

AGENDA ITEM # 6

CITY COUNCIL COMMUNICATION FORM

FROM: Wendy B. DuBord, Deputy City Manager (Ext. 219)

THROUGH: Jon B. Roberts, City Manager (Ext. 228)

DATE: July 19, 2011

ITEM: 1st Reading of an ordinance for a new lease agreement between the City and Smartwool for the Airport Terminal Building (Roberts/Hinsvark/DuBord)

NEXT STEP: If Council approves of this lease, we request a motion for approval of the attached ordinance on first reading. Second Reading scheduled for August 2.

DIRECTION
 ORDINANCE

I. REQUEST OR ISSUE:

Staff requests Council consideration to approve an ordinance at First Reading for a lease agreement with Smartwool to lease approximately 19,937 square feet of the Steamboat Springs Airport terminal building.

II. RECOMMENDED ACTION/NEXT STEP:

Staff requests a motion to pass the ordinance on first reading: **1st Reading of an ordinance for a new lease agreement between the City of Steamboat Springs and Smartwool for office space in the Airport Terminal Building.**

If first reading passes, second reading is scheduled for August 2. A few details of the lease may need to be negotiated between 1st and 2nd reading based on input from City Council.

1. Lease rate: Finance Director Deb Hinsvark has done some research and affirms that the proposed lease rate is current market for comparables of the type and location of the airport terminal building.
2. Term: 10 year initial term with 5 1-year extensions possible
3. Tenant Improvements: The proposed tenant improvements are \$596,000 for the office space for Smartwool and \$350,000 for the FBO relocation.

III. FISCAL IMPACTS:

The new lease will generate \$26,883 per month or a total of \$322,596 in 2012. The lease rate increases by the national average CPI index annually (maximum of 3% increase annually)

The tenant improvement reimbursement to Smartwool is a maximum of \$596,000 financed over 10 years. They City pays all costs for the FBO relocation estimated at \$350,000. The lease states that if the FBO

relocation costs are less than \$350,000, the balance will go to increase the reimbursement to Smartwool for tenant improvements. The FBO must be relocated by June or July 2012 which means staff must begin that process with the FAA and bidding immediately to meet that deadline. Smartwool will reimburse the City, through rent, the cost of the tenant improvements plus the \$350,000 for the expected cost of relocating the FBO. There is an early termination option- which would require Smartwool to make a termination payment of the balance of the tenant finishes at that point in time according to the amortization schedule.

See the amortization schedule to pay the City for the tenant improvement plus 3.5% interest rate for ten (10) years which is an attachment to the lease document.

VI. BACKGROUND INFORMATION:

As you know, the City has been leasing the majority of the airport terminal building to Smartwool since 2002. I looked up my old communication forms and there was a tremendous amount of renovation work required to turn the previous commercial airport terminal building into a commercial office building. The City went through the Planning Process to get approval for a Change of Use.

Since that time, the partnership between the City and Smartwool has been very successful and the current lease agreement was amended to increase space several times as Smartwool continued its great success and growth.

This new lease allows Smartwool to continue its growth and add more employees in Steamboat Springs. The lease anticipates Smartwool will expand its square footage from approximately 14,793 to 19,837 by taking over the FBO space and adding an additional 1888 sq. ft. as a second floor. The City agrees to finance the tenant improvements over the ten year term of the lease at an interest rate of 3.5%. This is significantly better than the current return on our reserves investments of less than 1 percent.

The tenant improvement costs will be reimbursed to Smartwool. They will hire their own architect and contractor to complete the work; however, the City will monitor construction progress, reimbursement requests, percentage completion vs. payments, etc. to ensure the work meets code and is completed appropriately. Lien releases will be required for all payments.

V. LEGAL ISSUES:

Smartwool and City staff and Attorneys have worked on this new lease for several months and drafted the lease documents similar to the current lease documents. However; in the new lease, the City is financing the tenant improvements to be paid back over the term of the lease at a 3.5% interest rate. The amortization scheduled is included in the lease documents. Staff began work with our airport consultant, Armstrong Consulting, to revise the Airport Layout Plan for the relocation of the FBO.

VI. CONFLICTS OR ENVIRONMENTAL ISSUES:

There are no environmental issues associated with this lease.

There are numerous pros and a few very minor cons associated with this proposal. Staff listed a few; however, we believe there are many, many more benefits to the new lease:

Pros

1. The support of Smartwool is an important economic benefit to the overall economic health of Smartwool, their employees, additional employees, City, County, community, etc.
2. The partnership with Smartwool is a win-win situation the mutual benefit of branding for Smartwool and Steamboat Springs is an important economic tool for the community.
3. The lease provides significant additional **annual revenues** to the airport fund over the next ten (10) years with provision for automatic renewal on a year-to-year basis.
4. Smartwool continues to be a growing and successful local company. In a relatively short period of time, they have become an internationally known outdoor clothing company. They provide high-paying professional jobs and this expansion will allow them to increase jobs in Steamboat Springs.
5. The Smartwool brand and Steamboat Springs brand can only benefit from this continued partnership.
6. Interest on the repayment of the tenant improvements is approx. 3 times current return on unappropriated reserves investments.
7. The current airport terminal facility will be used to full capacity for 1 purpose with additional square footage added (second floor)
8. With this revenue, the airport operating budget will see an annual profit. This will provide revenue for airport related expenses and projects and eliminate the General Fund subsidy to the Airport operating budget.
9. The Tenant improvements benefit Smartwool for 10-years, hopefully, longer. The improvements benefit the building and City long-term (future office space, rentals, etc.)

Cons

1. Loss of use of the FBO space currently in the building. The City must provide an alternative FBO facility. We are looking into various possibilities- the most likely is a 2,800 - 3,400 sq. ft. modular building to be located at the north end of the terminal building. This will cost approximately \$350,000 and be inconvenient to users of the FBO during construction/relocation.
2. The lease requires to City to rebuild the building in the case of destruction; however, if the repairs or reconstruction cannot be completed within 120 days, either party may terminate. The building is insured by CIRSA; however, we have a \$50,000 deductible.
3. The financing of the Tennant improvements uses a portion of the City's unappropriated reserves. This amount, \$946,000, is less than 8 percent of the City's unrestricted reserves of \$12.5 Million.

VII. SUMMARY AND ALTERNATIVES:

In staff's opinion, the continuation of the great partnership between the City and Smartwool is a tremendous WIN-WIN scenario. Council options:

- Motion to approve on first reading as proposed with no changes
- Motion to approve on first reading with direction on changes to lease terms and conditions.
- Motion to deny
- Other options proposed by Council

If Council Members have any questions, please do not hesitate to contact Jon Roberts ext. 228, Deb Hinsvark ext. 240 or Wendy DuBord at ext. 219.

ATTACHMENTS

Attachment 1. Comment from Yampa Valley Airport Commission (YVAC) Member Eric Meyer.

-----Original Message-----

From: Cari Hermacinski [mailto:cari@tagweareit.com]
Sent: Monday, July 04, 2011 2:54 PM
To: Julie Franklin; Anja Tribble
Subject: FW: Bob Adams FBO

Please put this in rainbow packet when we first see the smartwool lease.

-----Original Message-----

From: Eric Meyer [mailto:ericfmeyer@msn.com]
Sent: Friday, July 01, 2011 2:00 PM
To: Cari Hermacinski ; Scott Myller
Cc: Ray Beck
Subject: Bob Adams FBO

Dear Cari,

I'm leaving today for a 5 day trip to Japan, but wanted to touch base regarding the extension of the Smartwool lease on the airport building. I understand that there is a possibility of expansion of their space.

As a member of the YV Airport Commission and aviator based out of KSBS, I'm concerned that the physical space of the current FBO may come under pressure during discussions about expanding the space Smartwool is leasing. I want the council to understand how vital it is for the safety and operational efficiency of Bob Adams Field for the FBO to be located on the airport ramp with windows facing the active runway and future taxiway. The personnel working there need to be able to report on weather conditions, see incoming aircraft, recognize any unsafe conditions, etc. In addition, as things get busier at the Bob Adams airport, I believe there needs to be discussion and plans for expanding the physical size of the FBO space as well.

Having only attended my first YVAC meeting on June 9, there was no discussion about Smartwool utilizing space currently occupied by the FBO. Certainly the YVAC would desire and deserve to be included in any such discussion. Following the article in the Pilot I have had several calls from concerned aviators, however, asking me to reiterate their safety and operational concerns that the FBO space might somehow be compromised in the process of the Smartwool lease renewal.

Thank you for allowing me to present these concerns to you. I look forward to serving usefully on the YVAC.

Sincerely,

Eric Meyer, M.D.

Sent from my Verizon Wireless BlackBerry

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Email scanned by PC Tools - No viruses or spyware found.
(Email Guard: 7.0.0.18, Virus/Spyware Database: 6.17840)
<http://www.pctools.com/>

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CITY OF STEAMBOAT SPRINGS, COLORADO

ORDINANCE NO. _____

AN ORDINANCE APPROVING A LEASE BETWEEN THE CITY OF STEAMBOAT SPRINGS AND SMARTWOOL LLC AND AUTHORIZING THE CITY COUNCIL PRESIDENT TO SIGN LEASE DOCUMENTS; REPEALING ALL CONFLICTING ORDINANCES; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Steamboat Springs owns and operates a municipal, general aviation airport known as the Steamboat Springs Airport; and

WHEREAS, the Airport property includes a large building which was previously used as the airport terminal; and

WHEREAS, since 2002, the majority of the terminal building has been leased to Smartwool LLC; and

WHEREAS, the City and Smartwool desire to enter into a new Lease to set forth the terms and conditions for the lease by the City to Smartwool of the Original Leased Premises and certain additional Leased Premises.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF STEAMBOAT SPRINGS, COLORADO:

Section 1. The City Council of the City of Steamboat Springs hereby approves the Lease with Smartwool LLC a copy of which is attached hereto as Exhibit A and by this reference made part of.

Section 2. The City Council of the City of Steamboat Springs authorizes the City Council President to execute such Lease Agreement.

Section 3. In accordance with Section 13.6 of the Home Rule Charter of the City of Steamboat Springs, the effective date of the Lease Agreement shall be at least thirty (30) days after the passage of this Ordinance, and the City Council President shall not sign the Lease Agreement prior to this thirty (30) day period.

Section 4. All ordinances heretofore passed and adopted by the City Council of the City of Steamboat Springs, are hereby repealed to the extent that said ordinances, or parts thereof, are in conflict herewith.

Section 5. If any section, subsection, clause, phrase or provision of this Ordinance, or the application thereof to any person or circumstance, shall to any extent, be held by a court of competent jurisdiction to be invalid, void or unconstitutional, the remaining sections, subsections, clauses, phrases and provisions of this Ordinance, or the application thereof to any person or circumstance, shall remain in full force and shall in no way be affected, impaired or invalidated.

Section 6. The City Council hereby finds, determines and declares that this Ordinance is necessary for the immediate preservations of the public peace, health and safety.

INTRODUCED, READ AND ORDERED PUBLISHED, as provided by law, by the City Council of the City of Steamboat Springs, at its regular meeting held on the ____ day of _____, 2011.

**Cari Hermacinski, President
Steamboat Springs City Council**

ATTEST:

**Julie Franklin, CMC
City Clerk**

FINALLY READ, PASSED AND APPROVED this ____ day of _____, 2011.

**Cari Hermacinski, President
Steamboat Springs City Council**

ATTEST:

**Julie Franklin, CMC
City Clerk**

COMMERCIAL LEASE

THIS COMMERCIAL LEASE made and entered into this ____ day of _____ 2011, (“Lease”) by and between the **CITY OF STEAMBOAT SPRINGS** (hereinafter referred to as “Landlord” or “City”), and **SMARTWOOL LLC** (hereinafter referred to as “Tenant” or “Smartwool”).

WHEREAS, Landlord and Tenant have entered into that certain Commercial Lease dated as of June 21, 2002 (the “Existing Lease”), pursuant to which Landlord leased to Tenant and Tenant leased from Landlord, the Original Leased Premises (as defined below); and

WHEREAS, the Existing Lease is currently in the ninth year (second year of the second option) and the Tenant is currently paying \$17,012.70 per month in Option Base Rent (as defined in the Existing Lease); and

WHEREAS, Landlord and Tenant desire to enter into this Lease to set forth the terms and conditions for the lease by Landlord to Tenant of the Original Leased Premises and certain Additional Leased Premises (defined below); and

WHEREAS, the Landlord and Tenant intend to replace the Existing Lease with this Lease upon the Commencement Date as set forth below

NOW, THEREFORE, for good and valuable consideration, the sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

WITNESSETH:

**SECTION 1
LEASE OF PREMISES**

A. Landlord does hereby lease to Tenant and Tenant does hereby rent and take from Landlord certain premises known as a portion of the terminal building (“Terminal Building”) at the Steamboat Springs Airport — Bob Adams Field (“Airport”), containing approximately 11,880 +/- square feet, as is delineated on the building floor plan attached as Exhibit A hereto (the “Original Leased Premises”);

B. The Landlord and Tenant anticipate adding approximately 7,957 +/- square feet to the Original Leased Premises on the date of Substantial Completion of the tenant finish, currently estimated to be September 1, 2012. This 7,957 square feet is delineated on the building floor plan attached as Exhibit B hereto and shall be known as the “Additional Leased Premises”. When added to the Original Leased Premises, the combined square footage shall be known collectively, the “Leased Premises”, resulting in a total of 19,837 square feet of lease space. The Leased Premises shall also include, and Landlord shall also make available to Tenant for exclusive and unlimited use, no less than 90 parking spaces adjacent to the Terminal Building, which Landlord shall provide access to, and Tenant may use 24 hours per day.

SECTION 2 TERM OF LEASE

A. Initial Term. The term of this Lease (the “Initial Term”) shall commence at twelve o’clock noon on the later to occur of (a) September 1, 2011 or (b) the thirtieth (30th) day following the adoption of an ordinance approving this Lease (the “Commencement Date”) and shall terminate at twelve o’clock noon on November 30, 2022 (the “Termination Date”). The parties agree that, upon the Commencement Date, the term of the Existing Lease shall immediately terminate.

B. Extension Option. Notwithstanding the provisions of Section 2(A), the term of this Lease shall automatically extend for a maximum of five successive one (1) year periods, and the Termination Date as defined in Section 2(A) shall be deemed extended to a date that is one (1) year after the then applicable Termination Date, unless Tenant has provided written notice to Landlord not less than sixty (60) days prior to the then applicable Termination Date of Tenant’s intention to terminate this Lease, in which case this Lease shall terminate on the then-applicable Termination Date. In no event shall this Lease extend beyond November 30, 2027.

C. Early Termination. Tenant shall have the right to terminate this Lease prior to the Termination Date by giving written notice to Landlord (the “Early Termination Notice”) in one of two situations.

1. **Prior to December 1, 2012.** The Tenant may give Landlord an Early Termination Notice at any time prior to December 1, 2012; provided the Early Termination Notice shall be accompanied by a Termination Payment that is the sum of (a) all costs and expenses incurred by the Landlord in moving the Fixed Base Operation (“FBO”), currently operated by the Landlord, to a new location, and (b) any payments made by the Landlord to the Tenant for Tenant Improvements as discussed in Section 8 E. and F., below. In the event Tenant provides Landlord with an Early Termination Notice accompanied by the Termination Payment, this Lease shall terminate on the last day of the month in which such Early Termination Notice is received by the Landlord, unless otherwise specified in such Early Termination Notice.

2. **On or After December 1, 2012.** The Tenant may give Landlord an Early Termination Notice on or after December 1, 2012; provided the Early Termination Notice shall be accompanied by a payment in the amount identified on Exhibit C attached hereto applicable to the period such Early Termination Notice is given (the “Termination Payment”). In the event Tenant provides Landlord with a Termination Notice accompanied by the Termination Payment, this Lease shall terminate on the last day of the month in which such Termination Notice is received by Landlord, unless otherwise specified in such Termination Notice.

SECTION 3 RENT

A. Commencing September 1, 2011, the Tenant shall pay to the City \$17,523.08 per month through November, 2012.

B. Commencing December 1, 2012, and continuing on the first day of each calendar month thereafter, the Tenant shall pay to the City \$ \$26,883.00 per month. As used herein, "Lease Year" shall mean the period beginning on December 1st and ending on November 30th.

C. Commencing on December 1, 2013, the first anniversary of the initial Lease Year, Tenant shall pay the Rent as adjusted pursuant to paragraph D, below, entitled "Adjustment to Rent."

D. Adjustment of Rent.

1. Rent payable by the Tenant for a Lease Year during the term of this Lease shall be adjusted annually by the most recent annual percentage reported by the Index. The Rent so adjusted shall be the Rent for the respective Lease Year. In no event shall the Rent for any Lease Year increase by more than three percent (3%) over the Rent for the immediately preceding Lease Year; nor shall the Rent for any Lease Year decrease.

2. As used in this Section 3(D), the term "Index" shall mean the Consumer Price Index CPI-All Urban Consumers/All Items, City Average as determined by the Bureau of Labor and Statistics. If the Bureau of Labor and Statistics shall discontinue the issuance of the Index, then the rental readjustments provided for in this Lease shall be made on the basis of changes in the most comparable and recognized cost-of-living index then issued and available that is published by the United States government.

E. Except for those instances where Tenant pays utilities and other costs directly hereunder, this is a "gross lease" and not a "triple net lease", and all services typically provided to the Leased Premises and the Property on which it is located, including without limitation those matters listed in Section 4, below, shall be provided by Landlord at no additional cost to Tenant. The Tenant shall pay to the Landlord at Landlord's address as set forth herein or at such other place or places as the Landlord shall designate from time to time in writing, Rent without deduction, offset, prior notice or demand, except as otherwise herein set forth, in lawful money of the United States in monthly installments in advance, commencing on the Commencement Date and then on the same date of every month thereafter during the term hereof. In the event the Commencement Date occurs on a date that is other than the first calendar day of any month, monthly Rent shall be abated in proportion to the portion of such month actually occurring following the Commencement Date.

F. The Rent shall be paid to the Landlord by delivery to the Director of Finance at Steamboat Springs City Hall, located at 137 10th Street, Steamboat Springs, Colorado 80477 or by mailing to the Director of Finance, City of Steamboat Springs, P.O. Box 775088, Steamboat Springs, CO 80477, or such other addresses as shall be designated in writing by Landlord. Payments made by mail shall be deemed paid when actually received by Landlord.

G. Late Payments. If any amount payable by Tenant pursuant to this Lease is not paid and received by Landlord within ten (10) calendar days after the due date therefor, the unpaid amount shall bear interest at the rate of twelve percent (12%) per annum from the date such payment was due until paid, and in addition, Tenant shall pay to Landlord a late payment charge equal to five percent (5%) of the amount not timely paid, payable on demand. Nothing in

this paragraph (G) shall limit any right of Landlord with respect to any default by Tenant or be construed, as granting Tenant a grace period or right to cure, not otherwise herein set forth. All amounts received by Landlord from Tenant shall be applied first to amounts paid by Landlord on Tenant's behalf pursuant to this Lease, next to any amounts other than rent owing by Tenant to Landlord hereunder, including interest, late charges, and the remainder shall be applied to the rent payable hereunder.

SECTION 4
ITEMIZATION OF FINANCIAL OBLIGATIONS TO BE PAID BY LANDLORD AND BY TENANT

A. Financial Obligations to be Paid by Tenant:

1. All reasonable and actual expenses directly incurred in the management, operation, maintenance, repair and security of the non-structural portions of the interior of the Leased Premises;

2. During the Term hereof, Tenant shall pay, prior to delinquency, all sales and use taxes, personal property taxes and other taxes, charges, notes, duties and assessments levied, and rates or fees imposed, charged, or assessed against or in respect of Tenant's occupancy of the Leased Premises or in respect of the personal property, trade fixtures, furnishings, equipment, and all other personal property of Tenant contained in the Leased Premises, and shall hold Landlord harmless from and against all payment of such taxes, charges, notes, duties, assessments, rates and fees, and against all loss, costs, charges, and expenses occasioned by or arising therefrom. Tenant shall cause said fixtures, furnishings, equipment, and other personal property to be assessed and billed separately from the real and personal property of Landlord;

3. The City was not assessed real property taxes for the Leased Premises during the time of the Original Lease. In the event that real property tax is levied against the City for the Leased Premises at any time during the term of this Lease, the Landlord and Tenant shall each be responsible for 50% of the real property taxes levied against the Leased Premises. Upon receipt of the statement of taxes due, usually in January, the Tenant shall pay 1/12th of its 50% share of the real property tax bill over the next 12-month period;

4. All of Tenant's accounting, legal, janitorial, maintenance, guard and other services, and insurance and other expenses which under generally accepted accounting principles are regarded as an expense of maintenance and operation;

5. Costs incurred due to a violation by Tenant of any applicable laws, ordinances, or other legal requirements pertaining to the Terminal Building; and

6. Any costs and expenses incurred during the Tenant Finish Project to bring the interior of the Leased Premises into compliance with any state, federal or local laws,

including, without limitation, any requirements imposed by the Americans with Disability Act arising due to Tenant's specific uses of the Leased Premises.

B. Financial Obligations to be Paid by Landlord:

1. Any expense of Landlord incurred in connection with any remediation or abatement of asbestos containing materials ("ACM's") or any petroleum or petroleum products, used oil, explosives, toxic materials or substances defined as hazardous wastes, hazardous materials or hazardous substances under any federal, state or local law or regulation;

2. Any costs or expenses incurred by the Landlord, including any leasing commissions, attorney fees, or other expenses incurred by Landlord, including the costs of obtaining space for the FBO; provided, however, Tenant may be obligated to reimburse Landlord for such costs and expenses pursuant to an Early Termination Notice defined in Section 2.C;

3. The costs of all repairs to the roof and HVAC system; provided that the damages and needed repairs were not caused by the negligence or willful misconduct of Tenant;

4. Costs incurred due to a violation by Landlord of any applicable laws, ordinances, or other legal requirements pertaining to the Terminal Building;

5. Any costs and expenses incurred in complying with all applicable laws relating to the ownership of the Terminal Building (including, without limitation, the costs of retrofitting or otherwise altering the Terminal Building or the real property on which the Terminal Building is located to comply with energy conservation, carbon footprint or greenhouse gas mitigation, or similar requirements) except to the extent Tenant is obligated to pay the same as provided in Section 4(A)(6) above);

6. Repairs and other work to the Terminal Building occasioned by fire, windstorm or other casualty regardless of whether Landlord or Landlord's mortgagee are entitled to be paid through insurance or condemnation proceeds;

7. The costs of Landlord's general overhead and general administrative expenses;

8. Any expenses in connection with the operation and maintenance of sidewalks, driveways and parking facilities/lots, including cleaning, restriping, patching, repaving and general maintenance;

9. Costs or expenses incurred by Landlord associated with retrofitting of the Terminal Building's HVAC system to bring such system in compliance with the Federal Clean Air Act or other laws;

10. Notwithstanding any other provisions herein, repairs resulting from any defect in the original design or construction of the Terminal Building or the Terminal

Building's equipment; or repairs necessitated by the negligence of Landlord, its agents or contractors or required to cure violations of laws, easements, or covenants applicable to the Terminal Building or the real property on which the Terminal Building is situated in effect on the lease execution date and any penalties or interest incurred or accumulated for any such violation;

11. Costs of maintaining, repairing, and replacing all HVAC and mechanical systems, roof systems, foundations, exterior walls, windows, window frames, plate glass, doors, structural components of the building, building entrances, drainage systems and other exterior fixtures and utility systems in a state of reasonable appearance, operability and repair; provided, however, that the costs of maintaining, repairing and replacing the above-referenced items were not the result of the negligence or willful conduct of Tenant or Tenants employees, agents, or contractors;

12. Costs or maintenance and replacement of landscaping, including irrigation, replacement of trees, landscaping materials, shrubbery, plantings and lawns in a reasonable and presentable condition; and

13. Snow and ice removal by 8:00 a.m. Monday through Friday from sidewalks, driveways and parking areas to permit reasonable and regular access to the Terminal Building and to needed parking for Tenant's operations.

Landlord shall, at its sole cost and expense (except as reimbursed by tenants occupying the Terminal Building), pay all expenses relating to the ownership, use, maintenance and development of the Terminal Building, including without limitation the items set forth above in this Section 4, in a timely manner. Such obligations shall include, but not be limited to, providing fire and extended coverage for replacement of the Terminal Building, public liability and other insurance, all labor and employee benefit costs for City employees (including wages, salaries and fees of all personnel employed by the City and engaged in the management, operation, maintenance and repair of the Terminal Building), consulting fees, legal fees and accounting fees and other fees paid to independent third parties and which are directly related to the Terminal Building, costs and expenses associated with the parking facilities in the Leased Premises made available to Tenant and Tenant's employees, invitees and guests

SECTION 5 UTILITIES

Water and sewer utility charges shall be included in the Rent and paid by Landlord. Electric and gas utility charges shall be separately metered to the Leased Premises and paid by Tenant. The Landlord shall contract for and pay the cost of trash removal resulting from the Tenant's occupancy of the Leased Premises for office purposes, as such use is defined in Section 7, below. If Tenant has trash removal needs over and above those for ordinary office use, Tenant shall be responsible for separately contracting for and paying those extraordinary trash removal costs.

SECTION 6
CONDITION OF LEASED PREMISES

Landlord agrees that it will provide the Leased Premises with facilities for delivery to the Leased Premises of gas, water, electric and sewage collection adequate for Tenant's use of the Leased Premises for office space, provided that, in the event any such utilities are disrupted for a period longer than two (2) business days, which disruption is not due to the negligence or willful misconduct of Tenant, Rent shall be abated for the period of such disruption occurring after such two (2) business day period. Tenant acknowledges that it has inspected the Leased Premises and is satisfied that the Leased Premises shall be served on the Commencement Date by phone/data lines sufficient for their business needs. Landlord warrants and represents to Tenant that use of the Leased Premises after construction of the Tenant Improvements described in Section 8.E. hereof, will be in compliance with all applicable ordinances or governmental rules or regulations now in force, of the City of Steamboat Springs, including the provisions of the City of Steamboat Springs Community Development Code ("CDC"). **[NOTE: HOW LONG WILL FAA APPROVAL TAKE AND WHAT HAPPENS IF DELAYS IN FAA APPROVAL INTERFERE WITH THE CITY'S MOVE OUT AND THUS TENANT'S CONSTRUCTION SCHEDULE?]** The parties acknowledge that the City shall request a letter from the FAA indicating that Tenant's use of the Leased Premises will be in compliance with the laws and rules subject to the enforcement of, or promulgated by, the Federal Aviation Administration ("FAA") and that use of the Leased Premises as office space by Tenant will not be in violation of any law, rule, order or agreement applicable to the Leased Premises and/or to which the Landlord is a party. This Lease and all of the rights and obligations set forth in this Lease are expressly conditioned upon approval of this Lease by the FAA. This condition shall be deemed a condition subsequent in that the Lease will commence on the Commencement Date and is subject to termination if the FAA does not approve the Lease. In the event the FAA expresses concerns with the Lease or any of its terms, the Landlord and Tenant agree to work diligently to resolve the FAA's concerns so that the condition may be satisfied; provided, however, that nothing herein shall be deemed to require a material modification of Tenant's rights or obligations hereunder without the Tenant's prior written consent, which may be granted or withheld in Tenant's sole discretion; and provided, further, that, in the event the FAA has not approved the Lease on or prior to April 1, 2012, Tenant shall have the right to terminate this Lease, and Tenant shall not be obligated to make any Termination Payment in connection therewith. Landlord shall not construct or authorize the construction by others of any new structures within 15' of the Leased Premises. Tenant, by taking possession of the Leased Premises as of the Commencement Date, shall be deemed to have agreed that the Leased Premises were, as of the date of taking possession, in good order, repair and condition, except for any latent defects that were not reasonably discoverable by Tenant prior to taking possession of the Leased Premises, which latent defects are the Landlord's responsibility to repair, and except for any adverse condition with respect to the Leased Premises about which Tenant had given Landlord notice prior to the Commencement Date hereof, which matters remain the Landlord's responsibility to repair.

SECTION 7
USE OF LEASED PREMISES

A. Use. Unless otherwise agreed by Landlord, which approval shall not be unreasonably withheld, Tenant agrees to use the Leased Premises only for office purposes, and such other lawful uses that are necessary or convenient in connection with such uses, and for no other activities unless associated with this use. Unless Landlord agrees otherwise, which agreement shall not be unreasonably withheld, Tenant shall not use the Leased Premises or permit the use of the Leased Premises for any other activities, including, without limitation, the manufacture or assembly of any products.

B. Hazardous Use. Tenant agrees that it will not keep, use, sell or offer for sale in or upon the Leased Premises any articles, which Tenant knows or should know may be prohibited by an insurance policy in force from time to time covering the Leased Premises.

C. No Waste. Tenant shall not commit, suffer or permit any waste, damage, disfiguration, or injury to the Leased Premises or the common areas or the fixtures and equipment located therein or thereon, or permit to suffer any overloading of the floors thereof, and shall not place any heavy things in the Leased Premises without first obtaining the written consent of Landlord and shall not use or permit to be used any part of the Leased Premises for any dangerous or noxious, trade or business, and shall not cause or permit any nuisance in, at, or on the Leased Premises.

D. Protection Against Insurance Cancellation. If any insurance policy shall be canceled or if cancellation shall be threatened, or if the coverage thereunder shall be reduced or be threatened to be reduced, in any way by reason of the use or occupation of the Leased Premises or any part thereof by Tenant, any assignee or subtenant of Tenant, or by anyone permitted by Tenant to be upon the Leased Premises, and if Tenant fails to remedy the condition giving rise to the cancellation, threatened cancellation, reduction, or threatened reduction of coverage, Tenant shall, subject to the notice provisions set forth in Section 17 hereof, be in default of its obligations hereunder.

E. Signs and Advertising. Tenant shall not install, paint, display, inscribe, place, or affix any sign, awning, picture advertisement, notice, lettering, or direction in the interior or exterior of the Leased Premises which is visible from the outside of the Terminal Building, without the prior written consent of Landlord, which consent shall not be unreasonably withheld.

F. Entry by Landlord. Landlord and its agents shall have the right to enter the Leased Premises at reasonable times during normal business hours upon reasonable advance notice (not less than two business days) for the purpose of examining or inspecting the same, to show same to prospective purchasers or tenants during the final six (6) months of the term of the Lease, and to make such alterations, repairs, improvements, or additions, whether structural or otherwise, to the Leased Premises as Landlord may deem necessary or desirable. Landlord shall use its best efforts on any such entry not to unreasonably interrupt or interfere with Tenant's use and occupancy of the Leased Premises. In the event any such alterations, repairs, improvements or additions unreasonably interfere with Tenant's use of all or part of the Leased Premises, rent shall be abated in proportion to the area of the Leased Premises so affected.

SECTION 8 ALTERATIONS

A. Alterations. Tenant shall not, without the prior written consent of Landlord, make any alterations, improvements or additions to the Leased Premises, including but not limited to, partitions, wall coverings, floor coverings, and special lighting installations, improvements, or additions, which consent shall not be unreasonably withheld, conditioned or delayed. Subject to the requirements and limitations as provided herein, Tenant may at its own cost and expense make such leasehold improvements to the Leased Premises as are necessary for the operation of Tenant's business. Tenant shall first submit to Landlord plans and specifications therefore and obtain Landlord's written approval thereof prior to commencing any such work. Notwithstanding the foregoing, Tenant shall be permitted to make any alterations, improvements or additions to the Leased Premises without the consent of Landlord if the estimated cost of the same does not exceed Fifty Thousand Dollars (\$50,000.00). All alterations, improvements, or additions, whether temporary or permanent in character, made by Landlord or Tenant in or upon the Leased Premises shall be Landlord's property and Tenant shall not have the option to remove the same at or prior to the termination of this Lease, without the express written permission of and agreed upon compensation paid to Landlord. Tenant shall have the right to remove Tenant's movable office furniture, trade fixtures, and office and professional equipment ("Tenant FF&E") from the Leased Premises at any time at or prior to the termination of this Lease; provided, however, that Landlord shall have the right to require Tenant to remove such Tenant FF&E at Tenant's cost upon the termination of this Lease. The repair of any damage caused to the Leased Premises as a result of any such removal shall be paid for by Tenant. The work necessary to make any repairs required pursuant to this Section, or to make any alterations, improvements, or additions to the Leased Premises to which Landlord may consent pursuant hereto, shall be done only under written contract approved in writing by Landlord, and subject to all conditions Landlord may impose. Such consent shall not be unreasonably withheld nor shall such conditions be unreasonably imposed. Subject to the provisions of Section 8.F., Tenant shall promptly pay for the cost of all such work and Tenant shall defend and hold Landlord and the Leased Premises, harmless from all costs, damages, liens for labor, services, or materials relating to such work, and shall defend and hold Landlord harmless from all costs, damages, liens, and expenses related thereto including attorney fees. Subject to the provisions of paragraph 8.F., in the event that Landlord incurs any expenses as a result of Tenant's work or Tenant's contractors' or subcontractors work then Tenant agrees it shall reimburse Landlord immediately upon demand, in addition to the Rent set forth above.

B. Protection Against Liens. At least five (5) days prior to the commencement of any work on the Leased Premises, Tenant shall notify Landlord of the names and addresses of the persons supplying labor and materials for the proposed work so that Landlord may avail itself of the provisions of statutes such as Section 38-22-105(2) of the Colorado Revised Statutes. During the progress of any such work on the Leased Premises, Landlord or its representatives shall have the right to go upon and inspect the Leased Premises at reasonable times during normal business hours and upon reasonable advance notice, and shall have the right to post and keep posted thereon such notices as Landlord shall deem proper.

C. Condition on Surrender. Tenant shall, at the termination of this Lease, surrender the Leased Premises to Landlord in as good condition and repair as reasonable and proper use

thereof will permit, loss by ordinary wear and tear, fire, and other insured against casualty excepted, and in the state of broom cleanliness.

D. Damage by Tenant. If any uninsured part of the Leased Premises or other Property of Landlord becomes damaged or are destroyed through the negligence, carelessness, or misuse of Tenant, its servants, agents, employees, then the cost of necessary repairs, replacements, or alterations shall be borne by Tenant, who shall, on demand, forthwith pay the same to Landlord in addition to the Rent set forth above.

E. Tenant Improvements. Landlord hereby consents to renovations to the Leased Premises by Tenant substantially in accordance with plans and specifications and a budget, each to be provided by Tenant and approved by Landlord in its reasonable discretion, such approval not to be unreasonably withheld, conditioned or delayed, and as further described in this Section 8.E., which shall hereinafter be referred to as the Tenant Improvements:

- a. The Tenant Improvements shall be completed not later than September 1, 2012.
- b. Tenant will have access to the Leased Premises, including access to utility tie-ins, beginning on thirtieth day following adoption of an ordinance by the Steamboat Springs City Council approving this Lease, to commence construction of the Tenant Improvements; provided, however, Tenant may only have access to the "Additional Leased Premises" after coordination with and consent of the Airport Manager since the "Additional Leased Premises" will still be used as the FBO for the Airport pending moving arrangements; and further provided, however, Tenant acknowledges that the Landlord cannot sign the Lease until thirty days after the passage of the Ordinance approving the Lease to provide for the possibility of a referendum objecting to the Ordinance Tenant understands this risk and agrees that all work done prior to expiration of such 30-day period will be at its own risk. Tenant agrees to indemnify the Landlord and hold the Landlord harmless against any mechanics lien claim related to the Tenant Improvements.
- c. Landlord agrees to have the existing FBO space in the Terminal Building available to Tenant for commencement of construction of Tenant Improvements, no later than April 1, 2012.

F. Payment for Tenant Improvements. Tenant agrees to pay the actual cost of the work performed pursuant to paragraph E. above; provided, however, Landlord agrees to repay Tenant for the cost of the Tenant Improvements ("Tenant Improvements Costs") as provided herein; but provided further that Landlord's obligation to repay Tenant for the Tenant Improvement Costs shall be capped at a maximum principal amount of \$596,500; provided, however, that such amount shall be increased in an amount equal to the excess of (a) \$350,000 over (b) the actual cost to Landlord to relocate the FBO operations from the Additional Leased Premises to the replacement premises for such FBO operations up to a maximum of \$350,000. It is acknowledged that the Landlord has or may complete some of the work described in

paragraph 8.E. prior to delivery of possession of the Additional Leased Premises to Tenant to commence construction of the Tenant Improvements. There will be no reduction in the caps described in this section for such work completed by the Landlord. The Tenant Improvement Costs shall be reimbursed to Tenant by Landlord within ten (10) days of receipt of the invoices for the same, subject to certification by the architect for the project that the work referenced in the invoices has been completed and that the costs to be reimbursed are commensurate with the percentage completion of the entire Tenant Improvement project; and further subject to the presentation of mechanics' lien waivers from all contractors, subcontractors, architects, and materials suppliers that the payment and receipt of specified funds will be payment in full for all work performed and materials supplied. In the event that the Lease is terminated for any reason other than Tenant's election to terminate the Lease pursuant to Section 2(C) hereof, the abandonment of the Leased Premises by Tenant or the uncured default by Tenant, Landlord shall pay to Tenant within ninety (90) days following the date of such termination the Tenant Reimbursement Payment. As used herein, the term "Tenant Reimbursement Payment" shall mean an amount equal to (i) the total amount of costs and expenses incurred by Tenant in the design, development, construction and completion of the Tenant Improvements less (ii) the total amount of Tenant Improvement Costs actually reimbursed to Tenant by Landlord, which amount shall be amortized on a straight line basis commencing on the completion of the Tenant Improvements through the end of the Initial Term of the Lease.

SECTION 9 INSURANCE

A. Tenant shall during the entire Term of this Lease, at its sole cost and expense, obtain, maintain, and keep in full force and effect the following types of insurance.

1. Fire and extended coverage insurance ("all-risk"), including coverage for vandalism, malicious mischief, theft, and sprinkler leakage, covering the Tenant FF&E in an amount not less than the full replacement cost of such property without the deduction for depreciation;

2. Comprehensive general liability insurance with limits no less than \$2,000,000.00, each occurrence, combined single limit bodily injury and property damage including contractual liability, personal injury, products and completed operations coverage, with respect to all claims, demands, or actions by any person, firm, or corporation, in any way arising from, related, or connected with the conduct and operation of Tenant's business in the Leased Premises or Tenant's use of the Leased Premises. Said policy shall name Landlord as an additional insured;

3. Builder's Risk Insurance in a form and amount acceptable to the Landlord, during all periods of construction by Tenant at the Leased Premises, provided, however, that the premium cost for such insurance related to the Tenant Improvements shall be added to the Tenant Improvements Cost;

4. Worker's compensation with employer's liability limits not less than required by applicable law and any other forms of insurance as the mortgagees of

Landlord may reasonably require from time to time, in amounts and for insurance risks against which a prudent tenant would protect itself; and

5. All such policies shall be primary insurance to any other insurance available to Landlord. All policies shall be taken out with insurers acceptable to Landlord, such acceptance to be not unreasonably withheld, and in a form satisfactory from time to time to Landlord. Tenant agrees that certificates of insurance or, if required by Landlord or the mortgagees of Landlord, certified copies of each insurance policy will be delivered to Landlord upon request. All policies shall require that at least ten (10) days prior written notice be delivered to Landlord by the insurer prior to termination, cancellation, or material change in such insurance.

B. Landlord at its sole cost and expense shall obtain, maintain and keep in full force and effect fire and extended coverage "all risk" insurance including coverage for vandalism, malicious mischief, theft, and sprinkler leakage for the Terminal Building and the Leased Premises (which coverage shall include Tenant's leasehold improvements) in an amount not less than the full replacement cost of such building without deduction for depreciation.

C. Nothing contained in this Lease shall be construed as a waiver, in whole or in part, of the City's rights under the Colorado Governmental Immunity Act, §24-10-101 et seq. C.R.S.

SECTION 10 SUBROGATION

Landlord and Tenant hereby mutually waive all rights of recovery against each other for any loss in or about the Leased Premises from perils insured against under their respective insurance policies, whether due to negligence or any other cause; provided, that this paragraph shall be inapplicable if it would have the effect, but only to the extent it would have the effect, of invalidating any insurance coverage of Landlord or Tenant. Both parties shall undertake in good faith to obtain from their respective insurance companies, approval of the waiver of subrogation as provided hereunder. Either party shall, at the request of the other, execute and deliver a waiver of subrogation, consistent with this paragraph and otherwise in the form and content as requested by such party's insurance carrier.

SECTION 11 EMINENT DOMAIN

If all or any part of the Leased Premises shall be lawfully taken or condemned (or conveyed under threat of such taking or condemnation) for any public or quasi-public use or purpose, at Tenant's option, the Term of this Lease shall end upon, and not before, the date of the taking of possession by the condemning authority, and the award shall be apportioned between Landlord and Tenant as provided by law. If the Lease is not so terminated, monthly Rent shall be abated in proportion to that portion of the Leased Premises so taken or condemned. Current Rent shall be apportioned as of the date of such termination. In the event of termination of this Lease pursuant to this Section 11 by eminent domain proceedings prosecuted by the City of Steamboat Springs or any authority or other entity which owns and/or operates the Airport, or of

which the City is a member, Landlord shall pay to Tenant in addition to any condemnation award Tenant may otherwise receive, within ninety days of taking possession of the Leased Premises, the Tenant Reimbursement Payment, provided, however, that the City's obligation to pay the Tenant Reimbursement Payment shall be reduced by any portion of the condemnation award to Tenant specifically allocated to the Tenant Improvements, together with accrued interest, as set forth in paragraph 8.F. hereof and shall pay to Tenant in addition to any condemnation award a relocation fee of \$100,000 plus Tenant's actual cost to relocate. If Eminent Domain proceedings are brought by an entity other than the City or any other governmental or quasi-governmental agency which owns and/or operates the Airport and/or in which the City of Steamboat Springs is a member, Landlord shall be obligated to pay to Tenant the Tenant Reimbursement Payment reduced by any portion of the condemnation award to Tenant specifically allocated to the Tenant Improvements, but not for any relocation costs of Tenant, or for any other costs that Tenant may incur

**SECTION 12
DUTY TO DEFEND**

A. Tenant to Defend. In the event that any action or proceeding shall be brought against Landlord by reason of any obligation on Tenant's part to be performed under the terms of this Lease, or arising from any act or negligence of Tenant, its agents or employees, then Tenant, upon notice from Landlord, shall defend the same at Tenant's expense by counsel reasonably satisfactory to Landlord.

B. Landlord to Defend. In the event that any action or proceeding shall be brought against Tenant by reason of any obligation on Landlord's part to be performed under the terms of this Lease, or arising from any act or negligence of Landlord, its agents, or employees, then Landlord upon notice from Tenant, shall defend the same at Landlord's expense by counsel reasonably satisfactory to Tenant; provided, however, Landlord's obligation shall be limited to the extent of its insurance coverage and to the extent of the limits set forth in Colorado Governmental Immunity Act.

**SECTION 13
RIGHT OF LANDLORD TO PERFORM
TENANT'S OBLIGATIONS**

All covenants and agreements to be performed by Tenant under any of the terms of this Lease shall be performed by Tenant at Tenant's sole cost and expense, and without any abatement of Rent, except as otherwise herein set forth. If Tenant shall fail to pay any sum of money, other than Rent, required to be paid by it hereunder, or shall fail to perform any other act on its part to be performed hereunder, and such failure shall continue for fifteen (15) days after written notice thereof by Landlord, Landlord may, but shall not be obligated to do so, and without waving or releasing Tenant from any obligations of Tenant, made make any such payment or perform any such other act on Tenant's part to be made or performed as in this Lease provided. All sums so paid by Landlord and all necessary incidental costs, together with interest thereon at the same rate as is provided herein for late rent payments, from the date of such payment by Landlord, shall be payable to Landlord on demand, and Tenant covenants to pay any

such sums, and Landlord shall have as Landlord's sole remedy for non-payment by Tenant for any such amounts the right to sue for recovery of damages.

SECTION 14 IMPACT FEES

The City acknowledges that there will be no impact fees assessed against the Tenant for the change in use or for the improvements constructed on the Leased Premises, except to the extent additional "tap" fees, an historic version of "impact fees", are due to the City for additional water and sewer fixtures after any applicable credits. Notwithstanding the foregoing, Tenant acknowledges the obligation to pay any and all normal and customary costs associated with obtaining a building permit and commencing construction within the City of Steamboat Springs, including, without limitation, application fees, plan check fees, excise taxes, use taxes, and any other fees, costs and taxes associated with construction, provided that all such costs shall constitute Tenant Improvement Costs, and shall be reimbursed by Landlord in the manner provided in Section 8(F) hereof.

SECTION 15 SECURITY FOR TENANT'S OBLIGATIONS

There shall be no security deposit.

SECTION 16 REPAIRS, MAINTENANCE AND DESTRUCTION

Tenant agrees, at all times during the term hereof or any extension thereof and at its own expense, to (a) maintain in good condition, and promptly and diligently repair any damage to, the interior of the Leased Premises and every part thereof, except to the extent such damage is attributable to normal wear and tear, or to the negligence or the intentional act or omission of Landlord, or fire or other insurable casualty or Act of God or the elements, or the negligence or acts of adjacent tenants or their customers or invitees, or water leakage or utility failure not caused by Tenant; (b) promptly and diligently repair any damage to the Leased Premises attributable to the negligence or the intentional act or omission of Tenant or its subtenants, employees or agents; and (c) maintain in good condition, and promptly and diligently repair any damage to (or replace if reasonably necessary in the circumstances), any of Tenant's Trade Fixtures installed in or attached to the Leased Premises. Landlord shall be required to repair, restore or reconstruct the Leased Premises and the building of which the Leased Premises is a part (excluding inventory and Tenant's Trade Fixtures) to correct damage thereto or destruction thereof caused by fire or other insurable casualty or Act of God or the elements, or the negligence or acts of adjacent tenants or their customers or invitees, or water leakage or utility failure not caused by Tenant; except as limited by language in this Section and elsewhere in this Lease. Further, Landlord shall maintain and promptly and diligently repair any damage to or destruction of the roof, exterior walls (including windows and doors) and other structural parts, including the structural floor and interior supporting walls, columns and beams, of the Leased Premises and any and all pipes, plumbing, wires, lighting, heating and cooling systems and conduits within the walls of the Leased Premises, unless caused by the negligence or the intentional act or omission of Tenant or its subtenants, employees or agents. Landlord further

agrees to maintain the exterior parking areas, walkways, drives, and landscaping in place from time to time on Landlord's property at the Airport and to remove snow from drives, sidewalks, entryways, and parking areas to provide access and parking to Tenant. Landlord agrees to paint the exterior of the building of which the Leased Premises is a part when necessary or appropriate. In the event Landlord fails satisfy any of its obligations pursuant to this Section 16 within thirty (30) days after receipt of written notice from Tenant, Tenant may perform such obligations on Landlord's behalf, and Landlord shall promptly reimburse Tenant for all costs and expenses incurred by Tenant in connection therewith upon demand by Tenant. In the event Landlord does not promptly reimburse Tenant for such costs and expenses, Tenant may set-off the obligation to pay Rent hereunder in an amount equal to all costs and expenses incurred by Tenant in the performance of Landlord's obligations hereunder.

With respect to Landlord's repair obligations hereunder, if the interior of the Leased Premises is damaged by fire or other insurable casualty or Act of God or the elements, or negligence or acts of adjacent tenants or their customers or invitees, or water leakage or utility failure not caused by Lessee, or if the roof, exterior walls and other structural parts of the Leased Premises are damaged or destroyed from any cause except the negligence or the intentional act or omission of Tenant or its subtenants, employees or agents, then Landlord shall execute diligence in commencing the repair and reconstruction and in prosecuting the same to completion, and during the period after such damage or destruction to completion of repair and restoration, Rent shall entirely abate and shall not be due. Further, Tenant shall not be liable for any Rent during any period after any damage or destruction in which customary ingress and egress to the Leased Premises is materially impeded, by reason of such damage or destruction or by reason of the repair or restoration of the Terminal Building.

Notwithstanding anything elsewhere set forth herein, if repairs cannot be made within one hundred twenty (120) days after the occurrence of damage or destruction to the Leased Premises, Landlord shall notify Tenant within thirty (30) days of the date of occurrence of such damage as to such fact and that either party may, by written notice to the other, cancel this Lease as of the date of occurrence of such damage. In the event of such termination, Tenant shall have no further liability to the Landlord for any rent payments, but Landlord shall immediately pay to Tenant the Tenant Reimbursement Payment, and if the Lease is terminated by Landlord, Tenant shall recover from Landlord Tenant's actual moving costs less insurance payments received by Tenant for its actual moving costs. The maximum contribution by the Landlord to Tenant's actual moving costs, as reduced by insurance payments, shall be \$20,000.

Landlord shall be entitled at all reasonable times (upon not less than two business days notice) to enter onto and upon the Leased Premises and shall have all such rights as may enable it to promptly, efficiently and economically carry on any work or repair, reconstruction or restoration as to which it is obligated hereunder.

SECTION 17 DEFAULT; REMEDIES

If Tenant defaults in the payment of any rental or other sum due hereunder or defaults in the performance of any of the covenants or obligations of Tenant herein, Landlord shall give to Tenant written notice of such default. If Tenant does not cure a default in the performance of an

obligation not involving payment of Rent within thirty (30) days after the giving of such written notice (or, if such default is of such a nature that it cannot be completely cured within such 30 days, if Tenant does not commence such curing within such 30 days and thereafter proceed with reasonable diligence and in good faith to cure such default), then Landlord's sole and exclusive remedy shall be to obtain equitable relief by injunction and restraining order against Tenant or to sue Tenant for recovery of damages for any amount not paid. If Tenant does not cure a default in payment of Rent within ten (10) days after the giving of such written notice, then Landlord's sole and exclusive remedy shall be one of the following, as selected by Landlord:

- a. Surrender of Possession to Landlord. Landlord may require Tenant to surrender possession and Landlord may re-enter and take possession of the Leased Premises on not less than ten (10) days' written notice to Tenant and to Tenant's attorneys, Holland & Hart LLP, which notice shall be sent by certified mail, return receipt requested, and on the last day of the month in which such ten (10) days after notice occurs, Tenant shall surrender possession of the Leased Premises to Landlord, but Tenant shall remain liable to Landlord for all amounts due under the Lease, until (a) the end of the existing Lease term, or (b) the reletting or occupancy of the Leased Premises by Landlord, whichever shall first occur. Landlord shall credit any Rent received from a new tenant against the Rent due by Tenant to a maximum of the Rent received from the new tenant. In no event shall Tenant be entitled to any money if the Rent paid by the new tenant exceeds the Rent due from Tenant. If the City occupies the Leased Premises, the City shall be deemed to be the "new tenant" under the previous sentence and the credit against Rent shall be deemed to be the full amount of Rent payable by Tenant hereunder. If Tenant's right to possession of the Leased Premises ends as set forth in this Section, Landlord may at any time thereafter resume possession of the Leased Premises by any lawful means and remove Tenant or other occupants and their effects; or
- b. Suit. Without terminating this Lease and without re-entering any part of the Premises, and whether or not Tenant has vacated or abandoned or attempted to surrender the Premises, Landlord may maintain Tenant's right to possession and may enforce by suit for money judgment the obligations of Tenant to pay rentals and other sums as and when they fall due.
- c. Termination. Landlord may terminate this Lease on not less than ten (10) days' written notice to Tenant and to Tenant's attorneys, Holland & Hart LLP, which notice shall be sent by certified mail, return receipt requested, and on the last day of the month in which such ten (10) days after notice occurs, the term of this Lease shall terminate and Tenant shall quit and surrender the Leased Premises to Landlord, but Tenants shall remain liable to Landlord for all amounts due under the Lease, due and accrued and payable up to the date of termination. If this Lease is so terminated by Landlord, Landlord may at any time thereafter resume possession of the

Leased Premises by any lawful means and remove Tenant or other occupants and their effects.

In the event Landlord shall terminate this Lease after Tenant's default as above provided, as opposed to the Landlord exercising its option to retake possession of the Leased Premises without terminating the Lease, then Tenant shall have no liability whatsoever to Landlord for any sum, amount, charge, deficiency, cost, penalty, damage, rental or otherwise, accruing or claimed to accrue after the date of such termination or the vacation of the Leased Premises by Tenant, whichever is later except for the "Termination Payment" identified under Exhibit C. In addition, Tenant shall forfeit any unreimbursed Tenant Improvement Costs. However, Landlord has an affirmative obligation hereunder to mitigate its damages and in the event Landlord successfully relets the Leased Premises, then Landlord shall credit to Tenant such rental amounts not in excess of Rent payable hereunder.

If Landlord defaults in the payment of any sum to Tenant hereunder, or if Landlord defaults in the performance of any of the covenants or obligations of Landlord herein, then Tenant shall give to Landlord written notice of such default and if Landlord does not cure any payment obligation within fifteen (15) days, or other default within thirty (30) days after the giving of such written notice (or if such other default is of such a nature that it cannot be completely cured within such 30 days, if Landlord does not commence such curing within such 30 days and thereafter proceed with reasonable diligence and in good faith to cure such default), then Tenant shall have all remedies at law for damages and in equity for specific performance or injunctive relief. In addition, if Landlord defaults in the performance of its covenants and obligations contained in this Lease, then in addition to the above remedies, Tenant may terminate this Lease on not less than thirty (30) days' written notice to Landlord, which notice shall be sent by certified mail, return receipt requested, and on the last day of the month in which such 30th day after notice occurs, the term of this Lease shall terminate and Tenant shall quit and surrender the demised premises to Landlord, but Tenant shall remain liable to Landlord for all unpaid amounts due hereunder and accrued and payable up to the date of Landlord's default, but Tenant shall have no liability for liquidated damages and no liability whatsoever to Landlord for so terminating or for any sum, amount, charge, deficiency, cost, penalty, damage, rental or otherwise accruing or claimed to accrue after the date of such Landlord's default, and Landlord shall, within ninety days of a final judicial determination of termination of the Lease as a result of a default by Landlord, pay the Tenant Reimbursement Payment to Tenant.

Subordination. This Lease may, at Landlord's option but subject to the limitations of the next sentence, be subject to and subordinate to the lien of a trust deed, mortgage or lien resulting from any method of financing or refinancing hereafter placed upon the Leased Premises and/or all or any portion of the Terminal Building, and to any advances made thereunder and to the interest thereon, and to all other amounts advanced thereunder or secured thereby; and all renewals, replacements, modifications, consolidations and extensions thereof. Such subordination shall occur in the event, but only in the event, Landlord shall, prior to the time of foreclosure pursuant to any such trust deed, mortgage or other lien, record with the Routt County Clerk and Recorder a statement executed and acknowledged by the mortgagee, beneficiary or lien holder of the trust deed, mortgage or lien, electing to effectuate such subordination and acknowledging and agreeing to recognize and comply with the terms of this Lease application to Landlord in the event such mortgagee, beneficiary or lien holder shall acquire fee title to the

Leased Premises, and so long as such mortgagee, beneficiary or lien holder agrees not to disturb or modify Tenant's tenancy hereunder in return for Tenant's attornment to the new owner of the Property. Tenant covenants to execute and deliver on demand of Landlord, without cost to Tenant, such instrument or instruments of further assurance subordinating or evidencing the subordination of this Lease to the lien of any such trust deed or deeds, mortgage or mortgages or other lien as aforesaid after occurrence of the events in the preceding sentence, as may be requested by Landlord, its successors and assigns, or by any such mortgagee, beneficiary or lienor.

Notices. Wherever in this Lease it shall be required or permitted that notice or demand be given or served by either party to this Lease to or on the other, such notice or demand shall be given or served and shall not be deemed to have been duly given or served unless in writing either personally served at or forwarded by certified mail to the following addresses:

TO THE LANDLORD: The City of Steamboat Springs
 c/o City Manager
 137 10th Street
 P. O. Box 775088
 Steamboat Springs, CO 80477

With a copy to: Steamboat Springs City Attorney
 137 10th Street
 P. O. Box 775088
 Steamboat Springs, CO 80477

TO THE TENANT: Smartwool LLC
 Attn: President
 P.O. Box 774928
 Steamboat Springs, CO 80477

With a copy to Holland & Hart LLP
 One Boulder Plaza
 1800 Broadway, Suite 300
 Boulder, Colorado 80302
 Attn: J. Marcus Painter

SECTION 18
ATTORNEY'S FEES

In the event of any litigation or arbitration between Tenant and Landlord to enforce any provision of this Lease or any right of either party hereto, each party shall be responsible for its own attorney fees and the substantially successful party to such litigation or arbitration shall

NOT be awarded its reasonable legal fees and costs as against the substantially unsuccessful party.

SECTION 19 ESTOPPEL CERTIFICATE

Tenant and Landlord shall, at any time and from time to time, upon not less than ten (10) days prior written request from the other party to this Lease, execute, acknowledge, and deliver to the requesting party a statement in writing certifying that this Lease is unmodified and in full force and effect (or if modified, stating the nature of such modification and certifying that this Lease, as so modified, is in full force and effect) and the dates to which the Rent and other charges are paid (the “Estoppel Certificate”), provided that neither party to this Lease shall be obligated to deliver an Estoppel Certificate more than two (2) times per calendar year. It is expressly understood and agreed that any such statement may be relied upon by any prospective purchaser or encumbrancer of all or any portion of the Terminal Building or by any other person to whom it is delivered. The failure of either party to deliver such statement within such time shall be conclusive upon such party that this Lease is in full force and effect, without modification except as may be represented by the requesting party, that there are no uncured defaults in the requesting party’s performance, and that no more than two (2) months rental has been paid in advance.

SECTION 20 ABANDONMENT

Tenant shall not vacate or abandon the Leased Premises at any time during the Term hereof, and if Tenant shall abandon, vacate or surrender (whether at the end of the stated Term or otherwise) the Leased Premises for more than thirty (30) consecutive days, or shall be dispossessed by process of law or otherwise for such period, then any personal property belonging to Tenant and left on the Leased Premises shall be deemed abandoned.

SECTION 21 ASSIGNMENT AND SUBLETTING

A. Limitation on Assignment or Subletting. Tenant shall not assign this Lease, or any interest therein, and shall not sublet the Leased Premises, or any part thereof, or any right or privilege appurtenant thereto, or shall not suffer any other person to occupy or use the Leased Premises or any portion thereof, without the written consent of Landlord first had and obtained, (which consent shall not be unreasonably withheld, conditioned or delayed) if Landlord is reasonably satisfied that the assignee or subtenant has a current net worth at least twenty (20) times the then current annual rent as certified by an independent certified public accountant. Any assignment, subletting or occupancy without Landlord’s prior written consent shall be void and shall at the option of Landlord, constitute a default under this lease. Neither this Lease nor any interest therein shall be assignable as to the interest of Tenant by operation of law without the written consent of Landlord, which consent may not be unreasonably withheld. Notwithstanding the foregoing, Tenant shall have the right to assign the Lease or sublet the Leased Premises or any portion thereof to an entity controlling, controlled by, or under common control with the Tenant, a parent or a subsidiary of Tenant.

B. Acceptance of Performance No Waiver. If this Lease be assigned, or if the Leased Premises or any part thereof be sublet or occupied by anybody other than Tenant, Landlord may, after default by Tenant, collect the Rent from the assignees, subtenant, or occupant and apply the net amount collected to the Rent herein reserved, but no such assignment, subletting, occupancy or collection shall be deemed an acceptance of the assignee, subtenant or occupant as the Tenant hereof, or constitute a release of Tenant from further performance by Tenant of covenants on the part of Tenant herein contained. A sale by Tenant of all or substantially all of its assets or all or substantially all of its shares, if Tenant is a corporation, a merger of Tenant with another corporation, or the transfer of twenty-five percent (25%) or more of the beneficial ownership interests in a partnership tenant, without the prior written consent of Landlord, shall constitute a prohibited assignment hereunder. Consent by Landlord to any one assignment or subletting shall not in any way be construed as relieving Tenant from obtaining the Landlord's express written consent to any further assignments or subletting. Notwithstanding the consent of Landlord to any subletting assignment, Tenant shall not be relieved from its obligations hereunder to Landlord. Notwithstanding anything elsewhere set forth in this Section 21, the merger of Tenant with another corporation where Tenant is the surviving corporation shall not be deemed an assignment hereunder.

C. Landlord to Approve Documents. All documents utilized by Tenant to evidence any subletting or assignment to which Landlord has consented shall be subject to reasonable prior approval by Landlord or its attorney. Tenant shall pay on demand all Landlord's costs and expenses, including reasonable attorney's fees, incurred in determining whether or not to consent to any requested subletting or assignment and in reviewing and approving such documentation.

SECTION 22 MISCELLANEOUS PROVISIONS

A. The term "Landlord", as used in this Lease, means only the landlord from time to time, and upon conveying or transferring its interest, Landlord shall be relieved from any further obligation or liability pursuant to this Lease, except as otherwise provided in Section 23 hereof.

B. Time is of the essence of this Lease and of each and all of its provisions.

C. Submission of this instrument for examination or signature by Tenant does not constitute a reservation of or an option for lease, and it is not effective as a lease or otherwise until execution by both Landlord and Tenant.

D. The invalidity or unenforceability of any provision hereof shall not affect or impair any other provisions.

E. This Lease shall be governed by and construed pursuant to the laws of the State of Colorado.

F. All rights and remedies of Landlord under this Lease or those, which may be provided by law, may be exercised by Landlord in its own name individually, or in its name by its agent. Landlord and Tenant each represent to the other that each has full power and authority to execute this Lease and to make and perform the agreements herein contained, and Tenant expressly stipulates that any rights or remedies available to Landlord, either by the provisions of

this Lease or otherwise, may be enforced by Landlord in its own name individually or in its name by its agent.

G. The marginal headings and titles to the paragraphs of this Lease are not a part of this Lease and shall have no effect upon the construction or interpretation of any part hereof.

H. Tenant and Landlord acknowledge that there are no covenants, representations, warranties, agreements, or conditions, expressed or implied, collateral or otherwise, forming part of or in any way affecting or relating to this Lease except as expressly set out in this Lease and the attachments hereto, and that the terms and provisions of this Lease may not be modified or amended except by written instrument signed by both Landlord and Tenant.

I. Tenant represents and warrants to Landlord that Tenant has the authority to execute this Lease and that all authorizations, approvals and consents necessary for the proper execution of this Lease have been obtained in accordance with law.

J. The parties acknowledge that the Charter of the City of Steamboat Springs requires that any lease of an interest in real property, including this Lease, be authorized by the adoption of an ordinance and shall not be effective until thirty days after passage.

All obligations of the City under this contract are expressly conditioned upon (a) the City Council passing an ordinance adopting and ratifying this Lease and authorizing and ratifying the signature of the City Council President or President Pro Tem as the binding obligation of the City to lease the Leased Premises; and (b) the passage of 30 days after the passage of the ordinance without the filing of a petition of referendum, lawsuit, or other challenge to the ordinance so adopted. If an ordinance adopting, ratifying and authorizing this contract and the City Council President's signature hereon is not passed and adopted by the City Council by September 6, 2011, this Lease shall be null and void and of no further affect.

K. The Tenant acknowledges that despite the location of the Leased Premises immediately adjacent to the Airport Operations Area ("AOA") of the Airport, Tenant is prohibited from entering the AOA from the Leased Premises. Tenant, its employees, agents, contractors, invitees, customers and clients may only access the AOA through the City's FBO operation in accordance with the rules and regulations adopted by the City, from time to time, intended to regulate and supervise such access.

SECTION 23 SALE BY LANDLORD

In the event of a sale or conveyance or transfer by Landlord of its interest in the Leased Premises, or in this Lease, Landlord shall continue to be liable for performance of the obligations of Landlord, expressed or implied, herein contained in favor of Tenant. This Lease shall not be affected by any such sale, conveyance, or transfer, and Tenant agrees to attorn to such purchaser or transferee.

**SECTION 24
QUIET ENJOYMENT**

Subject to the terms and provisions of this Lease, Landlord covenants and agrees that Tenant, upon complying with all of the obligations of Tenant hereunder, and subject to the terms and provisions hereof, shall peaceably and quietly enjoy the Leased Premises and Tenant's rights hereunder the Term hereof, without hindrance by Landlord or any persons claiming under Landlord; provided, however, that the Tenant acknowledges that the Leased Premises are immediately adjacent to the Airport and that airplanes and helicopters frequently land at the Airport and that there are associated noises, vibrations, and other inconveniences associated with that proximate location. The noise, vibrations, and other inconveniences associated with the proximate location of the Leased Premises to the Airport shall not be a basis for claiming a breach of this covenant of peaceable and quiet enjoyment of the Leased Premises.

**SECTION 25
NOTICE**

Any notice from Landlord to Tenant or from Tenant to Landlord shall be in writing and may be served personally or by mail. If served by mail, it shall be mailed by registered or certified mail, return receipt requested, addressed to Tenant at the address set forth hereafter, or to Landlord at the place from time to time established for the payment of Rent. Notices served in person shall be served in the same manner as required for personal service under the Colorado Rules of Civil Procedure.

**SECTION 26
SUCCESSORS AND ASSIGNS**

Subject to the terms and provisions of this Lease, the covenants and conditions herein contained shall apply to and bind the respective heirs, successors, executors, administrators, and assigns of the parties hereto, and the terms "Landlord" and "Tenant" shall include the successors and assigns of either such party, whether immediate or remote.

IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease the day and year first above written.

LANDLORD:

TENANT:

CITY OF STEAMBOAT SPRINGS

SMARTWOOL LLC

By: _____

By: _____

Cari Hermacinski
City Council President

Mark Satkiewicz
President and General Manager

ATTEST:

Julie Franklin, City Clerk

ATTACHMENTS:

1. Exhibit A – Description of Original Leased Premises
2. Exhibit B – Description of Additional Leased Premises
3. Exhibit C – Schedule of Termination Payments
4. Exhibit D – Description of Tenant Improvements

EXHIBIT A

Attached to and made a part of that Commercial Lease dated _____, 2011 between the City of Steamboat Springs (“Landlord”) and Smartwool LLC (“Tenant”).

DESCRIPTION OF ORIGINAL LEASED PREMISES

See floor plan attached.

EXHIBIT B

Attached to and made a part of that Commercial Lease dated _____, 2011 between the City of Steamboat Springs (“Landlord”) and Smartwool LLC (“Tenant”).

DESCRIPTION OF ADDITIONAL LEASED PREMISES

See floor plan attached.



 ES EPIC SMITH ASSOCIATES, P.C. ARCHITECTURE • PLANNING BOULDER, COLORADO STEAMBOAT SPRING, COLORADO 303442-8488, 303442-4746 FAX	SMARTWOOL OFFICE AIRPORT TERMINAL STEAMBOAT SPRINGS		REVISIONS <table border="1"> <thead> <tr> <th>NO.</th> <th>DATE</th> <th>DESCRIPTION</th> </tr> </thead> <tbody> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> </tbody> </table>	NO.	DATE	DESCRIPTION																			<small> 1. This drawing is the property of Epic Smith Associates, P.C. and is to be used only for the project and location specified. It is not to be used for any other project or location without the written consent of Epic Smith Associates, P.C. 2. This drawing is not to be used for construction without the written consent of Epic Smith Associates, P.C. 3. This drawing is not to be used for any other purpose without the written consent of Epic Smith Associates, P.C. 4. This drawing is not to be used for any other project or location without the written consent of Epic Smith Associates, P.C. 5. This drawing is not to be used for any other purpose without the written consent of Epic Smith Associates, P.C. </small>
	NO.	DATE	DESCRIPTION																						
JOB NO. 020600 DATE 01/11/11 DRAWN BY CHECKED BY DRAWING PHASE DATE PLOTTED 01/11/11 SHEET TITLE FLOOR PLAN AREA CALC. SHEET NUMBER A201																									

EXHIBIT C

Attached to and made a part of that Commercial Lease dated _____, 2011 between the City of Steamboat Springs (“Landlord”) and Smartwool LLC (“Tenant”).

SCHEDULE OF TERMINATION PAYMENTS

Compound Period: Monthly

Nominal Annual Rate: 3.500 %

CASH FLOW DATA

	Event	Date	Amount	Number	Period	End Date
1	Loan	12/01/2012	946,545.77	1		
2	Payment	01/01/2013	9,360.00	120	Monthly	12/01/2022

AMORTIZATION SCHEDULE - Normal Amortization

	Date	Payment	Interest	Principal	Balance
Loan	12/01/2012				946,545.77
2012 Totals		0.00	0.00	0.00	
1	01/01/2013	9,360.00	2,760.76	6,599.24	939,946.53
2	02/01/2013	9,360.00	2,741.51	6,618.49	933,328.04
3	03/01/2013	9,360.00	2,722.21	6,637.79	926,690.25
4	04/01/2013	9,360.00	2,702.85	6,657.15	920,033.10
5	05/01/2013	9,360.00	2,683.43	6,676.57	913,356.53
6	06/01/2013	9,360.00	2,663.96	6,696.04	906,660.49
7	07/01/2013	9,360.00	2,644.43	6,715.57	899,944.92
8	08/01/2013	9,360.00	2,624.84	6,735.16	893,209.76
9	09/01/2013	9,360.00	2,605.20	6,754.80	886,454.96
10	10/01/2013	9,360.00	2,585.49	6,774.51	879,680.45
11	11/01/2013	9,360.00	2,565.73	6,794.27	872,886.18
12	12/01/2013	9,360.00	2,545.92	6,814.08	866,072.10
2013 Totals		112,320.00	31,846.33	80,473.67	
13	01/01/2014	9,360.00	2,526.04	6,833.96	859,238.14
14	02/01/2014	9,360.00	2,506.11	6,853.89	852,384.25
15	03/01/2014	9,360.00	2,486.12	6,873.88	845,510.37
16	04/01/2014	9,360.00	2,466.07	6,893.93	838,616.44
17	05/01/2014	9,360.00	2,445.96	6,914.04	831,702.40
18	06/01/2014	9,360.00	2,425.80	6,934.20	824,768.20

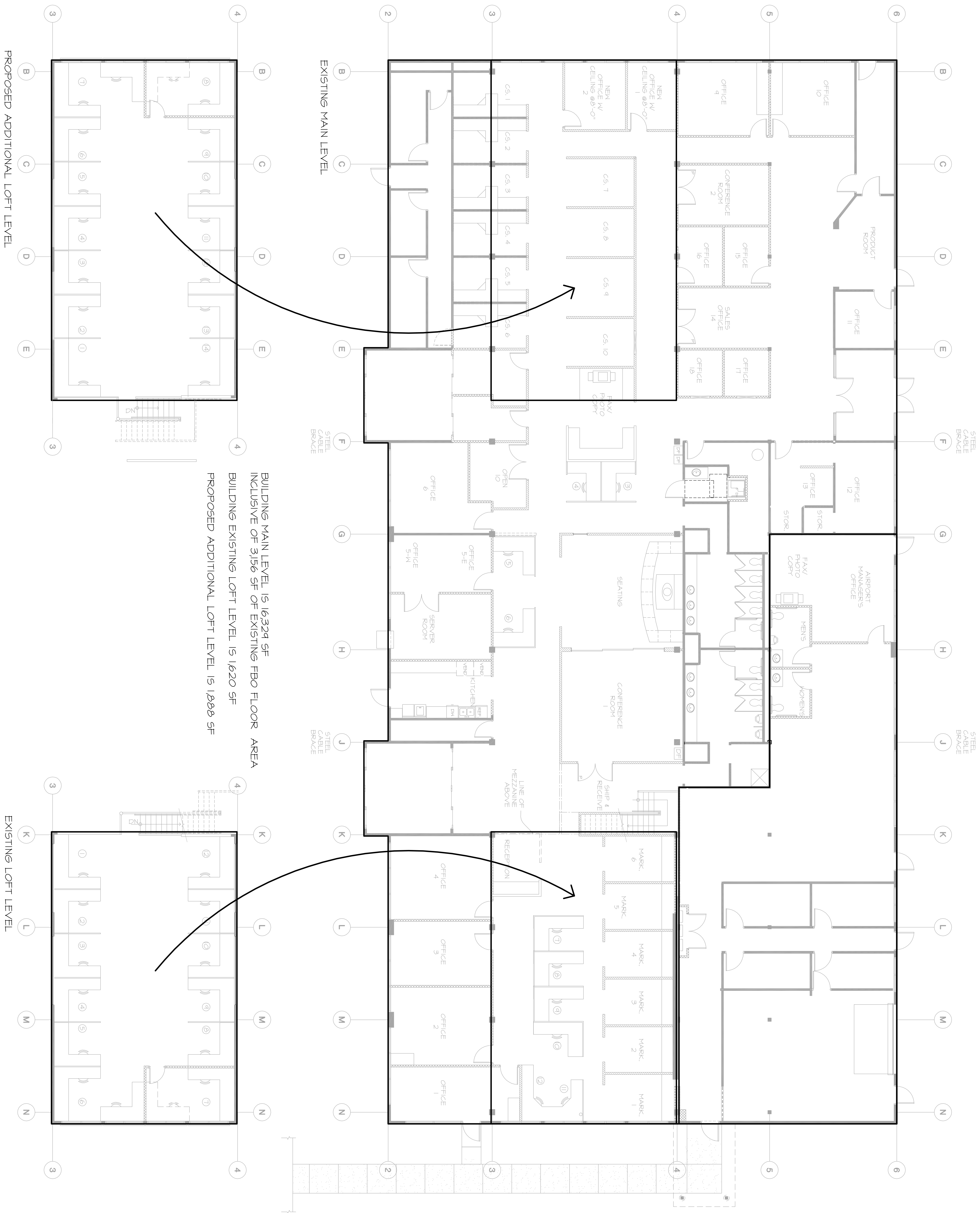
19	07/01/2014	9,360.00	2,405.57	6,954.43	817,813.77
20	08/01/2014	9,360.00	2,385.29	6,974.71	810,839.06
21	09/01/2014	9,360.00	2,364.95	6,995.05	803,844.01
22	10/01/2014	9,360.00	2,344.55	7,015.45	796,828.56
23	11/01/2014	9,360.00	2,324.08	7,035.92	789,792.64
24	12/01/2014	9,360.00	2,303.56	7,056.44	782,736.20
2014 Totals		112,320.00	28,984.10	83,335.90	
25	01/01/2015	9,360.00	2,282.98	7,077.02	775,659.18
26	02/01/2015	9,360.00	2,262.34	7,097.66	768,561.52
27	03/01/2015	9,360.00	2,241.64	7,118.36	761,443.16
28	04/01/2015	9,360.00	2,220.88	7,139.12	754,304.04
29	05/01/2015	9,360.00	2,200.05	7,159.95	747,144.09
30	06/01/2015	9,360.00	2,179.17	7,180.83	739,963.26
31	07/01/2015	9,360.00	2,158.23	7,201.77	732,761.49
32	08/01/2015	9,360.00	2,137.22	7,222.78	725,538.71
33	09/01/2015	9,360.00	2,116.15	7,243.85	718,294.86
34	10/01/2015	9,360.00	2,095.03	7,264.97	711,029.89
35	11/01/2015	9,360.00	2,073.84	7,286.16	703,743.73
36	12/01/2015	9,360.00	2,052.59	7,307.41	696,436.32
2015 Totals		112,320.00	26,020.12	86,299.88	
37	01/01/2016	9,360.00	2,031.27	7,328.73	689,107.59
38	02/01/2016	9,360.00	2,009.90	7,350.10	681,757.49
39	03/01/2016	9,360.00	1,988.46	7,371.54	674,385.95
40	04/01/2016	9,360.00	1,966.96	7,393.04	666,992.91
41	05/01/2016	9,360.00	1,945.40	7,414.60	659,578.31
42	06/01/2016	9,360.00	1,923.77	7,436.23	652,142.08
43	07/01/2016	9,360.00	1,902.08	7,457.92	644,684.16
44	08/01/2016	9,360.00	1,880.33	7,479.67	637,204.49
45	09/01/2016	9,360.00	1,858.51	7,501.49	629,703.00
46	10/01/2016	9,360.00	1,836.63	7,523.37	622,179.63
47	11/01/2016	9,360.00	1,814.69	7,545.31	614,634.32
48	12/01/2016	9,360.00	1,792.68	7,567.32	607,067.00
2016 Totals		112,320.00	22,950.68	89,369.32	
49	01/01/2017	9,360.00	1,770.61	7,589.39	599,477.61
50	02/01/2017	9,360.00	1,748.48	7,611.52	591,866.09
51	03/01/2017	9,360.00	1,726.28	7,633.72	584,232.37
52	04/01/2017	9,360.00	1,704.01	7,655.99	576,576.38
53	05/01/2017	9,360.00	1,681.68	7,678.32	568,898.06
54	06/01/2017	9,360.00	1,659.29	7,700.71	561,197.35
55	07/01/2017	9,360.00	1,636.83	7,723.17	553,474.18
56	08/01/2017	9,360.00	1,614.30	7,745.70	545,728.48
57	09/01/2017	9,360.00	1,591.71	7,768.29	537,960.19
58	10/01/2017	9,360.00	1,569.05	7,790.95	530,169.24

59	11/01/2017	9,360.00	1,546.33	7,813.67	522,355.57
60	12/01/2017	9,360.00	1,523.54	7,836.46	514,519.11
2017 Totals		112,320.00	19,772.11	92,547.89	
61	01/01/2018	9,360.00	1,500.68	7,859.32	506,659.79
62	02/01/2018	9,360.00	1,477.76	7,882.24	498,777.55
63	03/01/2018	9,360.00	1,454.77	7,905.23	490,872.32
64	04/01/2018	9,360.00	1,431.71	7,928.29	482,944.03
65	05/01/2018	9,360.00	1,408.59	7,951.41	474,992.62
66	06/01/2018	9,360.00	1,385.40	7,974.60	467,018.02
67	07/01/2018	9,360.00	1,362.14	7,997.86	459,020.16
68	08/01/2018	9,360.00	1,338.81	8,021.19	450,998.97
69	09/01/2018	9,360.00	1,315.41	8,044.59	442,954.38
70	10/01/2018	9,360.00	1,291.95	8,068.05	434,886.33
71	11/01/2018	9,360.00	1,268.42	8,091.58	426,794.75
72	12/01/2018	9,360.00	1,244.82	8,115.18	418,679.57
2018 Totals		112,320.00	16,480.46	95,839.54	
73	01/01/2019	9,360.00	1,221.15	8,138.85	410,540.72
74	02/01/2019	9,360.00	1,197.41	8,162.59	402,378.13
75	03/01/2019	9,360.00	1,173.60	8,186.40	394,191.73
76	04/01/2019	9,360.00	1,149.73	8,210.27	385,981.46
77	05/01/2019	9,360.00	1,125.78	8,234.22	377,747.24
78	06/01/2019	9,360.00	1,101.76	8,258.24	369,489.00
79	07/01/2019	9,360.00	1,077.68	8,282.32	361,206.68
80	08/01/2019	9,360.00	1,053.52	8,306.48	352,900.20
81	09/01/2019	9,360.00	1,029.29	8,330.71	344,569.49
82	10/01/2019	9,360.00	1,004.99	8,355.01	336,214.48
83	11/01/2019	9,360.00	980.63	8,379.37	327,835.11
84	12/01/2019	9,360.00	956.19	8,403.81	319,431.30
2019 Totals		112,320.00	13,071.73	99,248.27	
85	01/01/2020	9,360.00	931.67	8,428.33	311,002.97
86	02/01/2020	9,360.00	907.09	8,452.91	302,550.06
87	03/01/2020	9,360.00	882.44	8,477.56	294,072.50
88	04/01/2020	9,360.00	857.71	8,502.29	285,570.21
89	05/01/2020	9,360.00	832.91	8,527.09	277,043.12
90	06/01/2020	9,360.00	808.04	8,551.96	268,491.16
91	07/01/2020	9,360.00	783.10	8,576.90	259,914.26
92	08/01/2020	9,360.00	758.08	8,601.92	251,312.34
93	09/01/2020	9,360.00	732.99	8,627.01	242,685.33
94	10/01/2020	9,360.00	707.83	8,652.17	234,033.16
95	11/01/2020	9,360.00	682.60	8,677.40	225,355.76
96	12/01/2020	9,360.00	657.29	8,702.71	216,653.05
2020 Totals		112,320.00	9,541.75	102,778.25	

97	01/01/2021	9,360.00	631.90	8,728.10	207,924.95
98	02/01/2021	9,360.00	606.45	8,753.55	199,171.40
99	03/01/2021	9,360.00	580.92	8,779.08	190,392.32
100	04/01/2021	9,360.00	555.31	8,804.69	181,587.63
101	05/01/2021	9,360.00	529.63	8,830.37	172,757.26
102	06/01/2021	9,360.00	503.88	8,856.12	163,901.14
103	07/01/2021	9,360.00	478.04	8,881.96	155,019.18
104	08/01/2021	9,360.00	452.14	8,907.86	146,111.32
105	09/01/2021	9,360.00	426.16	8,933.84	137,177.48
106	10/01/2021	9,360.00	400.10	8,959.90	128,217.58
107	11/01/2021	9,360.00	373.97	8,986.03	119,231.55
108	12/01/2021	9,360.00	347.76	9,012.24	110,219.31
2021 Totals		112,320.00	5,886.26	106,433.74	
109	01/01/2022	9,360.00	321.47	9,038.53	101,180.78
110	02/01/2022	9,360.00	295.11	9,064.89	92,115.89
111	03/01/2022	9,360.00	268.67	9,091.33	83,024.56
112	04/01/2022	9,360.00	242.15	9,117.85	73,906.71
113	05/01/2022	9,360.00	215.56	9,144.44	64,762.27
114	06/01/2022	9,360.00	188.89	9,171.11	55,591.16
115	07/01/2022	9,360.00	162.14	9,197.86	46,393.30
116	08/01/2022	9,360.00	135.31	9,224.69	37,168.61
117	09/01/2022	9,360.00	108.41	9,251.59	27,917.02
118	10/01/2022	9,360.00	81.42	9,278.58	18,638.44
119	11/01/2022	9,360.00	54.36	9,305.64	9,332.80
120	12/01/2022	9,360.00	27.20	9,332.80	0.00
2022 Totals		112,320.00	2,100.69	110,219.31	
Grand Totals		1,123,200.00	176,654.23	946,545.77	
			0		

Last interest amount decreased by 0.02 due to rounding.

5075925_16.DOCX



BUILDING MAIN LEVEL IS 16,324 SF
 INCLUSIVE OF 3,156 SF OF EXISTING FBO FLOOR AREA
 BUILDING EXISTING LOFT LEVEL IS 16,220 SF
 PROPOSED ADDITIONAL LOFT LEVEL IS 1,888 SF

EXISTING LOFT LEVEL

PROPOSED ADDITIONAL LOFT LEVEL

1 FLOOR PLAN AREA CALCULATION
(A201)
 SCALE: 1/8"=1'-0"

NOTICE: LIMIT OF LIABILITY

Eric Smith Associates, P.C. and its employees, agents, consultants, subcontractors, and suppliers shall not be liable for any damages, including reasonable attorneys' fees, arising from the use of the information contained herein for any purpose other than that for which it was prepared. The user of the information contained herein shall be responsible for its own actions and the consequences thereof. The user of the information contained herein shall release and defend Eric Smith Associates, P.C. and its employees, agents, consultants, subcontractors, and suppliers from and against all claims, damages, and costs, including reasonable attorneys' fees, arising from the use of the information contained herein for any purpose other than that for which it was prepared.

All design documents and data prepared by Eric Smith Associates, P.C. are the property of Eric Smith Associates, P.C. and shall remain the confidential and proprietary information of Eric Smith Associates, P.C. The user of the information contained herein shall not disclose, disseminate, or otherwise make available the information contained herein to any third party without the prior written consent of Eric Smith Associates, P.C.

REVISIONS		
NO.	DATE	DESCRIPTION

**SMARTWOOL
 OFFICE
 AIRPORT TERMINAL
 STEAMBOAT SPRINGS**

ERIC SMITH ASSOCIATES, P.C.
 ARCHITECTURE - PLANNING
 BOULDER, COLORADO
 STEAMBOAT SPRINGS, COLORADO
 (303)442-5455, (303)442-4745 FAX

JOB NO.: 09056.00
 DATE: 05/16/11
 DRAWN: ESA
 CHECKED: TSN
 DRAWING PHASE
 PRELIMINARY BID

SHEET TITLE
 FLOOR PLAN AREA CALC.
 SHEET NUMBER
A201