

SECOND AMENDMENT TO THE 2020 LEASE AGREEMENT

This SECOND AMENDMENT TO THE LEASE AGREEMENT (the “Second Amendment”), is entered into on this 20th day of July 2021, between the TOWN OF EMPIRE, a Colorado Statutory Town hereinafter referred to as the “Town” or “Lessor”; and GUANELLA PASS BREWING COMPANY, LLC, a Colorado limited liability company; hereinafter referred to as “Lessee.” Individually, Lessor and Lessee may be referred to as “Party” and collectively as “Parties.”

WHEREAS, the Parties entered into a Lease Agreement on January 21, 2020 (the “Lease”); and

WHEREAS, the Parties wish to amend the Lease to modify the lease payment schedule.

NOW, THEREFORE, in consideration of the mutual promises made herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Paragraph 2 of the Lease is hereby amended as follows:

Rent. Rent shall be paid in accordance with the following schedule:

\$1 per month for February 1, 2020, through June 30, 2021, excluding May.

\$400 per month for July 1, 2021, through December 31, 2021, excluding October, and November.

\$800 per month for January 1, 2022, through July 31, 2022, excluding May.

\$1200 per month for August 1, 2022, through February 1, 2024, excluding May, October, and November.

All payments are due on the first day of each month. Should Lessee fail to timely tender the agreed upon rent payment on or before the first of each month, a late fee of ten percent (10%) of the agreed upon rent payment shall apply. Any payment not received by the 15th of the month for which it is due shall constitute an immediate and material breach of this Lease Agreement.

[ORIGINAL PARAGRAPH] Option to Extend: Lessee shall have the option to extend this Lease for up to two additional 4-year terms (each an “Option”). Lessee shall have the option to renew the Lease on or before June 1, 2024 (first option) and June 1 2028 (second option) by giving written notice to the Lessor of its intent to extend the Lease. The parties agree to discuss, in good faith, the monthly lease rate at the time Lessee provides Lessor with written notice of its intent to exercise each option contained herein. If the Lessee and Lessor are unable to agree on a rent amount prior to the start of the option period, the Lease will be terminated.

[SUGGESTED EDIT] Option to Extend: Lessee shall have the option to extend this Lease for an unlimited number of additional 4-year terms (each an “Option”). Lessee shall have the option to renew the Lease on or before February 1, 2024 (first option) and February 1 2028 (second option) and February 1 of each subsequent 4-year term by giving written notice to the

Lessor of its intent to extend the Lease. The parties agree to discuss, in good faith, the monthly lease rate at the time Lessee provides Lessor with written notice of its intent to exercise each option contained herein. If the Lessee and Lessor are unable to agree on a rent amount prior to the start of the option period, the Lease will be terminated.

2. Paragraph 1 of the Lease is hereby amended as follows:

[ORIGINAL PARAGRAPH] This Lease shall have a four (4) year term commencing on February 1, 2020, and expiring on February 1, 2024, unless sooner terminated in accordance with the provisions set forth in this Lease.

[SUGGESTED EDIT] This Lease shall have a four (4) year term commencing on February 1, 2020, and expiring on February 1, 2024, with an option to renew for up to seven (7) additional four-year terms pursuant to the provisions of Paragraph 2 below, unless sooner terminated in accordance with the provisions set forth in this Lease.

3. Subgraph 7(b) of the Lease is hereby amended as follows:

[ORIGINAL PARAGRAPH] (b) The brewery/restaurant will be open for business at least 250 days each year of the Lease (a year of the Lease is February 1, 2020 through January 31, 2021, February 1, 2021 through January 31, 2022, February 1, 2022 through January 31, 2023, and February 1, 2023 through January 31, 2024). The brewery/restaurant will be considered open for business under this subsection if it is open to serve customers for at least four (4) hours in a given day. Lessee, should it so choose, may operate three hundred and sixty-five days a year, and is not required to close its business except as otherwise dictated by federal, state, or local law.

[SUGGESTED EDIT] (b) The brewery/restaurant will be open for business at least 250 days each year of the Lease (a year of the Lease is February 1, 2020 through January 31, 2021, February 1, 2021 through January 31, 2022, February 1, 2022 through January 31, 2023, and February 1, 2023 through January 31, 2024, and similarly for each subsequent year this Lease is in effect). The brewery/restaurant will be considered open for business under this subsection if it is open to serve customers for at least four (4) hours in a given day. Lessee, should it so choose, may operate three hundred and sixty-five days a year, and is not required to close its business except as otherwise dictated by federal, state, or local law.

4. Except as amended or modified herein, all other terms and conditions of the Lease, shall continue in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Second Amendment to the Lease on the date set forth above.

LESSOR:

TOWN OF EMPIRE

By: _____
Mayor Wendy Koch

LESSEE:

GUANELLA PASS BREWING
COMPANY, LLC

By: _____
Steve Skalski

ATTEST: _____
Town Clerk Jeannette Piel