitigation level throughout the month.

Sliding Scale Rent Schedule for 137 Society Dr.

County COVID Level	Terms
Green: Protect our Neighbors	\$6626 base rent + Tenant Share of HOA dues and Utilities
Blue: Cautious	\$5426 base rent + Tenant Share of HOA dues and Utilities
Yellow: Concern	\$4226 base rent + Tenant Share of HOA dues and Utilities
Orange: High Risk	\$3000 base rent + Tenant Share of HOA dues and Utilities
Red: Stay at Home:	\$1800 base rent + Tenant Share of HOA dues and Utilities
Purple	\$0 base rent + Tenant Share of HOA dues, Utilities, and Property management fees.

7. **Effect of Amendment:** Except as expressly modified herein, the Lease is unmodified, is hereby ratified and affirmed, will remain in full force and effect in accordance with its terms and will apply to the Premises. If there is

any inconsistency between the terms of the Lease and the terms of this Amendment, provisions of this Amendment will govern and control the rights and obligations of Landlord and Tenant.

8. **Counterparts:** This Amendment may be executed in one or more counterparts, each of which will be deemed to be an original, and all such counterparts taken together will constitute one and the same instrument. This Amendment may be executed and delivered by one party to the other by facsimile or e-mail (PDF) transmission, and counterparts executed and delivered in such manner will be fully binding and enforceable to the same effect as if an original had been executed and delivered instead. In all other respects, the Lease Agreement remains in full force and effect.

"LANDLORD" SAN MIGUEL AUTHORITY FOR REGIONAL TRANSPORTATION

By: David Averill
 Printed Name: David Averill
 Title: Executive Director

"TENANT" TELLURIDE GYMNASTICS AND CROSSFIT, LLC

By: _____
 Printed Name: _____
 Title: _____

AMENDMENT TO LEASE AGREEMENT

This AMENDMENT TO LEASE AGREEMENT ("Amendment") is made and entered into effective _____ 2022 by and among the **SAN MIGUEL AUTHORITY FOR REGIONAL TRANSPORTATION, ("SMART")** and Colorado Department of Transportation acting through SMART(collectively "Landlord") and **TELLURIDE GYMNASTICS AND CROSSFIT, LLC**, a Colorado limited liability company ("Tenant").

RECITALS

- A. At the time of its purchase of 137 Society Dr. Landlord assumed that Lease with Tenant dated August 24 2009, as amended, a copy of which is attached hereto as Exhibit "A" (the "Lease").
- B. SMART executed an amendment to the lease with the Tenant in December of 2020. A copy of this lease is attached as Exhibit "B"
- C. Landlord and Tenant desire to further amend the Lease as hereinafter provided.

COVENANTS AND AGREEMENTS

NOW, THEREFORE, Landlord and Tenant agree as follows:

- I. **Term:** The Lease shall be extended to June 30th, 2024. Landlord also agrees that Tenant may terminate the Lease without penalty upon Sixty (60) days advance written notice if Tenant secures a new location to relocate its business.
- 2. **Effect of Amendment:** Except as expressly modified herein, the Lease is unmodified, is hereby ratified and affirmed, will remain in full force and effect in accordance with its terms and will apply to the Premises. If there is any inconsistency between the terms of the Lease and the terms of this Amendment, provisions of this Amendment will govern and control the rights and obligations of Landlord and Tenant.
- 3. **Counterparts:** This Amendment may be executed in one or more counterparts, each of which will be deemed to be an original, and all such counterparts taken together will constitute one and the same instrument. This Amendment may be executed and delivered by one party to the other by facsimile or e-mail (PDF) transmission, and counterparts executed and delivered in such manner will be fully binding and enforceable to the same effect as if an original had been executed and delivered instead. In all other respects, the Lease Agreement remains in full force and effect.

"LANDLORD" SAN MIGUEL AUTHORITY FOR REGIONAL TRANSPORTATION

By: _____
 Printed Name: David Averill
 Title: Executive Director

"TENANT" TELLURIDE GYMNASTICS AND CROSSFIT, LLC

By: _____
 Printed Name: _____
 Title: _____

THIS LEASE HAS IMPORTANT LEGAL CONSEQUENCES. THE PARTIES SHOULD CONSULT LEGAL COUNSEL BEFORE SIGNING.

**COMMERCIAL LEASE
(Gross)**

This Commercial Lease (the "**Lease**") is made on July 1, 2022 (date) and is entered into by and between Landlord (as defined below) and Tenant (as defined below). In consideration of the payment of the Rent (as defined below); all costs, charges, and expenses which Tenant assumes, agrees, or is obligated to pay to Landlord pursuant to the Lease (the "**Additional Rent**"); and the performance of the promises by Tenant set forth below, Landlord hereby leases to Tenant, and Tenant hereby accepts, the Premises (as defined below), subject to the terms and provisions set forth in the Lease.

PARTIES, PREMISES, AND DEFINED TERMS

1. **Landlord:** San Miguel Authority for Regional Transportation, dba SMART
2. **Tenant:** Proset Construction, Inc.(the "**Tenant**").
3. **Premises:** Landlord is the owner of certain real estate legally described as Lot J1, Lawson Hill PUD in San Miguel County, Colorado (the "**Real Estate**"). The Real Estate is improved with a two-story commercial building (the "**Improvements**") (the Real Estate and the Improvements are collectively referred to as the "**Property**"). Landlord hereby leases and demises to Tenant the following described portion of the Property: Address 135 Society Drive, entire upper floor (the "**Premises**") area to be leased as identified in Exhibit A of this agreement.
4. **Term:** Landlord Leases the Premises to Tenant from twelve o'clock noon on the 1st day of July 2022 and until 11:59 p.m. on the 31st day of June 2023. Subject to Tenant's performance of all obligations under the Lease, including, without limitation, payment of Rent and Additional Rent, Tenant shall enjoy quiet possession of the Premises.
5. **Rent:** Rental for the first year of the Term is nineteen thousand and two hundred Dollars (\$19,200.00) payable in equal installments of sixteen hundred Dollars (\$1600) in advance to Landlord on the first day of each calendar month for that month's rental before twelve o'clock noon, without notice (the "**Rent**"). Unless otherwise provided in the Lease, all payments due under the Lease, including Additional Rent, shall be mailed, or delivered to Landlord at the following address: SMART, PO Box 3140, Telluride CO, 81435. If the Term does not begin on the first day of the month, the Rent shall be prorated accordingly. Rent for subsequent years of the Term shall not be increased.
7. **Security Deposit:** Prior to occupying the Premises, Tenant shall keep on deposit with Landlord a security, cleaning, and damage deposit in the amount of sixteen hundred Dollars (\$1600) as security for the return of the Premises at the expiration of the Term in as good condition as when Tenant entered the Premises, normal wear and tear excepted, as well as the faithful, timely, and complete performance of all other terms, conditions, and covenants of the Lease (the "**Security Deposit**").
8. **Use:** The Premises shall be used as commercial office space, provided this use conforms with applicable zoning regulations. Tenant shall not, without the prior written consent of Landlord, permit the Premises to be used for any other purpose.
9. **Utilities/HOA Fees:** Tenant shall pay 50% of the actual expense for HOA fees and 85% of utilities (gas and electric) as may be reasonably incurred by Landlord, upon billing by same Landlord.
10. **Payment of Additional Rent:** Additional Rent shall be paid by Tenant to Landlord in monthly installments concurrent with the Rent.
11. **Late Payments:** If any Rent, Additional Rent, or other payment is received later than 15 days after the date when due, the parties agree that Additional Rent in the amount of ten percent (10%) of the outstanding sums shall also be due and payable. The addition of such amount and the collection thereof shall not operate to waive any other rights of Landlord for nonpayment of Rent, or for any other reason.
12. **Repairs and Maintenance of the Premises:** The Landlord shall maintain the foundation, exterior walls, and roof of the Improvements in good repair. The Landlord agrees to keep all the other improvements (including plate glass and other

windows, window frames, and doors) upon the Premises repaired and maintained in good order as described in the Lease. The Landlord shall properly irrigate and care for all trees, shrubbery, and lawn and the Landlord shall keep all driveways, sidewalks, and parking areas on the Premises free and clear of ice and snow.

PREMISES

13. **Common Areas:** The common areas are all areas outside of the Premises upon the Property designated by Landlord for common use of Tenant, its employees, licensees, invitees, contractors, and Landlord (the “**Common Areas**”). Landlord grants to Tenant, its employees, licensees, invitees and contractors a non-exclusive license over such Common Areas of the Property necessary to the use and occupancy of the Premises and Parking License (the “**Common Area License**”). Said License shall be effective for the Term of the Lease. Tenant shall not use Common Areas for any type of storage, or parking of trucks, trailers, or other vehicles without the advance written consent of Landlord. All parking and Common Areas of Property shall at all times be subject to the management of Landlord, and are not part of the Premises. All use of the Common Areas shall be at the sole risk of Tenant, and Landlord is not liable for any damages, or injuries occasioned by such use. Landlord shall have the right, power, and authority to compile, promulgate, change, and modify all rules and regulations that it may, in its sole discretion, deem necessary for use of the Common Areas. Tenant agrees to abide by and conform with all rules and regulations pertaining to such Common Areas. Landlord shall have the right to construct, maintain, and operate lighting facilities; to police and from time to time change the area, location, and arrangement of the Common Areas and facilities; to restrict employee parking to certain areas; to temporarily close all, or any portion of the Common Areas; to discourage non-customer parking; and to do and perform any and all such other acts in and to said Common Areas and facilities as Landlord shall determine in its sole and absolute discretion.

15. Condition of Premises and Representations: Tenant is familiar with the physical condition of the Premises and the Property. Except as may otherwise be provided in the Lease, Landlord makes no representations, or warranties as to the physical condition of the Premises, or the Property, or their suitability for Tenant's intended use. In the event that Landlord agrees to provide any renovations, build-out, or any other labor and materials for the improvement of the Premises, or any allowance for improvements to be effected by Tenant, such work, or allowance shall be specified and agreed to between the parties in a separate document appended to this Lease and which shall constitute a part of this Lease ("**Work Letter**"). Other than the work, if any, to be performed pursuant to Tenant's Work Letter, the Premises are rented "as is," in current condition, and all warranties are hereby expressly disclaimed. Landlord makes no representations, or warranties as to the suitability of the Premises for Tenant's intended use. Landlord further makes no representations, or warranties as to whether Tenant's intended use will necessitate changes, or alterations to the Premises in order to comport with local, state, or federal laws and regulations. Such laws and regulations include, but are not limited to: health code regulations, access regulations (including, but not limited to, the Americans with Disabilities Act), and zoning regulations. Tenant understands and agrees that in the event actions, alterations, or improvements are required in order to bring the Premises into compliance with any local, state, or federal laws and regulations because of Tenant's intended use, Tenant shall be solely responsible for any and all associated costs and expenses relative thereto. Tenant further indemnifies and agrees to hold Landlord harmless from any and all claims and liabilities that may arise by virtue of Tenant's use of the Premises in violation of any local, state, or federal laws and regulations.

16. Check-In Inspection: Landlord and Tenant may conduct an inspection of the Premises at the time of possession. A check-in inspection sheet may be completed at that time and the information contained therein shall be sufficient and satisfactory proof of the condition of the Premises at the time of possession, should a subsequent dispute arise at a later date as to the condition of the Premises at the time of move-in.

17. Use of Premises: Tenant, in consideration of the leasing of the Premises, agrees as follows:

a. Use of Premises: To use and occupy the Premises solely as and for the use specified in Paragraph 8 of the Lease. Landlord's consent to the aforementioned use is not an assurance, or warranty that the Premises' attributes are sufficient for Tenant's use. Tenant represents and warrants that it has conducted sufficient due diligence to assure itself that the Premises are suitable for its use, and that such use is permitted by applicable law. Landlord expressly reserves its right to lease space within the Property as it sees fit, unless explicitly prohibited by other provisions in the Lease. Landlord's demise of the Premises to Tenant does not preclude Landlord from leasing other parts of the Property to other tenants who may be viewed objectively, or subjectively as competing with Tenant.

c. Vacancy: It will be deemed a Default of the Lease if the Premises are left vacant and unoccupied for over thirty (30) days. In addition to other remedies contained in the Lease, the Landlord may, without being obligated to do so, and without terminating the Lease, retake possession of the Premises and relet, or attempt to relet them for such rent and upon

such conditions as the Landlord deems best, making such changes and repairs as may be required, giving credit for the amount of rent so received, less all expenses of such changes and repairs. Tenant shall be liable for the balance of the Rent and Additional Rent herein reserved until the expiration of the Term.

d. Legal Compliance: Tenant and its licensees and invitees shall comply with and abide by all federal, state, county, and municipal laws and ordinances in connection with the occupancy and use of the Premises. Tenant and its licensees and invitees may not possess, or consume alcoholic beverages on the Premises unless they are of legal age. No alcoholic beverages shall be sold upon the Premises unless proper licenses have been obtained. No illegal drugs or controlled substances (unless specifically prescribed by a physician for a specific person occupying or present upon the Premises) shall be permitted upon the Premises. Tenant hereby covenants and agrees to use its reasonable efforts to prevent and preclude its employees, guests, invitees, etc. from the aforementioned illegal conduct. Tenant and its licensees and invitees shall not use the Premises in any way that may result in an increase of the rate or cost to the Landlord to insure the Property. No hazardous or dangerous activities are permitted upon the Premises.

e. Additional Prohibitions: Neither Tenant nor its subtenants, licensees, volunteers, employees, guests, or invitees shall act in any manner that would interfere with, or be a nuisance to, other subtenants, occupants, or invitees of the Premises, or adjacent property owners, or adjacent tenants, or that would interfere with those other parties' quiet enjoyment of their premises. Said prohibition includes, but is not limited to, loud noises, loud music, noxious or unpleasant odors, and disruptive behavior or actions. Tenant shall not permit any portion of the Premises to be used in a manner that may endanger the person or property of Landlord, co-tenants, or any person living on or near the Premises. Tenant shall keep all portions of the Premises in a clean, safe, sanitary, and habitable condition.

f. Pets and Animals: Pets or animals shall not be permitted upon the Premises.

g. Storage/Trash: Tenant shall store all personal property entirely within the Premises. Tenant shall store all trash and refuse in adequate containers within the Premises, which Tenant shall maintain in a neat and clean condition, or within designated Common Areas so as not to be visible to members of the public in, or about the Property, and so as not to create any health or fire hazard.

h. Hazardous Material Prohibited: Tenant shall not cause or permit any hazardous material to be brought upon, kept or used in, or about the Premises by Tenant, its agents, employees, contractors, or invitees. If Tenant breaches the obligations stated in the preceding sentence, or if the presence of hazardous material on the Premises caused, or permitted by Tenant results in contamination of the Premises, or if contamination of the Premises by hazardous material otherwise occurs for which Tenant is responsible to Landlord for resulting damage, then Tenant shall indemnify, defend, and hold Landlord harmless from any and all resulting claims, judgments, damages, penalties, fines, costs, liabilities, or losses.

i. Quiet Enjoyment: Landlord agrees that upon Tenant paying the Rent and performing Tenant's obligations under the Lease, Tenant shall peacefully and quietly have, hold, and enjoy the Premises throughout the Term or until the Lease is terminated pursuant to its terms. Landlord shall not be responsible for the acts or omissions of any other tenant or third party that may interfere with Tenant's use and enjoyment of the Premises. In the event of any transfer or transfers of Landlord's interest in the Premises or in the Property, other than a transfer for security purposes only, the Landlord shall be automatically relieved of any and all obligations and liabilities accruing from and after the date of such transfer.

j. Rules and Regulations: Landlord shall provide Tenant with a copy of all rules and regulations affecting the Premises, and Tenant shall abide by all such rules and regulations.

18. Subletting or Assignment: Tenant shall not sublet the Premises or any part thereof, nor assign the Lease or any interest therein, without the prior written consent of Landlord. Such consent shall be at the sole discretion of Landlord. As a condition of assignment or sublease, Landlord may require the continued liability of Tenant or a separate personal guaranty by Tenant or its principal. If Tenant is a corporation, limited liability company, or other entity that is not a natural person, any change in ownership of more than thirty percent (30.0%) (over any period) of the ownership interest shall be deemed an assignment of the Lease. In the event an assignment or sublease is permitted, all payments from assignee or sublessee shall be made directly by said party to Landlord, and not through Tenant.

19. Surrender of Premises: Tenant will return the Premises to Landlord at the expiration of the Term in as good order and repair as when Tenant took possession, loss by casualty and normal wear and tear excepted. Any deterioration or damage caused by accident, abuse, carelessness, or negligence shall not be considered normal wear and tear. In the event that

Tenant fails to redeliver the Premises in appropriate condition, Landlord may restore the Premises to appropriate condition, including repair, replacement, and cleaning. The cost of any work necessitated shall be deducted from the Security Deposit; if the Security Deposit is insufficient to cover work performed, Tenant shall be obliged to pay the additional balance.

20. Removal of Fixtures/Redelivery: Tenant shall remove, at the termination of the Lease, provided Tenant is not in Default, Tenant's moveable trade fixtures and other items of personal property that are not permanently affixed to the Premises. Tenant shall remove the alterations and additions and signs made by Tenant as Landlord may request and repair any damage caused by such removal. Tenant shall peaceably yield up the Premises and all alterations and additions thereto (except such as Landlord has requested Tenant to remove); and all fixtures, furnishings, floor coverings, and equipment that are permanently affixed to the Premises which shall thereupon become the property of the Landlord. Any personal property of Tenant not removed within five (5) days following such termination shall, at Landlord's option, become the property of Landlord.

PAYMENTS

21. Payments/Dishonored Checks: Payments shall be deemed received when actually delivered to, and received by, Landlord at the payment location. Dishonored checks and any checks received late in the mail will be treated as late payments. Additional bank and handling charges may also be assessed in the event of a dishonored check. The foregoing items shall be deemed Additional Rent. Landlord may require Tenant to replace such dishonored check with a money order, cashier's check, or other good funds. Landlord may further require that all subsequent payments after a dishonored check be paid with a money order, cashier's check, or other good funds.

22. Partial Payment: If any partial payment is made by Tenant, it shall be allocated first to the payment of Additional Rent, including, without limitation, utilities (if applicable) and other expenses; and second to unpaid Rent. Acceptance by Landlord of any partial payment shall not waive the right of Landlord to require immediate payment of the unpaid balance of Rent or waive or affect Landlord's rights to institute legal proceedings including, without limitation, an eviction action.

23. No Offset: No assent, express or implied, to any Default of any one or more of the agreements hereof shall be deemed or taken to be a waiver of any succeeding or other Default. The covenants set forth in the Lease are independent. Tenant shall have no right to withhold or set off any Rent due Landlord.

24. Joint and Several Obligations of Tenant: In the event more than one person comprises Tenant, it is expressly understood and agreed that each person comprising Tenant is jointly and severally liable for any and all obligations of Tenant in the Lease. This means that all persons comprising Tenant are each, together and separately, responsible for all of Tenant's obligations. Landlord may, at its option, determine whom to hold responsible.

SECURITY DEPOSIT

25. Security Deposit:

a. Security Deposit: To secure the faithful performance by Tenant of all of Tenant's covenants, conditions, and agreements in the Lease to be observed and performed, Tenant shall deposit with Landlord the Security Deposit prior to commencement of the Lease. The Security Deposit may also be used in the event of termination of the Lease by re-entry, eviction, or otherwise.

b. Application of Security Deposit: The parties agree: (1) that the Security Deposit or any portion thereof, may be applied to the curing of any Default that may exist, and/or payment of subsequent damages and costs incurred by Landlord, without prejudice to any other remedy or remedies that the Landlord may have on account thereof, and upon such application Tenant shall pay Landlord on demand the amount so applied, which shall be added to the Security Deposit so it will be restored to its original amount; (2) that should the Premises be conveyed by Landlord, the Security Deposit or any portion thereof may be turned over to Landlord's grantee, and if the Security Deposit is turned over, Tenant agrees to look to such grantee for such application or return; (3) that Landlord shall not be obligated to hold Security Deposit as a separate fund; (4) that should the Rent be increased, the Security Deposit shall be increased in the same proportion within thirty (30) days of such Rent increase; and (5) that should a Default occur, Landlord may, as an additional remedy, increase the Security Deposit at its sole discretion.

c. Return of Security Deposit: If Tenant shall perform all of its respective covenants and agreements in the Lease, the Security Deposit, or the portion thereof not previously applied pursuant to the provisions of the Lease, together with a statement, shall be returned to Tenant without interest, no later than sixty (60) days after the expiration of the Term, or

any renewal or extension thereof (or such earlier time if required by applicable law), provided Tenant has vacated the Premises and surrendered possession thereof to Landlord.

REPAIRS AND MAINTENANCE

26. Improvements, Repairs, and Maintenance: Subject to the limitations set forth in Paragraphs 27 and 28 below, either Landlord or Tenant, as specified in Paragraph 12 above, shall be responsible for the cost and condition of the respective improvements, repairs, and maintenance relating to all structural components, interior and exterior walls, floors, ceiling, roofs, sewer connections, plumbing, wiring, appliances, and glass used in connection with the Premises.

27. Landlord's Limited Responsibility: In the event Paragraph 12 of the Lease provides for Landlord's responsibility for certain repair and maintenance, Landlord shall be responsible for: (i) any repairs, replacements, restorations, or maintenance that have been necessitated by reason of ordinary wear and tear, and (ii) any repairs, replacements, restorations, or maintenance that have been necessitated by sudden natural forces, or acts of God, or by fire not caused by Tenant. The cost of any maintenance, repairs, or replacements necessitated by the act, neglect, misuse, or abuse of Tenant, its agents, employees, customers, licensees, invitees, or contractors shall be paid by Tenant to Landlord promptly upon billing. Landlord shall use reasonable efforts to cause any necessary repairs to be made promptly; provided, however, that Landlord shall have no liability whatsoever for any delays in causing such repairs to be made, including, without limitation, any liability for injury to or loss of Tenant's business, nor shall any delays entitle Tenant to any abatement of Base and Additional Rent or damages, or be deemed an eviction of Tenant in whole or in part.

28. Tenant's Allowed Responsibilities: In the event Paragraph 12 of the Lease provides for Landlord's responsibility for certain repair and maintenance, Tenant shall not perform or contract with third parties to perform any repairs of any kind upon the Premises or structure upon which the Premises are located. In the event any repair that is the responsibility of Landlord becomes necessary, Tenant shall notify Landlord as soon as possible, and allow reasonable time for the work to be completed. Any unauthorized work performed or contracted for by Tenant will be at the sole expense of Tenant.

29. Tenant's Duty to Repair: In the event Paragraph 12 of the Lease provides for Tenant's responsibility for certain repair and maintenance, Tenant shall, at Tenant's sole cost and expense, maintain the Premises, including, but not limited to, the plumbing, exterior plate glass, other windows, and window frames, electric wiring, HVAC equipment, fixtures, appliances, and interior walls, doorways, and appurtenances belonging thereto installed for the use or used in connection with the Premises (and including the foundation, exterior walls, and roof of the Improvements, if so provided in Paragraph 12). Tenant shall, at Tenant's own expense, make as and when needed all repairs to the Premises and to all such equipment, fixtures, appliances, and appurtenances necessary to keep the same in good order and condition. Tenant repairs shall include all replacements, renewals, alterations, and betterments (the "**Tenant Repairs**"). All Tenant Repairs shall be equal or better in quality and class to the original work. In the event Tenant fails to complete Tenant Repairs, Landlord may obtain them and bill Tenant for such work as Additional Rent.

30. Tenant Improvements: Unless otherwise provided in the Work Letter, Tenant shall be solely responsible for any and all improvements and alterations within the Premises necessary for Tenant's intended use of the Premises, including, but not limited to, electrical wiring, HVAC, plumbing, framing, drywall, flooring, finish work, telephone systems, wiring, and fixtures necessary to finish the Premises to a condition suitable for Tenant's use (the "**Tenant Work**").

31. Improvements/Prior Landlord Consent: Tenant agrees to submit to Landlord complete plans and specifications, including engineering, mechanical, and electrical work covering any and all contemplated Tenant Work, if applicable, and any subsequent improvements or alterations of the Premises. The plans and specifications shall be in such detail as Landlord may require, and in compliance with all applicable statutes, ordinances, regulations, and codes. As soon as reasonably feasible thereafter, Landlord shall notify Tenant of any failures of Tenant's plans to meet with Landlord's approval. Tenant shall cause Tenant's plans to be revised to the extent necessary to obtain Landlord's approval. Tenant shall not commence any Tenant Work, or any other improvements, or alterations of Premises until Landlord has approved Tenant's plans.

32. Tenant Work and Repairs/Compliance with Codes/Mechanic Liens: Tenant shall procure all necessary permits before undertaking Tenant Work or Tenant Repairs. Tenant shall perform all Tenant Work or Tenant Repairs in a good and workmanlike manner. Tenant shall use materials of good quality and perform Tenant Work or Tenant Repairs only with contractors previously approved of in writing by Landlord. Tenant shall comply with all laws, ordinances, and regulations, including, but not limited to, building, health, fire, and safety codes. Tenant hereby agrees to hold Landlord and Landlord's agents harmless and indemnified from all injury, loss, claims, or damage to any person or property (including the cost for

defending against the foregoing) occasioned by, or growing out of Tenant Work or Tenant Repairs. Tenant shall promptly pay when due the entire cost of any Tenant Work or Tenant Repairs on the Premises undertaken by Tenant, so that the Premises shall at all times be free of liens for labor and materials. Tenant hereby agrees to indemnify, defend, and hold Landlord harmless of and from all liability, loss, damages, costs, or expenses, including reasonable attorneys' fees, incurred in connection with any claims of any nature whatsoever for work performed for, or materials, or supplies furnished to Tenant, including lien claims of laborers, materialmen, or others. Should any such liens be filed or recorded against the Premises or the Improvements with respect to work done for, or materials supplied to, or on behalf of Tenant, or should any action affecting the title thereto be commenced, Tenant shall cause such liens to be released of record within five (5) days after notice thereof. If Tenant desires to contest any such claim of lien, Tenant shall nonetheless cause such lien to be released of record by the posting of adequate security with a court of competent jurisdiction as may be provided by Colorado's mechanic's lien statutes. If Tenant shall be in default in paying any charge for which such mechanic's lien or suit to foreclose such lien has been recorded or filed and shall not have caused the lien to be released as aforesaid, Landlord may (but without being required to do so) pay such lien or claim and any associated costs, and the amount so paid, together with reasonable attorneys' fees incurred in connection therewith, shall be immediately due from Tenant to Landlord as Additional Rent.

33. Common Area Maintenance: Landlord shall use reasonable efforts to maintain and repair Common Areas of Property, including walks and parking lots. The cost of any maintenance, repairs, or replacements necessitated by the act, neglect, misuse, or abuse by Tenant, its employees, licensees, invitees, or contractors shall be paid by Tenant to Landlord. Landlord shall use reasonable efforts to cause any necessary repairs to be made promptly; provided, however, that Landlord shall have no liability whatsoever for any delays in causing such repairs to be made, including, without limitation, any liability for injury to or loss of Tenant's business, nor shall any delays entitle Tenant to any abatement of Rent or damages, or be deemed an eviction of Tenant in whole or in part.

34. Keys/Locks: Tenant shall not place any additional locks upon the Premises, including, but not limited to, exterior and interior door, without prior permission from Landlord. Tenant shall not cause any of the locks or cylinders therein to be changed or re-keyed.

35. Waste/Rubbish Removal: Tenant shall not lay waste to the Premises. Tenant shall not perform any action or practice that may injure the Premises or Property. Tenant shall keep the Premises and the Property surrounding the Premises free and clear of all debris, garbage, and rubbish. Unless otherwise provided for in the Lease, Tenant shall be responsible for contracting for and paying for trash and debris removal required by Tenant's use of the Premises.

DEFAULT, NOTICE AND REMEDIES

36. Default: If Tenant is in arrears in the payment of any installment of Rent, any Additional Rent, or any portion thereof, or is in violation of any other covenants or agreements set forth in the Lease (a "Default") and the Default remains uncorrected for a period of three (3) days after Landlord has given written notice thereof pursuant to applicable law, then Landlord may, at Landlord's option, undertake any of the following remedies without limitation: (a) declare the Term of the Lease ended; (b) terminate Tenant's right to possession of the Premises and reenter and repossess the Premises pursuant to applicable provisions of the Colorado Forcible Entry and Unlawful Detainer statute; (c) recover all present and future damages, costs, and other relief to which Landlord is entitled; (d) pursue Landlord's lien remedies; (e) pursue breach of contract remedies; and (f) pursue any and all available remedies in law or equity. In the event possession is terminated by reason of a Default prior to expiration of the Term, Tenant shall remain responsible for the Rent and Additional Rent, subject to Landlord's duty to mitigate such damages. Pursuant to §§ 13-40-104(d.5) and (e.5), and 13-40-107.5, C.R.S., hereby incorporated by reference, in the event repeated or substantial Defaults(s) under the Lease occur, Landlord may terminate Tenant's possession upon a written Notice to Quit, without a right to cure. Upon such termination, Landlord shall have available any and all of the remedies listed above.

37. Abandonment: In the event of an abandonment of the Premises, Landlord may, without being obligated to do so and without terminating the Lease, retake possession of the Premises and exercise any of the remedies contained in Paragraph 38 below.

38. Re-Entry: In the event of re-entry by Landlord as a result of abandonment or a Default by Tenant:

a. Tenant shall be liable for damages to Landlord for all loss sustained, including, without limitation, the balance of the Rent and Additional Rent, court costs, and reasonable attorneys' fees;

b. Tenant's personal property and the personal property of any guest, invitee, licensee, or occupant may be removed from the Premises and left on the street or alley, or, at Landlord's option, it may be removed and stored, or disposed of at Landlord's sole discretion. Landlord shall not be deemed a bailee of the property removed and Landlord shall not be held liable for the property. Tenant shall indemnify Landlord for any expense in defending against any claim by Tenant or third party and for any legal expense, cost, fine, or judgment awarded to a third-party as a result of Landlord's action under the term of the Lease;

c. Landlord may attempt to relet the Premises for such rent and under such terms as Landlord believes appropriate;

d. Landlord may enter the Premises, clean and make repairs, and charge Tenant accordingly;

e. Any money received by Landlord from Tenant shall be applied first to Rent, Additional Rent, and other payments due; and

f. Tenant shall surrender all keys and peacefully surrender and deliver up possession of the Premises.

INSURANCE AND INDEMNIFICATION

39. Negligent Damages: Tenant shall be responsible for and reimburse Landlord for any and all damages to the Premises or Property and persons and property therein caused by the negligent, grossly negligent, reckless, or intentional acts of itself, its employees, agents, invitees, licensees, or contractors.

40. Liability Indemnification/Insurance: Tenant shall hold Landlord, Landlord's agents, and their respective successors and assigns, harmless and indemnified from all injury, loss, claims, or damage to any person or property while on the Premises, or any other part of the Property, or arising in any way out of Tenant's business, which is occasioned by a negligent, intentional, or reckless act, or omission of Tenant, its employees, agents, invitees, licensees, or contractors. Tenant shall maintain public liability insurance insuring Landlord and Landlord's agents, as their interest may appear, against all claims, demands, or actions for injury to or death in an amount of not less than one million dollars (\$1,000,000) arising out of any one occurrence, made by, or on behalf of any person, firm, or corporation, arising from, related to, or connected with the conduct and operation of Tenant's business, including, but not limited to, events on the Premises and anywhere upon the Property. Tenant shall also obtain coverage in the amount of one million dollars (\$1,000,000) per occurrence covering Tenant's contractual liability under the aforesaid indemnification clauses.

41. Fire/Casualty Insurance: Tenant shall maintain plate glass insurance covering all exterior plate glass in the Premises, fire, extended coverage, vandalism, and malicious mischief insurance and such other insurance as Tenant may deem prudent, covering all of Tenant's stock in trade, fixtures, furniture, furnishings, floor coverings, and equipment in the Premises.

42. Insurance Requirements: All of Tenant's insurance related to the Premises and the Property shall be in the form and from responsible and well-rated companies satisfactory to Landlord, shall name Landlord as an additional insured thereunder, and shall provide that the insurance will not be subject to cancellation, termination, or change except after at least thirty (30) days prior written notice to Landlord. The policies or duly executed certificates for such insurance shall be provided to Landlord prior to commencement of Term and upon request of Landlord.

43. Waiver of Liability: Landlord and Landlord's agents and employees shall not be liable for, and Tenant waives all claims for, damage to property sustained by Tenant, employees, agents or contractors, or any other person claiming through Tenant, resulting from any accident in or upon the Premises or the Property of which they shall be a part, including, but not limited to, claims for damage resulting from: (1) any equipment or appurtenances becoming out of repair; (2) Landlord's failure to keep the Property or the Premises in repair; (3) injury done or occasioned by wind, water, or other act of God; (4) any defect in, or failure of, plumbing, heating, or air-conditioning equipment, electric wiring, or installation thereof, gas, water and steam pipes, stairs, porches, railings, or walks; (5) broken glass; (6) the backing-up of any sewer pipe, or downspout; (7) the bursting, leaking, or running of any tank, tub, sink, sprinkler system, water closet, waste pipe, drain, or any other pipe or tank in, upon, or about the Property or Premises; (8) the escape of steam, or hot water; (9) water, snow, or ice being upon, or coming through the roof, skylight, doors, stairs, walks, or any other place upon, or near such Property, or the Premises, or otherwise; (10) the falling of any fixtures, plaster, or stucco; (11) fire or other casualty; and (12) any act, omission, or negligence of co-Tenants, or of other persons or occupants of the Property, or of adjoining or contiguous buildings, or of adjacent or contiguous property.

44. Third-Party Liability: Landlord shall not be liable to Tenant for any damage by or from any act or negligence of any co-tenant or other occupant of the Improvements, or by any owner or occupant of adjoining or contiguous property. Landlord shall not be liable for any injury or damage to persons or property resulting in whole or in part from the criminal activities of others. To the extent not covered by normal fire and extended coverage insurance, Tenant agrees to pay for all damage to the Improvements.

45. Landlord Insurance: Insurance shall be procured by Landlord in accordance with its sole discretion. All awards and payments thereunder shall be the property of the Landlord, and Tenant shall have no interest in the same. Notwithstanding the foregoing, Landlord agrees to obtain building liability and hazard insurance required to be carried for the Property and Premises and adequate hazard insurance, which covers replacement cost of the Property and Premises.

46. Indemnification Fees and Costs: In case any claim, demand, action, or proceeding is made or brought against Landlord, its agents, or employees, by reason of any obligation on Tenant's part to be performed under the terms of the Lease or arising from any act of negligence of Tenant or its agents or employees, or which gives rise to Tenant's obligation to indemnify Landlord, Tenant shall be responsible for all costs and expenses, including, but not limited to, reasonable attorneys' fees incurred in defending or prosecution of the same, as applicable.

OTHER PROVISIONS

47. Destruction, or Condemnation of Premises: Landlord's and Tenant's duties and responsibilities are as follows when destruction or condemnation of the Premises occurs:

a. Partial Destruction of the Premises: In case of partial destruction of the Premises by fire, or other casualty, Landlord at its discretion may repair the Premises with reasonable dispatch after notice of said partial destruction. Tenant shall remain responsible for payment of Rent. Subparagraph (d) of this Paragraph shall apply if Landlord determines that the partial destruction will not be repaired.

b. Premises Untenable: If the Premises are made totally untenable by fire, the elements, or other casualty, or if the building in which the Premises are located is partially destroyed to the point where Landlord, within a reasonable time, decides not to rebuild, or repair, then Subparagraph (d) of this Paragraph shall apply.

c. Condemnation: If the whole or part of the Premises are taken by any authority for any public or quasi-public use, or purpose, then Subparagraph (d) of this Paragraph shall apply. All damages and compensation awarded for any taking shall be the sole property of Landlord.

d. Termination of Term: Tenant agrees that if Landlord decides not to repair, or rebuild the Premises where the destruction has occurred as described in Subparagraphs (a) and (b) of this Paragraph, the Term hereby granted by the Lease shall cease and the Rent and Additional Rent shall be prorated and payable up to the time of the cessation of the Term. A refund will be given for the balance of any Rent paid in advance for which Tenant did not have use of the Premises due to the cessation of the Term under the conditions of this Paragraph. Where the Premises have been taken due to condemnation as described in Subparagraph (c) of this Paragraph, the Term of the Lease shall cease and terminate upon the date that possession of the Premises is taken by the authority. Rent and Additional Rent shall be prorated and payable up to the time of the cessation of the Term. Tenant shall not hold Landlord liable for any damages as a result of any of the acts or events described in this subparagraph.

48. Holdover: Tenant shall vacate the Premises and remove all of Tenant's personal property from the Premises prior to 11:59 p.m. on the date the Term expires. Landlord may immediately commence eviction proceedings at its sole discretion. If, after the expiration of the Lease, Tenant shall remain in possession of the Premises and continue to pay Rent without a written agreement as to such possession, then such tenancy shall be regarded as a month-to-month tenancy, at a monthly rental, payable in advance, equivalent to the last month's Rent paid under the Lease, and subject to all the terms and conditions of the Lease.

49. Entry by Landlord: Landlord may enter the Premises at reasonable hours for reasonable purposes (such as repairs, inspections, or re-letting to prospective new tenants), upon reasonable notice to Tenant. Landlord may also enter the Premises in the event of emergency, without notice, or in the event of vacancy of the Premises, as described in Paragraph 38.

50. Guarantor: In the event the Lease is guaranteed, the person(s) guaranteeing the Lease ("**Guarantor**") hereby absolutely guarantees Tenant's obligations and performance under the Lease. Guarantor further agrees to be bound by the same



covenants and conditions of the Lease and hereby makes the same warranties and representations as Tenant hereunder. If Tenant defaults in the performance of its obligations under the Lease, Guarantor will perform said obligations.

51. Subordination/Estoppel/Attornment: The Lease shall be subordinate to all existing and future mortgages, deeds of trust, and other security interests on the Premises and to any and all extensions, renewals, refinancing, and modifications thereof. Tenant shall execute and deliver whatever instruments may be required for such purposes, or for the purpose of informing a potential or existing lender or purchaser of the Property as to the status of its tenancy. Any such instruments or estoppel letters shall contain all information reasonably required by Landlord or other entity in conjunction with such transaction. Tenant agrees to attorn to a lender or other party coming into title to the Property upon written request of Landlord.

52. Notices: All notices required to be sent under the Lease shall be in writing and either: (i) delivered as provided by applicable law, including, *inter alia*, § 13-40-101, C.R.S., *et seq.*, [Colorado Forcible Entry and Unlawful Detainer statute]; (ii) personally delivered, with proper proof of service; or (iii) sent via U.S. first class mail, postage prepaid. All notices required to be sent to Landlord shall be sent or delivered to the address where the Rent is to be paid, and all notices required to be sent to Tenant shall be sent or delivered to the Corporate Office at 1519 E. Main Street, Montrose, CO 81401, unless otherwise specified in the Lease. Notwithstanding the foregoing, all notices involving or concerning § 13-40-101, C.R.S., *et seq.* shall be delivered as provided by statute.

53. Attorneys' Fees: In the event Tenant or Landlord fails to perform any of its obligations under the Lease, or in the event a dispute arises concerning the meaning or interpretation of any provision of the Lease, the defaulting party, or the party not prevailing in such dispute, as the case may be, shall pay any and all costs and expenses incurred by the other party in enforcing or establishing its rights hereunder, including, without limitation, court costs and reasonable attorneys' fees.

54. Governing Law: The Lease shall be governed by and construed in accordance with the laws of the State of Colorado. Venue shall be proper in the county where the Premises are located.

55. Amendments and Termination: Unless otherwise provided in the Lease, the Lease may be amended, modified, or terminated only by a written instrument executed by Landlord and Tenant.

56. Captions: The paragraph titles or captions in the Lease are for convenience only and shall not be deemed to be part of the Lease.

57. Pronouns; Joint and Several Use of Certain Terms: Whenever the terms referred to in the Lease are singular, the same shall be deemed to mean the plural, as the context indicates, and vice versa. All references to the "Landlord" shall mean Landlord and/or its authorized agents, contractors, or employees as may be required by the specific context. All references to the "Tenant" shall mean each and every person comprising Tenant, or an individual person, or combination of persons comprising Tenant as may be required by the specific context.

58. Waivers: No right under the Lease may be waived except by written instrument executed by the party who is waiving such right. No waiver of any breach of any provision contained in the Lease shall be deemed a waiver of any preceding or succeeding breach of that provision, or of any other provision contained in the Lease. No extension of time for performance of any obligations or acts shall be deemed an extension of the time for performance of any other obligations or acts.

59. Heirs, Assigns, Successors: The Lease is binding and inures to the benefit of the heirs, assigns, and successors in interest to the parties, subject to the restrictions on assignment in Paragraph 18.

60. Time of the Essence: Time is of the essence of the Lease, and each and all of its provisions.

61. No Reservation of Option: Submission of this instrument for examination or signature by Tenant does not constitute a reservation of or option for lease, and is not effective as a lease or otherwise until execution and delivery by both Lessor and Tenant.

62. Credit Reports: Tenant hereby grants Landlord permission to obtain from time to time investigative consumer reports to ascertain the creditworthiness of Tenant and Tenant's guarantors, if applicable.

63. Corporate Authorization: If Tenant is a corporation, each individual executing the Lease on behalf of the corporation represents and warrants that he is duly authorized to execute and deliver the Lease on behalf of said corporation in

accordance with a duly adopted resolution of the Board of Directors of the corporation and that the Lease is binding upon the corporation in accordance with its terms. Lessee agrees to provide Landlord with such a resolution within five (5) days of the execution of the Lease.

64. Severability: If any term, covenant, condition, or provision of the Lease, or the application thereof to any person or circumstance shall, at any time or to any extent, be invalid or unenforceable, the remainder of the Lease, or the application of such term, or provision to persons, or circumstances other than those to which it is held invalid, or unenforceable, shall not be affected thereby, and each provision of the Lease shall be valid and shall be enforced to the fullest extent permitted by law.

65. Lead-Based Paint Disclosure Rule: Housing built before 1978 may contain lead-based paint. Lead from paint, paint chips, and dust can pose health hazards if not managed properly. Lead exposure is especially harmful to young children and pregnant women. Before renting pre-1978 housing, landlords must disclose the presence of known lead-based paint and/or lead-based paint hazards in the dwelling. Tenant must also receive a federally approved pamphlet on lead poisoning prevention. In the event the Premises were constructed before 1978, Landlord shall comply with the Lead-Based Paint Disclosure, 42 U.S.C. § 4852d.

66. Other Applicable Laws: Federal, state, county, or municipal laws and ordinances may affect the Premises, the Lease, and Landlord/Tenant relationship that are not specifically addressed in the Lease. Landlord and Tenant should consult legal counsel prior to execution of the Lease to ascertain such information.

67. ADA Compliance: Tenant shall not cause or permit any violation of the Americans with Disabilities Act (the "ADA") to occur on, or about the Premises by Tenant, its agents, employees, contractors or invitees. Tenant shall indemnify, defend and hold Landlord harmless from any and all claims, judgments, damages, penalties, fines, costs, liabilities, or losses (including, without limitation, diminution in value of the Premises, damages for the loss or restriction of use of rentable or usable space, damages arising from any adverse impact on marketing of space, and sums paid in settlement of claims, attorneys' fees, consultation fees and expert fees) that arise during or after the Term as a result of such violation. This indemnification of Landlord by Tenant includes, without limitation, costs incurred in connection with any investigation of site conditions or any remedial work required by any federal, state, or local governmental agency or political subdivision because of any ADA violation present on or about the Premises. Tenant shall be permitted to make such alterations to the Premises as may be necessary to comply with the ADA, at Tenant's sole expense and upon the prior written consent of Landlord. Without limiting the foregoing, if the presence of any ADA violation on the Premises caused or permitted by Tenant results in remedial work on the Premises, Tenant shall promptly take all actions at its sole expense as are required by any authority to comply with the ADA; provided that Landlord's consent to such actions shall first be obtained, which shall not be reasonably withheld.

68. Additional Provisions: In the event that there are any additional agreements between the parties or provisions with respect to the Premises, an Addendum may be attached to the Lease, which shall be incorporated by this reference as a part of the Lease. An Addendum containing additional provisions [is] [is not] attached. The Lease and the attached Addendum constitute the entire agreement between the parties.

THE PARTIES SHOULD INITIAL EACH PAGE OF THE LEASE AND SIGN BELOW. EACH PARTY SHOULD RECEIVE A SIGNED COPY OF THE LEASE AND ANY ADDENDA.

TENANT:

Proset Construction, Inc. _____, a(n)

Colorado Corporation _____
[Individual or Type of Entity]

By: Richard J. Buckenich, Jr.

Its: President _____

Or

[Signature of Individual]

Date: _____

GUARANTOR (if applicable):

[Signature]

[Print Name]

Date: _____

LANDLORD:

San Miguel Authority for Transportation (SMART)

By: David Averill

Title: SMART Executive Director

Date: _____

AGENDA ITEM SUMMARY (AIS)

San Miguel Authority for Regional Transportation



Meeting Date	Agenda Item	Submitted By
June 9th, 2022	3	Averill
Objective/Requested Action		
Action is requested of the Board to approve a supplemental FY22 budget, capital plan, and related spending appropriations to accommodate unanticipated revenues and to obligate additional funding for unanticipated expenses.		Report Work Session Discussion X Action
Key Points		
<p>While generally very positive for SMART, the first few months of FY2022 have not been without their challenges. Revenue (sales and property taxes, RETA, and fares) are very strong through the end of May. However, fuel, wages for professional services, and capital costs are rising at the same time – similar to most things in the economy.</p> <p>The proposed amendment to the FY22 budget under consideration includes revisions to revenue and projected spending.</p> <p>On the revenue side we are looking at an increase in revenue projections of \$220,000. This consists of \$200,000 in additional sales tax and \$20,000 in additional fare revenue. These revised projections are based on YTD actuals and historical trends. There is also the potential for an additional \$128,000 in CDOT MMOF funding which would bring the total in increased revenue to \$348,000.</p> <p>The net increase in spending with the amended budget is projected to be \$213,200. This consists of \$128,000 for the local share of the design project for the Meadows Underpass, an additional \$50,000 in fuel allowance, a very minor CASTA dues increase (+\$200), an increased budget for large bus parts allowance (+\$10,000) and an additional \$25,000 into the service expansion pool.</p> <p>The Board is also asked to consider revisions to the FY2022 capital plan – partly to cover anticipated costs in the current year and also to build a more complete picture of the “ripple effect” into funding available for the out-years of the capital plan. What is primarily driving changes to the capital plan is a mix of opportunities such as the Congressionally Directed Spending request and challenges such as rapidly increasing prices and current availability of vehicles. In detail:</p> <ul style="list-style-type: none"> - Changes reflect costs increases for large buses (now \$700,000 per unit) and the number of vehicles (4 total large buses up from 3) - Reflects a drastic per unit increase for body-on-chassis buses - Reflects per unit increases for vanpool vehicles (12 passenger vans) and the number of vehicles (4 total up from 1) - Reflects anticipated increases in materials and labor costs for repairs at Lawson Hill facilities <p>The one upside opportunity with this amended capital plan is the chance to get 2 of the large buses funded through the Congressionally Directed Spending request process which is currently underway. This unanticipated opportunity requires that we show that the local match is in place and obligated.</p>		

Out years (2023 and beyond) are included here to give an idea of the big picture and what we have coming in future years. Capital spending for these years can be amended in any future budget process.

Committee Discussion

NA

Supporting Information

NA

Fiscal Impact

Fiscal impact is projected to be neutral.

Advantages

Advantages are that increasing the revenue projection (with known increases in costs) allows SMART to keep the budget balanced and potentially capitalize on unanticipated opportunities.

Disadvantages

None noted at this time.

Analysis/Recommendation(s)

None at this time.

Attachments

Attachment A – FY22 Amended budget

Attachment B – Amended FY2022 Capital Plan

SMART AMENDED FY22 BUDGET

June 9th, 2022

	2022 Amended Budget
Beginning Operating Fund Balance	\$2,800,000
Transfers	
Transfer to Operating and Capital Reserve	\$2,000,000
Total Transfers	\$2,000,000
Remaining Operating Fund Balance after Transfers	\$800,000

PROJECTED REVENUES**SMART Ballot Tax Revenue**

Sales Tax	\$776,440
Property Tax	\$693,878
Subtotal Taxes	\$1,470,318

Intergovernmental Revenue

San Miguel County Contribution (RETA)	\$150,000
Subtotal Intergovernmental	\$150,000

Fees for Services

Fares - Norwood/Downvalley/Rico	\$40,000
Fares - Montrose/Ridgway Van pools	\$7,500
Subtotal Fees for Services	\$47,500

Grant Revenue

CDOT Operating (5311)	\$182,160
CRRSAA grant	\$65,000
CDOT MMOF funding - Meadows Underpass planning and design project	\$148,000
CDOT Planning (5304)	\$15,000
Subtotal Grant Revenue	\$410,160

Facility Revenue

137 and 135 Society Dr.	\$100,000
Subtotal Facility Revenue	\$100,000

Total All Revenues**\$2,177,978****PROJECTED EXPENSES****General Expenses****Personnel Expenditures**

Salaries	\$207,000
Benefits	\$65,000
Payroll taxes	\$16,000
Subtotal Personnel Expenditures	\$288,000

Professional Services + Operations

Mileage reimbursement	2,200
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Professional Services + Operations continued next page

Professional Services + Operations continued

Rent - Office Expenses	\$0
Operating Expenses	\$6,000
PR/Marketing	\$50,000
Website support	\$3,500
Onboard tech annual license fees	\$9,700
Attorney fees	\$15,000
Bookkeeping-CPA Audit	\$5,300
CIRSA PC/WC coverage	\$12,000
Treasurers Fees	\$19,000
Consulting services - Meadows Underpass planning and design project (grant match)	\$148,000
Consulting services - Senior and Disabled Mobility gaps study (grant match)	\$8,800
Subtotal Professional Services + Operations	\$279,500

Association Dues, Conferences and Training

Colorado Association of Transit Agencies (CASTA) Dues	\$1,700
South West Transit Association (SWTA) Dues	\$250
Training Registration and Lodging	\$1,500
Travel expenses	\$2,000
Conference Registration and Lodging	\$4,000
Subtotal Association Dues, Conferences and Training	\$9,450

Subtotal General Expenses **\$576,950**

Transit Service, Facilities, and Bike Share Expenses**Transit Service Expenses**

Down Valley Route	\$114,000
Norwood Route	\$170,000
Lawson Hill Service	\$257,000
Rico Route	\$47,000
Fuel for Norwood/Down Valley/Rico/Lawson Hill	\$100,000
Commuter Shuttle Program	\$82,000
Offseason service, includes Lawson and Meadows local services	\$260,000
Medical Shuttles - Allpoints	\$15,000
COVID supplementary service	\$25,000
Service Expansion Pool	\$185,000
Unscheduled maintenance/other costs	\$30,000
Parts allowance for large buses	\$40,000
Subtotal Transit Service Expenses	\$1,325,000

Lawson Hill Intercept Lot Expenses

Winter Plowing	\$10,500
Security/Parking Enforcement	\$9,000
Janitorial Services for restrooms	\$13,000
Janitorial Supplies	\$2,500
Recycling and Waste removal	\$1,000
Landscape Maintenance	\$2,500
Utilities (Gas/Electric/Water)	\$2,500
Subtotal Lawson Lot Management Expenses	\$41,000

Facility Maintenance Expenses continued next page

Facility Maintenance Expenses continued

Facility Maintenance Expenses	
Lawson Owners HOA dues	\$1,580
Property management services	\$9,000
Winter Plowing	\$1,500
Janitorial	\$3,300
Landscape Maintenance	\$2,000
Utilities	\$4,500
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<i>Subtotal Facility Expenses</i>	\$11,300.00

Special Projects	
SMART Lawson Hill facilities planning and design	\$75,000
Regional Parking Project	\$10,000
<hr/>	
<i>Subtotal Special Projects</i>	\$85,000.00

<i>Subtotal Transit Service, Facility, and Special Projects Expenses</i>	\$1,462,300
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Total All Expenses	\$2,039,250
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Projected Yearly Net Income	\$138,728
Ending Fund Balance, 12/31/22	\$938,728

SMART FY22-FY26 Amended Capital Plan

Capital Reserve as of 1/1/2022 \$1,109,623

Transfer of \$2,000,000 from operating account as part of 2022 budget \$2,000,000

Total Capital Reserves \$3,109,623

Projected Capital Projects - 2022	Total Cost	Anticipated State/Federal Share	Local Share	Grant Funding Secured? (source)
Replacement Buses for Norwood (2)	\$1,400,000	\$1,120,000	\$280,000	No (5339/5311/FASTER)
Buses for Montrose service (2)	\$1,400,000	\$1,120,000	\$280,000	No (CDS/5339/5311/FASTER)
Additional cutaway for Lawson/Off-Season service	\$205,000	\$164,000	\$41,000	No (5339/5311/FASTER)
Lawson facility repairs	\$35,000	\$0	\$35,000	NA
Additional vanpool van	\$68,000	\$0	\$68,000	NA
Replace 3 vanpool vehicles	\$204,000	\$163,200	\$40,800	No (5339/5311/FASTER)
Total	\$3,312,000	\$2,567,200	\$744,800	No

End of FY22 Capital Reserve Balance assuming no additional transfers \$2,364,823

Projected Capital Projects - 2023	Total Cost	Anticipated State/Federal Share	Local Share	Grant Funding Secured? (source)
Matching funds for Meadows Underpass Construction	\$250,000	\$0	\$250,000	No (unknown)
Rico bus barn project	\$200,000	\$0	\$200,000	No (5339/5311/FASTER)
Replace 3 vanpool vehicles	\$204,000	\$163,200	\$40,800	No
Norwood bus barn expansion	\$225,000	\$180,000	\$45,000	No
Total	\$879,000	\$343,200	\$535,800	

End of FY23 Capital Reserve Balance assuming no additional transfers \$1,829,023

Projected Capital Projects - 2024	Total Cost	Anticipated State/Federal Share	Local Share	Grant Funding Secured? (source)
Driveway repairs and modification - 137 Society Drive	\$200,000	\$160,000	\$40,000	No (5339/5311/FASTER)
Tools and equipment for maintenance facility	\$100,000	\$80,000	\$20,000	No (5339/5311/FASTER)
Lift for maintenance facility - 137 Society Drive	\$75,000	\$60,000	\$15,000	No (5339/5311/FASTER)
Replace Rico bus (704)	\$75,000	\$60,000	\$15,000	No (5339/5311/FASTER)
Total	\$75,000	\$60,000	\$15,000	

End of FY24 Capital Reserve Balance assuming no additional transfers \$1,814,023

Projected Capital Projects - 2025	Total Cost	Anticipated State/Federal Share	Local Share	Grant Funding Secured? (source)
Replace 3 Vanpool vehicles	\$204,000	\$163,200	\$40,800	No (5339/5311/FASTER)
Replacement buses for Lawson/Off-Season (assumed electric)	\$780,000	\$624,000	\$156,000	No (5339/5311/FASTER)
Total	\$984,000	\$787,200	\$196,800	

End of FY25 Capital Reserve Balance assuming no additional transfers \$1,617,223

Projected Capital Projects - 2026	Total Cost	Anticipated State/Federal Share	Local Share	Grant Funding Secured? (source)
No identified projects	\$0	\$0	\$0	0
Total	\$0	\$0	\$0	

End of FY26 Capital Reserve Balance assuming no additional transfers \$1,617,223

**RESOLUTION OF THE SAN MIGUEL AUTHORITY FOR REGIONAL TRANSPORTATION APPROVING
AN AMENDED FISCAL YEAR 2022 BUDGET AND CAPITAL PLAN AND RELATED
APPROPRIATIONS**

RESOLUTION NO. 2022-12

RECITALS:

WHEREAS, the San Miguel Authority for Regional Transportation (“SMART”) was approved by the registered electors of the Town of Telluride, Town of Mountain Village, and that portion of unincorporated San Miguel County located within the SMART boundaries, pursuant to the Colorado Regional Transportation Authority Law, C.R.S Title 43, Article 4, Part 6, at the general election held on November 8, 2016, and;

WHEREAS, SMART is governed by the Colorado Regional Transportation Authority Law and the SMART Intergovernmental Agreement (“SMART IGA”) approved by each of the governing bodies of the Town of Telluride, Town of Mountain Village and San Miguel County, and;

WHEREAS, an annual budget for 2022 was prepared, considered, and approved by the SMART Board of Directors at a regular noticed meeting on December 9th, 2021, and;

WHEREAS, due to strong economic conditions throughout the region, SMART is revising its Sales Tax revenue estimate to \$776,440 and its fare revenues to \$40,000 to be used to offset administrative and operational expenses, and;

WHEREAS, SMART is facing unanticipated expenditures in the areas of fuel, association dues, local matching funds for grants, vehicle maintenance, and service expansion costs, and;

WHEREAS, due to rising capital costs and unanticipated capital grant funding opportunities, revisions to the 2022 Capital Plan have become necessary, and;

WHEREAS, upon due and proper notice, published in accordance with the state budget law, said supplemental budget was open for inspection by the public at a designated place, a public hearing was held on June 9th, 2022, and interested taxpayers were given an opportunity to file or register any objections to said supplemental budget, and;

WHEREAS, it is not only required by law, but also necessary to appropriate the revenues and reserve/fund balances provided in the budget to and for the purposes described below, thereby establishing a limitation on expenditures for the operations of SMART.

**NOW, THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SAN MIGUEL
AUTHORITY FOR REGIONAL TRANSPORTATION:**

1. That an amendment to the FY22 Budget (Exhibit A) of an additional \$220,000 in tax and fare revenue be used for approved administrative and operations expenses.

2. That the amended budget, including revised revenues and expenditures, as submitted and herein above summarized be adopted, and the same hereby is approved and adopted as the supplemental 2022 budget of SMART and shall be a part of the public records of SMART.
3. That the FY22 Capital Plan (Exhibit B) and associated costs is hereby amended as part of this supplemental budget action.
4. That the following sums are hereby appropriated from the 2022 revenues for the purposes stated:

General Fund

General Operations	\$576,950
Transit and Transportation Services	<u>\$1,462,300</u>
Total General Fund	\$2,039,250

Capital Fund

Capital Purchase	\$744,800
Capital Reserve	<u>\$ 2,364,823</u>
Total Capital Fund	\$3,109,623

5. That the SMART Executive Director is hereby authorized and directed to take such administrative steps necessary to further implement this Resolution.

**ADOPTED AND APPROVED BY THE BOARD OF DIRECTORS OF THE SAN MIGUEL AUTHORITY
FOR REGIONAL TRANSPORTATION AT A REGULAR PUBLIC MEETING THIS 9TH DAY OF JUNE
2022.**

Kris Holstrom, Board Chair

ATTEST:

David Averill, SMART Executive Director

I, the Secretary of the Board of Directors (the "Board") of the San Miguel Authority for Regional Transportation (the "Authority"), do hereby certify that (a) the foregoing Resolution was adopted by the Board at a meeting held June 9th, 2022; (b) the meeting was open to the public; (c) the Authority provided at least 48 hours' written notice of such meeting to each Director and

Alternate Director of the Authority and to the Governing Body of each Member of the Authority; (d) the Resolution was duly moved, seconded and adopted at such meeting by the affirmative vote of at least two-thirds of the Directors then in office who were eligible to vote thereon voting; and (e) the meeting was noticed, and all proceedings relating to the adoption of the Resolution were conducted in accordance with the San Miguel Authority for Regional Transportation Intergovernmental Agreement, dated as of November 9, 2016, all applicable bylaws, rules, regulations and resolutions of the Authority, the normal procedures of the Authority relating to such matters, all applicable constitutional provisions and statutes of the State of Colorado and all other applicable laws.

WITNESS my hand this _____ day of _____, 2022.

Secretary to the Board



June 6th, 2022

• **Senior & Disabled Transit Service Roadmap**

As you may recall, in the original Intergovernmental Agreement between San Miguel County, the Town of Mountain Village and the Town of Telluride, SMART was tasked with engaging in comprehensive long-range planning. Planning to enhance or to provide specialized services including paratransit and transportation to medical appointments was specifically included in that direction.

To fulfill that obligation, SMART hired Fehr & Peers, a transportation consulting firm, to help us identify gaps in specialized service needs across San Miguel, Montrose and Dolores Counties. The request for proposals asked that the consultants gather information on existing conditions and then create a roadmap to help us support existing services and potentially make the distribution of these services more efficient.

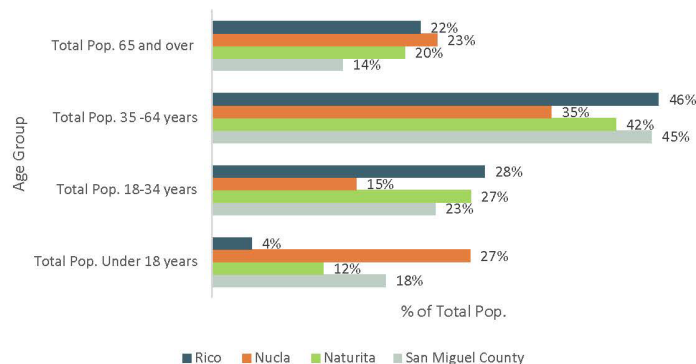
We are still in the information gathering part of the study. Initially that exercise included compiling demographic information, conducting phone interviews with stake holders including folks from All Points Transit, San Miguel County Social Service Director, Carol Friedrich, Tri County Health Network's Executive Director Lynn Borup, Eva Veitch from Region 10 and operators of the Telluride and Norwood Food Banks. We also interviewed Carrie Andrew from the Lone Cone Library and Deana Sheriff from the West End Economic Development Corporation.

On May 10th and 11th, we held community meetings in Naturita, Norwood, Placerville and the Mountain Village. These meetings included a Spanish interpreter. We did not get a large turnout, but we did come away with a lot of valuable information.

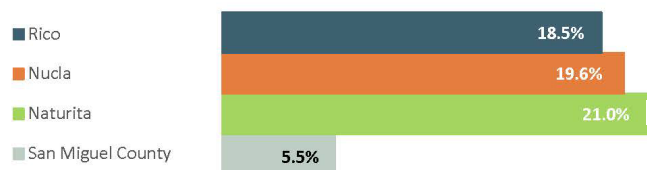
Key take-aways from the existing conditions of this study include the following:

- San Miguel County, Nucla, Naturita & Rico have an average of 19.75% of citizens that are over 65.
- Naturita, Nucla and Rico have an average of 19.7% of people that are disabled, while the average of San Miguel County residents that are disabled is 5.5%

This information suggests that the need for Senior & Disabled transit services is more prevalent in Montrose and Dolores Counties than it is in San Miguel County. In San Miguel County, Seniors living in the West End are more likely to need transit services than those in the east end of San Miguel County.



Data: US Census Bureau, American Communities Survey 2019 5-year Estimates



Data: US Census Bureau, American Communities Survey 2019 5-year Estimates

Existing services that cater to the needs of the Seniors and Disabled are All Points Transit, Disabled American Veterans and Tri-County Health Network.

There was general consensus among stakeholders that there was unmet need in the realm of getting people who aren't comfortable driving to medical appointments or to other services that aren't available in their respective communities.

One of the biggest challenges that is starting to emerge is; how do you tell the people that need the services, how to access those services? The internet is the go-to information disseminator for a lot of SMART's users, but people in the more rural parts of our region may not have access to internet or be unaccustomed to using it.



June 6th, 2022

• **Senior & Disabled Transit Service Roadmap continued**

Next steps:

- Fehr & Peers will produce a draft list of suggestions including:
 - Improving and/or expanding current services
 - Marketing, promoting and disseminating information about existing services
 - Developing and/or expanding existing partnerships.
- Fehr & Peers will provide a survey for distribution at Senior lunches in Telluride, Norwood and Naturita and on the SMART website that will gather information from people regarding their preferred suggestions from the list.

A copy of the "SMART Senior & Disabled Transit Service Roadmap Existing Conditions Assessment" is available upon request.

• **Summer Season**

Summer season started on May 26th. Ridership on the new Norwood routes has been thin so far, especially based upon the telephone responses that I have gotten about the late trip. The first week had 3, 0, 3, 4 and 4 riders on the midday bus and 1, 0, 1, 3 and 1 rider on the late bus.

We expect it to pick up as the summer progresses and people realize that it is consistently available.

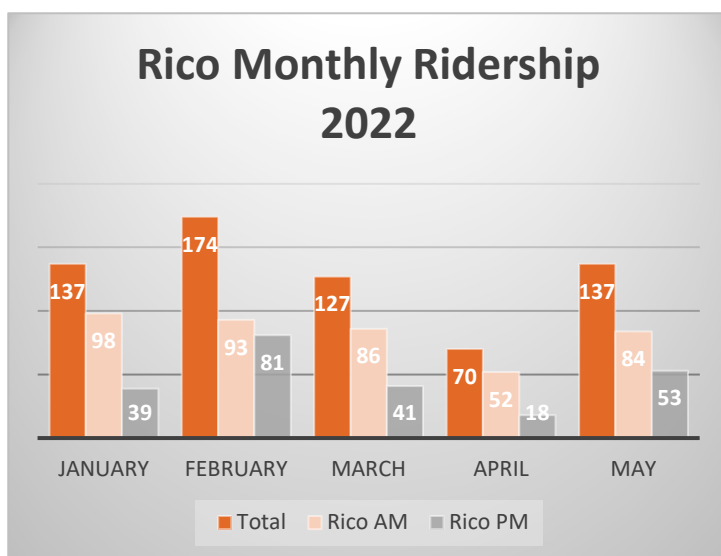
Outreach to the community regarding the new scheduled included:

- Notifications on social media
- Notifications to the Norwood and Telluride papers
- Notifications on KOTO
- Notifications to the public information officers of Telluride and Mountain Village
- Notifications to staff of Nucla, Naturita and San Miguel County
- Emails to the Lawson Hill Property Owner's Company, the Telluride Tourism Board and Collaborative Action for Immigrants

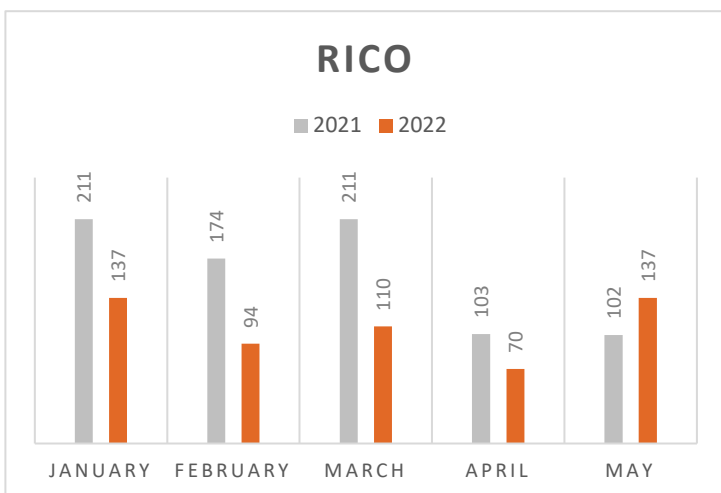
I recognize that there may be organizations that I have missed and would welcome suggestions. Increasing costs of fuel, congestion on the spur and climate changes that have a direct effect on ski economies represent an opportunity to encourage ridership.

• **Ridership Rico Route**

Rico ridership came up in May from a low in April but I expect it to go down again in June because school is out.



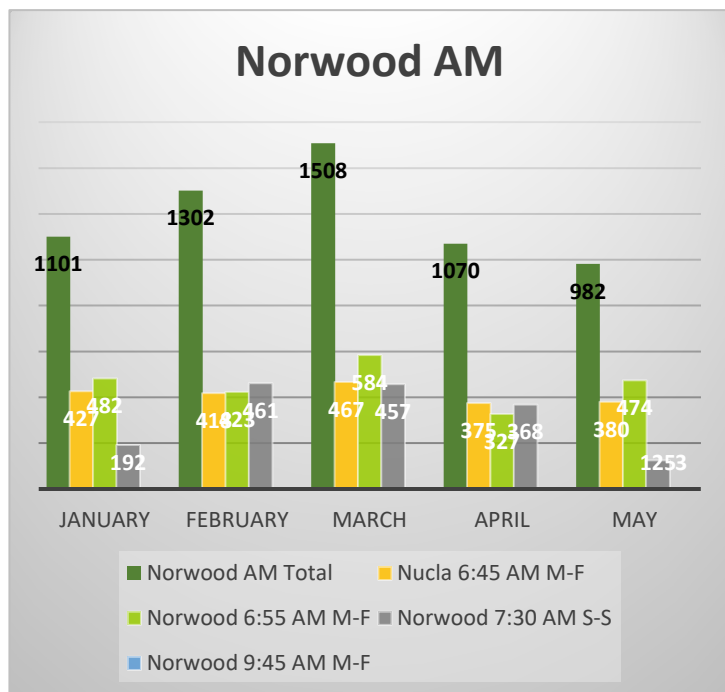
It is still much lower than we would like. According to the American Community Survey, only 4% of Rico residents are using public transportation while 56.8% are working outside of Rico, likely in Telluride, although the data doesn't specify. I will be looking to Traci Jones with Studio 6, for some ideas to market our service to Rico.





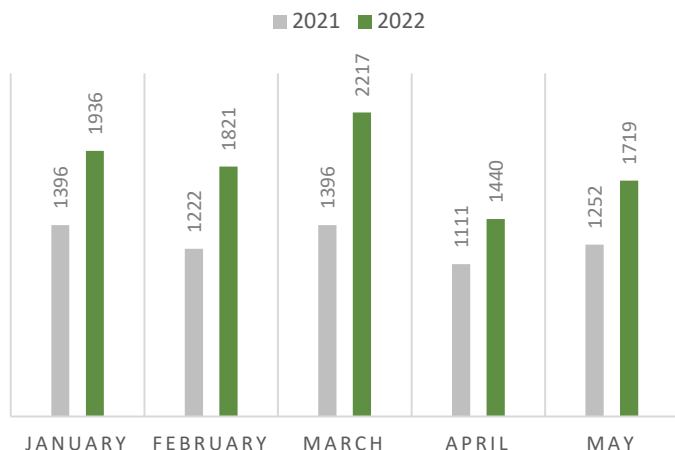
Ridership Norwood Route

Norwood ridership continues to be strong. According to the American Community Survey 9.1% of Norwood commuters use public transportation. The national average is 5%.



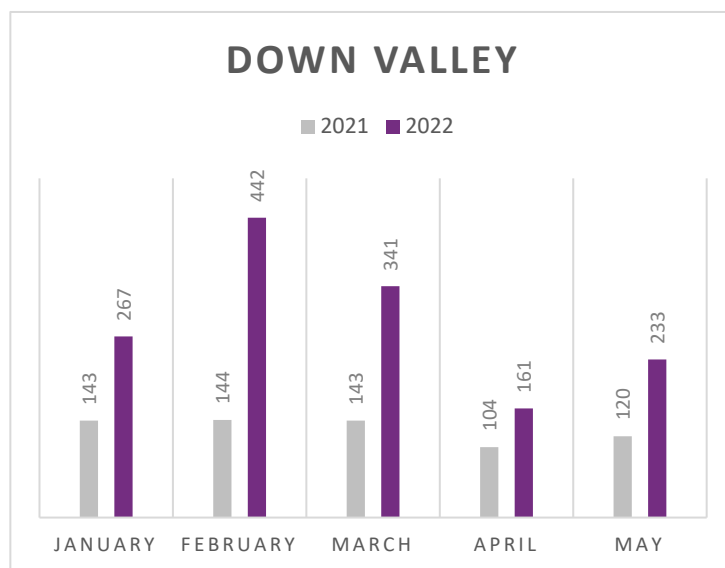
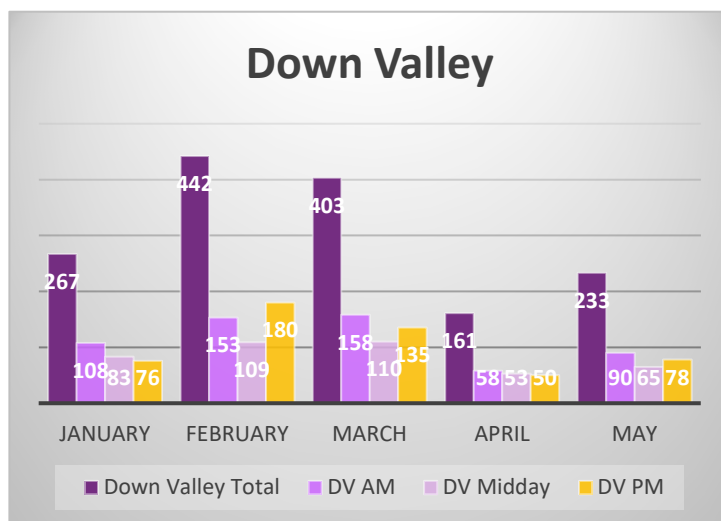
Norwood ridership is also stronger than it was last year. Riders from Nucla, Naturita and Redvale are contributing to this uptick. Naturita accounts for 3-4 riders per day and Redvale accounts for an additional 4-5.

NORWOOD



Ridership Down Valley

Down Valley, like the other routes came down in April, but increased during May. June numbers will likely be higher. The Bivi generates ridership and it was quieter during off-season.





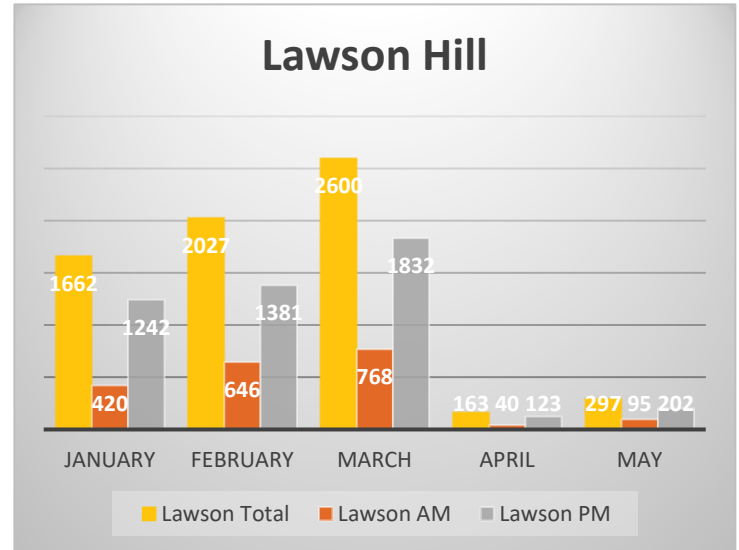
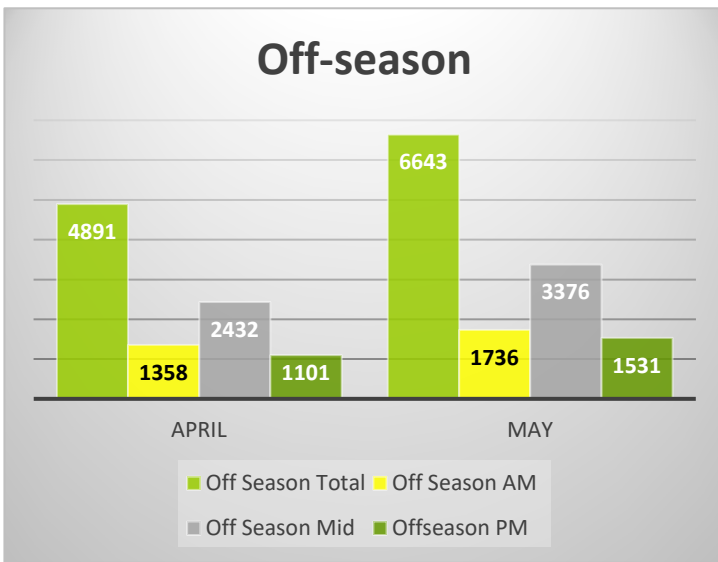
• **Ridership Off-season (includes Lawson Hill and Meadows and the Express Route)**

April and May Off-season regular route totaled 4,891 in April and 6,643 in May. SMART did not run the Spring Off-season 2021 route. Mountain Village did. There may be some differences in record keeping between the two entities that could account for the variation between this year and last year.

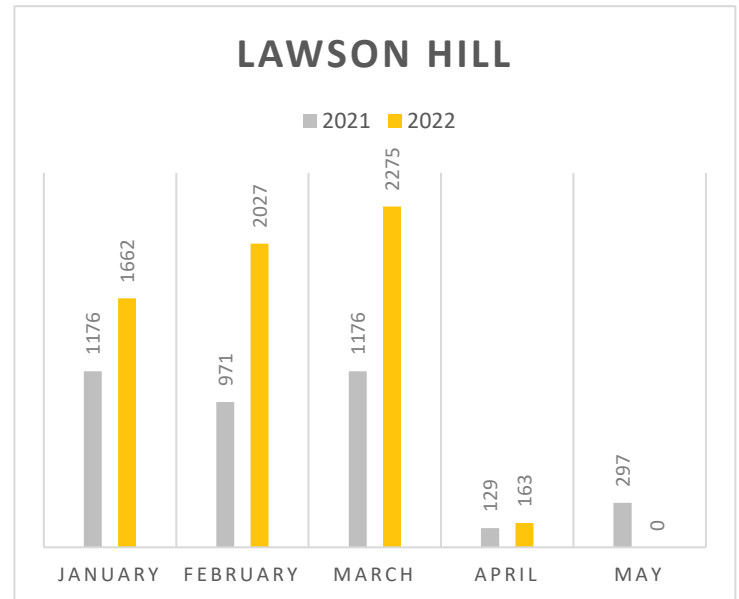
COVID could also accounted for the difference in ridership between this year and last.

• **Ridership Lawson Hill**

Low numbers in April and May are the result of the few days in each month that the route was not a part of the Off-season route.



In June we will start seeing numbers from the additional routes in the early morning, midday and evening.



SMART Executive Director report – June 9thth, 2022

Grants: Bus and Bus Facilities grant was submitted successfully. We think we'll hear back about that one in August. As a reminder, this was an application for (4) large 40' transit buses, (1) additional cutaway vehicles, and (3) replacement vanpool vehicles. We also received positive news that our Congressionally Directed Spending (CDS) request cleared the first screening of projects and is Washington currently and is being considered as part of the final bill mark up process.

Lawson Facilities: We'll be doing some concrete repair down by the gymnastics academy this summer to address some spalling and cracking. We will also be fixing some potholes in the driveway and possibly some work on the south retaining wall.

Meadows Underpass project: Stantec (consulting engineers) are addressing CDOT comments on the FIR planset. At this point we are in a bit of a holding pattern until we find out the outcome of the most recent grant (CDOT MMOF) request for the completion of the project.

Fiscal Year '21 Audit: Progress on remaining work has been a little sporadic due to the auditor's workload and schedule. No update other than we've requested an extension for the filing date.

CASTA Spring Conference report out: Kari and I attended the CASTA Spring Conference in Colorado Springs. Kari attended a 3 day training and I participated in CASTA Board activities and presented on one session panel. There were some interesting sessions on funding large, complex projects, CDOT vehicle price agreements, and general CDOT updates.
