REGULAR CITY COUNCIL MEETING AGENDA
Tuesday, November 18, 2025 - 6:00 PM
City Council Chambers, Elks Civic Building - 107 S. Cascade Ave.

The Montrose City Council is pleased to have residents of the community take time to attend City Council meetings. We encourage your attendance and participation. Individuals wishing to be heard during public hearing proceedings are encouraged to be prepared and will generally be limited to three minutes to allow everyone the opportunity to be heard. Additional written comments are welcome and will be received at any time. The 11:00 p.m. rule will be enforced in accordance with City of Montrose Regulations (Sec. 7-15-2).

Public participation for this meeting will be in person in the City Council Chambers. The meeting can be viewed online via livestream and video recordings of the meetings can be viewed on our YouTube page.

Hearing assistance devices are available for public use. Please let us know if you need accommodation. The City also offers interpretation for Spanish speakers. Schedule time to book this resource, by emailing the City at least 3 days before the meeting.

1) City Council meeting called to order by Mayor Dave Frank

2) The Pledge of Allegiance

3) Roll call by the City Clerk

4) Changes to the agenda including additions and deletions

5) You Make a Difference Award Presentation

6) **CALL FOR PUBLIC COMMENT FOR NON-AGENDA ITEMS**

The "Call for Public Comment" agenda item is a time when concerned members of the community may publicly voice their concerns and discuss items of interest. Please note that no formal action will be taken on the matters raised during this time.

**Please note that the times listed are estimates only. Actual times may vary depending upon discussion and public comment received.*

Comments made during this time should be addressed to the Council and pertain to matters of at least general importance to the City and its operations. Please be aware that neither City Council nor City staff are expected to respond or engage in discussion or debate.

Please refrain from any personal attacks and disagreements, personnel and employment matters, the use of profanity or ethnic, racial, or gender-oriented slurs as they may be considered “disorderly conduct” which violates state or local law.

7) **APPROVAL OF MINUTES** (5 minutes)

City Council consideration of the minutes of the November 4, 2025, regular City Council meeting. *Staff: City Clerk Lisa DelPiccolo*

Action: Consider making a motion to approve the minutes of the November 4, 2025, regular City Council meeting as presented.

8) **NEW HOTEL AND RESTAURANT LIQUOR LICENSE APPLICATION** (15 minutes)

City Council consideration of an application for a new Hotel and Restaurant liquor license at 232 E. Main Street for Eatery 66 North LLC, doing business as Eatery 66 North, for consumption on the licensed premises. *Staff: Assistant City Attorney Matt Magliaro*

Action: Hold a hearing. Consider making a motion to approve a new Hotel and Restaurant liquor license at 232 E. Main Street for Eatery 66 North LLC, doing business as Eatery 66 North, for consumption on the licensed premises.

9) **2026 BUDGET APPROVAL** (15 minutes)
Staff: Finance Director Shani Wittenberg

A) **Ordinance 2695 - Second Reading:** City Council consideration of Ordinance 2695 on second reading, an Ordinance of the City of Montrose, Colorado, providing and appropriating funds for defraying the expenses and liabilities of the City of Montrose, Colorado, during the fiscal year beginning January 2026.

Action: Accept public comment. Consider making a motion to adopt Ordinance 2695 on second reading as presented.

B) **Resolution 2025-20:** City Council consideration of Resolution 2025-20 adopting the 2026 Municipal Budget.

Action: Accept public comment. Consider making a motion to adopt Resolution 2025-20 as presented.

10) **ORDINANCE 2698 - FIRST READING** (15 minutes)

City Council consideration of Ordinance 2698 on first reading, an Ordinance of the City of Montrose, Colorado, amending Ordinance No. 2674 which appropriated funds for defraying the expenses and liabilities of the City of Montrose, Colorado, during the fiscal year beginning January 1, 2025; said expenditures of the City of Montrose over and above those anticipated at the time of adoption of the original budget for the fiscal year beginning January 1, 2025. *Staff: Finance Director Shani Wittenberg*

Action: Hold a hearing. Consider making a motion to pass Ordinance 2698 on first reading as presented.

11) **ORDINANCE 2699 - FIRST READING** (15 minutes)

City Council consideration of Ordinance 2699 on first reading, an Ordinance of the City of Montrose, Colorado, authorizing the sale of real property owned by the City of Montrose located off Niagara Road to Volunteers of America. *Staff: City Manager William Bell*

Action: Hold a hearing. Consider making a motion to pass Ordinance 2699 on first reading as presented.

12) **COMMUNITY DEVELOPMENT BLOCK GRANT MODIFICATION LETTER** (10 minutes)

City Council consideration of a grant modification request to a previously awarded Community Development Block Grant in partnership with Haven House. *Staff: Deputy City Manager Ann Morgenthaler*

Accept public comment. Consider making a motion to approve the mayoral signature on a letter to the State of Colorado requesting a grant modification to a previously awarded Community Development Block Grant.

13) **ORDINANCE 2696 - SECOND READING** (15 minutes)

City Council consideration of Ordinance 2696 on second reading, an Ordinance of the City of Montrose, Colorado, amending the zoning district designation of Lot 1 of the Parsons Subdivision from "R-4," High Density District, to "B-2," Highway Commercial District. *Staff: Senior Planner William Reis*

Action: Accept public comment. Consider making a motion to adopt Ordinance 2696 on second reading as presented.

14) **ORDINANCE 2697 - SECOND READING** (15 minutes)

City Council consideration of Ordinance 2697 on second reading, an Ordinance of the City of Montrose, Colorado, amending the zoning district designation of 12658 6450 Road from "MHR," Manufactured Housing Residential District, to "R-6," Medium Density/Manufactured Housing District. *Staff: Senior Planner William Reis*

Action: Accept public comment. Consider making a motion to adopt Ordinance 2697 on second reading as presented.

15) **STAFF REPORTS**

A) Sales, Use, and Excise Tax Report (5 minutes)
Staff: Sales Tax Manager Leeanne Whittaker

B) Third Quarter Budget Review (5 minutes)
Staff: Finance Director Shani Wittenberg

16) **YOUTH CITY COUNCIL REPORT**

17) **CITY COUNCIL COMMENTS**

18) **MOTION TO ADJOURN**

MONTROSE CITY COUNCIL

November 4, 2025

A regular meeting of the Montrose City Council was held on Tuesday, November 4, 2025, at 6:00 p.m. in the City Council Chambers of the Elks Civic Building at 107 S. Cascade Avenue. Said meeting was posted in accordance with the Sunshine Law.

PRESENT

Dave Frank, Judy Ann Files, Doug Glaspell, J. David Reed, Ed Ulibarri, Katie Jakino, Niyati Patel, Bill Bell, Ann Morgenthaler, Chris Dowsey, Greg Story, Lisa DelPiccolo, Matt Magliaro, Shani Wittenberg, David Bries, Jace Hochwalt, William Reis, Gunnison Clamp, Tim Cox, Larry Witte, Scott Murphy, Hyram Webb, Greg Stunder, Leif Betancourt-Ege

GUESTS

Kelly Thompson, Bethany Maher, Matt Miles, Marci Miles, John Brown, Mel McKelvey, Kendra Stuckey, Filiberto Cordova, Justin Grant

CALL TO ORDER

Mayor Dave Frank called the meeting to order at 6:00 p.m.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited.

CHANGES TO THE AGENDA

No changes were made to the agenda.

YOU MAKE A DIFFERENCE AWARD

Mayor Dave Frank Presented a You Make a Difference Award to Bethany Maher, executive director of MADA (Mexican American Development Association).

HOSPICE MONTH PROCLAMATION

Mayor Dave Frank and the Montrose City Council proclaimed November 2025 as Hospice Month in the City of Montrose. Mayor Frank presented the proclamation to Kelly Thompson, Montrose program director for HopeWest.

CALL FOR PUBLIC COMMENT

Mel McKelvey, chair of the Uncompahgre Valley Alliance, spoke in support of funding public transportation.

Kendra Stuckey, also with Uncompahgre Valley Alliance, spoke in support of the City prioritizing funding for All Points Transit. Ms. Stuckey requested an opportunity to collaborate on how revenues from the recent lodging tax increase could be used to develop a robust local transportation infrastructure.

John Brown spoke in favor of a non-sanctuary city declaration by City Council. Mr. Brown also spoke in support of assistance for the unhoused population and in support of the City working with Lighthouse Inc. and Shepherd's Hand to provide services to those in need.

Justin Grant spoke in support of assisting the homeless and in opposition to imposing jail time for homelessness. Mr. Grant requested a space for the unhoused population to be allowed to congregate.

Filiberto Cordova acknowledged Bethany Maher for her success as executive director of MADA. Mr. Cordova also thanked the City of Montrose for ongoing support of the MADA organization.

APPROVAL OF MINUTES

City Council considered the minutes of the October 21, 2025, regular City Council meeting.

A motion was made by Doug Glaspell, seconded by Ed Ulibarri, to approve the minutes of the October 21, 2025, regular City Council meeting as presented. All voted yes. Motion passed.

ORDINANCE 2695 – FIRST READING

City Council considered Ordinance 2695 on first reading, an Ordinance of the City of Montrose, Colorado, providing and appropriating funds for defraying the expenses and liabilities of the City of Montrose, Colorado, during the fiscal year beginning January 2026. A hearing was held.

Finance Director Shani Wittenberg reported that the proposed 2026 budget totals $168.9 million including $44.5 million in the General Fund. Ms. Wittenberg stated that the General Fund is funded solely by sales tax, and the City does not certify a mill levy or collect property tax. Ms. Wittenberg said sales tax projections for 2026 are four percent above 2024 actual collections, and all budget details are included in the meeting packet.

Ms. Wittenberg reviewed projects included in the 2026 budget including the new Public Works facility, child care facility renovations, the Rio Grande/East Oak Grove roundabout, sidewalk replacements, MoveMo projects, replacement of the 6700 Road, sidewalks at the West Main Street railroad crossing, and the Hillcrest sidewalk extension on 6700 Road.

Ms. Wittenberg also reviewed Utility fee increases. Water use and connection fees will increase by 3 percent plus .25 per 1,000 gallons, sewer fees will increase by 22 percent, and trash and recycling collection fees will increase by 20 percent.

Mayor Dave Frank opened the hearing.

Public comment was accepted. No comments were received.

Mayor Frank closed the hearing.

A motion was made by Doug Glaspell, seconded by Judy Ann Files, to pass Ordinance 2695 on first reading as presented. All voted yes. Motion passed.

RESOLUTION 2025-18

City Council considered Resolution 2025-18, repealing and replacing Chapters 3-1-1, 3-1-2, and 3-1-3 of the City of Montrose Regulations Manual and adopting the 2026 fee schedule.

City Clerk Lisa DelPiccolo reported no changes to the proposed fee schedule for 2026 since discussion at the October 20 work session. Ms. DelPiccolo said information on mobile food vendor fees was provided to City Council in response to questions raised at the work session. Ms. DelPiccolo recommended leaving the mobile food vendor fees unchanged for 2026. A review of mobile food vendor regulations is planned in 2026 and fee updates may be proposed for 2027.

Public comment was accepted. No comments were received.

A motion was made by Doug Glaspell, seconded by Judy Ann Files, to adopt Resolution 2025-18 as presented. All voted yes. Motion passed.

RESOLUTION 2025-19

City Council considered Resolution 2025-19, a resolution to retain the City's existing permitting process and standards for electric vehicle charging developments.

Community Development Director Jace Hochwalt reported that following the approval of HB24-1173 in 2024, the State of Colorado developed an electric vehicle charging model code to streamline permitting, eliminate hearing processes, and maintain consistency. Mr. Hochwalt stated that by December 31, 2025, municipalities over 20,000 are required to either adopt the state EV charging model code as written, adopt less restrictive standards based on the model code, or retain existing permitting processes and standards.

Mr. Hochwalt said the City of Montrose Municipal Code allows EV charging stations as a standalone use in commercial zone districts and allows them as an accessory use in all nonresidential districts. The existing permitting process involves a minor site plan review without hearings.

Mr. Hochwalt recommended retaining the City’s current permitting standards which have been reviewed with the state.

Public comment was accepted. No comments were received.

A motion was made by Doug Glaspell, seconded by Judy Ann Files, to adopt Resolution 2025-19 as presented. All voted yes. Motion passed.

MADA BUILDING ASBESTOS REMOVAL ASSISTANCE

City Council considered an expenditure of $57,415.15 for assistance with asbestos remediation of the MADA property at 25 and 27 N. Cascade Avenue.

City Councilor Ed Ulibarri recused himself from this item stating that he serves on the MADA Board of Directors. Mr. Ulibarri left the City Council Chambers at 6:34 p.m.

City Manager Bill Bell reported that this downtown location is an underutilized, somewhat blighted property that needs to be redeveloped. Mr. Bell said that the City's assistance with asbestos mitigation will allow MADA to create a valuable downtown space. The total project cost is estimated to be $2 million, funded by MADA and other outside sources.

Mr. Bell recommended approval of the expenditure and reviewed the unique circumstances associated with historic downtown buildings and buildings left to disrepair. Mr. Bell said the City assists business owners with horizontal site improvements and physical infrastructure improvements but does not assist with operational costs.

MADA Executive Director Bethany Maher gave an overview of the concept for the two buildings and said extensive renovation is needed that will take about a year to complete. Ms. Maher said that one building will be a commercial kitchen that can accommodate multiple users, and the other building will feature a restaurant operated by different business owners on a rotating schedule.

Public comment was accepted. No comments were received.

A motion was made by Doug Glaspell, seconded by Judy Ann Files, to approve an expenditure of $57,415.15 for assistance with asbestos remediation of the MADA property at 25 and 27 N. Cascade Avenue as presented. All present voted yes. Motion passed.

Mr. Ulibarri rejoined the meeting at 6:44 p.m.

WASTEWATER TREATMENT PLANT SCADA SOFTWARE SERVICE AGREEMENT

City Council considered an agreement with Browns Hill Engineering and Controls to provide Software as a Service (SaaS) at an annual cost of $51,160.00 for the City's Supervisory Control and Data Acquisition (SCADA) system.

Utilities Director David Bries reported that this expenditure is for an upgrade to the control system for the Wastewater Treatment Plant that is the logic that operates the plant to meet state regulations. Mr. Bries said the City has worked with Browns Hill for a number of years to use this cloud-based system. Operations at the plant can be monitored remotely, and staff can respond to alerts and make adjustments to assure that the Wastewater Treatment Plant remains in compliance.

Public comment was accepted. No comments were received.

A motion was made by Doug Glaspell, seconded by Ed Ulibarri, to approve an agreement with Browns Hill Engineering and Controls to provide Software as a Service (SaaS) at an annual cost of $51,160.00 for the City's Supervisory Control and Date Acquisition (SCADA) system as presented. All voted yes. Motion passed.

ORDINANCE 2696 – FIRST READING

City Council considered Ordinance 2696 on first reading, an Ordinance of the City of Montrose, Colorado, amending the zoning district designation of Lot 1 of the Parsons Subdivision from "R-4," High Density District, to "B-2," Highway Commercial District. A hearing was held.

Senior Planner William Reis reviewed the location of the 1.63 acre parcel at 1720 Niagara Road, between St. Mary Drive and Desanto Drive. Mr. Reis provided an overview of rezone criteria and stated that the property was initially annexed and zoned as part of the Moore Addition in 1978. Mr. Reis reviewed the intent of the B-2 zoning designation and the zoning of adjacent properties.

Mr. Reis recommended approval stating that the proposal meets rezone criteria, conditions in the surrounding area have changed since the property was last zoned, and the proposed zoning is compatible with existing uses in the surrounding area.

Mayor Dave Frank opened the hearing.

Public comment was accepted. No comments were received.

Mayor Frank closed the hearing.

A motion was made by Judy Ann Files, seconded by Doug Glaspell, to pass Ordinance 2696 on first reading as presented. All voted yes. Motion passed.

ORDINANCE 2697 – FIRST READING

City Council considered Ordinance 2697 on first reading, an Ordinance of the City of Montrose, Colorado, amending the zoning district designation of 12658 6450 Road from "MHR," Manufactured Housing Residential District, to "R-6," Medium Density/Manufactured Housing District. A hearing was held.

Senior Planner William Reis reviewed the location of the 1.1 acre parcel and stated that the property was annexed and zoned in 2000. Mr. Reis said the applicant expressed an interest in building an accessory dwelling unit, which is not allowed under the MHR zoning designation. Mr. Reis reviewed rezone criteria and the zoning of adjacent property. Mr. Reis stated that the minimum lot sizes are larger under the “R-6” zoning which results in a reduction in density.

Mr. Reis recommended approval stating that the proposal meets rezone criteria, is in compliance with the Comprehensive Plan, and is compatible with existing uses in the surrounding area.

Mayor Dave Frank opened the hearing.

Public comment was accepted. No comments were received.

Mayor Frank closed the hearing.

A motion was made by Doug Glaspell, seconded by Ed Ulibarri, to pass Ordinance 2697 on first reading as presented. All voted yes. Motion passed.

WOODS CROSSING SUBDIVISION AMENDED PRELIMINARY PLAT 2

City Council considered the Woods Crossing Subdivision Amended Preliminary Plat 2.

City Councilor J. David Reed recused himself from this agenda item citing a conflict. Mr. Reed left the meeting at 6:56 pm.

Senior Planner William Reis reviewed the location of the 14.73 acre site zoned “R-3A,” Medium High Density District, on the southwest corner of Sunnyside Road and Hill Street. Mr. Reis stated that the subdivision proposal is for 79 residential lots and associated rights of way and easements. This is an amendment to the Woods Crossing Preliminary Plat approved in 2023. Mr. Reis said that 72 units were approved initially, and this amendment increases the number to 79. Mr. Reis reviewed subdivision regulations as well as the zoning of adjacent property and stated that the amendment increases the number of townhome lots from 28 to 35.

Mr. Reis recommended conditional approval stating that the Preliminary Plat is in compliance with subdivision regulations and the Comprehensive Plan, and the proposal meets the intent of the “R-3A” zoning designation. The Planning Commission unanimously recommended approval with the standard condition on October 22.

Public Comment was accepted. No comments were received.

A motion was made by Doug Glaspell, seconded by Judy Ann Files, to approve the Woods Crossing 2 Preliminary Plat expressly conditioned upon City staff ensuring that all policies, regulations, ordinance and Municipal Code provisions are met and that the Applicant adequately addresses all of staff’s concerns prior to execution of the Final Plat. The City staff is not authorized by this approval to execute the Final Plat prior to all conditions being met. All present voted yes. Motion passed.

Mr. Reed rejoined the meeting at 7:02 p.m.

STAFF REPORTS

Police Chief Blaine Hall reported that he and Mayor Dave Frank attended the Opioid Abatement Conference last week in Loveland. Chief Hall will also serve on the Region 14 Opioid Abatement Council.

YOUTH CITY COUNCIL COMMENTS

Katie Jakino reported that the Youth City Council is working on an upcoming proclamation and updates to the Youth City Council manual. Ms. Jakino also reported that several Youth Councilors will attend the National League of Cities conference in Salt Lake City later in November.

CITY COUNCIL COMMENTS

In response to misinformation circulating within the community, Mayor Dave Frank stated that the sales tax rate collected by the City of Montrose is 3.58 percent. Mayor Frank said that sales tax is the City's only funding source, and a property tax is not collected. Additional information is available on the City website.

ADJOURNMENT

The meeting adjourned at 7:08 p.m. with no further action taken.

ATTEST:

____
Dave Frank, Mayor

____
Lisa DelPiccolo, City Clerk

DR 8404 (05/29/25)
COLORADO DEPARTMENT OF REVENUE
Liquor Enforcement Division
PO BOX 17087
Denver CO 80217-0087
(303) 205-2300

Colorado Liquor Retail License Application

*** Note that the Division will not accept cash** ☐ Paid by Check ☐ Paid Online

Date Uploaded to MoveIt

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

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

Applicant is applying as a/an ☐ Individual ☒ Limited Liability Company ☐ Association or Other ☐ Corporation ☐ Partnership (includes Limited Liability and Spouse or Partner in a Civil Union

Applicant Name if an LLC, name of LLC; if partnership, at least 2 partner's names; if corporation, name of corporation
Eatery 66 North LLC

FEIN Number
39-4154250

State Sales Tax Number
96850996-0001

Trade Name of Establishment (DBA)
Eatery 66 North

Business Telephone
970 2184799

Address of Premises (specify exact location of premises, include suite/unit numbers)
232 E. Main Street

City: Montrose
County: Montrose
State: CO
ZIP Code: 81401

Mailing Address (Number and Street)
17083 6725 Rd

City or Town: Montrose
State: CO
ZIP Code: 81401

Email Address
montrose@eatery66.com

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

Present Trade Name of Establishment (DBA)

Present State License Number

Present Class of License

Present Expiration Date

Section A Nonrefundable application fees*

- [ ] Application Fee for New License $1,100.00
- [x] Application Fee for New License with Concurrent Review $1,200.00
- [ ] Application Fee for Transfer $1,100.00

Section B Liquor License Fees*

- [ ] Add Optional Premises to H & R .... $100.00 X [ ] Total [ ]
- [ ] Add Sidewalk Service Area $75.00
- [ ] Arts License (City) $308.75
- [ ] Arts License (County) $308.75
- [ ] Beer and Wine License (City) $351.25
- [ ] Beer and Wine License (County) $436.25
- [ ] Brew Pub License (City) $750.00
- [ ] Brew Pub License (County) $750.00
- [ ] Campus Liquor Complex (City) $500.00
- [ ] Campus Liquor Complex (County) $500.00
- [ ] Campus Liquor Complex (State) $500.00
- [ ] Club License (City) $308.75
- [ ] Club License (County) $308.75
- [ ] Distillery Pub License (City) $750.00
- [ ] Distillery Pub License (County) $750.00
- [ ] Entertainment Facility License (City) $500.00
- [ ] Entertainment Facility License (County) $500.00
- [x] Hotel and Restaurant License (City) $500.00
- [ ] Hotel and Restaurant License (County) $500.00
- [ ] Hotel and Restaurant License with one optional premises (City) $600.00
- [ ] Hotel and Restaurant License with one optional premises (County) $600.00
- [ ] Liquor–Licensed Drugstore (City) $227.50
- [ ] Liquor–Licensed Drugstore (County) $312.50
- [ ] Lodging Facility License (City) $500.00
- [ ] Lodging Facility License (County) $500.00

Section B Liquor License Fees* (Continued)

- [ ] Manager Registration - H & R $30.00
- [ ] Manager Registration - Tavern $30.00
- [ ] Manager Registration - Lodging & Entertainment $30.00
- [ ] Manager Registration - Campus Liquor Complex $30.00
- [ ] Optional Premises License (City) $500.00
- [ ] Optional Premises License (County) $500.00
- [ ] Racetrack License (City) $500.00
- [ ] Racetrack License (County) $500.00
- [ ] Resort Complex License (City) $500.00
- [ ] Resort Complex License (County) $500.00
- [ ] Related Facility - Campus Liquor Complex (City) $160.00
- [ ] Related Facility - Campus Liquor Complex (County) $160.00
- [ ] Related Facility - Campus Liquor Complex (State) $160.00
- [ ] Retail Gaming Tavern License (City) $500.00
- [ ] Retail Gaming Tavern License (County) $500.00
- [ ] Retail Liquor Store License - Additional (City) $227.50
- [ ] Retail Liquor Store License - Additional (County) $312.50
- [ ] Retail Liquor Store (City) $227.50
- [ ] Retail Liquor Store (County) $312.50
- [ ] Tavern License (City) $500.00
- [ ] Tavern License (County) $500.00
- [ ] Vintners Restaurant License (City) $750.00
- [ ] Vintners Restaurant License (County) $750.00

Questions? Visit: SBG.Colorado.gov/Liquor for more information

Do not write in this space - For Department of Revenue use only

Liability Information

License Account Number	Liability Date
License Issued Through (Expiration Date)	**Total**
	$

1. Is the applicant (including any of the partners if a partnership; members or managers if a limited liability company; or officers, stockholders or directors if a corporation) or managers under the age of twenty-one years? ○ Yes ☑ No

2. Has the applicant (including any of the partners if a partnership; members or managers if a limited liability company; or officers, stockholders or directors if a corporation) or managers ever (in Colorado or any other state):

   a. Been denied an alcohol beverage license? ○ Yes ☑ No

   b. Had an alcohol beverage license suspended or revoked? ○ Yes ☑ No

   c. Had interest in another entity that had an alcohol beverage license suspended or revoked? ○ Yes ☑ No

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

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

If "yes", explain in detail.

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

or

Waiver by local ordinance? ○ Yes ○ No

Other

5. Is your Liquor Licensed Drugstore (LLDS) or Retail Liquor Store (RLS) within 1500 feet of another retail liquor license for off-premises sales in a jurisdiction with a population of greater than (>) 10,0000? **NOTE:** The distance shall be determined by a radius measurement that begins at the principal doorway of the LLDS/RLS premises for which the application is being made and ends at the principal doorway of the Licensed LLDS/RLS. ○ Yes ☑ No

6. Is your Liquor Licensed Drugstore (LLDS) or Retail Liquor Store (RLS) within 3000 feet of another retail liquor license for off-premises sales in a jurisdiction with a population of less than (<) 10,0000? **NOTE:** The distance shall be determined by a radius measurement that begins at the principal doorway of the LLDS/RLS premises for which the application is being made and ends at the principal doorway of the Licensed LLDS/RLS. ○ Yes ☒ No

For additional Retail Liquor Store only.

a. Was your Retail Liquor Store License issued on or before January 1, 2016? ○ Yes ☒ No

b. Are you a Colorado resident? ○ Yes ☒ No

7. Has a liquor or beer license ever been issued to the applicant (including any of the partners, if a partnership; members or manager if a Limited Liability Company; or officers, stockholders or directors if a corporation)? If yes, identify the name of the business and list any current financial interest in said business including any loans to or from a licensee. Eatery 66 LLC ☒ Yes ○ No

8. Does the applicant, as listed on line 2 of this application, **have legal possession of the premises by ownership**, lease or other arrangement? ☒ Yes ○ No

○ Ownership ☒ Lease ○ Other (Explain in detail)

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

Landlord	Tenant	Expires
WRD Endeavors	Eatery 66 North LLC	12.1.31

b. Is a percentage of alcohol sales included as compensation to the landlord? If yes, complete question on page 9. ○ Yes ☒ No

c. Attach a diagram that designates the area to be licensed in black bold outline (including dimensions) which shows the bars, brewery, walls, partitions, entrances, exits and what each room shall be utilized for in this business. This diagram should be no larger than 8½" X 11".

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

Last Name		First Name
Date of Birth (MM/DD/YY)	**FEIN or SSN Number**	**Interest/Percentage**

Last Name		First Name
Date of Birth (MM/DD/YY)	**FEIN or SSN Number**	**Interest/Percentage**

Last Name		First Name
Date of Birth (MM/DD/YY)	**FEIN or SSN Number**	**Interest/Percentage**

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

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

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

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

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

a. Is there a pharmacy, licensed by the Colorado Board of Pharmacy, located within the applicant's L L D S premise?.. ○ Yes ☒ No

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

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

a. Is the applicant organization operated solely for a national, social, fraternal, patriotic, political or athletic purpose and not for pecuniary gain? ☐ Yes ☒ No

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

c. How long has the club been incorporated?

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

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

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

14. Campus Liquor Complex applicants answer the following:

a. Is the applicant an institution of higher education? ☐ Yes ☒ No

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

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

15. For all on-premises applicants.

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

Last Name of Manager	First Name of Manager
Graves	Katherine

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

Name: Eatery 66 LLC

Type of License	Account Number
liquor - H&R	03-04853

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

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

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

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

b. Designated Manager for Related Facility - Campus Liquor Complex

Last Name of Manager	First Name of Manager

18. Entertainment Facility License

If Applicant is applying for an Entertainment Facility License, you affirm that your business model and aligns with the statutory privileges and requirements: .... ○ Yes ☒ No

Pursuant to 44-3-103(15.5) C.R.S., an Entertainment Facility means an establishment in which the primary business is to provide the public with sports or entertainment activities within its licensed premises; and that, incidental to its primary business, sells and serves alcohol beverages at retail for consumption on the licensed premises; and has sandwiches and light snacks available for consumption on the licensed premises.

If Applicant is applying for a Lodging Facility License, you affirm that your business model and aligns with the statutory privileges and requirements: .... ○ Yes ☒ No

Pursuant to 44-3-103(29) C.R.S., a Lodging Facility means an establishment in which the primary business is to provide the public with sleeping rooms and meeting facilities; and that sells and serves alcohol beverages at retail for consumption on the licensed premises; and has sandwiches and light snacks available for consumption on the licensed premises.

19. Tax Information.

a. Has the applicant, including its manager, partners, officer, directors, stockholders, members (LLC), managing members (LLC), or any other person with a 10% or greater financial interest in the applicant, been found in final order of a tax agency to be delinquent in the payment of any state or local taxes, penalties, or interest related to a business? .... ○ Yes ☑ No

b. Has the applicant, including its manager, partners, officer, directors, stockholders, members (LLC), managing members (LLC), or any other person with a 10% or greater financial interest in the applicant failed to pay any fees or surcharges imposed pursuant to section 44-3-503, C.R.S.? .... ○ Yes ☑ No

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

Name: Katherine Graves
Date of Birth (MM/DD/YY): [redacted]
Street Address: [redacted]
City: [redacted] State: [redacted] ZIP Code: [redacted] Position: owner % Owned: 50

Name: Spencer Graves
Date of Birth (MM/DD/YY): [redacted]
Street Address: [redacted]
City: [redacted] State: [redacted] ZIP Code: [redacted] Position: owner % Owned: 50

Name:
Date of Birth (MM/DD/YY):
Street Address:
City: State: ZIP Code: Position: % Owned:

Name:
Date of Birth (MM/DD/YY):
Street Address:
City: State: ZIP Code: Position: % Owned:

Name:
Date of Birth (MM/DD/YY):
Street Address:
City: State: ZIP Code: Position: % Owned:

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

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

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

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

I would like to apply for a Two-Year Renewal.. ○ Yes ☒ No

Oath Of Applicant

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

Printed Name	Title
Katherine Graves	owner

Authorized Signature	Date (MM/DD/YY)
[signature]	9.24.25

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

Date application filed with local authority: October 6, 2025

Date of local authority hearing (for new license applicants; cannot be less than 30 days from date of application): November 18, 2025

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

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

- [x] Fingerprinted
- [x] Subject to background investigation, including NCIC/CCIC check for outstanding warrants

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

(Check One)

○ Date of inspection or anticipated date

● Will conduct inspection upon approval of state licensing authority

- [ ] Is the Liquor Licensed Drugstore (LLDS) or Retail Liquor Store (RLS) within 1,500 feet of another retail liquor license for off-premises sales in a jurisdiction with a population of > 10,0000? ○ Yes ○ No
- [ ] Is the Liquor Licensed Drugstore (LLDS) or Retail Liquor Store (RLS) within 3,000 feet of another retail liquor license for off-premises sales in a jurisdiction with a population of < 10,0000? ○ Yes ○ No

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

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

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

Local Licensing Authority approves the Temporary Permit ○ Yes ○ No

Approval Date of the Temporary Permit	Expiration Date of the Temporary Permit

*If the temporary permit expires or an extension is required, the state liquor licensing authority should be notified of the status of the temporary permit.

**If the temporary permit information is not filled out for the transfer of ownership, the Transfer Application will not be accepted and processed.

Local Licensing Authority Approves this license for a two-year renewal ○ Yes ○ No

If "No", please cite the law, regulation, local ordinance or resolution that gives the local licensing authority the ability to deny the applicant and grounds for denial. Also, please provide any and all investigative reports, and administrative or criminal action that relate or justify this denial.

Proof of Violation

Local Licensing Authority for	Telephone Number	○ Town, City ○ County

Printed Name	Title
Signature	Date (MM/DD/YY)
Printed Name	Title
Signature	Date (MM/DD/YY)

CITY OF MONTROSE
OFFICE OF THE CITY CLERK

Lisa DelPiccolo, MMC, City Clerk
Direct Dial: 970.240.1422
E-mail: ldelpiccolo@ci.montrose.co.us

November 6, 2025

Petitions were circulated in support of a Hotel and Restaurant liquor license at 232 E. Main Street for Eatery 66 North LLC, doing business as Eatery 66 North.

A summary of the petitions is as follows:

100 Signatures were submitted

26 Signatures were determined to be insufficient

22 outside of city limits
2 provided an insufficient address
2 failed to provide the age of the signer

74 Signatures were determined to be valid and in support of the license

Comments received in support of the license being issued:

- Yay!
- Congrats!
- Yes! (2)
- Good luck!

Respectfully,

Lisa DelPiccolo

Lisa DelPiccolo, MMC
City Clerk

ORDINANCE NO. 2695

AN ORDINANCE OF THE CITY OF MONTROSE, COLORADO PROVIDING AND APPROPRIATING FUNDS FOR DEFRAYING THE EXPENSES AND LIABILITIES OF THE CITY OF MONTROSE, COLORADO DURING THE FISCAL YEAR BEGINNING JANUARY 1, 2026

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MONTROSE, COLORADO, as follows:

SECTION 1:

That for the purpose of paying the expenses and liabilities of the City of Montrose for the fiscal year beginning January 1, 2026, there is hereby appropriated the following amounts from the various funds:

Fund	Fund Title	Fund Appropriation
100	GENERAL FUND	$44,498,442
150	PUBLIC SAFETY FUND	$18,675,801
200	RETAIL SALES ENHANCEMENT	$615,437
290	TOURISM PROMOTIONAL FUND	$1,410,212
225	PUBLIC/EDUCATION/GOVERNMENT	$5,896
250	CONSERVATION TRUST FUND	$300,000
260	MONTROSE URBAN RENEWAL AUTHORITY	$2,700,000
270	SPECIAL BENEFIT FUND	$154,030
370	GOVERNMENTAL DEBT PAYMENTS	$5,103,261
420	CEMETERY PERPETUAL CARE	$3,000
460	WEST SIDE ARETERIAL PROJECT	$5.000,000
465	CAPITAL INFRASTRUCTURE/FACILITY IMPROVEMENT FUNDS	$47,427,094
500	WATER FUND	$11,783,920
510	SEWER FUND	$6,589,631
550	TRASH & RECYCLING FUND	$4,403,528
580	BLACK CANYON GOLF COURSE	$1,623,961
600	INTERNAL SERVICE FUNDS	$11,659,481
610	HEALTH, DENTAL, VISION, LIFE SELF INSURANCE FUND	$4,026,401
700	MONTROSE RECREATION DISTRICT AGENCY FUND	$2,950,995
	TOTAL APPROPRIATIONS	$168,931,090

SECTION 2:

Please take note that Montrose City Council will hold a hearing upon the above Ordinance and on the question of its adoption on First reading on Tuesday, November 4, 2025, at the hour of 6:00 p.m. at the City Council Chambers, Elks' Civic Building, in Montrose, Colorado.

INTRODUCED, READ, and PASSED on first reading this 4th day of November 2025.

Dave Frank, Mayor

ATTEST:

Lisa DelPiccolo, City Clerk

INTRODUCED, READ, AND ADOPTED on second reading this 18th day of November 2025.

ATTEST:

Dave Frank, Mayor

Lisa DelPiccolo, City Clerk

RESOLUTION 2025 - 20

WHEREAS, the City Council of the City of Montrose, Colorado, has held a public hearing and examined the 2026 budget for the City of Montrose, Colorado, and

WHEREAS, said Budget is to be adopted by the Resolution of the Council not less than thirty (30) days prior to the first day of the next fiscal year, which day is January 1, 2026.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MONTROSE, COLORADO, as follows:

1. The Budget for the year 2026 for the City of Montrose, Colorado, attached thereto, is hereby adopted.

ADOPTED this 18th day of November 2025, by the City Council of the City of Montrose, Colorado.

____
Dave Frank, Mayor

ATTEST:

____
Lisa DelPiccolo, City Clerk

CITY OF MONTROSE

2026 Proposed Budget

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Honorable Mayor, Members of the City Council and Montrose Citizens:

The administrative team of the City of Montrose respectfully submits the 2026 municipal budget for all funds of the City in the amount of $168,931,090. The 2026 municipal budget is the result of a comprehensive and collaborative effort by the City staff, elected officials, and members of the Montrose citizenry to establish a budget designed to meet the current and long-term needs of the City organization as well as those of the Montrose community.

The City of Montrose is in a solid financial position, and we are optimistic that our economic situation will remain steady throughout 2026. City sales tax collections have risen steadily over the past several years due to an increase in consumer spending, regional growth, and the overall economic health of the Montrose area. We do, however, expect this to level off a bit during 2026. The general public's spending related to retail shopping, restaurants and lodging has continued to increase over the past several years and is projected to generate approximately $729,848 for the Retail Sales Enhancement Fund and $1,251,244 for the Tourism & Promotion Fund in 2026. It is important to know that these funds are designated to be used toward various activities, programs, services, and infrastructure related to tourism, marketing, and business development, as required by the voters upon the establishment of the funds. We are very thankful to our Montrose residents who approved an increase to our City's Hotel/Lodging tax rate this past year. With the additional revenue generated by those visiting our community, we are able to provide additional support to programs related to Street Maintenance, Affordable Housing, Childcare Services, Public Transit, and Community Events.

Municipal Operations: Our local job market remains very competitive and challenging, with extremely low unemployment. Therefore, it is important to be a responsible employer to recruit and retain a highly productive and impactful workforce. We are proud to say that we have built an amazing team of highly educated and experienced employees by offering a competitive Wage and Compensation System based on both Individual Performance and the city's comparable market of organizations with similar budgets, number of employees, community population, etc. As part of this process, every position description at the city is reviewed in detail on an annual basis and updated to make sure that all our employees fully understand what is expected of them regarding performance and productivity. The City of Montrose is currently budgeting for 215 full-time employees, which has increased primarily due to the new public safety positions funded by the citizen supported Public Safety Sales Tax a few years ago and some changes to our staffing in the Parks and Streets Divisions. We also employ a handful of continuous part-time and seasonal positions here at the city. As is the case in most local governments today, we are being asked to do more with less, and to work more efficiently to provide the best possible public service at the lowest cost. We are proud to say that we are providing better quality services and a wider variety of services to the Montrose public than ever before, and we are doing it more effectively and efficiently using a combination of innovative technologies, best practices and a dedicated workforce who are committed to our citizens and to the betterment of their community.

Collaboration and Partnerships: The City of Montrose continues with its commitment to partnering with outside agencies and non-profit organizations to increase the quality of life of our residents. In 2025, the City of Montrose was able to partner and to assist in the efforts of many such organizations such as: Region 10, Colorado Flights Alliance, Montrose County, Montrose Economic Development Corporation (MEDC), Montrose University, Montrose Hospice & Palliative Care, Montrose School District, Colorado Mesa University (CMU), Montrose Recreation District, CASA, Montrose Rotary Clubs, Welcome Home Alliance for Veterans, All Points Transit, Montrose Community Foundation, Montrose Boys & Girls Club, Montrose Junior Golf Alliance and American Junior Golf Alliance, Avalanche Soccer, Lighthouse Ministries/Homeless Coalition, the State of Colorado Department of Local Affairs, State Historic Preservation Office and the Colorado Department of Transportation.

Financial Condition: Sales Tax, Use Tax and Franchise Fees are a prominent revenue source for the City's General Fund at approximately 90% of total revenues. Over the last few years, sales tax revenue has steadily increased on an annual basis; therefore, 2026 sales tax revenue is budgeted at a modest 4.0% increase from the actual revenue collections in 2024. The remaining revenues were calculated using various forecasting methods and historical trends data. The General Fund Operating budget for 2026 is projected to be approximately $14.5 million (does not include the Rec District's Recreation Center sales tax collections, capital expenses, grant expenses or internal transfers).

The General Undesignated Fund Balance as of December 31, 2026, is estimated to be approximately $2.8 million. This is less than our target reserve of 50% of the annual operating budget, but we have planned for this use of reserve funds for several years to complete several major capital projects including several roundabouts, street extensions, police building expansion, city hall renovations and the construction of a replacement public works facility. We expect to build our reserves back up starting in 2028 upon completion of these major projects that should carry the city through the next 50 years of service to the community.

Each year the City transfers funds from the General Fund into the Capital Improvement Fund. The transfer amount is always contingent upon revenue projections and the past three years have resulted in an annual increase to the transfer amount to complete a variety of capital projects including sidewalk and street reconstruction, traffic flow improvements, and other necessary infrastructure improvements. The city's streets, sidewalks, curbs, and gutter systems are aging and our recent efforts to put millions of dollars into rehabilitation and major maintenance is starting to make a difference throughout our community. The City Council and Staff are trying to be responsive to concerns brought up in the most recent Citizen Survey related to street maintenance and traffic congestion. We are pleased with the estimated Capital transfer of just over $9.0 million.

In addition to the General Fund, the 2026 budget is also made up of Special Revenue Funds, Capital Improvement Funds, Debt Service Funds, Permanent Funds and Enterprise Funds. Additional details for these funds are given below.

Public Safety Fund - $18,675,801 has been budgeted to fund public safety in 2026. In 2019, the voters of Montrose approved an increase to the sales and use tax of .58% to fund public safety and is estimated to generate $5.7 million in revenue. The new revenue from sales and use tax, along with the transfer from the General Fund's operating budget of $10.8 million will continue to be used to improve public safety and implement intelligence-led policing in our community by funding new positions, new equipment and new technologies for our public safety employees. In 2026, the Montrose Police Department will be operating at a fully staffed capacity for the first time in decades and we are excited about the expanded law enforcement services this will bring to the community.

Fee Changes: The Water, Sewer, and Trash & Recycling Funds of the City are Enterprise Funds that are funded by user charges rather than taxes. The anticipated inflationary increase in the Water fund in 2026 is proposed at 3% as well as an increase to the cost of treated water of 25 cents per 1,000 gallons, which is the result of a pass-through assessment by Project 7 Water Authority for the proposed construction of a second water treatment facility south of Montrose, and inflationary increases to the general cost of their operations. Due to the anticipated issuance of revenue bonds to fund the federally and state-mandated improvements at the Wastewater Treatment Plant, the Sewer fees will increase by 22%. The fees for Trash and Recycling services will increase by 20% to continue to provide the level of service that the community expects based upon recent customer surveys and to keep up with anticipated population growth.

Capital & Enterprise Fund Highlights of 2026 Budget

The following is a summary list of the proposed capital projects for the 2026 construction season. We are pleased to again exceed the minimum annual required contributions to the City's Capital Infrastructure Fund to provide many long-term improvements to our community's infrastructure.

- **West Main Street Rail Crossing and Sidewalk Widening$150,000**
- **Rio Grande/East Oak Grove Roundabout and Rio Grande Extension Phase 1 $5,000,000**
- **New Public Works Facility (mainly funded by Certificates of Participation issued in 2025) $40,977,094**
- **Main Street Stormwater line replacement $650,000**

- **Street Maintenance Major Improvements $5,000,000**
- **Sidewalk Replacement Cost Share Program and $50,000**
- **ADA Accessible Intersections and Ramp Installation Program $50,000**
- **6700 Road – Cedar Creek Bridge replacement design $250,000**
- **N Hillcrest Extension (6600 Road) grant funded $700,000**
- **Infrastructure improvements to S 9th property for childcare facility $250,000**

Water Fund - $11,783,920 has been budgeted in 2026 for ongoing operations and capital improvements such as: Rio Grande/East Oak Grove Roundabout waterlines $350,000and replacing waterlines associated with street improvements where appropriate. A transfer of $3,004,000 to the capital improvement fund will be made for a proportionate share of the new facility.

Sewer Fund - $6,589,631 has been budgeted in 2026 for ongoing operations in sewer collection and at the Wastewater Treatment Plant, as well as for capital improvements related to both. System infrastructure improvements include Woodgate/East Oak Grove Roundabout sewer line $200,000 and MoveMo sewer replacements $15,000. The CIP 3 sanitary sewer trunkline upsizing (Park to 6700 Rd) and the transfer of $750,000 to the capital improvement fund will be funded by the new sewer revenue bonds. Capital improvements for the Wastewater Treatment Plant include design of system upgrades as well as the federally and state-mandated improvements that will be funded with sewer revenue bonds.

Trash & Recycling - $4,403,528 has been budgeted in 2026 for ongoing operations and an additional Trash Collection Truck based upon community population and customer growth. There will be a transfer to the capital improvement fund for a proportionate share of the new facility.

Black Canyon Golf Course - $1,623,961 has been budgeted in 2026 for ongoing operations of the golf course which includes the Rusty Putter Restaurant. The golf course and restaurant experienced great success in 2025 with a very busy tee sheet throughout the season and many special events and tournaments utilizing the Rusty Putter for their catering needs.

Fleet Management ISF - $5,131,105 has been budgeted in 2026 for ongoing maintenance operations and equipment/vehicle replacement for Streets, Public Safety, General Admin, Code Enforcement, Water, Wastewater, Engineering, Parks, and Black Canyon Golf Course. A transfer of $500,000 will be made to the capital improvement fund for a proportionate share of the new facility.

Information Services ISF - $3,304,201 has been budgeted in 2026 for ongoing operations and the replacement of necessary PCs, Laptops, Monitors, Police Mobile Data Computers, 800mhz Radios, Network Switches, Phone Systems, Copiers and Servers.

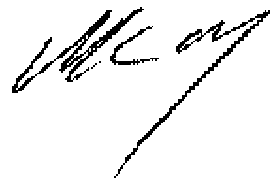
Facility Management ISF - **$3,224,175** has been budgeted in 2026 for ongoing maintenance and improvements to city owned facilities.

Conclusion

The Montrose community remains a shining example of a small community that accomplishes great things. We should all be proud of what has been accomplished by working together. We responded to the challenges of our continued growth with many major infrastructure improvement projects and lots of new construction, including additional housing options, new and improved street networks, and utility system upgrades. We prepared for the future by completing our Baldridge Regional Park Master Plan in partnership with the Montrose Recreation District and by updating our Planning & Zoning Code, and beginning construction of a replacement Public Works Facility. I would encourage all of us to continue collaborating to find more ways to make Montrose an even better community. Montrose is a very desirable place in which to live, work and raise a family!

After a thorough and thoughtful analysis of the organization's needs, and a critical review of each budgeted line item with the assistance of staff, elected officials and citizen volunteers, I am confident that this 2026 budget reflects our commitment to responsible financial management and to maintaining an excellent Quality of Life for Montrose area residents.

Sincerely,



William E. Bell

City Manager

City of Montrose Revenues, Expenditures and Fund Balance

	2024 Audited	2025 Actual through June	Actual Projected through 12/31/2025	2025 Original Budget	2026 Budget
GENERAL FUND					
UNASSIGNED FUND BALANCE 1/1	22,721,089		18,876,875		12,083,950
SALES, USE AND FRANCHISE TAXES	29,257,577	14,792,969	29,960,850	29,666,753	30,968,181
LICENSES & PERMITS	526,173	279,600	526,078	613,353	632,918
INTERGOVERNMENTAL REV	6,721,453	602,049	1,548,335	1,296,093	2,020,823
PAVILION REVENUE	138,454	72,115	98,571	135,600	113,281
COMPETITIVE SPORTS REVENUE	30,153	36,617	49,488	19,700	22,985
CHARGES FOR SERVICES	40,580	25,222	57,397	47,571	59,646
FINES & FORFEITURES	72,354	37,083	64,830	101,500	85,421
OTHER REVENUES	480,871	79,704	218,226	83,560	358,424
TRANSFER COST ALLOCATION	667,364	319,904	559,831	639,807	749,534
INTEREST INCOME	793,259	211,720	329,787	300,000	249,872
TRANSFERS FROM OTHERS	14,400	16,131	28,229	32,262	5,000
TRANSFER FROM FUND BALANCE			-		9,232,357
TOTAL REVENUES	38,742,638	16,473,114	33,441,622	32,936,199	44,498,442
CITY COUNCIL	178,676	123,214	193,331	183,392	178,848
YOUTH COUNCIL	21,268	4,467	12,100	13,000	22,400
ECONOMIC DEV & COMMUNITY SUPP(	1,643,969	424,371	880,500	410,500	635,500
CITY ATTORNEY	504,599	219,387	458,457	514,540	577,367
CITY MANAGER	430,009	209,797	449,883	462,524	500,040
COMMUNICATIONS	172,007	97,223	209,074	188,029	292,573
COMPETITIVE SPORTS	78,051	51,535	81,375	70,296	61,924
HUMAN RESOURCES	687,761	323,210	624,832	617,900	741,475
PAVILION	723,136	348,204	728,869	757,388	897,436
GEOGRAPHIC INFORMATION SYSTEM	459,166	224,959	471,183	474,952	560,859
FINANCE	909,334	450,326	946,812	997,469	1,120,250
MUNICIPAL COURT	398,434	172,857	328,087	390,338	407,649
TEEN COURT	417	-	300	5,300	5,300
PLANNING SERVICES	5,451,762	269,506	542,795	505,337	866,438
COMMUNITY ENGAGEMENT	49,868	23,043	53,358	53,733	43,310
CITY CLERK	387,676	198,661	441,434	397,872	537,251
BUILDING SERVICES	389,988	238,615	480,961	496,620	493,668
ENGINEER	400,459	232,077	448,091	455,532	455,126
PUBLIC WORKS ADMINISTRATION	595,206	303,858	658,854	651,586	580,025
STREET MAINTENANCE	3,520,859	1,693,617	3,967,762	4,265,412	3,803,957
STREET CLEANING	809,494	332,497	683,808	698,180	533,675
PARKS	2,607,958	932,944	2,267,056	3,017,839	2,820,049
URBAN FORESTRY PROGRAM	94,995	30,090	100,000	100,000	222,607
SUNSET MESA MAINTENANCE	103,138	113,418	256,761	287,032	322,467
CEMETERY	244,261	129,535	277,491	442,258	290,341
TRANSFERS	21,140,085	11,017,367	23,801,109	21,907,016	27,353,940
INSURANCE AND FLEET VEHICLES	584,275	203,434	449,898	274,038	173,968
TOTAL EXPENDITURES	42,586,852	18,368,211	39,814,181	38,638,083	44,498,442
REVENUES OVER (UNDER) EXPENDITU	(3,844,214)	(1,895,097)	(6,372,559)	(5,701,884)	-
USE OF FUND BALANCE			-		(9,232,357)
UNASSIGNED FUND BALANCE 12/31	18,876,875		12,083,950		2,851,593

	2024 Audited	2025 Actual through June	Actual Projected through 12/31/2025	2025 Original Budget	2026 Budget
PUBLIC SAFETY FUND					
FUND BALANCE 1/1	4,916,936	-	4,151,959	-	1,745,274
PUBLIC SAFETY FUND - SALES AND USE TAX	5,453,382	2,719,904	5,509,638	5,510,962	5,747,571
PUBLIC SAFETY FUND - GRANTS	92,100	34,125	81,002	160,661	94,056
PUBLIC SAFETY FUND - CHARGES FOR SERV	131,074	63,058	117,026	113,712	128,860
PUBLIC SAFETY FUND - OTHER INCOME	72,000	(20,067)	(13,642)	55,005	56,265
PUBLIC SAFETY FUND - INTEREST INCOME	149,459	48,222	64,224	-	85,729
PUBLIC SAFETY FUND - 43% TRANSFER FRO	8,360,085	4,200,523	8,395,898	8,395,898	6,270,442
PUBLIC SAFETY FUND - TRANSFER FROM GF	-	-	-	-	4,535,616
PUBLIC SAFETY FUND - DRUG TASKFORCE	80,301	4,764	8,474	13,700	11,988
TRANSFER FROM FUND BALANCE					1,745,274
PUBLIC SAFETY FUND - TOTAL REVENUES	14,338,401	7,050,528	14,162,620	14,249,938	18,675,801
EXPENDITURES					
PATROL	9,491,820	5,801,170	10,805,371	11,090,815	11,396,575
PUBLIC SAFETY ADMINISTRATION	3,855,705	1,979,553	4,029,255	4,554,200	5,406,942
DRUG TASKFORCE	743,520	279,981	655,573	626,858	644,130
CODE ENFORCEMENT	85,832	71,544	145,253	142,308	178,291
CMU ACADEMY	295,937	146,079	306,761	249,529	269,086
ANIMAL SERVICES	660,929	275,420	627,092	842,010	780,777
TOTAL EXPENDITURES	15,133,743	8,553,748	16,569,305	17,505,720	18,675,801
REVENUES OVER (UNDER) EXPENDITURES	(795,342)	(1,503,219)	(2,406,685)	(3,255,782)	-
USE OF FUND BALANCE					(1,745,274)
FUND BALANCE 12/31	4,121,594		1,745,274		(0)

	2024 Audited	2025 Actual through June	Actual Projected through 12/31/2025	2025 Original Budget	2026 Budget
RETAIL SALES ENHANCEMENT					
FUND BALANCE 1/1	747,302		883,546		1,067,251
REVENUES					
RETAIL SALES ENHANCEMENT	678,982	333,025	676,862	684,700	699,351
OTHER RSE REVENUES	90,521	34,501	80,842	94,209	30,497
TRANSFER FROM FUND BALANCE					-
TOTAL REVENUES	769,502	367,526	757,704	778,909	729,848
EXPENDITURES					
DART/BUSINESS OPERATIONS EXPENDITURI	609,128	237,072	555,549	746,878	579,237
MONTROSE UNIVERSITY EXPENDITURES	24,131	15,156	18,450	36,100	36,200
TOTAL EXPENDITURES	633,258	252,229	573,999	782,978	615,437
REVENUES OVER (UNDER) EXPENDITURES	136,244	115,297	183,705	(4,069)	114,411
USE OF FUND BALANCE					-
FUND BALANCE 12/31	883,546		1,067,251		1,181,662
TOURISM PROMOTIONAL FUND					
FUND BALANCE 1/1	451,267		370,706		234,954
REVENUES					
EXCISE TAX REVENUES	877,782	446,298	941,598	911,500	936,377
OTHER REVENUES	92,881	11,048	28,294	13,900	243,265
TRANSFER FROM FUND BALANCE				82,632	230,570
REVENUES - EXCISE TAX	970,663	457,346	969,892	1,008,032	1,410,212
TOURISM PROMOTIONAL FUND - MARKETIN(					
MARKETING EXPENDITURES	498,208	299,684	489,002	416,873	395,658
GUEST SERVICES OPERATIONS EXPENDITUF	171,169	49,878	225,270	149,010	228,380
COMMUNITY EVENTS	372,201	164,435	372,922	333,160	384,514
SPORTS TOURISM	9,647	7,300	18,450	11,250	18,950
CITY ENHANCEMENT SERVICES	-	-	-	-	382,710
TOTAL EXPENDITURES	1,051,224	521,297	1,105,644	910,293	1,410,212
REVENUES OVER (UNDER) EXPENDITURES	(80,561)	(63,951)	(135,752)	97,739	-
USE OF FUND BALANCE					(230,570)
FUND BALANCE 12/31	370,706		234,954		4,384

	2024 Audited	2025 Actual through June	Actual Projected through 12/31/2025	2025 Original Budget	2026 Budget
MONTROSE OPPORTUNITY FUND					
FUND BALANCE 1/1	175,140		180,014		182,539
REVENUES					
TRANSFER FROM FUND BALANCE					
TOTAL REVENUES	4,874	1,683	2,525	-	-
MONTROSE OPPORTUNITY EXPENDITURES	-	-	-	-	-
REVENUES OVER (UNDER) EXPENDITURES	4,874	1,683	2,525	-	-
USE OF FUND BALANCE			-		-
FUND BALANCE 12/31	180,014		182,539		182,539
PUBLIC/EDUCATION/GOVERNMENT					
FUND BALANCE 1/1	36,904		35,881		34,966
REVENUES					
PEG FEE AND INTEREST	4,185	1,888	5,049	18,203	17,000
TRANSFER FROM FUND BALANCE					-
TOTAL REVENUES	4,185	1,888	5,049	18,203	17,000
EXPENDITURES	5,208	4,467	5,964	5,964	5,896
REVENUES OVER (UNDER) EXPENDITURES	(1,023)	(2,579)	(915)	12,239	11,104
USE OF FUND BALANCE					-
FUND BALANCE 12/31	35,881		34,966		46,070
SURPLUS & DEFICIENCY					
FUND BALANCE 1/1	65,256		66,406		66,406
REVENUES					
TOTAL REVENUES	1,150	-	-	300	1,000
EXPENDITURES	-	-	-	-	-
REVENUES OVER (UNDER) EXPENDITURES	1,150	-	-	300	1,000
FUND BALANCE 12/31	66,406		66,406		67,406
CONSERVATION TRUST FUND					
FUND BALANCE 1/1	287,908		294,672		433,180
REVENUES					
LOTTERY FUNDS AND INTEREST REVENUE	171,665	70,030	138,508	150,700	143,130
TRANSFER FROM FUND BALANCE					156,870
TOTAL REVENUES	171,665	70,030	138,508	150,700	300,000
EXPENDITURES					
TOTAL EXPENDITURES	164,901		-	200,000	300,000
REVENUES OVER (UNDER) EXPENDITURES	6,764	70,030	138,508	(49,300)	-
USE OF FUND BALANCE					(156,870)
FUND BALANCE 12/31	294,672		433,180		276,310

	2024 Audited	2025 Actual through June	Actual Projected through 12/31/2025	2025 Original Budget	2026 Budget
MONTROSE URBAN RENEWAL AUTHORITY					
FUND BALANCE	(16,272,541)		(16,004,076)		(14,163,937)
REVENUES					
TRANSFER FROM FUND BALANCE					784,056
TOTAL REVENUES	957,565	946,009	1,860,139	740,000	2,700,000
EXPENDITURES					
TOTAL EXPENDITURES	689,100	14,344	20,000	-	2,700,000
REVENUES OVER (UNDER) EXPENDITURES	268,465	931,664	1,840,139	740,000	-
USE OF FUND BALANCE					(784,056)
FUND BALANCE 12/31	(16,004,076)		(14,163,937)		(14,947,993)
SPECIAL BENEFIT FUND					
FUND BALANCE 1/1	314,632		365,261		291,782
REVENUES					
DONATIONS AND INTEREST	117,400	9,569	24,964	20,100	25,624
TRANSFER FROM FUND BALANCE					128,406
ANIMAL BENEFIT REVENUES	117,400	9,569	24,964	20,100	154,030
ANIMAL BENEFIT EXPENDITURES	66,771	33,570	98,442	143,100	154,030
REVENUE OVER (UNDER) EXPENDITURES	50,629	(24,001)	(73,478)	(123,000)	-
USE OF FUND BALANCE					(128,406)
ENDING FUND BALANCE 12/31	365,261		291,782		163,376
RESTRICTED FUND BALANCE 1/1	189,762		224,412		276,387
PARKS DEVELOPMENT REVENUE	34,650	28,350	51,975	39,000	31,500
PARKS DEVELOPMENT EXPENDITURES	-	-	-	-	-
REVENUES OVER (UNDER) EXPENDITURES	34,650	28,350	51,975	39,000	31,500
FUND BALANCE 12/31	224,412		276,387		307,887

	2024 Audited	2025 Actual through June	Actual Projected through 12/31/2025	2025 Original Budget	2026 Budget
LOAN FOR STREET INFRASTRUCTION and					
FUND BALANCE 1/1	541,490		476,314		476,315
REVENUES					
TRANSFERS FROM OTHERS	1,526,651	918,751	3,427,844	1,531,251	4,701,557
TRANSFER FROM FUND BALANCE					401,704
TOTAL REVENUES	1,526,651	918,751	3,427,844	1,531,251	5,103,261
EXPENDITURES	1,591,827	609,745	3,427,843	1,527,251	5,103,261
REVENUES OVER (UNDER) EXPENDITURES	(65,176)	309,005	1	4,000	-
USE OF FUND BALANCE					(401,704)
FUND BALANCE 12/31	476,314		476,315		74,611
DEMORET TRUST FUND					
FUND BALANCE 1/1	9,978		24,542		43,654
REVENUES					
REVENUES	14,564	5,461	19,112	3,600	5,000
EXPENDITURES	-	-	-	-	-
RESERVED PRINCIPAL BALANCE	321,381		321,381		321,381
FUND BALANCE 12/31	24,542		43,654		48,654
CEMETERY PERPETUAL CARE					
FUND BALANCE 1/1	136,792		143,220		156,926
REVENUES					
TOTAL REVENUES	10,828	8,147	16,406	5,100	15,589
EXPENDITURES	4,400	1,350	2,700	2,700	3,000
REVENUES OVER (UNDER) EXPENDITURES	6,428	6,798	13,706	2,400	12,589
FUND BALANCE 12/31	143,220		156,926		169,515
SPECIAL IMPROVEMENTS REVOLVING					
FUND BALANCE 1/1	261,969		188,233		212,884
REVENUES					
TOTAL REVENUES	716,623	53,744	24,651	71,100	85,390
EXPENDITURES	790,359	535	-	-	-
REVENUES OVER (UNDER) EXPENDITURES	(73,736)	53,208	24,651	71,100	85,390
FUND BALANCE 12/31	188,233		212,884		298,274

	2024 Audited	2025 Actual through June	Actual Projected through 12/31/2025	2025 Original Budget	2026 Budget
WEST SIDE ARTERIAL PROJECT					
FUND BALANCE 1/1	1,534,716		1,622,107		1,672,651
REVENUES					
TRANSFER FROM FUND BALANCE					1,447,940
TOTAL REVENUES	87,390	27,484	50,544	27,776	5,000,000
LAND	-	-	-	-	-
CAPITAL IMPROVEMENTS	-	-	-	-	5,000,000
EXPENDITURES	-	-	-	-	5,000,000
REVENUES OVER (UNDER) EXPENDITURES	87,390	27,484	50,544	27,776	-
USE OF FUND BALANCE					(1,447,940)
FUND BALANCE 12/31	1,622,107		1,672,651		224,711
CAPITAL IMPROVEMENT FUND					
FUND BALANCE 1/1	45,637		312,948		(446,899)
RESERVED FUND BALANCE					
REVENUES					
ROW MAINTENANCE	-	119,868	276,557	-	284,853
GRANT FUNDING	258,400	-	1,750,000	1,750,000	700,000
DONATIONS	100,000	3,623	5,434	-	-
INTEREST INCOME	368,121	54,489	64,396	160,898	66,327
TRANSFERS FROM OTHERS	12,261,271	6,100,000	12,200,000	12,200,000	13,979,000
BOND PROCEEDS	-	5,107,359	22,000,000	-	33,000,000
TRANSFER FROM FUND BALANCE	-				
TOTAL REVENUES	12,987,792	11,385,339	36,296,387	14,110,898	48,030,180
EXPENDITURES	12,720,481	8,348,762	37,056,234	13,900,000	47,427,094
REVENUES OVER (UNDER) EXPENDITURES	267,311	3,036,577	(759,847)	210,898	603,086
USE OF FUND BALANCE	-				-
FUND BALANCE 12/31	312,948		(446,899)		156,187

	2024 Audited	2025 Actual through June	Actual Projected through 12/31/2025	2025 Original Budget	2026 Budget
WATER FUND					
CASH & CASH EQUIVALENTS 1/1	4,825,208		5,676,190		6,369,580
REVENUES					
INTERGOVERNMENTAL REV	22,174	-	600,000	9,368	9,368
CHARGES FOR WATER	8,003,031	4,147,768	9,968,227	9,047,113	10,297,273
OTHER WATER REVENUES	587,582	258,393	423,187	618,914	609,084
TRANSFER FROM RESERVES					868,195
TOTAL REVENUES	8,612,787	4,406,161	10,991,414	9,675,395	11,783,920
BILLING & COLLECTION	289,322	148,681	287,227	292,100	344,900
WATER DIST & ADMIN	7,279,152	4,679,589	10,010,797	9,621,422	11,439,020
WATER DEBT SERVICE	193,331	-	-	-	-
TOTAL EXPENDITURES	7,761,805	4,828,271	10,298,024	9,913,522	11,783,920
REVENUES OVER (UNDER) EXPENDITURES	850,982	(422,110)	693,390	(238,127)	-
USE OF RESERVES					(868,195)
CASH & CASH EQUIVALENTS 12/31	5,676,190		6,369,580		5,501,385
SEWER FUND					
CASH & CASH EQUIVALENTS 1/1	3,347,479		2,969,222		830,241
REVENUES					
SEWER REVENUES	4,563,225	4,946,637	4,818,862	5,719,937	5,781,675
TRANSFER FROM RESERVES	-	-		-	807,956
TOTAL REVENUES	4,563,225	4,946,637	4,818,862	5,719,937	6,589,631
BILLING & COLLECTIONS	48,802	24,427	50,089	54,363	62,287
SEWER LINE MAINT & ADMIN	3,174,466	799,009	3,442,289	3,289,675	2,684,956
SEWER TREATMENT	1,688,673	1,284,600	3,440,337	4,521,981	2,917,388
INDUSTRIAL PRETREATMENT	26,612	15,628	25,128	25,425	25,000
SEWER DEBT SERVICE	2,930	-	-	-	900,000
TOTAL EXPENDITURES	4,941,482	2,123,664	6,957,843	7,891,444	6,589,631
REVENUES OVER (UNDER) EXPENDITURES	(378,257)	2,822,974	(2,138,981)	(2,171,507)	-
USE OF RESERVES					(807,956)
CASH & CASH EQUIVALENTS 12/31	2,969,222		830,241		22,285
TRASH/RECYCLING FUND					
CASH & CASH EQUIVALENTS 1/1	901,759		1,419,366		2,119,779
REVENUES					
TRASH & RECYCLING CHARGES	2,869,882	1,750,624	3,495,173	3,394,809	4,179,950
TRANSFER FROM RESERVES					223,578
TOTAL REVENUES	2,869,882	1,750,624	3,495,173	3,394,809	4,403,528
BILLING & COLLECTIONS	58,037	29,699	61,643	66,944	78,727
TRASH & RECYCLING	2,294,239	1,134,862	2,733,117	3,144,787	4,324,801
TOTAL EXPENDITURES	2,352,276	1,164,560	2,794,760	3,211,731	4,403,528
REVENUES OVER (UNDER) EXPENDITURES	517,606	586,064	700,413	183,078	-
USE OF RESERVES					(223,578)
CASH & CASH EQUIVALENTS 12/31	1,419,366		2,119,779		1,896,201

	2024 Audited	2025 Actual through June	Actual Projected through 12/31/2025	2025 Original Budget	2026 Budget
BLACK CANYON GOLF COURSE					
CASH & CASH EQUIVALENTS 1/1	529,724		685,878		888,834
REVENUES					
GOLF REVENUES	1,238,271	609,758	1,014,865	892,000	990,531
INTEREST INCOME	2,948	1,018	35,842	-	1,673
TRANSFER FROM GENERAL FUND	380,872	329,537	659,074	659,074	632,397
TRANSFER FROM RESERVES					-
TOTAL REVENUES	1,622,091	940,313	1,709,781	1,551,074	1,624,601
TOTAL BCGC - TURF MAINTEANANCE OPER	610,759	238,805	557,605	692,360	614,041
TOTAL BCGC - BUSINESS OPER (CLUBHOU	564,777	314,281	663,274	655,635	640,830
TOTAL BCGC - RUSTY PUTTER	290,401	138,719	285,946	308,456	369,090
TOTAL EXPENDITURES	1,465,937	691,804	1,506,825	1,656,451	1,623,961
REVENUES OVER (UNDER) EXPENDITURES	156,154	248,509	202,956	(105,377)	640
USE OF RESERVES					-
CASH & CASH EQUIVALENTS 12/31	685,878		888,834		889,474
INTERNAL SERVICE FUNDS					
FLEET CASH & CASH EQUIVALENTS 1/1	3,069,556		3,196,258		3,703,697
TRANSFER FROM FLEET RESERVES					1,117,859
TOTAL FLEET MGMT REVENUES	4,524,817	2,524,489	5,268,780	5,555,028	5,131,105
TOTAL FLEET EXPENDITURES	4,398,115	2,798,469	4,761,341	4,012,713	5,131,105
REVENUES OVER (UNDER) EXPENDITURES	126,702	(273,980)	507,439	1,542,315	-
USE OF FLEET RESERVES					(1,117,859)
FLEET CASH & CASH EQUIVALENTS 12/31	3,196,258		3,703,697	-	2,585,838
IS CASH & CASH EQUIVALENTS 1/1	829,538		881,975		974,795
TOTAL INFORMATION SERVICES REVENUE	2,664,737	1,599,217	3,126,422	3,070,484	3,504,149
TOTAL INFORMATION SERVICES EXP.	2,612,300	1,623,970	3,033,602	2,857,238	3,304,201
REVENUES OVER (UNDER) EXPENDITURES	52,437	(24,753)	92,820	213,246	199,948
IS CASH & CASH EQUIVALENTS 12/31	881,975		974,795		1,174,743
FACILITIES CASH & CASH EQUIVALENTS 1/	430,225		515,361		525,933
TRANFER FROM FACILITIES RESERVES					
TOTAL FACILITIES MGMT REVENUES	2,233,939	1,206,297	2,412,195	2,402,498	3,478,930
TOTAL FACILITIES MGMT EXPENDITURES	2,148,803	878,280	2,401,623	2,417,692	3,224,175
REVENUES OVER (UNDER) EXPENDITURES	85,136	328,017	10,572	(15,194)	254,755
USE OF FACILITIES RESERVES					-
FACILITIES CASH & CASH EQUIVALENTS 12	515,361		525,933		780,688

	2024 Audited	2025 Actual through June	Actual Projected through 12/31/2025	2025 Original Budget	2026 Budget
HEALTH/DENTAL INSURANCE					
FUND BALANCE	2,154,732		1,882,055		1,561,394
REVENUES					
CONTRIBUTIONS AND INTEREST	3,189,739	1,827,029	3,607,247	2,944,786	3,550,731
TRANSFER FROM RESERVES	-	-	-	-	475,670
TOTAL REVENUES	3,189,739	1,827,029	3,607,247	2,944,786	4,026,401
TOTAL EXPENDITURES	3,462,415	1,819,420	3,927,908	3,388,761	4,026,401
REVENUES OVER (UNDER) EXPENDITURE	(272,677)	7,609	(320,661)	(443,975)	-
USE OF RESERVES					(475,670)
CASH & CASH EQUIVALENTS 12/31	1,882,055		1,561,394		1,085,724
MRD TAX CUSTODIAL FUND					
FUND BALANCE	5,764		5,974		0
REVENUES	2,837,495	1,407,005	2,854,562	2,778,136	2,950,995
EXPENDITURES	2,837,285	1,142,630	2,860,536	2,778,136	2,950,995
REVENUES OVER (UNDER) EXPENDITURE	210	264,375	(5,974)	-	-
FUND BALANCE 12/31	5,974		0		0

City of Montrose Combined Debt Summary

The City of Montrose CharterMontrose establishes a legal debt limitation of 5% of the assessed valuation of taxable property in the City, as shown by the last preceding assessment. The assessed valuation of taxable property in the City as of November 27, 2024, was $533,325,924. The legal debt limit of 5% is $26,666,296. Certain debt is excluded from the calculation for water, storm sewer, sanitary sewer, sewage disposal, short-term notes (< 3 years), and local improvement securities. This limitation does not apply to revenue bonds as addressed in Article VI, Section 5 of the City of MontroseMontrose Charter.

	2026
Assessed taxable property valuation	$533,325,924.00
5% Debt Limitation	$26,666,296.20
Lease Purchase, Series 2017A & 2017B	$6,597,307.16
2020 Public Safety Certificate of Participatior	$14,570,000.00
2025 Public Works Certificate of Participatior	$54,560,000.00
Total Debt not subject to limitation	$75,727,307.16

2017 General Fund Infrastructure Certificate of Participation Note

In 2017, the City paid off the General Fund Excise Tax Revenue Bonds, Series 2010. Due to aging infrastructure and deferred maintenance projects as well as the creation of the Montrose Urban Renewal Authority, the City issued series 2017A & 2017B certificates of participation to Vectra Bank, borrowing $10,000,000. DA Davidson & Co. provided underwriter/placement services for the City with a net interest cost 2.7248% payable semi-annually.

Date	Principal	Interest	Debt Service	Annual Debt Service
4/1/2026	236,276	77,652	313,929	
10/1/2026	239,490	74,439	313,929	627,857
4/1/2027	242,747	71,182	313,929	
10/1/2027	246,048	67,881	313,929	627,857
4/1/2028	249,394	64,534	313,929	
10/1/2028	252,786	61,143	313,929	627,857
4/1/2029	256,224	57,705	313,929	
10/1/2029	259,709	54,220	313,929	627,857
4/1/2030	263,241	50,688	313,929	
10/1/2030	266,821	47,108	313,929	627,857
4/1/2031	270,450	43,479	313,929	
10/1/2031	274,128	39,801	313,929	627,857
4/1/2032	277,856	36,073	313,929	
10/1/2032	281,635	32,294	313,929	627,857
4/1/2033	285,465	28,464	313,929	
10/1/2033	288,191	25,738	313,929	627,857
4/1/2034	290,943	22,985	313,929	
10/1/2034	293,722	20,207	313,929	627,857
4/1/2035	296,527	17,402	313,929	
10/1/2035	299,359	14,570	313,929	627,857
4/1/2036	302,218	11,711	313,929	
10/1/2036	305,104	8,825	313,929	627,857
4/1/2037	308,017	5,911	313,929	
10/1/2037	310,959	2,970	313,929	627,857
	$ 6,597,307	**$ 936,981**	**$ 7,534,288**	**$ 7,534,288**

2020 Public Safety Facility Certificate of Participation Note

With voter approval on November 5, 2019, a .58% sales and use tax increase along with funding from the General Fund allowed the City to issue debt in the form of Certificate of Participation to UMB Bank in the amount of $15,980,000 to construct a new public safety facility. DA Davidson & Co. provided underwriter/placement services for the City with a net interest cost 3.3156 payable semi-annually on June 1 and December 1.

Date	Principal	Interest	Annual Debt Service
6/1/2026		$ 254,697	
12/1/2026	$ 390,000	$ 254,697	$ 899,394
6/1/2027		$ 246,897	
12/1/2027	$ 405,000	$ 246,897	$ 898,794
6/1/2028		$ 238,797	
12/1/2028	$ 420,000	$ 238,797	$ 897,594
6/1/2029		$ 230,397	
12/1/2029	$ 435,000	$ 230,397	$ 895,794
6/1/2030		$ 221,697	
12/1/2030	$ 455,000	$ 221,697	$ 898,394
6/1/2031		$ 212,597	
12/1/2031	$ 470,000	$ 212,597	$ 895,194
6/1/2032		$ 203,197	
12/1/2032	$ 490,000	$ 203,197	$ 896,394
6/1/2033		$ 193,397	
12/1/2033	$ 510,000	$ 193,397	$ 896,794
6/1/2034		$ 183,197	
12/1/2034	$ 530,000	$ 183,197	$ 896,394
6/1/2035		$ 172,597	
12/1/2035	$ 550,000	$ 172,597	$ 895,194
6/1/2036		$ 161,597	
12/1/2036	$ 575,000	$ 161,597	$ 898,194
6/1/2037		$ 152,972	
12/1/2037	$ 590,000	$ 152,972	$ 895,944
6/1/2038		$ 144,122	
12/1/2038	$ 610,000	$ 144,122	$ 898,244
6/1/2039		$ 134,972	
12/1/2039	$ 630,000	$ 134,972	$ 899,944
6/1/2040		$ 125,522	
12/1/2040	$ 645,000	$ 125,522	$ 896,043
6/1/2041		$ 115,847	
12/1/2041	$ 665,000	$ 115,847	$ 896,693
6/1/2042		$ 104,625	
12/1/2042	$ 690,000	$ 104,625	$ 899,250
6/1/2043		$ 92,981	
12/1/2043	$ 710,000	$ 92,981	$ 895,962
6/1/2044		$ 81,000	

12/1/2044	$	735,000	$	81,000	$	897,000
6/1/2045			$	68,597		
12/1/2045	$	760,000	$	68,597	$	897,193
6/1/2046			$	55,772		
12/1/2046	$	785,000	$	55,772	$	896,543
6/1/2047			$	42,525		
12/1/2047	$	810,000	$	42,525	$	895,050
6/1/2048			$	28,856		
12/1/2048	$	840,000	$	28,856	$	897,712
6/1/2049			$	14,681		
12/1/2049	$	870,000	$	14,681	$	899,362
Total	$	14,570,000	$	6,963,074	$	21,533,074

2025 Public Works Certificate of Participation Note

Public Works Facilities Project

Series 2025

Certificate of Participation funding was entered into with UMB Bank in the amount of $55,000,000 to construct a new public works facility. DA Davidson & Co. provided underwriter/placement services for the City with an interest rate yield of 4.78% - 5.10% payable semi-annually on June 1 and December 1. The Principal payments are due annually on May 15 and November 15.

Date	Principal	Interest	Annual Debt Service
12/1/2026	$ 820,000	$ 2,747,700	$ 3,567,700
12/1/2027	$ 860,000	$ 2,706,700	$ 3,566,700
12/1/2028	$ 905,000	$ 2,663,700	$ 3,568,700
12/1/2029	$ 950,000	$ 2,618,450	$ 3,568,450
12/1/2030	$ 995,000	$ 2,570,950	$ 3,565,950
12/1/2031	$ 1,045,000	$ 2,521,200	$ 3,566,200
12/1/2032	$ 1,100,000	$ 2,468,950	$ 3,568,950
12/1/2033	$ 1,155,000	$ 2,413,950	$ 3,568,950
12/1/2034	$ 1,210,000	$ 2,356,200	$ 3,566,200
12/1/2035	$ 1,270,000	$ 2,295,700	$ 3,565,700
12/1/2036	$ 1,335,000	$ 2,232,200	$ 3,567,200
12/1/2037	$ 1,400,000	$ 2,165,450	$ 3,565,450
12/1/2038	$ 1,470,000	$ 2,095,450	$ 3,565,450
12/1/2039	$ 1,545,000	$ 2,021,950	$ 3,566,950
12/1/2040	$ 1,625,000	$ 1,944,700	$ 3,569,700
12/1/2041	$ 1,705,000	$ 1,863,450	$ 3,568,450
12/1/2042	$ 1,790,000	$ 1,778,200	$ 3,568,200
12/1/2043	$ 1,880,000	$ 1,688,700	$ 3,568,700
12/1/2044	$ 1,970,000	$ 1,594,700	$ 3,564,700
12/1/2045	$ 2,070,000	$ 1,496,200	$ 3,566,200
12/1/2046	$ 2,165,000	$ 1,403,050	$ 3,568,050
12/1/2047	$ 2,280,000	$ 1,289,388	$ 3,569,388
12/1/2048	$ 2,395,000	$ 1,169,688	$ 3,564,688
12/1/2049	$ 2,525,000	$ 1,043,950	$ 3,568,950
12/1/2050	$ 2,655,000	$ 911,388	$ 3,566,388
12/1/2051	$ 2,795,000	$ 772,000	$ 3,567,000
12/1/2052	$ 2,935,000	$ 632,250	$ 3,567,250
12/1/2053	$ 3,080,000	$ 485,500	$ 3,565,500
12/1/2054	$ 3,235,000	$ 331,500	$ 3,566,500
12/1/2055	$ 3,395,000	$ 169,750	$ 3,564,750
	$ 54,560,000	$ 52,452,963	$ 107,012,963

ORDINANCE NO. 2698

AN ORDINANCE OF THE CITY OF MONTROSE, COLORADO, AMENDING ORDINANCE NO. 2674 WHICH APPROPRIATED FUNDS FOR DEFRAYING THE EXPENSES AND LIABILITIES OF THE CITY OF MONTROSE, COLORADO DURING THE FISCAL YEAR BEGINNING JANUARY 1, 2025; SAID EXPENDITURES OF THE CITY OF MONTROSE OVER AND ABOVE THOSE ANTICIPATED AT THE TIME OF THE ADOPTION OF THE ORIGINAL BUDGET FOR THE FISCAL YEAR BEGINNING JANUARY 1, 2025.

WHEREAS these additional appropriations are deemed necessary for the public health, peace, or safety of the city's residents.

WHEREAS the funds below have either additional revenues or a fund balance to cover these additional expenses.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MONTROSE, COLORADO, AS FOLLOWS:

Section 1: The amounts appropriated for the following funds by Section 1 of Ordinance No. 2674 are hereby amended to read according to the column entitled "Final Budget", below:

Fund#	Fund Title	Final Budget
100	General Fund	40,479,181
150	Public Safety Fund	17,588,748
260	Montrose URA	22,500
290	Tourism Promotional Fund	1,135,645
370	General Debt Service	3,427,843
420	Cemetery Perpetual Care Fund	5,430
440	Special Improvements Fund	1,527
465	Capital Infrastructure Fund	35,900,000
500	Water Fund	10,503,024
600	Internal Service Fund	10,196,566
610	Medical and Dental Self Insurance Fund	3,954,605

Please take note that Montrose City Council will hold a hearing upon the above Ordinance and on the question of its adoption on first reading on Tuesday, the 18th day of November 2025, at the hour of 6:00 p.m. in the City Council Chambers at 107 S. Cascade.

INTRODUCED, READ, and PASSED on first reading this 18th day of November 2025.

____

Dave Frank, Mayor

Attest:

Lisa DelPiccolo, City Clerk

INTRODUCED, READ, AND ADOPTED on second reading this 2nd day of December 2025.

Dave Frank, Mayor

Attest:

Lisa DelPiccolo, City Clerk

Backup for Ordinance # 2698 which appropriates additional funds and supplements the original appropriating Ordinance # 2674
A supplemental budget is necessary to appropriate funds for projects, grants, and other unanticipated expenditures that occurred during the fiscal year which are deemed necessary for the public health, peace or safety of the city's residents.

Fund #	Fund Name	Original Budget Ordinance 2674	Final Budget Ordinance 2698	Difference	Funded by Grants or other sources	Explanation
100	GENERAL FUND	$ 38,638,083	$ 40,479,181	$ 1,841,098	$ 96,000	Real Property purchases; Economic Incentives; Public Defenders for Municipal Court; vehicles ordered in previous years were received and Year 2 funding for the CMU endowment
150	PUBLIC SAFETY FUND	$ 17,505,720	$ 17,588,748	$ 83,028		Axon Fusus Camera Bundle
260	MONTROSE URA	$ -	$ 22,500	$ 22,500	$ -	Fees to Montrose County for collection of the tax increment for MURA
290	TOURISM PROMOTIONAL FUND	$ 910,293	$ 1,135,645	$ 225,352	$ -	Increased marketing efforts for community events, Increase to the cost of fireworks and the purchase of DreamCO software.
370	GENERAL DEBT SERVICE	$ 1,531,251	$ 3,427,843	$ 1,896,592		Addition of the debt service on the public works new facility
420	CEMETERY PERPETUAL CARE FUND	$ 2,700	$ 5,430	$ 2,730		Additional Interest Earned that is transferred to the General Fund
440	SPECIAL IMPROVEMENTS FUND	$ -	$ 1,527	$ 1,527		Fees to Montrose County for collection of the Riverwood and Otter Pond Improvement District payments
465	CAPITAL INFRASTRUCTURE FUND	$ 13,900,000	$ 35,900,000	$ 22,000,000	$ 22,000,000	Construction on the new public works facility
500	WATER FUND	$ 9,913,522	$ 10,503,024	$ 589,502	$ 730,000	6600 Road water line interconnect project - Grant funded by DOLA
600	INTERNAL SERVICE FUNDS	$ 9,287,643	$ 10,196,566	$ 908,923		Vehicles received from previous budgeted years
610	HEALTH & DENTAL MGMT FUND	$ 3,388,761	$ 3,954,605	$ 565,844		Increase in premiums due to more participants on the Health, Dental and Vision insurance

CITY OF MONTROSE
Community Development

MEMO

TO: City Council
FROM: William Bell, City Manager
DATE: November 18, 2025
RE: Purchase & Sale Agreement with Volunteers of America

ATTACHMENTS
- Exhibit A: Proposed Ordinance 2699
- Exhibit B: Purchase and Sale Agreement Documentation

City Council Consideration:
City Council is considering approval of purchase and sale agreements between the City and Volunteers of America for a land transaction of two properties within the City of Montrose.

Project Background:
In the summer of 2025, City staff met with City Council in executive session to discuss the possibility of pursuing a land exchange with Volunteers of America (VOA). The City currently owns two vacant parcels located off Niagara Road, adjacent to VOA's existing campus. Together, these parcels total approximately 4.14 acres and are zoned "P" Public District.

Separately, VOA owns the property at 420 S. 12th Street, which is the site of the Magic Circle Players theatre. The property is approximately 1.15 acres and contains a 9,014-square-foot building. The site is zoned "B-2" Highway Commercial. Under the current arrangement, VOA owns the land, while Magic Circle Players holds a long-term land lease and owns the building improvements on the property.

Following Council's direction to evaluate the feasibility of a land exchange, the City obtained appraisals for both properties. The City-owned Niagara Road property was appraised at approximately $530,000, while the VOA-owned 420 S. 12th Street property was appraised at approximately $500,000 (land only). After discussing the appraisal results, VOA expressed interest in moving forward with a land transaction and agreed to cover the $30,000 difference in property value.

City staff then prepared a Memorandum of Understanding (MOU) between the City, Volunteers of America, and Magic Circle Players to establish the general framework of the transaction and define each party's responsibilities. Under the proposed arrangement, the City would acquire the property at 420 S. 12th Street and, once Magic Circle Players have secured sufficient fundraising, sell the property to them directly. In the meantime, Magic Circle Players would lease the building from the City at a nominal cost. VOA would acquire the Niagara property with plans to expand its campus in the future. The MOU was reviewed by City Council during the September 2, 2025 Work Session and has since been executed by all parties.

The next step is consideration and approval of a Purchase and Sale Agreement. Under the proposed structure, the City will sell the 4.14-acre Niagara Road property to VOA for $30,000, and VOA will deed the 420 S. 12th Street property to the City at no additional cost. The $30,000 difference reflects the appraised value gap between the two properties. The acceptance date for the agreement is December 10, 2025 which is eight days after the second reading of the ordinance authorizing the sale, at which point the ordinance will be in effect.

Once the Purchase and Sale Agreement is executed, VOA will have a four-month due diligence period to conduct necessary site investigations, such as surveys, and site and environmental inspections. Closing is currently scheduled for April 8, 2026.

During the due diligence period, the City will initiate a rezone request for the Niagara Road property from "P" Public to "R-3A" Medium High-Density District, which would allow for the types of residential and supportive uses proposed by VOA. The rezoning will come before Planning Commission and City Council at a later date through the standard public hearing process.

Recommendation:
City staff recommends approval of an ordinance approving purchase and sale agreements between the City and Volunteers of America for a land transaction of two properties within the City of Montrose.

ORDINANCE NO. ______

AN ORDINANCE OF THE CITY OF MONTROSE, COLORADO, AUTHORIZING THE SALE OF REAL PROPERTY PURSUANT TO § 1-9-2 OF THE OFFICIAL CODE OF THE CITY OF MONTROSE

WHEREAS, the properties described and shown on the plats in **Exhibit A** is not required for any public purpose by the City of Montrose; and

WHEREAS, the City of Montrose will obtain a parcel of land through this transaction that will give greater community benefit; and

WHEREAS, the City of Montrose, which currently owns these properties, has no use for the same and is desirous of conveying said property.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MONTROSE, COLORADO, that the real properties, more particularly shown in **Exhibit A**, attached hereto and incorporated herein by this reference, may be conveyed, on forms acceptable to the City for reasonable consideration. The real property shown on **Exhibit A** is described as Open Space of the Final Plat of the Elder Homestead at Montrose and Open Space of the Final Plat of East Pavilion Complex. Further, the City Council hereby authorizes the Mayor and City Staff to execute all documents required to consummate said conveyance.

You will please take notice that the Montrose City Council will hold a hearing upon the above Ordinance and the question of its passage on first reading on Tuesday, the 18th day of November 2025, at the hour of 6:00 p.m. at the at the Elks' Civic Building in Montrose, Colorado.

INTRODUCED, READ and PASSED on first reading this 18th day of November 2025.

____

ATTEST: David Frank, Mayor

____

Lisa DelPiccolo, City Clerk

INTRODUCED, READ and ADOPTED on second reading this 2nd day of December 2025.

____

ATTEST: David Frank, Mayor

____

Lisa DelPiccolo, City Clerk

EXHIBIT A

PLATS DESCRIBING PROPERTIES

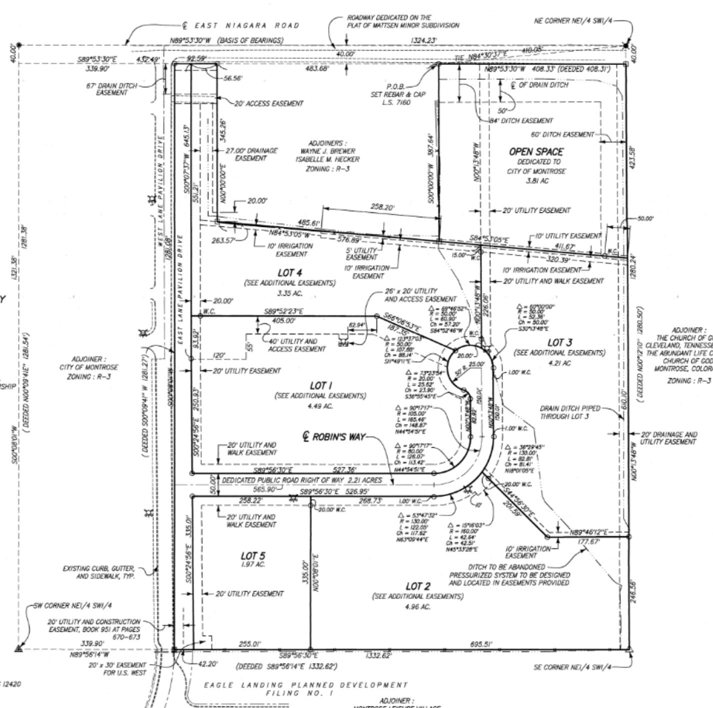
13-405

13-405

655077 08/17/1999 10:43A B13 P405 PLAT
1 of 1 R 10.00 D 0.00 N 0.00 CLK&REC MONTROSE CO

FINAL PLAT OF
THE ELDER HOMESTEAD AT MONTROSE

IN THE NE 1/4 SW 1/4 SECTION 35, TOWNSHIP 49 NORTH, RANGE 9 WEST, N.M.P.M.
CITY OF MONTROSE, MONTROSE COUNTY, COLORADO



ACREAGE SUMMARY

LOTS 1 THROUGH 5 :	18.98 ACRES
OPEN SPACE :	3.81 ACRES
ROAD DEDICATION :	2.21 ACRES
TOTAL ACRES	25.00 ACRES

OWNER : MONTROSE VOA HOUSING LTD.,
A COLORADO LIMITED PARTNERSHIP
7530 MARKET PLACE DR.
EDEN PRAIRIE, MN
55344-3636

SURVEYOR : JOHN A. KRUSE
ENGINEER : BUCKHORN GEOTECH, INC.
ZONING : R-3A

LEGEND

- FOUND NAIL IN BOTTLE CAP
- FOUND REBAR & 1-1/2" CAP LS 12420
- FOUND 2" CAP LS 10738
- FOUND REBAR & 1-1/2" CAP LS 10738
- FOUND 5/8" REBAR, SET 2" ø CAP MARKED LS 7160
- SET REBAR & 1-1/2" CAP LS 7160
- FOUND CONCRETE NAIL
- W.C. WITNESS CORNER
- FIRE HYDRANT

NOTE : The drainage easement(s) shown hereon shall be maintained by the owners of the subject lots in a manner that preserves the grade as originally established and so as not to impede the free flow of water in any way, including but not limited to the construction of fencing and other improvements, or the planting or encroachment of trees and shrubs and other impeding vegetation. If the subject lot owners fail to so maintain said easement(s), the City may do so and assess the costs to the affected lots, to be collected as a delinquent charge similarly to taxes or in any other lawful manner.

ADDITIONAL EASEMENTS :

1. Lots 1 and 4 are subject to ingress, egress, and parking easements to allow for shared driveways and parking.

2. Lots 2 and 3 are subject to ingress and egress easements to provide for shared driveways.

FLOOD ZONE DATA :
The Elder Homestead at Montrose Subdivision is located in Flood Zone 'C' and is outside the regulatory 100 year Flood Zone 'A' as designated by the FEMA on the FIRM map for the City of Montrose, Panel Number 080125 0001 C, revised July 17, 1986.

CERTIFICATE OF DEDICATION AND OWNERSHIP

KNOW ALL MEN BY THESE PRESENTS that the undersigned being the owners of certain lands in the City of Montrose, County of Montrose and State of Colorado to wit:
NE 1/4 SW 1/4, Section 35, Township 49 North, Range 9 West, New Mexico Principal Meridian
Except a tract of land in the NE 1/4 SW 1/4, Section 35, Township 49 North, Range 9 West, New Mexico Principal Meridian, more particularly described as follows : Beginning at a point from which the northeast corner of said NE 1/4 SW 1/4 bears North 89°30'37" East, 410.05 feet; thence South 00°00'00" West, 387.64 feet; thence North 84°53'05" West, 485.61 feet; thence North 00°00'00" East, 345.26 feet; thence South 89°53'30" East parallel to and 40.00 feet South of the North line of said NE 1/4 SW 1/4, 483.68 feet to the point of beginning.
also except : The Westerly 339.90 feet of the NE 1/4 SW 1/4 Section 35, Township 49 North, Range 9 West, New Mexico Principal Meridian and being more particularly described as follows : Beginning at the southwest corner of said NE 1/4 SW 1/4 Section 35; thence North 00°09'41" East, 1281.54 feet, along the west line of said NE 1/4 SW 1/4 Section 35, to a point on the southerly right of way of Niagara Road; thence South 89°53'30" East, 339.90 feet, along the southerly right of way of said Niagara Road; thence South 00°09'41" West, 1281.27 feet, to a point on the south line of said NE 1/4 SW 1/4 Section 35; thence North 89°56'14" West, 339.90 feet, along said south line NE 1/4 SW 1/4 Section 35, to the point of beginning.

County of Montrose, State of Colorado.

Have by these presents laid out, platted and subdivided the same into lots, as shown on this plat, under the name and style of
THE ELDER HOMESTEAD AT MONTROSE
and do hereby dedicate, grant and convey to the City of Montrose, Colorado, for the use of the public, Pavilion Drive, Robin's Way, and the Open Space parcel, as hereon shown. The easements shown on this plat are dedicated, granted and conveyed to the City of Montrose, Colorado, for public utilities, drainage and irrigation purposes, including but not limited to water, sewer, storm sewer, drain pipes, electrical, telephone, gas and CATV lines, together with perpetual right of ingress and egress for installation, maintenance and replacement of such lines. The drainage easements shown on this plat are dedicated, granted and conveyed to the City of Montrose to accommodate the flow of drainage water.

Executed this 23 day of July, 1999

Montrose VOA Housing LTD., A Colorado Limited Partnership

By [signature]

Title Director

STATE OF Colorado)
ss)
COUNTY OF Montrose)

The foregoing Certificate of Dedication and Ownership was acknowledged before me this 23rd day of July, 1999, by John Fitzmaurice. Witness my hand and official seal.
My Commission expires 4/6/2002

Dorothy M. Causey
Notary Public

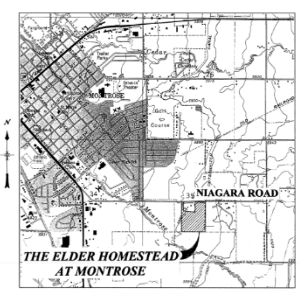
DOROTHY M. CAUSEY NOTARY PUBLIC STATE OF COLORADO

PLAT CONDITIONS :

1. All lots platted hereon shall be subject to an assessment for the costs to construct improvements to that portion of Niagara Road which concerns the subject lots, including curb, gutter, sidewalk, base, pavement, and related improvements. The assessment shall be calculated on a pro rata basis. The Montrose City Clerk is hereby appointed as the Attorney-in-fact of each of the owners of Lots 1 through 5 for the purposes of executing improvement district petitions on their behalf, voting on their behalf in any election to approve any financial obligations for such improvement districts and for all other purposes related to the formation of such districts and construction of such improvements. These obligations shall run with the land and be binding upon all successors in interest to the said lots.

2. The owners of Lots 1 through 5 shall be jointly and severally liable for the proper maintenance of the irrigation pipeline installed.

In the event that said pipeline is not maintained, the City may cause the maintenance to be done and assess the costs to the owners of said lots, may certify such charges as a delinquent charge to the county Treasurer to be collected similarly to taxes or the City may record a lien on said lots which may be foreclosed in any lawful manner in in order to collect such charges.



VICINITY MAP
SCALE OF FEET

SURVEYOR'S CERTIFICATE

I, John A. Kruse, a Registered land Surveyor in the State of Colorado, do hereby certify that there are no visible roads, irrigation ditch encroachments or other visible easements existing on or across said property except as shown on this plat and that this plat accurately represents a survey made by me and conforms to all City of Montrose requirements and applicable State laws. I further certify that all monuments shown hereon actually exist.

JOHN A. KRUSE 7160 7/28/99 LAND SURVEYOR STATE OF COLORADO

ENGINEER'S CERTIFICATE

I, Judith D Kittson, a Registered Engineer in the State of Colorado, do hereby certify that the sanitary sewer system, water distribution system and the storm drainage system shown on the accompanying plans of this Subdivision are properly designed to meet City of Montrose specifications, and are adequate to properly serve the Subdivision shown hereon. I further certify that the streets and other improvements are designed in accordance with applicable City specifications and regulations.

Judith D Kittson — Engineer — Date 7/23/99

33035
License No.

CERTIFICATE OF COMPLETED IMPROVEMENTS

I hereby certify that all improvements and utilities required by the Current Subdivision Regulations of the City of Montrose have been Constructed and installed in this subdivision in accordance with The applicable City regulations and specifications except as follows:
ASPHALT; 8' SIDEWALK FROM ROBBIN'S WAY TO PARK; STREET LIGHTS; STREET SIGNS; LANDSCAPING; AS-BUILT DRAWINGS.

Frank J. Mesaric — 8/10/99
Frank Mesaric, Manager — Date
Engineering, Inspection and Public Works

CERTIFICATE OF RECEIPT OF SECURITY

I, Mary Watt, City Clerk for the City of Montrose, Colorado, hereby Certify that security, in an amount and with conditions as required By the City's Subdivision Regulations, has been received from the Subdividers providing for and securing to the City the actual Construction and installation of the following improvements and utilities: asphalt, 8' sidewalk from Robbin's way to Park; street lights; street signs; landscaping; as-built drawings

Mary A. Watt — 8-10-99
Mary Watt, City Clerk — Date

APPROVAL OF PLANNING COMMISSION

Approved by the Montrose City Planning Commission this 9TH day of JUNE, 1999

David D. Roberts
Chairman

APPROVAL OF CITY MANAGER

Approved this 11th day of August, 1999

[signature]
Theodore R Barkley, City Manager

APPROVAL OF CITY COUNCIL

Approved by the Montrose City Council this 17th day of June, 1999

[signature]
~~Chairman~~ mayor-pro-tem

APPROVAL OF CITY ATTORNEY

Approved for recording this 17th day of August, 1999

Gregory J. Clifton
Gregory J. Clifton, City Attorney

ATTORNEY'S CERTIFICATE

I, Dennis R. Devor, an Attorney at Law, duly licensed to practice in the State of Colorado, do hereby certify that I have examined the title of all land herein platted and described in the above Certification of Dedication and Ownership, and that title to such land is in the name of the owner and dedicator, and the title to the land dedicated hereon, including the dedication for utility and drainage easements, streets, alleys and parks is free and clear of all liens and encumbrances, except as follows: as set forth in the Owner's Policy of United General Title Insurance Company Policy No. 98549778, dated July 1, 1999.

Dennis Devor — 7/22/99
Attorney # 8024 — Date

RECORDER'S CERTIFICATE

This plat was filed for record in the office of the Clerk and Recorder of Montrose County, Colorado, at 10:43AM on this 17th day of August, 1999, in Book 13 Page 405, Reception No. 655077

Carol LeRoux
Montrose County Clerk & Recorder

Norma Tabor
Deputy

BUCKHORN GEOTECH	Civil, Structural & Geotechnical Engineers, 222 So. Park Ave. Montrose, Colorado 81401, 970-249-6828 Fax. No. 970-249-0945
REVISIONS	DATE
DESIGNED	J. KITTSON
DRAWN	D.J. POWERS
CHECKED	JAK
APPROVED	
CADD NAME	VOAFPLAT.DWG

VOLUNTEERS OF AMERICA
THE ELDER HOMESTEAD AT MONTROSE
FINAL PLAT

DATE 7-22-99
PROJ. NO. 98182-1
DRAWING NUMBER 1 OF DWGS.

13-563

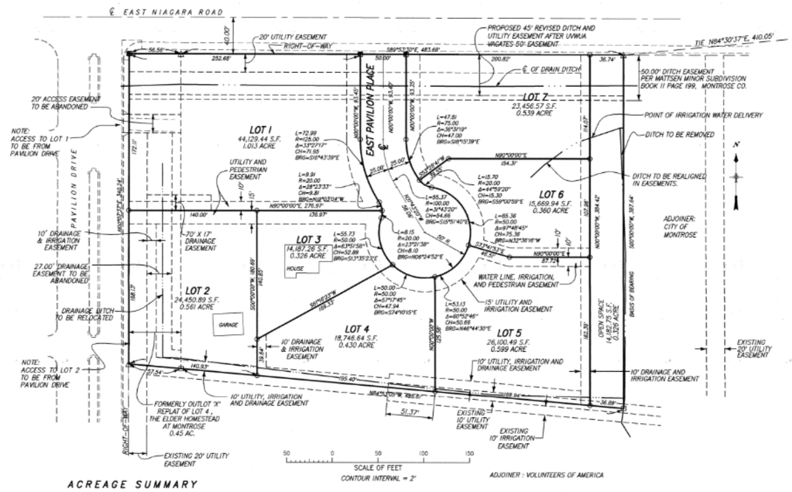
13-563

663504 06/01/2000 12:32P B13 P563 PLAT
1 of 1 R 10.00 D 0.00 N 0.00 REC MONTROSE CO

FINAL PLAT OF EAST PAVILION COMPLEX

FORMERLY THE MATTSEN MINOR SUBDIVISION & OUTLOT 'X' REPLAT OF LOT 4, THE ELDER HOMESTEAD AT MONTROSE

IN THE NE 1/4 SW 1/4 SECTION 35, TOWNSHIP 49 NORTH, RANGE 9 WEST, N.M.P.M.
CITY OF MONTROSE, MONTROSE COUNTY, COLORADO



ACREAGE SUMMARY

LOTS 1 THROUGH 7 :	3.828 ACRES
OPEN SPACE DEDICATION :	0.326 ACRE
ROAD DEDICATION :	0.364 ACRE
TOTAL ACRES	4.518 ACRES

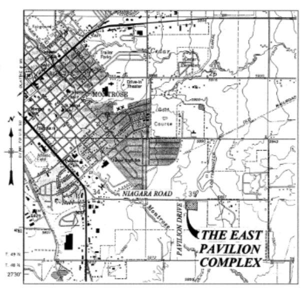
OWNERS : JOHN FITZMAURICE
61717 SPRING CREEK ROAD
MONTROSE, COLORADO
81401

DON WALKER
16999 PIONEER ROAD
MONTROSE, COLORADO
81401

SURVEYOR : JOHN A. KRUSE
ENGINEER : BUCKHORN GEOTECH, INC.
ZONING : MEDICAL RESIDENTIAL

LEGEND

- FOUND NAIL IN BOTTLE CAP
- FOUND REBAR & 1-1/2" CAP LS 12420
- FOUND 5/8" REBAR & 1 1/2" # CAP MARKED LS 7160
- SET 5/8" REBAR & 1-1/2" CAP LS 7160
- SET BRASS DISK MARKED LS 7160 WITH NAIL IN CONCRETE



VICINITY MAP

SCALE OF FEET

NOTE : The drainage easement(s) shown hereon shall be maintained by the owners of the subject lots in a manner that preserves the grade as originally established and so as not to impede the free flow of water in any way, including but not limited to the construction of fencing and other improvements, or the planting or encroachment of trees and shrubs and other impeding vegetation. If the subject lot owners fail to so maintain said easement(s), the City may do so and assess the costs to the affected lots, to be collected as a delinquent charge similarly to taxes or in any other lawful manner.

FLOOD ZONE DATA :
The Pavilion Medical Complex is located in Flood Zone 'C' and is outside the regulatory 100 year Flood Zone 'A' as designated by the FEMA on the FIRM map for the City of Montrose, Panel Number 080125 0001 C, revised July 17, 1986.

CERTIFICATE OF DEDICATION AND OWNERSHIP

Know all men by these presents that we the undersigned being the owners of certain lands in the City of Montrose, County of Montrose, State of Colorado, described as:

The Mattsen Minor Subdivision containing 4.068 acres, according to the record plat thereof.

Also a tract of land in the NE 1/4 SW 1/4 Section 35, Township 49 North, Range 9 West, N.M.P.M., described as Outlot 'X', Replat of Lot 4, The Elder Homestead at Montrose containing 0.45 acres, according to the record plat thereof.

Have by these presents laid out, platted and subdivided the same into lots, as shown on this plat, under the name and style of EAST PAVILION COMPLEX and do hereby dedicate, grant and convey to the City of Montrose, Colorado, for the use of the public, East Pavilion Place and the open space, as hereon shown. The easements shown on this plat are dedicated, granted and conveyed to the City of Montrose, Colorado, for public utilities, drainage and irrigation purposes, including but not limited to water, sewer, storm sewer, drain pipes, electrical, telephone, gas and CATV lines, together with perpetual right of ingress and egress for installation, maintenance and replacement of such lines. The drainage easements shown on this plat are dedicated, granted and conveyed to the City of Montrose to accommodate the flow of drainage water.

Executed this 22nd day of May, 2000

By [signature]
Title Owner
By Donald J Welch
Title Owner

STATE OF COLORADO)
ss)
COUNTY OF MONTROSE)

The foregoing Certificate of Dedication and Ownership was acknowledged before me this 22nd day of May, 2000, by John Fitzmaurice and Donald J. Walker. Witness my hand and official seal.
My Commission expires 04-27-04

Suzanne L. Williams
Notary Public

NOTARY PUBLIC SUZANNE L. WILLIAMS STATE OF COLORADO

PLAT CONDITIONS :

1. All lots platted hereon shall be subject to an assessment for the costs to construct improvements to that portion of Niagara Road which abuts East Pavilion Complex, including curb, gutter, sidewalk, base, pavement, and related improvements. The assessment shall be calculated on a pro rata basis. The Montrose City Clerk is hereby appointed as the Attorney-in-fact of each of the owners of Lots 1 through 7 for the purposes of executing improvement district petitions on their behalf, voting on their behalf in any election to approve any financial obligations for such improvement districts and for all other purposes related to the formation of such districts and construction of such improvements. These obligations shall run with the land and be binding upon all successors in interest to the said lots.
2. All lots shall provide individual on-site detention for storm water in accordance with City requirements.

SURVEYOR'S CERTIFICATE

I, John A. Kruse, a Registered land Surveyor in the State of Colorado, do hereby certify that there are no visible roads, irrigation ditch encroachments or other visible easements existing on or across said property except as shown on this plat and that this plat accurately represents a survey made by me and conforms to all City of Montrose requirements and applicable State laws. I further certify that all monuments shown hereon actually exist.

JOHN A. KRUSE REGISTERED 5/26/00 7160 LAND SURVEYOR STATE OF COLORADO
John A. Kruse

ENGINEER'S CERTIFICATE

I, Judith D Kittson, a Registered Engineer in the State of Colorado, do hereby certify that the sanitary sewer system, water distribution system and the storm drainage system shown on the accompanying plans of this Subdivision are properly designed to meet City of Montrose specifications, and are adequate to properly serve the Subdivision shown hereon. I further certify that the streets and other improvements are designed in accordance with applicable City specifications and regulations.

Judith D Kittson — Engineer
5/22/2000 — Date
33035 — License No.

CERTIFICATE OF COMPLETED IMPROVEMENTS

I hereby certify that all improvements and utilities required by the Current Subdivision Regulations of the City of Montrose have been Constructed and installed in this subdivision in accordance with The applicable City regulations and specifications except as follows: REQUIRED IMPROVEMENTS ARE INSTALLED.

[signature] — Frank Mesaric, Manager, Engineering, Inspection and Public Works
5-26-00 — Date

CERTIFICATE OF RECEIPT OF SECURITY

I, Mary Watt, City Clerk for the City of Montrose, Colorado, hereby Certify that security, in an amount and with conditions as required By the City's Subdivision Regulations, has been received from the Subdividers providing for and securing to the City the actual Construction and installation of the following improvements and utilities: required improvements are installed

Mary R. Watt — Mary Watt, City Clerk
5-26-00 — Date

APPROVAL OF PLANNING COMMISSION

Approved by the Montrose City Planning Commission this 26th day of April, 2000

Wm. P. Brogden — Chairman

APPROVAL OF CITY MANAGER

Approved this 1st day of June, 2000

Gregory J Clifton — City Manager

APPROVAL OF CITY COUNCIL

Approved by the Montrose City Council this 25th day of May, 2000

William N. Patterson — Chairman

APPROVAL OF CITY ATTORNEY

Approved for recording this 1st day of June, 2000

Gregory J. Clifton, City Attorney

ATTORNEY'S CERTIFICATE

I, John W. Overholser an Attorney at Law, duly licensed to practice in the State of Colorado, do hereby certify that I have examined the title of all land herein platted and described in the above Certification of Dedication and Ownership, and that title to such land is in the name of the owner and dedicator, and the title to the land dedicated hereon, including the dedication for utility and drainage easements, streets, alleys and parks is free and clear of all liens and encumbrances, except as follows: Grant reservations; the lien of the Uncompahgre Valley Water Users' Association; current general taxes; easements of record or visible upon the premises; plat notes on plat recorded April 4, 2000 in Book 13 at Page 571.

John W. Overholser — Attorney # 1999
5-22-00 — Date

RECORDER'S CERTIFICATE

This plat was filed for record in the office of the Clerk and Recorder of Montrose County, Colorado, at 12:32 PM, on this 1st day of June, 2000, in Book 13 Page 563, Reception No. 663504

Carol L. Kruse — Montrose County Clerk & Recorder
Norma Sabor — Deputy

DESIGNED	JDK
DRAWN	DJP
CHECKED	
APPROVED	
CADD NAME	FITZPP

REVISIONS	DATE
Final Revisions per Jack Kruse	5/8/00
Irrigation easements	5/10/00

JOHN FITZMAURICE
EAST PAVILION COMPLEX
FINAL PLAT

DATE 3/30/00
PROJ. NO. 99-455
DRAWING NUMBER 1
OF DWGS.

BUCKHORN GEOTECH
Civil, Structural & Geotechnical Engineers
222 So. Park Ave. Montrose, Colorado 81401
970-249-6828 Fax. No. 970-249-0945

D:_Projects\Fitzmaurice\Dwg\fitzpp-0.dwg Fri May 19 11:47:53 2000

The printed portions of this form, except differentiated additions, have been approved by the Colorado Real Estate Commission. (CBS4-8-24) (Mandatory 8-24)

THIS FORM HAS IMPORTANT LEGAL CONSEQUENCES AND THE PARTIES SHOULD CONSULT LEGAL AND TAX OR OTHER COUNSEL BEFORE SIGNING.

CONTRACT TO BUY AND SELL REAL ESTATE (LAND)

(☒ Property with No Residences)

(☐ Property with Residences-Residential Addendum Attached)

Date: **November 18, 2025**

AGREEMENT

1. AGREEMENT. Buyer agrees to buy and Seller agrees to sell the Property described below on the terms and conditions set forth in this contract (Contract).

2. PARTIES AND PROPERTY.

2.1. Buyer. Volunteers of America National Services, a Minnesota nonprofit corporation (Buyer) will take title to the Property described below as ☐ **Joint Tenants** ☒ **Tenants In Common** ☐ **Other** ___________________________.

2.2. No Assignability. This Contract **IS NOT** assignable by Buyer unless otherwise specified in **Additional Provisions.**

2.3. Seller. City of Montrose, a Colorado home rule municipal corporation (Seller) is the current owner of the Property described below.

2.4. Property. The Property is the following ~~legally~~ described real estate in the County of **Montrose**, Colorado (~~insert legal description~~):

Approximately 4.14 acres known as Open Space of the Elder Homestead at Montrose and Open Space of the East Pavilion Complex: County Parcels 376735304900 and 376735306900. See Exhibit A for visual depictions.

known as:	**TBD/Vacant Land**	**Montrose**	**CO**	
	Street Address	City	State	Zip

together with the interests, easements, rights, benefits, improvements and attached fixtures appurtenant thereto and all interest of Seller in vacated streets and alleys adjacent thereto, except as herein excluded (Property).

2.5. Inclusions. The Purchase Price includes the following items (Inclusions):

2.5.1. Inclusions. The following items, whether fixtures or personal property, are included in the Purchase Price unless excluded under **Exclusions:**

N/A

If any additional items are attached to the Property after the date of this Contract, such additional items are also included in the Purchase Price.

2.5.2. Encumbered Inclusions. Any Inclusions owned by Seller (e.g., owned solar panels) must be conveyed at Closing by Seller free and clear of all taxes (except personal property and general real estate taxes for the year of Closing), liens and encumbrances, except:

N/A

Buyer ☐ **Will** ☒ **Will Not** assume the debt and obligations on the Encumbered Inclusions subject to Buyer's review under §10.6. (Encumbered Inclusion Documents) and Buyer's receipt of written approval by such lender before Closing. If Buyer does not receive such approval this Contract terminates.

2.5.3. Personal Property Conveyance. Conveyance of all personal property will be by bill of sale or other applicable legal instrument.

2.5.4. Leased Items. The following personal property is currently leased to Seller which will be transferred to Buyer at Closing (Leased Items):

N/A

Buyer ☐ Will ☒ Will Not assume Seller's debt and obligations under such leases for the Leased Items subject to Buyer's review under §10.6. (Leased Items Documents) and Buyer's receipt of written approval by such lender before Closing. If Buyer does not receive such approval this Contract terminates.

☐ **2.5.5 Solar Power Plan.** If the box is checked, Seller has entered into a solar power purchase agreement, regardless of the name or title, to authorize a third-party to operate and maintain a photovoltaic system on the Property and provide electricity (Solar Power Plan) that will remain in effect after Closing. Buyer ☐ **Will** ☒ **Will Not** assume Seller's obligations under such Solar Power Plan subject to Buyer's review under §10.6. (Solar Power Plan) and Buyer's receipt of written approval by the third-party before Closing. If Buyer does not receive such approval this Contract terminates.

2.6. Exclusions. The following items are excluded (Exclusions):

N/A

2.7. Water Rights, Well Rights, Water and Sewer Taps.

☐ **2.7.1 Deeded Water Rights.** The following legally described water rights:

N/A

Any deeded water rights will be conveyed by a good and sufficient ___________________deed at Closing.

☐ **2.7.2 Other Rights Relating to Water**. The following rights relating to water not included in §§ 2.7.1., 2.7.3., 2.7.4. and 2.7.5., will be transferred to Buyer at Closing:

N/A

☐ **2.7.3 Well Rights**. Seller agrees to supply required information to Buyer about the well. Buyer understands that if the well to be transferred is a "Small Capacity Well" or a "Domestic Exempt Water Well" used for ordinary household purposes, Buyer must, prior to or at Closing, complete a Change in Ownership form for the well. If an existing well has not been registered with the Colorado Division of Water Resources in the Department of Natural Resources (Division), Buyer must complete a registration of existing well form for the well and pay the cost of registration. If no person will be providing a closing service in connection with the transaction, Buyer must file the form with the Division within sixty days after Closing. The Well Permit # is _________________.

☐ **2.7.4 Water Stock.** The water stock to be transferred at Closing are as follows:

N/A

2.7.5. Water and Sewer Taps. The parties agree that water and sewer taps listed below for the Property are being conveyed as part of the Purchase Price as follows:

N/A

If any water or sewer taps are included in the sale, Buyer is advised to obtain, from the provider, written confirmation of the amount remaining to be paid, if any, time and other restrictions for transfer and use of the taps.

2.7.6. Conveyance. If Buyer is to receive any rights to water pursuant to § 2.7.2. (Other Rights Relating to Water), § 2.7.3. (Well Rights), § 2.7.4. (Water Stock), or § 2.7.5. (Water and Sewer Taps), Seller agrees to convey such rights to Buyer by executing the applicable legal instrument at Closing.

2.7.7. Water Rights Review. Buyer has a Right to Terminate if examination of the Water Rights is unsatisfactory to Buyer on or before the **Water Rights Examination Deadline.**

2.8. Growing Crops. With respect to growing crops, Seller and Buyer agree as follows:

3. DATES, DEADLINES AND APPLICABILITY.

3.1. Dates and Deadlines.

Item No.	Reference	Event	Date or Deadline
1	§ 3	Time of Day Deadline	**N/A**
2	§ 4	Alternative Earnest Money Deadline	**10 Business Days from MEC**
		Title	
3	§ 8	Record Title Deadline (and Tax Certificate)	**10 Business Days from MEC**
4	§ 8	Record Title Objection Deadline	**90 Days from MEC**
5	§ 8	Off-Record Title Deadline	**10 Business Days from MEC**
6	§ 8	Off-Record Title Objection Deadline	**90 Days from MEC**
7	§ 8	Title Resolution Deadline	**90 Days from MEC**
8	§ 8	Third Party Right to Purchase/Approve Deadline	**N/A**
		Owners' Association	
9	§ 7	Association Documents Deadline	**10 Business Days from MEC**
10	§ 7	Association Documents Termination Deadline	**90 Days from MEC**
		Seller's Disclosures	
11	§ 10	Seller's Property Disclosure Deadline	**N/A**
12	§ 10	Lead-Based Paint Disclosure Deadline (if Residential Addendum attached)	**N/A**
		Loan and Credit	
13	§ 5	New Loan Application Deadline	**N/A**
14	§ 5	New Loan Terms Deadline	**N/A**
15	§ 5	New Loan Availability Deadline	**N/A**
16	§ 5	Buyer's Credit Information Deadline	**N/A**
17	§ 5	Disapproval of Buyer's Credit Information Deadline	**N/A**
18	§ 5	Existing Loan Deadline	**N/A**
19	§ 5	Existing Loan Termination Deadline	**N/A**
20	§ 5	Loan Transfer Approval Deadline	**N/A**
21	§ 4	Seller or Private Financing Deadline	**N/A**
		Appraisal	
22	§ 6	Appraisal Deadline	**N/A**
23	§ 6	Appraisal Objection Deadline	**N/A**
24	§ 6	Appraisal Resolution Deadline	**N/A**
		Survey	
25	§ 9	New ILC or New Survey Deadline	**90 Days from MEC**
26	§ 9	New ILC or New Survey Objection Deadline	**90 Days from MEC**
27	§ 9	New ILC or New Survey Resolution Deadline	**95 Days from MEC**
		Inspection and Due Diligence	
28	§ 2	Water Rights Examination Deadline	**N/A**
29	§ 8	Mineral Rights Examination Deadline	**N/A**
30	§ 10	Inspection Termination Deadline	**90 Days from MEC**
31	§ 10	Inspection Objection Deadline	**90 Days from MEC**
32	§ 10	Inspection Resolution Deadline	**95 Days from MEC**
33	§ 10	Property Insurance Termination Deadline	**90 Days from MEC**
34	§ 10	Due Diligence Documents Delivery Deadline	**10 Business Days from MEC**
35	§ 10	Due Diligence Documents Objection Deadline	**90 Days from MEC**

36	§ 10	Due Diligence Documents Resolution Deadline	**95 Days from MEC**
37	§ 10	Environmental Inspection Termination Deadline	**90 Days from MEC**
38	§ 10	ADA Evaluation Termination Deadline	**N/A**
39	§ 10	Conditional Sale Deadline	**N/A**
40	§ 10	Lead-Based Paint Termination Deadline (if Residential Addendum attached)	**N/A**
41	§ 11	Estoppel Statements Deadline	**N/A**
42	§ 11	Estoppel Statements Termination Deadline	**N/A**
		Closing and Possession	
43	§ 12	Closing Date	**April 8 2026**
44	§ 17	Possession Date	**Day of Closing**
45	§ 17	Possession Time	**Delivery of Deed**
46	§ 27	**Acceptance Deadline Date**	**December 10. 2025**
47	§ 27	**Acceptance Deadline Time**	**6:00 PM MT**

3.2. Applicability of Terms. If any deadline blank in § 3.1. (Dates and Deadlines) is left blank or completed with ‘‘N/A”, or the word “Deleted,” such deadline is not applicable and the corresponding provision containing the deadline is deleted. Any box checked in this Contract means the corresponding provision applies. If no box is checked in a provision that contains a selection of ‘‘None”, such provision means that ‘‘None” applies.

The abbreviation “MEC” (mutual execution of this Contract) means the date upon which both parties have signed this Contract. The abbreviation “N/A” as used in this Contract means not applicable.

3.3. Day; Computation of Period of Days; Deadlines.

3.3.1. Day. As used in this Contract, the term “day” means the entire day ending at 11:59 p.m., United States Mountain Time (Standard or Daylight Savings, as applicable). Except however, if a **Time of Day Deadline** is specified in § 3.1. (Dates and Deadlines), all Objection Deadlines, Resolution Deadlines, Examination Deadlines and Termination Deadlines will end on the specified deadline date at the time of day specified in the **Time of Day Deadline,** United States Mountain Time. If **Time of Day Deadline** is left blank or “’N/A” the deadlines will expire at 11:59 p.m., United States Mountain Time.

3.3.2. Computation of Period of Days. In computing a period of days (e.g., three days after MEC), when the ending date is not specified, the first day is excluded and the last day is included.

3.3.3. Deadlines. If any deadline falls on a Saturday, Sunday or federal or Colorado state holiday (Holiday), such deadline ☒ **Will** ☐ **Will Not** be extended to the next day that is not a Saturday, Sunday or Holiday. Should neither box be checked, the deadline will not be extended.

4. PURCHASE PRICE AND TERMS.

4.1. Price and Terms. The Purchase Price set forth below is payable in U.S. Dollars by Buyer as follows:

Item No.	Reference	Item	Amount	Amount
1	§ 4.1.	Purchase Price	$ **30,000.00**	
2	§ 4.3.	Earnest Money		**$5,000.00**
3	§ 4.5.	New Loan		**$N/A**
4	§ 4.6.	Assumption Balance		**$N/A**
5	§ 4.7.	Private Financing		**$N/A**
6	§ 4.7.	Seller Financing		$
7				
8				
9	§ 4.4.	Cash at Closing		**$25,000.00**
10		**TOTAL**	**$30,000.00**	**$30,000.00**

4.2. Seller Concession. At Closing, Seller will credit to Buyer $**N/A**______ (Seller Concession). The Seller Concession may be used for any Buyer fee, cost, charge or expenditure to the extent the amount is allowed by the Buyer's lender and is included in the Closing Statement or Closing Disclosure at Closing. Examples of allowable items to be paid for by the Seller Concession include, but are not limited to: Buyer's closing costs, loan discount points, loan origination fees, prepaid items and any other fee, cost, charge, expense or expenditure. Seller Concession is in addition to any sum Seller has agreed to pay or credit Buyer elsewhere in this Contract.

4.3. Earnest Money. The Earnest Money set forth in this Section, in the form of ~~a~~ **good funds**___, will be payable to and held by **Land Title Guarantee Company**_____ (Earnest Money Holder), in its trust account, on behalf of both Seller and Buyer. The Earnest Money deposit must be tendered, by Buyer, with this Contract unless the parties mutually agree to an **Alternative Earnest Money Deadline** for its payment. The parties authorize delivery of the Earnest Money deposit to the company conducting the Closing (Closing Company), if any, at or before Closing. In the event Earnest Money Holder has agreed to have interest on Earnest Money deposits transferred to a fund established for the purpose of providing affordable housing to Colorado residents, Seller and Buyer acknowledge and agree that any interest accruing on the Earnest Money deposited with the Earnest Money Holder in this transaction will be transferred to such fund.

4.3.1. Alternative Earnest Money Deadline. The deadline for delivering the Earnest Money, if other than at the time of tender of this Contract, is as set forth as the **Alternative Earnest Money Deadline**.

4.3.2. Disposition of Earnest Money. If Buyer has a Right to Terminate and timely terminates, Buyer is entitled to the return of Earnest Money as provided in this Contract. If this Contract is terminated as set forth in § 24 and, except as provided in § 23 (Earnest Money Dispute), if the Earnest Money has not already been returned following receipt of a Notice to Terminate, Seller agrees to execute and return to Buyer or Broker working with Buyer, written mutual instructions (e.g., Earnest Money Release form), within three days of Seller's receipt of such form. If Seller is entitled to the Earnest Money, and, except as provided in § 23 (Earnest Money Dispute), if the Earnest Money has not already been paid to Seller, following receipt of an Earnest Money Release form, Buyer agrees to execute and return to Seller or Broker working with Seller, written mutual instructions (e.g., Earnest Money Release form), within three days of Buyer's receipt.

4.3.2.1. Seller Failure to Timely Return Earnest Money. If Seller fails to timely execute and return the Earnest Money Release Form, or other written mutual instructions, Seller is in default and liable to Buyer as set forth in "**If Seller is in Default", § 20.2. and § 21,** unless Seller is entitled to the Earnest Money due to a Buyer default.

4.3.2.2. Buyer Failure to Timely Release Earnest Money. If Buyer fails to timely execute and return the Earnest Money Release Form, or other written mutual instructions, Buyer is in default and liable to Seller as set forth in "**If Buyer is in Default, § 20.1. and § 21**, unless Buyer is entitled to the Earnest Money due to a Seller Default.

4.4. Form of Funds; Time of Payment; Available Funds.

4.4.1. Good Funds. All amounts payable by the parties at Closing, including any loan proceeds, Cash at Closing and closing costs, must be in funds that comply with all applicable Colorado laws, including electronic transfer funds, certified check, savings and loan teller's check and cashier's check (Good Funds).

4.4.2. Time of Payment. All funds, including the Purchase Price to be paid by Buyer, must be paid before or at Closing or as otherwise agreed in writing between the parties to allow disbursement by Closing Company at Closing **OR SUCH NONPAYING PARTY WILL BE IN DEFAULT**.

4.4.3. Available Funds. Buyer represents that Buyer, as of the date of this Contract, ☐ **Does** ☐ **Does Not** have funds that are immediately verifiable and available in an amount not less than the amount stated as Cash at Closing in § 4.1.

4.5. New Loan.

4.5.1. ~~**Buyer to Pay Loan Costs.** Buyer, except as otherwise permitted in § 4.2. (Seller Concession), if applicable, must timely pay Buyer's loan costs, loan discount points, prepaid items and loan origination fees as required by lender.~~

~~**4.5.2. Buyer May Select Financing.** Buyer may pay in cash or select financing appropriate and acceptable to Buyer, including a different loan than initially sought, except as restricted in § 4.5.3. (Loan Limitations) or § 30 (Additional Provisions).~~

~~**4.5.3. Loan Limitations.** Buyer may purchase the Property using any of the following types of loans: ☐ **Conventional** ☐ **Other**~~ ________________________________

~~**4.6. Assumption.** Buyer agrees to assume and pay an existing loan in the approximate amount of the Assumption Balance set forth in § 4.1. (Price and Terms), presently payable at $ ___per ____________including principal and interest presently at the rate of _______% per annum and also including escrow for the following as indicated: ☐ **Real Estate Taxes Property Insurance Premium** and ☐ _________.~~

~~Buyer agrees to pay a loan transfer fee not to exceed $_______. At the time of assumption, the new interest rate will not exceed _______% per annum and the new payment will not exceed $________per ____________principal and interest, plus escrow, if any. If the actual principal balance of the existing loan at Closing is less than the Assumption Balance, which causes the amount of cash required from Buyer at Closing to be increased by more than $________, or if any other terms or provisions of the loan change, Buyer has the Right to Terminate under § 24.1. on or before **Closing Date**.~~

~~Seller ☐ **Will** ☐ **Will Not** be released from liability on said loan. If applicable, compliance with the requirements for release from liability will be evidenced by delivery ☐ on or before **Loan Transfer Approval Deadline** ☐ at **Closing** of an appropriate letter of commitment from lender. Any cost payable for release of liability will be paid by ____in an amount not to exceed $______.~~

~~This Contract terminates if written consent from Seller's lender for Buyer's assumption of Seller's existing loan is not received by all parties and the Closing Company on or before Closing.~~

~~**4.7. Seller or Private Financing**.~~

~~**WARNING:** Unless the transaction is exempt, federal and state laws impose licensing, other requirements and restrictions on sellers and private financiers. Contract provisions on financing and financing documents, unless exempt, should be prepared by a licensed Colorado attorney or licensed mortgage loan originator. Brokers should not prepare or advise the parties on the specifics of financing, including whether or not a party is exempt from the law.~~

~~**4.7.1. Seller Financing.** If Buyer is to pay all or any portion of the Purchase Price with Seller financing, ☐ **Buyer** ☐ **Seller** will deliver the proposed Seller financing documents to the other party on or before ______________ days before **Seller or Private Financing Deadline**.~~

~~**4.7.1..1. Seller May Terminate.** If Seller is to provide Seller financing, this Contract is conditional upon Seller determining whether such financing is satisfactory to the Seller, including its payments, interest rate, terms, conditions, cost, and compliance with the law. Seller has the Right to Terminate under § 24.1., on or before **Seller or Private Financing Deadline**, if such Seller financing is not satisfactory to Seller, in Seller's sole subjective discretion.~~

~~**4.7.2. Buyer May Terminate.** If Buyer is to pay all or any portion of the Purchase Price with Seller or private financing, this Contract is conditional upon Buyer determining whether such financing is satisfactory to Buyer, including its availability, payments, interest rate, terms, conditions, and cost. Buyer has the Right to Terminate under § 24.1, on or before **Seller or Private Financing Deadline**, if such Seller or private financing is not satisfactory to Buyer, in Buyer's sole subjective discretion.~~

TRANSACTION PROVISIONS

5. FINANCING CONDITIONS AND OBLIGATIONS.

~~**5.1. New Loan, Assumption Application.** If Buyer is to pay all or part of the Purchase Price by obtaining one or more new loans (New Loan), or if an existing loan is not to be released at Closing, Buyer, if required by such lender, must make an application verifiable by such lender, on or before **New Loan Application Deadline** and exercise reasonable efforts to obtain such loan or approval.~~

~~**5.2. New Loan Terms; New Loan Availability**.~~

~~**5.2.1 New Loan Terms.** If Buyer is to pay all or part of the Purchase Price with a New Loan, this Contract is conditional upon Buyer determining, in Buyer's sole subjective discretion, whether the proposed New Loan's payments, interest rate, conditions and costs or any other loan terms (New Loan Terms) are satisfactory to Buyer. This condition is for the sole benefit of Buyer. Buyer has the Right to Terminate under § 24.1., on or before **New Loan Terms Deadline**, if the New Loan Terms are not satisfactory to Buyer, in Buyer's sole subjective discretion.~~

~~**5.2.2 New Loan Availability.** If Buyer is to pay all or part of the Purchase Price with a New Loan, this Contract is conditional upon Buyer's satisfaction with the availability of the New Loan based on the lender's review and underwriting of Buyer's New Loan Application (New Loan Availability). Buyer has the Right to Terminate under § 24.1., on or before the **New Loan**~~

~~**Availability Deadline** if the New Loan Availability is not satisfactory to Buyer. Buyer does not have a Right to Terminate based on the New Loan Availability if the termination is based on the New Loan Terms, Appraised Value (defined below), the Lender Property Requirements (defined below), Insurability (§ 10.5. below) or the Conditional Upon Sale of Property (§ 10.7. below). **IF SELLER IS NOT IN DEFAULT AND DOES NOT TIMELY RECEIVE BUYER'S WRITTEN NOTICE TO TERMINATE, BUYER'S EARNEST MONEY WILL BE NONREFUNDABLE,** except as otherwise provided in this Contract (e.g., Appraisal, Title, Survey).~~

~~**5.3. Credit Information.** This Contract is conditional (for the sole benefit of Seller) upon Seller's approval of Buyer's financial ability and creditworthiness, which approval will be in Seller's sole subjective discretion. Accordingly: (1) Buyer must supply to Seller by **Buyer's Credit Information Deadline**, at Buyer's expense, information and documents (including a current credit report) concerning Buyer's financial, employment and credit condition; (2) Buyer consents that Seller may verify Buyer's financial ability and creditworthiness; and (3) any such information and documents received by Seller must be held by Seller in confidence and not released to others except to protect Seller's interest in this transaction. If the Cash at Closing is less than as set forth in § 4.1. of this Contract, Seller has the Right to Terminate under § 24.1., on or before Closing. If Seller disapproves of Buyer's financial ability or creditworthiness, in Seller's sole subjective discretion, Seller has the Right to Terminate under § 24.1., on or before **Disapproval of Buyer's Credit Information Deadline**.~~

~~**5.4. Existing Loan Review.** Seller must deliver copies of the loan documents (including note, deed of trust and any modifications) to Buyer by **Existing Loan Deadline**. For the sole benefit of Buyer, this Contract is conditional upon Buyer's review and approval of the provisions of such loan documents. Buyer has the Right to Terminate under § 24.1., on or before **Existing Loan Termination Deadline**, based on any unsatisfactory provision of such loan documents, in Buyer's sole subjective discretion. If the lender's approval of a transfer of the Property is required, this Contract is conditional upon Buyer obtaining such approval without change in the terms of such loan, except as set forth in § 4.6. If lender's approval is not obtained by **Loan Transfer Approval Deadline**, this Contract will terminate on such deadline. Seller has the Right to Terminate under § 24.1., on or before Closing, in Seller's sole subjective discretion, if Seller is to be released from liability under such existing loan and Buyer does not obtain such compliance as set forth in § 4.6.~~

6. APPRAISAL PROVISIONS.

~~**6.1. Appraisal Definition.** An "Appraisal" is an opinion of value prepared by a licensed or certified appraiser, engaged on behalf of Buyer or Buyer's lender, to determine the Property's market value (Appraised Value). The Appraisal may also set forth certain lender requirements, replacements, removals or repairs necessary on or to the Property as a condition for the Property to be valued at the Appraised Value.~~

~~**6.2. Appraised Value.** The applicable appraisal provision set forth below applies to the respective loan type set forth in § 4.5.3., or if a cash transaction (i.e., no financing), § 6.2.1. applies.~~

6.2.1. ~~**Conventional/Other.** Buyer has the right to obtain an Appraisal. If the Appraised Value is less than the Purchase Price, or if the Appraisal is not received by Buyer on or before **Appraisal Deadline** Buyer may, on or before **Appraisal Objection Deadline**:~~

6.2.1.1. ~~**Notice to Terminate.** Notify Seller in writing, pursuant to § 24.1., that this Contract is terminated; or~~

6.2.1.2. ~~**Appraisal Objection.** Deliver to Seller a written objection accompanied by either a copy of the Appraisal or written notice from lender that confirms the Appraised Value is less than the Purchase Price (Lender Verification).~~

6.2.1.3. ~~**Appraisal Resolution.** If an Appraisal Objection is received by Seller, on or before **Appraisal Objection Deadline** and if Buyer and Seller have not agreed in writing to a settlement thereof on or before **Appraisal Resolution Deadline**, this Contract will terminate on the **Appraisal Resolution Deadline**, unless Seller receives Buyer's written withdrawal of the Appraisal Objection before such termination, (i.e., on or before expiration of **Appraisal Resolution Deadline**).~~

~~**6.3. Lender Property Requirements.** If the lender imposes any written requirements, replacements, removals or repairs, including any specified in the Appraisal (Lender Property Requirements) to be made to the Property (e.g., roof repair, repainting), beyond those matters already agreed to by Seller in this Contract, this Contract terminates on the earlier of three days following Seller's receipt of the Lender Property Requirements, or Closing, unless prior to termination: (1) the parties enter into a written agreement to satisfy the Lender Property Requirements; (2) the Lender Property Requirements have been completed; or (3) the satisfaction of the Lender Property Requirements is waived in writing by Buyer.~~

~~**6.4. Cost of Appraisal.** Cost of the Appraisal to be obtained after the date of this Contract must be timely paid by ☐ **Buyer** ☐ **Seller**. The cost of the Appraisal may include any and all fees paid to the appraiser, appraisal management company, lender's agent or all three.~~

7. OWNERS' ASSOCIATIONS. This Section is applicable if the Property is located within one or more Common Interest Communities and subject to one or more declarations (Association).

7.1. Common Interest Community Disclosure. THE PROPERTY IS LOCATED WITHIN A COMMON INTEREST COMMUNITY AND IS SUBJECT TO THE DECLARATION FOR THE COMMUNITY. THE OWNER OF THE PROPERTY WILL BE REQUIRED TO BE A MEMBER OF THE OWNERS' ASSOCIATION FOR THE COMMUNITY AND WILL BE SUBJECT TO THE BYLAWS AND RULES AND REGULATIONS OF THE ASSOCIATION. THE DECLARATION, BYLAWS AND RULES AND REGULATIONS WILL IMPOSE FINANCIAL OBLIGATIONS UPON THE OWNER OF THE PROPERTY, INCLUDING AN OBLIGATION TO PAY ASSESSMENTS OF THE ASSOCIATION. IF THE OWNER DOES NOT PAY THESE ASSESSMENTS, THE ASSOCIATION COULD PLACE A LIEN ON THE PROPERTY AND POSSIBLY SELL IT TO PAY THE DEBT. THE DECLARATION, BYLAWS AND RULES AND REGULATIONS OF THE COMMUNITY MAY PROHIBIT THE OWNER FROM MAKING CHANGES TO THE PROPERTY WITHOUT AN ARCHITECTURAL REVIEW BY THE ASSOCIATION (OR A COMMITTEE OF THE ASSOCIATION) AND THE APPROVAL OF THE ASSOCIATION. PURCHASERS OF PROPERTY WITHIN THE COMMON INTEREST COMMUNITY SHOULD INVESTIGATE THE FINANCIAL OBLIGATIONS OF MEMBERS OF THE ASSOCIATION. PURCHASERS SHOULD CAREFULLY READ THE DECLARATION FOR THE COMMUNITY AND THE BYLAWS AND RULES AND REGULATIONS OF THE ASSOCIATION.

7.2. Association Documents to Buyer. Seller is obligated to provide to Buyer the Association Documents (defined below), at Seller's expense, on or before **Association Documents Deadline**. Seller authorizes the Association to provide the Association Documents to Buyer, at Seller's expense. Seller's obligation to provide the Association Documents is fulfilled upon Buyer's receipt of the Association Documents, regardless of who provides such documents.

7.3. Association Documents. Association documents (Association Documents) consist of the following:

7.3.1. All Association declarations, articles of incorporation, bylaws, articles of organization, operating agreements, rules and regulations, party wall agreements and the Association's responsible governance policies adopted under § 38-33.3-209.5, C.R.S.;

7.3.2. Minutes of: (1) the annual owners' or members' meeting and (2) any executive boards' or managers' meetings; such minutes include those provided under the most current annual disclosure required under § 38-33.3-209.4, C.R.S. (Annual Disclosure) and minutes of meetings, if any, subsequent to the minutes disclosed in the Annual Disclosure. If none of the preceding minutes exist, then the most recent minutes, if any (§§ 7.3.1. and 7.3.2., collectively, Governing Documents); and

7.3.3. List of all Association insurance policies as provided in the Association's last Annual Disclosure, including, but not limited to, property, general liability, association director and officer professional liability and fidelity policies. The list must include the company names, policy limits, policy deductibles, additional named insureds and expiration dates of the policies listed (Association Insurance Documents);

7.3.4. A list by unit type of the Association's assessments, including both regular and special assessments as disclosed in the Association's last Annual Disclosure;

7.3.5. The Association's most recent financial documents which consist of: (1) the Association's operating budget for the current fiscal year, (2) the Association's most recent annual financial statements, including any amounts held in reserve for the fiscal year immediately preceding the Association's last Annual Disclosure, (3) the results of the Association's most recent available financial audit or review, (4) list of the fees and charges (regardless of name or title of such fees or charges) that the Association's community association manager or Association will charge in connection with the Closing including, but not limited to, any fee incident to the issuance of the Association's statement of assessments (Status Letter), any rush or update fee charged for the Status Letter, any record change fee or ownership record transfer fees (Record Change Fee), fees to access documents, (5) list of all assessments required to be paid in advance, reserves or working capital due at Closing and (6) reserve study, if any(§§ 7.3.4. and 7.3.5., collectively, Financial Documents);

7.3.6. Any written notice from the Association to Seller of a "construction defect action" under § 38-33.3-303.5, C.R.S. within the past six months and the result of whether the Association approved or disapproved such action (Construction Defect Documents). Nothing in this Section limits the Seller's obligation to disclose adverse material facts as required under § 10.2. (Disclosure of Adverse Material Facts; Subsequent Disclosure; Present Condition) including any problems or defects in the common elements or limited common elements of the Association property.

7.4. Conditional on Buyer's Review. Buyer has the right to review the Association Documents. Buyer has the Right to Terminate under § 24.1., on or before **Association Documents Termination Deadline,** based on any unsatisfactory provision in any of the Association Documents, in Buyer's sole subjective discretion. Should Buyer receive the Association Documents after **Association Documents Deadline,** Buyer, at Buyer's option, has the Right to Terminate under § 24.1. by Buyer's Notice to Terminate received by Seller on or before ten days after Buyer's receipt of the Association Documents. If Buyer does not receive the Association Documents, or if Buyer's Notice to Terminate would otherwise be required to be received by Seller after **Closing Date,** Buyer's Notice to Terminate must be received by Seller on or before Closing. If Seller does not receive Buyer's Notice to Terminate within such time, Buyer accepts the provisions of the Association Documents as satisfactory and Buyer waives any Right to Terminate under this provision, notwithstanding the provisions of § 8.6. (Third Party Right to Purchase/Approve).

8. TITLE INSURANCE, RECORD TITLE AND OFF-RECORD TITLE.

8.1. Evidence of Record Title.

☐ **8.1.1. Seller Selects Title Insurance Company.** If this box is checked, Seller will select the title insurance company to furnish the owner's title insurance policy at Seller's expense. On or before **Record Title Deadline,** Seller must furnish to Buyer, a current commitment for an owner's title insurance policy (Title Commitment), in an amount equal to the Purchase Price, or if this box is checked, ☐ an **Abstract of Title** certified to a current date. Seller will cause the title insurance policy to be issued and delivered to Buyer as soon as practicable at or after Closing.

☒ **8.1.2. Buyer Selects Title Insurance Company.** If this box is checked, Buyer will select the title insurance company to furnish the owner's title insurance policy at Buyer's expense. On or before **Record Title Deadline,** Buyer must furnish to Seller, a current commitment for owner's title insurance policy (Title Commitment), in an amount equal to the Purchase Price.

If neither box in § 8.1.1.or § 8.1.2. is checked, § 8.1.1. applies.

8.1.3. Owner's Extended Coverage (OEC). The Title Commitment ☒ **Will** ☐ **Will Not** contain Owner's Extended Coverage (OEC). If the Title Commitment is to contain OEC, it will commit to delete or insure over the standard exceptions which relate to: **(**1**)** parties in possession, (2) unrecorded easements, (3) survey matters, (4) unrecorded mechanics' liens, (5) gap period (period between the effective date and time of commitment to the date and time the deed is recorded) and (6) unpaid taxes, assessments and unredeemed tax sales prior to the year of Closing. Any additional premium expense to obtain OEC will be paid by ☒ **Buyer** ☐ **Seller** ☐ **One-Half by Buyer·and One-Half by Seller·** ☐ **Other N/A** _________________________.

Regardless of whether the Contract requires OEC, the Title Insurance Commitment may not provide OEC or delete or insure over any or all of the standard exceptions for OEC. The Title Insurance Company may require a New Survey or New ILC, defined below, among other requirements for OEC. If the Title Insurance Commitment is not satisfactory to Buyer, Buyer has a right to object under § 8.7. (Right to Object to Title, Resolution).

8.1.4. Title Documents. Title Documents consist of the following: (1) copies of any plats, declarations, covenants, conditions and restrictions burdening the Property and (2) copies of any other documents (or, if illegible, summaries of such documents) listed in the schedule of exceptions (Exceptions) in the Title Commitment furnished to Buyer (collectively, Title Documents).

8.1.5. Copies of Title Documents. Buyer must receive, on or before **Record Title Deadline,** copies of all Title Documents. This requirement pertains only to documents as shown of record in the office of the clerk and recorder in the county where the Property is located. The cost of furnishing copies of the documents required in this Section will be at the expense of the party or parities obligated to pay for the owner's title insurance policy.

8.1.6. Existing Abstracts of Title. Seller must deliver to Buyer copies of any abstracts of title covering all or any portion of the Property (Abstract of Title) in Seller's possession on or before **Record Title Deadline.**

8.2. Record Title. Buyer has the right to review and object to the Abstract of Title or Title Commitment and any of the Title Documents as set forth in § 8.7. (Right to Object to Title, Resolution) on or before **Record Title Objection Deadline.** Buyer's objection may be based on any unsatisfactory form or content of Title Commitment or Abstract of Title, notwithstanding § 13, or any other unsatisfactory title condition, in Buyer's sole subjective discretion. If the Abstract of Title, Title Commitment or Title Documents are not received by Buyer on or before the **Record Title Deadline,** or if there is an endorsement to the Title Commitment that adds a new Exception to title, a copy of the new Exception to title and the modified Title Commitment will be delivered to Buyer. Buyer has until the earlier of Closing or ten days after receipt of such documents by Buyer to review and object to: (1) any required Title Document not timely received by Buyer, (2) any change to the Abstract of Title, Title Commitment or Title Documents, or (3) any endorsement to the Title Commitment. If Seller receives Buyer's Notice to Terminate or Notice of Title Objection, pursuant to this § 8.2. (Record Title), any title objection by Buyer is governed by the provisions set forth in § 8.7. (Right to Object to Title, Resolution). If Seller has fulfilled all Seller's obligations, if any, to deliver to Buyer all documents required by § 8.1. (Evidence of Record Title) and Seller does not receive Buyer's Notice to Terminate or Notice of Title Objection by the applicable deadline specified above, Buyer accepts the condition of title as disclosed by the Abstract of Title, Title Commitment and Title Documents as satisfactory.

8.3. Off-Record Title. Seller must deliver to Buyer, on or before **Off-Record Title Deadline,** true copies of all existing surveys in Seller's possession pertaining to the Property and must disclose to Buyer all easements, liens (including, without limitation, governmental improvements approved, but not yet installed) or other title matters not shown by public records, of which Seller has actual knowledge (Off-Record Matters). This Section excludes any **New ILC** or **New Survey** governed under § 9 (New ILC, New Survey). Buyer has the right to inspect the Property to investigate if any third party has any right in the Property not shown by public records (e.g., unrecorded easement, boundary line discrepancy or water rights). Buyer's Notice to Terminate or Notice of Title Objection of any unsatisfactory condition (whether disclosed by Seller or revealed by such inspection, notwithstanding § 8.2. (Record Title) and § 13 (Transfer of Title)), in Buyer's sole subjective discretion, must be received by Seller on or before **Off-Record Title Objection Deadline.** If an Off-Record Matter is received by Buyer after the **Off-Record Title Deadline,** Buyer has until the earlier of Closing or ten days after receipt by Buyer to review and object to such Off-Record Matter. If Seller receives Buyer's Notice to Terminate or Notice of Title Objection pursuant to this § 8.3. (Off-Record Title), any title objection by Buyer is governed by the provisions set forth in § 8.7. (Right to Object to Title, Resolution). If Seller does not receive Buyer's Notice to Terminate or Notice of Title Objection by the applicable deadline specified above, Buyer accepts title subject to such Off-Record Matters and rights, if any, of third parties not shown by public records of which Buyer has actual knowledge.

8.4. Special Taxing and Metropolitan Districts. SPECIAL TAXING DISTRICTS MAY BE SUBJECT TO GENERAL OBLIGATION INDEBTEDNESS THAT IS PAID BY REVENUES PRODUCED FROM ANNUAL TAX LEVIES ON THE TAXABLE PROPERTY WITHIN SUCH DISTRICTS. PROPERTY OWNERS IN SUCH DISTRICTS MAY BE PLACED AT RISK FOR INCREASED MILL LEVIES AND TAX TO SUPPORT THE SERVICING OF SUCH DEBT WHERE CIRCUMSTANCES ARISE RESULTING IN THE INABILITY OF SUCH A DISTRICT TO DISCHARGE SUCH INDEBTEDNESS WITHOUT SUCH AN INCREASE IN MILL LEVIES. BUYERS SHOULD INVESTIGATE THE SPECIAL TAXING DISTRICTS IN WHICH THE PROPERTY IS LOCATED BY CONTACTING THE COUNTY TREASURER, BY REVIEWING THE CERTIFICATE OF TAXES DUE FOR THE PROPERTY AND BY OBTAINING FURTHER INFORMATION FROM THE BOARD OF COUNTY COMMISSIONERS, THE COUNTY CLERK AND RECORDER, OR THE COUNTY ASSESSOR. The official website for the Metropolitan District, if any, is: N/A _______________.

8.5. Tax Certificate. A tax certificate paid for by ☐ **Seller** ☒ **Buyer,** for the Property listing any special taxing or metropolitan districts that affect the Property (Tax Certificate) must be delivered to Buyer on or before **Record Title Deadline.** If the content of the Tax Certificate is unsatisfactory to Buyer, in Buyer's sole subjective discretion, Buyer may terminate, on or before **Record Title Objection Deadline.** Should Buyer receive the Tax Certificate after **Record Title Deadline,** Buyer, at Buyer's option, has the Right to Terminate under § 24.1. by Buyer's Notice to Terminate received by Seller on or before ten days after Buyer's receipt of the Tax Certificate. If Buyer does not receive the Tax Certificate, or if Buyer's Notice to Terminate would otherwise be required to be received by Seller after **Closing Date,** Buyer's Notice to Terminate must be received by Seller on or before Closing. If Seller does not receive Buyer's Notice to Terminate within such time, Buyer accepts the content of the Tax Certificate as satisfactory and Buyer waives any Right to Terminate under this provision. If Buyer's loan specified in §4.5.3. (Loan Limitations) prohibits Buyer from paying for the Tax Certificate, the Tax Certificate will be paid for by Seller.

8.6. Third Party Right to Purchase/Approve. If any third party has a right to purchase the Property (e.g., right of first refusal on the Property, right to purchase the Property under a lease or an option held by a third party to purchase the Property) or a right of a third party to approve this Contract, Seller must promptly submit this Contract according to the terms and conditions of such right. If the third-party holder of such right exercises its right this Contract will terminate. If the third party's right to purchase is waived explicitly or expires, or the Contract is approved, this Contract will remain in full force and effect. Seller must promptly notify Buyer in writing of the foregoing. If the third party right to purchase is exercised or approval of this Contract has not occurred on or before Third Party Right to Purchase/Approve Deadline, this Contract will then terminate. Seller will supply to Buyer, in writing, details of any Third Party Right to Purchase the Property on or before the Record Title Deadline.

8.7. Right to Object to Title, Resolution. Buyer has a right to object or terminate, in Buyer's sole subjective discretion, based on any title matters including those matters set forth in § 8.2. (Record Title), § 8.3.(Off-Record Title), § 8.5.(Tax Certificate) and § 13 (Transfer of Title). If Buyer exercises Buyer's rights to object or terminate based on any such title matter, on or before the applicable deadline, Buyer has the following options:

8.7.1. Title Objection, Resolution. If Seller receives Buyer's written notice objecting to any title matter (Notice of Title Objection) on or before the applicable deadline and if Buyer and Seller have not agreed to a written settlement thereof on or before **Title Resolution Deadline,** this Contract will terminate on the expiration of **Title Resolution Deadline,** unless Seller receives Buyer's written withdrawal of Buyer's Notice of Title Objection (i.e., Buyer's written notice to waive objection to such items and waives the Right to Terminate for that reason), on or before expiration of **Title Resolution Deadline.** If either the Record Title Deadline or the Off-Record Title Deadline, or both, are extended pursuant to § 8.2. (Record Title) or § 8.3. (Off-Record Title) the Title Resolution Deadline also will be automatically extended to the earlier of Closing or fifteen days after Buyer's receipt of the applicable documents; or

8.7.2. Title Objection, Right to Terminate. Buyer may exercise the Right to Terminate under § 24.1., on or before the applicable deadline, based on any title matter unsatisfactory to Buyer, in Buyer's sole subjective discretion.

8.8. Title Advisory. The Title Documents affect the title, ownership and use of the Property and should be reviewed carefully. Additionally, other matters not reflected in the Title Documents may affect the title, ownership and use of the Property, including, without limitation, boundary lines and encroachments, set-back requirements, area, zoning, building code violations, unrecorded easements and claims of easements, leases and other unrecorded agreements, water on or under the Property and various laws and governmental regulations concerning land use, development and environmental matters.

8.8.1. OIL, GAS, WATER AND MINERAL DISCLOSURE. THE SURFACE ESTATE OF THE PROPERTY MAY BE OWNED SEPARATELY FROM THE UNDERLYING MINERAL ESTATE AND TRANSFER OF THE SURFACE ESTATE MAY NOT NECESSARILY INCLUDE TRANSFER OF THE MINERAL ESTATE OR WATER RIGHTS. THIRD PARTIES MAY OWN OR LEASE INTERESTS IN OIL, GAS, OTHER MINERALS, GEOTHERMAL ENERGY OR WATER ON OR UNDER THE SURFACE OF THE PROPERTY, WHICH INTERESTS MAY GIVE THEM RIGHTS TO ENTER AND USE THE SURFACE OF THE PROPERTY TO ACCESS THE MINERAL ESTATE, OIL, GAS OR WATER.

8.8.2. SURFACE USE AGREEMENT. THE USE OF THE SURFACE ESTATE OF THE PROPERTY TO ACCESS THE OIL, GAS OR MINERALS MAY BE GOVERNED BY A SURFACE USE AGREEMENT, A MEMORANDUM OR OTHER NOTICE OF WHICH MAY BE RECORDED WITH THE COUNTY CLERK AND RECORDER.

8.8.3. OIL AND GAS ACTIVITY. OIL AND GAS ACTIVITY THAT MAY OCCUR ON OR ADJACENT TO THE PROPERTY MAY INCLUDE, BUT IS NOT LIMITED TO, SURVEYING, DRILLING, WELL COMPLETION OPERATIONS, STORAGE, OIL AND GAS, OR PRODUCTION FACILITIES, PRODUCING WELLS, REWORKING OF CURRENT WELLS AND GAS GATHERING AND PROCESSING FACILITIES.

8.8.4. ADDITIONAL INFORMATION. BUYER IS ENCOURAGED TO SEEK ADDITIONAL INFORMATION REGARDING OIL AND GAS ACTIVITY ON OR ADJACENT TO THE PROPERTY, INCLUDING DRILLING PERMIT APPLICATIONS. THIS INFORMATION MAY BE AVAILABLE FROM THE COLORADO OIL AND GAS CONSERVATION COMMISSION.

8.8.5. Title Insurance Exclusions. Matters set forth in this Section and others, may be excepted, excluded from, or not covered by the owner's title insurance policy.

8.9. Mineral Rights Review. Buyer has a Right to Terminate if examination of the Mineral Rights is unsatisfactory to Buyer on or before the **Mineral Rights Examination Deadline.**

9. NEW ILC, NEW SURVEY.

9.1. New ILC or New Survey. If the box is checked, (1) ☐ **New Improvement Location Certificate (New ILC)**; or, (2) ☒ **New Survey** in the form of **<u>Survey acceptable to Earnest Money Holder for title insurance purposes</u>**.; is required and the following will apply:

9.1.1. Ordering of New ILC or New Survey. ☐ **Seller** ☐ **Buyer** will order the New ILC or New Survey. The New ILC or New Survey may also be a previous ILC or survey that is in the above-required form, certified and updated as of a date after the date of this Contract.

9.1.2. Payment for New ILC or New Survey. The cost of the New ILC or New Survey will be paid, on or before Closing, by: ☐ **Seller** ☐ **Buyer** or: **See Section 30.5**

9.1.3. Delivery of New ILC or New Survey. Buyer, Seller, the issuer of the Title Commitment (or the provider of the opinion of title if an Abstract of Title) and N/A_____ will receive a New ILC or New Survey on or before **New ILC or New Survey Deadline.**

9.1.4. Certification of New ILC or New Survey. The New ILC or New Survey will be certified by the surveyor to all those who are to receive the New ILC or New Survey.

9.2. Buyer's Right to Waive or Change New ILC or New Survey Selection. Buyer may select a New ILC or New Survey different than initially specified in this Contract if there is no additional cost to Seller or change to the **New ILC or New Survey Objection Deadline**. Buyer may, in Buyer's sole subjective discretion, waive a New ILC or New Survey if done prior to Seller incurring any cost for the same.

9.3. New ILC or New Survey Objection. Buyer has the right to review and object based on the New ILC or New Survey. If the New ILC or New Survey is not timely received by Buyer or is unsatisfactory to Buyer, in Buyer's sole subjective discretion, Buyer may, on or before **New ILC or New Survey Objection Deadline,** notwithstanding § 8.3. or § 13:

9.3.1. Notice to Terminate. Notify Seller in writing, pursuant to § 24.1, that this Contract is terminated; or

9.3.2. New ILC or New Survey Objection. Deliver to Seller a written description of any matter that was to be shown or is shown in the New ILC or New Survey that is unsatisfactory and that Buyer requires Seller to correct.

9.3.3. New ILC or New Survey Resolution. If a **New ILC or New Survey Objection** is received by Seller, on or before **New ILC or New Survey Objection Deadline** and if Buyer and Seller have not agreed in writing to a settlement thereof on or before **New ILC or New Survey Resolution Deadline**, this Contract will terminate on expiration of the **New ILC or New Survey Resolution Deadline**, unless Seller receives Buyer's written withdrawal of the New ILC or New Survey Objection before such termination (i.e., on or before expiration of **New ILC or New Survey Resolution Deadline**).

DISCLOSURE, INSPECTION AND DUE DILIGENCE

10. PROPERTY DISCLOSURE, INSPECTION, INDEMNITY, INSURABILITY, DUE DILIGENCE AND SOURCE OF WATER.

10.1. Seller's Property Disclosure. On or before **Seller's Property Disclosure Deadline**, Seller agrees to deliver to Buyer the most current version of the applicable Colorado Real Estate Commission's Seller's Property Disclosure form completed by Seller to Seller's actual knowledge and current as of the date of this Contract.

10.2. Disclosure of Adverse Material Facts; Subsequent Disclosure; Present Condition. Seller must disclose to Buyer any adverse material facts actually known by Seller as of the date of this Contract. Seller agrees that disclosure of adverse material facts will be in writing. In the event Seller discovers an adverse material fact after the date of this Contract, Seller must timely disclose such adverse fact to Buyer. Buyer has the Right to Terminate based on the Seller's new disclosure on the earlier of Closing or five days after Buyer's receipt of the new disclosure. Except as otherwise provided in this Contract, Buyer acknowledges that Seller is conveying the Property and Inclusions to Buyer in an "**As Is**" condition, "**Where Is**" and "**With All Faults**."

10.3. Inspection. Unless otherwise provided in this Contract, Buyer, acting in good faith, has the right to have inspections (by one or more third parties, personally or both) of the Property, Leased Items, and Inclusions (Inspection), at Buyer's expense. If (1) the physical condition of the Property, including, but not limited to, the roof, walls, structural integrity of the Property, the electrical, plumbing, HVAC and other mechanical systems of the Property, (2) the physical condition of the Inclusions and Leased Items, (3) service to the Property (including utilities and communication services), systems and components of the Property (e.g., heating and plumbing), (4) any proposed or existing transportation project, road, street or highway, or (5) any other activity, odor or noise (whether on or off the Property) and its effect or expected effect on the Property or its occupants is unsatisfactory, in Buyer's sole subjective discretion, Buyer may:

10.3.1. Inspection Termination. On or before the **Inspection Termination Deadline**, notify Seller in writing, pursuant to § 24.1., that this Contract is terminated due to any unsatisfactory condition, provided the Buyer did not previously deliver an Inspection Objection. Buyer's Right to Terminate under this provision expires upon delivery of an Inspection Objection to Seller pursuant to § 10.3.2.; or

10.3.2. Inspection Objection. On or before the **Inspection Objection Deadline**, deliver to Seller a written description of any unsatisfactory condition that Buyer requires Seller to correct.

10.3.3. Inspection Resolution. If an Inspection Objection is received by Seller, on or before **Inspection Objection Deadline** and if Buyer and Seller have not agreed in writing to a settlement thereof on or before **Inspection Resolution Deadline**, this Contract will terminate on **Inspection Resolution Deadline** unless Seller receives Buyer's written withdrawal of the Inspection Objection before such termination (i.e., on or before expiration of **Inspection Resolution Deadline**). Nothing in this provision prohibits the Buyer and the Seller from mutually terminating this Contract before the Inspection Resolution Deadline passes by executing an Earnest Money Release.

10.4. Damage, Liens and Indemnity. Buyer, except as otherwise provided in this Contract or other written agreement between the parties, is responsible for payment for all inspections, tests, surveys, engineering reports, or other reports performed at Buyer's request (Work) and must pay for any damage that occurs to the Property and Inclusions as a result of such Work. Buyer must not permit claims or liens of any kind against the Property for Work performed on the Property. Buyer agrees to indemnify, protect and hold Seller harmless from and against any liability, damage, cost or expense incurred by Seller and caused by any such Work, claim, or lien. This indemnity includes Seller's right to recover all costs and expenses incurred by Seller to defend against any such liability, damage, cost or expense, or to enforce this Section, including Seller's reasonable attorney fees, legal fees and expenses. The provisions of this Section survive the termination of this Contract. This § 10.4. does not apply to items performed pursuant to an Inspection Resolution.

10.5. Insurability. Buyer has the Right to Terminate under § 24.1., on or before **Property Insurance Termination Deadline**, based on any unsatisfactory provision of the availability, terms and conditions and premium for property insurance (Property Insurance) on the Property, in Buyer's sole subjective discretion.

10.6. Due Diligence.

10.6.1. Due Diligence Documents. Seller agrees to deliver copies of the following documents and information pertaining to the Property and Leased Items (Due Diligence Documents) to Buyer on or before **Due Diligence Documents Delivery Deadline**:

10.6.1.1. Occupancy Agreements. All current leases, including any amendments or other occupancy agreements, pertaining to the Property. Those leases or other occupancy agreements pertaining to the Property that survive Closing are as follows (Leases): N/A

10.6.1.2. Leased Items Documents. If any lease of personal property (§ 2.5.4., Leased Items) will be transferred to Buyer at Closing, Seller agrees to deliver copies of the leases and information pertaining to the personal property to Buyer on or before **Due Diligence Documents Delivery Deadline**.

10.6.1.3. Encumbered Inclusions Documents. If any Inclusions owned by Seller are encumbered pursuant to § 2.5.2. (Encumbered Inclusions) above, Seller agrees to deliver copies of the evidence of debt, security and any other documents creating the encumbrance to Buyer on or before **Due Diligence Documents Delivery Deadline**.

10.6.1.4. Solar Power Plan. Copy of any Solar Power Plan not included in Leased Items (regardless of its name or title).

10.6.1.5. Septic Use Permit. If required by the local health department or other applicable government entity, on or before the local health department's applicable deadline, Seller must pay for and furnish to Buyer a Septic Use Permit.

10.6.1.6. Other Documents. If the respective box is checked, Seller agrees to additionally deliver copies of the following:

☐ **10.6.1.6.1.** All contracts relating to the operation, maintenance and management of the Property;

☐ **10.6.1.6.2.** Property tax bills for the last ________ years;

☐ **10.6.1.6.3.** As-built construction plans to the Property and the tenant improvements, including architectural, electrical, mechanical and structural systems; engineering reports; and permanent Certificates of Occupancy, to the extent now available;

☐ **10.6.1.6.4.** A list of all Inclusions to be conveyed to Buyer;

☐ **10.6.1.6.5.** Operating statements for the past _______ years;

☐ **10.6.1.6.6.** A rent roll accurate and correct to the date of this Contract;

☐ **10.6.1.6.7.** A schedule of any tenant improvement work Seller is obligated to complete but has not yet completed and capital improvement work either scheduled or in process on the date of this Contract;

☐ **10.6.1.6.8.** All insurance policies pertaining to the Property and copies of any claims which have been made for the past ______ years;

☐ **10.6.1.6.9.** Soils reports, surveys and engineering reports or data pertaining to the Property (if not delivered earlier under § 8.3.);

☐ **10.6.1.6.10.** Any and all existing documentation and reports regarding Phase I and II environmental reports, letters, test results, advisories and similar documents respective to the existence or nonexistence of asbestos, PCB transformers, or other toxic, hazardous or contaminated substances and/or underground storage tanks and/or radon gas. If no reports are in Seller's possession or known to Seller, Seller warrants that no such reports are in Seller's possession or known to Seller;

☐ **10.6.1.6.11.** Any *Americans with Disabilities Act* reports, studies or surveys concerning the compliance of the Property with said Act;

☐ **10.6.1.6.12.** All permits, licenses and other building or use authorizations issued by any governmental authority with jurisdiction over the Property and written notice of any violation of any such permits, licenses or use authorizations, if any; and

☒ **10.6.1.6.13.** Other: **See Section 30.3**

10.6.2. Due Diligence Documents Review and Objection. Buyer has the right to review and object based on the Due Diligence Documents. If the Due Diligence Documents are not supplied to Buyer or are unsatisfactory, in Buyer's sole subjective discretion, Buyer may, on or before **Due Diligence Documents Objection Deadline**:

10.6.2.1. Notice to Terminate. Notify Seller in writing, pursuant to § 24.1., that this Contract is terminated; or

10.6.2.2. Due Diligence Documents Objection. Deliver to Seller a written description of any unsatisfactory Due Diligence Documents that Buyer requires Seller to correct.

10.6.2.3. Due Diligence Documents Resolution. If a Due Diligence Documents Objection is received by Seller, on or before **Due Diligence Documents Objection Deadline** and if Buyer and Seller have not agreed in writing to a settlement thereof on or before **Due Diligence Documents Resolution Deadline**, this Contract will terminate on **Due Diligence Documents Resolution Deadline** unless Seller receives Buyer's written withdrawal of the Due Diligence Documents Objection before such termination (i.e., on or before expiration of **Due Diligence Documents Resolution Deadline**).

10.6.2.4. Automatic Due Diligence Extension. If a Due Diligence Document is not delivered on or before the Due Diligence Documents Deadline, Buyer has until the earlier of Closing or ten days after receipt by Buyer to review and object to such Due Diligence Document. If Buyer's right to review and object to such Due Diligence Document is extended due to such Due Diligence Document not being delivered on or before the Due Diligence Documents Deadline, the Due Diligence Document Resolution Deadline will also be extended to the earlier of Closing or fifteen days after Buyer's receipt of such Due Diligence Document.

10.6.3. Zoning. Buyer has the Right to Terminate under § 24.1., on or before Due Diligence Documents **Objection** Deadline, based on any unsatisfactory zoning and any use restrictions imposed by any governmental agency with jurisdiction over the Property, in Buyer's sole subjective discretion.

10.6.4. Due Diligence - Environmental. Buyer has the right to obtain environmental inspections of the Property including a Phase I Environmental Site Assessment. ☐ **Seller** ☒ **Buyer** will order or provide a current Phase I Environmental Site

Assessment (compliant with the most current version of the applicable ASTM E1527 standard practices for Environmental Site Assessments) and/or **N/A** at the expense of ☐ **Seller** ☒ **Buyer** (Environmental Inspection). If the Phase I Environmental Site Assessment recommends a Phase II Environmental Site Assessment, the **Environmental Inspection Termination Deadline** will be extended by **60** days (Extended Environmental Inspection Termination Deadline) and if such Extended Environmental Inspection Termination Deadline extends beyond the Closing **Date,** the **Closing Date** will be extended a like period of time. In such event, ☐ **Seller** ☒ **Buyer** must pay the cost for such Phase II Environmental Site Assessment.

Notwithstanding Buyer's right to obtain additional environmental inspections of the Property in this § 10.6.4., Buyer has the Right to Terminate under § 24.1., on or before **Environmental Inspection Termination Deadline,** or if applicable, the Extended Environmental Inspection Termination Deadline, based on any unsatisfactory results of Environmental Inspection, in Buyer's sole subjective discretion.

10.6.5. Due Diligence - **ADA.** Buyer, at Buyer's expense, may also conduct an evaluation whether the Property complies with the *Americans with Disabilities Act* (ADA Evaluation). All such inspections and evaluations must be conducted at such times as are mutually agreeable to minimize the interruption of Seller's and any Seller's tenants' business uses of the Property, if any.

Buyer has the Right to Terminate under § 24.1., on or before **ADA Evaluation Termination Deadline,** based on any unsatisfactory ADA Evaluation, in Buyer's sole subjective discretion.

10.7. Conditional Upon Sale of Property. This Contract is conditional upon the sale and closing of that certain property owned by Buyer and commonly known as **See Section 30.10_____** Buyer has the Right to Terminate under § 24.1. effective upon Seller's receipt of Buyer's Notice to Terminate on or before **Conditional Sale Deadline** if such property is not sold and closed by such deadline. This Section is for the sole benefit of Buyer. If Seller does not receive Buyer's Notice to Terminate on or before **Conditional Sale Deadline,** Buyer waives any Right to Terminate under this provision.

10.8. Source of Potable Water (Residential Land and Residential Improvements Only). Buyer ☐ **Does** ☒ **Does Not** acknowledge receipt of a copy of Seller's Property Disclosure or Source of Water Addendum disclosing the source of potable water for the Property. ☒ There is **No Well.** Buyer ☐ **Does** ☒ **Does Not** acknowledge receipt of a copy of the current well permit.

Note to Buyer: SOME WATER PROVIDERS RELY, TO VARYING DEGREES, ON NONRENEWABLE GROUND WATER. YOU MAY WISH TO CONTACT YOUR PROVIDER (OR INVESTIGATE THE DESCRIBED SOURCE) TO DETERMINE THE LONG-TERM SUFFICIENCY OF THE PROVIDER'S WATER SUPPLIES.

10.9. Existing Leases; Modification of Existing Leases; New Leases. Seller states that none of the Leases to be assigned to the Buyer at the time of Closing contain any rent concessions, rent reductions or rent abatements except as disclosed in the Lease or other writing received by Buyer. Seller will not amend, alter, modify, extend or cancel any of the Leases nor will Seller enter into any new leases affecting the Property without the prior written consent of Buyer, which consent will not be unreasonably withheld or delayed.

10.10. Lead-Based Paint. [Intentionally Deleted - See Residential Addendum if applicable]

10.11. Carbon Monoxide Alarms. [Intentionally Deleted - See Residential Addendum if applicable]

10.12. Methamphetamine Disclosure. [Intentionally Deleted - See Residential Addendum if applicable]

11. TENANT ESTOPPEL STATEMENTS.

11.1. Estoppel Statements Conditions. Buyer has the right to review and object to any Estoppel Statements. Seller must request from all tenants of the Property and if received by Seller, deliver to Buyer on or before **Estoppel Statements Deadline,** statements in a form and substance reasonably acceptable to Buyer, from each occupant or tenant at the Property (Estoppel Statement) attached to a copy of the Lease stating:

11.1.1. The commencement date of the Lease and scheduled termination date of the Lease;

11.1.2. That said Lease is in full force and effect and that there have been no subsequent modifications or amendments;

11.1.3. The amount of any advance rentals paid, rent concessions given and deposits paid to Seller;

11.1.4. The amount of monthly (or other applicable period) rental paid to Seller;

11.1.5. That there is no default under the terms of said Lease by landlord or occupant; and

11.1.6. That the Lease to which the Estoppel Statement is attached is a true, correct and complete copy of the Lease demising the premises it describes.

11.2. Seller Estoppel Statement. In the event Seller does not receive from all tenants of the Property a completed signed Estoppel Statement, Seller agrees to complete and execute an Estoppel Statement setting forth the information and documents required in §11.1. above and deliver the same to Buyer on or before **Estoppel Statements Deadline.**

11.3. Estoppel Statements Termination. Buyer has the Right to Terminate under § 24.1., on or before **Estoppel Statements Termination Deadline,** based on any unsatisfactory Estoppel Statement, in Buyer's sole subjective discretion, or if Seller fails to deliver the Estoppel Statements on or before **Estoppel Statements Deadline.** Buyer also has the unilateral right to waive any unsatisfactory Estoppel Statement.

CLOSING PROVISIONS

12. CLOSING DOCUMENTS, INSTRUCTIONS AND CLOSING.

12.1. Closing Documents and Closing Information. Seller and Buyer will cooperate with the Closing Company to enable the Closing Company to prepare and deliver Documents required for Closing to Buyer and Seller and their designees. If Buyer is obtaining a loan to purchase the Property, Buyer acknowledges Buyer's lender is required to provide the Closing Company, in a timely manner, all required loan documents and financial information concerning Buyer's loan. Buyer and Seller will furnish any additional information and documents required by Closing Company that will be necessary to complete this transaction. Buyer and Seller will sign and complete all customary or reasonably required documents at or before Closing.

12.2. Closing Instructions. Colorado Real Estate Commission's Closing Instructions ☐**Are**☒ **Are Not** executed with this Contract.

12.3. Closing. Delivery of deed from Seller to Buyer will be at closing (Closing). Closing will be on the date specified as the **Closing Date** or by mutual agreement at an earlier date. At Closing, Seller must provide Buyer with the ability to access the Property. The hour and place of Closing will be as designated by **See Section 30.9.**

12.4. Disclosure of Settlement Costs. Buyer and Seller acknowledge that costs, quality and extent of service vary between different settlement service providers (e.g., attorneys, lenders, inspectors and title companies).

12.5. Assignment of Leases. Seller must assign to Buyer all Leases at Closing that will continue after Closing and Buyer must assume Seller's obligations under such Leases. Further, Seller must transfer to Buyer all Leased Items and assign to Buyer such leases for the Leased Items accepted by Buyer pursuant to § 2.5.4.(Leased Items).

13. TRANSFER OF TITLE. Subject to Buyer's compliance with the terms and provisions of this Contract, including the tender of any payment due at Closing, Seller must execute and deliver the following good and sufficient deed to Buyer, at Closing: ☒ special warranty deed ☐ general warranty deed ☐ bargain and sale deed ☐ quit claim deed ☐ personal representative's deed ☐ **N/A**________________ deed. Seller, provided another deed is not selected, must execute and deliver a good and sufficient special warranty deed to Buyer, at Closing.

Unless otherwise specified in § 30 (Additional Provisions), if title will be conveyed using a special warranty deed or a general warranty deed, title will be conveyed "subject to statutory exceptions" as defined in §38-30-113(5)(a), C.R.S.

14. PAYMENT OF LIENS AND ENCUMBRANCES. Unless agreed to by Buyer in writing, any amounts owed on any liens or encumbrances securing a monetary sum against the Property and Inclusions, including any governmental liens for special improvements installed as of the date of Buyer's signature hereon, whether assessed or not, and previous years' taxes, will be paid at or before Closing by Seller from the proceeds of this transaction or from any other source

15. CLOSING COSTS, FEES, ASSOCIATION STATUS LETTER AND DISBURSEMENTS, TAXES AND WITHHOLDING.

15.1. Closing Costs. Buyer and Seller must pay, in Good Funds, their respective closing costs and all other items required to be paid at Closing, except as otherwise provided herein.

15.2. Closing Services Fee. The fee for real estate closing services must be paid at Closing by ☐ **Buyer** ☐ **Seller** ☒ **One-Half by Buyer and One-Half by Seller** ☐ **Other**________________________________.

15.3. Association Fees and Required Disbursements. At least fourteen days prior to **Closing Date,** Seller agrees to promptly request that the Closing Company or the Association deliver to Buyer a current Status Letter, if applicable. Any fees associated with or specified in the Status Letter will be paid as follows:

15.3.1. Status Letter Fee. Any fee incident to the issuance of Association's Status Letter must be paid by Seller.

15.3.2. Record Change Fee. Any Record Change Fee must be paid by ☐ **Buyer** ☐ **Seller**·☐ **One-Half by Buyer and One-Half by Seller** ☒ **N/A.**

15.3.3. Reserves or Working Capital. Unless agreed to otherwise, all reserves or working capital due (or other similar cost not addressed in § 16.2. (Association Assessments)) at Closing must be paid by ☐ **Buyer** ☐ **Seller** ☐ **One-Half by Buyer and One-Half by Seller**·☒ **N/A.**

15.3.4. Other Fees. Any other fee listed in the Status Letter as required to be paid at Closing will be paid by ☐ **Buyer** ☐ **Seller** ☐ **One-Half by Buyer·and One-Half by Seller** ☒ **N/A.**

15.4. Local Transfer Tax. Any Local Transfer Tax must be paid at Closing by ☐ **Buyer** ☐ **Seller** ☐ **One-Half by Buyer and One-Half by Seller** ☒ **N/A**.

15.5. Sales and Use Tax. Any sales and use tax that may accrue because of this transaction must be paid when due by ☐ **Buyer** ☐ **Seller**· ☐ **One-Half by Buyer and One-Half by Seller** ☒ **N/A.**

15.6. Private Transfer Fee. Any private transfer fees and other fees due to a transfer of the Property, payable at Closing, such as community association fees, developer fees and foundation fees, must be paid at Closing by ☐ **Buyer** ☐ **Seller** ☐ **One-Half by Buyer and One-Half by Seller** ☒ **N/A.**

15.7. Water· Transfer Fees. Water Transfer Fees can change. The fees, as of the date of this Contract, do not exceed $ N/A____for: ☐ Water District/Municipality ☐ Water Stock ☐ Augmentation Membership ☐ Small Domestic Water Company ☐ N/A ________ and must be paid at Closing by ☐ **Buyer** ☐ **Seller**·☐ **One-Half by Buyer and One-Half by Seller**·☐ **N/A.**

15.8. Utility Transfer Fees. Utility transfer fees can change. Any fees to transfer utilities from Seller to Buyer must be paid by ☐ **Buyer** ☐ **Seller** ☐ **One-Half by Buyer and One-Half by Seller** D **N/A.**

15.9. FIRPTA and Colorado Withholding.

15.9.1. FIRPTA. The Internal Revenue Service (IRS) may require a substantial portion of the Seller's proceeds be withheld after Closing when Seller is a foreign person. If required withholding does not occur, the Buyer could be held liable for the amount of the Seller's tax, interest and penalties. If the box in this Section is checked, Seller represents that Seller ☐ **IS** a foreign person for purposes of U.S. income taxation. If the box in this Section is not checked, Seller represents that Seller is not a foreign person for purposes of U.S. income taxation. Seller agrees to cooperate with Buyer and Closing Company to provide any reasonably requested documents to verify Seller's foreign person status. If withholding is required, Seller authorizes Closing Company to withhold such amount from Seller's proceeds. Seller should inquire with Seller's tax advisor to determine if withholding applies or if an exemption exists.

15.9.2. Colorado Withholding. The Colorado Department of Revenue may require a portion of the Seller's proceeds be withheld after Closing when Seller will not be a Colorado resident after Closing, if not otherwise exempt. Seller agrees to cooperate with Buyer and Closing Company to provide any reasonably requested documents to verify Seller's status. If withholding is required, Seller authorizes Closing Company to withhold such amount from Seller's proceeds. Seller should inquire with Seller's tax advisor to determine if withholding applies or if an exemption exists.

16. PRORATIONS AND ASSOCIATION ASSESSMENTS.

16.1. Prorations. The following will be prorated to the **Closing Date,** except as otherwise provided:

16.1.1. Taxes. Personal property taxes, if any, special taxing district assessments, if any, and general real estate taxes for the year of Closing, based on ☐ **Taxes for the Calendar·Year·Immediately Preceding Closing** ☒ **Most Recent Mill Levy and Most Recent Assessed Valuation,** ☐ **Other·_________________________**.

16.1.2. Rents. Rents based on ☐ **Rents Actually Received** ☐ **Accrued.** At Closing, Seller will transfer or credit to Buyer the security deposits for all Leases assigned to Buyer, or any remainder after lawful deductions, and notify all tenants in writing of such transfer and of the transferee's name and address.

16.1.3. Other Prorations. Water and sewer charges, propane, interest on continuing loan and _______________________________.

16.1.4. Final Settlement. Unless otherwise specified in Additional Provisions, these prorations are final.

16.2. Association Assessments. Current regular Association assessments and dues (Association Assessments) paid in advance will be credited to Seller at Closing. All Association Assessments accrued before Closing must be paid by Seller and all Association Assessments accrued after Closing must be paid by Buyer. Cash reserves held out of the regular Association Assessments for deferred maintenance by the Association will not be credited to Seller except as may be otherwise provided by the Governing Documents. Any special assessment assessed prior to **Closing Date** by the Association will be the obligation of ☐ **Buyer**☒ **Seller.** Except however, any special assessment by the Association for improvements that have been installed as of the date of Buyer's signature hereon, whether assessed prior to or after Closing, will be the obligation of Seller unless otherwise specified in Additional Provisions. Seller represents there are no unpaid regular or special assessments against the Property except the current regular assessments and **N/A**__________ Association Assessments are subject to change as provided in the Governing Documents.

17. POSSESSION. Possession of the Property and Inclusions will be delivered to Buyer on **Possession Date** at **Possession Time,** subject to the Leases as set forth in § 10.6.l. l.

If Seller, after Closing occurs, fails to deliver possession as specified, Seller will be subject to eviction and will be additionally liable to Buyer, notwithstanding § 20.2. (If Seller is in Default), for payment of $ **100.00______** per day (or any part of a day notwithstanding § 3.3., Day) from **Possession Date** and **Possession Time** until possession is delivered. Additionally, Buyer may pursue a claim against Seller for any of Buyer's actual additional damages incurred by Buyer in excess of such amount.

GENERAL PROVISIONS

18. CAUSES OF LOSS, INSURANCE; DAMAGE TO INCLUSIONS AND SERVICES; CONDEMNATION; AND WALK-THROUGH. Except as otherwise provided in this Contract, the Property and Inclusions will be delivered in the condition existing as of the date of this Contract, ordinary wear and tear excepted.

18.1. Causes of Loss, Insurance. In the event the Property or Inclusions are damaged by fire, other perils or causes of loss prior to Closing (Property Damage) in an amount of not more than ten percent of the total Purchase Price and if the repair of the damage will be paid by insurance (other than the deductible to be paid by Seller), then Seller, upon receipt of the insurance proceeds, will use Seller's reasonable efforts to repair the Property before **Closing Date**. Buyer has the Right to Terminate under § 24.1., on or before **Closing Date**, if the Property is not repaired before **Closing Date**, or if the damage exceeds such sum. Should Buyer elect to carry out this Contract despite such Property Damage, Buyer is entitled to a credit at Closing for all insurance proceeds that were received by Seller (but not the Association, if any) resulting from damage to the Property and Inclusions, plus the amount of any deductible provided for in the insurance policy. This credit may not exceed the Purchase Price. In the event Seller has not received the insurance proceeds prior to Closing, the parties may agree to extend the **Closing Date** to have the Property repaired prior to Closing or, at the option of Buyer, (1) Seller must assign to Buyer the right to the proceeds at Closing, if acceptable to Seller's insurance company and Buyer's lender; or (2) the parties may enter into a written agreement prepared by the parties or their attorney requiring the Seller to escrow at Closing from Seller's sale proceeds the amount Seller has received and will receive due to such damage, not exceeding the total Purchase Price, plus the amount of any deductible that applies to the insurance claim.

18.2. Damage, Inclusions and Services. Should any Inclusion or service (including utilities and communication services), system, component or fixture of the Property (collectively Service) (e.g., heating or plumbing), fail or be damaged between the date of this Contract and Closing or possession, whichever is earlier, then Seller is liable for the repair or replacement of such Inclusion or

Service with a unit of similar size, age and quality, or an equivalent credit, but only to the extent that the maintenance or replacement of such Inclusion or Service is not the responsibility of the Association, if any, less any insurance proceeds received by Buyer covering such repair or replacement. If the failed or damaged Inclusion or Service is not repaired or replaced on or before Closing or possession, whichever is earlier, Buyer has the Right to Terminate under § 24.1., on or before **Closing Date**, or, at the option of Buyer, Buyer is entitled to a credit at Closing for the repair or replacement of such Inclusion or Service. Such credit must not exceed the Purchase Price. If Buyer receives such a credit, Seller's right for any claim against the Association, if any, will survive Closing.

18.3. Condemnation. In the event Seller receives actual notice prior to Closing that a pending condemnation action may result in a taking of all or part of the Property or Inclusions, Seller must promptly notify Buyer, in writing, of such condemnation action. Buyer has the Right to Terminate under § 24.1., on or before **Closing Date**, based on such condemnation action, in Buyer's sole subjective discretion. Should Buyer elect to consummate this Contract despite such diminution of value to the Property and Inclusions, Buyer is entitled to a credit at Closing for all condemnation proceeds awarded to Seller for the diminution in the value of the Property or Inclusions, but such credit will not include relocation benefits or expenses or exceed the Purchase Price.

18.4. Walk-Through and Verification of Condition. Buyer, upon reasonable notice, has the right to walk through the Property prior to Closing to verify that the physical condition of the Property and Inclusions complies with this Contract.

18.5. Risk of Loss – Growing Crops. The risk of loss for damage to growing crops by fire or other casualty will be borne by the party entitled to the growing crops as provided in § 2.8. and such party is entitled to such insurance proceeds or benefits for the growing crops.

19. RECOMMENDATION OF LEGAL AND TAX COUNSEL. By signing this Contract, Buyer and Seller acknowledge that their respective broker has advised that this Contract has important legal consequences and has recommended: (1) legal examination of title; (2) consultation with legal and tax or other counsel before signing this Contract as this Contract may have important legal and tax implications; (3) to consult with their own attorney if Water Rights, Mineral Rights or Leased Items are included or excluded in the sale; and (4) to consult with legal counsel if there are other matters in this transaction for which legal counsel should be engaged and consulted. Such consultations must be done timely as this Contract has strict time limits, including deadlines, that must be complied with.

20. TIME OF ESSENCE, DEFAULT AND REMEDIES. Time is of the essence for all dates and deadlines in this Contract. This means that all dates and deadlines are strict and absolute. If any payment due, including Earnest Money, is not paid, honored or tendered when due, or if any obligation is not performed timely as provided in this Contract or waived, the non-defaulting party has the following remedies:

20.1. If Buyer is in Default:

☐ **20.1.1. Specific Performance.** Seller may elect to cancel this Contract and all Earnest Money (whether or not paid by Buyer) will be paid to Seller and retained by Seller. It is agreed that the Earnest Money is not a penalty, and the parties agree the amount is fair and reasonable. Seller may recover such additional damages as may be proper. Alternatively, Seller may elect to treat this Contract as being in full force and effect and Seller has the right to specific performance or damages, or both.

20.1.1. Liquidated Damages, Applicable. This § 20.1.2. applies <u>unless the box in § 20.1.1. is checked</u>. Seller may cancel this Contract. All Earnest Money (whether or not paid by Buyer) will be paid to Seller and retained by Seller. It is agreed that the Earnest Money amount specified in § 4.1. is LIQUIDATED DAMAGES and not a penalty, which amount the parties agree is fair and reasonable and (except as provided in §§ 10.4. and 21), such amount is SELLER'S ONLY REMEDY for Buyer's failure to perform the obligations of this Contract. Seller expressly waives the remedies of specific performance and additional damages.

20.2. If Seller is in Default:

20.2.1. Specific Performance, Damages or Both. Buyer may elect to treat this Contract as canceled, in which case all Earnest Money received hereunder will be returned to Buyer and Buyer may recover such damages as may be proper. Alternatively, in addition to the per diem in § 17 (Possession) for failure of Seller to timely deliver possession of the Property after Closing occurs, Buyer may elect to treat this Contract as being in full force and effect and Buyer has the right to specific performance or damages, or both.

20.2.2. Seller's Failure to Perform. In the event Seller fails to perform Seller's obligations under this Contract, to include, but not limited to, failure to timely disclose Association violations known by Seller, failure to perform any replacements or repairs required under this Contract or failure to timely disclose any known adverse material facts, Seller remains liable for any such failures to perform under this Contract after Closing. Buyer's rights to pursue the Seller for Seller's failure to perform under this Contract are reserved and survive Closing.

21. LEGAL FEES, COST AND EXPENSES. Anything to the contrary herein notwithstanding, in the event of any arbitration or litigation relating to this Contract, prior to or after **Closing Date**, the arbitrator or court must award to the prevailing party all reasonable costs and expenses, including attorney fees, legal fees and expenses.

22. MEDIATION. If a dispute arises relating to this Contract (whether prior to or after Closing) and is not resolved, the parties must first proceed, in good faith, to mediation. Mediation is a process in which the parties meet with an impartial person who helps to resolve the dispute informally and confidentially. Mediators cannot impose binding decisions. Before any mediated settlement is binding, the parties to the dispute must agree to the settlement, in writing. The parties will jointly appoint an acceptable mediator and will share equally in the cost of such mediation. The obligation to mediate, unless otherwise agreed, will terminate if the entire dispute is not resolved within thirty days of the date written notice requesting mediation is delivered by one party to the other at that party's last known address (physical or electronic as provided in § 26). Nothing in this Section prohibits either party from filing a lawsuit and recording a *lis pendens* affecting the Property, before or after the date of written notice requesting mediation. This Section will not alter any date in this Contract, unless otherwise agreed.

23. EARNEST MONEY DISPUTE. Except as otherwise provided herein, Earnest Money Holder must release the Earnest Money following receipt of written mutual instructions, signed by both Buyer and Seller. In the event of any controversy regarding the Earnest Money, Earnest Money Holder is not required to release the Earnest Money. Earnest Money Holder, in its sole subjective discretion, has several options: (1) wait for any proceeding between Buyer and Seller; (2) interplead all parties and deposit Earnest Money into a court of competent jurisdiction (Earnest Money Holder is entitled to recover court costs and reasonable attorney and legal fees incurred with such action); or (3) provide notice to Buyer and Seller that unless Earnest Money Holder receives a copy of the Summons and Complaint or Claim (between Buyer and Seller) containing the case number of the lawsuit (Lawsuit) within one hundred twenty days of Earnest Money Holder's notice to the parties, Earnest Money Holder is authorized to return the Earnest Money to Buyer. In the event Earnest Money Holder does receive a copy of the Lawsuit and has not interpled the monies at the time of any Order, Earnest Money Holder must disburse the Earnest Money pursuant to the Order of the Court. The parties reaffirm the obligation of § 22 (Mediation). This Section will survive cancellation or termination of this Contract.

24. TERMINATION.

24.1. Right to Terminate. If a party has a right to terminate, as provided in this Contract (Right to Terminate), the termination is effective upon the other party's receipt of a written notice to terminate (Notice to Terminate), provided such written notice was received on or before the applicable deadline specified in this Contract. If the Notice to Terminate is not received on or before the specified deadline, the party with the Right to Terminate accepts the specified matter, document or condition as satisfactory and waives the Right to Terminate under such provision. Any Notice to Terminate delivered after the applicable deadline specified in the Contract is ineffective and does not terminate this Contract.

24.2. Effect of Termination. In the event this Contract is terminated, all Earnest Money received hereunder must be timely returned to Buyer and the parties are then relieved of all obligations hereunder, subject to §§ 10.4. and 21.

25. ENTIRE AGREEMENT, MODIFICATION, SURVIVAL; SUCCESSORS. This Contract, its exhibits and specified addenda, constitute the entire agreement between the parties relating to the subject hereof and any prior agreements pertaining thereto, whether oral or written, have been merged and integrated into this Contract. No subsequent modification of any of the terms of this Contract is valid, binding upon the parties, or enforceable unless made in writing and signed by the parties. Any right or obligation in this Contract that, by its terms, exists or is intended to be performed after termination or Closing survives the same. Any successor to a party receives the predecessor's benefits and obligations of this Contract.

26. NOTICE, DELIVERY AND CHOICE OF LAW.

26.1. Physical Delivery and Notice. Any document or notice to Buyer or Seller must be in writing, except as provided in § 26.2. and is effective when physically received by such party, any individual named in this Contract to receive documents or notices for such party, Broker, or Brokerage Firm of Broker working with such party (except any notice or delivery after Closing must be received by the party, not Broker or Brokerage Firm).

26.2. Electronic Notice. As an alternative to physical delivery, any notice may be delivered in electronic form to Buyer or Seller, any individual named in this Contract to receive documents or notices for such party, Broker or Brokerage Firm of Broker working with such party (except any notice or delivery after Closing, cancellation or Termination must be received by the party, not Broker or Brokerage Firm) at the electronic address of the recipient by facsimile, email or **N/A** ________________________.

26.3. Electronic Delivery. Electronic Delivery of documents and notice may be delivered by: (1) email at the email address of the recipient, (2) a link or access to a website or server provided the recipient receives the information necessary to access the documents, or (3) facsimile at the facsimile number (Fax No.) of the recipient.

26.4. Choice of Law. This Contract and all disputes arising hereunder are governed by and construed in accordance with the laws of the State of Colorado that would be applicable to Colorado residents who sign a contract in Colorado for real property located in Colorado.

27. NOTICE OF ACCEPTANCE, COUNTERPARTS. This proposal will expire unless accepted in writing, by Buyer and Seller, as evidenced by their signatures below and the offering party receives notice of such acceptance pursuant to § 26 on or before **Acceptance Deadline Date** and **Acceptance Deadline Time**. If accepted, this document will become a contract between Seller and Buyer. A copy of this Contract may be executed by each party, separately and when each party has executed a copy thereof, such copies taken together are deemed to be a full and complete contract between the parties.

28. GOOD FAITH. Buyer and Seller acknowledge that each party has an obligation to act in good faith including, but not limited to, exercising the rights and obligations set forth in the provisions of **Financing Conditions and Obligations**; **Title Insurance, Record Title and Off-Record Title**; **New ILC, New Survey**; and **Property Disclosure**, **Inspection**, **Indemnity**, **Insurability, Due Diligence and Source of Water**.

29. BUYER'S BROKERAGE FIRM COMPENSATION. Buyer's brokerage firm's compensation will be paid, at Closing, as follows:

29.1. **N/A** % of the Purchase Price or $ **N/A** by Seller. Buyer's brokerage firm is an intended third-party beneficiary under this provision only. The amount paid by Seller under this provision is in addition to any other amounts Seller is paying on behalf of Buyer elsewhere in this Contract.

29.2. **N/A**____ % of the Purchase Price or $**N/A**___ by Buyer pursuant to a separate agreement between Buyer and Buyer's brokerage firm. This amount may be modified between Buyer and Buyer's brokerage firm outside of this Contract.

29.3. **N/A**____ % of the Purchase Price or $**N/A**___ by a separate agreement between Buyer's brokerage firm and Seller's brokerage firm.

ADDITIONAL PROVISIONS AND ATTACHMENTS

30. ADDITIONAL PROVISIONS. (The following additional provisions have not been approved by the Colorado Real Estate Commission.) **See Addendum 30 attached hereto, which is incorporated into, and made a part of this Contract by reference.**

31. OTHER DOCUMENTS.

31.1. Documents Part of Contract. The following documents **are a part** of this Contract: **N/A**

31.2. Documents Not Part of Contract. The following documents have been provided but are **not** a part of this Contract: **N/A**

SIGNATURES

Buyer's Name:	**Volunteers of America National Services**	Buyer's Name:	________________
Buyer's Signature ________________	Date ________	Buyer's Signature ________________	Date ________
Address:	**1660 Duke Street Alexandria, VA 22314**	Address:	________________
Phone No.:	________________	Phone No.:	________________

Fax No.:	______________________	Fax No.:	______________________
Email Address:	______________________	Email Address:	______________________

[NOTE: If this offer is being countered or rejected, do not sign this document.]

Seller's Name:	**City of Montrose**	Seller's Name:	______________________

______________________	____________	______________________	____________
Seller's Signature	Date	Seller's Signature	Date

Address:	**P.O. Box 790 Montrose, CO 81402**	Address:	______________________
	______________________		______________________
Phone No.:	______________________	Phone No.:	______________________
Fax No.:	______________________	Fax No.:	______________________
Email Address:	______________________	Email Address:	______________________

~~BROKER'S ACKNOWLEDGMENTS AND COMPENSATION DISCLOSURE.~~

~~A. Broker Working With Buyer~~

~~Broker ☐ **Does** ☐ **Does Not** acknowledge receipt of Earnest Money deposit. Broker agrees that if Brokerage Firm is the Earnest Money Holder and, except as provided in § 23, if the Earnest Money has not already been returned following receipt of a Notice to Terminate or other written notice of termination, Earnest Money Holder will release the Earnest Money as directed by the written mutual instructions. Such release of Earnest Money will be made within five days of Earnest Money Holder's receipt of the executed written mutual instructions, provided the Earnest Money check has cleared.~~

~~Broker is working with Buyer as a ☐ **Buyer's Agent** ☐ **Transaction-Broker** in this transaction.~~

~~☐ **Customer**. Broker has no brokerage relationship with Buyer. See § B for Broker's brokerage relationship with Seller.~~

~~Brokerage Firm's compensation or commission is to be paid as specified in §29 above.~~

~~This Broker's Acknowledgments and Compensation Disclosure is for disclosure purposes only and does NOT create any claim for compensation. Any compensation agreement between the brokerage firms must be entered into separately and apart from this provision.~~

~~Brokerage Firm's Name:~~ ______________________________
~~Brokerage Firm's License #:~~ ______________________________
~~Broker's Name:~~ ______________________________
~~Broker's License #:~~ ______________________________
____

______________________________ ______________
~~Broker's Signature~~ ~~Date~~

~~Address:~~ ______________________________
____
~~Phone No.:~~ ______________________________
~~Fax No.:~~ ______________________________
~~Email Address:~~ ______________________________

~~B. Broker Working with Seller~~

~~Broker ☐ **Does** ☐ **Does Not** acknowledge receipt of Earnest Money deposit. Broker agrees that if Brokerage Firm is the Earnest Money Holder and, except as provided in § 23, if the Earnest Money has not already been returned following receipt of a Notice to Terminate or other written notice of termination, Earnest Money Holder will release the Earnest Money as directed by the written mutual instructions. Such release of Earnest Money will be made within five days of Earnest Money Holder's receipt of the executed written mutual instructions, provided the Earnest Money check has cleared.~~

~~Broker is working with Seller as a ☐ **Seller's Agent** ☐ **Transaction-Broker** in this transaction.~~

~~☐ **Customer**. Broker has no brokerage relationship with Seller. See § A for Broker's brokerage relationship with Buyer.~~

~~Brokerage Firm's compensation or commission is to be paid by ☐ **Seller** ☐ **Buyer** ☐ **Other** ______________________________.~~

~~This Broker's Acknowledgments and Compensation Disclosure is for disclosure purposes only and does NOT create any claim for compensation. Any agreement to pay compensation must be entered into separately and apart from this provision.~~

~~Brokerage Firm's Name:~~ ______________________
~~Brokerage Firm's License #:~~ ______________________
~~Broker's Name:~~ ______________________
~~Broker's License #:~~ ______________________

______________________ ______________
~~Broker's Signature~~ ~~Date~~

~~Address:~~ ______________________
____
~~Phone No.:~~ ______________________
~~Fax No.:~~ ______________________
~~Email Address:~~ ______________________

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ADDENDUM TO

CONTRACT TO BUY AND SELL REAL ESTATE (LAND) BETWEEN THE CITY OF MONTROSE, A COLORADO HOME RULE MUNICIPAL CORPORATION ("SELLER") AND VOLUNTEERS OF AMERICA NATIONAL SERVICES, A MINNESOTA NONPROFIT CORPORATION AND/OR ITS AFFILIATED ASSIGNS ("BUYER")

30. ADDITIONAL PROVISIONS. (The following additional provisions have not been approved by the Colorado Real Estate Commission.)

30.1. Conflicts. In the event of any conflict between the terms and provisions which are set forth in the various subsections of Section 30 of this Contract and the preprinted portions of this Contract approved by the Colorado Real Estate Commission as amended herein, the terms and provisions of the various subsections of this Section 30 shall govern.

30.2. Earnest Money. Within five (5) business days of mutual execution of the Contract, Buyer shall deposit Five Thousand and 00/100 dollars ($5,000.00) of Earnest Money which shall be payable to and held by Earnest Money Holder. The Earnest Money shall be applicable to Purchase Price, and shall be refundable to Buyer in the event the Contract terminates before the expiration of the Due Diligence Period or as otherwise provided in the Contract. Seller's sole remedy in the event of Buyer's default shall be retention of the Earnest Money as liquidated damages.

30.3. Due Diligence Package. Within ten (10) business days of mutual execution of the Contract, Seller shall provide Buyer with a customary "Due Diligence Package" which shall include, but shall not necessarily be limited to, the following items that are in Seller's possession:

A. Current title commitment from Title Company;
B. All building and site plans including but not limited to building plans and site plans, civil engineering plans, and landscape plans ("Plans");
C. All surveys;
D. All environmental, soil, and geotechnical reports;
E. All planning and zoning documents;
F. All governance documents, and
E. Other such items in Seller's possession that a reasonable and diligent buyer would wish to review, including but not limited to any off-record contracts and agreements.

30.4. Due Diligence Period. Buyer shall have ninety (90) days following mutual execution of the Contract to conduct due diligence and inspect Property ("Due Diligence Period"). Buyer's due diligence may include, but shall not be limited to, its review of Due Diligence Package, title, survey, and physical inspection of the Property, including a Phase I report. If any negative conditions are found on the Property, including but not limited to soils or environmental conditions, that will impact Buyer's contemplated affordable housing development, the Due Diligence Period will be extended by sixty (60) days, and Buyer and Seller shall work cooperatively to mitigate any identified negative conditions or issues. At the end of the Due Diligence Period, Buyer may accept the Property "as-is" and move forward with Closing or terminate this Contract in its sole discretion.

30.5. New Survey. Buyer shall initiate a new survey of the Property. Buyer and Seller shall each pay 50% of the cost of the new survey. Seller shall not be responsible for more than Five Thousand Dollars and 00/100 ($5,000.00) for the new survey.

30.6. Property Zoning. Seller shall initiate and support the rezoning of the Property from "P" Public to "R-3A" "Medium High Density District" prior to Closing. Closing shall be contingent on completion of rezoning of the Property to "R-3A" "Medium High Density District". Should the rezoning not happen prior to April 8, 2026, Buyer may terminate the Contract and receive a full Earnest Money refund. Closing shall take place within seven (7) days of the rezoning of the Property to "R-3A" "Medium High Density District", provided that all of the contingencies and obligations of this Contract have been fulfilled. Buyer shall have the option to extend the closing date by thirty (30) days by providing written notice to the Seller and depositing an additional Five Thousand Dollars and 00/100 ($5,000.00) of earnest money ("Additional Earnest Money"). Should Buyer extend the closing date by thirty (30) days, the purchase price of the Property shall increase by Five Thousand Dollars and 00/100 ($5,000.00) to a total of Thirty-Five Thousand Dollars and 00/100 ($35,000.00). The Additional Earnest Money shall be applied to the Purchase Price at Closing.

30.7. Buyer Board Approval. Buyer's governance structure consists of a national real estate loan committee, a finance committee, and a national board. This Contract is contingent upon Buyer receiving approval from its Board of Directors and Buyer may be terminate the Contract should the Board of Directors not provide such approval.

30.8. Representations and Warranties. Seller represents and warrants to Buyer as of the Effective Date, and again as of the Closing Date, the following: 1) Seller is a Colorado home rule municipal corporation; 2) Seller has the right and authority to enter into this Contract and consummate the transaction contemplated by this Contact; 3) Seller has taken all action required to enter into this Contract and the instruments referenced in this Contract and to consummate the transaction contemplated by this agreement; 4) the person signing this Contract on Seller's behalf is authorized to do so; 5) Seller has good and marketable fee simple title to the surface only, specifically exempting any mineral, oil, or gas rights, to the Property and clear of all liens, security interests, incumbrances, leases, and restrictions except for the Permitted Exceptions and as may otherwise be determined by the Title Commitment; 6) at Closing, title to the Property is free and clear of all liens, mortgages, encumbrances, leases, options, rights of first refusal, covenants, restrictions, easements, or other matters adversely affecting title, except for those Permitted Exceptions specifically disclosed and accepted by Buyer; 7) to Seller's knowledge, there has been no dumping, storage, burial, or release of hazardous substances, underground storage tanks, or other environmental contamination on or under the Property; 8) there are no pending or threatened condemnation proceedings, special assessments, code enforcement actions, or governmental investigations related to the Property; 9) there are no actual or threatened actions, suits, arbitrations, or pending proceedings against Seller or the Property that would impair Buyer's ownership of the Property; and 10) there are no liens, unpaid assessments, mechanic's liens, or other similar claims against the Property.

These representations and warranties set forth by Seller shall survive closing. If any representation or warranty is found to be untrue, Buyer shall have the right to indemnification from the Seller for all losses, damages, costs incurred, or any other remedy available at law or equity.

30.9. Closing. Unless the Contract is terminated, or the terms of the Contract amended by mutual written consent, Closing shall occur on, or before April 8, 2026 ("Closing Date"). In addition to all other documents customarily provided at closing, Seller agrees to provide the following to Buyer at closing:

A. Special Warranty Deed (the form of which shall be mutually agreed to by the parties concurrent with execution of the Contract and attached thereto as Exhibit B);
B. Bill of sale for any, and all, personal property to be transferred;
C. Lien Affidavit; and
D. Final title commitment and/or title policy (if the latter is ready for issuance by Title Company).

30.10. Contingency. The purchase and sale of this Property is tied to another transaction between the Buyer and Seller where Buyer is selling Seller a separate property located in Montrose, Colorado commonly known as 420 S. 12th Street, Montrose, CO 81401 ("Buyer's Property"). The Closing of this transaction is contingent upon the Seller closing on the Buyer's Property and is part of the consideration for this Contract.

30.11. "AS IS," "WHERE IS" and "WITH ALL FAULTS." Except as otherwise specifically provided in this Contract, Seller shall convey the Property and Buyer shall accept the Property, and all matters relating to the Property, in "AS IS," "WHERE IS" and "WITH ALL FAULTS" condition or status. Except as otherwise specifically provided in this Contract, Seller has not made and Buyer is not relying, either directly or indirectly, upon any representations with respect to the Property, the value of the Property, the existence or preservation of any view or vista with respect to the Property or any other matter relating to the Property or its suitability for Buyer's anticipated use. Except for the warranties expressly stated in this Contract and in any documents delivered at Closing, Buyer hereby waives any other warranties, express, implied, including, but not limited to, any and all implied warranties of merchantability, habitability, suitability for habitation, fitness, fitness for a particular purpose or absence of radon, radiation or electromagnetic fields. Seller expressly disclaims all warranties except only for warranties expressly stated in this Contract and in any documents delivered at Closing.

30.12. Assignment by Buyer: Buyer may, at any time after MEC, assign or otherwise transfer all of Buyer's right, title and interest in and to this Contract to a related entity controlled by principals of Buyer, or under common control with Buyer, provided that no such assignment shall release Buyer from its obligations under the Contract.

30.13. Relationship of Parties: Notwithstanding any provision in this Contract to the contrary, this Contract shall not be construed as making Seller or Buyer the partner, agent or joint venturer of the other and the parties shall have no relationship to each other, other than as set forth herein as seller and buyer of real property.

30.14. Time Is of Essence: Time is of the essence of this Contract.

30.15. Cooperation: Seller and Buyer agree to cooperate in good faith with one another in taking any reasonable actions necessary or helpful to accomplish the transaction contemplated by this Contract, including, but not limited to, the satisfaction of any conditions to Closing set forth in this Contract.

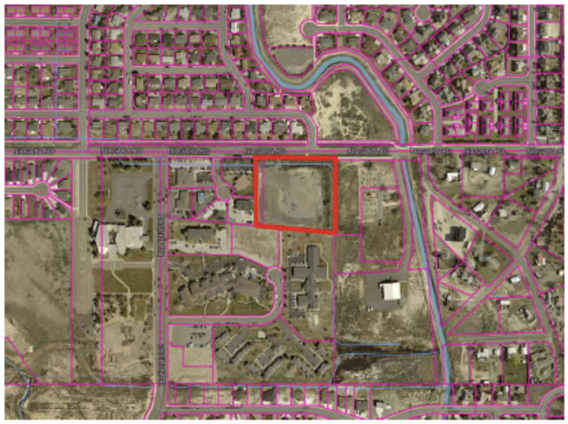
30.16. Allocation of Liability. It is expressly understood and agreed that Seller shall be liable to third parties for any and all obligations, claims, losses, damages, liabilities, and expenses arising out of events, contractual obligations, acts, or omissions of the Seller that occurred in connection with the ownership or operation of the Property prior to the Closing, and Buyer shall be liable to third parties for any and all obligations, claims, losses, damages, liabilities, and expenses arising out of events, contractual obligations, acts, or omissions of Buyer that occur in connection with the ownership or operation of the Property after the Closing. The provisions of this Section will survive Closing.

30.17. Confidentiality. Buyer and Seller shall keep the contents of their negotiations and terms of this Contract as confidential as possible, subject to applicable State, Federal, and Local Law.

30.18. Attorneys' Fees: In the event any action is commenced to enforce the terms of this Agreement, the prevailing party shall be entitled to recover its litigation costs and attorneys' fees from the non-prevailing party.

30.19. WAIVER OF TRIAL BY JURY/VENUE/GOVERNING LAW. SELLER AND BUYER HEREBY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER OF THE PARTIES HERETO AGAINST THE OTHER AS TO ANY MATTER WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS AGREEMENT, THE RELATIONSHIP OF THE SELLER OR BUYER OR ANY OTHER CLAIM OR STATUTORY REMEDY. VENUE FOR ANY ACTION BROUGHT UNDER THIS AGREEMENT SHALL BE IN THE DISTRICT COURT OF THE COUNTY OF MONTROSE, STATE OF COLORADO. THIS AGREEMENT SHALL BE GOVERNED BY THE LAWS OF THE STATE OF COLORADO, WITHOUT GIVING EFFECT TO ANY CONFLICT OF LAWS PRINCIPLES.

EXHIBIT A



Seller Property – approximately 4.14 acres

Seller Property highlighted in green

EXHIBIT B

FORM OF SPECIAL WARRANTY DEED

When recorded, return to:
____
____
____
Attention:____________________

SPECIAL WARRANTY DEED

STATUTORY FORM – C.R.S. § 38-30-113(1)(b)

[MONTH] [DATE], [YEAR]

City of Montrose, a Colorado home rule municipal corporation, whose street address is P.O. Box 790, City of Montrose, County of Montrose, and State of Colorado ("Grantor"), for the consideration of $[10.00], in hand paid, hereby sells and conveys to Volunteers of America National Services, a Minnesota nonprofit corporation ("Grantee"), whose street address is 1660 Duke Street, City of Alexandria, and State of Virgina the real property legally described in **Error! Reference source not found.**, with all its appurtenances, and warrants the title to the same against all persons claiming under the Grantor, subject to the matters set forth on 0.

[*signature page follows*]

The printed portions of this form, except differentiated additions, have been approved by the Colorado Real Estate Commission. (CBS3-8-24) (Mandatory 8-24)

THIS FORM HAS IMPORTANT LEGAL CONSEQUENCES AND THE PARTIES SHOULD CONSULT LEGAL AND TAX OR OTHER COUNSEL BEFORE SIGNING.

CONTRACT TO BUY AND SELL REAL ESTATE (COMMERCIAL)

(■ Property with No Residences)
(☐ Property with Residences-Residential Addendum Attached)

Date: November 18, 2025

AGREEMENT

1. AGREEMENT. Buyer agrees to buy and Seller agrees to sell the Property described below on the terms and conditions set forth in this contract (Contract).

2. PARTIES AND PROPERTY.

2.1. Buyer. City of Montrose, a Colorado home rule municipal corporation (Buyer) will take title to the Property described below as ☐ **Joint Tenants** ■ **Tenants In Common** ☐ **Other** ________________.

2.2. No Assignability. This Contract **IS NOT** assignable by Buyer unless otherwise specified in **Additional Provisions**.

2.3. Seller. Volunteers of America National Services, a Minnesota nonprofit corporation (Seller) is the current owner of the Property described below.

2.4. Property. The Property is the following ~~legally~~ described real estate in the County of Montrose, Colorado (insert ~~legal~~ description):

Approximately 1.15 acres zoned B-2 within the City of Montrose

known as: 420 S. 12th Street, Montrose, Colorado 81401,

Street Address	City	State	Zip
420 S. 12th Street	Montrose	Colorado	81401

together with the interests, easements, rights, benefits, improvements and attached fixtures appurtenant thereto and all interest of Seller in vacated streets and alleys adjacent thereto, except as herein excluded (Property).

2.5. Inclusions. The Purchase Price includes the following items (Inclusions):

2.5.1. Inclusions – Attached. If attached to the Property on the date of this Contract, the following items are included unless excluded under **Exclusions**: lighting, heating, plumbing, ventilating and air conditioning units, TV antennas, inside telephone, network and coaxial (cable) wiring and connecting blocks/jacks, plants, mirrors, floor coverings, intercom systems, built-in kitchen appliances, sprinkler systems and controls, built-in vacuum systems (including accessories) and garage door openers (including N/A remote controls). If checked, the following are owned by the Seller and included: ☐ **Solar Panels** ☐ **Water Softeners** ☐ **Security Systems** ☐ **Satellite Systems** (including satellite dishes). Leased items should be listed under § 2.5.8. (Leased Items). If any additional items are attached to the Property after the date of this Contract, such additional items are also included in the Purchase Price.

2.5.2. Inclusions – Not Attached. If on the Property, whether attached or not, on the date of this Contract, the following items are included unless excluded under **Exclusions**: storm windows, storm doors, window and porch shades, awnings, blinds, screens, window coverings and treatments, curtain rods, drapery rods, fireplace inserts, fireplace screens, fireplace grates, heating stoves, storage sheds, carbon monoxide alarms, smoke/fire detectors and all keys.

2.5.3. Other Inclusions. The following items, whether fixtures or personal property, are also included in the Purchase Price:

N/A

2.5.4. Encumbered Inclusions. Any Inclusions owned by Seller (e.g., owned solar panels) must be conveyed at Closing by Seller free and clear of all taxes (except personal property and general real estate taxes for the year of Closing), liens and encumbrances, except:

N/A

Buyer ☐ **Will** ▣ **Will Not** assume the debt and obligations on the Encumbered Inclusions subject to Buyer's review under §10.6. (Encumbered Inclusion Documents) and Buyer's receipt of written approval by such lender before Closing. If Buyer does not receive such approval this Contract terminates.

2.5.5. Personal Property Conveyance. Conveyance of all personal property will be by bill of sale or other applicable legal instrument.

2.5.6. Parking and Storage Facilities. The use or ownership of the following parking facilities: N/A; and the use or ownership of the following storage facilities: N/A.

Note to Buyer: If exact rights to the parking and storage facilities is a concern to Buyer, Buyer should investigate.

2.5.7. Trade Fixtures. With respect to trade fixtures, Seller and Buyer agree as follows:

N/A

The trade fixtures to be conveyed at Closing will be conveyed by Seller free and clear of all taxes (except personal property taxes for the year of Closing), liens and encumbrances, except . Conveyance will be by bill of sale or other applicable legal instrument.

2.5.8. Leased Items. The following personal property is currently leased to Seller which will be transferred to Buyer at Closing (Leased Items):

N/A

Buyer ☐ **Will** ▣ **Will Not** assume Seller's debt and obligations under such leases for the Leased Items subject to Buyer's review under §10.6. (Leased Items Documents) and Buyer's receipt of written approval by such lender before Closing. If Buyer does not receive such approval this Contract terminates.

☐ **2.5.9. Solar Power Plan.** If the box is checked, Seller has entered into a solar power purchase agreement, regardless of the name or title, to authorize a third-party to operate and maintain a photovoltaic system on the Property and provide electricity (Solar Power Plan) that will remain in effect after Closing. Buyer ☐ **Will** ▣ **Will Not** assume Seller's obligations under such Solar Power Plan subject to Buyer's review under §10.6. (Solar Power Plan) and Buyer's receipt of written approval by the third-party before Closing. If Buyer does not receive such approval this Contract terminates.

2.6. Exclusions. The following items are excluded (Exclusions):

N/A

2.7. Water Rights/Well Rights.

☐ **2.7.1. Deeded Water Rights.** The following legally described water rights:

N/A

Any deeded water rights will be conveyed by a good and sufficient N/A deed at Closing.

☐ **2.7.2. Other Rights Relating to Water.** The following rights relating to water not included in §§ 2.7.1., 2.7.3. and 2.7.4., will be transferred to Buyer at Closing:

N/A

☐ **2.7.3. Well Rights.** Seller agrees to supply required information to Buyer about the well. Buyer understands that if the well to be transferred is a "Small Capacity Well" or a "Domestic Exempt Water Well" used for ordinary household purposes, Buyer must, prior to or at Closing, complete a Change in Ownership form for the well. If an existing well has not been registered with the Colorado Division of Water Resources in the Department of Natural Resources (Division), Buyer must complete a registration of existing well form for the well and pay the cost of registration. If no person will be providing a closing service in connection with the transaction, Buyer must file the form with the Division within sixty days after Closing. The Well Permit # is N/A.

☐ **2.7.4. Water Stock.** The water stock to be transferred at Closing are as follows:

N/A

2.7.5. Conveyance. If Buyer is to receive any rights to water pursuant to § 2.7.2. (Other Rights Relating to Water), § 2.7.3. (Well Rights), or § 2.7.4. (Water Stock Certificates), Seller agrees to convey such rights to Buyer by executing the applicable legal instrument at Closing.

2.7.6. Water Rights Review. Buyer has a Right to Terminate if examination of the Water Rights is unsatisfactory to Buyer on or before the **Water Rights Examination Deadline**.

3. DATES, DEADLINES AND APPLICABILITY.

3.1. Dates and Deadlines.

Item No.	Reference	Event	Date or Deadline
1	§ 3	Time of Day Deadline	N/A
2	§ 4	Alternative Earnest Money Deadline	N/A
		Title	
3	§ 8	Record Title Deadline (and Tax Certificate)	10 Business Days from MEC
4	§ 8	Record Title Objection Deadline	90 Days from MEC
5	§ 8	Off-Record Title Deadline	10 Business Days from MEC
6	§ 8	Off-Record Title Objection Deadline	90 Days from MEC
7	§ 8	Title Resolution Deadline	90 Business Days from MEC
8	§ 8	Third Party Right to Purchase/Approve Deadline	N/A
		Owners' Association	
9	§ 7	Association Documents Deadline	10 Business Days from MEC
10	§ 7	Association Documents Termination Deadline	90 Days from MEC
		Seller's Disclosures	
11	§ 10	Seller's Property Disclosure Deadline	10 Business Days from MEC
12	§ 10	Lead-Based Paint Disclosure Deadline (if Residential Addendum attached)	N/A
		Loan and Credit	
13	§ 5	New Loan Application Deadline	N/A
14	§ 5	New Loan Terms Deadline	N/A
15	§ 5	New Loan Availability Deadline	N/A
16	§ 5	Buyer's Credit Information Deadline	N/A
17	§ 5	Disapproval of Buyer's Credit Information Deadline	N/A
18	§ 5	Existing Loan Deadline	N/A
19	§ 5	Existing Loan Termination Deadline	N/A
20	§ 5	Loan Transfer Approval Deadline	N/A
21	§ 4	Seller or Private Financing Deadline	N/A
		Appraisal	
22	§ 6	Appraisal Deadline	N/A
23	§ 6	Appraisal Objection Deadline	N/A
24	§ 6	Appraisal Resolution Deadline	N/A
		Survey	
25	§ 9	New ILC or New Survey Deadline	N/A
26	§ 9	New ILC or New Survey Objection Deadline	N/A
27	§ 9	New ILC or New Survey Resolution Deadline	N/A
		Inspection and Due Diligence	
28	§ 2	Water Rights Examination Deadline	N/A
29	§ 8	Mineral Rights Examination Deadline	N/A
30	§ 10	Inspection Termination Deadline	90 Days from MEC
31	§ 10	Inspection Objection Deadline	90 Days from MEC
32	§ 10	Inspection Resolution Deadline	95 Days from MEC
33	§ 10	Property Insurance Termination Deadline	90 Days from MEC

34	§ 10	Due Diligence Documents Delivery Deadline	10 Business Days from MEC
35	§ 10	Due Diligence Documents Objection Deadline	90 Days from MEC
36	§ 10	Due Diligence Documents Resolution Deadline	95 Days from MEC
37	§ 10	Environmental Inspection Termination Deadline	90 Days from MEC
38	§ 10	ADA Evaluation Termination Deadline	N/A
39	§ 10	Conditional Sale Deadline	N/A
40	§ 10	Lead-Based Paint Termination Deadline (if Residential Addendum attached)	N/A
41	§ 11	Estoppel Statements Deadline	90 Days from MEC
42	§ 11	Estoppel Statements Termination Deadline	95 Days from MEC
		Closing and Possession	
43	§ 12	Closing Date	April 8, 2026
44	§ 17	Possession Date	Day of Closing
45	§ 17	Possession Time	Delivery of Deed
46	§ 27	**Acceptance Deadline Date**	December 10, 2025
47	§ 27	**Acceptance Deadline Time**	6:00 PM MT

3.2. Applicability of Terms. If any deadline blank in § 3.1. (Dates and Deadlines) is left blank or completed with "N/A", or the word "Deleted," such deadline is not applicable and the corresponding provision containing the deadline is deleted. Any box checked in this Contract means the corresponding provision applies. If no box is checked in a provision that contains a selection of "None", such provision means that "None" applies.

The abbreviation "MEC" (mutual execution of this Contract) means the date upon which both parties have signed this Contract. The abbreviation "N/A" as used in this Contract means not applicable.

3.3. Day; Computation of Period of Days; Deadlines.

3.3.1. Day. As used in this Contract, the term "day" means the entire day ending at 11:59 p.m., United States Mountain Time (Standard or Daylight Savings, as applicable). Except however, if a **Time of Day Deadline** is specified in § 3.1. (Dates and Deadlines), all Objection Deadlines, Resolution Deadlines, Examination Deadlines and Termination Deadlines will end on the specified deadline date at the time of day specified in the **Time of Day Deadline**, United States Mountain Time. If **Time of Day Deadline** is left blank or "N/A" the deadlines will expire at 11:59 p.m., United States Mountain Time.

3.3.2. Computation of Period of Days. In computing a period of days (e.g., three days after MEC), when the ending date is not specified, the first day is excluded and the last day is included.

3.3.3. Deadlines. If any deadline falls on a Saturday, Sunday or federal or Colorado state holiday (Holiday), such deadline ☐ **Will** ☐ **Will Not** be extended to the next day that is not a Saturday, Sunday or Holiday. Should neither box be checked, the deadline will not be extended.

4. PURCHASE PRICE AND TERMS.

4.1. Price and Terms. The Purchase Price set forth below is payable in U.S. Dollars by Buyer as follows:

Item No.	Reference	Item	Amount	Amount
1	§ 4.1.	Purchase Price	$ 0.00	
2	§ 4.3.	Earnest Money		$ 0.00
3	§ 4.5.	New Loan		$ 0.00
4	§ 4.6.	Assumption Balance		$ 0.00
5	§ 4.7.	Private Financing		$ 0.00
6	§ 4.7.	Seller Financing		$ 0.00
7				
8				
9	§ 4.4.	Cash at Closing		$ 0.00
10		**TOTAL**	$ 0.00	$ 0.00

4.2. Seller Concession. At Closing, Seller will credit to Buyer $N/A (Seller Concession). The Seller Concession may be used for any Buyer fee, cost, charge or expenditure to the extent the amount is allowed by the Buyer's lender and is included in the Closing Statement or Closing Disclosure at Closing. Examples of allowable items to be paid for by the Seller Concession include, but are not limited to: Buyer's closing costs, loan discount points, loan origination fees, prepaid items and any other fee, cost, charge, expense or expenditure. Seller Concession is in addition to any sum Seller has agreed to pay or credit Buyer elsewhere in this Contract.

4.3. Earnest Money. The Earnest Money set forth in this Section, in the form of a N/A__________________, will be payable to and held by N/A____________________________________ (Earnest Money Holder), in its trust account, on behalf of both Seller and Buyer. The Earnest Money deposit must be tendered, by Buyer, with this Contract unless the parties mutually agree to an **Alternative Earnest Money Deadline** for its payment. The parties authorize delivery of the Earnest Money deposit to the company conducting the Closing (Closing Company), if any, at or before Closing. In the event Earnest Money Holder has agreed to have interest on Earnest Money deposits transferred to a fund established for the purpose of providing affordable housing to Colorado residents, Seller and Buyer acknowledge and agree that any interest accruing on the Earnest Money deposited with the Earnest Money Holder in this transaction will be transferred to such fund.

4.3.1. Alternative Earnest Money Deadline. The deadline for delivering the Earnest Money, if other than at the time of tender of this Contract, is as set forth as the **Alternative Earnest Money Deadline**.

4.3.2. Disposition of Earnest Money. If Buyer has a Right to Terminate and timely terminates, Buyer is entitled to the return of Earnest Money as provided in this Contract. If this Contract is terminated as set forth in § 24 and, except as provided in § 23 (Earnest Money Dispute), if the Earnest Money has not already been returned following receipt of a Notice to Terminate, Seller agrees to execute and return to Buyer or Broker working with Buyer, written mutual instructions (e.g., Earnest Money Release form), within three days of Seller's receipt of such form. If Seller is entitled to the Earnest Money, and, except as provided in § 23 (Earnest Money Dispute), if the Earnest Money has not already been paid to Seller, following receipt of an Earnest Money Release form, Buyer agrees to execute and return to Seller or Broker working with Seller, written mutual instructions (e.g., Earnest Money Release form), within three days of Buyer's receipt.

4.3.2.1. Seller Failure to Timely Return Earnest Money. If Seller fails to timely execute and return the Earnest Money Release Form, or other written mutual instructions, Seller is in default and liable to Buyer as set forth in "**If Seller is in Default", § 20.2. and § 21,** unless Seller is entitled to the Earnest Money due to a Buyer default.

4.3.2.2. Buyer Failure to Timely Release Earnest Money. If Buyer fails to timely execute and return the Earnest Money Release Form, or other written mutual instructions, Buyer is in default and liable to Seller as set forth in "**If Buyer is in Default, § 20.1. and § 21**, unless Buyer is entitled to the Earnest Money due to a Seller Default**.**

4.4. Form of Funds; Time of Payment; Available Funds.

4.4.1. Good Funds. All amounts payable by the parties at Closing, including any loan proceeds, Cash at Closing and closing costs, must be in funds that comply with all applicable Colorado laws, including electronic transfer funds, certified check, savings and loan teller's check and cashier's check (Good Funds).

4.4.2. Time of Payment. All funds, including the Purchase Price to be paid by Buyer, must be paid before or at Closing or as otherwise agreed in writing between the parties to allow disbursement by Closing Company at Closing **OR SUCH NONPAYING PARTY WILL BE IN DEFAULT**.

4.4.3. Available Funds. Buyer represents that Buyer, as of the date of this Contract, ☐ **Does** ☐ **Does Not** have funds that are immediately verifiable and available in an amount not less than the amount stated as Cash at Closing in § 4.1.

4.5. New Loan.

~~**4.5.1. Buyer to Pay Loan Costs.** Buyer, except as otherwise permitted in § 4.2. (Seller Concession), if applicable, must timely pay Buyer's loan costs, loan discount points, prepaid items and loan origination fees as required by lender.~~

~~**4.5.2. Buyer May Select Financing.** Buyer may pay in cash or select financing appropriate and acceptable to Buyer, including a different loan than initially sought, except as restricted in § 4.5.3. (Loan Limitations) or § 30 (Additional Provisions).~~

~~**4.5.3. Loan Limitations.** Buyer may purchase the Property using any of the following types of loans:~~ ☐ ~~**Conventional**~~ ☐ ~~**Other**~~ ____~~.~~

~~**4.6. Assumption.** Buyer agrees to assume and pay an existing loan in the approximate amount of the Assumption Balance set forth in § 4.1. (Price and Terms), presently payable at $~~ ________________ ~~per~~ __________ ~~including principal and interest presently at the rate of~~ _______~~% per annum and also including escrow for the following as indicated:~~ ☐ ~~**Real Estate Taxes**~~ ☐ ~~**Property Insurance Premium** and~~ ☐ ____________________________________~~.~~

~~Buyer agrees to pay a loan transfer fee not to exceed $~~____________~~. At the time of assumption, the new interest rate will not exceed~~ _______~~% per annum and the new payment will not exceed $~~___________ ~~per~~ _______________~~principal and interest, plus escrow, if any. If the actual principal balance of the existing loan at Closing is less than the Assumption Balance, which causes the amount of cash required from Buyer at Closing to be increased by more than $~~____________~~, or if any other terms or provisions of the loan change, Buyer has the Right to Terminate under § 24.1. on or before **Closing Date**.~~

~~Seller~~ ☐ ~~**Will**~~ ☐ ~~**Will Not** be released from liability on said loan. If applicable, compliance with the requirements for release from liability will be evidenced by delivery~~ ☐ ~~on or before **Loan Transfer Approval Deadline**~~ ☐ ~~at **Closing** of an appropriate letter of commitment from lender. Any cost payable for release of liability will be paid by~~ ____________________ ~~in an amount not to exceed $~~____________~~.~~

~~This Contract terminates if written consent from Seller's lender for Buyer's assumption of Seller's existing loan is not received by all parties and the Closing Company on or before Closing.~~

~~**4.7. Seller or Private Financing.**~~

~~**WARNING:** Unless the transaction is exempt, federal and state laws impose licensing, other requirements and restrictions on sellers and private financiers. Contract provisions on financing and financing documents, unless exempt, should be prepared by a licensed~~

~~Colorado attorney or licensed mortgage loan originator. Brokers should not prepare or advise the parties on the specifics of financing, including whether or not a party is exempt from the law.~~

~~**4.7.1. Seller Financing.** If Buyer is to pay all or any portion of the Purchase Price with Seller financing,~~ ☐ ~~**Buyer**~~ ☐ ~~**Seller** will deliver the proposed Seller financing documents to the other party on or before __________ days before **Seller or Private Financing Deadline**.~~

~~**4.7.1.1. Seller May Terminate.** If Seller is to provide Seller financing, this Contract is conditional upon Seller determining whether such financing is satisfactory to the Seller, including its payments, interest rate, terms, conditions, cost, and compliance with the law. Seller has the Right to Terminate under § 24.1., on or before **Seller or Private Financing Deadline**, if such Seller financing is not satisfactory to Seller, in Seller's sole subjective discretion.~~

~~**4.7.2. Buyer May Terminate.** If Buyer is to pay all or any portion of the Purchase Price with Seller or private financing, this Contract is conditional upon Buyer determining whether such financing is satisfactory to Buyer, including its availability, payments, interest rate, terms, conditions, and cost. Buyer has the Right to Terminate under § 24.1, on or before **Seller or Private Financing Deadline**, if such Seller or private financing is not satisfactory to Buyer, in Buyer's sole subjective discretion.~~

TRANSACTION PROVISIONS

~~**5. FINANCING CONDITIONS AND OBLIGATIONS.**~~

~~**5.1. New Loan, Assumption Application.** If Buyer is to pay all or part of the Purchase Price by obtaining one or more new loans (New Loan), or if an existing loan is not to be released at Closing, Buyer, if required by such lender, must make an application verifiable by such lender, on or before **New Loan Application Deadline** and exercise reasonable efforts to obtain such loan or approval.~~

~~**5.2. New Loan Terms; New Loan Availability.**~~

~~**5.2.1. New Loan Terms.** If Buyer is to pay all or part of the Purchase Price with a New Loan, this Contract is conditional upon Buyer determining, in Buyer's sole subjective discretion, whether the proposed New Loan's payments, interest rate, conditions and costs or any other loan terms (New Loan Terms) are satisfactory to Buyer. This condition is for the sole benefit of Buyer. Buyer has the Right to Terminate under § 24.1., on or before **New Loan Terms Deadline**, if the New Loan Terms are not satisfactory to Buyer, in Buyer's sole subjective discretion.~~

~~**5.2.2. New Loan Availability.** If Buyer is to pay all or part of the Purchase Price with a New Loan, this Contract is conditional upon Buyer's satisfaction with the availability of the New Loan based on the lender's review and underwriting of Buyer's New Loan Application (New Loan Availability). Buyer has the Right to Terminate under § 24.1., on or before the **New Loan Availability Deadline** if the New Loan Availability is not satisfactory to Buyer. Buyer does not have a Right to Terminate based on the New Loan Availability if the termination is based on the New Loan Terms, Appraised Value (defined below), the Lender Property Requirements (defined below), Insurability (§ 10.5. below) or the Conditional Upon Sale of Property (§ 10.7. below). **IF SELLER IS NOT IN DEFAULT AND DOES NOT TIMELY RECEIVE BUYER'S WRITTEN NOTICE TO TERMINATE, BUYER'S EARNEST MONEY WILL BE NONREFUNDABLE,** except as otherwise provided in this Contract (e.g., Appraisal, Title, Survey).~~

~~**5.3. Credit Information.** This Contract is conditional (for the sole benefit of Seller) upon Seller's approval of Buyer's financial ability and creditworthiness, which approval will be in Seller's sole subjective discretion. Accordingly: (1) Buyer must supply to Seller by **Buyer's Credit Information Deadline**, at Buyer's expense, information and documents (including a current credit report) concerning Buyer's financial, employment and credit condition; (2) Buyer consents that Seller may verify Buyer's financial ability and creditworthiness; and (3) any such information and documents received by Seller must be held by Seller in confidence and not released to others except to protect Seller's interest in this transaction. If the Cash at Closing is less than as set forth in § 4.1. of this Contract, Seller has the Right to Terminate under § 24.1., on or before Closing. If Seller disapproves of Buyer's financial ability or creditworthiness, in Seller's sole subjective discretion, Seller has the Right to Terminate under § 24.1., on or before **Disapproval of Buyer's Credit Information Deadline**.~~

~~**5.4. Existing Loan Review.** Seller must deliver copies of the loan documents (including note, deed of trust and any modifications) to Buyer by **Existing Loan Deadline**. For the sole benefit of Buyer, this Contract is conditional upon Buyer's review and approval of the provisions of such loan documents. Buyer has the Right to Terminate under § 24.1., on or before **Existing Loan Termination Deadline**, based on any unsatisfactory provision of such loan documents, in Buyer's sole subjective discretion. If the lender's approval of a transfer of the Property is required, this Contract is conditional upon Buyer obtaining such approval without change in the terms of such loan, except as set forth in § 4.6. If lender's approval is not obtained by **Loan Transfer Approval Deadline**, this Contract will terminate on such deadline. Seller has the Right to Terminate under § 24.1., on or before Closing, in Seller's sole subjective discretion~~, if Seller is to be released from liability under such existing loan and Buyer does not obtain such compliance as set forth in § 4.6.

6. APPRAISAL PROVISIONS.

~~**6.1. Appraisal Definition.** An "Appraisal" is an opinion of value prepared by a licensed or certified appraiser, engaged on behalf of Buyer or Buyer's lender, to determine the Property's market value (Appraised Value). The Appraisal may also set forth~~

~~certain lender requirements, replacements, removals or repairs necessary on or to the Property as a condition for the Property to be valued at the Appraised Value.~~

~~**6.2. Appraised Value.** The applicable appraisal provision set forth below applies to the respective loan type set forth in § 4.5.3., or if a cash transaction (i.e., no financing), § 6.2.1. applies.~~

~~**6.2.1. Conventional/Other.** Buyer has the right to obtain an Appraisal. If the Appraised Value is less than the Purchase Price, or if the Appraisal is not received by Buyer on or before **Appraisal Deadline** Buyer may, on or before **Appraisal Objection Deadline**:~~

~~**6.2.1.1. Notice to Terminate.** Notify Seller in writing, pursuant to § 24.1., that this Contract is terminated; or~~

~~**6.2.1.2. Appraisal Objection.** Deliver to Seller a written objection accompanied by either a copy of the Appraisal or written notice from lender that confirms the Appraised Value is less than the Purchase Price (Lender Verification).~~

~~**6.2.1.3. Appraisal Resolution.** If an Appraisal Objection is received by Seller, on or before **Appraisal Objection Deadline** and if Buyer and Seller have not agreed in writing to a settlement thereof on or before **Appraisal Resolution Deadline**, this Contract will terminate on the **Appraisal Resolution Deadline**, unless Seller receives Buyer's written withdrawal of the Appraisal Objection before such termination, (i.e., on or before expiration of **Appraisal Resolution Deadline**).~~

~~**6.3. Lender Property Requirements.** If the lender imposes any written requirements, replacements, removals or repairs, including any specified in the Appraisal (Lender Property Requirements) to be made to the Property (e.g., roof repair, repainting), beyond those matters already agreed to by Seller in this Contract, this Contract terminates on the earlier of three days following Seller's receipt of the Lender Property Requirements, or Closing, unless prior to termination: (1) the parties enter into a written agreement to satisfy the Lender Property Requirements; (2) the Lender Property Requirements have been completed; or (3) the satisfaction of the Lender Property Requirements is waived in writing by Buyer.~~

~~**6.4. Cost of Appraisal.** Cost of the Appraisal to be obtained after the date of this Contract must be timely paid by~~ ☐ ~~**Buyer**~~ ☐ ~~**Seller**. The cost of the Appraisal may include any and all fees paid to the appraiser, appraisal management company, lender's agent or all three.~~

7. OWNERS' ASSOCIATIONS. This Section is applicable if the Property is located within one or more Common Interest Communities and subject to one or more declarations (Association).

7.1. Common Interest Community Disclosure. THE PROPERTY IS LOCATED WITHIN A COMMON INTEREST COMMUNITY AND IS SUBJECT TO THE DECLARATION FOR THE COMMUNITY. THE OWNER OF THE PROPERTY WILL BE REQUIRED TO BE A MEMBER OF THE OWNERS' ASSOCIATION FOR THE COMMUNITY AND WILL BE SUBJECT TO THE BYLAWS AND RULES AND REGULATIONS OF THE ASSOCIATION. THE DECLARATION, BYLAWS AND RULES AND REGULATIONS WILL IMPOSE FINANCIAL OBLIGATIONS UPON THE OWNER OF THE PROPERTY, INCLUDING AN OBLIGATION TO PAY ASSESSMENTS OF THE ASSOCIATION. IF THE OWNER DOES NOT PAY THESE ASSESSMENTS, THE ASSOCIATION COULD PLACE A LIEN ON THE PROPERTY AND POSSIBLY SELL IT TO PAY THE DEBT. THE DECLARATION, BYLAWS AND RULES AND REGULATIONS OF THE COMMUNITY MAY PROHIBIT THE OWNER FROM MAKING CHANGES TO THE PROPERTY WITHOUT AN ARCHITECTURAL REVIEW BY THE ASSOCIATION (OR A COMMITTEE OF THE ASSOCIATION) AND THE APPROVAL OF THE ASSOCIATION. PURCHASERS OF PROPERTY WITHIN THE COMMON INTEREST COMMUNITY SHOULD INVESTIGATE THE FINANCIAL OBLIGATIONS OF MEMBERS OF THE ASSOCIATION. PURCHASERS SHOULD CAREFULLY READ THE DECLARATION FOR THE COMMUNITY AND THE BYLAWS AND RULES AND REGULATIONS OF THE ASSOCIATION.

7.2. Association Documents to Buyer. Seller is obligated to provide to Buyer the Association Documents (defined below), at Seller's expense, on or before **Association Documents Deadline**. Seller authorizes the Association to provide the Association Documents to Buyer, at Seller's expense. Seller's obligation to provide the Association Documents is fulfilled upon Buyer's receipt of the Association Documents, regardless of who provides such documents.

7.3. Association Documents. Association documents (Association Documents) consist of the following:

7.3.1. All Association declarations, articles of incorporation, bylaws, articles of organization, operating agreements, rules and regulations, party wall agreements and the Association's responsible governance policies adopted under § 38-33.3-209.5, C.R.S.;

7.3.2. Minutes of: (1) the annual owners' or members' meeting and (2) any executive boards' or managers' meetings; such minutes include those provided under the most current annual disclosure required under § 38-33.3-209.4, C.R.S. (Annual Disclosure) and minutes of meetings, if any, subsequent to the minutes disclosed in the Annual Disclosure. If none of the preceding minutes exist, then the most recent minutes, if any (§§ 7.3.1. and 7.3.2., collectively, Governing Documents); and

7.3.3. List of all Association insurance policies as provided in the Association's last Annual Disclosure, including, but not limited to, property, general liability, association director and officer professional liability and fidelity policies. The list must include the company names, policy limits, policy deductibles, additional named insureds and expiration dates of the policies listed (Association Insurance Documents);

7.3.4. A list by unit type of the Association's assessments, including both regular and special assessments as disclosed in the Association's last Annual Disclosure;

7.3.5. The Association's most recent financial documents which consist of: (1) the Association's operating budget for the current fiscal year, (2) the Association's most recent annual financial statements, including any amounts held in reserve for the fiscal year immediately preceding the Association's last Annual Disclosure, (3) the results of the Association's most recent available financial audit or review, (4) list of the fees and charges (regardless of name or title of such fees or charges) that the Association's community association manager or Association will charge in connection with the Closing including, but not limited to, any fee incident to the issuance of the Association's statement of assessments (Status Letter), any rush or update fee charged for the Status Letter, any record change fee or ownership record transfer fees (Record Change Fee), fees to access documents, (5) list of all assessments required to be paid in advance, reserves or working capital due at Closing and (6) reserve study, if any (§§ 7.3.4. and 7.3.5., collectively, Financial Documents);

7.3.6. Any written notice from the Association to Seller of a "construction defect action" under § 38-33.3-303.5, C.R.S. within the past six months and the result of whether the Association approved or disapproved such action (Construction Defect Documents). Nothing in this Section limits the Seller's obligation to disclose adverse material facts as required under § 10.2. (Disclosure of Adverse Material Facts; Subsequent Disclosure; Present Condition) including any problems or defects in the common elements or limited common elements of the Association property.

7.4. Conditional on Buyer's Review. Buyer has the right to review the Association Documents. Buyer has the Right to Terminate under § 24.1., on or before **Association Documents Termination Deadline**, based on any unsatisfactory provision in any of the Association Documents, in Buyer's sole subjective discretion. Should Buyer receive the Association Documents after **Association Documents Deadline**, Buyer, at Buyer's option, has the Right to Terminate under § 24.1. by Buyer's Notice to Terminate received by Seller on or before ten days after Buyer's receipt of the Association Documents. If Buyer does not receive the Association Documents, or if Buyer's Notice to Terminate would otherwise be required to be received by Seller after **Closing Date**, Buyer's Notice to Terminate must be received by Seller on or before Closing. If Seller does not receive Buyer's Notice to Terminate within such time, Buyer accepts the provisions of the Association Documents as satisfactory and Buyer waives any Right to Terminate under this provision, notwithstanding the provisions of § 8.6. (Third Party Right to Purchase/Approve).

8. TITLE INSURANCE, RECORD TITLE AND OFF-RECORD TITLE.

8.1. Evidence of Record Title.

☒ **8.1.1. Seller Selects Title Insurance Company.** If this box is checked, Seller will select the title insurance company to furnish the owner's title insurance policy at Seller's expense. On or before **Record Title Deadline**, Seller must furnish to Buyer, a current commitment for an owner's title insurance policy (Title Commitment), in an amount equal to the Purchase Price, or if this box is checked, ☐ an **Abstract of Title** certified to a current date. Seller will cause the title insurance policy to be issued and delivered to Buyer as soon as practicable at or after Closing.

☐ **8.1.2. Buyer Selects Title Insurance Company.** If this box is checked, Buyer will select the title insurance company to furnish the owner's title insurance policy at Buyer's expense. On or before **Record Title Deadline**, Buyer must furnish to Seller, a current commitment for owner's title insurance policy (Title Commitment), in an amount equal to the Purchase Price.

If neither box in § 8.1.1. or § 8.1.2. is checked, § 8.1.1. applies.

8.1.3. Owner's Extended Coverage (OEC). The Title Commitment ☒ **Will** ☐ **Will Not** contain Owner's Extended Coverage (OEC). If the Title Commitment is to contain OEC, it will commit to delete or insure over the standard exceptions which relate to: (1) parties in possession, (2) unrecorded easements, (3) survey matters, (4) unrecorded mechanics' liens, (5) gap period (period between the effective date and time of commitment to the date and time the deed is recorded) and (6) unpaid taxes, assessments and unredeemed tax sales prior to the year of Closing. Any additional premium expense to obtain OEC will be paid by ☒ **Buyer** ☐ **Seller** ☐ **One-Half by Buyer and One-Half by Seller** ☐ **Other**__________________________.

Regardless of whether the Contract requires OEC, the Title Insurance Commitment may not provide OEC or delete or insure over any or all of the standard exceptions for OEC. The Title Insurance Company may require a New Survey or New ILC, defined below, among other requirements for OEC. If the Title Insurance Commitment is not satisfactory to Buyer, Buyer has a right to object under § 8.7. (Right to Object to Title, Resolution).

8.1.4. Title Documents. Title Documents consist of the following: (1) copies of any plats, declarations, covenants, conditions and restrictions burdening the Property and (2) copies of any other documents (or, if illegible, summaries of such documents) listed in the schedule of exceptions (Exceptions) in the Title Commitment furnished to Buyer (collectively, Title Documents).

8.1.5. Copies of Title Documents. Buyer must receive, on or before **Record Title Deadline**, copies of all Title Documents. This requirement pertains only to documents as shown of record in the office of the clerk and recorder in the county where the Property is located. The cost of furnishing copies of the documents required in this Section will be at the expense of the party or parties obligated to pay for the owner's title insurance policy.

8.1.6. Existing Abstracts of Title. Seller must deliver to Buyer copies of any abstracts of title covering all or any portion of the Property (Abstract of Title) in Seller's possession on or before **Record Title Deadline**.

8.2. Record Title. Buyer has the right to review and object to the Abstract of Title or Title Commitment and any of the Title Documents as set forth in § 8.7. (Right to Object to Title, Resolution) on or before **Record Title Objection Deadline**. Buyer's objection may be based on any unsatisfactory form or content of Title Commitment or Abstract of Title, notwithstanding § 13, or any other unsatisfactory title condition, in Buyer's sole subjective discretion. If the Abstract of Title, Title Commitment or Title Documents are not received by Buyer on or before the **Record Title Deadline**, or if there is an endorsement to the Title Commitment that adds a new Exception to title, a copy of the new Exception to title and the modified Title Commitment will be delivered to Buyer. Buyer has until the earlier of Closing or ten days after receipt of such documents by Buyer to review and object to: (1) any required Title Document not timely received by Buyer, (2) any change to the Abstract of Title, Title Commitment or Title Documents, or (3) any endorsement to the Title Commitment. If Seller receives Buyer's Notice to Terminate or Notice of Title Objection, pursuant to this § 8.2. (Record Title), any title objection by Buyer is governed by the provisions set forth in § 8.7. (Right to Object to Title, Resolution). If Seller has fulfilled all Seller's obligations, if any, to deliver to Buyer all documents required by § 8.1. (Evidence of Record Title) and Seller does not receive Buyer's Notice to Terminate or Notice of Title Objection by the applicable deadline specified above, Buyer accepts the condition of title as disclosed by the Abstract of Title, Title Commitment and Title Documents as satisfactory.

8.3. Off-Record Title. Seller must deliver to Buyer, on or before **Off-Record Title Deadline**, true copies of all existing surveys in Seller's possession pertaining to the Property and must disclose to Buyer all easements, liens (including, without limitation, governmental improvements approved, but not yet installed) or other title matters not shown by public records, of which Seller has actual knowledge (Off-Record Matters). This Section excludes any **New ILC** or **New Survey** governed under § 9 (New ILC, New Survey**)**. Buyer has the right to inspect the Property to investigate if any third party has any right in the Property not shown by public records (e.g., unrecorded easement, boundary line discrepancy or water rights). Buyer's Notice to Terminate or Notice of Title Objection of any unsatisfactory condition (whether disclosed by Seller or revealed by such inspection, notwithstanding § 8.2. (Record Title) and § 13 (Transfer of Title)), in Buyer's sole subjective discretion, must be received by Seller on or before **Off-Record Title Objection Deadline**. If an Off-Record Matter is received by Buyer after the **Off-Record Title Deadline**, Buyer has until the earlier of Closing or ten days after receipt by Buyer to review and object to such Off-Record Matter. If Seller receives Buyer's Notice to Terminate or Notice of Title Objection pursuant to this § 8.3. (Off-Record Title), any title objection by Buyer is governed by the provisions set forth in § 8.7. (Right to Object to Title, Resolution). If Seller does not receive Buyer's Notice to Terminate or Notice of Title Objection by the applicable deadline specified above, Buyer accepts title subject to such Off-Record Matters and rights, if any, of third parties not shown by public records of which Buyer has actual knowledge.

8.4. Special Taxing and Metropolitan Districts. Intentionally Deleted.

8.5. Tax Certificate. A tax certificate paid for by ☒ **Seller** ☐ **Buyer**, for the Property (Tax Certificate) must be delivered to Buyer on or before **Record Title Deadline**. If the content of the Tax Certificate is unsatisfactory to Buyer, in Buyer's sole subjective discretion, Buyer may terminate, on or before **Record Title Objection Deadline**. Should Buyer receive the Tax Certificate after **Record Title Deadline**, Buyer, at Buyer's option, has the Right to Terminate under § 24.1. by Buyer's Notice to Terminate received by Seller on or before ten days after Buyer's receipt of the Tax Certificate. If Buyer does not receive the Tax Certificate, or if Buyer's Notice to Terminate would otherwise be required to be received by Seller after **Closing Date**, Buyer's Notice to Terminate must be received by Seller on or before Closing. If Seller does not receive Buyer's Notice to Terminate within such time, Buyer accepts the content of the Tax Certificate as satisfactory and Buyer waives any Right to Terminate under this provision. If Buyer's loan specified in §4.5.3. (Loan Limitations) prohibits Buyer from paying for the Tax Certificate, the Tax Certificate will be paid for by Seller.

8.6. Third Party Right to Purchase/Approve. If any third party has a right to purchase the Property (e.g., right of first refusal on the Property, right to purchase the Property under a lease or an option held by a third party to purchase the Property) or a right of a third party to approve this Contract, Seller must promptly submit this Contract according to the terms and conditions of such right. If the third-party holder of such right exercises its right this Contract will terminate. If the third party's right to purchase is waived explicitly or expires, or the Contract is approved, this Contract will remain in full force and effect. Seller must promptly notify Buyer in writing of the foregoing. If the third party right to purchase is exercised or approval of this Contract has not occurred on or before **Third Party Right to Purchase/Approve Deadline**, this Contract will then terminate. Seller will supply to Buyer, in writing, details of any Third Party Right to Purchase the Property on or before the Record Title Deadline.

8.7. Right to Object to Title, Resolution. Buyer has a right to object or terminate, in Buyer's sole subjective discretion, based on any title matters including those matters set forth in § 8.2. (Record Title), § 8.3. (Off-Record Title), § 8.5. (Tax Certificate) and § 13 (Transfer of Title). If Buyer exercises Buyer's rights to object or terminate based on any such title matter, on or before the applicable deadline, Buyer has the following options:

8.7.1. Title Objection, Resolution. If Seller receives Buyer's written notice objecting to any title matter (Notice of Title Objection) on or before the applicable deadline and if Buyer and Seller have not agreed to a written settlement thereof on or before **Title Resolution Deadline**, this Contract will terminate on the expiration of **Title Resolution Deadline**, unless Seller receives Buyer's written withdrawal of Buyer's Notice of Title Objection (i.e., Buyer's written notice to waive objection to such items and waives the Right to Terminate for that reason), on or before expiration of **Title Resolution Deadline**. If either the Record Title Deadline or the Off-Record Title Deadline, or both, are extended pursuant to § 8.2. (Record Title) or § 8.3. (Off-Record Title) the Title Resolution Deadline also will be automatically extended to the earlier of Closing or fifteen days after Buyer's receipt of the applicable documents; or

8.7.2. Title Objection, Right to Terminate. Buyer may exercise the Right to Terminate under § 24.1., on or before the applicable deadline, based on any title matter unsatisfactory to Buyer, in Buyer's sole subjective discretion.

8.8. Title Advisory. The Title Documents affect the title, ownership and use of the Property and should be reviewed carefully. Additionally, other matters not reflected in the Title Documents may affect the title, ownership and use of the Property, including, without limitation, boundary lines and encroachments, set-back requirements, area, zoning, building code violations, unrecorded easements and claims of easements, leases and other unrecorded agreements, water on or under the Property and various laws and governmental regulations concerning land use, development and environmental matters.

8.8.1. OIL, GAS, WATER AND MINERAL DISCLOSURE. THE SURFACE ESTATE OF THE PROPERTY MAY BE OWNED SEPARATELY FROM THE UNDERLYING MINERAL ESTATE AND TRANSFER OF THE SURFACE ESTATE MAY NOT NECESSARILY INCLUDE TRANSFER OF THE MINERAL ESTATE OR WATER RIGHTS. THIRD PARTIES MAY OWN OR LEASE INTERESTS IN OIL, GAS, OTHER MINERALS, GEOTHERMAL ENERGY OR WATER ON OR UNDER THE SURFACE OF THE PROPERTY, WHICH INTERESTS MAY GIVE THEM RIGHTS TO ENTER AND USE THE SURFACE OF THE PROPERTY TO ACCESS THE MINERAL ESTATE, OIL, GAS OR WATER.

8.8.2. SURFACE USE AGREEMENT. THE USE OF THE SURFACE ESTATE OF THE PROPERTY TO ACCESS THE OIL, GAS OR MINERALS MAY BE GOVERNED BY A SURFACE USE AGREEMENT, A MEMORANDUM OR OTHER NOTICE OF WHICH MAY BE RECORDED WITH THE COUNTY CLERK AND RECORDER.

8.8.3. OIL AND GAS ACTIVITY. OIL AND GAS ACTIVITY THAT MAY OCCUR ON OR ADJACENT TO THE PROPERTY MAY INCLUDE, BUT IS NOT LIMITED TO, SURVEYING, DRILLING, WELL COMPLETION OPERATIONS, STORAGE, OIL AND GAS, OR PRODUCTION FACILITIES, PRODUCING WELLS, REWORKING OF CURRENT WELLS AND GAS GATHERING AND PROCESSING FACILITIES.

8.8.4. ADDITIONAL INFORMATION. BUYER IS ENCOURAGED TO SEEK ADDITIONAL INFORMATION REGARDING OIL AND GAS ACTIVITY ON OR ADJACENT TO THE PROPERTY, INCLUDING DRILLING PERMIT APPLICATIONS. THIS INFORMATION MAY BE AVAILABLE FROM THE COLORADO OIL AND GAS CONSERVATION COMMISSION.

8.8.5. Title Insurance Exclusions. Matters set forth in this Section and others, may be excepted, excluded from, or not covered by the owner's title insurance policy.

8.9. Mineral Rights Review. Buyer has a Right to Terminate if examination of the Mineral Rights is unsatisfactory to Buyer on or before the **Mineral Rights Examination Deadline**.

9. NEW ILC, NEW SURVEY.

9.1. New ILC or New Survey. If the box is checked, (1) ☐ **New Improvement Location Certificate (New ILC)**; or, (2) ☐ **New Survey** in the form of N/A; is required and the following will apply:

9.1.1. Ordering of New ILC or New Survey. ☐ **Seller** ☐ **Buyer** will order the New ILC or New Survey. The New ILC or New Survey may also be a previous ILC or survey that is in the above-required form, certified and updated as of a date after the date of this Contract.

9.1.2. Payment for New ILC or New Survey. The cost of the New ILC or New Survey will be paid, on or before Closing, by: ☐ **Seller** ☐ **Buyer** or:

N/A

9.1.3. Delivery of New ILC or New Survey. Buyer, Seller, the issuer of the Title Commitment (or the provider of the opinion of title if an Abstract of Title) and N/A will receive a New ILC or New Survey on or before **New ILC or New Survey Deadline**.

9.1.4. Certification of New ILC or New Survey. The New ILC or New Survey will be certified by the surveyor to all those who are to receive the New ILC or New Survey.

9.2. Buyer's Right to Waive or Change New ILC or New Survey Selection. Buyer may select a New ILC or New Survey different than initially specified in this Contract if there is no additional cost to Seller or change to the **New ILC or New Survey Objection Deadline**. Buyer may, in Buyer's sole subjective discretion, waive a New ILC or New Survey if done prior to Seller incurring any cost for the same.

9.3. New ILC or New Survey Objection. Buyer has the right to review and object based on the New ILC or New Survey. If the New ILC or New Survey is not timely received by Buyer or is unsatisfactory to Buyer, in Buyer's sole subjective discretion, Buyer may, on or before **New ILC or New Survey Objection Deadline**, notwithstanding § 8.3. or § 13:

9.3.1. Notice to Terminate. Notify Seller in writing, pursuant to § 24.1, that this Contract is terminated; or

9.3.2. New ILC or New Survey Objection. Deliver to Seller a written description of any matter that was to be shown or is shown in the New ILC or New Survey that is unsatisfactory and that Buyer requires Seller to correct.

9.3.3. New ILC or New Survey Resolution. If a **New ILC or New Survey Objection** is received by Seller, on or before **New ILC or New Survey Objection Deadline** and if Buyer and Seller have not agreed in writing to a settlement thereof on or before **New ILC or New Survey Resolution Deadline**, this Contract will terminate on expiration of the **New ILC or New Survey Resolution Deadline**, unless Seller receives Buyer's written withdrawal of the New ILC or New Survey Objection before such termination (i.e., on or before expiration of **New ILC or New Survey Resolution Deadline**).

DISCLOSURE, INSPECTION AND DUE DILIGENCE

10. PROPERTY DISCLOSURE, INSPECTION, INDEMNITY, INSURABILITY, DUE DILIGENCE AND SOURCE OF WATER.

10.1. Seller's Property Disclosure. On or before **Seller's Property Disclosure Deadline**, Seller agrees to deliver to Buyer the most current version of the applicable Colorado Real Estate Commission's Seller's Property Disclosure form completed by Seller to Seller's actual knowledge and current as of the date of this Contract.

10.2. Disclosure of Adverse Material Facts; Subsequent Disclosure; Present Condition. Seller must disclose to Buyer any adverse material facts actually known by Seller as of the date of this Contract. Seller agrees that disclosure of adverse material facts will be in writing. In the event Seller discovers an adverse material fact after the date of this Contract, Seller must timely disclose such adverse fact to Buyer. Buyer has the Right to Terminate based on the Seller's new disclosure on the earlier of Closing or five days after Buyer's receipt of the new disclosure. Except as otherwise provided in this Contract, Buyer acknowledges that Seller is conveying the Property and Inclusions to Buyer in an "**As Is**" condition, "**Where Is**" and "**With All Faults**."

10.3. Inspection. Unless otherwise provided in this Contract, Buyer, acting in good faith, has the right to have inspections (by one or more third parties, personally or both) of the Property, Leased Items, and Inclusions (Inspection), at Buyer's expense. If (1) the physical condition of the Property, including, but not limited to, the roof, walls, structural integrity of the Property, the electrical, plumbing, HVAC and other mechanical systems of the Property, (2) the physical condition of the Inclusions and Leased Items, (3) service to the Property (including utilities and communication services), systems and components of the Property (e.g., heating and plumbing), (4) any proposed or existing transportation project, road, street or highway, or (5) any other activity, odor or noise (whether on or off the Property) and its effect or expected effect on the Property or its occupants is unsatisfactory, in Buyer's sole subjective discretion, Buyer may:

10.3.1. Inspection Termination. On or before the **Inspection Termination Deadline**, notify Seller in writing, pursuant to § 24.1., that this Contract is terminated due to any unsatisfactory condition, provided the Buyer did not previously deliver an Inspection Objection. Buyer's Right to Terminate under this provision expires upon delivery of an Inspection Objection to Seller pursuant to § 10.3.2.; or

10.3.2. Inspection Objection. On or before the **Inspection Objection Deadline**, deliver to Seller a written description of any unsatisfactory condition that Buyer requires Seller to correct.

10.3.3. Inspection Resolution. If an Inspection Objection is received by Seller, on or before **Inspection Objection Deadline** and if Buyer and Seller have not agreed in writing to a settlement thereof on or before **Inspection Resolution Deadline**, this Contract will terminate on **Inspection Resolution Deadline** unless Seller receives Buyer's written withdrawal of the Inspection Objection before such termination (i.e., on or before expiration of **Inspection Resolution Deadline**). Nothing in this provision prohibits the Buyer and the Seller from mutually terminating this Contract before the Inspection Resolution Deadline passes by executing an Earnest Money Release.

10.4. Damage, Liens and Indemnity. Buyer, except as otherwise provided in this Contract or other written agreement between the parties, is responsible for payment for all inspections, tests, surveys, engineering reports, or other reports performed at Buyer's request (Work) and must pay for any damage that occurs to the Property and Inclusions as a result of such Work. Buyer must not permit claims or liens of any kind against the Property for Work performed on the Property. Buyer agrees to indemnify, protect and hold Seller harmless from and against any liability, damage, cost or expense incurred by Seller and caused by any such Work, claim, or lien. This indemnity includes Seller's right to recover all costs and expenses incurred by Seller to defend against any such liability, damage, cost or expense, or to enforce this Section, including Seller's reasonable attorney fees, legal fees and expenses. The provisions of this Section survive the termination of this Contract. This § 10.4. does not apply to items performed pursuant to an Inspection Resolution.

10.5. Insurability. Buyer has the Right to Terminate under § 24.1., on or before **Property Insurance Termination Deadline**, based on any unsatisfactory provision of the availability, terms and conditions and premium for property insurance (Property Insurance) on the Property, in Buyer's sole subjective discretion.

10.6. Due Diligence.

10.6.1. Due Diligence Documents. Seller agrees to deliver copies of the following documents and information pertaining to the Property and Leased Items (Due Diligence Documents) to Buyer on or before **Due Diligence Documents Delivery Deadline**:

10.6.1.1. Occupancy Agreements. All current leases, including any amendments or other occupancy agreements, pertaining to the Property. Those leases or other occupancy agreements pertaining to the Property that survive Closing are as follows (Leases):

Building lease to Magic Circle Players, Ltd.

10.6.1.2. Leased Items Documents. If any lease of personal property (§ 2.5.8., Leased Items) will be transferred to Buyer at Closing, Seller agrees to deliver copies of the leases and information pertaining to the personal property to Buyer on or before **Due Diligence Documents Delivery Deadline**.

10.6.1.3. Encumbered Inclusions Documents. If any Inclusions owned by Seller are encumbered pursuant to § 2.5.4. (Encumbered Inclusions) above, Seller agrees to deliver copies of the evidence of debt, security and any other documents creating the encumbrance to Buyer on or before **Due Diligence Documents Delivery Deadline**.

10.6.1.4. Solar Power Plan. Copy of any Solar Power Plan not included in Leased Items (regardless of its name or title).

10.6.1.5. Septic Use Permit. If required by the local health department or other applicable government entity, on or before the local health department's applicable deadline, Seller must pay for and furnish to Buyer a Septic Use Permit.

10.6.1.6. Other Documents. If the respective box is checked, Seller agrees to additionally deliver copies of the following:

☐ **10.6.1.6.1.** All contracts relating to the operation, maintenance and management of the Property;

☐ **10.6.1.6.2.** Property tax bills for the last _________ years;

☐ **10.6.1.6.3.** As-built construction plans to the Property and the tenant improvements, including architectural, electrical, mechanical and structural systems; engineering reports; and permanent Certificates of Occupancy, to the extent now available;

☐ **10.6.1.6.4.** A list of all Inclusions to be conveyed to Buyer;

☐ **10.6.1.6.5.** Operating statements for the past _____________ years;

☐ **10.6.1.6.6.** A rent roll accurate and correct to the date of this Contract;

☐ **10.6.1.6.7.** A schedule of any tenant improvement work Seller is obligated to complete but has not yet completed and capital improvement work either scheduled or in process on the date of this Contract;

☐ **10.6.1.6.8.** All insurance policies pertaining to the Property and copies of any claims which have been made for the past _____ years;

☐ **10.6.1.6.9.** Soils reports, surveys and engineering reports or data pertaining to the Property (if not delivered earlier under § 8.3.);

☐ **10.6.1.6.10.** Any and all existing documentation and reports regarding Phase I and II environmental reports, letters, test results, advisories and similar documents respective to the existence or nonexistence of asbestos, PCB transformers, or other toxic, hazardous or contaminated substances and/or underground storage tanks and/or radon gas. If no reports are in Seller's possession or known to Seller, Seller warrants that no such reports are in Seller's possession or known to Seller;

☐ **10.6.1.6.11.** Any *Americans with Disabilities Act* reports, studies or surveys concerning the compliance of the Property with said Act;

☐ **10.6.1.6.12.** All permits, licenses and other building or use authorizations issued by any governmental authority with jurisdiction over the Property and written notice of any violation of any such permits, licenses or use authorizations, if any; and

☐ **10.6.1.6.13.** Other:

See Section 30.2

10.6.2. Due Diligence Documents Review and Objection. Buyer has the right to review and object based on the Due Diligence Documents. If the Due Diligence Documents are not supplied to Buyer or are unsatisfactory, in Buyer's sole subjective discretion, Buyer may, on or before **Due Diligence Documents Objection Deadline**:

10.6.2.1. Notice to Terminate. Notify Seller in writing, pursuant to § 24.1., that this Contract is terminated; or

10.6.2.2. Due Diligence Documents Objection. Deliver to Seller a written description of any unsatisfactory Due Diligence Documents that Buyer requires Seller to correct.

10.6.2.3. Due Diligence Documents Resolution. If a Due Diligence Documents Objection is received by Seller, on or before **Due Diligence Documents Objection Deadline** and if Buyer and Seller have not agreed in writing to a settlement thereof on or before **Due Diligence Documents Resolution Deadline**, this Contract will terminate on **Due Diligence Documents Resolution Deadline** unless Seller receives Buyer's written withdrawal of the Due Diligence Documents Objection before such termination (i.e., on or before expiration of **Due Diligence Documents Resolution Deadline**).

10.6.2.4. Automatic Due Diligence Extension. If a Due Diligence Document is not delivered on or before the Due Diligence Documents Deadline, Buyer has until the earlier of Closing or ten days after receipt by Buyer to review and object to such Due Diligence Document. If Buyer's right to review and object to such Due Diligence Document is extended due to such Due Diligence Document not being delivered on or before the Due Diligence Documents Deadline, the Due Diligence Document Resolution Deadline will also be extended to the earlier of Closing or fifteen days after Buyer's receipt of such Due Diligence Document.

10.6.3. Zoning. Buyer has the Right to Terminate under § 24.1., on or before Due Diligence Documents **Objection** Deadline, based on any unsatisfactory zoning and any use restrictions imposed by any governmental agency with jurisdiction over the Property, in Buyer's sole subjective discretion.

10.6.4. Due Diligence – Environmental. Buyer has the right to obtain environmental inspections of the Property including a Phase I Environmental Site Assessment. ☐ **Seller** ☒ **Buyer** will order or provide a current Phase I Environmental Site Assessment (compliant with the most current version of the applicable ASTM E1527 standard practices for Environmental Site Assessments) and/or N/A, at the expense of ☐ **Seller** ☒ **Buyer** (Environmental Inspection).

If the Phase I Environmental Site Assessment recommends a Phase II Environmental Site Assessment, the **Environmental Inspection Termination Deadline** will be extended by N/A days (Extended Environmental Inspection Termination Deadline) and if such Extended Environmental Inspection Termination Deadline extends beyond the Closing **Date**, the **Closing Date** will be extended a like period of time. In such event, ☐ **Seller** ☐ **Buyer** must pay the cost for such Phase II Environmental Site Assessment.

Notwithstanding Buyer's right to obtain additional environmental inspections of the Property in this § 10.6.4., Buyer has the Right to Terminate under § 24.1., on or before **Environmental Inspection Termination Deadline**, or if applicable, the Extended Environmental Inspection Termination Deadline, based on any unsatisfactory results of Environmental Inspection, in Buyer's sole subjective discretion.

10.6.5. Due Diligence – ADA. Buyer, at Buyer's expense, may also conduct an evaluation whether the Property complies with the *Americans with Disabilities Act* (ADA Evaluation). All such inspections and evaluations must be conducted at such times as are mutually agreeable to minimize the interruption of Seller's and any Seller's tenants' business uses of the Property, if any.

Buyer has the Right to Terminate under § 24.1., on or before **ADA Evaluation Termination Deadline**, based on any unsatisfactory ADA Evaluation, in Buyer's sole subjective discretion.

10.7. Conditional Upon Sale of Property. This Contract is conditional upon the sale and closing of that certain property owned by Buyer and commonly known as See Section 30.6. Buyer has the Right to Terminate under § 24.1. effective upon Seller's receipt of Buyer's Notice to Terminate on or before **Conditional Sale Deadline** if such property is not sold and closed by such deadline. This Section is for the sole benefit of Buyer. If Seller does not receive Buyer's Notice to Terminate on or before **Conditional Sale Deadline**, Buyer waives any Right to Terminate under this provision.

10.8. Source of Potable Water (Residential Land and Residential Improvements Only). [Intentionally Deleted - See Residential Addendum if applicable]

10.9. Existing Leases; Modification of Existing Leases; New Leases. Seller states that none of the Leases to be assigned to the Buyer at the time of Closing contain any rent concessions, rent reductions or rent abatements except as disclosed in the Lease or other writing received by Buyer. Seller will not amend, alter, modify, extend or cancel any of the Leases nor will Seller enter into any new leases affecting the Property without the prior written consent of Buyer, which consent will not be unreasonably withheld or delayed.

10.10. Lead-Based Paint. [Intentionally Deleted - See Residential Addendum if **applicable]**

10.11. Carbon Monoxide Alarms. [Intentionally Deleted - See Residential Addendum if applicable]

10.12. Methamphetamine Disclosure. [Intentionally Deleted - See Residential Addendum if applicable]

11. TENANT ESTOPPEL STATEMENTS.

11.1. Estoppel Statements Conditions. Buyer has the right to review and object to any Estoppel Statements. Seller must request from all tenants of the Property and if received by Seller, deliver to Buyer on or before **Estoppel Statements Deadline**, statements in a form and substance reasonably acceptable to Buyer, from each occupant or tenant at the Property (Estoppel Statement) attached to a copy of the Lease stating:

11.1.1. The commencement date of the Lease and scheduled termination date of the Lease;

11.1.2. That said Lease is in full force and effect and that there have been no subsequent modifications or amendments;

11.1.3. The amount of any advance rentals paid, rent concessions given and deposits paid to Seller;

11.1.4. The amount of monthly (or other applicable period) rental paid to Seller;

11.1.5. That there is no default under the terms of said Lease by landlord or occupant; and

11.1.6. That the Lease to which the Estoppel Statement is attached is a true, correct and complete copy of the Lease demising the premises it describes.

11.2. Seller Estoppel Statement. In the event Seller does not receive from all tenants of the Property a completed signed Estoppel Statement, Seller agrees to complete and execute an Estoppel Statement setting forth the information and documents required in §11.1. above and deliver the same to Buyer on or before **Estoppel Statements Deadline.**

11.3. Estoppel Statements Termination. Buyer has the Right to Terminate under § 24.1., on or before **Estoppel Statements Termination Deadline**, based on any unsatisfactory Estoppel Statement, in Buyer's sole subjective discretion, or if

Seller fails to deliver the Estoppel Statements on or before **Estoppel Statements Deadline**. Buyer also has the unilateral right to waive any unsatisfactory Estoppel Statement.

CLOSING PROVISIONS

12. CLOSING DOCUMENTS, INSTRUCTIONS AND CLOSING.

12.1. Closing Documents and Closing Information. Seller and Buyer will cooperate with the Closing Company to enable the Closing Company to prepare and deliver documents required for Closing to Buyer and Seller and their designees. If Buyer is obtaining a loan to purchase the Property, Buyer acknowledges Buyer's lender is required to provide the Closing Company, in a timely manner, all required loan documents and financial information concerning Buyer's loan. Buyer and Seller will furnish any additional information and documents required by Closing Company that will be necessary to complete this transaction. Buyer and Seller will sign and complete all customary or reasonably required documents at or before Closing.

12.2. Closing Instructions. Colorado Real Estate Commission's Closing Instructions ☐ **Are** ☒ **Are Not** executed with this Contract.

12.3. Closing. Delivery of deed from Seller to Buyer will be at closing (Closing). Closing will be on the date specified as the **Closing Date** or by mutual agreement at an earlier date. At Closing, Seller must provide Buyer with the ability to access the Property (e.g. keys, access code, garage door opener). The hour and place of Closing will be as designated by See Section 30.5.

12.4. Disclosure of Settlement Costs. Buyer and Seller acknowledge that costs, quality and extent of service vary between different settlement service providers (e.g., attorneys, lenders, inspectors and title companies).

12.5. Assignment of Leases. Seller must assign to Buyer all Leases at Closing that will continue after Closing and Buyer must assume Seller's obligations under such Leases. Further, Seller must transfer to Buyer all Leased Items and assign to Buyer such leases for the Leased Items accepted by Buyer pursuant to § 2.5.8. (Leased Items).

13. TRANSFER OF TITLE. Subject to Buyer's compliance with the terms and provisions of this Contract, including the tender of any payment due at Closing, Seller must execute and deliver the following good and sufficient deed to Buyer, at Closing: ☒ special warranty deed ☐ general warranty deed ☐ bargain and sale deed ☐ quit claim deed ☐ personal representative's deed ☐ N/A deed. Seller, provided another deed is not selected, must execute and deliver a good and sufficient special warranty deed to Buyer, at Closing.

Unless otherwise specified in § 30 (Additional Provisions), if title will be conveyed using a special warranty deed or a general warranty deed, title will be conveyed "subject to statutory exceptions" as defined in §38-30-113(5)(a), C.R.S.

14. PAYMENT OF LIENS AND ENCUMBRANCES. Unless agreed to by Buyer in writing, any amounts owed on any liens or encumbrances securing a monetary sum against the Property and Inclusions, including any governmental liens for special improvements installed as of the date of Buyer's signature hereon, whether assessed or not, and previous years' taxes, will be paid at or before Closing by Seller from the proceeds of this transaction or from any other source.

15. CLOSING COSTS, FEES, ASSOCIATION STATUS LETTER AND DISBURSEMENTS, TAXES AND WITHHOLDING.

15.1. Closing Costs. Buyer and Seller must pay, in Good Funds, their respective closing costs and all other items required to be paid at Closing, except as otherwise provided herein.

15.2. Closing Services Fee. The fee for real estate closing services must be paid at Closing by ☐ **Buyer** ☐ **Seller** ☒ **One-Half by Buyer and One-Half by Seller** ☐ **Other** __________.

15.3. Association Fees and Required Disbursements. At least fourteen days prior to **Closing Date**, Seller agrees to promptly request that the Closing Company or the Association deliver to Buyer a current Status Letter, if applicable. Any fees associated with or specified in the Status Letter will be paid as follows:

15.3.1. Status Letter Fee. Any fee incident to the issuance of Association's Status Letter must be paid by Seller.

15.3.2. Record Change Fee. Any Record Change Fee must be paid by ☐ **Buyer** ☐ **Seller** ☐ **One-Half by Buyer and One-Half by Seller** ☒ **N/A**.

15.3.3. Reserves or Working Capital. Unless agreed to otherwise, all reserves or working capital due (or other similar cost not addressed in § 16.2. (Association Assessments)) at Closing must be paid by ☐ **Buyer** ☐ **Seller** ☐ **One-Half by Buyer and One-Half by Seller** ☒ **N/A**.

15.3.4. Other Fees. Any other fee listed in the Status Letter as required to be paid at Closing will be paid by ☐ **Buyer** ☐ **Seller** ☐ **One-Half by Buyer and One-Half by Seller** ☐ **N/A**.

15.4. Local Transfer Tax. Any Local Transfer Tax must be paid at Closing by ☐ **Buyer** ☐ **Seller** ☐ **One-Half by Buyer and One-Half by Seller** ☒ **N/A**.

15.5. Sales and Use Tax. Any sales and use tax that may accrue because of this transaction must be paid when due by ☐ **Buyer** ☐ **Seller** ☐ **One-Half by Buyer and One-Half by Seller** ☒ **N/A**.

15.6. Private Transfer Fee. Any private transfer fees and other fees due to a transfer of the Property, payable at Closing, such as community association fees, developer fees and foundation fees, must be paid at Closing by ☐ **Buyer** ☐ **Seller** ☐ **One-Half by Buyer and One-Half by Seller** ☒ **N/A**.

15.7. Water Transfer Fees. Water Transfer Fees can change**.** The fees, as of the date of this Contract, do not exceed $ N/A for:

☐ Water District/Municipality ☐ Water Stock
☐ Augmentation Membership ☐ Small Domestic Water Company ☐ N/A

and must be paid at Closing by ☐ **Buyer** ☐ **Seller** ☐ **One-Half by Buyer and One-Half by Seller** ☒ **N/A.**

15.8. Utility Transfer Fees. Utility transfer fees can change**.** Any fees to transfer utilities from Seller to Buyer must be paid by ☒ **Buyer** ☐ **Seller** ☐ **One-Half by Buyer and One-Half by Seller** ☐ **N/A.**

15.9. FIRPTA and Colorado Withholding.

15.9.1. FIRPTA. The Internal Revenue Service (IRS) may require a substantial portion of the Seller's proceeds be withheld after Closing when Seller is a foreign person. If required withholding does not occur, the Buyer could be held liable for the amount of the Seller's tax, interest and penalties. If the box in this Section is checked, Seller represents that Seller ☐ **IS** a foreign person for purposes of U.S. income taxation. If the box in this Section is not checked, Seller represents that Seller is not a foreign person for purposes of U.S. income taxation. Seller agrees to cooperate with Buyer and Closing Company to provide any reasonably requested documents to verify Seller's foreign person status. If withholding is required, Seller authorizes Closing Company to withhold such amount from Seller's proceeds. Seller should inquire with Seller's tax advisor to determine if withholding applies or if an exemption exists.

15.9.2. Colorado Withholding. The Colorado Department of Revenue may require a portion of the Seller's proceeds be withheld after Closing when Seller will not be a Colorado resident after Closing, if not otherwise exempt. Seller agrees to cooperate with Buyer and Closing Company to provide any reasonably requested documents to verify Seller's status. If withholding is required, Seller authorizes Closing Company to withhold such amount from Seller's proceeds. Seller should inquire with Seller's tax advisor to determine if withholding applies or if an exemption exists.

16. PRORATIONS AND ASSOCIATION ASSESSMENTS.

16.1. Prorations. The following will be prorated to the **Closing Date**, except as otherwise provided:

16.1.1. Taxes. Personal property taxes, if any, special taxing district assessments, if any, and general real estate taxes for the year of Closing, based on ☐ **Taxes for the Calendar Year Immediately Preceding Closing** ☒ **Most Recent Mill Levy and Most Recent Assessed Valuation**, adjusted by any applicable qualifying seniors property tax exemption, qualifying disabled veteran exemption or ☐ **Other** ______.

16.1.2. Rents. Rents based on ☐ **Rents Actually Received** ☒ **Accrued**. At Closing, Seller will transfer or credit to Buyer the security deposits for all Leases assigned to Buyer, or any remainder after lawful deductions, and notify all tenants in writing of such transfer and of the transferee's name and address.

16.1.3. Other Prorations. Water and sewer charges, propane, interest on continuing loan and Those that are customary in Colorado.

16.1.4. Final Settlement. Unless otherwise specified in Additional Provisions, these prorations are final.

16.2. Association Assessments. Current regular Association assessments and dues (Association Assessments) paid in advance will be credited to Seller at Closing. All Association Assessments accrued before Closing must be paid by Seller and all Association Assessments accrued after Closing must be paid by Buyer. Cash reserves held out of the regular Association Assessments for deferred maintenance by the Association will not be credited to Seller except as may be otherwise provided by the Governing Documents. Any special assessment assessed prior to **Closing Date** by the Association will be the obligation of ☐ **Buyer** ☒ **Seller**. Except however, any special assessment by the Association for improvements that have been installed as of the date of Buyer's signature hereon, whether assessed prior to or after Closing, will be the obligation of Seller unless otherwise specified in Additional Provisions. Seller represents there are no unpaid regular or special assessments against the Property except the current regular assessments and N/A. Association Assessments are subject to change as provided in the Governing Documents.

17. POSSESSION.

Possession of the Property and Inclusions will be delivered to Buyer on **Possession Date** at **Possession Time**, subject to the Leases as set forth in § 10.6.1.1.

If Seller, after Closing occurs, fails to deliver possession as specified, Seller will be subject to eviction and will be additionally liable to Buyer, notwithstanding § 20.2. (If Seller is in Default), for payment of $ 100.00 per day (or any part of a day notwithstanding § 3.3., Day) from **Possession Date** and **Possession Time** until possession is delivered. Additionally, Buyer may pursue a claim against Seller for any of Buyer's actual additional damages incurred by Buyer in excess of such amount.

GENERAL PROVISIONS

18. CAUSES OF LOSS, INSURANCE; DAMAGE TO INCLUSIONS AND SERVICES; CONDEMNATION; AND WALK-THROUGH. Except as otherwise provided in this Contract, the Property and Inclusions will be delivered in the condition existing as of the date of this Contract, ordinary wear and tear excepted.

18.1. Causes of Loss, Insurance. In the event the Property or Inclusions are damaged by fire, other perils or causes of loss prior to Closing (Property Damage) in an amount of not more than ten percent of the total Purchase Price and if the repair of the damage will be paid by insurance (other than the deductible to be paid by Seller), then Seller, upon receipt of the insurance proceeds, will use Seller's reasonable efforts to repair the Property before **Closing Date**. Buyer has the Right to Terminate under § 24.1., on or before **Closing Date**, if the Property is not repaired before **Closing Date**, or if the damage exceeds such sum. Should Buyer elect to carry out this Contract despite such Property Damage, Buyer is entitled to a credit at Closing for all insurance proceeds that were received by Seller (but not the Association, if any) resulting from damage to the Property and Inclusions, plus the amount of any deductible provided for in the insurance policy. This credit may not exceed the Purchase Price. In the event Seller has not received the insurance proceeds prior to Closing, the parties may agree to extend the **Closing Date** to have the Property repaired prior to Closing or, at the option of Buyer, (1) Seller must assign to Buyer the right to the proceeds at Closing, if acceptable to Seller's insurance company and Buyer's lender; or (2) the parties may enter into a written agreement prepared by the parties or their attorney requiring the Seller to escrow at Closing from Seller's sale proceeds the amount Seller has received and will receive due to such damage, not exceeding the total Purchase Price, plus the amount of any deductible that applies to the insurance claim.

18.2. Damage, Inclusions and Services. Should any Inclusion or service (including utilities and communication services), system, component or fixture of the Property (collectively Service) (e.g., heating or plumbing), fail or be damaged between the date of this Contract and Closing or possession, whichever is earlier, then Seller is liable for the repair or replacement of such Inclusion or Service with a unit of similar size, age and quality, or an equivalent credit, but only to the extent that the maintenance or replacement of such Inclusion or Service is not the responsibility of the Association, if any, less any insurance proceeds received by Buyer covering such repair or replacement. If the failed or damaged Inclusion or Service is not repaired or replaced on or before Closing or possession, whichever is earlier, Buyer has the Right to Terminate under § 24.1., on or before **Closing Date**, or, at the option of Buyer, Buyer is entitled to a credit at Closing for the repair or replacement of such Inclusion or Service. Such credit must not exceed the Purchase Price. If Buyer receives such a credit, Seller's right for any claim against the Association, if any, will survive Closing.

18.3. Condemnation. In the event Seller receives actual notice prior to Closing that a pending condemnation action may result in a taking of all or part of the Property or Inclusions, Seller must promptly notify Buyer, in writing, of such condemnation action. Buyer has the Right to Terminate under § 24.1., on or before **Closing Date**, based on such condemnation action, in Buyer's sole subjective discretion. Should Buyer elect to consummate this Contract despite such diminution of value to the Property and Inclusions, Buyer is entitled to a credit at Closing for all condemnation proceeds awarded to Seller for the diminution in the value of the Property or Inclusions, but such credit will not include relocation benefits or expenses or exceed the Purchase Price.

18.4. Walk-Through and Verification of Condition. Buyer, upon reasonable notice, has the right to walk through the Property prior to Closing to verify that the physical condition of the Property and Inclusions complies with this Contract.

19. RECOMMENDATION OF LEGAL AND TAX COUNSEL. By signing this Contract, Buyer and Seller acknowledge that their respective broker has advised that this Contract has important legal consequences and has recommended: (1) legal examination of title; (2) consultation with legal and tax or other counsel before signing this Contract as this Contract may have important legal and tax implications; (3) to consult with their own attorney if Water Rights, Mineral Rights or Leased Items are included or excluded in the sale; and (4) to consult with legal counsel if there are other matters in this transaction for which legal counsel should be engaged and consulted. Such consultations must be done timely as this Contract has strict time limits, including deadlines, that must be complied with.

20. TIME OF ESSENCE, DEFAULT AND REMEDIES. Time is of the essence for all dates and deadlines in this Contract. This means that all dates and deadlines are strict and absolute. If any payment due, including Earnest Money, is not paid, honored or tendered when due, or if any obligation is not performed timely as provided in this Contract or waived, the non-defaulting party has the following remedies:

20.1. If Buyer is in Default:

☐ **20.1.1. Specific Performance.** Seller may elect to cancel this Contract and all Earnest Money (whether or not paid by Buyer) will be paid to Seller and retained by Seller. It is agreed that the Earnest Money is not a penalty, and the parties agree the amount is fair and reasonable. Seller may recover such additional damages as may be proper. Alternatively, Seller may elect to treat this Contract as being in full force and effect and Seller has the right to specific performance or damages, or both.

20.1.2. Liquidated Damages, Applicable. This § 20.1.2. applies <u>unless the box in § 20.1.1. is checked</u>. Seller may cancel this Contract. All Earnest Money (whether or not paid by Buyer) will be paid to Seller and retained by Seller. It is agreed that the Earnest Money amount specified in § 4.1. is LIQUIDATED DAMAGES and not a penalty, which amount the parties agree is fair and reasonable and (except as provided in §§ 10.4. and 21), such amount is SELLER'S ONLY REMEDY for Buyer's failure to perform the obligations of this Contract. Seller expressly waives the remedies of specific performance and additional damages.

20.2. If Seller is in Default:

20.2.1. Specific Performance, Damages or Both. Buyer may elect to treat this Contract as canceled, in which case all Earnest Money received hereunder will be returned to Buyer and Buyer may recover such damages as may be proper. Alternatively, in addition to the per diem in § 17 (Possession) for failure of Seller to timely deliver possession of the Property after Closing occurs, Buyer may elect to treat this Contract as being in full force and effect and Buyer has the right to specific performance or damages, or both.

20.2.2. Seller's Failure to Perform. In the event Seller fails to perform Seller's obligations under this Contract, to include, but not limited to, failure to timely disclose Association violations known by Seller, failure to perform any replacements or repairs required under this Contract or failure to timely disclose any known adverse material facts, Seller remains liable for any such failures to perform under this Contract after Closing. Buyer's rights to pursue the Seller for Seller's failure to perform under this Contract are reserved and survive Closing.

21. LEGAL FEES, COST AND EXPENSES. Anything to the contrary herein notwithstanding, in the event of any arbitration or litigation relating to this Contract, prior to or after **Closing Date**, the arbitrator or court must award to the prevailing party all reasonable costs and expenses, including attorney fees, legal fees and expenses.

22. MEDIATION. If a dispute arises relating to this Contract (whether prior to or after Closing) and is not resolved, the parties must first proceed, in good faith, to mediation. Mediation is a process in which the parties meet with an impartial person who helps to resolve the dispute informally and confidentially. Mediators cannot impose binding decisions. Before any mediated settlement is binding, the parties to the dispute must agree to the settlement, in writing. The parties will jointly appoint an acceptable mediator and will share equally in the cost of such mediation. The obligation to mediate, unless otherwise agreed, will terminate if the entire dispute is not resolved within thirty days of the date written notice requesting mediation is delivered by one party to the other at that party's last known address (physical or electronic as provided in § 26). Nothing in this Section prohibits either party from filing a lawsuit and recording a *lis pendens* affecting the Property, before or after the date of written notice requesting mediation. This Section will not alter any date in this Contract, unless otherwise agreed.

23. EARNEST MONEY DISPUTE. Except as otherwise provided herein, Earnest Money Holder must release the Earnest Money following receipt of written mutual instructions, signed by both Buyer and Seller. In the event of any controversy regarding the Earnest Money, Earnest Money Holder is not required to release the Earnest Money. Earnest Money Holder, in its sole subjective discretion, has several options: (1) wait for any proceeding between Buyer and Seller; (2) interplead all parties and deposit Earnest Money into a court of competent jurisdiction (Earnest Money Holder is entitled to recover court costs and reasonable attorney and legal fees incurred with such action); or (3) provide notice to Buyer and Seller that unless Earnest Money Holder receives a copy of the Summons and Complaint or Claim (between Buyer and Seller) containing the case number of the lawsuit (Lawsuit) within one hundred twenty days of Earnest Money Holder's notice to the parties, Earnest Money Holder is authorized to return the Earnest Money to Buyer. In the event Earnest Money Holder does receive a copy of the Lawsuit and has not interpled the monies at the time of any Order, Earnest Money Holder must disburse the Earnest Money pursuant to the Order of the Court. The parties reaffirm the obligation of § 22 (Mediation). This Section will survive cancellation or termination of this Contract.

24. TERMINATION.

24.1. Right to Terminate. If a party has a right to terminate, as provided in this Contract (Right to Terminate), the termination is effective upon the other party's receipt of a written notice to terminate (Notice to Terminate), provided such written notice was received on or before the applicable deadline specified in this Contract. If the Notice to Terminate is not received on or before the specified deadline, the party with the Right to Terminate accepts the specified matter, document or condition as satisfactory and waives the Right to Terminate under such provision. Any Notice to Terminate delivered after the applicable deadline specified in the Contract is ineffective and does not terminate this Contract.

24.2. Effect of Termination. In the event this Contract is terminated, all Earnest Money received hereunder must be timely returned to Buyer and the parties are then relieved of all obligations hereunder, subject to §§ 10.4. and 21.

25. ENTIRE AGREEMENT, MODIFICATION, SURVIVAL; SUCCESSORS. This Contract, its exhibits and specified addenda, constitute the entire agreement between the parties relating to the subject hereof and any prior agreements pertaining thereto, whether oral or written, have been merged and integrated into this Contract. No subsequent modification of any of the terms of this Contract is valid, binding upon the parties, or enforceable unless made in writing and signed by the parties. Any right or obligation in this Contract that, by its terms, exists or is intended to be performed after termination or Closing survives the same. Any successor to a party receives the predecessor's benefits and obligations of this Contract.

26. NOTICE, DELIVERY AND CHOICE OF LAW.

26.1. Physical Delivery and Notice. Any document or notice to Buyer or Seller must be in writing, except as provided in § 26.2. and is effective when physically received by such party, any individual named in this Contract to receive documents or notices for such party, Broker, or Brokerage Firm of Broker working with such party (except any notice or delivery after Closing must be received by the party, not Broker or Brokerage Firm).

26.2. Electronic Notice. As an alternative to physical delivery, any notice may be delivered in electronic form to Buyer or Seller, any individual named in this Contract to receive documents or notices for such party, Broker or Brokerage Firm of Broker working with such party (except any notice or delivery after Closing, cancellation or Termination must be received by the party, not Broker or Brokerage Firm) at the electronic address of the recipient by facsimile, email or N/A.

26.3. Electronic Delivery. Electronic Delivery of documents and notice may be delivered by: (1) email at the email address of the recipient, (2) a link or access to a website or server provided the recipient receives the information necessary to access the documents, or (3) facsimile at the facsimile number (Fax No.) of the recipient.

26.4. Choice of Law. This Contract and all disputes arising hereunder are governed by and construed in accordance with the laws of the State of Colorado that would be applicable to Colorado residents who sign a contract in Colorado for real property located in Colorado.

27. NOTICE OF ACCEPTANCE, COUNTERPARTS. This proposal will expire unless accepted in writing, by Buyer and Seller, as evidenced by their signatures below and the offering party receives notice of such acceptance pursuant to § 26 on or before **Acceptance Deadline Date** and **Acceptance Deadline Time**. If accepted, this document will become a contract between Seller and Buyer. A copy of this Contract may be executed by each party, separately and when each party has executed a copy thereof, such copies taken together are deemed to be a full and complete contract between the parties.

28. GOOD FAITH. Buyer and Seller acknowledge that each party has an obligation to act in good faith including, but not limited to, exercising the rights and obligations set forth in the provisions of **Financing Conditions and Obligations**; **Title Insurance, Record Title and Off-Record Title**; **New ILC, New Survey**; and **Property Disclosure**, **Inspection**, **Indemnity**, **Insurability and Due Diligence**.

29. BUYER'S BROKERAGE FIRM COMPENSATION. Buyer's brokerage firm's compensation will be paid, at Closing, as follows:

☐ **29.1.** N/A % of the Purchase Price or $ N/A by Seller. Buyer's brokerage firm is an intended third-party beneficiary under this provision only. The amount paid by Seller under this provision is in addition to any other amounts Seller is paying on behalf of Buyer elsewhere in this Contract.

☐ **29.2.** N/A % of the Purchase Price or $ N/A by Buyer pursuant to a separate agreement between Buyer and Buyer's brokerage firm. This amount may be modified between Buyer and Buyer's brokerage firm outside of this Contract.

☐ **29.3.** N/A % of the Purchase Price or $ N/A by a separate agreement between Buyer's brokerage firm and Seller's brokerage firm.

ADDITIONAL PROVISIONS AND ATTACHMENTS

30. ADDITIONAL PROVISIONS. (The following additional provisions have not been approved by the Colorado Real Estate Commission.)

See Addendum 30 attached hereto, which is incorporated into, and made a part of this Contract by reference.

31. OTHER DOCUMENTS.

31.1. Documents Part of Contract. The following documents **are a part** of this Contract:

N/A

31.2. Documents Not Part of Contract. The following documents have been provided but are **not** a part of this Contract:

N/A

936 **SIGNATURES**

937

Buyer's Name:	City of Montrose	Buyer's Name:	
Buyer's Signature	Date	Buyer's Signature	Date
Address:	P.O. Box 790 Montrose, CO 22314	Address:	
Phone No.:		Phone No.:	
Fax No.:		Fax No.:	
Email Address:		Email Address:	

938 **[NOTE: If this offer is being countered or rejected, do not sign this document.]**

Seller's Name:	Volunteers of America National Services	Seller's Name:	
Seller's Signature	Date	Seller's Signature	Date
Address:	1660 Duke Street Alexandria, VA 22314	Address:	
Phone No.:		Phone No.:	
Fax No.:		Fax No.:	
Email Address:		Email Address:	

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940 **END OF CONTRACT TO BUY AND SELL REAL ESTATE**

BROKER'S ACKNOWLEDGMENTS AND COMPENSATION DISCLOSURE.

~~**A. Broker Working With Buyer**~~

~~Broker ☐ **Does** ☐ **Does Not** acknowledge receipt of Earnest Money deposit. Broker agrees that if Brokerage Firm is the Earnest Money Holder and, except as provided in § 23, if the Earnest Money has not already been returned following receipt of a Notice to Terminate or other written notice of termination, Earnest Money Holder will release the Earnest Money as directed by the written mutual instructions. Such release of Earnest Money will be made within five days of Earnest Money Holder's receipt of the executed written mutual instructions, provided the Earnest Money check has cleared.~~

~~Broker is working with Buyer as a ☐ **Buyer's Agent** ☐ **Transaction-Broker** in this transaction.~~

☐ ~~**Customer.** Broker has no brokerage relationship with Buyer. See § B for Broker's brokerage relationship with Seller.~~

~~Brokerage Firm's compensation or commission is to be paid as specified in §29 above.~~

~~This Broker's Acknowledgments and Compensation Disclosure is for disclosure purposes only and does NOT create any claim for compensation. Any compensation agreement between the brokerage firms must be entered into separately and apart from this provision.~~

~~Brokerage Firm's Name:~~ __________
~~Brokerage Firm's License #:~~ __________
~~Broker's Name:~~ __________

~~Broker's License #:~~

~~Broker's Signature~~ ~~Date~~

~~Address:~~

~~Phone No.:~~
~~Fax No.:~~
~~Email Address:~~

~~**B. Broker Working with Seller**~~

~~Broker ☐ **Does** ☐ **Does Not** acknowledge receipt of Earnest Money deposit. Broker agrees that if Brokerage Firm is the Earnest Money Holder and, except as provided in § 23, if the Earnest Money has not already been returned following receipt of a Notice to Terminate or other written notice of termination, Earnest Money Holder will release the Earnest Money as directed by the written mutual instructions. Such release of Earnest Money will be made within five days of Earnest Money Holder's receipt of the executed written mutual instructions, provided the Earnest Money check has cleared.~~

~~Broker is working with Seller as a ☐ **Seller's Agent** ☐ **Transaction-Broker** in this transaction.~~

~~☐ **Customer.** Broker has no brokerage relationship with Seller. See § A for Broker's brokerage relationship with Buyer.~~

~~Brokerage Firm's compensation or commission is to be paid by ☐ **Seller** ☐ **Buyer** ☐ **Other** ____________________________.~~

~~This Broker's Acknowledgments and Compensation Disclosure is for disclosure purposes only and does NOT create any claim for compensation. Any agreement to pay compensation must be entered into separately and apart from this provision.~~

~~Brokerage Firm's Name:~~
~~Brokerage Firm's License #:~~
~~Broker's Name:~~
~~Broker's License #:~~

~~Broker's Signature~~ ~~Date~~

~~Address:~~

~~Phone No.:~~
~~Fax No.:~~
~~Email Address:~~

941

ADDENDUM TO
CONTRACT TO BUY AND SELL REAL ESTATE (COMMERCIAL) BETWEEN VOLUNTEERS OF AMERICA NATIONAL SERVICES, A MINNESOTA NONPROFIT CORPORATION ("SELLER") AND THE CITY OF MONTROSE, A COLORADO HOME RULE MUNICIPAL CORPORATION ("BUYER")

30. ADDITIONAL PROVISIONS. (The following additional provisions have not been approved by the Colorado Real Estate Commission.)

30.1. Conflicts. In the event of any conflict between the terms and provisions which are set forth in the various subsections of Section 30 of this Contract and the preprinted portions of this Contract approved by the Colorado Real Estate Commission as amended herein, the terms and provisions of the various subsections of this Section 30 shall govern.

30.2. Due Diligence Package. Within ten (10) business days of mutual execution of the Contract, Seller shall provide Buyer with a customary "Due Diligence Package" which shall include, but shall not necessarily be limited to, the following items that are in Seller's possession:

A. Current title commitment from Title Company;
B. All building and site plans including but not limited to building plans and site plans, civil engineering plans, and landscape plans ("Plans");
C. All surveys;
D. All environmental, soil, and geotechnical reports;
F. All governance documents, and
E. Other such items in Seller's possession that a reasonable and diligent buyer would wish to review, including but not limited to any off-record contracts and agreements.

30.3. Due Diligence Period. Buyer shall have ninety (90) days following mutual execution of the Contract to conduct due diligence and inspect Property ("Due Diligence Period"). Buyer's due diligence may include, but shall not be limited to, its review of Due Diligence Package, title, survey, and physical inspection of the Property, including a Phase I report. At the end of the Due Diligence Period, Buyer may accept the Property "as-is" and move forward with Closing or terminate this Contract in its sole discretion.

30.4. Representations and Warranties. Seller represents and warrants to Buyer as of the Effective Date, and again as of the Closing Date, the following: 1) Seller is a Minnesota nonprofit corporation; 2) Seller has the right and authority to enter into this Contract and consummate the transaction contemplated by this Contract; 3) Seller has taken all action required to enter into this Contract and the instruments referenced in this Contract and to consummate the transaction contemplated by this agreement; 4) the person signing this Contract on Seller's behalf is authorized to do so; 5) Seller has good and marketable fee simple title to the surface only, specifically exempting any mineral, oil, or gas rights, to the Property and clear of all liens, security interests, incumbrances, leases, and restrictions except for the Permitted Exceptions and as may otherwise be determined by the Title Commitment; 6) at Closing, title to the Property is free and clear of all liens, mortgages, encumbrances, leases, options, rights of first refusal, covenants, restrictions, easements, or other matters adversely affecting title, except for those Permitted Exceptions specifically disclosed and accepted by Buyer; 7) to Seller's knowledge, there has been no dumping, storage, burial, or release of hazardous substances, underground storage tanks, or other environmental contamination on or under the Property; 8) there are no pending or threatened condemnation proceedings, special assessments, code enforcement actions, or governmental investigations related to the Property; 9) there are no actual or threatened actions, suits, arbitrations, or pending proceedings against Seller or the Property that would impair Buyer's ownership of the Property; and 10) there are no liens, unpaid assessments, mechanic's liens, or other similar claims against the Property.

These representations and warranties set forth by Seller shall survive closing. If any representation or warranty is found to be untrue, Buyer shall have the right to indemnification from the Seller for all losses, damages, costs incurred, or any other remedy available at law or equity.

30.5. Closing. Unless the Contract is terminated, or the terms of the Contract amended by mutual written consent, Closing shall occur on, or before April 8, 2026 ("Closing Date"). In addition to all other documents customarily provided at closing, Seller agrees to provide the following to Buyer at closing:

A. Special Warranty Deed (the form of which shall be mutually agreed to by the parties concurrent with execution of the Contract and attached thereto as Exhibit B);
B. Bill of sale for any, and all, personal property to be transferred;
C. Lien Affidavit; and
D. Final title commitment and/or title policy (if the latter is ready for issuance by Title Company).

30.6. Contingency. The purchase and sale of this Property is tied to another transaction between the Buyer and Seller where Buyer is selling Seller a separate property of approximately 4.14 acres located in Montrose, Colorado known as Open Space of the Elder Homestead at Montrose and Open Space of the East Pavilion Complex: County Parcels 376735304900 and 376735306900 ("Buyer's Property"). The Closing of this transaction is contingent upon the Seller closing on the Buyer's Property and is part of the consideration for this Contract.

30.7. "AS IS," "WHERE IS" and "WITH ALL FAULTS." Except as otherwise specifically provided in this Contract, Seller shall convey the Property and Buyer shall accept the Property, and all matters relating to the Property, in "AS IS," "WHERE IS" and "WITH ALL FAULTS" condition or status. Except as otherwise specifically provided in this Contract, Seller has not made and Buyer is not relying, either directly or indirectly, upon any representations with respect to the Property, the value of the Property, the existence or preservation of any view or vista with respect to the Property or any other matter relating to the Property or its suitability for Buyer's anticipated use. Except for the warranties expressly stated in this Contract and in any documents delivered at Closing, Buyer hereby waives any other warranties, express, implied, including, but not limited to, any and all implied warranties of merchantability, habitability, suitability for habitation, fitness, fitness for a particular purpose or absence of radon, radiation or electromagnetic fields. Seller expressly disclaims all warranties except only for warranties expressly stated in this Contract and in any documents delivered at Closing.

30.8. Relationship of Parties: Notwithstanding any provision in this Contract to the contrary, this Contract shall not be construed as making Seller or Buyer the partner, agent or joint venturer of the other and the parties shall have no relationship to each other, other than as set forth herein as seller and buyer of real property.

30.9. Time Is of Essence: Time is of the essence of this Contract.

30.10. Cooperation: Seller and Buyer agree to cooperate in good faith with one another in taking any reasonable actions necessary or helpful to accomplish the transaction contemplated by this Contract, including, but not limited to, the satisfaction of any conditions to Closing set forth in this Contract.

30.11. Allocation of Liability. It is expressly understood and agreed that Seller shall be liable to third parties for any and all obligations, claims, losses, damages, liabilities, and expenses arising out of events, contractual obligations, acts, or omissions of the Seller that occurred in connection with the ownership or operation of the Property prior to the Closing, and Buyer shall be liable to third parties for any and all obligations, claims, losses, damages, liabilities, and expenses arising out of events, contractual obligations, acts, or omissions of Buyer that occur in connection with the ownership or operation of the Property after the Closing. The provisions of this Section will survive Closing.

30.12. Confidentiality. Buyer and Seller shall keep the contents of their negotiations and terms of this Contract as confidential as possible, subject to applicable State, Federal, and Local Law.

30.13. Attorneys' Fees: In the event any action is commenced to enforce the terms of this Agreement, the prevailing party shall be entitled to recover its litigation costs and attorneys' fees from the non-prevailing party.

30.14. WAIVER OF TRIAL BY JURY/VENUE/GOVERNING LAW. SELLER AND BUYER HEREBY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER OF THE PARTIES HERETO AGAINST THE OTHER AS TO ANY MATTER WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS AGREEMENT, THE RELATIONSHIP OF THE SELLER OR BUYER OR ANY OTHER CLAIM OR STATUTORY REMEDY. VENUE FOR ANY ACTION BROUGHT UNDER THIS AGREEMENT SHALL BE IN THE DISTRICT COURT OF THE COUNTY OF MONTROSE, STATE OF COLORADO. THIS AGREEMENT SHALL BE GOVERNED BY THE LAWS OF THE STATE OF COLORADO, WITHOUT GIVING EFFECT TO ANY CONFLICT OF LAWS PRINCIPLES.

EXHIBIT A

Seller Property highlighted in green: approximately 1.15 acres

EXHIBIT B

FORM OF SPECIAL WARRANTY DEED

When recorded, return to:
____
____
____
Attention:__________________

SPECIAL WARRANTY DEED

STATUTORY FORM – C.R.S. § 38-30-113(1)(b)

[MONTH] [DATE], [YEAR]

Volunteers of America National Services, a Minnesota nonprofit corporation, whose street address is 1660 Duke Street, City of Alexandria, and State of Virginia ("Grantor"), for the consideration of $[10.00], in hand paid, hereby sells and conveys to City of Montrose, a Colorado home rule municipal corporation ("Grantee"), whose street address is P.O. Box 1897, City of Montrose, County of Montrose, and State of Colorado, the real property legally described in **Error! Reference source not found.**, with all its appurtenances, and warrants the title to the same against all persons claiming under the Grantor, subject to the matters set forth on 0.

[*signature page follows*]

CITY OF MONTROSE
Community Development

MEMO

TO: City Council
FROM: Ann Morgenthaler, Deputy City Manager
DATE: November 17 & 18, 2025
RE: CDBG Grant Modification Request – Haven House

ATTACHMENTS
- Exhibit A: Draft Letter of Modification Request

City Council Consideration:
City Council consideration of a grant modification request to a previously awarded Community Development Block Grant through the State of Colorado.

Project Background:
In August 2023, the City of Montrose entered into a $600,000 grant agreement with the Colorado Department of Local Affairs, Division of Local Government. The City is serving as the pass-through entity for the grant, which was awarded on behalf of Haven House, a local organization in Olathe, Colorado that provides transitional housing, homelessness support services, and childcare for low-income families. The original proposal by Haven House called for constructing a two-story, approximately 9,200-square-foot addition to the existing Haven House facility to expand transitional housing capacity, childcare services, and supportive programming. The project description from the executed contract is provided below:

> *"The City of Montrose (Grantee) will work with Haven House to hire a qualified contractor to construct an approximately 9,200 square foot, two-story building connected to the existing 13,200 square foot building on the Haven House facility, located at 4806 North River Road, in Olathe, Colorado. Work includes construction of an Early Child Education Center, office space, and four (4) new transitional housing units on the first floor and eight (8) low-income apartments on the second floor. Haven House will own and maintain the constructed two-story building…"*

Following an RFP process based on the initial design, it was determined that the projected construction costs substantially exceeded the available project budget. After further evaluation and consultation, Haven House explored alternative, cost-effective construction methods. Modular construction emerged as the most viable option both financially and in terms of project delivery.

Additionally, due to inflationary cost pressures, Haven House found it was necessary to reduce the project scope. The revised proposal will consist of a 4,320 single-story modular building addition that will serve as an expansion of the Kid's Haven Early Learning Center. This facility will increase childcare capacity by approximately 35% and will provide dedicated infant and toddler rooms, as well as a staff conference room. The program will continue to serve current and former participants of the Transitional Housing Program, as well as other low-income families in the community who qualify for CCCAP or other supportive childcare programs, or who pay on a sliding-scale basis.

As part of the grant modification process, DOLA has requested a formal letter signed by the Mayor of Montrose, included here as Exhibit A. It is important to note that this modification does not alter the City's financial contribution, and no local match is required. The request simply accounts for the change in scope of Haven House's project.

CITY OF MONTROSE

Phone: 970.240.1407
Fax: 970.240.1499

November 18, 2025

Division of Local Government
Department of Local Affairs
Community Development Office

RE: Request for Grant Modification – Project CDBGPF-22527

Dear Colorado Division of Local Government,

The City of Montrose respectfully submits this letter to request a modification to the Community Development Block Grant award received through the State of Colorado, Project Number CDBGPF-22527.

In August 2023, the City of Montrose entered into a grant agreement for the amount of $600,000 with the Colorado Department of Local Affairs, Division of Local Government. The original scope of work included construction of a two-story, approximately 9,200-square-foot addition to the existing Haven House facility to expand capacity for transitional housing, childcare, and supportive services. The project description from the executed contract is provided below:

> *"The City of Montrose (Grantee) will work with Haven House to hire a qualified contractor to construct an approximately 9,200 square foot, two-story building connected to the existing 13,200 square foot building on the Haven House facility, located at 4806 North River Road, in Olathe, Colorado. Work includes construction of an Early Child Education Center, office space, and four (4) new transitional housing units on the first floor and eight (8) low-income apartments on the second floor. Haven House will own and maintain the constructed two-story building and all improvements and in accordance with §9 below, a contractor will be hired to complete the Work."*

Following an RFP process based on the initial design, it was determined that the projected construction costs substantially exceeded the available project budget. After further evaluation and consultation, Haven House explored alternative, cost-effective construction methods. Modular construction emerged as the most viable option both financially and in terms of project delivery.

Additionally, due to inflationary cost pressures, it was necessary to refine the project scope. The revised project will consist of a 4,320 single-story modular building addition that will serve as the expansion of the Kid's Haven Early Learning Center. This addition will increase childcare capacity by approximately 35% and will provide dedicated infant and toddler rooms, as well as a staff conference room. The program will continue to serve current and former participants of the

Transitional Housing Program, as well as other low-income families in the community who qualify for CCCAP or other supportive childcare programs, or who pay on a sliding-scale basis.

Based on these adjustments, it is necessary to update the originally proposed scope of work. The proposed project description is provided below:

> *"The City of Montrose (Grantee) will partner with Haven House to hire a qualified contractor to construct an approximately 4,320-square-foot modular addition to the existing 13,200-square-foot building located at 4806 North River Road in Olathe, Colorado. The scope of work includes construction of a new Early Childhood Education Center. Haven House will own and maintain the completed building addition and all associated improvements, in accordance with CDBG Construction/Renovation standards, and a contractor will be hired to complete the work."*

Thank you for considering this request and please let us know if any additional information is needed.

Sincerely,

____

Dave Frank, Mayor
City of Montrose

CITY OF MONTROSE
Planning Services

MEMO

TO: City Council
FROM: William Reis, Senior Planner
DATE: November 18, 2025
RE: 1720 Niagara Rd Rezone
ATTACHMENTS:

- Exhibit A: Maps
- Exhibit B: Excerpts from City of Montrose Municipal Code

City Council Consideration:
City Council is considering the approval of the 1720 Niagara Rd Rezone. City Council shall consider all of the information in this memo in making a decision.

Applicant: James Moore

Application Background:
The proposal is to rezone approximately 1.63 acres from “R-4” Manufactured Housing Residential District to “B-2” Highway Commercial District. The site is located at 1720 Niagara Road, also known as Lot 1 of the Parsons Subdivision.

The Planning Commission unanimously voted to recommend approval of this rezone request at the October 22, 2025 Planning Commission meeting.

Proposed Zoning: “B-2” Highway Commercial District

Staff Analysis:

1. Municipal Code, Section 11-7-12(A), Rezoning.
   "Amendments to the Official Zoning Map involving any change in the boundaries of an existing zoning district, or changing the designation of a district, shall be allowed only upon findings as follows:
   a) The amendment is not adverse to the public health, safety and welfare; and
   b) The amendment is in substantial conformity with the master plan; or:
      i. The existing zoning is erroneous; or
      ii. Conditions in the area affected or adjacent areas have changed materially since the area was last zoned."
2. City Council should consider the merits of the proposed rezone only and make a recommendation to City Council based on whether it should be rezoned to "B-2" Highway Commercial District. The current zoning is "R-4" High Density District.
   - Zoning Regulations. The "B-2" Highway Commercial District is intended to provide for businesses oriented toward serving the motoring public, encouraging the convenient exchange of goods and services along the major thoroughfares of the City.
3. This property is adjacent to properties that are zoned "B-2" Highway Commercial District and "R-4" High Density District.
4. General Conformance with the Comprehensive Plan:
   - The Comprehensive Plan Future Land Use Map (Chapter 5) designates this area as Residential Mixed Density High. This high-density residential land use is primarily intended for attached buildings on individual lots (such as townhomes), as well as multi-family structures such as apartments and condominiums. Accessory dwelling units (apartments over garage) are encouraged. This use is especially appropriate in the Downtown, in areas immediately surrounding the City's core, and areas adjacent to major and minor business centers.
   - This property was originally annexed and zoned as part of the Moore Addition in 1978. Adjacent properties were annexed in 1968 and 1980.
5. The "B-2" zoning designation does not appear to be adverse to the public health, safety and welfare, and is consistent with Municipal Code requirements, zoning in the surrounding area, and conditions in the adjacent area has changed since the area was last zoned.

Staff Recommendation:

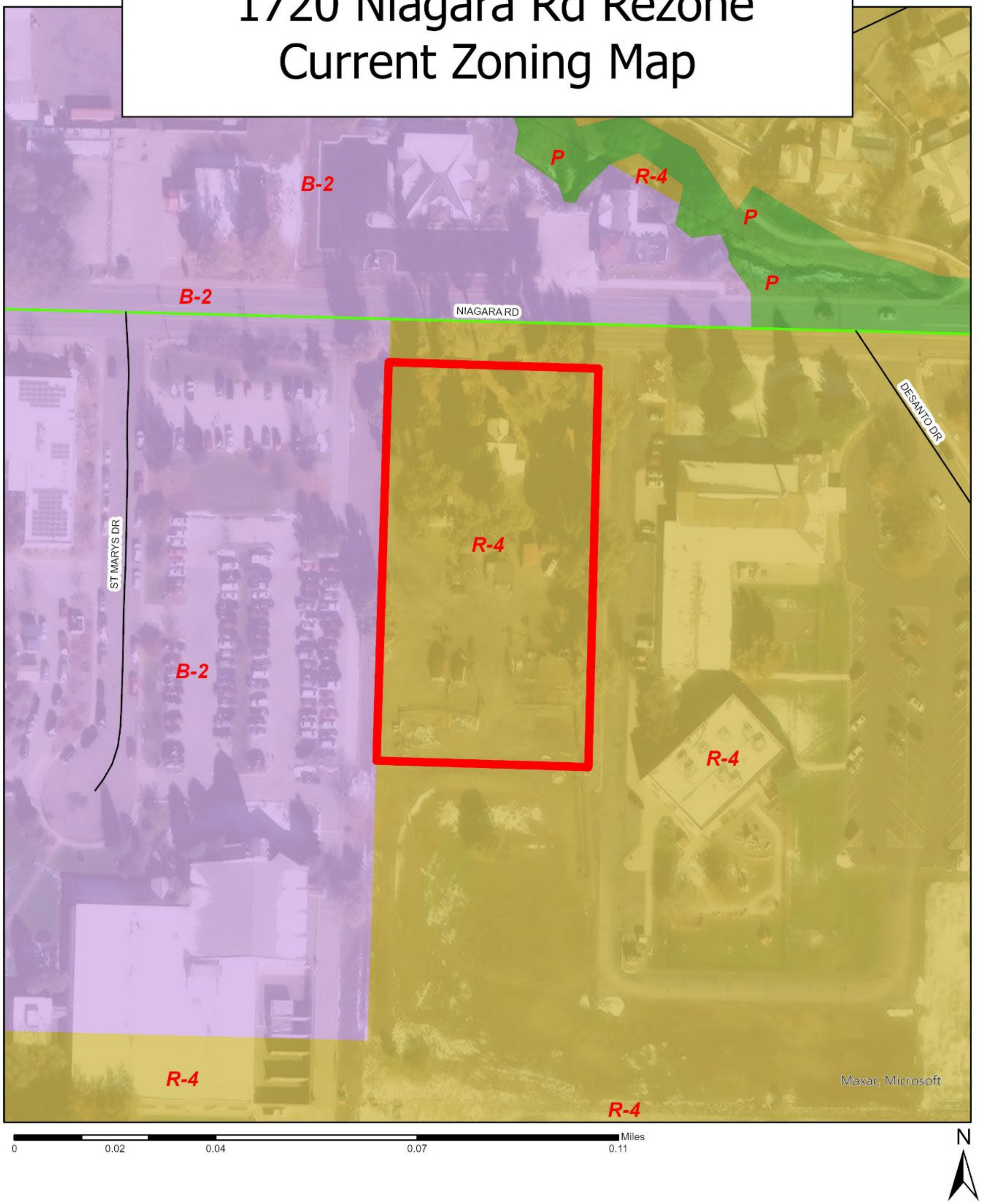
Staff finds that the rezone criteria has been met; it is compatible with existing uses in the surrounding area; conditions in the surrounding have changed materially since the area was last zoned; and therefore, recommends approval of the "B-2" Highway Commercial District.

City Council Options:

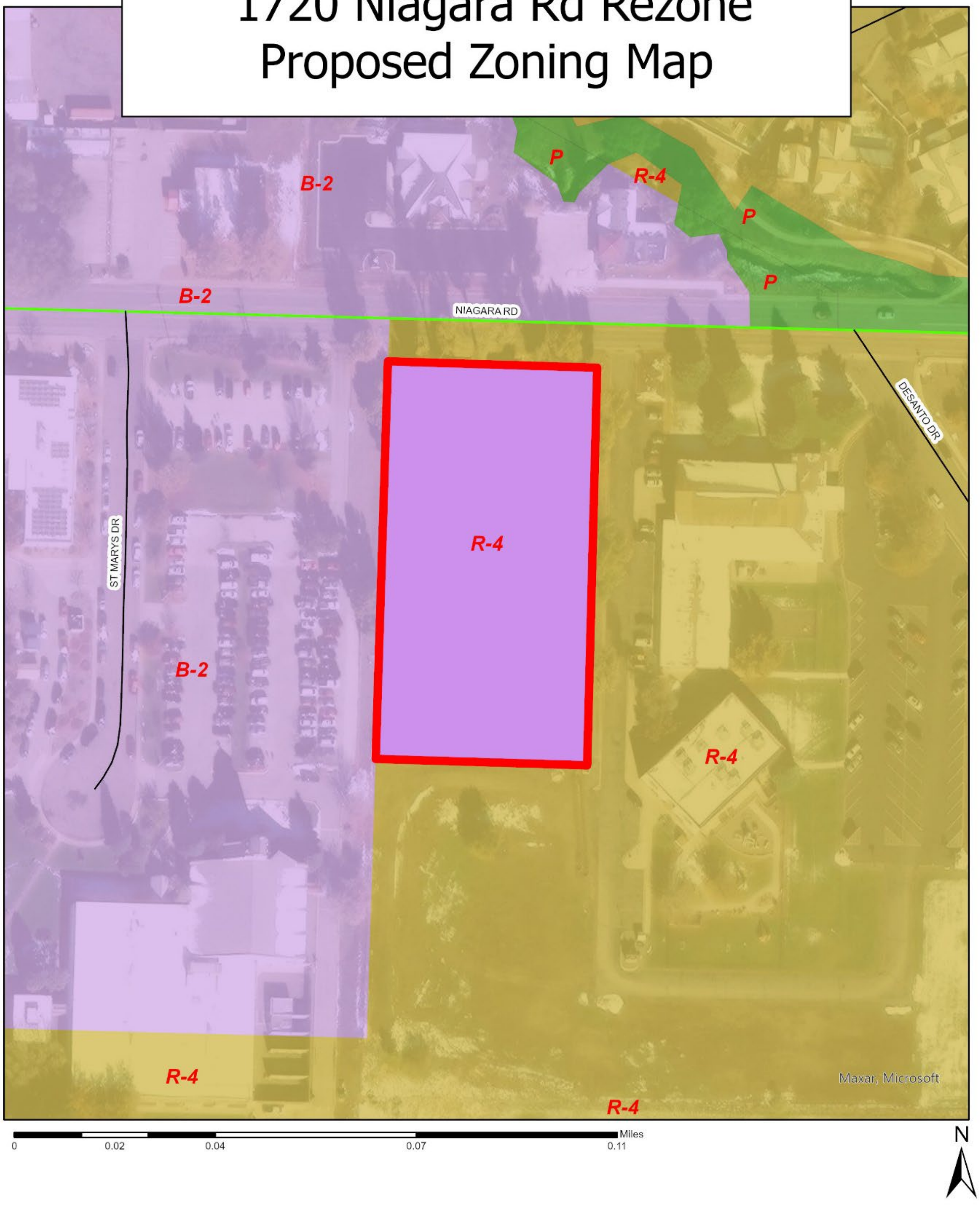
1. Accept the Planning Commission recommendation and approve the rezone.
2. Deny the request for a rezone and schedule a de novo hearing. The hearing date should be established in consultation with the City Attorney.

EXHIBIT A: Maps

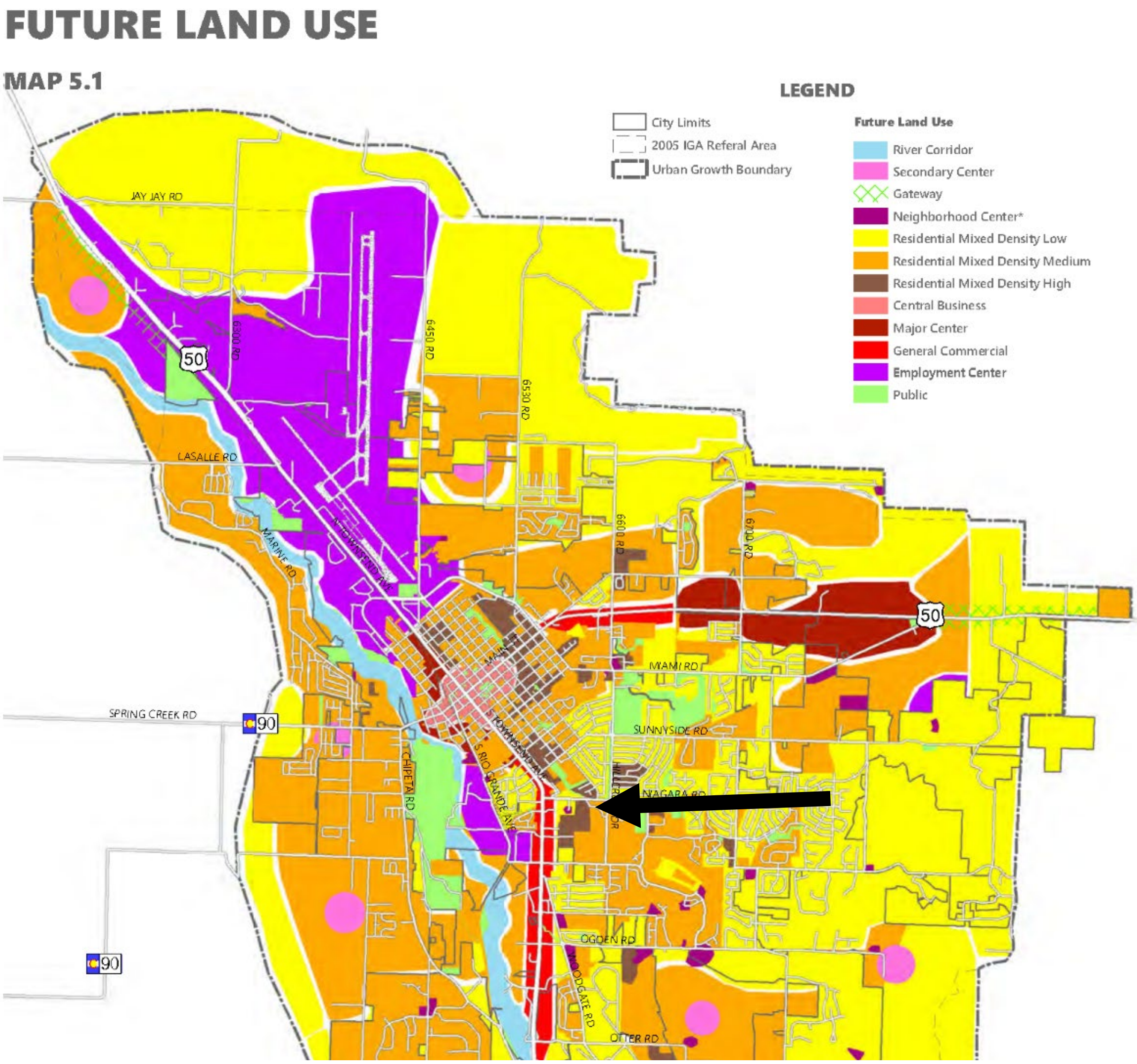
1720 Niagara Rd Rezone
Current Zoning Map



1720 Niagara Rd Rezone
Proposed Zoning Map



Comprehensive Plan Future Land Use Map



CHAPTER 11-7. ZONING REGULATIONS[1]

Sec. 11-7-1. General provisions.

(A) This Chapter, as amended from time to time, and the Official Zoning Map of the City, as amended from time to time, may be cited as the City's Zoning Regulations or Zoning Ordinance.

(B) The purpose of these Zoning Regulations is to promote the public health, safety and welfare of the present and future inhabitants of Montrose, as described at Section 11-1-4 of this Title.

(C) The City hereby declares that the regulation and development of land, including regulation by these Zoning Regulations, is exclusively a matter of local and municipal concern, and any provisions of any Statute or regulation of the state in conflict with the provisions of these Zoning Regulations, or any limitation imposed by any Statute or regulation of the state otherwise applicable are hereby superseded; provided, however, the City shall retain all powers authorized by state law with respect to land development regulations and zoning even though not specified within this Chapter, and such powers may be exercised in any lawful manner free from any limitations imposed by State Statute or regulation.

(D) No business or use involving the sale or distribution of products or services, or the pursuit of activities, whether for profit or not for profit, which is in contravention of any federal, state or local law or regulation, shall be considered a use by right, a conditional use, or a lawful nonconforming use under this Chapter, in any zoning district within the City limits.

(Ord. No. 2677, § 1(exh. A), 12-17-2024)

Sec. 11-7-2. Official zoning map.

(A) The March, 2016 Revised Zoning Map of the City, as such may be amended from time to time, may be known or cited as the Official Zoning Map of the City.

(B) Amendments to the Official Zoning Map may be made by an ordinance enacting a revised map or by an ordinance amending portions of the Official Zoning Map by specifying the legal description of the property to be rezoned. The City Manager may cause technical corrections to the Official Zoning Map to be made without any requirement that they first be approved by ordinance, provided such corrections simply implement the terms of previously-approved rezoning ordinances and are consistent with the zone district boundary rules of interpretation in Section 11-7-3.

(Ord. No. 2677, § 1(exh. A), 12-17-2024)

[1]Ord. No. 2677, § 1(exh. A), adopted Dec. 17, 2024, repealed the former Ch. 11-7, §§ 11-7-1—11-7-13, and enacted a new Ch. 11-7 as set out herein. The former Ch. 11-7 pertained to similar subject matter and derived from Ord. No. 2626, § 3(exh. A), adopted May 16, 2023; Ord. No. 2646, §§ 1, 2, adopted Nov. 14, 2023; and Ord. No. 2672, §§ 1, 2, adopted Sept. 17, 2024.

Sec. 11-7-3. Zone district boundaries.

The regulations for the various residential, mixed use, commercial and industrial districts provided for in this Chapter shall apply within the boundaries of each such district as indicated on the Official Zoning Map. In establishing the boundaries of the zoning districts shown on the Official Zoning Map, the following rules shall apply:

(1) *General Rules of Interpretation.* For unsubdivided property or where a zoning boundary divides a property, or if the zoning boundaries cannot otherwise be determined, the boundaries on the Official Zoning Map shall be based upon the individual zoning or rezoning map approved for the property.

(2) *Lot or Block Lines.* Where no rights-of-way exist and the zoning boundaries are indicated as approximately following lot, tract, block or subdivision boundary lines, such limits shall be considered as the zoning district boundaries.

(3) *Rights-of-Way.* Unless otherwise indicated, the zoning district boundaries are the centerlines of streets, alleys, waterways, and railroad rights-of-way. The area within any of the rights-of-way is not granted any of the use rights associated with the overlying or adjacent zoning district(s).

(4) *Vacated Rights-of-Way.* Whenever a public street, alley or other right-of-way has been vacated, the zoning district adjoining each side of the right-of-way shall be extended to include the portion of the vacated street, alley, or other right-of-way adjacent to such adjoining property.

(5) *City Boundaries.* Boundaries indicated as approximately following the City limits shall be considered as following the City limits.

(6) *Other Boundaries.* Boundaries indicated as approximately parallel to or extensions of centerlines, lot, or tract lines, City limits, or similar geographic lines shall be considered as the boundaries when no or other reliable documentation is available.

(7) *Map Discrepancies.* Should an actual street layout or stream course vary from that shown on the map or any other uncertainty remain as to the location of a zoning district boundary, the City Manager shall interpret the map based on the best information available and according to the intent of this title and any other applicable provisions of the Municipal Code.

(Ord. No. 2677, § 1(exh. A), 12-17-2024)

Sec. 11-7-4. Zoning annexed land.

All annexed land shall be zoned within 90 days of annexation following the procedure for rezoning at Section 11-7-12. Zoning of property proposed for annexation may be processed simultaneously with the petition for annexation, provided no ordinance zoning such property may be finally adopted prior to final adoption of an ordinance or ordinances annexing such property.

(Ord. No. 2677, § 1(exh. A), 12-17-2024)

Sec. 11-7-5. Districts established.

(A) The residential districts described below are established to promote stability in residential neighborhoods; to protect such property from incompatible land uses; to protect property values; and to encourage the appropriate use of such land. Certain other uses are permitted which are compatible with residential dwellings.

(1) The "RL" Rural Living District is intended to provide for farms, ranches, and clustered development with open space, and is designed to dovetail with allowed County residential densities.

(2) The "R-1" Very Low Density District is intended to provide for large lot rural residential development with a maximum density of one dwelling unit per acre.

(3) The "R-1A" Large Estate District and "R-1B" Small Estate District are intended to provide for large single-household detached dwelling residential lots within a semi-rural environment.

(4) The "R-2" Low Density District is intended to provide primarily for development of single-household detached and duplex dwellings, along with certain other compatible land uses.

(5) The "R-3" Medium Density District is intended to provide for an area which is suitable primarily for single-household detached, attached and duplex dwellings, along with certain other compatible land uses.

(6) The "R-3A" Medium High Density District is intended to provide for an area which is suitable primarily for single household attached, triplex, fourplex and other medium density multi-household dwellings, along with certain other compatible land uses.

(7) The "R-4" High Density District is intended to provide primarily for high density multi-household dwellings and to allow variety in higher density single household and duplex dwellings and other forms of innovative housing development types.

(8) The "R-5" Low Density/Manufactured Housing District is intended to provide primarily for low density development of single-household detached and duplex manufactured home dwellings, along with certain other compatible land uses.

(9) The "R-6" Medium Density/Manufactured Housing District is intended to provide primarily for medium-density development for single-household attached,, triplex and fourplex manufactured home dwellings, along with certain other compatible land uses.

(10) The "MHR" Manufactured Housing Residential District is intended to provide a suitable environment for manufactured housing developments or tiny home communities, along with certain other compatible land uses.

(B) The mixed-use district described below is established to promote stability in areas in transition; to protect such property from incompatible land uses; to protect property values; and to encourage the appropriate use of such land.

(1) The "OR" Office-Residential District is intended to provide for a mix of offices and residential dwellings in areas adjacent to commercial zones or in areas in transition from residential to commercial uses.

(C) The commercial districts described below are established to provide a location for convenient exchange of goods and services in a reasonable and orderly manner.

(1) The "P" Public District is intended to provide for uses and services of a public, nonprofit, or charitable nature.

(2) The "B-1" Central Business District is intended to reflect the character of the original Downtown while allowing additional uses that will strengthen and expand the core of the City.

(3) The "B-2" Highway Commercial District is intended to provide for businesses oriented toward serving the motoring public, encouraging the convenient exchange of goods and services along the major thoroughfares of the City.

(4) "B-2A" Regional Commercial District is intended to provide for a full spectrum of goods and service uses along the major thoroughfares of the City.

(5) The "B-3" General Commercial District is intended to provide for a large variety of goods and services including outdoor storage areas and a limited group of commercial/industrial uses.

(6) The "B-4" Neighborhood Shopping District is intended to provide for small scale retail shopping and services convenient to residential neighborhoods.

(D) The industrial districts described below are established to provide for normal manufacturing activities and related uses.

(1) The "I-1" Light Industrial District is intended to provide for a limited group of research and manufacturing uses promoting the creation and maintenance of an employment center which will serve the mutual interests of the community as a whole.

(2) The "I-2" General Industrial District is intended to provide for most industrial and manufacturing uses, subject to performance standards.

(E) Dimensional requirements are set out in Section 11-7-7.

(Ord. No. 2677, § 1(exh. A), 12-17-2024)

Sec. 11-7-6. District uses.

(A) *Permitted Uses.* Those uses designated as permitted uses on the schedule of uses in Subsections 11-7-6(G) and 11-7-6(H) are allowed as a matter of right subject to approval of a site development plan per Section 11-8-1 of this Title.

(B) *Conditional Uses.* Uses listed as conditional uses on the schedule of uses in Subsections 11-7-6(G) and 11-7-6(H) shall be allowed only if the Planning Commission determines, following review pursuant to Chapter 11-4 of this Title, that the following criteria are substantially met with respect to the type of use and its dimensions:

(1) The use will not be contrary to the public health, safety, or welfare.

(2) The use is not materially averse to the Comprehensive Plan.

(3) Streets, pedestrian facilities, and bikeways in the area are adequate to handle traffic generated by the use with safety and convenience.

(4) The use is compatible with existing uses in the area and other allowed uses in the district.

(5) The use will not have an adverse effect upon other property values.

(6) Adequate off-street parking will be provided for the use.

(7) The location of curb cuts and access to the premises will not create traffic hazards.

(8) The use will not generate light, noise, odor, vibration, or other effects which would unreasonably interfere with the reasonable enjoyment of adjacent property.

(9) Landscaping of the grounds and the architecture of any buildings will be reasonably compatible with that existing in the neighborhood.

(C) *Principal Uses.* The primary use of a lot is referred to as a principal use which may be a land use or a structure. Only one principal use per lot is allowed except where a mix of residential and nonresidential uses may be permitted in a specified zone district.

(D) *Accessory Uses.* Except where specifically modified by this Chapter, accessory uses shall comply with all requirements for the principal use, and the following additional limitations:

(1) An accessory use shall be clearly incidental, customary to and commonly associated with the operation of the permitted use.

(2) An accessory use shall be operated and maintained under the same ownership as the permitted use.

(3) An accessory use shall be located on the same lot as a principal use.

(E) *Temporary Use Permits.*

(1) *Permit Required.* The City Manager may issue a temporary use permit authorizing a temporary use of premises in a district for a use which is otherwise not allowed in such a district for a limited period of time in accordance with this Subsection. The temporary use permit may be issued by the City Manager only after it determines that the temporary use will not unreasonably interfere with the use of other property, or result in any permanent adverse effects to other property, or create a safety or health hazard.

(2) *Permit Conditions.* The City Manager may approve a temporary use permit subject to conditions appropriate to ensure compliance with this Subsection. Such conditions may include, but are not limited to, setting requirements for, or imposing restrictions upon, size, massing, location, open space, landscaping, buffering, screening, lighting, noise, signage, traffic and pedestrian circulation and control, parking design and operations, duration, hours of operation, setbacks, building materials and architectural design, sanitation, trash removal, dust control, drainage, erosion control, and provision of utilities and services.

(3) *Permit Renewal.* A temporary use permit will generally not be renewed unless the use is a seasonal use; a temporary improvement associated with an established business; or associated with a construction activity; or as stated otherwise herein. These applications may be renewed for up to one year at any one time using the same procedures as for an initial application.

(4) *Exempt Activities.* The following temporary activities are exempt from these regulations:

(a) Storage or moving containers for a business or residence actively moving or a related activity and not exceeding 14 days in any one year.

(b) Dumpsters for a business or residence actively undergoing construction or a related activity and not exceeding 14 days in any one year.

(c) Temporary uses, structures, and/or vehicles/trailers needed as the result of a natural disaster or other health and/or safety emergency are allowed for the duration of the emergency or as needed to address conditions caused by the emergency.

(5) *Prohibited Uses or Activities.* The following uses and activities are prohibited due to negative visual or other impacts:

(a) Storage in trailers or roll-off containers for longer than 14 days unless associated with an active construction site or a non-residential use, business or residence in the process of moving.

(b) Outdoor storage other than accessory storage for an active construction site. Any other outdoor storage shall conform to the requirements for the zone district in which the property is located.

(c) Outdoor sales of durable goods as a principal use not associated with a farmer's market, special event, business promotional event, or with an approved site plan, unless the operation meets the requirements for a mobile vendor in accordance with the Montrose Regulations Manual.

(6) *Allowed Uses and Activities.* Temporary uses of land are permitted subject to the specific zone districts and time periods listed in Table 7.1. The City Manager may approve other temporary uses and activities if it is determined that such uses meet the intent and criteria of this section.

Table 7.1
Allowed Temporary Uses

Use	Zone Districts	Period
Construction trailer, temporary building, or yard for construction management office and/or storage of materials during active construction within an approved development.	All	Time to be specified by City Manager; must be concurrent with Building Permit; must be terminated within 30 days of issuance of project Certificate of Occupancy for all types of construction.
Temporary office for the sale and/or rental of dwelling units under construction within an approved development.	All	Time to be specified by City Manager; must be terminated within 60 days of completion of the sales period.
Seasonal or off-site retail sales, which include, but are not limited to: sale of seasonal fruits and vegetables; sale of fireworks; and sale of Christmas trees.	Commercial and Industrial zone districts only	Not to exceed 180 days, and provided that any permits required by law are obtained

(F) *Uses Not Listed.*

(1) Uses not listed in a zone district are prohibited except that such uses may be approved by the City Manager provided such uses are found to be similar to a permitted use.

(2) Any person aggrieved by a decision of the City Manager pursuant to this Subsection may appeal that decision to the City Council under the following procedure:

(a) The appeal must be made in writing and filed within 30 days of the decision being appealed.

(b) The City Council shall consider the appeal at a public hearing held within 30 days of receipt of the written appeal, notice of which shall be given to the appellant by US mail at least 15 days prior to the hearing.

(c) The City Council shall approve or deny the appeal.

(d) The decision of the City Council shall be the final decision of the City on the matter, appealable only to the district court.

(G) *Schedule of Residential Zone District Uses.*

Land Use	RL	R-1	R-1A/B	R-2	R-3	R-3A	R-4	R-5	R-6	MHR
Bed and breakfast (See Sec. 11-11-1)					C		C		C	
Farms and ranches	P									
Short-term rentals	P	P	P	P	P	P	P	P	P	P
Assisted living facility					C	C	C		C	C
Childcare facility	C	C	C	C	C	C	C	C	C	C
Family childcare home	P	P	P	P	P	P	P	P	P	P

Government buildings and facilities	P	P	P	P	P	P	P	P	P	P
Religious assembly	P	P	P	P	P	P	P	P	P	P
Schools; Elementary, Middle and High	C	C	C	C	C	C	C	C	C	C
Golf courses	P									
Parks, open space and recreation facilities	P	P	P	P	P	P	P	P	P	P
Accessory Dwelling Unit (See Sec. 11-11-5)	C	C	C	P	P	P	P	P	P	
Dwelling, Duplex				P	P	P	P	P	P	
Dwelling, Fourplex					C	P	P		C	
Dwelling, Multi-household					C	P	P		C	
Dwelling, Single-Household Attached					P	P	P		P	
Dwelling, Single-Household Detached	P	P	P	P	P	P	C	P	P	P
Dwelling, Tiny Home									P	P
Tiny Home Community										P
Dwelling, Triplex					P	P	P		P	
Group homes - handicapped/disabled 8 persons or less (See Sec. 11-11-2)	P	P	P	P	P	P	P	P	P	P
Group homes - handicapped/disabled > 9 persons (See Sec. 11-11-2)	C	C	C	C	C	C	C	C	C	C
Group homes, other (See Sec. 11-11-2)	C	C	C	C	C	C	C	C	C	C
Home occupation (See Sec. 11-11-3)	A	A	A	A	A	A	A	A	A	A
Manufactured home				[1]				P	P	P
Manufactured home park (See Sec. 11-13)										P
Antennas (See Sec. 11-14-6)	C	C	C	C	C	C	C	C	C	C
Public utility service facilities	P	P	P	P	P	P	P	P	P	P
Towers (See Sec. 11-14-5)	C	C	C	C	C	C	C	C	C	C
Accessory uses (See Sec. 11-7-6(D))	A	A	A	A	A	A	A	A	A	A
Temporary use (See Sec. 11-7-6(E))	T	T	T	T	T	T	T	T	T	T

Travel home (See Sec. 11-13-6(2))	T	T	T	T	T	T	T	T	T	T

[1] Manufactured housing is prohibited except for the following subdivision which was under development on July 1, 1998: Rainbow Meadows Subdivision.

(H) *Schedule of Mixed Use, Commercial and Industrial Zone District Uses.*

Land Use	OR	P	B-1	B-2	B-2A	B-3	B-4	I-1	I-2
Vehicle sales, rental, repair or service establishments			C	C	P	P		P	P
Bed and breakfast (See Sec. 11-11-1)	P								
Building materials business			C	P	P	P		P	P
Commercial greenhouse				C	C	P	C	P	P
Electric vehicle charging station, retail		P	P	P	P	P	C		
Farm implement sales or service establishment					P	P		P	P
Food truck court		P	P	P	P	P	P	C	C
Fueling station or other retail use having fuel pumps (See Sec. 11-11-4)			P	P	P	P	C	C	C
Funeral home			C	C	C	C			
Hotels and motels			P	P	P	P			
Laundry facility, self-service				P	P	P	P		
Manufactured home, tiny home and travel home sales or service establishments					P	P		P	P
Medical clinic	P		P	P	P	P	P	P	C
Micro-brewery, micro-distillery, or micro-winery			P	P	P	P	P	P	C
Office, business	P		P	P	P	P	P	P	P
Outpatient drug treatment clinic	P								
Travel home park (See Sec. 11-13)				C	C	C			
Campground				C	C	C			
Rental business					P	P		C	C
Restaurant			P	P	P	P	P	C	C
Drive-in or drive-through			C	P	P	P	C	C	C
Retail sales and personal service establishments	C		P	P	P	P	P	P	C
Retail sales and personal service establishments with limited manufacturing				C	C	C		P	C

Sexually oriented business (See Sec. 11-12-1)									P
Shooting range, indoor						C		C	C
Short-term rentals	P		P	P	P	P	P	P	P
Bar or tavern			P	P	P	P	C	C	C
Theater			C	P	P	P			
Veterinary clinic or hospital, small animal				P	P	P		C	C
Veterinary clinic or hospital, large animal					P	P		C	C
Storage facilities, fuels and chemicals						P		P	P
Aircraft support services								P	P
Construction equipment storage facility						P		P	P
Feed storage and sales establishments						P		P	P
Fulfillment Center				C	C	C		P	P
Manufacturing and non-manufacturing uses (See Sec. 11-11-4)					C	C		P	P
Industrial use, other								C	P
Storage facilities, indoor			C	P	P	P	C	P	P
Storage facilities, outdoor					C	P		P	P
Warehouse and wholesale distribution operation			C	C	C	C		P	P
Airport								P	P
Assisted living facility	C			P	P	P			
Childcare facility	P	P	P	P	P	P	P	P	P
College or other place of adult education			P	P	P	P			
Daytime social service activities			P	P	P	P			
Family child care home	P	C	P	P	P	P	P	P	P
Government buildings and facilities	P	P	P	P	P	P	P	P	P
Hospital	P								
Library		P	P	P	P	P			
Museum or visitor center		P	P	P	P	P			
Parking facility	P	P	P	P	P	P			
Private and fraternal clubs			P	P	P	P	C		
Public transportation facilities			P	P	P	P		C	C

Religious assembly	P	P	P	P	P	P	P	C	C
Schools; Elementary, Middle and High	C	P	C	C	C	C	C		
Live/work unit	P	P	P	P	P	P	P	P	P
Mixed use building	P	P	P	P	P	P	P	P	P
Golf course		C							
Parks, open space and recreation facilities	P	P	P	P	P	P	P	P	P
Private recreation facility, indoor		C	C	P	P	P	C	P	P
Private recreation facility, outdoor		C		P	P	P		P	P
Accessory Dwelling Unit	P	P	P	P	P	P	P	P	P
Dwelling, Duplex	P	P	P	P	P	P	P	P	P
Dwelling, Fourplex	P	P	P	P	P	P	P	P	P
Dwelling, Multi-household	P	P	P	P	P	P	P	P	P
Dwelling, Single Household Attached	P	P	P	P	P	P	P	P	P
Dwelling, Single Household Detached	P	P	P	P	P	P	P	P	P
Dwelling, Tiny Home		P							
Dwelling, Triplex	P	P	P	P	P	P	P	P	P
Group home - handicapped/disabled 8 persons or less (see Sec. 11-11-2)	P		P	P	P	P	P	P	P
Group home - handicapped/disabled > 8 persons (see Sec. 11-11-2)	C		C	C	C	C	C	C	C
Group home (See Sec. 11-11-2)	C		C	C	C	C	C	C	C
Home occupation (See Sec. 11-11-3)	A		A	A	A	A	A	A	A
Supportive housing	C					C		C	
Antennas (See Sec. 11-14-6)	C	C	C	C	C	C	C	C	C
Public utility service facilities	P	P	P	P	P	P	P	P	P
Solar farms								P	P
Towers (See Sec. 11-14-5)	C	C	C	C	C	C	C	C	C
Accessory uses (See Sec. 11-7-6 (D))	A	A	A	A	A	A	A	A	A
Temporary use (See Sec. 11-7-6 (E)	T	T	T	T	T	T	T	T	T
Travel home (See Sec. 11-13-6 (2))	T		T	T	T	T	T	T	T

(Ord. No. 2677, § 1(exh. A), 12-17-2024)

Sec. 11-7-7. District standards.

(A) Tabulated requirements for principal uses by right are as follows (all dimensions in feet or square feet unless otherwise noted):

District	Use[2] [3]	Maximum Density	Minimum Lot Size[4]	Front	Rear	Side	Corner Lot	Maximum Building Height
RL	Dwelling, Single Household Detached	TBD - see footnote #4	[5]	25	20	10	20	35
R-1	Dwelling, Single Household Detached	1 dwelling unit/acre	1 acre	25	20	10	20	35
R-1A	Dwelling, Single Household Detached	2 dwelling units/acre	½ acre	25	20	10	20	35
R-1B	Dwelling, Single Household Detached	3 dwelling units/acre	⅓ acre	25	20	10	20	35
R-2	Dwelling, Single Household Detached	5.8 dwelling units/acre	7,500	25	20	5	20	35
	Duplex	7.75 dwelling units/acre	11,250	25	20	5	20	35
R-3	Single-household detached	7 dwelling units/acre	6,250	15	20	5	15	35
	Duplex	9.3 dwelling units/acre	9,375	15	20	5	15	35
	Single-household attached	9.3 dwelling units/acre	4,700/dwelling unit	15	20; 5 w/ rear-loaded garage	10 to bldg. lot line	15	35
	Triplex or Fourplex	9.3 dwelling units/acre	4,700/dwelling unit	15	20; 10 w/alley	15 to bldg. lot line	20	35
	Multi-household	15 dwelling units/acre	2,900/dwelling unit	15	20	10	15	40
R-3A	Single-household detached	8.7 dwelling units/acre	5,000	15	20	5	15	35

	Duplex	9.3 dwelling units/acre	9375	15	20	5	15	35
	Single-household attached	15 dwelling units/acre	2,900/dwelling unit	15	20; 5 w/ rear-loaded garage	10 to bldg. lot line	15	35
	Triplex or Fourplex	15 dwelling units/acre	2,900/dwelling unit	15	20; 10 w/alley	15 to bldg. lot line	20	35
	Multi-household	15 dwelling units/acre	2,900/dwelling unit	15	20	10	15	40
R-4	Single-household detached	17.4 dwelling units/acre	2,500	15	20; 5 w/ rear-loaded garage	5	10	35
	Duplex	17.4 dwelling units/acre	5,000	15	20	5	15	35
	Single-household attached	18.9 dwelling units/acre	2,300/dwelling unit	15	20; 5 w/ rear-loaded garage	10 to bldg. lot line	15	35
	Triplex or Fourplex	18.9 dwelling units/acre	2,300/dwelling unit	15	20; 10 w/alley	15 to bldg. lot line	20	35
	Multi-household	24 dwelling units/acre	1,815/dwelling unit	15	20	10	15	40
R-5	Single-household detached	3.6 dwelling units/acre	12,000	25	20	5	20	35
	Duplex	7.2 dwelling units/acre	12,000	25	20	5	20	35
	Manufactured Home	3.6 dwelling units/acre	12,000	25	20	10	20	35
R-6	Single-household detached	5.8 dwelling units/acre	7,500	25	20	5	15	35
	Duplex	9.3 dwelling units/acre	9,375	15	20	5	15	35
	Single-household attached	9.3 dwelling units/acre	4,700/dwelling unit	25	20; 5 w/ rear-loaded garage	10 to bldg. lot line	20	35
	Triplex or Fourplex	9.3 dwelling units/acre	4,700/dwelling unit	15	20; 10 w/alley	15 to bldg. lot line	20	35
	Multi-household	15 dwelling units/acre	2,900/dwelling unit	15	20	10	15	40

	Manufactured Home	5.8 dwelling units/acre	7,500	25	20	5	20	35
	Tiny Home	5.8 dwelling units/acre	7,500	15	20	5	15	35
MHR	Manufactured Homes except MH Parks[6]	14.5 dwelling units/acre	3,000	5	10	10	10	35
	Dwelling, Single Household Detached	14 dwelling units/acre	3,125	5	10	10	10	35
	Tiny Home except Tiny Home Communities[7]	14.5 dwelling units/acre	3,000	5	10	10	10	35
OR	All Non-Residential		6,250	15	15	5	15	35
P[8]	All Non-Residential		N/A	15	N/A	N/A	15	N/A
B-1	No Req.		No Req., except for fueling stations	No Req.	No Req.	No Req.	No Req.	No Req.
B-2	All Non-Residential		N/A	15	N/A	N/A	15	N/A
B-2A	All Non-Residential		N/A	25	N/A	N/A	25	35
B-3	All Non-Residential		N/A	25	N/A	N/A	25	35
B-4	All Non-Residential		N/A	25	N/A	N/A	25	35
I-1	All Non-Residential		½ acre	25	N/A	N/A	25	N/A
I-2	All Non-Residential		½ acre	25	N/A	N/A	25	N/A

2 Residential uses in the OR, P, B-2, B-2A, B-3, B-4, I-1 and I-2 zone districts shall comply with the applicable dimensional requirements as set out for the R-3A zone. Residential uses in the B-1 District shall comply with the density standards in the R-3A zone, but are not required to comply with the dimensional standards.

3 Commercial and institutional uses in the RL, R-1, R-1A, R-1B, R-2, R-3, R-3A, R-4, R-5, R-6 and MHR zone districts shall comply with the applicable dimensional requirements as set out for the "OR" zone.

4 Applies per lot; not per primary dwelling unit. Where specified as square footage per dwelling unit for multiple unit dwelling types does not imply a minimum dwelling unit size; there is no minimum dwelling unit size.

5 A minimum lot size shall be determined as a condition of initial zoning of property as "RL." Such lot size shall be designed to limit overall residential units per acre to no more than allowed by Montrose County in comparable areas in the County where sewer is available, and to implement the City Comprehensive Plan as feasible while remaining economically competitive with allowed County densities.

6 Dimensional requirements for manufactured home parks are controlled by Chapter 11-13-5 of this Title.

7 Dimensional requirements for tiny home communities are controlled by Chapter 11-13-12 of this Title.

8 City facilities are exempt from these standards.

(B) *Additional Dimensional Requirements.*

(1) Accessory use structures or buildings in residential districts may be located on those rear and side property lines which do not abut a street, if the structure is at least ten feet to the rear of the building line of the principal structure and does not occupy more than 30 percent of the rear yard area. In all other situations, accessory structure setbacks are the same as principal structure setbacks.

(2) In a block where a setback line has been established by existing structures 50 percent or more of the block, the average setback of the existing buildings may be used as the minimum setback.

(3) Garage doors which face an alley require a five-foot minimum setback.

(4) In zone districts where residential front setbacks are 15 feet or less, the garage setback shall be a minimum of 25 feet.

(5) Accessory structures shall not be located in the front yard of a principal structure, except for minor and commonplace accessory structures such as public utility installations, mail boxes, lamp posts and structures of a like nature.

(6) Lot depth and width is determined through the subdivision process in Section 11-5-13(b)(3) of these regulations.

(7) Other permitted exceptions and encroachments into required setbacks and height limits are specified in Section 11-8-10 of this title.

(Ord. No. 2677, § 1(exh. A), 12-17-2024)

Sec. 11-7-8. Planned Development (PD).

(A) *Intent.* The intent of this Section is to encourage the development of tracts of land in accordance with an overall development plan by providing flexibility with respect to dimensional requirements of residential units.

(B) *General Provisions.*

(1) A planned development must be in substantial conformity with the Comprehensive Plan.

(2) A minimum of 20 percent of the gross area of the planned development must be preserved as useable open space, as defined in Section 11-15-2. The 20 percent useable open space requirement shall not apply to a proposed PD containing six or fewer units and processed under Subsection C(5).

(3) Planned developments in the "RL" zoning district must consider and reasonably minimize adverse impacts on existing agricultural uses or other property in the area.

(4) Residential dwellings may be clustered, including the use of single-household dwelling, duplex and multi-household dwellings.

(5) Affordable housing, as defined in Section 11-15-2, may be included in a planned development.

(6) Approval of a planned development by the City is purely discretionary. If the City and the applicant do not agree on all required conditions and the plan, the City may deny approval, or the City may unilaterally impose conditions. If the developer does not accept all conditions, that development must adhere to standard subdivision and zoning requirements.

(C) *Permitted Uses in a PD.*

(1) Any use permitted in the underlying zone district, limited as to its status as a use by right, a conditional use, or a temporary use, unless otherwise limited or permitted on the PD plan.

(D) *Administrative PD Procedure.* This procedure is applicable for planned developments containing six or fewer units:

(1) All lots or tracts are adjacent to a dedicated and accepted public street;

(2) The lots are part of a subdivision or PD plat that has been previously approved and/or accepted by the City and recorded in the Montrose County Records;

(3) All improvements required by applicable City ordinances and regulations, including those related to PD Plans, are already in existence and available to serve each lot, or secured;

(4) No part of the Administrative PD has been approved as part of an Administrative PD within three years prior to the date of submission of the Administrative PD plat;

(5) No material changes to prior restrictions or easements are proposed; and

(6) Provisions of Section 11-5-3(B) through and including (E) of this Title shall apply.

(7) Approval of an Administrative PD by the City is purely discretionary. If the City and the applicant do not agree on all required conditions and the plan, the City may deny approval, or the City may unilaterally impose conditions. If the applicant does not accept all conditions, that development must adhere to standard subdivision or PD requirements, and proceed through the applicable approval process.

(8) Prior to any review of the Administrative PD, the applicant shall provide written consent of all property owners within the proposed Administrative PD plan area. To the extent only a portion of a prior-approved Administrative PD plan area is proposed to be amended by the Administrative PD Plan application, then only the consent of the property owners within such portion shall be required.

(9) Amendments to Administrative PDs may be submitted for review and approval in the same manner as the initial Administrative PD.

(E) *Dimensional Requirements, Densities.*

(1) Dimensional requirements, except those relating to overall residential density, which would otherwise be required by the City Zoning Regulations, or other City regulations for the district affected, may be deviated from in accordance with the plan as approved, if the Review Board determines that such deviations are in compliance with the Comprehensive Plan and will promote the public health, safety and welfare.

(2) The Review Board may impose conditions as necessary or appropriate. The total number of residential units shall not exceed the area of the site divided by the minimum lot sizes specified for the zoning districts included.

(F) *Review of Sketch, Preliminary and Final PD Plan.*

(1) The sketch plan, preliminary plan and final PD plans shall be reviewed pursuant to the procedures and requirements for subdivisions as set out in Chapter 11-5 of this Title. The Planning Commission shall take no formal action at the conclusion of its public hearing on the sketch plan; however, comments by the public and the Commission shall be reflected in the minutes of the hearing as a part of the record on the application as it moves through the entire review process. For the approval of any preliminary PD Plan or a substantial amendment to a PD plan, a hearing shall be held before City Council.

(2) Prior to any review of the Sketch, Preliminary and Final PD Plan, the applicant shall provide written consent of all property owners within the proposed PD plan area. For the purposes of this Section, "PD plan area" is the entirety of the territory proposed to be included in a PD plan; provided, however, that for applications for PD plan amendments, only the portion of the PD plan area being amended or affected shall constitute the PD plan area for such application for purposes of consent; nevertheless, all owners of property within the PD must be given notice of the public hearing at which the amendment is to be considered.

(3) Conditions may be imposed as appropriate to assure that the PD plan is consistent with the Comprehensive Plan and promotes the public health, safety and welfare.

(4) The plan shall show the location, size, number of dwelling units, and other uses, and shall further set out the location of all parks, open space, parking areas, streets, sidewalks, trails, bike paths and other improvements and structures. All information necessary to show compliance with the requirements of this Section shall be submitted. Where appropriate, in lieu of exact locations, numbers and sizes, parameters or limits may be set out.

(5) The PD Plan as approved shall be recorded.

(6) The final PD plan may be treated as a vested right pursuant to the procedure in 11-4-9.

(G) *Required Improvements.*

(1) All PDs shall provide the same improvements as required for subdivisions in Chapter 11-5 of this Title, and security therefore shall be provided as set out in Section 11-5-12 of this Title.

(2) All improvements shall be constructed in accordance with standard City design and construction specifications and standards, in substantial conformity with the PD plan, and in accordance with subdivision design standards as set out in Chapter 11-5 of this Title, except as modified by the PD plan.

(3) An entity shall be established or provided for ownership and maintenance of all facilities and open spaces, which are approved for common ownership or not dedicated to the City.

(4) Flexibility in the scope and design of required improvements and design standards may be allowed to provide for innovative urban design which promotes the public health, safety and welfare. A public street shall be dedicated to the City and developed at the developer's cost to provide direct access to each building with residential units or to the parking lot serving the building.

(H) *Enforcement and Amendments.*

(1) The PD plan may be enforced in accordance with or in the same manner as the provisions of the Planned United Development Act of 1972, as amended, C.R.S. 1973, § 24-67-101 et seq., as amended or in any lawful manner. In addition, no occupancy permit shall be issued for any building unless all site improvements to serve that unit and any commonly-owned facilities have been completed and approved unless security for completion is provided substantially similar to the security required for subdivision improvements by 11-5-12 of this Title, except that cash must be placed in the escrow account prior to issuance of the occupancy permit.

(2) Amended PD plans may be submitted for review and approval in the same manner as the initial PD Plan. An applicant for an Amended PD plan shall submit written consent of the property owners of the portion of the PD plan area to which the application applies, prior to and as a condition of the initiation of review of the application. Written consent from all property owners within the prior-approved PD plan area is not required as part of the Amended PD plan application. Advance notice of any review of an Amended PD plan application by the Planning Commission shall occur pursuant to Chapter 11-4 of this Title, with the added requirement that advance written notice shall be provided to all property owners of record within the prior-approved PD plan area, in addition to all property owners of record adjoining or within 300 feet of the proposed Amended PD plan area.

(Ord. No. 2677, § 1(exh. A), 12-17-2024)

Sec. 11-7-9. "REDO" Redevelopment Overlay Zoning District.

(A) *Intent.*

(1) The "REDO" Overlay Zoning District is intended to alleviate certain hardships associated with redevelopment. The district is designed to encourage residential development and redevelopment of existing properties in the core downtown area, with allowances for increased densities compatible with the character of the area.

(2) This overlay district allows reduced dimensional standards and a larger variety of housing types than the underlying zoning. Any development making use of the reduced dimensional requirements must meet all applicable criteria in this Section.

(B) *Applicability.*

(1) The boundaries of the "REDO" Overlay Zoning District shall be as set forth by ordinance of the City Council, may be shown on the City's Official Zoning Map, and shall be fixed in the manner prescribed by Section 11-7-3.

(2) The "REDO" Overlay Zoning District's provisions shall not be applicable to any property within the boundaries of said district, unless the owner of property therein shall deliver written notice to the City, in the manner set forth at subsection 11-7-9(C) of this Section, of said owner's intent to utilize the "REDO" Overlay Zoning District.

(3) When selected by a property owner in the manner set forth herein, the "REDO" Overlay Zoning District shall supersede the provisions of the underlying zone for all matters addressed by said "REDO" Overlay Zoning District's provisions; the provisions of the underlying zone shall control all matters not addressed by the "REDO" Overlay Zoning District's provisions.

(4) Any requests for use of these "REDO" Overlay Zoning District provisions that involve private use of City property, including rights-of-way, shall be entirely subject to the City's discretion, and shall also be subject to the City's ordinances and regulations pertaining to encroachments and permits for the same

(5) The provisions of the "REDO" Overlay Zoning District shall have no effect whatsoever unless selected in the manner set forth herein.

(C) *Procedure.*

(1) Use of the REDO District is initiated by filing an application in the form maintained by the Community Development Department and payment of the application fee.

(2) The application shall be reviewed as a minor site development plan under the procedure in Section 11-8-1(I). In the event the application also proposes to subdivide real property, a minor subdivision under Section 11-5-3 shall be applied for and processed at the same time.

(D) *Standards.*

(1) All applications shall be subject to the development standards below. To the extent these standards are inapplicable, the standards of the underlying zone apply.

(2) Minimum Lot Size: Lots shall be no less than 2,075 square feet in size.

(3) Minimum setbacks are as follows: Five feet side, rear, and front yard setbacks. See also Section 11-7-7(B)5.

(4) Height: The height of a building shall be as set forth in the underlying zone.

(5) Accessory Dwelling Units in the REDO District:

(a) ADUs within the REDO District shall comply with the requirements and standards set forth in Section 11-11-5 with the exception of the ADU size limitations in 11-11-5(2), and provided that ADUs may be conveyed separately from the primary dwelling unit.

(b) Lots with ADUs shall be no less than 3,125 square feet.

(c) An ADU shall not be subject to the 30 percent rear yard area coverage maximum.

(E) *Design Criteria.*

(1) All lots within the "REDO" Overlay Zoning District shall be required to have not less than ten feet of street frontage. It is contemplated that lots having a "panhandle" shape may be allowed.

(2) If an alley is present, any garage shall be set back a minimum of five feet, when practicable, from the nearest right-of-way line of said alley.

(3) Please refer to Section 3-5-12(A)(1) of the Official Code of the City for the water Tap Fees, system investment (capacity) fees, and unit charges for accessory dwelling units in need of new water service, located on the same lot as the primary dwelling in the "REDO" Overlay Zoning District.

(4) Please refer to Section 3-5-12(G)(4) of the Official Code of the City for the sewer Tap Fees, system investment (capacity) fees, and unit charges for accessory dwelling units in need of new sewer service, located on the same lot as the primary dwelling in the "REDO" Overlay Zoning District.

(F) *Variances.* Variance applications may be considered as to any requirements set forth in Subsections (D) and (E) of this Section. Use of the "REDO" Overlay Zoning District is expressly declared to be elective on the part of the property owner, and is entirely at the property owner's discretion.

(Ord. No. 2677, § 1(exh. A), 12-17-2024)

Sec. 11-7-10. Uncompahgre river buffer overlay zone.

The Uncompahgre River Buffer Zone (URBZ) applies to all land lying within 100 feet of the HWM of the Uncompahgre River, as defined above. The standards of the URBZ and its two sub-areas are not applicable to parcels to which stricter standards may apply via separate agreements (e.g., a pre-annexation agreement).

(1) The purpose of the URBZ is to establish minimal acceptable requirements for the design of buffers to protect the Uncompahgre River, its wetlands, and floodplains within the City limits; to protect the water quality of the Uncompahgre River within said jurisdiction; to protect riparian and aquatic ecosystems within said jurisdiction; and to provide for the environmentally sound use of land resources within said jurisdiction. Nothing in this Section shall be used as consideration in a pre-annexation agreement or in a negotiation for annexation of land into the City.

(2) Measurement of the 100 feet URBZ, the two sub-areas within it, and all other related measurements shall be taken as follows: distance is measured horizontally from the HWM, as defined herein, to the location in question. The HWM location used for any given measurement shall be taken from the side of the river closest to the building or other development in issue.

(a) The following graphic illustrates how to measure the URBZ:

(b) The URBZ provisions shall apply to:

(i) Any new development requiring a building permit, except for additions less than 20 percent of the existing building size that do not include any changes to an existing parking lot;

(ii) Any new development requiring site development approval;

(iii) Subdivision or the division of a tract or parcel of land into two or more parcels;

(iv) The improvement of property for any purpose involving construction;

(v) Combination of any two or more lots, tracts, or parcels of property for any purpose;

(vi) Placement of temporary structures that do not require a building permit or site development plan from the City;

(vii) The preparation of land for any of the above purposes.

(c) Specific submittal requirements are listed in Appendix One. Upon submittal of the complete application, with all supporting documentation as may be required, City staff shall provide a review of the same. Following City staff review, administrative approval may be granted if the development proposal is an allowed use in the URBZ or applicable URBZ sub-zone, or is a use by right in the URBZ or applicable URBZ sub-zone, and meets all applicable standards. Development proposals which are not allowed uses or uses by right in the URBZ or applicable URBZ sub-zone, or do not meet all the applicable standards, shall be forwarded to the City Planning Commission for review and approval, under procedures set forth below, accompanied by any comments and recommendations from City staff.

(d) All proposals shall identify on a site plan the designated Disturbance Envelope for that portion of the project that is proposed to encroach into the URBZ.

(e) The applicant shall mark and identify the Disturbance Envelope on the ground in the field and shall maintain construction barrier fencing around the entire perimeter of the Disturbance Envelope throughout the period of construction, until final landscaping is completed. The applicant shall ensure that all surface disturbances are contained within the designated and marked Disturbance Envelope.

(f) The URBZ consists of two sub-areas, as follows:

(i) *Streamside Zone.* This area is intended to preserve the natural riparian environment. In order to accomplish this goal, there is hereby established a 40-foot buffer area, measured as described above from the HWM. Development in the Streamside Zone is subject to all other applicable permits. Setbacks created herein for the Streamside Zone are in addition to any setbacks which may be applied through the underlying zoning of a parcel.

(1) The following are subject to a 40-foot setback from the HWM (i.e., the following shall not be placed or performed within the 40-foot Streamside Zone):

(a) Planting of non-native grass turf;

(b) Removal of native vegetation;

(c) Erection of fences;

(d) Construction of hard-surfaced trails that parallel the river;

(e) Construction of buildings, other than irrigation pump houses;

(f) Construction of parking lots (paved or gravel);

(g) Construction or installation of lighting fixtures;

(h) Construction or installation of engineered/structural water runoff treatment facilities (such as concrete vaults);

(i) Concrete rip-rap;

(j) Construction or installation of any other facility not listed in the allowed uses below, and not reasonably compatible with the riparian environment.

(2) The following actions, or construction of the following facilities or structures, are permitted within the 40-foot Streamside Zone:

(a) Government buildings and facilities;

(b) Hard-surfaced trails roughly perpendicular to the river;

(c) Soft-surfaced trails (crushed gravel, etc.) whether parallel or perpendicular to the river;

(d) Irrigation facilities (including pump houses);

(e) Boat put-ins (boat ramps should be soft-surfaced);

(f) Planting of native vegetation;

(g) Bank stabilization, and river or wildlife habitat restoration;

(h) Other uses may be permitted that are directly related to the river, and that do not conflict with the intent of this Section.

(3) Exceptions to the above regulations for the Streamside Zone shall be granted or denied through the variance procedures set forth in Section 11-7-13.

(ii) *Outer Zone.* This area is intended to serve as a buffer between the Streamside Zone, and areas outside the URBZ. Most uses allowed within the underlying zoning district are permitted within the Outer Zone, though certain uses have specific performance standards.

(1) Uses by right in the Outer Zone:

(a) Water runoff treatment structures using swales, native vegetation, and similar measures;

(b) Government buildings and facilities;

(c) Fences which allow the passage of wildlife; said fences shall be designed as follows:

(i) No more than 40 inches in height;

(ii) A smooth bottom wire at least 16 inches above ground;

(iii) At least 12 inches between the top two wires;

(iv) No sharp edges, barbs, or similar devices are permitted;

(v) Sheep or woven-wire and wrought-iron style fences with spiked tips are not permitted.

(d) Landscaping employing native vegetation types and compatible with the riparian environment;

(e) Single household detached dwellings;

(f) Recreation trails (all types);

(g) Buildings and facilities complying with the underlying zoning district and complying with all of the following performance standards:

(i) Structures with windows occupying a minimum of 50 percent of the linear river frontage of the building; and

(ii) At least one public entrance directly facing the river; and

(iii) Outdoor common areas, seating and/or dining areas; and

(iv) High quality building finishes such as brick or stone, or earth tone colors having matte finishes; and

(v) Well concealed trash dumpsters; and

(vi) Total building facade length shall be less than 50 feet in length parallel to the river; and

(vii) Buildings and facilities complying with these performance standards are exempt from the river buffer screening requirements set forth below;

(viii) Single household detached dwellings are exempt from these performance standards, except for Subsection (2)(f)(ii)(1)(c) of this Section, as well as the Outer Zone performance standards set forth below.

(2) The following uses shall not be considered a use by right in the Outer Zone, and are subject to review as Conditional Uses under Section 11-7-6(B) and Chapter 11-4 of this Title:

(a) Loading docks;

(b) Landscaping with non-native vegetation;

(c) Engineered or structural water runoff treatment facilities (such as concrete vaults);

(d) Other industrial uses;

(e) Water treatment facilities employing structural vaults or similar technology are not permitted within the Outer Zone;

(f) Parking lots, whether paved or gravel;

(g) All other uses not listed in this Subsection.

(3) *Outer Zone Performance Standards.* If the use or structure does not meet the performance standards in Subsection (2)(f)(ii)(1)(g) of this Section, the following shall be required:

(a) A minimum 30-foot-wide vegetated buffer with extensive vertical plantings of native vegetation. Said vegetated buffer shall not overlap the 40-foot Streamside Zone.

(b) Tree height at maturity shall be as high or higher than the buildings being screened, and vegetation at maturity shall obscure any buildings or other facilities to the maximum extent possible.

(c) Said vegetated buffer shall be contiguous to the Streamside Zone, and located between the Streamside Zone, and any parking lot or building.

(4) *General Standards Applicable within the Outer Zone.*

(a) Removal of native vegetation is discouraged. Where removal of native vegetation is unavoidable, the removed area shall be mitigated by planting replacement native vegetation, at a minimum 1:1 ratio (measured in square feet, with a result that an equal amount of vegetation is planted, as was removed) within the URBZ.

(b) All setbacks oriented toward the river, applicable to or within the Outer Zone, shall be measured from the boundary line between the Streamside Zone, and the Outer Zone.

(c) For those zoning districts underlying the URBZ with no side or rear setbacks, the minimum side or rear setbacks shall be ten feet.

(d) New buildings, expansions to existing buildings, or parking lots, or driveways shall have a minimum setback of 20 feet from an existing or proposed trail or path.

(5) Exceptions to the standards and requirements regarding the Outer Zone shall be approved or denied through the procedures applicable to Conditional Uses, as set forth in Section 11-7-6(B) and Chapter 11-4 of this Title.

(6) The following uses and structures are prohibited within the URBZ and its two sub-areas:

(a) Confined animal feedlots;

(b) Storage of hazardous materials or chemical fuels;

(c) Aboveground or underground petroleum storage facilities;

(d) Septic systems;

(e) Solid waste landfills;

(f) Junkyards, and salvage yards;

(g) Land application of biosolids;

(h) Subsurface discharges from wastewater treatment plants.

(7) All development within the URBZ shall obtain all applicable local, state and federal permits prior to undertaking any construction or land-disturbing activity.

(8) The provisions of the URBZ shall supersede the provisions of the underlying zone, and any other applicable overlay zone, when the provisions of the URBZ are more restrictive.

(Ord. No. 2677, § 1(exh. A), 12-17-2024)

Sec. 11-7-11. Nonconforming uses, lots and structures

(A) Any use, building or structure which at the effective date of the ordinance from which this Title is derived or at the time of annexation, if annexed subsequent to the effective date of the ordinance from which this Title is derived, was lawfully existing and maintained in accordance with the previously applicable County or City regulations and ordinances but which does not conform or comply with all of the regulations provided in this Chapter, may continue to be maintained and used as a lawful nonconforming use only in compliance with the provisions and limitations imposed by this Section. Uses, structures, or buildings which were unlawful or illegal and not in compliance with previously applicable regulations shall remain unlawful, illegal, and subject to abatement or other enforcement action.

(B) If a use, building or structure is lawfully nonconforming in that it is not a use by right, or a conditional use which has been approved pursuant to the review provisions of Sections 11-7-6(B) and 11-4-2 of this Title, the following shall apply:

(1) If the building or structure involved in the use is destroyed or damaged so that repair or reconstruction will cost more than 50 percent of the fair market value of the building or structure after repair, it shall no longer be lawful to use the building or premises except in compliance with the use regulations for the district within which it is located.

(2) If the nonconforming use is abandoned or discontinued for a period of six months, then the premises may only be used in compliance with the use regulations for the district within which it is located.

(3) The use may be continued only substantially as it effective date of the ordinance from which this Chapter is derived or of annexation, and no material change in the type of use shall be allowed, unless the Planning Commission determines, following the review procedure provided in Section 11-4-2 of this Title, that the criteria set out in Section 11-7-6(B) will be met, and that the new use is a more restrictive use than the existing nonconforming use. Any change in use allowed pursuant to this provision shall not affect the future status of the use as a nonconforming use for all purposes of this Section.

(4) The extent or area of the premises utilized for or by the nonconforming use, building or structure, may not be materially extended or enlarged, or substantially structurally altered, unless the Planning Commission determines, following the review procedure of Section 11-4-2 of this Title, that the criteria set out in Section 11-7-6(B) will be met.

(C) If the use, building or structure is in compliance with the use regulations for the district within which it is located and is nonconforming only with respect to dimensional requirements, off-street parking requirements, or the regulations governing fences, hedges, walls, or canopies, the following provisions shall apply:

(1) If the nonconformity of the building, use, or structure is abandoned, removed, or corrected for any length of time, such nonconformity may not be re-established.

(2) If the building or structure is damaged so that the cost of replacing or restoring it is greater than 50 percent of its fair market value after replacement, the building or structure may be repaired or replaced only in compliance with these Zoning Regulations.

(3) If the building or structure is damaged in such a way as to remove the nonconformity, the nonconforming feature may not be re-established by any repair or reconstruction, unless it is unfeasible to repair the building without re-establishing the nonconforming feature.

(4) No alteration may be made to the use, building, or structure which would increase the amount or degrees of the nonconforming feature. Changes in the use, building, or structure may be made which will decrease the degrees or amount of deviation from the requirements of this Chapter.

(D) *Nonconforming Lots of Record.*

(1) In any district in which single-household detached dwellings are permitted, a single-household detached dwelling and customary accessory buildings may be erected on any single lot of record, provided that the lot is in separate ownership and not of continuous frontage with other lots under the same ownership. This provision shall apply even though the lot fails to meet the dimensional requirements of the district in which it is located for area, width or both; provided, however, that the requirements of the district for minimum yard dimensions and lot coverage shall be met.

(2) If two or more lots or combinations of lots and portion of lots with continuous frontage in single ownership are of record, and part or all of the lots do not meet the requirements of the district in which they are located as to minimum area or frontage or both, the property together shall be

considered to be an undivided parcel and no portion of the parcel shall be sold or used in a manner which diminishes compliance with minimum lot width and area requirements.

(E) This Section shall not apply to signs. Nonconforming signs shall be governed by the provisions of Section 11-10-3 of this Title.

(Ord. No. 2677, § 1(exh. A), 12-17-2024)

Sec. 11-7-12. Rezoning.

(A) *Rezoning.*

(1) Amendments to the Official Zoning Map involving any change in the boundaries of an existing zoning district, or changing the designation of a district, shall be allowed only upon findings as follows:

(a) The amendment is not averse to the public health, safety and welfare; and

(b) The amendment is in substantial conformity with the Comprehensive Plan; or:

(i) The existing zoning is erroneous; or

(ii) Conditions in the area affected or adjacent areas have changed materially since the area was last zoned.

(2) Rezoning may be requested or initiated by the City Manager or the owner of any legal interest in the property or such owner's representative. The rezoning shall be reviewed for compliance with the criteria of this Subsection in accordance with the review procedures of Chapter 11-4 of this Title. The Planning Commission shall either recommend approval or denial of the requested zoning to the City Council, which can either ratify the Planning Commission's decision, or reverse it. The City Council may initiate rezoning on its own motion, in which case the Council shall hold a hearing either in conjunction with second reading of a rezoning ordinance, or separately, in substantial compliance with the review procedures of Chapter 11-4 of this Title.

(3) The City shall not impose conditions on a rezone unless otherwise required by this Title.

(B) *Zoning of Additions.*

(1) The zoning of additions for all property annexed to the City not previously subject to City zoning may be requested or initiated by the City Manager or the owner of any legal interest in the property or such owner's representative. Proceedings concerning the zoning of property to be annexed may commence at any time prior to the effective date of the annexation ordinance, or thereafter as allowed by law. The Planning Commission shall either recommend approval or denial of the requested zoning to the City Council, which can either ratify the Planning Commission's decision, or reverse it. The zoning of additions shall be subject to the review procedures of Chapter 11-4 and standards of Section 11-7-4 of this Title, and shall be allowed only upon findings as follows:

(a) The amendment is not averse to the public health, safety and welfare; and

(b) The amendment is in substantial conformity with the Comprehensive Plan, or such zoning is compatible with conditions in the area, which have changed materially since the Comprehensive Plan was last updated.

(2) The City shall not impose conditions on the zoning of an addition unless otherwise required by this Title.

(C) *Legislative Zoning.* Comprehensive review and re-enactment of all or a significant portion of the Official Zoning Map shall be a legislative action, and shall not be subject to the review procedures of Chapter 11-4 of this Title or any criteria set out in this Section.

(D) *Enactment by Ordinance.* No amendment, addition to or re-enactment of the Official Zoning Map shall become effective until enacted by an ordinance.

(Ord. No. 2677, § 1(exh. A), 12-17-2024)

Sec. 11-7-13. Variances.

(A) The Planning Commission may grant a variance from the requirements set out in this Chapter, if it determines, following the review procedures of Chapter 11-4 of this Title, that the criteria of this Section will be met. Provided, however, no variance shall be granted from provisions restricting uses by right, accessory and conditional uses within any zoning district.

(B) Variances shall be granted only if all the following criteria are met:

(1) The variance will not adversely affect the public health, safety and welfare.

(2) Unusual physical circumstances shall exist, such as unusual lot size or shape, topography, or other physical conditions peculiar to the affected property, and violations of code shown by clear and convincing evidence that they were made in good faith, which make it unfeasible to develop or use the property in conformity with the provisions of this Chapter in question.

(3) The unusual circumstances have not been created as a result of the action or inaction of the applicants, other parties in interest with the applicant, or their or his predecessors in interest.

(4) The variance requested is the minimum variance that will afford relief and allow for reasonable use of the property.

(5) The variance will not result in development incompatible with other property or buildings in the area, and will not affect or impair the value or use or development of other property.

(C) The burden shall be on the applicant to show that these criteria have been met.

(D) Variances shall be granted for sign regulations only if all of the following criteria are met, in lieu of the criteria of Subsection (B) of this Section.

(1) The variance will not adversely affect the public health, safety and welfare.

(2) The variance requested is the minimum variance that will afford relief.

(3) The variance will not result in signage incompatible with other properties in the area and will not affect or impair the value, use of development of such properties.

(4) Strict compliance with the regulation presents practical difficulties or unnecessary hardships, and the variance sought falls within the spirit of the sign regulations (Chapter 10 of this Title) as a whole.

(Ord. No. 2677, § 1(exh. A), 12-17-2024)

ORDINANCE NO. 2696

AN ORDINANCE OF THE CITY OF MONTROSE, COLORADO, AMENDING THE ZONING DISTRICT DESIGNATION OF LOT 1 OF THE PARSONS SUBDIVISION FROM "R-4," HIGH DENSITY DISTRICT TO "B-2," HIGHWAY COMMERCIAL DISTRICT.

WHEREAS, the Planning Commission met on October 22, 2025, to consider a rezoning of a 1.63 acre parcel known as Lot 1 of the Parsons Subdivision in the City of Montrose; and

WHEREAS, the motion carried and Planning Commission has recommended the zoning changes provided herein; and

WHEREAS, the City Council has determined that such zoning will be consistent with the public health, safety and welfare, the City's Master Plan and changed conditions in the area.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MONTROSE, COLORADO, that

SECTION 1:

The Official Zoning Map is amended to designate 1720 Niagara Road, Montrose, Colorado 81401, also known as, Lot 1 of the Parsons Subdivision as a "B-2," Highway Commercial District, according to the Official Zoning Map.

You will please take notice that the Montrose City Council will hold a hearing upon the above Ordinance and on the question of its passage on first reading on Tuesday, the 4th day of November, 2025, at the hour of 6:00 p.m. at Montrose City Council Chambers, Elks' Civic Building in Montrose, Colorado.

INTRODUCED, READ and PASSED on first reading this 4th day of November, 2025.

Dave Frank, Mayor

ATTEST:

Lisa DelPiccolo

Lisa DelPiccolo, City Clerk

CITY OF MONTROSE COLORADO CITY SEAL

INTRODUCED, READ and ADOPTED on second reading this 18th day of November, 2025.

ATTEST:

Dave Frank, Mayor

Lisa DelPiccolo, City Clerk

CITY OF MONTROSE
Planning Services

MEMO

TO: City Council
FROM: William Reis, Senior Planner
DATE: November 18, 2025
RE: 12658 6450 Rd Rezone
ATTACHMENTS:

- Exhibit A: Maps
- Exhibit B: Excerpts from City of Montrose Municipal Code

City Council Consideration:
City Council is considering the approval of the 12658 6450 Rd Rezone. City Council shall consider all of the information in this memo in making a decision.

Applicant: Faith Stoy

Application Background:
The proposal is to rezone approximately 1.1 acres from "MHR" Manufactured Housing Residential District to "R-6" Medium Density/Manufactured Housing District. The site is located at 12658 6450 Road

The Planning Commission unanimously voted to recommend approval of this rezone request at the October 22, 2025 Planning Commission meeting.

Proposed Zoning: "R-6" Medium Density/Manufactured Housing District

Staff Analysis:

1. Municipal Code, Section 11-7-12(A), Rezoning.
   "Amendments to the Official Zoning Map involving any change in the boundaries of an existing zoning district, or changing the designation of a district, shall be allowed only upon findings as follows:
      a) The amendment is not adverse to the public health, safety and welfare; and
      b) The amendment is in substantial conformity with the master plan; or:
         i. The existing zoning is erroneous; or
         ii. Conditions in the area affected or adjacent areas have changed materially since the area was last zoned."
2. City Council should consider the merits of the proposed rezone only and make a recommendation to City Council based on whether it should be rezoned to "R-6" Medium Density/Manufactured Housing District. The current zoning is "MHR" Manufactured Housing Residential District.
   - Zoning Regulations. The "R-6" Medium Density/Manufactured Housing District is intended to provide primarily for medium-density development for single-household attached, triplex and fourplex manufactured home dwellings, along with certain other compatible land uses.
3. This property is adjacent to properties that are zoned "R-6" Medium Density/Manufactured Housing District, "MHR" Manufactured Housing Residential District, and properties outside of City limits.
4. General Conformance with the Comprehensive Plan:
   - The Comprehensive Plan Future Land Use Map (Chapter 5) designates this area as Residential Mixed Density Medium. This district provides for a variety of residential types, mixed within a neighborhood, including single-family homes, townhomes, duplexes and triplexes. The majority of the mixed-density medium residential land uses are designated in areas that are not yet developed.
   - Staff finds that the proposed zoning meets the goals and objectives of the Comprehensive Plan.
5. The "R-6" zoning designation does not appear to be adverse to the public health, safety and welfare, and is consistent with Municipal Code requirements, zoning in the surrounding area, and the Comprehensive Plan.

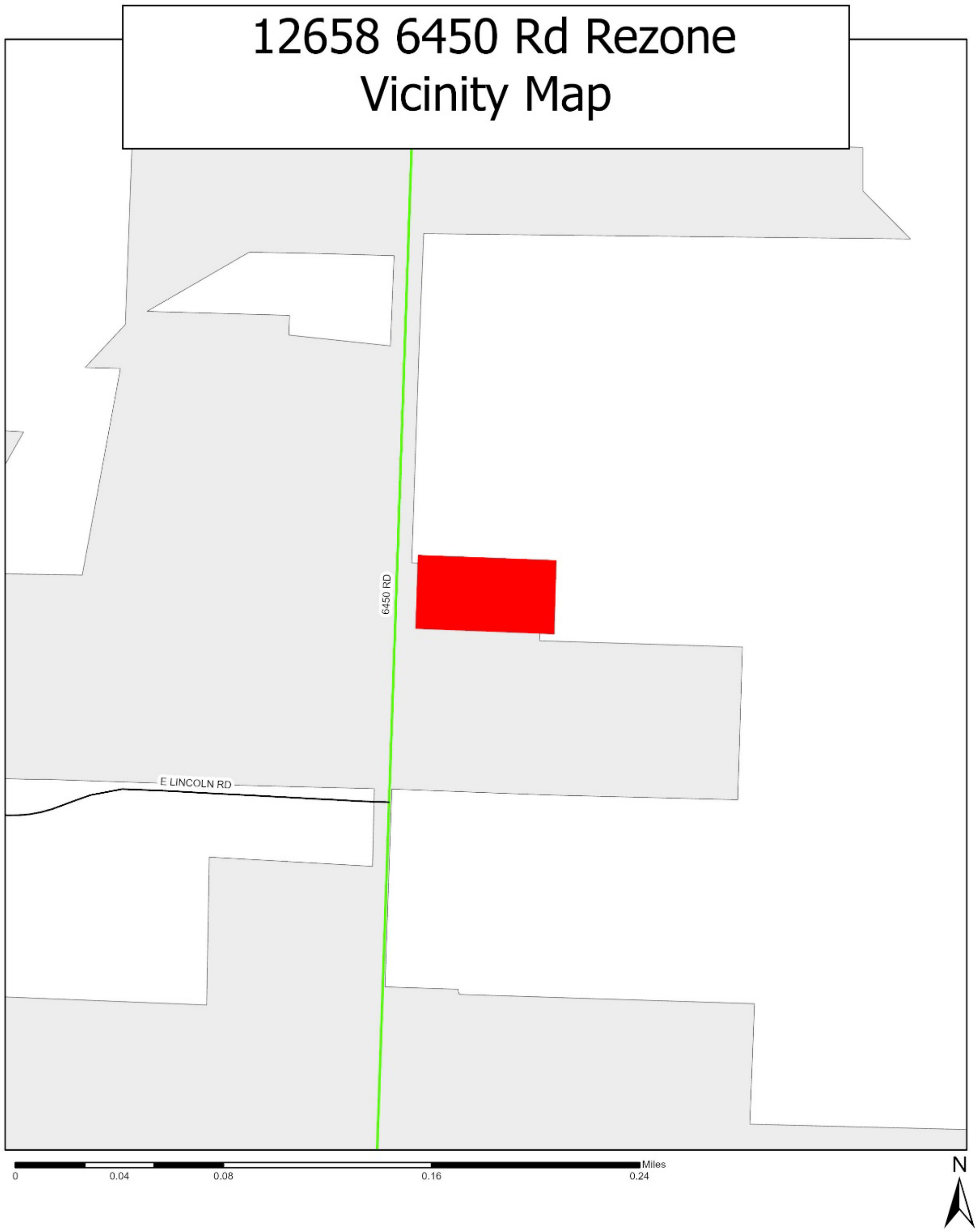
Staff Recommendation:

Staff finds that the rezone criteria has been met; it is in compliance with the Comprehensive Plan; it is compatible with existing uses in the surrounding area; and therefore, recommends approval of the "R-6" Medium Density/Manufactured Housing District.

City Council Options:

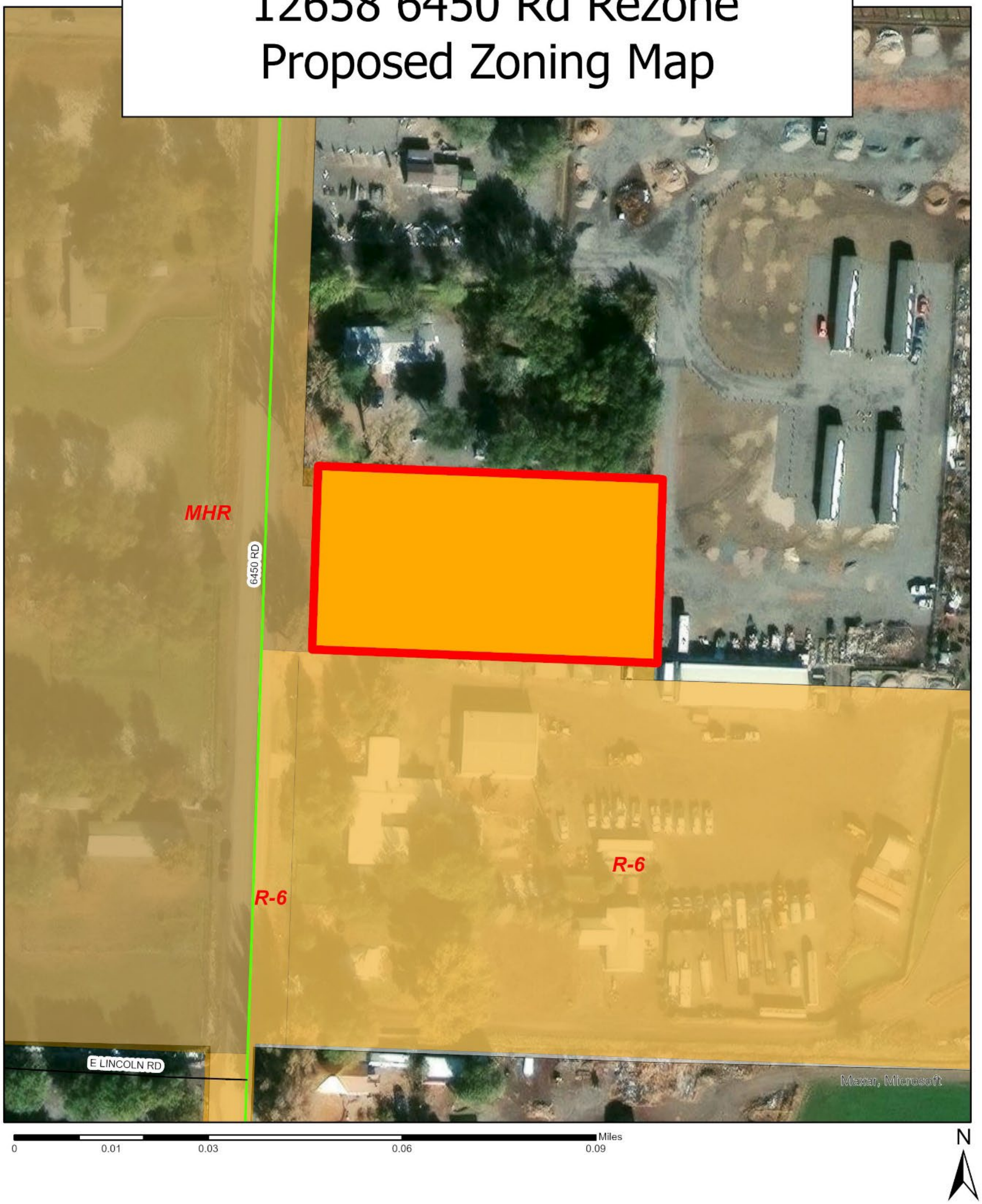
1. Accept the Planning Commission recommendation and approve the rezone.
2. Deny the request for a rezone and schedule a de novo hearing. The hearing date should be established in consultation with the City Attorney.

EXHIBIT A: Maps



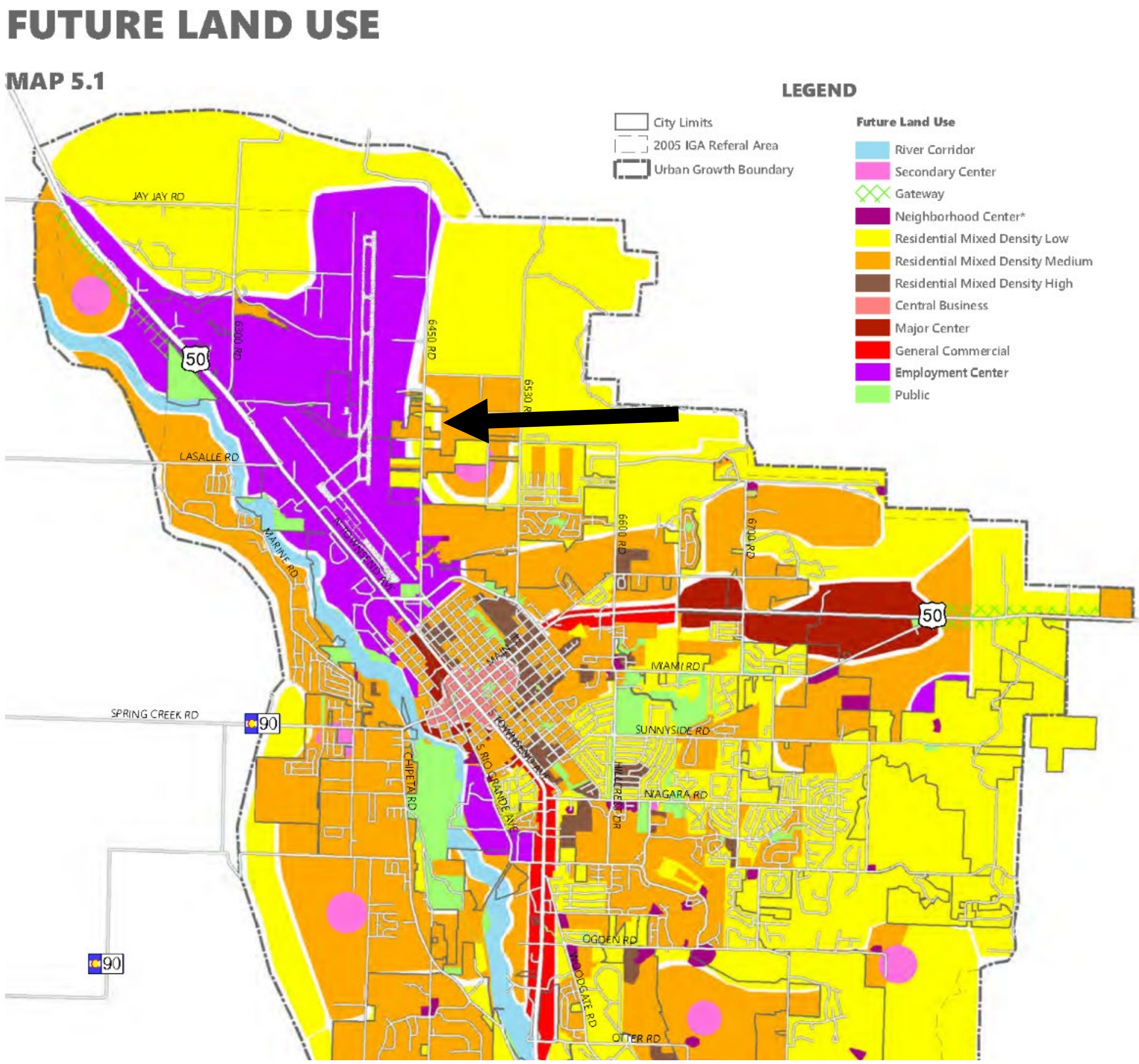
12658 6450 Rd Rezone
Current Zoning Map

12658 6450 Rd Rezone
Proposed Zoning Map



Stay here. Play everywhere.
MONTROSE COLORADO

Comprehensive Plan Future Land Use Map



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CHAPTER 11-7. ZONING REGULATIONS[1]

Sec. 11-7-1. General provisions.

(A) This Chapter, as amended from time to time, and the Official Zoning Map of the City, as amended from time to time, may be cited as the City's Zoning Regulations or Zoning Ordinance.

(B) The purpose of these Zoning Regulations is to promote the public health, safety and welfare of the present and future inhabitants of Montrose, as described at Section 11-1-4 of this Title.

(C) The City hereby declares that the regulation and development of land, including regulation by these Zoning Regulations, is exclusively a matter of local and municipal concern, and any provisions of any Statute or regulation of the state in conflict with the provisions of these Zoning Regulations, or any limitation imposed by any Statute or regulation of the state otherwise applicable are hereby superseded; provided, however, the City shall retain all powers authorized by state law with respect to land development regulations and zoning even though not specified within this Chapter, and such powers may be exercised in any lawful manner free from any limitations imposed by State Statute or regulation.

(D) No business or use involving the sale or distribution of products or services, or the pursuit of activities, whether for profit or not for profit, which is in contravention of any federal, state or local law or regulation, shall be considered a use by right, a conditional use, or a lawful nonconforming use under this Chapter, in any zoning district within the City limits.

(Ord. No. 2677, § 1(exh. A), 12-17-2024)

Sec. 11-7-2. Official zoning map.

(A) The March, 2016 Revised Zoning Map of the City, as such may be amended from time to time, may be known or cited as the Official Zoning Map of the City.

(B) Amendments to the Official Zoning Map may be made by an ordinance enacting a revised map or by an ordinance amending portions of the Official Zoning Map by specifying the legal description of the property to be rezoned. The City Manager may cause technical corrections to the Official Zoning Map to be made without any requirement that they first be approved by ordinance, provided such corrections simply implement the terms of previously-approved rezoning ordinances and are consistent with the zone district boundary rules of interpretation in Section 11-7-3.

(Ord. No. 2677, § 1(exh. A), 12-17-2024)

[1]Ord. No. 2677, § 1(exh. A), adopted Dec. 17, 2024, repealed the former Ch. 11-7, §§ 11-7-1—11-7-13, and enacted a new Ch. 11-7 as set out herein. The former Ch. 11-7 pertained to similar subject matter and derived from Ord. No. 2626, § 3(exh. A), adopted May 16, 2023; Ord. No. 2646, §§ 1, 2, adopted Nov. 14, 2023; and Ord. No. 2672, §§ 1, 2, adopted Sept. 17, 2024.

Sec. 11-7-3. Zone district boundaries.

The regulations for the various residential, mixed use, commercial and industrial districts provided for in this Chapter shall apply within the boundaries of each such district as indicated on the Official Zoning Map. In establishing the boundaries of the zoning districts shown on the Official Zoning Map, the following rules shall apply:

(1) *General Rules of Interpretation.* For unsubdivided property or where a zoning boundary divides a property, or if the zoning boundaries cannot otherwise be determined, the boundaries on the Official Zoning Map shall be based upon the individual zoning or rezoning map approved for the property.

(2) *Lot or Block Lines.* Where no rights-of-way exist and the zoning boundaries are indicated as approximately following lot, tract, block or subdivision boundary lines, such limits shall be considered as the zoning district boundaries.

(3) *Rights-of-Way.* Unless otherwise indicated, the zoning district boundaries are the centerlines of streets, alleys, waterways, and railroad rights-of-way. The area within any of the rights-of-way is not granted any of the use rights associated with the overlying or adjacent zoning district(s).

(4) *Vacated Rights-of-Way.* Whenever a public street, alley or other right-of-way has been vacated, the zoning district adjoining each side of the right-of-way shall be extended to include the portion of the vacated street, alley, or other right-of-way adjacent to such adjoining property.

(5) *City Boundaries.* Boundaries indicated as approximately following the City limits shall be considered as following the City limits.

(6) *Other Boundaries.* Boundaries indicated as approximately parallel to or extensions of centerlines, lot, or tract lines, City limits, or similar geographic lines shall be considered as the boundaries when no or other reliable documentation is available.

(7) *Map Discrepancies.* Should an actual street layout or stream course vary from that shown on the map or any other uncertainty remain as to the location of a zoning district boundary, the City Manager shall interpret the map based on the best information available and according to the intent of this title and any other applicable provisions of the Municipal Code.

(Ord. No. 2677, § 1(exh. A), 12-17-2024)

Sec. 11-7-4. Zoning annexed land.

All annexed land shall be zoned within 90 days of annexation following the procedure for rezoning at Section 11-7-12. Zoning of property proposed for annexation may be processed simultaneously with the petition for annexation, provided no ordinance zoning such property may be finally adopted prior to final adoption of an ordinance or ordinances annexing such property.

(Ord. No. 2677, § 1(exh. A), 12-17-2024)

Sec. 11-7-5. Districts established.

(A) The residential districts described below are established to promote stability in residential neighborhoods; to protect such property from incompatible land uses; to protect property values; and to encourage the appropriate use of such land. Certain other uses are permitted which are compatible with residential dwellings.

(1) The "RL" Rural Living District is intended to provide for farms, ranches, and clustered development with open space, and is designed to dovetail with allowed County residential densities.

(2) The "R-1" Very Low Density District is intended to provide for large lot rural residential development with a maximum density of one dwelling unit per acre.

(3) The "R-1A" Large Estate District and "R-1B" Small Estate District are intended to provide for large single-household detached dwelling residential lots within a semi-rural environment.

(4) The "R-2" Low Density District is intended to provide primarily for development of single-household detached and duplex dwellings, along with certain other compatible land uses.

(5) The "R-3" Medium Density District is intended to provide for an area which is suitable primarily for single-household detached, attached and duplex dwellings, along with certain other compatible land uses.

(6) The "R-3A" Medium High Density District is intended to provide for an area which is suitable primarily for single household attached, triplex, fourplex and other medium density multi-household dwellings, along with certain other compatible land uses.

(7) The "R-4" High Density District is intended to provide primarily for high density multi-household dwellings and to allow variety in higher density single household and duplex dwellings and other forms of innovative housing development types.

(8) The "R-5" Low Density/Manufactured Housing District is intended to provide primarily for low density development of single-household detached and duplex manufactured home dwellings, along with certain other compatible land uses.

(9) The "R-6" Medium Density/Manufactured Housing District is intended to provide primarily for medium-density development for single-household attached,, triplex and fourplex manufactured home dwellings, along with certain other compatible land uses.

(10) The "MHR" Manufactured Housing Residential District is intended to provide a suitable environment for manufactured housing developments or tiny home communities, along with certain other compatible land uses.

(B) The mixed-use district described below is established to promote stability in areas in transition; to protect such property from incompatible land uses; to protect property values; and to encourage the appropriate use of such land.

(1) The "OR" Office-Residential District is intended to provide for a mix of offices and residential dwellings in areas adjacent to commercial zones or in areas in transition from residential to commercial uses.

(C) The commercial districts described below are established to provide a location for convenient exchange of goods and services in a reasonable and orderly manner.

(1) The "P" Public District is intended to provide for uses and services of a public, nonprofit, or charitable nature.

(2) The "B-1" Central Business District is intended to reflect the character of the original Downtown while allowing additional uses that will strengthen and expand the core of the City.

(3) The "B-2" Highway Commercial District is intended to provide for businesses oriented toward serving the motoring public, encouraging the convenient exchange of goods and services along the major thoroughfares of the City.

(4) "B-2A" Regional Commercial District is intended to provide for a full spectrum of goods and service uses along the major thoroughfares of the City.

(5) The "B-3" General Commercial District is intended to provide for a large variety of goods and services including outdoor storage areas and a limited group of commercial/industrial uses.

(6) The "B-4" Neighborhood Shopping District is intended to provide for small scale retail shopping and services convenient to residential neighborhoods.

(D) The industrial districts described below are established to provide for normal manufacturing activities and related uses.

(1) The "I-1" Light Industrial District is intended to provide for a limited group of research and manufacturing uses promoting the creation and maintenance of an employment center which will serve the mutual interests of the community as a whole.

(2) The "I-2" General Industrial District is intended to provide for most industrial and manufacturing uses, subject to performance standards.

(E) Dimensional requirements are set out in Section 11-7-7.

(Ord. No. 2677, § 1(exh. A), 12-17-2024)

Sec. 11-7-6. District uses.

(A) *Permitted Uses.* Those uses designated as permitted uses on the schedule of uses in Subsections 11-7-6(G) and 11-7-6(H) are allowed as a matter of right subject to approval of a site development plan per Section 11-8-1 of this Title.

(B) *Conditional Uses.* Uses listed as conditional uses on the schedule of uses in Subsections 11-7-6(G) and 11-7-6(H) shall be allowed only if the Planning Commission determines, following review pursuant to Chapter 11-4 of this Title, that the following criteria are substantially met with respect to the type of use and its dimensions:

(1) The use will not be contrary to the public health, safety, or welfare.

(2) The use is not materially averse to the Comprehensive Plan.

(3) Streets, pedestrian facilities, and bikeways in the area are adequate to handle traffic generated by the use with safety and convenience.

(4) The use is compatible with existing uses in the area and other allowed uses in the district.

(5) The use will not have an adverse effect upon other property values.

(6) Adequate off-street parking will be provided for the use.

(7) The location of curb cuts and access to the premises will not create traffic hazards.

(8) The use will not generate light, noise, odor, vibration, or other effects which would unreasonably interfere with the reasonable enjoyment of adjacent property.

(9) Landscaping of the grounds and the architecture of any buildings will be reasonably compatible with that existing in the neighborhood.

(C) *Principal Uses.* The primary use of a lot is referred to as a principal use which may be a land use or a structure. Only one principal use per lot is allowed except where a mix of residential and nonresidential uses may be permitted in a specified zone district.

(D) *Accessory Uses.* Except where specifically modified by this Chapter, accessory uses shall comply with all requirements for the principal use, and the following additional limitations:

(1) An accessory use shall be clearly incidental, customary to and commonly associated with the operation of the permitted use.

(2) An accessory use shall be operated and maintained under the same ownership as the permitted use.

(3) An accessory use shall be located on the same lot as a principal use.

(E) *Temporary Use Permits.*

(1) *Permit Required.* The City Manager may issue a temporary use permit authorizing a temporary use of premises in a district for a use which is otherwise not allowed in such a district for a limited period of time in accordance with this Subsection. The temporary use permit may be issued by the City Manager only after it determines that the temporary use will not unreasonably interfere with the use of other property, or result in any permanent adverse effects to other property, or create a safety or health hazard.

(2) *Permit Conditions.* The City Manager may approve a temporary use permit subject to conditions appropriate to ensure compliance with this Subsection. Such conditions may include, but are not limited to, setting requirements for, or imposing restrictions upon, size, massing, location, open space, landscaping, buffering, screening, lighting, noise, signage, traffic and pedestrian circulation and control, parking design and operations, duration, hours of operation, setbacks, building materials and architectural design, sanitation, trash removal, dust control, drainage, erosion control, and provision of utilities and services.

(3) *Permit Renewal.* A temporary use permit will generally not be renewed unless the use is a seasonal use; a temporary improvement associated with an established business; or associated with a construction activity; or as stated otherwise herein. These applications may be renewed for up to one year at any one time using the same procedures as for an initial application.

(4) *Exempt Activities.* The following temporary activities are exempt from these regulations:

(a) Storage or moving containers for a business or residence actively moving or a related activity and not exceeding 14 days in any one year.

(b) Dumpsters for a business or residence actively undergoing construction or a related activity and not exceeding 14 days in any one year.

(c) Temporary uses, structures, and/or vehicles/trailers needed as the result of a natural disaster or other health and/or safety emergency are allowed for the duration of the emergency or as needed to address conditions caused by the emergency.

(5) *Prohibited Uses or Activities.* The following uses and activities are prohibited due to negative visual or other impacts:

(a) Storage in trailers or roll-off containers for longer than 14 days unless associated with an active construction site or a non-residential use, business or residence in the process of moving.

(b) Outdoor storage other than accessory storage for an active construction site. Any other outdoor storage shall conform to the requirements for the zone district in which the property is located.

(c) Outdoor sales of durable goods as a principal use not associated with a farmer's market, special event, business promotional event, or with an approved site plan, unless the operation meets the requirements for a mobile vendor in accordance with the Montrose Regulations Manual.

(6) *Allowed Uses and Activities.* Temporary uses of land are permitted subject to the specific zone districts and time periods listed in Table 7.1. The City Manager may approve other temporary uses and activities if it is determined that such uses meet the intent and criteria of this section.

Table 7.1
Allowed Temporary Uses

Use	Zone Districts	Period
Construction trailer, temporary building, or yard for construction management office and/or storage of materials during active construction within an approved development.	All	Time to be specified by City Manager; must be concurrent with Building Permit; must be terminated within 30 days of issuance of project Certificate of Occupancy for all types of construction.
Temporary office for the sale and/or rental of dwelling units under construction within an approved development.	All	Time to be specified by City Manager; must be terminated within 60 days of completion of the sales period.
Seasonal or off-site retail sales, which include, but are not limited to: sale of seasonal fruits and vegetables; sale of fireworks; and sale of Christmas trees.	Commercial and Industrial zone districts only	Not to exceed 180 days, and provided that any permits required by law are obtained

(F) *Uses Not Listed.*

(1) Uses not listed in a zone district are prohibited except that such uses may be approved by the City Manager provided such uses are found to be similar to a permitted use.

(2) Any person aggrieved by a decision of the City Manager pursuant to this Subsection may appeal that decision to the City Council under the following procedure:

(a) The appeal must be made in writing and filed within 30 days of the decision being appealed.

(b) The City Council shall consider the appeal at a public hearing held within 30 days of receipt of the written appeal, notice of which shall be given to the appellant by US mail at least 15 days prior to the hearing.

(c) The City Council shall approve or deny the appeal.

(d) The decision of the City Council shall be the final decision of the City on the matter, appealable only to the district court.

(G) *Schedule of Residential Zone District Uses.*

Land Use	RL	R-1	R-1A/B	R-2	R-3	R-3A	R-4	R-5	R-6	MHR
Bed and breakfast (See Sec. 11-11-1)					C		C		C	
Farms and ranches	P									
Short-term rentals	P	P	P	P	P	P	P	P	P	P
Assisted living facility					C	C	C		C	C
Childcare facility	C	C	C	C	C	C	C	C	C	C
Family childcare home	P	P	P	P	P	P	P	P	P	P

Government buildings and facilities	P	P	P	P	P	P	P	P	P	P
Religious assembly	P	P	P	P	P	P	P	P	P	P
Schools; Elementary, Middle and High	C	C	C	C	C	C	C	C	C	C
Golf courses	P									
Parks, open space and recreation facilities	P	P	P	P	P	P	P	P	P	P
Accessory Dwelling Unit (See Sec. 11-11-5)	C	C	C	P	P	P	P	P	P	
Dwelling, Duplex				P	P	P	P	P	P	
Dwelling, Fourplex					C	P	P		C	
Dwelling, Multi-household					C	P	P		C	
Dwelling, Single-Household Attached					P	P	P		P	
Dwelling, Single-Household Detached	P	P	P	P	P	P	C	P	P	P
Dwelling, Tiny Home									P	P
Tiny Home Community										P
Dwelling, Triplex					P	P	P		P	
Group homes - handicapped/disabled 8 persons or less (See Sec. 11-11-2)	P	P	P	P	P	P	P	P	P	P
Group homes - handicapped/disabled > 9 persons (See Sec. 11-11-2)	C	C	C	C	C	C	C	C	C	C
Group homes, other (See Sec. 11-11-2)	C	C	C	C	C	C	C	C	C	C
Home occupation (See Sec. 11-11-3)	A	A	A	A	A	A	A	A	A	A
Manufactured home				[1]				P	P	P
Manufactured home park (See Sec. 11-13)										P
Antennas (See Sec. 11-14-6)	C	C	C	C	C	C	C	C	C	C
Public utility service facilities	P	P	P	P	P	P	P	P	P	P
Towers (See Sec. 11-14-5)	C	C	C	C	C	C	C	C	C	C
Accessory uses (See Sec. 11-7-6(D))	A	A	A	A	A	A	A	A	A	A
Temporary use (See Sec. 11-7-6(E))	T	T	T	T	T	T	T	T	T	T

Travel home (See Sec. 11-13-6(2))	T	T	T	T	T	T	T	T	T	T

[1] Manufactured housing is prohibited except for the following subdivision which was under development on July 1, 1998: Rainbow Meadows Subdivision.

(H) *Schedule of Mixed Use, Commercial and Industrial Zone District Uses.*

Land Use	OR	P	B-1	B-2	B-2A	B-3	B-4	I-1	I-2
Vehicle sales, rental, repair or service establishments			C	C	P	P		P	P
Bed and breakfast (See Sec. 11-11-1)	P								
Building materials business			C	P	P	P		P	P
Commercial greenhouse				C	C	P	C	P	P
Electric vehicle charging station, retail		P	P	P	P	P	C		
Farm implement sales or service establishment					P	P		P	P
Food truck court		P	P	P	P	P	P	C	C
Fueling station or other retail use having fuel pumps (See Sec. 11-11-4)			P	P	P	P	C	C	C
Funeral home			C	C	C	C			
Hotels and motels			P	P	P	P			
Laundry facility, self-service				P	P	P	P		
Manufactured home, tiny home and travel home sales or service establishments					P	P		P	P
Medical clinic	P		P	P	P	P	P	P	C
Micro-brewery, micro-distillery, or micro-winery			P	P	P	P	P	P	C
Office, business	P		P	P	P	P	P	P	P
Outpatient drug treatment clinic	P								
Travel home park (See Sec. 11-13)				C	C	C			
Campground				C	C	C			
Rental business					P	P		C	C
Restaurant			P	P	P	P	P	C	C
Drive-in or drive-through			C	P	P	P	C	C	C
Retail sales and personal service establishments	C		P	P	P	P	P	P	C
Retail sales and personal service establishments with limited manufacturing				C	C	C		P	C

Sexually oriented business (See Sec. 11-12-1)									P
Shooting range, indoor						C		C	C
Short-term rentals	P		P	P	P	P	P	P	P
Bar or tavern			P	P	P	P	C	C	C
Theater			C	P	P	P			
Veterinary clinic or hospital, small animal				P	P	P		C	C
Veterinary clinic or hospital, large animal					P	P		C	C
Storage facilities, fuels and chemicals						P		P	P
Aircraft support services								P	P
Construction equipment storage facility						P		P	P
Feed storage and sales establishments						P		P	P
Fulfillment Center				C	C	C		P	P
Manufacturing and non-manufacturing uses (See Sec. 11-11-4)					C	C		P	P
Industrial use, other								C	P
Storage facilities, indoor			C	P	P	P	C	P	P
Storage facilities, outdoor					C	P		P	P
Warehouse and wholesale distribution operation			C	C	C	C		P	P
Airport								P	P
Assisted living facility	C			P	P	P			
Childcare facility	P	P	P	P	P	P	P	P	P
College or other place of adult education			P	P	P	P			
Daytime social service activities			P	P	P	P			
Family child care home	P	C	P	P	P	P	P	P	P
Government buildings and facilities	P	P	P	P	P	P	P	P	P
Hospital	P								
Library		P	P	P	P	P			
Museum or visitor center		P	P	P	P	P			
Parking facility	P	P	P	P	P	P			
Private and fraternal clubs			P	P	P	P	C		
Public transportation facilities			P	P	P	P		C	C

Religious assembly	P	P	P	P	P	P	P	C	C
Schools; Elementary, Middle and High	C	P	C	C	C	C	C		
Live/work unit	P	P	P	P	P	P	P	P	P
Mixed use building	P	P	P	P	P	P	P	P	P
Golf course		C							
Parks, open space and recreation facilities	P	P	P	P	P	P	P	P	P
Private recreation facility, indoor		C	C	P	P	P	C	P	P
Private recreation facility, outdoor		C		P	P	P		P	P
Accessory Dwelling Unit	P	P	P	P	P	P	P	P	P
Dwelling, Duplex	P	P	P	P	P	P	P	P	P
Dwelling, Fourplex	P	P	P	P	P	P	P	P	P
Dwelling, Multi-household	P	P	P	P	P	P	P	P	P
Dwelling, Single Household Attached	P	P	P	P	P	P	P	P	P
Dwelling, Single Household Detached	P	P	P	P	P	P	P	P	P
Dwelling, Tiny Home		P							
Dwelling, Triplex	P	P	P	P	P	P	P	P	P
Group home - handicapped/disabled 8 persons or less (see Sec. 11-11-2)	P		P	P	P	P	P	P	P
Group home - handicapped/disabled > 8 persons (see Sec. 11-11-2)	C		C	C	C	C	C	C	C
Group home (See Sec. 11-11-2)	C		C	C	C	C	C	C	C
Home occupation (See Sec. 11-11-3)	A		A	A	A	A	A	A	A
Supportive housing	C					C		C	
Antennas (See Sec. 11-14-6)	C	C	C	C	C	C	C	C	C
Public utility service facilities	P	P	P	P	P	P	P	P	P
Solar farms								P	P
Towers (See Sec. 11-14-5)	C	C	C	C	C	C	C	C	C
Accessory uses (See Sec. 11-7-6 (D))	A	A	A	A	A	A	A	A	A
Temporary use (See Sec. 11-7-6 (E)	T	T	T	T	T	T	T	T	T
Travel home (See Sec. 11-13-6 (2))	T		T	T	T	T	T	T	T

(Ord. No. 2677, § 1(exh. A), 12-17-2024)

Sec. 11-7-7. District standards.

(A) Tabulated requirements for principal uses by right are as follows (all dimensions in feet or square feet unless otherwise noted):

District	Use[2] [3]	Maximum Density	Minimum Lot Size[4]	Front	Rear	Side	Corner Lot	Maximum Building Height
RL	Dwelling, Single Household Detached	TBD - see footnote #4	[5]	25	20	10	20	35
R-1	Dwelling, Single Household Detached	1 dwelling unit/acre	1 acre	25	20	10	20	35
R-1A	Dwelling, Single Household Detached	2 dwelling units/acre	½ acre	25	20	10	20	35
R-1B	Dwelling, Single Household Detached	3 dwelling units/acre	⅓ acre	25	20	10	20	35
R-2	Dwelling, Single Household Detached	5.8 dwelling units/acre	7,500	25	20	5	20	35
	Duplex	7.75 dwelling units/acre	11,250	25	20	5	20	35
R-3	Single-household detached	7 dwelling units/acre	6,250	15	20	5	15	35
	Duplex	9.3 dwelling units/acre	9,375	15	20	5	15	35
	Single-household attached	9.3 dwelling units/acre	4,700/dwelling unit	15	20; 5 w/ rear-loaded garage	10 to bldg. lot line	15	35
	Triplex or Fourplex	9.3 dwelling units/acre	4,700/dwelling unit	15	20; 10 w/alley	15 to bldg. lot line	20	35
	Multi-household	15 dwelling units/acre	2,900/dwelling unit	15	20	10	15	40
R-3A	Single-household detached	8.7 dwelling units/acre	5,000	15	20	5	15	35

	Duplex	9.3 dwelling units/acre	9375	15	20	5	15	35
	Single-household attached	15 dwelling units/acre	2,900/dwelling unit	15	20; 5 w/ rear-loaded garage	10 to bldg. lot line	15	35
	Triplex or Fourplex	15 dwelling units/acre	2,900/dwelling unit	15	20; 10 w/alley	15 to bldg. lot line	20	35
	Multi-household	15 dwelling units/acre	2,900/dwelling unit	15	20	10	15	40
R-4	Single-household detached	17.4 dwelling units/acre	2,500	15	20; 5 w/ rear-loaded garage	5	10	35
	Duplex	17.4 dwelling units/acre	5,000	15	20	5	15	35
	Single-household attached	18.9 dwelling units/acre	2,300/dwelling unit	15	20; 5 w/ rear-loaded garage	10 to bldg. lot line	15	35
	Triplex or Fourplex	18.9 dwelling units/acre	2,300/dwelling unit	15	20; 10 w/alley	15 to bldg. lot line	20	35
	Multi-household	24 dwelling units/acre	1,815/dwelling unit	15	20	10	15	40
R-5	Single-household detached	3.6 dwelling units/acre	12,000	25	20	5	20	35
	Duplex	7.2 dwelling units/acre	12,000	25	20	5	20	35
	Manufactured Home	3.6 dwelling units/acre	12,000	25	20	10	20	35
R-6	Single-household detached	5.8 dwelling units/acre	7,500	25	20	5	15	35
	Duplex	9.3 dwelling units/acre	9,375	15	20	5	15	35
	Single-household attached	9.3 dwelling units/acre	4,700/dwelling unit	25	20; 5 w/ rear-loaded garage	10 to bldg. lot line	20	35
	Triplex or Fourplex	9.3 dwelling units/acre	4,700/dwelling unit	15	20; 10 w/alley	15 to bldg. lot line	20	35
	Multi-household	15 dwelling units/acre	2,900/dwelling unit	15	20	10	15	40

	Manufactured Home	5.8 dwelling units/acre	7,500	25	20	5	20	35
	Tiny Home	5.8 dwelling units/acre	7,500	15	20	5	15	35
MHR	Manufactured Homes except MH Parks[6]	14.5 dwelling units/acre	3,000	5	10	10	10	35
	Dwelling, Single Household Detached	14 dwelling units/acre	3,125	5	10	10	10	35
	Tiny Home except Tiny Home Communities[7]	14.5 dwelling units/acre	3,000	5	10	10	10	35
OR	All Non-Residential		6,250	15	15	5	15	35
P[8]	All Non-Residential		N/A	15	N/A	N/A	15	N/A
B-1	No Req.		No Req., except for fueling stations	No Req.	No Req.	No Req.	No Req.	No Req.
B-2	All Non-Residential		N/A	15	N/A	N/A	15	N/A
B-2A	All Non-Residential		N/A	25	N/A	N/A	25	35
B-3	All Non-Residential		N/A	25	N/A	N/A	25	35
B-4	All Non-Residential		N/A	25	N/A	N/A	25	35
I-1	All Non-Residential		½ acre	25	N/A	N/A	25	N/A
I-2	All Non-Residential		½ acre	25	N/A	N/A	25	N/A

[2] Residential uses in the OR, P, B-2, B-2A, B-3, B-4, I-1 and I-2 zone districts shall comply with the applicable dimensional requirements as set out for the R-3A zone. Residential uses in the B-1 District shall comply with the density standards in the R-3A zone, but are not required to comply with the dimensional standards.

[3] Commercial and institutional uses in the RL, R-1, R-1A, R-1B, R-2, R-3, R-3A, R-4, R-5, R-6 and MHR zone districts shall comply with the applicable dimensional requirements as set out for the "OR" zone.

[4] Applies per lot; not per primary dwelling unit. Where specified as square footage per dwelling unit for multiple unit dwelling types does not imply a minimum dwelling unit size; there is no minimum dwelling unit size.

[5] A minimum lot size shall be determined as a condition of initial zoning of property as "RL." Such lot size shall be designed to limit overall residential units per acre to no more than allowed by Montrose County in comparable areas in the County where sewer is available, and to implement the City Comprehensive Plan as feasible while remaining economically competitive with allowed County densities.

[6] Dimensional requirements for manufactured home parks are controlled by Chapter 11-13-5 of this Title.

[7] Dimensional requirements for tiny home communities are controlled by Chapter 11-13-12 of this Title.

[8] City facilities are exempt from these standards.

(B) *Additional Dimensional Requirements.*

(1) Accessory use structures or buildings in residential districts may be located on those rear and side property lines which do not abut a street, if the structure is at least ten feet to the rear of the building line of the principal structure and does not occupy more than 30 percent of the rear yard area. In all other situations, accessory structure setbacks are the same as principal structure setbacks.

(2) In a block where a setback line has been established by existing structures 50 percent or more of the block, the average setback of the existing buildings may be used as the minimum setback.

(3) Garage doors which face an alley require a five-foot minimum setback.

(4) In zone districts where residential front setbacks are 15 feet or less, the garage setback shall be a minimum of 25 feet.

(5) Accessory structures shall not be located in the front yard of a principal structure, except for minor and commonplace accessory structures such as public utility installations, mail boxes, lamp posts and structures of a like nature.

(6) Lot depth and width is determined through the subdivision process in Section 11-5-13(b)(3) of these regulations.

(7) Other permitted exceptions and encroachments into required setbacks and height limits are specified in Section 11-8-10 of this title.

(Ord. No. 2677, § 1(exh. A), 12-17-2024)

Sec. 11-7-8. Planned Development (PD).

(A) *Intent.* The intent of this Section is to encourage the development of tracts of land in accordance with an overall development plan by providing flexibility with respect to dimensional requirements of residential units.

(B) *General Provisions.*

(1) A planned development must be in substantial conformity with the Comprehensive Plan.

(2) A minimum of 20 percent of the gross area of the planned development must be preserved as useable open space, as defined in Section 11-15-2. The 20 percent useable open space requirement shall not apply to a proposed PD containing six or fewer units and processed under Subsection C(5).

(3) Planned developments in the "RL" zoning district must consider and reasonably minimize adverse impacts on existing agricultural uses or other property in the area.

(4) Residential dwellings may be clustered, including the use of single-household dwelling, duplex and multi-household dwellings.

(5) Affordable housing, as defined in Section 11-15-2, may be included in a planned development.

(6) Approval of a planned development by the City is purely discretionary. If the City and the applicant do not agree on all required conditions and the plan, the City may deny approval, or the City may unilaterally impose conditions. If the developer does not accept all conditions, that development must adhere to standard subdivision and zoning requirements.

(C) *Permitted Uses in a PD.*

(1) Any use permitted in the underlying zone district, limited as to its status as a use by right, a conditional use, or a temporary use, unless otherwise limited or permitted on the PD plan.

(D) *Administrative PD Procedure.* This procedure is applicable for planned developments containing six or fewer units:

(1) All lots or tracts are adjacent to a dedicated and accepted public street;

(2) The lots are part of a subdivision or PD plat that has been previously approved and/or accepted by the City and recorded in the Montrose County Records;

(3) All improvements required by applicable City ordinances and regulations, including those related to PD Plans, are already in existence and available to serve each lot, or secured;

(4) No part of the Administrative PD has been approved as part of an Administrative PD within three years prior to the date of submission of the Administrative PD plat;

(5) No material changes to prior restrictions or easements are proposed; and

(6) Provisions of Section 11-5-3(B) through and including (E) of this Title shall apply.

(7) Approval of an Administrative PD by the City is purely discretionary. If the City and the applicant do not agree on all required conditions and the plan, the City may deny approval, or the City may unilaterally impose conditions. If the applicant does not accept all conditions, that development must adhere to standard subdivision or PD requirements, and proceed through the applicable approval process.

(8) Prior to any review of the Administrative PD, the applicant shall provide written consent of all property owners within the proposed Administrative PD plan area. To the extent only a portion of a prior-approved Administrative PD plan area is proposed to be amended by the Administrative PD Plan application, then only the consent of the property owners within such portion shall be required.

(9) Amendments to Administrative PDs may be submitted for review and approval in the same manner as the initial Administrative PD.

(E) *Dimensional Requirements, Densities.*

(1) Dimensional requirements, except those relating to overall residential density, which would otherwise be required by the City Zoning Regulations, or other City regulations for the district affected, may be deviated from in accordance with the plan as approved, if the Review Board determines that such deviations are in compliance with the Comprehensive Plan and will promote the public health, safety and welfare.

(2) The Review Board may impose conditions as necessary or appropriate. The total number of residential units shall not exceed the area of the site divided by the minimum lot sizes specified for the zoning districts included.

(F) *Review of Sketch, Preliminary and Final PD Plan.*

(1) The sketch plan, preliminary plan and final PD plans shall be reviewed pursuant to the procedures and requirements for subdivisions as set out in Chapter 11-5 of this Title. The Planning Commission shall take no formal action at the conclusion of its public hearing on the sketch plan; however, comments by the public and the Commission shall be reflected in the minutes of the hearing as a part of the record on the application as it moves through the entire review process. For the approval of any preliminary PD Plan or a substantial amendment to a PD plan, a hearing shall be held before City Council.

(2) Prior to any review of the Sketch, Preliminary and Final PD Plan, the applicant shall provide written consent of all property owners within the proposed PD plan area. For the purposes of this Section, "PD plan area" is the entirety of the territory proposed to be included in a PD plan; provided, however, that for applications for PD plan amendments, only the portion of the PD plan area being amended or affected shall constitute the PD plan area for such application for purposes of consent; nevertheless, all owners of property within the PD must be given notice of the public hearing at which the amendment is to be considered.

(3) Conditions may be imposed as appropriate to assure that the PD plan is consistent with the Comprehensive Plan and promotes the public health, safety and welfare.

(4) The plan shall show the location, size, number of dwelling units, and other uses, and shall further set out the location of all parks, open space, parking areas, streets, sidewalks, trails, bike paths and other improvements and structures. All information necessary to show compliance with the requirements of this Section shall be submitted. Where appropriate, in lieu of exact locations, numbers and sizes, parameters or limits may be set out.

(5) The PD Plan as approved shall be recorded.

(6) The final PD plan may be treated as a vested right pursuant to the procedure in 11-4-9.

(G) *Required Improvements.*

(1) All PDs shall provide the same improvements as required for subdivisions in Chapter 11-5 of this Title, and security therefore shall be provided as set out in Section 11-5-12 of this Title.

(2) All improvements shall be constructed in accordance with standard City design and construction specifications and standards, in substantial conformity with the PD plan, and in accordance with subdivision design standards as set out in Chapter 11-5 of this Title, except as modified by the PD plan.

(3) An entity shall be established or provided for ownership and maintenance of all facilities and open spaces, which are approved for common ownership or not dedicated to the City.

(4) Flexibility in the scope and design of required improvements and design standards may be allowed to provide for innovative urban design which promotes the public health, safety and welfare. A public street shall be dedicated to the City and developed at the developer's cost to provide direct access to each building with residential units or to the parking lot serving the building.

(H) *Enforcement and Amendments.*

(1) The PD plan may be enforced in accordance with or in the same manner as the provisions of the Planned United Development Act of 1972, as amended, C.R.S. 1973, § 24-67-101 et seq., as amended or in any lawful manner. In addition, no occupancy permit shall be issued for any building unless all site improvements to serve that unit and any commonly-owned facilities have been completed and approved unless security for completion is provided substantially similar to the security required for subdivision improvements by 11-5-12 of this Title, except that cash must be placed in the escrow account prior to issuance of the occupancy permit.

(2) Amended PD plans may be submitted for review and approval in the same manner as the initial PD Plan. An applicant for an Amended PD plan shall submit written consent of the property owners of the portion of the PD plan area to which the application applies, prior to and as a condition of the initiation of review of the application. Written consent from all property owners within the prior-approved PD plan area is not required as part of the Amended PD plan application. Advance notice of any review of an Amended PD plan application by the Planning Commission shall occur pursuant to Chapter 11-4 of this Title, with the added requirement that advance written notice shall be provided to all property owners of record within the prior-approved PD plan area, in addition to all property owners of record adjoining or within 300 feet of the proposed Amended PD plan area.

(Ord. No. 2677, § 1(exh. A), 12-17-2024)

Sec. 11-7-9. "REDO" Redevelopment Overlay Zoning District.

(A) *Intent.*

(1) The "REDO" Overlay Zoning District is intended to alleviate certain hardships associated with redevelopment. The district is designed to encourage residential development and redevelopment of existing properties in the core downtown area, with allowances for increased densities compatible with the character of the area.

(2) This overlay district allows reduced dimensional standards and a larger variety of housing types than the underlying zoning. Any development making use of the reduced dimensional requirements must meet all applicable criteria in this Section.

(B) *Applicability.*

(1) The boundaries of the "REDO" Overlay Zoning District shall be as set forth by ordinance of the City Council, may be shown on the City's Official Zoning Map, and shall be fixed in the manner prescribed by Section 11-7-3.

(2) The "REDO" Overlay Zoning District's provisions shall not be applicable to any property within the boundaries of said district, unless the owner of property therein shall deliver written notice to the City, in the manner set forth at subsection 11-7-9(C) of this Section, of said owner's intent to utilize the "REDO" Overlay Zoning District.

(3) When selected by a property owner in the manner set forth herein, the "REDO" Overlay Zoning District shall supersede the provisions of the underlying zone for all matters addressed by said "REDO" Overlay Zoning District's provisions; the provisions of the underlying zone shall control all matters not addressed by the "REDO" Overlay Zoning District's provisions.

(4) Any requests for use of these "REDO" Overlay Zoning District provisions that involve private use of City property, including rights-of-way, shall be entirely subject to the City's discretion, and shall also be subject to the City's ordinances and regulations pertaining to encroachments and permits for the same

(5) The provisions of the "REDO" Overlay Zoning District shall have no effect whatsoever unless selected in the manner set forth herein.

(C) *Procedure.*

(1) Use of the REDO District is initiated by filing an application in the form maintained by the Community Development Department and payment of the application fee.

(2) The application shall be reviewed as a minor site development plan under the procedure in Section 11-8-1(I). In the event the application also proposes to subdivide real property, a minor subdivision under Section 11-5-3 shall be applied for and processed at the same time.

(D) *Standards.*

(1) All applications shall be subject to the development standards below. To the extent these standards are inapplicable, the standards of the underlying zone apply.

(2) Minimum Lot Size: Lots shall be no less than 2,075 square feet in size.

(3) Minimum setbacks are as follows: Five feet side, rear, and front yard setbacks. See also Section 11-7-7(B)5.

(4) Height: The height of a building shall be as set forth in the underlying zone.

(5) Accessory Dwelling Units in the REDO District:

(a) ADUs within the REDO District shall comply with the requirements and standards set forth in Section 11-11-5 with the exception of the ADU size limitations in 11-11-5(2), and provided that ADUs may be conveyed separately from the primary dwelling unit.

(b) Lots with ADUs shall be no less than 3,125 square feet.

(c) An ADU shall not be subject to the 30 percent rear yard area coverage maximum.

(E) *Design Criteria.*

(1) All lots within the "REDO" Overlay Zoning District shall be required to have not less than ten feet of street frontage. It is contemplated that lots having a "panhandle" shape may be allowed.

(2) If an alley is present, any garage shall be set back a minimum of five feet, when practicable, from the nearest right-of-way line of said alley.

(3) Please refer to Section 3-5-12(A)(1) of the Official Code of the City for the water Tap Fees, system investment (capacity) fees, and unit charges for accessory dwelling units in need of new water service, located on the same lot as the primary dwelling in the "REDO" Overlay Zoning District.

(4) Please refer to Section 3-5-12(G)(4) of the Official Code of the City for the sewer Tap Fees, system investment (capacity) fees, and unit charges for accessory dwelling units in need of new sewer service, located on the same lot as the primary dwelling in the "REDO" Overlay Zoning District.

(F) *Variances.* Variance applications may be considered as to any requirements set forth in Subsections (D) and (E) of this Section. Use of the "REDO" Overlay Zoning District is expressly declared to be elective on the part of the property owner, and is entirely at the property owner's discretion.

(Ord. No. 2677, § 1(exh. A), 12-17-2024)

Sec. 11-7-10. Uncompahgre river buffer overlay zone.

The Uncompahgre River Buffer Zone (URBZ) applies to all land lying within 100 feet of the HWM of the Uncompahgre River, as defined above. The standards of the URBZ and its two sub-areas are not applicable to parcels to which stricter standards may apply via separate agreements (e.g., a pre-annexation agreement).

(1) The purpose of the URBZ is to establish minimal acceptable requirements for the design of buffers to protect the Uncompahgre River, its wetlands, and floodplains within the City limits; to protect the water quality of the Uncompahgre River within said jurisdiction; to protect riparian and aquatic ecosystems within said jurisdiction; and to provide for the environmentally sound use of land resources within said jurisdiction. Nothing in this Section shall be used as consideration in a pre-annexation agreement or in a negotiation for annexation of land into the City.

(2) Measurement of the 100 feet URBZ, the two sub-areas within it, and all other related measurements shall be taken as follows: distance is measured horizontally from the HWM, as defined herein, to the location in question. The HWM location used for any given measurement shall be taken from the side of the river closest to the building or other development in issue.

(a) The following graphic illustrates how to measure the URBZ:

(b) The URBZ provisions shall apply to:

(i) Any new development requiring a building permit, except for additions less than 20 percent of the existing building size that do not include any changes to an existing parking lot;

(ii) Any new development requiring site development approval;

(iii) Subdivision or the division of a tract or parcel of land into two or more parcels;

(iv) The improvement of property for any purpose involving construction;

(v) Combination of any two or more lots, tracts, or parcels of property for any purpose;

(vi) Placement of temporary structures that do not require a building permit or site development plan from the City;

(vii) The preparation of land for any of the above purposes.

(c) Specific submittal requirements are listed in Appendix One. Upon submittal of the complete application, with all supporting documentation as may be required, City staff shall provide a review of the same. Following City staff review, administrative approval may be granted if the development proposal is an allowed use in the URBZ or applicable URBZ sub-zone, or is a use by right in the URBZ or applicable URBZ sub-zone, and meets all applicable standards. Development proposals which are not allowed uses or uses by right in the URBZ or applicable URBZ sub-zone, or do not meet all the applicable standards, shall be forwarded to the City Planning Commission for review and approval, under procedures set forth below, accompanied by any comments and recommendations from City staff.

(d) All proposals shall identify on a site plan the designated Disturbance Envelope for that portion of the project that is proposed to encroach into the URBZ.

(e) The applicant shall mark and identify the Disturbance Envelope on the ground in the field and shall maintain construction barrier fencing around the entire perimeter of the Disturbance Envelope throughout the period of construction, until final landscaping is completed. The applicant shall ensure that all surface disturbances are contained within the designated and marked Disturbance Envelope.

(f) The URBZ consists of two sub-areas, as follows:

(i) *Streamside Zone.* This area is intended to preserve the natural riparian environment. In order to accomplish this goal, there is hereby established a 40-foot buffer area, measured as described above from the HWM. Development in the Streamside Zone is subject to all other applicable permits. Setbacks created herein for the Streamside Zone are in addition to any setbacks which may be applied through the underlying zoning of a parcel.

(1) The following are subject to a 40-foot setback from the HWM (i.e., the following shall not be placed or performed within the 40-foot Streamside Zone):

(a) Planting of non-native grass turf;

(b) Removal of native vegetation;

(c) Erection of fences;

(d) Construction of hard-surfaced trails that parallel the river;

(e) Construction of buildings, other than irrigation pump houses;

(f) Construction of parking lots (paved or gravel);

(g) Construction or installation of lighting fixtures;

(h) Construction or installation of engineered/structural water runoff treatment facilities (such as concrete vaults);

(i) Concrete rip-rap;

(j) Construction or installation of any other facility not listed in the allowed uses below, and not reasonably compatible with the riparian environment.

(2) The following actions, or construction of the following facilities or structures, are permitted within the 40-foot Streamside Zone:

(a) Government buildings and facilities;

(b) Hard-surfaced trails roughly perpendicular to the river;

(c) Soft-surfaced trails (crushed gravel, etc.) whether parallel or perpendicular to the river;

(d) Irrigation facilities (including pump houses);

(e) Boat put-ins (boat ramps should be soft-surfaced);

(f) Planting of native vegetation;

(g) Bank stabilization, and river or wildlife habitat restoration;

(h) Other uses may be permitted that are directly related to the river, and that do not conflict with the intent of this Section.

(3) Exceptions to the above regulations for the Streamside Zone shall be granted or denied through the variance procedures set forth in Section 11-7-13.

(ii) *Outer Zone.* This area is intended to serve as a buffer between the Streamside Zone, and areas outside the URBZ. Most uses allowed within the underlying zoning district are permitted within the Outer Zone, though certain uses have specific performance standards.

(1) Uses by right in the Outer Zone:

(a) Water runoff treatment structures using swales, native vegetation, and similar measures;

(b) Government buildings and facilities;

(c) Fences which allow the passage of wildlife; said fences shall be designed as follows:

(i) No more than 40 inches in height;

(ii) A smooth bottom wire at least 16 inches above ground;

(iii) At least 12 inches between the top two wires;

(iv) No sharp edges, barbs, or similar devices are permitted;

(v) Sheep or woven-wire and wrought-iron style fences with spiked tips are not permitted.

(d) Landscaping employing native vegetation types and compatible with the riparian environment;

(e) Single household detached dwellings;

(f) Recreation trails (all types);

(g) Buildings and facilities complying with the underlying zoning district and complying with all of the following performance standards:

(i) Structures with windows occupying a minimum of 50 percent of the linear river frontage of the building; and

(ii) At least one public entrance directly facing the river; and

(iii) Outdoor common areas, seating and/or dining areas; and

(iv) High quality building finishes such as brick or stone, or earth tone colors having matte finishes; and

(v) Well concealed trash dumpsters; and

(vi) Total building facade length shall be less than 50 feet in length parallel to the river; and

(vii) Buildings and facilities complying with these performance standards are exempt from the river buffer screening requirements set forth below;

(viii) Single household detached dwellings are exempt from these performance standards, except for Subsection (2)(f)(ii)(1)(c) of this Section, as well as the Outer Zone performance standards set forth below.

(2) The following uses shall not be considered a use by right in the Outer Zone, and are subject to review as Conditional Uses under Section 11-7-6(B) and Chapter 11-4 of this Title:

(a) Loading docks;

(b) Landscaping with non-native vegetation;

(c) Engineered or structural water runoff treatment facilities (such as concrete vaults);

(d) Other industrial uses;

(e) Water treatment facilities employing structural vaults or similar technology are not permitted within the Outer Zone;

(f) Parking lots, whether paved or gravel;

(g) All other uses not listed in this Subsection.

(3) *Outer Zone Performance Standards.* If the use or structure does not meet the performance standards in Subsection (2)(f)(ii)(1)(g) of this Section, the following shall be required:

(a) A minimum 30-foot-wide vegetated buffer with extensive vertical plantings of native vegetation. Said vegetated buffer shall not overlap the 40-foot Streamside Zone.

(b) Tree height at maturity shall be as high or higher than the buildings being screened, and vegetation at maturity shall obscure any buildings or other facilities to the maximum extent possible.

(c) Said vegetated buffer shall be contiguous to the Streamside Zone, and located between the Streamside Zone, and any parking lot or building.

(4) *General Standards Applicable within the Outer Zone.*

(a) Removal of native vegetation is discouraged. Where removal of native vegetation is unavoidable, the removed area shall be mitigated by planting replacement native vegetation, at a minimum 1:1 ratio (measured in square feet, with a result that an equal amount of vegetation is planted, as was removed) within the URBZ.

(b) All setbacks oriented toward the river, applicable to or within the Outer Zone, shall be measured from the boundary line between the Streamside Zone, and the Outer Zone.

(c) For those zoning districts underlying the URBZ with no side or rear setbacks, the minimum side or rear setbacks shall be ten feet.

(d) New buildings, expansions to existing buildings, or parking lots, or driveways shall have a minimum setback of 20 feet from an existing or proposed trail or path.

(5) Exceptions to the standards and requirements regarding the Outer Zone shall be approved or denied through the procedures applicable to Conditional Uses, as set forth in Section 11-7-6(B) and Chapter 11-4 of this Title.

(6) The following uses and structures are prohibited within the URBZ and its two sub-areas:

(a) Confined animal feedlots;

(b) Storage of hazardous materials or chemical fuels;

(c) Aboveground or underground petroleum storage facilities;

(d) Septic systems;

(e) Solid waste landfills;

(f) Junkyards, and salvage yards;

(g) Land application of biosolids;

(h) Subsurface discharges from wastewater treatment plants.

(7) All development within the URBZ shall obtain all applicable local, state and federal permits prior to undertaking any construction or land-disturbing activity.

(8) The provisions of the URBZ shall supersede the provisions of the underlying zone, and any other applicable overlay zone, when the provisions of the URBZ are more restrictive.

(Ord. No. 2677, § 1(exh. A), 12-17-2024)

Sec. 11-7-11. Nonconforming uses, lots and structures

(A) Any use, building or structure which at the effective date of the ordinance from which this Title is derived or at the time of annexation, if annexed subsequent to the effective date of the ordinance from which this Title is derived, was lawfully existing and maintained in accordance with the previously applicable County or City regulations and ordinances but which does not conform or comply with all of the regulations provided in this Chapter, may continue to be maintained and used as a lawful nonconforming use only in compliance with the provisions and limitations imposed by this Section. Uses, structures, or buildings which were unlawful or illegal and not in compliance with previously applicable regulations shall remain unlawful, illegal, and subject to abatement or other enforcement action.

(B) If a use, building or structure is lawfully nonconforming in that it is not a use by right, or a conditional use which has been approved pursuant to the review provisions of Sections 11-7-6(B) and 11-4-2 of this Title, the following shall apply:

(1) If the building or structure involved in the use is destroyed or damaged so that repair or reconstruction will cost more than 50 percent of the fair market value of the building or structure after repair, it shall no longer be lawful to use the building or premises except in compliance with the use regulations for the district within which it is located.

(2) If the nonconforming use is abandoned or discontinued for a period of six months, then the premises may only be used in compliance with the use regulations for the district within which it is located.

(3) The use may be continued only substantially as it effective date of the ordinance from which this Chapter is derived or of annexation, and no material change in the type of use shall be allowed, unless the Planning Commission determines, following the review procedure provided in Section 11-4-2 of this Title, that the criteria set out in Section 11-7-6(B) will be met, and that the new use is a more restrictive use than the existing nonconforming use. Any change in use allowed pursuant to this provision shall not affect the future status of the use as a nonconforming use for all purposes of this Section.

(4) The extent or area of the premises utilized for or by the nonconforming use, building or structure, may not be materially extended or enlarged, or substantially structurally altered, unless the Planning Commission determines, following the review procedure of Section 11-4-2 of this Title, that the criteria set out in Section 11-7-6(B) will be met.

(C) If the use, building or structure is in compliance with the use regulations for the district within which it is located and is nonconforming only with respect to dimensional requirements, off-street parking requirements, or the regulations governing fences, hedges, walls, or canopies, the following provisions shall apply:

(1) If the nonconformity of the building, use, or structure is abandoned, removed, or corrected for any length of time, such nonconformity may not be re-established.

(2) If the building or structure is damaged so that the cost of replacing or restoring it is greater than 50 percent of its fair market value after replacement, the building or structure may be repaired or replaced only in compliance with these Zoning Regulations.

(3) If the building or structure is damaged in such a way as to remove the nonconformity, the nonconforming feature may not be re-established by any repair or reconstruction, unless it is unfeasible to repair the building without re-establishing the nonconforming feature.

(4) No alteration may be made to the use, building, or structure which would increase the amount or degrees of the nonconforming feature. Changes in the use, building, or structure may be made which will decrease the degrees or amount of deviation from the requirements of this Chapter.

(D) *Nonconforming Lots of Record.*

(1) In any district in which single-household detached dwellings are permitted, a single-household detached dwelling and customary accessory buildings may be erected on any single lot of record, provided that the lot is in separate ownership and not of continuous frontage with other lots under the same ownership. This provision shall apply even though the lot fails to meet the dimensional requirements of the district in which it is located for area, width or both; provided, however, that the requirements of the district for minimum yard dimensions and lot coverage shall be met.

(2) If two or more lots or combinations of lots and portion of lots with continuous frontage in single ownership are of record, and part or all of the lots do not meet the requirements of the district in which they are located as to minimum area or frontage or both, the property together shall be

considered to be an undivided parcel and no portion of the parcel shall be sold or used in a manner which diminishes compliance with minimum lot width and area requirements.

(E) This Section shall not apply to signs. Nonconforming signs shall be governed by the provisions of Section 11-10-3 of this Title.

(Ord. No. 2677, § 1(exh. A), 12-17-2024)

Sec. 11-7-12. Rezoning.

(A) *Rezoning.*

(1) Amendments to the Official Zoning Map involving any change in the boundaries of an existing zoning district, or changing the designation of a district, shall be allowed only upon findings as follows:

(a) The amendment is not averse to the public health, safety and welfare; and

(b) The amendment is in substantial conformity with the Comprehensive Plan; or:

(i) The existing zoning is erroneous; or

(ii) Conditions in the area affected or adjacent areas have changed materially since the area was last zoned.

(2) Rezoning may be requested or initiated by the City Manager or the owner of any legal interest in the property or such owner's representative. The rezoning shall be reviewed for compliance with the criteria of this Subsection in accordance with the review procedures of Chapter 11-4 of this Title. The Planning Commission shall either recommend approval or denial of the requested zoning to the City Council, which can either ratify the Planning Commission's decision, or reverse it. The City Council may initiate rezoning on its own motion, in which case the Council shall hold a hearing either in conjunction with second reading of a rezoning ordinance, or separately, in substantial compliance with the review procedures of Chapter 11-4 of this Title.

(3) The City shall not impose conditions on a rezone unless otherwise required by this Title.

(B) *Zoning of Additions.*

(1) The zoning of additions for all property annexed to the City not previously subject to City zoning may be requested or initiated by the City Manager or the owner of any legal interest in the property or such owner's representative. Proceedings concerning the zoning of property to be annexed may commence at any time prior to the effective date of the annexation ordinance, or thereafter as allowed by law. The Planning Commission shall either recommend approval or denial of the requested zoning to the City Council, which can either ratify the Planning Commission's decision, or reverse it. The zoning of additions shall be subject to the review procedures of Chapter 11-4 and standards of Section 11-7-4 of this Title, and shall be allowed only upon findings as follows:

(a) The amendment is not averse to the public health, safety and welfare; and

(b) The amendment is in substantial conformity with the Comprehensive Plan, or such zoning is compatible with conditions in the area, which have changed materially since the Comprehensive Plan was last updated.

(2) The City shall not impose conditions on the zoning of an addition unless otherwise required by this Title.

(C) *Legislative Zoning.* Comprehensive review and re-enactment of all or a significant portion of the Official Zoning Map shall be a legislative action, and shall not be subject to the review procedures of Chapter 11-4 of this Title or any criteria set out in this Section.

(D) *Enactment by Ordinance.* No amendment, addition to or re-enactment of the Official Zoning Map shall become effective until enacted by an ordinance.

(Ord. No. 2677, § 1(exh. A), 12-17-2024)

Sec. 11-7-13. Variances.

(A) The Planning Commission may grant a variance from the requirements set out in this Chapter, if it determines, following the review procedures of Chapter 11-4 of this Title, that the criteria of this Section will be met. Provided, however, no variance shall be granted from provisions restricting uses by right, accessory and conditional uses within any zoning district.

(B) Variances shall be granted only if all the following criteria are met:

(1) The variance will not adversely affect the public health, safety and welfare.

(2) Unusual physical circumstances shall exist, such as unusual lot size or shape, topography, or other physical conditions peculiar to the affected property, and violations of code shown by clear and convincing evidence that they were made in good faith, which make it unfeasible to develop or use the property in conformity with the provisions of this Chapter in question.

(3) The unusual circumstances have not been created as a result of the action or inaction of the applicants, other parties in interest with the applicant, or their or his predecessors in interest.

(4) The variance requested is the minimum variance that will afford relief and allow for reasonable use of the property.

(5) The variance will not result in development incompatible with other property or buildings in the area, and will not affect or impair the value or use or development of other property.

(C) The burden shall be on the applicant to show that these criteria have been met.

(D) Variances shall be granted for sign regulations only if all of the following criteria are met, in lieu of the criteria of Subsection (B) of this Section.

(1) The variance will not adversely affect the public health, safety and welfare.

(2) The variance requested is the minimum variance that will afford relief.

(3) The variance will not result in signage incompatible with other properties in the area and will not affect or impair the value, use of development of such properties.

(4) Strict compliance with the regulation presents practical difficulties or unnecessary hardships, and the variance sought falls within the spirit of the sign regulations (Chapter 10 of this Title) as a whole.

(Ord. No. 2677, § 1(exh. A), 12-17-2024)

ORDINANCE NO. 2697

AN ORDINANCE OF THE CITY OF MONTROSE, COLORADO, AMENDING THE ZONING DISTRICT DESIGNATION OF 12658 6450 ROAD FROM "MHR," MANUFACTURED HOUSING RESIDENTIAL DISTRICT TO "R-6," MEDIUM DENSITY/MANUFACTURED HOUSING DISTRICT.

WHEREAS, the Planning Commission met on October 22, 2025, to consider a rezoning of a 1.1 acre parcel known as 12658 6450 Road in the City of Montrose; and

WHEREAS, the motion carried and Planning Commission has recommended the zoning changes provided herein; and

WHEREAS, the City Council has determined that such zoning will be consistent with the public health, safety and welfare, the City's Master Plan and changed conditions in the area.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MONTROSE, COLORADO, that

SECTION 1:

The Official Zoning Map is amended to designate 12658 6450 Rd. Montrose, Colorado 81401, more particularly described as:

A tract of land described as Commencing at a point on the Quarter Section Line 310 feet North of the Southwest Corner of the Northwest Quarter of the Southeast Quarter (NW¼SE¼) of Section Sixteen (16) in Township Forty-Nine (49) North of Range Nine(9) West of the New Mexico Principal Meridian, running thence North 150 feet, thence East 291 feet, thence South 150 feet, thence West 291 feet to the point of Beginning, containing one acre, more or less, together with all water and water rights, ditches and ditch rights belonging thereto and used in connection therewith.

as an "R-6," Medium Density/Manufactured Housing District, according to the Official Zoning Map.

You will please take notice that the Montrose City Council will hold a hearing upon the above Ordinance and on the question of its passage on first reading on Tuesday, the 4th day of November, 2025, at the hour of 6:00 p.m. at Montrose City Council Chambers, Elks' Civic Building in Montrose, Colorado.

INTRODUCED, READ and PASSED on first reading this 4th day of November, 2025.

Dave Frank, Mayor

ATTEST:

Lisa DelPiccolo

Lisa DelPiccolo, City Clerk

CITY OF MONTROSE CITY SEAL COLORADO

INTRODUCED, READ and ADOPTED on second reading this 18th day of November, 2025.

ATTEST:

Dave Frank, Mayor

Lisa DelPiccolo, City Clerk

September 2025 City of Montrose Sales, Use & Excise Tax Collections Report

General Fund Sales and Use Tax

General Fund Retail Sales Tax

Retail sales tax collected in September 2025 at the General Fund tax rate of 3% was $2,317,953. This amount is 0.2% lower than the revenue collected in September 2024, which totaled $2,322,221. As of the end of September 2025, year to date collections total $19,521,434, representing an increase of 2% compared to the year to date total in September 2024, which was $19,141,068.

General Fund Retail Sales Tax (3%)

Months	January	February	March	April	May	June	July	August	September	Year-to-date
2025 Revenue	$1,922,808	$1,790,588	$2,253,550	$2,049,574	$2,165,011	$2,437,629	$2,318,980	$2,265,341	$2,317,953	$19,521,434
2024 Revenue	$1,905,682	$1,843,447	$2,196,460	$1,974,461	$2,050,092	$2,371,247	$2,285,529	$2,191,928	$2,322,221	$19,141,068
% Increase or Decrease	0.9%	-2.9%	2.6%	3.8%	5.6%	2.8%	1.5%	3.3%	-0.2%	2%

General Fund Construction Use Tax

Construction use tax collected in September 2025 at the General Fund tax rate of 3% was $21,072. This amount is 66.4% lower than the revenue collected in September 2024, which totaled $62,634. As of the end of September 2025, year to date collections for construction use tax total $451,253, representing an increase of 3.9% compared to the year to date total as of September 2024, which was $434,522.

General Fund Construction Use Tax (3%)

Revenue Category	January	February	March	April	May	June	July	August	September	Year-to-date
2025 Revenue	$94,018	$30,200	$80,558	$93,233	$35,801	$29,725	$23,573	$43,073	$21,072	$451,253
2024 Revenue	$37,669	$34,964	$37,629	$54,355	$57,729	$51,545	$27,081	$70,916	$62,634	$434,522
% Increase or Decrease	149.6%	-13.6%	114.1%	71.5%	-38%	-42.3%	-13%	-39.3%	-66.4%	3.9%

General Fund Use and Auto Use Tax

Use and auto use tax collected in September 2025 at the General Fund tax rate of 3% was $147,205. This amount is 34.8% higher than the revenue collected in September 2024, which totaled $109,210. As of the end of September 2025, year to date collections for use and auto use tax total $1,249,052, representing an increase of 5.5% compared to the year to date total in September 2024, which was $1,183,679.

General Fund Use and Auto Tax (3%)

Revenue Category	January	February	March	April	May	June	July	August	September	Year-to-date
2025 Revenue	$130,665	$98,320	$217,072	$140,362	$120,712	$125,136	$128,695	$140,886	$147,205	$1,249,052
2024 Revenue	$107,432	$122,714	$143,622	$154,857	$144,541	$141,582	$127,591	$132,132	$109,210	$1,183,679
% Increase or Decrease	21.6%	-19.9%	51.1%	-9.4%	-16.5%	-11.6%	0.9%	6.6%	34.8%	5.5%

Total Collections, General Fund Sales and Use Tax

Total sales and use tax revenue collected in September 2025 at the General Fund tax rate of 3% was $2,486,230. This amount is 0.3% lower than the revenue collected in September 2024, which totaled $2,494,065. As of the end of September 2025, total collections of General Fund sales and use tax amounted to $21,221,739, representing an increase of 2.2% compared to the year to date total in September 2024, which was $20,759,270.

Total Collections, General Fund Sales and Use Tax (3%)

Revenue Category	January	February	March	April	May	June	July	August	September	Year-to-date
2025 Revenue	$2,147,491	$1,919,108	$2,551,180	$2,283,169	$2,321,524	$2,592,490	$2,471,248	$2,449,299	$2,486,230	$21,221,739
2024 Revenue	$2,050,784	$2,001,124	$2,377,711	$2,183,673	$2,252,362	$2,564,374	$2,440,201	$2,394,976	$2,494,065	$20,759,270
% Increase or Decrease	4.7%	-4.1%	7.3%	4.6%	3.1%	1.1%	1.3%	2.3%	-0.3%	2.2%

General Fund Sales and Use Tax Budget

The sales and use tax budget for September 2025 was $2,570,970. Actual collections totaled $2,486,230, resulting in a negative budget variance of 3.3%. The cumulative year to date budget for 2025 totals $21,037,782. Actual year to date collections total $21,221,739, which results in a positive budget variance of 0.9%.

General Fund Sales and Use Tax Budget

Revenue Category	January	February	March	April	May	June	July	August	September	Year-to-date
2025 Budget	$2,087,299	$1,997,584	$2,422,204	$2,183,400	$2,289,316	$2,594,471	$2,453,533	$2,439,005	$2,570,970	$21,037,782
2025 Actual Collections	$2,147,491	$1,919,108	$2,551,180	$2,283,169	$2,321,524	$2,592,490	$2,471,248	$2,449,299	$2,486,320	$21,221,739
% Increase or Decrease	2.9%	-3.9%	5.3%	4.6%	1.4%	-0.1%	0.7%	0.4%	-3.3%	0.9%

Montrose Urban Renewal Authority (MURA) Tax Increment Financing (TIF) Collections

Sales and use tax revenues collected by businesses under the Montrose Urban Renewal Authority (MURA) Tax Increment Financing (TIF) agreement during September 2025 totaled $38.467. This amount is 0.46% higher than the September 2024 collections, which totaled $38,290. As of the end of September 2025, year to date sales and use tax collected in the MURA/Colorado Outdoors business area amounts to $312,617, representing an increase of 60.99% compared to the year to date total in September 2024, which was $194,189.

MURA TIF Collections

Revenue Category	January	February	March	April	May	June	July	August	September	Year-to-date
2025 Revenue	$20,877	$23,689	$37,444	$27,684	$37,260	$44,219	$43,093	$39,886	$38,467	$312,617
2024 Revenue	$5,585	$4,042	$4,898	$8,813	$22,793	$35,022	$36,132	$38,614	$38,290	$194,189
% Increase or Decrease	273.8%	486.1%	664.5%	214.1%	63.5%	26.26%	19.26%	3.29%	0.46%	60.99%

Public Safety Sales and Use Tax

Public Safety Retail Sales Tax

Retail sales tax collected in September 2025 at the Public Safety Sales Tax rate of 0.58% was $454,501. This amount is 0% higher than the revenue collected in September 2024, which was $454,537. As of the end of September 2025, year to date collections total $3,825,040, representing an increase of 2.5% compared to the year to date total as of September 2024, which was $3,730,004.

Public Safety Sales Tax – Retail Sales (0.58%)

Revenue Category	January	February	March	April	May	June	July	August	September	Year-to-date
2025 Revenue	$374,894	$350,063	$442,162	$400,326	$424,415	$479,123	$455,323	$444,233	$454,501	$3,825,040
2024 Revenue	$368,943	$356,549	$425,902	$382,301	$399,593	$464,318	$448,187	$429,674	$454,537	$3,730,004
% Increase or Decrease	1.6%	-1.8%	3.8%	4.7%	6.2%	3.2%	1.6%	3.4%	0.0%	2.5%

Public Safety Sales Tax, Construction Use Tax

Construction use tax collected in September 2025 at the Public Safety Sales Tax rate of 0.58% was $32,595. This amount is 169.2% higher than the revenue collected in September 2024, which totaled $12,109. As of the end of September 2025, year to date collections total $131,337, representing an increase of 10% compared to the year to date total in September 2024, which was $119,383.

Public Safety Sales Tax – Construction Use Tax (0.58%)

Revenue Category	January	February	March	April	May	June	July	August	September	Year-to-date
2025 Collections	$19,926	$6,007	$17,315	$29,611	$7,293	$5,704	$4,558	$8,328	$32,595	$131,337
2024 Collections	$7,273	$7,064	$9,064	$16,043	$16,623	$12,552	$5,236	$33,419	$12,109	$119,383
% Increase or Decrease	174%	-15%	91%	84.6%	-56.1%	-54.6%	-12.9%	-75.1%	169.2%	10%

Public Safety Sales Tax, Use and Auto Tax

Use and auto tax collected in September 2025 at the Public Safety Sales Tax rate of 0.58% was $28,460. This amount is 34.8% higher than the revenue collected in September 2024, which totaled $21,114. As of the end of September 2025, year to date collections total $241,483, representing an increase of 5.5% compared to the year to date total as of September 2024, which was $228,845.

Public Safety Sales Tax – Use and Auto Tax (.58%)

Revenue Category	January	February	March	April	May	June	July	August	September	Year-to-date
2025 Collections	$25,262	$19,009	$41,967	$27,137	$23,338	$24,193	$24,881	$27,238	$28,460	$241,483
2024 Collections	$20,770	$23,725	$27,767	$29,939	$27,945	$27,372	$24,668	$25,545	$21,114	$228,845
% Increase or Decrease	21.6%	-19.9%	51.1%	-9.4%	-16.5%	-11.6%	0.9%	6.6%	34.8%	5.5%

Total Collections, Public Safety Sales and Use Tax

Total sales and use tax revenue collected in September 2025 at the Public Safety Sales Tax rate of 0.58% was $515,556. This amount is 5.7% higher than the revenue collected in September 2024, which totaled $487,760. As of the end of September 2025, total collected Public Safety Sales Tax revenues amount to $4,197,860, representing an increase of 2.9% compared to the year to date total as of September 2024, which was $4,078,232.

Public Safety Sales Tax – Total Collections (0.58%)

Revenue Category	January	February	March	April	May	June	July	August	September	Year-to-date
2025 Collections	$420,082	$375,079	$501,444	$457,074	$455,046	$509,020	$485,762	$479,799	$515,556	$4,197,860
2024 Collections	$396,986	$387,338	$462,733	$428,283	$444,161	$504,242	$478,091	$488,638	$487,760	$4,078,232
% Increase or Decrease	5.8%	-3.2%	8.4%	6.7%	2.5%	0.9%	1.4%	-1.8%	5.7%	2.9%

Public Safety Sales and Use Tax Budget

The Public Safety Sales and Use Tax budget for September 2025 was $499,915. Actual collections totaled $515,556, which resulted in a positive budget variance of 3.1%. The cumulative year to date budget for 2025 totals $4,114,250. Actual year to date collections total $4,197,860 which results in a positive budget variance of 2%.

Public Safety Sales and Use Tax Budget

Revenue Category	January	February	March	April	May	June	July	August	September	Year-to-date
2025 Budget	$398,482	$389,356	$464,532	$431,186	$447,844	$507,517	$478,869	$496,549	$499,915	$4,114,250
2025 Actual Collections	$420,082	$375,079	$501,444	$457,074	$455,046	$509,020	$485,762	$479,799	$515,556	$4,197,860
% of Variance	5.4%	-3.7%	7.9%	6%	1.6%	0.3%	1.2%	-3.4%	3.1%	2%

Montrose Recreation District Collections

In September 2025, sales and use tax collections at the Montrose Recreation District rate of 0.3% totaled $266,668. This amount is 5.5% higher than the September 2024 collections, which totaled $252,705. As of the end of September 2025, year to date collections total $2,171,433, representing an increase of 2.9% compared to the year to date total as of September 2024, which was $2,111,168.

Montrose Recreation District (0.3%)

Revenue Category	January	February	March	April	May	June	July	August	September	Year-to-date
2025 Collections	$217,285	$194,007	$259,371	$236,568	$235,369	$263,287	$250,758	$248,120	$266,668	$2,171,433
2024 Collections	$205,370	$200,512	$239,299	$221,783	$229,960	$261,171	$247,269	$253,099	$252,705	$2,111,168
% Increase or Decrease	5.8%	-3.2%	8.4%	6.7%	2.4%	0.8%	1.4%	-2%	5.5%	2.9%

Hotel, Lodging, Short Term Rental and Restaurant Excise Taxes

Hotel Excise Tax (6%)

Hotel excise taxes collected at the rate of 6% on hotel, lodging and short term rental retail sales in September 2025 totaled $153,564. This amount is 510% higher than those collected in September 2024, which totaled $25,176. As of the end of September 2025, year to date collections total $934,975, representing an increase of 503.1% compared to the year to date as of September 2024, which was $155,027.

The significant increase in collections from 2024 to 2025 is primarily due to the Hotel Excise Tax rate rising from 0.9% in 2024 to 6% in 2025. This rate change was approved by voters on November 5, 2024, and took effect on January 1, 2025.

Hotel Excise Tax (6%)

Revenue Category	January	February	March	April	May	June	July	August	September	Year-to-date
2025 Collections	$45,955	$53,147	$67,431	$60,021	$98,586	$154,332	$165,826	$136,113	$153,564	$934,975
2024 Collections	$8,742	$9,744	$12,244	$11,354	15,843	$22,270	$26,108	$23,548	$25,176	$155,027
% Increase or Decrease	425.7%	445.4%	450.7%	428.6%	522.3%	593%	535.2%	478%	510%	503.1%

Restaurant Excise Tax (0.8%)

Restaurant excise taxes collected at the rate of 0.8% on restaurant retail sales in September 2025 totaled $63,824. This amount is 1.3% higher than those collected in September 2024, which totaled $62,978. As of the end of September 2025, year to date collections total $543,470, representing an increase of 6.3% compared to the year to date total as of September 2024, which was $511,121.

Restaurant Excise Tax (6%)

Revenue Category	January	February	March	April	May	June	July	August	September	Year-to-date
2025 Collections	$51,895	$49,588	$63,597	$51,751	$62,187	$66,221	$68,030	$66,377	$63,824	$543,470
2024 Collections	$49,121	$47,369	$54,984	$53,487	$58,080	$61,144	$63,479	$60,478	$62,978	$511,121
% Increase or Decrease	5.6%	4.7%	15.7%	-3.2%	7.1%	8.3%	7.2%	9.8%	1.3%	6.3%

Total Collections, Hotel and Restaurant Excise Tax

Total hotel and restaurant excise tax revenues collected in September 2025 at the rates of 6% and 0.8%, respectively, total $217,388. This amount is 146.6% higher than the revenues collected in September 2024, which totaled $88,154. As of the end of September 2025, year to date total collected hotel and excise tax revenues amount to $1,478,445, representing an increase of 121.9% compared to the year to date total as of September 2024, which was $666,148.

Total Collections, Hotel (6%) and Restaurant (0.8%) Excise Tax

Revenue Category	January	February	March	April	May	June	July	August	September	Year-to-date
2025 Collections	$97,850	$102,735	$131,028	$111,772	$160,773	$220,553	$233,856	$202,490	$217,388	$1,478,445
2024 Collections	$57,863	$57,113	$67,227	$64,841	$73,923	$83,414	$89,587	$84,026	$88,154	$666,148
% Increase or Decrease	69.1%	79.9%	94.9%	72.4%	117.5%	164.4%	161%	141%	146.6%	121.9%

Hotel and Restaurant Excise Tax Budget

The Hotel and Restaurant Excise Tax Budget for September 2025 was $92,675. Actual collections totaled $217,388, resulting in a positive budget variance of 134.6%. The cumulative year to date budget as of September 2025 totals $696,526. Actual year to date collections total $1,478,445, which results in a positive budget variance of 112.3%.

Hotel (6%) and Restaurant (0.8%) Excise Tax Budget

Revenue Category	January	February	March	April	May	June	July	August	September	Year-to-date
2025 Budget	$59,809	$59,125	$69,817	$67,342	$77,161	$87,641	$94,584	$88,372	$92,675	$696,526
2025 Actual Collections	$97,850	$102,735	$131,028	$111,772	$160,773	$220,553	$233,856	$202,490	$217,388	$1,478,445
% of Variance	63.6%	73.8%	87.7%	66%	$108.4	151.7%	147.2%	129.1%	134.6%	112.3%

Montrose Urban Renewal Authority (MURA) Tax Increment Financing (TIF) Hotel and Restaurant Excise Tax Collections

Hotel and restaurant excise tax revenues collected by businesses under the Montrose Urban Renewal Authority (MURA) Tax Increment Financing (TIF) agreement in September 2025 totaled $33,198. This amount is 310% higher than the September 2024 collections, which totaled $8,087. As of the end of September 2025, total hotel and restaurant excise taxes collected under the Montrose Urban Renewal Authority (MURA) Tax Increment Financing (TIF) agreement total $252,455, representing an increase of 578% compared to the year to date total as of September 2024, which was $37,219.

MURA TIF Hotel and Restaurant Excise Tax

Revenue Category	January	February	March	April	May	June	July	August	September	Year-to-date
2025 Collections	$16,236	$16,652	$23,185	$22,846	$29,592	$39,685	$37,194	$33,866	$33,198	$252,455
2024 Collections	$548	$561	$604	$1,097	$4,379	$6,696	$7,484	$7,762	$8,087	$37,219
% Increase or Decrease	2,860.7%	2,866.7%	3,736.8%	1,983.5%	576%	493%	397%	336%	310%	578%

Retail Enhancement Program Collections

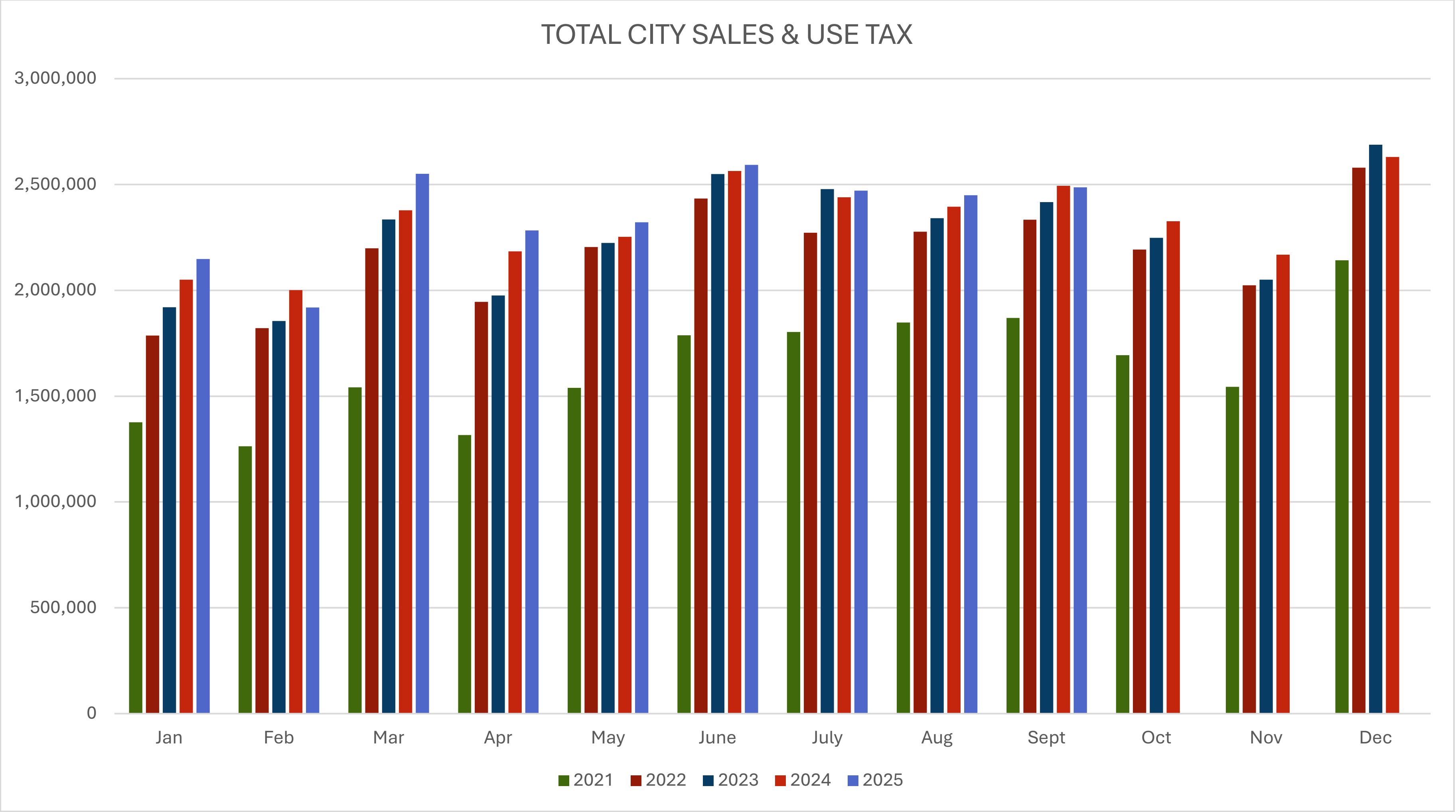
Revenues collected by the Retail Enhancement Program in September 2025 totaled $62,108. This amount is 1% higher than the September 2024 collections, which totaled $61,478. As of the end of September 2025, total collections amount to $516,176, representing an increase of 2.1% compared to the year to date total as of September 2024, which was $505,606.

Retail Enhancement Program Collections

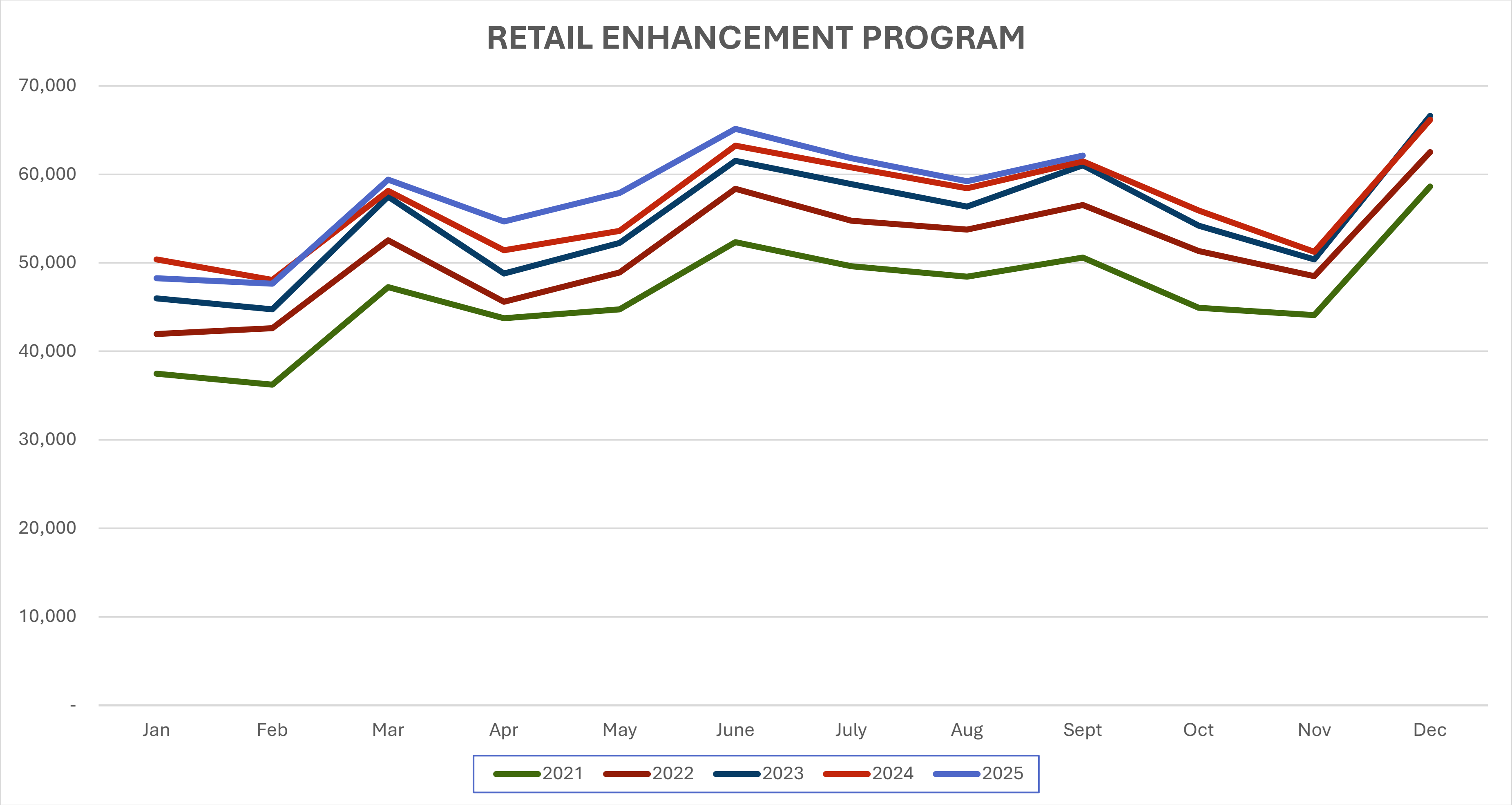
Revenue Category	January	February	March	April	May	June	July	August	September	Year-to-date
2025 Collections	$48,263	$47,643	$59,401	$54,671	$57,905	$65,142	$61,825	$59,218	$62,108	$516,176
2024 Collections	$50,401	$48,068	$58,145	$51,433	$53,597	$63,256	$60,789	$58,440	$61,478	$505,606
% Increase or Decrease	-4.2%	-0.9%	2.2%	6.3%	8%	3%	1.7%	1.3%	1%	2.1%

Graphs and Charts:

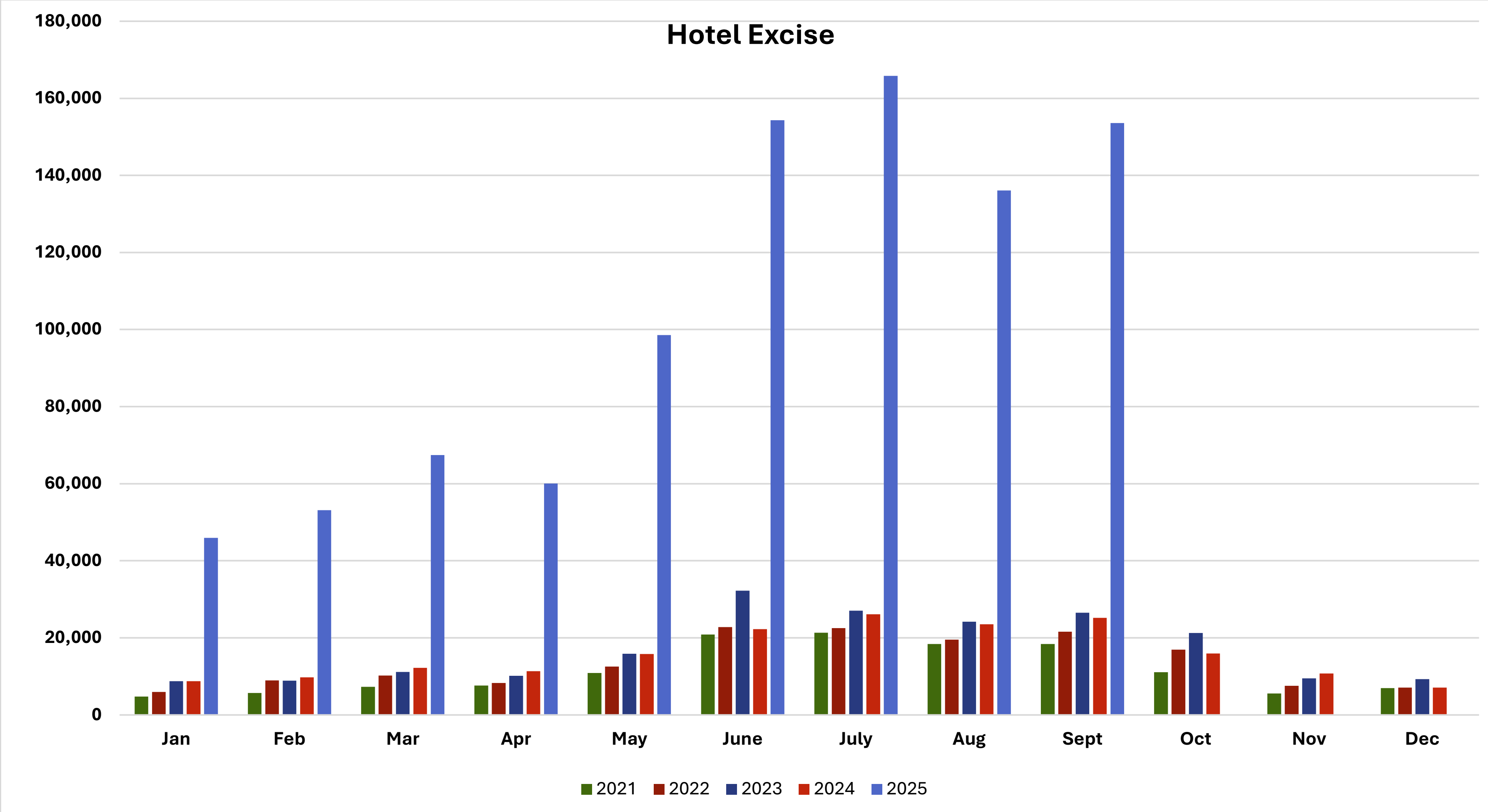
Total City Sales and Use Tax



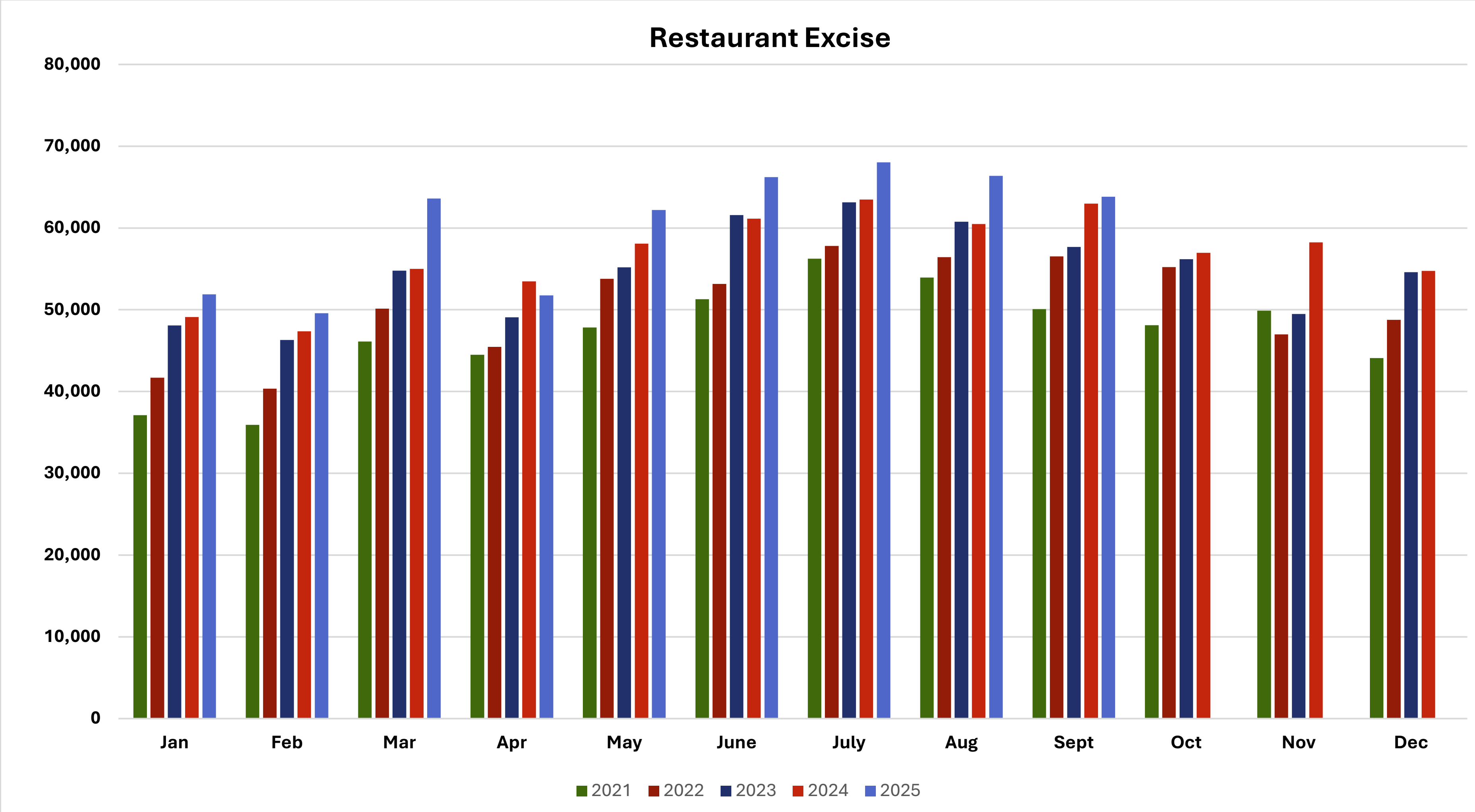
Retail Enhancement Program



Hotel Excise Tax



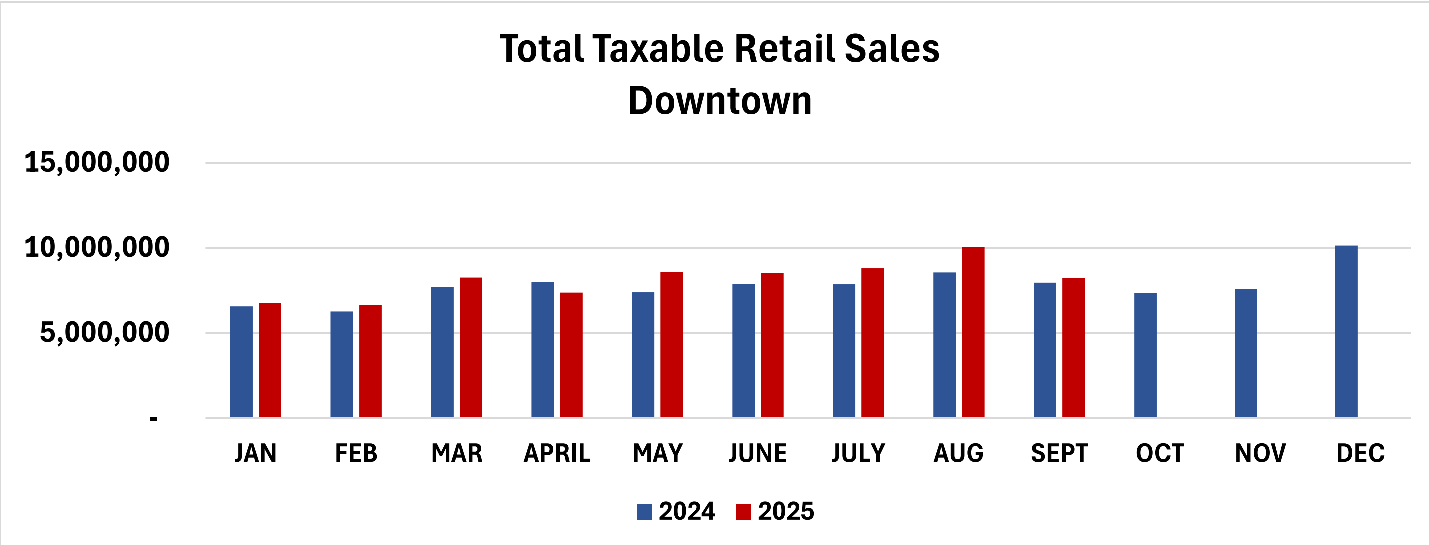
Restaurant Excise Tax



September 2025 Business Area Report

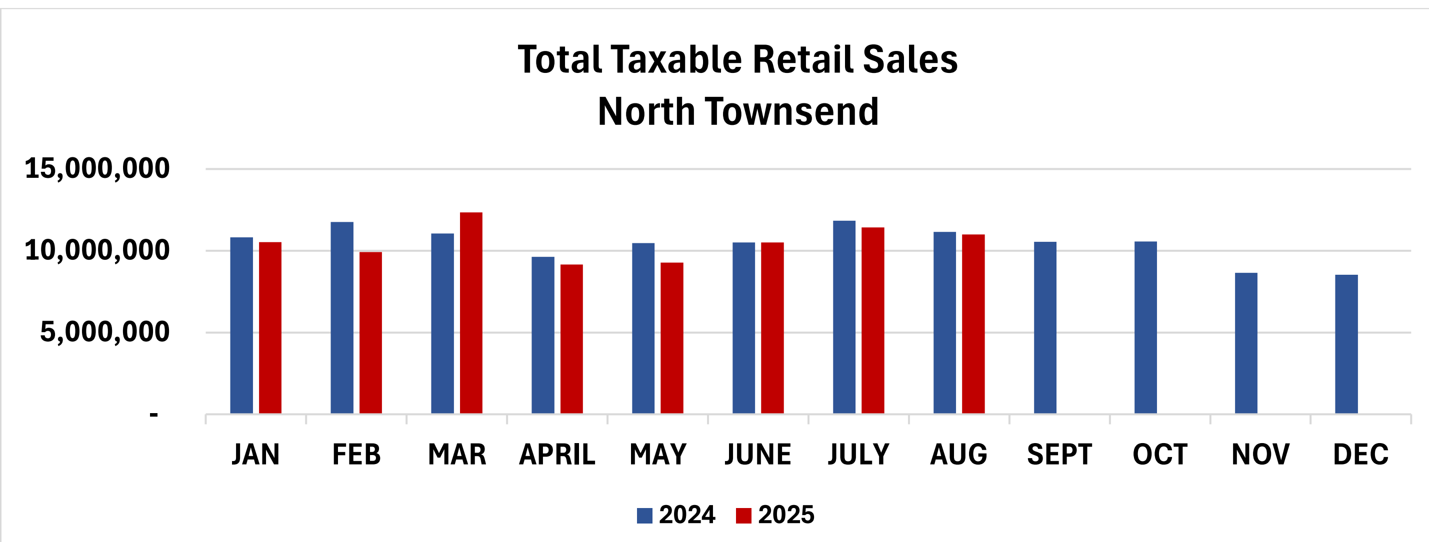
Downtown Total Taxable Retail Sales

September 2025 taxable retail sales in the Downtown business area totaled $8,243,287. This is an increase compared to September 2024's taxable retail sales, which totaled $7,967,113.



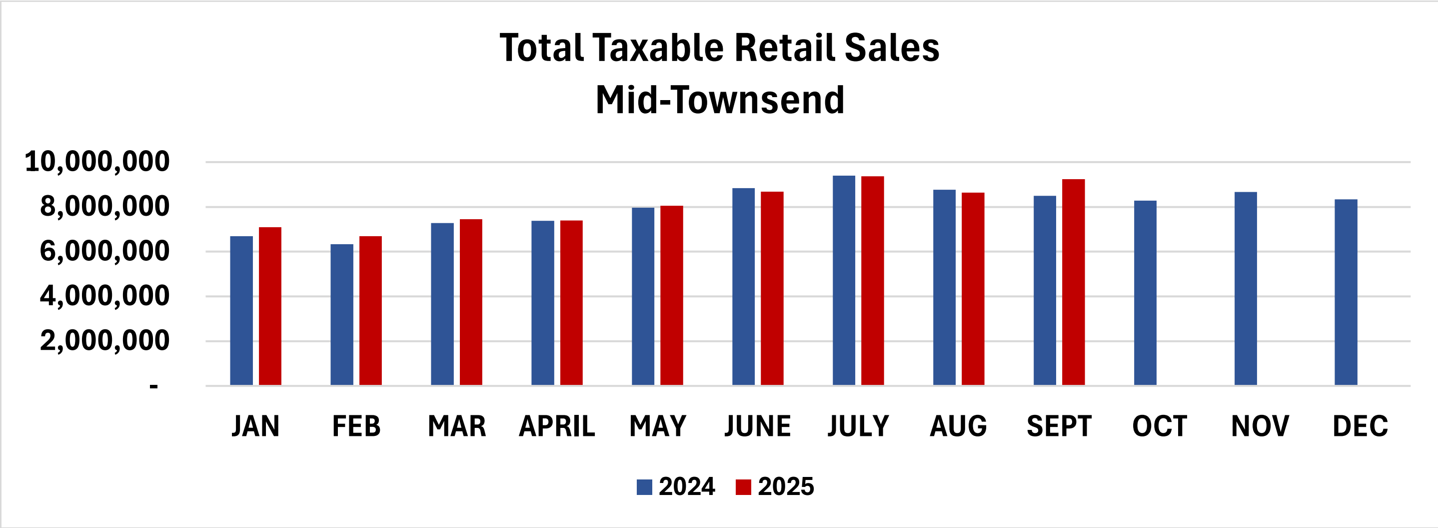
North Townsend Total Taxable Retail Sales

September 2025 taxable retail sales in the North Townsend business area totaled $10,276,544. This is an increase compared to September 2024's taxable retail sales, which totaled $10,544,107.



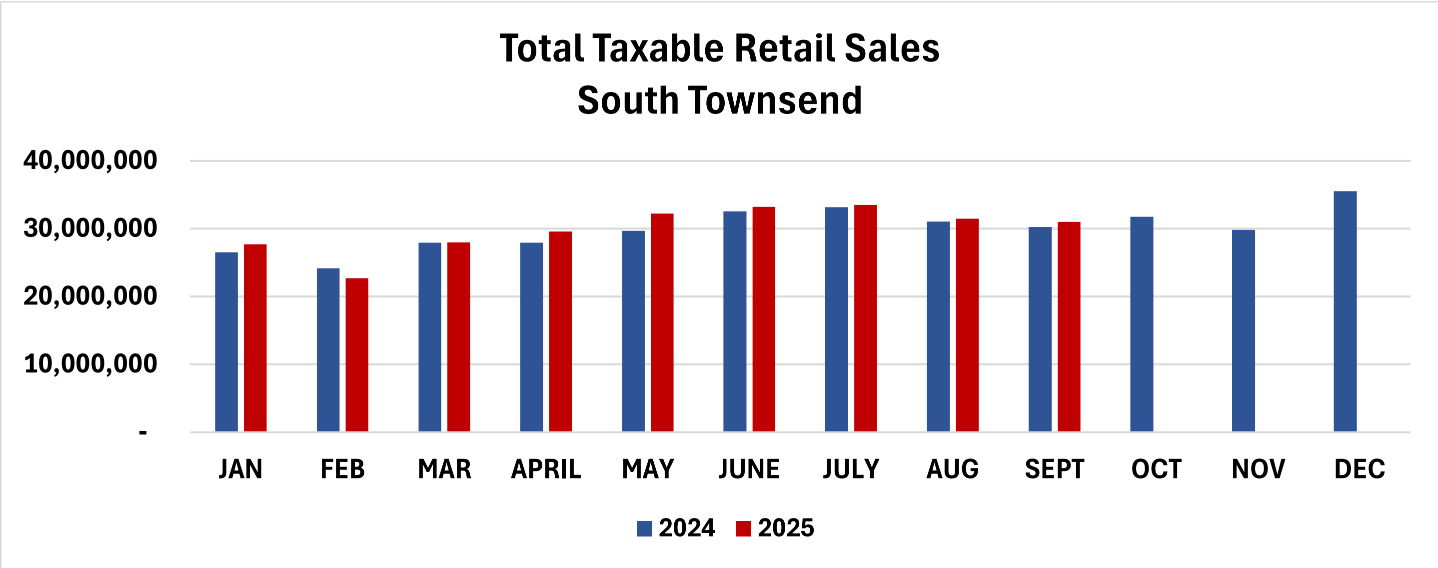
Mid-Townsend Total Taxable Retail Sales

September 2025 taxable retail sales in the Mid-Townsend business area totaled $9,244,577. This is an increase compared to September 2024's taxable retail sales, which totaled $8,489,433.



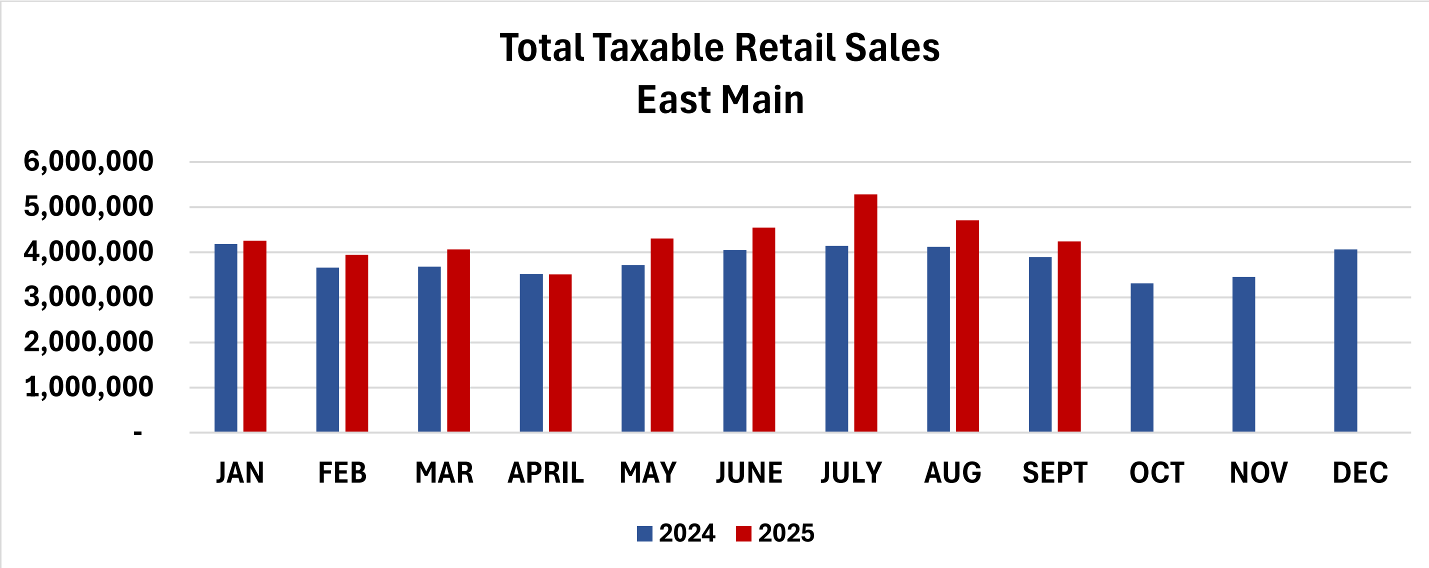
South Townsend Total Taxable Retail Sales

September 2025 taxable retail sales in the South Townsend business area totaled $31,009,028. This is an increase compared to September 2024's taxable retail sales, which totaled $30,249,918.



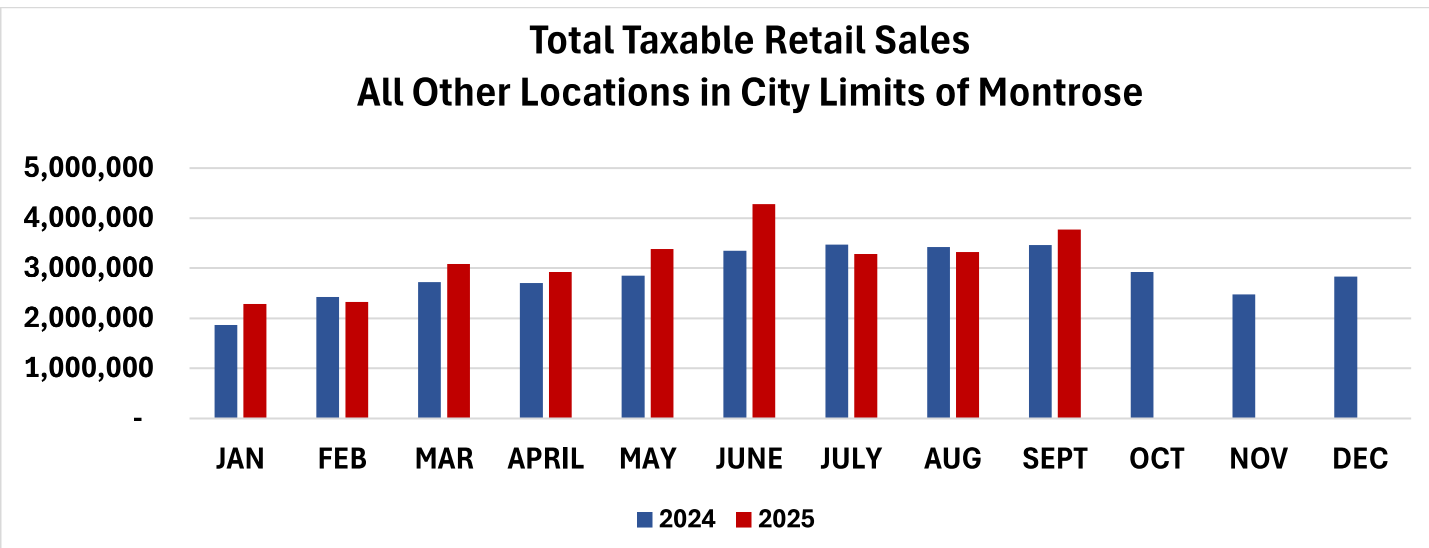
East Main Total Taxable Retail Sales

September 2025 taxable retail sales in the East Main business area totaled $4,239,597. This is an increase compared to September 2024's taxable retail sales, which totaled $3,891,684.



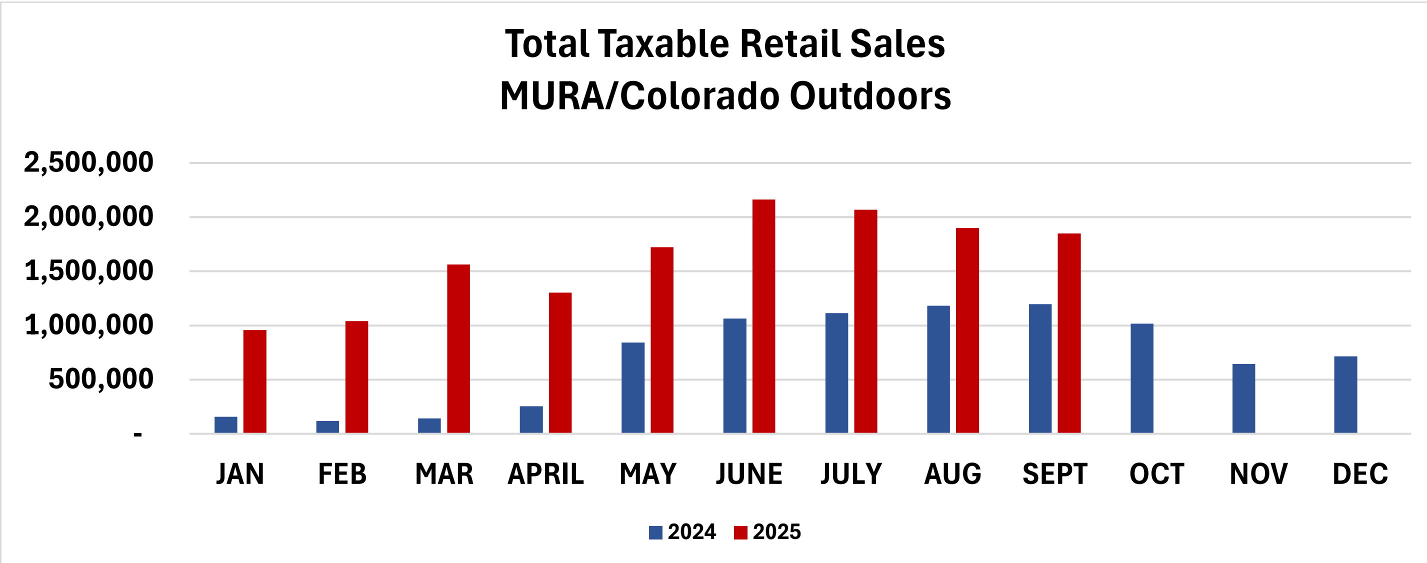
All Other Locations in City Limits of Montrose

September 2025 taxable retail sales from All Other Locations in the City Limits of Montrose totaled $3,773,827. This is an increase compared to September 2024's taxable retail sales, which totaled $3,457,330.



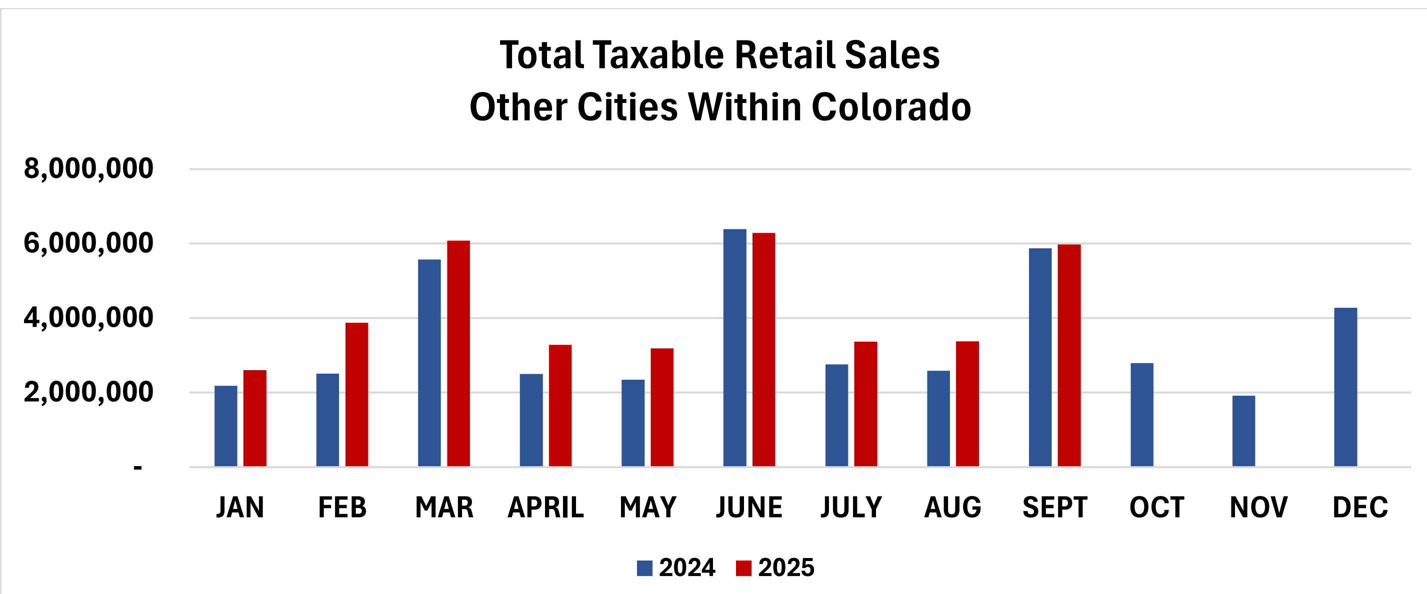
MURA/Colorado Outdoors

September 2025 taxable retail sales in the MURA/Colorado Outdoors business area totaled $1,848,189. This is an increase compared to September 2024's taxable retail sales, which totaled $1,196,446.



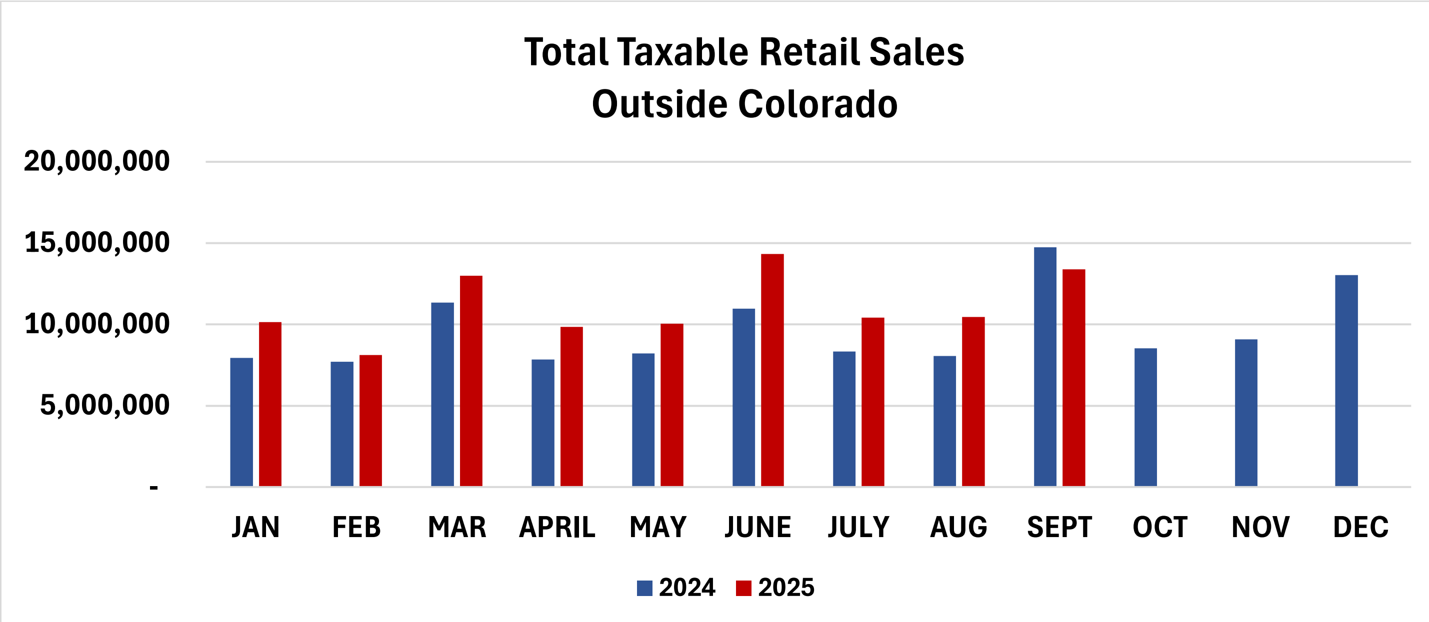
Other Cities Within Colorado

September 2025 taxable retail sales from businesses located in Other Cities Within Colorado totaled $5,981,100. This is an increase compared to September 2024's taxable retail sales, which totaled $5,877,610.



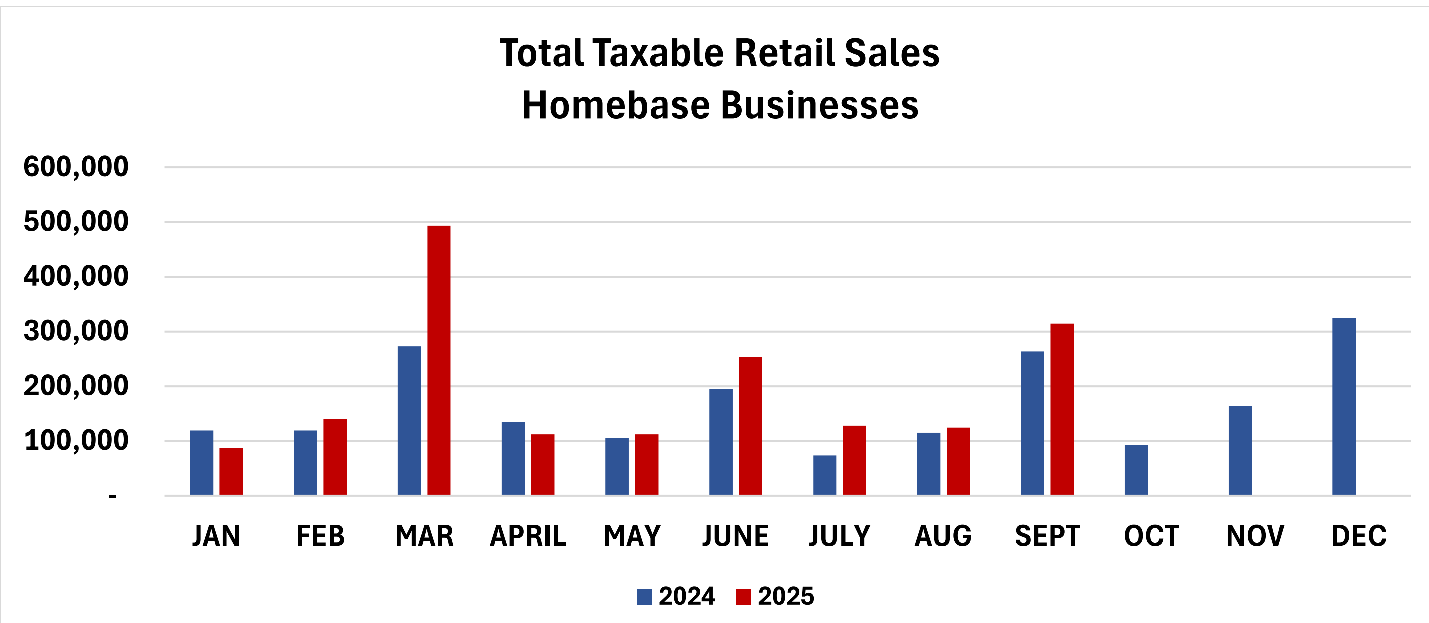
Outside Colorado

September 2025 taxable retail sales from businesses Outside Colorado totaled $13,385,529. This is a decrease compared to September 2024's taxable retail sales, which totaled $14,479,335.



Homebase Businesses

September 2025 taxable retail sales from Homebase Businesses totaled $314,614. This is an increase compared to September 2024's taxable retail sales, which totaled $263,613.



City of Montrose
Third Quarter Budget Report
September 30, 2025

Governmental Funds

General Fund

The **General Fund** is the city's primary operating fund. Sales and use taxes, collected at a 3% rate, account for more than 85% of the total revenue. As of the end of September, both retail sales tax and total sales and use tax collections have shown growth compared to 2024, increasing by **2.0%** and 2**.2%**, respectively. The city does not collect property taxes.

- Budgeted revenues have been collected at **77.3%**, and **72.3%** of budgeted expenditures have been paid.
- Capital projects include improvements to city parks, Main Street banner poles, and the flagpole on Sunset Mesa.

Public Safety Fund

On November 5, 2019, City of Montrose voters approved an additional sales and use tax of .58% specifically for public safety. Through September, both retail sales and total sales and use tax collections for public safety have increased by **2.5%** and **2.9%** respectively compared to the previous year.

- Budgeted revenues have been collected at **75.2%**, and **73.0%** of budgeted expenditures have been paid.
- The primary capital project is completing the interior of the Cerise Park Command building.

Montrose Recreation District Fund

This fund was created after voters approved an additional **.3%** sales and use tax on April 1, 2014. The funds are transferred to the Montrose Recreation District to support the new recreation center on Woodgate Road. Collections through September 2025 total **$2,171,433**, which is an increase of **2.9%** over 2024.

Special Revenue Funds

Retail Sales Enhancement Fund

This fund is managed by the Department and Revitalization Team (DART) and is funded by **2% of the vendor's fee**. The revenue supports city events, marketing, and beautification efforts, including flower baskets, alleyway lighting, and façade improvements. Collections through September total **$516,176**, which is **2.1%** increase from the same period in 2024.

Tourism Fund

The **Tourism Fund** is supported by lodging and restaurant excise taxes. These taxes, collected at **6%** and **.8%**, respectively, fund Guest Services, Community Events, Marketing, and Sports Tourism.

- The **lodging tax** was increased from .9% to 6% on January 1, 2025, following a public vote. As of September 30, 2025, **$934,975** has been collected and allocated to five key initiatives:
    - Childcare (**17%**)
    - Affordable Housing (**33%**)
    - Public Transit (**5%**)
    - Tourism (**20%**)
    - Right of Way improvements (**25%**)
- As of September 30, 2025, the **restaurant tax $543,470** has been collected, which is a **6.3%** increase from the same period in 2024.

Montrose Urban Renewal Authority (MURA)

MURA collects tax increments from property, sales, use, and excise taxes above the base rate. Collections through September total **$1,460,102**, which is used for development within the MURA district.

Capital Infrastructure and Facility Improvement Funds

Revenue for these funds is primarily derived from **General Fund transfers** and grant funding.

- **Infrastructure projects** include road maintenance, Main Street revitalization, and the new roundabout at Woodgate Road and East Oak Grove Road.
- **Facility projects** involve the renovation of the building at 703 South 9th Street to create a new childcare facility and the new Public Works Facility

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Enterprise Funds

These funds operate like businesses, with revenues collected from users of the specific services.

- **Water Fund:** Revenues are from water distribution services. Capital projects include building a new instrumentation facility at the Sunnyside tank, replacing valves and hydrants, and replacing water lines on Main Street and in conjunction with other street improvements.
  - Through September of 2025 **88.3%** of the budgeted revenues have been received, and **79.9%** of the budgeted expenditures have been spent.
- **Sewer Fund:** Revenues are from sewer collection services. Capital projects focus on sewer line and manhole rehabilitation, designing the NE quadrant sewer line, and engineering improvements at the Wastewater Treatment plant.
  - Through September of 2025 **62.7%** of the budged revenues have been received, and **46.4**% of the budgeted expenditures have been spent.
- **Trash and Recycle Fund:** Revenues are from trash and recycling services.
  - Through September of 2025 **77.3%** of the budgeted revenues have been received, and **58.8%** of the budgeted expenditures have been spent.
- **Black Canyon Golf Course:** This is a hybrid fund that collects about half of its revenue from golf fees and restaurant sales, with the **General Fund** covering the remaining expenses.
  - Through September of 2025 **79.7%** of the budged revenues have been received, and **70.5%** of the budgeted expenditures have been spent.

The unaudited Treasurer's report through September of 2025 represents unrestricted cash and investments that total $31,665,024 which includes all Governmental, Special Revenue, Debt, Capital and Enterprise funds of the city. The city has restricted cash in the amount of $8,681,867. The restricted cash equals $5,571,853 and is designated by resolution or ordinance of the City Council. Investments are made with excess cash, and current interest rates range from 3% to 4.51%.

This report is intended to provide the City Council with an overview of the city's financial performance of many of its funds. For any questions, please contact Mrs. Wittenberg, Finance Director.