

Lease Agreement with Sedalia Land Company for

Sedalia Land Parcels 235314200024, 235314000003, 235314200021, 235314200020, and portion of 235314100005 (see Exhibit A).

LEASE AGREEMENT
DOUGLAS COUNTY AND Sedalia Land Company

THIS LEASE AGREEMENT ("Agreement") is made on _____ 2025 ("Effective Date"), between Sedalia Land Company (the "Landlord"), and the Board of County Commissioners for the County of Douglas, State of Colorado (the "Tenant"). In consideration of the payment of the Rent and the performance of the covenants and agreements by the Tenant set forth below, the Landlord does hereby lease to the Tenant the following described property situated in the County of Douglas, in the State of Colorado, with a street address of 6046-6142 US Highway 85, Sedalia, CO 80135 (the "Premises"), and as depicted on Exhibit A.

TO HAVE AND TO HOLD the same with all the appurtenances unto the said Tenant from twelve o'clock noon on the Effective Date, and until twelve o'clock noon on the fifth (5th) anniversary of the Effective Date (the "Lease Term"), subject to either the Lease Option or the Purchase Option detailed below in Section 18, at and for a rental rate, payable in annual installments, as follows:

On the Effective Date and on the year anniversary of the Effective Date each following year Tenant will pay Landlord initial annual rent of One Hundred and Five Thousand and No/100 Dollars (\$105,000.00 USD), which shall be adjusted annually by Landlord with the Denver-Aurora-Lakewood Consumer Price Index (the "Rent").

All Rent should be paid, without prompting or notice by Landlord, to the office of the Landlord attention:

Sedalia Land Company
Attention: District Manager
5970 US Highway 85
Sedalia, CO 80135

The Tenant, in consideration of the leasing of the Premises, agrees as follows:

1. To pay the Rent for the Premises described above.
2. To keep the improvements on the Premises in reasonable condition and, at the expiration of this Agreement, to surrender the Premises to Landlord (including any existing or new structures or buildings) in as good a condition as when the Tenant entered the Premises, loss by fire, inevitable accident, and ordinary wear excepted. Tenant shall have the right, at its sole expense, to store or install its own machinery, fixtures, furniture, systems, equipment and other personal property ("Personal Property"). Tenant shall have the right to remove the Personal Property at any time prior to the expiration or earlier termination of this Agreement. Any of Tenant's Personal Property not removed from the Premises within sixty (60) days the date the Agreement terminates or expires shall be deemed abandoned and shall automatically become the property of Landlord. Tenant also agrees to keep the entire exterior

Premises free from all litter, dirt, debris, weeds, and obstructions, and to keep the Premises in a clean and sanitary condition as required by the ordinances of Douglas County. Tenant shall comply with all "Environmental Laws" (meaning all laws governing the use, storage, disposal or generation of any hazardous materials, including the Comprehensive Environmental Response Compensation and Liability Act of 1980, as amended, and the Resource Conservation and Recovery Act of 1976, as amended) and prudent industry practice pertaining to Tenant's use of the Premises relating to the presence, treatment, storage, handling, transportation, disposal, release or management of any hazardous materials as defined in the Environmental Laws.

3. The Landlord authorizes the Tenant to remove existing structures and to allow overlot grading and use of the site as described under Section 5 below.
4. To sublet no part of the Premises and not assign this Agreement or any interest therein without the prior written consent of the Landlord.
5. To use the Premises only as appropriate for the operation of Douglas County, Colorado government entities and storage of items appropriate and necessary for the pursuit of legitimate governmental goals and services and for no purposes prohibited by the laws of the United States or the State of Colorado, or of the ordinances of Douglas County, and for no improper or questionable purposes whatsoever, and to neither permit nor suffer any disorderly conduct, noise, or nuisance tending to annoy or disturb any persons occupying adjacent Premises. Tenant may use the Premises for (i) slash mulch and biochar storage, (ii) composting operations, (iii) manufacturing, (iv) distribution, (v) storage of bulk asphalt millings, concrete debris, aggregate, riprap and sand, (vi) concrete crushing, (vii) other public works functions, and (viii) for the parking and maintenance of Tenant-owned vehicles. Tenant may perform earthwork and construct detention ponds and other drainage improvements including culverts and inlets, and perform paving, based on plans currently in development, as approved by the Landlord. These approved improvements may be left in place at the end of the lease if the purchase option is not exercised. If, upon the earlier of the expiration or termination of the Agreement, Tenant does not exercise the Purchase Option to purchase the Premises, any permits or other approvals obtained by Tenant during the Lease Term to permit Tenant's uses for their activities shall be assigned by Tenant to Landlord within sixty (60) days.
6. To permit the Landlord to place a "For Rent" card or sign upon the said Premises at any time after sixty (60) days before the end of the Lease Term.
7. To allow the Landlord to enter the Premises at any reasonable hour so long as the Landlord provides notice in advance of such entry. This notice requirement shall not apply in the event of any urgent situation that may require access to avoid damage to the structure or contents of the improvements.
8. To pay all real and personal property taxes (or apply for exemptions for the same as Tenant is a governmental entity) and utility charges including, but not limited to, those associated with water, sewer, power, heat, cooling, telephone/cable, lighting, and security where said Premises are located. Tenant hereby acknowledges and agrees that Landlord shall not have any obligation or liability with respect to the provision of utility

services to the Premises, any costs with respect thereto and/or the interruption of any such utility service unless interruption of such services is directly caused by intentional or reckless act or omission of the Landlord.

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

9. Any payment of Tenant, or acceptance by Landlord, of a lesser amount than due shall be treated only as a payment on account.
10. Upon execution of this Agreement, Tenant paid to Landlord and Landlord acknowledges receipt of a deposit in the amount of One Hundred and Five Thousand and No/100 Dollars (\$105,000.00 USD) to be held by the Landlord for the faithful performance of all of the terms, conditions, and covenants of this Agreement. The Landlord may apply the deposit to cure any default under the terms of this Agreement and shall account to the Tenant for the balance. The Tenant may not apply the deposit hereunder to the payment of the Rent reserved hereunder or the performance of other obligations, unless Tenant is in default of this Agreement for failure to pay Rent.
11. If Tenant fails or refuses to vacate and surrender the Premises on the expiration or earlier termination of the Lease Term, Landlord may, in its sole and absolute discretion, elect to treat such failure or refusal by Tenant as an automatic month-to-month holdover tenancy, subject to all the terms and conditions of this Agreement, except that the Rent payable per month on the first of the month during the holdover period shall be \$10,000.00. The provisions of this Section shall not operate to limit Landlord's rights or remedies hereunder. Acceptance of holdover rent shall be deemed as Landlord's consent and acceptance of a renewal or extension of the Lease Term for an additional one month period, but not an acceptance of the Lease Option defined below. The terms and conditions of this Section shall survive the expiration or earlier termination of this Agreement.
12. If any payment required hereunder is not made within ten (10) days after payment is due, the Tenant will pay a monthly late charge of five percent (5%) of the outstanding balance.
13. In the event of a condemnation or other taking by any governmental agency, all proceeds shall be paid to the Landlord hereunder, the Tenant waiving all rights to such payments. Tenant expressly finds that, while this Agreement is in furtherance of a public purpose, Tenant may seek other alternative properties for its use and, as such, there is no public purpose under Tenant's powers of condemnation that would be legally legitimate as to the Premises for these same purposes as allowed in this Agreement. If Tenant exercise its condemnation powers during or after the Lease Term, in consideration for the ability to enter into this Agreement, Tenant agrees that the purchase price it will pay for the Premises will be three times the appraised fair market value.
14. This Agreement is made with the express understanding and agreement that, in the event the Tenant becomes insolvent, does not appropriate funds sufficient to fund its

obligations, or is declared bankrupt, then, in either event, the Landlord may declare this Agreement ended, and all rights of the Tenant hereunder shall terminate and cease.

15. The Tenant shall neither hold nor attempt to hold the Landlord, its agents, contractors, and employees liable for any injury, damage, claims, or loss to person or property occasioned by any accident, condition, or casualty to upon, or about the Premises including, but not limited to, defective wiring, the breaking or stopping of the plumbing or sewage upon the Premises, unless such accident, condition or casualty is directly caused by intentional or reckless act or omission of the Landlord.
16. This Agreement shall be binding on the parties, their personal representatives, successors, and assigns.

ADDITIONAL PROVISIONS

18. TENANT OPTIONS AFTER LANDLORD CONTINGENCY SATISFIED: During the initial five-year Lease Term, Landlord will seek to secure final, unappealable approval of the Certificate of Designation and all other entitlements, permits and approvals in Landlord's sole discretion in order to permit Landlord's desired landfill expansion at Landlord's neighboring property (the "Contingency"). Landlord shall provide Tenant with notice upon satisfaction of the Contingency, or shall provide six (6) months' notice to the Tenant prior to the end of the Lease Term that the Contingency has not been satisfied and thus, that the Lease Option and Purchase Option cannot be exercised. If the Contingency is met, Tenant may exercise one of the following options at the end of the Lease Term:

(A) LEASE OPTION: Contingent upon the Landlord Contingency being met, Tenant will have the option to extend the lease of the Premises for another five (5) year term ("Option Term"), with at least six (6) months written notice prior to the expiration of the Lease Term at the Rent ("Lease Option"). If Tenant fails to deliver the Lease Option notice as set forth above, this provision and Tenant's right to exercise the Lease Option shall terminate. Upon termination of the Lease Option the other provisions of this Agreement shall continue in full force and effect and the Lease will automatically terminate at the end of the Lease Term, subject to surviving obligations.

(B) PURCHASE OPTION: Contingent upon the Landlord Contingency being met, Tenant will have the option to purchase the Premises with at least six (6) months written notice prior to the expiration of the Lease Term at a purchase price of Three Million Three Hundred and One Thousand and No/100 Dollars (\$3,301,000.00) ("Purchase Option"). Upon exercising the Purchase Option, Landlord and Tenant shall use good faith to negotiate a purchase and sale agreement. If Tenant fails to deliver the Purchase Option notice as set forth above, this provision and Tenant's right to exercise the Purchase Option shall terminate. Upon termination of the Purchase Option the other provisions of this Agreement shall continue in full force and effect and the Lease will automatically terminate at the end of the Lease Term, subject to surviving obligations.

19. MAXIMUM CONTRACT LIABILITY: Any other provisions of this Agreement notwithstanding, and excluding any coverage provided by insurance pursuant to Section 26 of this Agreement or other damages that may exist outside of contractual liability which are not included in this amount, in no event shall Tenant be liable for payment under this Agreement for any amount in

excess of the funds appropriated by Tenant pursuant to Section 29-1-110, C.R.S., which are One Hundred and Five Thousand and No/100 Dollars (\$105,000.00 USD). Tenant is not under obligation to make any future apportionment or allocation to this Agreement, but if Tenant does not make future appropriations in order to pay the Rent, Tenant will be in default under this Agreement and the Landlord may terminate this Agreement and retain any necessary portion of the deposit to make Landlord whole on past due Rent payments.

20. INDEMNIFICATION: The Tenant cannot and by this Agreement does not agree to indemnify, hold harmless, exonerate, or assume the defense of the Landlord or any other person or entity whatsoever for any purpose whatsoever. The Landlord does not agree to indemnify, hold harmless, exonerate, or assume the defense of the Tenant or any other person or entity whatsoever for any purpose whatsoever. Tenant agrees to have any third party that is not a direct employee of Tenant sign a waiver and release of liability to Landlord.

21. NO WAIVER OF THE GOVERNMENTAL IMMUNITY ACT: The parties hereto understand and agree that Tenant, its commissioners, officials, directors, agents, and employees are relying on, and do not waive or intend to waive by any provisions of this Agreement, the monetary limitations or any other rights, immunities, and protections provided by the Colorado Governmental Immunity Act, CRS §§ 24-10-101 et seq. or otherwise available to Tenant.

22. TERMINATION BY TENANT: Tenant shall have the right to terminate this Agreement, with or without cause, by giving written notice to the other Party of such termination and specifying the effective date thereof, which notice shall be given at least ten (10) days before the effective date of such termination. Subject to the Maximum Contract Liability above, the Landlord shall be entitled to receive compensation in accordance with this Agreement for any rental obligation remaining under this Agreement unless the facility is leased to a subsequent tenant. Notwithstanding the above, neither Party shall be relieved of liability to the other Party for damages sustained by virtue of any breach of the Agreement.

23. Termination for Default: Either Party shall have the right in its sole discretion to terminate this Agreement upon a default by the defaulting Party. Each of the following events shall constitute an event of default by a Party and shall permit the non-defaulting Party to terminate this Agreement (each, an "Event of Default"):

1. The failure or omission by Tenant to pay Rent when due, and such failure or omission has continued for 30 days after written notice from Landlord to Tenant of same; or
2. The failure or omission by either Party to observe, keep or perform any of the other material terms, agreements or conditions set forth in this Agreement, and such failure or omission has continued for 30 days (or such longer period required to cure such failure or omission, not to exceed 90 days, if such failure or omission cannot reasonably be cured within such 30 day period) after written notice from the other Party, and the defaulting Party has commenced curing such default within such 30-day period and pursues completion of such cure with reasonable diligence.

24. NOTICES: Notices concerning termination of the Agreement, notices of alleged or actual violations of the terms or provisions of this Agreement, and all other notices shall be made as follows:

Landlord:

Mark Adams

Waste Connections
304 Inverness Way South, Suite 450
Englewood, CO 80112
Telephone:
Email: Mark.Adams@WasteConnections.com

Tenant: Douglas County Government
ATTN: Tim Hallmark
P.O. Box 1390
Castle Rock, CO 80109
Telephone: (303) 660-7275
Email: thallmar@douglas.co.us

With a copy to: Douglas County Attorney's Office
100 Third Street
Castle Rock, CO 80104
Telephone: (303) 660-7414

Said notices shall be delivered personally during normal business hours to the appropriate office above or by prepaid first-class U.S. Mail, via email, or other method authorized in writing by the Authorized Representative. Mailed notices shall be deemed effective upon receipt or three (3) days after the date of mailing, whichever is earlier. The parties may from time to time designate substitute addresses or persons where and to whom such notices are to be mailed or delivered, but such substitutions shall not be effective until actual receipt of written notification.

25. GOVERNING LAW; VENUE: This Agreement shall be deemed to have been made in and construed in accordance with the laws of the State of Colorado. Venue for any action hereunder shall be in the District Court, County of Douglas, State of Colorado. The Landlord expressly waives the right to bring any action in or to remove any action to any other jurisdiction whether state or federal.

26. INSURANCE: Landlord and Tenant shall, at all times during the Lease Term, obtain, keep in force and maintain, at no cost to the other Party, the following minimum coverages: commercial general liability (\$2,000,000 each occurrence; \$4,000,000 general aggregate; \$4,000,000 products and completed operations), automobile liability (\$2,000,000 combined single limit each accident), employers liability (\$2,000,000 bodily injury for each accident, \$2,000,000 bodily injury by disease each employee and \$2,000,000 bodily injury disease aggregate); and worker's compensation as required by Colorado law, which limits may be met by a combination of primary and excess policies, with a financially responsible insurance company or companies. All policies required hereunder shall name the other Party as additional insured. Tenant's insurance shall be primary to any coverage which Landlord carries with respect to the Premises which shall serve as secondary coverage. Upon request, the other Party shall promptly provide certificates of insurance evidencing that the foregoing insurance is in effect. For the avoidance of doubt, insurance coverage and amounts payable under insurance policies are not included within the maximum contract liability set forth above in Section 19.

27. AS IS, WHERE IS: TENANT HEREBY ACKNOWLEDGES AND AGREES THAT, EXCEPT AND

UNLESS OTHERWISE EXPRESSLY PROVIDED IN THIS AGREEMENT, LANDLORD LEASES THE PREMISES AND TENANT ACCEPTS THE PREMISES "AS IS, WHERE IS" WITHOUT ANY REPRESENTATION OR WARRANTY BY OR FROM LANDLORD, EXPRESS OR IMPLIED, OF ANY KIND WHATSOEVER. TENANT ACKNOWLEDGES THAT, EXCEPT AND UNLESS OTHERWISE EXPRESSLY PROVIDED IN THIS AGREEMENT, LANDLORD HAS MADE NO REPRESENTATIONS OR WARRANTIES RELATING TO THE PREMISES, OR ITS SUITABILITY FOR ANY PARTICULAR USE, AND LANDLORD SHALL HAVE NO OBLIGATION WHATSOEVER TO REPAIR, MAINTAIN, RENOVATE OR OTHERWISE INCUR ANY COST OR EXPENSE WITH RESPECT TO THE PREMISES. EXCEPT AS AND UNLESS OTHERWISE EXPRESSLY PROVIDED IN THIS AGREEMENT, LANDLORD SHALL NOT BE LIABLE FOR ANY LATENT OR PATENT DEFECTS IN THE PREMISES. EXCEPT AS AND UNLESS OTHERWISE EXPRESSLY PROVIDED IN THIS AGREEMENT, LANDLORD SHALL HAVE NO LIABILITY OR RESPONSIBILITY TO TENANT FOR ANY LOSS, DAMAGE OR EXPENSE INCURRED BY TENANT OCCASIONED BY THE CONDITION OR CHARACTERISTICS OF THE PREMISES.

28. No Brokers: Landlord and Tenant each represent and warrant to the other that they have not dealt, directly or indirectly, in connection with the leasing of the Premises, with any broker, finder or person entitled to claim a commission or leasing fees. Landlord and Tenant each shall indemnify and hold the other harmless from any loss, liability, damage, or expense (including without limitation reasonable attorneys' fees) arising from any claim for a commission or leasing fee arising out of this transaction made by any unidentified broker or other person with whom such party has dealt.

Sedalia Land Company (Landlord)

By: _____

Its: _____

Date: _____

THE BOARD OF COUNTY COMMISSIONERS
OF THE COUNTY OF DOUGLAS, COLORADO (Tenant)

By: _____

Its: _____

Date: _____

APPROVED AS TO CONTENT:

APPROVED AS TO LEGAL FORM:

Doug DeBord, County Manager

Chris Pratt, Sr Assistant County Attorney

APPROVED AS TO FISCAL CONTENT

_____ Andrew Copland, Director of Finance