



REGULAR MEETING OF THE CITY COUNCIL  
& THE LOCAL LICENSING AUTHORITY

448 E. 1<sup>st</sup> Street, Room 190

Salida, Colorado 81201

Tuesday, February 4, 2020 - 6:00 p.m.

**AGENDA**

1. Call to Order
  - a. Pledge of Allegiance – Led by Mayor Wood
  - b. Roll Call
  
2. Consent Agenda
  - a. Approval of Agenda
  - b. Approval of Meeting Minutes – January 21, 2020
  - c. Approval of Elks Annual Sweetheart Dance Special Event Liquor License
  - d. Approval of Chaffee County United Special Event Liquor License
  - e. Approval of 2019 Sewer Reconstruction Project Phase I Final Settlement
  - f. Approval of 2020 Concrete Maintenance Project
  - g. Approval of 2020 Sewer Rehabilitation Point Repair Project
  - h. Approval of 2020 Employee Compensation Methodology Report
  
3. Citizen Comment – 3 minute time limit
  
4. Unfinished Business / Action Items
  - a. Ordinance 2020-03 An Ordinance Regarding Amending Chapter 6 of the Salida Municipal Code by the Addition of a New Article VII Concerning Offenses, Raising the Minimum Age to Purchase or Consume Tobacco to Twenty One Years, Second Reading and Public Hearing
  
5. Liquor Licensing Authority
  - a. Public Hearing – New Hotel & Restaurant Liquor License for Ramon Herrera Santana, 136 E 2<sup>nd</sup> Street, DBA Tacos El Tapatio
  - b. Public Hearing – New Hotel & Restaurant Liquor License for Sweeties Bakery & Deli LLC, 129 W. Sackett Units C and E, DBA Sweeties Sandwich Shop & The Biker and The Baker
  - c. Public Hearing – Transfer Hotel & Restaurant Liquor License to JSClinton LLC, 404 Grant Street, DBA The Gallery

*Individuals with disabilities needing auxiliary aid(s) may request assistance by contacting the City Clerk at 448 E. 1<sup>st</sup> Street, Ste. 112, Salida, CO 81201, Ph.719-530-2630 at least 48 hours in advance.*

6. New Business / Action Items
  - a. Resolution 2020-04 Appointment to the Planning Commission
  - b. Resolution 2020-05 Appointment to the Historic Preservation Commission
  - c. Resolution 2020-06 Adoption of the Chaffee County Community Wildfire Protection Plan
  
7. Councilors, Mayor and City Treasurer Reports
  - Councilors Pollock, Shore, Templeton, Critelli, Pappenfort, and Kasper
  - Mayor Wood
  - Treasurer Bergin
  
8. Adjourn

[SEAL]

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City Clerk

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Mayor P.T. Wood



REGULAR MEETING OF THE CITY COUNCIL  
& THE LOCAL LICENSING AUTHORITY

448 E. 1<sup>st</sup> Street, Room 190

Salida, Colorado 81201

Tuesday, January 21, 2020 - 6:00 p.m.

**MINUTES**

1. Call to Order
  - a. Pledge of Allegiance – Led by Mayor Wood
  - b. Roll Call – Councilmembers Justin Critelli, Harald Kasper, Alisa Pappenfort, Mike Pollock, Dan Shore, Jane Templeton and Mayor P.T. Wood were present.
2. Consent Agenda
  - a. Approval of Agenda
  - b. Approval of Meeting Minutes – January 7, 2020
  - c. Approval of Salida Creativity Lab Dragon Parade Feb. 8, 2020
  - d. Approval of Fee Waiver – Ark ACES Rafting Team

**Critelli had a question regarding our policy on waiver requests. City Administrator Drew Nelson responded that a fee waiver policy is in development. Critelli moved to combine and approve the Consent Agenda. Seconded by Shore. With all in favor, THE MOTION PASSED.**

3. Proclamation – Friends of Salida SteamPlant
  - A Proclamation was read aloud by Mayor Wood expressing gratitude of City Councilmembers and the City of Salida to the Friends of the SteamPlant for their dedicated service and contributions to the SteamPlant Event Center.
4. Citizen Comment – 3 minute time limit
  - Tom Golson expressed concerns regarding the condition and appearance of the Mehos apartment building. Mayor Wood responded that the City’s response is a work in progress.
5. Liquor Licensing Authority
  - a. Public Hearing – New Tavern Liquor License for the City of Salida, 210 East Sackett Avenue DBA as The Scout Hut (Administration)
    - City Administrator, Drew Nelson, presented evidence for new Colorado Tavern liquor license and noted that the license had been pending a Fire Inspection, which had been successfully completed on Friday 1/17/20.

*Individuals with disabilities needing auxiliary aid(s) may request assistance by contacting the City Clerk at 448 E. 1<sup>st</sup> Street, Ste. 112, Salida, CO 81201, Ph.719-530-2630 at least 48 hours in advance.*

- Mayor Wood opened the public hearing. Arts and Culture Director Michael Varnum, on behalf of the applicant, explained that the original liquor license had to be turned on and off, and a new Colorado Tavern liquor license was needed to satisfy needs of the Scout Hut facility. Hearing no further public testimony, Mayor Wood closed the public hearing.

**Kasper made a motion to approve the new Colorado Tavern Liquor License for the City of Salida, dba The Scout Hut. Seconded by Shore. With all in favor, THE MOTION PASSED.**

6. Unfinished Business / Action Items

- a. Ordinance 2020-01 An Ordinance Approving a Substantial Modification of Parcel VPA-5 of the Vandaveer Ranch Planned Development to Modify the Overall Development Plan by Changing the Entitlements, Zone District Map, Dimensional Standards and Article 10: Pinto Barn Parcel Standards, Second Reading and Public Hearing (Community Development)
  - Community Development Director Glen Van Nimwegen presented the project/amendments. He noted how the low income tax credit project is specifically addressed in the Ordinance. If Architectural Standards are approved, Planning Commission would support a process whereby future approvals are streamlined.
  - Templeton and Pollock had questions regarding tax credits, with Van Nimwegen responding.
  - Kasper asked about the 40 year compliance period. Chaffee County Office of Housing Director Becky Gray made recommendations on how that could be negotiated.
  - Pollock expressed concerns about the tax credit and the banking of units for other projects. Van Nimwegen responded.
  - Mayor Wood opened the Public Hearing.
  - Bill Hussey, representing the applicant, urged approval of project and noted there are consequences to delaying.
  - Housing Director Gray expressed support for the project; and clarified that if 50 units are built, it would meet one-third (1/3) of Chaffee County housing goals in one year. She also noted concerns about setting precedent by requiring one development to be inclusive and not another.
  - Hearing no further public comment, the Mayor closed the public hearing.
  - Shore was not concerned about project setting precedent and commented on inclusionary housing vs. affordable housing.
  - Kasper thanked the developer for the opportunity and commented on inclusionary housing, expressing his support for the project.
  - Templeton expressed concern regarding the transfer of credits without guidelines and setting precedent.
  - Critelli echoed Mayor Wood's position: there is no precedent set in a Planned Development – negotiations are limited to this project. He stated that the speed of Council is essential to support goal of affordable housing.
  - Pollock asked Housing Director Gray about communications and how long



application process takes. She responded that communication is good. Van Nimwegen added that he thought the tax credits should be awarded by June.

- Pappenfort commented about the speed of the process to Council, but a long time coming to those who need housing.
- Mayor stated that inclusionary housing, as with tax credits, is a new frontier that will be part of ongoing discussions.

**Critelli made a motion to approve Ordinance 2020-01, with a second from Pappenfort.**

- Van Nimwegen noted that if Council is going to approve the Architectural guidelines, he recommended they delete condition #15.

**Critelli made a motion to amend and delete Item #15, Shore seconded the motion. With all in favor, THE MOTION PASSED.**

**Critelli made a motion to approve the amended Ordinance 2020-01, Shore seconded the motion. With Templeton dissenting, THE MOTION PASSED.**

7. New Business / Action Items

- a. Resolution 2020-03 Approving the Confluent Park Minor Subdivision (Community Development)

**Following a presentation by Van Nimwegen, Critelli made a motion to approve Resolution 2020-03. Seconded by Kasper. With all in favor, THE MOTION PASSED.**

- b. Letter of Support – To the Colorado Housing Finance Authority for Low Income Housing Tax Credits for Affordable Housing Units to be Built in Confluent Park by Commonwealth Development (Community Development)

- Templeton asked for clarification on the exact number of units. Van Nimwegen responded that this application was for 48 units, but the Planned Development allowed up to 60 units.

**Following a presentation by Community Development Director Glen Van Nimwegen, Kasper made a motion to approve the Letter of Support to the Colorado Housing Finance Authority. Seconded by Critelli. With all in favor, THE MOTION PASSED.**

- c. Ordinance 2020-03 An Ordinance Regarding Amending Chapter 6 of the Salida Municipal Code by the Addition of a New Article VII Concerning Offenses, Raising the Minimum Age to Purchase or Consume Tobacco to Twenty One Years, First Reading (City Attorney).

- City Administrator Drew Nelson introduced the Ordinance and three main areas of concern: establishing 21 year age limit; prohibiting sale of flavored products; requiring license to sell. Recommended approval on first reading.

- Shore recognized how tirelessly Sonia Walter worked on this project.
- Templeton asked what the license fees would look like and how many applicants there might be. Nelson responded they would likely follow liquor/marijuana licensing.

**Kasper made a motion to approve Ordinance 2020-03 on First Reading. Pappenfort seconded the motion. With all in favor, THE MOTION PASSED.**

- d. Public Hearing – Appeal of Historic Preservation Commission Decision – Manhattan Hotel, 228 N. F Street – Major Certificate of Approval (Community Development)
- Mayor Wood began the discussion by asking City Attorney Nina Williams to explain procedural guidelines/appeal process.
  - Planner Kristi Jefferson presented a staff report, timeline and review standards, and relayed that the Historical Preservation Commission recommended denial of the application. Jefferson stated that Staff’s recommended finding is that Applicant is in compliance with review standards with 2 conditions, both of which have been met.
  - Ray Kitson (Applicant) stated that he agrees with Staff’s finding.
  - Mayor Wood opened the public hearing.
  - Tom Golson stated that he agreed with the HPC’s decision.
  - HPC member Steven Harris requested to speak; however, legal counsel noted it was not appropriate for him to speak as a sitting HPC board member.
  - Kitson commented that the code does not protect “ghost signs” and the best way to preserve historical structures was to put a successful business in them.
  - Jefferson confirmed that “ghost signs” are not in code and are not protected.
  - Templeton recited several sections of the Salida Municipal Code she believed applied to “ghost signs”. A lengthy discussion ensued between City Administrator Nelson, City Attorney Williams, Planner Jefferson, Community Development Director Van Nimwegen, Councilperson Critelli and Councilperson Templeton regarding “ghost signs”.
  - Shore asked if turning down application because applicant did not follow process was within the purview of the HPC. Williams responded that it was not part of their approval criteria.
  - Pollock asked what would happen if the City Council let the HPC decision stand? Williams responded that the applicant could file an appeal in District Court.
  - Pappenfort asked if other criteria could be used other than Historical Preservation. Williams responded that other criteria cannot be used.
  - Upon hearing no further public comment, Mayor Wood closed the public hearing.
  - Critelli was concerned about reinstating voting power to HPC then overriding their vote. Mayor Wood responded that giving HPC decision making power never took away the right to appeal. Critelli noted that the HPC decision was unanimous.

- Shore noted the need to focus on criteria and was not comfortable with HPC decision.
- Templeton stated that her reading of HPC's findings for denial (#2) met criteria. She also expressed concerns about following the application process.
- Kasper said after reading HPC minutes and visiting the site he favors reversing the HPC decision.
- Templeton reiterated her concern about failure to follow the application process; Mayor Wood responded that whether application process was followed is not part of the decision.

**Templeton made a motion the Council confirm the decision of the Historic Preservation Commission based on Finding #2. Critelli seconded the motion. WITH THREE IN FAVOR AND THREE DISSENTING, THE MAYOR VOTED NO; THE MOTION FAILED.**

- Templeton commented on need to address failure to follow procedures on Applicants part; Pollock stated he was concerned with divided counsel; Shore noted that was part of Council decision making.

**Kasper made a motion that Council reverse the Historic Preservation Commission decision and approve the structure. Shore seconded the motion. WITH THREE IN FAVOR AND THREE DISSENTING, THE MAYOR VOTED IN FAVOR; THE MOTION PASSED.**

- Mayor noted that he voted in favor due to irrelevant discussion going on in HPC meeting; had no problem with the new structure and believed the building is in better shape today.
- Templeton requested staff to look into preserving 'ghost signs'.

#### 8. Councilors, Mayor and City Treasurer Reports

- Councilors Pollock, Shore, Templeton, Critelli, Pappenfort, and Kasper
  - Pollock brought up concerns that Commercial STR license process takes too long. He also had questions about snow plowing schedule and policies. Nelson noted that priority is given to school routes and main lettered streets. Staff stated that they would look into posting more information on snow routes.
  - Shore noted that a new director had been hired for UAACOG and encouraged attendance at upcoming presentation by Z-Foundation at A Church.
  - Templeton inquired if a Resolution to encourage citizen participation in upcoming Census would be appropriate. She also thanked staff for Sonia Walter's memorial service. Templeton also requested an amendment to the Municipal Code regarding excessive idling.
  - Kasper responded they would address excessive idling in the Sustainability Committee.
  - Critelli noted he had the honor of hosting RokSkool and applauded the kids and organization.

- Mayor Wood thanked staff for hard work to try and solve affordable housing crisis. He recommended additional compensation for Deputy City Clerk Kathy Smith. The Mayor noted upcoming events: CAST/sustainability/CC4CA, Good Business Colorado meeting, Chaffee Economic Development Meeting, Community Grant requests, Chamber Community Awards. He also commended the effort for Walter’s memorial service.
- Treasurer Bergin
  - Sales tax continued upward at both city and County level, and the City’s financial performance is good; the City will have yearend reports next month; upcoming meetings regarding OpenGov project.
    - November 2019 Sales Tax Report
    - November 2019 Financial Report
  - Building Department Report
  - Staff Reports

9. Adjourn

[SEAL]

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City Clerk

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Mayor P.T. Wood



SALIDA ELKS LODGE NO. 808  
BENEVOLENT & PROTECTIVE ORDER OF ELKS  
148 E. 2<sup>nd</sup> Street • P.O. Box 967  
Salida, CO 81201-0967  
719.539.6976 / 719.539.6976 fax  
bpoe808@bresnan.net

January 08, 2020

Clerk's Office  
City of Salida  
448 E. First Street, Suite 112  
Salida CO 81201

*RE: Special Event Permit for Salida Elks Lodge No. 808*

This letter will serve to verify that permission has been given by a vote of the Lodge membership on Tuesday, December 10, 2019 during a regular Lodge meeting, to Event Coordinator Ginny Gorman, Lecturing Knight to hold our Annual Sweetheart Dance on Saturday, February 15<sup>th</sup>, 2020.

This event will be Open to the Public. The event will be held at the Elks Lodge, 148 E. 2<sup>nd</sup> Street, Salida.

Attached is a check for \$100 to the City of Salida, the permit application, proof of our good standing with the state of Colorado, and schematics of the basement, as required.

If there are questions or problems with this application, please contact me.

Sincerely,

A handwritten signature in cursive script that reads "Angelina Sanchez". The signature is written in black ink and is positioned above the typed name and title.

Angelina Sanchez, Secretary  
Salida Elks Lodge No. 808

*Cc: Lodge files*

# APPLICATION FOR A SPECIAL EVENTS PERMIT

Department Use Only

IN ORDER TO QUALIFY FOR A SPECIAL EVENTS PERMIT, YOU MUST BE NONPROFIT AND ONE OF THE FOLLOWING (See back for details.)

<input type="checkbox"/> SOCIAL	<input type="checkbox"/> ATHLETIC	<input type="checkbox"/> PHILANTHROPIC INSTITUTION
<input checked="" type="checkbox"/> FRATERNAL	<input type="checkbox"/> CHARTERED BRANCH, LODGE OR CHAPTER	<input type="checkbox"/> POLITICAL CANDIDATE
<input type="checkbox"/> PATRIOTIC	<input type="checkbox"/> OF A NATIONAL ORGANIZATION OR SOCIETY	<input type="checkbox"/> MUNICIPALITY OWNING ARTS FACILITIES
<input type="checkbox"/> POLITICAL	<input type="checkbox"/> RELIGIOUS INSTITUTION	

LIAB TYPE OF SPECIAL EVENT APPLICANT IS APPLYING FOR:

2110  MALT, VINOUS AND SPIRITUOUS LIQUOR \$25.00 PER DAY

2170  FERMENTED MALT BEVERAGE (3.2 Beer) \$10.00 PER DAY

**DO NOT WRITE IN THIS SPACE**

LIQUOR PERMIT NUMBER

1. NAME OF APPLICANT ORGANIZATION OR POLITICAL CANDIDATE  
*Salida Elks Lodge # 808*

State Sales Tax Number (Required)  
*98-15196-0000*

2. MAILING ADDRESS OF ORGANIZATION OR POLITICAL CANDIDATE (include street, city/town and ZIP)  
*148 East 2nd Street  
Salida Co 81201*

3. ADDRESS OF PLACE TO HAVE SPECIAL EVENT (include street, city/town and ZIP)  
*148 East 2nd Street  
Salida Co 81201*

NAME	DATE OF BIRTH	HOME ADDRESS (Street, City, State, ZIP)	PHONE NUMBER
4. PRES./SEC'Y OF ORG. or POLITICAL CANDIDATE <i>Angelina Sanchez/Secy</i>	<del>_____</del>	<del>_____</del>	<del>(719) _____</del>
5. EVENT MANAGER <i>Ginny Gorman</i>	<del>_____</del>	<del>_____</del>	<del>(970) _____</del>

6. HAS APPLICANT ORGANIZATION OR POLITICAL CANDIDATE BEEN ISSUED A SPECIAL EVENT PERMIT THIS CALENDAR YEAR?  
 NO  YES HOW MANY DAYS? \_\_\_\_\_

7. IS PREMISES NOW LICENSED UNDER STATE LIQUOR OR BEER CODE?  
 NO  YES TO WHOM? *Salida Elks #808*

8. DOES THE APPLICANT HAVE POSSESSION OR WRITTEN PERMISSION FOR THE USE OF THE PREMISES TO BE LICENSED?  Yes  No

LIST BELOW THE EXACT DATE(S) FOR WHICH APPLICATION IS BEING MADE FOR PERMIT

Date	Hours	From	To	Date	Hours	From	To
<i>Saturday 2-15-20</i>	<i>5:00 p</i>	<i>m</i>	<i>To Midnight</i>	<i>Sunday 2-16-20</i>	<i>Midnight</i>	<i>To</i>	<i>2:00 a</i>

**OATH OF APPLICANT**  
I declare under penalty of perjury in the second degree that I have read the foregoing application and all attachments thereto, and that all information therein is true, correct, and complete to the best of my knowledge.

SIGNATURE *Angelina Sanchez* TITLE *Secretary* DATE *01-08-20*

**REPORT AND APPROVAL OF LOCAL LICENSING AUTHORITY (CITY OR COUNTY)**  
The foregoing application has been examined and the premises, business conducted and character of the applicant is satisfactory, and we do report that such permit, if granted, will comply with the provisions of Title 12, Article 48, C.R.S., as amended.  
**THEREFORE, THIS APPLICATION IS APPROVED.**

LOCAL LICENSING AUTHORITY (CITY OR COUNTY)  CITY  COUNTY TELEPHONE NUMBER OF CITY/COUNTY CLERK \_\_\_\_\_

SIGNATURE \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_

**DO NOT WRITE IN THIS SPACE - FOR DEPARTMENT OF REVENUE USE ONLY**

LIABILITY INFORMATION

License Account Number	Liability Date	State	TOTAL
			<p><b>RECEIVED</b></p> <p><b>JAN 10 2020</b></p> <p>By: <i>[Signature]</i></p>
			\$ -750 (999)

OFFICE OF THE SECRETARY OF STATE  
OF THE STATE OF COLORADO

**CERTIFICATE OF FACT OF GOOD STANDING**

I, Jena Griswold, as the Secretary of State of the State of Colorado, hereby certify that, according to the records of this office,  
SALIDA LODGE NO. 808 OF THE BENEVOLENT AND PROTECTIVE ORDER OF ELKS OF THE UNITED STATES OF AMERICA

is a

Nonprofit Corporation

formed or registered on 10/03/1991 under the law of Colorado, has complied with all applicable requirements of this office, and is in good standing with this office. This entity has been assigned entity identification number 19911079196 .

This certificate reflects facts established or disclosed by documents delivered to this office on paper through 01/05/2020 that have been posted, and by documents delivered to this office electronically through 01/07/2020 @ 08:48:32 .

I have affixed hereto the Great Seal of the State of Colorado and duly generated, executed, and issued this official certificate at Denver, Colorado on 01/07/2020 @ 08:48:32 in accordance with applicable law. This certificate is assigned Confirmation Number 12000196

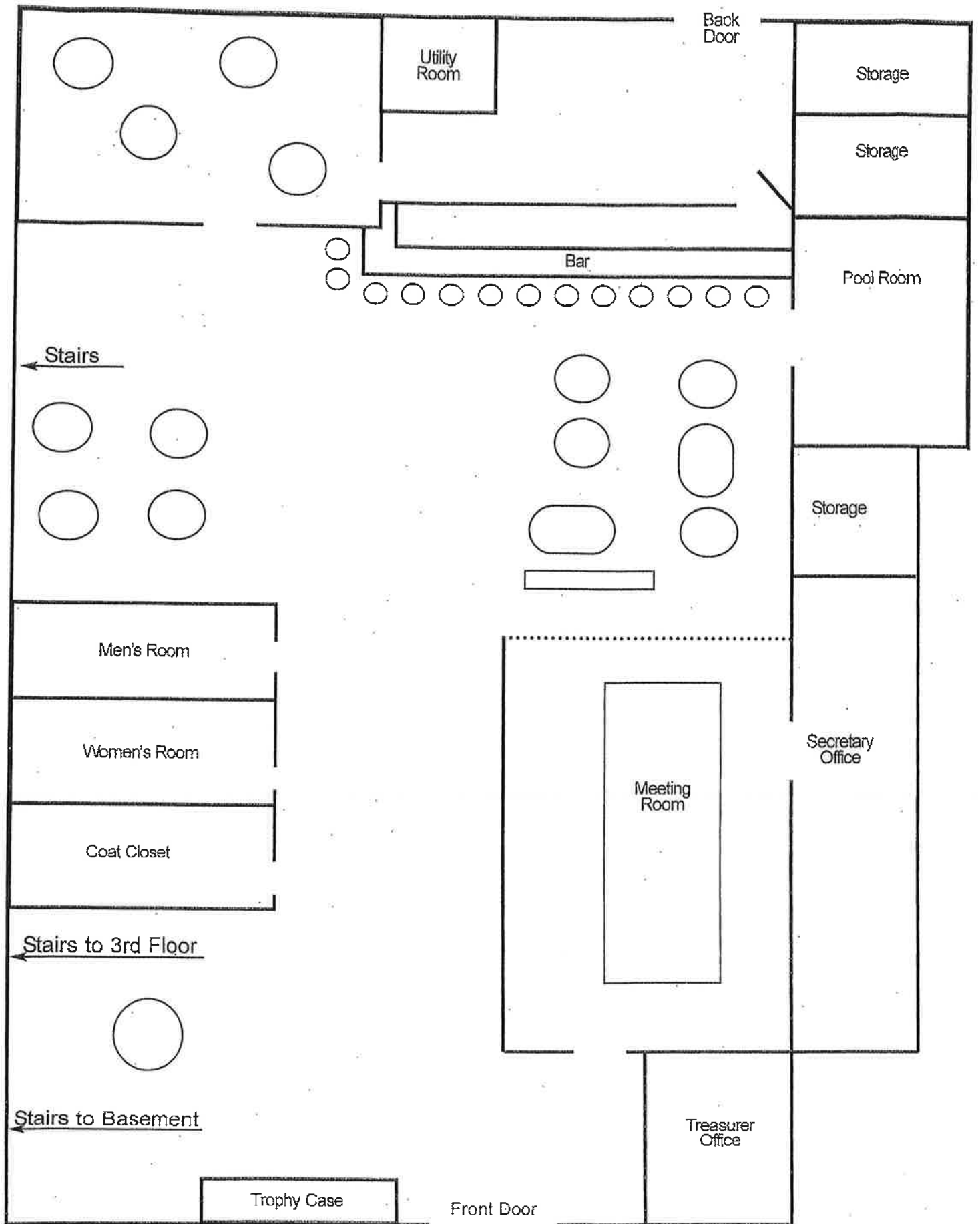


*Jena Griswold*

Secretary of State of the State of Colorado

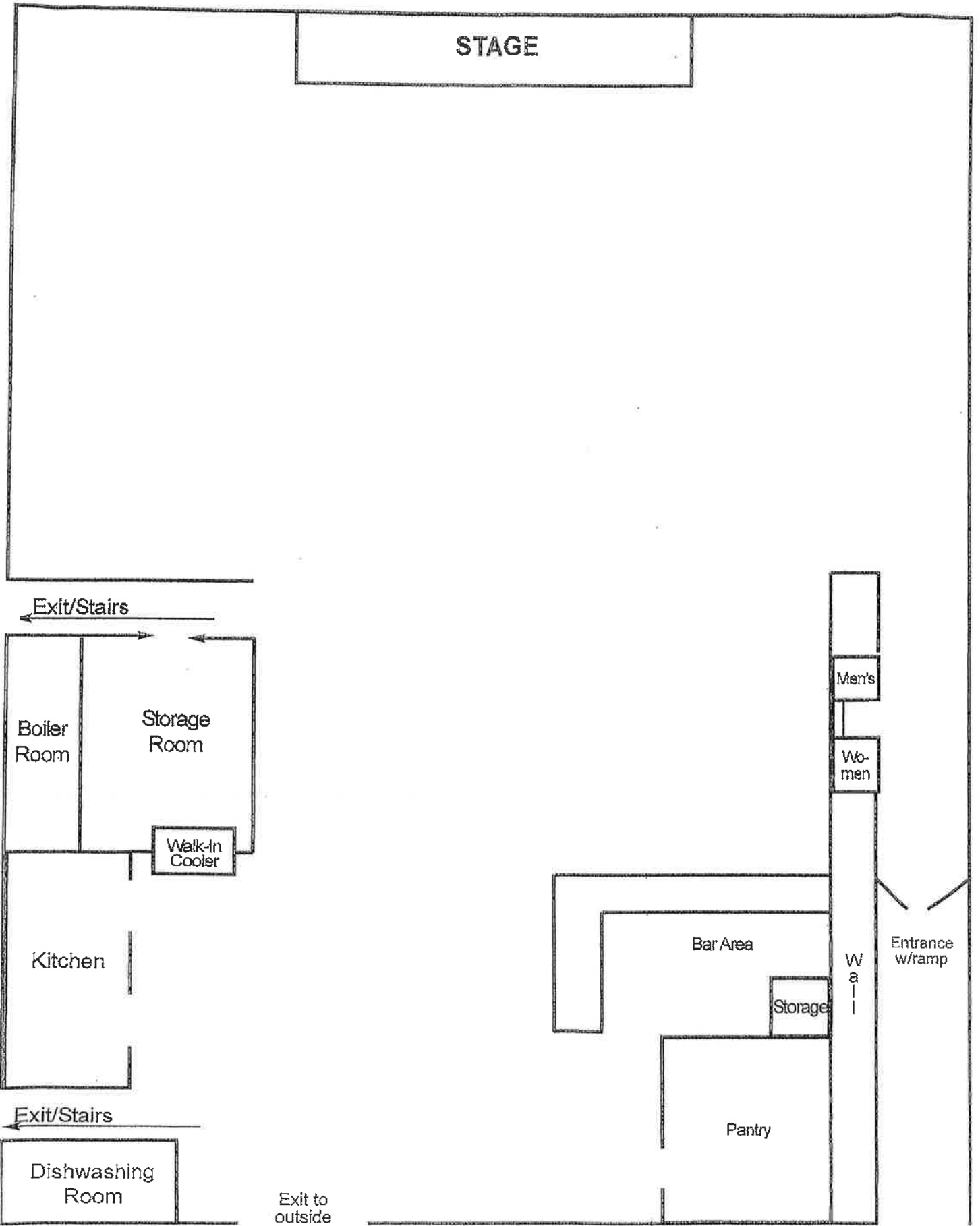
\*\*\*\*\*End of Certificate\*\*\*\*\*  
*Notice: A certificate issued electronically from the Colorado Secretary of State's Web site is fully and immediately valid and effective. However, as an option, the issuance and validity of a certificate obtained electronically may be established by visiting the Validate a Certificate page of the Secretary of State's Web site, <http://www.sos.state.co.us/biz/CertificateSearchCriteria.do> entering the certificate's confirmation number displayed on the certificate, and following the instructions displayed. Confirming the issuance of a certificate is merely optional and is not necessary to the valid and effective issuance of a certificate. For more information, visit our Web site, <http://www.sos.state.co.us/> click "Businesses, trademarks, trade names" and select "Frequently Asked Questions."*

**SALIDA ELKS LODGE BPOE #808**  
**Main Floor - 100 Maximum Capacity**





SALIDA ELKS LODGE BPOE #808  
250 Maximum Capacity



002033

**Benevolent & Protective Order of Elks - Lodge #808**  
A Colorado Non-Profit Organization  
Charity Checking  
148 E Street P.O. Box 967  
Salida, Colorado 81201

Collegiate Peaks Bank  
Division of Glacier Bank  
105 Central Plaza, PO Box 3009  
Bureau Vista, CO 81211  
(719) 395-2472  
82-5991021

1/9/2020

\$\*\*100.00

PAY TO THE ORDER OF CITY OF SALIDA

One Hundred and 00/100\*\*\*\*\* DOLLARS

CITY OF SALIDA  
448 E 1ST ST. STE 112  
SALIDA, CO. 81201



*[Handwritten Signature]*  
AUTHORIZED SIGNATURE

MEMO

⑈002033⑈ ⑆102105997⑆ 12334⑈

002033

Benevolent & Protective Order of Elks - Lodge #808

CITY OF SALIDA

1/9/2020

100.00

sweetheart ball permit to be open to public

COLLEGIATE PKS B

100.00

9409

# Application for a Special Events Permit

Departmental Use Only

In order to qualify for a Special Events Permit, You Must Be a Qualifying Organization Per 44-5-102 C.R.S. and One of the Following (See back for details.)

- |                                    |   |   |
|------------------------------------|---|---|
| <input type="checkbox"/> Social    | <input checked="" type="checkbox"/> Athletic                | <input type="checkbox"/> Philanthropic Institution          |
| <input type="checkbox"/> Fraternal | <input type="checkbox"/> Chartered Branch, Lodge or Chapter | <input type="checkbox"/> Political Candidate                |
| <input type="checkbox"/> Patriotic | <input type="checkbox"/> National Organization or Society   | <input type="checkbox"/> Municipality Owned Arts Facilities |
| <input type="checkbox"/> Political | <input type="checkbox"/> Religious Institution              |   |

<b>LIAB</b> Type of Special Event Applicant is Applying for:	<b>DO NOT WRITE IN THIS SPACE</b>
2110 <input type="checkbox"/> Malt, Vinous And Spirituous Liquor \$25.00 Per Day	Liquor Permit Number
2170 <input type="checkbox"/> Fermented Malt Beverage \$10.00 Per Day	

1. Name of Applicant Organization or Political Candidate <i>Magdalena Rosa / Chaffee County United</i>	State Sales Tax Number (Required)
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2. Mailing Address of Organization or Political Candidate (include street, city/town and ZIP) <i>228 Crestone Ave Salida, CO 81201</i>	3. Address of Place to Have Special Event (include street, city/town and ZIP) <i>A Church 419 D Street Salida, CO 81201</i>
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4. Authorized Representative of Qualifying Organization or Political Candidate <i>Magdalena Rosa</i>	Date of Birth <i>1/10/72</i>	Phone Number <i>3</i>
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Authorized Representative's Mailing Address (if different than address provided in Question 2.)

5. Event Manager <i>Magdalena Rosa</i>	Date of Birth	Phone Number
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Event Manager Home Address (Street, City, State, ZIP) <i>Magdalena Rosa 228 Crestone Ave, Salida, CO 81201</i>	Email Address of Event Manager <i>magdalena.rosa@yahoo.com</i>
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6. Has Applicant Organization or Political Candidate been Issued a Special Event Permit this Calendar Year? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes How many days? _____	7. Is the premises for which your event is to be held currently licensed under the Colorado Liquor or Beer codes? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes License Number _____
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8. Does the Applicant Have Possession or Written Permission for the Use of The Premises to be Licensed?  Yes  No

List Below the Exact Date(s) for Which Application is Being Made for Permit

Date		Date		Date		Date		Date	
Hours	From	Hours	From	Hours	From	Hours	From	Hours	From
	<i>3/14/20</i>								
	<i>7p.</i>								
	<i>To 11p.</i>								

**Oath of Applicant**

I declare under penalty of perjury in the second degree that I have read the foregoing application and all attachments thereto, and that all information therein is true, correct, and complete to the best of my knowledge.

Signature <i>M. Rosa</i>	Title <i>Team Manager - CCU - 415</i>	Date <i>1/21/20</i>
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**Report and Approval of Local Licensing Authority (City or County)**

The foregoing application has been examined and the premises, business conducted and character of the applicant is satisfactory, and we do report that such permit, if granted, will comply with the provisions of Title 44, Article 5, C.R.S., as amended.

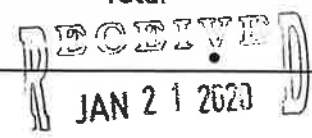
**THEREFORE, THIS APPLICATION IS APPROVED.**

Local Licensing Authority (City or County)	<input type="checkbox"/> City <input type="checkbox"/> County	Telephone Number of City/County Clerk
Signature	Title	Date

**DO NOT WRITE IN THIS SPACE - FOR DEPARTMENT OF REVENUE USE ONLY**

Liability Information			Total
License Account Number	Liability Date	State	
		-750 (999)	\$

(Instructions on Reverse Side)



By \_\_\_\_\_

## Application Information and Checklist

The following supporting documents must be attached to this application for a permit to be issued:

- Appropriate fee.
- Diagram of the area to be licensed (not larger than 8 1/2" X 11" reflecting bars, walls, partitions, ingress, egress and dimensions. **Note:** If the event is to be held outside, please submit evidence of intended control, i.e., fencing, ropes, barriers, etc.
- Copy of deed, lease, or written permission of owner for use of the premises.
- Certificate of good corporate standing (NONPROFIT) issued by Secretary of State within last two years; **or**
- If not incorporated, a NONPROFIT charter; **or**
- If a political Candidate, attach copies of reports and statements that were filed with the Secretary of State.

- Application must first be submitted to the Local Licensing Authority (city or county) at least thirty (30) days prior to the event.
- Public notice of the proposed event and procedure for protesting issuance of the permit shall be conspicuously posted at the proposed location for at least (10) days before approval of the permit by Local Licensing Authority. (44-5-106 C.R.S.)
- State Licensing Authority must be notified of approved applications by Local Licensing Authorities within ten (10) days of approval.
- Check payable to the Colorado Department Of Revenue

### Qualifications for Special Events Permit

(44-5-102 C.R.S.)

A Special Event Permit issued under this article may be issued to an organization, whether or not presently licensed under Articles 4 and 3 of this title, which has been incorporated under the laws of this state for the purpose of a social, fraternal, patriotic, political or athletic nature, and not for pecuniary gain or which is a regularly chartered branch, lodge or chapter of a national organization or society organized for such purposes and being non profit in nature, or which is a regularly established religious or philanthropic institution, and to any political candidate who has filed the necessary reports and statements with the Secretary of State pursuant to Article 45 of Title 1, C.R.S. A Special Event permit may be issued to any municipality owning arts facilities at which productions or performances of an artistic or cultural nature are presented for use at such facilities.

## A CHURCH SPECIAL EVENT AGREEMENT

This Agreement is made effective as of 1/15/20, by and between A Church and Chaffe County United (Client(s)).

The Clients represent that they desire to hold a special event at A Church (Venue) on March 14, 2020 (date).

with the arrival time at 5:00 pm on the date of March 14, 2020 and a check out time of 12:00 pm on the date of March 14, 2020.

### 1) VENUE RENTAL FEE(S):

(a) The Venue Rental Fee is \$ 250.00. The Clients or Representative for the Client(s), agree to pay an initial nonrefundable deposit of 50% of the venue rental fee upon reservation. This payment serves to hold the venue for the specified date of event or wedding and is payable at the time of contract signature. The balance of the Venue Rental Fee shall be paid 2 weeks prior to the arrival time and date.

(b) A \$500.00 refundable security deposit shall be paid 2 weeks prior to the arrival time and date and will be returnable to the client (s) up to fourteen days after the event has been held once property has been inspected for any additional cleaning or potential damage from the event or wedding.

(c) A \$500.00 refundable nuisance deposit shall be paid prior to the arrival time and date and will be returnable to the client(s) up to fourteen days after the event has been held once the Manager has determined that Law Enforcement did not respond to a complaint of noise or other complaint.

(c) Payments may be made via cash or check.

### 2) DATE CHANGES:

In the event the Client (s) is forced to change the date of the event or wedding a \$40 change fee will apply. Every effort will be made by A Church to transfer reservations to support the new date. The Client(s) agrees that in the event of a date change any expenses including but not limited to deposits and fees that are non-refundable and non-transferable are the sole responsibility of the Client(s). The Client(s) further understands that last minute changes can impact the quality of the event and that A Church is not responsible for these compromises in quality.

### 3) CANCELLATIONS:

In the event of a cancellation of a special event or wedding, all payments made to date are non-refundable and all outstanding payments will be due immediately. We understand that sometimes it is necessary to change or cancel a reservation. All cancellations or reservation changes must be made in writing. The guest is responsible for verifying that A Church, and Director Kurt Beddingfield have received their cancellation letter. We cannot refund any advance payment for a canceled reservation unless the Venue is re-rented for the entire period and prepayment has cleared. We will make every effort to re-

book the Venue; however, if it is not re-booked, you forfeit all monies paid. If a cancellation is successfully re-rented, all of the rent, taxes and damage/security deposit will be refunded, less a \$100 cancellation fee.

#### **4) RULES AND REGULATIONS:**

The following is a list of rules and regulations to be upheld by Client(s), which includes all EVENTS PLANNERS, WEDDING COORDINATORS, VENDORS, and GUESTS who are involved in the planning and execution of the special event on the premises of A Church.

(a) Parking: All vehicles associated in any way with the event or wedding must be parked within the designated parking area, or along the roadway.

(b) Cleaning: The Venue must be cleaned prior to checkout to include floors, surfaces, furniture and any spills cleaned up and trash taken out. It shall be cleaned to substantially the same condition as it was when the Client(s) checked in. There is a cleaning list will need to be completed for checkout. There is a \$400 cleaning fee that will apply if the venue is not cleaned by the renters.

(c) Surrender of Premises: The Venue must be vacated and surrendered by 12pm on the checkout date. If the Client(s) fail to vacate the Venue by that time, they forfeit the security deposit.

#### **5) EVENT ENDING TIMES:**

All events must end by 11pm on Friday and Saturday evenings, 9pm on Sunday-Thursdays evenings to comply with sound ordinances. The Venue must be cleaned and vacated by 12pm on the day of checkout.

#### **6) DECORATIONS:**

Decorations may not be hung with tape, wire, nails or screws which will damage the Venue. All decorations must be removed without leaving damages by check out time. Any hanging decorations must be approved by the owners and must be removed by check out time.

Note: The use of birdseed and blowing bubbles is permitted only outside for wedding and reception farewells. Rice, confetti, flower petals, balloons, glitter, pyrotechnics, and sparklers are not permitted inside or outside the facility.

#### **7) INDEMNIFICATION:**

Client(s) agree to indemnify and hold A Church, its officers, representatives, employees, agents and assigns harmless against all claims, causes of action, damages, liability loss or costs including reasonable attorney's fees, of every kind and nature whatsoever, that directly or proximately result from or are caused by any act or omission of the Client(s) or any of its officers, agents, employees, representatives, assigns, guests, patrons or invitees, or by their use or occupation of A Church pursuant to this Agreement.

#### **8) LIQUOR/BEVERAGES/ILLEGAL SUBSTANCES:**

All alcohol must be served in compliance with State and local regulations. The Client(s) represent that they have taken all necessary steps and secured any necessary or required permitting if they are serving any alcoholic beverages at

*YH* *SB*

the Venue. Drunken/Violent disturbances are prohibited and subject to immediate removal from the premise, possible termination of event without refund and forfeiture of some or all of the nuisance deposit.

**9) SECURITY DEPOSIT:**

A \$500.00 security deposit will be returned 14 days after the event as long as there is no damage and Venue policies have been followed. If any damages that exceed the amount of the security deposit shall be the responsibility of the person financially responsible for the event. If the venue has not been cleaned, then the charge for cleaning will be deducted from the security deposit.

**10) NUISANCE DEPOSIT:**

A \$500.00 nuisance deposit will be returned 14 days after the event as long as law enforcement has not been called due to excessive noise or other activities occurring during the term of the special event.

**11) MUSIC:**

All music must end by 9pm during weekdays and 11pm on weekends to comply with sound ordinances.

**12) SMOKING:**

A Church is a non-smoking venue. Smoking will be permitted only in designated areas outside.

**14) FAILURE TO COMPLY WITH VENUE POLICIES WILL FORFEIT SECURITY DEPOSIT.**

**SIGNATURES:**

**Clients:**

By: Magdalena Rosa

By: \_\_\_\_\_

Signature: MR  
Date: 1/15/20

Signature: \_\_\_\_\_  
Date: \_\_\_\_\_

**A Church Representative:**

By: Sherree Beddingfield

By: \_\_\_\_\_

Signature: S Beddingfield  
Date: 1/16/2020

Signature: \_\_\_\_\_  
Date: \_\_\_\_\_

Department of Health Services

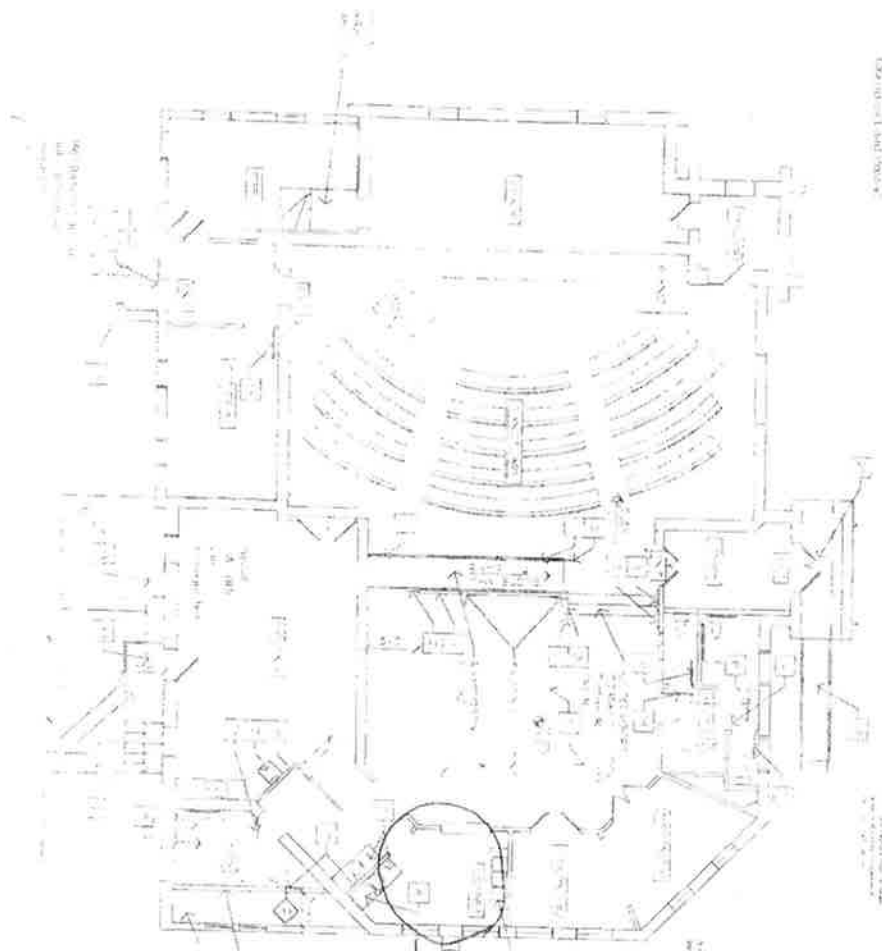
See floor plan for location of emergency exits

See floor plan for location of emergency exits

01/26/2018

APPROVED

Alcohol served here





OFFICE OF THE SECRETARY OF STATE  
OF THE STATE OF COLORADO

**CERTIFICATE OF FACT OF GOOD STANDING**

I, Wayne W. Williams, as the Secretary of State of the State of Colorado, hereby certify that, according to the records of this office,

A Church Inc

is a

Nonprofit Corporation

formed or registered on 10/19/2017 under the law of Colorado, has complied with all applicable requirements of this office, and is in good standing with this office. This entity has been assigned entity identification number 20171780513 .

This certificate reflects facts established or disclosed by documents delivered to this office on paper through 11/14/2017 that have been posted, and by documents delivered to this office electronically through 11/15/2017 @ 14:25:46 .

I have affixed hereto the Great Seal of the State of Colorado and duly generated, executed, and issued this official certificate at Denver, Colorado on 11/15/2017 @ 14:25:46 in accordance with applicable law. This certificate is assigned Confirmation Number 10554429



A handwritten signature in cursive script that reads "Wayne W. Williams".

Secretary of State of the State of Colorado

\*\*\*\*\*End of Certificate\*\*\*\*\*  
*Notice: A certificate issued electronically from the Colorado Secretary of State's Web site is fully and immediately valid and effective. However, as an option, the issuance and validity of a certificate obtained electronically may be established by visiting the Validate a Certificate page of the Secretary of State's Web site, <http://www.sos.state.co.us/biz/CertificateSearchCriteria.do> entering the certificate's confirmation number displayed on the certificate, and following the instructions displayed. Confirming the issuance of a certificate is merely optional and is not necessary to the valid and effective issuance of a certificate. For more information, visit our Web site, <http://www.sos.state.co.us>; click "Businesses, trademarks, trade names" and select "Frequently Asked Questions."*



Address number posted  
minimum 4" wide/contrast  
background

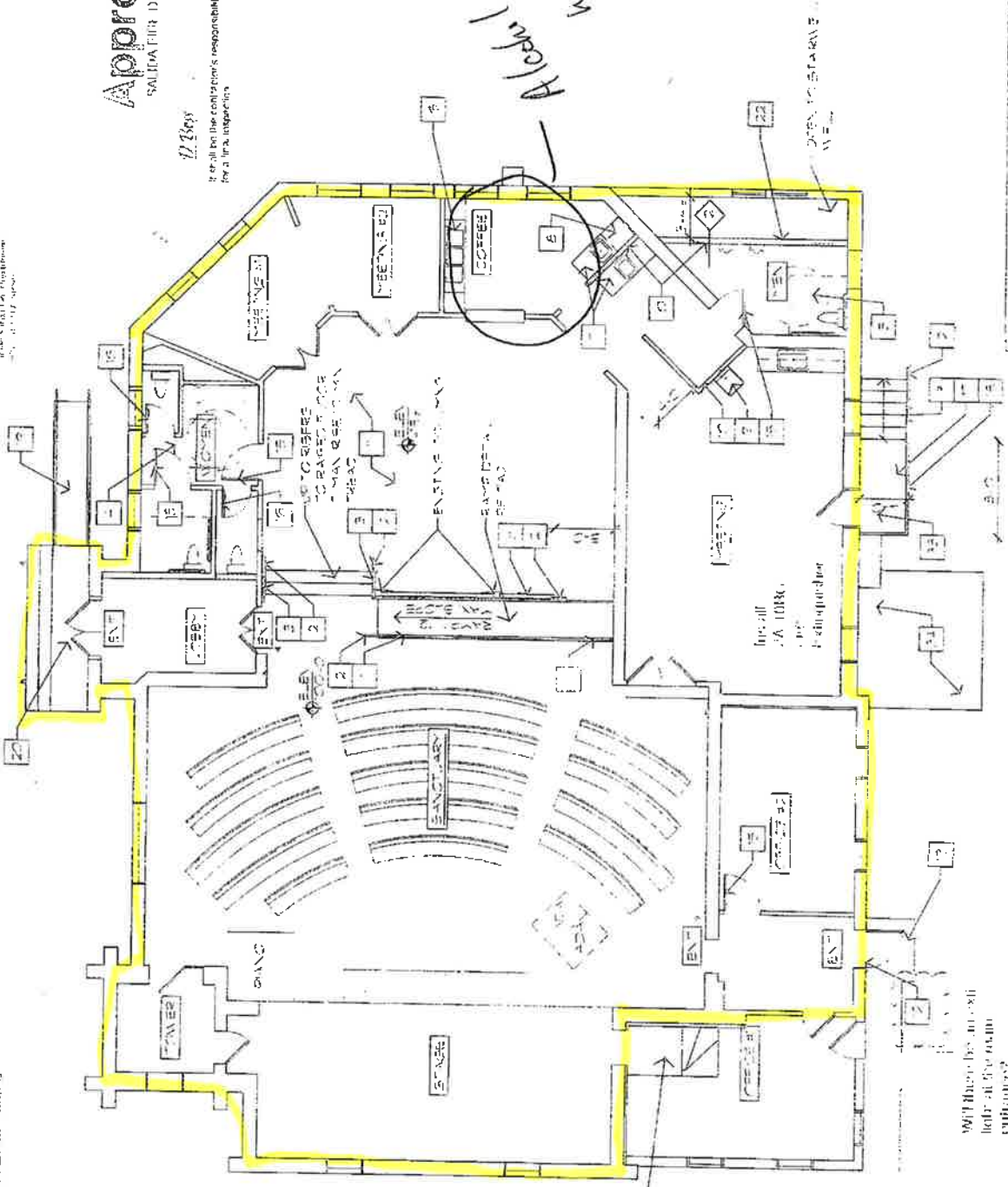
Grouped Load Posting

Hardware and install Knox  
Box. Provide necessary  
keys to appropriate  
personnel.

**Approved**  
VALDAPHER DEPARTMENT  
01/26/2018

It will be the contractor's responsibility to contact the fire department  
for a fire inspection.

*Handwritten:* Alicki / Saved  
near -



Will there be an exit  
door at the main  
entrance?





## REQUEST FOR CITY COUNCIL ACTION

Meeting Date: February 4, 2020

<b>AGENDA ITEM NO.</b> Consent Agenda - 2.e.	<b>ORIGINATING DEPARTMENT:</b> Public Works	<b>PRESENTED BY:</b> David Lady
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### **ITEM:**

Council Action Approve Final Payment for the 2019 Sewer Reconstruction Phase 1, Project No 2018-010

### **BACKGROUND:**

The City of Salida owns and maintains the wastewater collection system within the service areas of Salida and Poncha Springs. The City has a maintenance program that includes scheduled line cleaning and inspection of mains. Capital improvement programs including line rehabilitation and replacement are necessary to address system deficiencies, ensure reliable service, and replace infrastructure that is nearing the end of its useful life. The useful life of a sewer main can depend on multiple factors such as structural issues/breaks, offset joints, and gaps in joints which can introduce water infiltration and roots.

Trunk mains are considered primary collectors for wastewater. This project involved replacing a section of primary trunk main on the east side of Salida. A segment was identified as having limited capacity due to having a sag (low point). This also leads to maintenance challenges which could lead to an overflow or service problem at a later date. Hydraulic analysis and engineering was completed to ensure that the proposed reconstruction would adequately convey full-build out conditions of Poncha Springs and City of Salida municipal service areas.

The timing of the construction was also important as considerable growth is planned adjacent to site. It is anticipated that this project would have had additional constraints, cost more, and impact neighboring properties if it occurred after development on the adjacent lots.

Bids for the project were received on October 25th, 2018. The project was awarded to Y&K Excavation, Inc.

### **FISCAL NOTE:**

City Council awarded a Construction Contract to Y&K Excavation, Inc. on January 8<sup>th</sup>, 2019 with a total project budget of \$363,591.70. Additional engineering, flow modeling, and recommendations for build-out of the collection system led to a design change after project award resulting in the reduction of pipe footage needing reconstructed. This led to a reduced completed construction cost to the City.

All work was completed within budget and was accepted by Public Works. The final project construction cost was \$258,872.00. The 10% retainage in the amount of \$25,887.80, has been withheld pending approval of final settlement by council. Public Notice of Final Settlement was advertised on January 21<sup>st</sup> and 22<sup>nd</sup>, 2020.

Y&K Excavation, Inc provided excellent quality of work and coordination with the City throughout the project.



**REQUEST FOR CITY COUNCIL ACTION**

Meeting Date: February 4, 2020

<b>AGENDA ITEM NO.</b> Consent Agenda - 2.e.	<b>ORIGINATING DEPARTMENT:</b> Public Works	<b>PRESENTED BY:</b> David Lady
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**STAFF RECOMMENDATION:**

To approve final settlement to Y&K Excavation, Inc in the amount of \$25,887.80 for the 2019 Sewer Reconstruction Project Phase 1.

**SUGGESTED MOTIONS:**

A Council person should make a motion to “combine and approve the items on the consent agenda.”

Followed by a second and then a voice vote.



**REQUEST FOR CITY COUNCIL ACTION**

Meeting Date: February 4, 2020

<b>AGENDA ITEM NO.</b> Consent Agenda - 2.f.	<b>ORIGINATING DEPARTMENT:</b> Public Works	<b>PRESENTED BY:</b> David Lady
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**ITEM:**

Consent Agenda:

Council Action Award 2020 Concrete Maintenance Project, Project No 2020-002

**BACKGROUND:**

The City of Salida right-of-ways have concrete infrastructure consisting of curb and gutter, ADA ramps/crosswalk, cross pans, and sidewalks. Public Works staff have surveyed defective sections of concrete and repairs have been prioritized in the highest pedestrian utilized corridors (downtown and school zones) and designated pedestrian routes. Work areas have been expanded out from there (see attached exhibit).

The project was advertised and bids were received on January 21, 2020 by only one bidder as follows:

**Cedar Ridge Landscape, Inc.      \$248,462.50**

Cedar Ridge Landscape, Inc. completed the City's 2018 and 2019 Concrete Maintenance Projects last two summers and performed the work satisfactory. Many compliments were given to the quality and performance by Salida residents. Cedar Ridge Landscape, Inc. had great communication throughout the duration of the project.

**FISCAL NOTE:**

The 2019 budget for concrete maintenance is \$250,000 (31-30-6009-3) for sidewalk, cross-walk, and curb and gutter repairs and \$40,000 for ADA ramps/crosswalk improvements (31-30-6002-2) for a total of \$290,000. Work will be managed in-house which is a cost savings of approximately 4% of the total project cost for this type of work. Awarded work being proposed is under budget for 2020.

CONSTRUCTION CONTRACT	\$	248,462.50
CONTINGENCY (10%)	\$	24,850.00
CONSTRUCTION MANAGEMENT	\$	In-House
QA MATERIALS TESTING (2%)	\$	5,000.00
<b><u>TOTAL PROJECT BUDGET</u></b>	<b>\$</b>	<b><u>278,312.50</u></b>

**STAFF RECOMMENDATION:**

Staff is recommending award of the construction contract for the 2020 Concrete Maintenance Work Project and authorizing the City Administrator to enter into a Construction Agreement between the



**REQUEST FOR CITY COUNCIL ACTION**

Meeting Date: February 4, 2020

<b>AGENDA ITEM NO.</b> Consent Agenda - 2.f.	<b>ORIGINATING DEPARTMENT:</b> Public Works	<b>PRESENTED BY:</b> David Lady
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City and Cedar Ridge Landscape, Inc. in the amount of **\$248,462.50 with a total project budget of \$278,312.50.**

**SUGGESTED MOTIONS:**

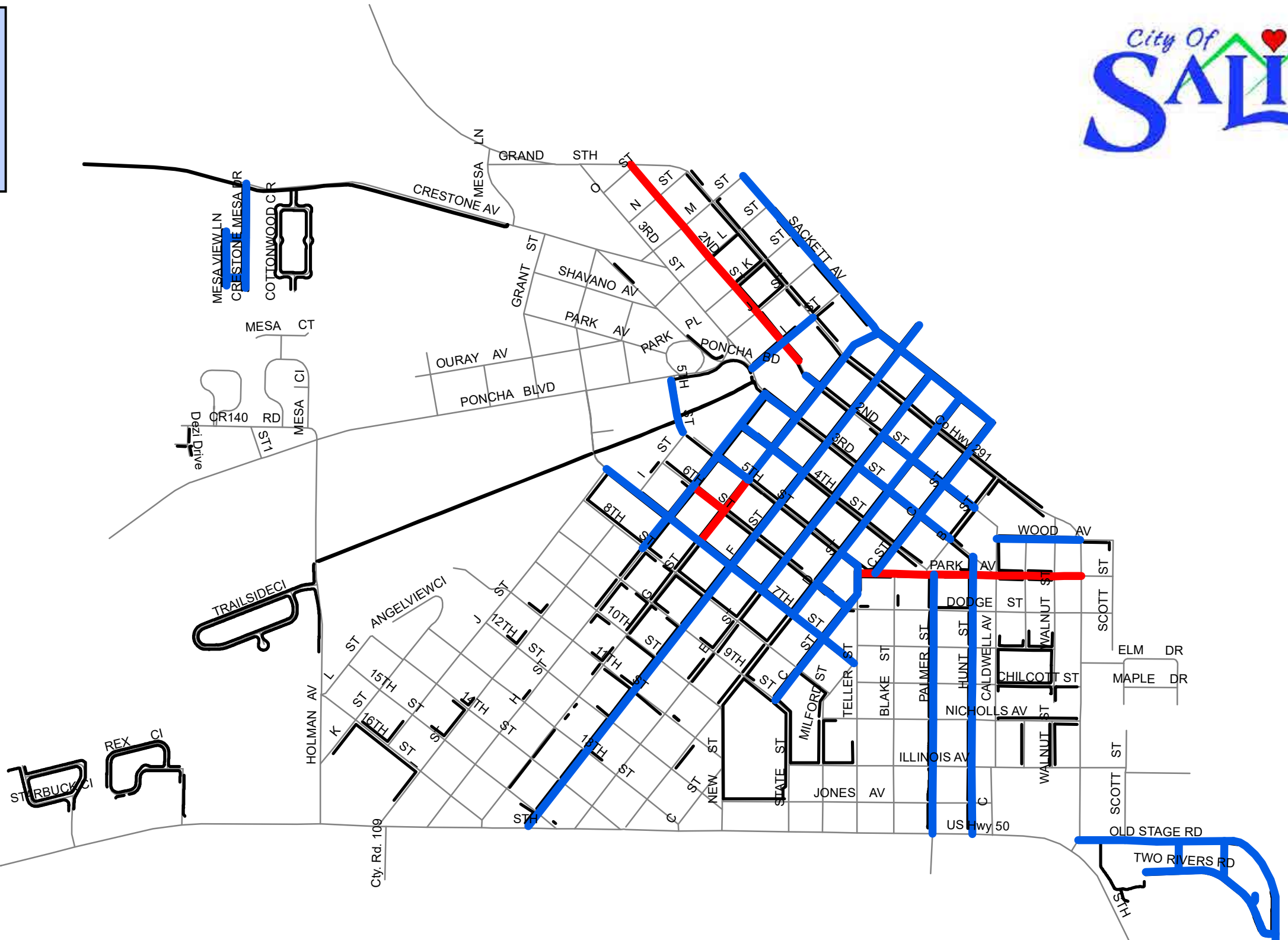
A Council person should make a motion to “combine and approve the items on the consent agenda.”

Followed by a second and then a voice vote.



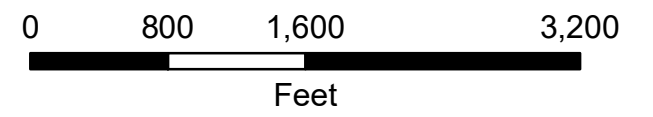


- New and Rehabilitated Sidewalks
- Proposed 2020 Rehab
- All Sidewalks
- Local Roads



### Historical and Proposed Sidewalk Work

Date: 1/24/2020





**REQUEST FOR CITY COUNCIL ACTION**

Meeting Date: February 4, 2020

<b>AGENDA ITEM NO.</b> Consent Agenda - 2.g.	<b>ORIGINATING DEPARTMENT:</b> Public Works	<b>PRESENTED BY:</b> David Lady
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**ITEM:**

Council Action Award 2020 Sewer Rehabilitation CIPP Point Repairs

**BACKGROUND:**

The City of Salida owns and maintains the wastewater collection system within the service areas of Salida and Poncha Springs. The City has a maintenance program that includes scheduled line cleaning and inspection of mains. Capital improvement programs including line rehabilitation and replacement are necessary to address system deficiencies, ensure reliable service, and replace infrastructure that is nearing the end of its useful life. The useful life of a sewer main can depend on multiple factors such as structural issues/breaks, offset joints, and gaps in joints which can introduce water infiltration and roots.

Cured-In-Place Pipe (CIPP) is a common rehabilitation practice that allows for point repairs to be completed without excavation. A liner is pulled into a pipe, expanded, and cured to form a structural interior surface at broken pipes, infiltration locations, or other defects. This method is cost effective and limits disruption to citizens. It is often a preferred method in the industry depending on the overall pipe condition and line size.

The proposed project generally consists of CIPP point repairs at approximately 90 locations within the wastewater collection system. Three bids were received on January 28, 2020 as follows.

Guildner Pipeline Maintenance, Inc.	\$ 154,050.00
National Power Rodding Corp.	\$ 190,500.00
Pipetek Infrastructure Services	\$ 257,750.00

Guildner Pipeline Maintenance, Inc. is the low bidder. Guildner has completed numerous similar projects across the state and has been in business for 43 years. It is anticipated that work will be completed during the spring of 2020.

**FISCAL NOTE:**

A budget allocation of \$350,000 is included in the 2020 budget under the Water/Wastewater Enterprise Fund and listed as:

- Infrastructure Improvements (21-30-6024-3)

A second project for sewer reconstruction will be bid out later in the year and is anticipated to be within budget for the line item.

<b>CONSTRUCTION CONTRACT</b>	\$ 154,050.00
<b>CONTINGENCY (10%)</b>	\$ 15,000.00
<b>CONSTRUCTION MANAGEMENT / TESTING</b>	\$ 2,000.00
<b><u>TOTAL PROJECT BUDGET</u></b>	<b><u>\$ 171,050.00</u></b>



## REQUEST FOR CITY COUNCIL ACTION

Meeting Date: February 4, 2020

<b>AGENDA ITEM NO.</b> Consent Agenda - 2.g.	<b>ORIGINATING DEPARTMENT:</b> Public Works	<b>PRESENTED BY:</b> David Lady
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### **STAFF RECOMMENDATION:**

Staff recommends that the work be completed to ensure reliable service for the mains identified to be repaired.

Staff is recommending to award a construction contract for the 2020 Sewer Rehabilitation CIPP Point Repair Project and authorizing the City Administrator to enter into a Construction Agreement between the City and Guildner Pipeline Maintenance, Inc. in the amount of **\$154,050.00** with a total project budget of \$171,050.00.

### **SUGGESTED MOTIONS:**

A Council person should make a motion to “combine and approve the items on the consent agenda.”

Followed by a second and then a voice vote.



## REQUEST FOR CITY COUNCIL ACTION

Meeting Date: February 4, 2020

<b>AGENDA ITEM NO.</b> Consent Agenda – 2.h.	<b>ORIGINATING DEPARTMENT:</b> Administration	<b>PRESENTED BY:</b> Drew Nelson/Aimee Tihonovich
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**ITEM:**

2020 Employee Compensation Methodology Report

**BACKGROUND:**

As part of the 2020 Annual Budget process, the City of Salida engaged the services of Employer's Council to analyze the pay structure for employees of the City. This compensation methodology has been in development for the past eight weeks and is attached to this memo. As part of the budget process, the City Council approved a personnel wage increase of five percent (5%) for 2020. The Methodology Report will be used to identify future budgetary impacts in 2021 and beyond, and is the basis for creating an equitable, fair, and market-based approach to recruitment and retention for staff of the City of Salida.

**FISCAL NOTE:**

The City budgeted \$197,263 for wage increases in 2020. Based on the recommendations of the survey, the total cost for implementing the plan is \$219,230, an increase of \$22,267 over what was approved in the 2020 Budget. Staff believes that the overage can be accommodated via increased sales tax revenues projected in January 2020. This may necessitate a budget amendment later in the year should expenses in the General Fund (and other funds) exceed those budgeted.

**STAFF RECOMMENDATION:**

Staff recommends approval of the 2020 Employee Compensation Methodology Report.

**SUGGESTED MOTIONS:**

A City Councilperson should make a motion to combine and approve the Consent Agenda, followed by a second and a voice vote.



# Compensation Methodology Report

Compensation Consulting Services

City of Salida

Prepared: January 2020

*Prepared by:*

Terri Evans, MBA, CPA, CCP

Compensation Consultant

(303) 551-3415

Tevans@EmployersCouncil.org

*Important Notice:*

*The information provided herein is general in nature and designed to serve as a guide to understanding. These materials are not to be construed as the rendering of legal or management advice. If the reader has a specific need or problem, the services of a competent professional should be sought to address the particular situation.*

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## Introduction

The City of Salida (City) asked Employers Council (EC) to conduct a base compensation market study for their full-time positions. This included an evaluation of the City's **level of competitive** pay in relation to other employers in the industry and community. This report presents the methodology we followed in this consulting project.

## Review of Current Materials

EC reviewed the City's strategic objectives, current pay and census, organizational chart, job descriptions, employee manual and relevant policies and procedures. The EC also worked to understand the historical compensation approach and the scope of the current project.

## Strategy and Objectives

EC talked with the Finance Director to discuss key philosophical issues of the City's total compensation program. The discussion included economic, workforce and financial issues which impact the total compensation.

## Market Pricing

EC used organizational charts, job descriptions, handbook, pay plan policies, city council presentation and census information that the City provided and discussions with the City directors to match jobs to the market data. The EC consultant used the following compensation surveys/pay data:

- Colorado Municipal League (CML) Survey for April 2, 2019
- Employers Council 2019 Colorado Benchmark Compensation Survey

We looked for at least a 70 percent correlation between the duties and qualifications for the City's positions and the salary survey descriptions.

## Base Compensation Design

The EC's **consultant** reviewed the CML Survey data for the jobs that were included in the survey. The City Manager of Salida and the EC Consultant agreed on 20 cities in Colorado that are similar in population, city employees **and structure to use as comparators for the City's market** analysis.

The Administrative Coordinator was included in the CML Survey, but the pay for this position did not seem consistent with the other jobs. The EC Consultant used the data from the Employers Council 2019 Colorado Benchmark Compensation Survey for an Administrative Assistant III as the market match, since it had hundreds of organizations and employees, and the job description was a better match.

The EC consultant reviewed all of this data with the City Manager and Finance Director.

The new market pay for each position was presented to the City from low to high. By looking at the jobs in order of the future pay, the City identified adjustments that were needed to create the correct relationship between the value of jobs in Salida.

The EC consultant aged the new market pay to January 1, 2020 using a 2.7% annual adjustment rate from the current Employment Cost Index (ECI) for the wages and salaries of workers. (The ECI is published by the U.S. Department of Labor, Bureau of Labor Statistics.)

The leadership at the City agreed to the new market pay for each position.

EC created new ranges for each job that were at a minimum, 80% of market, to a maximum of 120% of market for each position. This broad range allows the pay to be flexible enough to appropriately compensate employees who are new to a job or very experienced, and for the low to high performers.

We appreciate the opportunity to work with you. Please let us know if you have any questions or concerns about this project.

City of Salida  
Pay Ranges for Full-time Employees  
Jan. 2020

Title	Department	Minimum of Range at 2080 Hours/Year	Market Rate at 2080 Hours/Year	Maximum of Range at 2080 Hours/Year	Minimum of Range Per Hour	Market Rate Per Hour	Maximum of Range Per Hour
Lifeguard III	Pool & Recreation	\$24,960	\$28,162	\$33,794	\$12.00	\$13.54	\$16.25
Front Desk Clerk II	Finance	\$28,645	\$35,806	\$42,967	\$13.77	\$17.21	\$20.66
Recreation Coordinator	Pool & Recreation	\$29,115	\$36,394	\$43,673	\$14.00	\$17.50	\$21.00
Municipal Worker I	Parks	\$29,318	\$36,648	\$43,978	\$14.10	\$17.62	\$21.14
Firefighter	Fire	\$29,495	\$36,869	\$44,242	\$14.18	\$17.73	\$21.27
Municipal Court Clerk	Administration	\$30,318	\$37,898	\$45,478	\$14.58	\$18.22	\$21.86
Administrative Assistant	Police	\$31,224	\$39,030	\$46,836	\$15.01	\$18.76	\$22.52
Parks and Recreation Attendant Supervisor	Pool & Recreation	\$31,509	\$39,387	\$47,264	\$15.15	\$18.94	\$22.72
Municipal Worker II	Public Works	\$32,250	\$40,313	\$48,375	\$15.50	\$19.38	\$23.26
Recreation Supervisor	Pool & Recreation	\$32,755	\$40,943	\$49,132	\$15.75	\$19.68	\$23.62
Code Enforcement	Police	\$33,904	\$42,381	\$50,857	\$16.30	\$20.38	\$24.45
Aquatics Supervisor	Pool & Recreation	\$35,246	\$44,057	\$52,869	\$16.95	\$21.18	\$25.42
Municipal Worker III	Streets	\$35,475	\$44,344	\$53,213	\$17.06	\$21.32	\$25.58
Class C Operator	Sewer	\$35,834	\$44,792	\$53,750	\$17.23	\$21.53	\$25.84
Senior Firefighter	Fire	\$36,180	\$45,225	\$54,270	\$17.39	\$21.74	\$26.09
Administrative Coordinator	Streets Allocation	\$36,574	\$45,718	\$54,862	\$17.58	\$21.98	\$26.38
Municipal Worker IV	Water Allocation	\$38,418	\$48,022	\$57,627	\$18.47	\$23.09	\$27.71
Arts & Culture Supervisor	SteamPlant	\$39,043	\$48,804	\$58,565	\$18.77	\$23.46	\$28.16
Class B Operator	Water	\$39,417	\$49,271	\$59,125	\$18.95	\$23.69	\$28.43
Mechanic	Facilities & Vehicle Mgmt	\$39,562	\$49,453	\$59,343	\$19.02	\$23.78	\$28.53
Engineering/GIS Technician	Streets Allocation	\$40,352	\$50,440	\$60,528	\$19.40	\$24.25	\$29.10
Construction Inspector	Public Works	\$40,914	\$51,142	\$61,371	\$19.67	\$24.59	\$29.51
Patrolman I	Police	\$42,756	\$53,445	\$64,134	\$20.56	\$25.69	\$30.83
Captain	Fire	\$43,723	\$54,653	\$65,584	\$21.02	\$26.28	\$31.53
Hot Springs Facility Supervisor	Pool & Recreation	\$45,151	\$56,439	\$67,727	\$21.71	\$27.13	\$32.56
Streets Supervisor	Public Works	\$45,199	\$56,499	\$67,799	\$21.73	\$27.16	\$32.60
Field Utility Supervisor (Water)	Public Works	\$45,486	\$56,858	\$68,229	\$21.87	\$27.34	\$32.80
Parks, Trails, Open Space and Facilities Supervisor	Parks Allocation	\$45,486	\$56,858	\$68,229	\$21.87	\$27.34	\$32.80
Fire Inspector	Fire	\$46,421	\$58,026	\$69,631	\$22.32	\$27.90	\$33.48
Planner	Community Development	\$46,434	\$58,043	\$69,652	\$22.32	\$27.91	\$33.49
Staff Accountant	Finance	\$48,487	\$60,609	\$72,731	\$23.31	\$29.14	\$34.97
Senior Construction Inspector	Public Works	\$49,097	\$61,371	\$73,645	\$23.60	\$29.51	\$35.41
Sergeant	Police	\$58,068	\$72,584	\$87,101	\$27.92	\$34.90	\$41.88
Plant Manager	Water	\$58,390	\$72,987	\$87,585	\$28.07	\$35.09	\$42.11
City Clerk	Administration	\$60,786	\$75,982	\$91,178	\$29.22	\$36.53	\$43.84
Plant Manager	Sewer	\$61,280	\$76,600	\$91,920	\$29.46	\$36.83	\$44.19



City of Salida  
 Pay Ranges for Full-time Employees  
 Jan. 2020

<b>Title</b>	<b>Department</b>	<b>Minimum of Range at 2080 Hours/Year</b>	<b>Market Rate at 2080 Hours/Year</b>	<b>Maximum of Range at 2080 Hours/Year</b>	<b>Minimum of Range Per Hour</b>	<b>Market Rate Per Hour</b>	<b>Maximum of Range Per Hour</b>
Lieutenant	Police	\$63,255	\$79,069	\$94,883	\$30.41	\$38.01	\$45.62
Arts & Culture Director	SteamPlant	\$65,920	\$82,400	\$98,880	\$31.69	\$39.62	\$47.54
Parks & Recreation Director	Pool & Recreation	\$71,756	\$89,695	\$107,634	\$34.50	\$43.12	\$51.75
Fire Chief	Fire	\$76,000	\$95,000	\$114,000	\$36.54	\$45.67	\$54.81
Director of Public Works	Streets Allocation	\$78,005	\$97,506	\$117,007	\$37.50	\$46.88	\$56.25
Finance Director	Finance	\$78,614	\$98,268	\$117,921	\$37.80	\$47.24	\$56.69
Community Development Director	Community Development	\$78,717	\$98,397	\$118,076	\$37.84	\$47.31	\$56.77
Police Chief	Police	\$85,931	\$107,414	\$128,897	\$41.31	\$51.64	\$61.97



## REQUEST FOR CITY COUNCIL ACTION

Meeting Date: February 4, 2020

<b>AGENDA ITEM NO.</b> 4.a.	<b>ORIGINATING DEPARTMENT:</b> Administration	<b>PRESENTED BY:</b> Drew Nelson
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### **ITEM:**

Ordinance 2020-03 An Ordinance Regarding Amending Chapter 6 of the Salida Municipal Code by the Addition of a New Article VII Concerning Offenses, Raising the Minimum Age to Purchase or Consume Tobacco to Twenty One Years, Second Reading and Public Hearing

### **BACKGROUND:**

Following public health concerns expressed across the country on the dangers and deadly impacts of the consumption of tobacco- and nicotine-based products (especially on younger and more vulnerable parts of the population), staff was directed to work with the Chaffee County Health Department and other interested parties to develop regulations related to the sale, purchase, possession and consumption of vaping devices, tobacco products, and flavored nicotine materials. Following worksession meetings in August and the Chaffee County Intergovernmental Meeting in September, the City Attorney and City Clerk's Offices were directed to address the issues identified above via Ordinance for the City Council's consideration.

In addition, while the federal government has recently addressed the age of purchase restrictions (increasing the age limit from 18 to 21), the Salida Municipal Code should also be amended to include the same age restrictions. Ordinance 2020-03 has been prepared to provide the following:

- Establish that the age limit for purchase, possession or consumption must be 21 years of age.
- Prohibit the sale of any flavored tobacco product.
- Require a license to sell tobacco products anywhere in the City of Salida.

Experiences in other communities have shown that similar modifications to the Salida Municipal Code will reduce access to products that are hazardous to the health, safety and welfare of the community (and youth in particular). These proposed regulations are in line with the City Council's desires identified at the August 19, 2019 regular worksession and will assist the community's School Resource Officers in nicotine addiction prevention activities in our schools.

During the intervening weeks between the first and second readings of the Ordinance, staff and the City Council has received quite a bit of feedback from certain tobacco providers in the City of Salida, most notably in opposition to the proposed flavor restrictions. Representatives of trade groups based in Denver and elsewhere have requested removing all connections to flavors. Other comments received from local proprietors are in opposition to any regulation at all.

### **FISCAL NOTE:**

Staff responsible for managing the program will be situated in the City Clerk's office, and while there may be additional staff costs for this endeavor, a fee schedule can be instituted to offset the costs of the program, similar to liquor and marijuana licensing at the Council's discretion.



**REQUEST FOR CITY COUNCIL ACTION**

Meeting Date: February 4, 2020

<b>AGENDA ITEM NO.</b> 4.a.	<b>ORIGINATING DEPARTMENT:</b> Administration	<b>PRESENTED BY:</b> Drew Nelson
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**STAFF RECOMMENDATION:**

Staff recommends approval of Ordinance 2020-03 on second reading.

**SUGGESTED MOTIONS:**

Following a public hearing on the matter, a City Councilperson should make a motion to approve Ordinance 2020-03 on second reading, followed by a second and a roll call vote.



**REQUEST FOR CITY COUNCIL ACTION**

Meeting Date: February 4, 2020

<b>AGENDA ITEM NO.</b> 4.a.	<b>ORIGINATING DEPARTMENT:</b> Administration	<b>PRESENTED BY:</b> Drew Nelson
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**CITY OF SALIDA, COLORADO**  
**ORDINANCE NO. 03**  
**(Series of 2020)**

**AN ORDINANCE OF THE CITY COUNCIL FOR THE CITY OF SALIDA,  
COLORADO AMENDING CHAPTER 6 OF THE SALIDA MUNICIPAL CODE BY  
THE ADDITION OF A NEW ARTICLE VII CONCERNING TOBACCO PRODUCT  
RETAIL LICENSING AND AMENDING CHAPTER 10 CONCERNING  
OFFENSES, RAISING THE MINIMUM AGE TO PURCHASE OR CONSUME  
TOBACCO TO TWENTY ONE YEARS**

**WHEREAS**, the City of Salida, Colorado (“City”) is a statutory city, duly organized and existing under the laws of the state of Colorado; and

**WHEREAS**, pursuant to C.R.S. § 31-15-401, the City by and through its City Council (“Council”), possesses the authority to adopt laws and ordinances within its police power in furtherance of the public health, safety and welfare; and

**WHEREAS**, pursuant to this authority, the City has previously adopted certain code provisions, general offenses and violations, and the penalties attached to them, codified in the Salida Municipal Code (“Code”); and

**WHEREAS**, pursuant to Title 31, Article 15 of the Colorado Revised Statutes, the City also possesses the authority to license and regulate businesses; and

**WHEREAS**, pursuant to this authority, the City has previously adopted certain regulations concerning business licenses and regulations within Chapter 6 of the Salida Municipal Code (“Code”); and

**WHEREAS**, the Colorado State Legislature recently adopted House Bill 19-1033, which expressly authorizes the City to enact an ordinance regulating the sale of cigarettes, tobacco products, or nicotine products to minors; and

**WHEREAS**, on December 20, 2019, the President signed legislation to amend the Federal Food, Drug, and Cosmetic Act and raise the federal minimum age of the sale of tobacco products from eighteen to twenty-one years; and

**WHEREAS**, 81% of youth who have ever used a tobacco product report that the first tobacco product was flavored; and

**WHEREAS**, flavored tobacco products promote youth initiation of tobacco use and help young occasional smokers to become daily smokers by reducing or masking the natural harshness and taste of tobacco smoke and thereby increasing the appeal of tobacco products; and

**WHEREAS**, tobacco companies well know that menthol cools and numbs the throat to reduce throat irritation and make the smoke feel smoother, making menthol cigarettes an appealing

option for youth who are initiating tobacco use; and

**WHEREAS**, in January 2020, the United States Department of Health and Human Services announced plans for a temporary ban on many youth-friendly candy and fruit flavored electronic cigarettes; and

**WHEREAS**, the increasing rise in the use and abuse of tobacco and vaping locally, statewide and nationally, especially among teenagers, has created cause for concern to the Council; and

**WHEREAS**, the Council has conducted its review of the issues, and find that it would further the public health, safety and welfare of the citizens of Salida to adopt this ordinance adding a new Article VII to Chapter 6 of the Code concerning tobacco product retail licensing, and raising the minimum age to purchase or consume tobacco to twenty one years.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL FOR THE CITY OF SALIDA, COLORADO as follows:**

**Section 1.** The City Council incorporates the foregoing recitals as conclusions, facts, determinations and findings by the City Council.

**Section 2.** Section 10-6-60 of the Salida Municipal Code, concerning offenses involving minors, is hereby amended to read as follows:

**Sec. 10-6-60. – Sale, Purchase, and consumption of tobacco.**

- (a) It is unlawful for any person to sell tobacco to any ~~minor~~ **individual under the age of twenty one (21)** within the City.
- (b) It is unlawful for any ~~minor~~ **individual under the age of twenty one (21)** to purchase or accept as a gift tobacco within the City.
- (c) It is unlawful for any ~~minor~~ **individual under the age of twenty one (21)** to possess, use, or consume tobacco within the City.
- (d) Any person in charge of or in control of a retail business of any kind, with the exception of a tobacco business as defined herein, must stock and display tobacco products in the business in a manner so as to make all tobacco products inaccessible to customers without the assistance of a retail clerk, thereby requiring a direct face-to-face exchange of the tobacco product from an employee of the business to the customer; provided, however, that this provision shall not apply to self-service displays of tobacco products that are located in a public place where access by individuals under the age of ~~eighteen (18)~~ **TWENTY ONE (21)** is prohibited.

- (e) Except in the case of a tobacco business as defined herein, it is unlawful for any person to own, locate, keep, install or maintain a vending machine which dispenses tobacco products in an area open to the public other than areas where access to individuals under the age of ~~eighteen (18)~~ **TWENTY ONE (21)** is prohibited or where the vending machine dispenses tobacco products through the operation of a device that enables an adult employee to prevent the dispensing of such products to ~~minor~~ **individual under the age of twenty one (21)**.
- (f) For purposes of this Section, a "tobacco business" shall mean a sole proprietorship, corporation, partnership, or other enterprise engaged primarily in the sale, manufacture, or promotion of tobacco, tobacco products, or smoking devices or accessories, either at wholesale or retail and generating more than sixty-five percent (65%) of its gross revenues annually from the sale of tobacco products and tobacco paraphernalia.

**Section 3.** The Salida Municipal Code is hereby amended by the addition of a new Article VII, to Chapter 6, entitled Tobacco Product Retail License, as follows:

## **ARTICLE VI. – TOBACCO PRODUCT RETAIL LICENSE**

### **Sec. 6-7-10. - Definitions.**

For the purpose of this Article the following words and terms have the following meanings, unless the context clearly indicates otherwise. Definitions included in Chapters 1 and 16 of this Code shall apply to this Article unless they are otherwise expressly defined herein.

*Cigarettes* means any product that contains tobacco or nicotine, including but not limited to premanufactured cigarettes and /or hand-rolled cigarettes that is intended to be burned or heated under ordinary conditions of use, and consists of or contains:

- (1) any roll of tobacco wrapped in paper of any other substance not containing tobacco;
- (2) tobacco in any form that is functional in the product, which because of its appearance, the type of tobacco used in the filler, or its packaging or labeling, is likely to be offered to or purchased by consumers as a cigarette described in subparagraph (1) above.
- (3) any roll of tobacco wrapped in any substance containing tobacco that, because of its appearance, the type of tobacco used in the filler, or its packaging and labeling is likely to be offered to or purchased by consumers as a cigarette described in (1) above.

- (4) the term includes all “roll-your-own” i.e., any tobacco that, because of its appearance, type, packaging or labeling, is suitable for use and likely to be offered to or purchased by consumers as tobacco for making cigarettes.

*Characterizing flavor* means a distinguishable taste or aroma or both other than the taste or aroma of tobacco, imparted or reasonably intended or expected to be imparted either prior to or during consumption of a tobacco product or any byproduct produced by the tobacco product. Characterizing flavors include, but are not limited to, tastes or aromas relating to any menthol, mint, wintergreen, fruit, chocolate, vanilla, honey, candy, cocoa, dessert, alcoholic beverage, herb, spice; provided however, that a tobacco product shall not be determined to have a characterizing flavor solely because of the use of additives or flavorings or the provision of ingredient information. Rather, it is the presence of a distinguishable taste or aroma or both, as described in the first sentence of this definition that constitutes a characterizing flavor.

*Cigar* means any roll of tobacco other than a Cigarette wrapped entirely or in part in tobacco or any other substance containing tobacco. For purposes herein, cigar includes, but is not limited to Tobacco Products known or labeled as a “cigar,” “cigarillo” or “Little Cigar.”

*Constituent* means any ingredient, substance, chemical or compound other than tobacco, water or a reconstituted tobacco sheet that is added by the Manufacturer to a Tobacco Product during the processing, manufacturing or packaging of a Tobacco Product.

*Component or part* means any software or assembly of materials intended or reasonably expected to: (1) to alter or affect the tobacco product’s performance, composition, constituents, or characteristics; or (2) to be used with or for the human consumption of a tobacco product or electronic smoking device. Component or part excludes anything that is an accessory, and includes, but is not limited to e-liquids, cartridges, certain batteries, heating coils, programmable software and flavorings for electronic smoking device.

*Consumer* means an individual who purchase Tobacco Products not for Sale to another.

*Distinguishable* means perceivable by either the sense of smell or taste.

*Electronic smoking device* means any product containing or delivering nicotine intended for human consumption that can be used by an individual to simulate smoking in the delivery of nicotine or any other substance, even if marketed as nicotine-free, through inhalation from the product. Electronic smoking device includes any refill, cartridge or component part of a product, whether or not marketed or sold separately. Electronic smoking device does not include any product that has been approved or certified by the United States Food and Drug Administration for sale as a tobacco cessation product or for other medically approved or certified purposes.

*Flavored tobacco product* means any tobacco product that contains a Constituent or that imparts a Characterizing Flavor.

*Mobile Vending* means any sales of Tobacco and/or Tobacco Paraphernalia at other than a



fixed location.

*Packaging* means a pack, box, carton, or container of any kind or, if no other container, any wrapping (including cellophane) in which a Tobacco Product(s) is Sold or offered for sale to a Consumer.

*Person* means any natural person, partnership, cooperative association, corporation, limited liability company, personal representative, receiver, trustee, assignee or other legal entity.

*Sell or Sale* means any transfer, exchange, barter, gift, offer for sale, or distribution for a commercial purpose, in any manner or by any means whatsoever.

*Self-service display* means the open display or storage of Tobacco Products in a manner that is physically accessible in any way to the public without the assistance of the retailer or employer of the retailer and a direct person-to-person transfer between the purchaser and the retailer or employee of the retailer. A vending machine or other coin operated machine are forms of a Self-Service Display.

*Tobacco paraphernalia* means any item designed for the consumption, use, or preparation of Tobacco Product.

*Tobacco product* means (1) any product which contains, is made, or derived from tobacco or used to deliver nicotine or other substances intended for human consumption, whether smoked, heated, chewed, dissolved, inhaled, snorted, sniffed, or ingested by any other means, including but not limited to cigarettes, cigars, little cigars, cheroots, stogies, perique's, granulated, plug cut, crimp cut, ready rubbed and other smoking tobacco, snuff, snuff flout, bidis, snus, mints, hand gels, Cavendish, plug and twist tobacco, fine cut and other chewing tobaccos, shorts, refuse scraps, clippings, cutting, and sweepings of tobacco; (2) electronic smoking devices; (3) notwithstanding any provision of subsections; (1) and; (2) to the contrary, "tobacco product" includes any component, part, accessory, or associated tobacco paraphernalia of a tobacco product whether or not sold separately. Excluded from this definition is any product that contains marijuana and any products specifically approved by the U.S. Food and Drug Administration for use in reducing, treating, or eliminating nicotine for tobacco dependence or for other medical purposes when these produces are being marketed and sold solely for such approved purpose.

*Tobacco product retail location* means any premises where Tobacco Products are sold or distributed to a consumer, including but not limited to hookah bar, lounge, mobile vending, cart, vehicle, or café, any ground occupied by a retailer, any store, stand, outlet, location, vending machine or structure where Tobacco Products are sold.

*Tobacco product retailer* means any person who sells, offers for sale or offers to exchange for any form of consideration Tobacco Products. "Tobacco Product Retailing" shall mean the doing of any of these things. This definition is without regard to the quantity of Tobacco Products or Tobacco Paraphernalia sold, offered for sale, exchanged or offered for exchange.

**Sec. 6-7-20. - Sale of cigarettes, tobacco products, flavored tobacco products, and electronic smoking devices.**

- (a) No person shall sell or permit the sale of Tobacco product by use of Self-Service Display such as a vending machine or coin operated machine. Tobacco Product Retailers shall stock and display all Tobacco Products in a manner to make all such products inaccessible to customers without the assistance of a retail clerk thereby requiring a direct face-to-face exchange of the Tobacco Products from an employee of the business to the customer.
- (b) No Tobacco Product Retailer or any agent or employee of any Tobacco Product Retailer shall sell, offer for sale or possess with the intent to sell or offer for sale any flavored tobacco product designed for or capable of use in any electronic smoking device.
- (c) There shall be a rebuttable presumption that a Tobacco Product Retailer in possession of four or more flavored tobacco products, including but not limited to individual flavored tobacco products, packages of flavored tobacco products, or any combination thereof, possesses such flavored tobacco products with intent to sell or offer for sale.
- (d) There shall be a rebuttable presumption that a tobacco product is a flavored tobacco product if a Tobacco Product Retailer, manufacturer, or any employee or agent of a Tobacco Product Retailer or manufacturer has:
  - (1) Made a public statement or claim that the tobacco product imparts a characterizing flavor;
  - (2) Used text and/or images on the tobacco product's labeling or packaging to explicitly or implicitly indicate that the tobacco product imparts a characterizing flavor; or
  - (3) Taken action directed to consumers that would be reasonably expected to cause consumers to believe the tobacco product imparts a characterizing flavor.

**Sec. 6-7-30. - License requirements and prohibitions.**

- (a) Tobacco Product Retailers License required.
  - (1) It shall be unlawful for any person to act as a Tobacco Product Retailer in the City of Salida unless he or she had obtained a License and maintains the same in full force and effect pursuant to this Article for each location where Tobacco Product Retailing occurs.
  - (2) The initial license fee, renewal license fee and penalty for operating without a license shall be established by resolution of City Council, as may be amended from time to time, and payable annually in advance and shall not be refunded except as required by law.

- (3) No license may be issued to authorize Tobacco Products retailing anywhere other than at a fixed location that is designated in the License application and approved by the City Clerk. Tobacco Product retailing by persons on foot, from vehicles or through Mobile Vending is prohibited.
- (4) Tobacco retailing without a valid License is a nuisance as a matter of the law.
- (b) Display of License. Each license shall be prominently displayed in a publicly visible location at the licensed Tobacco Product Retail Location.
- (c) Display of Minimum Legal Sales Age Requirements. The requirement of the Minimum Legal Sale Age, which is twenty one years, for the purchase of Tobacco Retail Product shall be prominently displayed in the entrance (or other clearly visible location) of the Tobacco Product Retail Location.
- (d) License Non-Transferable. A License shall not be transferred from one individual or entity to another or from one location to another.
- (e) Other Prohibitions.
  - (1) A Tobacco Product Retail Location may only have one active License at one time. Every License is separate and distinct and specific to a designated location. The License cannot be assigned, delegated, sold, inherited or otherwise transferred between persons or transferred to a different location, except as provided in this Article. No Licensee shall exercise the privileges of any other License or delegate the privileges of its own License.
  - (2) A person or entity may not apply for a License for a one-year period after a License has been revoked.

**Sec. 6-7-40. - Conditions of the Tobacco Product Retail License.**

The following conditions shall apply to the Licensee:

- (a) Prohibition of self-service displays. Licensees shall stock and display all Tobacco Product in a manner to make all such products inaccessible to customers without the assistance of a retail clerk, thereby requiring a direct face-to-face exchange of the Tobacco Product from an employee of the business to the customer.
- (b) Restriction on sales to underage person. No person engaged in Tobacco Products Retailing shall sell or transfer a Tobacco Product to another person unless that recipient is at least twenty-one (21) years of age.

**Sec. 6-7-50. – Application Procedure.**

- (a) An application for a License shall be submitted and signed by an individual authorized by the person or entity making application for the License. It is the responsibility of each applicant and/or Licensee to be informed regarding all laws applicable to tobacco retailing, including those laws affecting the issuance of said License. No applicant and/or Licensee may rely on the issuance of a License as a determination by the City of Salida that the proprietor has complied with all applicable tobacco retailing laws.
- (b) All applications shall be submitted on a form supplied by the City Clerk.
- (c) A licensed Tobacco Product Retailer shall inform the City Clerk in writing of any change in the information submitted on an application for License within (30) business days of a change.
- (d) All License applications shall be accompanied by payment of the appropriate fee established by the City Council.

**Sec. 6-7-60. - Issuance of a Tobacco Product License.**

Upon the receipt of a completed application for a License as required by this Article, the City Clerk shall sign and issue a License within thirty (30) days unless substantial evidence demonstrated that one or more of the following bases for denial exists:

- (a) The information presented in the application is incomplete, inaccurate or false;
- (b) The applicant seeks authorization for a License at a location where this Article prohibits the issuance of License;
- (c) The applicant seeks a License for a location that is not appropriately zoned for the anticipated use;
- (d) The applicant seeks authorization for a License and the applicant's current License is suspended or revoked;
- (e) The applicant is not qualified to hold the requested License under the provisions of this Article;
- (f) The applicant and or retail location is not in compliance with all City, state or federal laws;
- (g) The applicant is indebted to, or obligated in any manner to the City for unpaid taxes, liens or other monies;
- (h) The payment of the licensing fee in the full amount chargeable for such License does not accompany such License application.

**Sec. 6-7-70. - License term, renewal and expiration.**

- (a) Term. All Licenses issued under this Code shall be for the period of one (1) year from the date of the first license being issued.
- (b) Renewal of License. A Licensee shall apply for the renewal of the License and submit the renewal License fee no later than thirty (30) days prior to the expiration of the existing term. The City Clerk shall renew the License prior to the end of the term, provided that the renewal application and fee were timely submitted, and the City Clerk is not aware of any fact that would have prevented issuance of the original License or issuance of the renewal.
- (c) Expiration of License. A License that is not timely renewed shall expire at the end of its term. The failure to timely obtain a renewal of a License requires submission of a new application. There shall be no sale of any Tobacco Products after the License expiration date and before the new License is issued.

**Sec. 6-7-80. - Compliance monitoring.**

- (a) Compliance monitoring of this Article shall be conducted by the City of Salida Police Department or designee, as the City of Salida Police Department deems appropriate.
- (b) The City of Salida Police Department shall have discretion to consider previous compliance check history or prior violations of a Licensee in determining how frequently to conduct compliance checks of the Licensee with respect to individual Licensees.
- (c) The City of Salida Police Department will meet with Licensee's annually, or more often as they determine, to review training programs, signage and general procedures as they relate to preventing retail sales of Tobacco Products to persons under the age of twenty-one (21). When the City of Salida Police Department deems appropriate, the compliance check shall determine compliance with other laws applicable to Tobacco Products.

**Sec. 6-7-90. - Suspension or revocation of License.**

- (a) Any license issued pursuant to this Article may be suspended or revoked by the City Council, upon ten (10) days' written notice, to a licensee stating the contemplated action and, in general, the grounds therefor, and after a reasonable opportunity for the licensee to be heard, for any of the following reasons:
  - (1) A violation by a Licensee or Licensee's officers, agents, or employee of any of the provisions of this Article, or any laws of the United States, the State of Colorado or ordinances of the City of Salida relating to the sale or furnishing of tobacco products

- to any person under the age of twenty-one (21), or the storage or display of Tobacco Products.
- (2) Violations of any conditions imposed by the City Clerk's office in connection with the issuance of renewal of a License.
  - (3) Failure to pay State or local taxes that are related to the operation of the business associated with the License.
  - (4) Loss of right to possession of the Licensed premises.
  - (5) Fraud, misrepresentation, or a false statement of material fact contained in the original or renewal license application.

**Sec. 6-7-100. - Penalties.**

- (a) In addition to any other remedies available at law or equity, engaging in the tobacco product retail business within the City without a license shall subject the licensee to a fine in an amount to be established by resolution of the City Council, as may be amended from time to time, to be collected in the manner provided for penalty assessments as provided in Chapter 1, Article VII of this Code.
- (b) Any person or proprietor who is engaged in Tobacco Product Retailing who sells any Tobacco Products to a person under the age of twenty-one (21), or who violates Sections 6-7-20, 6-7-30, or 6-7-40, commits an offense and upon conviction thereof, shall be punished by a fine as established by resolution of the City Council, as may be amended from time to time. It shall be an affirmative defense to prosecute under this Subsection that the person furnishing the Tobacco Products was presented with and reasonably relied upon a valid state driver's license or other government-issued form of identification which identified the person receiving the Tobacco Product as being twenty-one (21) years of age or older.
- (c) It shall be unlawful for any Tobacco Retailer to sell Tobacco Products or Tobacco Paraphernalia without a License as mandated under this Article, or with a suspended or revoked License. A Retailer whose license has been suspended or revoked:
  - (1) Shall not display Tobacco Products or Tobacco Paraphernalia in public view during the timeframe in which the License is suspended or revoked; and
  - (2) Advertisements relating to Tobacco Products and/or Tobacco Paraphernalia that promote the sale or distribution of such products from that location shall not be displayed.

**Section 4.** The provisions of this ordinance are severable and the invalidity of any section, phrase, clause or portion of the ordinance as determined by a court of competent

jurisdiction shall not affect the validity or effectiveness of the remainder of the ordinance.

**INTRODUCED ON FIRST READING, ADOPTED and ORDERED PUBLISHED IN FULL** in a newspaper of general circulation in the City of Salida by the City Council on the \_\_\_\_ day of \_\_\_\_\_, 2020 and set for second reading and public hearing on the \_\_\_\_ day of \_\_\_\_\_, 2020.

**INTRODUCED ON SECOND READING, FINALLY ADOPTED and ORDERED PUBLISHED BY TITLE ONLY**, by the City Council on the \_\_\_\_ day of \_\_\_\_\_, 2020.

CITY OF SALIDA

By: \_\_\_\_\_  
Mayor

ATTEST: (SEAL)

By: \_\_\_\_\_  
Deputy City Clerk

**PUBLISHED IN FULL** in the Mountain Mail after First Reading on the \_\_\_\_ day of \_\_\_\_\_, 2020, and **BY TITLE ONLY, OR IN FULL**, after Final Adoption on the \_\_\_\_ day of \_\_\_\_\_, 2020.

By: \_\_\_\_\_  
Deputy City Clerk



## REQUEST FOR CITY COUNCIL ACTION

Meeting Date: February 4, 2020

<b>AGENDA ITEM NO.</b> 5.a.	<b>ORIGINATING DEPARTMENT:</b> Administration	<b>PRESENTED BY:</b> Drew Nelson
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**ITEM:**

New Hotel and Restaurant Liquor License for Ramon Herrera Santana, 136 East 2<sup>nd</sup> Street, DBA Tacos El Tapatio

**BACKGROUND:**

A new Colorado Hotel and Restaurant Liquor License application was filed with the City Clerk on December 23, 2019. The Notice of Public Hearing was published and the premises were posted on January 24, 2020.

All proper fees have been remitted to the City and State of Colorado. There are no reported fire or police violations from the site and inspections have been performed. Individual history records and the Colorado Bureau of Investigation background check have been reviewed by staff with no issues.

**STAFF RECOMMENDATION:**

Staff recommends that the Liquor Licensing Authority approve a new Hotel and Restaurant Liquor License for Tacos El Tapatio.

**SUGGESTED MOTIONS:**

Following a public hearing on the matter, a Licensing Authority member should make a motion to approve the new Colorado Hotel and Restaurant Liquor License for Ramon Herrera Santana, 136 East 2<sup>nd</sup> Street, DBA Tacos El Tapatio, followed by a second and a roll call vote.



# Colorado Liquor Retail License Application

New License   
  New-Concurrent   
  Transfer of Ownership   
  State Property Only

- 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: [www.colorado.gov/enforcement/liquor](http://www.colorado.gov/enforcement/liquor)

1. Applicant is applying as a/an   
 Individual   
 Limited Liability Company   
 Association or Other  
 Corporation   
 Partnership (includes Limited Liability and Husband and Wife Partnerships)

2. Applicant If an LLC, name of LLC, if partnership, at least 2 partner's names; if corporation, name of corporation    FEIN Number  
*Ramon Herrera Santana*

2a. Trade Name of Establishment (DBA)    State Sales Tax Number    Business Telephone  
*Tacos el Tapatio*       *719-207-4487*

3. Address of Premises (specify exact location of premises, include suite/unit numbers)  
*136 E 2ND ST*

City    County    State    ZIP Code  
*Salida*    *Chaffee*    *CO*    *81201*

4. Mailing Address (Number and Street)    City or Town    State    ZIP Code  
*131 C Street*    *Salida*    *CO*    *81201*

5. Email Address

6. 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	Section B (Cont.)    Liquor License Fees
<input type="checkbox"/> Application Fee for New License ..... \$1,550.00 <input checked="" type="checkbox"/> Application Fee for New License w/Concurrent Review ..... \$1,650.00 <input type="checkbox"/> Application Fee for Transfer ..... \$1,550.00	<input type="checkbox"/> Lodging & Entertainment - L&E (County) ..... \$500.00 <input checked="" type="checkbox"/> Manager Registration - H & R ..... \$75.00 <input type="checkbox"/> Manager Registration - Tavern ..... \$75.00 <input type="checkbox"/> Manager Registration - Lodging & Entertainment ..... \$75.00 <input type="checkbox"/> Manager Registration - Campus Liquor Complex ..... \$75.00

Section B    Liquor License Fees	Liquor License Fees
<input type="checkbox"/> Add Optional Premises to H & R ..... \$100.00 X    Total _____ <input type="checkbox"/> Add Related Facility to Resort Complex \$75.00 X    Total _____ <input type="checkbox"/> Add Sidewalk Service Area ..... \$75.00 <input type="checkbox"/> Arts License (City) ..... \$308.75 <input type="checkbox"/> Arts License (County) ..... \$308.75 <input type="checkbox"/> Beer and Wine License (City) ..... \$351.25 <input type="checkbox"/> Beer and Wine License (County) ..... \$436.25 <input type="checkbox"/> Brew Pub License (City) ..... \$750.00 <input type="checkbox"/> Brew Pub License (County) ..... \$750.00 <input type="checkbox"/> Campus Liquor Complex (City) ..... \$500.00 <input type="checkbox"/> Campus Liquor Complex (County) ..... \$500.00 <input type="checkbox"/> Campus Liquor Complex (State) ..... \$500.00 <input type="checkbox"/> Club License (City) ..... \$308.75 <input type="checkbox"/> Club License (County) ..... \$308.75 <input type="checkbox"/> Distillery Pub License (City) ..... \$750.00 <input type="checkbox"/> Distillery Pub License (County) ..... \$750.00 <input checked="" type="checkbox"/> Hotel and Restaurant License (City) ..... \$500.00 <input type="checkbox"/> Hotel and Restaurant License (County) ..... \$500.00 <input type="checkbox"/> Hotel and Restaurant License w/one opt premises (City) ..... \$600.00 <input type="checkbox"/> Hotel and Restaurant License w/one opt premises (County) ..... \$600.00 <input type="checkbox"/> Liquor-Licensed Drugstore (City) ..... \$227.50 <input type="checkbox"/> Liquor-Licensed Drugstore (County) ..... \$312.50 <input type="checkbox"/> Lodging & Entertainment - L&E (City) ..... \$500.00	<input type="checkbox"/> Master File Location Fee ..... \$25.00 X    Total _____ <input type="checkbox"/> Master File Background ..... \$250.00 X    Total _____ <input type="checkbox"/> Optional Premises License (City) ..... \$500.00 <input type="checkbox"/> Optional Premises License (County) ..... \$500.00 <input type="checkbox"/> Racetrack License (City) ..... \$500.00 <input type="checkbox"/> Racetrack License (County) ..... \$500.00 <input type="checkbox"/> Resort Complex License (City) ..... \$500.00 <input type="checkbox"/> Resort Complex License (County) ..... \$500.00 <input type="checkbox"/> Related Facility - Campus Liquor Complex (City) ..... \$160.00 <input type="checkbox"/> Related Facility - Campus Liquor Complex (County) ..... \$160.00 <input type="checkbox"/> Related Facility - Campus Liquor Complex (State) ..... \$160.00 <input type="checkbox"/> Retail Gaming Tavern License (City) ..... \$500.00 <input type="checkbox"/> Retail Gaming Tavern License (County) ..... \$500.00 <input type="checkbox"/> Retail Liquor Store License-Additional (City) ..... \$227.50 <input type="checkbox"/> Retail Liquor Store License-Additional (County) ..... \$312.50 <input type="checkbox"/> Retail Liquor Store (City) ..... \$227.50 <input type="checkbox"/> Retail Liquor Store (County) ..... \$312.50 <input type="checkbox"/> Tavern License (City) ..... \$500.00 <input type="checkbox"/> Tavern License (County) ..... \$500.00 <input type="checkbox"/> Vintners Restaurant License (City) ..... \$750.00 <input type="checkbox"/> Vintners Restaurant License (County) ..... \$750.00

**Questions? Visit: [www.colorado.gov/enforcement/liquor](http://www.colorado.gov/enforcement/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 \$

## Application Documents Checklist and Worksheet

**Instructions:** This checklist should be utilized to assist applicants with filing all required documents for licensure. All documents must be properly signed and correspond with the name of the applicant **exactly**. All documents must be typed or legibly printed. Upon final State approval the license will be mailed to the local licensing authority. Application fees are nonrefundable. **Questions? Visit: [www.colorado.gov/enforcement/liquor](http://www.colorado.gov/enforcement/liquor) for more information**

Items submitted, please check all appropriate boxes completed or documents submitted	
<b>I.</b>	<b>Applicant information</b> <input type="checkbox"/> A. Applicant/Licensee identified <input type="checkbox"/> B. State sales tax license number listed or applied for at time of application <input type="checkbox"/> C. License type or other transaction identified <input type="checkbox"/> D. Return originals to local authority (additional items may be required by the local licensing authority) <input type="checkbox"/> E. All sections of the application need to be completed
<b>II.</b>	<b>Diagram of the premises</b> <input type="checkbox"/> A. No larger than 8 1/2" X 11" <input type="checkbox"/> B. Dimensions included (does not have to be to scale). Exterior areas should show type of control (fences, walls, entry/exit points, etc.) <input type="checkbox"/> C. Separate diagram for each floor (if multiple levels) <input type="checkbox"/> D. Kitchen - identified if Hotel and Restaurant <input type="checkbox"/> E. Bold/Outlined Licensed Premises
<b>III.</b>	<b>Proof of property possession (One Year Needed)</b> <input type="checkbox"/> A. Deed in name of the applicant (or) (matching question #2) date stamped / filed with County Clerk <input type="checkbox"/> B. Lease in the name of the applicant (or) (matching question #2) <input type="checkbox"/> C. Lease assignment in the name of the applicant with proper consent from the landlord and acceptance by the applicant <input type="checkbox"/> D. Other agreement if not deed or lease. (matching question #2)
<b>IV.</b>	<b>Background information (DR 8404-I) and financial documents</b> <input type="checkbox"/> A. Complete DR 8404-i for each principal (individuals with more than 10% ownership, officers, directors, partners, members) <input type="checkbox"/> B. Fingerprints taken and submitted to the appropriate Local Licensing Authority through an approved state vendor. <b>Do not complete fingerprint cards prior to submitting your application.</b> The Vendors are as follows: <b>IdentoGO</b> – <a href="https://uenroll.identogo.com/">https://uenroll.identogo.com/</a> Phone: 844-539-5539 (toll-free) Identogo FAQs: <a href="https://www.colorado.gov/pacific/cbi/identification-faqs">https://www.colorado.gov/pacific/cbi/identification-faqs</a> <b>Colorado Fingerprinting</b> – <a href="http://www.coloradofingerprinting.com">http://www.coloradofingerprinting.com</a> Appointment Scheduling Website: <a href="http://www.coloradofingerprinting.com/cabs/">http://www.coloradofingerprinting.com/cabs/</a> Phone: 720-292-2722 Toll Free: 833-224-2227  <input type="checkbox"/> C. Purchase agreement, stock transfer agreement, and/or authorization to transfer license <input type="checkbox"/> D. List of all notes and loans (Copies to also be attached)
<b>V.</b>	<b>Sole proprietor/husband and wife partnership (if applicable)</b> <input type="checkbox"/> A. Form DR 4679 <input type="checkbox"/> B. Copy of State issued Driver's License or Colorado Identification Card for each applicant
<b>VI.</b>	<b>Corporate applicant information (if applicable)</b> <input type="checkbox"/> A. Certificate of Incorporation <input type="checkbox"/> B. Certificate of Good Standing <input type="checkbox"/> C. Certificate of Authorization if foreign corporation (out of state applicants only)
<b>VII.</b>	<b>Partnership applicant information (if applicable)</b> <input type="checkbox"/> A. Partnership Agreement (general or limited). <input type="checkbox"/> B. Certificate of Good Standing
<b>VIII.</b>	<b>Limited Liability Company applicant information (if applicable)</b> <input type="checkbox"/> A. Copy of articles of organization <input type="checkbox"/> B. Certificate of Good Standing <input type="checkbox"/> C. Copy of Operating Agreement (if applicable) <input type="checkbox"/> D. Certificate of Authority if foreign LLC (out of state applicants only)
<b>IX.</b>	<b>Manager registration for Hotel and Restaurant, Tavern, Lodging &amp; Entertainment, and Campus Liquor Complex licenses when included with this application</b> <input type="checkbox"/> A. \$75.00 fee <input type="checkbox"/> B. Individual History Record (DR 8404-I) <input type="checkbox"/> C. If owner is managing, no fee required

Name <i>Ramon Herrera Santana</i>	Type of License <i>Hotel &amp; Restaurant</i>	Account Number
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20. 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?

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?

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?

21. 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)

22. 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?  
If "yes" please provide a copy of the contract with the institution of higher education to provide food services.

23. For all on-premises applicants.

a. Hotel and Restaurant, Lodging and Entertainment, Tavern License and Campus Liquor Complex, the Registered Manager must also submit an Individual History Record  
- DR 8404-I and fingerprint submitted to approved State Vendor through the Vendor's website. See application checklist, Section IV, for details.

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

Last Name of Manager <i>Herrera Santana</i>	First Name of Manager <i>Ramon</i>
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24. 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.

25. Related Facility - Campus Liquor Complex applicants answer the following: Yes No

a. Is the related facility located within the boundaries of the Campus Liquor Complex?    
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
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26. Tax Information. Yes No

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?

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.?

27. 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	Home Address, City & State	DOB	Position	%Owned
<i>Ramon Herrera Santana</i>			<i>Owner</i>	

\*\* 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.

Name <b>Ramon Herrera Santana</b>	Type of License <b>Hotel &amp; Restaurant</b>	Account Number
7. 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 <input type="checkbox"/> No <input checked="" type="checkbox"/>
8. 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?		<input type="checkbox"/> <input checked="" type="checkbox"/>
b. Had an alcohol beverage license suspended or revoked?		<input type="checkbox"/> <input checked="" type="checkbox"/>
c. Had interest in another entity that had an alcohol beverage license suspended or revoked?		<input type="checkbox"/> <input checked="" type="checkbox"/>
If you answered yes to 8a, b or c, explain in detail on a separate sheet.		
9. 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? If "yes", explain in detail.		<input type="checkbox"/> <input checked="" type="checkbox"/>
10. 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?		<input type="checkbox"/> <input checked="" type="checkbox"/>
Waiver by local ordinance? <input type="checkbox"/> <input checked="" type="checkbox"/>		
Other: _____		
11. 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 (>) 10,000? 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.		<input type="checkbox"/> <input checked="" type="checkbox"/>
12. 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 (<) 10,000? 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.		<input type="checkbox"/> <input checked="" type="checkbox"/>
13 a. For additional Retail Liquor Store only. Was your Retail Liquor Store License issued on or before January 1, 2016?		<input type="checkbox"/> <input checked="" type="checkbox"/>
13 b. Are you a Colorado resident?		<input checked="" type="checkbox"/> <input type="checkbox"/>
14. 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.		<input type="checkbox"/> <input checked="" type="checkbox"/>
15. Does the applicant, as listed on line 2 of this application, have legal possession of the premises by ownership, lease or other arrangement?		<input type="checkbox"/> <input type="checkbox"/>
<input type="checkbox"/> Ownership <input checked="" type="checkbox"/> Lease <input type="checkbox"/> 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 <b>Dorothy Norbie</b>	Tenant <b>Ramon Herrera Santana</b>	Expires <b>10-17-2020</b>
b. Is a percentage of alcohol sales included as compensation to the landlord? If yes, complete question 16.		<input type="checkbox"/> <input type="checkbox"/>
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 8 1/2" X 11".		
16. 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.		
Last Name	First Name	Date of Birth FEIN or SSN Interest/Percentage
<b>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.</b>		
17. Optional Premises or Hotel and Restaurant Licenses with Optional Premises: Has a local ordinance or resolution authorizing optional premises been adopted?		<input type="checkbox"/> <input checked="" type="checkbox"/>
Number of additional Optional Premise areas requested. (See license fee chart) <input type="text"/>		
18. 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.		
19. 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 LLDS premise?		<input type="checkbox"/> <input checked="" type="checkbox"/>
If "yes" a copy of license must be attached.		

## Tax Check Authorization, Waiver, and Request to Release Information

I, Ramon Herrera Santana am signing this Tax Check Authorization, Waiver and Request to Release Information (hereinafter "Waiver") on behalf of Tacos El Tapatio (the "Applicant/Licensee") to permit the Colorado Department of Revenue and any other state or local taxing authority to release information and documentation that may otherwise be confidential, as provided below. If I am signing this Waiver for someone other than myself, including on behalf of a business entity, I certify that I have the authority to execute this Waiver on behalf of the Applicant/Licensee.

The Executive Director of the Colorado Department of Revenue is the State Licensing Authority, and oversees the Colorado Liquor Enforcement Division as his or her agents, clerks, and employees. The information and documentation obtained pursuant to this Waiver may be used in connection with the Applicant/Licensee's liquor license application and ongoing licensure by the state and local licensing authorities. The Colorado Liquor Code, section 44-3-101. et seq. ("Liquor Code"), and the Colorado Liquor Rules, 1 CCR 203-2 ("Liquor Rules"), require compliance with certain tax obligations, and set forth the investigative, disciplinary and licensure actions the state and local licensing authorities may take for violations of the Liquor Code and Liquor Rules, including failure to meet tax reporting and payment obligations.

The Waiver is made pursuant to section 39-21-113(4), C.R.S., and any other law, regulation, resolution or ordinance concerning the confidentiality of tax information, or any document, report or return filed in connection with state or local taxes. This Waiver shall be valid until the expiration or revocation of a license, or until both the state and local licensing authorities take final action to approve or deny any application(s) for the renewal of the license, whichever is later. Applicant/Licensee agrees to execute a new waiver for each subsequent licensing period in connection with the renewal of any license, if requested.

By signing below, Applicant/Licensee requests that the Colorado Department of Revenue and any other state or local taxing authority or agency in the possession of tax documents or information, release information and documentation to the Colorado Liquor Enforcement Division, and is duly authorized employees, to act as the Applicant's/Licensee's duly authorized representative under section 39-21-113(4), C.R.S., solely to allow the state and local licensing authorities, and their duly authorized employees, to investigate compliance with the Liquor Code and Liquor Rules. Applicant/Licensee authorizes the state and local licensing authorities, their duly authorized employees, and their legal representatives, to use the information and documentation obtained using this Waiver in any administrative or judicial action regarding the application or license.

Name (Individual/Business) <u>TACOS EL TAPATIO</u>		Social Security Number/Tax Identification Number	
Address <u>136 E 2ND ST</u>			
City <u>SALIDA</u>		State <u>CO</u>	Zip <u>81201</u>
Home Phone Number <u>719-207-4487</u>		Business/Work Phone Number	
Printed name of person signing on behalf of the Applicant/Licensee <u>Ramon Herrera Santana</u>			
Applicant/Licensee's Signature (Signature authorizing the disclosure of confidential tax information) <u>Ramon A Herrera</u>			Date signed <u>12-23-19</u>

### Privacy Act Statement

Providing your Social Security Number is voluntary and no right, benefit or privilege provided by law will be denied as a result of refusal to disclose it. § 7 of Privacy Act, 5 USCS § 552a (note).

Name <i>Ramon Herrera Santana</i>	Type of License <i>Hotel &amp; Restaurant</i>	Account Number
<b>Oath Of Applicant</b>		
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 Code which affect my license.		
Authorized Signature <i>Ramon A. Herrera S</i>	Printed Name and Title <i>Ramon Herrera Santana, Owner</i>	Date <i>12-23-19</i>
<b>Report and Approval of Local Licensing Authority (City/County)</b>		
Date application filed with local authority <i>12-23-19</i>	Date of local authority hearing (for new license applicants; cannot be less than 30 days from date of application) <i>2-4-2020</i>	
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:		
<input checked="" type="checkbox"/> Fingerprinted <input type="checkbox"/> 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)		
<input type="checkbox"/> Date of inspection or anticipated date _____ <input checked="" type="checkbox"/> Will conduct inspection upon approval of state licensing authority		
<input type="checkbox"/> 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 > 10,000?		Yes No <input type="checkbox"/> <input type="checkbox"/>
<input type="checkbox"/> 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 < 10,000?		<input type="checkbox"/> <input type="checkbox"/>
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.		
<input type="checkbox"/> 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?		<input type="checkbox"/> <input type="checkbox"/>
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 for <i>City of Salida</i>	Telephone Number	<input checked="" type="checkbox"/> Town, City <input type="checkbox"/> County
Signature	Print	Title
Signature	Print	Title
		Date
		Date



## Individual History Record

To be completed by the following persons, as applicable: sole proprietors; general partners regardless of percentage ownership, and limited partners owning 10% or more of the partnership; all principal officers of a corporation, all directors of a corporation, and any stockholder of a corporation owning 10% or more of the outstanding stock; managing members or officers of a limited liability company, and members owning 10% or more of the company; and any intended registered manager of Hotel and Restaurant, Tavern and Lodging and Entertainment class of retail license

**Notice:** This individual history record requires information that is necessary for the licensing investigation or inquiry. All questions must be answered in their entirety or the license application may be delayed or denied. If a question is not applicable, please indicate so by "N/A". Any deliberate misrepresentation or material omission may jeopardize the license application. (Please attach a separate sheet if necessary to enable you to answer questions completely)

1. Name of Business <u>Tacos el Tapatio</u>	Home Phone Number	Cellular Number
2. Your Full Name (last, first, middle) <u>Ramon A Herrera S.</u>	3. List any other names you have used	
4. Mailing address (if different from residence) <u>131 C St</u>	Email Address	

5. List current residence address. Include any previous addresses within the last five years. (Attach separate sheet if necessary)

Street and Number	City, State, Zip	From	To
Current	<u>Salida CO 81201</u>		
Previous	<u>Salida CO 81201</u>		

6. List all employment within the last five years. Include any self-employment. (Attach separate sheet if necessary)

Name of Employer or Business	Address (Street, Number, City, State, Zip)	Position Held	From	To
<u>Los Jirasoles</u>	<u>Salida CO</u>	<u>Cook</u>		
<u>Boathouse</u>	<u>Salida CO</u>	<u>Cook</u>		
<u>Rivers Edge</u>	<u>Salida CO</u>	<u>Cook</u>		

7. List the name(s) of relatives working in or holding a financial interest in the Colorado alcohol beverage industry.

Name of Relative	Relationship to You	Position Held	Name of Licensee

8. Have you ever applied for, held, or had an interest in a Colorado Liquor or Beer License, or loaned money, furniture, fixtures, equipment or inventory to any licensee? (If yes, answer in detail.)  Yes  No

9. Have you ever received a violation notice, suspension, or revocation for a liquor law violation, or have you applied for or been denied a liquor or beer license anywhere in the United States? (If yes, explain in detail.)  Yes  No

10. Have you ever been convicted of a crime or received a suspended sentence, deferred sentence, or forfeited bail for any offense in criminal or military court or do you have any charges pending... yes, explain in detail.)  Yes  No

11. Are you currently under probation (supervised or unsupervised), parole, or completing the requirements of a deferred sentence? (If yes, explain in detail.)  Yes  No

12. Have you ever had any professional license suspended, revoked, or denied? (If yes, explain in detail.)  Yes  No

**Personal and Financial Information**

Unless otherwise provided by law, the personal information required in question #13 will be treated as confidential. The personal information required in question #13 is solely for identification purposes.

13a. Date of Birth \_\_\_\_\_ 1b. Social Security Number \_\_\_\_\_ c. Place of Birth Mexico d. U.S. Citizen  Yes  No

e. If Naturalized, state where \_\_\_\_\_ f. When \_\_\_\_\_ g. Name of District Court \_\_\_\_\_

h. Naturalization Certificate Number \_\_\_\_\_ i. Date of Certification \_\_\_\_\_ j. If an Alien, Give Alien's Registration Card Number \_\_\_\_\_ k. Permanent Residence Card Number \_\_\_\_\_

l. Height 5.6 m. Weight 180 n. Hair Color Black o. Eye Color Brown p. Gender M q. Do you have a current Driver's License/ID? If so, give number and state.  Yes  No # \_\_\_\_\_ State Co.

14. Financial Information.  
 a. Total purchase price or investment being made by the applying entity, corporation, partnership, limited liability company, other. \$ \_\_\_\_\_  
 b. List the total amount of the **personal** investment, made by the person listed on question #2, in this business including any notes, loans, cash, services or equipment, operating capital, stock purchases or fees paid. \$ \_\_\_\_\_  
 \* if corporate investment only please skip to and complete section (d)  
 \*\* Section b should reflect the total of sections c and e

c. Provide details of the personal investment described in 14b. You must account for all of the sources of this investment. (Attach a separate sheet if needed)

Type: Cash, Services or Equipment	Account Type	Bank Name	Amount

d. Provide details of the corporate investment described in 14 (a). You must account for all of the sources of this investment. (Attach a separate sheet if needed)

Type: Cash, Services or Equipment	Loans	Account Type	Bank Name	Amount

e. Loan Information (Attach copies of all notes or loans)

Name of Lender	Address	Term	Security	Amount

**Oath of Applicant**

I declare under penalty of perjury that this application and all attachments are true, correct, and complete to the best of my knowledge.

Authorized Signature Ramon A. Herrero Santana Print Signature Ramon A. Herrero Santana Title owner Date 12-23-1977



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TACOS EL TAPATIO LLC  
RAMON A HERRERA SANTANA SOLE MBR  
125 I ST  
SALIDA CO 81201

Date of this notice: 03-12-2019

Employer Identification Number:

Form: SS-4

Number of this notice: CP 575 G

For assistance you may call us a  
1-800-829-4933

IF YOU WRITE, ATTACH THE  
STUB OF THIS NOTICE.

### WE ASSIGNED YOU AN EMPLOYER IDENTIFICATION NUMBER

Thank you for applying for an Employer Identification Number (EIN). We assigned you EIN 35-2653204. This EIN will identify you, your business accounts, tax returns, and documents, even if you have no employees. Please keep this notice in your permanent records.

When filing tax documents, payments, and related correspondence, it is very important that you use your EIN and complete name and address exactly as shown above. Any variation may cause a delay in processing, result in incorrect information in your account, or even cause you to be assigned more than one EIN. If the information is not correct as shown above, please make the correction using the attached tear-off stub and return it to us.

A limited liability company (LLC) may file Form 8832, Entity Classification Election, and elect to be classified as an association taxable as a corporation. If the LLC is eligible to be treated as a corporation that meets certain tests and it will be electing S corporation status, it must timely file Form 2553, Election by a Small Business Corporation. The LLC will be treated as a corporation as of the effective date of the S corporation election and does not need to file Form 8832.

#### IMPORTANT REMINDERS:

- \* Keep a copy of this notice in your permanent records. This notice is issued only one time and IRS will not be able to generate a duplicate copy for you. You may give a copy of this document to anyone asking for proof of your EIN.
- \* Use this EIN and your name exactly as they appear at the top of this notice on all your federal tax forms.
- \* Refer to this EIN on your tax-related correspondence and documents.
- \* Provide future officers of your organization with a copy of this notice.

Your name control associated with this EIN is TACO. You will need to provide this information, along with your EIN, if you file your returns electronically.

If you have questions about your EIN, you can contact us at the phone number or address listed at the top of this notice. If you write, please tear off the stub at the bottom of this notice and include it with your letter. Thank you for your cooperation.

123456789

753

Keep this part for your records.

CP 575 G (Rev. 1-2013)

Return this part with any correspondence  
so we may identify your account. Please  
correct any errors in your name or address.

CP 575 G

0244635992

Your Telephone Number Best Time to Call  
( ) -

DATE OF THIS NOTICE: 03-12-2019  
EMPLOYER IDENTIFICATION NUMBER:  
FORM: SS-4 NOBOD

INTERNAL REVENUE SERVICE  
CINCINNATI OH 45999-0023

TACOS EL TAPATIO LLC  
RAMON A HERRERA SANTANA SOLE MBR  
125 I ST  
SALIDA CO 81201



STATE COUNTY  
COLORADO CHAFFEE

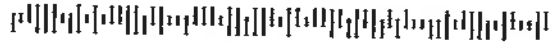
Must collect  
taxes for:

**SALES TAX  
LICENSE**

USE ACCOUNT NUMBER for all references	LIABILITY INFORMATION				ISSUE DATE			LICENSE VALID TO DECEMBER 31  2019
	county	city	industry	type	liability date	month	day	
	31-0206-009 L 040119				Apr	01	19	

THIS LICENSE MUST BE POSTED AT THE FOLLOWING LOCATION  
IN A CONSPICUOUS PLACE: 1540 E US HIGHWAY 50 SALIDA CO 81201-3204

**THIS LICENSE IS NOT  
TRANSFERABLE**



TACOS EL TAPATIO LLC  
125 I ST  
SALIDA CO 81201-1633

Acting Executive Director  
Department of Revenue



Detach Here

Letter Id: L0432011360

**NOW THAT YOU HAVE YOUR SALES TAX LICENSE...**

Go to [www.Colorado.gov/RevenueOnline](http://www.Colorado.gov/RevenueOnline) and register for access to file, pay and manage your sales tax account.

**Get Access**

To get first time access to Revenue Online, go to [www.Colorado.gov/RevenueOnline](http://www.Colorado.gov/RevenueOnline), click on Create a Login ID under Sign Up and follow the step-by-step instructions. You will need your Letter Id referenced above (right side).

**File**

To file your sales tax return, log in to Revenue Online and access your sales tax account by clicking on the Account ID. Click File Now to file your sales tax return. Select your filing method and follow the step-by-step instructions.

**Pay**

To pay your sales taxes after you have submitted your return, Click Pay to make a payment. You can pay electronically by EFT, E-Check or Credit Card. Select your payment option and follow the step-by-step instructions.

**Manage Your Account**

- Add / Change an EFT Account; View EFT Account Numbers
- Submit Power of Attorney
- File a Site (Branch)
- File a Protest
- Close Account
- Update or Add a mailing address
- Send and view secure messages
- View Filing History and Letters
- Amend a return

**Important:** A return must be filed for each reporting period even if no tax is due. To avoid late penalties and interest, file through Revenue Online on or before the due date.





## Affidavit - Restrictions On Public Benefits

Ramon A Herrera Santana, swear or affirm under penalty of perjury under the laws of the State of Colorado that (check one):

- I am a United States citizen.
- I am not a United States citizen but I am a Permanent Resident of the United States.
- I am not a United States citizen but I am lawfully present in the United States pursuant to Federal law.
- I am a foreign national not physically present in the United States.

I understand that this sworn statement is required by law because I have applied for a public benefit. I understand that state law requires me to provide proof that I am lawfully present in the United States prior to receipt of this public benefit. I further acknowledge that making a false, fictitious, or fraudulent statement or representation in this sworn affidavit is punishable under the criminal laws of Colorado as perjury in the second degree under Colorado Revised Statute 18-8-503 and it shall constitute a separate criminal offense each time a public benefit is fraudulently received.

Signature

Ramon A Herrera S.

Date (MM/DD/YY)

12/2/19



## COMMERCIAL LEASE AGREEMENT

This Commercial Lease Agreement ("Lease") is made and effective October 18, 2019 (the "Effective Date"), by and between Grace & Strength, LLC ("Landlord" or "GS") and TACOS EL TAPATIO, LLC ("Tenant").

Landlord is the owner of land and improvements commonly known and numbered as 136 E. 2<sup>nd</sup> Street, Salida, CO 81201 and legally described as follows (the "Building"):

Lot 23 of Block 22 of the City of Salida, Colorado.

Landlord makes available for lease the Restaurant portion of the building, defined as the entire ground floor excepting a landing used to access the second floor of approximately 3750 square feet (the "Leased Premises").

Landlord desires to lease the Leased Premises to Tenant, and Tenant desires to lease the Leased Premises from Landlord for the term, at the rental and upon the covenants, conditions and provisions herein set forth.

NOW THEREFORE, in consideration of the mutual promises contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledge, Landlord and Tenant agree as follows:

### 1. Term.

A. Landlord hereby leases the Leased Premises to Tenant, and Tenant hereby leases the same from Landlord, for a period of twelve (12) months, commencing as October 18, 2019.

### 2. Rental.

A. Tenant shall pay to Landlord during the rental the sum of \_\_\_\_\_ payable in installments of \_\_\_\_\_ per month. Each installment payment shall be due in advance on the first day of each calendar month during the lease term to Landlord by direct deposit into Landlord's account or at such other place designated by written notice from Landlord to Tenant. The rental payment amount for any partial calendar months included in the lease term shall be prorated on a daily basis. Landlord shall credit the Tenant the first month's rent.

B. Late Charge. Tenant acknowledges that the Landlord will incur certain administrative and other costs in connection with late rental payment, and that the amount of such costs would be difficult or impracticable to ascertain. If Tenant fails to pay rent in full by the end of the 3<sup>rd</sup> day of the month rent is due, Tenant shall pay a late charge of \$100.00, or the maximum amount permitted by law, whichever is less. By accepting late rent, the Landlord does not waive the right to insist on payment of the rent in full on the date it is due. Three late payments in any twelve-month period is a material violation of the lease and constitute grounds for the Landlord to terminate the tenancy. Rent will not be accepted from anyone who is not an authorized tenant or guarantor. Failure to pay the rent on time may result in a negative report to credit reporting agencies.

### 3. Use

Tenant shall use the premises as a restaurant to be open seven (7) days a week and serving breakfast, lunch and dinner. Notwithstanding the forgoing, Tenant shall not use the Leased Premises for the purposes of storing, manufacturing or selling any explosives, flammables or other inherently dangerous substance, chemical, thing or device. Landlord acknowledges the Tenant intends to sell alcohol on the premises and exempts those products from this clause.

#### **4. Sublease and Assignment.**

Tenant shall not sublease all or any part of the Leased Premises, or assign this Lease in whole or in part without Landlord's consent, which may be given, if at all, prior and in writing, solely at Landlord's discretion.

Landlord may assign its rights in the premises

#### **5. Repairs.**

During the Lease term, Tenant shall make, at Tenant's expense, all necessary repairs to the Building, the grounds, and kitchen equipment, and the Leased Premises. Repairs shall include such items as routine maintenance e.g. snow removal from sidewalk and repairs of floors, walls, ceilings, windows, plumbing, electricals, other parts of the Leased Premises damaged or worn through normal occupancy, vandalism or other act.

#### **6. Alterations and Improvements.**

Tenant, at Tenant's expense, shall have the right following Landlord's consent to remodel, redecorate, and make additions, improvements and replacements of and to all or any part of the Leased Premises from time to time as Tenant may deem desirable, provided the same are made in a workmanlike manner and utilizing good quality materials. Tenant shall have the right to place and install personal property, trade fixtures, equipment and other temporary installations in and upon the Leased Premises, and fasten the same to the premises. All personal property, equipment, machinery, trade fixtures and temporary installations, whether acquired by Tenant at the commencement of the Lease term or placed or installed on the Leased Premises by Tenant thereafter, shall remain Tenant's property free and clear of any claim by Landlord. Tenant shall have the right to remove the same at any time during the term of this Lease provided that all damage to the Leased Premises caused by such removal shall be repaired by Tenant at Tenant's expense

#### **7. Property Taxes.**

Reserved

#### **8. Insurance.**

Tenant shall maintain a policy or policies of comprehensive general liability insurance with respect to the respective activities of Tenant in the Leased Premises with the premiums thereon fully paid on or before due date, issued by and binding upon some insurance company approved by Landlord, such insurance to afford minimum protection of not less than \$1,000,000 combined single limit coverage of bodily injury, property damage or combination thereof. Landlord shall be listed as an additional insured on Tenant's policy or policies of comprehensive general liability insurance, and Tenant shall provide Landlord with current Certificates of Insurance annually evidencing Tenant's compliance with this Paragraph. Tenant shall obtain the agreement of Tenant's insurers to notify Landlord that a policy is due to expire at least (10) days prior to such expiration. Landlord shall not be required to maintain insurance against thefts within the Leased Premises or the Building.

#### **9. Utilities.**

Tenant shall pay all charges for water, sewer, gas, electricity and other services and utilities used by Tenant on the Leased Premises during the term of this Lease. In the event that any utility or service provided to the Leased Premises is not separately metered, Landlord shall pay the amount due and separately invoice Tenant for Tenant's pro rata share of the charges.

#### **10. Signs.**

Following Landlord's consent, Tenant shall have the right to place on the Leased Premises, at locations selected by Landlord, any signs which are permitted by applicable zoning ordinances and private restrictions. Landlord may refuse consent to any proposed signage that is in Landlord's opinion too large, deceptive,



unattractive or otherwise inconsistent with or inappropriate to the Leased Premises or use of any other tenant. Landlord shall assist and cooperate with Tenant in obtaining any necessary permission from governmental authorities or adjoining owners and occupants for Tenant to place or construct the foregoing signs. Tenant shall repair all damage to the Leased Premises resulting from the removal of signs installed by Tenant.

#### **11. Entry.**

Landlord shall have the right to enter upon the Leased Premises. In non-emergency situations, Landlord shall provide Tenant with 24 hours notice prior to inspection and shall make such inspection during normal business hours. In cases of emergency, or risk of imminent loss or damage to the Building or the Leased premises, Landlord shall have the right to enter the Leased Premises immediately.

#### **12. Parking.**

No Parking is provided for with this lease.

#### **13. Building Rules.**

Tenant will comply with the rules of the Building adopted and altered by Landlord from time to time and will cause all of its agents, employees, invitees and visitors to do so; all changes to such rules will be sent by Landlord to Tenant in writing. Landlord warrants that rules shall not impede the business of Tenants.

#### **14. Damage and Destruction.**

Subject to Section 8 A. above, if the Leased Premises or any part thereof or any appurtenance thereto is so damaged by fire, casualty or structural defects that the same cannot be used for Tenant's purposes, then Tenant shall have the right within ninety (90) days following damage to elect by notice to Landlord to terminate this Lease as of the date of such damage. In the event of minor damage to any part of the Leased Premises, and if such damage does not render the Leased Premises unusable for Tenant's purposes, Landlord shall promptly repair such damage at the cost of the Landlord. In making the repairs called for in this paragraph, Landlord shall not be liable for any delays resulting from strikes, governmental restrictions, inability to obtain necessary materials or labor or other matters which are beyond the reasonable control of Landlord. Tenant shall be relieved from paying rent and other charges during any portion of the Lease term that the Leased Premises are inoperable or unfit for occupancy, or use, in whole or in part, for Tenant's purposes. Rentals and other charges paid in advance for any such periods shall be credited on the next ensuing payments, if any, but if no further payments are to be made, any such advance payments shall be refunded to Tenant. The provisions of this paragraph extend not only to the matters aforesaid, but also to any occurrence which is beyond Tenant's reasonable control and which renders the Leased Premises, or any appurtenance thereto, inoperable or unfit for occupancy or use, in whole or in part, for Tenant's purposes.

#### **15. Default.**

If default shall at any time be made by Tenant in the payment of rent when due to Landlord as herein provided, and if said default shall continue for three (3) days after written notice thereof shall have been given to Tenant by Landlord, or if default shall be made in any of the other covenants or conditions to be kept, observed and performed by Tenant, and such default shall continue for fifteen (15) days after notice thereof in writing to Tenant by Landlord without correction thereof then having been commenced and thereafter diligently prosecuted, Landlord may declare the term of this Lease ended and terminated by giving Tenant written notice of such intention, and if possession of the Leased Premises is not surrendered, Landlord may reenter said premises. Landlord shall have, in addition to the remedy above provided, any other right or remedy available to Landlord on account of any Tenant default, either in law or equity. Landlord shall use reasonable efforts to mitigate its damages.

#### **16. Quiet Possession.**

Landlord covenants and warrants that upon performance by Tenant of its obligations hereunder, Landlord will keep and maintain Tenant in exclusive, quiet, peaceable and undisturbed and uninterrupted possession of the Leased Premises during the term of this Lease.

**17. Condemnation.**

If any legally, constituted authority condemns the Building or such part thereof which shall make the Leased Premises unsuitable for leasing, this Lease shall cease when the public authority takes possession, and Landlord and Tenant shall account for rental as of that date. Such termination shall be without prejudice to the rights of either party to recover compensation from the condemning authority for any loss or damage caused by the condemnation. Neither party shall have any rights in or to any award made to the other by the condemning authority.

**18. Subordination.**

Tenant accepts this Lease subject and subordinate to any mortgage, deed of trust or other lien presently existing or hereafter arising upon the Leased Premises, or upon the Building and to any renewals, refinancing and extensions thereof, but Tenant agrees that any such mortgagee shall have the right at any time to subordinate such mortgage, deed of trust or other lien to this Lease on such terms and subject to such conditions as such mortgagee may deem appropriate in its discretion. Landlord is hereby irrevocably vested with full power and authority to subordinate this Lease to any mortgage, deed of trust or other lien now existing or hereafter placed upon the Leased Premises of the Building, and Tenant agrees upon demand to execute such further instruments subordinating this Lease or attorning to the holder of any such liens as Landlord may request. In the event that Tenant should fail to execute any instrument of subordination herein required to be executed by Tenant promptly as requested, Tenant hereby irrevocably constitutes Landlord as its attorney-in-fact to execute such instrument in Tenant's name, place and stead, it being agreed that such power is one coupled with an interest. Tenant agrees that it will from time to time upon request by Landlord execute and deliver to such persons as Landlord shall request a statement in recordable form certifying that this Lease is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as so modified), stating the dates to which rent and other charges payable under this Lease have been paid, stating that Landlord is not in default hereunder (or if Tenant alleges a default stating the nature of such alleged default) and further stating such other matters as Landlord shall reasonably require.

**19. Notice.**

Any notice required or permitted under this Lease shall be deemed sufficiently given or served if sent by United States certified mail, return receipt requested, addressed as follows:

*If to Landlord to:*

Grace & Strength, LLC  
237 W. 1<sup>st</sup> Ave  
Denver, CO 80223

*If to Tenant to:*

TACOS EL TAPATIO, LLC  
131 C Street  
Salida, CO 81201

Landlord and Tenant shall each have the right from time to time to change the place notice is to be given under this paragraph by written notice thereof to the other party.

**20. Waiver.**

No waiver of any default of Landlord or Tenant hereunder shall be implied from any omission to take any action on account of such default if such default persists or is repeated, and no express waiver shall affect any default other than the default specified in the express waiver and that only for the time and to the extent therein stated. One or more waivers by Landlord or Tenant shall not be construed as a waiver of a subsequent breach of the same covenant, term or condition.

**21. Security Deposit.**

The Security Deposit shall be \$5,000.00. The Security Deposit shall be held by Landlord without liability for interest and as security for the performance by Tenant of all Tenant's covenants and obligations under this Lease, it being expressly understood that the Security Deposit shall not be considered an advance payment of rental or a measure of Landlord's damages in case of default by Tenant. If Tenant does not renew the lease or the lease is terminated for any reason, Landlord shall return to Tenant the balance of the security deposit, less any deductions allowed under the lease within 60 days of the termination.

**22. Headings.**

The headings used in this Lease are for convenience of the parties only and shall not be considered in interpreting the meaning of any provision of this Lease.

**23. Successors.**

The provisions of this Lease shall extend to and be binding upon Landlord and Tenant and their respective legal representatives, successors and assigns.

**24. Consent.**

Landlord shall not unreasonably withhold or delay its consent with respect to any matter for which Landlord's consent is required or desirable under this Lease.

**25. Performance.**

If there is a default with respect to any of Landlord's covenants, warranties or representations under this Lease, and if the default continues more than fifteen (15) days after notice in writing from Tenant to Landlord specifying the default, Tenant may, at its option and without affecting any other remedy hereunder, cure such default and deduct the cost thereof from the next accruing installment or installments of rent payable hereunder until Tenant shall have been fully reimbursed for such expenditures. If this Lease terminates prior to Tenant's receiving full reimbursement, Landlord shall pay the unreimbursed balance plus accrued interest to Tenant on demand.

**26. Compliance with Law.**

Tenant shall comply with all laws, orders, ordinances and other public requirements now or hereafter pertaining to Tenant's use of the Leased Premises. Landlord shall comply with all laws, orders, ordinances and other public requirements now or hereafter affecting the Leased Premises.

**27. Final Agreement.**

This Agreement terminates and supersedes all prior understandings or agreements on the subject matter hereof. This Agreement may be modified only by a further writing that is duly executed by both parties.

**28. Governing Law, Venue, and Jury Trial Waiver.**

This Agreement shall be governed, construed and interpreted by, through and under the Laws of the State of Colorado, with sole venue for any dispute arising hereunder in Chaffee County, Colorado.

**EACH PARTY HEREBY WAIVES ITS RESPECTIVE RIGHTS TO TRIAL BY JURY OF ANY SUIT, CLAIM, CAUSE OF ACTION OR OTHER ACTION TO ENFORCE ANY TERM OR CONDITION OF THIS LEASE OR OTHERWISE ARISING OUT OF OR RELATED TO THIS LEASE.**

**29. Other Provisions:**

- A. Tenant has leased certain kitchen and other restaurant equipment from Grace & Strength, LLC which is included under this lease. A list of the equipment is attached to this lease as Exhibit A. All equipment must be accounted for and returned in clean and working condition at the end of this lease.

IN WITNESS WHEREOF, the parties have executed this Lease effective as of the Effective Date.

**LANDLORD:**

Grace & Strength, LLC, a Colorado Limited Liability Company

\_\_\_\_\_  
By: Dorothy Norbie, Owner/Manager

**TENANT**

Tacos El Tapatio, LLC, a Colorado Limited Liability Company

Ramon A. Herrera Santana  
By: Rubi & Ramon Herrera, Owners/Managers

## Affidavit - Restrictions On Public Benefits

Ramon A Herrera Santana, swear or affirm under penalty of perjury under the laws of the State of Colorado that (check one):

- I am a United States citizen.
- I am not a United States citizen but I am a Permanent Resident of the United States.
- I am not a United States citizen but I am lawfully present in the United States pursuant to Federal law.
- I am a foreign national not physically present in the United States.

I understand that this sworn statement is required by law because I have applied for a public benefit. I understand that state law requires me to provide proof that I am lawfully present in the United States prior to receipt of this public benefit. I further acknowledge that making a false, fictitious, or fraudulent statement or representation in this sworn affidavit is punishable under the criminal laws of Colorado as perjury in the second degree under Colorado Revised Statute 18-8-503 and it shall constitute a separate criminal offense each time a public benefit is fraudulently received.

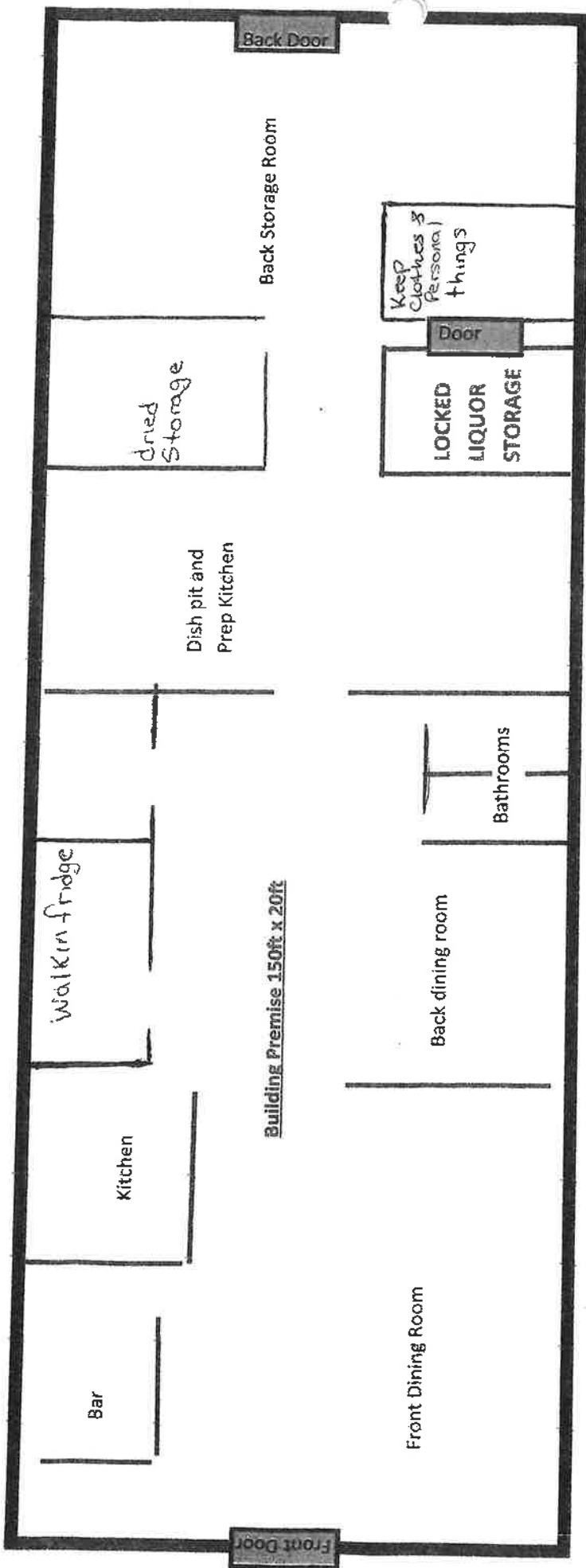
Signature

Ramon A Herrera S.

Date (MM/DDYY)

12/2/19





Tacos El Tapatio  
 136 E. 2nd Ave  
 Salida, CO 81201

II. Diagram of the premises





OFFICE OF THE SECRETARY OF STATE  
OF THE STATE OF COLORADO

**CERTIFICATE OF FACT OF GOOD STANDING**

I, Jena Griswold, as the Secretary of State of the State of Colorado, hereby certify that, according to the records of this office,

TACOS EL TAPATIO LLC

is a

Limited Liability Company

formed or registered on 02/27/2019 under the law of Colorado, has complied with all applicable requirements of this office, and is in good standing with this office. This entity has been assigned entity identification number 20191180707 .

This certificate reflects facts established or disclosed by documents delivered to this office on paper through 02/26/2019 that have been posted, and by documents delivered to this office electronically through 02/27/2019 @ 12:20:21 .

I have affixed hereto the Great Seal of the State of Colorado and duly generated, executed, and issued this official certificate at Denver, Colorado on 02/27/2019 @ 12:20:21 in accordance with applicable law. This certificate is assigned Confirmation Number 11418709 .



*Jena Griswold*

Secretary of State of the State of Colorado

\*\*\*\*\*End of Certificate\*\*\*\*\*  
*Notice: A certificate issued electronically from the Colorado Secretary of State's Web site is fully and immediately valid and effective. However, as an option, the issuance and validity of a certificate obtained electronically may be established by visiting the Validate a Certificate page of the Secretary of State's Web site, <http://www.sos.state.co.us/biz/CertificateSearchCriteria.do> entering the certificate's confirmation number displayed on the certificate, and following the instructions displayed. Confirming the issuance of a certificate is merely optional and is not necessary to the valid and effective issuance of a certificate. For more information, visit our Web site, <http://www.sos.state.co.us/> click "Businesses, trademarks, trade names" and select "Frequently Asked Questions."*

# Summary

Details			
<b>Name</b>	TACOS EL TAPATIO LLC		
<b>Status</b>	Good Standing	<b>Formation date</b>	02/27/2019
<b>ID number</b>	20191180707	<b>Form</b>	Limited Liability Company
<b>Periodic report month</b>	February	<b>Jurisdiction</b>	Colorado
<b>Principal office street address</b>	125 I Street, Salida, CO 81201, United States		
<b>Principal office mailing address</b>	n/a		

Registered Agent	
<b>Name</b>	Ramon A Herrera-Santana
<b>Street address</b>	125 I Street, Salida, CO 81201, United States
<b>Mailing address</b>	n/a

[Filing history and documents](#)

[Get a certificate of good standing](#)

[Get certified copies of documents](#)

[File a form](#)

[Set up secure business filing](#)

[Subscribe to email notification](#)

[Unsubscribe from email notification](#)



Colorado Secretary of State  
 Date and Time: 02/27/2019 12:04 PM  
 ID Number: 20191180707  
 Document number: 20191180707  
 Amount Paid: \$50.00

Document must be filed electronically.  
 Paper documents are not accepted.  
 Fees & forms are subject to change.  
 For more information or to print copies  
 of filed documents, visit [www.sos.state.co.us](http://www.sos.state.co.us).

ABOVE SPACE FOR OFFICE USE ONLY

**Articles of Organization**

filed pursuant to § 7-90-301 and § 7-80-204 of the Colorado Revised Statutes (C.R.S.)

1. The domestic entity name of the limited liability company is

TACOS EL TAPATIO LLC

*(The name of a limited liability company must contain the term or abbreviation "limited liability company", "ltd. liability company", "limited liability co.", "ltd. liability co.", "limited", "l.l.c.", "llc", or "ltd.". See §7-90-601, C.R.S.)*

*(Caution: The use of certain terms or abbreviations are restricted by law. Read instructions for more information.)*

2. The principal office address of the limited liability company's initial principal office is

Street address

125 I Street

*(Street number and name)*

Salida

*(City)*

CO

*(State)*

81201

*(ZIP/Postal Code)*

United States

*(Province -- if applicable)*

*(Country)*

Mailing address

(leave blank if same as street address)

*(Street number and name or Post Office Box information)*

*(City)*

*(State)*

*(ZIP/Postal Code)*

*(Province -- if applicable)*

*(Country)*

3. The registered agent name and registered agent address of the limited liability company's initial registered agent are

Name

(if an individual)

Herrera-Santana

*(Last)*

Ramon

*(First)*

A

*(Middle)*

*(Suffix)*

or

(if an entity)

*(Caution: Do not provide both an individual and an entity name.)*

Street address

*(Street number and name)*

Salida

*(City)*

CO

*(State)*

81201

*(ZIP Code)*

Mailing address

(leave blank if same as street address)

*(Street number and name or Post Office Box information)*

\_\_\_\_\_  
(City) CO \_\_\_\_\_  
(State) (ZIP Code)

(The following statement is adopted by marking the box.)

The person appointed as registered agent has consented to being so appointed.

4. The true name and mailing address of the person forming the limited liability company are

Name  
(if an individual) Herrera-Santana Ramon  
(Last) (First) (Middle) (Suffix)

or

(if an entity)  
(Caution: Do not provide both an individual and an entity name.) \_\_\_\_\_

Mailing address 125 I Street  
(Street number and name or Post Office Box information)

Salida CO 81201  
(City) (State) (ZIP/Postal Code)  
United States  
(Province - if applicable) (Country)

(If the following statement applies, adopt the statement by marking the box and include an attachment.)

The limited liability company has one or more additional persons forming the limited liability company and the name and mailing address of each such person are stated in an attachment.

5. The management of the limited liability company is vested in

(Mark the applicable box.)

one or more managers.

or

the members.

6. (The following statement is adopted by marking the box.)

There is at least one member of the limited liability company.

7. (If the following statement applies, adopt the statement by marking the box and include an attachment.)

This document contains additional information as provided by law.

8. (Caution: Leave blank if the document does not have a delayed effective date. Stating a delayed effective date has significant legal consequences. Read instructions before entering a date.)

(If the following statement applies, adopt the statement by entering a date and, if applicable, time using the required format.)

The delayed effective date and, if applicable, time of this document is/are \_\_\_\_\_  
(mm/dd/yyyy hour:minute am/pm)

Notice:

Causing this document to be delivered to the Secretary of State for filing shall constitute the affirmation or acknowledgment of each individual causing such delivery, under penalties of perjury, that the document is the individual's act and deed, or that the individual in good faith believes the document is the act and deed of the person on whose behalf the individual is causing the document to be delivered for filing, taken in conformity with the requirements of part 3 of article 90 of title 7, C.R.S., the constituent documents, and the organic statutes, and that the individual in good faith believes the facts stated in the document are true and the document complies with the requirements of that Part, the constituent documents, and the organic statutes.

This perjury notice applies to each individual who causes this document to be delivered to the Secretary of State, whether or not such individual is named in the document as one who has caused it to be delivered.

9. The true name and mailing address of the individual causing the document to be delivered for filing are

Huerta	David		
<i>(Last)</i>	<i>(First)</i>	<i>(Middle)</i>	<i>(Suffix)</i>
c/o SERVI CENTRO			
<i>(Street number and name or Post Office Box information)</i>			
2347 Platte Place			
Colorado Springs	CO	80909	
<i>(City)</i>	<i>(State)</i>	<i>(ZIP/Postal Code)</i>	
	United States		
<i>(Province - if applicable)</i>	<i>(Country)</i>		

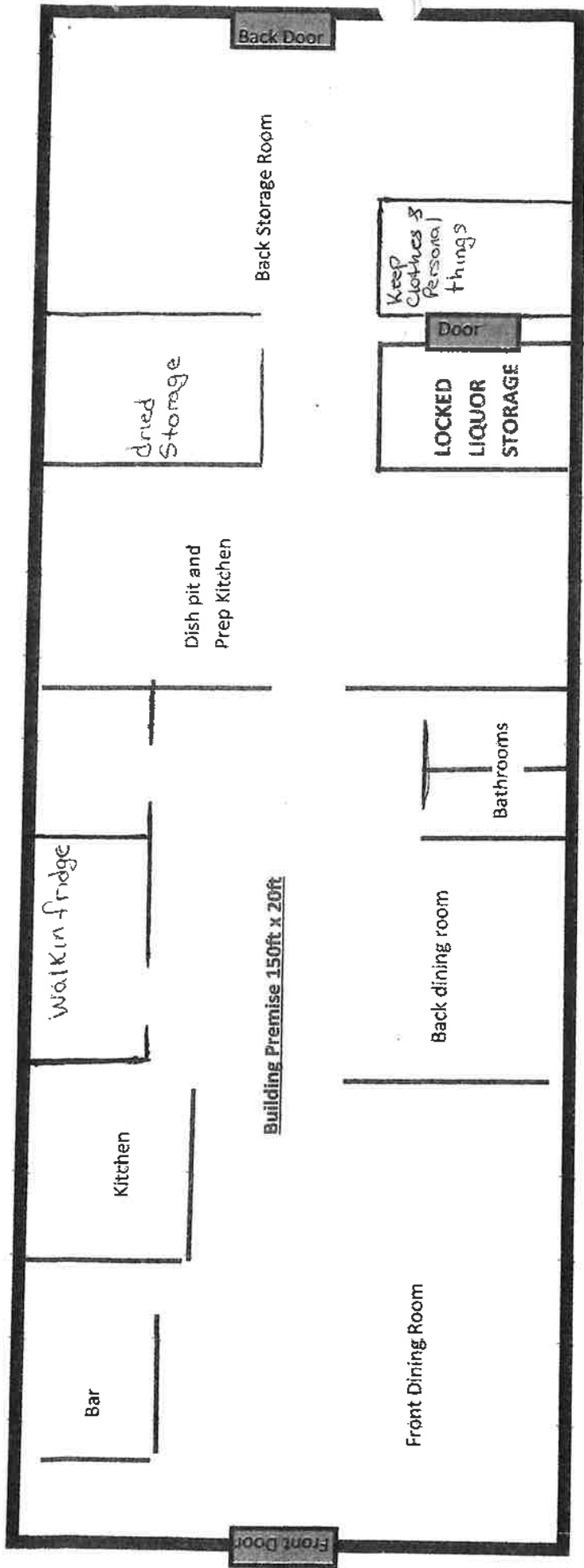
*(If the following statement applies, adopt the statement by marking the box and include an attachment.)*

- This document contains the true name and mailing address of one or more additional individuals causing the document to be delivered for filing.

**Disclaimer:**

This form/cover sheet, and any related instructions, are not intended to provide legal, business or tax advice, and are furnished without representation or warranty. While this form/cover sheet is believed to satisfy minimum legal requirements as of its revision date, compliance with applicable law, as the same may be amended from time to time, remains the responsibility of the user of this form/cover sheet. Questions should be addressed to the user's legal, business or tax advisor(s).





Tacos El Tapatio  
 136 E. 2nd Ave  
 Salida, CO 81201

II. Diagram of the premises





**LIMITED LIABILITY COMPANY OPERATING AGREEMENT**  
**OF**  
Tacos el Tapatio, LLC

FORMED IN THE STATE OF Colorado

This Agreement, entered into on 4/1/19, 2019, is a

(Check One)

- SINGLE-MEMBER LLC OPERATING AGREEMENT, entered into by and between Tacos el Tapatio, LLC, a Colorado (State) LLC (the "Company") and Ramón A. Herrera Santana of \_\_\_\_\_ (Address), hereinafter known as the "Member"

- MULTI-MEMBER LLC OPERATING AGREEMENT, entered into by and between \_\_\_\_\_, of \_\_\_\_\_ (Address), \_\_\_\_\_, of \_\_\_\_\_ (Address), \_\_\_\_\_, of \_\_\_\_\_ (Address), hereinafter known as the "Members"

WHEREAS the Member(s) desire to create a limited liability company under the laws of the State of \_\_\_\_\_ and set forth the terms herein of the Company's operation and the relationship between Member(s).

NOW, THEREFORE, in consideration of the mutual covenants set forth herein and other valuable consideration, the receipt and sufficiency of which hereby are acknowledged, the Member(s) and the Company agree as follows:

1. Name and Principal Place of Business

The name of the Company shall be Tacos el Tapatio, LLC. The principal place of business of the Company shall be at 125 1st, City of Salida, in the State of Colorado or at such other place of business as the Member(s) shall determine.

2. Formation

The Company was formed on Feb 26, 2019, when the Member(s) filed the Articles of Organization with the office of the Secretary of State pursuant to the statutes governing limited liability companies in the State of Colorado (the "Statutes").

(only to the extent as might be required by applicable law) any amounts previously distributed to such Member by the Company.

7. Distributions

For purposes of this Agreement "net profits" and "net losses" mean the profits or losses of the Company resulting from the conduct of the Company's business, after all expenses, including depreciation allowance, incurred in connection with the conduct of its business for which such expenses have been accounted.

The term "cash receipts" shall mean all cash receipts of the Company from whatever source derived, including without limitation capital contributions made by the Member(s); the proceeds of any sale, exchange, condemnation or other disposition of all or any part of the assets of the Company; the proceeds of any loan to the Company; the proceeds of any mortgage or refinancing of any mortgage on all or any part of the assets of the Company; the proceeds of any insurance policy for fire or other casualty damage payable to the Company; and the proceeds from the liquidation of assets of the Company following termination.

The term "capital transactions" shall mean any of the following: the sale of all or any part of the assets of the Company; the refinancing of mortgages or other liabilities of the Company; the receipt of insurance proceeds; and any other receipts or proceeds are attributable to capital.

(Check One)

- SINGLE-MEMBER: A "Capital Account" for the Member shall be maintained by the Company. The Member's Capital Account shall reflect the Member's capital contributions and increases for any net income or gain of the Company. The Member's Capital Account shall also reflect decreases for distributions made to the Member and the Member's share of any losses and deductions of the Company.

- MULTI-MEMBER: The "Capital Account" for each Member shall mean the account created and maintained for the Member in accordance with Section 704(b) of the Internal Revenue Code and Treasury Regulation Section 1.704-1(b)(2)(iv).

The term "Members' Percentage Interests" shall mean the percentages set forth opposite the name of each Member Below:

<u>Member</u>	<u>Percentage Interest</u>
<u>Ramon Herrera Santana</u>	<u>100</u> %
_____	_____ %
_____	_____ %

During each fiscal year, the net profits and net losses of the Company (other than from capital transactions), and each item of income, gain, loss, deduction or credit entering into the computation thereof, shall be credited or charged, as the case may be, to the capital accounts of each Member in proportion to the Members' Percentage Interests. The net profits of the

3. Purpose

The purpose of the Company is to engage in and conduct any and all lawful businesses, activities or functions, and to carry on any other lawful activities in connection with or incidental to the foregoing, as the Member(s) in their discretion shall determine.

4. Registered Office and Resident Agent.

The Registered Office and Resident Agent of the Company shall be as designated in the initial Articles of Organization/Certificate of Organization or any amendment thereof. The Registered Office and/or Resident Agent may be changed from time to time. Any such change shall be made in accordance with the Statutes, or, if different from the Statutes, in accordance with the provisions of this Agreement. If the Resident Agent shall ever resign, the Company shall promptly appoint a successor agent.

5. Term

The term of the Company shall be perpetual, commencing on the filing of the Articles of Organization of the Company, and continuing until terminated under the provisions set forth herein.

6. Member Capital Contributions (Check One)

- Single Member LLC: The Member may make such capital contributions (each a "Capital Contribution") in such amounts and at such times as the Member shall determine. The Member shall not be obligated to make any Capital Contributions. The Member may take distributions of the capital from time to time in accordance with the limitations imposed by the Statutes.

- Multi-Member LLC: Each Member has contributed the following capital amounts to the Company as set forth below and are not obligated to make any additional capital contributions:

_____	\$ _____
_____	\$ _____
_____	\$ _____

Members shall have no right to withdraw or reduce their contributions to the capital of the Company until the Company has been terminated unless otherwise set forth herein. Members shall have no right to demand and receive any distribution from the Company in any form other than cash and members shall not be entitled to interest on their capital contributions to the Company.

The liability of any Member for the losses, debts, liabilities and obligations of the Company shall be limited to the amount of the capital contribution of each Member plus any distributions paid to such Member, such Member's share of any undistributed assets of the Company; and

Company from capital transactions shall be allocated in the following order of priority: (a) to offset any negative balance in the capital accounts of the Members in proportion to the amounts of the negative balance in their respective capital accounts, until all negative balances in the capital accounts have been eliminated; then (b) to the Members in proportion to the Members' Percentage Interests. The net losses of the Company from capital transactions shall be allocated in the following order of priority: (a) to the extent that the balance in the capital accounts of any Members are in excess of their original contributions, to such Members in proportion to the excess balances until all such excess balances have been reduced to zero; then (b) to the Members in proportion to the Members' Percentage Interests.

The cash receipts of the Company shall be applied in the following order of priority: (a) to the payment of interest or amortization on any mortgages on the assets of the Company, amounts due on debts and liabilities of the Company other than those due to any Member, costs of the construction of the improvements to the assets of the Company and operating expenses of the Company; (b) to the payment of interest and establishment of cash reserves determined by the Members to be necessary or appropriate, including without limitation, reserves for the operation of the Company's business, construction, repairs, replacements, taxes and contingencies; and (d) to the repayment of any loans made to the Company by any Member. Thereafter, the cash receipts of the Company shall be distributed among the Members as hereafter provided.

Except as otherwise provided in this Agreement or otherwise required by law, distributions of cash receipts of the Company, other than from capital transactions, shall be allocated among the Members in proportion to the Members' Percentage Interests.

Except as otherwise provided in this Agreement or otherwise required by law, distributions of cash receipts from capital transactions shall be allocated in the following order or priority: (a) to the Members in proportion to their respective capital accounts until each Member has received cash distributions equal to any positive balance in their capital account; then (b) to the Members in proportion to the Members' Percentage Interests.

It is the intention of the Members that the allocations under this Agreement shall be deemed to have "substantial economic effect" within the meaning of Section 704 of the Internal Revenue Code and Treas. Reg. Section 1.704-1. Should the provisions of this Agreement be inconsistent with or in conflict with Section 704 of the Code or the Regulations thereunder, then Section 704 of the Code and the Regulations shall be deemed to override the contrary provisions thereof. If Section 704 or the Regulations at any time require that limited liability company operating agreements contain provisions which are not expressly set forth herein, such provisions shall be incorporated into this Agreement by reference and shall be deemed a part of this Agreement to the same extent as though they had been expressly set forth herein.

#### 8. Books, Records and Tax Returns

(Check One)

- SINGLE-MEMBER: The Company shall maintain complete and accurate books and records of the Company's business and affairs as required by the Statutes and such books and

records shall be kept at the Company's Registered Office and shall in all respects be independent of the books, records and transactions of the Member.

The Company's fiscal year shall be the calendar year with an ending month of December.

The Member intends that the Company, as a single member LLC, shall be taxed as a sole proprietorship in accordance with the provisions of the Internal Revenue Code. Any provisions herein that may cause may cause the Company not to be taxed as a sole proprietorship shall be inoperative.

- MULTI-MEMBER: The Members, or their designees, shall maintain complete and accurate records and books of the Company's transactions in accordance with generally accepted accounting principles.

The Company shall furnish each Member, within seventy-five days after the end of each fiscal year, an annual report of the Company including a balance sheet, a profit and loss statement a capital account statement; and the amount of such Member's share of the Company's income, gain, losses, deductions and other relevant items for federal income tax purposes.

The Company shall prepare all Federal, State and local income tax and information returns for the Company, and shall cause such tax and information returns to be timely filed. Within seventy-five days after the end of each fiscal year, the Company shall forward to each person who was a Member during the preceding fiscal year a true copy of the Company's information return filed with the Internal Revenue Service for the preceding fiscal year.

All elections required or permitted to be made by the Company under the Internal Revenue Code, and the designation of a tax matters partner pursuant to Section 6231(a)(7) of the Internal Revenue Code for all purposes permitted or required by the Code, shall be made by the Company by the affirmative vote or consent of Members holding a majority of the Members' Percentage Interests.

Upon request, the Company shall furnish to each Member, a current list of the names and addresses of all of the Members of the Company, and any other persons or entities having any financial interest in the Company.

#### 9. Bank Accounts

All funds of the Company shall be deposited in the Company's name in a bank account or accounts as chosen by the Member(s). Withdrawals from any bank accounts shall be made only in the regular course of business of the Company and shall be made upon such signature or signatures as the Members from time to time may designate.

#### 10. Management of the Company

The business and affairs of the Company shall be conducted and managed by the Member(s) in accordance with this Agreement and the laws of the State of Colorado.

(Check One)

- SINGLE-MEMBER: Ramon Alvarez Santana, as sole member of the Company, has sole authority and power to act for or on behalf of the Company, to do any act that would be binding on the Company, or incur any expenditures on behalf of the Company. The Member shall not be liable for the debts, obligations or liabilities of the Company, including under a judgment, decree or order of a court. The Company is organized as a "member-managed" limited liability company. The Member is designated as the initial managing member.

- MULTI-MEMBER: Except as expressly provided elsewhere in this Agreement, all decisions respecting the management, operation and control of the business and affairs of the Company and all determinations made in accordance with this Agreement shall be made by the affirmative vote or consent of Members holding a majority of the Members' Percentage Interests.

Notwithstanding any other provision of this Agreement, the Members shall not, without the prior written consent of the unanimous vote or consent of the Members, sell, exchange, lease, assign or otherwise transfer all or substantially all of the assets of the Company; sell, exchange, lease (other than space leases in the ordinary course of business), assign or transfer the Company's assets; mortgage, pledge or encumber the Company's assets other than is expressly authorized by this Agreement; prepay, refinance, modify, extend or consolidate any existing mortgages or encumbrances; borrow money on behalf of the Company in the excess of \$ \_\_\_\_\_ .00; lend any Company funds or other assets to any person in an amount or with a value in excess of \$ \_\_\_\_\_ .00; establish any reserves for working capital repairs, replacements, improvements or any other purpose, in excess of an aggregate of \$ \_\_\_\_\_ .00; confess a judgment against the Company; settle, compromise or release, discharge or pay any claim, demand or debt in excess of \$ \_\_\_\_\_ .00, including claims for insurance; approve a merger or consolidation of the Company with or into any other limited liability company, corporation, partnership or other entity; or change the nature or character of the business of the Company.

The members shall receive such sums for compensation as Members of the Company as may be determined from time to time by the affirmative vote or consent of Members holding a majority of the Members' Percentage Interests.

(Check if Applicable)

- MULTI-MEMBER: Meetings of Members

The annual meeting of the Members shall be held on N/A (day/month) at the principal office of the Company or at such other time and place as the Members determine, for the purpose of transacting such business as may lawfully come before the meeting. If the day fixed for the annual meeting shall be a legal holiday, such meeting shall be held on the next succeeding business day.

The Members may by resolution prescribe the time and place for the holding of regular meetings and may provide that the adoption of such resolution shall constitute notice of such regular meetings.

Special meetings of the Members, for any purpose or purposes, may be called by any \_\_\_\_ Members (or such other number of Members as the Members from time to time may specify).

Written or electronic notice stating the place, day and hour of the meeting and, in the case of a special meeting, the purpose for which the meeting is called, shall be delivered not less than three days before the date of the meeting, either personally or by mail, to each Member of record entitled to vote at such meeting. When all the Members of the Company are present at any meeting, or if those not present sign a written waiver of notice of such meeting, or subsequently ratify all the proceedings thereof, the transactions of such meeting shall be valid as if a meeting had been formally called and notice had been given.

At any meeting of the Members, the presence of Members holding a majority of the Members' Percentage Interests, as determined from the books of the Company, represented in person or by proxy, shall constitute a quorum for the conduct of the general business of the Company. However, if any particular action by the Company shall require the vote or consent of some other number or percentage of Members pursuant to this Agreement, a quorum for the purpose of taking such action shall require such other number or percentage of Members. If a quorum is not present, the meeting may be adjourned from time to time without further notice, and if a quorum is present at the adjourned meeting any business may be transacted which might have been transacted at the meeting as originally notified. The Members present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough Members to leave less a quorum.

At all meetings of the Members, a Member may vote by proxy executed in writing by the Member or by a duly authorized attorney-in-fact of the Member. Such proxy shall be filed with the Company before or at the time of the meeting.

A Member of the Company who is present at a meeting of the Members at which action on any matter is taken shall be presumed to have assented to the action taken, unless the dissent of such Member shall be entered in the minutes of the meeting or unless such Member shall file a written dissent to such action with the person acting as the secretary of the meeting before the meeting's adjournment. Such right to dissent shall not apply to a Member who voted in favor of such action.

Unless otherwise provided by law, any action required to be taken at a meeting of the Members, or any other action which may be taken at a meeting of the Members, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Members entitled to vote with respect to the subject.

Members of the Company may participate in any meeting of the Members by means of conference telephone or similar communication if all persons participating in such meeting can hear one another for the entire discussion of the matters to be vote upon. Participation in a meeting pursuant to this paragraph shall constitute presence in person at such meeting.

(Check if Applicable)

- MULTI-MEMBER: Assignment of Interests

Except as otherwise provided in this Agreement, no Member or other person holding any interest in the Company may assign, pledge, hypothecate, transfer or otherwise dispose of all or any part of their interest in the Company, including without limitation, the capital, profits or distributions of the Company without the prior written consent of the other Members in each instance.

The Members agree that no Member may voluntarily withdraw from the Company without the unanimous vote or consent of the Members.

A Member may assign all or any part of such Member's interest in the allocations and distributions of the Company to any of the following (collectively the "permitted assignees"): any person, corporation, partnership or other entity as to which the Company has given consent to the assignment of such interest in the allocations and distributions of the Company by the affirmative vote or consent of Members holding a majority of the Members' Percentage Interests. An assignment to a permitted assignee shall only entitle the permitted assignee to the allocations and distributions to which the assigned interest is entitled, unless such permitted assignee applies for admission to the Company and is admitted to the Company as a Member in accordance with this Agreement.

An assignment, pledge, hypothecation, transfer or other disposition of all or any part of the interest of a Member in the Company or other person holding any interest in the Company in violation of the provisions hereof shall be null and void for all purposes.

No assignment, transfer or other disposition of all or any part of the interest of any Member permitted under this Agreement shall be binding upon the Company unless and until a duly executed and acknowledged counterpart of such assignment or instrument of transfer, in form and substance satisfactory to the Company, has been delivered to the Company.

No assignment or other disposition of any interest of any Member may be made if such assignment or disposition, alone or when combine with other transactions, would result in the termination of the Company within the meaning of Section 708 of the Internal Revenue Code or under any other relevant section of the Code or any successor statute. No assignment or other disposition of any interest of any Member may be made without an opinion of counsel satisfactory to the Company that such assignment or disposition is subject to an effective registration under, or exempt from the registration requirements of, the applicable Federal and State securities laws. No interest in the Company may be assigned or given to any person below the age of 21 years or to a person who has been adjudged to be insane or incompetent.

Anything herein contained to the contrary, the Company shall be entitled to treat the record holder of the interest of a Member as the absolute owner thereof, and shall incur no liability by reason of distributions made in good faith to such record holder, unless and until there has been delivered to the Company the assignment or other instrument of transfer and such other



evidence as may be reasonably required by the Company to establish to the satisfaction of the Company that an interest has been assigned or transferred in accordance with this Agreement.

(Check One)

- SINGLE-MEMBER: Ownership of Company Property.

The Company's assets shall be deemed owned by the Company as an entity, and the Member shall have no ownership interest in such assets or any portion thereof. Title to any or all such Company assets may be held in the name of the Company, one or more nominees or in "street name", as the Member may determine.

Except as limited by the Statutes, the Member may engage in other business ventures of any nature, including, without limitation by specification, the ownership of another business similar to that operated by the Company. The Company shall not have any right or interest in any such independent ventures or to the income and profits derived therefrom.

- MULTI-MEMBER: Right of First Refusal

If a Member desires to sell, transfer or otherwise dispose of all or any part of their interest in the Company, such Member (the "Selling Member") shall first offer to sell and convey such interest to the other Members before selling, transferring or otherwise disposing of such interest to any other person, corporation or other entity. Such offer shall be in writing, shall be given to every other Member, and shall set forth the interest to be sold, the purchase price to be paid, the date on which the closing is to take place (which date shall be not less than thirty nor more than sixty days after the delivery of the offer), the location at which the closing is to take place, and all other material terms and conditions of the sale, transfer or other disposition.

Within fifteen days after the delivery of said offer the other Members shall deliver to the Selling Member a written notice either accepting or rejecting the offer. Failure to deliver said notice within said fifteen days conclusively shall be deemed a rejection of the offer. Any or all of the other Members may elect to accept the offer, and if more than one of the other Members elects to accept the offer, the interest being sold and the purchase price therefore shall be allocated among the Members so accepting the offer in proportion to their Members' Percentage Interests, unless they otherwise agree in writing.

If any or all of the other Members elect to accept the offer, then the closing of title shall be held in accordance with the offer and the Selling Member shall deliver to the other Members who have accepted the offer an assignment of the interest being sold by the Selling Member, and said other Members shall pay the purchase price prescribed in the offer.

If no other Member accepts the offer, or if the Members who have accepted such offer default in their obligations to purchase the interest, then the Selling Member within 120 days after the delivery of the offer may sell such interest to any other person or entity at a purchase price which is not less than the purchase price prescribed in the offer and upon the terms and conditions which are substantially the same as the terms and conditions set forth in the offer, provided all other applicable requirements of this Agreement are complied with. An

assignment of such interest to a person or entity who is not a Member of the Company shall only entitle such person or entity to the allocations and distributions to which the assigned interest is entitled, unless such person or entity applies for admission to the Company and is admitted to the Company as a Member in accordance with this Agreement.

If the Selling Member does not sell such interest within said 120 days, then the Selling Member may not thereafter sell such interest without again offering such interest to the other Members in accordance with this Agreement.

(Check if Applicable)

- MULTI-MEMBER: Admission of New Members

The Company may admit new Members (or transferees of any interests of existing Members) into the Company by the unanimous vote or consent of the Members.

As a condition to the admission of a new Member, such Member shall execute and acknowledge such instruments, in form and substance satisfactory to the Company, as the Company may deem necessary or desirable to effectuate such admission and to confirm the agreement of such Member to be bound by all of the terms, covenants and conditions of this Agreement, as the same may have been amended. Such new Member shall pay all reasonable expenses in connection with such admission, including without limitation, reasonable attorneys' fees and the cost of the preparation, filing or publication of any amendment to this Agreement or the Articles of Organization, which the Company may deem necessary or desirable in connection with such admission.

No new Member shall be entitled to any retroactive allocation of income, losses, or expense deductions of the Company. The Company may make pro rata allocations of income, losses or expense deductions to a new Member for that portion of the tax year in which the Member was admitted in accordance with Section 706(d) of the Internal Revenue Code and regulations thereunder.

In no event shall a new Member be admitted to the Company if such admission would be in violation of applicable Federal or State securities laws or would adversely affect the treatment of the Company as a partnership for income tax purposes.

(Check if Applicable)

- MULTI-MEMBER: Withdrawal Events

In the event of the death, retirement, withdrawal, expulsion, or dissolution of a Member, or an event of bankruptcy or insolvency, as hereinafter defined, with respect to a Member, or the occurrence of any other event which terminates the continued membership of a Member in the Company pursuant to the Statutes (each of the foregoing being hereinafter referred to as a "Withdrawal Event"), the Company shall terminate sixty days after notice to the Members of such withdrawal Event unless the business of the Company is continued as hereinafter provided.



Notwithstanding a Withdrawal Event with respect to a Member, the Company shall not terminate, irrespective of applicable law, if within aforesaid sixty-day period the remaining Members, by the unanimous vote or consent of the Members (other than the Member who caused the Withdrawal Event), shall elect to continue the business of the Company.

In the event of a Withdrawal Event with respect to a Member, any successor in interest to such Member (including without limitation any executor, administrator, heir, committee, guardian, or other representative or successor) shall not become entitled to any rights or interests of such Member in the Company, other than the allocations and distributions to which such Member is entitled, unless such successor in interest is admitted as a Member in accordance with this Agreement.

An "event of bankruptcy or insolvency" with respect to a Member shall occur if such Member: (1) applies for or consents to the appointment of a receiver, trustee or liquidator of all or a substantial part of their assets; or (2) makes a general assignment for the benefit of creditors; or (3) is adjudicated a bankrupt or an insolvent; or (4) files a voluntary petition in bankruptcy or a petition or an answer seeking an arrangement with creditors or to take advantage of any bankruptcy, insolvency, readjustment of debt or similar law or statute, or an answer admitting the material allegations of a petition filed against them in any bankruptcy, insolvency, readjustment of debt or similar proceedings; or (5) takes any action for the purpose of effecting any of the foregoing; or (6) an order, judgment or decree shall be entered, with or without the application, approval or consent of such Member, by any court of competent jurisdiction, approving a petition for or appointing a receiver or trustee of all or a substantial part of the assets of such Member, and such order, judgment or decree shall be entered, with or without the application, approval or consent of such Member, by any court of competent jurisdiction, approving a petition for or appointing a receiver or trustee of all or a substantial part of the assets of such Member, and such order, judgment or decree shall continue unstayed and in effect for thirty days.

#### 11. Dissolution and Liquidation

(Check One)

- SINGLE-MEMBER: The Company shall dissolve and its affairs shall be wound up on the first to occur of (i) At a time, or upon the occurrence of an event specified in the Articles of Organization or this Agreement. (ii) The determination by the Member that the Company shall be dissolved.

Upon the death of the Member, the Company shall be dissolved. By separate written documentation, the Member shall designate and appoint the individual who will wind down the Company's business and transfer or distribute the Member's Interests and Capital Account as designated by the Member or as may otherwise be required by law.

Upon the disability of a Member, the Member may continue to act as Manager hereunder or appoint a person to so serve until the Member's Interests and Capital Account of the Member have been transferred or distributed.

- MULTI-MEMBER: The Company shall terminate upon the occurrence of any of the following : (i) the election by the Members to dissolve the Company made by the unanimous vote or consent of the Members; (ii) the occurrence of a Withdrawal Event with respect to a Member and the failure of the remaining Members to elect to continue the business of the Company as provided for in this Agreement above; or (iii) any other event which pursuant to this Agreement, as the same may hereafter be amended, shall cause a termination of the Company.

The liquidation of the Company shall be conducted and supervised by a person designated for such purposes by the affirmative vote or consent of Members holding a majority of the Members' Percentage Interests (the "Liquidating Agent"). The Liquidating Agent hereby is authorized and empowered to execute any and all documents and to take any and all actions necessary or desirable to effectuate the dissolution and liquidation of the Company in accordance with this Agreement.

Promptly after the termination of the Company, the Liquidating Agent shall cause to be prepared and furnished to the Members a statement setting forth the assets and liabilities of the Company as of the date of termination. The Liquidating Agent, to the extent practicable, shall liquidate the assets of the Company as promptly as possible, but in an orderly and businesslike manner so as not to involve undue sacrifice.

The proceeds of sale and all other assets of the Company shall be applied and distributed in the following order of priority: (1) to the payment of the expenses of liquidation and the debts and liabilities of the Company, other than debts and liabilities to Members; (2) to the payment of debts and liabilities to Members; (3) to the setting up of any reserves which the Liquidating Agent may deem necessary or desirable for any contingent or unforeseen liabilities or obligations of the Company, which reserves shall be paid over to licensed attorney to hold in escrow for a period of two years for the purpose of payment of any liabilities and obligations, at the expiration of which period the balance of such reserves shall be distributed as provided; (4) to the Members in proportion to their respective capital accounts until each Member has received cash distributions equal to any positive balance in their capital account, in accordance with the rules and requirements of Treas. Reg. Section 1.704-1(b)(2)(ii)(b); and (5) to the Members in proportion to the Members' Percentage Interests.

The liquidation shall be complete within the period required by Treas. Reg. Section 1.704-1(b)(2)(ii)(b).

Upon compliance with the distribution plan, the Members shall no longer be Members, and the Company shall execute, acknowledge and cause to be filed any documents or instruments as may be necessary or appropriate to evidence the dissolution and termination of the Company pursuant to the Statutes.

## 12. Representations of Members



(Check if Applicable)

- MULTI-MEMBER: Each of the Members represents, warrants and agrees that the Member is acquiring the interest in the Company for the Member's own account for investment purposes only and not with a view to the sale or distribution thereof; the Member, if an individual, is over the age of 21; if the Member is an organization, such organization is duly organized, validly existing and in good standing under the laws of its State of organization and that it has full power and authority to execute this Agreement and perform its obligations hereunder; the execution and performance of this Agreement by the Member does not conflict with, and will not result in any breach of, any law or any order, writ, injunction or decree of any court or governmental authority against or which binds the Member, or of any agreement or instrument to which the Member is a party; and the Member shall not dispose of such interest or any part thereof in any manner which would constitute a violation of the Securities Act of 1933, the Rules and Regulations of the Securities and Exchange Commission, or any applicable laws, rules or regulations of any State or other governmental authorities, as the same may be amended.

### 13. Certificates Evidencing Membership

(Check if Applicable)

- MULTI-MEMBER: Every membership interest in the Company shall be evidenced by a Certificate of Membership issued by the Company. Each Certificate of Membership shall set forth the name of the Member holding the membership interest and the Member's Percentage Interest held by the Member, and shall bear the following legend:

"The membership interest represented by this certificate is subject to, and may not be transferred except in accordance with, the provisions of the Operating Agreement of \_\_\_\_\_, LLC, dated effective as of \_\_\_\_\_, 20\_\_\_\_, as the same from time to time may be amended, a copy of which is on file at the principal office of the Company."

### 14. Notices

(Check if Applicable)

- MULTI-MEMBER: All notices, demands, requests or other communications which any of the parties to this Agreement may desire or be required to give hereunder shall be in writing and shall be deemed to have been properly given if sent by courier or by registered or certified mail, return receipt requested, with postage prepaid, addressed as follows: (a) if to the Company, at the principal place of business of the Company designated by the Company; and (b) if to any Member, to the address of said Member first above written, or to such other address as may be designated by said Member by notice to the Company and the other Members pursuant to this Article 13.

### 15. Arbitration



determined to constitute violations of law but which were not undertaken in bad faith; or (iv) the conduct of any person selected or engaged by the Member.

The Company, its receivers, trustees, successors, assignees and/or transferees shall indemnify, defend and hold the Member harmless from and against any and all liabilities, damages, losses, costs and expenses of any nature whatsoever, known or unknown, liquidated or unliquidated, that are incurred by the Member (including amounts paid in satisfaction of judgments, in settlement of any action, suit, demand, investigation, claim or proceeding ("Claim"), as fines or penalties) and from and against all legal or other such costs as well as the expenses of investigating or defending against any Claim or threatened or anticipated Claim arising out of, connected with or relating to this Agreement, the Company or its business affairs in any way; provided, that the conduct of the Member which gave rise to the action against the Member is indemnifiable under the standards set forth herein.

Upon application, the Member shall be entitled to receive advances to cover the costs of defending or settling any Claim or any threatened or anticipated Claim against the Member that may be subject to indemnification hereunder upon receipt by the Company of any undertaking by or on behalf of the Member to repay such advances to the Company, without interest, if the Member is Judicially Determined not to be entitled to indemnification as set forth herein.

All rights of the Member to indemnification under this Agreement shall (i) be cumulative of, and in addition to, any right to which the Member may be entitled to by contract or as a matter of law or equity, and (ii) survive the dissolution, liquidation or termination of the Company as well as the death, removal, incompetency or insolvency of the Member.

The termination of any Claim or threatened Claim against the Member by judgment, order, settlement or upon a plea of *nolo contendere* or its equivalent shall not, of itself, cause the Member not to be entitled to indemnification as provided herein unless and until Judicially Determined to not be so entitled.

#### 18. Miscellaneous

This Agreement and the rights and liabilities of the parties hereunder shall be governed by and determined in accordance with the laws of the State of Colorado. If any provision of this Agreement shall be invalid or unenforceable, such invalidity or unenforceability shall not affect the other provisions of this Agreement, which shall remain in full force and effect.

(Check if Applicable)

- MULTI-MEMBER: Any dispute, controversy or claim arising out of or in connection with this Agreement or any breach or alleged breach hereof shall, upon the request of any party involved, be submitted to, and settled by, arbitration in the city in which the principal place of business of the Company is then located, pursuant to the commercial arbitration rules then in effect of the American Arbitration Association (or at any other time or place or under any other form of arbitration mutually acceptable to the parties involved). Any award rendered shall be final and conclusive upon the parties and a judgment thereon may be entered in a court of competent jurisdiction. The expenses of the arbitration shall be borne equally by the parties to the arbitration, provided that each party shall pay for and bear the cost of its own experts, evidence and attorneys' fees, except that in the discretion of the arbitrator any award may include the attorney's fees of a party if the arbitrator expressly determines that the party against whom such award is entered has caused the dispute, controversy or claim to be submitted to arbitration as a dilatory tactic or in bad faith.

#### 16. Amendments

(Check if Applicable)

- MULTI-MEMBER: This Agreement may not be altered, amended, changed, supplemented, waived or modified in any respect or particular unless the same shall be in writing and agreed to by the affirmative vote or consent of Members holding a majority of the Members' Percentage Interests. No amendment may be made to Articles that apply to the financial interest of the Members, except by the vote or consent of all of the Members. No amendment of any provision of this Agreement relating to the voting requirements of the Members on any specific subject shall be made without the affirmative vote or consent of at least the number or percentage of Members required to vote on such subject.

#### 17. Indemnification

SINGLE-MEMBER: The Member (including, for purposes of this Section, any estate, heir, personal representative, receiver, trustee, successor, assignee and/or transferee of the Member) shall not be liable, responsible or accountable, in damages or otherwise, to the Company or any other person for: (i) any act performed, or the omission to perform any act, within the scope of the power and authority conferred on the Member by this agreement and/or by the Statutes except by reason of acts or omissions found by a court of competent jurisdiction upon entry of a final judgment rendered and un-appealable or not timely appealed ("Judicially Determined") to constitute fraud, gross negligence, recklessness or intentional misconduct; (ii) the termination of the Company and this Agreement pursuant to the terms hereof; (iii) the performance by the Member of, or the omission by the Member to perform, any act which the Member reasonably believed to be consistent with the advice of attorneys, accountants or other professional advisers to the Company with respect to matters relating to the Company, including actions or omissions



The captions in this Agreement are for convenience only and are not to be considered in construing this Agreement. All pronouns shall be deemed to be the masculine, feminine, neuter, singular or plural as the identity of the person or persons may require. References to a person or persons shall include partnerships, corporations, limited liability companies, unincorporated associations, trusts, estates and other types of entities.

This Agreement, and any amendments hereto may be executed in counterparts all of which taken together shall constitute one agreement.

This Agreement sets forth the entire agreement of the parties hereto with respect to the subject matter hereof. It is the intention of the Member(s) that this Agreement shall be the sole agreement of the parties, and, except to the extent a provision of this Agreement provides for the incorporation of federal income tax rules or is expressly prohibited or ineffective under the Statutes, this Agreement shall govern even when inconsistent with, or different from, the provisions of any applicable law or rule. To the extent any provision of this Agreement is prohibited or otherwise ineffective under the Statutes, such provision shall be considered to be ineffective to the smallest degree possible in order to make this Agreement effective under the Statutes.

Subject to the limitations on transferability set forth above, this Agreement shall be binding upon and inure to the benefit of the parties hereto and to their respective heirs, executors, administrators, successors and assigns.

No provision of this Agreement is intended to be for the benefit of or enforceable by any third party.

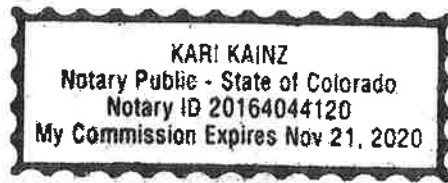
IN WITNESS WHEREOF, the parties have executed this Agreement this 2<sup>nd</sup> day of

April 2<sup>nd</sup>, 2019.

Tacos el Tapatio, LLC

By: Ramon A Herrera Santana

X Ramon A. Herrera Santana  
Member Signature



\_\_\_\_\_  
Member Signature

\_\_\_\_\_  
Member Signature





**REQUEST FOR CITY COUNCIL ACTION**

Meeting Date: February 4, 2020

<b>AGENDA ITEM NO.</b> 5.b.	<b>ORIGINATING DEPARTMENT:</b> Administration	<b>PRESENTED BY:</b> Drew Nelson
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**ITEM:**

New Hotel and Restaurant Liquor License for Sweeties Bakery & Deli LLC, 129 W. Sackett Units C and E, DBA Sweeties Sandwich Shop & The Biker and The Baker

**BACKGROUND:**

A new Colorado Hotel and Restaurant Liquor License application was filed with the City Clerk on January 1, 2020. The Notice of Public Hearing was published and the premises were posted on January 24, 2020.

All proper fees have been remitted to the City and State of Colorado. As the building is not complete at this time, an inspection has not been performed by either police or fire department personnel. Individual history records and the Colorado Bureau of Investigation background check have been reviewed by staff with no issues.

**STAFF RECOMMENDATION:**

Staff recommends that the Liquor Licensing Authority approve a new Hotel and Restaurant Liquor License for Sweeties Sandwich Shop and The Biker and The Baker, conditional upon an inspection by both police and fire department personnel upon receipt of a Certificate of Occupancy for the structure.

**SUGGESTED MOTIONS:**

Following a public hearing on the matter, a Licensing Authority member should make a motion to approve the new Colorado Hotel and Restaurant Liquor License for Sweeties Bakery & Deli LLC, 129 W. Sackett Units C and E, DBA Sweeties Sandwich Shop & The Biker and The Baker, conditional upon an inspection of the premises by police and fire department personnel upon receipt of a Certificate of Occupancy for the structure, followed by a second and a roll call vote.

# Colorado Liquor Retail License Application

New License  
  New-Concurrent  
  Transfer of Ownership  
  State Property Only

- 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: [www.colorado.gov/enforcement/liquor](http://www.colorado.gov/enforcement/liquor)

1. Applicant is applying as a/an  
  Individual  
  Limited Liability Company  
  Association or Other  
 Corporation  
 Partnership (includes Limited Liability and Husband and Wife Partnerships)

2. Applicant If an LLC, name of LLC; if partnership, at least 2 partner's names; if corporation, name of corporation      FEIN Number  
Sweetie's Bakery and Deli, LLC

2a. Trade Name of Establishment (DBA)      State Sales Tax Number      Business Telephone  
Sweetie's Sandwich Shop and The Biker and The Baker      719-539-4248

3. Address of Premises (specify exact location of premises, include suite/unit numbers)  
129 W Sackett, Unit C and E

City      County      State      ZIP Code  
Salida      Chaffee      C      81201

4. Mailing Address (Number and Street)      City or Town      State      ZIP Code

5. Email Address  
rob@sweetiesinsalida.com

6. 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
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Section A Nonrefundable Application Fees	Section B (Cont.) Liquor License Fees
<input checked="" type="checkbox"/> Application Fee for New License ..... \$1,550.00	<input type="checkbox"/> Lodging & Entertainment - L&E (County) ..... \$500.00
<input type="checkbox"/> Application Fee for New License w/Concurrent Review ..... \$1,650.00	<input type="checkbox"/> Manager Registration - H & R ..... \$75.00
<input type="checkbox"/> Application Fee for Transfer ..... \$1,550.00	<input type="checkbox"/> Manager Registration - Tavern ..... \$75.00
<b>Section B      Liquor License Fees</b>	<input type="checkbox"/> Manager Registration - Lodging & Entertainment ..... \$75.00
<input type="checkbox"/> Add Optional Premises to H & R ..... \$100.00 X      Total _____	<input type="checkbox"/> Manager Registration - Campus Liquor Complex ..... \$75.00
<input type="checkbox"/> Add Related Facility to Resort Complex \$75.00 X      Total _____	<input type="checkbox"/> Master File Location Fee ..... \$25.00 X      Total _____
<input type="checkbox"/> Add Sidewalk Service Area ..... \$75.00	<input type="checkbox"/> Master File Background ..... \$250.00 X      Total _____
<input type="checkbox"/> Arts License (City) ..... \$308.75	<input type="checkbox"/> Optional Premises License (City) ..... \$500.00
<input type="checkbox"/> Arts License (County) ..... \$308.75	<input type="checkbox"/> Optional Premises License (County) ..... \$500.00
<input type="checkbox"/> Beer and Wine License (City) ..... \$351.25	<input type="checkbox"/> Racetrack License (City) ..... \$500.00
<input type="checkbox"/> Beer and Wine License (County) ..... \$436.25	<input type="checkbox"/> Racetrack License (County) ..... \$500.00
<input type="checkbox"/> Brew Pub License (City) ..... \$750.00	<input type="checkbox"/> Resort Complex License (City) ..... \$500.00
<input type="checkbox"/> Brew Pub License (County) ..... \$750.00	<input type="checkbox"/> Resort Complex License (County) ..... \$500.00
<input type="checkbox"/> Campus Liquor Complex (City) ..... \$500.00	<input type="checkbox"/> Related Facility - Campus Liquor Complex (City) ..... \$160.00
<input type="checkbox"/> Campus Liquor Complex (County) ..... \$500.00	<input type="checkbox"/> Related Facility - Campus Liquor Complex (County) ..... \$160.00
<input type="checkbox"/> Campus Liquor Complex (State) ..... \$500.00	<input type="checkbox"/> Related Facility - Campus Liquor Complex (State) ..... \$160.00
<input type="checkbox"/> Club License (City) ..... \$308.75	<input type="checkbox"/> Retail Gaming Tavern License (City) ..... \$500.00
<input type="checkbox"/> Club License (County) ..... \$308.75	<input type="checkbox"/> Retail Gaming Tavern License (County) ..... \$500.00
<input type="checkbox"/> Distillery Pub License (City) ..... \$750.00	<input type="checkbox"/> Retail Liquor Store License-Additional (City) ..... \$227.50
<input type="checkbox"/> Distillery Pub License (County) ..... \$750.00	<input type="checkbox"/> Retail Liquor Store License-Additional (County) ..... \$312.50
<input checked="" type="checkbox"/> Hotel and Restaurant License (City) ..... \$500.00	<input type="checkbox"/> Retail Liquor Store (City) ..... \$227.50
<input type="checkbox"/> Hotel and Restaurant License (County) ..... \$500.00	<input type="checkbox"/> Retail Liquor Store (County) ..... \$312.50
<input type="checkbox"/> Hotel and Restaurant License w/one opt premises (City) ..... \$600.00	<input type="checkbox"/> Tavern License (City) ..... \$500.00
<input type="checkbox"/> Hotel and Restaurant License w/one opt premises (County) ..... \$600.00	<input type="checkbox"/> Tavern License (County) ..... \$500.00
<input type="checkbox"/> Liquor-Licensed Drugstore (City) ..... \$227.50	<input type="checkbox"/> Vintners Restaurant License (City) ..... \$750.00
<input type="checkbox"/> Liquor-Licensed Drugstore (County) ..... \$312.50	<input type="checkbox"/> Vintners Restaurant License (County) ..... \$750.00
<input type="checkbox"/> Lodging & Entertainment - L&E (City) ..... \$500.00	

**Questions? Visit: [www.colorado.gov/enforcement/liquor](http://www.colorado.gov/enforcement/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 \$
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## Application Documents Checklist and Worksheet

**Instructions:** This checklist should be utilized to assist applicants with filing all required documents for licensure. **All** documents must be properly signed and correspond with the name of the applicant exactly. **All** documents must be typed or legibly printed. Upon final State approval the license will be mailed to the local licensing authority. Application fees are nonrefundable. **Questions? Visit:** [www.colorado.gov/enforcement/liquor](http://www.colorado.gov/enforcement/liquor) for more information

<b>Items submitted, please check all appropriate boxes completed or documents submitted</b>	
<b>I.</b>	<p><b>Applicant information</b></p> <p><input checked="" type="checkbox"/> A. Applicant/Licensee identified</p> <p><input checked="" type="checkbox"/> B. State sales tax license number listed or applied for at time of application</p> <p><input checked="" type="checkbox"/> C. License type or other transaction identified</p> <p><input checked="" type="checkbox"/> D. Return originals to local authority (additional items may be required by the local licensing authority)</p> <p><input checked="" type="checkbox"/> E. All sections of the application need to be completed</p>
<b>II.</b>	<p><b>Diagram of the premises</b></p> <p><input checked="" type="checkbox"/> A. No larger than 8 1/2" X 11"</p> <p><input checked="" type="checkbox"/> B. Dimensions included (does not have to be to scale). Exterior areas should show type of control (fences, walls, entry/exit points, etc.)</p> <p><input checked="" type="checkbox"/> C. Separate diagram for each floor (if multiple levels)</p> <p><input checked="" type="checkbox"/> D. Kitchen - identified if Hotel and Restaurant</p> <p><input checked="" type="checkbox"/> E. Bold/Outlined Licensed Premises</p>
<b>III.</b>	<p><b>Proof of property possession (One Year Needed)</b></p> <p><input type="checkbox"/> A. Deed in name of the applicant (or) (matching question #2) date stamped / filed with County Clerk</p> <p><input checked="" type="checkbox"/> B. Lease in the name of the applicant (or) (matching question #2)</p> <p><input type="checkbox"/> C. Lease assignment in the name of the applicant with proper consent from the landlord and acceptance by the applicant</p> <p><input type="checkbox"/> D. Other agreement if not deed or lease. (matching question #2)</p>
<b>IV.</b>	<p><b>Background information (DR 8404-I) and financial documents</b></p> <p><input checked="" type="checkbox"/> A. Complete DR 8404-I for each principal (individuals with more than 10% ownership, officers, directors, partners, members)</p> <p><input type="checkbox"/> B. Fingerprints taken and submitted to the appropriate Local Licensing Authority through an approved state vendor. <b>Do not complete fingerprint cards prior to submitting your application.</b> The Vendors are as follows: <b>IdentoGO</b> – <a href="https://uenroll.identogo.com/">https://uenroll.identogo.com/</a> Phone: 844-539-5639 (toll-free) IdentoGO FAQs: <a href="https://www.colorado.gov/pacific/cbi/identification-faqs">https://www.colorado.gov/pacific/cbi/identification-faqs</a> <b>Colorado Fingerprinting</b> – <a href="http://www.coloradofingerprinting.com">http://www.coloradofingerprinting.com</a> Appointment Scheduling Website: <a href="http://www.coloradofingerprinting.com/cabs/">http://www.coloradofingerprinting.com/cabs/</a> Phone: 720-292-2722 Toll Free: 833-224-2227</p> <p><input type="checkbox"/> C. Purchase agreement, stock transfer agreement, and/or authorization to transfer license</p> <p><input checked="" type="checkbox"/> D. List of all notes and loans (Copies to also be attached)</p>
<b>V.</b>	<p><b>Sole proprietor/husband and wife partnership (if applicable)</b></p> <p><input type="checkbox"/> A. Form DR 4679</p> <p><input type="checkbox"/> B. Copy of State issued Driver's License or Colorado Identification Card for each applicant</p>
<b>VI.</b>	<p><b>Corporate applicant information (if applicable)</b></p> <p><input type="checkbox"/> A. Certificate of Incorporation</p> <p><input type="checkbox"/> B. Certificate of Good Standing</p> <p><input type="checkbox"/> C. Certificate of Authorization if foreign corporation (out of state applicants only)</p>
<b>VII.</b>	<p><b>Partnership applicant information (if applicable)</b></p> <p><input type="checkbox"/> A. Partnership Agreement (general or limited).</p> <p><input type="checkbox"/> B. Certificate of Good Standing</p>
<b>VIII.</b>	<p><b>Limited Liability Company applicant information (if applicable)</b></p> <p><input checked="" type="checkbox"/> A. Copy of articles of organization</p> <p><input checked="" type="checkbox"/> B. Certificate of Good Standing</p> <p><input checked="" type="checkbox"/> C. Copy of Operating Agreement (if applicable)</p> <p><input type="checkbox"/> D. Certificate of Authority if foreign LLC (out of state applicants only)</p>
<b>IX.</b>	<p><b>Manager registration for Hotel and Restaurant, Tavern, Lodging &amp; Entertainment, and Campus Liquor Complex licenses when included with this application</b></p> <p><input type="checkbox"/> A. \$75.00 fee</p> <p><input type="checkbox"/> B. Individual History Record (DR 8404-I)</p> <p><input checked="" type="checkbox"/> C. If owner is managing, no fee required</p>

<b>Name</b> Sweetie's Bakery and Deli, LLC	<b>Type of License</b> Hotel and Restaurant	<b>Account Number</b>		
7. 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 <input type="checkbox"/> No <input checked="" type="checkbox"/>		
8. 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?		<input type="checkbox"/> <input checked="" type="checkbox"/>		
b. Had an alcohol beverage license suspended or revoked?		<input type="checkbox"/> <input checked="" type="checkbox"/>		
c. Had interest in another entity that had an alcohol beverage license suspended or revoked?		<input type="checkbox"/> <input checked="" type="checkbox"/>		
If you answered yes to 8a, b or c, explain in detail on a separate sheet.				
9. 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? If "yes", explain in detail.		<input type="checkbox"/> <input checked="" type="checkbox"/>		
10. 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?		<input type="checkbox"/> <input checked="" type="checkbox"/>		
or Waiver by local ordinance? <input type="checkbox"/> <input type="checkbox"/> Other: _____				
11. 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 (>) 10,000? 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.		<input type="checkbox"/> <input checked="" type="checkbox"/>		
12. 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 (<) 10,000? 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.		<input type="checkbox"/> <input checked="" type="checkbox"/>		
13 a. For additional Retail Liquor Store only. Was your Retail Liquor Store License issued on or before January 1, 2016?		<input type="checkbox"/> <input checked="" type="checkbox"/>		
13 b. Are you a Colorado resident?		<input checked="" type="checkbox"/> <input type="checkbox"/>		
14. 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 <u>current</u> financial interest in said business including any loans to or from a licensee.		<input checked="" type="checkbox"/> <input type="checkbox"/>		
<i>See attached</i>				
15. Does the applicant, as listed on line 2 of this application, have legal possession of the premises by ownership, lease or other arrangement?		<input checked="" type="checkbox"/> <input type="checkbox"/>		
<input type="checkbox"/> Ownership <input checked="" type="checkbox"/> Lease <input type="checkbox"/> 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 Tom Pokorny	Tenant Sweetie's Bakery and Deli, LLC	Expires 12/31/2034		
b. Is a percentage of alcohol sales included as compensation to the landlord? If yes, complete question 16.		<input type="checkbox"/> <input checked="" type="checkbox"/>		
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 8 1/2" X 11".				
16. 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.				
Last Name Goldman	First Name Donald	Date of Birth 05/01/195	FEIN or SSN -----	Interest/Percentage 0
Last Name	First Name	Date of Birth	FEIN or SSN	Interest/Percentage
<b>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.</b>				
17. Optional Premises or Hotel and Restaurant Licenses with Optional Premises: Has a local ordinance or resolution authorizing optional premises been adopted?		<input type="checkbox"/> <input type="checkbox"/>		
Number of additional Optional Premise areas requested. (See license fee chart) _____				
18. 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.				
19. 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 LLDS premise?				<input type="checkbox"/> <input type="checkbox"/>
If "yes" a copy of license must be attached.				

Name <b>Sweetie's Bakery and Deli, LLC</b>	Type of License <b>Hotel and Restaurant</b>	Account Number		
20. Club Liquor License applicants answer the following: <b>Attach a copy of applicable documentation</b>				
a. Is the applicant organization operated solely for a national, social, fraternal, patriotic, political or athletic purpose and not for pecuniary gain?		<input type="checkbox"/> <input type="checkbox"/>		
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?		<input type="checkbox"/> <input type="checkbox"/>		
c. How long has the club been incorporated?		<input type="text"/>		
d. Has applicant occupied an establishment for three years (three years required) that was operated solely for the reasons stated above?		<input type="checkbox"/> <input type="checkbox"/>		
21. 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)		<input type="checkbox"/> <input type="checkbox"/>		
22. Campus Liquor Complex applicants answer the following:				
a. Is the applicant an institution of higher education?		Yes No <input type="checkbox"/> <input type="checkbox"/>		
b. Is the applicant a person who contracts with the institution of higher education to provide food services? If "yes" please provide a copy of the contract with the institution of higher education to provide food services.		<input type="checkbox"/> <input type="checkbox"/>		
23. For all on-premises applicants:				
a. Hotel and Restaurant, Lodging and Entertainment, Tavern License and Campus Liquor Complex, the Registered Manager must also submit an Individual History Record - DR 8404-I and fingerprint submitted to approved State Vendor through the Vendor's website. See application checklist, Section IV, for details.				
b. For all Liquor Licensed Drugstores (LLDS) the Permitted Manager must also submit a Manager Permit Application - DR 8000 and fingerprints.				
Last Name of Manager		First Name of Manager		
24. 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.				
		<input type="checkbox"/> <input type="checkbox"/>		
25. Related Facility - Campus Liquor Complex applicants answer the following:				
a. Is the related facility located within the boundaries of the Campus Liquor Complex? 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.		Yes No <input type="checkbox"/> <input type="checkbox"/>		
b. Designated Manager for Related Facility- Campus Liquor Complex				
Last Name of Manager		First Name of Manager		
26. 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 <input type="checkbox"/> <input checked="" type="checkbox"/>		
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.?		<input type="checkbox"/> <input checked="" type="checkbox"/>		
27. If applicant is a corporation, partnership, association or limited liability company, applicant must list all <b>Officers, Directors, General Partners, and Managing Members</b> . In addition, applicant must list any stockholders, partners, or members with <b>ownership of 10% or more in the applicant</b> . 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	Home Address, City & State	DOR	Position	%Owned
Robert M Gartzman			Managing Member	50
Name	Home Address, City & State	DOR	Position	%Owned
Sarah M Gartzman			Managing Member	50
Name	Home Address, City & State	DOB	Position	%Owned
Name	Home Address, City & State	DOB	Position	%Owned
Name	Home Address, City & State	DOB	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: <input checked="" type="checkbox"/> 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.				

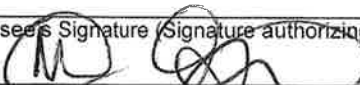
## Tax Check Authorization, Waiver, and Request to Release Information

I, Robert M Gartzman am signing this Tax Check Authorization, Waiver and Request to Release Information (hereinafter "Waiver") on behalf of Sweetie's Bakery and Deli, LLC (the "Applicant/Licensee") to permit the Colorado Department of Revenue and any other state or local taxing authority to release information and documentation that may otherwise be confidential, as provided below. If I am signing this Waiver for someone other than myself, including on behalf of a business entity, I certify that I have the authority to execute this Waiver on behalf of the Applicant/Licensee.

The Executive Director of the Colorado Department of Revenue is the State Licensing Authority, and oversees the Colorado Liquor Enforcement Division as his or her agents, clerks, and employees. The information and documentation obtained pursuant to this Waiver may be used in connection with the Applicant/Licensee's liquor license application and ongoing licensure by the state and local licensing authorities. The Colorado Liquor Code, section 44-3-101, et seq. ("Liquor Code"), and the Colorado Liquor Rules, 1 CCR 203-2 ("Liquor Rules"), require compliance with certain tax obligations, and set forth the investigative, disciplinary and licensure actions the state and local licensing authorities may take for violations of the Liquor Code and Liquor Rules, including failure to meet tax reporting and payment obligations.

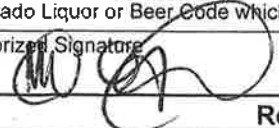
The Waiver is made pursuant to section 39-21-113(4), C.R.S., and any other law, regulation, resolution or ordinance concerning the confidentiality of tax information, or any document, report or return filed in connection with state or local taxes. This Waiver shall be valid until the expiration or revocation of a license, or until both the state and local licensing authorities take final action to approve or deny any application(s) for the renewal of the license, whichever is later. Applicant/Licensee agrees to execute a new waiver for each subsequent licensing period in connection with the renewal of any license, if requested.

By signing below, Applicant/Licensee requests that the Colorado Department of Revenue and any other state or local taxing authority or agency in the possession of tax documents or information, release information and documentation to the Colorado Liquor Enforcement Division, and its duly authorized employees, to act as the Applicant's/Licensee's duly authorized representative under section 39-21-113(4), C.R.S., solely to allow the state and local licensing authorities, and their duly authorized employees, to investigate compliance with the Liquor Code and Liquor Rules. Applicant/Licensee authorizes the state and local licensing authorities, their duly authorized employees, and their legal representatives, to use the information and documentation obtained using this Waiver in any administrative or judicial action regarding the application or license.

Name (Individual/Business) <b>Sweetie's Bakery and Deli, LLC</b>		Social Security Number/Tax Identification Number	
Address <b>124 F ST</b>			
City <b>Salida</b>		State <b>CO</b>	Zip <b>81201</b>
Home Phone Number		Business/Work Phone Number <b>719-539-4248</b>	
Printed name of person signing on behalf of the Applicant/Licensee <b>Robert M Gartzman</b>			
Applicant/Licensee's Signature (Signature authorizing the disclosure of confidential tax information) 			Date signed <b>1/1/2020</b>

**Privacy Act Statement**

Providing your Social Security Number is voluntary and no right, benefit or privilege provided by law will be denied as a result of refusal to disclose it. § 7 of Privacy Act, 5 USCS § 552a (note).

Name <b>Sweetie's Bakery and Deli, LLC</b>		Type of License <b>Hotel and Restaurant</b>		Account Number
<b>Oath Of Applicant</b>				
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 Code which affect my license.				
Authorized Signature 		Printed Name and Title <b>Robert M Gartzman, Managing Member</b>		Date <b>01/01/202</b>
<b>Report and Approval of Local Licensing Authority (City/County)</b>				
Date application filed with local authority <b>January 2, 2020</b>		Date of local authority hearing (for new license applicants; cannot be less than 30 days from date of application) <b>February 4, 2020</b>		
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:				
<input checked="" type="checkbox"/> Fingerprinted <input type="checkbox"/> 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)				
<input type="checkbox"/> Date of inspection or anticipated date _____ <input checked="" type="checkbox"/> Will conduct inspection upon approval of state licensing authority				
<input type="checkbox"/> 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 <input type="checkbox"/> <input type="checkbox"/>
<input type="checkbox"/> 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?				<input type="checkbox"/> <input type="checkbox"/>
<b>NOTE:</b> 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.				
<input type="checkbox"/> 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?				<input type="checkbox"/> <input type="checkbox"/>
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 for			Telephone Number	<input type="checkbox"/> Town, City <input type="checkbox"/> County
Signature	Print	Title		Date
Signature	Print	Title		Date

Answer to Question 14:

Both Robert and Sarah Gartzman have applied and held 2 different liquor licenses. The first is for Mo Burrito, LLC. We started and owned this business until August of 2019 when we sold it. We financed part of the business to the new owners and they have a loan with us, giving us a financial interest in that business. We also own The Biker and Baker, which has a current Beer and Wine license.

RLG

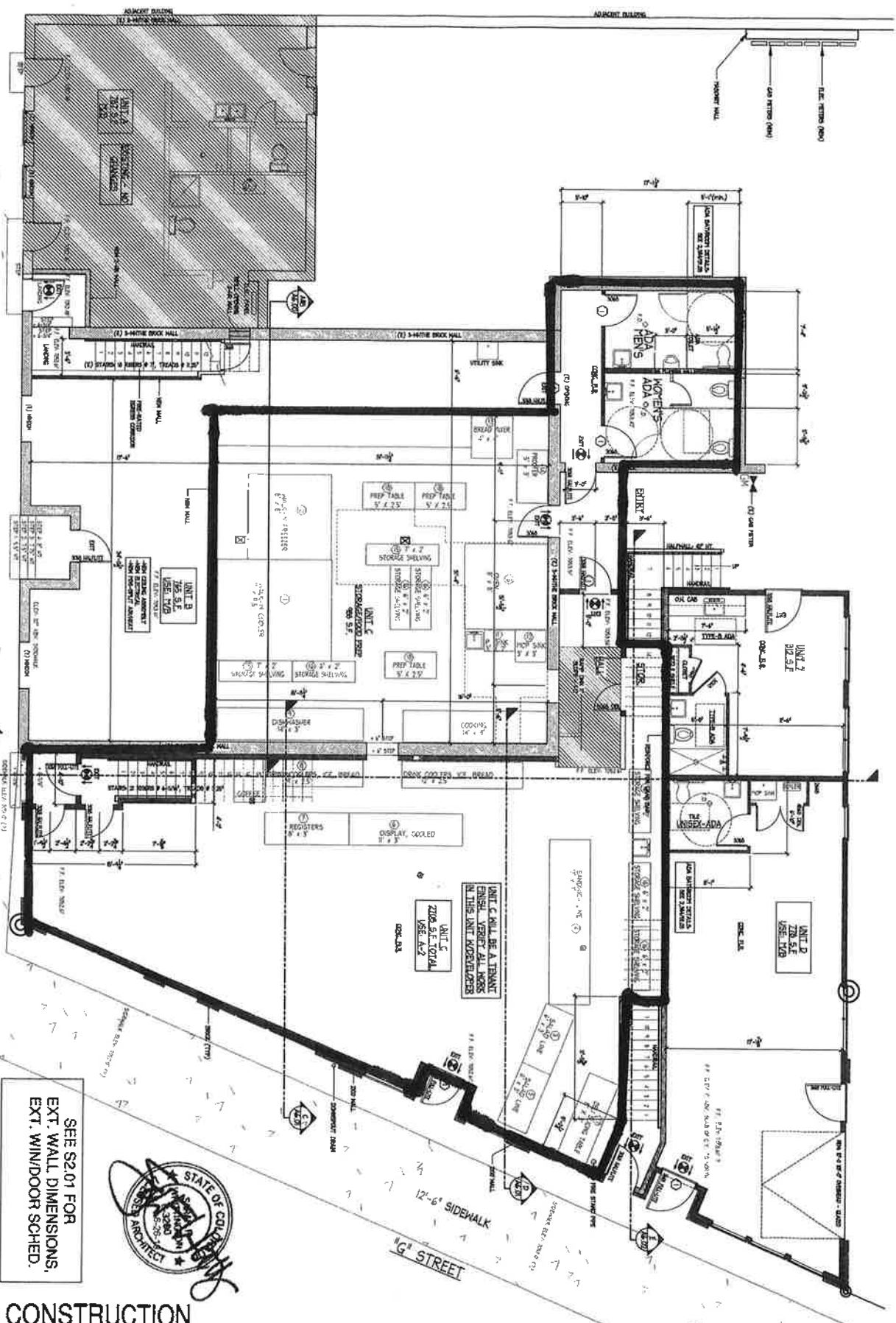




GROUND FLOOR (FIRST FLOOR)

10'-0" SIDEWALK

1 FIRST FLOOR PLAN  
SCALE: 1/4" = 1'-0"



SEE S2.01 FOR  
EXT. WALL DIMENSIONS,  
EXT. WINDOW/DOOR SCHED.



FOR CONSTRUCTION

Rev	△	Date:	6-20-19
Rev	△	Date:	6-20-19
Rev	△	Date:	6-20-19

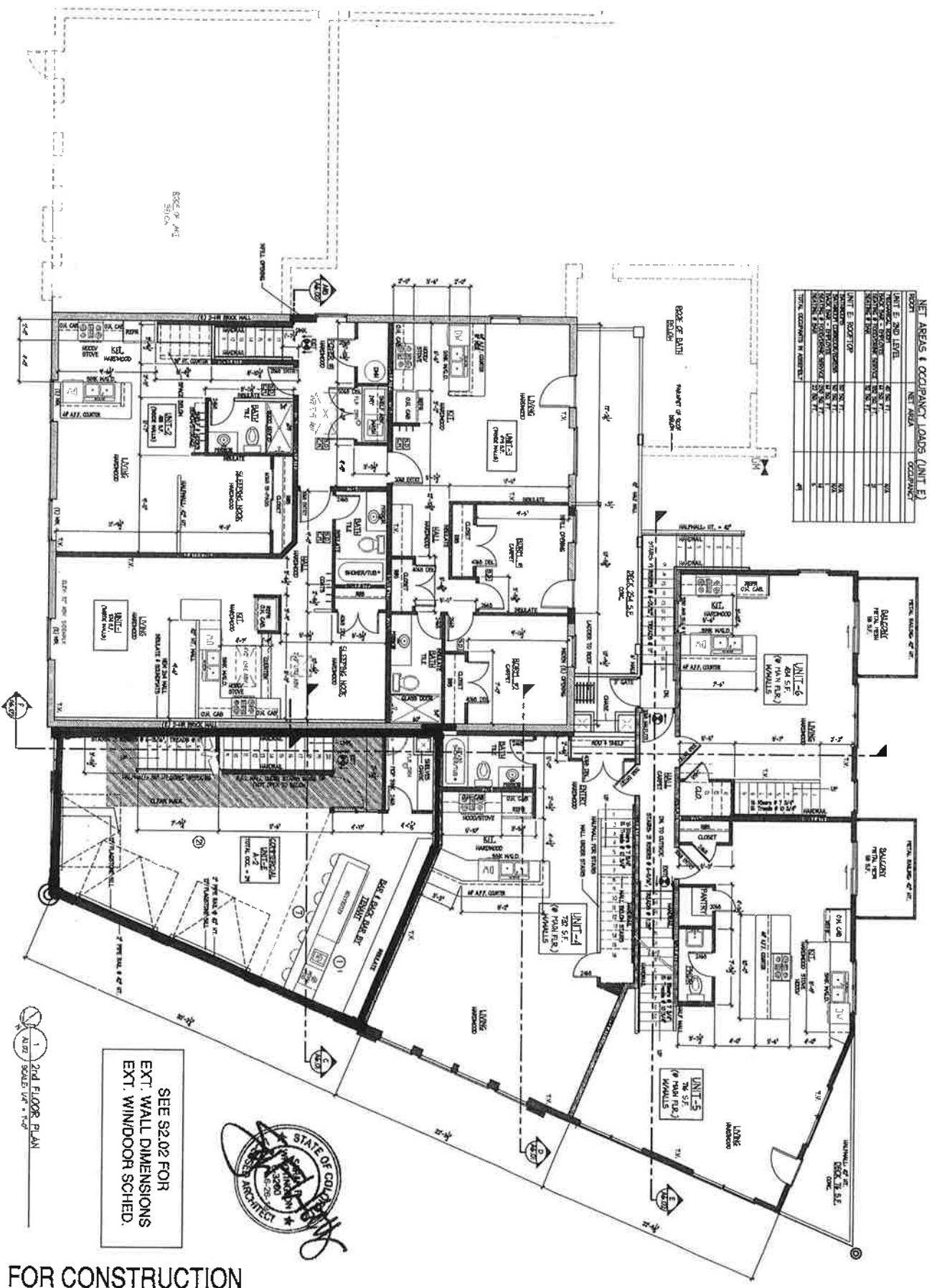
First Floor Plan  
Scale: 1/4" = 1'-0"

129 W. SACKETT  
Salida, CO - Chaffee County

Sheet  
A1.01



Second Floor



1 2nd FLOOR PLAN  
 1/4" = 1'-0"

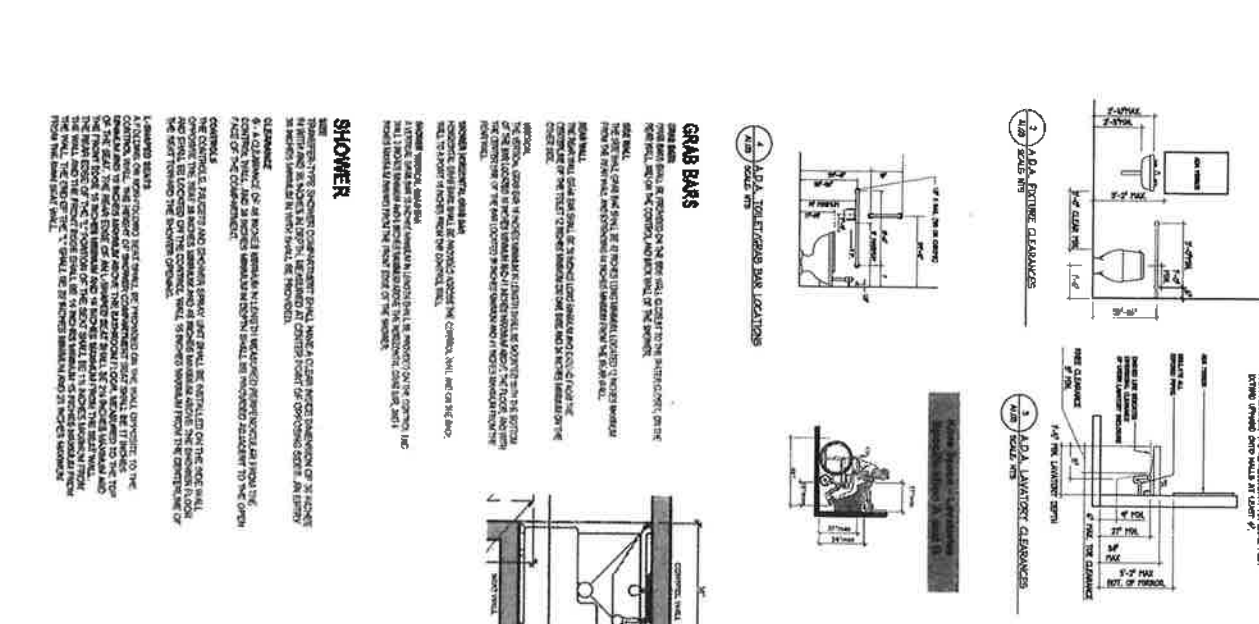
SEE S202 FOR  
 EXT. WALL DIMENSIONS  
 EXT. WINDOW SCHED.



FOR CONSTRUCTION

Rev. 1 Rev. 2 Rev. 3 Rev. 4 Rev. 5 Rev. 6 Rev. 7 Rev. 8 Rev. 9 Rev. 10 Rev. 11 Rev. 12 Rev. 13 Rev. 14 Rev. 15 Rev. 16 Rev. 17 Rev. 18 Rev. 19 Rev. 20 Rev. 21 Rev. 22 Rev. 23 Rev. 24 Rev. 25 Rev. 26 Rev. 27 Rev. 28 Rev. 29 Rev. 30 Rev. 31 Rev. 32 Rev. 33 Rev. 34 Rev. 35 Rev. 36 Rev. 37 Rev. 38 Rev. 39 Rev. 40 Rev. 41 Rev. 42 Rev. 43 Rev. 44 Rev. 45 Rev. 46 Rev. 47 Rev. 48 Rev. 49 Rev. 50 Rev. 51 Rev. 52 Rev. 53 Rev. 54 Rev. 55 Rev. 56 Rev. 57 Rev. 58 Rev. 59 Rev. 60 Rev. 61 Rev. 62 Rev. 63 Rev. 64 Rev. 65 Rev. 66 Rev. 67 Rev. 68 Rev. 69 Rev. 70 Rev. 71 Rev. 72 Rev. 73 Rev. 74 Rev. 75 Rev. 76 Rev. 77 Rev. 78 Rev. 79 Rev. 80 Rev. 81 Rev. 82 Rev. 83 Rev. 84 Rev. 85 Rev. 86 Rev. 87 Rev. 88 Rev. 89 Rev. 90 Rev. 91 Rev. 92 Rev. 93 Rev. 94 Rev. 95 Rev. 96 Rev. 97 Rev. 98 Rev. 99 Rev. 100	Date: 6-20-19 Second Floor Plan Scale: 1/4" = 1'-0" 129 W. SACKETT Salida, CO - Chaffee County Sheet AT.02
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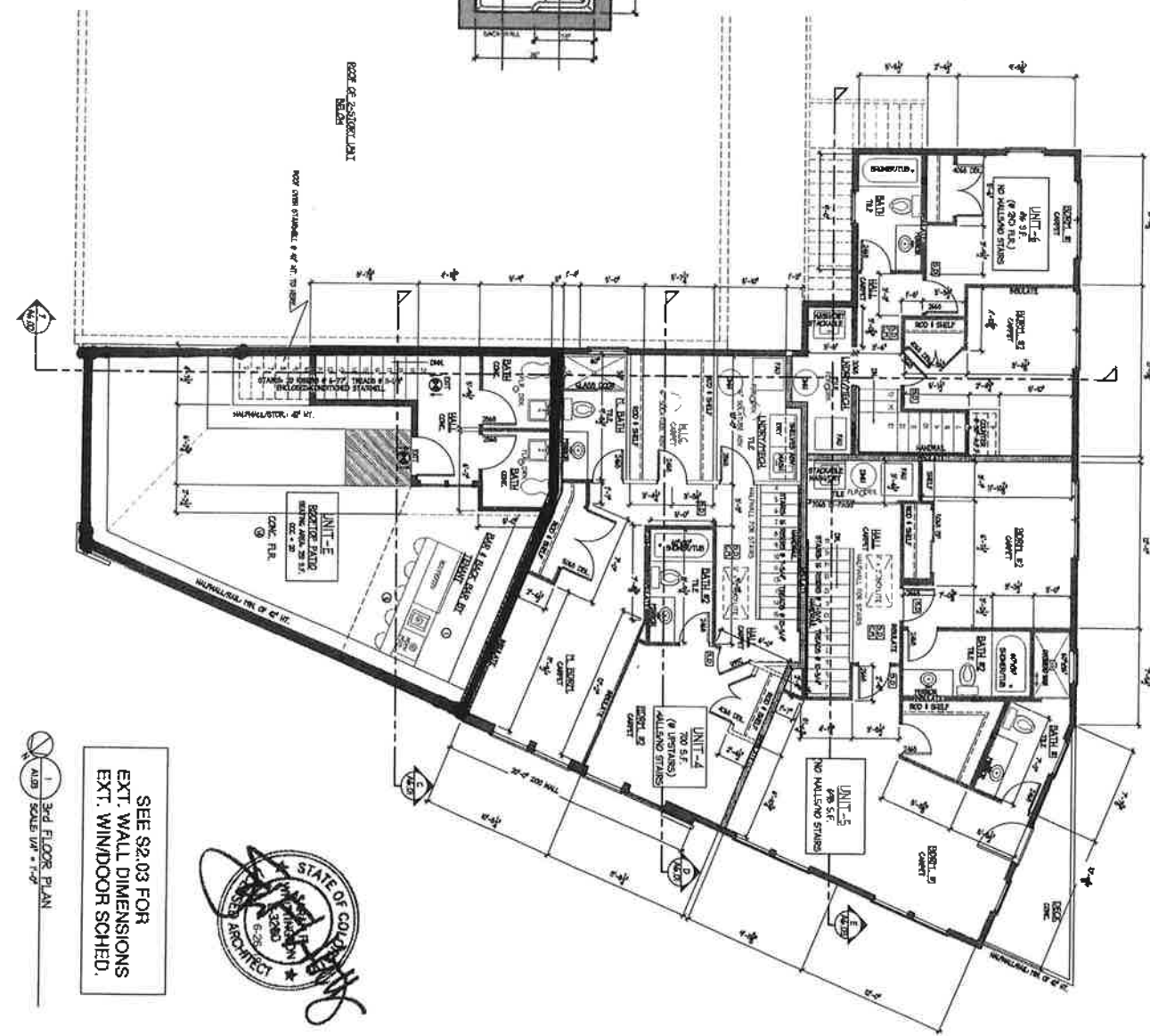
**GRAB BARS**

THE GRAB BAR SHALL BE PROVIDED ON THE WALL ADJACENT TO THE WATERCLOSET OR THE TOILET. THE GRAB BAR SHALL BE 36" LONG AND 1 1/2" HIGH. THE GRAB BAR SHALL BE 1 1/2" FROM THE WALL AND 36" FROM THE CENTER OF THE TOILET OR WATERCLOSET. THE GRAB BAR SHALL BE 1/4" FROM THE WALL AND 36" FROM THE CENTER OF THE TOILET OR WATERCLOSET.

**SHOWER**

THE SHOWER SHALL BE 60" X 60". THE SHOWER SHALL BE 60" FROM THE WALL AND 60" FROM THE WALL. THE SHOWER SHALL BE 60" FROM THE WALL AND 60" FROM THE WALL. THE SHOWER SHALL BE 60" FROM THE WALL AND 60" FROM THE WALL.

THIRD FLOOR



FOR CONSTRUCTION

Sheet A1.03	DESIGN BY T. HANNAY	Date: 6-20-19	Third Floor Plan - Proposed	129 W. SACKETT Salida, CO - Chaffee County
	REVISION BY S. HARRINGTON	Rev: 1	Scale: 1/4" = 1'-0"	
		Rev: 2		





December 31, 2019

Tom Pokorny  
129 W. Sackett, LLC  
202 N F St., Unit 2-B  
Salida, Colorado 81201

RE: Letter of Intent  
Rob Gartzman  
Sweeties Bakery & Deli, LLC  
129 W. Sackett, Unit C  
Salida, CO

Dear Rob,

I am herewith submitting a proposal for a Lease Agreement for the space (Unit C) within the Front Street Condominiums located at 129 W. Sackett St., Salida, CO 81201. This Letter of Intent and attached draft lease shall constitute the guidelines for the future Lease document. Only a fully executed Lease document between Landlord and Tenant shall constitute a binding agreement to either party.

~ ALL ITEMS IN THIS LOI AGREED TO, MUST BE REFERENCED IN THE LEASE.

The Parties to this letter acknowledge and agree that this non-binding proposal does not address all essential terms and conditions of the transaction and that a binding agreement shall not exist between the parties until the execution and delivery of a mutually acceptable lease and other related documentation, the form and substance of which shall in each case be the sole and absolute discretion of each party. This proposal is for discussion purposes only and may not be deemed to obligate either party with respect to the execution and of a lease or with the terms set out herein.

If the foregoing is acceptable to both the Landlord and Tenant, please have a copy of this letter signed in the space below.

Sincerely,  
Tom Pokorny,  
Managing Member, 129 W. Sackett, LLC

AGREED AND ACCEPTED:

This 1 day of Jan 2019

By: Tom Pokorny  
Landlord Representative

This 1 day of Jan 2019 2020

By: [Signature]  
Tenant Representative



## COMMERCIAL LEASE

**LEASE** made this First day of January, 2020 by and between 129 W. Sackett, LLC (Lessor) and Sweeties Bakery and Deli, LLC (Lessee).

1. **PREMISES:** In consideration of payment of the rent and the keeping and performance of the covenants and agreements by the said Lessee hereinafter set forth, the said Lessor hereby leases unto the said Lessee the following described premises, situate in the City of Salida and the County of Chaffee, in the State of Colorado to wit:

approximately 2,820 square feet (2,723 square feet inside of the demising walls) described as Unit C on the attached plans (Exhibit A), and legally described as:

Unit (TBD) of the Front Street Condominiums

Together with the following:

- 1) Use of approximately 325 sq. ft. of a Common Element including two ADA bathrooms (see Exhibit A)
  - 2) Access and use of the crawlspace/basement that contains the mechanical equipment for Unit C
  - 3) Access and use of the Common Areas including the parking lot per the HOA declaration and allowed use description below
2. **LEASE TERM:** The initial term of this lease will be 180 months. This Lease shall commence at 12:00 noon on the First day of January 1, 2020 and shall end on the last day of December, 2034. Payments begin as described below under Rent Commencement Date in section 5.
  3. **USE:** Lessee agrees that the Premises shall be used and occupied only for the operation of an A-2 Assembly use (restaurant/bar) as described within the 2015 International Building Code in a careful, safe and proper manner, and that it will pay on demand for any damage to the Premises or the building of which said Premises are a part, caused by the misuse of same by its agents, employees, customers or clients.

Lessee shall provide, during all hours of operation, at its sole expense, proper supervisory authority in and around the Premises to prevent loitering, graffiti, and other types of nuisance behavior by the Lessee's patrons. Lessee agrees not to suffer any disorderly conduct, noise or nuisance whatsoever about said Premises having a tendency to disturb any persons occupying adjacent premises.

Lessor shall not be liable to Lessee, or to Lessee's employees, patrons, vendors, contractors or visitors for any damage to person or property caused by any act, omission or neglect of Lessee, or Lessee's employees, patrons or visitors, or any other Lessee of the property its employees, patrons, vendors, contractors or visitors, and Lessee agrees to hold Lessor harmless from all claims for such damage.

4. **DEPOSIT:** The Lessee has deposited with Lessor, and will keep on deposit at all times during the term of this Lease and any extensions thereof, the sum of Zero and No/00 Dollars (\$0.00), as security for payment by the Lessee of all the terms, conditions, and covenants of this Lease and also as security for those damages which Lessee may cause. Said deposit shall not bear interest accruing to the benefit of the Lessee. The Lessor may apply the deposit to cure any

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**Inflation Clause:** If the annual CPI (Consumer Price Index as given by the U.S. Bureau of Labor Statistics for the Core Based Statistical Area of Denver) for any year reflects an inflation rate of 4% or more, the above Rent Escalation – Schedule of Rates shall be revised on January of the following year so that the escalation of base rents for that following year equals the official rate of the CPI – 2%. For example, if in year 6 the official CPI number is 5.75%, the escalation of base rents for year 7 would equal 5.75% minus 2%, or 3.75%. The intent of this clause is to protect the Lessor against runaway inflation.

**Rent Commencement Date:** Lessee shall begin paying the Base Monthly Rate upon the Lessor's receipt of a Final Certificate of Occupancy (C.O.) for the space. The first month Base Monthly Rate shall be prorated for any portion of a month after the receipt of the C.O. as described above in the Schedule of Rates.

6. **ADDITIONAL RENT:** Lessee shall pay to Lessor its pro-rata share of all ad valorem real property tax, personal property tax, or any other taxes assessed against the Leased Premises and all HOA costs including, but not limited to, insurance premiums, grounds care and snow removal, parking lot maintenance, lighting, water, trash removal, maintenance, management fees and all other costs associated with the management and maintenance of the center of which the demised Premises are a part. These amounts are to be paid monthly with the Base Rent and are defined and included within this agreement per the following:

- a) HOA dues = TBD (Operating and Reserve funds minus the trash expense\*\*)
- b) HOA Parking = \_\_\_\_\_ per year based upon 4 off-street parking spaces available for Unit C. The above yearly rate is determined by the following calculation.
- c) Insurance = \_\_\_\_\_
- d) Taxes: Base rate = \_\_\_\_\_
- e) \*\* Lessee to pay for own trash service and have their own dumpster(s)
- f) Total Additional Rent for 1<sup>st</sup> year : \_\_\_\_\_

These Additional Rents shall be adjusted annually to reflect any increase in costs as shown below. These real costs will be shown to Lessee upon demand.

**Escalations for HOA dues:** HOA dues are billed on an annual budget basis. At the beginning of the year, the HOA's management team calculates an estimate of what it will cost to run the building. They then charge you your share of those expenses, split out on a monthly basis. At the end of the year, they do a reconciliation and either reimburse you for your overpayments or send you a bill for underpayments. They also do a new budget for the new year and adjust your payment accordingly, usually leading to a rent escalation.

Lessee shall also pay 100% of any and all personal property taxes on the equipment, furniture, signs and fixtures whether owned or leased by lessor or owned or leased by lessee.

7. **LATE CHARGES:** Should any payment not be received in full at the office of 129 W. Sackett, LLC, or at such other location which the Lessor may from time to time designate as the location at which rent is to be paid, on or before the first (1st) day of each calendar month, a late charge equal to ten per cent (10%) of the outstanding balance shall become due and payable without notice upon the 10<sup>th</sup> day of the same month.

8. **OPTION TO EXTEND:** N/A

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default under the terms of the Lease and shall account to Lessee for the balance. Lessee may not apply the deposit hereunder to the payment of rent received hereunder or the performance of other obligations.

There is no provision for early termination of this Lease. Within sixty (60) days of termination of Lease and vacation of premises, Lessor will mail to Lessee's last known address a full and specific statement of retention of any or all of the deposit and/or any refund due Lessee or monies owed Lessor. Lessor shall have the right to proceed against Lessee to recover any sums due exceeding Lessee's deposit, as provided by law. REFUNDS WILL ONLY BE MADE BY MAIL DURING THE SIXTY (60) DAY PERIOD PROVIDED FOR ABOVE.

5. **Base Rent:** The minimum rental for the Premises, for the full term aforesaid, shall be no less than \_\_\_\_\_ which amount shall be payable in equal monthly installments, and which will be adjusted as described below, without notice, set-off or deduction, in advance on or before the first (1st) of each month during the term of this Lease at the address of the Lessor as written below:

All payments shall be made, without notice, to the office of 129 W. Sackett, LLC, PO Box 745, Salida CO 81201, or to such other location as the Lessor may from time to time designate.

**Escalation of Base Rent:** The Base Rent shall escalate at 2% per year effective beginning upon the first month's rent of the third year and the first month's rent of each additional year of the Lease Term of this agreement. This is more formally explained below.

Commencing on the second (2nd) anniversary of the Rent Commencement Date (beginning of 3<sup>rd</sup> year) and on each anniversary of the Rent Commencement Date thereafter during the Term (each of such dates being herein referred to as an "Adjustment Date"), Base Monthly Rent shall be increased by an amount equal to the product of (i) the Base Monthly Rent in effect immediately prior to the Adjustment Date (ignoring any rental concessions or abatements then in effect) and (ii) one hundred two percent (102%). The Base Monthly Rent, as adjusted, shall be due and payable as of such Adjustment Date and on the first (1st) day of each month thereafter until the next Adjustment Date or the end of the Term, whichever is applicable.

**Rent Escalation – Schedule of Rates.** Base rent monthly installment schedule is as follows:

January 1, 2020 - December 31, 2020 =  
January 1, 2021 - December 31, 2021 =  
January 1, 2022 - December 31, 2022 =  
January 1, 2023 - December 31, 2023 =  
January 1, 2024 - December 31, 2024 =  
January 1, 2025 - December 31, 2025 =  
January 1, 2026 - December 31, 2026 =  
January 1, 2027 - December 31, 2027 =  
January 1, 2028 - December 31, 2028 =  
January 1, 2029 - December 31, 2029 =  
January 1, 2030 - December 31, 2030 =  
January 1, 2031 - December 31, 2031 =  
January 1, 2032 - December 31, 2032 =  
January 1, 2033 - December 31, 2033 =  
January 1, 2034 - December 31, 2034 =

The minimum rent for the first year of any additional N/A year terms shall be adjusted to be equal to the fair market rent for the Leased Premises as agreed upon by Lessee and Lessor plus Additional Rent then due. In no case shall the minimum rent for the first year of the additional term be less than the amount of the minimum rent for the year immediately preceding the commencement of the additional year term.

The Lessee must notify the Lessor in writing no later than 120 days prior to the end of the initial term of this lease of its intent to exercise its option. The Lessee's right to exercise its option shall terminate if notice is not received by Lessor 120 days prior to the expiration of the primary term. Lessee's right to exercise its option is specifically conditioned on Lessee not having previously defaulted, or being in default at the time the option is exercised, and/or not being in default at the start of the option period.

During the additional N/A year extension period, all other terms and conditions of the initial Lease shall be in full force and effect, except the renegotiation of the escalation clause to Base Rent to account for possible inflation increases above the projected rate of 2%.

9. **UTILITIES:** Lessee shall pay all costs of delivery of electricity, gas, water and sewer, telephones, internet, cable service and trash removal to the Premises, whether charged by a public utility company, private contractor or Lessor.

It shall be the sole responsibility of the Lessee to contact the applicable telephone, cable and internet service provider(s) to arrange for service for the Premises. It shall also be the sole responsibility of the Lessee to provide access for the service provider's representatives to initiate service. Lessor shall not be responsible for failure to make any telephone, cable, television or internet service available. **THE OWNERS OF THE PROPERTY ARE NOT RESPONSIBLE FOR REPAIRS, MAINTENANCE OR INSTALLATION OF ANY TELEPHONE OR OTHER LESSEE INITIATED COMMUNICATIONS OR ENTERTAINMENT SERVICES**, including, but not limited to, jacks, connections, or wiring whether in the premises or between the premises and the utility provider's service. It is the responsibility of the Lessee to obtain and maintain these personal services at the Lessee's sole expense.

10. **MAINTENANCE/NET LEASE:** Lessee has inspected the Leased Premises and accepts the same in their "as is" present condition and deems them to be acceptable, Leaseable and in good condition.

Subject to Lessor's obligation outlined in Section 13, Lessee covenants and agrees that it shall, throughout the term of this Lease or any extension thereof, at its sole cost and expense, keep and maintain the exterior and interior of the Leased Premises and all the improvements upon said Leased Premises, in or about the Leased Premises in good repair and, at the expiration of this Lease to surrender and deliver said Leased Premises in as good order and condition as when the same were entered upon, except for normal wear and tear. Failure to repair and maintain said improvements, systems and equipment does not constitute normal wear and tear.

Lessee shall maintain, repair and/or replace the non-structural components of the Leased Premises including, but not limited to, all plate glass; exterior and interior doors and locks; appliances; counters; sub flooring; floor covering; windows and window coverings; interior walls and ceilings; electrical systems (including delivery systems), fixtures, components and wiring; all gas service (including mains); sewer connections and pipes (including mains and

backed up drains if caused by actions of the Lessee); plumbing, pipes, fixtures and components; water heaters; alarm systems; heating and air-conditioning equipment and components; signs and any and all equipment, furniture or fixtures used in connection with the operation of the Leased Premises. Moreover, Lessee shall repair structural components of the Leased premises if damage is due to actions of or actions directed by the Lessee.

Lessee shall keep exterior areas including the sidewalks and walkways in front of and around said Leased Premises free from ice and snow, and said sidewalks and Leased Premises free from all litter, dirt, debris, graffiti and obstructions. All graffiti is to be removed within twenty four (24) hours.

Lessee shall keep Leased Premises clean and in the sanitary conditions required by ordinance and the health and police regulations of the State of Colorado, and the City of Salida, Colorado.

Lessee may not affix any material, including but not limited to, satellite dishes, antennae, signs, awnings, banners, notices, etc. to the exterior of the building including the mansard, walls, doors, door and window frames, and exterior glass without written permission from the Lessor.

11. **AMERICANS WITH DISABILITIES ACT:** Lessee shall be responsible for complying with the Americans with Disabilities Act with respect to Lessee's use, occupancy and alteration of the Premises, including any alterations or modifications to the exterior of the Premises or other areas of the Shopping Center required by Law and attributable to Lessee's use, occupancy or alteration of the Premises. Lessor shall be responsible for compliance with the ADA with respect to the common areas of the Shopping Center to the extent, but only to the extent, that any alterations or other modifications to such areas required under the ADA are not attributable to Lessee's use, occupancy or alteration of the Premises.
12. **LESSEE'S OBLIGATIONS:** Lessee agrees to neither hold nor attempt to hold Lessor liable for any injury or damage, either proximate or remote, occurring through or caused by any repairs, alterations, injury or accident to the Leased Premises or to adjacent premises, nor liable for any injury or damage occasioned by defective electric wiring, falling plaster, steam, gas, electricity, water, dampness or the breakage or stoppage of plumbing or sewage upon said Leased Premises or adjacent premises, whether said breakage or stoppage is caused by freezing or otherwise unless due to the Lessor's negligence; nor shall the Premises be used for any purpose which renders the insurance thereon void or the insurance risk more hazardous, unless specific insurance coverage is endorsed for a more hazardous risk.
13. **LESSOR'S OBLIGATIONS:** Lessor shall keep the foundations, roof, exterior walls and painting thereof the Building in which the Leased Premises are located in good repair, except that the Lessor shall not be required to make any such repairs which become necessary or desirable by reason of the act or negligence of the Lessee, its agents, servants, employees or visitors, except when caused by fire, explosion or other cause covered by fire and extended insurance coverage.

Lessor agrees to cause to be supplied water, gas and a reasonable supply of electricity to the Building of which the Leased Premises are a part. Lessee agrees that Lessor shall not be liable for failure to provide these services, or any of them, when such failure is not due to gross negligence on its part, or when caused by reasons of accident, repairs, alterations, strikes, lockouts, riots, acts of God or other circumstances beyond Lessor's control.

14. **MOLD & FUNGUS:** Lessee acknowledges, understands and agrees that mold and fungi have been associated with potential adverse health effects and symptoms; there is no practical way to eliminate all mold and mold spores in the indoor environment; the way to control indoor mold growth is to control moisture; if mold is a problem it must be cleaned up and the source of the moisture repaired or eliminated; and insurance companies are excluding coverage in policy renewals with respect to loss due to mold or fungi. For the purposes of this Agreement, mold and/or fungi in any form, its byproducts and components, mildew and any mycotoxins, endotoxins, spores or scents produced or released by mold and/or fungi shall mean and be referred to collectively as "mold."

In order to minimize or avoid the occurrence of mold in the Premises, as well as in the floors, sub-floors, walls, ceilings, sub-roofs and other areas adjacent to the Premises, including adjacent units (collectively, the "Adjacent Areas"), Lessee covenants that it shall keep the Premises properly ventilated and free of accumulation of water or moisture, and shall not alter any portion of the Premises in a manner which could reasonably cause an accumulation of water or moisture in Adjacent Areas. Lessee agrees to notify Lessor immediately upon Lessee's observation of unusual or unreasonable amounts of water, moisture, mold, odors or staining in the Premises or Adjacent Areas and to observe such steps as Lessor may reasonably require from time to time avoiding or minimizing any occurrence or recurrence of mold in the Premises and Adjacent Areas. Lessee shall indemnify Lessor and hold it harmless from and against any and all claims, losses, damages, liabilities, fines, penalties, charges, administrative and judicial proceedings and orders, judgments, remedial action, requirements, enforcement actions of any kind, and all costs and expenses incurred in connection therewith (including but not limited to attorneys' fees and costs for mold inspections, reports, and remediation), arising directly or indirectly, in whole or in part, out of Lessee's breach of any covenant or agreement under this section.

15. **ENVIRONMENTAL PROVISIONS:** Lessee, prior to the Commencement Date, shall obtain all permits necessary for Lessee to operate its business, and shall thereafter continue to comply with all city, county, state, and federal laws applicable to Lessee's business and Hazardous Materials (as defined herein). Lessee shall not discharge any chemicals or other Hazardous Materials into the sewer system or sanitary sewer or Shopping Center drains, and if Lessee does so, Lessee shall immediately report same to the appropriate city and state authorities.

Lessee agrees that at the expiration or other termination of this Lease, the Premises will not be in violation of any city, county, state or federal law, ordinance or regulation relating to environmental conditions on, under or about the Premises, including, but not limited to, soil and groundwater conditions, which shall have been caused by Lessee's negligence or unlawful acts, and Lessee shall submit Lessee's affidavit to Lessor to such effect. If there is such contamination, Lessee shall, at its own cost, promptly cause said contamination to be removed and furnish Lessor with a closure letter from the Colorado Department of Health showing the removal of all contamination.

Lessee shall indemnify Lessor and hold it harmless from and against any and all claims, losses, damages, liabilities, fines, penalties, charges, administrative and judicial proceedings and orders, judgments, remedial action, requirements, enforcement actions of any kind, and all costs and expenses incurred in connection therewith (including but not limited to attorneys' fees and expenses), arising directly or indirectly, in whole or in part, out of the presence on, under or about the Premises of any Hazardous Materials, or any releases or discharges of any Hazardous Materials on, under or from the Premises or other areas of the Shopping Center resulting from

activity carried on or undertaken by Lessee, its agents or employees on or about the Premises or other areas of the Shopping Center. Lessee's obligations and liabilities under this section shall survive the termination of the Lease.

**16. HAZARDOUS SUBSTANCES AND ENVIRONMENTAL REGULATIONS:** Lessee shall not use the Premises for the production, sale, or storage of any toxic or hazardous chemicals, wastes, materials or substances, or any pollutants or contaminants, as those terms are defined in any applicable Federal, state, local or other governmental ordinance, code, rule or regulation.

**17. ALTERATIONS AND LESSEE FINISH:**

Utilities Finish to Be Provided by Lessor: Lessor shall provide the following to the Leased Premises:

- ADA bathrooms, with finished surfaces
- Service connections for Electric, Natural Gas, water and sanitary sewer service will be brought to the Leased Premises.
- Electric panel will be provided
- Rough plumbing will be provided as follows: DWV plumbing within 5' of future mop sink/handsink, DWV Plumbing within 5' of future 3 compartment sink/DW/Greasetrap. Install gas trunk line from meter into Unit C. Install water line from water submeter into Unit C. Provide water submeter. Note: no rough-ins to fixture locations, now water lines, no trim, no fixture, no grease trap are included.
- Sealed or finished concrete floor

Tenant Improvements provided by Lessee

Lessee agrees to contract for labor and materials for the following tenant improvements under separate agreement:

- HVAC equipment and ductwork
- Construction of any interior partitions
- Light fixtures and wiring to fixtures from panel
- Plumbing fixtures and supply lines to fixtures
- Drywall and paint on inside walls
- Insulation
- Low-voltage wiring
- Floor finishes, tenant selected
- Any other improvements within the space desired by the Lessee

Any costs associated with these tenant improvements will be addresses under separate agreement.

Any of the aforementioned improvements that are connected to the property, including but not limited to, plumbing and electrical modifications, the hot water heater, demising walls, floor coverings, electrical modifications including light fixtures, and cooking hoods and ventilation systems are considered a permanent part of the real estate and shall remain in place and in the possession of the Lessor at such time as the Lessee vacates.

Those items which are the personal property of the Lessee, such as furniture, portable lighting fixtures and work stations shall remain the property of the Lessee.

Improvements or Alterations by Lessee: Improvements to the demised premises shall be installed at

26 JP

Lessee's expense only in accordance with plans and specifications which have been previously submitted to and approved in writing by Lessor. Lessee will submit his plans to Lessor for approval within thirty (30) calendar days of the execution date of this Lease.

The Lessee may NOT access, breach or in any other way impact the roof of the building for any reason including the installation of ventilation systems without written permission of the Lessor.

Should any improvement require roof access, and should Lessor grant such access, Lessee and/or his architect and general contractor must contact and coordinate with Lessor and manufacturer who has the warranty on the roof.

Lessee shall give written notice to Lessor of the proposed work and the names and addresses of the persons supplying labor and materials so that Lessor may avail itself of the provisions of statutes such as §38-22-105(2) of Colorado Revised Statutes (1973, as amended). During and prior to any such work on the Premises, Lessor and its agents shall have the right to go upon the Premises and to post and keep posted thereon notices such as those provided for in said §38-22-105(2) or to take any further action that Lessor may deem to be proper for the protection of Lessor's interest in the Premises.

Lessee covenants and agrees that it will make no structural alterations, material changes, or additions in and to the Leased Premises without the prior written consent of Lessor, which consent will not be unreasonably withheld. Such alterations and changes as approved by Lessor shall be at Lessee's sole expense. All permanent improvements installed by Lessee shall become and remain the property of Lessor, unless otherwise agreed to in writing. All trade fixtures installed by the Lessee and removable without injury to the Building may be removed by the Lessee before or at the expiration of this lease, provided that the Lessee shall repair any damage done to the Building in removing such trade fixtures and shall remain responsible for any such damage. All such changes, additions or alterations shall be made solely at the expense of Lessee; and the Lessee agrees to protect, indemnify and save harmless the Lessor on account of any injury to third persons or property by reason of any such changes, additions or alterations, and to protect, indemnify and save harmless Lessor from the payment of any claim of any kind or character on account of bills for labor or materials in connection therewith.

18. **MECHANICS' LIENS:** Lessee agrees that at no time during the term of this Lease will it cause a lien or encumbrance of any kind or nature to come into existence against the Premises. If Lessee causes a lien or encumbrance to be filed against the Premises, Lessee shall promptly discharge said lien or encumbrance, and if the lien or encumbrance has not been removed within thirty (30) days from the date it is filed or recorded against the Premises, Lessee agrees that it will deposit with Lessor in cash or a satisfactory bond an amount sufficient to satisfy the claim of the person or concern filing the lien or encumbrance, and shall leave the same on deposit with Lessor until said lien is discharged. In the event Lessor is included in any litigation regarding a claimed lien, Lessee shall hold Lessor harmless and indemnify Lessor from any and all liability, costs, attorney's fees, and other charges incurred by Lessor in connection with such litigation.

19. **ACCESS** The Lessor and/or his agents or employees shall have the right at any time to enter the Premises to inspect and examine same or to make such repairs, additions or alterations as it may deem necessary or proper for the safety, improvement or preservation thereof, and shall at



all times have the right, at its election, to make such alterations and changes to other portions of said building as it may from time to time deem necessary and desirable.

20. **SUBLETTING:** Lessee agrees that it will not sublet all or part of the demised Premises, nor assign this Lease, or any interest therein, nor sell or transfer its business without first obtaining the prior written consent of Lessor, which consent shall not be unreasonably withheld. Should such a transfer or sale occur, Lessee shall be required to pay to Lessor a one-time non-refundable fee of \_\_\_\_\_ to defray the costs of reviewing the request.
21. **CONTINUED USE:** It is the essence of this Lease that the Lessee shall occupy and use the Premises for the purpose hereinabove specified, continuously and uninterruptedly, during the full term of this Lease and any extensions thereof, unless Premises are rendered unleaseable by reason of fire or unavoidable casualty.
22. **PARKING:** Lessor hereby grants to Lessee, its customers and invitees, exclusive right for and during the term of this lease and any extension thereof to use five (4) parking spaces within the parking area, and the non-exclusive right to use the driveways and walkways, such use to be in common with the Lessor and all Lessees of the Lessor, their customers, agents and invitees except at such time as the parking lot or any other part of the common area is being cleaned, repaired or replaced. Nothing herein shall grant the Lessee the right to use any such parking area, driveway or walkway for storage, promotion or sales purposes, or to obstruct or impede pedestrian and vehicular traffic thereon.
23. **SIGNS:** Lessee shall not erect, paint, or cause to be placed upon the Premises or the building of which the Premises are part any exterior or window signs, lettering, or other advertising media without prior written consent of Lessor. Lessee agrees not to use any types of advertising or promotion which might be objectionable to, or disturb the enjoyment of, other Lessees, such as loud speakers, music, etc., which broadcasts in such a manner as to be heard outside the demised Premises.
24. **INSURANCE:** Lessee shall not carry any stock of goods or do anything on or about the Premises which will, in any way, tend to increase the insurance rates on said Premises. Lessee agrees not to store any flammable or toxic substances or chemicals excluding those products commonly used in the Lessee's business, provided that all such materials are stored in proper containers and in the amounts set forth above, in or around the Premises, not to overload existing electrical wiring, or to cause any other potential hazard to the Premises or the building of which it is part.

Lessee agrees to obtain, at its sole expense, insurance to cover all exterior doors, glass windows, and plate glass in the demised Premises, insurance thereon to insure the same against breakage, theft or other damage and to carry liability insurance upon the demised Premises of not less than \$1,000,000.00 or such other limits as Lessor and/or his insurance company may from time to time require. Lessors shall not carry insurance for loss by fire, water, theft, vandalism or any loss by any cause whatsoever to Lessee's leasehold improvements, belongings and possessions. Lessee shall furnish a Certificate of Insurance to Lessor evidencing compliance with the foregoing insurance requirement. Said Certificate shall have a thirty (30) day notice of cancellation clause and shall name 129 W. Sackett, LLC as additional named insureds.

25. **REPLACEMENT OF BUILDING:** The Lessor shall keep the building of which the demised Premises are a part insured against any loss or damage by fire and further agree that if the building on which the demised Premises are a part is damaged or destroyed by fire or any other cause, so long as said damage is not directly attributable to the negligence of the Lessee, the Lessor will proceed with all due diligence to restore the same to the condition as it existed before such damage or destruction, and as soon as possible thereafter, provided, however, that, in the opinion of the Lessor the building is not so badly damaged that it is not feasible to rebuild or repair same. In that case, the Lessor shall have the right to terminate this Lease instead of rebuilding the improvements. If, because of fire or other casualty, the Premises are rendered unleaseable, then and in that event, rent shall abate until the Premises are restored to their former condition.

It is further agreed, however, that the replacement or repair of any portion of the demised premises damaged in connection with any burglary or other forcible entry into the demised premises, or any acts of vandalism, shall be at the sole expense of Lessee.

26. **GOVERNMENT REGULATIONS:** Lessee shall, at all times, operate in compliance with all local, state and federal laws, ordinances, rules, regulations, and codes, pertaining to the Premises and the use thereof, and shall not engage in any activity that is illegal, illicit, in violation of health or zoning regulations or which fails to comply with any such governmental requirements. In addition Lessee shall comply with any and all provisions of the Americans With Disabilities Act (ADA) at Lessee's sole expense.

27. **INDEMNIFICATION:** Lessee hereby agrees and covenants to release and hold harmless Lessor and his agents, employees, contractors, heirs, successors and assigns, from any and all claims and damages, for the loss or theft of Lessee's personalty and/or which may arise out of accidents or injuries to Lessee, his agents, employees, contractors or patrons on the Premises or on the property of which the demised Premises are a part, which may occur due to any cause or reason not directly caused by Lessor or an agent thereof. Lessee will hold Lessor and his agents harmless from any claims for damages and for every loss, cost, expense or penalty arising out of any accident or injury to any person or property whomsoever or whatsoever if not directly caused by Lessor or an agent thereof.

28. **LESSORS NOT A PARTNER:** No terms, provisions, or conditions of this Lease or any extensions thereof, or matters and things herein set forth shall be construed as creating or constituting the Lessor as partners or joint venturers with the Lessee, nor shall any portion, provision or covenant of this Lease be construed in any manner as making Lessor responsible for the debts, defaults, obligations, or losses of the Lessee. The relationship between said parties shall be that of Lessor and Lessee only.

29. **NOTICES:** Any notice required to be given to Lessor may be sent Certified Mail, postage prepaid, return receipt requested, to that address at which rent is currently payable, or to such other place as Lessor may from time to time designate in writing. Notice to the Lessee may be personally delivered or mailed Certified Mail, postage prepaid, return receipt requested, to the demised Premises.

30. **SUBORDINATION:** Lessee agrees that this Lease is, and shall be at all times, subordinate to the lien of any mortgage which Lessor or its assigns shall make covering said Premises or the building of which the Premises are a part, and to any or all advances to be made thereunder to the interest thereon.

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31. **INSOLVENCY:** Any assignment for the benefit of creditors or by operation of law shall not be effective to transfer any rights herein to the said assignee without the written consent of the Lessor first having been obtained. It is further agreed between the parties that, should Lessee be declared insolvent, or a writ for seizure of the Lessee's property be issued by any court of law, or should a Receiver be appointed for the property of Lessee, whether under the operation of Federal or State statutes, Lessor may, at its option, terminate this Lease and retake possession of the Premises without being guilty in any manner of forcible entry and detainer or trespass, and without the same working any forfeiture of the obligations of Lessee hereunder.
32. **BREACH:** At Lessor's option, it shall be deemed a breach of this Lease if Lessee defaults (a) in the payment of rent or any other monetary obligation; or (b) in the performance of any of the terms and conditions of this Lease. Lessor may elect to cure such default without termination of this Lease or the obligations of Lessee hereinunder.

In the event Lessor elects to terminate this lease, he may do so by giving Lessee seven (7) days' written notice requiring payment of all sums due and owing and/or compliance with other terms and conditions of the Lease. If Lessee fails to cure said default within seven (7) days, Lessor may, at its option, declare the Lease terminated. Lessor shall be entitled to recover all damages caused by the Lessee's default, including but not limited to, attorney's fees, advertising, rent loss, necessary renovation or restoration of the Premises, leasing commissions and the rent for the balance of the term of the Lease.

If default shall be made in the performance of any of the other covenants or conditions which Lessee is required to observe and to perform, and such default shall continue for twenty (20) days, or if the interest of Lessee under this Lease shall be levied upon under execution or other legal process, or if any petition shall be filed by or against Lessee to declare Lessee a bankrupt, for the reorganization or rehabilitation of Lessee or to delay, reduce or modify Lessee's debts or obligations, or if any petition shall be filed or other action taken to reorganize or modify Lessee's capital structure if Lessee be a corporation or other entity, or if Lessee be declared insolvent according to law, or if any assignment of Lessee's property shall be made for the benefit of creditors, or if a receiver or trustee is appointed for Lessee or Lessee's property, or if Lessee shall abandon the Premises during the term of this Lease or any renewals or extensions thereof, then Lessor may treat the occurrence of any one or more of the foregoing events as a breach of this Lease (provided that no such levy, execution, legal process or petition filed against Lessee shall constitute a breach of this Lease if Lessee shall vigorously contest the same by appropriate proceedings and shall remove or vacate the same within twenty (20) days from the date of its creation, service or filing).

If Lessee shall default in the performance of any covenant or provision of this Lease to be performed on Lessee's part, Lessor may, after twenty (20) days' written notice to Lessee, or without notice if in Lessor's opinion an emergency exists, perform the same for the account and at the expense of Lessee. If Lessor shall incur any expense, including reasonable attorney's fees, in instituting, prosecuting, or defending any action of Lessee, Lessee shall reimburse Lessor for the amount of such expense with interest at the rate of eighteen percent (18%) per annum from the date of Lessor's advance or advances therefor. Should Lessee, pursuant to this Lease, become obligated to reimburse or otherwise pay Lessor one or more sums of money pursuant to this article 31, the amount thereof shall be paid by Lessee to Lessor within ten (10) days of Lessor's written demand therefor, and if Lessee fails to make such payment, such failure shall be deemed an event of default as set forth in this Article. The provisions hereof

shall survive the termination of this Lease, and shall neither impose a duty on Lessor nor excuse any failure on Lessee's part to perform or observe any covenant or condition in this Lease contained on Lessee's part to be performed or observed.

33. **REMEDIES UPON BREACH:** In the event of a breach of this Lease by Lessee, Lessor may utilize any one or more of the following described remedies, in addition to all rights and remedies provided at law or in equity:

(a) Lessor may terminate this Lease and forthwith repossess the Premises and be entitled to recover as damages a sum of money equal to the total of (i) the cost of recovering the Premises, including Lessor's attorney's fees; (ii) the unpaid rent earned at the time of termination, plus interest thereon at the rate of eighteen percent (18%) per annum from the due date; (iii) the balance of the rent for the remainder of the term less the fair market value of the Premises for said period; (iv) damages for the wrongful withholding of the Premises by Lessee; and (v) any other sum of money and damages owed by Lessee to Lessor. Lessor shall also have the right to recover any and all of the rent abatement or "free rent" given to Lessee at the commencement of this Lease, if any.

(b) Lessor may retake possession of the Premises and shall have the right, but not the obligation, without being deemed to have accepted a surrender thereof, and without terminating this Lease, to relet same for the remainder of the term provided for herein; and if the rent received through such reletting does not at least equal the rent provided for herein, Lessee shall pay and satisfy any deficiency between the amount of the rent so provided for and that received through reletting; and, in addition thereto, Lessee shall pay all reasonable expenses incurred in connection with any such reletting, including, but not limited to, the cost of renovating, altering and decorating for an occupant and leasing commissions paid to any real estate broker or agent. Lessor shall also have the right to recover any and all of the rent abatement or "free rent" given to Lessee at the commencement of this Lease, if any.

34. **ATTORNEY'S FEES:** Lessee agrees to pay all costs and attorney's fees resulting from reason of any breach or default of this Lease by Lessee.

35. **WAIVER:** No waiver of any breach of one or more conditions of the covenants of this Lease by the Lessor shall be deemed to imply or constitute a waiver of any succeeding or any other breach hereunder.

36. **AMENDMENT OR MODIFICATION:** Lessee acknowledges that he has not relied upon any statements, representations, agreements or warranties, except as are expressed herein. No agreement or modification of this Lease shall be binding or valid unless expressed in writing and executed by the parties hereto in the same manner as the execution of this Lease. Verbal arrangements and agreements are not binding.

37. **HOLDING AFTER TERMINATION:** It is mutually agreed that if after the expiration of this Lease Lessee shall remain in possession of the Premises without a written agreement to such holding, then such holding shall be deemed to be a holding upon a month to month rental, equivalent to one hundred twenty per cent (120%) of the last monthly rental payment provided for herein, payable in advance on the same day of the month as hereinabove provided; all other terms and conditions of this Lease remaining the same. Lessor may place or caused to be placed a "For Lease" sign on the premises sixty (60) days prior to the end of the Lease term.

38. **BROKERAGE:** None

39. **DISCLAIMER:** lessor and lessee expressly disclaim any implied warranty that the leased premises are suitable for Lessor's intended commercial purpose, and Lessor's obligation to pay rent hereunder is not dependent upon the condition of the leased premises or the performance by lessor of its obligations hereunder, and, except as otherwise expressly provided herein, lessee shall continue to pay the rent, without abatement, demand, setoff or deduction, notwithstanding any breach by lessor of its duties or obligations hereunder, whether express or implied.

40. **RIGHT OF FIRST OFFER:** It is agreed that the Lessee shall have the Right of First Offer to purchase the leased Premises if the Lessor determines to sell the Premises. The Right of First Offer is separated to this Agreement and attached as an Exhibit B.

41. **BINDING EFFECTS:** It is agreed that the covenants and conditions contained herein shall be binding upon and may be legally enforced by both parties, their heirs, executors administrators and/or assigns. All pronouns are to be construed in the masculine or feminine, singular or plural, as applicable.

Should any provision of this Lease be declared invalid in any court of competent jurisdiction, the remaining provisions hereof shall remain in full force and effect regardless of said declaration.

42. **ATTACHED EXHIBITS**

- Exhibit A: Permit Sheet set comprised of the following:
  - A-Sheets dated 12-15-19
  - S-Sheets dated 6-1-19
  - M-Sheets dated 9-20-19
  - E-Sheets dated 9-19-19
  - P-Sheets dated 9-20-19
- Exhibit B: Right of First Offer Agreement

**SIGNATURE PAGE**

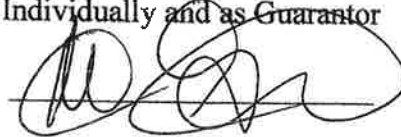
EXECUTED IN DUPLICATE this 1 day of January, 2020 by and between:

**LESSOR:**



**LESSEE:**

Individually and as Guarantor



December 31, 2019

Tom Pokorny  
129 W. Sackett, LLC  
202 N F St., Unit 2-B  
Salida, Colorado 81201

RE: Letter of Intent  
Rob Gartzman  
Sweeties Bakery and Deli, LLC  
129 W. Sackett, Unit E  
Salida, CO

Dear Rob,

I am herewith submitting a proposal for a Lease Agreement for the space (Unit E) within the Front Street Condominiums located at 129 W. Sackett St., Salida, CO 81201. This Letter of Intent and attached draft lease shall constitute the guidelines for the future Lease document. Only a fully executed Lease document between Landlord and Tenant shall constitute a binding agreement to either party.

~ ALL ITEMS IN THIS LOI AGREED TO, MUST BE REFERENCED IN THE LEASE.

The Parties to this letter acknowledge and agree that this non-binding proposal does not address all essential terms and conditions of the transaction and that a binding agreement shall not exist between the parties until the execution and delivery of a mutually acceptable lease and other related documentation, the form and substance of which shall in each case be the sole and absolute discretion of each party. This proposal is for discussion purposes only and may not be deemed to obligate either party with respect to the execution and of a lease or with the terms set out herein.

If the foregoing is acceptable to both the Landlord and Tenant, please have a copy of this letter signed in the space below.

Sincerely,  
Tom Pokorny,  
Managing Member, 129 W. Sackett, LLC

AGREED AND ACCEPTED:

This 1 day of Jan 2019

By: Tom Pokorny  
Landlord Representative

This 1 day of Jan 2019 2020

By: [Signature]  
Tenant Representative

## COMMERCIAL LEASE

**LEASE** made this First day of January 2020 by and between 129 W. Sackett, LLC (Lessor) and Sweeties Bakery and Deli, LLC (Lessee).

1. **PREMISES:** In consideration of payment of the rent and the keeping and performance of the covenants and agreements by the said Lessee hereinafter set forth, the said Lessor hereby leases unto the said Lessee the following described premises, situate in the City of Salida and the County of Chaffee, in the State of Colorado to wit:

approximately 955 square feet (882 square feet inside of the demising walls) and 620 square feet of rooftop patio described as Unit E on the attached plans (see Exhibit A), and legally described as:

TBD

Together with the following:

- 1) Use of approximately 120 sq. ft. of a Limited Common Element (stairwell to 2<sup>nd</sup> floor entry)
  - 2) Access and use of the Common Areas including the parking lot per the POA declaration and allowed use description below
2. **LEASE TERM:** The initial term of this lease will be 180 months. This Lease shall commence at 12:00 noon on the First day of January 1, 2020 and shall end on the last day of December, 2034. Payments begin as described below under Rent Commencement Date in section 5.
  3. **USE:** Lessee agrees that the Premises shall be used and occupied only for the operation of an A-2 Assembly use (restaurant/bar) as described within the 2015 International Building Code in a careful, safe and proper manner, and that it will pay on demand for any damage to the Premises or the building of which said Premises are a part, caused by the misuse of same by its agents, employees, customers or clients.

Lessee shall provide, during all hours of operation, at its sole expense, proper supervisory authority in and around the Premises to prevent loitering, graffiti, and other types of nuisance behavior by the Lessee's patrons. Lessee agrees not to suffer any disorderly conduct, noise or nuisance whatsoever about said Premises having a tendency to disturb any persons occupying adjacent premises.

Lessor shall not be liable to Lessee, or to Lessee's employees, patrons, vendors, contractors or visitors for any damage to person or property caused by any act, omission or neglect of Lessee, or Lessee's employees, patrons or visitors, or any other Lessee of the property its employees, patrons, vendors, contractors or visitors, and Lessee agrees to hold Lessor harmless from all claims for such damage.

4. **DEPOSIT:** The Lessee has deposited with Lessor, and will keep on deposit at all times during the term of this Lease and any extensions thereof, the sum of Zero and No/00 Dollars (\$0.00), as security for payment by the Lessee of all the terms, conditions, and covenants of this Lease and also as security for those damages which Lessee may cause. Said deposit shall not bear interest accruing to the benefit of the Lessee. The Lessor may apply the deposit to cure any



default under the terms of the Lease and shall account to Lessee for the balance. Lessee may not apply the deposit hereunder to the payment of rent received hereunder or the performance of other obligations.

There is no provision for early termination of this Lease. Within sixty (60) days of termination of Lease and vacation of premises, Lessor will mail to Lessee's last known address a full and specific statement of retention of any or all of the deposit and/or any refund due Lessee or monies owed Lessor. Lessor shall have the right to proceed against Lessee to recover any sums due exceeding Lessee's deposit, as provided by law. REFUNDS WILL ONLY BE MADE BY MAIL DURING THE SIXTY (60) DAY PERIOD PROVIDED FOR ABOVE.

5. **Base Rent:** The minimum rental for the Premises, for the full term aforesaid, shall be no less than Two Thousand and Two Hundred and Fifty and No/00 Dollars (\$2,250.00) which amount shall be payable in equal monthly installments, and which will be adjusted as described below under Rent Escalation-Schedule of Rates, without notice, set-off or deduction, in advance on or before the first (1st) of each month during the term of this Lease at the address of the Lessor as written below:

All payments shall be made, without notice, to the office of 129 W. Sackett, LLC, PO Box 745, Salida CO 81201, or to such other location as the Lessor may from time to time designate.

**Escalation of Base Rent:** The Base Rent shall escalate at 2% per year effective beginning upon the first month's rent of the third year and the first month's rent of each additional year of the Lease Term of this agreement. This is more formally explained below.

Commencing on the second (2nd) anniversary of the Lease Commencement Date (beginning of 3<sup>rd</sup> year) and on each anniversary of the Lease Commencement Date thereafter during the Term (each of such dates being herein referred to as an "Adjustment Date"), Base Monthly Rent shall be increased by an amount equal to the product of (i) the Base Monthly Rent in effect immediately prior to the Adjustment Date (ignoring any rental concessions or abatements then in effect) and (ii) one hundred two percent (102%). The Base Monthly Rent, as adjusted, shall be due and payable as of such Adjustment Date and on the first (1st) day of each month thereafter until the next Adjustment Date or the end of the Term, whichever is applicable.

**Rent Escalation – Schedule of Rates.** Base rent monthly installment schedule is as follows:

January 1, 2020 - December 31, 2020 =  
January 1, 2021 - December 31, 2021 =  
January 1, 2022 - December 31, 2022 =  
January 1, 2023 - December 31, 2023 =  
January 1, 2024 - December 31, 2024 =  
January 1, 2025 - December 31, 2025 =  
January 1, 2026 - December 31, 2026 =  
January 1, 2027 - December 31, 2027 =  
January 1, 2028 - December 31, 2028 =  
January 1, 2029 - December 31, 2029 =  
January 1, 2030 - December 31, 2030 =  
January 1, 2031 - December 31, 2031 =  
January 1, 2032 - December 31, 2032 =  
January 1, 2033 - December 31, 2033 =  
January 1, 2034 - December 31, 2034 =



**Inflation Clause:** If the annual CPI (Consumer Price Index as given by the U.S. Bureau of Labor Statistics for the Core Based Statistical Area of Denver) for any year reflects an inflation rate of 4% or more, the above Rent Escalation – Schedule of Rates shall be revised on January of the following year so that the escalation of base rents for that following year equals the official rate of the CPI – 2%. For example, if in year 6 the official CPI number is 5.75%, the escalation of base rents for year 7 would equal 5.75% minus 2%, or 3.75%. The intent of this clause is to protect the Lessor against runaway inflation.

**Rent Commencement Date:** Lessee shall begin paying the Base Monthly Rate upon the Lessor's receipt of a Final Certificate of Occupancy (C.O.) for the space. The first month Base Monthly Rate shall be prorated for any portion of a month after the receipt of the C.O. as described above in the Schedule of Rates.

6. **ADDITIONAL RENT:** Lessee shall pay to Lessor its pro-rata share of all ad valorem real property tax, personal property tax, or any other taxes assessed against the Leased Premises and all HOA costs including, but not limited to, insurance premiums, grounds care and snow removal, parking lot maintenance, lighting, water, trash removal, maintenance, management fees and all other costs associated with the management and maintenance of the center of which the demised Premises are a part. These amounts are to be paid monthly with the Base Rent and are defined and included within this agreement per the following:

- a) HOA dues = TBD (Operating and Reserve funds minus the trash expense\*\*)
- b) HOA Parking = \_\_\_\_\_ per year based upon 1 off-street parking space available for Unit E. The above yearly rate is determined by the following calculation: \_\_\_\_\_
- c) Insurance = \_\_\_\_\_ year (est.)
- d) Taxes: Base rate = \_\_\_\_\_ year (est.)
- e) \*\* Lessee to pay for own trash service and have their own dumpster(s)
- f) Total Additional Rent for 1<sup>st</sup> year = \_\_\_\_\_

These Additional Rents shall be adjusted annually to reflect any increase in costs as shown below. These real costs will be shown to Lessee upon demand.

**Escalations for HOA dues:** HOA dues are billed on an annual budget basis. At the beginning of the year, the HOA's management team calculates an estimate of what it will cost to run the building. They then charge you your share of those expenses, split out on a monthly basis. At the end of the year, they do a reconciliation and either reimburse you for your overpayments or send you a bill for underpayments. They also do a new budget for the new year and adjust your payment accordingly, usually leading to a rent escalation.

Lessee shall also pay 100% of any and all personal property taxes on the equipment, furniture, signs and fixtures whether owned or leased by lessor or owned or leased by lessee.

7. **LATE CHARGES:** Should any payment not be received in full at the office of 129 W. Sackett, LLC, or at such other location which the Lessor may from time to time designate as the location at which rent is to be paid, on or before the first (1st) day of each calendar month, a late charge equal to ten per cent (10%) of the outstanding balance shall become due and payable without notice upon the 10<sup>th</sup> day of the same month.

8. **OPTION TO EXTEND:** The minimum rent for the first year of any additional N/A year terms shall be adjusted to be equal to the fair market rent for the Leased Premises as agreed upon by Lessee and Lessor plus Additional Rent then due. In no case shall the minimum rent for the first year of the additional term be less than the amount of the minimum rent for the year immediately preceding the commencement of the additional year term.

The Lessee must notify the Lessor in writing no later than 120 days prior to the end of the initial term of this lease of its intent to exercise its option. The Lessee's right to exercise its option shall terminate if notice is not received by Lessor 120 days prior to the expiration of the primary term. Lessee's right to exercise its option is specifically conditioned on Lessee not having previously defaulted, or being in default at the time the option is exercised, and/or not being in default at the start of the option period.

During the additional N/A year extension period, all other terms and conditions of the initial Lease shall be in full force and effect, except the renegotiation of the escalation clause to Base Rent to account for possible inflation increases above the projected rate of 2%.

9. **UTILITIES:** Lessee shall pay all costs of delivery of electricity, gas, water and sewer, telephones, internet, cable service and trash removal to the Premises, whether charged by a public utility company, private contractor or Lessor.

It shall be the sole responsibility of the Lessee to contact the applicable telephone, cable and internet service provider(s) to arrange for service for the Premises. It shall also be the sole responsibility of the Lessee to provide access for the service provider's representatives to initiate service. Lessor shall not be responsible for failure to make any telephone, cable, television or internet service available. **THE OWNERS OF THE PROPERTY ARE NOT RESPONSIBLE FOR REPAIRS, MAINTENANCE OR INSTALLATION OF ANY TELEPHONE OR OTHER LESSEE INITIATED COMMUNICATIONS OR ENTERTAINMENT SERVICES**, including, but not limited to, jacks, connections, or wiring whether in the premises or between the premises and the utility provider's service. It is the responsibility of the Lessee to obtain and maintain these personal services at the Lessee's sole expense.

10. **MAINTENANCE/NET LEASE:** Lessee has inspected the Leased Premises and accepts the same in their "as is" present condition and deems them to be acceptable, Leaseable and in good condition.

Subject to Lessor's obligation outlined in Section 13, Lessee covenants and agrees that it shall, throughout the term of this Lease or any extension thereof, at its sole cost and expense, keep and maintain the exterior and interior of the Leased Premises and all the improvements upon said Leased Premises, in or about the Leased Premises in good repair and, at the expiration of this Lease to surrender and deliver said Leased Premises in as good order and condition as when the same were entered upon, except for normal wear and tear. Failure to repair and maintain said improvements, systems and equipment does not constitute normal wear and tear.

Lessee shall maintain, repair and/or replace the non-structural components of the Leased Premises including, but not limited to, all plate glass; exterior and interior doors and locks; appliances; counters; sub flooring; floor covering; windows and window coverings; interior walls and ceilings; electrical systems (including delivery systems), fixtures, components and wiring; all gas service (including mains); sewer connections and pipes (including mains and

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backed up drains if caused by actions of the Lessee); plumbing, pipes, fixtures and components; water heaters; alarm systems; heating and air-conditioning equipment and components; signs and any and all equipment, furniture or fixtures used in connection with the operation of the Leased Premises. Moreover, Lessee shall repair structural components of the Leased premises if damage is due to actions of or actions directed by the Lessee.

Lessee shall keep exterior areas including the sidewalks and walkways in front of and around said Leased Premises free from ice and snow, and said sidewalks and Leased Premises free from all litter, dirt, debris, graffiti and obstructions. All graffiti is to be removed within twenty four (24) hours.

Lessee shall keep Leased Premises clean and in the sanitary conditions required by ordinance and the health and police regulations of the State of Colorado, and the City of Salida, Colorado.

Lessee may not affix any material, including but not limited to, satellite dishes, antennae, signs, awnings, banners, notices, etc. to the exterior of the building including the mansard, walls, doors, door and window frames, and exterior glass without written permission from the Lessor.

11. **AMERICANS WITH DISABILITIES ACT:** Lessee shall be responsible for complying with the Americans with Disabilities Act with respect to Lessee's use, occupancy and alteration of the Premises, including any alterations or modifications to the exterior of the Premises or other areas of the Shopping Center required by Law and attributable to Lessee's use, occupancy or alteration of the Premises. Lessor shall be responsible for compliance with the ADA with respect to the common areas of the Shopping Center to the extent, but only to the extent, that any alterations or other modifications to such areas required under the ADA are not attributable to Lessee's use, occupancy or alteration of the Premises.
12. **LESSEE'S OBLIGATIONS:** Lessee agrees to neither hold nor attempt to hold Lessor liable for any injury or damage, either proximate or remote, occurring through or caused by any repairs, alterations, injury or accident to the Leased Premises or to adjacent premises, nor liable for any injury or damage occasioned by defective electric wiring, falling plaster, steam, gas, electricity, water, dampness or the breakage or stoppage of plumbing or sewage upon said Leased Premises or adjacent premises, whether said breakage or stoppage is caused by freezing or otherwise unless due to the Lessor's negligence; nor shall the Premises be used for any purpose which renders the insurance thereon void or the insurance risk more hazardous, unless specific insurance coverage is endorsed for a more hazardous risk.
13. **LESSOR'S OBLIGATIONS:** Lessor shall keep the foundations, roof, exterior walls and painting thereof the Building in which the Leased Premises are located in good repair, except that the Lessor shall not be required to make any such repairs which become necessary or desirable by reason of the act or negligence of the Lessee, its agents, servants, employees or visitors, except when caused by fire, explosion or other cause covered by fire and extended insurance coverage.

Lessor agrees to cause to be supplied water, gas and a reasonable supply of electricity to the Building of which the Leased Premises are a part. Lessee agrees that Lessor shall not be liable for failure to provide these services, or any of them, when such failure is not due to gross negligence on its part, or when caused by reasons of accident, repairs, alterations, strikes, lockouts, riots, acts of God or other circumstances beyond Lessor's control.

14. **MOLD & FUNGUS:** Lessee acknowledges, understands and agrees that mold and fungi have been associated with potential adverse health effects and symptoms; there is no practical way to eliminate all mold and mold spores in the indoor environment; the way to control indoor mold growth is to control moisture; if mold is a problem it must be cleaned up and the source of the moisture repaired or eliminated; and insurance companies are excluding coverage in policy renewals with respect to loss due to mold or fungi. For the purposes of this Agreement, mold and/or fungi in any form, its byproducts and components, mildew and any mycotoxins, endotoxins, spores or scents produced or released by mold and/or fungi shall mean and be referred to collectively as "mold."

In order to minimize or avoid the occurrence of mold in the Premises, as well as in the floors, sub-floors, walls, ceilings, sub-roofs and other areas adjacent to the Premises, including adjacent units (collectively, the "Adjacent Areas"), Lessee covenants that it shall keep the Premises properly ventilated and free of accumulation of water or moisture, and shall not alter any portion of the Premises in a manner which could reasonably cause an accumulation of water or moisture in Adjacent Areas. Lessee agrees to notify Lessor immediately upon Lessee's observation of unusual or unreasonable amounts of water, moisture, mold, odors or staining in the Premises or Adjacent Areas and to observe such steps as Lessor may reasonably require from time to time avoiding or minimizing any occurrence or recurrence of mold in the Premises and Adjacent Areas. Lessee shall indemnify Lessor and hold it harmless from and against any and all claims, losses, damages, liabilities, fines, penalties, charges, administrative and judicial proceedings and orders, judgments, remedial action, requirements, enforcement actions of any kind, and all costs and expenses incurred in connection therewith (including but not limited to attorneys' fees and costs for mold inspections, reports, and remediation), arising directly or indirectly, in whole or in part, out of Lessee's breach of any covenant or agreement under this section.

15. **ENVIRONMENTAL PROVISIONS:** Lessee, prior to the Commencement Date, shall obtain all permits necessary for Lessee to operate its business, and shall thereafter continue to comply with all city, county, state, and federal laws applicable to Lessee's business and Hazardous Materials (as defined herein). Lessee shall not discharge any chemicals or other Hazardous Materials into the sewer system or sanitary sewer or Shopping Center drains, and if Lessee does so, Lessee shall immediately report same to the appropriate city and state authorities.

Lessee agrees that at the expiration or other termination of this Lease, the Premises will not be in violation of any city, county, state or federal law, ordinance or regulation relating to environmental conditions on, under or about the Premises, including, but not limited to, soil and groundwater conditions, which shall have been caused by Lessee's negligence or unlawful acts, and Lessee shall submit Lessee's affidavit to Lessor to such effect. If there is such contamination, Lessee shall, at its own cost, promptly cause said contamination to be removed and furnish Lessor with a closure letter from the Colorado Department of Health showing the removal of all contamination.

Lessee shall indemnify Lessor and hold it harmless from and against any and all claims, losses, damages, liabilities, fines, penalties, charges, administrative and judicial proceedings and orders, judgments, remedial action, requirements, enforcement actions of any kind, and all costs and expenses incurred in connection therewith (including but not limited to attorneys' fees and expenses), arising directly or indirectly, in whole or in part, out of the presence on, under or about the Premises of any Hazardous Materials, or any releases or discharges of any Hazardous Materials on, under or from the Premises or other areas of the Shopping Center resulting from

activity carried on or undertaken by Lessee, its agents or employees on or about the Premises or other areas of the Shopping Center. Lessee's obligations and liabilities under this section shall survive the termination of the Lease.

**16. HAZARDOUS SUBSTANCES AND ENVIRONMENTAL REGULATIONS:** Lessee shall not use the Premises for the production, sale, or storage of any toxic or hazardous chemicals, wastes, materials or substances, or any pollutants or contaminants, as those terms are defined in any applicable Federal, state, local or other governmental ordinance, code, rule or regulation.

**17. ALTERATIONS AND LESSEE FINISH:**

Utilities Finish to Be Provided by Lessor: Lessor shall provide the following to the Leased Premises:

- Bathrooms, with unfinished surfaces
- Service connections for Electric, Natural Gas, water and sanitary sewer service will be brought to the Leased Premises.
- Electric panel will be provided
- Rough plumbing will be provided as follows: DWV plumbing within 5' of future mop sink/handsink, Install water line from water submeter into Unit E. Provide water submeter. Note: no rough-ins to fixture locations, no water lines, no trim, no fixture, no grease trap are included.
- Sealed or finished concrete floor at rooftop deck.

Tenant Improvements provided by Lessee

Lessee agrees to contract for labor and materials for the following tenant improvements under separate agreement:

- HVAC equipment and ductwork
- Construction of any interior partitions
- Light fixtures and wiring to fixtures from panel
- Plumbing fixtures and supply lines to fixtures
- Drywall and paint on inside walls
- Insulation
- Low-voltage wiring
- Floor finishes, tenant selected
- Any other improvements within the space desired by the Lessee.

Any costs associated with these tenant improvements will be addresses under separate agreement.

Any of the aforementioned improvements that are connected to the property, including but not limited to, plumbing and electrical modifications, the hot water heater, demising walls, floor coverings, electrical modifications including light fixtures, and cooking hoods and ventilation systems are considered a permanent part of the real estate and shall remain in place and in the possession of the Lessor at such time as the Lessee vacates.

Those items which are the personal property of the Lessee, such as furniture, portable lighting fixtures and work stations shall remain the property of the Lessee.

Improvements or Alterations by Lessee: Improvements to the demised premises shall be installed at

Lessee's expense only in accordance with plans and specifications which have been previously submitted to and approved in writing by Lessor. Lessee will submit his plans to Lessor for approval within thirty (30) calendar days of the execution date of this Lease.

The Lessee may NOT access, breach or in any other way impact the roof of the building for any reason including the installation of ventilation systems without written permission of the Lessor.

Should any improvement require roof access, and should Lessor grant such access, Lessee and/or his architect and general contractor must contact and coordinate with Lessor and manufacturer who has the warranty on the roof.

Lessee shall give written notice to Lessor of the proposed work and the names and addresses of the persons supplying labor and materials so that Lessor may avail itself of the provisions of statutes such as §38-22-105(2) of Colorado Revised Statutes (1973, as amended). During and prior to any such work on the Premises, Lessor and its agents shall have the right to go upon the Premises and to post and keep posted thereon notices such as those provided for in said §38-22-105(2) or to take any further action that Lessor may deem to be proper for the protection of Lessor's interest in the Premises.

Lessee covenants and agrees that it will make no structural alterations, material changes, or additions in and to the Leased Premises without the prior written consent of Lessor, which consent will not be unreasonably withheld. Such alterations and changes as approved by Lessor shall be at Lessee's sole expense. All permanent improvements installed by Lessee shall become and remain the property of Lessor, unless otherwise agreed to in writing. All trade fixtures installed by the Lessee and removable without injury to the Building may be removed by the Lessee before or at the expiration of this lease, provided that the Lessee shall repair any damage done to the Building in removing such trade fixtures and shall remain responsible for any such damage. All such changes, additions or alterations shall be made solely at the expense of Lessee; and the Lessee agrees to protect, indemnify and save harmless the Lessor on account of any injury to third persons or property by reason of any such changes, additions or alterations, and to protect, indemnify and save harmless Lessor from the payment of any claim of any kind or character on account of bills for labor or materials in connection therewith.

18. **MECHANICS' LIENS:** Lessee agrees that at no time during the term of this Lease will it cause a lien or encumbrance of any kind or nature to come into existence against the Premises. If Lessee causes a lien or encumbrance to be filed against the Premises, Lessee shall promptly discharge said lien or encumbrance, and if the lien or encumbrance has not been removed within thirty (30) days from the date it is filed or recorded against the Premises, Lessee agrees that it will deposit with Lessor in cash or a satisfactory bond an amount sufficient to satisfy the claim of the person or concern filing the lien or encumbrance, and shall leave the same on deposit with Lessor until said lien is discharged. In the event Lessor is included in any litigation regarding a claimed lien, Lessee shall hold Lessor harmless and indemnify Lessor from any and all liability, costs, attorney's fees, and other charges incurred by Lessor in connection with such litigation.

19. **ACCESS** The Lessor and/or his agents or employees shall have the right at any time to enter the Premises to inspect and examine same or to make such repairs, additions or alterations as it may deem necessary or proper for the safety, improvement or preservation thereof, and shall at all times have the right, at its election, to make such alterations and changes to other portions of said building as it may from time to time deem necessary and desirable.

20. **SUBLETTING:** Lessee agrees that it will not sublet all or part of the demised Premises, nor assign this Lease, or any interest therein, nor sell or transfer its business without first obtaining the prior written consent of Lessor, which consent shall not be unreasonably withheld. Should such a transfer or sale occur, Lessee shall be required to pay to Lessor a one-time non-refundable fee of \$1,000.00 to defray the costs of reviewing the request.
21. **CONTINUED USE:** It is the essence of this Lease that the Lessee shall occupy and use the Premises for the purpose hereinabove specified, continuously and uninterruptedly, during the full term of this Lease and any extensions thereof, unless Premises are rendered unleaseable by reason of fire or unavoidable casualty.
22. **PARKING:** Lessor hereby grants to Lessee, its customers and invitees, exclusive right for and during the term of this lease and any extension thereof to use one (1) parking space within the parking area, and the non-exclusive right to use the driveways and walkways, such use to be in common with the Lessor and all Lessees of the Lessor, their customers, agents and invitees except at such time as the parking lot or any other part of the common area is being cleaned, repaired or replaced. Nothing herein shall grant the Lessee the right to use any such parking area, driveway or walkway for storage, promotion or sales purposes, or to obstruct or impede pedestrian and vehicular traffic thereon.
23. **SIGNS:** Lessee shall not erect, paint, or cause to be placed upon the Premises or the building of which the Premises are part any exterior or window signs, lettering, or other advertising media without prior written consent of Lessor. Lessee agrees not to use any types of advertising or promotion which might be objectionable to, or disturb the enjoyment of, other Lessees, such as loud speakers, music, etc., which broadcasts in such a manner as to be heard outside the demised Premises.
24. **INSURANCE:** Lessee shall not carry any stock of goods or do anything on or about the Premises which will, in any way, tend to increase the insurance rates on said Premises. Lessee agrees not to store any flammable or toxic substances or chemicals excluding those products commonly used in the Lessee's business, provided that all such materials are stored in proper containers and in the amounts set forth above, in or around the Premises, not to overload existing electrical wiring, or to cause any other potential hazard to the Premises or the building of which it is part .

Lessee agrees to obtain, at its sole expense, insurance to cover all exterior doors, glass windows, and plate glass in the demised Premises, insurance thereon to insure the same against breakage, theft or other damage and to carry liability insurance upon the demised Premises of not less than \$1,000,000.00 or such other limits as Lessor and/or his insurance company may from time to time require. Lessors shall not carry insurance for loss by fire, water, theft, vandalism or any loss by any cause whatsoever to Lessee's leasehold improvements, belongings and possessions. Lessee shall furnish a Certificate of Insurance to Lessor evidencing compliance with the foregoing insurance requirement. Said Certificate shall have a thirty (30) day notice of cancellation clause and shall name 129 W. Sackett, LLC as additional named insureds.

25. **REPLACEMENT OF BUILDING:** The Lessor shall keep the building of which the demised Premises are a part insured against any loss or damage by fire and further agree that if the building on which the demised Premises are a part is damaged or destroyed by fire or any other



cause, so long as said damage is not directly attributable to the negligence of the Lessee, the Lessor will proceed with all due diligence to restore the same to the condition as it existed before such damage or destruction, and as soon as possible thereafter, provided, however, that, in the opinion of the Lessor the building is not so badly damaged that it is not feasible to rebuild or repair same. In that case, the Lessor shall have the right to terminate this Lease instead of rebuilding the improvements. If, because of fire or other casualty, the Premises are rendered unleaseable, then and in that event, rent shall abate until the Premises are restored to their former condition.

It is further agreed, however, that the replacement or repair of any portion of the demised premises damaged in connection with any burglary or other forcible entry into the demised premises, or any acts of vandalism, shall be at the sole expense of Lessee.

26. **GOVERNMENT REGULATIONS:** Lessee shall, at all times, operate in compliance with all local, state and federal laws, ordinances, rules, regulations, and codes, pertaining to the Premises and the use thereof, and shall not engage in any activity that is illegal, illicit, in violation of health or zoning regulations or which fails to comply with any such governmental requirements. In addition Lessee shall comply with any and all provisions of the Americans With Disabilities Act (ADA) at Lessee's sole expense.
27. **INDEMNIFICATION:** Lessee hereby agrees and covenants to release and hold harmless Lessor and his agents, employees, contractors, heirs, successors and assigns, from any and all claims and damages, for the loss or theft of Lessee's personalty and/or which may arise out of accidents or injuries to Lessee, his agents, employees, contractors or patrons on the Premises or on the property of which the demised Premises are a part, which may occur due to any cause or reason not directly caused by Lessor or an agent thereof. Lessee will hold Lessor and his agents harmless from any claims for damages and for every loss, cost, expense or penalty arising out of any accident or injury to any person or property whomsoever or whatsoever if not directly caused by Lessor or an agent thereof.
28. **LESSORS NOT A PARTNER:** No terms, provisions, or conditions of this Lease or any extensions thereof, or matters and things herein set forth shall be construed as creating or constituting the Lessor as partners or joint venturers with the Lessee, nor shall any portion, provision or covenant of this Lease be construed in any manner as making Lessor responsible for the debts, defaults, obligations, or losses of the Lessee. The relationship between said parties shall be that of Lessor and Lessee only.
29. **NOTICES:** Any notice required to be given to Lessor may be sent Certified Mail, postage prepaid, return receipt requested, to that address at which rent is currently payable, or to such other place as Lessor may from time to time designate in writing. Notice to the Lessee may be personally delivered or mailed Certified Mail, postage prepaid, return receipt requested, to the demised Premises.
30. **SUBORDINATION:** Lessee agrees that this Lease is, and shall be at all times, subordinate to the lien of any mortgage which Lessor or its assigns shall make covering said Premises or the building of which the Premises are a part, and to any or all advances to be made thereunder to the interest thereon.
31. **INSOLVENCY:** Any assignment for the benefit of creditors or by operation of law shall not be effective to transfer any rights herein to the said assignee without the written consent of the



Lessor first having been obtained. It is further agreed between the parties that, should Lessee be declared insolvent, or a writ for seizure of the Lessee's property be issued by any court of law, or should a Receiver be appointed for the property of Lessee, whether under the operation of Federal or State statutes, Lessor may, at its option, terminate this Lease and retake possession of the Premises without being guilty in any manner of forcible entry and detainer or trespass, and without the same working any forfeiture of the obligations of Lessee hereunder.

32. **BREACH:** At Lessor's option, it shall be deemed a breach of this Lease if Lessee defaults (a) in the payment of rent or any other monetary obligation; or (b) in the performance of any of the terms and conditions of this Lease. Lessor may elect to cure such default without termination of this Lease or the obligations of Lessee hereinunder.

In the event Lessor elects to terminate this lease, he may do so by giving Lessee seven (7) days' written notice requiring payment of all sums due and owing and/or compliance with other terms and conditions of the Lease. If Lessee fails to cure said default within seven (7) days, Lessor may, at its option, declare the Lease terminated. Lessor shall be entitled to recover all damages caused by the Lessee's default, including but not limited to, attorney's fees, advertising, rent loss, necessary renovation or restoration of the Premises, leasing commissions and the rent for the balance of the term of the Lease.

If default shall be made in the performance of any of the other covenants or conditions which Lessee is required to observe and to perform, and such default shall continue for twenty (20) days, or if the interest of Lessee under this Lease shall be levied upon under execution or other legal process, or if any petition shall be filed by or against Lessee to declare Lessee a bankrupt, for the reorganization or rehabilitation of Lessee or to delay, reduce or modify Lessee's debts or obligations, or if any petition shall be filed or other action taken to reorganize or modify Lessee's capital structure if Lessee be a corporation or other entity, or if Lessee be declared insolvent according to law, or if any assignment of Lessee's property shall be made for the benefit of creditors, or if a receiver or trustee is appointed for Lessee or Lessee's property, or if Lessee shall abandon the Premises during the term of this Lease or any renewals or extensions thereof, then Lessor may treat the occurrence of any one or more of the foregoing events as a breach of this Lease (provided that no such levy, execution, legal process or petition filed against Lessee shall constitute a breach of this Lease if Lessee shall vigorously contest the same by appropriate proceedings and shall remove or vacate the same within twenty (20) days from the date of its creation, service or filing).

If Lessee shall default in the performance of any covenant or provision of this Lease to be performed on Lessee's part, Lessor may, after twenty (20) days' written notice to Lessee, or without notice if in Lessor's opinion an emergency exists, perform the same for the account and at the expense of Lessee. If Lessor shall incur any expense, including reasonable attorney's fees, in instituting, prosecuting, or defending any action of Lessee, Lessee shall reimburse Lessor for the amount of such expense with interest at the rate of eighteen percent (18%) per annum from the date of Lessor's advance or advances therefor. Should Lessee, pursuant to this Lease, become obligated to reimburse or otherwise pay Lessor one or more sums of money pursuant to this article 31, the amount thereof shall be paid by Lessee to Lessor within ten (10) days of Lessor's written demand therefor, and if Lessee fails to make such payment, such failure shall be deemed an event of default as set forth in this Article. The provisions hereof shall survive the termination of this Lease, and shall neither impose a duty on Lessor nor excuse any failure on Lessee's part to perform or observe any covenant or condition in this Lease contained on Lessee's part to be performed or observed.

33. **REMEDIES UPON BREACH:** In the event of a breach of this Lease by Lessee, Lessor may utilize any one or more of the following described remedies, in addition to all rights and remedies provided at law or in equity:

(a) Lessor may terminate this Lease and forthwith repossess the Premises and be entitled to recover as damages a sum of money equal to the total of (i) the cost of recovering the Premises, including Lessor's attorney's fees; (ii) the unpaid rent earned at the time of termination, plus interest thereon at the rate of eighteen percent (18%) per annum from the due date; (iii) the balance of the rent for the remainder of the term less the fair market value of the Premises for said period; (iv) damages for the wrongful withholding of the Premises by Lessee; and (v) any other sum of money and damages owed by Lessee to Lessor. Lessor shall also have the right to recover any and all of the rent abatement or "free rent" given to Lessee at the commencement of this Lease, if any.

(b) Lessor may retake possession of the Premises and shall have the right, but not the obligation, without being deemed to have accepted a surrender thereof, and without terminating this Lease, to relet same for the remainder of the term provided for herein; and if the rent received through such reletting does not at least equal the rent provided for herein, Lessee shall pay and satisfy any deficiency between the amount of the rent so provided for and that received through reletting; and, in addition thereto, Lessee shall pay all reasonable expenses incurred in connection with any such reletting, including, but not limited to, the cost of renovating, altering and decorating for an occupant and leasing commissions paid to any real estate broker or agent. Lessor shall also have the right to recover any and all of the rent abatement or "free rent" given to Lessee at the commencement of this Lease, if any.

34. **ATTORNEY'S FEES:** Lessee agrees to pay all costs and attorney's fees resulting from reason of any breach or default of this Lease by Lessee.

35. **WAIVER:** No waiver of any breach of one or more conditions of the covenants of this Lease by the Lessor shall be deemed to imply or constitute a waiver of any succeeding or any other breach hereunder.

36. **AMENDMENT OR MODIFICATION:** Lessee acknowledges that he has not relied upon any statements, representations, agreements or warranties, except as are expressed herein. No agreement or modification of this Lease shall be binding or valid unless expressed in writing and executed by the parties hereto in the same manner as the execution of this Lease. Verbal arrangements and agreements are not binding.

37. **HOLDING AFTER TERMINATION:** It is mutually agreed that if after the expiration of this Lease Lessee shall remain in possession of the Premises without a written agreement to such holding, then such holding shall be deemed to be a holding upon a month to month rental, equivalent to one hundred twenty per cent (120%) of the last monthly rental payment provided for herein, payable in advance on the same day of the month as hereinabove provided; all other terms and conditions of this Lease remaining the same. Lessor may place or caused to be placed a "For Lease" sign on the premises sixty (60) days prior to the end of the Lease term.

38. **BROKERAGE:** None

39. **DISCLAIMER:** lessor and lessee expressly disclaim any implied warranty that the leased premises are suitable for Lessor's intended commercial purpose, and Lessor's obligation to pay rent hereunder is not dependent upon the condition of the leased premises or the performance by lessor of its obligations hereunder, and, except as otherwise expressly provided herein, lessee shall continue to pay the rent, without abatement, demand, setoff or deduction, notwithstanding any breach by lessor of its duties or obligations hereunder, whether express or implied.
40. **RIGHT OF FIRST OFFER:** It is agreed that the Lessee shall have the Right of First Offer to purchase the leased Premises if the Lessor determines to sell the Premises. The Right of First Offer is separated to this Agreement and attached as an Exhibit B.
41. **BINDING EFFECTS:** It is agreed that the covenants and conditions contained herein shall be binding upon and may be legally enforced by both parties, their heirs, executors administrators and/or assigns. All pronouns are to be construed in the masculine or feminine, singular or plural, as applicable.

Should any provision of this Lease be declared invalid in any court of competent jurisdiction, the remaining provisions hereof shall remain in full force and effect regardless of said declaration.

**42. ATTACHED EXHIBITS**

- Exhibit A: Permit Sheet set comprised of the following:
  - A-Sheets dated 12-15-19
  - S-Sheets dated 6-1-19
  - M-Sheets dated 9-20-19
  - E-Sheets dated 9-19-19
  - P-Sheets dated 9-20-19
- Exhibit B: Right of First Offer Agreement

**SIGNATURE PAGE**

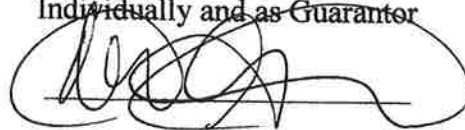
EXECUTED IN DUPLICATE this 1 day of January 2020 by and between:

**LESSOR:**



**LESSEE:**

Individually and as Guarantor





Colorado Secretary of State  
 Date and Time: 04/25/2012 12:50 PM  
 ID Number: 20121235872  
 Document number: 20121235872  
 Amount Paid: \$50.00

Document must be filed electronically.  
 Paper documents will not be accepted.  
 Document processing fee  
 Fees & forms/cover sheets  
 are subject to change.  
 To access other information or print  
 copies of filed documents,  
 visit [www.sos.state.co.us](http://www.sos.state.co.us) and  
 select Business Center.

\$50.00

ABOVE SPACE FOR OFFICE USE ONLY

**Articles of Organization**

filed pursuant to § 7-80-203 and § 7-80-204 of the Colorado Revised Statutes (C.R.S.)

1. The domestic entity name of the limited liability company is

**Sweetie's Bakery and Deli LLC**

*(The name of a limited liability company must contain the term or abbreviation "limited liability company", "ltd. liability company", "limited liability co.", "ltd. liability co.", "limited", "LLC", "llc", or "ltd.". See §7-90-601, C.R.S.)*

*(Caution: The use of certain terms or abbreviations are restricted by law. Read instructions for more information.)*

2. The principal office address of the limited liability company's initial principal office is

Street address

**124 F Street**

*(Street number and name)*

**Salida**

*(City)*

**CO**

*(State)*

**81201**

*(ZIP/Postal Code)*

**United States**

*(Country)*

*(Province - if applicable)*

Mailing address

*(leave blank if same as street address)*

*(Street number and name or Post Office Box information)*

*(City)*

*(State)*

*(ZIP/Postal Code)*

*(Province - if applicable)*

*(Country)*

3. The registered agent name and registered agent address of the limited liability company's initial registered agent are

Name

*(if an individual)*

**Gartzman**

*(Last)*

**Robert**

*(First)*

**Matthew**

*(Middle)*

*(Suffix)*

**OR**

*(if an entity)*

*(Caution: Do not provide both an individual and an entity name.)*

Street address

**124 F Street**

*(Street number and name)*

**Salida**

*(City)*

**CO**

*(State)*

**81201**

*(ZIP Code)*

**Mailing address**

(leave blank if same as street address)

\_\_\_\_\_ (Street number and name or Post Office Box information)

\_\_\_\_\_ CO \_\_\_\_\_ (City) (State) (ZIP Code)

(The following statement is adopted by marking the box.)

The person appointed as registered agent has consented to being so appointed.

4. The true name and mailing address of the person forming the limited liability company are

Name

(if an individual)

Gartzman

(Last)

Robert

(First)

Matthew

(Middle)

(Suffix)

**OR**

(if an entity)

(Caution: Do not provide both an individual and an entity name.)

Mailing address

124 F Street

(Street number and name or Post Office Box information)

Salida

(City)

CO

(State)

81201

(ZIP/Postal Code)

United States

(Country)

(Province - if applicable)

(If the following statement applies, adopt the statement by marking the box and include an attachment.)

The limited liability company has one or more additional persons forming the limited liability company and the name and mailing address of each such person are stated in an attachment.

5. The management of the limited liability company is vested in

(Mark the applicable box.)

one or more managers.

**OR**

the members.

6. (The following statement is adopted by marking the box.)

There is at least one member of the limited liability company.

7. (If the following statement applies, adopt the statement by marking the box and include an attachment.)

This document contains additional information as provided by law.

8. (Caution: Leave blank if the document does not have a delayed effective date. Stating a delayed effective date has significant legal consequences. Read instructions before entering a date.)

(If the following statement applies, adopt the statement by entering a date and, if applicable, time using the required format.)

The delayed effective date and, if applicable, time of this document is/are \_\_\_\_\_ (mm/dd/yyyy hour:minute am/pm)

**Notice:**

Causing this document to be delivered to the Secretary of State for filing shall constitute the affirmation or acknowledgment of each individual causing such delivery, under penalties of perjury, that the document is the individual's act and deed, or that the individual in good faith believes the document is the act and deed of the person on whose behalf the individual is causing the document to be delivered for filing, taken in conformity with the requirements of part 3 of article 90 of title 7, C.R.S., the constituent documents, and the organic statutes, and that the individual in good faith believes the facts stated in the document are true and the document complies with the requirements of that Part, the constituent documents, and the organic statutes.

This perjury notice applies to each individual who causes this document to be delivered to the Secretary of State, whether or not such individual is named in the document as one who has caused it to be delivered.

9. The true name and mailing address of the individual causing the document to be delivered for filing are

<u>Gartzman</u>	<u>Robert</u>	<u>Matthew</u>	
<i>(Last)</i>	<i>(First)</i>	<i>(Middle)</i>	<i>(Suffix)</i>
<hr/>			
<i>(Street number and name or Post Office Box information)</i>			
<hr/>			
	<u>CO</u>		
<i>(City)</i>	<i>(State)</i>	<i>(ZIP/Postal Code)</i>	
<hr/>	<u>United States</u>	<hr/>	
<i>(Province - if applicable)</i>	<i>(Country)</i>		

*(If the following statement applies, adopt the statement by marking the box and include an attachment.)*

This document contains the true name and mailing address of one or more additional individuals causing the document to be delivered for filing.

**Disclaimer:**

This form/cover sheet, and any related instructions, are not intended to provide legal, business or tax advice, and are furnished without representation or warranty. While this form/cover sheet is believed to satisfy minimum legal requirements as of its revision date, compliance with applicable law, as the same may be amended from time to time, remains the responsibility of the user of this form/cover sheet. Questions should be addressed to the user's legal, business or tax advisor(s).

Additional owner:

Sarah Blecher

124 F Street  
Salida, CO 81201

OFFICE OF THE SECRETARY OF STATE  
OF THE STATE OF COLORADO

**CERTIFICATE OF FACT OF GOOD STANDING**

I, Jena Griswold, as the Secretary of State of the State of Colorado, hereby certify that, according to the records of this office,

Sweetie's Bakery and Deli LLC

is a

Limited Liability Company

formed or registered on 04/25/2012 under the law of Colorado, has complied with all applicable requirements of this office, and is in good standing with this office. This entity has been assigned entity identification number 20121235872 .

This certificate reflects facts established or disclosed by documents delivered to this office on paper through 12/30/2019 that have been posted, and by documents delivered to this office electronically through 01/01/2020 @ 16:50:42 .

I have affixed hereto the Great Seal of the State of Colorado and duly generated, executed, and issued this official certificate at Denver, Colorado on 01/01/2020 @ 16:50:42 in accordance with applicable law. This certificate is assigned Confirmation Number 11990369 .



*Jena Griswold*

Secretary of State of the State of Colorado

\*\*\*\*\*End of Certificate\*\*\*\*\*

*Notice: A certificate issued electronically from the Colorado Secretary of State's Web site is fully and immediately valid and effective. However, as an option, the issuance and validity of a certificate obtained electronically may be established by visiting the Validate a Certificate page of the Secretary of State's Web site, <http://www.sos.state.co.us/biz/CertificateSearchCriteria.do> entering the certificate's confirmation number displayed on the certificate, and following the instructions displayed. Confirming the issuance of a certificate is merely optional and is not necessary to the valid and effective issuance of a certificate. For more information, visit our Web site, <http://www.sos.state.co.us/> click "Businesses, trademarks, trade names" and select "Frequently Asked Questions."*





# SECOND AMENDED OPERATING AGREEMENT FOR SWEETIE'S BAKERY AND DELI, LLC

## TABLE OF CONTENTS

### **ARTICLE I**

#### Introduction

- Section 1.1 Formation of Limited Liability Company
- Section 1.2 Defined Terms
- Section 1.3 Company Purpose

### **ARTICLE 2**

#### Members, Membership and Percentage Interests

- Section 2.1 Names, Addresses and Capital Contributions; Principal Office
- Section 2.2 Form of Contributions
- Section 2.3 Member Loans or Services
- Section 2.4 Repayment of Member Loans
- Section 2.5 Capital and Capital Accounts
- Section 2.6 Contribution of Additional Capital
- Section 2.7 Contribution of Capital Time
- Section 2.8 Admission of Additional Members
- Section 2.9 Limitation on Liability
- Section 2.10 No Individual Authority
- Section 2.11 No Member Responsible for Other Member's Commitment
- Section 2.12 Member Percentage Interest Vesting Period

### **ARTICLE 3**

#### Management and Control of Business

- Section 3.1 Overall Management Vested in Operating Manager(s)
- Section 3.2 Operating Manager(s)
- Section 3.3 Compensation of Members
- Section 3.4 Organization Expenses

### **ARTICLE 4**

#### Accounting and Records

- Section 4.1 Records and Accounting
- Section 4.2 Access to Accounting Records
- Section 4.3 Annual and Tax Information
- Section 4.4 Accounting Decisions
- Section 4.5 Federal Income Tax Elections

### **ARTICLE 5**

#### Allocations; Distributions; And Percentage Interests

- Section 5.1 Allocation of Net Income, Net Loss or Capital Gains
- Section 5.2 Distribution of Available Cash

- Section 5.3 Allocation of Income and Loss and Distributions in Respect of Percentage Interests Transferred
- Section 5.4 Special Allocations
- Section 5.5 Curative Allocations
- Section 5.6 Tax Allocations
- Section 5.7 Loss Limitation
- Section 5.8 Adjustments to Member Percentage Interests

## **ARTICLE 6**

### Changes In Members

- Section 6.1 No Dissolution
- Section 6.2 Transfer and Assignment of Members' Percentage Interest
- Section 6.3 Further Restrictions on Transfer
- Section 6.4 Substitute Members
- Section 6.5 Effect of Transfer
- Section 6.6 Penultimate Event

## **ARTICLE 7**

### Termination

- Section 7.1 Termination of the Company.
- Section 7.2 Winding Up and Order of Distribution
- Section 7.3 Distribution in Kind
- Section 7.4 Resignation
- Section 7.5 Member Expulsion

## **ARTICLE 8**

### Indemnification

- Section 8.1 Indemnification of Organizers or Members

## **ARTICLE 9**

### Miscellaneous

- Section 9.1 Complete Agreement
- Section 9.2 Governing Law
- Section 9.3 Binding Effect
- Section 9.4 Terms
- Section 9.5 Headings
- Section 9.6 Severability
- Section 9.7 Multiple Counterparts
- Section 9.8 Additional Documents and Acts
- Section 9.9 No Third Party Beneficiary
- Section 9.10 References to this Agreement
- Section 9.11 Notices
- Section 9.12 Amendments

# SECOND AMENDED OPERATING AGREEMENT FOR SWEETIE'S BAKERY AND DELI, LLC

## RECITALS

This Limited Liability Company Second Amended Operating Agreement (the "Agreement") of SWEETIE'S BAKERY AND DELI, LLC, a Colorado Limited Liability Company, (the "Company"), is entered into by and between each of the persons and/or entities set forth on Exhibit A and any and all persons who become additional and/or substituted Members of the Company pursuant to Sections 2.7 and 6.4 of this Agreement (collectively, the "Members") effective as of December 31, 2016. The Members of the Company enter into this Agreement as a binding agreement by and among the Company and all current and future Members of the Company. Wherefore, the Members agree as follows:

## ARTICLE 1 Introduction

### **Section 1.1 Formation of Limited Liability Company.**

Robert and Sarah Gartzman (collectively, the "Organizer") have acted as the Organizer to form a limited liability company under the laws of the State of Colorado by the filing of Articles of Organization (the "Articles") for SWEETIE'S BAKERY AND DELI, LLC pursuant to the Colorado Limited Liability Company Act on or about April 25, 2012.

This Agreement is subject to, and governed by, the Colorado Limited Liability Company Act and the Articles of Organization for the Company filed with the Colorado Secretary of State. In the event of a direct conflict between the provisions of this Agreement and mandatory provisions of the Colorado Limited Liability Company Act or the Articles of Organization of the Company, the mandatory provisions of the Colorado Limited Liability Company Act or the Articles of Organization of the Company, as the case may be, will be controlling.

### **Section 1.2 Defined Terms.**

The terms used in this Agreement with their initial letters capitalized, shall, unless the context otherwise requires or unless otherwise expressly provided in this Agreement, have the meanings specified in this Section 1.2. The singular shall include the plural and the masculine gender shall include the feminine and neuter, and vice versa, as the context requires. When used in this Agreement, the following terms shall have the meanings set forth below:

(a) "Act" shall mean the Colorado Limited Liability Company Act, as the same may be amended from time to time.

(b) "Additional Member" shall mean any person or Entity admitted as a Member pursuant to Section 2.7 hereof.

(c) "Adjusted Capital Account Deficit" shall mean, with respect to any Member, the deficit balance, if any, in such Member's Capital Account as of the end of the relevant fiscal year, after giving effect to the following adjustments:

i. Credit to such Capital Account any amounts which such Member is obligated to restore or is deemed to be obligated to restore pursuant to the Regulations; and

ii. Debit to such Capital Account for any items described in the Regulations. The foregoing definition of Adjusted Capital Account Deficit is intended to comply with the provisions of the Regulations and shall be interpreted consistently therewith.

(d) "Adjusted Capital Contribution" means, as of any day, a Member's Capital Contribution adjusted as follows:

(i) Increased by the amount of any Company liabilities which, in connection with distributions pursuant to Section 7.2 of this Agreement, are assumed by such Member or are secured by any Company property distributed to such Member; and,

(ii) Reduced by the amount of cash and the value of any Company property distributed to such Member pursuant to Sections 5.2 and 7.2 and the amount of any liabilities of such Member assumed by the Company or which are secured by any property contributed by such Member to the Company.

In the event any Member transfers all or any portion of his interest in the Company in accordance with the terms of this Agreement, his transferee shall succeed to the Adjusted Capital Contribution of the transferor to the extent it relates to the transferred interest.

(e) "Affiliate" shall mean any subsidiary of the Company or any individual, partnership, corporation, limited liability company, trust, or other Entity or association, directly or indirectly, through one or more intermediaries, controlling, controlled by, or under common control with a Member. The term "control," as used in the immediately preceding sentence, means, with respect to a corporation the right to exercise, directly or indirectly, more than 50% of the voting rights attributable to the controlled corporation, and, with respect to any individual, partnership, trust, other Entity or association, the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of the controlled Entity. Except that, an "Affiliate" shall not include Sweetie's IP, LLC, Mo Burrito, LLC or Mo Burrito IP, LLC.

(f) "Agreement" shall mean this Operating Agreement, as originally executed and amended and as may be amended again from time to time.

(g) "Available Cash" of the Company shall mean all cash funds of the Company on hand from time to time (other than cash funds obtained as contributions to the capital of the Company by

the Members and cash funds obtained from Member Loans to the Company) after (i) payment of all operating expenses of the Company as of such time including without limitation any licensing obligations (but excluding compensation payable to Members pursuant to Section 3.3 of this Agreement and any existing loans to the Company), (ii) provision for payment of all outstanding and unpaid current obligations of the Company as of such time, and (iii) provision for a working capital reserve in accordance with Section 5.2(c) below.

(h) "Bankruptcy" shall mean, and a Member shall be deemed a "Bankrupt Member" upon (i) the entry of a decree or order for relief against the Member by a court of competent jurisdiction in any involuntary case brought against the Member under any bankruptcy, insolvency or other similar law (collectively, "Debtor Relief Laws") generally affecting the rights of creditors and relief of debtors now or hereafter in effect, (ii) the appointment of a receiver, liquidator, assignee, custodian, trustee, or other similar agent under applicable Debtor Relief Laws for the Member or for any substantial part of its assets or property, (iii) the ordering of the winding up or liquidation of the Member's affairs, (iv) the filing of a petition in any such involuntary bankruptcy case, which petition remains undismissed for a period of 180 days, (v) the commencement by the Member of a voluntary case under any applicable Debtor Relief Law now or hereafter in effect, (vi) the consent by the Member to the entry of an order for relief in an involuntary case under any such law or to the appointment of or the taking of possession by a receiver, liquidator, assignee, trustee, custodian or other similar agent under any applicable Debtor Relief Laws for the Member or for any substantial part of its assets or property, or (vii) the making by a Member of any general assignment for the benefit of its creditors.

(i) "Capital Account" shall generally refer to the individual accounts established and maintained pursuant to Section 2.5 hereof. "Capital Account" shall mean, with respect to any Member, the capital account maintained for such Member in accordance with the tax accounting principles of the Regulations. The foregoing definition and the other provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with such Regulations and shall be interpreted and applied in a manner consistent with such Regulations. In the event the Operating Manager shall determine that it is prudent to modify the manner in which the Capital Accounts, or any debits or credits thereto (including, without limitation, debits or credits relating to liabilities that are secured by contributed or distributed property or that are assumed by the Company or any of the Members) are computed in order to comply with such Regulations, the Operating Manager may make such modification, provided that it is not likely to have a material effect on the amounts distributable to any Member pursuant to Section 7.2 upon the dissolution of the Company. The Operating Manager also shall make any appropriate modifications in the event unanticipated events such as asset acquisition might otherwise cause this Agreement not to comply with such Regulations.

(j) "Capital Contribution" shall mean the total value of cash and agreed fair market value of property contributed and agreed to be contributed to the Company by each Member, as shown in Exhibit A, as the same may be amended from time to time. Any reference in this Agreement to the Capital Contribution of a then Member shall include a Capital Contribution previously made by any prior Member for the Percentage Interest of such then Member, reduced by any distribution to such Member in return of "Capital Contribution" as contemplated herein. Additional Capital Contributions may only be required of Members with the consent of Members

owning at least fifty-one percent (51%) of the Percentage Interests. "Capital Time Contribution" shall mean the total amount of time contributed and agreed to be contributed to the Company by each Member as shown in Exhibit A as the same may be amended from time to time, and which does not include any time spent as a compensated employee, independent contractor, or professional consultant to the Company. Additional Capital Time Contributions may only be required of Members with the consent of Members owning at least fifty-one percent (51%) of the Percentage Interests.

(k) "Code" shall mean the Internal Revenue Code of 1986, as amended. All references herein to sections of the Code shall include any corresponding provision or provisions of succeeding law,

(l) "Company" shall mean SWEETIE'S BAKERY AND DELI, LLC.

(m) "Company Minimum Gain" shall have the meaning set forth in the Regulations.

(n) "Entity" shall mean any association, corporation, general partnership, limited partnership, limited liability company, joint stock association, joint venture, firm, trust, business trust, cooperative, and foreign associations of like structure.

(o) "Initial Member" and "Initial Members" shall refer to Robert and Sarah Gartzman.

(p) "Manager" or "Operating Manager" shall mean one or more Members who have been elected to the office of Operating Manager in the manner provided herein.

(q) "Member Nonrecourse Debt" has the same meaning as the term "partner nonrecourse debt" in the Regulations.

(r) "Member Nonrecourse Debt Minimum Gain" means an amount, with respect to each Member Nonrecourse Debt, equal to the Company Minimum Gain that would result if such Member Nonrecourse Debt were treated as a Nonrecourse Liability, determined in accordance with the Regulations.

(s) "Member Nonrecourse Deductions" has the same meaning as the term "partner nonrecourse deductions" in the Regulations.

(t) The "Net Operating Cash Flow" for any calendar quarterly period shall mean all of the cash received by the Company from any source including, without limitation, distributions, rents, fees, reimbursements and charges, as well as proceeds from the sale, financing or refinancing of Company property, and decreased by all actual cash expenditures for operations including, but not limited to, expenditures for principal and interest on Company indebtedness, taxes, insurance, professional fees, reasonable reserves (as determined by the Operating Manager(s)), repairs, maintenance, landscaping, renovation and capital improvements, except to the extent such expenditures are paid from reasonable reserves as determined in good faith by the Operating Manager(s).

(u) "Nonrecourse Deductions" shall have the meaning set forth in the Regulations. The amount

of Nonrecourse Deductions for a Company fiscal year equals the net increase, if any, in the amount of Company Minimum Gain during that fiscal year, determined according to the provisions of the Regulations.

(v) "Nonrecourse Liability" has the meaning set forth in the Regulations.

(w) "Operating Agreement" shall mean this Agreement, as amended from time to time.

(x) "Percentage Interest" of a Member shall mean the percentage set forth opposite the name of such Member under the column "Percentage Interest" in Exhibit A of this Agreement, as such percentage may be adjusted from time to time pursuant to the terms hereof.

(y) "Principal Office" shall mean the office of the Company, c/o 124 F Street, Salida, CO 81201, or such other address as may be established pursuant to Section 2.1(b) hereof.

(z) "Profits" and "Losses" shall mean, for each fiscal year or other period, an amount equal to the Company's taxable income or loss for such year or period, determined in accordance with the Code and the Regulations. Any items which are specially allocated pursuant to Section 5.4 or Section 5.5 shall not be taken into account in computing Profits or Losses.

(aa) "Property" shall mean any real property and improvements and appurtenances acquired by the Company.

(ab) "Regulations" shall mean the Code of Federal Regulations, including temporary and proposed regulations, relating to the Code.

(ac) "Substitute Member" shall mean any person or Entity who or which is admitted into Membership upon the written consent of all Members pursuant to Section 6.4 of this Agreement.

### **Section 1.3 Company Purpose**

The Company is formed for the object and purpose of, and the nature of the business to be conducted and promoted by the Company is, engaging in any lawful act or activity for which limited liability companies may be formed under the Act and engaging in any and all activities necessary or incidental to the foregoing, in the United States or abroad.

## **ARTICLE 2**

### **Members, Membership and Percentage Interests**

#### **Section 2.1 Names, Addresses and Capital Contributions; Principal Office.**

(a) Members, their respective addresses, their respective initial Capital Contributions to the Company, and their respective Percentage Interest in the Company are set forth on Exhibit A, attached and made a part this Agreement.



(b) The Members acknowledge that the Articles establish a principal place of business in the State of Colorado. The Company shall at all times maintain a principal place of business located within the State of Colorado.

### **Section 2.2 Form of Contributions.**

The Capital Contributions of the Members have been or must be contributed in the amount set forth on Exhibit A to this Agreement. Any additional future Capital Contributions shall be in such amounts and in such form as may be agreed upon by the affirmative vote of Members owning at least fifty-one percent (51%) of the Percentage Interests. Each Member may be required to make additional Capital Contributions to the Company, in addition to the Capital Contribution required from such Member under this Article 2.

### **Section 2.3 Member Loans or Services.**

A future Member Loan may be requested by the Operating Manager(s) at any time the cash available to the Company is insufficient to (i) pay debt service on any loan owed by the Company, (ii) pay taxes and assessments owed by the Company or attributable to any property owned by the Company, or (iii) pay other expenses which are not adequately funded by the cash flow of the Company. The Members shall be required to contribute their Percentage Interest of the Member Loan within ten (10) days of written request from the Operating Manager(s). Each Member Loan shall be due and payable twelve months from the date of funding and shall bear interest at the rate of twelve percent (12%) per annum commencing on the date the Company receives the Member Loan proceeds. Member Loans or services by any Member to the Company shall not be considered contributions to the capital of the Company.

### **Section 2.4 Repayment of Member Loans.**

Until all Member Loans are repaid in full, no Member shall draw any distributions from the Company on account of Percentage Interest. Instead, all cash or property otherwise distributable with respect to Percentage Interests of all Members shall be applied to reduce and repay all Member Loans, with such funds being applied first to reduce any interest accrued on Member Loans and then to reduce the principal of the Member Loans.

### **Section 2.5 Capital and Capital Accounts.**

(a) The Capital Contribution of each Member shall be as set forth on Exhibit A, which may be amended as new Members are admitted. No interest shall be paid on any Capital Contribution.

(b) An individual capital account (the "Capital Account") shall be established and maintained on behalf of each Member, including any Additional or Substituted Member who shall receive a Percentage Interest in the Company. The Capital Account of each Member shall consist of (i) the amount of cash such Member has contributed to the Company, plus (ii) the agreed fair market value of any property such Member has contributed to the Company, net of any liabilities assumed by the Company or to which such property is subject, plus (iii) the amount of profits or income (including tax-exempt income) allocated to such Member, less (iv) the amount of losses

and deductions allocated to such Member, less (v) the amount of all cash distributed to such Member, less (vi) the fair market value of any property distributed to such Member, net of any liability assumed by such Member or to which such property is subject, less (vii) such Member's share of any other expenditures which are not deductible by the Company for federal income tax purposes or which are not allowable as additions to the basis of Company property, less (viii) any amounts advanced by other Members for a Member Loan, net of any repayments by the Defaulting Member, and (ix) subject to such other adjustments as may be required under the Code. The Capital Account of a Member shall not be affected by any adjustments to basis made pursuant to the Code but shall be adjusted with respect to adjustments to basis made pursuant to the Code, and may be forfeited to the Company pursuant to the resignation provisions in Section 7.4 herein.

(c) No Member shall have the right to withdraw its Capital Contribution or the balance of its Capital Account or to demand and receive property of the Company or any distribution in return for its Capital Contribution or Capital Account, except (i) as may be specifically provided in this Agreement, or (ii) as may be required by law. No Member shall receive out of Company property any part of its Capital Contribution until (i) all liabilities of the Company have been paid or funds in an amount necessary to pay such liabilities have been reserved for such purpose, and (ii) the consent of all Members is obtained.

(d) Subject to the provisions of subsection (c) of this Section and Section 7.4 herein, a Member may rightfully demand the return of its Capital Contribution or its Capital Account (i) on the dissolution of the Company, or (ii) as may otherwise be provided in the Act.

(e) Except as is specifically provided otherwise in this Agreement or in the Act, no Member shall have any liability or obligation to restore a negative or deficit balance in such Member's Capital Account.

## **Section 2.6 Contribution of Additional Capital.**

To obtain funds in excess of the Initial Capital contributed to the Company, the Operating Manager(s) shall, upon by the affirmative vote of Members owning at least fifty-one percent (51%) of the Percentage Interests in the Company, have the authority to require the Members to make an "Additional Capital Contribution" to the Company, but no more frequently than quarterly. The Operating Manager(s) shall give written notice to each Member of the date on which the Additional Capital Contribution is due to the Company, which date (the "Contribution Date") shall be not less than twenty (20) nor more than thirty (30) calendar days following the date of such notice. Each Member shall deliver its Percentage Interest of the aggregate Additional Capital Contributions to the Company at its principal office on or before the Contribution Date.

(a) In the event that a Member (a "Delinquent Member") fails to pay all or any portion of the Additional Capital Contribution required of such Member by the Contribution Date (the "Delinquent Contribution"), such Delinquent Contribution, together with interest thereon, shall constitute a personal recourse debt of the Delinquent Member. Said debt shall be immediately due and payable by the Delinquent Member to the Company and

shall accrue interest from the Contribution Date at the rate of one percent (1.0%) per month on the unpaid portion of the Delinquent Contribution outstanding from time to time. Any amounts paid by the Delinquent Member on account of such liability shall be treated first as a payment of interest, and second as an additional contribution made to the capital of the Company. Until the Delinquent Contribution is paid in full, the Delinquent Member shall draw no distributions from the Company and all cash or property otherwise distributable with respect to the Percentage Interest of the Delinquent Member shall be applied to reduce the amount of such liability, with such funds being applied first to reduce any interest accrued on the Delinquent Contribution and then to reduce the Delinquent Contribution. Any funds so applied shall be deemed to have been distributed to the Delinquent Member and then repaid to the Company by the Delinquent Member.

(b) In the event a Delinquent Contribution (which term includes accrued interest) is not satisfied in full by the Delinquent Member prior to the one hundred and twentieth (120th) day following the Contribution Date, the Operating Manager(s) may, with sole discretion and without further notice to the Delinquent Member: (i) advance such Delinquent Member's Additional Capital Contribution, which advance shall bear interest at the rate of 1.0 % per month and enjoy a priority in repayment, or (ii) purchase the Delinquent Member's Percentage Interest by giving notice in writing to the Delinquent Member of the election to do so, paying to the Delinquent Member an amount equal to the balance of such Delinquent Member's Capital Account as shown on the books of the Company without regard to any pending or anticipated sale of any Company Property or assets and without interest, and paying to the Company the Additional Capital Contribution owed by the Delinquent Member and any accrued interest. In lieu of the above, the Operating Manager(s) may offer to the Members who are not then Delinquent Members (the "Non-Delinquent Members") the opportunity to purchase all or part of the Delinquent Member's Percentage Interest by paying to the Company an amount equal to the proportionate balance of such Delinquent Member's Capital Account as shown on the books of the Company without regard to any pending or anticipated sale of any Company Property or assets and without interest plus the additional Capital that is owed by the Delinquent Member and any accrued interest. To participate in such purchase, each non-Defaulting Member's payment must be received by the Company within ten (10) calendar days after the date of the written notice from the Operating Manager(s). If more than one Non-Delinquent Member participates in the purchase of the Delinquent Member's Percentage Interest,, then the participating Non-Delinquent Members shall each receive an equal and not pro rata portion of the proportionate Delinquent Member's Percentage Interest and the Operating Manager(s) shall promptly reimburse to the participating Non-Delinquent Members any excess amounts received by the Company. The Percentage Interests of the Members shall then be adjusted, including the Delinquent Member's Percentage Interest if applicable. The Percentage Interest lost by the Delinquent Member shall be distributed to the Non-Delinquent Members who paid the Delinquent Member's Delinquent Contribution, in proportion to the amount contributed by each such Non-Delinquent Member pursuant to this subsection (b). Nothing herein, however, will require a Non-Delinquent Member who participates in the purchase of a Delinquent Member's Percentage Interest to provide the Company with additional Capital Time Contributions unless required pursuant to Section 2.7 below.

(c) Upon purchase of all or any portion of a Delinquent Member's Percentage Interest in the Company, the Delinquent Member (as "Seller"), the purchasing Non-Delinquent Member(s) (as "Buyer") and the Company, shall be deemed to have agreed to a General Release. In addition, the Seller shall be deemed to represent and warrant to the Company and the Buyer as follows: (i) that Seller has never transferred, or purported to transfer, the portion of the Seller's Percentage Interest hereby transferred to any other person and the Seller is and remains the sole and absolute owner of the portion of the Seller's Percentage Interest hereby transferred; (ii) that all of Seller's rights and interests with respect to the Company are free and clear of any liens, claims, pledges, security interests, restrictions on transfer or other rights of third parties, except those set forth in the Amended Operating Agreement of the Company; and, (iii) that the Seller has full legal and equitable right, authority and capacity to enter into and fully perform the Seller's obligations under the Amended Operating Agreement. If at any time, the Seller, the Company or the Buyer reasonably requests any other party to sign and deliver any additional or further documents to confirm any matters covered by or reasonably related to the sale of a Percentage Interest pursuant to Section 2.6 of this Agreement, such party agrees to comply with such request without cost or unreasonable delay.

(d) Any Member who remains a Delinquent Member for a period of thirty (30) days shall not thereafter be entitled to participate in Company decisions requiring the consent or approval of Members or Operating Managers and such decisions shall be made solely by the Non-Delinquent Members and Operating Managers from and after said thirty (30) day period. From and after the date that the Delinquent Contribution (plus accrued interest) has been satisfied in full, whether by payment from the Delinquent Member or by contribution of the Delinquent Contribution to the capital of the Company by loan from the Company or payment by one or more Non-Delinquent Members, the Delinquent Member shall once again be entitled to participate as a Member and/or Operating Manager in Company decisions if the Delinquent Member retains any Percentage Interest.

## **Section 2.7 Contribution of Capital Time**

(a) The initial Capital Time Contribution of each Member shall be as set forth on Exhibit A, which may be amended as new Members are admitted. Notwithstanding Exhibit A, a Member can provide the Company with the Member's initial Capital Time Contribution within six (6) months of becoming a Member of the Company. If a Member has not provided the Company with the initial Capital Time Contribution of such Member at the time of execution of this Agreement, the Operating Manager(s) shall provide such Member with two or more options in writing for the Member to provide its initial Capital Time Contribution to the Company. In any case, the Operating Manager(s) must approve any time spent and allocated to a Capital Time Contribution to the Company. No compensation shall be paid or adjustments made to a Member's Capital Account on account of any Capital Time Contribution.

(b) To obtain uncompensated time commitments in excess of the initial Capital Time Contributions to the Company for the purposes of increasing the Members' Capital Time

Contributions proportionately or to reconcile the Members' Capital Time Contributions proportionately, the Operating Manager(s) shall, upon the affirmative vote of Members owning at least fifty-one percent (51%) of the Percentage Interests in the Company, have the authority to require a Member or the Members to make an "Additional Capital Time Contribution" to the Company, but no more frequently than annually. The Operating Manager(s) shall give written notice to each Member of the date on which the Additional Capital Time Contribution is due to the Company, which shall be not less than six (6) months following the date of such notice.

**Section 2.8 Admission of Additional Members.**

The Members may admit to the Company Additional Member(s) who will participate in the profits, losses, available cash flow, and ownership of the assets of the Company on such terms as are determined by fifty-one percent (51%) of the Members. The admission of any such Additional Member(s) shall require the written consent of a majority of Members then having any Percentage Interest in the Company, and such Additional Members shall be allocated gain, loss, income or expense by such method as may be provided in this Agreement, and if no method is specified, then as may be permitted by the Code.

**Section 2.9 Limitation on Liability.**

No Member shall be liable under a judgment, decree, or order of the court, or in any other manner, for a debt, obligation or liability of the Company, except as provided by law. No Member shall be required to loan any funds to the Company. Except as may be otherwise expressly provided herein, no Member shall be required to make any contribution to the Company by reason of any negative balance in its Capital Account, nor shall any negative balance in a Member's Capital Account create any liability on the part of the Member to any third party.

**Section 2.10 No Individual Authority.**

Except as may be expressly provided in Article 3 hereof, no Member, acting alone, shall have any authority to act for, or to undertake or assume, any obligation, debt, duty or responsibility on behalf of, any other Member or the Company.

**Section 2.11 No Member Responsible for Other Member's Commitment.**

In the event that any Member (or any of such Member's shareholders, partners, members, owners, or Affiliates) has incurred any indebtedness or obligation prior to the date hereof, neither the Company nor any other Member shall have any liability or responsibility for or with respect to such indebtedness or obligation unless such indebtedness or obligation is assumed by the Company pursuant to a proper written instrument. Further, neither the Company nor any Member shall be responsible or liable for any indebtedness or obligation that is hereafter incurred by any other Member (or any of such Member's shareholders, partners, members, owners, or Affiliates). In the event that a Member (or any of such Member's shareholders, partners, members, owners, or Affiliates), whether prior to or after the date of this Agreement, incurs (or has incurred) any debt or obligation that neither the Company nor any of the other

Members is to have any responsibility or liability for, the Member who incurs or has incurred such obligation shall indemnify and hold harmless the Company and all other Members from any liability or obligation they may incur in respect thereof.

### **Section 2.12 Member Percentage Interest Vesting Period**

Notwithstanding anything that may be construed as contrary in this Agreement, any establishment of or adjustment to the Percentage Interest or Capital Account of each Member in the Company will not vest until twelve (12) months after the date of any associated Capital Contribution or Additional Capital Contribution. Nothing herein, however, will impact a Member's right to vote in proportion to its Percentage Interest in the Company whether vested or not.

## **ARTICLE 3**

### **Management and Control of Business**

#### **Section 3.1 Overall Management Vested in Operating Manager(s).**

(a) Except as to "Major Decisions" (defined in Section 3.2(c)) and other matters expressly reserved to Members herein, management of the Company shall be vested in one or more Operating Managers, who shall continue to have the voting rights specified in paragraph (d) of this Section 3.1. Operating Managers and any of their Affiliates may engage in other business activities of any nature.

(b) Only the Operating Managers shall be authorized to engage in acts or omissions on behalf of the Company which are required for the Company to engage in its ordinary, day-to-day operations. However, the Operating Managers may delegate to one or more Member(s) of the Company authority to engage in some or all of the Operating Managers' authority to engage in acts or omissions on behalf of the Company which are required for the Company to engage in its ordinary, day-to-day operations. If the Operating Managers delegate such authority to a Member, they must do so in writing and articulate the scope of delegated authority to the Member. The Operating Managers can withdraw or terminate any delegated authority at any time and for any reason in their discretion. Any proposed action or omission which is not within the Company's ordinary course of business or with respect to any "Major Decision" as defined in Section 3.2(c) below may be taken only upon the affirmative vote of existing Members owning at least fifty-one (51%) of the Percentage Interests in the Company. The Operating Managers may from time to time provide direction to distinguish acts taken in, or outside of, the ordinary course of business.

(c) If required by law, a Member shall be qualified to do business in Colorado by obtaining a certificate of authority to do so from the Secretary of State of the State of Colorado.

(d) Meetings of the Members. <sup>1</sup>~~SEP~~

(i) As provided in subsection (d)(ii) of this Section, meetings of Members may be called by any Member.

(ii) The Company shall deliver, mail or send by electronic transmission written notice stating the date, time, and place of any meeting of Members and, when otherwise required by law, a description of the purposes for which the meeting is called, to each Member of record entitled to vote at the meeting, at such address as appears in the records of the Company, such notice to be provided at least five (5), but not more than sixty (60), days before the date and time of the meeting. A Member may waive notice of any meeting, before or after the date of the meeting, by delivering a signed waiver to the Company for inclusion in the minutes of the Company. A Member's attendance at any meeting, in person or by proxy (i) waives objection to lack of notice or defective notice of the meeting, unless the Member at the beginning of the meeting objects to holding the meeting or transacting business at the meeting, and (ii) waives objection to consideration of a particular matter at the meeting that is not within any purposes described in the meeting notice, unless the Member objects to considering the matter when it is presented.

(iii) A Member may appoint a proxy to vote or otherwise act for the Member pursuant to a written appointment form executed by the Member or the Member's duly authorized attorney-in-fact. An appointment of a proxy is effective when received by the Company. The general proxy of a fiduciary is given the same effect as the general proxy of any other Member. A proxy appointment is valid for eleven months unless otherwise expressly stated in the appointment form.

(iv) At any meeting of Members, each Member entitled to vote shall have a number of votes equal to the Percentage Interest owned by such Member. At any meeting of Members, presence of Members entitled to cast at least sixty percent (60%) of the total votes of all Members entitled to vote at such meeting constitutes a quorum. Action on a matter is approved if it receives approval by at least sixty percent (60%) of the total number of votes entitled to be cast by all Members in the Company entitled to vote at such meeting or such greater number as may be required by law, by the Articles or by this Agreement for the particular matter under consideration. Upon the occurrence of a Dissolution Event (as defined in this Agreement), a former Member shall not be entitled to any vote in determining whether the Company shall purchase the Percentage Interest of such former Member. Also, any assignee of a Member's Percentage Interest in the Company shall not be entitled to vote or participate on any matters at any meeting unless such assignee become a Substitute Member as contemplated in Section 6.4 hereof.

(v) To the maximum extent permitted by the Act, any action required or permitted to be taken at a Members' meeting may be taken without a meeting if the action is taken by all of the Members entitled to vote on the action. The action must be evidenced by one or more written consents describing the action to be taken, signed by all the Members entitled to vote on the action, and delivered to the Company for inclusion in the minutes. The record date for determining Members entitled to take action without a meeting is the first date a Member signs the consent to such action.

(vi) Any or all Members may participate in any Members' meeting by, or through the use of, any means of communication by which all Members participating may simultaneously

hear each other during the meeting. A Member so participating is deemed to be present in person at the meeting.

(vii) At any Members' meeting the Members shall appoint a person to preside at the meeting and a person to act as secretary of the meeting. The secretary of the meeting shall prepare minutes of the meeting which shall be placed in the minute books of the Company.

(viii) Except as provided in Section 3.2 below, all powers of the Company shall be exercised by or under the authority of, and the business and affairs of the Company shall be managed under the direction of, the Members. The Members intend to delegate their authority and management of the Company to one or more Operating Manager(s).

### **Section 3.2 Operating Manager(s).**

Notwithstanding the provisions of Section 3.1 above, management of the business and property of the Company may be delegated by the Members to one or more Operating Managers in the manner provided in this Section 3.2.

(a) Election of Operating Manager. The Operating Manager(s) shall serve until removed or replaced by the Members. The removal of an Operating Manager shall require the approval of Members holding at least fifty-one (51%) of the Percentage Interests outstanding as of the time of such removal. Whenever there is more than one Operating Manager, the decision of a majority of the Operating Managers will control.

(b) Duties of Operating Manager(s). Except to the extent certain powers and authorities are reserved by the Members, the Operating Manager(s) shall perform the duties described below in this Section 3.2(b).

(i) The Operating Manager(s) shall perform all ministerial duties associated with performance of the business of the Company, and shall preside at all meetings of the Company. The Operating Manager(s) shall represent the Company in all transactions with third parties, unless they shall have designated in writing another person as representative of the Company. The Operating Manager(s) shall establish and maintain such checking, savings, and other accounts as it may from time to time deem appropriate. In addition to other duties which may be set out herein, the Operating Manager(s) shall diligently and faithfully devote such time to the Company business as may be necessary to carry on and conduct said business for the Company; shall render to the Members whenever reasonably requested by them, a true and faithful account of all dealings and transactions relating to the business of the Company; shall be required to make all payments of taxes, insurance premiums and payments of principal and interest on any indebtedness of the Company as may be necessary from time to time to protect and preserve the interest of the Company in its assets to the extent that the funds of the Company are sufficient therefor; shall prepare and file or cause to be prepared and filed all tax returns and other returns and reports to any governmental authority reasonably required for the carrying on of the business of the Company; and shall do all other things



and perform such other duties as may be reasonably necessary to the successful operation of the Company whenever reasonably possible.

(ii) Subject to the provisions of Section 3.1(b), above, the Operating Manager(s) shall have all necessary powers to carry out the purposes, business, and objectives of the Company, including, but not limited to, the right to enter into and carry out contracts of all kinds; to employ employees, agents, consultants and advisors on behalf of the Company; to bring and defend actions in law or at equity; and, to buy, own, manage, sell, lease, mortgage, pledge or otherwise acquire or dispose of Company property. The Operating Manager(s) may deal with any related Affiliate or other related person, firm or Entity on terms and conditions that would be available from an independent responsible third party that is willing to perform. The Operating Manager(s) shall not have the authority to make any Major Decision, it being the Members' intention that all Major Decisions shall be approved in accordance with paragraph 3.2(c) below.

(iii) The Operating Manager(s) may employ a competent person to be an employee of the Company who shall be responsible for authenticating the records of the Company, including keeping correct and complete books of account which show accurately at all times the financial condition of the Company, safeguarding all funds, notes, securities, and other valuables which may from time to time come into possession of the Company, depositing all funds of the Company with such depositories as the Operating Manager(s) shall designate. Such employee shall have such other duties as the Members may from time to time prescribe, but under no circumstance shall such employee have any of the rights, powers, responsibilities or duties of the Operating Manager(s) of the Company as prescribed herein or by law.

(iv) The Operating Manager(s) may require any employee, consultant, independent contractor, or Member of the Company to provide the Company with reports and/or financial disclosures relating to Company's operations or management if applicable, in a form and of a scope subject to the discretion of the Operating Manager(s).

(c) Major Decisions. Notwithstanding the appointment of one or more Operating Managers and the delegation of certain powers and authorities to such Operating Managers, no act shall be taken, sum expended, decision made or obligation incurred by the Company except by the unanimous affirmative vote of Members with respect to a matter within the scope of any of the decisions enumerated below (the "Major Decisions"). The Major Decisions shall include (i) entering into any commitment or agreement by which the Company shall be obligated to purchase, develop, market or sell real estate, (ii) paying or committing the Company to pay any compensation or expense reimbursement to a Member (except as set forth herein, including (without limitation) Section 3.3, below), (iii) selling of all or substantially all assets of the Company except in the ordinary course of business, (iv) granting or creating of a mortgage or encumbrance upon all or substantially all assets of the Company except for acquisition and development financing, (v) effecting any change in the character of the business of the Company, (vi) disposing of the goodwill of the Company, (vii) voluntarily submitting any claim of the Company to arbitration, (viii) confessing a judgment against the Company, (ix) committing any act which would make it impossible for the Company to carry on its ordinary business, and (x)

amending the Articles or Operating Agreement of the Company.

(d) Capital Funding Decisions. Notwithstanding any provisions to the contrary in this Agreement, the Members contemplate funding operations through loan or finance arrangements with third parties.

(e) Initial Operating Manager(s). Pursuant to Section 3.2(a), the Members have agreed that the Initial Operating Manager(s) will be Robert and Sarah Gartzman.

### **Section 3.3 Compensation of Members.**

The Members may adopt, by the affirmative vote of sixty percent (60%) of all Percentage Interests, Resolutions providing for the payment to one or more Members of a salary as an employee or payment as an independent contractor or for a professional consulting fee. Any such fees shall be paid only for services actually rendered and shall be commercially reasonable in amount and subject to commercially reasonable and customary terms and conditions, except that (a) any salary, fee or other compensation or adjustments to same are subject to the discretion of the Operating Manager(s) subject to any limitations herein, and (b) any salary, fee or other compensation for a Member is based on a fixed dollar amount and no Member has any actual or implicit right to additional benefits of any kind whatsoever under this Agreement unless otherwise mandated by law. Any existing Resolutions with respect to Compensation of Members are attached as Exhibit B. Except as set forth in this Agreement or any other written agreement, the Members shall not be entitled to receive any compensation for performing services for the benefit of the Company including but not limited to any Capital Time Contributions. Any Member who incurs expenses in furtherance of the Company's business, which expenses are either budgeted, pre-approved or ratified by the Operating Manager(s), shall be entitled to be reimbursed by the Company.

### **Section 3.4 Organization Expenses.**

The Company shall pay all expenses incurred in the organization of the Company. This includes, but is not limited to, any fees associated with revisions to the original Operating Agreement of the Company or this Agreement necessary for operating purposes or the admission of new Members.

## **ARTICLE 4**

### **Accounting and Records**

#### **Section 4.1 Records and Accounting.**

The books and records of the Company shall be kept, and the financial position and the results of its operations recorded, in accordance with the accounting methods elected to be followed by the Company for federal income tax purposes. The books and records of the Company shall reflect all Company transactions and shall be appropriate and adequate for the Company's business. The fiscal year of the Company for financial reporting and for federal income tax purposes shall

be the calendar year.

**Section 4.2 Access to Accounting Records.**

All books and records of the Company shall be maintained at the principal office of the Company or another location chosen by the Operating Manager(s), and each Member, and its duly authorized representative, shall have access to them at such office of the Company and the right to inspect and copy them at reasonable times.

**Section 4.3 Annual and Tax Information.**

The Operating Manager(s) shall use their best efforts to cause the Company to deliver to each Member within 120 days after the end of each fiscal year all information necessary for the preparation of such Member's federal income tax return. The Operating Manager(s) also has the discretion to prepare, within 120 days after the end of each fiscal year, a financial report of the Company that includes a year end balance sheet, an annual income statement, and a statement of reconciliation of the Capital Accounts of the Members.

**Section 4.4 Accounting Decisions.**

All decisions as to accounting matters, except as otherwise specifically set forth in this Agreement, shall be made by the Operating Manager(s). The Operating Manager(s) may rely upon the advice of their accountants as to whether such decisions are in accordance with accounting methods followed for federal income tax purposes.

**Section 4.5 Federal Income Tax Elections.**

The Company may make all such elections for federal income tax purposes which are approved by the Operating Manager(s).

**ARTICLE 5**

**Allocations; Distributions; and Percentage Interests**

**Section 5.1 Allocation of Net Income, Net Loss or Capital Gains.**

Except as may be expressly provided otherwise in this Agreement, and subject to the provisions of the Code, the net income, net loss or capital gains of the Company for each fiscal year of the Company shall be allocated to the Members, pro rata in accordance with their Percentage Interest.

**Section 5.2 Distribution of Available Cash.**

Periodically, but not less frequently than at the end of each calendar year, and subject to the provisions of Section 2.4, above, the Available Cash of the Company, if any, shall be distributed to the Members in accordance with this Article 5. Distributions of Available Cash shall be made in the following order and priority:

- (a) First, to any payments due under the Licensing Agreement attached as Exhibit C, to the extent they have not been paid as part of the operating expenses of the Company prior to any calculation of Available Cash of the Company.
- (b) Thereafter, for compensation payable to Members pursuant to Section 3.3 of this Agreement.
- (c) Thereafter, to the repayment of Member Loans, which payments shall be made pro rata in proportion to the principal amount of the Member Loan outstanding to each Member. Each payment made on a Member Loan shall be applied first to interest and late charges and then to principal.
- (d) Thereafter, to the repayment of any third-party loan to the Company. Any existing third-party loans to the Company are attached as Exhibit D or will be incorporated into Exhibit D as they arise.
- (e) Thereafter, to the repayment of any loan to the Company by a Member other than a Member Loan. Any such existing loans to the Company by a Member are attached as Exhibit E or will be incorporated into Exhibit E as they arise.
- (f) Thereafter, any remaining Available Cash shall be distributed to the Members pro rata in accordance with their Percentage Interests. Available Cash of the Company need not be distributed to the extent that such cash is required for a reasonable working capital reserve for the Company or for contingent liabilities, the amount of such reasonable working capital reserve or contingent liability to be determined by the Operating Manager(s).

**Section 5.3 Allocation of Income and Loss and Distributions in Respect of Percentage Interests Transferred.**

- (a) If any Percentage Interest in the Company is transferred, or is increased or decreased by reason of the admission of a new Member or otherwise, during any fiscal year of the Company, each item of income, gain, loss, deduction, or credit of the Company for such fiscal year shall be assigned pro rata to each day in the particular period of such fiscal year to which such item is attributable (i.e., the day on or during which it is accrued or otherwise incurred) and the amount of each such item so assigned to any such day shall be allocated to the Member based upon its respective Percentage Interest in the Company at the close of such day. For the purpose of accounting convenience and simplicity, the Company may treat a transfer of, or an increase or decrease in, a Percentage Interest in the Company which occurs at any time during a calendar month as having been consummated on the first day of month, regardless of when during such month such transfer, increase, or decrease actually occurs.
- (b) Distributions in respect of a Percentage Interest in the Company shall be made only to the Members who, according to the books and records of the Company, are the holders of record of the Percentage Interests in respect of which such distributions are made on the actual date of distribution. Neither the Company nor any Member shall incur any liability for making distributions in accordance with the provisions of the preceding sentence, whether or not the

Company or the Member has knowledge or notice of any transfer or purported transfer of ownership of a Percentage Interest in the Company which has not been approved by unanimous consent of the Members. Notwithstanding any provision above to the contrary, any gain or loss of the Company realized in connection with a sale or other disposition of any of the assets of the Company shall be allocated solely to the parties owning Percentage Interests in the Company as of the date such sale or other disposition occurs.

#### **Section 5.4 Special Allocations.**

The following special allocations shall be made in the following order:

(a) **Minimum Gain Chargeback.** Except as otherwise provided in the Regulations and notwithstanding any other provision of this Section 5.4, if there is a net decrease in Company Minimum Gain during any Company fiscal year, each Member shall be specially allocated items of Company income and gain for such fiscal year (and, if necessary, subsequent fiscal years) in an amount equal to such Member's share of the net decrease in Company Minimum Gain, determined in accordance with the Regulations. Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Member pursuant thereto. The items to be so allocated shall be determined in accordance with the Regulations. This Paragraph 5.4(a) is intended to comply with the minimum gain chargeback requirement in such Regulations and shall be interpreted consistently therewith.

(b) **Member Minimum Gain Chargeback.** Except as otherwise provided in the Regulations and notwithstanding any other provision of this Section 5.4, if there is a net decrease in Member Nonrecourse Debt Minimum Gain attributable to a Member Nonrecourse Debt during any fiscal year, each Member who has a share of the Member Nonrecourse Debt Minimum Gain attributable to such Member Nonrecourse Debt, determined in accordance with the Regulations, shall be specially allocated items of Company income and gain for such fiscal year (and, if necessary, subsequent fiscal years) in an amount equal to such Member's share of the net decrease in Member Nonrecourse Debt, determined in accordance with the Regulations. Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Member. The items to be so allocated shall be determined in accordance with Regulations. This Paragraph is intended to comply with the minimum gain chargeback requirement in the Regulations and shall be interpreted consistently therewith.

(c) **Qualified Income Offset.** Except as provided in this Paragraph, in the event any Member unexpectedly receives any adjustments, allocations or distributions described in the Regulations, items of Company income and gain shall be specially allocated to such Member in an amount and manner sufficient to eliminate, to the extent required by such Regulations, the Adjusted Capital Account Deficit of such Member as quickly as possible, provided that an allocation pursuant to this Paragraph shall be made only if and to the extent that the Member would have an Adjusted Capital Account Deficit after all other allocations provided for in this Section 5.4 have been tentatively made as if this Paragraph were not in the Agreement.

(d) **Gross Income Allocation.** In the event any Member has a deficit Capital Account at the end

of any Company fiscal year that is in excess of the sum of (i) the amount such Member is obligated to restore and (ii) the amount such Member is deemed to be obligated to restore pursuant to the Regulations, such Member shall be specially allocated items of Company income and gain in the amount of such excess as quickly as possible, provided that an allocation pursuant to this Paragraph shall be made only if and to the extent that such Member would have a deficit Capital Account in excess of such sum after all other allocations provided for in this Section 5.4 have been made as if Paragraph 5.4(c) and this Paragraph 5.4(d) were not in the Agreement.

(e) Nonrecourse Deductions. Nonrecourse Deductions for any fiscal year or other periods shall be allocated in accordance with the Members' Percentage Interests.

(f) Member Nonrecourse Deductions. Any Member Nonrecourse Deductions for any fiscal year shall be specially allocated to the Member who bears the economic risk of loss with respect to the Member Nonrecourse Debt to which such Member Nonrecourse Deductions are attributable in accordance with the Regulations.

#### **Section 5.5 Curative Allocations.**

The special allocations set forth in Section 5.4 hereof (the "Regulatory Allocations") are intended to comply with certain requirements of the Regulations. It is the intent of the Members that, to the extent possible, all Regulatory Allocations shall be offset either with other Regulatory Allocations or with special allocations of other items of Company income, gain, loss or deduction pursuant to this Section 5.5. Therefore, notwithstanding any other provision of this Section 5.5 (other than the Regulatory Allocations), the Operating Manager(s) shall make such offsetting special allocations of Company income, gain, loss or deduction in whatever manner they determine appropriate so that, after such offsetting allocations are made, each Member's Capital Account balance is, to the extent possible, equal to the Capital Account balance such Member would have had if the Regulatory Allocations were not part of the Agreement and all Company items were allocated pursuant to Section 5.1.

#### **Section 5.6 Tax Allocations.**

In accordance with the Code and the Regulations thereunder, income, gain, loss and deduction with respect to any property contributed to the capital of the Company shall, solely for tax purposes, be allocated among the Members so as to take into account any variation between the adjusted basis of the property for federal income tax purposes and its fair market value determined in accordance with the Regulations. In the event the value of any Company asset is adjusted pursuant to a revaluation permitted in the Regulations, subsequent allocations of income, gain, loss and deduction with respect to such assets shall take account of any variation between the adjusted basis of such assets for federal income tax purposes and its value in the same manner as under the Code and the Regulations thereunder. Any elections or other decisions relating to such allocations shall be made by the Operating Manager(s) in any manner that reasonably reflects the purpose and intention of this Agreement. Allocations pursuant to this Section 5.6 are solely for purposes of federal, state and local taxes and shall not affect, or in any way be taken into account in computing any Member's Capital Account or share of Profits,

Losses, or other items or distributions pursuant to any provision of this Agreement.

**Section 5.7 Loss Limitation.**

Losses allocated pursuant to Section 5.1 hereof shall not exceed the maximum amount of Losses that can be allocated without causing any Member to have an Adjusted Capital Account Deficit at the end of any fiscal year. In the event some but not all of the Members would have Adjusted Capital Account Deficits as a consequence of an allocation of Losses pursuant to Section 5.1 hereof, the limitation set forth in this Section 5.7 shall be applied on a Member by Member basis and Losses not allocable to any Member as a result of such limitation shall be allocated to the other Members in accordance with the positive balances in such Member's Capital Accounts so as to allocate the maximum permissible Losses to each Member under the Regulations.

**Section 5.8 Adjustments to Member Percentage Interests.**

The Percentage Interest in the Company of each Member will be adjusted annually as follows, subject to the "Member Percentage Interest Vesting Period" outlined above. In particular, the Percentage Interest of each Member other than any Member who is an Operating Manager will increase by a 3% Percentage Interest in the Company annually subject to the limitations below and a mandatory Additional Capital Contribution in an amount equal to the then proportionate balance of the Members' adjusted Percentage Interests and Capital Account as shown on the books of the Company and subject to the allocations of income and loss and distributions as noted herein. As a corollary, the Percentage Interest of any Member who is an Operating Manager at the time of any such adjustment will decrease proportionately and subject to the allocations of income and loss and distributions as noted herein. It is within the discretion of the Operating Manager(s) to receive a special or additional distribution from the Company or other payment for the associated transfer of Percentage Interest in the amount of the Additional Capital Contribution noted above or to contribute any such distribution and payment entitlement to the Company as an Additional Capital Contribution by the Operating Manager(s), but as part of any such adjustment in Member Percentage Interests the Company (a) will increase proportionately the Capital Account of each Member including any Member who is an Operating Manager who makes an Additional Capital Contribution and reconcile the Members' Capital Accounts by requiring another Additional Capital Contribution when appropriate to maintain proportionality in relation to the Members' adjusted Percentage Interests, and (b) will decrease the Capital Account of any Member who is an Operating Manager and who receives a distribution or other payment for any transfer of a Percentage Interest in the Company as outlined herein and reconcile the Members' Capital Accounts by requiring an Additional Capital Contribution if necessary to maintain proportionality in relation to the Members' adjusted Percentage Interests. Any such adjustment to the Percentage Interest of each Member as provided herein also is subject to the Additional Capital Time Contribution provisions outlined above. No single Member other than the Initial Operating Managers, however, can have a Percentage Interest in the Company in excess of 24% absent an amendment to this Agreement as provided for herein and any Member entitlement to an adjustment in Member Percentage Interests as outlined herein becomes null and void if the Member has a Percentage Interest in the Company of 24% or greater. If any Member other than the Initial Operating Managers or combination of Members other than the Initial Operating Managers secures a Percentage Interest in the Company in excess

of 45%, then any Member or Members with a Percentage Interest in the Company in excess of 45% including but not limited to the Initial Operating Managers can invoke the provisions outlined below relating to a "Penultimate Event."

## **ARTICLE 6**

### **Changes In Members**

#### **Section 6.1 No Dissolution.**

The bankruptcy, death, dissolution, liquidation, termination or adjudication of incompetency of a Member shall not cause the termination or dissolution of the Company and the business of the Company shall continue so long as there is at least one Member remaining. Upon any such event, the trustee, receiver, executor, administrator, committee, guardian or conservator of such Member shall have all the rights of such Member for the purpose of settling or managing such former Member's estate or property only upon satisfying all conditions precedent to the admission of such assignee as a substitute Member. The transfer by such trustee, receiver, executor, administrator, committee, guardian or conservator of any Percentage Interest shall be subject to all of the restrictions to which such transfer would have been subject if such transfer had been made by the former Member.

#### **Section 6.2 Transfer and Assignment of Members' Percentage Interest.**

No Member shall be entitled to assign, convey, sell, encumber or in any way alienate all or any part of its Percentage Interest in the Company or membership in the Company except with the prior written consent of fifty-one percent of the Members, which consent may be given or withheld, conditioned or delayed, as the remaining Members may determine in their sole discretion. Transfers in violation of this Section 6.2 shall only be effective to the extent set forth in Section 6.5(b) hereof.

#### **Section 6.3 Further Restrictions on Transfer.**

No Member shall assign, convey, sell, encumber or in any way alienate all or any part of its Percentage Interest in the Company unless (i) such Percentage Interest is registered under applicable federal and state securities laws if necessary, and (ii) the Percentage Interest to be sold or exchanged, when added to the total of all other Percentage Interests sold or exchanged in the preceding twelve (12) consecutive months prior thereto, would not result in the termination of the Company under the Code.

#### **Section 6.4 Substitute Members.**

A transferee of a Member's Percentage Interest in the Company shall have the right to become a Substitute Member if (i) the requirements of Sections 6.2 and 6.3 are met, (ii) such person executes an instrument satisfactory to the remaining Members accepting and adopting the terms and provisions of this Agreement as it may be amended, and (iii) such person pays any reasonable expenses in connection with his or her admission as a Member, other than the Organization Expenses outlined in Section 3.4.



### **Section 6.5 Effect of Transfer.**

(a) Any permitted transfer of all or any portion of a Member's Percentage Interest in the Company will take effect on the first day of the month following receipt by the Members of written notice of transfer. Any transferee of a Percentage Interest in the Company shall take subject to the restrictions on transfer imposed by this Agreement.

(b) Upon any transfer of a Member's Percentage Interest in the Company in violation of this Agreement, the transferee shall have no right to participate in the management of the business and affairs of the Company or to become a Member, but such transferee shall be entitled to receive the share of profits by way of income and the return of contributions to which the transferor of such Percentage Interest in the Company would otherwise be entitled.

### **Section 6.6 Penultimate Event.**

A "Penultimate Event" occurs if any Member other than the Initial Operating Managers or combination of Members other than the Initial Operating Managers secures a Percentage Interest in the Company in excess of 45%. If a Penultimate Event occurs, then any Member or Members with a Percentage Interest in the Company in excess of 45% including but not limited to the Initial Operating Managers can ask the Operating Manager(s) to require the Members to choose from the following options through a vote in excess of fifty-one percent (51%): (a) to continue as a going concern in the current form and subject to this Agreement as it may be amended; (b) to explore and/or pursue the sale of the Company to a third party who may be affiliated or unaffiliated with an existing Member; or (c) for the Member or combination of Members other than the Initial Operating Managers who have invoked the Penultimate Event provisions to purchase the outstanding Percentage Interests from the remaining Member(s) including but not limited to any Operating Manager(s) based on the amount of the Capital Account of each exiting Member plus the proportionate value of each exiting Members' actual interest in the Company based on a third-party valuation of the Company consisting of (i) the market value replacement cost of the Company's equipment and other tangible assets; (ii) plus the annual net profit of the Company, averaged over the prior three fiscal years; (iii) plus a reasonable estimate of the Company's goodwill, with such goodwill not to be valued at less than \$10,000.00 under any circumstances.

## **ARTICLE 7** **Termination**

### **Section 7.1 Termination of the Company.**

The Company shall be dissolved, its assets liquidated, and its affairs wound up on the occurrence of any of the following "Dissolution Events:"

- (a) By the unanimous written agreement of all Members; or
- (b) The entry of a decree of judicial dissolution under the Act; or

(c) At such earlier time as may be required by applicable law.

### **Section 7.2. Winding Up and Order of Distribution.**

Upon the occurrence of any Dissolution Event or any other termination of the Company, and if the remaining Members do not elect carry on the business of the Company, the Operating Manager(s) (or if there is no Operating Manager, the Member elected by holders of at least sixty percent (60%) of the remaining Percentage Interests), shall dissolve the Company in accordance with the Act, and shall apply and distribute the proceeds therefrom in the following order:

- (a) First, to the claims of creditors other than the Members;
- (b) Second, to the claims of the Members as creditors; and
- (c) The balance to the Members in accordance with the positive balances in their Capital Accounts after all adjustments for allocations and distributions for the taxable year of liquidation.

Similarly, upon the liquidation of any Member's interest in the Company, liquidating distributions shall be made in accordance with the positive Capital Account balance of such Member as determined after taking into account all Capital Account adjustments for the Company taxable year during which such liquidation occurs by the end of such taxable year (or, if later, within ninety (90) days after the date of such liquidation). For purposes of making distributions hereunder, the Company taxable year shall be determined without regard to Code Section 706(c)(2)(A).

### **Section 7.3. Distribution in Kind.**

If the liquidator shall determine that all or a portion of the Company's assets should be distributed in kind to the Members, he shall obtain an independent appraisal of the fair market value of each such asset as of a date reasonably close to the date of liquidation. Any unrealized appreciation or depreciation with respect to such assets shall be allocated among the Members (in accordance with the appropriate provisions of Article 5 regarding the allocation of income and losses as if such assets had been sold at such fair market value) and shall be taken into consideration in determining the balance in the Members' Capital Accounts as of the date of liquidation. Distribution of any such assets in kind to a Member shall be considered a distribution of an amount equal to the asset's fair market value for purposes of distribution under Section 7.2. The liquidator, in his sole discretion, may distribute any percentage of any asset in kind to any Member even if such percentage exceeds the percentage in which such Member shares in Net Operating Cash Flow so long as the sum of the cash and fair market value of all the assets distributed to each Member equals the amount of distribution to which each Member is entitled. No Member shall receive a distribution in kind as otherwise permitted hereunder unless such Member consents to such distribution.

### **Section 7.4. Resignation.**

A Member who is a current Operating Manager may not resign from the Company without violating this Agreement. Any other Member can resign from the Company by forfeiting any

Percentage Interest in the Company, Capital Contributions, Capital Account or rights to Distributions of Available Cash. In the event that a Member resigns from the Company, however, the Member will remain subject to the allocations in Sections 5.1, 5.3, 5.4, 5.5, 5.6 and 5.7 herein. Any Member who resigns in violation of this Agreement shall be liable to the Company for damages as provided in the Act.

#### **Section 7.5 Member Expulsion.**

Any Member other than an Initial Operating Manager or current Operating Manager can be expelled from the Company as a Member for cause based on underperformance as a Member pursuant to this Agreement or conduct detrimental to the Company, subject to the vote of 85% of the Members in the Company. Any Member so expelled from the Company must forfeit any Percentage Interest in the Company, Capital Contributions, Capital Account or rights to Distributions of Available Cash. In the event that a Member is so expelled from the Company, however, the Member will remain subject to the allocations in Sections 5.1, 5.3, 5.4, 5.5, 5.6 and 5.7 herein. Any Member so expelled shall remain liable to the Company for damages as provided in the Act, if applicable.

### **ARTICLE 8** **Indemnification**

#### **Section 8.1 Indemnification of Organizers or Members.**

(a) To the greatest extent consistent with the laws and public policies of Colorado, the Company shall be required to indemnify any Organizer or Operating Manager (any such Organizer or Operating Manager who is a person, and any responsible officers, partners, shareholders, directors, or managers of such Organizer or Member which is an Entity, hereinafter being referred to as the "Individual") made a party to any proceeding because such Individual is or was a Member, Organizer or Operating Manager against all liability incurred by such Individual in connection with any proceeding; provided that it shall be determined in the specific case in accordance with subsection (d) of this Section that indemnification of such Individual is permissible in the circumstances because the Individual has met the standard of conduct for indemnification set forth in subsection (c) of this Section. The Company shall pay for or reimburse the reasonable expenses incurred by the Individual in connection with any such proceeding in advance of final disposition thereof if (i) the Individual furnishes the Company a written affirmation of the Individual's good faith belief that he or she has met the standard of conduct for indemnification described in subsection (c) of this Section, (ii) the Individual furnishes the Company a written undertaking, executed personally or on such Individual's behalf, to repay the advance if it is ultimately determined that such Individual did not meet such standard of conduct, and (iii) a determination is made in accordance with subsection (d) that based upon facts then known to those making the determination, indemnification would not be precluded under this Section. The undertaking described in subsection (a)(ii) above must be a general obligation of the Individual, subject to such reasonable limitations as the Company may permit, but need not be secured and may be accepted without reference to financial ability to make repayment. The Company shall indemnify an Operating Manager or Organizer who is

wholly successful, on the merits or otherwise, in the defense of any such proceeding, as a matter of right, against reasonable expenses incurred by the Individual in connection with the proceeding without the requirement of a determination as set forth in subsection (c) of this Section. Upon demand by a Operating Manager or Organizer for indemnification or advancement of expenses, as the case may be, the Company shall expeditiously determine whether the Operating Manager or Organizer is entitled thereto in accordance with this Section. The indemnification and advancement of expenses provided for under this Section shall be applicable to any proceeding arising from acts or omissions occurring before or after the adoption of this Section. Nothing herein, however, provides any Member of the Company who is not an Organizer or Operating Manager with any defense or indemnification rights.

(b) The Company shall have the power, but not the obligation, to indemnify any Individual who is or was an employee or agent of the Company to the same extent as if such Individual was an Operating Manager or Organizer.

(c) Indemnification of an Individual is permissible under this Section only if (i) the Individual acted in good faith; (ii) the Individual reasonably believed that the conduct was in or at least not contrary to the Company's best interest; (iii) in the case of any criminal proceeding, the Individual had no reasonable cause to believe the conduct was unlawful; and (iv) the Individual is not adjudged to be liable for misconduct in the performance of any related duty. The termination of a proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent is not, of itself, determinative that the Individual did not meet the standard of conduct described in this subsection (c).

(d) A determination as to whether indemnification or advancement of expenses is permissible shall be made by any one of the following procedures:

(i) By the affirmative vote of Members owning at least thirty percent (30%) of the Percentage Interests and who at the time of such vote are not parties to the proceeding; or

(ii) By special legal counsel selected by the Members pursuant to a vote consistent with subsection (d)(i) above.

(e) Nothing contained in this Section shall limit, preclude or be deemed exclusive of any other legal or contractual right relating to indemnification of or advancement of expenses to any person who is or was a Member, Manager or Organizer of the Company or is or was serving at the Company's request as a director, officer, partner, manager, trustee, employee, or agent of another foreign or domestic company, partnership, association, limited liability company, corporation, joint venture, trust, employee benefit plan, or other enterprise, whether for-profit or not. It is the intent of this Section to provide indemnification to Operating Managers and Organizers to the fullest extent now or hereafter permitted by the law consistent with the terms and conditions of this Section. The Company shall provide indemnification in accordance with this Section irrespective of the nature of the legal or equitable theory upon which a claim is made.

(f) For purposes of this section:

(i) The term "expenses" includes all direct and indirect costs (including without limitation counsel fees, retainers, court costs, transcripts, fees of, experts, witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees and all other disbursements or out-of-pocket expenses) reasonably incurred in connection with the investigation, defense, settlement or appeal of a proceeding or establishing or enforcing a right to indemnification under this Section, applicable law or otherwise.

(ii) The term "liability" means the obligation to pay a judgment, settlement, penalty, fine, excise tax, or reasonable expenses incurred with respect to a proceeding.

(iii) The term "party" includes an Individual who was, is or is threatened to be made a named defendant or respondent in a proceeding.

(iv) The term "proceeding" means any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative and whether formal or informal.

(v) The Company may purchase and maintain insurance for its benefit, the benefit of any Individual who is entitled to indemnification under this section, or both, against any liability asserted against or incurred by such Individual in any capacity or arising out of such Individual's service with the Company, whether or not the Company would have the power to indemnify such Individual against such liability. Any such insurance will be treated as an operating expense of the Company.

## **ARTICLE 9** **Miscellaneous**

### **Section 9.1 Complete Agreement.**

This Agreement and the Articles constitute the complete and exclusive statement of agreement among the Members, apart from anything on file with the Colorado Secretary of State. This Agreement and the Articles replace and supersede all prior agreements by and among the Members or any of them. This Agreement and the Articles supersede all prior written and oral statements and no representation, statement, or condition or warranty not contained in this Agreement or the Articles will be binding on the Members or have any force or effect whatsoever.

### **Section 9.2 Governing Law.**

This Agreement and the rights of the parties hereunder will be governed by, interpreted, and enforced in accordance with the laws of the State of Colorado.

### **Section 9.3 Binding Effect.**

Subject to the provisions of this Agreement relating to transferability, this Agreement will be binding upon and inure to the benefit of the Members, and their respective interest holders, successors and assigns.

**Section 9.4 Terms.**

Common nouns and pronouns will be deemed to refer to the masculine, feminine, neuter, singular and plural, as the identity of the person or persons, firm or corporation may in the context require. Any reference to the Code, the Act or other statutes or laws will include all amendments, modifications, or replacements of the specific sections and provisions concerned.

**Section 9.5 Headings.**

All headings in this Agreement are inserted only for convenience and ease of reference and are not to be considered in the construction or interpretation of any provision of this Agreement.

**Section 9.6 Severability.**

If any provision of this Agreement is held to be illegal, invalid, or unenforceable under the present or future laws effective during the term of this Agreement, such provision will be fully severable; this Agreement will be construed and enforced as if such illegal, invalid, or unenforceable provision had never comprised a part of this Agreement; and the remaining provisions of this Agreement will remain in full force and effect and will not be affected by the illegal, invalid, or unenforceable provision or by its severance from this Agreement. Furthermore, in lieu of such illegal, invalid, or unenforceable provision, there will be added automatically as a part of this Agreement a provision as similar in terms to such illegal, invalid, or unenforceable provision as may be legal, valid, and enforceable.

**Section 9.7 Multiple Counterparts.**

This Agreement may be executed in several counterparts, each of which will be deemed an original but all of which will constitute one and the same instrument.

**Section 9.8 Additional Documents and Acts.**

Each Member agrees to execute and deliver such additional documents and instruments and to perform such additional acts as may be necessary or appropriate to effectuate, carry out and perform all of the terms, provisions, and conditions of this Agreement and the transactions contemplated hereby.

**Section 9.9 No Third Party Beneficiary.**

This Agreement is made solely and specifically among and for the benefit of the parties to this Agreement and their respective successors and assigns subject to the express provisions of this Agreement relating to successors and assigns, and no other person will have any rights, interest, or claims under this Agreement or be entitled to any benefits under or on account of this

Agreement as a third party beneficiary or otherwise.

**Section 9.10 Notices.**

Any notice to be given or to be served upon the Company or any party hereto in connection with this Agreement must be in writing and will be deemed to have been given and received when delivered to the address specified by the party to receive the notice. Such notices will be given to a Member at the address specified in this Agreement. Any Member or the Company may, at any time by giving notice to the other Members and the Company in the manner prescribed herein, designate any other address in substitution of the foregoing address to which such notice will be given.

**Section 9.11 Amendments.**

All amendments to this Agreement will be in writing and signed by all the Members.

**IN WITNESS WHEREOF, the undersigned Initial Members of the Company have executed this Agreement on or about this 31st day of December, 2016.**

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Member: Robert Gartzman  
Address:  
Email: ,

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Member: Sarah Gartzman  
Address:  
Email:

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Member: Natalie Penny  
Address:  
Email:





## SWEETIE'S AGREEMENT AND MUTUAL RELEASE

This Sweetie's Agreement and Mutual Release (this "**Agreement**") is entered into as of the 27th day of May, 2017, by and between NATALIE PENNY ("**Penny**") and Sweetie's Bakery and Deli, LLC and its remaining Members (collectively, the "**Company**") (collectively referred to herein as the "**Parties**" and each as a "**Party**").

### RECITALS

- A. Penny was a Member of the Company, but forfeited her interests in the Company.
- B. The Company acquired and assumed Penny's interests in the Company and the Property through a Membership Assignment and Assumption Agreement (the "**Assignment**") and a Membership Resignation Agreement (the "**MRA**").
- C. The Parties now desire to avoid and completely resolve the uncertainties, risks and expenses attendant upon any further differences or trailing liabilities related to the Company and to compromise and release, once and forever, any claims or any potential claims by and between the Parties with respect to the Company.

### AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the sufficiency and adequacy of which are hereby acknowledged, the Parties agree as follows:

1. Membership Resignation Agreement – Sweetie's Bakery and Deli, LLC.

Subject to the terms of this Section, the Company shall acquire all of Penny's interests in the Company as of May 27, 2017 (the "**Effective Date**"), pursuant to the MRA.

(a) On or before May 27, 2017, Penny and the Company shall each deliver to the other an executed copy of the MRA.

(b) The consideration for the Company's acquisition of Penny's interests in the Company shall be in the form outlined in the MRA and the Assignment (the "**Membership Payment**").

2. Membership Assignment and Assumption Agreement – Sweetie's Bakery and Deli, LLC.

Subject to the terms of this Section, the Company shall assume all of Penny's interests in the Company as of May 27, 2017, pursuant to the Assignment.

(a) On or before May 27, 2017, Penny and the Company shall each deliver to the other an executed copy of the Assignment.

(b) The consideration for the Company's assumption of Penny's interests in the Company shall be in the amount and form outlined in the MRA and Assignment.

3. The Penny Release. Upon receipt of fully executed copies of the MRA, the Assignment and this Agreement, Penny, for herself and her past, present, and future predecessors, predecessors in interest, affiliates, heirs, successors, and assigns, fully and finally releases and forever discharges the Company and any of the Company Related Parties as defined below, from any and all claims, debts, liabilities, demands, obligations, membership entitlements, investment complaints, injuries, damages, losses, causes of action, costs, expenses, and attorney fees ("**Claims**") whether at law or in equity that:

(a) Were raised or could have been raised by Penny with respect to the Company;

(b) Relate to the Company or the Company Related Parties as defined below, arising, or otherwise based on events occurring prior to the effective date of this Agreement, involving the Company;

(c) It is the intent of the Parties that the only rights and remedies of Penny with respect to the Company and the Company Related Parties as defined below, shall be an action to enforce the terms of this Agreement. Accordingly, this release does not affect or apply to Penny's rights to enforce this Agreement.

4. The Company Related Parties' Release. Upon receipt of fully executed copies of this Agreement, the MRA and the Assignment, the Company for its past, present, and future principals, partners, agents, members, managers, insurers, predecessors, predecessors in interest, affiliates, heirs, successors, assigns, and related companies (collectively, the "**Company Related Parties**"), fully and finally releases and forever discharges Penny from any and all claims, debts, liabilities, demands, obligations, membership entitlements or burdens, injuries, damages, losses, causes of action, costs, expenses, and attorney fees whether at law or in equity that:

(a) Were raised or could have been raised by the Company or the Company Related Parties against Penny with respect to the Company, including but not limited to capital contribution or time contribution obligations;

(b) Relate to Penny, arising, or otherwise based on events occurring prior to the effective date of this Agreement, involving the Company;

(c) It is the intent of the Parties that the only rights and remedies of the Company or the Company Related Parties with respect to Penny shall be an action to enforce the terms of this Agreement. Accordingly, this release does not affect or apply to the rights of the Company or the Company Related Parties to enforce this Agreement.

5. No Admission of Liability or Wrongdoing. Nothing in this Agreement shall constitute or be construed as an admission of liability on behalf of any of the Parties as to the validity of any of the claims, defenses, or allegations made against any other Party, or shall be admissible in any court, administrative agency, or tribunal for any purpose whatsoever, with the sole exception of any proceeding to enforce or interpret the terms of this Agreement.

6. Warranty of Capacity to Execute Release. Each Party represents and warrants to the other Parties that: (a) he or she has the sole right and exclusive authority to execute this

Agreement and agree to this settlement; (b) he or she has agreed to this settlement after careful consideration of its merits and after consultation with his attorneys or an opportunity to do so; (c) he or she has not sold, assigned, transferred, conveyed, or otherwise disposed of any of the claims, demands, obligations or causes of action referenced in this Agreement; and (d) he or she is competent and fully authorized to agree to this settlement and execute this Agreement.

7. Confidentiality. Each Party agrees to keep, and to cause its attorneys to keep, the Claims, financial information provided by the Company or any of the Company Related Parties, and the terms and conditions of this Agreement, the MRA and the Assignment in the strictest of confidence. Each Party agrees that it will not disclose, and will cause its attorneys not to disclose, this confidential information to any third party, including but not limited to other current, former, or future investors or members in the Company or the Property. Notwithstanding the foregoing, the following disclosures shall not be prohibited: (i) as required by court order or otherwise required by applicable law; (ii) as reasonably necessary to be disclosed to the Parties' accountants, tax advisors, parents/guardians or attorneys; and (iii) in connection with the assertion of or resolution of a dispute under this Agreement. Each Party further agrees that if it receives a subpoena, summons or request to reveal this confidential information, then it shall promptly notify the other Parties of the subpoena, summons, or request. The Parties expressly acknowledge that the purpose of this notice and requirement is to provide the other Parties with adequate opportunity to oppose any subpoena, summons, or request. ***These confidentiality provisions are contractual consideration and not mere recital, and shall survive the Effective Date.***

8. Notices. All notices or other communications required or permitted hereunder shall be in writing, and shall be delivered to the receiving Party at the address last known to the Company.

9. Voluntarily Entered. Each Party represents and warrants that this Agreement is fair and is executed voluntarily and by such Party with the full knowledge of the consequences and implications of the obligations contained herein. Each Party also represents and warrants that such Party has had the opportunity to be represented by counsel of its choice throughout the negotiations which preceded the execution of this Agreement, and in connection with the preparation and execution of this Agreement, and that each Party has carefully and thoroughly reviewed this Agreement in its entirety.

10. Interpretation. This Agreement has been negotiated at arms length and between and among persons sophisticated and knowledgeable in the matters dealt with in this Agreement. Accordingly, none of the Parties shall be presumptively entitled to have any provisions of the Agreement construed against any Party in accordance with any rule of law, legal decision, or doctrine that would require interpretation of any ambiguities in this Agreement against the Party that has drafted it.

11. Expenses and Attorney Fees. The Parties understand and agree that each Party shall bear its own attorney fees and costs arising from the actions of its own counsel in connection with this Agreement, the MRA or the Assignment. Except that, if legal action is commenced in connection with the enforcement, interpretation, or breach of any provision of this

Agreement, the court as part of its judgment shall award reasonable attorney fees and costs to the prevailing Party.

12. No Representation as to Tax Consequences or Other Matters. The Parties execute this Agreement without reliance upon any statements or representations by the other Parties or their attorneys concerning the nature and extent of any legal liability, tax consequences, or any other matter except as contained in this Agreement.

13. Binding Effect. The terms and conditions contained in this Agreement shall inure to the benefit of, and be binding upon, the respective successors, assigns, trustors, trustees, insurers, survivors, and personal representatives of the Parties.

14. Applicable Law, Jurisdiction, and Venue. This Agreement shall be construed under the substantive laws of the State of Colorado, without regard to its choice of law rules. The Parties agree to submit to the personal jurisdiction of the courts of the State of Colorado regarding any disputes arising out of this Agreement.

15. Severability. Unless otherwise provided herein, if any provision of this Agreement is invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not be affected or impaired thereby.

16. Time of the Essence. Time shall be of the essence with respect to all provisions of this Agreement.

17. Modifications. No modification of this Agreement shall be effective unless in writing and signed by the Parties to this Agreement.

18. Merger. There are no representations or warranties between the Parties related to the subject of this Agreement other than those contained within this Agreement, the MRA and the Assignment. This Agreement supersedes, merges, and replaces all prior or contemporaneous oral understandings, negotiations, offers, promises, and representations between the Parties. Extrinsic evidence is not admissible in any proceeding to vary or contradict the terms of this Agreement.

19. Headings. The headings of the paragraphs in this Agreement are for convenience and reference only, and shall not affect the meaning or construction of any of the terms or provisions in this Agreement.

20. Cooperation. The Parties to this Agreement shall cooperate in all manners reasonably necessary to effectuate both the intent and terms of this Agreement including, but not limited to, executing such further documents as may be reasonably necessary.

21. Counterparts. This Agreement may be executed in any number of counterparts, each of which when executed and delivered shall be an original, but all such counterparts shall constitute one and the same instrument. Executed copies hereof may be delivered by facsimile or email of a PDF document, and, upon receipt, shall be deemed originals and binding upon the Parties hereto. Without limiting or otherwise affecting the validity of executed copies hereof that have been delivered by facsimile or email of a PDF document, the Parties will use commercially

reasonable efforts to deliver originals as promptly as possible after execution. Signature pages may be detached and reattached to physically form one document.

**[Signature page immediately follows]**

THE SIGNATORIES HAVE CAREFULLY READ THIS ENTIRE AGREEMENT. THE SIGNATORIES FULLY UNDERSTAND THE FINAL AND BINDING EFFECT OF THIS AGREEMENT. THE ONLY PROMISES MADE TO ANY SIGNATORY ABOUT THIS AGREEMENT ARE CONTAINED IN THIS AGREEMENT. THE SIGNATORIES ARE SIGNING THIS AGREEMENT VOLUNTARILY.

**NATALIE PENNY:**

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By: Natalie Penny

**THE COMPANY AND THE COMPANY RELATED PARTIES:**

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By: Sarah and/or Robert Gartzman  
As: Manager(s)

# LIMITED LIABILITY COMPANY AGREEMENT

OF

## BIKER BAKER, LLC

This Limited Liability Company Agreement (the "Agreement") of **Biker Baker, LLC** is entered into by and between each of the persons and/or entities set forth on Exhibit A hereto, as members (the "Members").

The Members hereby desire to form a limited liability company pursuant to and in accordance with the Colorado Limited Liability Company Act, as amended from time to time (the "Act"), and hereby agree as follows:

### ARTICLE 1

#### FORMATION OF THE COMPANY

**1.01 Name.** The name of the limited liability company is **Biker Baker, LLC** (the "Company").

**1.02 Formation.** On January 1, 2016, the Company was organized but not registered as a Colorado limited liability company under and pursuant to the Act. The Company will be registered as a Colorado limited liability company under and pursuant to the Act, however.

**1.03 Principal Place of Business.** The principal place of business of the Company shall be 124 F Street, Salida, CO 81201. The Company may locate its place of business and registered office at any other place or places as the Manager(s) may from time to time deem advisable.

**1.04 Registered Office and Registered Agent.** The Company's registered office shall be at the office of its registered agent at 124 F Street, Salida, CO 81201, and the name of its initial registered agent at such address shall be Sweetie's Baker and Deli, LLC.

**1.05 Articles of Organization.** The Articles of Organization are hereby adopted and incorporated by reference in this Operating Agreement. In the event of any inconsistency between the Articles of Organization and this Operating Agreement, the terms of the Articles of Organization shall govern.

**1.06 Term.** The Company shall have perpetual existence unless its existence is dissolved in accordance with either the provisions of this Operating Agreement or the Act.

### ARTICLE 2

#### PURPOSE OF THE COMPANY

**2.01 Purpose.** The Company is formed for the object and purpose of, and the nature of the business to be conducted and promoted by the Company is, engaging in any lawful act or activity for which limited liability companies may be formed under the Act and engaging in any and all activities necessary or incidental to the foregoing, including but not limited to the



licensing and marketing of intellectual property and proprietary materials associated with the Sweetie's brand and concept.

**ARTICLE 3**  
**CONTRIBUTIONS TO THE COMPANY**

**3.01 Member's Initial Capital Contribution.** On the date of this Agreement, the Members shall contribute to the capital of the Company the amounts set forth on **Exhibit A** (the "Capital Contributions").

**3.02 Withdrawal or Reduction of Member's Contribution to Capital.** The Members shall not receive out of the Company's property any part of such Member's contributions to capital until all liabilities of the Company, except liabilities to the Members on account of its contributions to capital, have been paid or there remains property of the Company sufficient to pay the Member.

**3.03 Additional Capital Contributions.** The Members shall make additional Capital Contributions to the capital of the Company as unanimously agreed to, in writing, from time to time.

**3.04 No Third-Party Beneficiaries.** The provisions of this Article 3 are not intended to be for the benefit of and shall not confer any rights on any creditor or other person (other than the Members in such Member's capacity as a Member) to whom any debts, liabilities or obligations are owed by the Company or the Members.

**ARTICLE 4**  
**ALLOCATIONS**

**4.01 Allocations of Profits and Losses.** The Company's profits and losses shall be allocated among the Members in proportion to their Membership Percentages as set forth on **Exhibit A**.

**ARTICLE 5**  
**DISTRIBUTIONS**

**5.01 Distributions.** Distributions shall be made to the Members at the times and in the aggregate amounts determined by the Manager(s). Such distributions shall be allocated among the Members in proportion to their Membership Percentages as set forth on **Exhibit A**.

**ARTICLE 6**  
**BOOKS, RECORDS AND ACCOUNTING**

**6.01 Books and Records.** The Company shall maintain or have available at its principal place of business books of account relating to the operation and business of the Company.

**6.02 Capital Accounts.** A separate capital account shall be maintained for each Member, including a Member who hereafter acquires an interest in the Company.

## ARTICLE 7 MANAGEMENT

**7.01 Manager.** The initial manager of the Company (the "Manager") shall be Sweetie's Baker and Deli, LLC operating through its designated manager(s).

**7.02 Powers.** The business and affairs of the Company shall be managed by the Manager. The Manager shall have the power to do any and all acts necessary or convenient to or for the furtherance of the purposes described herein, including all powers, statutory or otherwise, possessed by members under the laws of the State of Colorado. The Manager is hereby designated as authorized persons, within the meaning of the Act, to execute, deliver and file the Articles of Organization of the Company (and any amendments and/or restatements thereof) and any other certificates (and any amendments and/or restatements thereof) necessary for the Company to qualify to do business in a jurisdiction in which the Company may wish to conduct business.

### **7.02 Meetings and Voting.**

(a) Meetings of the Managers (if there shall be more than one Manager) may be held at such time and place as the Managers by resolution shall determine.

(b) A majority of the Managers (if there shall be more than one Manager) shall constitute a quorum at any meeting of the Managers.

(c) All decisions of the Managers (if there shall be more than one Manager) shall be made by a majority vote of the Managers at a properly called meeting of the Managers at which a quorum is present, or by unanimous written consent of the Managers if action is taken by written consent in lieu of a meeting.

## ARTICLE 8 RIGHTS AND OBLIGATIONS OF THE MEMBERS

**8.01 Liability of Members.** The Members shall not have any liability for the obligations or liabilities of the Company except to the extent provided in the Act.

**8.02 Restrictions on Transferability.** No transfer, including, without limitation, any sale, assignment, pledge or hypothecation, of all or any part of a Member's limited liability company interest shall be permitted except if first approved by all of the non-transferring Members; provided, however, that this Section 8.02 shall not restrict any transfer of any limited liability company interest in the Company by a Member to another Member or an Affiliate of the transferring Member.

For purposes hereof, "Affiliate" shall mean, with respect to any person or entity, any other person or entity directly or indirectly controlling or controlled by or under direct common control with such person or entity and, in the case of an individual, such individual's immediate

family. For purposes of this definition, "control" when used with respect to any specified person or entity means the power to direct the management and policies of such person or entity, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise, and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

## ARTICLE 9 MEETINGS

**9.01 Annual Meeting.** Notwithstanding anything herein to the contrary, the Company shall have no annual meetings unless otherwise mandated by law.

**9.02 Special Meetings.** Special meetings, for any purpose or purposes, unless otherwise proscribed by statute, may be called by the Manager.

## ARTICLE 10 DISSOLUTION AND TERMINATION

**10.01 Dissolution.** The Company shall dissolve, and its affairs shall be wound up upon the first to occur of the following:

- (a) the written consent of a majority of the Members;
- (b) the death, retirement, resignation, expulsion, insolvency, bankruptcy or dissolution of a Member unless the business of the Company is continued by consent of the remaining members, within 90 days following the occurrence of any such event;
- (c) the entry of a decree of judicial dissolution under the Act;
- (d) the dissolution of Sweetie's Bakery and Deli, LLC.

**10.02 Effect of Filing of Dissolving Statement.** Upon the filing with the Colorado Secretary of State of a statement of intent to dissolve, the Company shall cease to carry on its business, except insofar as may be necessary for the winding up of its business, but its separate existence shall continue until articles of dissolution have been filed with the Secretary of State or until a decree dissolving the Company has been entered by a court of competent jurisdiction.

**10.03 Distribution of Assets Upon Dissolution.** In settling accounts after dissolution, the liabilities of the Company shall be entitled to payment in the following order:

- (a) to creditors, in the order of priority as provided by law (except to a Member on account of its Capital Contribution); and
- (b) to the Members in proportion to their Membership Percentages as set forth on Schedule A.

**10.04 Articles of Dissolution.** When all debts, liabilities and obligations have been paid and discharged or adequate provisions have been made therefor and all of the remaining property and assets have been distributed to the Members, articles of dissolution shall be executed and filed as required by the Act. Upon the filing of the articles of dissolution, the existence of the Company shall cease, except for the purpose of lawsuits, other proceedings and appropriate action as provided in the Act. The Manager(s) shall thereafter be trustee for the Members and creditors of the Company and as such shall have authority to distribute any Company property discovered after dissolution, convey real estate and take such other action as may be necessary on behalf and in the name of the Company.

**10.05 Winding Up.** The winding up of the affairs of the Company and the distribution of its assets shall be conducted exclusively by the Manager(s), who are hereby authorized to take all actions necessary to accomplish such distribution, including without limitation, selling any Company assets the Manager(s) deem necessary or appropriate to sell.

## ARTICLE 11 MISCELLANEOUS PROVISIONS

**11.01 Application of Colorado Law.** This Agreement, and the application or interpretation hereof, shall be governed exclusively by its terms and by the laws of the State of Colorado, and specifically the Act.

**11.02 Amendments.** This Agreement may only be amended by the written consent of the Members hereto.

**11.03 Construction.** Whenever the singular number is used in this Agreement and when required by the context, the same shall include the plural, and the masculine gender shall include the feminine and neuter genders, and vice versa.

**11.04 Headings.** The headings in this Agreement are inserted for convenience only and are in no way intended to describe, interpret, define, or limit the scope, extent or intent of this Agreement or any provision hereof.

**11.05 Severability.** If any provision of this Agreement or the application thereof to any Person or circumstance shall be invalid, illegal or unenforceable to any extent, the remainder of this Agreement and the application thereof shall not be affected and shall be enforceable to the fullest extent permitted by law.

**11.06 Creditors.** None of the provisions of this Agreement shall be for the benefit of or enforceable by any creditors of the Company.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the undersigned Members, intending to be legally bound hereby, have duly executed this Limited Liability Company Agreement as of the 1st day of January 2017.

**MEMBER(S):**

**SWEETIE'S BAKERY AND DELI, LLC**

\_\_\_\_\_  
**By: Sarah Gartzman, Sweetie's Manager**  
**Date: 1/1/17**

\_\_\_\_\_  
**By: Robert Gartzman, Sweetie's Manager**  
**Date: 1/1/17**

**EXHIBIT A**

[SEE ATTACHED]

**LIMITED LIABILITY COMPANY AGREEMENT**

**OF**

**BIKER BAKER, LLC**

**Exhibit A: Capital Contributions**

**(1/1/17)**

Member	Amount	Percentage Interest
Sweeties Bakery and Deli, LLC		



## REQUEST FOR CITY COUNCIL ACTION

Meeting Date: February 4, 2020

<b>AGENDA ITEM NO.</b> 5.c.	<b>ORIGINATING DEPARTMENT:</b> Administration	<b>PRESENTED BY:</b> Drew Nelson
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**ITEM:**

Transfer of Hotel and Restaurant Liquor License to JSClinton LLC, 404 Grant Street, DBA The Gallery

**BACKGROUND:**

A Transfer of a Colorado Hotel and Restaurant Liquor License application was filed with the City Clerk on December 31, 2019. The Notice of Public Hearing was published and the premises were posted on January 24, 2020.

All proper fees have been remitted to the City and State of Colorado. Individual history records and the Colorado Bureau of Investigation background check have been reviewed by staff with no issues. The premises have been inspected by police and fire department personnel, and no issues exist.

**STAFF RECOMMENDATION:**

Staff recommends that the Liquor Licensing Authority approve a Transfer of Hotel and Restaurant Liquor License for The Gallery.

**SUGGESTED MOTIONS:**

Following a public hearing on the matter, a Licensing Authority member should make a motion to approve the transfer of a Colorado Hotel and Restaurant Liquor License to JSClinton LLC, 404 Grant Street, DBA The Gallery, followed by a second and a roll call vote.





## Application Documents Checklist and Worksheet

**Instructions:** This checklist should be utilized to assist applicants with filing all required documents for licensure. **All** documents must be properly signed and correspond with the name of the applicant exactly. All documents must be typed or legibly printed. Upon final State approval the license will be mailed to the local licensing authority. Application fees are nonrefundable. **Questions? Visit:** [www.colorado.gov/enforcement/liquor](http://www.colorado.gov/enforcement/liquor) for more information

Items submitted, please check all appropriate boxes completed or documents submitted	
<b>I.</b>	<b>Applicant information</b> <input checked="" type="checkbox"/> A. Applicant/Licensee identified <input checked="" type="checkbox"/> B. State sales tax license number listed or applied for at time of application <input checked="" type="checkbox"/> C. License type or other transaction identified <input checked="" type="checkbox"/> D. Return originals to local authority (additional items may be required by the local licensing authority) <input checked="" type="checkbox"/> E. All sections of the application need to be completed
<b>II.</b>	<b>Diagram of the premises</b> <input checked="" type="checkbox"/> A. No larger than 8 1/2" X 11" <input checked="" type="checkbox"/> B. Dimensions included (does not have to be to scale). Exterior areas should show type of control (fences, walls, entry/exit points, etc.) <input checked="" type="checkbox"/> C. Separate diagram for each floor (if multiple levels) <input checked="" type="checkbox"/> D. Kitchen - identified if Hotel and Restaurant <input checked="" type="checkbox"/> E. Bold/Outlined Licensed Premises
<b>III.</b>	<b>Proof of property possession (One Year Needed)</b> <input type="checkbox"/> A. Deed in name of the applicant (or) (matching question #2) date stamped & filed with County Clerk <input checked="" type="checkbox"/> B. Lease in the name of the applicant (or) (matching question #2) <input checked="" type="checkbox"/> C. Lease assignment in the name of the applicant with proper consent from the landlord and acceptance by the applicant <input checked="" type="checkbox"/> D. Other agreement if not deed or lease. (matching question #2)
<b>IV.</b>	<b>Background information (DR 8404-I) and financial documents</b> <input checked="" type="checkbox"/> A. Complete DR 8404-I for each principal (individuals with more than 10% ownership, officers, directors, partners, members) <input checked="" type="checkbox"/> B. Fingerprints taken and submitted to the appropriate Local Licensing Authority through an approved state vendor. <b>Do not complete fingerprint cards prior to submitting your application.</b> The Vendors are as follows: <b>IdentoGO</b> – <a href="https://uenroll.identogo.com/">https://uenroll.identogo.com/</a> Phone: 844-539-5539 (toll-free) Identogo FAQs: <a href="https://www.colorado.gov/pacific/cbi/identification-faqs">https://www.colorado.gov/pacific/cbi/identification-faqs</a> <b>Colorado Fingerprinting</b> – <a href="http://www.coloradofingerprinting.com">http://www.coloradofingerprinting.com</a> Appointment Scheduling Website: <a href="http://www.coloradofingerprinting.com/cabs/">http://www.coloradofingerprinting.com/cabs/</a> Phone: 720-292-2722 Toll Free: 833-224-2227 <input type="checkbox"/> C. Purchase agreement, stock transfer agreement, and/or authorization to transfer license <input type="checkbox"/> D. List of all notes and loans (Copies to also be attached)
<b>V.</b>	<b>Sole proprietor/husband and wife partnership (if applicable)</b> <input type="checkbox"/> A. Form DR 4679 <input type="checkbox"/> B. Copy of State issued Driver's License or Colorado Identification Card for each applicant
<b>VI.</b>	<b>Corporate applicant information (if applicable)</b> <input type="checkbox"/> A. Certificate of Incorporation <input type="checkbox"/> B. Certificate of Good Standing <input type="checkbox"/> C. Certificate of Authorization if foreign corporation (out of state applicants only)
<b>VII.</b>	<b>Partnership applicant information (if applicable)</b> <input type="checkbox"/> A. Partnership Agreement (general or limited). <input type="checkbox"/> B. Certificate of Good Standing
<b>VIII.</b>	<b>Limited Liability Company applicant information (if applicable)</b> <input checked="" type="checkbox"/> A. Copy of articles of organization <input checked="" type="checkbox"/> B. Certificate of Good Standing <input checked="" type="checkbox"/> C. Copy of Operating Agreement (if applicable) <input type="checkbox"/> D. Certificate of Authority if foreign LLC (out of state applicants only)
<b>IX.</b>	<b>Manager registration for Hotel and Restaurant, Tavern, Lodging &amp; Entertainment, and Campus Liquor Complex licenses when included with this application</b> <input type="checkbox"/> A. \$75.00 fee <input type="checkbox"/> B. Individual History Record (DR 8404-I) <input checked="" type="checkbox"/> C. If owner is managing, no fee required

Name	Type of License	Account Number		
7. 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 <input type="checkbox"/> No <input checked="" type="checkbox"/>		
8. 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?		<input type="checkbox"/> <input checked="" type="checkbox"/>		
b. Had an alcohol beverage license suspended or revoked?		<input type="checkbox"/> <input checked="" type="checkbox"/>		
c. Had interest in another entity that had an alcohol beverage license suspended or revoked?		<input type="checkbox"/> <input checked="" type="checkbox"/>		
If you answered yes to 8a, b or c, explain in detail on a separate sheet.				
9. 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? If "yes", explain in detail.		<input type="checkbox"/> <input checked="" type="checkbox"/>		
10. 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?		<input type="checkbox"/> <input checked="" type="checkbox"/>		
Waiver by local ordinance? <input type="checkbox"/> <input type="checkbox"/>				
Other: _____				
11. 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 (>) 10,000? 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.		<input type="checkbox"/> <input checked="" type="checkbox"/>		
12. 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 (<) 10,000? 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.		<input type="checkbox"/> <input checked="" type="checkbox"/>		
13 a. For additional Retail Liquor Store only. Was your Retail Liquor Store License issued on or before January 1, 2016?		<input type="checkbox"/> <input type="checkbox"/>		
13 b. Are you a Colorado resident?		<input checked="" type="checkbox"/> <input type="checkbox"/>		
14. 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.		<input type="checkbox"/> <input checked="" type="checkbox"/>		
15. Does the applicant, as listed on line 2 of this application, have legal possession of the premises by ownership, lease or other arrangement?		<input checked="" type="checkbox"/> <input type="checkbox"/>		
<input type="checkbox"/> Ownership <input checked="" type="checkbox"/> Lease <input type="checkbox"/> 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		
Greater Salida Recreation Corporation	JSClinton LLC	12/23/2023		
b. Is a percentage of alcohol sales included as compensation to the landlord? If yes, complete question 16.		<input type="checkbox"/> <input checked="" type="checkbox"/>		
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 8 1/2" X 11".				
16. 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.				
Last Name	First Name	Date of Birth	FEIN or SSN	Interest/Percentage
Last Name	First Name	Date of Birth	FEIN or SSN	Interest/Percentage
<b>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.</b>				
17. Optional Premises or Hotel and Restaurant Licenses with Optional Premises:		Has a local ordinance or resolution authorizing optional premises been adopted? <input type="checkbox"/> <input type="checkbox"/>		
Number of additional Optional Premise areas requested. (See license fee chart)		<input type="text"/>		
18. 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.				
19. 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 LLDS premise? <input type="checkbox"/> <input type="checkbox"/>		
If "yes" a copy of license must be attached.				

Name	Type of License	Account Number		
<b>20. Club Liquor License applicants answer the following: Attach a copy of applicable documentation</b>				
a. Is the applicant organization operated solely for a national, social, fraternal, patriotic, political or athletic purpose and not for pecuniary gain?		<input type="checkbox"/> <input type="checkbox"/>		
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?		<input type="checkbox"/> <input type="checkbox"/>		
c. How long has the club been incorporated?		<input type="text"/>		
d. Has applicant occupied an establishment for three years (three years required) that was operated solely for the reasons stated above?		<input type="checkbox"/> <input type="checkbox"/>		
<b>21. Brew-Pub, Distillery Pub or Vintner's Restaurant applicants answer the following:</b>				
a. Has the applicant received or applied for a Federal Permit? (Copy of permit or application must be attached)		<input type="checkbox"/> <input type="checkbox"/>		
<b>22. Campus Liquor Complex applicants answer the following:</b>				
a. Is the applicant an institution of higher education?		Yes No <input type="checkbox"/> <input type="checkbox"/>		
b. Is the applicant a person who contracts with the institution of higher education to provide food services? If "yes" please provide a copy of the contract with the institution of higher education to provide food services.		<input type="checkbox"/> <input type="checkbox"/>		
<b>23. For all on-premises applicants.</b>				
a. Hotel and Restaurant, Lodging and Entertainment, Tavern License and Campus Liquor Complex, the Registered Manager must also submit an Individual History Record - DR 8404-I and fingerprint submitted to approved State Vendor through the Vendor's website. See application checklist, Section IV, for details.				
b. For all Liquor Licensed Drugstores (LLDS) the Permitted Manager must also submit an Manager Permit Application - DR 8000 and fingerprints.				
Last Name of Manager <p style="text-align: center;">Clinton</p>		First Name of Manager <p style="text-align: center;">Shannon</p>		
24. 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.		<input type="checkbox"/> <input checked="" type="checkbox"/>		
<b>25. Related Facility - Campus Liquor Complex applicants answer the following:</b>				
a. Is the related facility located within the boundaries of the Campus Liquor Complex? 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.		Yes No <input type="checkbox"/> <input type="checkbox"/>		
b. Designated Manager for Related Facility- Campus Liquor Complex				
Last Name of Manager		First Name of Manager		
<b>26. Tax Information.</b>				
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 <input type="checkbox"/> <input checked="" type="checkbox"/>		
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.?		<input type="checkbox"/> <input checked="" type="checkbox"/>		
<b>27. 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.</b>				
Name	Home Address, City & State	DOB	Position	%Owned
Shannon Clinton			Partner	50
Name	Home Address, City & State	DOB	Position	%Owned
Justin Clinton			Partner	50
Name	Home Address, City & State	DOB	Position	%Owned
Name	Home Address, City & State	DOB	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: <input checked="" type="checkbox"/> 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.				

## Tax Check Authorization, Waiver, and Request to Release Information

I, Shannon R. Clinton am signing this Tax Check Authorization, Waiver and Request to Release Information (hereinafter "Waiver") on behalf of JSClinton LLC (the "Applicant/Licensee") to permit the Colorado Department of Revenue and any other state or local taxing authority to release information and documentation that may otherwise be confidential, as provided below. If I am signing this Waiver for someone other than myself, including on behalf of a business entity, I certify that I have the authority to execute this Waiver on behalf of the Applicant/Licensee.

The Executive Director of the Colorado Department of Revenue is the State Licensing Authority, and oversees the Colorado Liquor Enforcement Division as his or her agents, clerks, and employees. The information and documentation obtained pursuant to this Waiver may be used in connection with the Applicant/Licensee's liquor license application and ongoing licensure by the state and local licensing authorities. The Colorado Liquor Code, section 44-3-101, et seq. ("Liquor Code"), and the Colorado Liquor Rules, 1 CCR 203-2 ("Liquor Rules"), require compliance with certain tax obligations, and set forth the investigative, disciplinary and licensure actions the state and local licensing authorities may take for violations of the Liquor Code and Liquor Rules, including failure to meet tax reporting and payment obligations.

The Waiver is made pursuant to section 39-21-113(4), C.R.S., and any other law, regulation, resolution or ordinance concerning the confidentiality of tax information, or any document, report or return filed in connection with state or local taxes. This Waiver shall be valid until the expiration or revocation of a license, or until both the state and local licensing authorities take final action to approve or deny any application(s) for the renewal of the license, whichever is later. Applicant/Licensee agrees to execute a new waiver for each subsequent licensing period in connection with the renewal of any license, if requested.

By signing below, Applicant/Licensee requests that the Colorado Department of Revenue and any other state or local taxing authority or agency in the possession of tax documents or information, release information and documentation to the Colorado Liquor Enforcement Division, and its duly authorized employees, to act as the Applicant's/Licensee's duly authorized representative under section 39-21-113(4), C.R.S., solely to allow the state and local licensing authorities, and their duly authorized employees, to investigate compliance with the Liquor Code and Liquor Rules. Applicant/Licensee authorizes the state and local licensing authorities, their duly authorized employees, and their legal representatives, to use the information and documentation obtained using this Waiver in any administrative or judicial action regarding the application or license.

Name (Individual/Business) <u>JSClinton LLC</u>		Social Security Number/Tax Identification Number	
Address <u>1009 E. Poncha Ave</u>			
City <u>Poncha Springs</u>		State <u>CO</u>	Zip <u>81042</u>
Home Phone Number		Business/Work Phone Number <u>719-221-6948</u>	
Printed name of person signing on behalf of the Applicant/Licensee <u>Shannon R. Clinton</u>			
Applicant/Licensee's Signature (Signature authorizing the disclosure of confidential tax information) <u>Shannon R. Clinton</u>			Date signed <u>12/31/19</u>

### Privacy Act Statement

Providing your Social Security Number is voluntary and no right, benefit or privilege provided by law will be denied as a result of refusal to disclose it. § 7 of Privacy Act, 5 USCS § 552a (note).

Name	Type of License	Account Number	
<b>Oath Of Applicant</b>			
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 Code which affect my license.			
Authorized Signature <i>Shannon R. Clinton</i>	Printed Name and Title Shannon Clinton - Owner	Date 12/31/2019	
<b>Report and Approval of Local Licensing Authority (City/County)</b>			
Date application filed with local authority <i>Jan. 2, 2020</i>	Date of local authority hearing (for new license applicants; cannot be less than 30 days from date of application) <i>Feb. 4, 2020</i>		
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:			
<input checked="" type="checkbox"/> Fingerprinted <input type="checkbox"/> 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)			
<input type="checkbox"/> Date of inspection or anticipated date _____ <input checked="" type="checkbox"/> Will conduct inspection upon approval of state licensing authority			
<input type="checkbox"/> 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 > 10,00000?	Yes	No	
<input type="checkbox"/> 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 < 10,00000?	<input type="checkbox"/>	<input type="checkbox"/>	
<b>NOTE:</b> 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.			
<input type="checkbox"/> 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?	<input type="checkbox"/>	<input type="checkbox"/>	
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. <b>Therefore, this application is approved.</b>			
Local Licensing Authority for	Telephone Number	<input type="checkbox"/> Town, City <input type="checkbox"/> County	
Signature	Print	Title	Date
Signature	Print	Title	Date

**Instructions: Please print this document for your records.**

MyBizColorado  
COLORADO DEPT OF REVENUE

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Thank you for registering with the Colorado Department of Revenue!  
Your electronic application has been received.  
You will receive your Sales Tax License and/or Wage Withholding information in the mail in the next 10 business days.

You may use this receipt as a temporary Sales Tax License in the interim.

**Filing Information.**

---

Your filing information is as follows

**Date:** 12/31/20

**Name:** JSClinton LLC

**Address:** 404 Grant St\n\nSalida, Colorado 81201-1586

**Sales Tax Account Number:** [REDACTED]

**Sales Tax Filing Frequency:** Quarterly (Under \$300 in taxes/mo)

**Wage Withholding Account Number:** [REDACTED]

**Wage Withholding Filing Frequency:** Quarterly (\$1 to \$6,999/year)

**Websites**

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**State of Colorado:** [www.colorado.gov](http://www.colorado.gov)

**Colorado Department of Revenue:** [www.colorado.gov/revenue](http://www.colorado.gov/revenue)

**Colorado Department of Revenue Online Customer Support Site:**  
[revenuestateco.custhelp.com](http://revenuestateco.custhelp.com)

**File and pay your sales tax online:** [www.colorado.gov/RevenueOnline](http://www.colorado.gov/RevenueOnline)

**Register to pay by EFT:** [www.colorado.gov/revenue/eff](http://www.colorado.gov/revenue/eff)

Please wait 2-3 business days while we validate your registration before attempting to access your account in Revenue Online. You will receive your license(s) in the mail within 10 business days. If you do not already have access to Revenue Online, you may use information from that letter to sign-up.


[REDACTED]

[REDACTED]



## Wholesaler Affidavit of Compliance

### Section 12-47-303(1)(d), C.R.S.

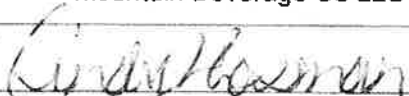
Wholesaler Licensee Name (If an LLC, partnership, corporation or name of corporation) <b>Colorado Eagle LLC</b>		License Number <b>03-05765</b>	
Trade Name of Establishment/Doing Business As (DBA)		Phone Number	
Physical Address <b>130 Greenhorn Drive</b>	City <b>Pueblo</b>	State <b>CO</b>	ZIP <b>81004</b>
Email Address			
Transferor Retailer Licensee Name <b>Snow Angel Bar &amp; Grill</b>		License Number <b>03-11183</b>	
Trade Name of Establishment/Doing Business As (DBA) <b>Cugi <del>LLC</del> LLC</b>		Phone Number <b>719-539-6373</b>	
Physical Address <b>404 Grant Street</b>	City <b>Salida</b>	State <b>CO</b>	ZIP <b>81201</b>
The above wholesaler affirms that all alcohol beverages delivered to the above transferor retailer are: <input checked="" type="checkbox"/> Paid in Full (only for the purposes of complying with section 12-47-303(1)(d), C.R.S.) Note: If Paid in full is selected, the wholesaler may no longer extend credit to the transferee or transferor until the local and state licensing authorities have approved the transfer of the liquor license. <input type="checkbox"/> Not Paid in Full			
Wholesaler: <b>Colorado Eagle LLC</b>			
Signature 	Print <b>ALAN MORAN</b>	Title <b>Accts Receivable</b>	Date <b>12/20/2019</b>

## Wholesaler Affidavit of Compliance

### Section 12-47-303(1)(d), C.R.S.

Wholesaler Licensee Name (if an LLC; partnership; corporation or name of corporation) Republic National Distributing Company			License Number 28499270004	
Trade Name of Establishment/Doing Business As (DBA) Republic National Distributing Company			Phone Number 303-734-2400	
Physical Address 8000 Southpark Terrace	City Littleton	State Co	ZIP 80120	
Email Address				
Transferor Retailer Licensee Name			License Number	
Trade Name of Establishment/Doing Business As (DBA)			Phone Number	
Physical Address	City	State	ZIP	
<p>The above wholesaler affirms that all alcohol beverages delivered to the above transferor retailer are:</p> <p><input type="checkbox"/> Paid in Full (only for the purposes of complying with section 12-47-303(1)(d), C.R.S.)</p> <p style="padding-left: 20px;"><b>Note:</b> If Paid in full is selected, the wholesaler may no longer extend credit to the transferee or transferor until the local and state licensing authorities have approved the transfer of the liquor license.</p> <p><input type="checkbox"/> Not Paid in Full</p>				
Wholesaler: Republic National Distributing Company				
Signature	Print	Title	Date	

## Wholesaler Affidavit of Compliance Section 12-47-303(1)(d), C.R.S.

Wholesaler Licensee Name (If an LLC, partnership, corporation or name of corporation) Mountain Beverage Co LLC		License Number 042617310001	
Trade Name of Establishment/Doing Business As (DBA) Mountain Beverage		Phone Number 970-777-4000	
Physical Address 712 Spring Buck Road	City Gypsum	State CO	ZIP 81637
Email Address Cindy.Hosman@mountainbeverage.com			
Transferor Retailer Licensee Name CUGI LLC		License Number 03-11183	
Trade Name of Establishment/Doing Business As (DBA) Snow Angel Bar & Grill		Phone Number 770-351-7900	
Physical Address 404 Grand Street	City Salida	State CO	ZIP 81201
<p>The above wholesaler affirms that all alcohol beverages delivered to the above transferor retailer are:</p> <p><input checked="" type="checkbox"/> Paid in Full (only for the purposes of complying with section 12-47-303(1)(d), C.R.S.)</p> <p><b>Note:</b> If Paid in full is selected, the wholesaler may no longer extend credit to the transferee or transferor until the local and state licensing authorities have approved the transfer of the liquor license.</p> <p><input type="checkbox"/> Not Paid in Full</p>			
Wholesaler: Mountain Beverage Co LLC			
Signature 	Print Cindy Hosman	Title Controller	Date 12/16/19

## Wholesaler Affidavit of Compliance

### Section 12-47-303(1)(d), C.R.S.

Wholesaler Licensee Name (If an LLC; partnership; corporation or name of corporation) Elite Brands of Colorado, Inc.			License Number 26441610001&26441610002	
Trade Name of Establishment/Doing Business As (DBA) Elite Brands			Phone Number 303-394-7535	
Physical Address 4780 Holly Street	City Denver	State CO	ZIP 80216	
Email Address info@elite-brands.com				
Transferor Retailer Licensee Name Snow Angel Bar & Grill			License Number 03-11183	
Trade Name of Establishment/Doing Business As (DBA) Cugi LLC			Phone Number 719-539-6373	
Physical Address 404 Grant St.	City Salida	State CO	ZIP 81201	
The above wholesaler affirms that all alcohol beverages delivered to the above transferor retailer are: <input checked="" type="checkbox"/> Paid in Full (only for the purposes of complying with section 12-47-303(1)(d), C.R.S.) <b>Note:</b> If Paid in full is selected, the wholesaler may no longer extend credit to the transferee or transferor until the local and state licensing authorities have approved the transfer of the liquor license. <input type="checkbox"/> Not Paid in Full				
Wholesaler Elite Brands of Colorado, Inc.				
Signature	Print Joy Walsh	Title Staff Accountant	Date	

# Greater Salida Recreation Corporation Bar & Restaurant Tenant Agreement

This Agreement is made as of December 19, 2019, between Greater Salida Recreation Corporation (hereinafter referred to as Club, ("Landlord"), with an address of 404 Grant Street Salida, CO 81201, and \_\_\_\_\_ JSClinton LLC. \_\_\_\_\_ ("Tenant") with an address of \_\_\_\_\_, who hereby agree as follows:

1. **PREMISES.** Subject to the covenants and conditions of this Lease, Landlord leases to Tenant, and Tenant leases from Landlord, the premises commonly known as the Salida Golf Course Bar & Restaurant.
2. **TERM.** The Term of this Lease is for 3 years commencing on the 1st day of January, 2020 and ending on December 31st, 2023. Rent and utility will commence on March 1, 2020 with the following minimum hours of operation:
  1. The Bar and Restaurant will be open 7 days per week starting on the day the Golf Course opens ( which will be between March 1 and March 31 the golf course open date will be determined by the Golf Pro, Superintendent, and the Club Board) and remain open through Oct 31.  
From opening date thru May 31, minimum operating hours will be 9:00AM - 6:00PM - except for league nights - in which the B&G will stay open to a time sufficient to appropriately serve league players  
- For June 1 - Labor Day, minimum operating hours will be 8:00AM - 8:00PM - except for league nights - in which the B&G will stay open to a time sufficient to appropriately serve league players  
- From the Tuesday after Labor Day - Oct 31, minimum operating hours will be 9:00AM -6:00PM  
- The tenant must consult with board liaison for hours of operation to accommodate tournament activity for tournaments.
3. **RENT PAYMENT.** Tenant shall pay to Landlord \_\_\_\_\_ as rent in monthly installments of the Term of this Lease. Each monthly installment is due payable in advance without notice or demand at Landlord's above stated address, or any other place Landlord designates in writing.
  1. The tenant will be responsible for . . . of the following expenses:
    1. Atmos Energy
    2. Charter ( Phone & Internet Provider)
    3. Salida Utilities
    4. Waste Management(Trash Provider)
    5. Xcel Energy
  2. The Tenant will pay fo. \_\_\_\_\_ of the cable/satellite fee.
    1. The restaurant liaison will work with the tenant to select and appropriate entertainment package.

- 4. OPERATION OF THE BAR AND RESTAURANT.** The Tenant agrees to the following:
1. Tenant is responsible for the physical control of the Bar and Restaurant and keep the property locked when the business is not in operation, except when the golf hours of operation differs from the hours of operation of the Bar and Restaurant. In this case the golf pro shall be provided a key to open the common area for the use of the restrooms.
  2. Comply with all Colorado Liquor, Health, Labor, and Sanitation Laws. Any and all inspection reports will be forwarded to the Board of Directors of the Club.
  3. Supply and pay for all bar, restaurant, and bathroom supplies.
  4. Pay for wages, taxes, legal unemployment taxes, FICA, state taxes. Workers' Compensation insurance, etc. A certificate of Workers' Compensation coverage shall be provided to the Board of Directors upon receipt and subsequent renewal of said policy. The Tenant shall notify the Board of Directors for any lease the Tenant is delinquent in payment of these costs for more than 30 days.
  5. The Tenant shall obtain and maintain general liability insurance at the Tenants expense. Coverage shall include equipment, furniture and liquor. The said policy will cover and aggregate amount of \$1,000,000.00 for bodily injury and property damage. The Tenant shall provide the Board of Directors with copy of said policy.
  6. The Tenant will work closely with the Head Golf Pro and his assistants to provide professional atmosphere and camaraderie to the members and guests. The Club Board of Directors will resolve any disputes.
  7. Pay all personal property taxes levied and assessed upon the Tenant.
  8. Pay 50% of repairs related to heating, cooling, electrical, plumbing (including bathrooms) and kitchen. The board will provide copies of the invoices to the Tenant upon receipt. The Tenant will submit payment for their portion of the invoices within 15 days after invoices are received.
  9. Repair and keeping good working order all major appliances, coolers and equipment related to food, ice and beverage.
  10. Maintain and repair all restaurant items such as tables, chairs, bar and bar stools.
  11. Tenant shall not deny/limit any customers access to the Bar and Restaurant unless for good reason.
  12. Tenant allows the Board of Directors full access to Bar and Restaurant for inspections at anytime without prior notice or approval.
  13. Landlord allows the Tenant full and exclusive use of all concession equipment anywhere on the property. This includes but not limited to the concession stand and pop machines located inside the concession stands.
  14. Tenant does not have the ability to sell or sublease the Bar and Restaurant business.
  15. Any and all improvements to the Bar and Restaurant or Clubhouse shall require written approval by the Club Board of Directors prior to actual changes being performed.
  16. Any major repairs or capital purchases will be discussed and negotiated between the Club Board of Directors and the Tenant to determine whose responsibility it is for payment.
  17. Tenant is responsible for food loss due to equipment malfunctions.
  18. Tenant is responsible for cleanliness of restrooms and bar and restaurant area.
  19. The Club allow the Tenant to book private parties in the clubhouse, provided that golfers never are unreasonably excluded from full service. If Tenant desires to close the Bar and Restaurant during normal business hours, and it would impact the members and guests the Board of Directors must approve such closure.
  20. The Tenant has the catering rights to all golf tournaments and is required to work with said tournament committee on menu items. No one may cater from outside the Bar and Restaurant unless approved by the Tenant.
  21. Tenant has full rights to make food and beverage sales on the course.

IN WITNESS WHEREOF, said parties hereunto subscribed their names. Executed in two originals.

**LANDLORD**

By:  Date: 12/19/19

Title: President

By:  Date: 12/19/19

Title: Vice President/ Treasurer

**TENANT**

By:  Date: 12/19/19

Title: \_\_\_\_\_

By: Maunna P. Clinton Date: 12/19/19

Title: \_\_\_\_\_





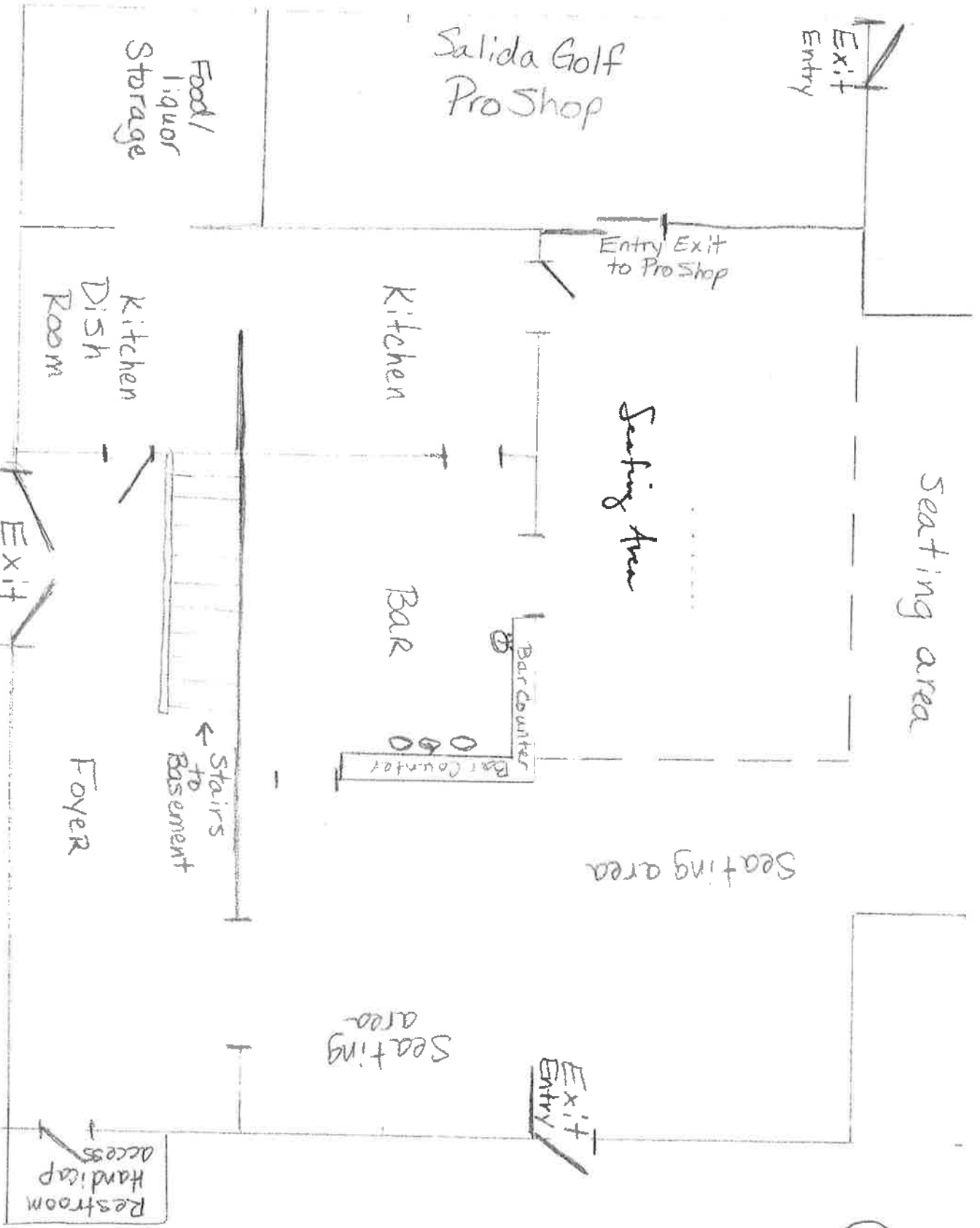


Google



404 Grant St  
Salida, CO 81201

(N)



Exit Entry

(M)

Exit Entry

Exit Entry

Entry Exit to Pro Shop

Seating area

Seating Area

Seating area

Seating area

Food/Liquor Storage

Kitchen Dish Room

Kitchen

Bar

Bar Counter

Bar Counter

Stairs to Basement

Foyer

Restroom Handicap access



Document must be filed electronically.  
Paper documents are not accepted.  
Fees & forms are subject to change.  
For more information or to print copies  
of filed documents, visit [www.sos.state.co.us](http://www.sos.state.co.us).

ABOVE SPACE FOR OFFICE USE ONLY

### Articles of Organization

filed pursuant to § 7-90-301 and § 7-80-204 of the Colorado Revised Statutes (C.R.S.)

1. The domestic entity name of the limited liability company is

JSClinton LLC

*(The name of a limited liability company must contain the term or abbreviation "limited liability company", "ltd. liability company", "limited liability co.", "ltd. liability co.", "limited", "L.L.C.", "llc", or "ltd.". See §7-90-601, C.R.S.)*

*(Caution: The use of certain terms or abbreviations are restricted by law. Read instructions for more information.)*

2. The principal office address of the limited liability company's initial principal office is

Street address 404 Grant Street  
*(Street number and name)*

Salida CO 81201  
*(City) (State) (ZIP/Postal Code)*

CO United States  
*(Province - if applicable) (Country)*

Mailing address  
(leave blank if same as street address)

*(Street number and name or Post Office Box information)*

CO  
*(State) (ZIP/Postal Code)*

United States  
*(Country)*

3. The registered agent name and registered agent address of the limited liability company's initial registered agent are

Name  
(if an individual) Clinton Shannon  
*(Last) (First) (Middle) (Suffix)*

or

(if an entity)  
*(Caution: Do not provide both an individual and an entity name.)*

Street address [REDACTED]  
*(Street number and name)*

CO  
*(State) (ZIP Code)*

Mailing address  
(leave blank if same as street address)

*(Street number and name or Post Office Box information)*

\_\_\_\_\_  
(City) CO (State) \_\_\_\_\_  
(ZIP Code)

(The following statement is adopted by marking the box.)

The person appointed as registered agent has consented to being so appointed.

4. The true name and mailing address of the person forming the limited liability company are

Name  
(if an individual) Clinton Shannon  
(Last) (First) (Middle) (Suffix)

or

(if an entity)  
(Caution: Do not provide both an individual and an entity name.)

Mailing address

\_\_\_\_\_  
(Street number and name or Post Office Box information)

\_\_\_\_\_  
(City) CO (State) \_\_\_\_\_  
(ZIP/Postal Code)  
CO United States  
(Province - if applicable) (Country)

(If the following statement applies, adopt the statement by marking the box and include an attachment.)

The limited liability company has one or more additional persons forming the limited liability company and the name and mailing address of each such person are stated in an attachment.

5. The management of the limited liability company is vested in

(Mark the applicable box.)

one or more managers.

or

the members.

6. (The following statement is adopted by marking the box.)

There is at least one member of the limited liability company.

7. (If the following statement applies, adopt the statement by marking the box and include an attachment.)

This document contains additional information as provided by law.

8. (Caution: Leave blank if the document does not have a delayed effective date. Stating a delayed effective date has significant legal consequences. Read instructions before entering a date.)

(If the following statement applies, adopt the statement by entering a date and, if applicable, time using the required format.)

The delayed effective date and, if applicable, time of this document is/are \_\_\_\_\_  
(mm/dd/yyyy hour:minute am/pm)

Notice:

Causing this document to be delivered to the Secretary of State for filing shall constitute the affirmation or acknowledgment of each individual causing such delivery, under penalties of perjury, that the document is the individual's act and deed, or that the individual in good faith believes the document is the act and deed of the person on whose behalf the individual is causing the document to be delivered for filing, taken in conformity with the requirements of part 3 of article 90 of title 7, C.R.S., the constituent documents, and the organic statutes, and that the individual in good faith believes the facts stated in the document are true and the document complies with the requirements of that Part, the constituent documents, and the organic statutes.

This perjury notice applies to each individual who causes this document to be delivered to the Secretary of State, whether or not such individual is named in the document as one who has caused it to be delivered.

9. The true name and mailing address of the individual causing the document to be delivered for filing are

Clinton Shannon  
*(Last) (First) (Middle) (Suffix)*  
\_\_\_\_\_  
*(Street number and name or Post Office Box information)*  
\_\_\_\_\_  
\_\_\_\_\_  
*(City) (State) (ZIP/Postal Code)*  
\_\_\_\_\_  
*(Province - if applicable) United States (Country)*

*(If the following statement applies, adopt the statement by marking the box and include an attachment.)*

- This document contains the true name and mailing address of one or more additional individuals causing the document to be delivered for filing.

**Disclaimer:**

This form/cover sheet, and any related instructions, are not intended to provide legal, business or tax advice, and are furnished without representation or warranty. While this form/cover sheet is believed to satisfy minimum legal requirements as of its revision date, compliance with applicable law, as the same may be amended from time to time, remains the responsibility of the user of this form/cover sheet. Questions should be addressed to the user's legal, business or tax advisor(s).





OFFICE OF THE SECRETARY OF STATE  
OF THE STATE OF COLORADO

**CERTIFICATE OF FACT OF GOOD STANDING**

I, Jena Griswold, as the Secretary of State of the State of Colorado, hereby certify that, according to the records of this office,

JSClinton LLC

is a

Limited Liability Company

formed or registered on 12/12/2019 under the law of Colorado, has complied with all applicable requirements of this office, and is in good standing with this office. This entity has been assigned entity identification number 20198005502 .

This certificate reflects facts established or disclosed by documents delivered to this office on paper through 12/30/2019 that have been posted, and by documents delivered to this office electronically through 12/31/2019 @ 14:26:28 .

I have affixed hereto the Great Seal of the State of Colorado and duly generated, executed, and issued this official certificate at Denver, Colorado on 12/31/2019 @ 14:26:28 in accordance with applicable law. This certificate is assigned Confirmation Number 11989678 .



*Jena Griswold*

Secretary of State of the State of Colorado

\*\*\*\*\*End of Certificate\*\*\*\*\*

*Notice: A certificate issued electronically from the Colorado Secretary of State's Web site is fully and immediately valid and effective. However, as an option, the issuance and validity of a certificate obtained electronically may be established by visiting the Validate a Certificate page of the Secretary of State's Web site, entering the certificate's confirmation number displayed on the certificate, and following the instructions displayed. Confirming the issuance of a certificate is merely optional and is not necessary to the valid and effective issuance of a certificate. For more information, visit our Web site, click "Businesses, trademarks, trade names" and select "Frequently Asked Questions."*



**LIMITED LIABILITY COMPANY OPERATING AGREEMENT  
OF  
JSClinton LLC**

This Multi-member LLC Operating Agreement represents JSClinton LLC that was formed in the State of Colorado on December 12 2019, hereinafter known as the "Company".

There are a total of Two (2) Members in the Company known as:

Shannon Clinton, of \_\_\_\_\_, Colorado, \_\_\_\_\_ and has 50% percent ownership-interest in the Company;

Justin Clinton, of \_\_\_\_\_, Colorado, \_\_\_\_\_ and has 50% percent ownership-interest in the Company;

hereinafter known as the "Member(s)".

WHEREAS the Member(s) desire to create a limited liability company under the laws of the State of Colorado and set forth the terms herein of the Company's operation and the relationship between Member(s).

THEREFORE, in consideration of the mutual covenants set forth herein and other valuable consideration, the receipt and sufficiency of which hereby are acknowledged, the Member(s) and the Company agree as follows:

**1. Name and Principal Place of Business**

The name of the Company is JSClinton LLC with a principal place of business at 404 Grant Street, Salida, Colorado, 81201. The mailing address shall be \_\_\_\_\_, Colorado,

**2. Registered Agent**

The name of the Registered Agent is Shannon Clinton with a registered office located at \_\_\_\_\_ for the service of process as of December 31 2019. This may change at any time by the Company filing an amendment with the Secretary of State, or respective office, in the State of Colorado.

**3. Formation**

The Company was formed on December 12 2019, when the Member(s) filed the Articles of Organization with the office of the Secretary of State pursuant to the statutes governing limited liability companies in the State of Colorado (the "Statutes").

**4. Purpose**

The purpose of the Company is to engage in and conduct any and all lawful businesses, activities or functions, and to carry on any other lawful activities in connection with or incidental to the foregoing, as the Member(s) in their discretion shall determine.

**5. Term**

The term of the Company shall be perpetual, commencing on the filing of the Articles of Organization of the Company, and continuing until terminated under the provisions set forth herein.

#### 6. Member(s) Capital Contributions

Contributions to the Company shall be made by following: two (2) members:

Shannon Clinton shall be contributing Personal property, time and effort, and cash contribution

Justin Clinton shall be contributing Personal property, time and effort and cash contribution

Hereinafter known as the "Contributor(s)".

The Contributor(s) shall have no right to withdraw or reduce their contributions to the capital of the Company until the Company has been terminated unless otherwise set forth herein. The Contributor(s) shall have no right to demand and receive any distribution from the Company in any form other than cash and Member(s) shall not be entitled to interest on their capital contributions to the Company.

The liability of the Contributor(s) for the losses, debts, liabilities and obligations of the Company shall be limited to the amount of the capital contribution plus any distributions paid to such Contributor(s) individually, such as the Contributor's share of any undistributed assets of the Company; and (only to the extent as might be required by applicable law) any amounts previously distributed to such Contributor(s) by the Company.

#### 7. Distributions

For purposes of this Agreement "net profits" and "net losses" mean the profits or losses of the Company resulting from the conduct of the Company's business, after all expenses, including depreciation allowance, incurred in connection with the conduct of its business for which such expenses have been accounted.

The term "Cash Receipts" shall mean all Cash Receipts of the Company from whatever source derived, including without limitation capital contributions made by the Member(s); the proceeds of any sale, exchange, condemnation or other disposition of all or any part of the assets of the Company; the proceeds of any loan to the Company; the proceeds of any mortgage or refinancing of any mortgage on all or any part of the assets of the Company; the proceeds of any insurance policy for fire or other casualty damage payable to the Company; and the proceeds from the liquidation of assets of the Company following termination.

The term "Capital Transactions" shall mean any of the following: the sale of all or any part of the assets of the Company; the refinancing of mortgages or other liabilities of the Company; the receipt of insurance proceeds; and any other receipts or proceeds are attributable to capital.

The "Capital Account" for each Member shall mean the account created and maintained for the Member(s) in accordance with Section 704(b) of the Internal Revenue Code and Treasury Regulation Section 1.704-1(b)(2)(iv).

The term "Members' Percentage Interests" shall mean the percentages set forth with the name of each Member.

During each monthly period the net profits and net losses of the Company (other than from Capital Transactions), and each item of income, gain, loss, deduction or credit entering into the computation thereof, shall be credited or charged, as the case may be, to the capital accounts of each Member in proportion to the Members' Percentage Interests. The net profits of the Company from Capital Transactions shall be allocated in the following order of priority: (a) to offset any negative balance in the capital accounts of the Member(s) in proportion to the amounts of the negative balance in their respective capital accounts, until all negative balances in the capital accounts have been eliminated; then (b) to the Members in proportion to the Members' Percentage Interests. The net losses of the Company from Capital Transactions shall be allocated in the following order of priority: (a) to the extent that the balance in the capital accounts of any Member(s) are in excess of their original contributions, to such Members in proportion to the excess balances until all such excess balances have been reduced to zero; then (b) to the Member(s) in proportion to the Members' Percentage Interests.

The Cash Receipts of the Company shall be applied in the following order of priority: (a) to the payment of interest or amortization on any mortgages on the assets of the Company, amounts due on debts and liabilities of the Company other than those due to any Member(s), costs of the construction of the improvements to the assets of the Company and operating expenses of the Company; (b) to the payment of interest and establishment of cash reserves determined by the Member(s) to be necessary or appropriate, including without limitation, reserves for the operation of the Company's business, construction, repairs, replacements, taxes and contingencies; and (d) to the repayment of any loans made to the Company by any Member(s). Thereafter, the Cash Receipts of the Company shall be distributed among the Members as hereafter provided.

Except as otherwise provided in this Agreement or otherwise required by law, distributions of Cash Receipts of the Company, other than from Capital Transactions, shall be allocated among the Member(s) in proportion to the Members' Percentage Interests.

Except as otherwise provided in this Agreement or otherwise required by law, distributions of Cash Receipts from Capital Transactions shall be allocated in the following order or priority: (a) to the Member(s) in proportion to their respective capital accounts until each Member has received cash distributions equal to any positive balance in their capital account; then (b) to the Member(s) in proportion to the Members' Percentage Interests.

It is the intention of the Member(s) that the allocations under this Agreement shall be deemed to have "substantial economic effect" within the meaning of Section 704 of the Internal Revenue Code and Treas. Reg. Section 1.704-1. Should the provisions of this Agreement be inconsistent with or in conflict with Section 704 of the Code or the Regulations thereunder, then Section 704 of the Code and the Regulations shall be deemed to override the contrary provisions thereof. If Section 704 or the Regulations at any time require that limited liability company operating agreements contain provisions which are not expressly set forth herein, such provisions shall be incorporated into this Agreement by reference and shall be deemed a part of this Agreement to the same extent as though they had been expressly set forth herein.

#### 8. Books, Records and Tax Returns

The Member(s), or their designees, shall maintain complete and accurate records and books of the Company's transactions in accordance with generally accepted accounting principles.

The Company shall furnish each Member, within seventy-five (75) days after the end of each fiscal year, an annual report of the Company including a balance sheet, a profit and loss statement a

capital account statement; and the amount of such Member's share of the Company's income, gain, losses, deductions and other relevant items for federal income tax purposes.

The Member(s) intends that the Company shall be taxed as a Partnership in accordance with the provisions of the Internal Revenue Code. The Company shall prepare all Federal, State and local income tax and information returns for the Company, and shall cause such tax and information returns to be timely filed. Within seventy-five (75) days after the end of each fiscal year, the Company shall forward to each person who was a Member during the preceding fiscal year a true copy of the Company's information return filed with the Internal Revenue Service for the preceding fiscal year.

All elections required or permitted to be made by the Company under the Internal Revenue Code, and the designation of a tax matters partner pursuant to Section 6231(a)(7) of the Internal Revenue Code for all purposes permitted or required by the Code, shall be made by the Company by the affirmative vote or consent of Member(s) holding a majority of the Members' Percentage Interests.

Upon request, the Company shall furnish to each Member, a current list of the names and addresses of all of the Member(s) of the Company, and any other persons or entities having any financial interest in the Company.

#### 9. Bank Accounts

All funds of the Company shall be deposited in the Company's name in a bank account or accounts as chosen by the Member(s). Withdrawals from any bank accounts shall be made only in the regular course of business of the Company and shall be made upon such signature or signatures as the Member(s) from time to time may designate.

#### 10. Management of the Company

The business and affairs of the Company shall be conducted and managed by the Member(s) in accordance with this Agreement and the laws of the State of Colorado.

Except as expressly provided elsewhere in this Agreement, all decisions respecting the management, operation and control of the business and affairs of the Company and all determinations made in accordance with this Agreement shall be made by a vote of the Members unanimously.

Notwithstanding any other provision of this Agreement, the Members shall not, without the prior authorization of the Members unanimously in favor to sell, exchange, lease, assign or otherwise transfer all or substantially all of the assets of the Company; sell, exchange, lease (other than space leases in the ordinary course of business), assign or transfer the Company's assets; mortgage, pledge or encumber the Company's assets other than is expressly authorized by this Agreement; prepay, refinance, modify, extend or consolidate any existing mortgages or encumbrances; borrow money on behalf of the Company; lend any Company funds or other assets to any person; establish any reserves for working capital repairs, replacements, improvements or any other purpose; confess a Judgment against the Company; settle, compromise or release, discharge or pay any claim, demand or debt, including claims for insurance; approve a merger or consolidation of the Company with or into any other limited liability company, corporation, partnership or other entity; or change the nature or character of the business of the Company.

The Members shall receive such sums for compensation as Members of the Company as may be determined from time to time by the affirmative vote or consent of Members holding a majority of the Members' Percentage Interests.

## 11. Meetings of Members

The annual meeting of the Members shall be held on the 1st of March (day/month) at the principal office of the Company or at such other time and place as the Members determine, for the purpose of transacting such business as may lawfully come before the meeting. If the day fixed for the annual meeting shall be a legal holiday, such meeting shall be held on the next succeeding business day.

The Members may by resolution prescribe the time and place for the holding of regular meetings and may provide that the adoption of such resolution shall constitute notice of such regular meetings.

Special meetings of the Members, for any purpose or purposes, may be called by any Members (or such other number of Members as the Members from time to time may specify).

Written or electronic notice stating the place, date, and time of the meeting, the means of electronic video screen communication or transmission, if any, and describing the purposes for which the meeting is called, shall be delivered not fewer than ten (10) days and not more than sixty (60) days before the date of the meeting to each Member, by or at the direction of the Manager or the Member(s) calling the meeting, as the case may be.

At any meeting of the Members, the presence of Members holding a majority of the Members' Percentage Interests, as determined from the books of the Company, represented in person or by proxy, shall constitute a quorum for the conduct of the general business of the Company. However, if any particular action by the Company shall require the vote or consent of some other number or percentage of Members pursuant to this Agreement, a quorum for the purpose of taking such action shall require such other number or percentage of Members. If a quorum is not present, the meeting may be adjourned from time to time without further notice, and if a quorum is present at the adjourned meeting any business may be transacted which might have been transacted at the meeting as originally notified. The Members present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough Members to leave less a quorum.

At all meetings of the Members, a Member may vote by proxy executed in writing by the Member or by a duly authorized attorney-in-fact of the Member. Such proxy shall be filed with the Company before or at the time of the meeting.

A Member of the Company who is present at a meeting of the Members at which action on any matter is taken shall be presumed to have assented to the action taken, unless the dissent of such Member shall be entered in the minutes of the meeting or unless such Member shall file a written dissent to such action with the person acting as the secretary of the meeting before the meeting's adjournment. Such right to dissent shall not apply to a Member who voted in favor of such action.

Unless otherwise provided by law, any action required to be taken at a meeting of the Members, or any other action which may be taken at a meeting of the Members, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Members entitled to vote with respect to the subject.

Members of the Company may participate in any meeting of the Members by means of conference telephone or similar communication if all persons participating in such meeting can hear one another for the entire discussion of the matters to be voted upon. Participation in a meeting pursuant to this paragraph shall constitute presence in person at such meeting.

## 12. Assignment of Interests

Except as otherwise provided in this Agreement, a Member or other person holding interest in the Company may assign, pledge, hypothecate, transfer or otherwise dispose of all or any part of their interest in the Company, including without limitation, the capital, profits or distributions of the Company.

A Member may assign all or any part of such Member's interest in the allocations and distributions of the Company to any of the following (collectively the "permitted assignees"): any person, corporation, partnership or other entity as to which the Company has permitted to the assignment of such interest in the allocations and distributions of the Company in accordance with Section 14 of this Agreement. An assignment to a permitted assignee shall only entitle the permitted assignee to the allocations and distributions to which the assigned interest is entitled unless such permitted assignee applies for admission to the Company and is admitted to the Company as a Member in accordance with this Agreement.

The Members agree that a Member may voluntarily withdraw from the Company without the approval, vote, or consent of the Members. Unless the withdrawing member's ownership interest was sold it shall be transferred to the remaining Member(s) in the Company at the same ownership interest percentage ratio that exists at the time of withdrawal. After being removed from the Company the withdrawing Member shall be unequivocally released from any legal or financial liability that is related to the Company unless otherwise agreed upon.

An assignment, pledge, hypothecation, transfer or other disposition of all or any part of the interest of a Member in the Company or other person holding any interest in the Company in violation of the provisions hereof shall be null and void for all purposes.

No assignment, transfer or other disposition of all or any part of the interest of any Member permitted under this Agreement shall be binding upon the Company unless and until a duly executed and acknowledged counterpart of such assignment or instrument of transfer, in form and substance satisfactory to the Company, has been delivered to the Company.

No assignment or other disposition of any interest of any Member may be made if such assignment or disposition, alone or when combined with other transactions, would result in the termination of the Company within the meaning of Section 708 of the Internal Revenue Code or under any other relevant section of the Code or any successor statute. No assignment or other disposition of any interest of any Member may be made without an opinion of counsel satisfactory to the Company that such assignment or disposition is subject to an effective registration under, or exempt from the registration requirements of, the applicable Federal and State securities laws. No interest in the Company may be assigned or given to any person below the age of 21 years or to a person who has been adjudged to be insane or incompetent.

Anything herein contained to the contrary, the Company shall be entitled to treat the record holder of the interest of a Member as the absolute owner thereof, and shall incur no liability by reason of distributions made in good faith to such record holder, unless and until there has been delivered to the Company the assignment or other instrument of transfer and such other evidence as may be reasonably required by the Company to establish to the satisfaction of the Company that an interest has been assigned or transferred in accordance with this Agreement.

## 13. Right of First Refusal



If a Member desires to sell, transfer or otherwise dispose of all or any part of their interest in the Company, such Member (the "Selling Member") shall first offer to sell and convey such interest to the other Members of the Company before selling, transferring or otherwise disposing of such interest to any other person, corporation or other entity. Such offer shall be in writing, shall be given to every other Member, and shall set forth the interest to be sold, the purchase price to be paid, the date on which the closing is to take place (which date shall be not less than thirty nor more than sixty (60) days after the delivery of the offer), the location at which the closing is to take place, and all other material terms and conditions of the sale, transfer or other disposition.

Within fifteen (15) days after the delivery of said offer, the other Members shall deliver to the Selling Member a written notice either accepting or rejecting the offer. Failure to deliver said notice within said fifteen (15) days conclusively shall be deemed a rejection of the offer. Any or all of the other Members may elect to accept the offer, and if more than one of the other Members elects to accept the offer, the interest being sold and the purchase price, therefore, shall be allocated among the Members so accepting the offer in proportion to their Members' Percentage Interests, unless they otherwise agree in writing.

If any or all of the other Members elect to accept the offer, then the closing of title shall be held in accordance with the offer and the Selling Member shall deliver to the other Members who have accepted the offer an assignment of the interest being sold by the Selling Member, and said other Members shall pay the purchase price prescribed in the offer.

If no other Member accepts the offer, or if the Members who have accepted such offer default in their obligations to purchase the interest, then the Selling Member, within one-hundred and twenty (120) days after the delivery of the offer, may sell such interest to any other person or entity at a purchase price which is not less than the purchase price prescribed in the offer and upon the terms and conditions which are substantially the same as the terms and conditions set forth in the offer, provided all other applicable requirements of this Agreement are complied with. An assignment of such interest to a person or entity who is not a Member of the Company shall only entitle such person or entity to the allocations and distributions to which the assigned interest is entitled, unless such person or entity applies for admission to the Company and is admitted to the Company as a Member in accordance with this Agreement.

If the Selling Member does not sell such interest within said one-hundred and twenty (120) days, then the Selling Member may not thereafter sell such interest without again offering such interest to the other Members in accordance with this Agreement.

#### 14. Admission of New Members

The Company may admit new Members (or transferees of any interests of existing Members) into by the purchase of another Member's ownership interest and a vote for adding the new Member consisting of the unanimous vote of the Members in each instance.

As a condition to the admission of a new Member, such Member shall execute and acknowledge such instruments, in form and substance satisfactory to the Company, as the Company may deem necessary or desirable to effectuate such admission and to confirm the agreement of such Member to be bound by all of the terms, covenants and conditions of this Agreement, as the same may have been amended. Such new Member shall pay all reasonable expenses in connection with such admission, including without limitation, reasonable attorneys' fees and the cost of the preparation, filing or publication of any amendment to this Agreement or the Articles of Organization, which the Company may deem necessary or desirable in connection with such admission.

No new Member shall be entitled to any retroactive allocation of income, losses, or expense deductions of the Company. The Company may make pro rata allocations of income, losses or expense deductions to a new Member for that portion of the tax year in which the Member was admitted in accordance with Section 706(d) of the Internal Revenue Code and regulations thereunder.

In no event shall a new Member be admitted to the Company if such admission would be in violation of applicable Federal or State securities laws or would adversely affect the treatment of the Company as a partnership for income tax purposes.

#### 15. Sale of Company

The sale of the Company, either partially or in its entirety, shall only be approved by a unanimous vote of the Members. Any purchase agreement that is presented to the Company shall be reviewed by up to fifteen (15) days by the Members and put up to a vote within a seven (7) day period thereafter. At the option of any Member, the vote may be delayed by up to thirty (30) days to review the details of the purchase.

If an agreement to sell the Company is approved by the Members, then all sale proceeds shall first be paid to the debt of the Company unless the Buyer is accepting some or all of the debt as part of the purchase. All remaining proceeds shall be dispersed in relation to each Member's percent ownership-interest in the Company.

#### 16. Withdrawal Events

In the event of the death, retirement, withdrawal, expulsion, or dissolution of a Member, or an event of bankruptcy or insolvency, as hereinafter defined, with respect to a Member, or the occurrence of any other event which terminates the continued membership of a Member in the Company pursuant to the Statutes (each of the foregoing being hereinafter referred to as a "Withdrawal Event"), the Company shall terminate sixty (60) days after notice to the Members of such withdrawal Event unless the business of the Company is continued as hereinafter provided.

Notwithstanding a Withdrawal Event with respect to a Member, the Company shall not terminate, irrespective of applicable law, if within aforesaid sixty-day period the remaining Members, by the unanimous vote or consent of the Members (other than the Member who caused the Withdrawal Event), shall elect to continue the business of the Company.

In the event of a Withdrawal Event with respect to a Member, any successor in interest to such Member (including without limitation any executor, administrator, heir, committee, guardian, or other representative or successor) shall not become entitled to any rights or interests of such Member in the Company, other than the allocations and distributions to which such Member is entitled, unless such successor in interest is admitted as a Member in accordance with this Agreement.

An "event of bankruptcy or insolvency" with respect to a Member shall occur if such Member: (1) applies for or consents to the appointment of a receiver, trustee or liquidator of all or a substantial part of their assets; or (2) makes a general assignment for the benefit of creditors; or (3) is adjudicated a bankrupt or an insolvent; or (4) files a voluntary petition in bankruptcy or a petition or an answer seeking an arrangement with creditors or to take advantage of any bankruptcy, insolvency, readjustment of debt or similar law or statute, or an answer admitting the material allegations of a petition filed against them in any bankruptcy, insolvency, readjustment of debt or similar proceedings; or (5) takes any action for the purpose of effecting any of the foregoing; or (6)

an order, judgment or decree shall be entered, with or without the application, approval or consent of such Member, by any court of competent jurisdiction, approving a petition for or appointing a receiver or trustee of all or a substantial part of the assets of such Member, and such order, judgment or decree shall be entered, with or without the application, approval or consent of such Member, by any court of competent jurisdiction, approving a petition for or appointing a receiver or trustee of all or a substantial part of the assets of such Member, and such order, judgment or decree shall continue unstated and in effect for thirty (30) days.

#### 17. Dissolution and Liquidation

The Company shall terminate upon the occurrence of any of the following : (i) the election by the Members to dissolve the Company made by the Members unanimously; (ii) the occurrence of a Withdrawal Event with respect to a Member and the failure of the remaining Members to elect to continue the business of the Company as provided for in this Agreement above; or (iii) any other event which pursuant to this Agreement, as the same may hereafter be amended, shall cause a termination of the Company.

The liquidation of the Company shall be conducted and supervised by a person designated for such purposes by the affirmative vote or consent of Members holding a majority of the Members' Percentage Interests (the "Liquidating Agent"). The Liquidating Agent hereby is authorized and empowered to execute any and all documents and to take any and all actions necessary or desirable to effectuate the dissolution and liquidation of the Company in accordance with this Agreement.

Promptly after the termination of the Company, the Liquidating Agent shall cause to be prepared and furnished to the Members a statement setting forth the assets and liabilities of the Company as of the date of termination. The Liquidating Agent, to the extent practicable, shall liquidate the assets of the Company as promptly as possible, but in an orderly and businesslike manner so as not to involve undue sacrifice.

The proceeds of sale and all other assets of the Company shall be applied and distributed in the following order of priority: (1) to the payment of the expenses of liquidation and the debts and liabilities of the Company, other than debts and liabilities to Members; (2) to the payment of debts and liabilities to Members; (3) to the setting up of any reserves which the Liquidating Agent may deem necessary or desirable for any contingent or unforeseen liabilities or obligations of the Company, which reserves shall be paid over to licensed attorney to hold in escrow for a period of two years for the purpose of payment of any liabilities and obligations, at the expiration of which period the balance of such reserves shall be distributed as provided; (4) to the Members in proportion to their respective capital accounts until each Member has received cash distributions equal to any positive balance in their capital account, in accordance with the rules and requirements of Treas. Reg. Section 1.704-1(b)(2)(ii)(b); and (5) to the Members in proportion to the Members' Percentage Interests.

The liquidation shall be complete within the period required by Treas. Reg. Section 1.704-1(b)(2)(ii)(b).

Upon compliance with the distribution plan, the Members shall no longer be Members, and the Company shall execute, acknowledge and cause to be filed any documents or instruments as may be necessary or appropriate to evidence the dissolution and termination of the Company pursuant to the Statutes.

#### 18. Representation of Members

Each of the Members represents, warrants and agrees that the Member is acquiring the interest in the Company for the Member's own account for investment purposes only and not with a view to the sale or distribution thereof; the Member, if an individual, is of legal age; if the Member is an organization, such organization is duly organized, validly existing and in good standing under the laws of its State of organization and that it has full power and authority to execute this Agreement and perform its obligations hereunder; the execution and performance of this Agreement by the Member does not conflict with, and will not result in any breach of, any law or any order, writ, injunction or decree of any court or governmental authority against or which binds the Member, or of any agreement or instrument to which the Member is a party; and the Member shall not dispose of such interest or any part thereof in any manner which would constitute a violation of the Securities Act of 1933, the Rules and Regulations of the Securities and Exchange Commission, or any applicable laws, rules or regulations of any State or other governmental authorities, as the same may be amended.

#### 19. Certificates Evidencing Membership

Every membership interest in the Company shall be evidenced by a Certificate of Membership issued by the Company. Each Certificate of Membership shall set forth the name of the Member holding the membership interest and the Member's Percentage Interest held by the Member, and shall bear the following legend:

"The membership interest represented by this certificate is subject to, and may not be transferred except in accordance with, the provisions of the Operating Agreement of JSClinton LLC dated effective as of December 31 2019, as the same from time to time may be amended, a copy of which is on file at the principal office of the Company."

#### 20. Notices

All notices, demands, requests or other communications which any of the parties to this Agreement may desire or be required to give hereunder shall be in writing and shall be deemed to have been properly given if sent by courier or by registered or certified mail, return receipt requested, with postage prepaid, addressed as follows: (a) if to the Company, at the principal place of business of the Company designated by the Company; and (b) if to any Member, to the address of said Member first above written, or to such other address as may be designated by said Member by notice to the Company and the other Members pursuant to this Agreement.

#### 21. Arbitration

Any dispute, controversy or claim arising out of or in connection with this Agreement or any breach or alleged breach hereof shall, upon the request of any party involved, be submitted to, and settled by, arbitration in the city in which the principal place of business of the Company is then located, pursuant to the commercial arbitration rules then in effect of the American Arbitration Association (or at any other time or place or under any other form of arbitration mutually acceptable to the parties involved). Any award rendered shall be final and conclusive upon the parties and a judgment thereon may be entered in a court of competent jurisdiction. The expenses of the arbitration shall be borne equally by the parties to the arbitration, provided that each party shall pay for and bear the cost of its own experts, evidence and attorneys' fees, except that in the discretion of the arbitrator any award may include the attorney's fees of a party if the arbitrator expressly determines that the party against whom such award is entered has caused the dispute, controversy or claim to be submitted to arbitration as a dilatory tactic or in bad faith.

#### 22. Amendments

This Agreement may not be altered, amended, changed, supplemented, waived or modified in any respect or particular unless the same shall be in writing and agreed to by the affirmative vote or consent of Members holding a majority of the Members' Percentage Interests. No amendment may be made to Articles that apply to the financial interest of the Members, except by the vote or consent of all of the Members. No amendment of any provision of this Agreement relating to the voting requirements of the Members on any specific subject shall be made without the affirmative vote or consent of at least the number or percentage of Members required to vote on such subject.

### 23. Miscellaneous

This Agreement and the rights and liabilities of the parties hereunder shall be governed by and determined in accordance with the laws of the State of Colorado. If any provision of this Agreement shall be invalid or unenforceable, such invalidity or unenforceability shall not affect the other provisions of this Agreement, which shall remain in full force and effect.

The captions in this Agreement are for convenience only and are not to be considered in construing this Agreement. All pronouns shall be deemed to be the masculine, feminine, neuter, singular or plural as the identity of the person or persons may require. References to a person or persons shall include partnerships, corporations, limited liability companies, unincorporated associations, trusts, estates and other types of entities.

This Agreement, and any amendments hereto, may be executed in counterparts all of which taken together shall constitute one agreement.

This Agreement sets forth the entire agreement of the parties hereto with respect to the subject matter hereof. It is the intention of the Member(s) that this Agreement shall be the sole agreement of the parties, and, except to the extent a provision of this Agreement provides for the incorporation of federal income tax rules or is expressly prohibited or ineffective under the Statutes, this Agreement shall govern even when inconsistent with, or different from, the provisions of any applicable law or rule. To the extent any provision of this Agreement is prohibited or otherwise ineffective under the Statutes, such provision shall be considered to be ineffective to the smallest degree possible in order to make this Agreement effective under the Statutes.

Subject to the limitations on transferability set forth above, this Agreement shall be binding upon and inure to the benefit of the parties hereto and to their respective heirs, executors, administrators, successors and assigns.

No provision of this Agreement is intended to be for the benefit of or enforceable by any third party.

**IN WITNESS WHEREOF**, the Member(s) have executed this Agreement on December 31 2019.

The Member(s) of JSClinton LLC

  
Shannon Clinton

  
Justin Clinton





**REQUEST FOR CITY COUNCIL ACTION**

Meeting: February 4, 2020

<b>AGENDA ITEM NO.</b> 6.a	<b>ORIGINATING DEPARTMENT:</b> Community Development	<b>PRESENTED BY:</b> Glen Van Nimwegen
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**ITEM:**

Resolution 2020-04 – Possible Citizen Appointments to the Planning Commission

**BACKGROUND:**

The Commission is made up of seven regular members and two alternate members. The last appointment was Johann Steimle to the vacant alternate position. Since then Joe Judd and Sandy Farrell have resigned from the Commission creating two regular member vacancies. The Commission current makeup is:

<u>Member</u>	<u>Term Expires</u>	
Greg Follet, Chair	06/07/2020	
Francie Bomer, Vice Chair	04/21/2023	
Dori Denning	03/21/2020	
<del>Sandra Farrell</del>	11/07/2021	vacant
<del>Joe Judd</del>	04/21/2023	vacant
Giff Kriebel	01/01/2023	
Douglas Mendelson	06/03/2022	
Linda Eiler, Alternate	03/21/2020	
Johann “Kit” Steimle, Alternate	06/07/2020	candidate for regular member

The City Council is scheduled to interview five candidates at the Monday, February 3 work session. The possible appointments could include two regular members; or an alternate and regular member.

**SUGGESTED MOTIONS:**

A Council person should make a motion “to approve Resolution No. 2020-04 a resolution of the City Council for the City of Salida, Colorado approving the following appointments to the Planning Commission:

1. \_\_\_\_\_, a regular member term to expire November 7, 2021.
2. \_\_\_\_\_, a regular member term to expire April 21, 2023.
3. \_\_\_\_\_, an alternate member term to expire June 7, 2020.

Attachments

Resolution 2020-04  
Work Session Memo 02-03-2020

**CITY OF SALIDA, COLORADO**  
**RESOLUTION NO. 04**  
**(Series of 2020)**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SALIDA, COLORADO, APPROVING CITIZEN APPOINTMENTS TO THE PLANNING COMMISSION PURSUANT TO SECTION 2-7-10 OF THE SALIDA MUNICIPAL CODE.**

**WHEREAS**, in accordance with Section 2-7-10 of the Salida Municipal Code (“SMC”), the City Council shall select and appoint person(s) to serve as members of the City of Salida Planning Commission; and

**WHEREAS**, there are two regular member positions vacant; or a regular and alternate positions vacant on the Planning Commission; and

**WHEREAS**, Council has interviewed candidates and wish them to serve; and

**WHEREAS**, the City Council appreciates the service these members of the community have devoted to bettering Salida through participation on the Planning Commission; and

**WHEREAS**, in accordance with Section 2-7-10 of the Salida Municipal Code (“SMC”), the City Council shall confirm the appointments by majority vote.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SALIDA, COLORADO THAT:

1. The City Council hereby appoints \_\_\_\_\_ to a regular member position, term to expire November 7, 2021.
2. The City Council hereby appoints \_\_\_\_\_ to a regular member position, term to expire April 21, 2023.
3. The City Council hereby appoints \_\_\_\_\_ to an alternate member position, term to expire June 7, 2020.

RESOLVED, APPROVED, AND ADOPTED this 4th day of February, 2020.

CITY OF SALIDA, COLORADO

By \_\_\_\_\_  
Mayor PT Wood

[SEAL]  
ATTEST:

\_\_\_\_\_  
City Clerk





## CITY COUNCIL WORK SESSION

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MEETING DATE: February 3, 2020

WORK SESSION ITEM: Planning Commissioner Interviews

PRESENTED BY: Glen Van Nimwegen, Community Development Director

### BACKGROUND:

There are currently two open regular positions on the Planning Commission. Amongst the five candidates is Johann “Kit” Steimle who was appointed by the Council to an alternate position on November 5, 2019. City staff has published advertisements in the Mountain Mail for all of our Boards and Commissions last year, and most recently focused the advertisement on filling vacancies with the Planning Commission and Historic Preservation Commission. Through this process the Community Development department received five applications for the Planning Commission, which are attached for your review. The following, have been invited for interviews:

	<u>Application Received</u>
1. Johann “Kit” Steimle	November 26, 2019
2. Adam Martinez	January 10, 2020
3. Matthew Chambers	January 16, 2020
4. Judith Dockery	January 19, 2020
5. Michelle Walker	January 24, 2020

From: [jsteimle@salidaplanning.com](mailto:jsteimle@salidaplanning.com)  
To: [glen.vannimwegen@cityofsalida.com](mailto:glen.vannimwegen@cityofsalida.com)  
Subject: PC opening  
Date: Tuesday, November 26, 2019 12:49:22 PM

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Glen, I wanted to let you know I am very interested in the full time position in place of Joe Judd. The few weeks I've been apart of the team have been exactly what I was looking for and I feel I am giving fresh ideas to the board. Thanks for your consideration.

Kit

Sent from my iPad



**APPLICATION FOR CITY OF SALIDA  
COMMITTEES, BOARDS, AND COMMISSIONS**

DATE 8/6/19  
NAME Johann "Kit" Steimle  
ADDRESS 114 Starbucks Circle  
CITY Salida STATE Co. ZIP 81201  
TELEPHONE # (home) N/A (work) N/A  
(cell) 719-419-4450  
FAX # \_\_\_\_\_ E-MAIL Kitsteimle@gmail.com

**APPLYING FOR:**

- |   |  |
|---|--|
| <input type="checkbox"/> Board of Adjustment              | <input type="checkbox"/> Salida/Chaffee County Airport Board |
| <input type="checkbox"/> Board of Appeals                 | <input type="checkbox"/> SteamPlant Commission               |
| <input type="checkbox"/> Historic Preservation Commission | <input type="checkbox"/> Tree Board                          |
| <input checked="" type="checkbox"/> Planning Commission   | <input type="checkbox"/> Public Art Commission               |
| <input type="checkbox"/> Recreation Advisory Board        | <input type="checkbox"/> Other _____                         |

**Please fill out the following information about yourself and why you are applying for this position. (Attach resume or extra sheets if necessary)**

**BACKGROUND AND/OR EXPERIENCE (Business and/or Personal):**

I have served the Country and the public most of my adult life. I have been very passionate about public service and the communities I have had the privilege to work with. I served the citizens of Louisville, Ky. faithfully for 21 years as a police officer, rising to the rank of lieutenant and commanding the Violent Crime Unit. I began purchasing homes in Louisville, Ky. in 2008 with the sole purpose to provide low-income families with a nice and safe place to raise their children without the fear of affordability. I started a program with all my tenants to provide Thanksgiving meals and Christmas gifts for the children. I had zero evictions in 7 years running. I love the communities in which I have served and currently live.

**PERSONAL AND JOB RELATED INTERESTS:**

**Being a contractor in Salida has given me the opportunity to see all the different neighborhoods and needs of the City. My interests professionally include helping Salida grow into a top destination to not only live and work, but to visit and stay. I am very passionate about everyone's needs and the growing need for affordable housing, while preserving the rich history of the city.**

**REASONS FOR APPLYING:**

The reasons I am applying are this: Number one is to serve the community of Salida to my fullest potential. I think my previous experiences in public service and the housing industry will help not only to make fair and just decisions, but it will prove to benefit all the citizens of Salida. I want to provide a voice to keep the city preserved as we develop into the future. I want to ensure that the growth of Salida is fair and consistent with all my constituents. And lastly, I want to contribute and give back to the community in which I live and love.

**Thank you for applying. Salida City Council**

**Please return the completed application to:**

**Sonia Walter  
Deputy City Clerk  
City Hall**



**APPLICATION FOR CITY OF SALIDA  
COMMITTEES, BOARDS, AND COMMISSIONS**

DATE 1-10-20  
NAME adam martinez  
ADDRESS p.o. box 791  
CITY salida STATE colorado ZIP 81201  
TELEPHONE # (home) 719-539-6059 (work) 719-539-2580  
(cell) 719-207-0183  
FAX # \_\_\_\_\_ E-MAIL adambmartinez991@gmail.com

APPLYING FOR:

- |   |  |
|---|--|
| <input type="checkbox"/> Board of Adjustment              | <input type="checkbox"/> Salida/Chaffee County Airport Board |
| <input type="checkbox"/> Board of Appeals                 | <input type="checkbox"/> SteamPlant Commission               |
| <input type="checkbox"/> Historic Preservation Commission | <input type="checkbox"/> Tree Board                          |
| <input checked="" type="checkbox"/> Planning Commission   | <input type="checkbox"/> Public Art Commission               |
| <input type="checkbox"/> Recreation Advisory Board        | <input type="checkbox"/> Other _____                         |

**Please fill out the following information about yourself and why you are applying for this position. (Attach resume or extra sheets if necessary)**

BACKGROUND AND/OR EXPERIENCE (Business and/or Personal):

i have lived in salida for 30 years and i went to school at salida high school and graduated in 1996 and i studied american goverment i have always during my tenure in salida have wanted to serve in city goverment i learned at a young age politics and city government from my grand father noah maes and my long time friend gerry berry who used to be in city government and i have passionate but serving my city and i love salida and how it is improving under the new council and i care about growth and development in salida bringing more jobs into salida and i care about the direction this town is going i listen to all the city and planning commion meets on tv and you tube

PERSONAL AND JOB RELATED INTERESTS:

i would like to serve the city of salida so i can improve our city in alot of ways i would like to be a good asset to the city of salida and bring my thoughts and ideas to the planning commission and work on planning and zoning issues along with affordable housing listening to thoughts from other members and make fair decisions and policy's to make citizens feel like their voices have been heard at all levels studying the issues and taking time to learn the issues before making a decision listening to imput from other members and the public and working with the city council and the city adminisration and working for the commuity to make it a better place to live and work and stepping up to the plate and serving my commuity and having an imput and have worked at wal-mart, safeways, mcdonalds, dominos, and at sonic. and my mom donna served in the school board. she was on there for 10 years and i would like to bring all that to the table and would like to be chosen to serve

REASONS FOR APPLYING:

I want to serve the city of salida and i have been always intrested in city poltics and politics in general i keep up with city poltics and watch all of the city meetings and planning commission meetings and i want looking in ways to help my city and give back to the city and serving in office

Thank you for applying. Salida City Council

Please return the completed application to:

City of Salida  
448 E. 1<sup>st</sup> Street, Suite 112  
Salida, CO 81201  
or email to:  
[Clerk@cityofsalida.com](mailto:Clerk@cityofsalida.com)



**APPLICATION FOR CITY OF SALIDA  
COMMITTEES, BOARDS, AND COMMISSIONS**

DATE 1/16/20  
NAME Matthew Chambers  
ADDRESS 546 F ST  
CITY Salida STATE CO ZIP 81201  
TELEPHONE # (home) 512-393-9910 (work) " "  
(cell) " "  
FAX # \_\_\_\_\_ E-MAIL chamberscontractors@gmail.com

**APPLYING FOR:**

- |   |  |
|---|--|
| <input type="checkbox"/> Board of Adjustment              | <input type="checkbox"/> Salida/Chaffee County Airport Board |
| <input type="checkbox"/> Board of Appeals                 | <input type="checkbox"/> SteamPlant Commission               |
| <input type="checkbox"/> Historic Preservation Commission | <input type="checkbox"/> Tree Board                          |
| <input checked="" type="checkbox"/> Planning Commission   | <input type="checkbox"/> Public Art Commission               |
| <input type="checkbox"/> Recreation Advisory Board        | <input type="checkbox"/> Other _____                         |

**Please fill out the following information about yourself and why you are applying for this position. (Attach resume or extra sheets if necessary)**

**BACKGROUND AND/OR EXPERIENCE (Business and/or Personal):**

• served on ZBOA with City of San Marcos, TX  
• served on Construction board " "  
• currently work with Colorado Summit Realty as an associate broker  
• study town planning

PERSONAL AND JOB RELATED INTERESTS:

• American Planning Association: Former member  
- study principals of Congress for  
New Urbanism and smart growth

REASONS FOR APPLYING:

• enjoy and want to be on  
a board that has impact ~~and~~  
and influence on the town  
development of Salida

Thank you for applying. Salida City Council

Please return the completed application to:

City of Salida  
448 E. 1<sup>st</sup> Street, Suite 112  
Salida, CO 81201  
or email to:  
[Clerk@cityofsalida.com](mailto:Clerk@cityofsalida.com)



---

# **MATTHEW CHAMBERS**

546 F St, Salida, CO 81201 | 512-393-9910 | chamberscontractors@gmail.com

## **EDUCATION**

### ***Bachelor of Arts | University of Texas at Austin | May 2003***

Major in English Literature and Minors in Photography, Geography, and Business

### ***Master of Applied Geography | Texas State University | May 2007***

Master of Geography

## **WORK EXPERIENCE**

### ***Chambers Contractors LLC***

Owner Operator | 10/2009 – 12/2016

Operated affordable housing development business.

### ***Community Action Inc.***

Adult Educator | 8/2009 – 3/2014

Taught GED classes to adults ranging in ages from 17 to 70.

## **BOARD MEMBERSHIP**

### ***Zoning Board of Adjustments, City of San Marcos***

Board Member | 2011 – 2016 | Vice-Chairman 2015-2016

### ***Construction Board, City of San Marcos***

Board Member | 2011 – 2016

## **PROFESSIONAL MEMBERSHIPS | LICENSES | HONORS**

American Planning Association

Congress for New Urbanism

International Code Council - Residential Building Contractor License

Eagle Scout – Boy Scouts of America



**APPLICATION FOR CITY OF SALIDA  
COMMITTEES, BOARDS, AND COMMISSIONS**

DATE 1/19/20  
NAME Judith Dockery  
ADDRESS 31B Trailside Ct  
CITY Salida STATE: CO ZIP 81201  
TELEPHONE # (home) \_\_\_\_\_ (work) \_\_\_\_\_  
(cell) 757-406-2890  
FAX # \_\_\_\_\_ E-MAIL judydockery@gmail.com

APPLYING FOR:

- |   |  |
|---|--|
| <input type="checkbox"/> Board of Adjustment              | <input type="checkbox"/> Salida/Chaffee County Airport Board |
| <input type="checkbox"/> Board of Appeals                 | <input type="checkbox"/> SteamPlant Commission               |
| <input type="checkbox"/> Historic Preservation Commission | <input type="checkbox"/> Tree Board                          |
| <input checked="" type="checkbox"/> Planning Commission   | <input type="checkbox"/> Public Art Commission               |
| <input type="checkbox"/> Recreation Advisory Board        | <input type="checkbox"/> Other _____                         |

**Please fill out the following information about yourself and why you are applying for this position. (Attach resume or extra sheets if necessary)**

BACKGROUND AND/OR EXPERIENCE (Business and/or Personal):

I am an attorney. Six years ago, when I retired I moved to Salida to be close to my son, attorney Greg Powell, and my grand children. My law practice was in Virginia Beach VA, a city of 500,000 residents. I served on the Va. Beach Planning Commission for 8 years---vice chairman for 6 years----secretary for 1 year. At that time Va. Beach was experiencing a challenging growth period; development expanding into rural and farming areas. During my service on the Planning Commission, we helped staff revise the city Master Plan and passed a Landscape ordinance.

PERSONAL AND JOB RELATED INTERESTS:

I am a volunteer for Full Circle Restorative Justice in Salida.

I also volunteer for the Restorative Justice/Insight Prison Project at the Prison in BV.

REASONS FOR APPLYING:

I want to become more involved in the community and the Planning Commission fits my experience.

**Thank you for applying. Salida City Council**

**Please return the completed application to:**

**City of Salida  
448 E. 1<sup>st</sup> Street, Suite 112  
Salida, CO 81201  
or email to:  
[Clerk@cityofsalida.com](mailto:Clerk@cityofsalida.com)**



APPLICATION FOR CITY OF SALIDA COMMITTEES, BOARDS, AND COMMISSIONS

DATE 1-24-2020
NAME MICHELLE WALKER
ADDRESS 562A EAST 1st St PO Box 752
CITY SALIDA STATE CO ZIP 81201
TELEPHONE # (home) 206 724 1651 (work)
(cell) SAME
FAX # E-MAIL MICHELLE.BENEZ.WALKER@GMAIL.COM

APPLYING FOR:

- Board of Adjustment
Board of Appeals
Historic Preservation Commission
Planning Commission
Recreation Advisory Board
Salida/Chaffee County Airport Board
SteamPlant Commission
Tree Board
Public Art Commission
Other

Please fill out the following information about yourself and why you are applying for this position. (Attach resume or extra sheets if necessary)

BACKGROUND AND/OR EXPERIENCE (Business and/or Personal):

SEE ATTACHED

PERSONAL AND JOB RELATED INTERESTS:

SEE ATTACHED

REASONS FOR APPLYING:

SEE ATTACHED

Thank you for applying. Salida City Council

Please return the completed application to:

City of Salida  
448 E. 1<sup>st</sup> Street, Suite 112  
Salida, CO 81201  
or email to:  
[Clerk@cityofsalida.com](mailto:Clerk@cityofsalida.com)

Application Responses – Board of Adjustments and Planning Commission

Background and/or Experience:

I have a degree in Architectural Engineering from CU Boulder. Before my daughter was born I worked as a Mechanical Engineer designing HVAC systems for both residential and commercial buildings. As part of my jobs I ensured our designs were compliant with all local state and national codes.

When my daughter was born I became a stay at home parent. I am proud of my work as a Mom helping a disabled child navigate life.

Personal and Job Related Interests:

I have a personal interest accessibility for disabled people as I have a lovely disabled daughter.

I am also a runner and a swimmer and so I've a great appreciation for our open spaces and our pool.

I also like to rock climb and to hike. I am an aspiring artist, and a regular at Café Dawn for French group meetings.

I have lived in Idledale (a town with only a post office and 3 stop signs), Boulder, Vail, and Seattle. My education and work background have made me especially attuned to the layout of whatever city I am in. In Idledale I learned about restraint in development as we convinced builders to develop land at a density that preserved the town's semi-rural feel. As a student in Boulder I learned to appreciate the low income housing and public transportation. In Vail I learned the importance of preserving a town aesthetic not just for the beauty, but for the tourists. In Seattle I learned about the importance of high density housing, and I admired the city's walkability with it's clusters of neighborhood specific restaurants and businesses.

Reasons for Applying:

I am eager to join the Planning Commission / Board of Adjustments here in Salida in order to receive an official education in the city planning that has always been in the periphery of my career. I realize this is not a paying position, but I believe it would provide invaluable professional growth for me.

I have moved to Salida very recently. I picked this place because it is "paradise". I run up S mountain almost every day and look out over our rapidly growing city. I am grateful for the planning and intention that has clearly gone into Salida's growth thus far, and I know I have expertise to share that will help us to continue to grow gracefully.



## REQUEST FOR CITY COUNCIL ACTION

Meeting: February 4, 2020

<b>AGENDA ITEM NO.</b> 6.b	<b>ORIGINATING DEPARTMENT:</b> Community Development	<b>PRESENTED BY:</b> Glen Van Nimwegen
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### ITEM:

Resolution 2020-05 - Citizen appointment to the Historic Preservation Commission

### BACKGROUND:

Jeanine Zeman and Karen Lintott of the Historic Preservation Commission recently resigned, leaving a regular member and alternate member vacancies.

The current makeup of the Commission is as follows:

<u>Member</u>	<u>Term Expires</u>	
Keith Krebs, Chair	04/18/2021	
Steve Harris	08/15/2020	
<del>Jeanine Zeman</del>	<del>03/21/2020</del>	vacant
Patrick Reagan	03/01/2022	
Warren Tomkiewicz	08/15/2020	
<del>Karen Lintott, Alternate</del>	<del>01/01/2022</del>	vacant
Lee Hunnicutt, Alternate	11/07/2021	

Staff has advertised for both the Planning Commission and Historic Preservation Commission vacancies in the Mountain Mail in the new year. Council is scheduled to interview applicant Jack Chivvis **and Steve Chapman** at your Monday work session.

### SUGGESTED MOTION:

A Council person should make a motion "to approve Resolution 2020-05, a resolution of the City Council for the City of Salida, Colorado approving the following appointments to the Historic Preservation Commission:

1. **[REDACTED]**, regular member term to expire March 21, 2023; and
2. **[REDACTED]**, alternate member term to expire January 1, 2022."

### Attachments

Resolution 2020-05

Application of Jack Chivvis

**Application of Steve Chapman**

**CITY OF SALIDA, COLORADO**  
**RESOLUTION NO. 05**  
**(Series 2020)**

**A RESOLUTION OF THE CITY COUNCIL FOR THE CITY OF SALIDA, COLORADO  
APPROVING CITIZEN APPOINTMENTS TO THE HISTORIC PRESERVATION  
COMMISSION PURSUANT TO SECTION 2-7-10 OF THE SALIDA MUNICIPAL CODE**

**WHEREAS**, in accordance with Section 2-7-10 of the Salida City Code, as amended, the City Council shall select and appoint person(s) to serve as a member of the City of Salida Historic Preservation Commission; and

**WHEREAS**, there is a regular and alternate member vacancy; and

**WHEREAS**, the City Council has interviewed two candidates and wish them to serve; and

**WHEREAS**, the City Council appreciates the service these members of the community have devoted to bettering Salida through participation on the Historic Preservation Commission; and

**WHEREAS**, in accordance with Section 2-7-10 of the Salida City Code, as amended, City Council shall confirm the appointments by majority vote;

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SALIDA, COLORADO THAT:**

1. The City Council hereby appoints the following individual to serve on the Historic Preservation Commission in the following capacity and term:
  - a. \_\_\_\_\_ as a regular member, term to expire March 21, 2023;
  - b. \_\_\_\_\_ as an alternate member, term to expire January 1, 2022.

RESOLVED, APPROVED, AND ADOPTED this 4th day of February, 2020.

CITY OF SALIDA

By: \_\_\_\_\_  
Mayor P.T. Wood

[SEAL]

ATTEST: \_\_\_\_\_  
Deputy City Clerk





**APPLICATION FOR CITY OF SALIDA  
COMMITTEES, BOARDS, AND COMMISSIONS**

DATE 1-30-20  
NAME JACK CHIVVIS  
ADDRESS 28 Hillside  
CITY SALIDA STATE Co ZIP 81201  
TELEPHONE # (home) 221-4503 Cell Cell (work) \_\_\_\_\_  
(cell) \_\_\_\_\_  
FAX # \_\_\_\_\_ E-MAIL jack@chivvisandlovell.com

APPLYING FOR:

- |  |  |
|--|--|
| <input type="checkbox"/> Board of Adjustment                         | <input type="checkbox"/> Salida/Chaffee County Airport Board |
| <input type="checkbox"/> Board of Appeals                            | <input type="checkbox"/> SteamPlant Commission               |
| <input checked="" type="checkbox"/> Historic Preservation Commission | <input type="checkbox"/> Tree Board                          |
| <input type="checkbox"/> Planning Commission                         | <input type="checkbox"/> Other _____                         |
| <input type="checkbox"/> Recreation Advisory Board                   |  |

**Please fill out the following information about yourself and why you are applying for this position. (Attach resume or extra sheets if necessary)**

BACKGROUND AND/OR EXPERIENCE (Business and/or Personal): \_\_\_\_\_

Full time resident since 1980

*9 years on HPC from it's beginning*

Owner of Bldg. at 148 N.F. since 1985

Owner of Bldg. at 121 N.F. from 1988-2004

Lived at 121 N. F. for 16 years

Part owner of The Sherman Hotel Bldg. 1982-1983

Active antique dealer and gallery owner downtown for 30 years

Fill in city council member for one year 1995

Lead many historic walking tours starting in the 1990's for the Chaffee Co. visitors bureau, Sun Tours out of New Mexico and others.

As a local historian, antique dealer and collector, I have done a great deal of research on our downtown buildings and have assisted a number of owners with their renovation using my photo collection. Salida is unique in that we have such a well preserved collection on late 19th century buildings in a small walkable downtown and that so far our building owners have seen the benefit of preserving the many details that are there. I understand that there is a balancing act between preservation and financial viability, but I also feel that historic districts can be overwhelmed and diluted by too much change, new additions and inappropriate infill. Overall I am very pleased with what has happened here in the last several decades and the willingness of owners and developers to go above and beyond what is required. I hope I can, in my small way, continue to lend a hand in that endeavor by educating, informing and encouraging.

Jack Chivvis

1/31/20



**APPLICATION FOR CITY OF SALIDA  
COMMITTEES, BOARDS, AND COMMISSIONS**

DATE 1/30/20  
NAME Steve Chapman  
ADDRESS 430 1/2 W. 2nd Street  
CITY Salida STATE CO ZIP 81201  
TELEPHONE # (home) \_\_\_\_\_ (work) 719-497-9444  
(cell) 970-406-0626  
FAX # \_\_\_\_\_ E-MAIL steventchapman970@gmail.co

**APPLYING FOR:**

- |  |  |
|--|--|
| <input type="checkbox"/> Board of Adjustment                         | <input type="checkbox"/> Salida/Chaffee County Airport Board |
| <input type="checkbox"/> Board of Appeals                            | <input type="checkbox"/> SteamPlant Commission               |
| <input checked="" type="checkbox"/> Historic Preservation Commission | <input type="checkbox"/> Tree Board                          |
| <input type="checkbox"/> Planning Commission                         | <input type="checkbox"/> Public Art Commission               |
| <input type="checkbox"/> Recreation Advisory Board                   | <input type="checkbox"/> Other _____                         |

**Please fill out the following information about yourself and why you are applying for this position. (Attach resume or extra sheets if necessary)**

**BACKGROUND AND/OR EXPERIENCE (Business and/or Personal):**

Strategic planner and tactical analyst with extensive experience in the southeast Asia marketplace, including China, Thailand, Indonesia, Philippines, Singapore, Hong Kong, and Taiwan

2018-present Owner--Salida Walking Tours, LLC  
www.SalidaWalkingTours.com  
www.BuenaVistaWalkingTours.com  
Guided historical tours of Salida and Buena Vista

2019-present  
Author--Series of books on the history of Salida

Host and producer of a radio series focusing on the history of Salida and Buena Vista

Host and producer of a video series, created for Chaffee County Visitors Bureau, focused on Chaffe County history

Co-founder--Salida Heritage Days  
www.SalidaHeritageDays.com  
Three-day festival celebrating the 140-year history of Salida, Colorado

**PERSONAL AND JOB RELATED INTERESTS:**

My passion is history, particular 1880-1900 Chaffee County and the National Historic District. The tours I've created focus exclusively on this district plus Main Street Buena Vista.

In my down time, I'm usually Jeeping with my dog, Rez, exploring old mining and ghost towns, backpacking, and getting lost (sometimes unintentionally) in the backcountry.

**REASONS FOR APPLYING:**

Both my vocation and avocation are tied to the National Historic District. My years of research in the area, and connections to non-profits and downtown business owners provides a unique perspective on both the needs of preservation and the economic realities of owning a business in a protected area.

**Thank you for applying. Salida City Council**

**Please return the completed application to:**

**City of Salida**  
**448 E. 1<sup>st</sup> Street, Suite 112**  
**Salida, CO 81201**  
**or email to:**  
**[Clerk@cityofsalida.com](mailto:Clerk@cityofsalida.com)**



## REQUEST FOR CITY COUNCIL ACTION

Meeting Date: February 4, 2020:

AGENDA ITEM NO.	ORIGINATING DEPARTMENT:	PRESENTED BY:
6.c.	Fire Department	Doug Bess

### **ITEM:**

Resolution 2020-06 Adoption of the Chaffee County Community Wildfire Protection Plan

### **BACKGROUND:**

Over the last sixteen months, 36 leaders from 17 agencies along with input from over 1500 citizens engaged in updating the Community Wildfire Protection Plan that was last updated in 2009. Recently the final draft of the plan was released and ready for review and signatures.

Community leaders working under the Envision Fire and Healthy Landscapes Partnership have completed the Chaffee County Next Generation Community Wildfire Protection Plan (CWPP).

The plan builds on current federal wildfire policy that has increased the participation and influence of local communities in addressing wildfires in the West. At a minimum, CWPPs are required to address the following criteria:

- collaboration among local government officials, fire agencies, the state forestry agency and appropriate federal land management agencies;
- prioritize fuel reduction by identifying areas for hazardous fuel reduction in at-risk communities and essential infrastructure, including types and methods of treatment on public and private lands; and
- reduce structural ignitability throughout at-risk communities.

The resulting plan must be approved by the applicable local government, local fire department(s), and the state agency responsible for forest management. Creation of the CWPP improves access to federal, state, and private funds for wildfire planning and project implementation.

The attached Chaffee County CWPP builds on the former 2009 plan to establish long-range recommendations that protect citizens, homes and essential infrastructure from the destruction of catastrophic wildfire. The new plan uses computer modeling to map the level of risk to important community assets and identifies areas to treat the forest for the highest cost efficiency.

The outcome of the Chaffee County Next Generation CWPP process is profound and proposes substantial change to the way forest management is done in Chaffee County. The plan is to reduce the overall risk to the community's assets by nearly 50% in ten years by accelerating treatment on the right acres. This will include accelerating treatment activities, such as forest thinning, to treat 10,000 to 15,000 acres by the end of 2025, subject to funding and conditions.

The full report is attached.

### **Additional Background information**

Chaffee County typifies the new reality of wildfire in the west. Decades of fire suppression and ensuing insect infestations have caused our forests to decline into very poor health. Forests are overly dense with high fuel loads. These unhealthy forests are further impacted by multiple insect epidemics, including a beetle epidemic resulting in 80 to 90% mortality of spruce trees countywide. The United States Forest Service (USFS) estimates that an average of five standing dead trees per acre across Chaffee County in 2017 will increase



**REQUEST FOR CITY COUNCIL ACTION**

Meeting Date: February 4, 2020:

<b>AGENDA ITEM NO.</b> 6.c.	<b>ORIGINATING DEPARTMENT:</b> Fire Department	<b>PRESENTED BY:</b> Doug Bess
--------------------------------	---	-----------------------------------

to about 120 per acre by 2020. 70% of the Upper Arkansas Watershed is forested and designated under the 2014 Farm Bill, Section 602, as experiencing insect and disease epidemics.

Poor forest health is evidenced by more intense wildfire incidents that are happening more frequently. Ten years ago, the Upper Arkansas River headwaters region had only experienced one Type 3 wildfire – ever. In the decade since, there have been two more Type 3's (Treasure Fire 2012 and Lodgepole Fire 2016), our first Type 2 (Hayden Pass Fire 2016), and our first two Type 1's (Weston Pass Fire 2018 and Decker Fire 2019). The risk is a top community concern. Accelerated fuels treatments is needed to manage the increasing risk wildfire poses to the community.

Further, our research shows that the community is not prepared for a wildfire emergency. Many residents are lacking a complete evacuation plan, and roughly half of homeowners say they are unsure what to do to decrease risk on their property, or even where to go for information.

Community leaders have taken action to address these concerns with the Next Generation CWPP.

**FISCAL NOTE:**

None.

**STAFF RECOMMENDATION:**

It is recommended that the City Council approve Resolution 2020-06, approving the Chaffee County Community Wildfire Protection Plan

**SUGGESTED MOTIONS:**

A councilperson should move to approve Resolution 2020-06, followed by a second and a roll call vote.

**CITY OF SALIDA, COLORADO**  
**RESOLUTION NO. 06**  
**(Series of 2020)**

**A RESOLUTION OF THE CITY COUNCIL FOR THE CITY OF SALIDA, COLORADO,  
APPROVING THE CHAFFEE COUNTY COMMUNITY WILDFIRE PROTECTION PLAN**

**WHEREAS**, the Chaffee County Community Wildfire Protection Plan (CCCWPP) was collaboratively developed with interested parties and federal land management agencies managing lands in the region of Chaffee County; and

**WHEREAS**, the CCCWPP identifies and prioritizes areas for hazardous fuels reduction treatments and recommends the types and methods of treatment to reduce the wildfire threat to values at risk in Chaffee County; and

**WHEREAS**, the CCCWPP recommends measures to reduce the ignitability of structures throughout the area addressed by the Plan.

**NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SALIDA COLORADO, THAT:**

1. The Salida City Council incorporates the foregoing recitals as its conclusions, facts, determinations, and findings.
2. The City Council hereby approves the Chaffee County Community Wildfire Protection Plan.

RESOLVED, APPROVED, AND ADOPTED this 4<sup>th</sup> day of February, 2020.

CITY OF SALIDA, COLORADO

By \_\_\_\_\_  
**P.T. Wood, Mayor**

[SEAL]

**ATTEST:**

\_\_\_\_\_  
Deputy City Clerk



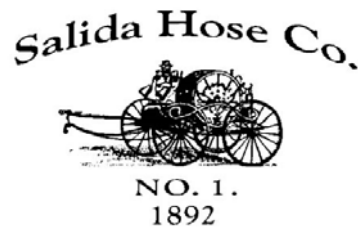


# Chaffee County Community Wildfire Protection Plan





# CHAFFEE COUNTY WILDFIRE PROTECTION PLAN LEADERS AND FUNDERS



**This document is intended to set forth a recommended plan only and imposes no obligations on the signatories. Specifically, executing this document in no way obligates Chaffee County to take any action requiring the commitment of funds in order to accomplish the Summary Recommendations.**

**Notwithstanding any other provision of the CWPP to the contrary, no term or condition of the CWPP shall be construed or interpreted as a waiver, express or implied, of any of the immunities, right, benefits, protection, or other provisions of the Colorado Governmental Immunity Act§ 24-20-101, et seq., C.R.S. (including future amendments) or as an acceptance by Chaffee County or any responsibility or liability with respect to the CWPP.**

**The Chaffee County CWPP has been developed by and agreed to by the following entities:**

\_\_\_\_\_  
**Greg Felt, Chair**  
**Chaffee County Board of Commissioners**

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Adam Moore, Supervisory Forester**  
**Colorado State Forest Service**

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Dixon Villers, Chief**  
**Buena Vista Fire Department**

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Doug Bess, Chief**  
**Salida Fire Department and South Arkansas**  
**Fire Protection District**

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Robert Bertram, Chief**  
**Chaffee County Fire Protection District**

\_\_\_\_\_  
**Date**

The Chaffee County CWPP has been developed by the following community leaders, who unanimously support the resulting treatment priority areas:

Eric Howell  
Colorado Springs Utilities  
FOREST PROGRAM Manager  
Name: Eric P. Howell  
Organization/Title  
Date: 1-8-2020

Richard Atkins  
Name: RICHARD ATKINS  
Organization/Title CHAFFEE CO. OEM  
Date: 1-8-2020

Robert Bentley  
Name: Robert Bentley  
Organization/Title Chaffee County Fire Prot. Dist  
Date: 1-8-2020

Adam Mowbr  
Name: Adam Mowbr  
Organization/Title Colorado State Forest Service  
SUPERVISORY FORESTER  
Date: \_\_\_\_\_

John Martakonas  
Name: John Martakonas  
Organization/Title UNIT AFMO BLMS  
Date: 1/6/2020

Ed Skerjanec  
Name: Ed Skerjanec  
Organization/Title WF Mitigation Spec.  
Date: 1-8-20

Chris Naccarato  
Name: Chris Naccarato  
Organization/Title USDA Fore & Stream  
Date: 1-8-2020

Rick Hum  
Name: Rick Hum  
Organization/Title PRESIDENT  
MESA ANTEPO WARE ASSOCIATION  
Date: 1-8-2020

James L. Aragon  
Name: JAMES L. ARAGON  
Organization/Title CW- Area Wildlife Manager

01-08-2020  
Date

Jo Myers  
Name: JO MYERS  
Organization/Title CCFPD - Inspector/Firefighter

Jan. 8, 2020  
Date

[Signature]  
Name:  
Organization/Title

1/8/2020  
Date

Kent Maxwell  
Name: Kent Maxwell  
Organization/Title Colorado Firecamp  
President/Training Coordinator

1/8/2020  
Date

Keith Baker  
Name: Keith Baker  
Organization/Title Chaffee County Commissioner

1/8/2020  
Date

Doug Bess  
Name: DOUG BESS  
Organization/Title SALIDA FIRE/SAPFD CHIEF

1-8-2020  
Date

Andy Leach  
Name: Andy Leach  
Organization/Title Lead Forester, Arkansas River Watershed Collaborative

1-8-2020  
Date

[Signature]  
Name: Damon Lavige  
Organization/Title CSFS SW Area Manager

1-8-2020  
Date

[Signature] Bindy Williams  
Name:  
Organization/Title Board Chair  
Central Colorado Conservancy

1-8-2020  
Date

## Table of Contents

<b>Section I</b> – Executive Summary	Page 6
<b>Section II</b> – Community Engagement	Page 13
<b>Section III</b> – Wildfire Risk and Treatment	Page 21
<b>Section IV</b> – Community Preparedness	Page 34
<b>Section V</b> – Community Action Plan	Page 44
<b>Appendix A</b> – Community Wildfire Survey Report	Page 56
<b>Appendix B</b> – Next Generation Community Wildfire Protection Plan Community Summary	Page 86
<b>Appendix C</b> – Chaffee County Wildfire Risk Assessment	Page 98
<b>Appendix D</b> – Chaffee County Fuel Treatment Prioritization	Page 147
<b>Appendix E</b> – WUI Communities	Page 182

*Report compiled and edited by Envision Chaffee County and Central Colorado Conservancy (C. Williams, K. Marquis, T. Flanagan, Z. Tucker) with generous input and guidance from the Envision Forest Health Council.*

## **Section I Executive Summary**

### **A. Overview**

Chaffee County typifies the new reality of wildfire in the West. Decades of fire suppression and ensuing insect infestations have caused our forests to decline into very poor health. Forests are overly dense with high fuel loads. These unhealthy forests are further impacted by multiple insect epidemics, including a beetle epidemic resulting in 80 to 90% mortality of spruce trees countywide. The United States Forest Service (USFS) estimates that an average of five standing dead trees per acre across Chaffee County in 2017 will increase to about 120 per acre by 2020. 70% of the Upper Arkansas River Watershed is forested and designated under the 2014 Farm Bill, Section 602, as experiencing insect and disease epidemics.

Poor forest health is evidenced by more intense wildfire incidents that are happening more frequently. Ten years ago, the Upper Arkansas River headwaters region had experienced only one Type 3 wildfire—ever. In the decade since, there have been two more Type 3's (Treasure Fire 2012 and Lodgepole Fire 2016), our first Type 2 (Hayden Pass Fire 2016), and our first two Type 1's (Weston Pass Fire 2018 and Decker Fire 2019). The risk is a top community concern. Accelerated fuel treatments are needed to manage the increasing risk wildfire poses to the community.

Further, our research shows that the community is not prepared for a wildfire emergency. Many residents are lacking a complete evacuation plan, and roughly half of homeowners say they are unsure what to do to decrease risk on their property, or even where to go for information.

The Chaffee County community, including over 1,500 citizens and a Community Wildfire Protection Plan (CWPP) Leaders Team (including 36 leaders from 17 agencies, local government bodies, fire protection districts, water providers and nonprofit organizations) worked together to develop the Next Generation Community Wildfire Protection Plan. Over 16 months, community input was integrated with the most current data and iterative geospatial modeling of wildfire risk and treatment priorities, combined with assessment of community preparedness. Top priority needs were identified and a community action plan was developed to address those needs.

Community engagement included two survey tools with 1,240 total respondents (Chaffee County Wildfire Survey, Appendix A), three public meetings with more than 200 participants, engagement with local media, monthly email-news updates and a community summary report that makes outcomes and next steps transparent and accessible (see the Next Generation Community Wildfire Protection Plan Community Summary, Appendix B). Community engagement is described in Section II.

CWPP Leaders and technical experts from the Colorado Forest Restoration Institute (CFRI) at Colorado State University engaged to assess wildfire risk to six assets (or

“values at risk”) prioritized by the community in order as follows: Firefighter and human life, drinking water supply, critical community infrastructure, homes (WUI), wildlife/habitat, and recreation assets important to the local economy. The team then prioritized treatments to most cost-effectively decrease risk to those assets. This was done with iterative modeling and input from the CWPP Leaders Team and from the broader community, as described in Section III and detailed in Appendices C (Wildfire Risk Assessment) and D (Treatment Prioritization). Data development involved collation of map layers, representing best available information on community assets at risk and fire behavior models. Deep community research on forest health and lessons learned from other communities provided additional information and ideas.

The outcome was a Treatment Priority Map unanimously approved by the CWPP Leaders Team with a **big** takeaway:

**Treating 5 to 10% of the Chaffee County landscape may reduce the risk that severe wildfire poses to community assets by 50 to 70%.**

Said another way, best available models indicate 50% of the risk wildfire poses to community assets can be addressed with \$50 million of treatment investment. The next \$50 million can provide an additional 20% risk reduction. After that point, however, return rapidly diminishes. Reducing the remaining 30% of risk would cost an estimated \$500 million. Clearly, limited available dollars must be focused where they can have the most “bang for the buck.”

In addition to wildfire risk assessment and fuel treatment priorities, the CWPP Leaders Team assessed community wildfire preparedness. Community preparedness for a major wildfire event is a concern, including citizen evacuation planning and home preparedness (including lack of a sense of urgency to create defensible space and a lack of understanding of where to get information about necessary action).

However, community plans related to fire resilience are improving and the preparedness of local emergency management agencies is solid. This information is provided in Section IV. Appendix E provides a summary of all WUI communities.

Based on the above data, the CWPP Leaders Team is committed to action in this Next Generation CWPP. Action focused on the goals and objectives is outlined below and detailed in Section V. These goals build upon existing treatments and successes from the 2009 CWPP.

**The outcome of the Chaffee County Next Generation CWPP process is profound and proposes substantial change to the way forest management is done in Chaffee County.** The plan is to reduce the overall risk to the community’s assets by nearly 50% in ten years by accelerating treatment on the right acres—as unanimously supported by the CWPP Leaders Team. This will take real change. Increased collaboration is required by priority areas that span jurisdictions, including 65% federal, 30% private and 5% state lands. Accelerated action requires additional funding and staff

resources. Agency leaders may have to manage the challenge of staff incentives currently focused on targets for acres treated vs. treating the right acres, and on treating a target number of acres vs. accelerating treatment to achieve a specific goal.

However, in Chaffee County, land management agencies and their community partners have the opportunity to take a big, new, collaborative and disciplined approach. Using this plan as a guide, we can achieve substantial progress toward a fire-ready future—together.

## **B. CWPP Goals and Objectives**

A summary of the Next Generation CWPP goals and objectives is as follows:

### ***Goal 1, Fire-Resilient Forests and Productive Habitat***

**Accelerate multi-jurisdictional treatment and stewardship activity in Treatment Priority Areas** to decrease the risk wildfire poses to community values at risk while also (as practicable) enhancing watershed health, habitat and agricultural productivity. The goals have two measurable objectives:

#### **Objectives:**

##### **Goal 1, Objective A: Treating Together**

Treat up to 30,000 acres by 2030 across jurisdictions, cutting the risk wildfire poses to community assets in half by focusing on the Treatment Priority Areas developed and agreed in this CWPP. Near-term milestones for this key objective are:

- **Treat 10,000 to 15,000 acres by the end of 2025**, including all treatment types/areas and subject to funding and conditions.
- Complete **Early Win projects by treating 1,500 priority acres in 2020/2021**, including 100 acres on private lands and 1,400 acres on public lands, including all treatment types and locations.
- **By the end of 2020, develop a pipeline with 4,000 acres of existing and new cross-jurisdictional projects** in priority areas, with about 80% public and 20% private land activities.

In the short term, execution of currently planned treatment projects may continue, but over two to five years, all organizations will shift treatment planning and execution focus to address the Treatment Priority Areas in this CWPP. On-the-ground conditions, landowner willingness, continuity with fire breaks and pre-existing treatments and other factors may, in some cases, render treatment inside the zones impossible and treatment outside the zones prudent. This will be at the discretion of local experts, with a bias toward delivering risk reduction in the Treatment Priority Areas.



### **Goal 1, Objective B: Envision Forest Health Council**

Immediately develop the Envision Forest Health Council as a continuation and expansion of the CWPP Leaders Team. The Council will include leaders from 18 key organizations (as defined in Section V and modified over time as appropriate). The Council will work in partnership to deliver the Next Generation CWPP goals and objectives. Funding to facilitate the Envision Forest Health Council and to support new CWPP programs is in place through a three-year \$258,000 grant to the Colorado State Forest Service (CSFS) and Envision Chaffee County from Chaffee Common Ground.

### ***Goal 2, Fire-Adapted Communities***

Build community engagement, understanding, preparedness, public support and realistic expectations for forest and fire management. This includes personal preparedness (such as evacuation plans), citizen action to decrease the risk wildfire poses to private lands and structures, and continuing to build upon strong local support for accelerated treatment—or “social license to treat.” This goal has two measurable objectives:

#### **Goal 2, Objective A: Chaffee Chips**

Develop and implement Chaffee Chips, a county-wide program that empowers the community to act to create defensible space. The program is in development, and may include chipping, cutting, and trailers to haul slash.

#### **Goal 2, Objective B: Collaborative Communications**

Develop and implement **Envision Healthy Landscapes**, a program that will deliver coordinated communications that educate the public, increase awareness, maintain and improve support for forest treatments, encourage action and celebrate success. Three-year measures for the objective are:

### ***Goal 3, Safe and Effective Wildfire Response***

Enable safe and effective wildfire response, including collaborative preparedness for severe wildfires and evacuation events. The goal has one measurable objective:

#### **Goal 3, Objective A: Zoning and Code**

Update the regulatory environment with zoning and code updates that support fire resilience.

### ***Goal 4, Effective Post-Fire Recovery***

Develop proactive planning and projects for post-fire recovery, flood, and sediment management. The goal has one measurable objective:

#### **Goal 4, Objective A:**

Learn from and build upon lessons learned from the Decker Fire recovery to identify and prioritize appropriate pro-active county-wide projects.

### **Goal 5, Strategic Funding for Healthy Forests**

Develop collaborative funding to deliver on the goals and objectives outlined above. The goal has two measurable objectives:

#### **Goal 5, Objective A:**

Develop a roughly estimated \$45-50 million over 10 years to support programs in goals 1 to 4 above. This estimate assumes a CFRI-calculated \$1,500 per acre average treatment cost plus additional funds for additional human resources required to identify, develop and manage programs and projects.

#### **Goal 5, Objective B:**

Leverage Chaffee Common Ground forest health funds to support strategic investments in forest health, including \$275,000 to \$750,000/annum per the ballot measure allocations.

The Next Generation CWPP goals, objectives, measurable results and action plan are detailed in Section V.

### **C. Background—The Community Wildfire Protection Plan Framework**

The Next Generation Community Wildfire Protection Plan builds on changes in federal wildfire policy that increased the participation and influence of local communities in addressing wildfires in the West. An important part of that effort is creation of a community wildfire protection plan (CWPP).

CWPPs and the process by which they are created are intended to:

- increase collaboration and cooperation between the community and federal, state, and local land management and wildfire agencies;
- help those agencies and interests identify high-priority treatment areas as well as the human and natural values and assets particularly at risk;
- identify projects designed to reduce wildfire risks in high priority areas;
- encourage local and regional interests to discuss the benefits and costs of various management options and implications for the community, forest, and watershed;
- create a comprehensive and long-lasting decision-making process; and
- identify the plans and resources needed to implement wildfire-related projects in the short and long term.

At a *minimum*, CWPPs are required to address the following criteria:

- collaboration among local government officials, fire agencies, and the state forestry agency while also working with interested parties and the appropriate federal land management agencies;
- prioritize fuel reduction by identifying areas for hazardous fuel reduction in at-risk communities and essential infrastructure, including types and methods of treatment on public and private lands; and

- reduce structural ignitability throughout at-risk communities.

The resulting plan must be approved by the applicable local government, local fire department(s), and the state agency responsible for forest management, i.e. the Colorado State Forest Service (HFRA 2003).<sup>1</sup> In addition to identification of wildfire-related priorities and projects, creation of the CWPP improves access to federal, state, and private funds for wildfire planning and project implementation.

#### **D. Background—Building on 2009 CWPP Results**

The first CWPP in Chaffee County was completed in 2009, with leadership from the Colorado State Forest Service (CSFS), and remains the base plan for this substantial update. Citizens and leaders in the Forest Health and Fire Protection Community in Chaffee County decided to take the 2009 plan to the next level, creating a Next Generation Community Wildfire Protection Plan. The Plan builds on the 2009 CWPP foundation, adding deep community engagement and momentum, latest data and new partners with current technology.

The 2009 Chaffee County Community Wildfire Protection Plan was a solid first step in building fire resilience, with the following goals, objectives and results to-date:

#### ***Goal 1: Collaborative Engagement***

Create a “living” flexible document that incorporates a multi-agency approach.

#### **Objectives and Results**

1. Review the CWPP every two years and make changes as needed. Result: The plan was revisited annually to focus home assessment and education programs. The plan has not been updated since 2009.
2. Evaluate the identified priority list of WUI communities at a minimum of every five years, to ensure currency. Result: This list has not been updated.
3. Conduct quarterly meetings to monitor changing circumstances and review progress. Result: This happened on an annual basis within CSFS.

#### ***Goal 2: Public Safety and Awareness***

Promote and develop materials and programs in prevention and education that improve community wildfire awareness and safety.

#### **Objectives and results**

1. Develop an initial assessment of subdivision risk to catastrophic wildfire and preparedness for wildfire and provide to the community. Result: Completed. The 2007-2008 assessments are still being used and an update should be considered, considering that 135 subdivisions have been added in the county since 2007, although just 12 include over ten lots (Appendix E).

<sup>1</sup> See also, 30-15-401.7 and 23-31-312 (3), Colorado Revised Statutes.

2. Create a link to the Chaffee County website providing public access to progress and information for developing local community wildfire protection plans. Result: Complete.
3. Distribute copies of the CWPP to libraries and fire stations. Result: Complete.
4. Promote the involvement of communities and or landowners to become a part of the Chaffee County CWPP by attending association meetings as requested. Result: CSFS attended 75% of community and HOA meetings as requested.
5. Provide information to individuals and homeowners associations for creating defensible space and reducing the susceptibility of structures to wildfire. Result: Information has been disseminated in many ways, but 2019 survey results indicate roughly half of the population remains unaware of where to find information.

### ***Goal 3: Fuels Reduction***

Facilitate appropriate hazardous fuel reduction by illustrating the areas of greatest wildfire hazard and developing the highest priorities for fuel abatement treatments.

#### **Objectives and Results**

1. Develop an initial county-wide assessment of wildfire hazard on both public and private lands. Results: Complete.
2. Provide a list of the three highest-priority areas within Chaffee County and focus treatment on these high-priority areas. Results: Community assessment was used to define priority areas. A Wildfire Risk Assessment program was developed and 3,000 assessments completed. An average of 50 fire mitigation site visits were completed per year, although resultant treatment action was not tracked. 79 projects were completed since 2013, leveraging the Title 3 cost share program.
3. Hold three to five public meetings per year to gather input from the stakeholders that are in the high-priority areas. Result: Complete, but a current community contact list is not available and is an action priority.
4. Re-evaluate those priorities at least every five years. Result: Not accomplished.
5. Provide support, through the coalition, to create cooperative efforts across jurisdictional or ownership boundaries on an ongoing basis as requested. Result: Cross-jurisdictional projects remain an opportunity area.

The Next Generation CWPP builds on this progress, adding new data and technology, community momentum, increasing collaboration and local funding.

## **Section II Community Engagement**

### **A. Overview**

Deep community engagement is at the root of this plan, and a key element that makes the plan unique is in its community support. The Next Generation Community Wildfire Protection Plan grew out of Envision Chaffee County, a community-led visioning, planning and implementation effort initiated in 2017 that engaged 1,500 citizens and more than 70 organizations. In the context of Envision, declining forest health and increasing risk of severe wildfires were identified as top community concerns. Among four vision statements, Envision Chaffee County adopted the following: “Our forests, waters, and wildlife are healthy and in balance with outdoor recreation.” Toward that end, the 2018 Envision Community Action Plan recommended developing a “next generation” community wildfire protection plan. A plan to help deliver the vision of healthy forests, waters and wildlife, and a plan that would build on the community engagement and momentum of Envision to create accelerated action.

Voters further endorsed action in November 2018 by approving new public funds to support healthy forests, build a fire-ready future and protect watersheds, wildlife habitat, agriculture, recreation areas and the local economy. The resulting Chaffee Common Ground fund will provide roughly \$10 million over the next decade; including \$2.5-5 million earmarked specifically for forest health treatment planning and action.

The Envision program and the ballot measure provided momentum the community and local leaders wanted to continue, with planning to focus on the most meaningful action. Forest health and fire leaders agreed that the best next step was to update the existing CWPP. Central Colorado Conservancy worked to establish funding for this effort, from the Colorado Department of Local Affairs and County of Chaffee, in August-September 2018. Work on the plan commenced in October 2018.

Between October 2018 and January 2020, eight working group meetings were held in Salida, CO, to develop this plan as an update to the prior CWPP. Top local and regional leaders from critical organizations provided over 1,500 hours – or 40 work weeks of planning time and expertise to develop the plan.

The leaders that gave their time and expertise to this work matter and so are listed here: United States Forest Service (USFS) - District Ranger Jim Pitts, Fire Management Officer Chris Naccarato and Mountain Zone Fuels Specialist Andrew White. Bureau of Land Management (BLM) - Rocky Mountain District Manager Cathy Cook, Field Manager Keith Berger, Fire Mitigation Specialist Ed Skerjanic, Fire Management Officer Ty Webb, and John Markalunas, Assistant Fire Management Officer for the Front Range Fire Management Unit. Colorado State Forest Service (CSFS) - Southwest Area Manager Damon Lange, Supervisory Forester Adam Moore, Supervisory Forester Sam Pankratz and Forester J.T. Shaver. Colorado Springs Utilities - Watershed Planning

Supervisor Mark Shea and Forest Program Manager Eric Howell. Chaffee County Commissioner Keith Baker. Chaffee County Office of Emergency Management Director Richard Atkins. Salida Fire Department and South Arkansas Fire Protection District Chief Doug Bess and Fire Inspector Kathy Rohrich. Chaffee County Fire Protection District Chief Robert Bertram and Battalion Chief Kent Maxwell (also Director of Colorado Firecamp). Buena Vista Fire Department Chief Dixon Villers. Colorado Parks and Wildlife (CPW) Area Wildlife Manager Jim Aragon. Arkansas Headwaters Recreation Area Manager Rob White. Arkansas River Watershed Collaborative Director Chelsey Nutter, Mitigation Specialist Andy Lerch, Mesa Antero Water Chair Rick Hum, Central Colorado Conservancy Executive Director Adam Beh.

Modeling and analysis was provided by experts at the Colorado Forest Restoration Institute at Colorado State University (Director Tony Cheng, Assistant Director Brett Wolk and Spatial Analyst Benjamin Gannon). The Rocky Mountain Research Station (Patty Champ and Hannah Brenker-Smith) provided invaluable support to community surveys.

Overall leadership and community facilitation was delivered by Envision Chaffee County; Co-led by Greg Felt (Chair, Chaffee Board of County Commissioners) and Cindy Williams (Board Chair, Central Colorado Conservancy). Central Colorado Conservancy provided facilitation, report preparation and community engagement (Cindy Williams, Kim Marquis, Kim Smoyer, Zach Tucker).

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## B. The Community Engagement Process

In addition to the CWPP Leaders Team engagement described above, multiple avenues were used for broader public engagement, including survey tools, public meetings, and ongoing outreach and information delivered through traditional and social media.

### 1. Chaffee Wildfire Survey

A comprehensive survey of community understanding and perceptions about forest health, fire resilience, treatment activities and preparedness for a major wildfire event was developed by Envision Chaffee County and the Rocky Mountain Research Station WiRe team. This survey is a transferable tool, available to other communities upon request.

The online survey was administered during a three-week period during February and March 2019. A total of 1,035 people participated, 7% of county residents over 18 years old. Major findings from the survey are described below, with the full Chaffee Wildfire Survey report provided in Appendix A.

Responses were representative of the county population, such as rural-urban residents and full- and part-time in the county, but respondents were older and wealthier compared to the county as a whole.

Regarding wildfire preparedness, the survey indicated that 80% of respondents thought that a major fire in the area was either “extremely” or “very” likely within the next five years. However, the data also indicates that nearly half of citizens were not prepared for such an event. For instance:

- 40% had no established evacuation plan;
- 40% had not signed up for the county’s reverse 911 emergency service;
- 44% were not confident they can get the wildfire information they need;
- 45% had no arrangements related to access to important documents and medications during an emergency;
- 62% had no arrangements related to children at home alone during an emergency; and
- 65% had no emergency procedures for pets or livestock.

The survey also indicated that county residents were not clear where to go for wildfire-related information. There was general awareness that local fire departments (24%) and the federal and state forest service (23%) are potential sources of information. However,



**Figure I.1.** Commissioner Greg Felt addresses the Poncha Springs wildfire meeting.

when asked where they would go for information about decreasing wildfire risk to their home or property, the most common answer was some form of “I don’t know” (48%).

Survey responses indicated that private landowners have little sense of urgency to act to remove vegetation or to change the characteristics of their home to protect their residences from wildfire. Nearly 90% said they had already taken some action, and the majority felt that removing vegetation or changing the characteristics of their structure would have only a small to moderate impact on risk. However, the top factor that would encourage them to act was “information about what to do,” which is consistent with the lack of clarity about where to get such information noted above. This suggests an opportunity for education about why private lands treatment matters and what fully effective treatment entails, in order to develop increased urgency for action (assuming additional work on private lands is generally warranted). Once that sense of need is established, the data suggested that support to do the work and to remove cleared vegetation, combined with ongoing encouragement, would increase execution.

Regarding new private land development, the survey data appeared to indicate strong support for wildfire-related provisions in building codes.

Survey responses showed that citizens perceived forest health to be fair, while professionals considered it to be poor. The advancing beetle kill epidemic, high forest density and fuel loads related to decades of fire suppression, and increasing drought/climate change were perceived by citizens as top threats to forest health. Responses also highlight very high concern about, and even animosity toward, growing recreation use by visitors to the county—cited as the second-highest threat to forest health, following insect infestations.

Regarding treatment activities on public lands, the survey indicated stronger than expected public support. A strong majority of residents (80-86%) supported land management activities to mitigate wildfire risks and about seven in ten thought these activities are beneficial to wildlife. The following percentages reflect the degree to which survey respondents found the following land management activities “acceptable”: Tree, brush removal—86%, burn piles—80%, controlled burns—82%, and allow natural fire to burn—50%.

For those expressing concerns about treatments, the top issues were: 1) lack of trust in public agencies to conduct the work cost-effectively and responsibly (without undue visual/environmental impacts), 2) concern that such efforts are too small to have meaningful impact, and 3) with regard to controlled burns, concerns about safety (losing control), impacts to air quality and the need for better notification. These challenges could be addressed through more transparent planning and prioritization of treatment activities, more effective communication around treatment activities (pre- and post-work), and education about how the safety and air quality impacts of controlled burns are managed.



The CWPP Leaders Team reviewed survey results and noted stronger than expected public support for public land treatment activities, including thinning and controlled burns, as well as for new regulations to enhance public safety. The team also noted strong opportunities for collaborative education and outreach, programs enabling citizens to treat and to help them understand why action matters. These opportunities are addressed in the Community Action Plan (Section V) with the Chaffee Chips and Envision Healthy Landscapes programs.

## 2. Chalk Creek Canyon Wildfire Survey and Engagement Program

A more detailed second survey was conducted with the intent to develop deeper understanding of the barriers to private lands treatment and to test the ability of a survey tool to more deeply engage a smaller community.

Over the summer of 2019, the Colorado State Forest Service and the Wildfire Research Team at the Rocky Mountain Research Station (Fort Collins, CO) surveyed residents of Chalk Creek Canyon—from Mt. Princeton Hot Springs to St. Elmo—regarding:

- residents' knowledge of wildfire in general, their experience with wildfire, and their perception about current wildfire risks;
- residents' knowledge of methods to reduce wildfire risk and their participation in such activities; and
- constraints and incentives that would affect that participation.

A total of 410 surveys were sent to canyon residents and 205 completed surveys were returned (50%). Insights gained from the survey will be used to increase wildfire knowledge and preparedness among canyon residents and throughout the county. As of this writing, survey responses are being analyzed. Results will be presented to canyon residents in the spring 2020 and at another meeting later in the summer for seasonal residents.

## 3. Public Meetings

Public meetings were used as tool to more deeply engage the community, educate and receive feedback on draft CWPP products. Three public meetings were held during 2019—May 16 and October 3 at the Poncha Springs Town Hall; and October 4 at the Buena Vista Community Center—to discuss wildfire issues and gather input on the developing wildfire plan. Roughly 200 residents attended. Representatives from Envision Chaffee County, U.S. Forest Service, Bureau of Land Management, Colorado State Forest Service, and local fire protection and emergency services agencies participated, guided by professional facilitation.

Poncha Springs, May 16, 2019. The meeting was organized around just-received results of the Chaffee Wildfire Survey. The survey generated not only an opportunity to engage community to share results and to test key conclusions, but also was leveraged as an opportunity to have frank discussion and to encourage action.

Local wildfire and emergency personnel celebrated the community's readiness for additional treatment action, and also shared concern about gaps in community

preparedness for wildfire. The impacts of recent wildfires in Paradise, CA (Camp Fire) and the Waldo Canyon Fire, CO, were used as examples of the need for residents to prepare themselves for emergency situations.

Community members then worked in a series of “stations” to create personal wildfire readiness plans. At each station they were provided with information about what they could do to prepare for fire, and then given time to write down actions they would take. At one station, CSFS staff discussed sources of wildfire risks for homeowners (e.g., building features and surrounding vegetation), homeowner wildfire preparedness, and provided take-away information regarding what homeowners can do to reduce wildfire risks. At a second station, USFS and BLM staff discussed wildfire land treatment activities and the role that fire plays in maintaining forest health. Meeting participants were asked to identify action items to support public land treatment activities. In the third station, Office of Emergency Management and Chaffee Fire leaders shared information and provided take-away tools about how to develop personal evacuation plans. Citizens were energized by the work, leaving with action plans and information they were asked to share with friends and neighbors. This created a “ripple effect” of ongoing community discussion and personal action.

Poncha Springs and Buena Vista, October 3-4, 2019. These meetings were organized to educate the community by sharing draft map products of wildfire risk and treatment priorities, and to gather maximum community input to identify any issues or areas for improvement.

Introductory comments described the connection between the Envision Chaffee County effort and the process of updating the county CWPP. Posters displayed the results of key interim maps, including fire probability, fire intensity, composite wildfire risk (burn probability, intensity, community values at risk, and wildfire impacts on those values), and county fuel treatment priorities. A detailed discussion of these products and their development is provided in Section III.

Meeting participants were asked to review the posters and to use sticky notes to share their questions, comments, and concerns about the information depicted. Personnel from Envision Chaffee County, U.S. Forest Service, Bureau of Land Management, Colorado State Forest Service (CSFS), and local fire departments were available to answer questions. The community provided 220 written comments and questions. A written response to these community comments and questions was provided to all participants and to 1,500 Envision participants by email.

A key outcome was a strong community concern that the draft maps did not reflect the current health of spruce forests (experiencing up to 90% mortality from beetle epidemic). As a direct result of this input, CFRI and the CWPP Leaders Team decided to revise burn probability maps to reflect recent wildfire activity and current conditions in the spruce forest. This impacted treatment priority areas and enhanced community buy-in to the final products.

As part of the same meetings, programs and incentives in other counties were reviewed that assist or provide incentives to homeowners to address forest fuel conditions on their properties, such as slash hauling and community chipping days. Creating similar programs in Chaffee County was discussed, and participants were asked for their comments and concerns on these topics. Opinions gathered at the meetings by CSFS personnel indicated that, of potential scheduled services, trailers to remove fuel treatment materials was the most popular, and, of proposed automatic services, curbside chipping was the most desired. This input helped to develop the Chaffee Chips program.

#### 4. Additional Public Engagement

In addition to surveys and public meetings, Envision used its established outreach tools and approaches to engage the community throughout the process.

The 1,500-name Envision newsletter list, active Facebook page and email address allowed the public to not only receive information but also ask questions and provide input. Newsletters were sent via e-mail once per month and social media pages were monitored and managed.

Social media and email proved invaluable to gather more than a thousand Chaffee Wildfire Survey responses in less than three weeks. Envision's original Forest Action Team and the CWPP Leaders Team helped launch a concerted two-week effort to share the survey link among as many organizations and community groups as possible. A poster with a QR Code allowed on-site participation from popular gathering spots such as coffee shops.



**Figure I.2** Chaffee County Fire Protection District Captain Kent Maxwell discusses fuel treatment priorities during the Buena Vista wildfire meeting.

Meeting information was provided on the Chaffee County website, where public noticing is a popular information source. Media were provided full agendas and invitations to CWPP Leaders Team meetings, and were encouraged to attend and cover the series of public meetings. Fact Sheets were developed and distributed to assist the press in covering the long-term and detailed planning process. Press releases also were written and distributed to enhance communications. These efforts yielded in-depth newspaper coverage such as a full-page display of the draft Treatment Priority Area map printed in The Mountain Mail, Salida's daily newspaper.

Repeated dissemination of complete and ongoing information through multiple channels helped generate community understanding of and support for the plan. Ongoing opportunities for public input followed by ***meaningful responses and changes to the plan*** proved the key element to attaining community support. In short, the public was heard and their opinions were acted upon. The resulting Community Action Plan is truly a community-wide solution.

#### 5. Community Research

To support this plan's conclusions, recommendations and ultimate success, research was conducted on forest health, fire resilience and best practices in wildfire preparedness. This included a deep study of preparedness in the WUI, model wildfire codes, other community planning approaches, and factors affecting the long-term adoption of new wildfire practices and policies, as well as an evaluation of post-wildfire recovery tactics, and monitoring and evaluating CWPP implementation and funding sources.

Research also involved an in-depth study of Chaffee County's physical environment, including topics such as topography, climate, geology and soils, weather, vegetation zones, watersheds, water infrastructure, and recreational assets. The research includes in-depth educational information about types of wildfires, basic and historical wildfire regimes, drought and climate change, insect infestations and post-fire impacts such as sediment and debris flows. The Community Research Report is available [in](#) upon request.

## Section III Wildfire Risk Assessment and Treatment Prioritization

### Overview

A critical conclusion from the Next Generation CWPP is that treating 5 to 10% of the total landscape in Chaffee County yields 50 to 70% reduction of the risks wildfire poses to assets prioritized by the community. The following sections provide a summary of the process, technical approach and final map products. Additional detail is available in the Chaffee County Wildfire Risk Assessment (Appendix C) and Chaffee County Fuel Treatment Prioritization (Appendix D) reports by CFRI.

Developing such a strong conclusion with unanimous buy-in required:

- 1) Iterative community input, from more than 1,500 citizens and the CWPP Leaders team of 36 leaders from the 17 agencies, government bodies and non-profit organizations most closely supporting fire protection and forest health;
- 2) the most current data reviewed and endorsed by local leaders, and
- 3) best practice geospatial modeling from the Colorado Forest Restoration Institute (CFRI) at Colorado State University.

Community input was part of an iterative process, integrated with data collection and geospatial modeling. The process included these steps:

- **Community Prioritizes General Values at Risk:** The community identified and prioritized seven assets or “values at risk,” with 1,035 citizens participating in the Chaffee Wildfire Survey (Appendix A).
- **Data Acquired to Map Values at Risk:** Data was collected to identify the seven values at risk at the more detailed level, including 28 map layers (Appendix C). For example, critical community infrastructure included map data of aircraft landing facilities, communication facilities like cell phone towers, power transmission lines, emergency services facilities and schools.
- **Ranking of Map Layers for Importance and Response to Fire:** The CWPP Leaders team next ranked the importance of each of these specific values at risk and a “response function” indicating how it might respond to fire of varying intensity (Appendix C).
- **Wildfire Risk Assessment:** Using this data, an initial Wildfire Risk Assessment was completed. This work includes predictions of burn probability and fire intensity, combined with modeling of potential impacts to values at risk. This process resulted in the **Composite Wildfire Risk Map**, indicating where the community’s valued assets are at the highest risk from wildfire.

- **Community Input:** The CWPP Leaders team reviewed the initial risk assessment products; maps of burn probability, wildfire behavior and composite wildfire risk and provided input based on local knowledge and on-the-ground experience. This generated some important changes to the initial products. For example, CWPP leaders were concerned that areas with one-way in-and-out access roads, exposing fire fighters and community members to the risk of entrapment during a wildfire, were not sufficiently represented. CWPP Leaders provided additional local information to better represent these areas. Similarly, water providers identified critical water infrastructure that was not included in the draft product, and provided additional data to CFRI. This iterative interaction added two months to the risk assessment process, but resulted in a risk assessment and Composite Wildfire Risk map that are more accurate and are unanimously supported by the CWPP Leaders.
- **Fuel Treatment Prioritization:** Building on the wildfire risk assessment, CFRI developed fuel treatment prioritization. This process included factoring in cost to identify where treatment can do the most to lower risk for the least amount of money. Treatment options considered included mechanical thinning, prescribed fire, mechanical thinning and prescribed fire (“complete treatment”), and mastication. Per-acre treatment costs were based on the opinions of local experts. Fuel Treatment Priority areas were assigned by assessing the level of reduced risk and the cost and feasibility of each treatment type. The result of this step was a draft **Treatment Priority Area map**.
- **Community Input:** Draft maps, including burn probability, fire intensity, composite wildfire risk and treatment priorities, were next shared with the community for input. Roughly 200 citizens participated in community map walks, providing 220 written comments. This step not only supported community buy-in, but also identified a consistent concern. Citizens felt that fire probability and, therefore, composite risk was under-estimated in areas of the county recently impacted by beetle infestation resulting in 80 to 90% spruce tree mortality.
- **Finalizing Risk Assessment and Fuel Treatment Priorities:** CWPP Leaders and CFRI took the community input seriously. CFRI completed additional assessment of modeled vs actual recent fire behavior in the spruce forest zone. The analysis indicated that state-wide models appear to under-predict current fire probability in spruce forests, where die-off has resulted in additional fuels and more open forests that are dry for more of the year. The CWPP Leaders team voted unanimously to adopt a modified burn probability model, addressing the community concern and, again, building a quality product with buy in. This also changed the final Fuel Treatment Priority Map.
- **End Product:** The final risk assessment and fuels treatment assessment was developed by CFRI, considering input from citizens and over 1,500 hours of work by the CWPP Leaders Team. The resulting Treatment Priority Map was unanimously endorsed by the CWPP Leaders Team.

## **A. Wildfire Risk Assessment**

Wildfire risk assessment is comprised of three elements—the likelihood of wildfire, wildfire intensity, and the susceptibility of public and private resources and assets (“values at risk”) to damage from wildfire.

CFRI and the CWPP Leaders Team adapted the wildfire risk assessment methods in the Colorado Wildfire Risk Assessment for use in Chaffee County. The CFRI model quantifies and maps the expected consequences of wildfire based on:

- predictions of burn probability and fire intensity across the county;
- the physical locations of values at risk;
- estimates of the impacts of wildfire on those values; and
- ratings of those values to represent their importance to the community.

## **B. Chaffee County Wildfire Simulations**

Wildfire fuel hazard areas for the county were determined from predictions of burn probability and fire intensity. *Note:* the intent of this analysis is not to describe the behavior of a specific fire in the future, but to depict trends in fire occurrence and intensity over many potential future fire seasons (Gannon 2019). This technical data was combined with community input and iterative modeling, as described above, to produce two key products: Burn probability reflects the likelihood that wildfire will occur at a given location, and Flame length estimates the intensity with which wildfires will burn at various locations (maps available in Appendix C).

CWPP Leaders Team discussions noted that, 1) just because an area is mapped as low risk does not mean that wildfire cannot occur there and negatively impact existing values; and 2) it is also important to understand that, although the probability of a wildfire in a certain area may be low, the consequences may be high.

## **C. Chaffee County Values at Risk**

The community prioritized values at risk used in this CWPP update, and the 2009 CWPP values at risk are summarized in Table III.1. Note that the community-driven prioritization was substantially different than that used in the 2009 CWPP. Map data on all values at risk, as well as data on prioritization and fire response are provided in Appendix C, and also available at the County of Chaffee Assessor’s Office. Figure III.1 provides a summary or composite view of the values at risk.

**Table III.1.** Values at Risk Categories as ranked in the current and 2009 CWPPs.

<b>Next Generation CWPP</b>	<b>2009 CWPP</b>
Firefighters Lives	Population Density
Human Lives (Evacuation Routes)	Subdivisions
Drinking Water Supply (surface diversions, ground diversions, CSU Pipelines, CSU Buildings)	Watersheds
Critical Community Infrastructure (aircraft landing facilities, communication facilities, power transmission lines, emergency service stations, schools)	Economic Resources
Homes/Wildland-Urban Interface (1/2 mile around structures and 2 mile buffer on subdivisions)	Historical, Cultural Resources
Wildlife and Habitat (bighorn sheep winter range, black bear fall concentration, elk migration corridors, elk winter range, aquatic habitat, mule deer migration corridors, mule deer winter range, lynx range)	Endangered Species
Critical Recreational Assets (tourism businesses, Monarch Mountain ski area, USFS recreation opportunities, trails, AHRA, Browns Canyon National Monument, focused dispersed camping areas)	Utilities, Recreation Areas, Travel Corridors, Viewsheds, Aesthetics

1. Firefighter and Human Life Safety

Human life and safety refers to the lives of firefighters, residents and visitors during a wildfire. Components reflect: 1) the risk of entrapment because of difficulties that residents and/or visitors may have evacuating due to, for instance, single ingress/egress points and narrow roads, and 2) restrictions on WUI area access by firefighters due to, for instance, steep, tight turns that firefighting equipment cannot easily navigate. Access and evacuation routes in the county that would present hazardous conditions during a wildfire were identified by CWPP Leaders.

2. Drinking Water Supply and Infrastructure

Water infrastructure refers to watersheds and the built infrastructure that supplies water to the community, such as reservoirs, pump stations, diversion points, pipelines, and agricultural supply ditches.

3. Critical Community Infrastructure

Critical community infrastructure includes airports, power transmission lines, communication systems, and emergency services facilities and schools.



#### 4. Wildland-Urban Interface

The wildland-urban interface (WUI) is where human-made structures and other assets are located near or within areas with flammable vegetation. The Chaffee County WUI for this CWPP is defined as the area within a one-half-mile radius around mapped structures plus a 2-mile buffer around identified subdivisions. This is the same definition used in the prior wildfire plan (CWPP 2009), although the list of subdivisions has expanded, considering that 135 subdivisions have been added the county register since the data used in the 2009 plan. A full list of Chaffee County subdivisions is provided in Appendix E. A map of the ½ mile radius WUI, identifying high-density areas ( $\geq 1.5$  structures per acre) and lower-density areas ( $< 1.5$  structures per acre) is provided in Figure III.2.

#### 5. Wildlife and Habitat

Wildlife is represented by factors prioritized by the CWPP Leaders Team, including: critical winter range and migration corridors for elk and mule deer; bighorn sheep winter range; fall concentration areas for black bears; lynx habitat; and fisheries, including the Arkansas River and its tributaries.

#### 6. Recreational Assets

Recreational assets include the Arkansas River (e.g., rafting, fishing); the Arkansas Headwaters Recreation Area and Browns Canyon National Monument; recreation sites, including facilities, campgrounds, and dispersed camping areas; major trail systems, such as the Continental Divide, Colorado, and Crest trails; tourism-based businesses; and Monarch Mountain ski area.

#### 7. Composite Wildfire Risk

All of the above geospatial data, fire probability and fire behavior modeling come together in a single critical model product and map of composite wildfire values at risk. This important map shows where the combined values are at highest risk from severe wildfire and areas where moderate wildfire may be of net benefit (Figure III.1 and Appendix C).

### **D. Chaffee County Treatment Priorities**

The next step in the CWPP process identified priority fuel treatment locations and treatment types that would reduce wildfire risk most cost-effectively.

Fuel treatment priorities were optimized by weighing risk reduction benefits against fuel treatment costs while also accounting for treatment feasibility, and budget and use constraints. (See summary below and Appendix D for details.) To estimate treatment effectiveness, the effects of the various treatments on existing forest or woodland surface fuels and canopy conditions were simulated to characterize how a given treatment changed fire behavior and subsequent measures of risk. The model is supported by “data from published data on fuels reduction and forest restoration treatments in the western U.S. (Gannon 2019).”

Four proposed budgets were evaluated to determine the treatment types and locations and the degree to which those treatments would reduce wildfire risks, i.e., the most cost-effective fuel treatments for a level of funding. Figure III.2 provides a county land ownership map, setting context for the Treatment Priorities. The Treatment Priority Areas are summarized by the map in Figure III.3 and Table III.2 below.

**Table III.2.**  
Proposed Treatment Budgets and Resulting Areas Treated

Owner	Treatment priority (acres)				Total
	Moderate (estimated \$200M cost)	High (estimated \$100M cost)	Higher (estimated \$50M cost)	Highest (estimated \$10M cost)	
BLM	17,757	8,313	6,976	1,159	34,205
Colorado Parks and Wildlife	75	28	13	57	172
CITY	0	7	26	2	35
NGO	0	0	2	0	2
PRIVATE	14,236	10,007	10,283	4,387	38,913
State Land Board	2,890	944	1,505	442	5,780
State Parks	57	39	20	0	116
USFS - PIKE	42,017	13,344	14,638	6,773	76,772
Total	77,033	32,682	33,462	12,819	155,996

The key take-away from this work is demonstrated by the risk reduction vs. cost graph (Figure III.5). The conclusion is profound. The first \$50 million of treatment yields roughly 50% reduction in the risk wildfire poses to community assets. The next \$50 million yields a further 20% reduction—a total of 70% reduction for \$100 million. The next \$100 million in spending further reduces risk by only 15%, and an additional \$400 million is needed for the final 15%.

This data is the cornerstone of the Next Generation Community Wildfire Protection Plan. Based on the best available community input, data and modeling, spending \$50 million to \$100 million to treat 5 to 10% of the total landscape in Chaffee County can reduce risk to community assets by 50 to 70%. Treatment activity in other areas generally has much lower return on invested capital. Of course, this map cannot be prescriptive or replace the need for field assessment of current conditions and treatment feasibility, but it should be strongly employed as a decision-making guide for all countywide treatment activities.

**The Treatment Priority Map was unanimously endorsed by the CWPP Leaders Team. It is the strongest recommendation of the Next Generation CWPP that it be used to focus future treatment activities in locations with best benefit to cost.**

The Treatment Priority assessment considered the following fuel treatment methods—mechanical thinning, prescribed fire, mechanical thinning and prescribed fire (“complete treatment”), and mastication. Per-acre treatment costs noted below were based primarily on the opinions of local experts.

- For **mechanical thinning**, a treatment cost of \$1,800 per acre under ideal conditions was used. Where appropriate, costs were adjusted for slope steepness and distance from roads.
- For **prescribed fire**, a treatment cost of \$1,000 per acre was used. Prescribed fire would be used primarily in ponderosa pine and dry mixed conifer forests.
- For **complete treatment**, a cost of \$2,800 per acre was used, i.e., the sum of the costs for mechanical thinning and prescribed fire. Complete treatment would be used primarily in dense mid- to high-elevation forests. For the mechanical thinning portion, where appropriate, costs were adjusted for slope steepness and distance from roads.
- For **mastication**, a base cost of \$700 per acre under ideal conditions was used. Mastication is restricted to pinyon-juniper woodlands. Where appropriate, Costs were adjusted for slope steepness and distance from roads.

Constraints by treatment type. The following constraints were applied to each treatment option.

- 1) **Mechanical thinning** was limited to areas with greater than 10% tree cover, but was excluded from designated wilderness areas, “upper tier roadless areas”,<sup>2</sup> and Browns Canyon National Monument.
- For **prescribed fire**, constraints included: 1) no burning within 250 meters (825 feet) of structures in the wildland-urban interface; 2) prescribed fire was limited to 30% of the total budget to reflect limits on available personnel; and 3) use was limited to forests for which frequent fires is the natural fire regime (e.g., ponderosa pine and dry mixed forests). Prescribed fire would not be used in pinyon-juniper or high-elevation forest types (e.g., lodgepole or spruce-fir forests).
  - **Complete treatment** was limited to areas with greater than 10% tree cover, but was excluded from designated wilderness areas, upper-tier roadless areas, and Browns Canyon National Monument.
  - **Mastication** was limited to pinyon-juniper woodlands with greater than 10% tree cover and where slopes were  $\leq 40\%$ . Spending on mastication was limited to 20% of the total budget to restrict potential adverse ecological impacts from its overuse. Use of mastication was excluded from designated wilderness areas, upper-tier roadless areas, and Browns Canyon National Monument.

<sup>2</sup> In federal rules, an “upper tier roadless area” is similar to a wilderness designation, but more activities are allowed, such as use of motorized and mechanized equipment.

A complete report on this work, including geospatial products, is provided in Appendices C and D. All map products are also available at the Chaffee County Assessor's Office.

**Figure III.1. Composite values at risk map showing where combined values are at highest risk from severe wildfire and areas where moderate wildfire may be of net benefit**

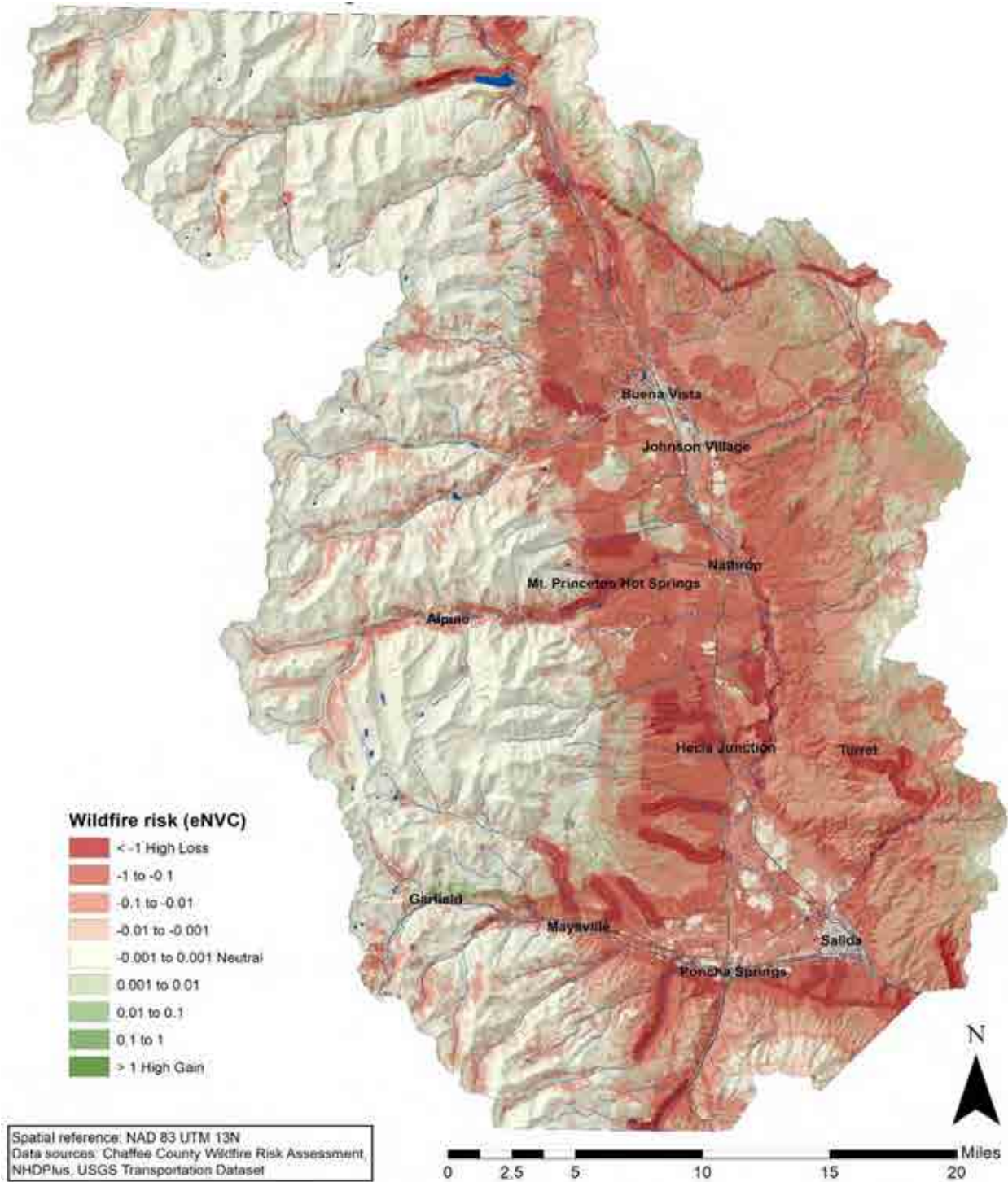


Figure III.2. Map of the ½ mile radius WUI, identifying high-density areas ( $\geq 1.5$  structures per acre) and lower-density areas ( $< 1.5$  structures per acre). Note: In addition to lands depicted here, the CWPP WUI includes a 2-mile buffer around subdivisions.

## Wildland Urban Interface

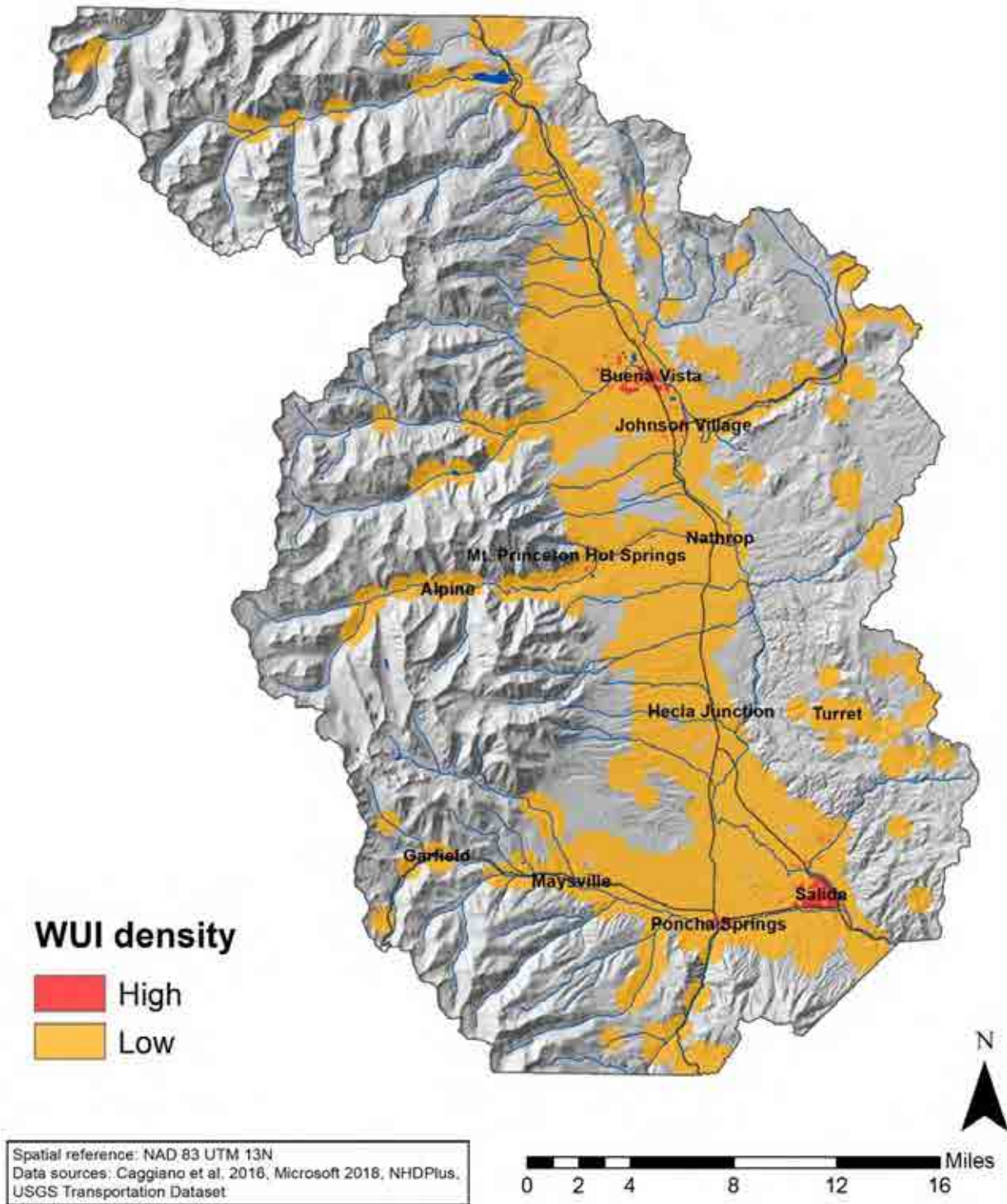




Figure III.3. Map showing land ownership in Chaffee County.

## Land Ownership

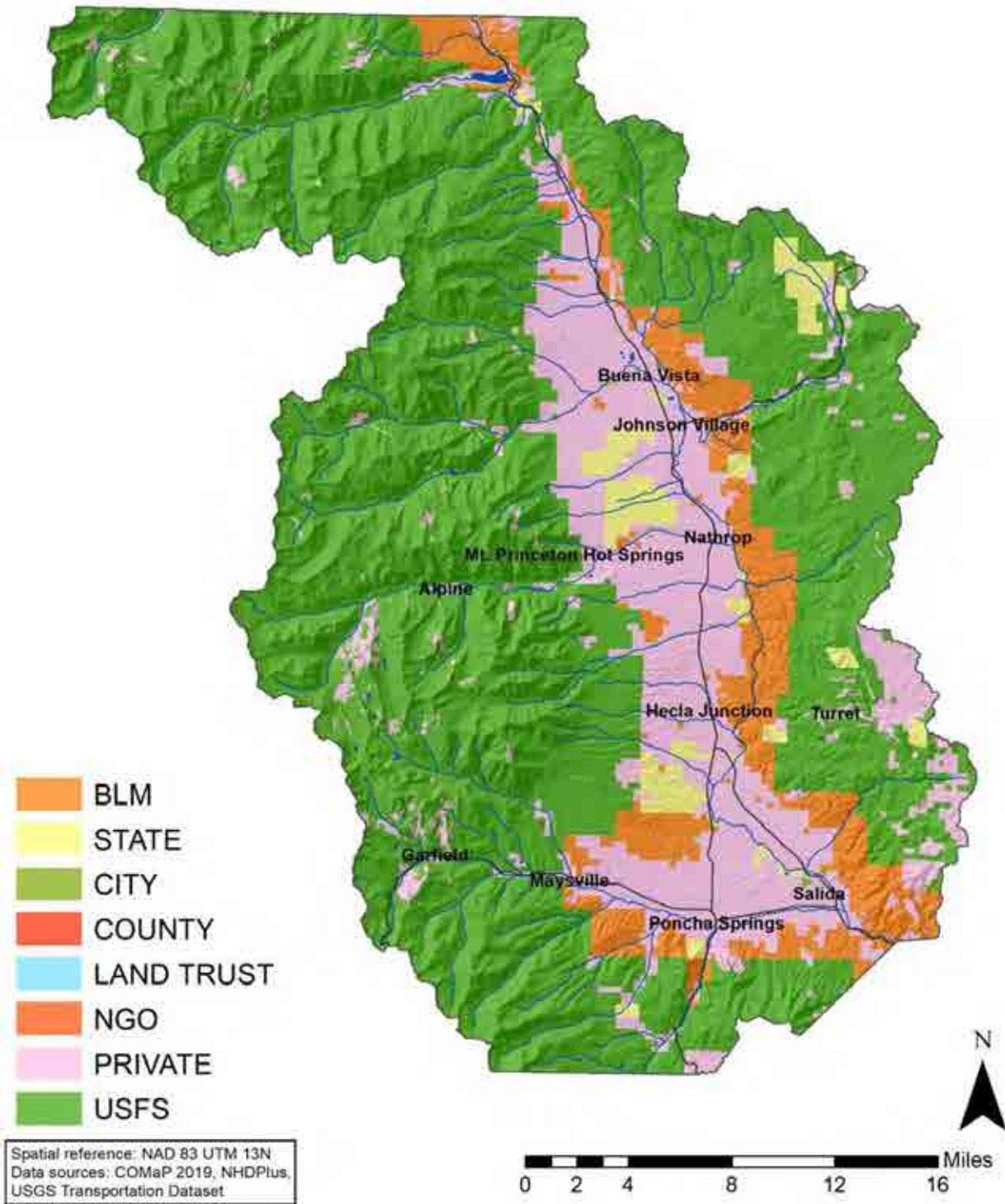
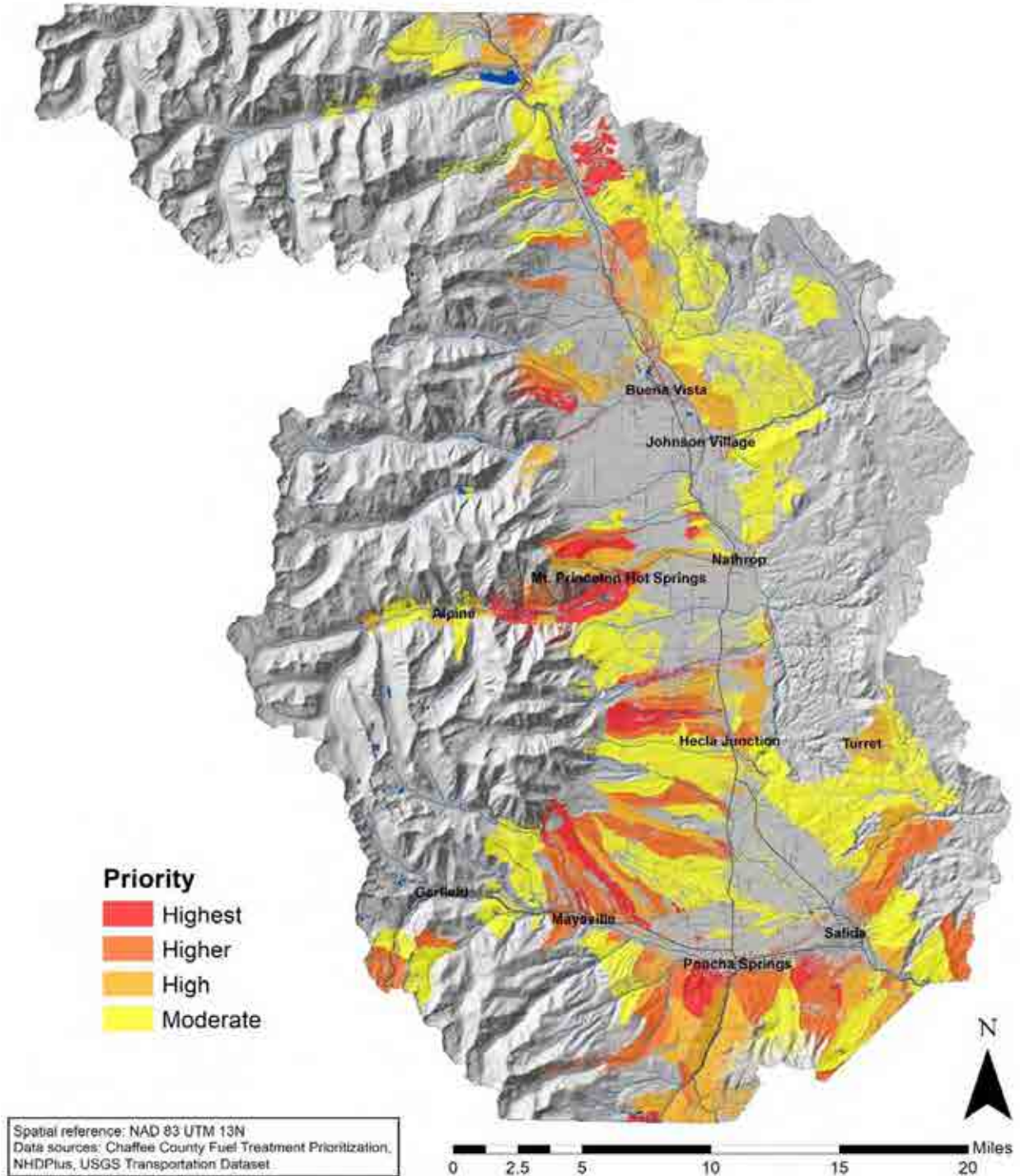


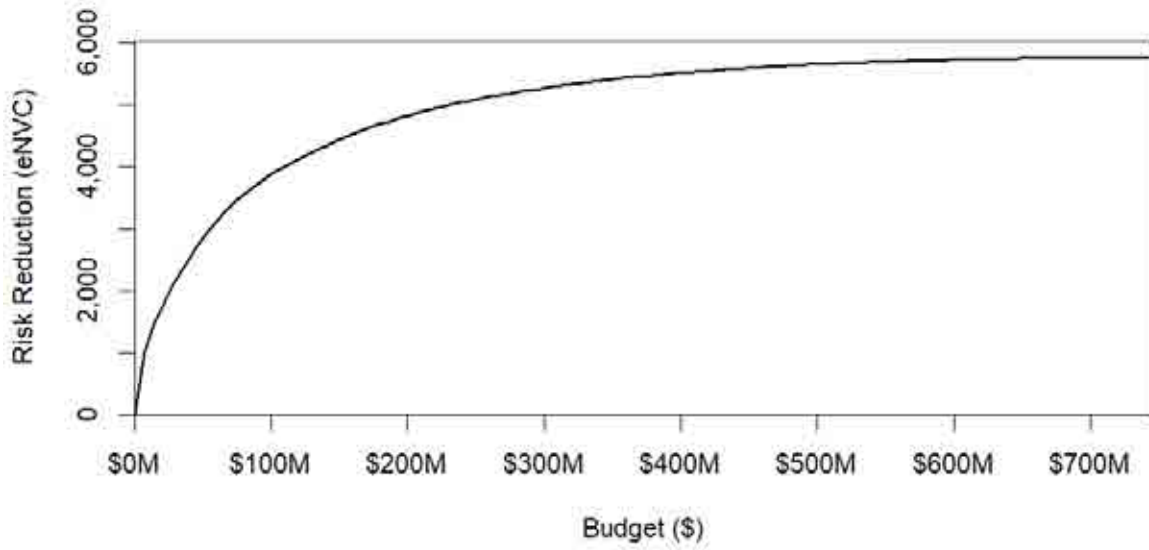
Figure III.4. Fuel Treatment Priority map for Chaffee County. The map shows areas where fuel treatment can have the most impact in reducing the risk of wildfire to community assets.

## Fuel Treatment Priority





**Figure III.5. Graph depicting the Treatment Priority Areas and demonstrating estimated risk reduction by funding level.**



## **Section IV Community Wildfire Preparedness Current Status and Structural Ignitability in the WUI**

### **A. Overview**

Community outreach conducted during the CWPP process indicates citizen preparedness is a concern, while community plans related to fire resilience are improving and the preparedness of local emergency management agencies is solid.

In terms of **citizen preparedness**, while residents expect a major fire to happen, many are not personally prepared. However, a strong majority of residents support land management activities to mitigate wildfire risks, and many think these activities are beneficial to wildlife. Community input also showed strong interest in new programs and incentives to address forest fuel conditions on private lands.

**Community plans** related to emergency management and fire resilience are improving. Chaffee County has a Comprehensive Plan update in progress that will dovetail with the Next Generation CWPP and offer opportunity to address gaps in county regulation and code related to fire resilience. Five subdivisions have more detailed CWPPs and there are three Firewise communities in the county. A Hazard Mitigation Plan was completed in 2016. Additional plans are in place to govern wildfire-related activities and post-fire recovery.

**Emergency response preparedness** is solid with the current Chaffee County Local Emergency Operations Plan (LEOP) and the Chaffee County Hazard Mitigation Plan in place. Fire Departments indicate training and equipment are adequate to address wildfire situations, although some mentioned the need for additional communication equipment, masks, and fire shelters.

### **B. Citizen Preparedness and the Chaffee Wildfire Survey**

As noted in the Section II summary of Chaffee County Wildfire Survey data, community preparedness for a large wildfire event is a concern, with gaps in evacuation planning, reverse 911 signup, and home preparedness. The CWPP Leaders Team recommended more and better public outreach and coordinated communications between local, state, and federal land management regarding wildfire issues and resources, efforts that should be sustained over the long term.

Programs and incentives in other counties were reviewed by CWPP Leaders that assist or provide incentives to homeowners to address forest fuel conditions on their properties, such as slash hauling and community chipping days. Creating similar programs in Chaffee County was discussed in public meetings. Citizens indicated strong support for such programs, emphasizing the need for education to know what to do. In public meetings, citizens indicated that, of potential community services, trailers

to remove fuel treatment slash was the most desired followed by curbside chipping. Citizens also noted that the county has a high retiree population, with many citizens requiring some support for the physical labor involved in creating defensible space.

### **C. Community Planning Preparedness**

Community comprehensive planning was identified as an area of concern by the Envision Chaffee County program in 2018, as key plan updates had lapsed for 10 to 20 years. The current county comprehensive plan was adopted in 2000 and includes limited references to wildfire and wildfire preparedness, only suggesting that more specific and up-to-date provisions be adopted to guide growth in wildfire-prone areas and to protect structures from fire damage. The current CWPP was adopted in 2009, and contains recommendations related to steep slopes and ridgeline setbacks to reduce visual impacts that were not implemented.

Local leaders are taking action, with updates to both of these critical plans in progress, and coordinated to capture opportunity for updates to regulations and codes.

The existing plans do offer some support to fire resilience. Current county regulations require that new subdivision access be reviewed during the planning review process, and that preliminary subdivision plans are reviewed by the Colorado State Forest Service. The Chaffee County Hazard Mitigation Plan recommends that electric transmission and distribution lines in new developments be placed underground to address several hazards, including wildfire. However, no provisions exist in current county building codes that specifically address structural ignitability.

The 2009 CWPP implemented a new model for consistently rating wildfire preparedness at the subdivision and individual lot level. The system includes: evaluation of ingress and egress, primary road widths, accessibility, the presence of dead ends, the presence of street signs, slope steepness, lot size, the extent of vegetation, defensible space around structures, firefighter response times, and presence of water for firefighting. Excellent progress has been made in completing this evaluation in prioritized subdivisions county-wide, with a focus on encouraging citizens to address defensible space and water sources that offer the greatest chances to improve wildfire safety.

In 2007, wildfire risk ratings were completed for 54 subdivisions, or 34% of all subdivisions with greater than 10 lots as prioritized by local experts. Information from the Chaffee County Assessor indicates that, since 2007, 135 subdivisions have been added to the county, including 12 with more than 10 lots. A full list of the current subdivision in Chaffee County is provided in Appendix E. Given the degree of change, an update of subdivisions wildfire risk ratings is recommended.

The county CWPP also serves as an umbrella document for other CWPPs that cover smaller areas and subdivisions within the county. The following communities have CWPPs: Alpine-St. Elmo (2009), Game Trail (2008), Maysville-North Fork CWPP (2008), Mount Harvard Estates (2009), Poncha Springs (2009), and Trail West

Association CWPP (2012). Given the age of most of these documents and the new information available in this CWPP, these CWPPs should be updated.

One concept that incorporates most of the best practices regarding structural ignitability and defensible space is **Firewise USA**. This program guides communities through a series of steps intended to reduce their vulnerabilities to wildfire, such as landscaping and fuel reduction, home construction and design, and neighborhood planning. This is a proactive process that develops a pre-fire strategy to reduce risk. CSFS and local fire departments assist with the Firewise program. Three Firewise communities are designated in Chaffee County—Maysville, Alpine, and St. Elmo.

In addition to the comprehensive plan and the CWPP, Chaffee County has a **Hazard Mitigation plan completed in 2016**. Wildfire-related recommendations in this plan include:

- continue to strengthen partnership between firefighters, planners, and law enforcement authorities concerning wildfires;
- make grant funds available to homeowners for fuel treatment projects;
- encourage wildfire fuel reduction projects through posting information on town websites, newspapers, the town posting boards, and inserts with water bills;
- conduct fuel management (projects), e.g., pruning and clearing dead vegetation and overgrowth, cutting high grass, and planting fire-resistant vegetation;
- incorporate a GIS layer for landownership parcels into emergency-response procedures for the county communication center;
- create evacuation plans (for) areas with high wildfire threat;
- work closely with state and federal (forest agencies) to educate the public, conduct risk and mitigation inspections and conduct mitigation efforts;
- use the county website, publications, and social media to education citizens of the natural hazards, and educate homeowners how to mitigate damages;
- increase wildfire risk awareness by providing education and outreach; and
- educate the public on the importance of “defensible space” around homes.

The Chaffee County Hazard Mitigation Plan also notes the need for better drainage at several locations around the county, indicating that new infrastructure such as culverts are needed to reduce the risks of post-fire flooding and debris flows. Conversations with the county road and bridge department indicated that most county roads are susceptible to impacts from debris flows, but it is difficult to anticipate where those impacts will occur.

The following **additional plans** govern federal wildfire-related activities in Chaffee County and the region:

- Upper Arkansas Valley Wildfire Annual Operating Plan, includes Chaffee and Lake Counties.
- Within the 2004 BLM Fire Management Plan, Chaffee County is managed as part of the Upper Arkansas Fire Management Unit, which also includes Lake County.
- The PSICC 2008 Fire Management Plan splits Chaffee County between two fire

management units: The land south of U.S. Highway 50 and east of U.S. Highway 285 is in the Lower Arkansas Fire Management Unit, which also includes Costilla, Custer, Fremont, Huerfano, Las Animas, and Pueblo counties. The remainder of Chaffee County is in the Upper Arkansas Fire Management Unit with Lake County and a portion of Park County.

#### **D. Emergency Response Preparedness**

Agency preparedness for emergency response is solid. The **Chaffee County OEM** operates under the guidelines of Chaffee County Local Emergency Operations Plan (LEOP) and the Chaffee County Hazard Mitigation Plan. The LEOP is the general plan for managing incidents and describes the framework and processes used during emergencies in Chaffee County. Chaffee County operates an Emergency Operations Center (EOC), a command and control facility to provide emergency response, interagency communication, coordination and decision making.

The Chaffee County OEM conducts post-disaster damage assessment as part of larger recovery efforts. The Office is also the source of debris management plans that address debris removal after major incidents such as the 2019 Decker Fire. OEM also has created a sheltering plan for those displaced during severe events. The plan directs the county to identify the functional and access-needs population that may need assistance during events with items such as medication, oxygen, hydration, etc.

During emergencies requiring notification and potential evacuation of residents, the **county assessor** provides emergency personnel with computer files of taxable property with information regarding property owners and contact information within the affected area. However, this information may not reflect who is actually living in the house and what, if any, help they may need to react to the situation. David Henson, Director, Chaffee Department of Human Services (DHS), indicated that his department has some of this type of information, but only for those that are or have been involved in DHS programs. Privacy requirements may hinder sharing of such information between agencies. Henson also noted that DHS and the county Office of Emergency Management have initiated county recovery meetings after the 2019 Decker Fire to work together to develop more accurate information about the location and needs of these vulnerable populations.

**Local fire departments** indicated that training and equipment were currently adequate to address wildfire situations, although some mentioned the need for additional communication equipment, masks, and fire shelters. Conversations noted that local fire departments have been successful in the past in applying for grants to meet various needs, but that such funding is declining and, therefore, increasing competition for the remaining opportunities.

Local fire chiefs, CSFS officials and Office of Emergency personnel, as part of a February 2019 working session, indicated that the following are strengths of current emergency response programs:

- mutual aid agreements and MOUs ;
- monthly county emergency services council meetings ;
- county emergency operations plan adopted by all municipalities ;
- established CWPP operating plan CDFPC ;
- established county-wide public information officers ;
- wildland firefighter training ;
- community fire mitigation efforts through Firewise USA ;
- coordinate responses with U.S. Forest Service ;
- conduct response drone flights ; and
- homeowner outreach and smartphone-based fire-risk assessment maps and related tactical maps planned for 2019/2020

The **Chaffee County Community Foundation** established a permanent Emergency Response Fund in 2019, to which individuals and businesses can contribute to emergency response expenses in the county. Use of the fund is coordinated with Chaffee County government officials, nonprofits and relief stakeholders.

## **E. Fire Response**

**Wildland Fire Management and Suppression Tactics:** Suppression priorities for firefighters will vary based upon the capabilities, overall strategy and fire behavior. Firefighter safety is a priority, reinforced by the community as the most important “value at risk.” These priorities make it imperative that individual homeowners effectively treat the home ignition zone around their structures to increase the likelihood of their structures surviving a wildfire.

**Fire Response:** In the event of a wildfire, provide safety for yourself and your family, and call 911 immediately.

**Fire Equipment:** The following fire fighting equipment is available in Chaffee County:

### **City of Salida Capabilities**

Personnel: 13 full-time career firefighters, 4 part-time reserve firefighters

Apparatus: Two Type I Pumpers (Engine 11 – 1500 gpm pump – 750 gallon booster tank, Engine 12 – 1250 gpm pump – 1000 gallon booster tank), One Aerial Apparatus, Tower 11 – 1500 gpm pump – 300 gallon booster tank – 75’ aerial ladder, Three support vehicles.

### **South Arkansas F.P.D. Capabilities**

Personnel: 20 members on the Wildland Team

Apparatus: Two Type 3 Tenders (Tender 11 and Tender 12 – 750 gpm pump – 2000 gallon capacity), Two Type 6 Engines (Engine 111 – 250 gallon capacity, Engine 112 – 300 gallon capacity), One Support vehicle

## **Chaffee County Fire Protection District**

Personnel: 88 members with varying qualifications

Apparatus: 3 type 6, 7 Type 7, 3 Type 4 FEPP, 4 Type 1, 3 Type 2 Support Tender, 1 Type 1 Tactical

### **F. Preparedness in the Wildland-Urban Interface—Structural Ignitability**

The wildland-urban interface (WUI) is where human-made structures and other assets are located near or within undeveloped areas with flammable vegetation. Preparedness in the WUI addresses conditions in the home ignition zone, that is, vulnerabilities in homes and other buildings (“structural ignitability”) and the surrounding landscape (“defensible space”). For this CWPP, the WUI in Chaffee County is defined as the area within a one-half-mile radius around mapped structures.

The Colorado State Forest Service is the key agency in providing education and developing/delivering treatment projects on private lands, with the exception of prescribed burns. Colorado Division of Fire Prevention and Control is the agency that implements prescribed burn program in Colorado. They offer a certification program that measures the level of skill knowledge and abilities. These competency-based standards provide a basis for a voluntary training and certification program for private landowners to safely and successfully plan, initiate and complete controlled fire treatments on private lands. In addition, DFPC’s role in prescribed fire includes: Technical assistance in project design, planning, and assistance to state and other agencies with implementation of prescribed fire.

#### **1. Human Life and Safety—Firefighter Access and Resident Evacuation**

Structural ignitability, defensible space, and neighborhood development patterns directly affect human life and safety issues during wildfires. Extreme wildfire conditions can generate situations that overwhelm available firefighting resources—conditions that threaten both resident and firefighters. Issues for firefighters include:

- difficulties in accessing or escaping an area may prevent firefighters from approaching burning structures;
- the presence and extent of flammable vegetation near structures may also prevent or limit firefighter approach, deny them useful areas in which to work, or endanger them while fighting the fire; and
- the flammable nature of WUI structures may hinder effective fire control while also contributing to the spread of the fire.

The Boulder County CWPP (2011) noted that, “Only 7% (of Boulder County residents) thought that it was not likely the department would be able to save their home. However, the plan offered ten lessons from the county’s experience with wildfires, one of which was “Firefighters cannot defend and save every house.” The high winds and

extreme conditions associated with Boulder County’s catastrophic fires often severely limit firefighters’ ability to save them. This lesson from Boulder County was echoed during CWPP Leaders Team discussions.

Similarly, for residents, narrow, steep driveways may hinder escape, while narrow, steep roads limit or deny two-way traffic during evacuations. Flammable vegetation adjacent to homes may hinder or prevent homeowners from addressing embers and small fires. The same may apply to the materials and features the home. Most of these conditions in the WUI were noted during CWPP Leaders Team discussions and are represented by the first CWPP value at risk, Human Life and Safety, and are considered in this plan.

The increase in the size and number of houses in the WUI contributes to the rising costs of wildfire suppression, nor do prior wildfires in an area necessarily dissuade people from rebuilding their homes or others from building new homes in fire-prone areas. Evidence also indicates that trends toward more and larger fires across the West will continue. Some 80% of Colorado’s WUI remains undeveloped and the number of WUI homes in the state is expected to increase 130% by 2030.

Protection of property and people in the WUI has been a major emphasis of federal firefighting legislation since the early 2000s. Major goals are reduction of forest fuels around homes, communities, and resources to slow or stop wildfires from threatening high-value areas. Twenty years later, protecting the WUI still remains the nation’s fastest-growing firefighting expense.

Structure loss during wildfires occurs as a result of direct flame contact such as that from the moving flame front, and from radiant heat and embers (“firebrands”). A common misconception about home loss during wildfires is that it usually occurs as the main body of the fire passes through. However, the main flame front moves through an area in one to ten minutes, depending on the vegetation type. Instead, most homes are destroyed by fires started by spotting by flying embers, especially under windy conditions and with large wildfires. Under the right conditions, firebrands can create separate and widespread points of ignition beyond the main fire front and thereby expose a large number of structures in a short amount of time. Larger fires may then produce conditions that lead to more embers, including those generated by burning structures. When spotting becomes the dominant ignition source, established fire barriers and subsequent fire suppression efforts are quickly overwhelmed.

## 2. Treating WUI Vegetation—Creating Defensible Space

Fuel treatment on private land in Chaffee County is currently voluntary. Advice and additional resources are available from the local office of the Colorado State Forest Service and local fire department personnel.

(1) Home ignition zone. The home ignition zone refers to the characteristics and immediate surroundings of structures in the WUI. These characteristics—building materials and design—and surroundings—vegetation, outbuildings, and other



elements—are the primary reason that homes survive wildfires—or not (Figure III.1). Building materials and design reflect “structural ignitability,” which is discussed below. A home’s surroundings represent its “defensible space.” This space consists of three concentric zones around the house (Figure III.2).

- **Zone 1** extends 30 feet from the house and deck, and requires maximum wildfire hazard reduction. In the first five feet, there should be no plants and ground cover should be non-flammable, such as landscape gravel. Beyond five feet, most flammable vegetation is removed, except perhaps for a few low-growing shrubs or fire-resistant plants. Grass should be cut to six inches or less. Dead branches, leaves, and similar debris should be removed from this zone as well as from the roof, deck and gutters.
- **Zone 2** extends from 30 to 100 feet. Fuels reduction in this zone is intended to diminish the intensity of an approaching wildfire. Dead or dying trees and bushes and ladder fuels should be removed. The spaces between tree crowns should be at least ten feet. A minimum of 30 feet should be maintained between planting groups. Propane tanks, firewood, and other fuel sources, such as wood outbuildings, should be located in this zone or beyond.
- **Zone 3** lies beyond 100 feet. Ladder fuels should be removed. Slash treatments are acceptable, including piling and burning, chipping, and lop-and-scatter. Two to three snags per acre are allowed. This zone provides an opportunity to improve the forest through proper management, such as maintaining trees of multiple ages, sizes and species, and adequate growing room.



Figure III.1. Home Ignition Zone (Credit: CSFS).

Re-treatment of vegetation is almost always required to maintain reduced amounts of fuel. Treatment intervals range from several years to a few decades.

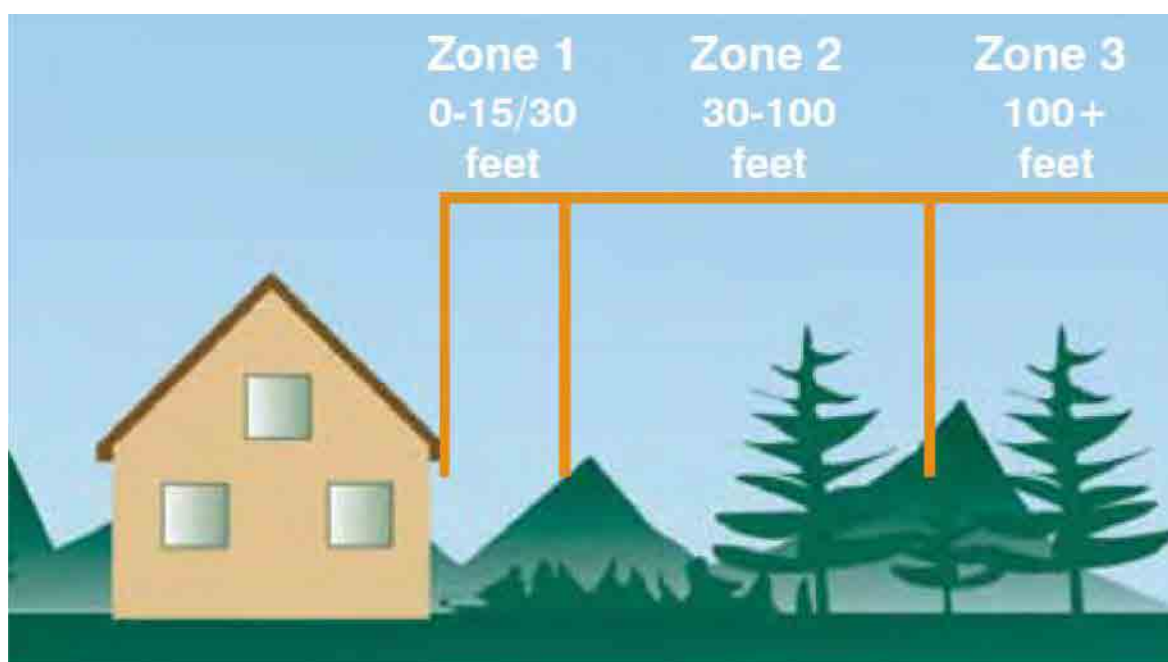


Figure III.2. Defensible Space Zones (Credit: CSFS).

(2) Construction materials and design. Whether a home ignites during a wildfire is determined by the characteristics of its exterior materials and design and the response of those materials and design to burning objects within the home ignition zone and to burning embers. Features that represent a structure's wildfire vulnerabilities include:

- roofs are large, relatively horizontal surfaces exposed to embers;
- window failure allows flame and embers to enter a structure;
- gutters are areas where debris can accumulate and potentially ignite;
- vents are avenues for embers and flames to enter a structure;
- decks and porches represent other large, flat surfaces exposed to embers; and
- exterior siding can burn if exposed to flame or radiant heat long enough, and embers can collect at the base of exterior walls, potentially igniting debris in the same area.

In terms of structure design,

- complex roof designs provide a number of horizontal-to-vertical intersections where debris can collect and embers can land;
- eaves and overhangs can collect wind-blown embers and increase the risk of igniting siding or nearby vegetation;
- flames can more easily penetrate lap siding compared to ship lap or tongue-and-groove designs; and

- the roof edge is vulnerable to wildfire when debris accumulates in adjacent gutters. Where construction creates gaps between the roof covering and the roof sheathing, embers and flame can enter.

(3) Home ignitability and firefighter efforts. Conditions in the home ignition zone also have a direct bearing on issues of human life and safety. Cohen (2010) suggested that, under extreme wildfire conditions, “reasonable levels of fire suppression cannot prevent these disasters.” One of ten lessons learned offered in Boulder County’s CWPP (2011) was “Firefighters cannot defend and save every house.” Discussions during the Chaffee County CWPP process similarly noted differences between the public’s expectation that firefighters will try to put fires out no matter what the circumstances. This contrasts with the firefighting community’s core value of firefighter safety and protecting human life first. Graham, et al. (2012) concluded: “minimizing home ignition potential enhances life safety and firefighter effectiveness especially during extreme burning conditions.”

(4) Summary. Fire protection agencies can predict when wildfire conditions are dangerous, but they cannot otherwise control them. Waiting for an announcement of such conditions to address ignitability issues is too late. Wildfire destruction within the WUI is largely independent of management of fuels in adjacent wildlands—based on construction materials, design, and immediate surroundings, a fire-resistant home can reside in a high-hazard area and survive high-intensity wildland fires. Conversely, a highly ignitable home in a low-hazard area can be destroyed during a lower-intensity fire. In other words, vegetation and structural issues must be considered together. The implications for planners, fire agencies, and homeowners include the need to: 1) define high-hazard areas, 2) identify which wildfire treatments are most appropriate *and necessary*, and 3) determine who is responsible for those treatments and the subsequent wildfire impacts. In most cases for WUI private property owners, evidence indicates that the burden is on the property owner (Cohen 2000, 2010; Syphard, et al. 2013).

## Section V Community Action Plan

### Overview

Considering the Wildfire Risk Assessment, treatment prioritization and community preparedness data, the CWPP Leaders Team worked with the community to develop a shared action plan. The plan considers deep community research on current best practices in community wildfire preparedness, available upon request at [envision@centralcoloradoconservancy.org](mailto:envision@centralcoloradoconservancy.org).

Decades of fire suppression, drought and ensuing insect infestations have caused our forests to decline into very poor health. Fires are occurring more frequently and are more intense. The community strongly supports accelerated treatment. Through the Envision Chaffee County planning initiative, 1,500 citizens and more than 70 organizations prioritized a “vision” of healthy forests, waters and wildlife. Voters further took action in 2018 to support this vision by approving new public funds to support healthy forests, build a fire-ready future and protect our watersheds, wildlife habitat, agriculture, recreation areas and local economy. The community is ready to act.

Based on the above data, the CWPP Leaders Team is committed to action in this Next Generation CWPP. Focused on the goals and objectives outlined here and detailed in Section V, these goals build upon existing treatments and successes from the 2009 CWPP.

#### ***A. Goal 1, Fire-Resilient Forests and Productive Habitat***

The top priority of the Next Generation CWPP and the Forest Health Council is to accelerate treatment activity across all jurisdictions in high Treatment Priority Areas to halve the risk wildfire poses to community values at risk while also (as practicable) enhancing watershed health, habitat and agricultural productivity. The goal has two objectives:

#### **Objectives:**

##### **Goal 1, Objective A: Treating Together**

Treat up to 30,000 acres by 2030 across jurisdictions, cutting the risk wildfire poses to community assets in half by focusing on the Treatment Priority Areas developed and agreed in this CWPP. Near-term measurable results for this key objective are:

- **Treat 10,000 to 15,000 acres by the end of 2025**, including all treatment types/areas and subject to funding and conditions.
- Complete **Early Win projects, treating 1,500 priority acres in 2020/2021**, including 100 acres on private lands and 1,400 acres on public lands, and including all treatment types and locations.
- **By the end of 2020, develop a pipeline with 4,000 acres of existing and new cross jurisdictional projects** in priority areas, with about 80% public and 20% private land activities. Deliver multiple benefits, such as fire resilience, forest health, habitat and agricultural enhancement. Identify funding sources and

advance collaborative requests to fund treatment. Increase the number of cross jurisdictional projects.

**This is a challenging goal. It requires a substantial change in priorities and approach for agency personnel, and accelerated action—especially on private lands—and increased funding.**

The risk assessment and treatment prioritization unanimously supported by the Leaders of this CWPP indicate the greatest impact toward reducing the risk that wildfire poses to community assets can be achieved by focusing treatment activity in Treatment Priority Areas—representing an estimated \$100 million budget. In fact, data indicate treating 5 to 10% of the right acres across the total county landscape may decrease the risk wildfire poses to community assets by 50 to 70%. The data also suggest that treatment in lower priority areas may yield much lower return on invested dollars. The Treatment Priority Areas should not be considered as prescriptive, however. On-the-ground conditions, landowner willingness, continuity with fire breaks and pre-existing treatments and other factors may, in some cases, render treatment inside the zones impossible and treatment outside the zones prudent. It is recommended that this is at the discretion of local experts, but that the bias should always and strongly be toward activity in the Treatment Priority Areas.

The shift to treating the “right acres” at the targeted rate of roughly 3,000 acres each year, however, will not be simple for three reasons.

First, agency personnel may currently be evaluated and awarded based on acres treated rather than on the impact treatment work has in reducing the risk to community assets. Further, acceleration of treatment beyond current agency goals may not be rewarded. These agency priorities and policies are outside the influence of this CWPP, but will require attention from local and regional agency management. Local agencies have unanimously endorsed the Treatment Priority Areas in this plan but may face a headwind to change inside their organizations. The strategy for addressing this challenge is education, starting with this planning document.

Second, the Treating Together goal requires an increased pace of treatment on federal lands and an order of magnitude increase in the treatment rate on private and state lands. Acres within the \$100 million budget priority areas are comprised of 65% federal, 30% private and 5% state land, and also include evacuation routes that may involve county and state rights-of-way. Priority federal lands are generally in lower-lying areas, and closer to community assets, potentially complicating action and requiring increased coordination with BLM, private landowners and community members. Treatment on private lands has historically been challenged by landowner willingness to treat. Success will require increased coordination, increased landowner outreach, additional human resources for project identification, planning and execution and increased funding. Parallel development of the Envision Forest Health Council and Treating Together, Chaffee Chips and Envision Healthy Forests programs—and their funding—are integrated strategies to manage this challenge.

Third, additional funding will be required, as discussed under Goal 5.

**Goal 1, Objective B: Envision Forest Health Council**

Immediately develop the Envision Forest Health Council as a continuation and expansion of the CWPP Leaders Team.

Both the 2016 Hazard Mitigation Plan and work on the Next Generation CWPP indicate a need to continue strengthening partnerships between the land management agencies, local and federal government bodies, fire protection districts and nonprofit organizations most closely tied to fire resilience and forest/landscape health. During work on the CWPP revision, the CWPP Leaders team served as this body. Moving forward, the group unanimously agreed to continue the collaboration under the Envision Forest Health Council. The Council will deliver collaborative action to advance Next Generation CWPP goals and projects.

The Council will be facilitated by Envision Chaffee County, a partnership of County of Chaffee and the Central Colorado Conservancy in partnership with the Colorado State Forest Service. Council facilitation and coordination of the four priority projects from 2020 to 2022 are supported by \$258,000 granted in the first funding cycle of Chaffee County Common Ground.

Common Ground invests a portion of sales tax revenues to strengthen forest health and reduce wildfire danger. Created by a 2018 sales tax initiative, the program supports collaborative programs and projects through a grant process that leverages revenues to achieve the highest impact. The Next Generation CWPP Treatment Priority Area map is strongly used to help prioritize funding results.

The 2020 Envision Forest Health Council members include 18 organizations and the current 29 participants listed below. The organizations are expected to remain stable over time, although participating members may change.

- Arkansas Headwaters Recreation Area Manager Rob White;
- Arkansas River Watershed Collaborative, Lead Forester Andy Lerch;
- Buena Vista Fire Department Chief Dixon Villers;
- BLM-Rocky Mountain District Manager Cathy Cook, Fire Mitigation Specialist Ed Skerjanec, Fire Management Officer Ty Webb, and John Markalunas, Assistant Fire Management Officer for the Front Range Fire Management Unit;
- Central Colorado Conservancy Executive Director Adam Beh;
- Chaffee County Commissioners Greg Felt and Keith Baker;
- Chaffee County Office of Emergency Management Director Richard Atkins;
- Chaffee County Fire Protection District Chief Robert Bertram and Battalion Chief Kent Maxwell (also Director of Colorado Firecamp);
- Colorado Parks and Wildlife Area Wildlife Manager Jim Aragon;
- Colorado Springs Utilities: Watershed Planning Supervisor Mark Shea and Forest Program Manager Eric Howell;

- Colorado State Forest Service: Southwest Area Manager Damon Lange, Supervisory Forester Adam Moore, Supervisory Forester Sam Pankratz and Forester J.T. Shaver;
- Envision Chaffee County Co-Leads: Commissioner Greg Felt (also Board of County Commission Chair) and Cindy Williams (Chair, Central Colorado Conservancy) and Envision Project Coordinator Kim Marquis;
- National Forest Foundation Vice President Marcus Selig;
- Natural Resources Conservation Service District Conservationist Bill Gardiner;
- Mesa Antero Water Association President Rick Hum (Chair or president?);
- USFS: District Ranger Jim Pitts, Fire Management Officer Chris Naccarato and Mountain Zone Fuels Specialist Andrew White

Ongoing partnership with experts at the Colorado Forest Restoration Institute at Colorado State University (Director Tony Cheng, Assistant Director Brett Wolk and Spatial Analyst Benjamin Gannon) and the Rocky Mountain Research Station (Patty Champ and Hannah Brenker-Smith) will continue to support program success.

### ***B. Goal 2, Fire-Adapted Communities***

Build community engagement, understanding, preparedness, public support and realistic expectations for forest and fire management. This includes personal preparedness (such as evacuation plans), citizen action to decrease the risk wildfire poses to private lands and structures and continuing to build upon strong local support for accelerated treatment activities—or “social license to treat.” The goal has two measurable objectives:

#### **Goal 2, Objective A: Chaffee Chips**

Develop and implement Chaffee Chips, a collaborative program designed to accelerate private land treatments by providing coordinated support to landowners in order to mitigate fuels by creating defensible spaces. The program will work to organize community treatment events in neighborhoods each year, as selected by the CWPP Treatment Priority Area Map and Forest Health Council prioritization. The service is organized by the CWPP Engagement Coordinator in a collaborative partnership with Colorado State Forest Service, Chaffee County Fire, Colorado Firecamp, County Office of Emergency Management, County Landfill and others. The program will include events in selected communities to accelerate treatment activities with focused education; collaborative work by citizens and neighbors to address hazards to structures; volunteer sawyers from Colorado Firecamp to fell larger trees; trailers to remove slash; the county tub grinder to reduce slash to chips; potential curbside chipping, and similar activities. The program will result in increased community action to create defensible space and may also result in larger-scale treatment opportunities in top-priority areas.

Three-year measures for the objective are:

- Provide organized community action in four neighborhoods prioritized by the Council: 1) Base of Mt Princeton/CR321, 2) Mesa Antero/Mesa Antero Estates, 3) Lower Chalk Creek Subdivisions, and 4) Methodist Mountain west of the Decker Fire scar.
- Engage 100 landowners to take an action to enhance defensibility or forest health.
- Celebrate acting community members with signage and recognition.
- Develop plans to add two to four new neighborhoods per year following 2020.
- Support disabled or less-able community members to take action, including a large and growing retiree population.
- Track results, including expanding Firewise communities, to support the effort.

### **Goal 2, Objective B: Collaborative Communications**

Develop and implement **Envision Healthy Landscapes**, a program that will deliver coordinated communications that educate the public, increase awareness, maintain and improve support for forest treatments, encourage action and celebrate success. The program is focused on moving the needle in community preparedness and creating excitement about shared action. Three-year measures for the objective are:

- Reach 20% of the population with a consistent message about the big-picture issue/solution.
- Collaborate among ten organizations, including USFS, BLM, County of Chaffee, Colorado Parks and Wildlife, three fire protection districts, Office of Emergency Management, Central Colorado Conservancy, CSFS, and Arkansas River Watershed Collaborative to deliver news and information.
- Deliver ten news + eight education stories in 2020 = 1.5 “touches” every month, all year.
- Use social/traditional media, neighborhood meetings, work days and more to reach 4,000 people.
- Engage 200 citizens in forest health-related activities through work days and events.
- Create 100 instances of community support (e.g. Facebook posts, letters to editor, etc.).
- Develop a model of collaborative forest health engagement.
- Increase Firewise communities from two to five.

During CWPP development, the Leaders Team recognized the need to increase awareness about the importance of wildfire preparedness and educate the public about certain aspects of their work, such as how prescribed burns are planned and executed. They decided that more communications and better coordination in public outreach efforts among the different agencies and departments was necessary to maintain and improve support for CWPP implementation and encourage action among landowners. They also wanted to measure and celebrate success with the community.



The CWPP Leaders Team agreed that promoting basic elements of the CWPP would help answer big-picture questions among the public, such as who is in charge of countywide wildfire mitigation efforts and what steps are being taken to achieve CWPP goals. Making the CWPP easy to understand helps a distracted and busy public to engage. To that end, a user-friendly, condensed and colorful version of the official CWPP was created (see Appendix B).

The Leaders also recognized that opportunities such as neighborhood meetings and work days offer actionable ways for community members to participate. Many times, action-oriented engagement is more meaningful for people than passive participation, such as reading an educational flyer.

Through facilitated exercises, the CWPP Leaders Team developed and agreed on a simple story context or public message that includes CWPP goals and steps to accomplish them. Council members unanimously endorsed the approach, and agreed to include consistent context about shared county goals in all relevant public communication. The team also agreed to form a Communications Committee with representatives of each agency and department, so that outreach could be increased and coordinated in the future. The committee also will share assets such as educational stories, videos, pictures and flyers, and will make a concerted effort to provide simple and consistent information to the public as well as plan celebratory events.

The need for increased community education and outreach with one shared message has been repeatedly identified. The Forest Health Council is taking an unprecedented approach: Agreeing to share one single message platform with one voice and to use the expertise and resources of all participating organizations to do so. As an example of what the program is working to achieve, goals and measurable outcomes for the first year of work in 2020 are included here:

### ***C. Goal 3, Safe and Effective Wildfire Response***

Enable safe and effective wildfire response, including collaborative preparedness for severe wildfires and evacuation events. The goal has one current objective:

#### **Goal 3, Objective A: Zoning and Code**

Update the regulatory environment by addressing early wins and longer-term strategic modifications to zoning and code that support community fire resilience. Measurable results for this program are:

- Ensure the Chaffee County Comprehensive Plan incorporates the CWPP and CWPP Leaders' prioritization regarding regulatory changes. Task County government with synching other county programs to meet the CWPP goals, including land use code, emergency hazard and mitigation plans.
- Work with the County government and the Forest Health Council to address "early win" opportunities identified by the CWPP Leaders Team.

CWPP Leaders had multiple discussions about the need for regulatory environment changes to better support firefighter and community safety and to protect values at risk. Research based on other community successes shows there are likely many opportunities in Chaffee County to use these best practices here.

CWPP Leaders assessed and prioritized opportunities based on impact vs. political acceptability and “doability” in a facilitated session. The result was to prioritize potential changes into three categories: Early Wins (high potential impact and high acceptability); Next Wins (high impact but lower acceptability and therefore requiring extensive community engagement); and Others (lower impact and lower acceptability). The results are summarized in Table V.2 below.

Table V.2. CWPP Leaders’ prioritization of regulatory changes relative to community acceptability and impact to life safety and fire resilience.

<p><b>Early Wins – Do ASAP</b> (High Impact, High Acceptability)</p>	<ul style="list-style-type: none"> <li>• Update requirements for driveway and road widths and steepness to better consider firefighter and community safety, especially in wildfire-vulnerable areas.</li> <li>• Require road and address signage in WUI neighborhoods that is reflective and non-combustible.</li> </ul>
<p><b>Next Wins – Consider in Comprehensive Plan Process</b> (High Impact, Moderate Acceptability)</p>	<ul style="list-style-type: none"> <li>• Requirements for fire-resistant materials or design for new construction in areas with high wildfire risk</li> <li>• Increase coordination, education and enforcement regarding controlled burns and fire bans.</li> <li>• Requirements or incentives for defensible space and fire-resilient landscaping in new construction in high-risk areas</li> <li>• Requirements or incentives for defensible space in existing construction in high-risk areas</li> <li>• Connect defensible space and fire-resilient materials to county insurance providers and insurance costs/incentives.</li> <li>• Require sufficient water sources for fire protection in new subdivisions.</li> </ul>
<p><b>Others</b> (High to Moderate impact, Low Acceptability)</p>	<ul style="list-style-type: none"> <li>• Requirements for fire-resistant materials in existing construction</li> <li>• Connect Fluvial Hazard Mapping (from CWCB) and debris-flow modeling to code.</li> </ul>

	<ul style="list-style-type: none"> <li>• Create wildfire overlay zones.</li> </ul>
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***D. Goal 4, Effective Post-Fire Recovery***

Develop proactive planning and projects for post-fire recovery, flood, and sediment management. The goal has one objective:

**Goal 4, Objective A:**

Build upon lessons learned from the Decker Fire recovery to identify and prioritize appropriate and proactive county-wide projects by December 2021, and consider as an update to this plan.

***E. Goal 5, Strategic Funding for Healthy Forests***

Develop collaborative funding to deliver on the goals and objectives outlined above. The biggest barrier for treatment on private lands and for accelerated treatment on federal lands is funding. The actions to address this challenge are in development and include a focus on collaborative funding development by leveraging the science-based work and community collaboration demonstrated in this plan; Chaffee Common Ground funds; and building on existing partnerships with business partners, including water providers. The goal has two objectives:

**Goal 5, Objective A:** Develop a roughly estimated \$45 to \$50 million over ten years (assuming a \$1,500 per-acre average treatment cost and the cost of additional human resources to identify, develop and manage programs and projects).

**Goal 5, Objective B:** Leverage Chaffee Common Ground forest health funds to support strategic investments in forest health and as seed dollars to develop additional funding. Forest Health Council representatives will engage as “Subject Matter Experts” to inform Common Ground grant programs. Forest Health Council members will support development and prioritization of annual funding requests to Chaffee Common Ground.

Chaffee Common Ground. Ballot Issue 1A was approved by Chaffee County voters in November 2018. The measure added a 0.25% increment to the county sales tax, which is expected to raise \$1.1 million annually. Common Ground funds are distributed as follows: 25% for strengthening forest health, 25% for conserving and supporting working lands, 5% for managing growth impacts to recreation, and 45% is discretionary. This means that roughly \$275,000 to \$750,000 per annum is available to plan, develop and execute treatment projects. Applications are reviewed by the Chaffee County Common Ground Advisory Committee. The Committee’s recommendations are forwarded to the Board of County Commissioners for approval (County Resolution 2018-46). The first round of applications was approved in December 2019—including \$258,000 supporting a three-year implementation of this plan.

As part of its discussions, the CWPP Leaders Team considered how best to pursue project funding, especially with the goal of multiplying the impact of Common Ground funds. An initial task was producing a list of potential funding sources. Table V.1 summarizes those primary sources according to approved uses for potential funds. Beyond this list, continued and expanded partnerships with water providers and local business are included in the plan. Council members will work to further develop this strategy and to complete collaborative funding requests, with support available from CSFS with funding from Common Ground.

Table V.1. Summary of potential funding sources for forest health treatment activities

<b>Purpose</b>	<b>Agency</b>
<b>Conservation Easements</b>	CSFS (Forest Legacy Program), NRCS (Healthy Forests Reserve Program), GOCO
<b>Fuels Treatments and Fire Mitigation</b>	CSFS (FRWRM), BLM, USFS, SFA (State Fire Assistance), <b>CSFS/USFS</b> , NFWF (National Fish Wildlife Foundation) ReStore, FEMA Wildfire Mitigation, GOCO Youth Corps Grants, CNCS State Commission – AmeriCorps NCCC Chainsaw Mitigation Crew, DFPC Wildfire Module, Juniper Valley SWIFT Crew (Sawyers in training)
<b>Hazard Mitigation</b>	FEMA (pre-, post-wildfire, flooding), NRCS (Emergency Watershed Protection, Joint Chiefs, TCP (Targeted Conservation Pool)); USFS (infrastructure cost share)
<b>Planning, Design and Monitoring</b>	CSFS (Forest Stewardship Program), BLM/USFS (Title III, Wildfire and WUI Community Fire Assistance programs), USFS/LOR (CPAW), BOR (watershed groups), CDHSEM (Emergency Management Performance Grant, disaster recovery), GOCO, DOLA
<b>Habitat Restoration</b>	NRCS (Joint Chiefs, TCP), USFS (Landscape Scale Restoration Program), CWCB (watersheds, healthy rivers), GOCO, CWRPDA (bonds), CPW Habitat Partnership Program, Rocky Mountain Elk Foundation, Mule Deer Foundation, Wild Turkey Federation, State Land Board Improvement Funds, NFWF ReStore, National Forest Foundation Matching Awards Program, CoCO/USFS HIM program
<b>Capital Projects</b>	USFS (infrastructure cost share), USDA (Community Facilities Direct Loan & Grant)
<b>Equipment</b>	FEMA (Assistance to Firefighters Grant), USFS (excess property), COCO AIM (Actions Implementation and Mitigation), CSFS (FRWRM)

<b>Education, Training and Outreach</b>	BLM (Rural Fire Asst.), USFS (Volunteer Fire Asst.), IAFC/AIGI (RSG Fuels Mitigation), USEPA, several NGOs, NFWF Firewise Wildfire Day of Service
<b>Wood Products, Biomass</b>	CSFS (CO Wood Utilization/Marketing), USFS (Wood Innovations Grant, Value Added Grant)
<b>Wildlife, Aquatic Systems</b>	CPW (Habitat Partnership Program, Colorado Wildlife Habitat Program), TU (Embrace-a-Stream), NFWF, Excel Energy Foundation, CWCB (CO Water Conservation Board)
<b>Recreation</b>	GOCO; Excel Energy Foundation
<b>Water Related</b>	USEPA/CDPHE (CWA §319, drinking water, Five Star), CWCB Colorado Water Plan Grants, CWCB Water Supply Reserve Fund Grants, CWBC Watershed Restoration Program

**F. Action Plan**

An initial action plan for the above goals and objectives is provided in Table V-1 below, and will be updated quarterly by the Envision Forest Health Council.

**G. Monitoring and Next Steps**

Funding has been established to advance the top priorities described above through the CSFS-Envision CWPP Implementation Project, funded for three years with \$258,000 from Chaffee Common Ground. This will support facilitation and coordination of the work done by numerous agencies, government organizations, businesses and nonprofits. Envision and the CSFS will also provide high-level tracking, monitoring and transparent communication of progress and results. CFRI will remain involved to inform monitoring of progress toward risk reduction goals.

Identification, development, funding acquisition and execution of forest-health planning and treatment projects will be ongoing.

It is recommended that the Next Generation CWPP be updated each five years to incorporate both progress and changing conditions.

**H. Acknowledgements**

The Next Generation CWPP was developed by the community. 1,500 citizens engaged in Envision planning, 1,035 citizens engaged in the Chaffee Wildfire Survey, and hundreds participated in community meetings. Top local and regional leaders from critical organizations provided over 1,500 hours—or 40 work weeks—of planning time and expertise to develop the plan. Special thanks are due to CFRI for providing uncounted hours and top-notch expertise in assessing risk and prioritizing action.

Chaffee County is a special community that has prioritized healthy forests, waters and wildlife as one of four key visions of the future. The community is working together to make that vision a reality.

Goal	Action Item	Responsible Agency	Completion Date
<b>Goal 1, Fire-Resilient Forests and Productive Habitat</b>			
Accelerate treatment activity to increase fire resilience across all jurisdictions in high Treatment Priority Areas			
<b>Goal 1, Objective A: Treating Together. Treat 25,000 to 30,000 acres by 2030 across jurisdictions</b>			
	Work will begin with a focus on five areas prioritized by the Council: Maxwell Park, Chalk Creek, Antero, Shavano Front and Poncha-Salida South, with the intent to: Complete Early Win projects treating 1,500 priority acres in 2020/2021( including 100 acres on private lands and 1,400 acres on public lands) and by end of 2020, to develop a pipeline with 4,000 acres of existing and new cross jurisdictional projects in priority areas, with about 80% public/20% private.	CSFS Lead (J.T. Shaver), Envision Lead (C. Williams), Chaffee Fire Lead (Kent Maxwell), Central Colorado Conservancy ranch lands connection (Adam Beh) and Forest Health Council engagement and full support	end of 2020
	Include Envision Recreation in Balance Rapid Response priority areas for collaborative action to manage human caused fire risk in heavily used dispersed camping areas.	Envision Lead (C Williams), CSFS Leads (J.T. Shaver, Adam Moore)	
	Developed detailed action plans for the above areas with engagement by all Forest Health Council Members - review quarterly at council meetings to track progress on deliverables.	CSFS - J.T. Shaver	Ongoing
	Identify early-win projects for April Common Ground Funding request, and present to the Forest Health Council March Meeting	CSFS - J.T. Shaver with partner organizations	by 20 March
<b>Goal 1, Objective B: Envision Forest Health Council.</b>			
	Develop a 2020 Council schedule and send out invites for the year.	Envision (C. Williams)	Ongoing
	Develop 2020 Council agendas and facilitation plans. Execute meetings.	Envision (C. Williams) with CSFS (J.T. Shaver)	Ongoing
<b>Goal 2, Fire-Adapted Communities</b>			
Build community engagement, understanding, preparedness, public support and realistic expectations for forest and fire management			
<b>Goal 2, Objective A: Chaffee Chips.</b>			
	Engage partner organizations to develop the program services	CSFS (J.T. Shaver), Envision (K. Marquis, C. Williams), Chaffee Fire (K. Maxwell) and partners as needed	20-Feb
	Develop funding to purchase additional County trailers (if in progress CSFS grant is not successful, develop a backup plan)	CSFS (Adam Moore), Chaffee Fire (R. Bertram)	30-Mar
	Develop an action plan and a communications plan to provide organized community action in four neighborhoods prioritized by the Council: 1) Base of Mt Princeton/CR321, 2) Mesa Antero/Antero Estates, 3) Lower Chalk Creek Subdivisions, and 4) Methodist Mountain west of the Decker Fire Scar.	CSFS (J.T. Shaver), Envision (K. Marquis, C. Williams), Chaffee Fire (K. Maxwell) and partners as needed	20-Mar
<b>Goal 2, Objective B: Collaborative Communications.</b>			
	Advance media pieces and collaborative inter-agency communications as planned, leveraging the Communications Committee	Envision (Kim Marquis) with Communications Committee	Ongoing
	Develop a consistent message about the big-picture issue/solution. Develop and execute a plan to reach 20% of the population with this plan, to include inserts in regional media regarding forest health and fire resilience	Envision (Kim Marquis) with Communications Committee	Dec-22
	Connect the 18 Envision Forest Health council members to deliver fire-resilience related news, information and education with the shared message platform above and leveraging each agencies events and outreach media.	Envision (Kim Marquis) with Communications Committee	Ongoing
	Deliver 10 news + 8 education stories in 2020 = 1.5 "touches" every month	Envision (Kim Marquis) with Communications Committee	Ongoing
	Use social/traditional media, neighborhood meetings, work days etc. to reach 4,000 people.	Envision (Kim Marquis) with Communications Committee	1-Dec
	Engage 200 citizens in forest health related activities through work days and events.	Envision (Kim Marquis) with Communications Committee	Dec-22
	Create 100 instances of community support (eg Facebook posts, letters to editor, etc.).	Envision (Kim Marquis) with Communications Committee	Dec-22
	Increase fire wise communities from 2 to 5	CSFS and Fire Chiefs	Dec-22
	Use drone video capabilities of local fire departments to create educational footage	Envision (Kim Marquis) with Communications Committee	Dec-22

Goal	Action Item	Responsible Agency	Completion Date
	Engage with Realtors® of Central Colorado to help encourage and promote a fire resilience course for realtors®, developers, and insurers. Content to focus on wildfire risk assessment, wildfire-related aspects of planning, zoning, and building codes, and risk reduction techniques in the home ignition zone.	Envision (C Williams, K Marquis)	Dec-21
<b>Goal 3, Safe and Effective Wildfire Response</b>			
<b>Goal 3, Objective A: Zoning and Code.</b>			
	Ensure the Chaffee County Comprehensive Plan incorporates the Next Generation CWPP.	Commissioner Baker	Dec-20
	Provide NG CWPP Goals and Objectives to Comprehensive Plan consultant for inclusion in the Comp Plan summary Theme/Goal sheet	Envision Lead (C Williams)	Feb-20
	Provide NG CWPP immediate and longer term zoning/code recommendations to the Planning and Zoning Commission	Envision Lead (C Williams) coordinates with 3 Fire Chiefs	Feb-20
	Engage County government with synching other county programs to meet the CWPP goals, including land use code, emergency hazard and mitigation plans etc.	Commissioners Baker, Felt	Dec-20
	Work with the County government and the Council to address "early win" opportunities identified by the CWPP Leaders Team (Update requirements for driveway and road widths and steepness to better consider firefighter and community safety, especially in wildfire fire vulnerable areas, and require road and address signage in WUI neighborhoods that is reflective and non-combustible.	Commissioner Baker with Forest Health Council Leaders	Dec-20
<b>Goal 3, General</b>			
	Update the 2009 CWPP list of priority WUI Communities and develop an annual process to ensure that it remains current.	CSFS with the Envision Forest Health Council (EFHC)	Oct-20
	Consider the cost/benefit of updating the 2007-2008 risk assessment and make recommendations to the FHC.	CSFS with Chaffee Fire	Oct-20
	Develop a shared community contact list for HOAs and forest health leaders	Envision (Kim Marquis) with EFHC Members	Dec-20
	The County CWPP serves as an umbrella for other CWPPs that cover smaller areas and subdivisions within the county. Update these plans to consider the Next Generation Chaffee County Community Wildfire Protection Plan	CSFS, Fire Chiefs	Dec-21
	Identify needs for any equipment additions using the county-wide equipment summary in this CWPP, and develop funding to purchase	CSFS, Fire Chiefs	Dec-20
	Clarify needs for additional communications equipment, masks and fire shelters, and purchase	Fire Chiefs	Dec-21
	Incorporate a GIS layer for landownership parcels into emergency-response procedures for the county communication center; · create evacuation plans (for) areas with high wildfire threat.	Office of Emergency Management	Dec-20
<b>Goal 4, Effective Post-Fire Recovery</b>			
Develop pro-active planning and projects for post-fire recovery, flood, and sediment management.			
	Provide reporting on Decker Fire Recovery lessons learned and recommendations for county-wide action to Forest Health Council	USFS (J. Pitts)	Dec-20
<b>Goal 5, Strategic Funding for Healthy Forests</b>			
Develop collaborative funding to deliver on the goals and objectives outlined above.			
<b>Goal 5, Objective A: Develop a roughly estimated \$45-50 million over 10 years</b>			
	Advance efforts to develop program funding through the Rocky Mountain Restoration Initiative	Envision (C. Williams), Commissioner Felt, USFS (J. Pitts), CSFS (D. Lang)	Ongoing
	Advance efforts to develop a 2020 Joint Chiefs Grant application	CSFS (J.T. Shaver), USFS (J. Pitts)	Oct-20
	Identify grant and partnership opportunities and support at least 5 applications	CSFS (Adam Moore)	Dec-20
	Develop a collaborative funding development plan including the sources in the CWPP Document	CSFS Lead (Adam Moore), Central Colorado Conservancy (Adam Beh), Envision (C. Williams)	Oct-20
<b>Goal 5, Objective B: Leverage Chaffee Common Ground forest health funds.</b>			
	Identify early-win projects for April Common Ground Funding request, and present to the Forest Health Council March Meeting	J.T. Shaver with Council Members	Mar-20
<b>General</b>			
	Share the Next Generation CWPP with the community, using it as a catalyst for education and engagement. Print 1,000 copies of the CWPP Community Summary and distribute. Distribute on all Forest Health Council member websites, social media etc.	Envision (Kim Marquis)	Feb-20
	Re-assess new information and the need for update to this CWPP every 2 years.	Envision Forest Health Council	Dec-21



## Envision Chaffee County Community Wildfire Survey - April 2019

### Executive Summary

The Chaffee Wildfire Survey collected data from 1,035 participants; 7% of Chaffee County residents over 18 years old. The survey population was opportunistic but is representative of all parts of the county; rural versus municipal areas, full- and part-time residents and home ownership. However, the data under-represents younger residents (18-34) and over-represents higher income residents, likely because older, wealthier property owners are more concerned about the impacts of wildfire to them and therefore, were more willing to engage in the survey.

Survey respondents are highly aware of the risk of wildfire, with 80% indicating that a major fire is likely to happen in Chaffee County in the next five years. Yet wildfire preparedness lags awareness. Forty percent of residents do not have an evacuation plan, 44% are not confident they can easily get information in the event of a wildfire, and 46% have not registered for the Everbridge reverse 911 system. Further, more than half of residents are unclear who to contact to learn how to decrease the risk of wildfire to their home or property. If the survey demographic is biased toward “more engaged” residents, these preparedness percentages may be low compared to the full population.

Private landowner respondents have little sense of urgency to act to remove vegetation or to change the characteristics of their home to protect their residences from wildfire. Nearly 90% indicate they have already taken some action, and the majority feel that removing vegetation or changing the characteristic of their structure will have only a small to moderate impact on risk. However, the top factor residents indicate would encourage them to act was “information about what to do,” which is consistent with the lack of clarity about where to get such information noted above. This suggests an opportunity for education on why/how much private lands treatment matters and what fully effective treatment entails, in order to develop increased urgency for action (assuming additional work on private lands is generally warranted). Once that sense of need is established, the data suggest that support to do the work and to remove cleared vegetation, combined with ongoing encouragement, would increase execution.

Regarding new private land development, the survey data appear to indicate strong support for wildfire-related provisions in building codes.

On public lands, citizens perceive forest health to be fair, while professionals consider it to be poor. The advancing beetle kill epidemic, high forest density and fuel loads related to decades of fire suppression, and increasing drought/climate change are perceived by citizens as top threats to forest health. Survey responses also highlight very high concern about, and even animosity toward, growing recreation use by visitors to the county – cited as the second-highest threat to forest health (following insect infestations).



A strong majority of residents (80-86%) support land management activities to mitigate wildfire risks and about seven in ten think these activities are also beneficial to wildlife. For those expressing concerns about treatments, the top issues were: 1) lack of trust in public agencies to conduct the work cost-effectively and responsibly (without undue visual/environmental impacts), 2) concern that such efforts are too small to have meaningful impact, and 3) with regard to controlled burns, concerns about safety (losing control), impacts to air quality and the need for better notification. These challenges could be addressed through more transparent planning and prioritization of treatment activities, more effective communication around treatment activities (pre- and post-work), and education about how the safety and air quality impacts of controlled burns are managed.

County Ballot measure 1A, a sales tax increase passed in November 2018, provides funds to protect communities and water from severe wildfire and to enhance forest health and wildlife habitat. Consistent with community concerns about recreation use as a top threat to local forests, fire ban enforcement and education/enforcement of visitor behaviors ranked as the most important use of funds, followed by action to decrease risks on public lands. Funding action on private lands was seen as lower priority, although still important to very important.

The wildfire survey was intended to inform agency and community action to better manage wildfire risk. The results indicate opportunity to:

- Increase community wildfire preparedness;
- Help private landowners understand the value of/need for action to reduce risk to their homes, the work they need to do, and develop additional programs to support such actions;
- Update to building and land use codes to further address current wildfire risk; and
- Provide more transparent planning and prioritization of public and private land wildfire risk management activities, coupled with more effective communication about planned and completed work.

Leaders of county government and emergency management, local fire protection teams, and state and federal land and wildlife management agencies have and continue to work hard to protect the community from the risks of severe fire and to support forest health and fire resilience. We thank them for their service. Understanding that many factors have changed since the current Chaffee County Community Wildfire Protection Plan was completed a decade ago (population, recreation use, overall forest health), these leaders are working together to create a “Next Generation Wildfire Protection Plan.” This plan will include transparent prioritization of current needs and collaborative action shared by agencies and the community. The Community Wildfire Survey is a first step in this process, helping to transparently assess current conditions, perceptions and opportunities. As a next step, wildfire survey findings will be shared with the Community Wildfire Protection Plan leadership team and with community members, with the intent to develop shared priorities and actions.

## **Survey Demographics**

The Chaffee Wildfire Survey collected data from 1,035 participants; 7% of Chaffee County residents over 18 years old. The survey sample was opportunistic, with information and an online link widely distributed through local media (radio, newspaper) and shared through the contact lists of local fire departments, emergency management, federal and state land

management agencies, major local employers (Heart of the Rockies Regional Medical Center, Monarch Mountain), homeowner associations and non-profit organizations (many of which connect to both residents and part-time homeowners). The survey was in the field for 22 days, from 11 February to 04 March, 2019.

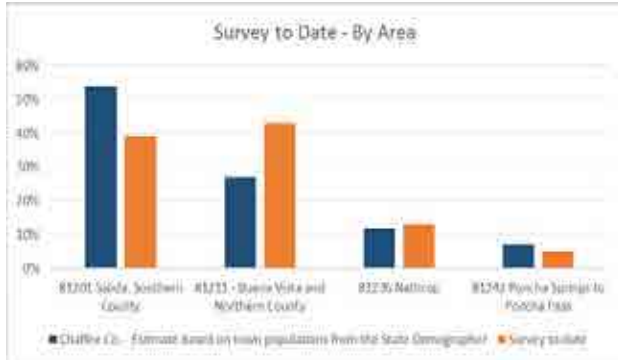


Figure 1

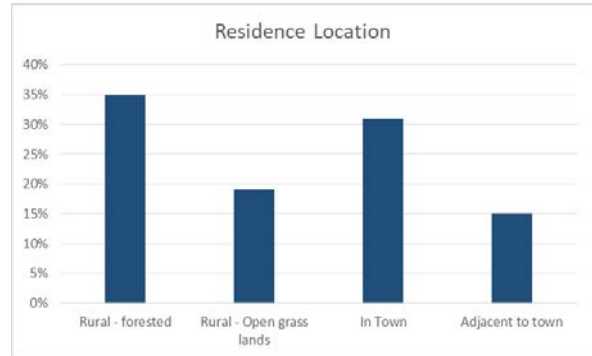


Figure 2

Survey demographics indicate a reasonably representative sample relative to homeownership, county-wide participation and location of residences in rural vs. municipal areas as follows:

- 84% of participants own their own home, compared to 77% of the county population.
- 81% of respondents are full-time residents; 5% live in Chaffee for 7 months a year or more, and 11% live here 6 months a year or less. If the 11% are considered “second homeowners” this compares reasonably well to 2014 census data that classified 7% of Chaffee County homes as secondary residences – especially considering likely growth in this segment since 2014.
- All zip codes are represented; however the Buena Vista code is over sampled (Figure 1).
- Roughly 50% of participants live in rural areas, which reflects the county distribution of 51% of residents living in the unincorporated areas (Figure 2).

The sample population also has some biases:

- Citizens aged 18 to 34 are under-represented (Figure 3).
- Citizens with lower incomes are strongly under-represented, while the highest incomes are strongly over-represented (Figure 4).

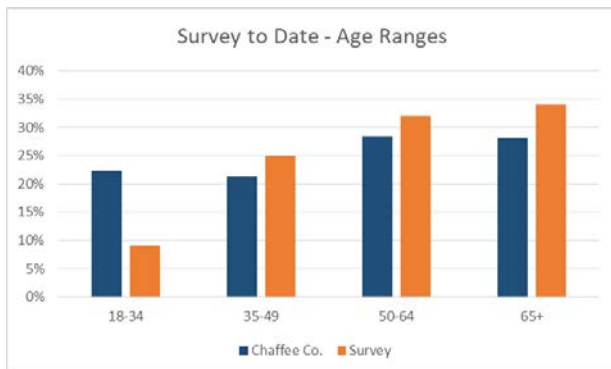


Figure 3

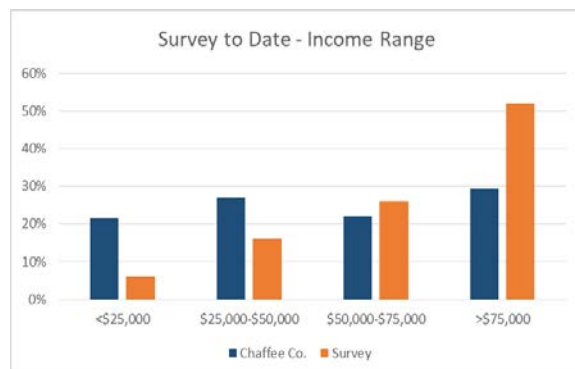


Figure 4

These trends are not surprising, given that those most concerned about wildfire (and therefore willing to engage in the survey) are likely to be older and wealthier residents who own property. This bias could result in over-estimation of engagement and ability to treat private lands.

Finally, 20% of respondents indicated that they were “professionals” with education or occupations related to health, emergency management, fire management or wildlife. This is generally consistent with 26% of residents holding bachelor or more advanced degrees.

Overall, the demographic data is reasonably representative and the biases are not seen as fatal flaws. Data from selected questions was assessed relative to the location of residents (rural vs. urban) and professional background. There remains opportunity for future analysis of data based on income, age and zip code.

### Wildfire Risk Awareness

Chaffee County residents and homeowners are highly aware of wildfire risk. Roughly 80% of respondents believe a major wildfire in Chaffee County is very or extremely likely within the next 5 years [Question 4]. This opinion is shared fairly equally among all residential types. When considering if a major fire will occur near their residence, 85% of those living in rural forest areas indicate this is extremely to very likely, versus 34% of those living in town (Figure 5) [Question 5].

Responses also indicate that residents are highly aware of the potential for serious detrimental impacts to the community as a result of a large-scale wildfire. The overwhelming majority of respondents indicated it is “very” or “extremely” likely that a major fire would result in unhealthy air quality, threatened water supply, damaged river water/trout and impacts to local businesses. Rural residents generally thought it very to extremely likely that their property would be destroyed, with more urban residents indicating a lesser threat [Question 6].

When considering the most important things to protect in the case of a wildfire (or “Values at Risk”) the community prioritized human life, and especially firefighter lives. This was followed by drinking water, infrastructure, homes and endangered species as the second tier. Recreation and views generally fell into a third-priority tier (see Figure 6, next page) [Question 11].

This ranking of priorities is generally consistent with the views and policy of local government, land management and fire protection leaders provided in an independent ranking. These leaders also included Post Fire Flood Control on a “tier 2” priority level with homes and infrastructure.

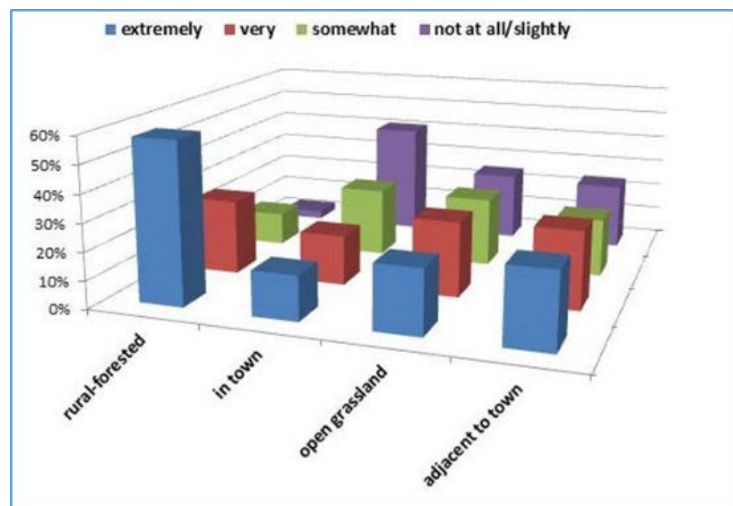


Figure 5 – Concern about wildfire near your residence

## Wildfire Preparedness

Wildfire preparedness lags awareness. While 80% of residents believe a major fire is likely, only:

- 60% indicated that they currently have an evacuation plan “for people in their homes,”
- 55% have provisions for “important documents and medications,”
- 38% have provisions for “children home alone,” and
- 35% have provisions for “pets or large livestock” [Question 7].

Percentages for all categories were higher for respondents in the rural-forested and rural-grassland categories (Figure 7), but there is opportunity for improvement in this area.

When considering communications in the event of a local wildfire, 66% of respondents are confident that they “can easily receive information” and 64% have signed up for the County’s reverse 911 service [Questions 9 and 10].

**Question 11: Survey responses indicating relative degrees of importance for protection from wildfire and aftermath.**

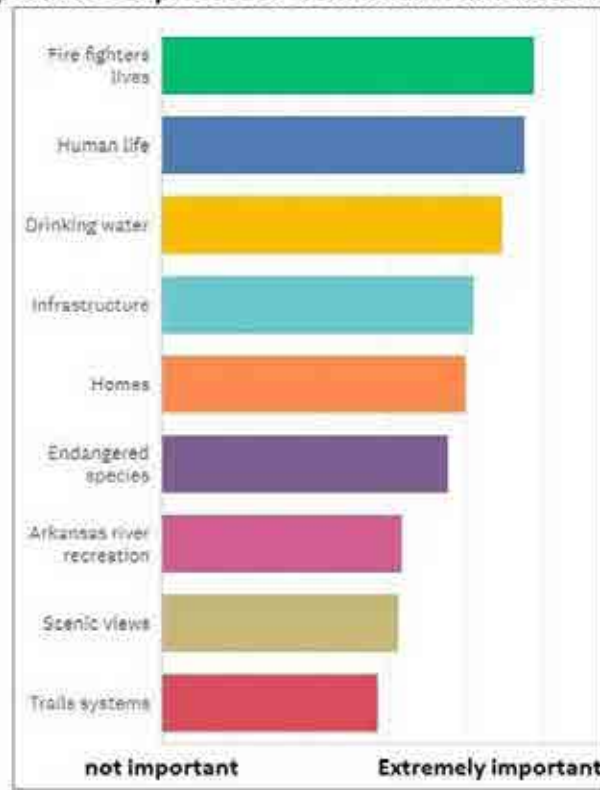


Figure 6

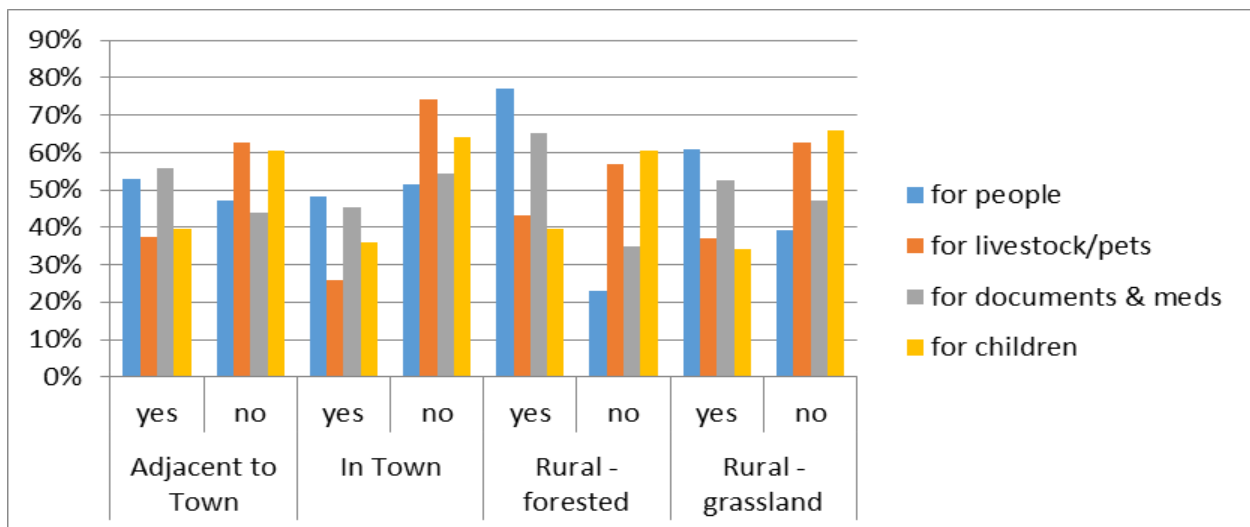


Figure 7





to moderate contributors (Figure 9). This could suggest opportunity for education on why or how much these factors matter. The ratings could also be related to the belief that property owners have already addressed the risk on their own lands.

When asked to indicate what they have done to decrease wildfire risk on their property, almost 90% of respondents indicate some action as follows [Question 19]:

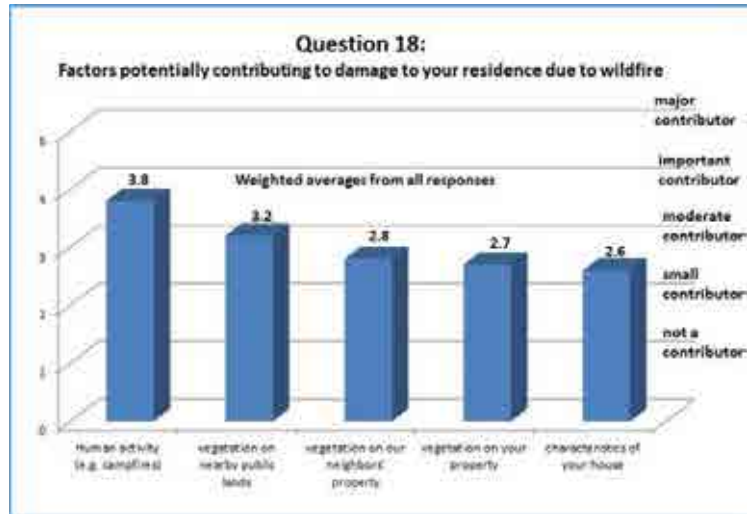


Figure 9

Cleared weeds, brush, trees	88%
Disposed of vegetation	82%
Mowed dead grass, moved wood	80%
Made residence more fire-resistant	53%
Provided input to community wildfire plan	31%
Helped neighbor clear vegetation	28%

This apparent level of effort and awareness is encouraging, although responses based on self-reporting can be misleading and information is not available on the quality/quantity of the work or the time since it was completed. This data may also be influenced by under-representation of lower income and younger residents, who may be less likely to treat. The data suggest opportunity around collaborative community wildfire risk management planning and around helping people who have treated help their neighbors to do so as well.

When asked what would encourage them to do more fire-related treatments, the top response was a need for information on what to do (Figure 10). This is consistent with data discussed above, showing that about half of the community is unsure who to contact to get this type of information. This is a clear area of opportunity. Support in removing cleared vegetation also ranked as

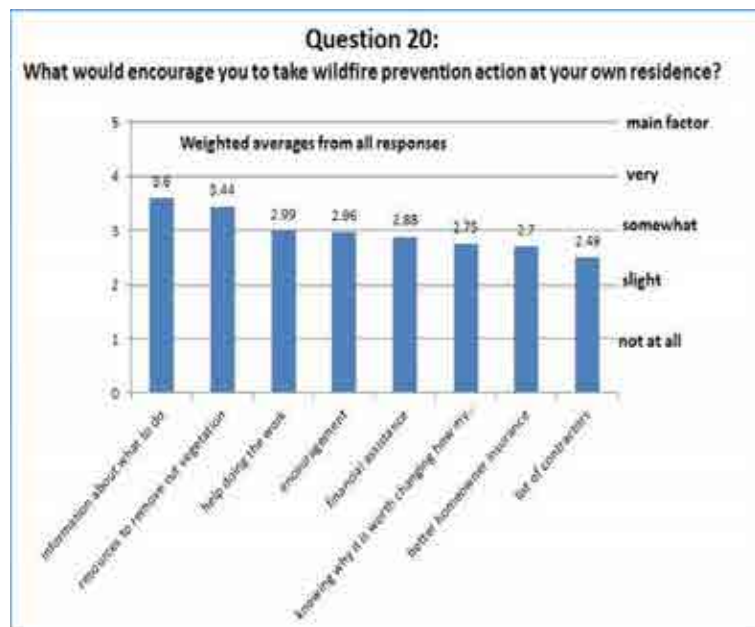


Figure 10

very important for a majority of respondents and at least moderate support was indicated for all options. The need for financial assistance may be underestimated by the survey’s relatively wealthy population.

Finally, the current impact of insurance providers in encouraging wildfire risk reduction is small [Question 21], as follows:

- 22% of respondents have received information on reducing wildfire risk from their insurer,
- 6% have had policies cancelled due to wildfire risk,
- 19% have been charged a higher premium due to wildfire risk, and
- 7% have been offered a discount to decrease wildfire risk.

The data suggest opportunities for partnerships with insurance providers to influence risk reduction.

Overall, respondents do not express a sense of urgency in taking action to remove vegetation on their property or changing the characteristics of their home to protect their residences from wildfire. Nearly 90% indicate they have already taken some action, and may feel that they have completed the needed work. This is interesting, considering over half of respondents are unclear where to get information about how to decrease their risk, and that the top factor residents indicate would encourage action was “information about what to do.” This suggest an opportunity for education in why private land treatment matters and what it entails, followed by support to treat and to remove vegetation, coupled with ongoing encouragement.

### **Land Use and Building Codes**

Many communities have worked to address wildfire risk, especially in the wildland urban interface, by modifying building or land use codes. For instance, Douglas County adopted provisions of National Fire Protection Association Code 1144, “Standard for Reducing Structure Ignition Hazards from Wildland Fire” into its Uniform Building Code 24 years ago (1994). However, prior to the Hayman Fire (2002), Teller County did not have regulations related to reducing wildland-urban fire risks. The county added such regulations in 2007 (Section 6.5, “Wildfire Hazard Areas”).

Survey participants were asked how strongly they agree with three statements regarding building codes [Question 22]. Responses are presented in the table below. The results appear to indicate strong support for wildfire-related provisions in building codes. The strong

<b>Question</b>	<b>Agree, Strongly Agree</b>	<b>Disagree, Strongly Disagree</b>
Building codes that require such things are fire-resistant roofs decrease community wildfire risk	75%	8%
I support building codes that encourage safe access for firefighters	90%	3%
I support additional building codes should make new developments more wildfire resistant	81%	7%

prioritization of protecting fire fighter lives also suggests support for changes to code to support that intent.

## Perceptions of Forest Health

The survey explored citizens' perceptions of forest health (poor), threats to forest health (beetles, people) and support for treatment activities (strong), with the intent to understand the needs for public education and outreach.

In general, citizens perceive the forest to be in fair to poor health, while management professionals consider forest health to be poor. The words used to describe forest health are different between these groups (Figure 11, below), and suggest a communication gap.



Figure 11. Word clouds showing responses to the question, “How would you characterize the health of Chaffee County Forests?” from general community members (left) versus professionals engaged in forest, wildfire or wildlife management.

There is high awareness of both the advancing beetle kill epidemic and of the growing issue of high fuel densities and the challenges related to decades of aggressive fire management. The survey results suggest general understanding of the key issues, that appear to support the need for management activities.

The other clear outcome is a strong sense of concern about the growing impacts of outdoor recreation use. Humans, tourism, irresponsible recreation and growing tourism are seen as the second-biggest threat to local forests, with hundreds of comments in this area. Beyond that, the tone of comments indicates a strong sense of animosity towards tourists and visitors (see Appendix A for details). This emphasizes the importance of the in-progress Envision Recreation in Balance program. Top forest health threats are perceived as:

- Beetle kill / insect infestation / disease (30%);
- Human activity (visitors, tourists, recreational impacts) (21%);
- High forest density, fuel loads and insufficient thinning and fire (19%); and
- Drought and climate change (19%).



Building on a good public understanding of the threats, the survey indicates strong public support for common fire-related land management activities. The percentages below reflect the degree to which respondents found the following land management activities “acceptable” or better [Question 14].

Tree, brush removal	86%
Burn piles	80%
Controlled burns	82%
Allow natural fire to burn	50%

Regarding the lower level of acceptance of letting natural fires burn, an additional 40 percentage points of respondents found the approach “somewhat acceptable.” Additional insights may be provided by the responses to Question 15 below.

Consistently, 84% of respondents indicated that they do not have concerns about land management agencies cutting and removing trees or brush on public lands [Question 15]. Of those who did have concerns, 50 submitted additional comments. This data indicates that key issues creating concern include:

- Lack of trust in public agencies (ability of agencies to conduct activities responsibly, cost-effectively and with public input).
- Concerns that such efforts are too small to have much impact or that decision makers’ knowledge of what’s best may not be correct.
- Potential detrimental environmental effects (visual impacts, impacts to wildlife).

Many of these concerns could be addressed through transparent, collaborative wildfire protection planning, such as the in-progress Chaffee County Next Generation Community Wildfire Protection Plan.

Regarding controlled burns, 76% of respondents indicate that they do not have concerns [Question 16]. For the remaining 24%, key issues include:

- Losing control of the burn,
- Resulting adverse impacts to air quality, and
- The need for better notification.

Finally, the majority of respondents perceive that treatment activities like those above are beneficial to wildlife as follows [Question 17]:

- Controlled burns help wildlife – 73% (agree + strongly agree); and
- Removing trees helps wildlife – 65% (agree + strongly agree).

Overall, the community has a good understanding of forest health challenges. There is strong support for treatment activities and the opportunity to further strengthen support through: 1) transparent treatment planning and prioritization, 2) increased communication about treatment

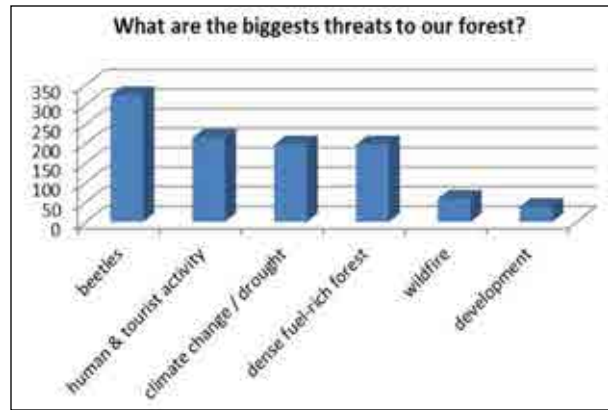


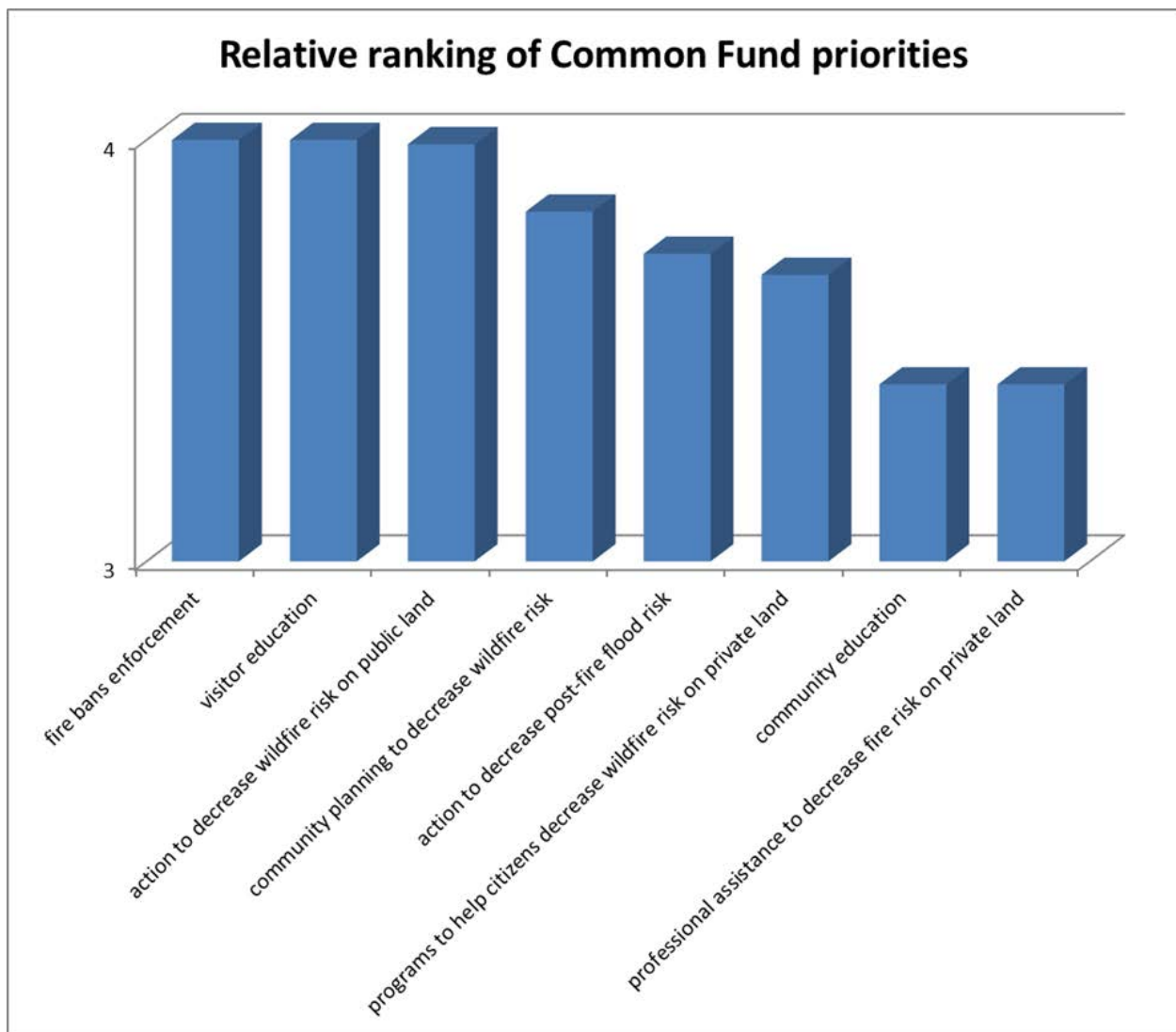
Figure 12. Perceived threats to forest health.

activities (pre and post), 3) demonstrations of well-managed projects, 4) education about the safety and air quality controls for prescribed burns, and 5) better notification around controlled burn activities.

### Community Priorities for Common Ground Funds

County Ballot measure 1A, a sales tax passed in November 2018, provides funds to protect communities and water from severe wildfire and to enhance forest health and wildlife habitat.

Survey respondents were asked to rank the importance of a given list of potential priorities from “not important” to “extremely important.” Consistent with community concerns about recreation use as a top threat to local forests, fire ban enforcement and education/enforcement of visitor behaviors ranked highest. This is followed by actions to decrease risks on public lands, with funding to take action on private lands having the lowest priority. All of the proposed activities were rated, on average, as important to very important (level 3 to 4 on Figure 13, below).



## Recommendations and Next Steps

Building on the work of agencies, fire departments, local government and citizens efforts to date, the survey data suggest opportunity for ongoing work to meet the Community Wildfire Protection Plan Goals as follows:

1. **Increase community wildfire preparedness.**
2. **Continue to decrease risks on private lands**, including helping landowners understand the value of/need for action to reduce risk to their homes and the work they need to do along with developing additional programs to support such actions.
3. **Update building and land use codes** to address current conditions and fully recognize firefighter safety as the top priority.
4. **Further increase strong community support for public land treatment work**, including transparent planning and prioritization of wildfire risk management activities on public and private land, coupled with more effective communication about planned and completed work.
5. **Address the challenges related to rapidly growing recreational use**, including aspects related to fire safety. Note: this work ties in closely with the in-progress Envision Recreation in Balance program.
6. **Communicate more effectively - together.** The number of topics for which the public may benefit from additional education and outreach suggests the need for long-term, collaborative and coordinated public engagement work including the community, agencies, local government, fire departments, etc. There may also be benefit in partnerships with realtors, insurance companies and local media. Such work could build on existing programs and efforts, adding new ideas and approaches, short educational videos featuring local projects, Envision-style community action planning, community events, community awards for action, coordinated activities with annual wildfire day/week, etc.

In terms of next steps, the opinions above are those of the authors and need to be vetted, prioritized and then acted upon by both the CWPP Leadership and their teams and by the community. This work will begin with the CWPP Leadership team in a scheduled meeting on 15 April and will continue with the community at large and with the Envision Healthy Forest Action Team beginning in May and June 2019.

Our thanks to the many professionals who are working to manage forest health and community wildfire resilience, and are willing to engage together to learn and build on those efforts with new ideas and approaches. Thanks are also due to the 1,000+ community members who engaged in the survey. Chaffee County is a special place working to build a shared vision of the future - together.

Prepared by: Bill Goosmann, Brad Leach, Kim Marquis and Cindy Williams.

## Appendix A - Raw Survey Data and Analysis by Question

### **Question 1: Do you own or rent your Chaffee County residence?**

- 84% of respondents own and occupy
- 9% are renters
- 4% are landowners
- 2% own but rent out

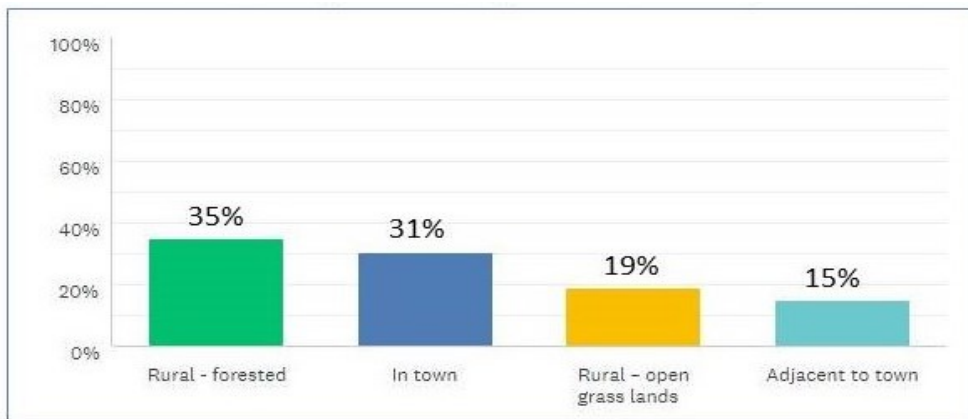
### **Question 2: How many months do you live at your Chaffee County residence?**

The data shows that:

- 84% of respondents indicated full-time residence (12 months)
- 5% of respondents indicate they live here for more than half of the year (7 to 11 months), and
- 11% indicate they live here for 6 months a year or less.

This compares to 2014 Chaffee county census data showing 93% of residences reported as primary, versus 7% reported as second homes. If we consider respondents living in Chaffee County for 6 months a year or less as potential second home owners, and consider likely growth since 2014 in second home owners, this population is reasonably representative.

### **Question 3: How would you describe your Chaffee County residence (property)?**



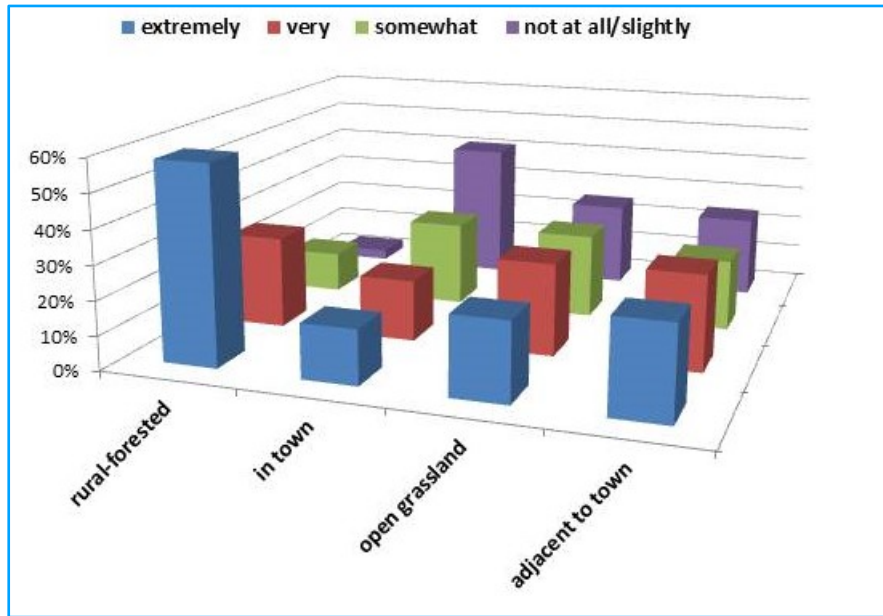
### **Question 4: How concerned are you about wildfire near your residence?**

This was an open-ended question using a sliding scale of “not at all” to “extremely.” Subdividing the scale into four ratings of “not at all, to slightly concerned,” “somewhat concerned,” “very concerned,” and “extremely concerned” yields the following:

“extremely”	34%
“very”	24%
“not at all to slightly”	22%

“somewhat” 20%

Looking at the responses according to residence location (question 3) reveals the following:



Rural-forested:

“not at all to slightly” 3%  
“somewhat” 12%  
“very” 27%  
“extremely” 58%

In town:

“not at all to slightly” 41%  
“somewhat” 25%  
“very” 18%  
“extremely” 16%

Open grassland:

“not at all to slightly” 25%  
“somewhat” 25%  
“very” 27%  
“extremely” 23%

Adjacent to town:

“not at all to slightly” 24%  
“somewhat” 21%

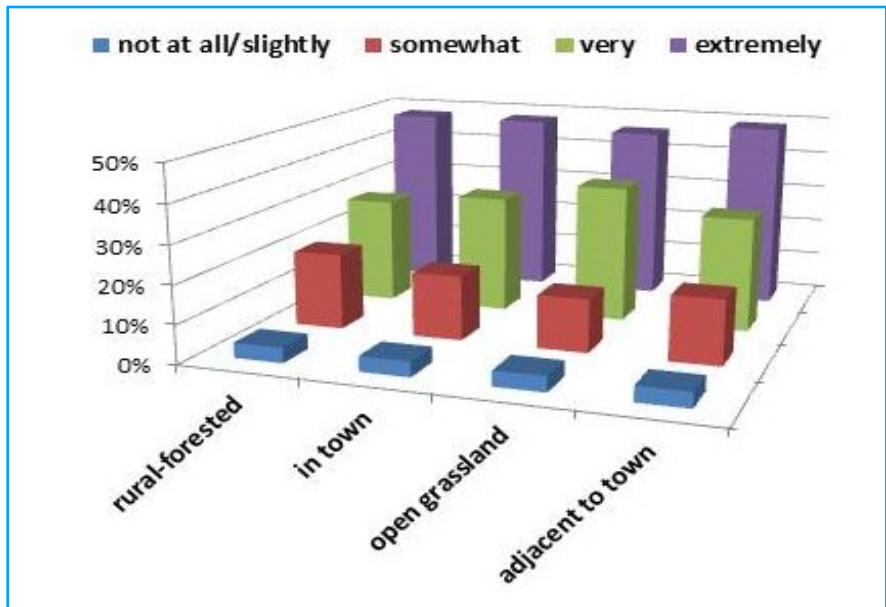
“very” 28%  
 “extremely” 27%

**Question 5: How likely is it that a major wildfire will occur in Chaffee County in the next 5 years?**

This question had the same sliding-scale format as question 4. Converting to four ratings of “not at all to slightly likely,” “somewhat likely,” “very likely,” and “extremely likely” yields the following:

“extremely” 48%  
 “very” 31%  
 “somewhat” 18%  
 “not at all to slightly” 3%

Looking at the responses according to residence location (question 3) reveals the following:



**Rural-forested:**

“not at all to slightly” 4%  
 “somewhat” 20%  
 “very” 28%  
 “extremely” 48%

In town:

“not at all to slightly”	4%
“somewhat”	17%
“very”	31%
“extremely”	48%

Open grassland:

“not at all to slightly”	4%
“somewhat”	14%
“very”	36%
“extremely”	46%

Adjacent to town:

“not at all to slightly”	4%
“somewhat”	17%
“very”	30%
“extremely”	49%

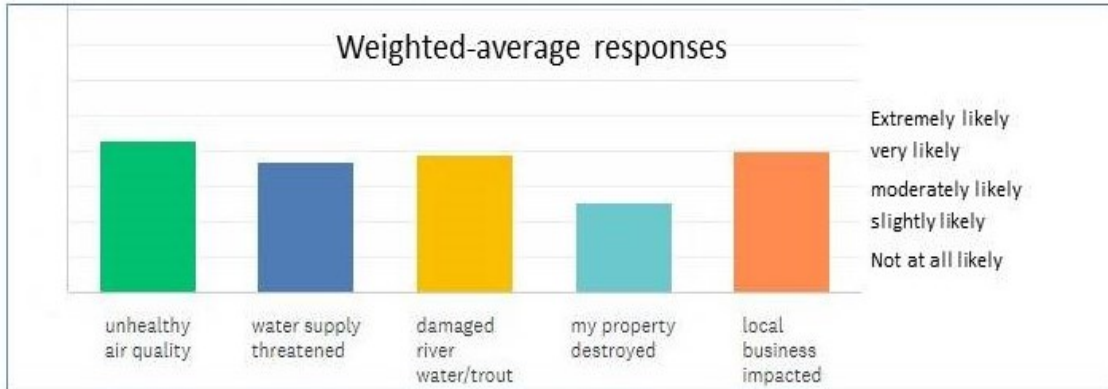
Chaffee County citizens’ concern about the likelihood of a major wildfire in the county does not appear to be dependent on what type of residence they live in.

**Overall, about 80% of respondents believe the chance of a major wildfire to be very or extremely likely within the next 5 years, but only 58% are very or extremely concerned about a fire near their residence, with a strong dependence on where their residence is located.**

Additionally, Question 24 of the survey asks if respondents’ education or occupation is related to forest health, wildlife health, emergency management or fire management. The survey responses to Question 5 were sorted according to the responses to that question. Using the scale of “no chance” = 0, to “100% certain” = 100, the average response of people not educated or employed in those fields was “73,” which, surprisingly, was exactly the same (73) as the average for the 165 respondents whose occupation or education was in the fields of forest health, wildlife health, emergency management, or fire management.

**Question 6: If there were a wildfire in Chaffee County, on the scale of the Hayden Pass or Weston Pass fires, how likely do you think it is that the following would occur?**

Responses to this question indicate that Chaffee County residents are aware of the potential for serious detrimental impacts to the community as a result of a large-scale wildfire. With the exception of “my property destroyed,” the overwhelming majority of responses selected “very likely” or “extremely likely” for all the outcomes listed. Residents who live in town were the most likely to select lower-level risk responses for the “my property destroyed” option.

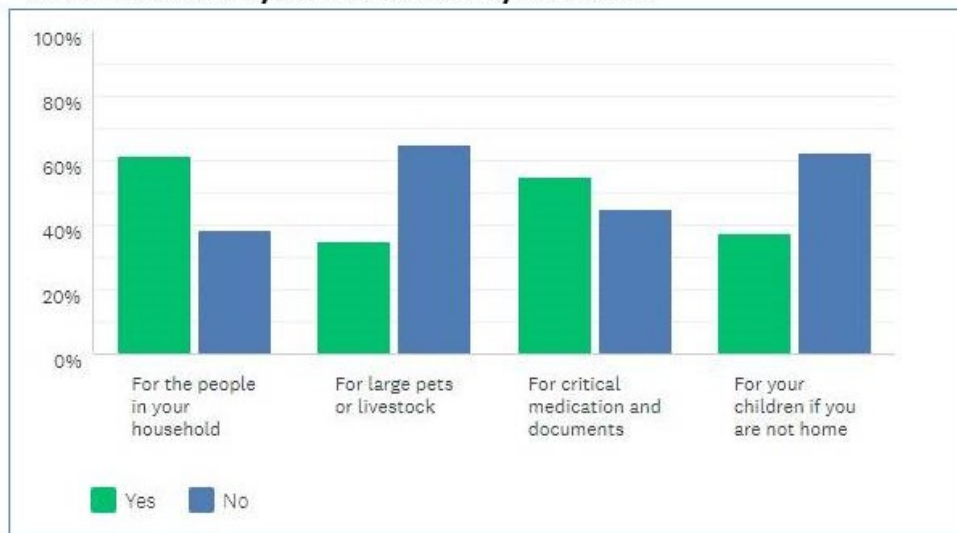


Question 6

**Question 7: Do you currently have an evacuation plan in the event a wildfire threatens your Chaffee County residence?**

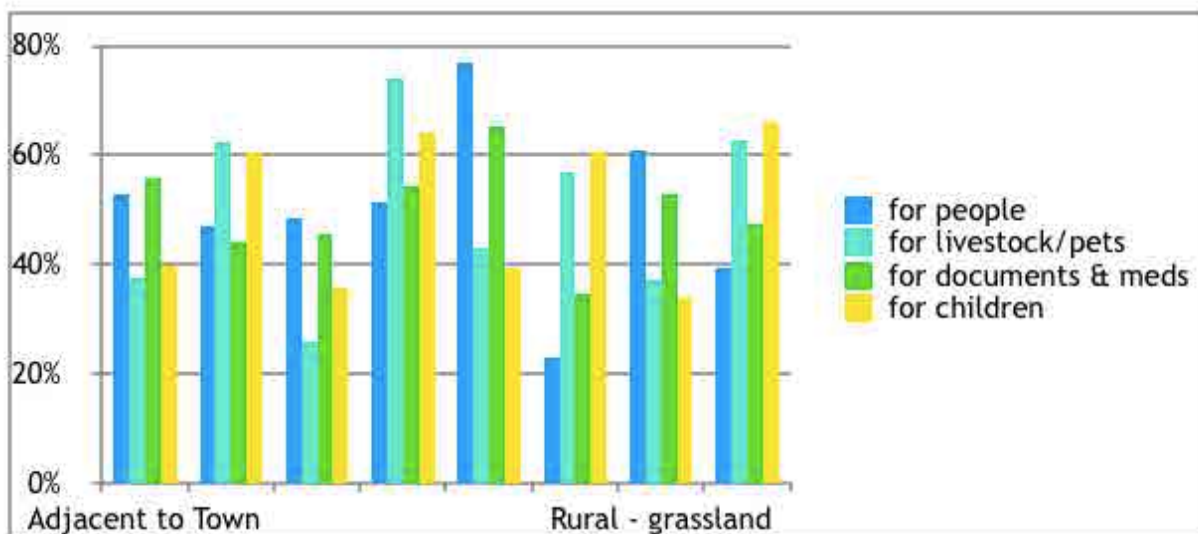
Results from Question 5 showed that about 80% of survey participants believe the chance of a major wildfire here in the next five years is very or extremely likely. And yet just 60% of respondents indicated they currently have an evacuation plan for people in their homes, and their important documents and medications. The results were worse for pets/livestock, and children at home alone.

**Question 7: Do you currently have an evacuation plan in the event a wildfire threatens your Chaffee County residence?**



A closer look at the response data based on residence or property location (Question 3) indicates that people who have their residence or property in rural areas (forested “WUI” or open grassland) show a higher level of evacuation preparedness (next page).





Question 7

**Question 8: Who would you contact to learn how to decrease wildfire risk to your home or property?**

This was an open-ended question with a blank comments box and no pre-set answer suggestions. Data were sorted into categories. Responses are captured in the table below. It is apparent that citizens are not at all clear where to go to get information. The most common answer was some form of “I don’t know” (18%), from “??” to “I could google it” to 95 responses with 52 different answers. There is general awareness of fire departments (24%) and the USFS, CSFS or “Forest Service” (23%) as potential sources of information. Word cloud of Question 8 responses, where the size of the word indicates the frequency of response. “FD” represents fire departments in general and IDK indicates some form of “I don’t know” response.



Table summarizing Question 8 results. Who would you contact to decrease fire risk to your home?

Source	Number	Percent**
All "don't know"	193	18%
I Don't Know (IDK)	82	8%
Google it (also IDK)	16	1%
Other ideas with <5 responses (also IDK)*	95	9%
General Fire Dept	145	14%
CFS	92	9%
Chaffee County Fire Dept	83	8%
USFS	83	8%
Forest Service or similar	64	6%
Insurance Company	23	2%
Neighbor/Friend	23	2%
County of Chaffee	20	2%
NA/Treatment Completed	17	2%
HOA	16	1%
BLM	15	1%
SFD	15	1%
BVFD	14	1%
Self/own knowledge	14	1%
CSU Extension Office	12	1%
Office of Emergency Mgt	10	1%
CPW	10	1%
Sherriff/Police	9	1%
Terra Firma	8	1%
Fire Camp	5	0%
Arborist	5	0%
* includes over 50 ideas such as: GARNA, AHRA, NRCS, Red Cross, State, USFWS, State, Town, City code enforcer, DFPC, GOVT, HRRMC, landscaper, some company etc.		Of 1,069 responses

**Question 9: How confident are you that you can easily receive information in the event of a local wildfire?**

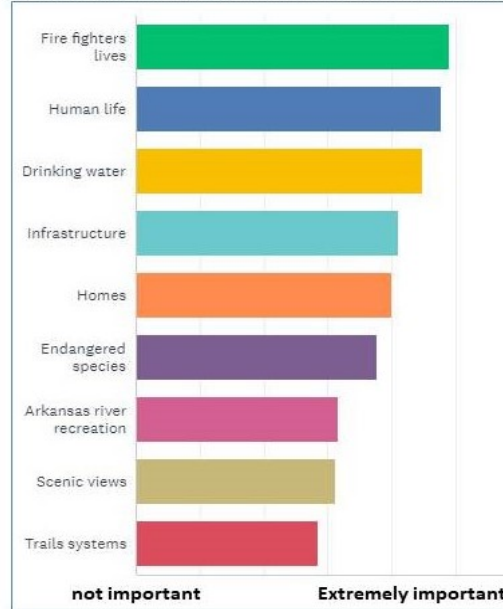
This question could be answered on a sliding scale from 0 to 100%. The average response was 66% confidence.

**Question 10: Have you signed up for the Chaffee County EverBridge System that contacts you with a reverse 911 call in case of an emergency?** 60% of respondents have signed up for “reverse 911” notification from the county, while 40% have not.

**Question 11: How would you characterize the importance of protecting the following from the impacts of wildfire or post-wildfire flood events?**

This question offered five response choices ranging from “not at all important,” to “extremely important.” For statistical purposes, the choices were given numerical values ranging from 1 to 5. The responses to this question indicate that all the listed choices are at least somewhat important for the community to protect in the event of wildfire and/or post fire flooding. Protecting human life (especially firefighters) ranked highest. Recreation assets ranked at the bottom of the list, but still averaged “3” or above which equates to “important.” About 10% of survey respondents indicated that scenic views and trail systems are “not at all important” to protect.

**Question 11: Survey responses indicating relative degrees of importance for protection from wildfire and aftermath.**



(continue to next page)

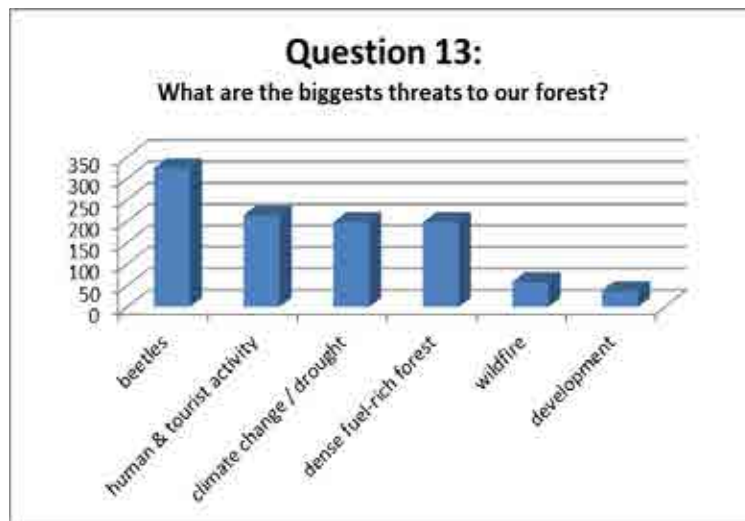


**Question 13: What do you think is the greatest challenge to the health of Chaffee County forests?**

This was also an open-format question with a comments box. Many respondents cited multiple threats. Although respondents were free to answer any way they saw fit, the vast majority of responses could be characterized into several common “bins” which allowed some basic analysis. Well over 1,000 individual responses were given, and the vast majority boiled down to one of the following:

<u>Category</u>	<u>Number of responses</u>
Beetle kill / insect infestation / disease:	324
Human activity overall	215
Human activity not specifically visitors/tourists:	165
Activities of visitors and tourists:	50
Dense forest with high fuel load, lack of thinning, etc:	198
Drought:	135
Climate change, unpredictable weather:	63
Natural wildfire (not campfire):	59
Development, sprawl:	38
Government policy, agency inaction, legal hurdles:	17

Further combining some of the similar and related categories yields the following chart:



Chaffee County residents and landowners are aware of the beetle epidemic that has resulted in significant areas of standing-dead trees, and that is reflected in the data. Some respondents who mentioned the beetles commented that the beetle kill in Chaffee County is better than other parts of the state. There is also strong awareness of high fuel loads, and the problems caused by

decades of aggressive fire management. **The survey results seem to indicate a relatively high degree of understanding of the issues, which would underpin support for management activities.** Only 59 responses (4% of total) specifically mentioned wildfire (other than man-made) as a big threat. It is possible that many respondents assumed that was obvious and, instead chose to mention the underlying *causes* of wildfire such as fuel loads, beetle kill, human carelessness, etc.

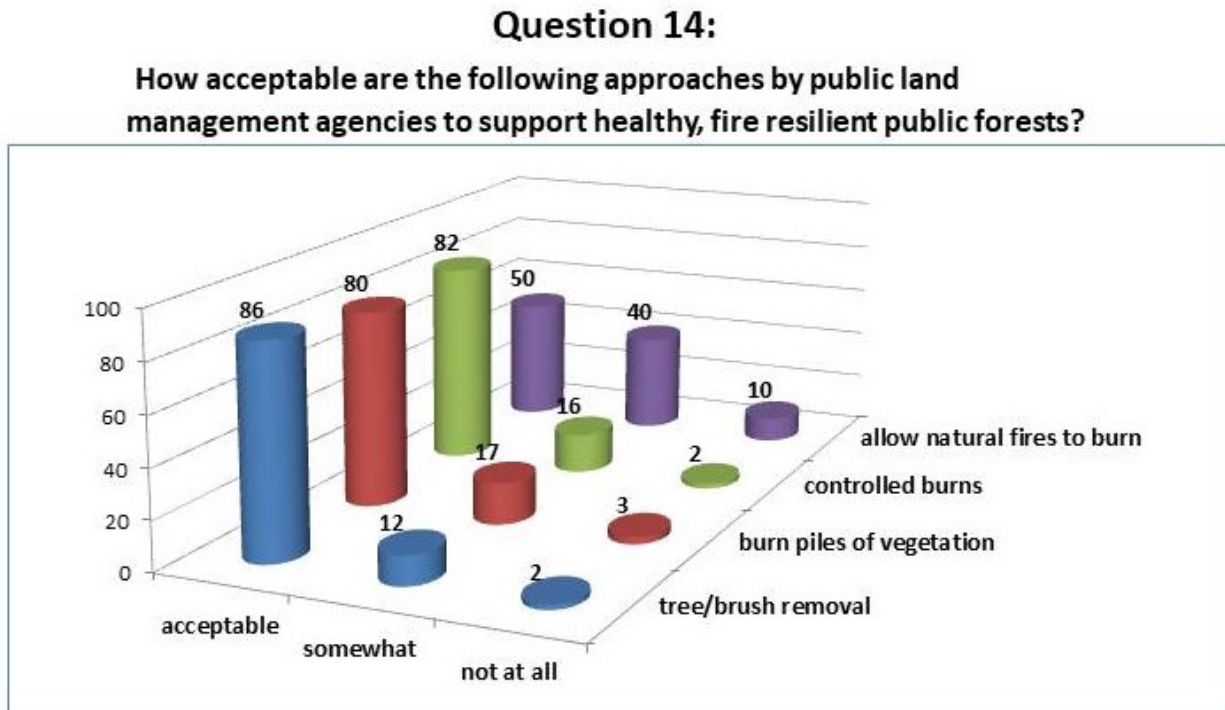
Another theme that stood out, especially in the written comments, **was a strong sense of animosity towards tourists and non-Chaffee County visitors.** Some of the language used was startlingly harsh. It may not represent a majority, but there is clearly an undercurrent of hostility towards our tourist visitors. Some examples of these comments are included in the table below for transparency.

Campers, hunters, forest users from out of the area who do not understand the extreme risk of fire on our public lands visitors who do not know the safety rules. Unattended campfires and cigarettes, matches, etc...
Human encroachment and human carelessness
OHV's and general motorized misuse of public lands.
Careless human actions
Tourists / Tourism (many times)
Influx of more people
Human overuse and carelessness
Careless fire-makers
Recreational overuse and habitat disruption, watershed impact and pollution (from increased recreational usage and population/building boom).
Stupid people who don't/won't take care and use common sense.
recreation
Human destruction
Too many people
NONLOCALS
Disrespectful people
Motor bikes and others going off road.
Careless campers starting fires and leaving trash. Poachers.
Idiot, careless people (mostly tourists) that don't care cause they don't live here.
The public. Campfires, trash, overuse.
Ignorant humans
Visitors who don't understand wildfire dangers
Tourists leaving trash and not staying on trails.
Tourism, fires, drought
campers with campfires
The fn idiots from Texas, Oklahoma, and Denver on 4-wheelers
Growth in outdoor recreation, especially campers on public lands and trail users (motorized even more than hikers)
impending suburban sprawl = environmental issues related to wildland urban interface growth
Public lack of understanding about campfires smoking etc. Overuse by ATVs and jeeps
Too many campers.
Public understanding and respect for the forests streams plants and animals. Over use/ abuse.
Some people want access and trails on every parcel of public land.
Improper use of public lands, i.e. squatters, illegal camping/dumping
People not doing their part to keep the areas as if no one has been there. Also 4 wheelers, most seem to have no respect!!
Careless/uneducated people doing stupid things in our forests.
Disrespectful recreational use
Campsites that were small see a wider impact as people stay longer periods of time. The site grows in circumference as the length increases. Campers act like it's their home and not like they are a guest of the forest like they should. Respect!
Tourists trashing it and lighting it on fire
The public living in the forests impacting the eco system and raising the risk of wild fire Also drought



**Question 14: How acceptable to you are the following approaches by land management agencies to support healthy, fire-resilient forests?**

This was a multiple-choice question designed to assess public support for four activities that land management agencies often employ as part of their fire prevention or fire resilience strategies. Respondents indicated their level of acceptability as either “not at all acceptable”, “somewhat acceptable”, or “acceptable.” The first three activities, which involve removing available fuels, all enjoy broad levels of acceptability according to the survey. The fourth choice, however, which is to allow natural fires on public lands to burn without firefighting activity, is much less acceptable. The following chart illustrates the results.



**Question 15: Do you have concerns about land management agencies cutting and removing trees or brush on public lands?**

This was a simple “Yes / No” format question, with a box where respondents could post comments if desired. In general, the survey results indicate a high level of public support for cutting and brush/tree removal activities on public lands, as shown here:

“Yes” - 16%      “No” - 84%

The comments, however, help illuminate some concerns and fears that do exist. About 50 respondents wrote comments in addition to the yes/no response, and several themes to their concerns emerged:

- Some comments reinforced general support for doing this activity
- Many comments expressed skepticism that this could be done on a scale that would prove effective – in other words they don’t want money spent on something that doesn’t do any good.

- Many comments raised “trust issues” – lack of trust in the agencies’ ability to conduct the activity responsibly and cost-effectively, and transparently (with public input).
- A large number of comments expressed concerns about the activities’ detrimental impacts on the environment, impacts to wildlife, and general “unsightly” impacts of heavy equipment in the forest. Concerns about “collateral damage” such as unsightly clear-cuts, new roads, slash piles not removed, loss of habitat trees, etc., were very common.
- A few comments expressed the desire to let commercial enterprise do the work so as to provide jobs and revenues. Other comments expressed the opposite concern; that the cutting would be done according to revenue needs instead of to help forest health.
- Another theme of concern was resistance to the idea that “man knows best.” Some comments suggest that man’s attempt to control nature never end well or are, at best, ineffective.

**Question 16: Do you have concerns about land management agencies conducting controlled burns?**

This was also a simple “Yes / No” format question, with box where respondents could post comments if desired. In general, the survey results indicate a high level of public support for controlled burn activities on public lands, but less support compared to cutting/thinning as shown here.

“Yes” - 24%                      “No” - 76%

Like the previous question, 50 respondents wrote comments in addition to their yes/no answers. Concerns tended to fall into just three categories:

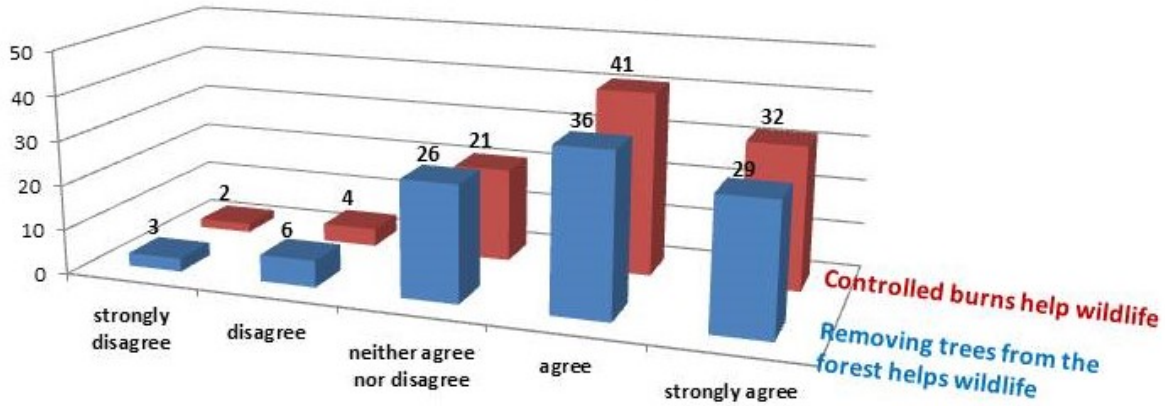
- Far and away the biggest concern cited was the danger of losing control of the burn, especially due to unpredictable winds. Several comments mentioned specific, well-publicized examples of highly destructive past wildfires that originated from controlled burns.
- Another comment theme concerned degraded air quality as a result of the burn.
- The third comment theme was about the need to better advance notice and publicity to the public.

**Question 17: How much do you agree or disagree with the following statements about treatment activities?**

This question polled the publics’ opinion about wildfire treatment activities and wildlife. In general survey respondents seem to feel that forest treatment activities such as thinning and controlled burns are neutral-to-beneficial for wildlife as shown by the following chart (next page).



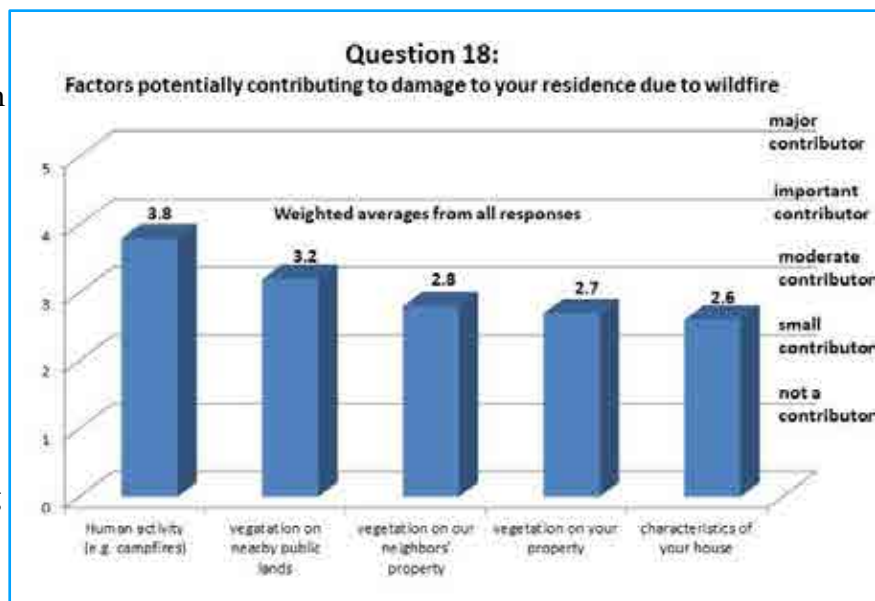
**Question 17:**  
**Percentage of respondents' agreement with fire treatment activities benefitting wildlife**



The next few questions were designed to assess public opinion about activities on private lands as related to wildfire risk.

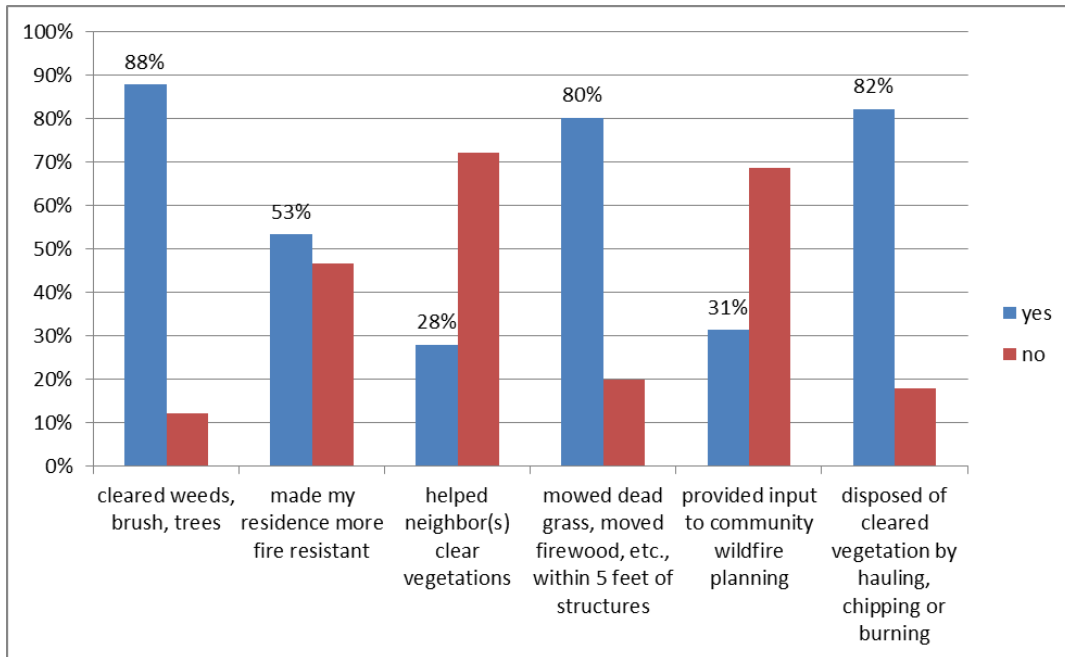
**Question 18: In your opinion how much does each of the following factors contribute to the chance of a wildfire damaging your residence in the next 5 years?**

Specifically concerning the risk of damage to residences as a result of wildfire, human activity emerged as the most concerning factor with an average of “important” contributor. Other choices concerning vegetation conditions all returned similar results (“moderate to important” contributor). Inherent characteristics of the residence such as roofing material, returned the lowest average, with a weight-averaged rating of “small to moderate” contributor. The following choices show the weighted average responses for the five potential contributing factors.



**Question 19: Have you done any of the following to decrease wildfire risk on your primary Chaffee County residence?**

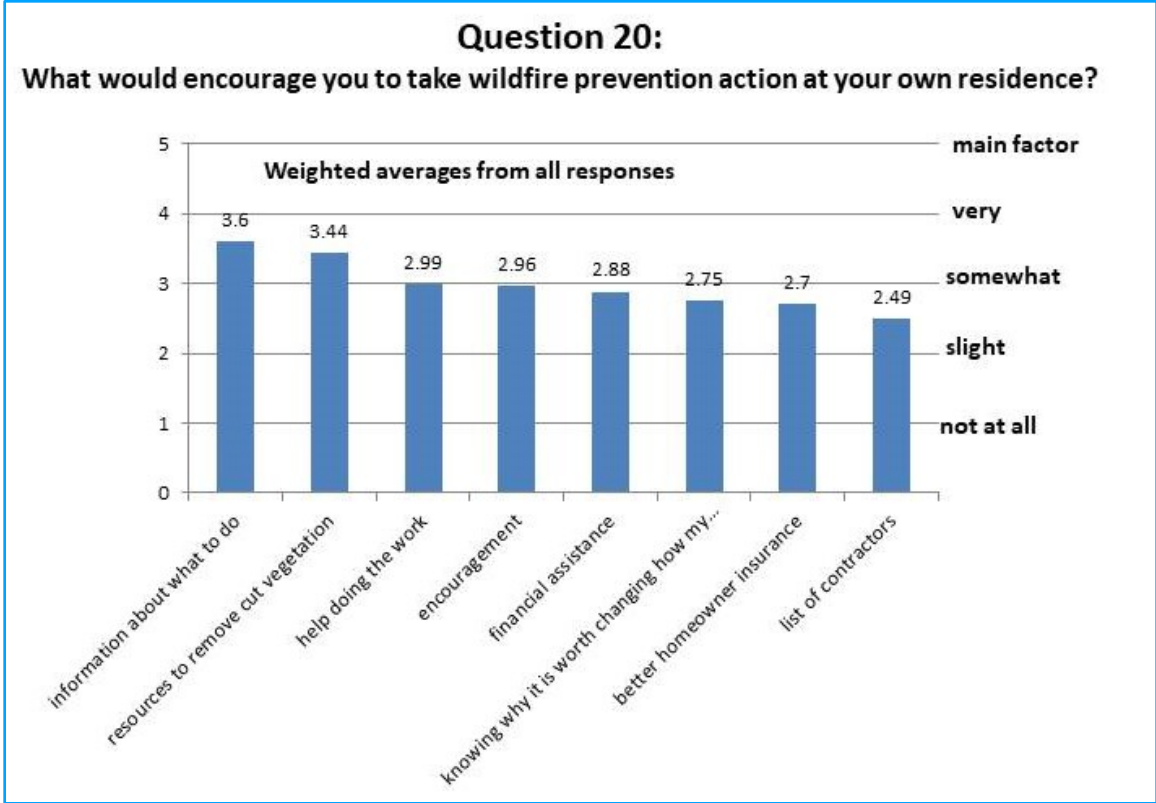
Around 15-20% of respondents selected “not applicable” to these questions asking what actions they had taken to reduce wildfire risk at their residence. Many of these were likely folks who live in the middle of town and don’t worry too much about wildfire affecting their residence, and/or people who own vacant land only with no structures. Filtering out the “not applicable” responses yields the following results:



People are actively trying to reduce the amount of fuel around their structures, as shown by the >80% “Yes” responses to those questions. Only slightly better than half of respondents have tried to make their residence itself more fire resistant, and a low number of people appear to have engaged in collaborative “community cooperative” efforts to reduce wildfire risk.

**Question 20: How much would any of the following encourage you to take action to reduce wildfire risk on your residence?**

For this question, respondents were given a list of possible “incentives” to performing work to reduce wildfire risk at their own residence. Response options ranged from “not at all” to “main factor.” Converting those response options to ranked numbers, and then calculating a weighted average response for potential “incentive” allowed the popularity of the incentives to be ranked as shown in the following chart. Information about what sort of work to do was the top-ranked response, and having a list of recommended contractors was the lowest-ranked. However, the survey data indicates that all of the potential incentives have merit.



**Question 21: Please tell us about your experiences with your homeowners insurance for your Chaffee County residence. Has your insurance company ever:**

Homeowner’s insurance does not appear to have much, if any, linkage to wildfire risk in the county. Respondents noted very minimal negative (cancelled policies or higher premiums), or positive (providing information or offering better rates) wildfire risk impacts to their homeowner insurance policies.

**Question 22: How strongly do you agree with the following statements regarding building codes?**

“Building codes that require such things as fire-resistant roofs decrease community fire risk.”  
**agree or strongly agree: 75%**  
**disagree or strongly disagree: 8%**

“I support building codes that encourage safe access for firefighters.”  
**agree or strongly agree: 90%**  
**disagree or strongly disagree: 3%**

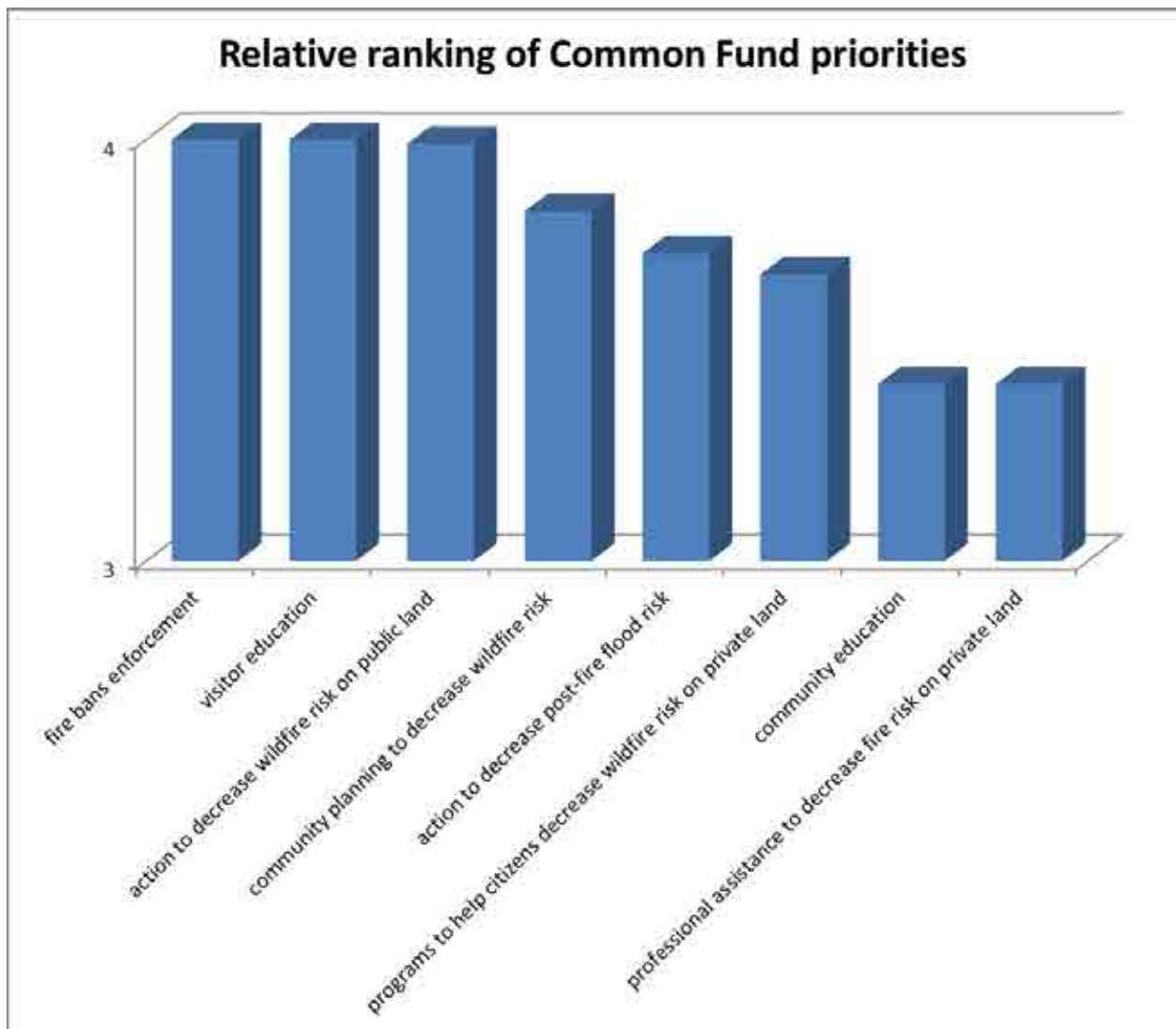
“I support additional building codes to make new developments more wildfire resistant.”  
**agree or strongly agree: 81%**  
**disagree or strongly disagree: 7%**

These results indicate generally very strong support for making sure Chaffee County building codes are aligned with current best practices for wildfire resiliency.

**Question 23: How important are the following potential uses of 1A tax funds to you?**

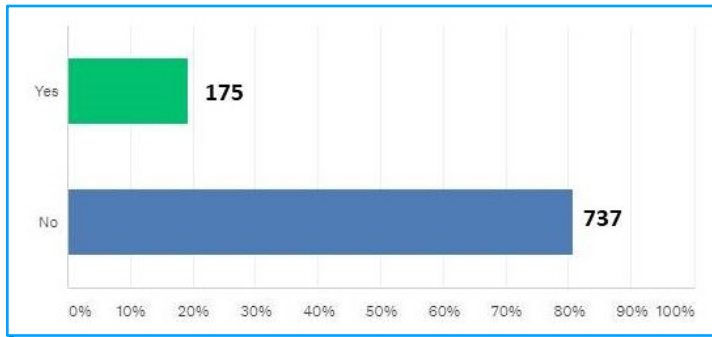
County ballot measure 1A, a sales tax passed in November 2018, provides funds to protect communities and water from severe wildfire and to enhance forest health and wildlife habitat. This question gathers information on how citizens prioritize the application of those funds. Participants were asked to rank the importance of a given list of potential priorities from “not important” to “extremely important”. These rankings were converted to a numerical scale, and a weighted averages of the responses were calculated. All eight of the surveyed allocation options rated between 3.5 and 4.5 which equates to “important” to “very important.” Relative rankings are shown in the graph below.

Consistent with community concerns about recreation use as a top threat to local forests, fire ban enforcement and education/enforcement of visitor behaviors ranked highest. This is followed by actions to decrease risks on public lands, with funding to take action on private lands generally ranked lower.



The final survey questions were designed to collect demographic data.

**Question 24: Is your education or occupation related to forest health, wildlife health, emergency management, or fire management?**



Some of the other questions in the survey were filtered by the two populations identified here; the forest health “professionals” and the general population.

**Question 25: What is your household income?**

< \$25,000	6%
\$25,000 – \$49,999	16%
\$50,000 - \$74,999	26%
\$75,000 or more	52%

**Question 26: How old are you?**

Under 18	<1%
18-35	9%
36-50	25%
51-65	32%
65 or over	34%

**Question 27: What is your zip code?**

81201 Salida and surrounding areas	39%
81211 Buena Vista and surrounding areas	43%
81227 Monarch	<1%
81228 Granite	<1%
81236 St Elmo, Nathrop	13%
81242 Poncha Springs	3%
Other	2%





# Next Generation Community Wildfire Protection Plan

## Community Summary



ENVISION CHAFFEE CO.

A FUTURE BUILT ON COMMON GROUND





*“This innovative, community-driven wildfire plan delivers a disciplined approach to treat the right acres for the highest community benefit.”*

Damon Lange,  
Southwest Area Manager  
Colorado State Forest Service

## ENVISIONING A FIRE-READY FUTURE

Chaffee County typifies the new reality of wildfire in the West. Decades of fire suppression, drought and ensuing insect infestations have caused our forests to decline into very poor health. Fires are coming more frequently and they are more intense.

The risk is a top community concern highlighted by the Envision Chaffee County planning initiative. Through the participation of 1,500 citizens and more than 70 organizations since 2017, the community created a “vision” of healthy forests, waters and wildlife. Voters took action in 2018 to support this vision by approving new public funds to support healthy forests, build a fire-ready future and protect our watersheds, wildlife habitat, agriculture, recreation areas and local economy.

The Envision Forest Health Council developed the Next Generation Community Wildfire Protection Plan to harness community momentum and deliver solutions that reduce wildfire risk. We used the most current information and computer modeling technology to create Colorado’s leading forest health action plan. The plan explains risk posed by severe wildfire, prioritizes action to decrease that risk, and sets a course to improve forest health. It also engages the community to act – together – to address one of the community’s most serious and concerning challenges.

The plan guides us by mapping the level of risk to our most important assets and identifies areas where the risk can be addressed, or “treated” with the highest cost efficiency. The resulting action plan is to treat 5-10% of the total landscape for up to 70% reduction in fire risk to our most important assets.



## PROTECTING OUR MOST IMPORTANT ASSETS

Chaffee County's natural resources support our quality of life and provide water to agriculture lands and millions of citizens who live downstream. In a 2019 Chaffee Wildfire Survey, 1,035 citizens prioritized the things they value that are at risk from severe wildfire including life, water, infrastructure, homes, wildlife, views and recreation.

All of these assets support local and regional economies that depend on tourism and outdoor recreation. Healthy forests support fishing, skiing, mountain biking, hiking, hunting, jeeping, rafting, kayaking, access to more 14ers than any other county in Colorado, gateway communities to the Colorado and Continental Divide Trail systems, and much more. Chaffee County has unusually rich natural resources that

benefit residents, visitors and state-wide business. All of these resources are increasingly at risk from severe wildfire.

The forests of Chaffee County, and the upper Arkansas River basin, are the source for critical water supply for local towns, 1 million people living downstream and even the city of Aurora. The same water also provides 102 miles of Gold Medal trout waters and recreation on the most rafted river in America. Wildlife in eight counties, migrating from Breckenridge to Lake George to Westcliffe, rely on Chaffee County's abundant winter habitat, according to Colorado Parks and Wildlife deer collar data. In addition, fire threats to local infrastructure present far-reaching implications, including power lines that supply the San Luis Valley with electricity and Highway 50, one of the busiest east-west transportation routes in the US.





*“The beetle kill epidemic will transform local forests from five standing dead trees per acre to 120 in less than a decade.”*

Jim Pitts, USFS District Ranger

## WHAT IS THE RISK?

Decades of full fire suppression resulted in poor forest health across the West and in Chaffee County. Trees are standing too close together, they are all the same age, and they are being choked by dead wood also known as “fuel.” These unhealthy forests are further being ravaged by insects, including a beetle epidemic that will likely result in up to 90% mortality of all the spruce in the county and a budworm impacting fir trees.

Wildfire serves a healthy forest ecosystem by acting as a “broom” that can sweep the forest clean of dead wood and debris. However, as forests become overly dense and fuels accumulate, wildfires can burn so hot that soils can become damaged or “baked,” impeding vegetation regrowth for years and causing destructive post-fire mudslides, flooding and fish kills, like those created by the Hayden Pass Fire.

Wildfires can be classified by how they are managed on a scale of Type 5 (very small fires) to Type 1 (large, complex fires and natural disasters). Ten years ago, the Upper Arkansas River

headwaters region in Chaffee and Lake counties had only experienced one Type 3 wildfire – ever. In the decade since, there have been two more Type 3’s (Treasure and Lodgepole), our first Type 2 (Hayden Pass), and our first two Type 1’s (Weston Pass and Decker). Action is urgently needed to reduce forest fuels by prescribed burns and tree thinning.

While lightning statistically causes the most forest fires, rapid growth in recreation use exacerbates the threat. In the Chaffee Wildfire Survey administered in 2019, citizens identified visitors as the second-biggest perceived threat to forest health, just after insects/fire.

The survey also shows that the community is not prepared for a wildfire emergency. More than 80% of respondents believe a major fire will happen in the next five years, yet 40% indicate they do not have an evacuation plan and more than half are unsure what to do to decrease risk on their property, or even where to go for information.

# TAKING ACTION

The Next Generation Community Wildfire Protection Plan’s [Fuel Treatment Priority map](http://centralcoloradoconservancy.org/land/wp-content/uploads/FuelTrtPriority.jpg) ([centralcoloradoconservancy.org/land/wp-content/uploads/FuelTrtPriority.jpg](http://centralcoloradoconservancy.org/land/wp-content/uploads/FuelTrtPriority.jpg)) shows where treatment activities can most effectively reduce the risk. The next step is to treat these areas, but it is not a simple task. Work spans public (65%), private (30%) and state (5%) lands, and evacuation routes involve county and state rights-of-way adjacent to many different private landowners. The cost is substantial at \$50 to \$100 million.

Funding from diverse partners will be needed to leverage federal and local dollars to complete treatment in the priority areas over 10-20 years. [Chaffee Common Ground](http://chaffeecommonground.org) ([chaffeecommonground.org](http://chaffeecommonground.org)) provided \$258K over three years to begin this work. Leaders formed the Envision Forest Health Council to ensure four key elements of the plan are implemented:



*“Fire intensity and frequency have fundamentally changed.”*

John Markalunas, Decker Fire Incident Commander



**Treating Together** identifies and develops projects to decrease wildfire risk and enhance forest health across land boundaries by connecting private landowners, land management agencies, non-profit organizations and funders. Working with wildlife managers and local ranchers offers further opportunity to leverage these activities to also enhance habitat and agricultural productivity.

**Envision Healthy Landscapes** promotes ongoing community engagement, education and preparedness. The goal is to empower citizens to feel in control of their own destiny even though they live in a wildfire zone. The program includes transparent tracking and annual reporting of progress toward decreasing risk to the community.

**Chaffee Chips** accelerates private land treatments by providing coordinated support to landowners to mitigate fuels, create defensible space around structures and improve forest health on their land. The service organizes events in Fuel Treatment Priority neighborhoods and supports landowners with education and services from the Colorado State Forest Service, Colorado Fire Camp, Fire Protection Districts, state and federal agencies and County of Chaffee.

**Zoning and Code** considers changes that other communities adopted after severe wildfire events and makes recommendations to the county to decrease risk.



# THE PROCESS: ENGAGING COMMUNITY AND QUANTIFYING RISK

Fuel Treatment Priorities were created by first engaging the community and then quantifying risk with Geographic Information Systems mapping and modeling technology. More than 1,000 citizens provided input to the Chaffee Wildfire Survey, answering questions about awareness, preparedness and mitigation activities. Responses showed strong support for forest treatment, as 84% said they have “no concern” about land management activities such as thinning trees and 73% felt it would improve habitat for wildlife.

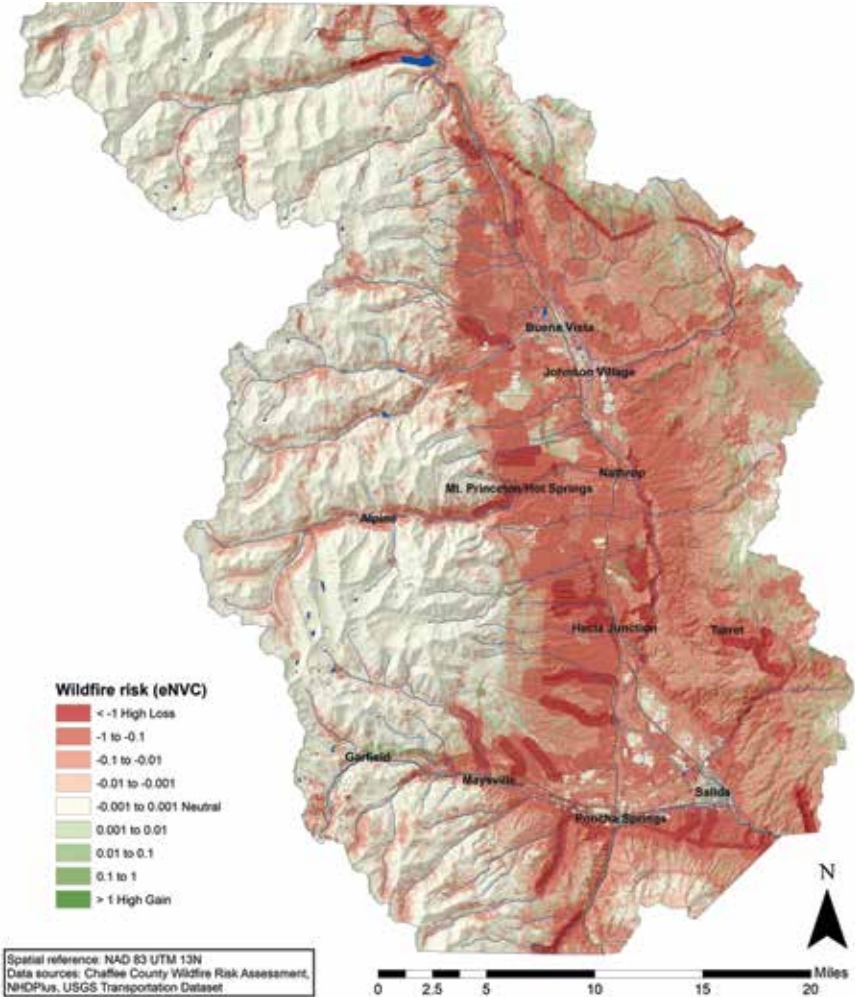
Public meetings were held throughout the process to collect additional input. All of the Next Generation maps described below were presented and about 140 citizens provided 220 written comments that were considered in the final plan.

The community also was asked to prioritize things they most want protected from severe fire and post-fire flooding. The seven assets, in order, are firefighter lives, human life, drinking water, infrastructure, homes, wildlife, Arkansas River recreation, scenic views and trail systems.

**Wildfire Risk.** Colorado Forest Restoration Institute at Colorado State University quantified and mapped risk to community priorities listed above and added a county-wide assessment of:

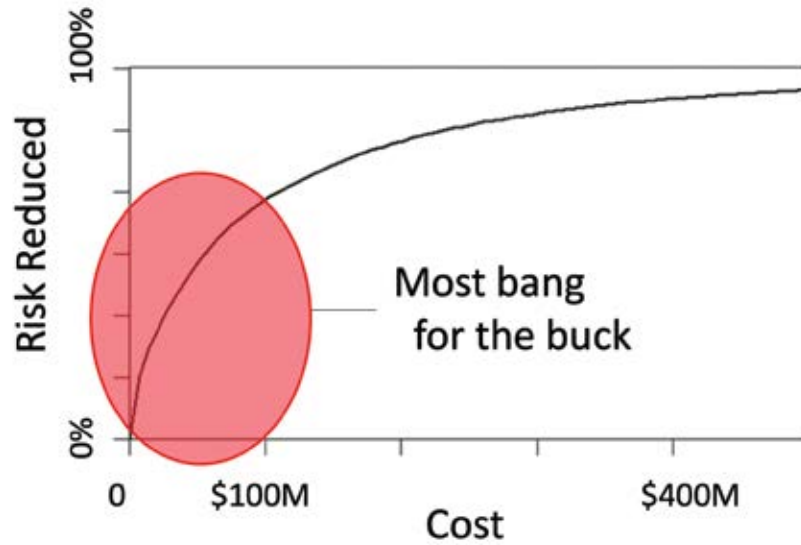
- **Asset locations**, such as power lines, evacuation routes, cell towers, water supply and infrastructure, critical bighorn sheep winter range, etc.
- **Burn probability**, or where fire is most likely to happen. Lower elevation forests that are dry during much of the year and areas impacted by insect epidemics show up on this map.
- **Fire Behavior**, or how intense fire is likely to be if it occurs, ranges from knee-high flames in grasslands to towering crown fires in various forest types depending on moisture levels, fuel types, slope, and other factors.

## Composite Wildfire Risk

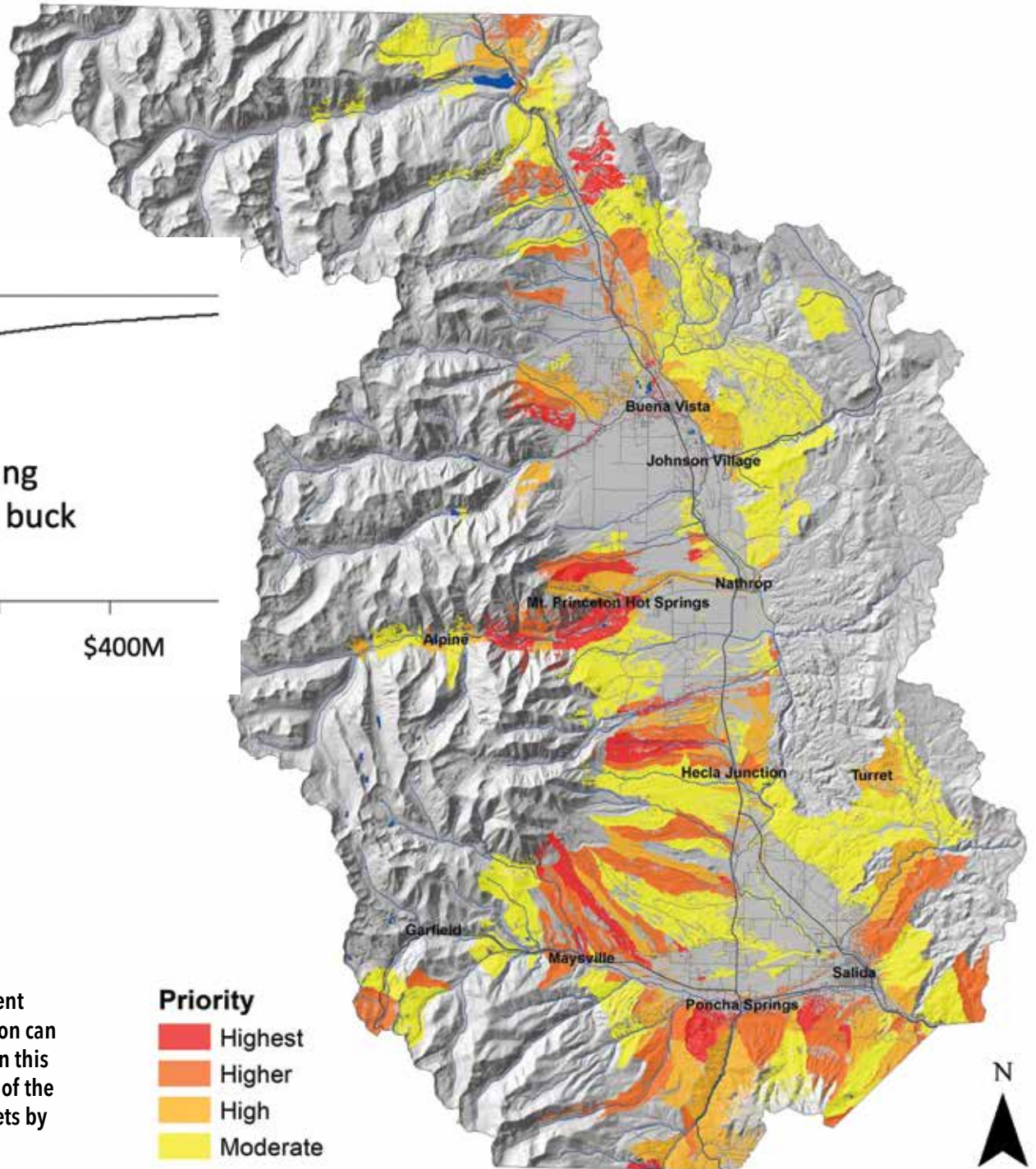
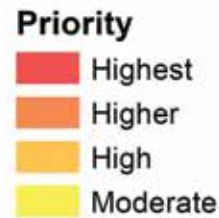


All of these factors combine to estimate Composite Wildfire Risk (above). This important map shows where the community's valued assets are at the highest risk from severe wildfire (red) and areas where moderate wildfire may be of net benefit (green).

## Treatment Priority Area "Bang for the Buck" Map



The areas in Chaffee County where forest treatment such as thinning, controlled burns and mastication can have the biggest impact for the cost are shown on this map in red and orange. Treating the right 5-10% of the landscape could decrease risk to community assets by 50-70%, as shown by the graph above.





**Mapping Treatment Priority Areas.** Factoring cost to Composite Wildfire Risk identifies the locations where treatment can do the most to lower risk for the least amount of money. Referenced as the “Bang for the Buck” map. Options include thinning trees, prescribed fire, thinning to clean up slash, and mastication which is a patch-clearing method used in the piñon-juniper forest.

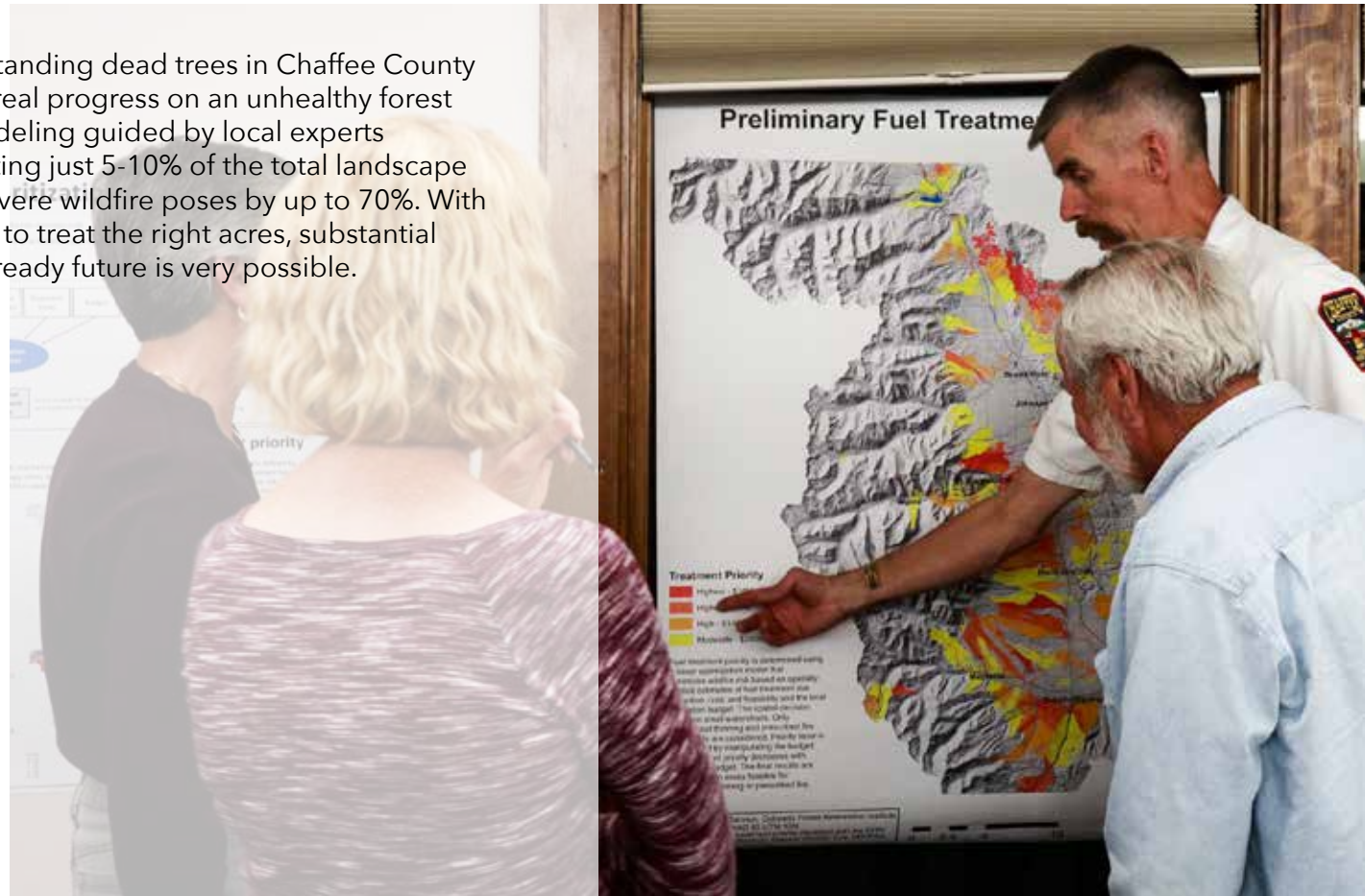
Fuel Treatment Priority areas are assigned by assessing the level of reduced risk and the cost and feasibility of each treatment type. Thinning is not possible in Wilderness or roadless areas, for example, and steeper terrain is more expensive to treat. The top priority areas are marked in red on page 7.

The quick increase of standing dead trees in Chaffee County may make it seem like real progress on an unhealthy forest is not possible. But modeling guided by local experts demonstrates that treating just 5-10% of the total landscape reduces the risk that severe wildfire poses by up to 70%. With a disciplined approach to treat the right acres, substantial progress toward a fire-ready future is very possible.

## GET INVOLVED!

Chaffee County is a unique place and a special community. By engaging many community members, Envision Chaffee County and the Forest Health Council have helped set the stage for a better future through a leading-edge fire resiliency plan that will improve forest health and protect resources that millions rely on. We invite you to join the plan!

Contact [envision@centralcoloradoconservancy.org](mailto:envision@centralcoloradoconservancy.org)





## ACKNOWLEDGEMENTS

The plan was developed by the community. 1,035 citizens engaged in the wildfire survey, and hundreds in community meetings. Top local and regional leaders from critical organizations provided over 1,500 hours – or 40 work weeks – of planning time and expertise to develop the plan. These community heroes include: USFS - District Ranger Jim Pitts, Fire Management Officer Chris Naccarato and Mountain Zone Fuels Specialist Andrew White. BLM - Rocky Mountain District Manager Cathy Cook, Field Manager Keith Berger, Fire Mitigation Specialist Ed Skerjanec, Fire Management Officer Ty Webb, and John Markalunas, Assistant Fire Management Officer for the Front Range Fire Management Unit. Colorado State Forest Service – Southwest Area Manager Damon Lange, Supervisory Forester Adam Moore, Supervisory Forester Sam Pankratz and Forester J.T. Shaver. Colorado Springs Utilities – Watershed Planning Supervisor Mark Shea and Forest Program Manager Eric Howell. Chaffee County Commissioner Keith Baker. Chaffee County Office of Emergency Management Director Richard Atkins. Salida Fire Department and South Arkansas Fire Protection District Chief Doug Bess and Fire Inspector Kathy Rohrich. Chaffee County Fire Protection District Chief Robert Bertram and Battalion Chief Kent Maxwell (also Director of Colorado Firecamp). Buena Vista Fire



**Department Chief Dixon Villers. Colorado Parks and Wildlife Area Wildlife Manager Jim Aragon. Arkansas Headwaters Recreation Area Manager Rob White. Arkansas River Watershed Collaborative Director Chelsey Nutter, Lead Forester Andy Lerch, Mesa Antero Water Association President Rick Hum, Central Colorado Conservancy Executive Director Adam Beh. Photography by Lea Frye, Eric Lind, Mark Fox and Zach Tucker.**

**Modeling and analysis was provided by experts at the Colorado Forest Restoration Institute at Colorado State University (Director Tony Cheng, Assistant Director Brett Wolk and Spatial Analyst Benjamin Gannon). The Rocky Mountain Research Station (Patty Champ and Hannah Brenker-Smith) provided invaluable support to community surveys.**

**Overall leadership and community facilitation was delivered by Envision Chaffee County; Co-Led by Greg Felt (Chair, Chaffee County Commission) and Cindy Williams (Board Chair Central Colorado Conservancy). The work was funded by County of Chaffee and the Department of Local Affairs (DOLA). Central Colorado Conservancy provided facilitation (Cindy Williams and Kim Smoyer), report preparation (Bill Goosmann), and community engagement (Kim Marquis).**







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# CHAFFEE COUNTY WILDFIRE PROTECTION PLAN LEADERS AND FUNDERS



## Appendix C: Chaffee County Wildfire Risk Assessment

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Version VI - 12.09.2019

### Purpose and Scope

The purpose of this wildfire risk assessment is to inform a revision of the Chaffee County Community Wildfire Protection Plan (CWPP). The major focus of the risk assessment is incorporating local spatial data on highly valued resources and assets (HVRAs), expertise on HRVA response to wildfire, and relative importance values to create a locally relevant risk assessment for Chaffee County.

### Methods

Risk is a term widely used in economics, engineering, and emergency management to describe the expected impact of an event with uncertain occurrence and magnitude. Risk is an expected measure because it weighs the potential consequences of an event by its probability of occurrence. Risk assessment is an appropriate framework for wildfire because wildfire has considerable spatial and temporal variability in occurrence and intensity over the typical multi-decade planning periods used in land and resource management. Wildfire risk assessment quantifies and maps expected net value change for a suite of HVRAs by combining spatial information on fire likelihood, fire intensity, and resource exposure and effects, which form the three legs of the wildfire risk triangle (Figure 1; Scott *et al.* 2013).

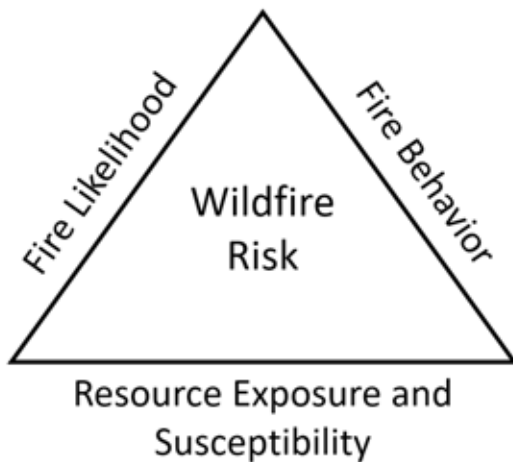


Figure 1: Wildfire risk triangle adapted from Scott *et al.* (2013).

Wildfire risk assessment requires extensive data and modeling to characterize the three legs of the risk triangle. Spatial wildfire simulation is used to estimate how wildfire likelihood and intensity vary across large landscapes based on fuels, topography, ignition sources, and climate.

The intent of this modeling is not to describe the behavior of a specific future wildfire, but rather the trends in fire occurrence and intensity over many potential future fire seasons. Wildfire consequences are captured with exposure and effects analyses that relate wildfire likelihood and intensity to HVRA expected Net Value Change (eNVC; Finney 2005). This requires consulting with local resource experts to map HVRA, so a Geographic Information System (GIS) can be used to quantify their potential exposure to wildfire by intensity level, and to describe how HVRA will respond to fire of varying intensity, so wildfire exposure can be translated to effects. Finally, local input on the relative importance of HVRA to community well-being are applied as weights to quantify and map a composite risk measure. The following sections describe the mechanics of the Chaffee County Risk Assessment.

### Risk Assessment Framework

The Chaffee County Risk Assessment applied the assessment framework from the Colorado Wildfire Risk Assessment (CO-WRA; Technosylva 2018) to locally-informed fire simulation products, HVRA spatial data and response functions, and relative importance weights (Figure 2). Fire behavior metrics, including flame lengths and crown fire activity were modeled in FlamMap 5 (Finney *et al.* 2015) for low, moderate, high, and extreme fire weather scenarios. Fire likelihood was quantified with an empirical model of burn probability by vegetation type. Fire behavior outputs were combined with local data on HVRA extent and stakeholder-informed response functions to calculate conditional Net Value Change (cNVC) for each HVRA and fire weather scenario. The multiple cNVC measures for each HVRA were combined with a weighted averaging that favored the high and extreme scenarios (Technosylva 2018). Lastly, the cNVC measures for each HVRA were combined with burn probability and relative importance weights to compute a composite eNVC (“risk”) map for Chaffee County.

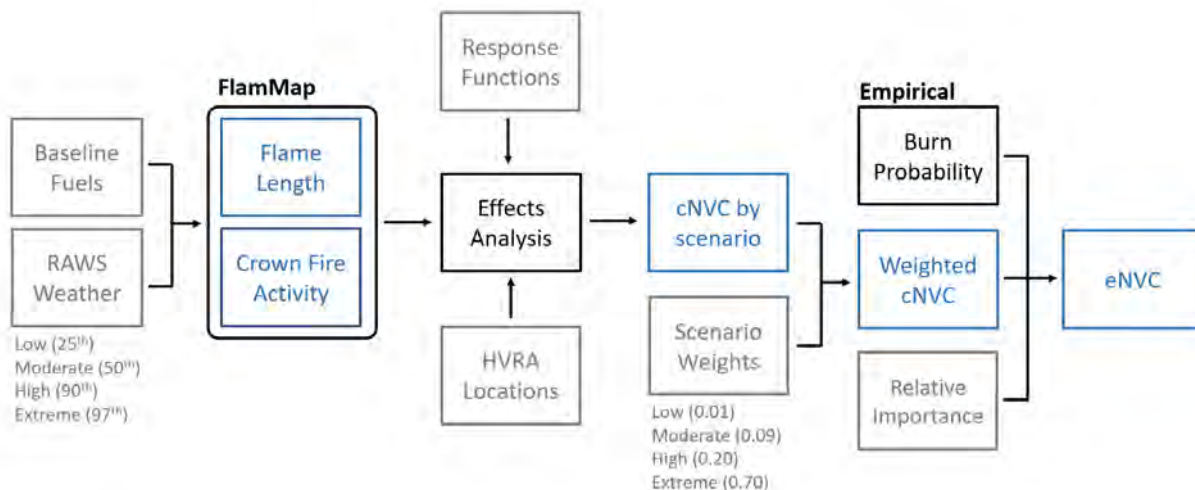


Figure 2: The Chaffee County Risk Assessment is based on the analysis framework from the Colorado Wildfire Risk Assessment (Technosylva 2018).

### Fire Behavior Modeling

Two fire behavior metrics - flame length and crown fire activity - were modeled for low, moderate, high, and extreme fire weather scenarios using the FlamMap 5 spatial fire modeling system (Finney *et al.* 2015). Flame length is frequently used in wildfire risk assessment as an index of fireline intensity (rate of energy release from the fire front) because it is easily interpreted by non-fire resource specialists. Flame length and fireline intensity are directly related (Byram 1959). Crown fire activity was used as a proxy for soil burn severity as described in Gannon *et al.* (2019) to model post-fire watershed impacts. FlamMap requires fuels, topography, and weather information. Fuels were described with a combination of canopy attributes from LANDFIRE (2014) and surface fire behavior fuel attributes from CO-WRA (Technosylva 2018). Canopy fuels were updated to reflect recent fuel treatments. Slope steepness, slope aspect, and elevation came from LANDFIRE (2014). Fire weather scenarios were developed from historical Remote Automated Weather Station (RAWS) data from the six stations within 20 miles of Chaffee County (Jones Hill, Lodgepole Plats, Needle Creek, Red Deer, Salida Mini-RAWS, Taylor Park). Percent fuel moisture was computed for each category of dead and live fuels during a fire season defined as April 01 to October 31 using FireFamilyPlus 4.1 (Bradshaw and McCormick 2000). The 10-minute average RAWS wind speeds were converted to 1-minute average wind speeds for modeling (Crosby and Chandler 1966). Station statistics were aggregated to scenarios with weighted averaging based on the length of record at each station in years. The fire weather scenarios are described in Table 1. In FlamMap, wind direction was assumed to be upslope to represent a consistent worst-case scenario across aspects. The Scott and Reinhardt (2001) method was used for predicting crown fire activity. The flame length and crown fire activity predictions are available in Appendix I - Fire simulation products.

Table 1: Fire weather scenarios used for the risk assessment.

Scenario	Percentile	Fuel Moisture (%)						Wind Speed 1-min (mph @ 20 ft)
		1-hr	10-hr	100-hr	1000-hr	Herbaceous	Woody	
Low	25	8	11	15	17	82	110	9
Moderate	50	6	7	12	15	43	75	11
High	90	3	4	7	10	5	64	17
Extreme	97	2	3	6	9	3	64	21

### Burn Probability Modeling

The original plan for the assessment was to use the CO-WRA burn probability product to represent wildfire likelihood, which is described in Technosylva (2018) and mapped in Appendix II – Burn probability. Based on feedback from both the Community Wildfire Protection Plan Working Group and community at large, we decided to use an empirical estimate of burn

probability by vegetation type based on historical fire observations in Chaffee County as further described in Appendix II – Burn probability. This spatial estimate of burn probability predicts more fire activity in mid- to high-elevation forests and less fire activity in the low-elevation woodland and non-forest vegetation types compared to CO-WRA. The Community Wildfire Protection Plan Working Group favored this product because it matched their experiences and expectations of fire occurrence in Chaffee County. The data sources, methods, and limitations of this approach are described in Appendix II – Burn probability.

### *Exposure and Effects Assessment*

Local stakeholders including land, fire, water, and wildlife managers identified data sources to represent HVRAs related to human life safety, critical infrastructure, water supply, wildland-urban interface, wildlife, and recreation concerns in Chaffee County (Table 2). Spatial data were assembled in a geodatabase and re-projected to a common coordinate system for analysis.

Table 2: HVRA's included in the risk assessment by category. The spatial data type, buffer distance used to define an influence zone for wildfire around the HVRA, and the HVRA relative importance (%) to the category are specified.

Category	HVRA	Type	Influence zone (m)	Rel. Imp. (%)
Life safety	Evacuation routes	Polyline	400	100
Infrastructure	Aircraft Landing Facilities	Point	200	5
	Communication Facilities	Point	200	35
	Electric Power Transmission Lines	Polyline	200	35
	Emergency Service Stations	Point	200	15
	Schools	Point	200	10
Wildland Urban Interface	Low density WUI	Raster	0	47
	High density WUI	Raster	0	53
Water	Critical Water Supplies	Raster	0	65
	Surface diversions	Raster	0	3
	Ground diversions	Raster	0	2
	CSU Pipelines	Polyline	200	10
	CSU Buildings	Point	200	20
Wildlife	Bighorn Sheep Winter Range	Polygon	0	5
	Black Bear Fall Concentration	Polygon	0	10
	Elk Migration Corridors	Polygon	0	5
	Elk Winter Range	Polygon	0	10
	Aquatic Habitat	Raster	0	50
	Mule Deer Migration Corridors	Polygon	0	5
	Mule Deer Winter Range	Polygon	0	10
	Lynx	Polygon	0	5
Recreation	Tourism Businesses	Point	400	10
	Monarch Ski Area	Polygon	0	10
	USFS Recreation Opportunities	Point	400	20
	Trails	Polyline	100	25
	Arkansas Headwaters Recreation Area	Polygon	100	27
	Brown's Canyon National Monument	Polygon	0	3
	Dispersed camping	Polygon	0	5

A workshop was held on June 19, 2019 to collect input from local resource experts on HVRA response to fire by intensity level (Table 3). Relative HVRA response was quantified on a scale from -100 for total loss to +100 for radical gain to allow both negative and beneficial effects of fire. The response of watershed related HVRA's were quantified with a separate process described in Appendix III – Watershed related Conditional Net Value Change (cNVC). Methods to delineate the wildland urban interface and density classes are described in Appendix II – Spatial data processing.

Table 3: Relative response functions defined through a collaborative process using stakeholder input. HVRA's with NA were quantified using post-fire watershed modeling described in Appendix III – Watershed related Conditional Net Value Change (cNVC).

Category	HVRA	FIL1	FIL2	FIL3	FIL4	FIL5	FIL6
		0-2 ft	2-4 ft	4-6 ft	6-8 ft	8-12 ft	> 12 ft
Life safety	Evacuation Routes	-20	-40	-80	-100	-100	-100
Infrastructure	Aircraft Landing Facilities	0	0	-10	-50	-80	-90
	Communication Facilities	0	0	0	-30	-100	-100
	Electric Power Transmission Lines	0	0	0	-30	-40	-40
	Emergency Service Stations	-10	-30	-60	-80	-100	-100
	Schools	-10	-30	-60	-80	-100	-100
Wildland Urban Interface	Low density WUI	-20	-40	-80	-100	-100	-100
	High density WUI	-40	-80	-100	-100	-100	-100
Water	Critical Water Supplies	NA	NA	NA	NA	NA	NA
	Surface diversions	NA	NA	NA	NA	NA	NA
	Ground diversions	NA	NA	NA	NA	NA	NA
	CSU Pipelines	0	-20	-50	-80	-100	-100
	CSU Buildings	-10	-20	-40	-100	-100	-100
Wildlife	Bighorn Sheep Winter Range	40	20	10	-10	-60	-80
	Black Bear Fall Concentration	40	20	10	-10	-60	-80
	Elk Migration Corridors	40	20	10	-10	-60	-80
	Elk Winter Range	40	20	10	-10	-60	-80
	Aquatic Habitat	NA	NA	NA	NA	NA	NA
	Mule Deer Migration Corridors	40	20	10	-10	-60	-80
	Mule Deer Winter Range	40	20	10	-10	-60	-80
	Lynx	0	-10	-20	-40	-80	-100
Recreation	Tourism Businesses	-10	-20	-40	-80	-100	-100
	Monarch Ski Area	0	-10	-10	-20	-50	-70
	USFS Recreation Opportunities	10	-10	-10	-20	-50	-70
	Trails	10	0	-10	-30	-40	-50
	Arkansas Headwaters Rec. Area	10	-10	-10	-30	-50	-70
	Brown's Canyon National Monument	40	20	10	-10	-10	-10
	Dispersed camping	10	0	-10	-30	-40	-50

cNVC rasters were developed for each HVRA by applying the response function to the predicted fire behavior within each HVRA's extent. This was done first by fire weather scenario and then scenarios were combined into a single cNVC raster per HVRA with weighted averaging (Figure 2). We used the same scenario weighting scheme as CO-WRA (Technosylva 2018), which reflects that the most area is expected to burn under high and extreme fire weather scenarios (Table 4), consistent with recent wildfire activity in Colorado (Graham *et al.* 2003; Haas *et al.* 2015).

Table 4: Probabilities for weighting cNVC calculated for each fire weather scenario.

Scenario	Percentile	Probability
Low	25 <sup>th</sup>	0.01
Moderate	50 <sup>th</sup>	0.09
High	90 <sup>th</sup>	0.20
Extreme	97 <sup>th</sup>	0.70

### Relative Importance Weights

Relative importance weights were defined at two levels. For each HVRA, a relative importance weight was assigned to reflect its proportional contribution to an HVRA category (Table 2). These were assigned by resource experts through small group discussions and full group critique. The relative importance of HVRA categories to Chaffee County was informed by the Envision Chaffee County Community Wildfire Survey, which identified human life safety is the top concern followed by critical infrastructure, water, wildland urban interface, wildlife habitat, and recreation. Local stakeholders assigned relative importance weights based on the survey and small group discussion. These relative importance weights were then used to weight the contribution of each HVRA category to the composite risk map.

Table 5: Relative importance weights used for combining HVRA categories into a composite risk map.

Category	Rel. Imp.	Share of total (%)
Life safety	120	24.7
Infrastructure	100	20.6
Water	90	18.6
Wildland Urban Interface	80	16.5
Wildlife	50	10.3
Recreation	45	9.3



## Results

The composite wildfire risk map shown in Figure 3 combines the category-level risk maps based on their relative importance to Chaffee County. Risk by HVRA category is mapped in Figures 4, 5, 6, 7, 8, and 9 and composite conditional Net Value Change is mapped in Figure 10.

Wildfire risk is predominantly concentrated in the low- to mid-elevation forests and woodlands where there is a convergence of HVRAs, hazardous fuel conditions, and high burn probability (Figure 11; Figure 12). Although burn probability is highest in the mid- to high-elevation forests (Appendix II – Burn probability), more risk is associated with pinyon-juniper woodlands because of the high concentration of fire sensitive HVRAs mapped in the foothills and valley bottoms. There are concentrated areas of high wildfire risk in higher elevation forests where they overlap life safety, infrastructure, and WUI HVRAs. It should be noted that some areas of the landscape are expected to benefit from wildfire (Figure 3) due to low predicted flame lengths that may enhance wildlife and recreation HVRAs (Figure 8; Figure 9).

Given the uncertainties associated with predicting future wildfire activity (see Appendix II – Burn probability), we also report a composite measure of conditional Net Value Change (cNVC; Figure 10), which does not factor in burn probability. The spatial distribution of composite cNVC is not too dissimilar from the composite risk map because both maps account for the overlap between hazardous fuel conditions and HVRAs. Accounting for burn probability shifts risk away from the lower elevation woodlands and non-forest vegetation to the mid- to high-elevation forests.

## Composite Wildfire Risk

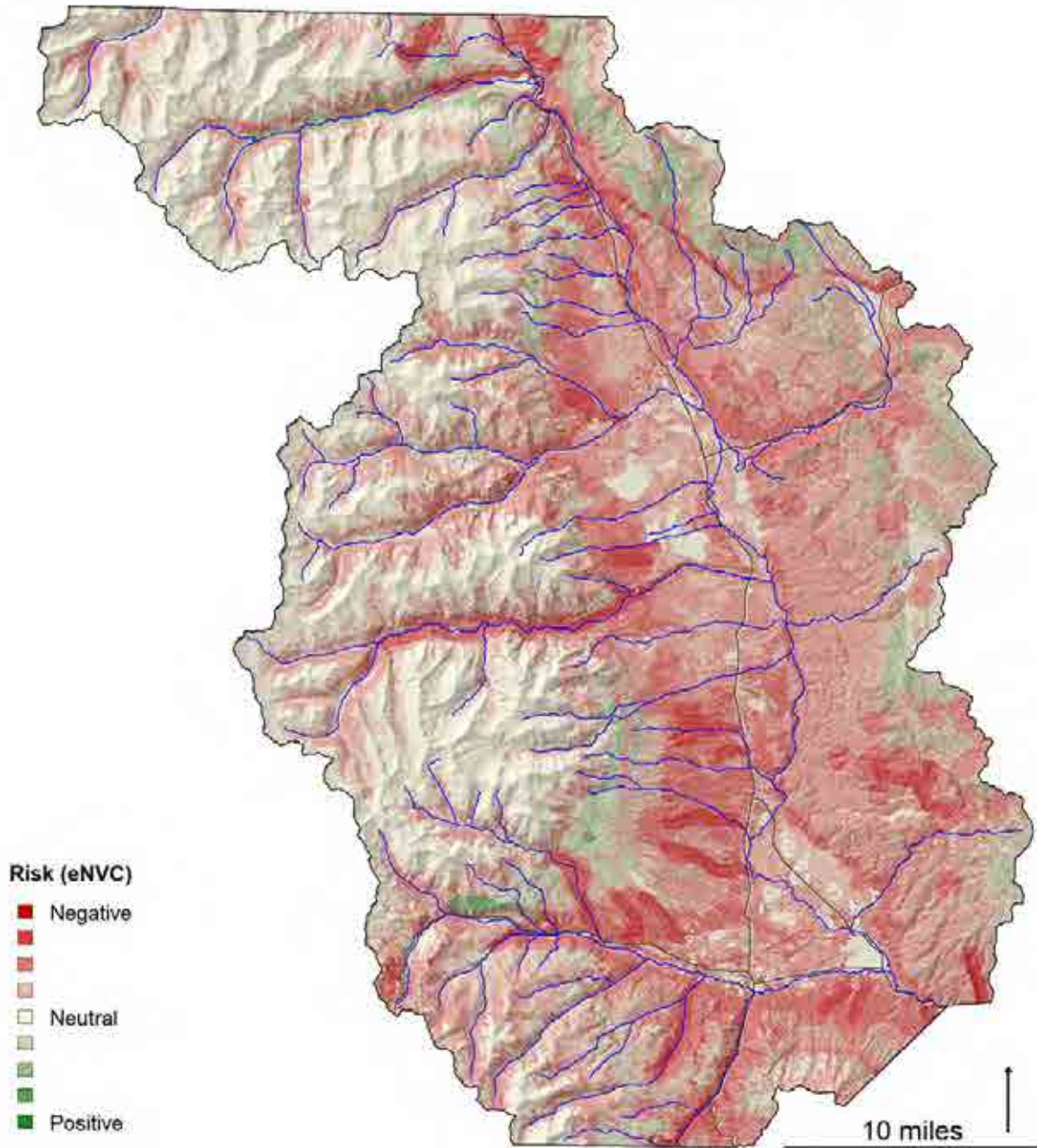


Figure 3: Composite wildfire risk map for Chaffee County. Negative eNVC means high risk. Positive eNVC means there is an expected benefit from fire.

# Life safety

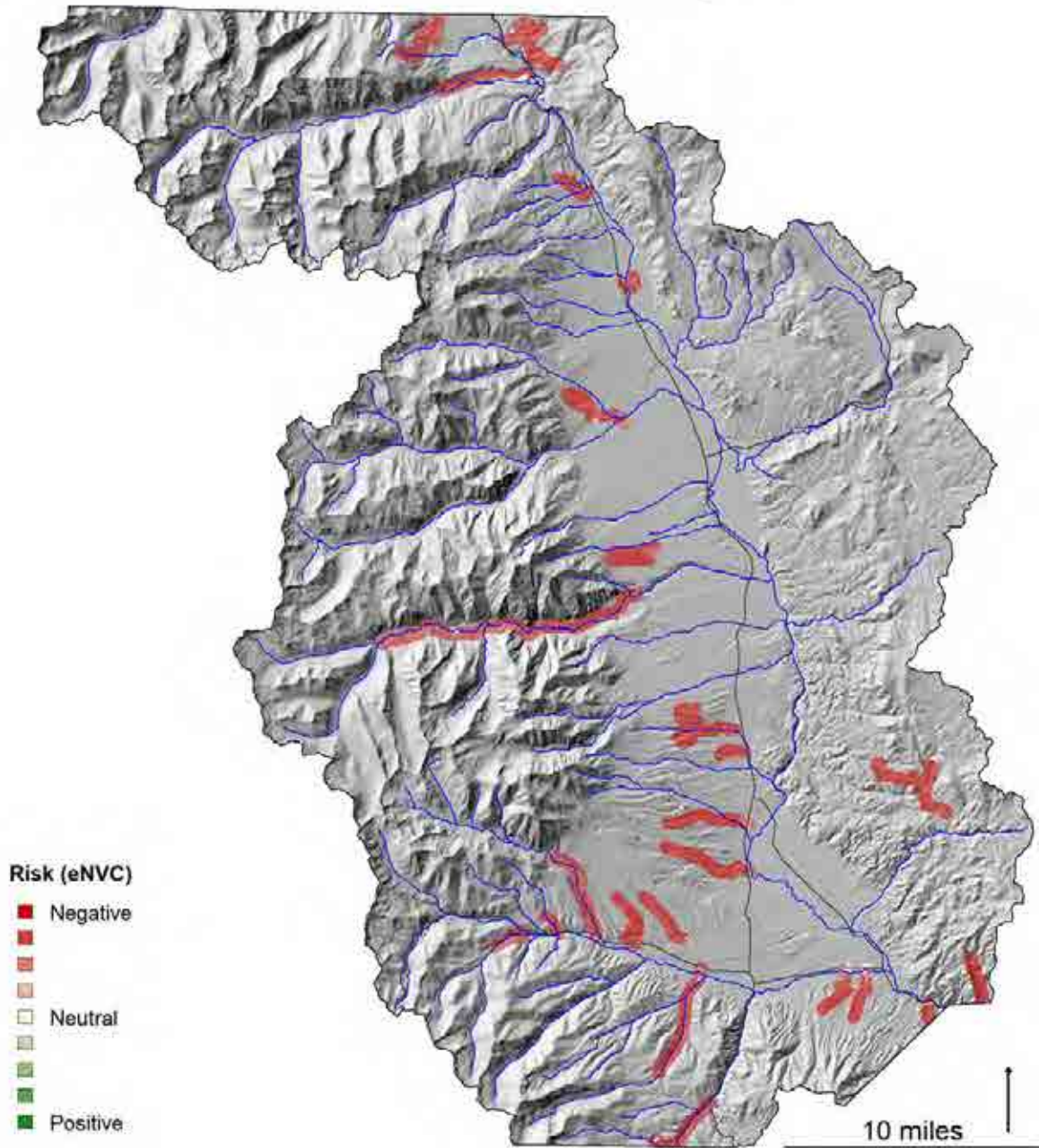


Figure 4: Wildfire risk to life safety in Chaffee County. Negative eNVC means high risk. Positive eNVC means there is an expected benefit from fire.



# Infrastructure

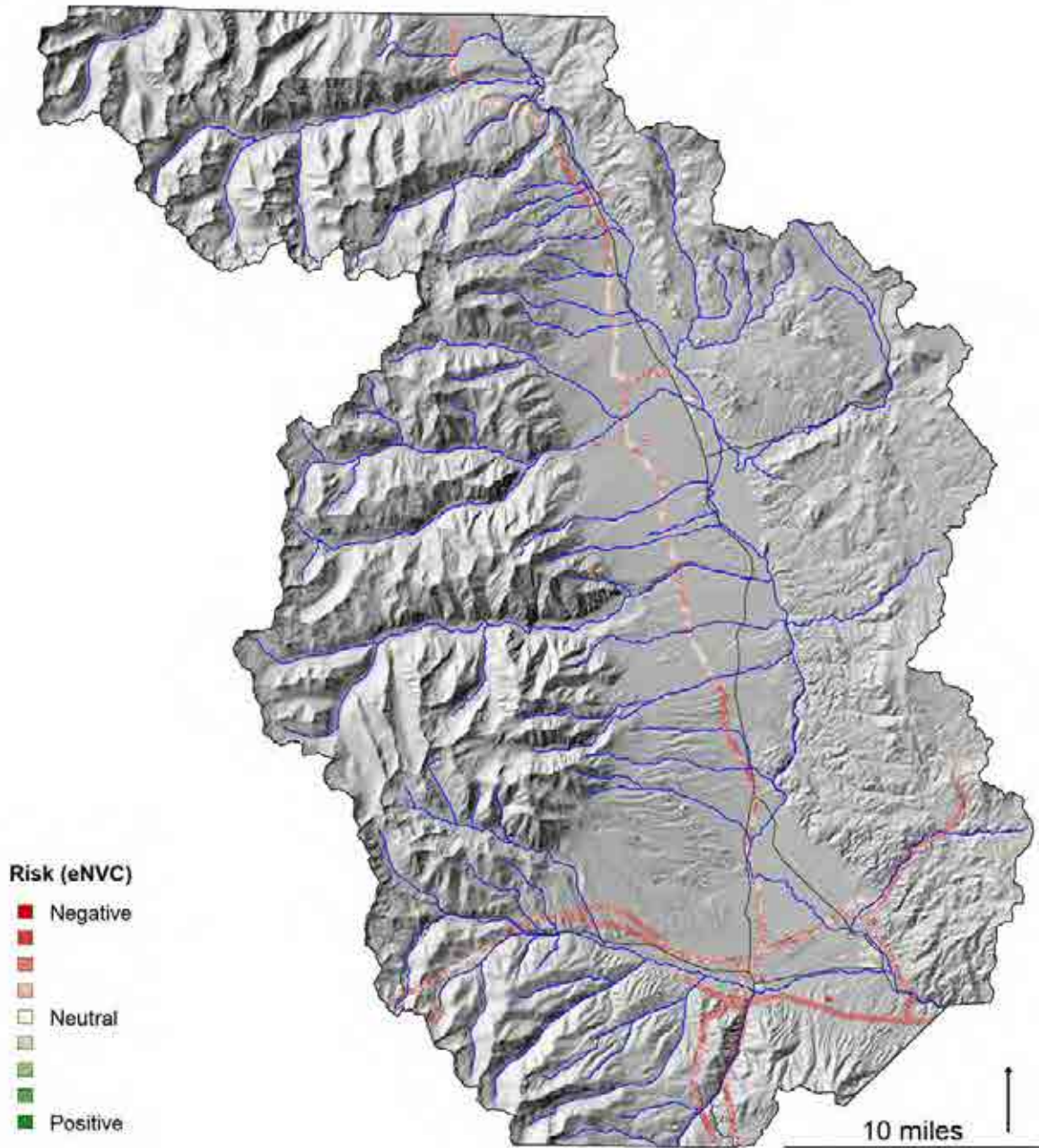


Figure 5: Wildfire risk to infrastructure in Chaffee County. Negative eNVC means high risk. Positive eNVC means there is an expected benefit from fire.

# Water

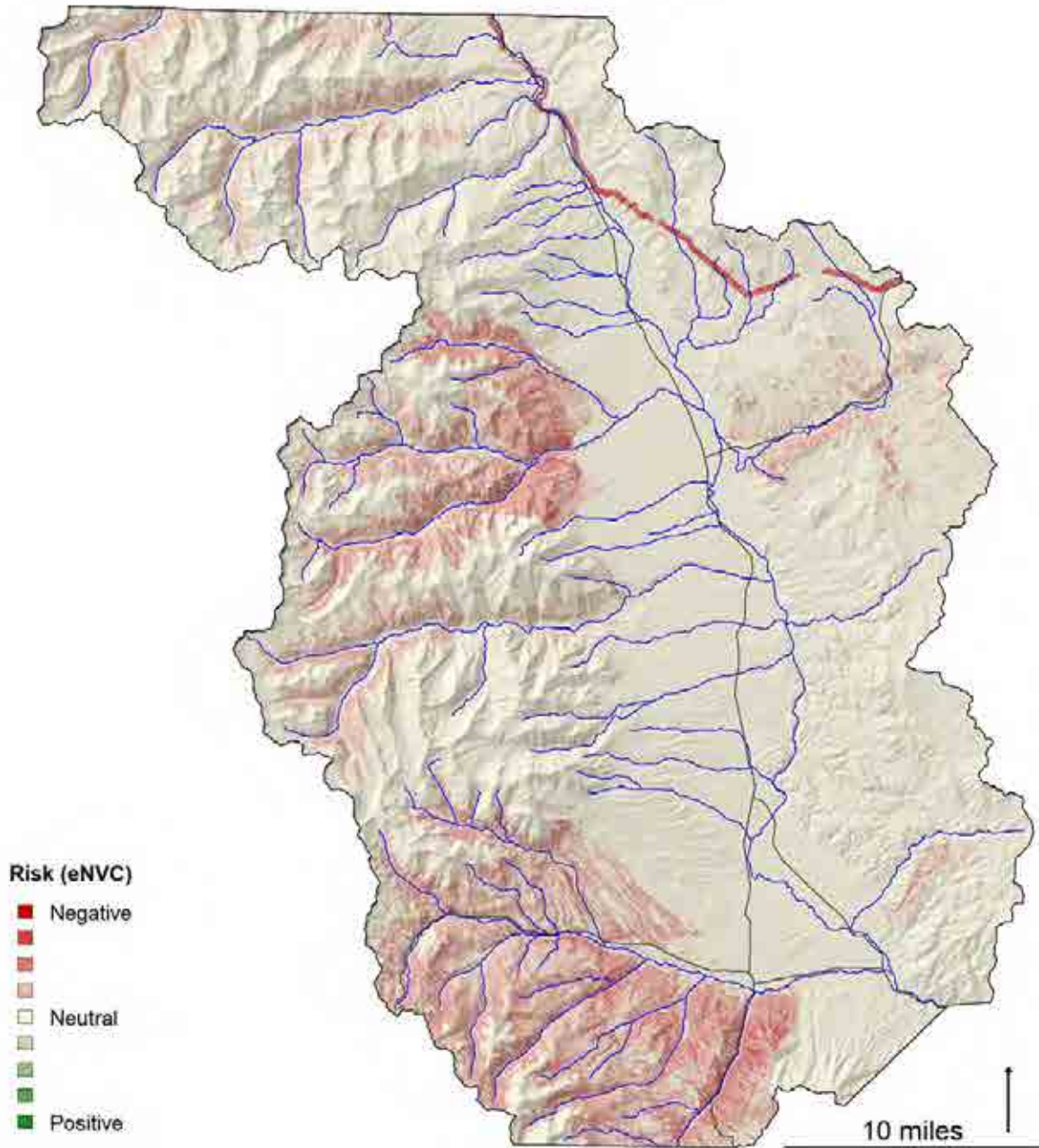


Figure 6: Wildfire risk to water in Chaffee County. Negative eNVC means high risk. Positive eNVC means there is an expected benefit from fire.



# Wildland Urban Interface

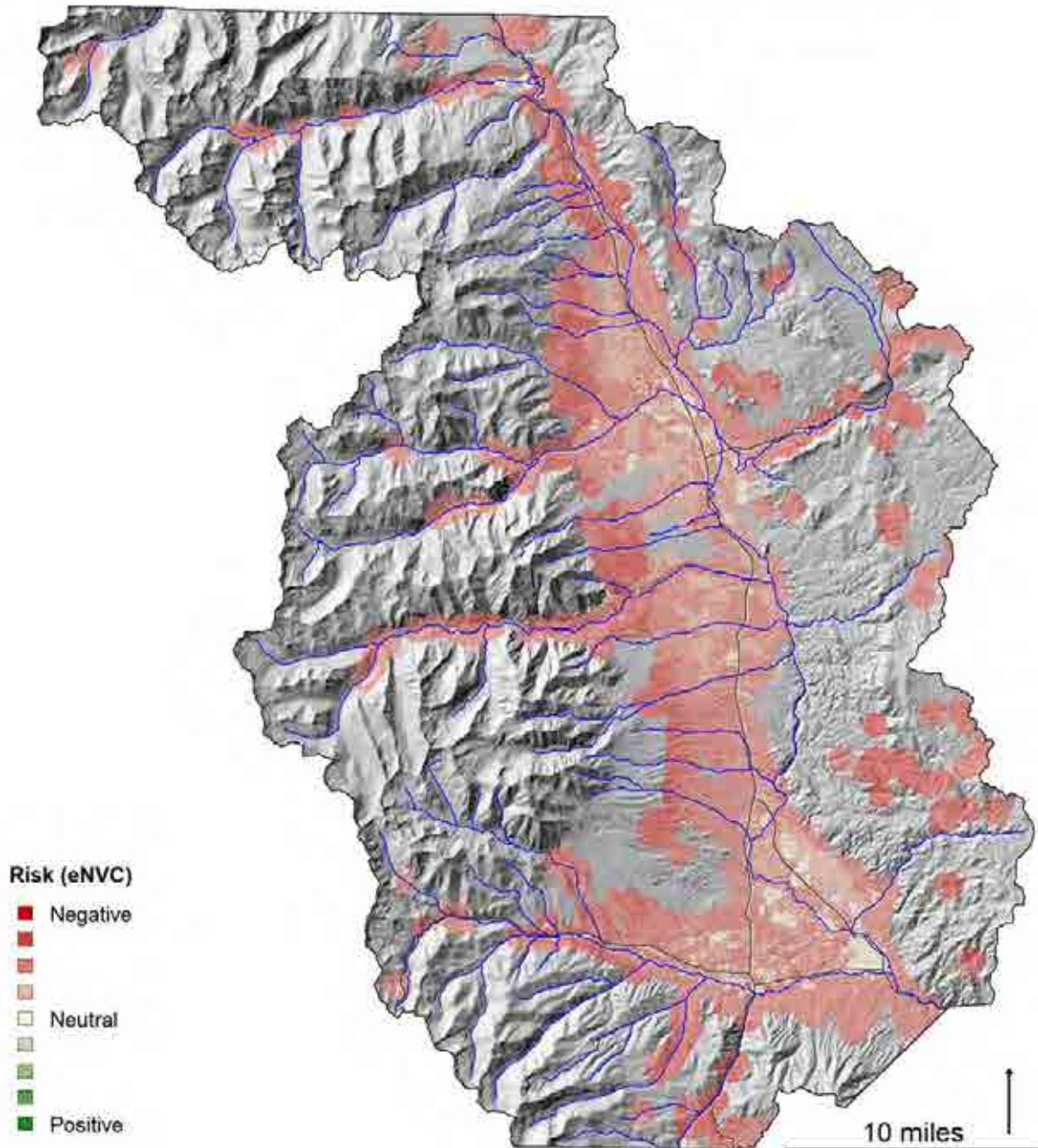


Figure 7: Wildfire risk to Wildland Urban Interface (WUI) in Chaffee County. Negative eNVC means high risk. Positive eNVC means there is an expected benefit from fire. The WUI is where people live, work, shop, and go to school. WUI risk therefore represents the potential for wildfire to harm numerous human assets and to disrupt human lives. For more information on WUI mapping see Appendix II – Spatial data processing.

# Wildlife

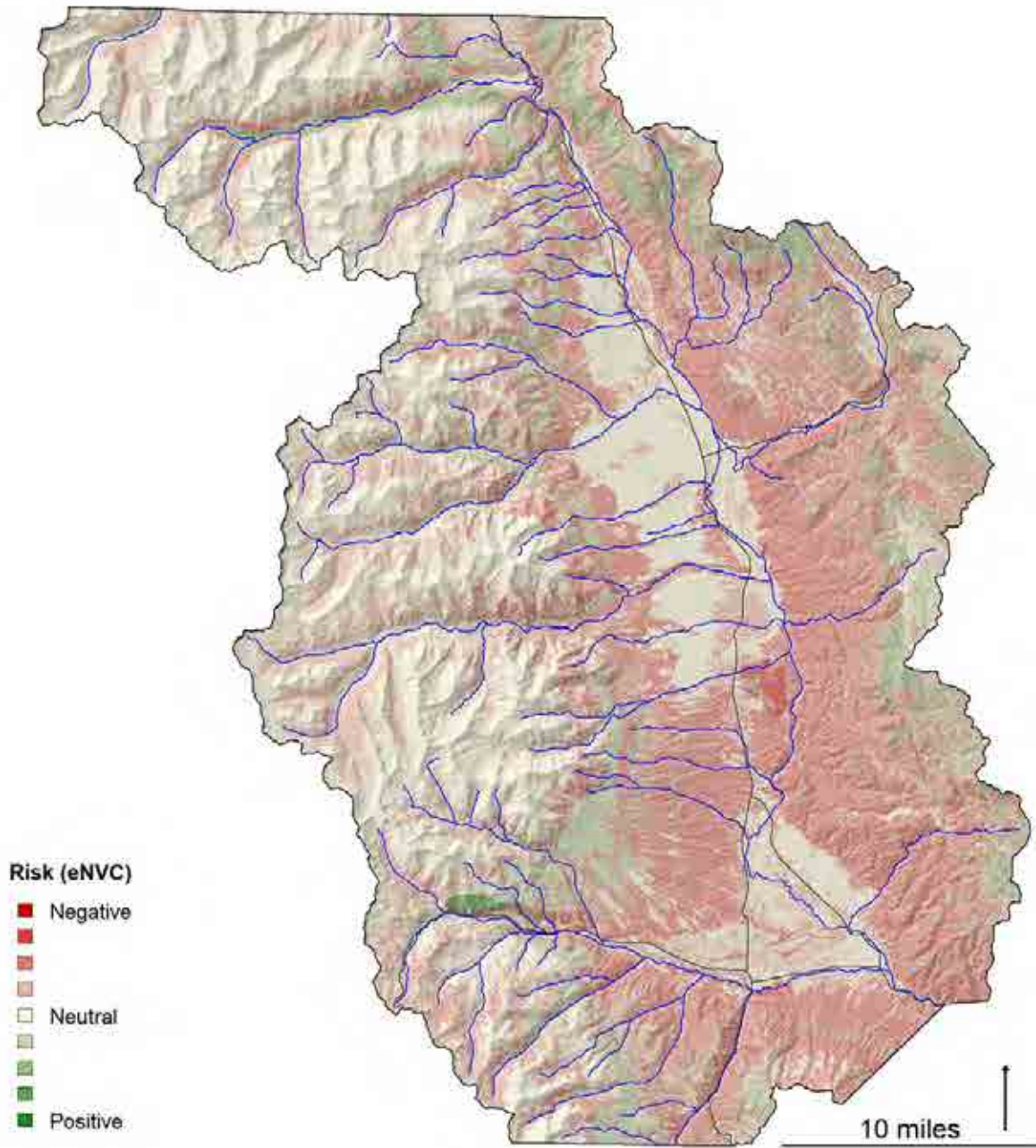


Figure 8: Wildfire risk to wildlife in Chaffee County. Negative eNVC means high risk. Positive eNVC means there is an expected benefit from fire.



# Recreation

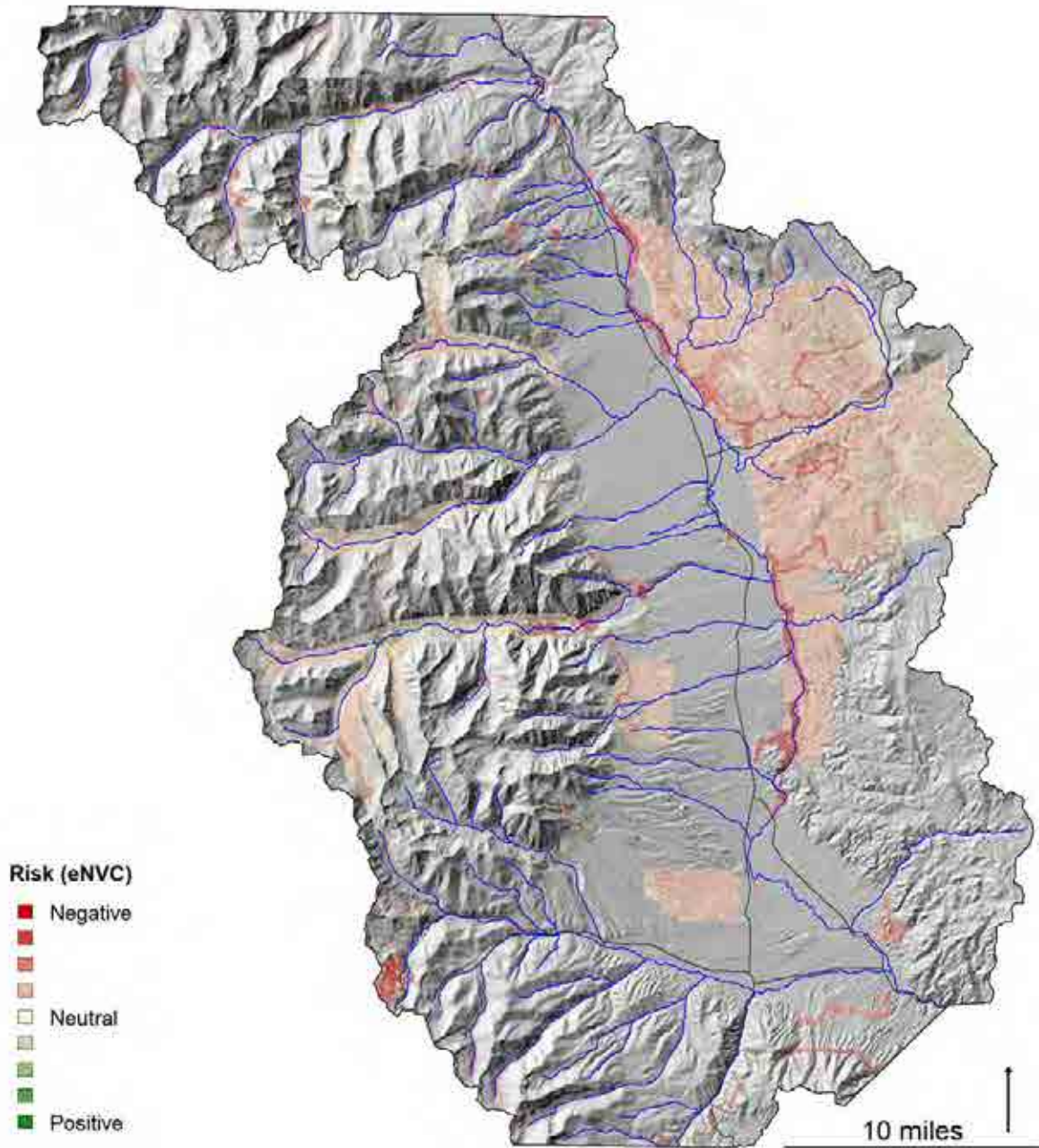


Figure 9: Wildfire risk to recreation in Chaffee County. Negative eNVC means high risk. Positive eNVC means there is an expected benefit from fire.



# Composite Conditional Net Value Change

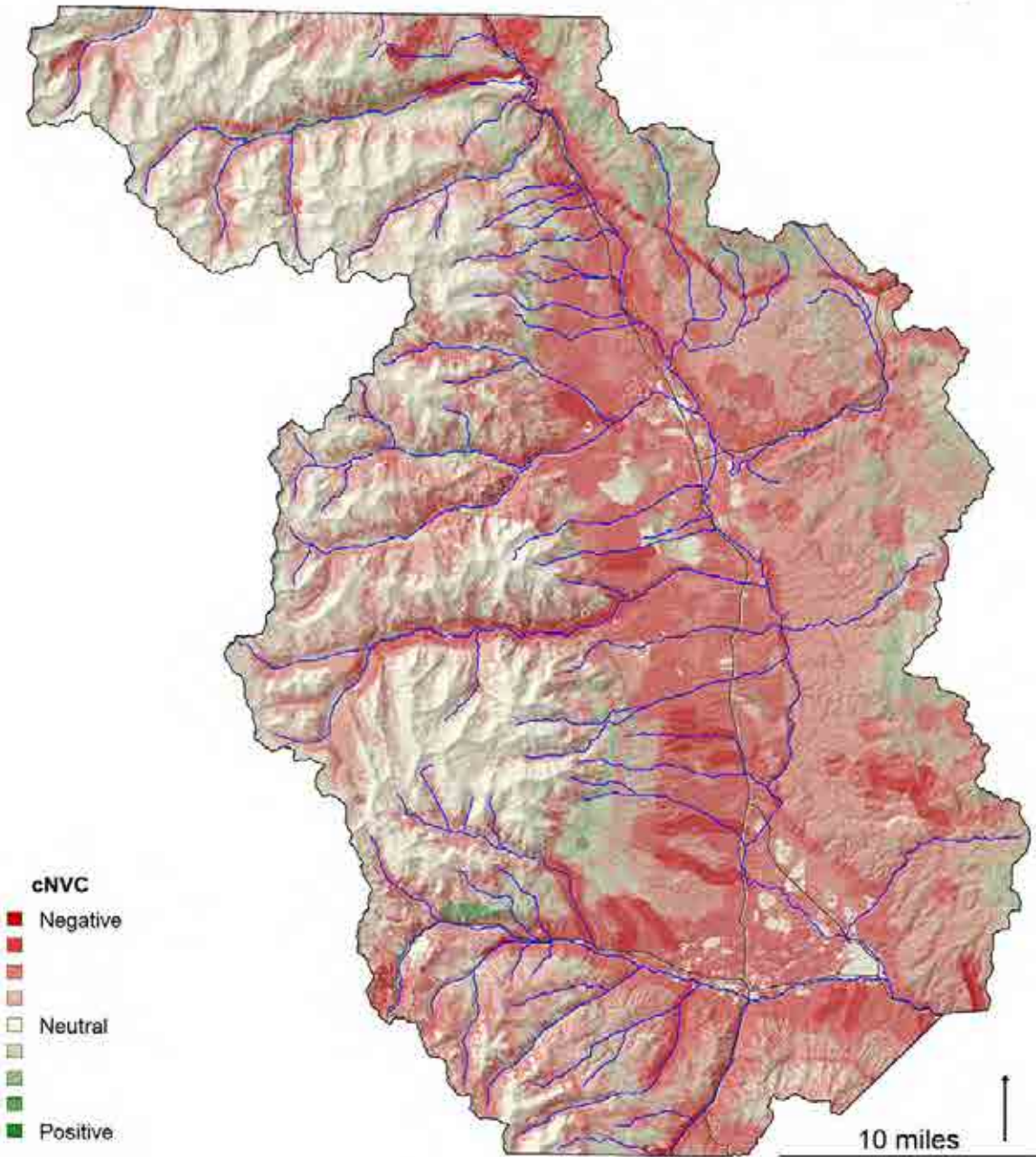


Figure 10: Composite conditional Net Value Change (cNVC) map for Chaffee County. Negative cNVC means net losses. Positive cNVC means net benefits.

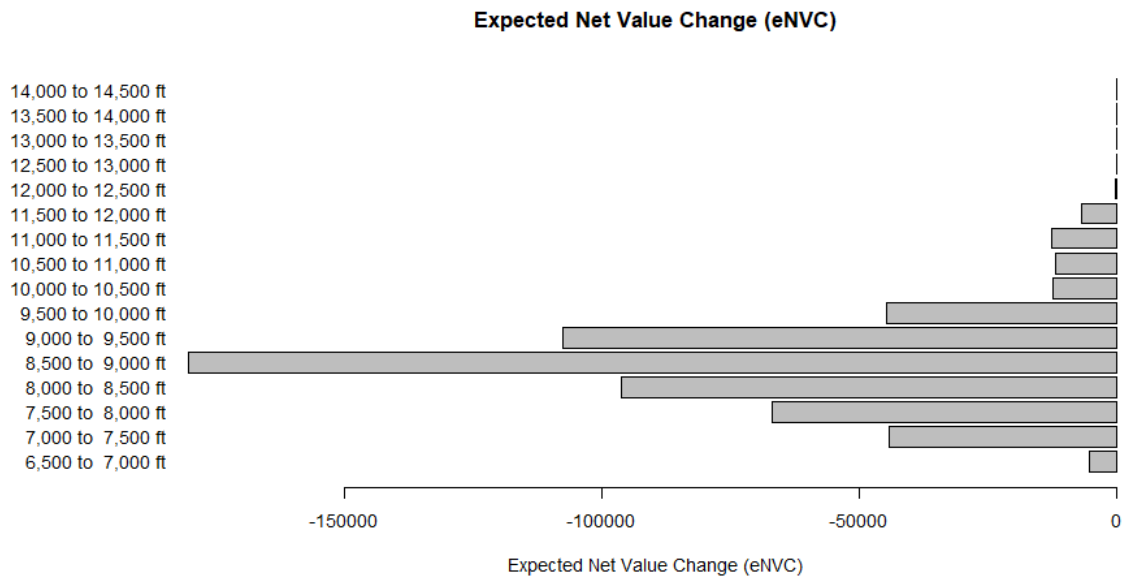


Figure 11: Risk (expected Net Value Change) distribution across elevation bins.

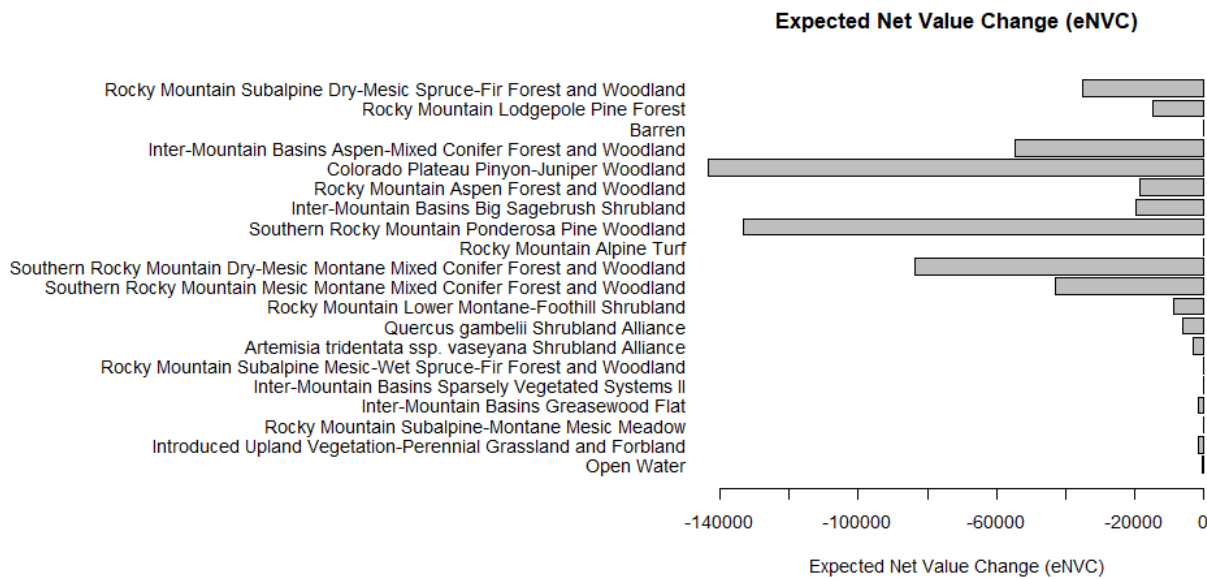


Figure 12: Risk (expected Net Value Change) by existing vegetation type from LANDFIRE (2014).

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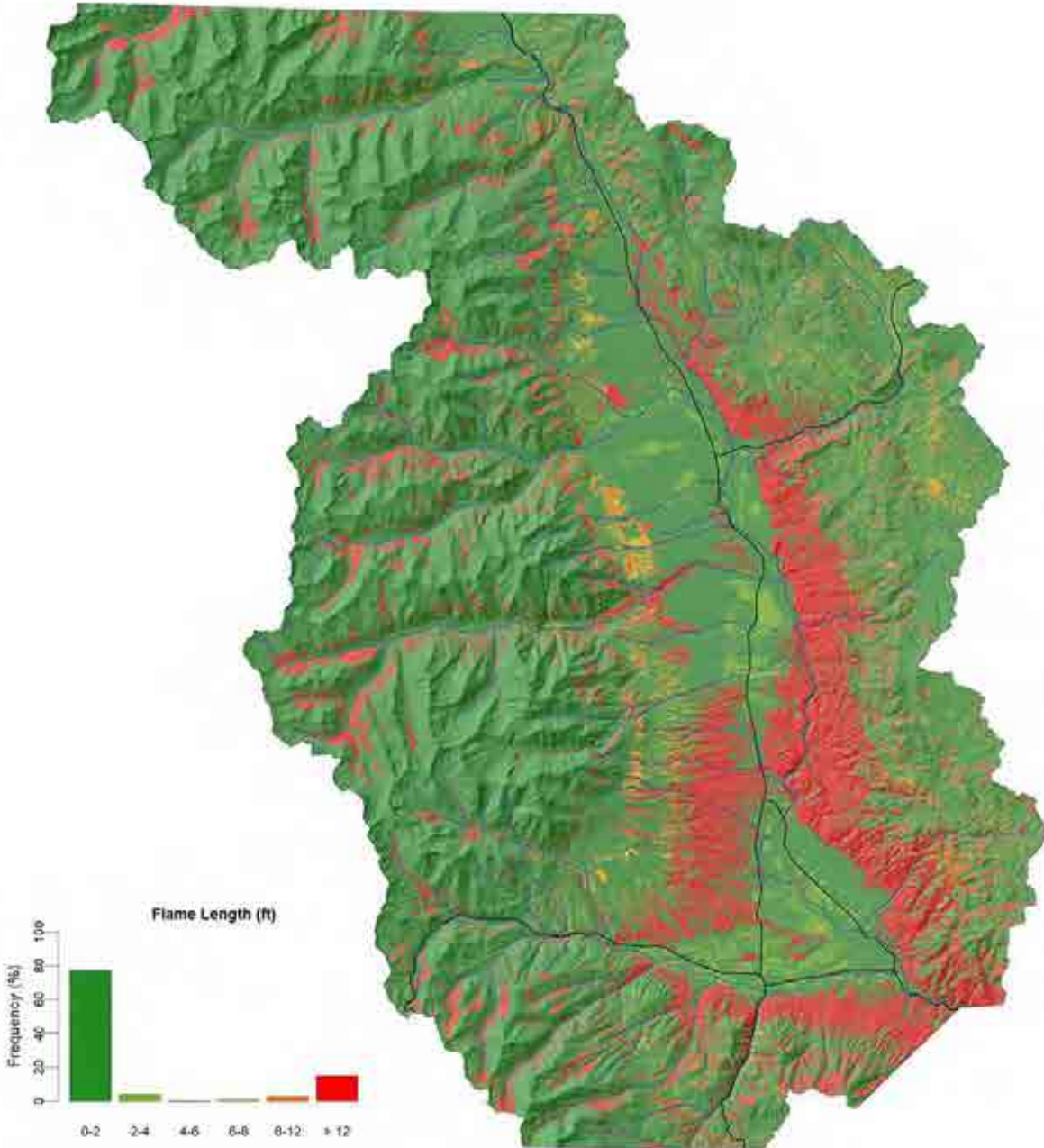
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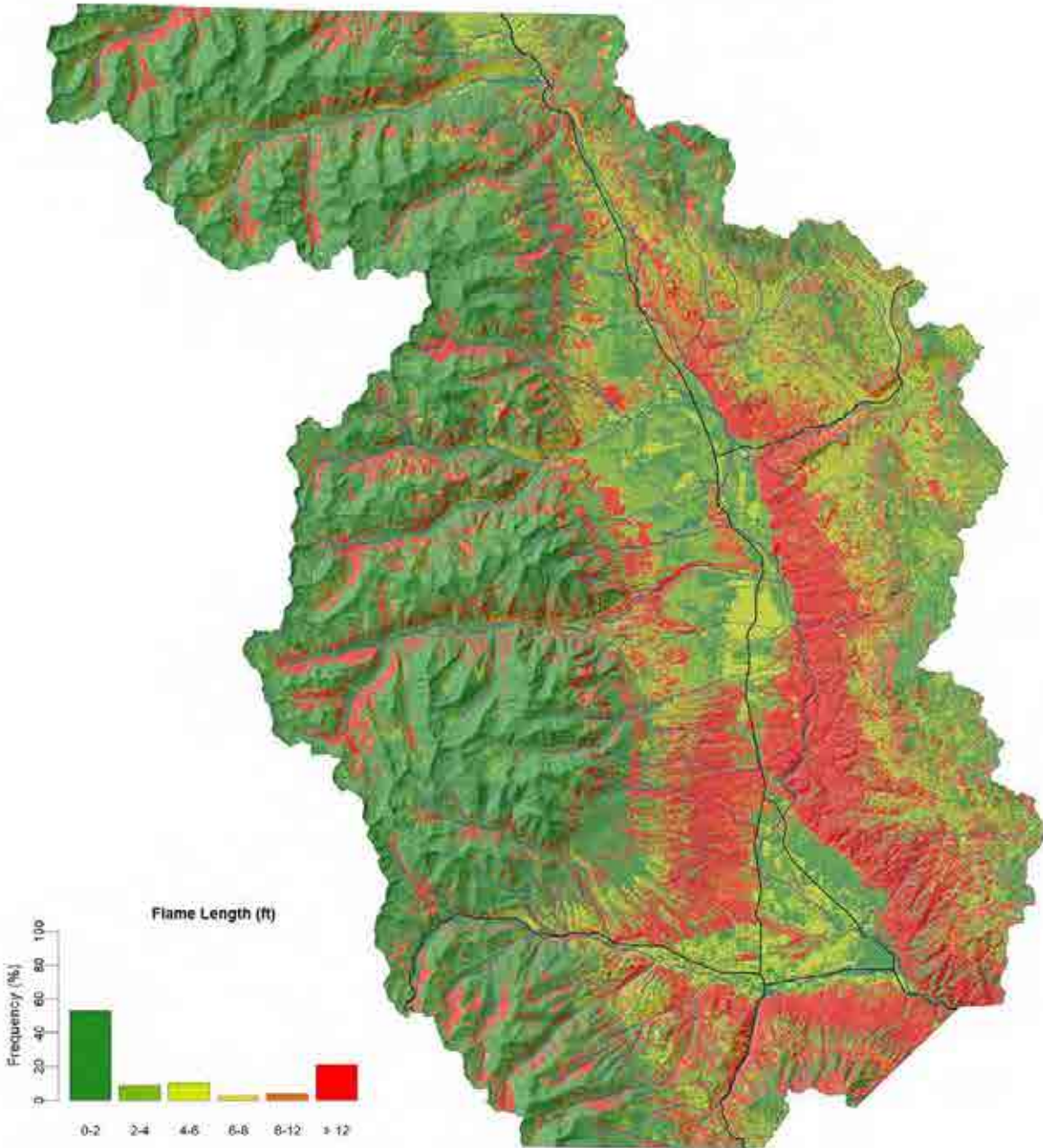
## Appendix I - Fire simulation products

### Flame Length - Low Scenario

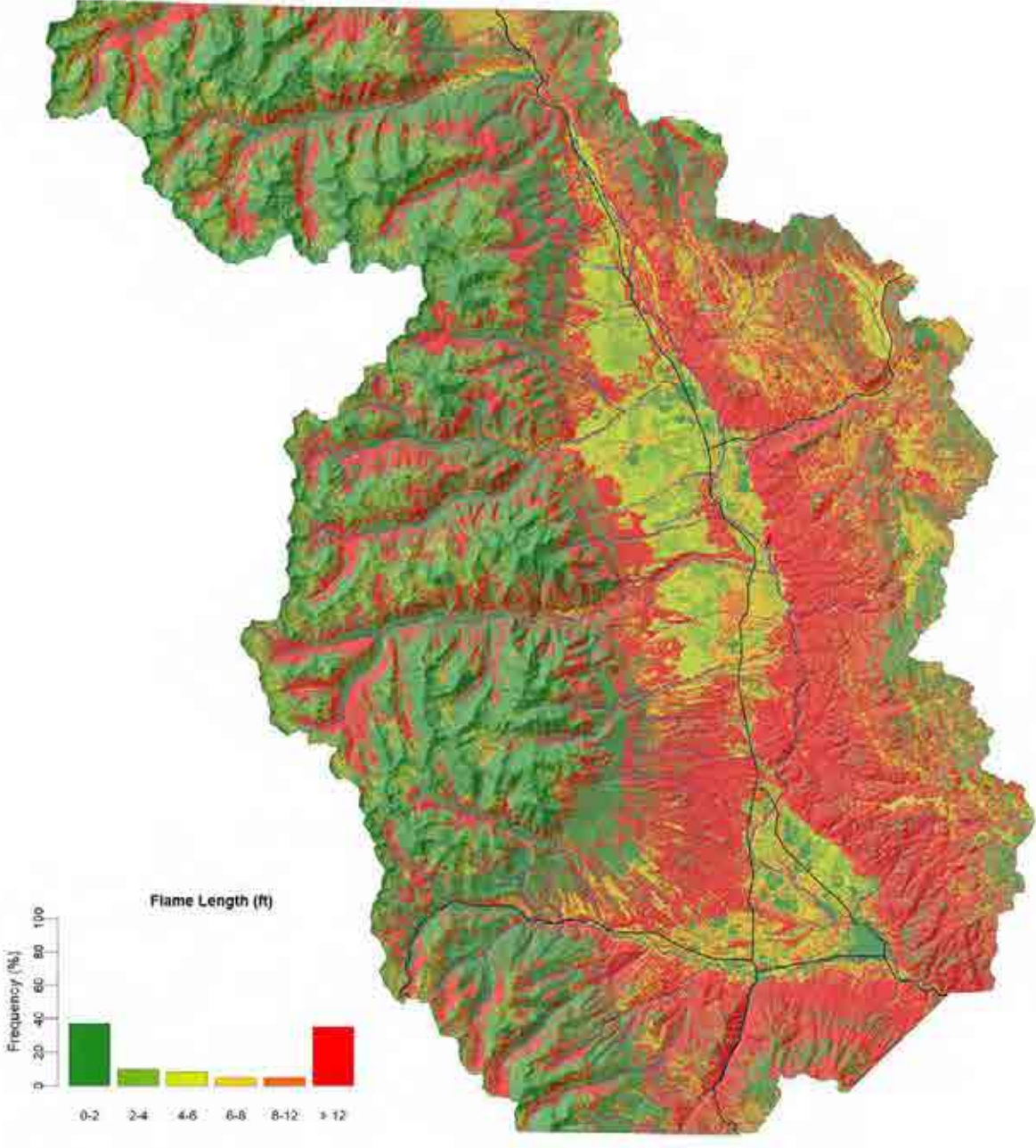




# Flame Length - Moderate Scenario

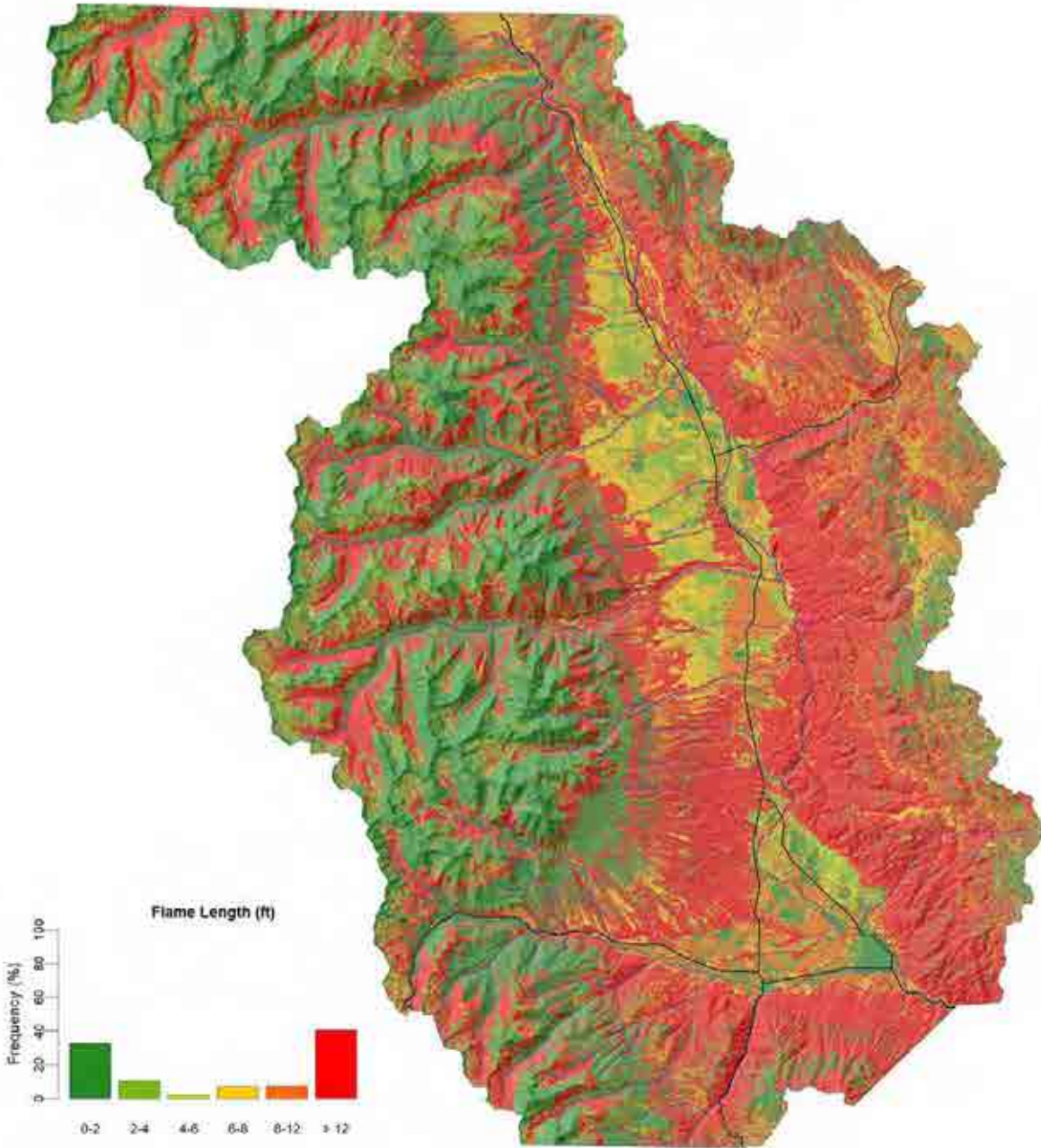


# Flame Length - High Scenario

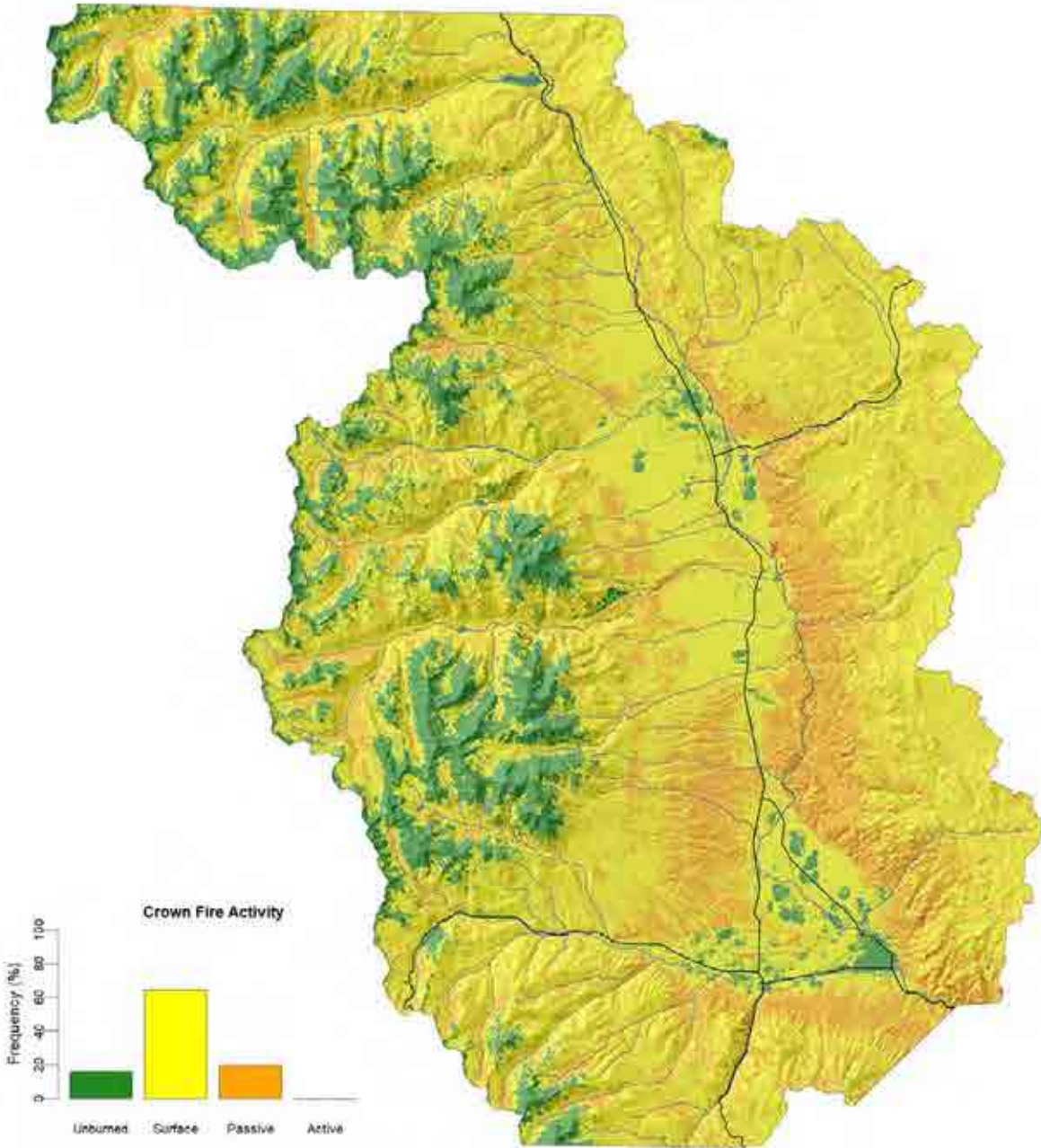




# Flame Length - Extreme Scenario

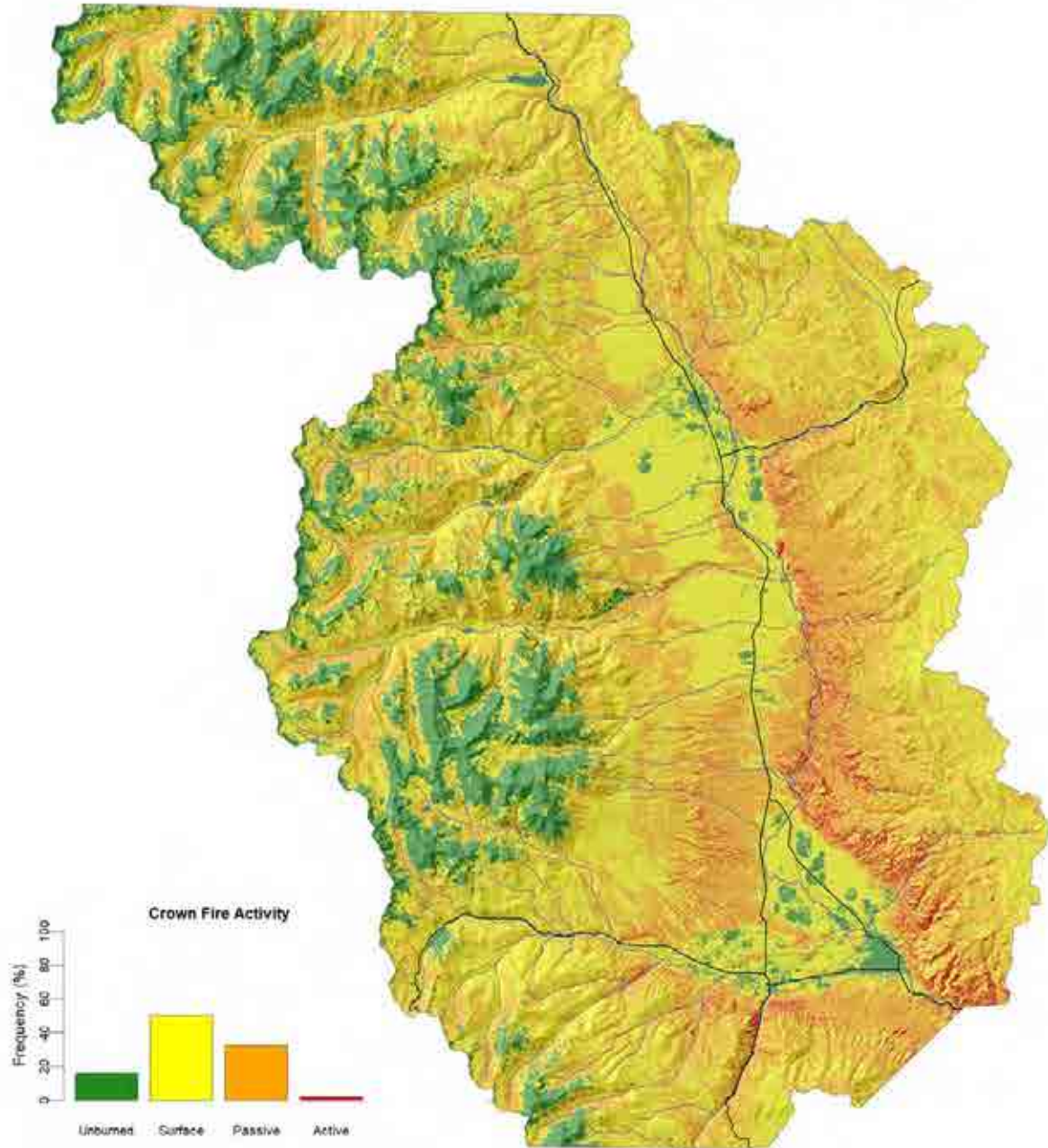


# Crown Fire Activity - Low Scenario

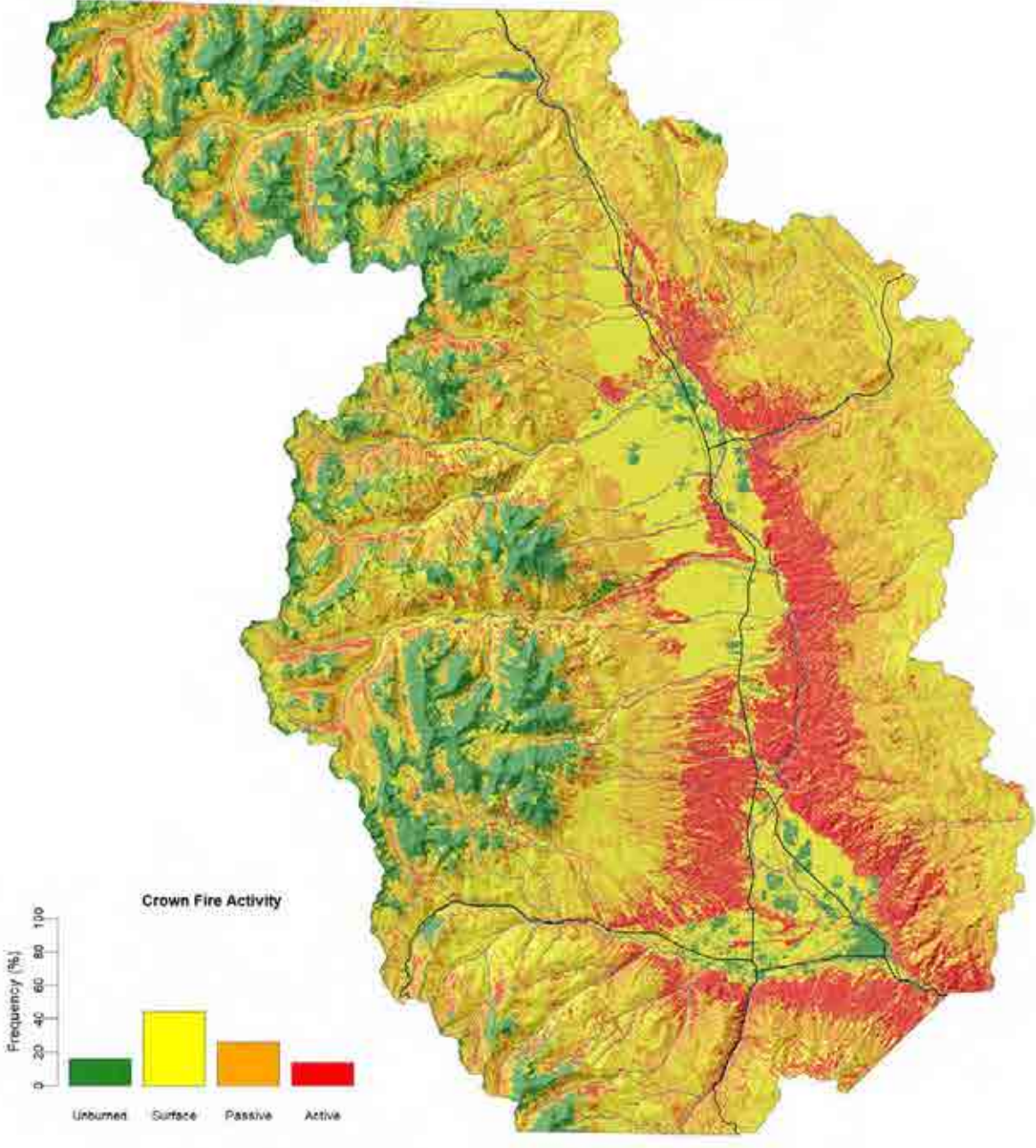




# Crown Fire Activity - Moderate Scenario

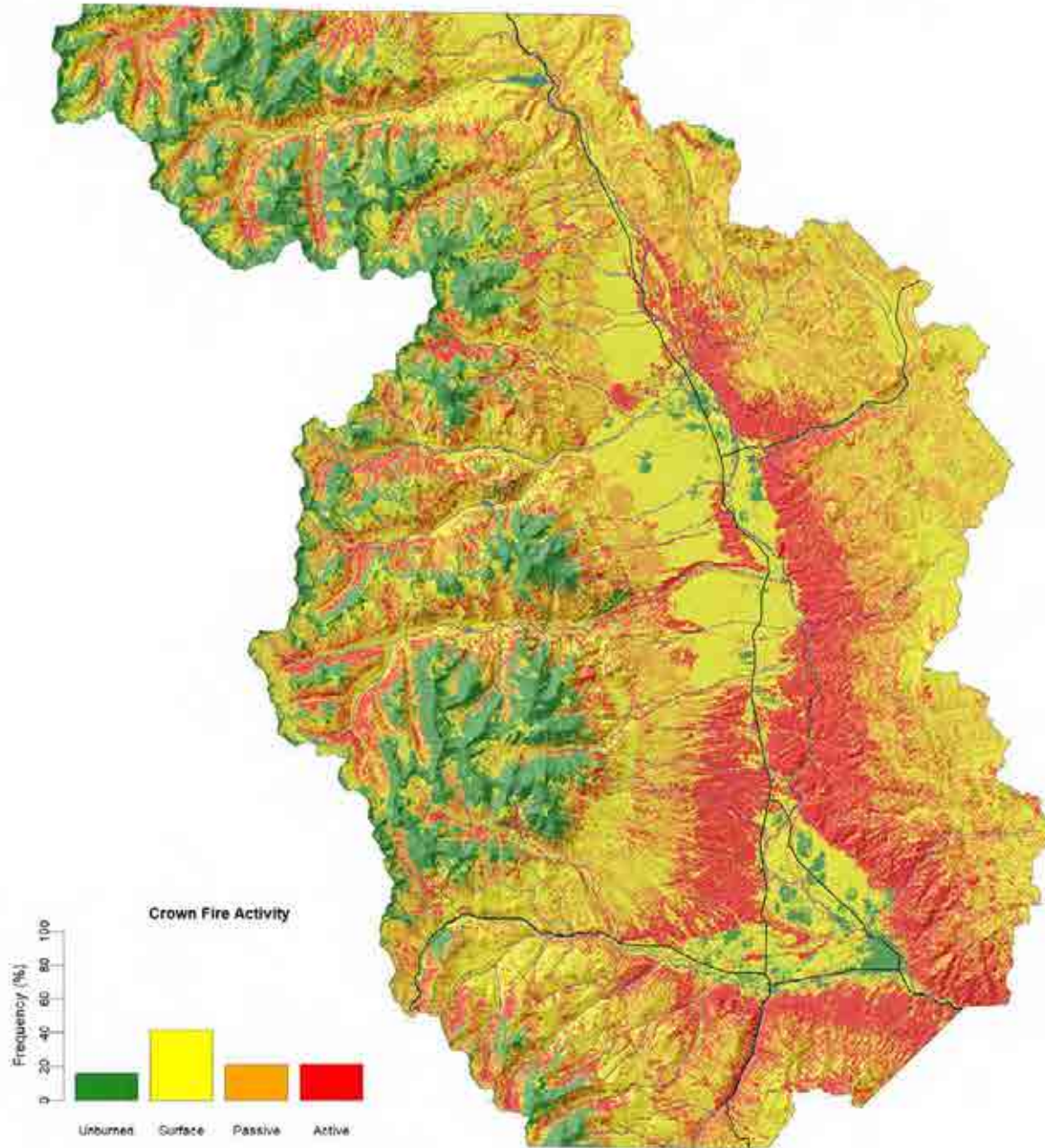


# Crown Fire Activity - High Scenario





# Crown Fire Activity - Extreme Scenario



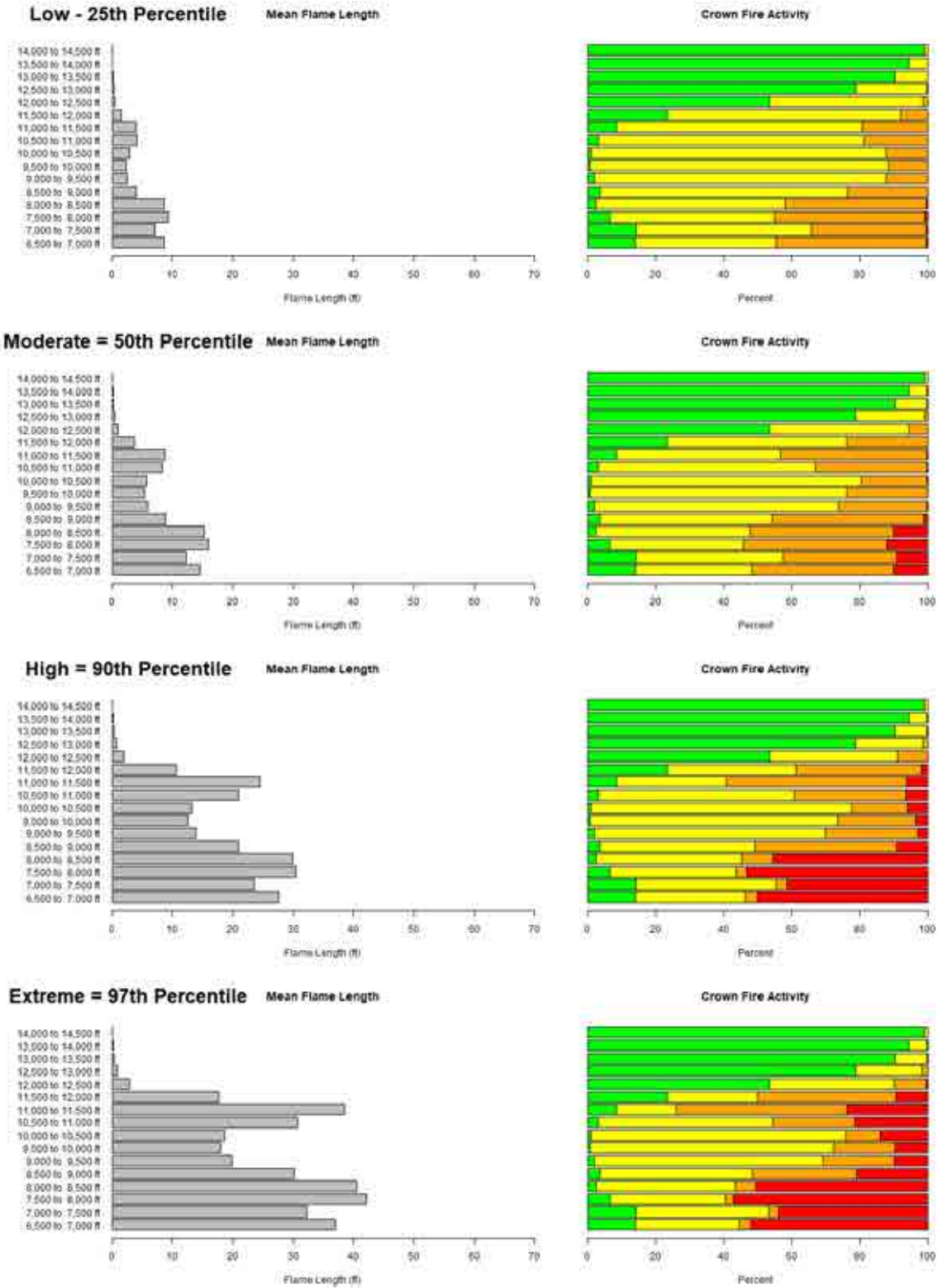


Figure 13: Summary of fire behavior by elevation. The stacked barplot color scheme is green = unburned, yellow = surface fire, orange = passive crown fire, and red = active crown fire.

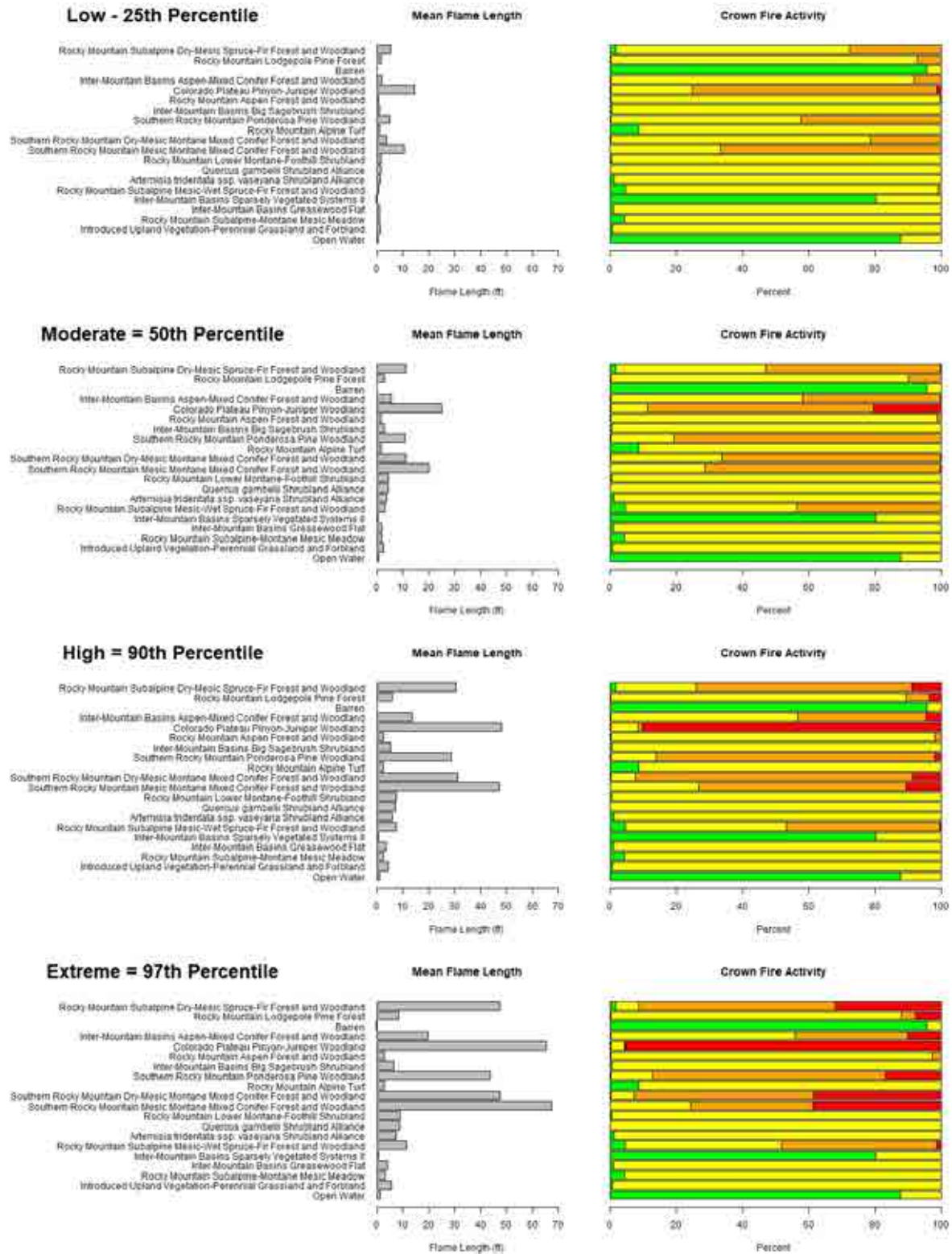


Figure 14: Summary of fire behavior by existing vegetation type from LANDFIRE (2014). The stacked barplot color scheme is green = unburned, yellow = surface fire, orange = passive crown fire, and red = active crown fire.

## Appendix II – Burn probability

Burn probability is a spatially explicit estimate of fire likelihood often derived from simulation modeling of fire spread, which can incorporate information on fire ignition sources, fire weather, fuels, topography, and barriers to fire spread (Finney 2005; Miller and Ager 2013; Scott *et al.* 2013). The precise methods for burn probability modeling vary by project objectives, model function, and model data requirements.

### *Critique of existing products*

The burn probability product originally chosen for this assessment came from the Colorado Wildfire Risk Assessment (CO-WRA) completed by Technosylva for the Colorado State Forest Service. Their methods involved a hybrid approach where:

- 1) fires were simulated from ignition points generated in a regular grid under high and extreme fire weather then processed to calculate burn probability as the number of times each pixel burned over the number of simulations; and
- 2) the resulting burn probability estimates were weighted based on a smoothed surface of historical ignition density (Technosylva 2018).

The results of this analysis are shown in Figure 15Figure 1. CO-WRA predicts much higher burn probability in the woodland, shrub, and grass vegetation types that dominate the low foothills and valley bottoms because these vegetation types are assigned fuel models with fast rates of spread. This simulation approach captures the shadowing effects of topography and barriers (rivers and highways) that oppose fire spread in the dominant wind directions (west and southwest). The National Large Fire Simulator (FSim) burn probability from Short *et al.* (2016) predicts similar burn probability patterns across vegetation types. The National FSim burn probability was deemed unsuitable for the assessment because the Arkansas Valley has a stark seamline through it from falling on the boundary between two fire modeling pyromes.

Both the Community Wildfire Protection Plan Working Group and members of the public expressed concern that the CO-WRA burn probability did not match their observations of recent fires or their expectations about fire occurrence across the County. CO-WRA predicts most fire activity will occur in low elevation pinyon pine and sagebrush vegetation (Figure 16; Figure 17), which conflicts with managers experience that large fires predominantly burn in mid- to high-elevation forests. A possible explanation for this discrepancy is that neither CO-WRA or National FSim account for initial attack success. Fire managers expressed that wildfire detection, accessibility, and resistance to control factors including fuel type and topography are the primary drivers of area burned. Fire managers expect greater potential for large fires in the timber fuel types, especially in spruce-fir forests affected by recent insect outbreaks, because of low accessibility and high resistance to control. In contrast, fires are quickly detected, accessed, and suppressed in the woodland, shrub, and grass vegetation types of the foothills and valley bottoms.



# Burn Probability

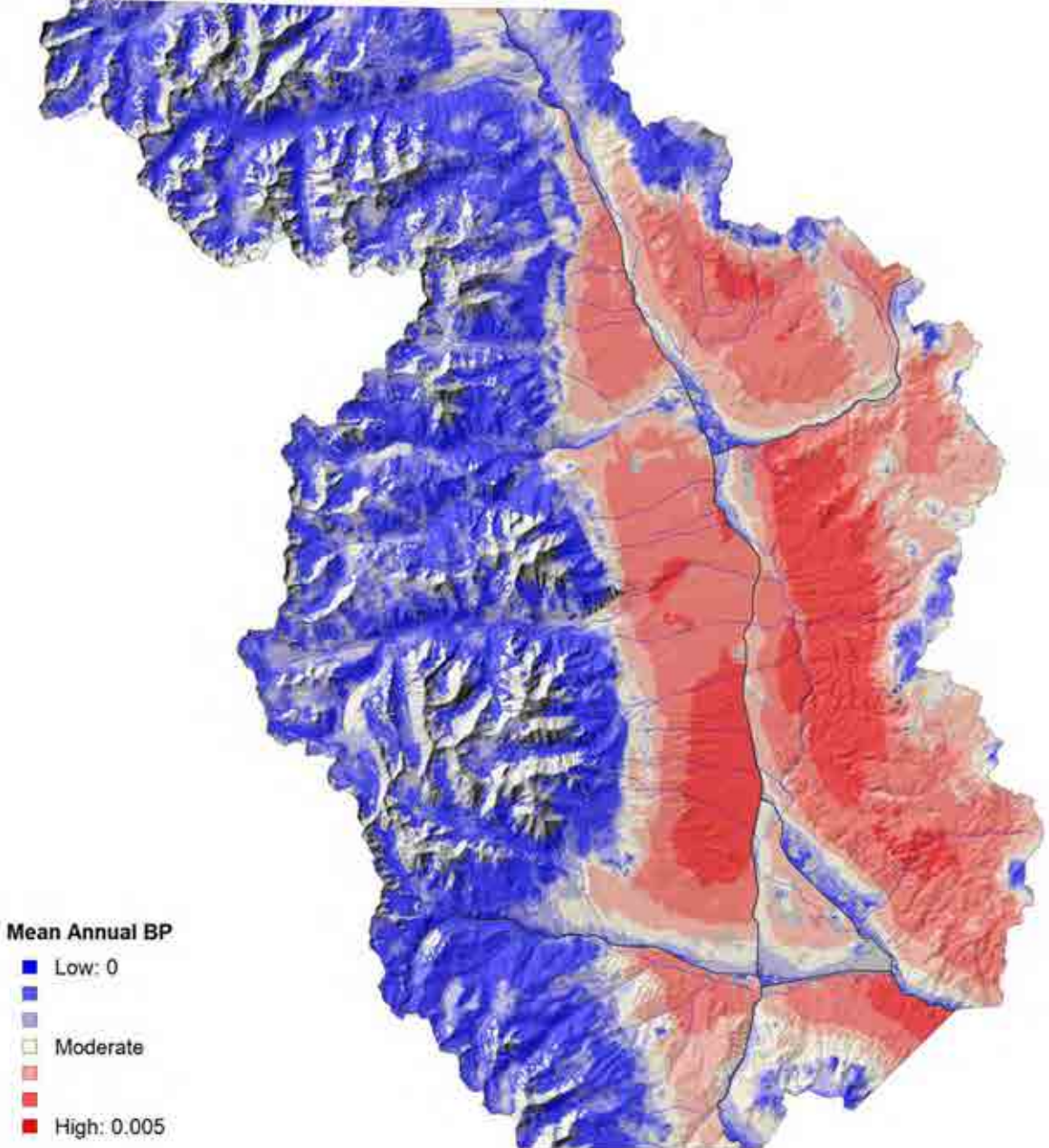


Figure 15: Burn probability from CO-WRA (Technosylva 2018). Note that values are binned into geometric intervals to enhance contrast.

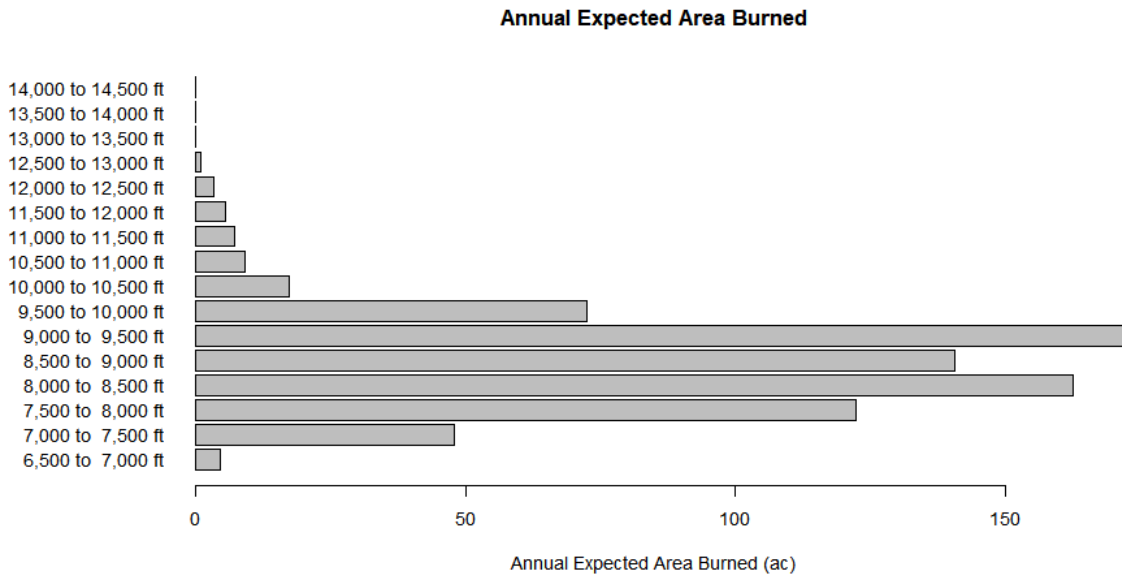


Figure 16: Expected area burned by elevation from the CO-WRA burn probability.

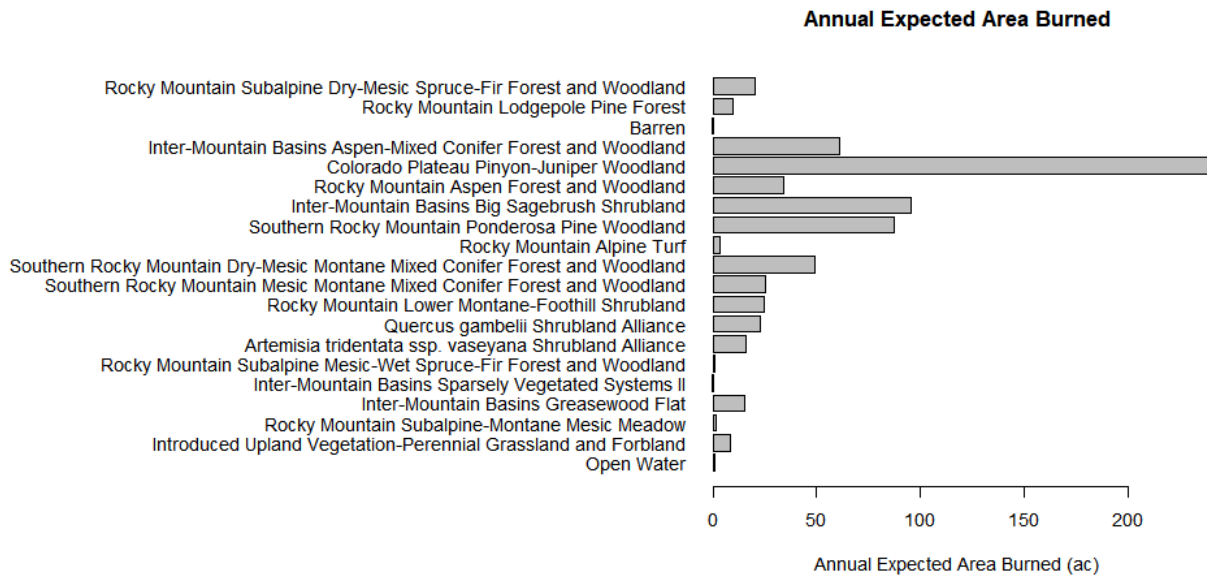


Figure 17: Expected area burned by LANDFIRE existing vegetation type from the CO-WRA burn probability.

### Empirical burn probability alternative

We developed an empirical estimate of burn probability based on historical observations of area burned by vegetation type within an analysis area defined by a 20-mile buffer around Chaffee County. The 20-mile buffer was chosen as a reasonable compromise between increasing the number of fire observations and ensuring biophysical conditions and fire management within the analysis area are representative of Chaffee County. Vegetation type

was chosen as the foundation for burn probability because of the obvious connection to fuel conditions and its association with elevation and topography which influence accessibility and resistance to control.

We assembled fire history records from Monitoring Trends in Burn Severity (MTBS 2019), the Geospatial Multi-Agency Coordination (GeoMAC; 2019), and the Fire Occurrence Database (FOD; Short *et al.* 2017). The dataset characteristics are described in Table 6.

Table 6: Fire history sources used in the analysis.

Source	Format	Fire types	Time span (years)
MTBS	Final perimeter polygons	Large fires (> 1,000 ac)	1984-2017
GeoMAC	Daily perimeter polygons	Fires of significant concern (generally large fires)	2000-2019
FOD	Point	All available fire location data from multiple agencies	1992-2015

To make use of these three fire history datasets, we first standardized attributes and converted FOD points into polygons based on reported fire size assuming a circular fire shape. Most large fires are captured by MTBS and GeoMAC, so the assumption of circular shape has little influence on estimates of area burned by vegetation. The FOD point data were also dissolved by fire name and year to reduce the influence of duplicate reports. GeoMAC daily fire perimeters were dissolved by fire name and year to represent the final fire perimeters. The three datasets were then merged and manually critiqued to select the best representation of fires captured in multiple datasets and to remove any obvious duplicate records. The final fire history record included 954 fires, 16 of which came from GeoMAC and 938 of which came from the FOD (Figure 18). These fires collectively burned 50,524 acres of the 3,276,751 acre analysis extent. No MTBS fires were included in the analysis because all were documented with higher precision by GeoMAC.

Vegetation type was characterized with Existing Vegetation Type (EVT) from LANDFIRE (2014). A GIS was used to calculate the area burned by vegetation type for each fire. The records were then summarized to calculate the total area burned by vegetation type within the analysis area. Burn probability was then calculated for each vegetation type as the observed area burned divided by the total area of the vegetation type divided by the period of the fire history record (1992-2019). The resulting probabilities were then mapped to vegetation types using a GIS. Two modifications were made for logical consistency: 1) any areas mapped as non-burnable by LANDFIRE (2014) were reassigned zero burn probability, and 2) any areas mapped as burnable by LANDFIRE but without a history of fire were assigned the lower 5<sup>th</sup> percentile of non-zero burn probabilities. The empirical burn probability results are shown in Figure 19. The historical

records suggest that fire activity is more prevalent at in mid- to high-elevation forests and far less prevalent in pinyon pine woodlands than predicted by CO-WRAP (Figure 20; Figure 21).

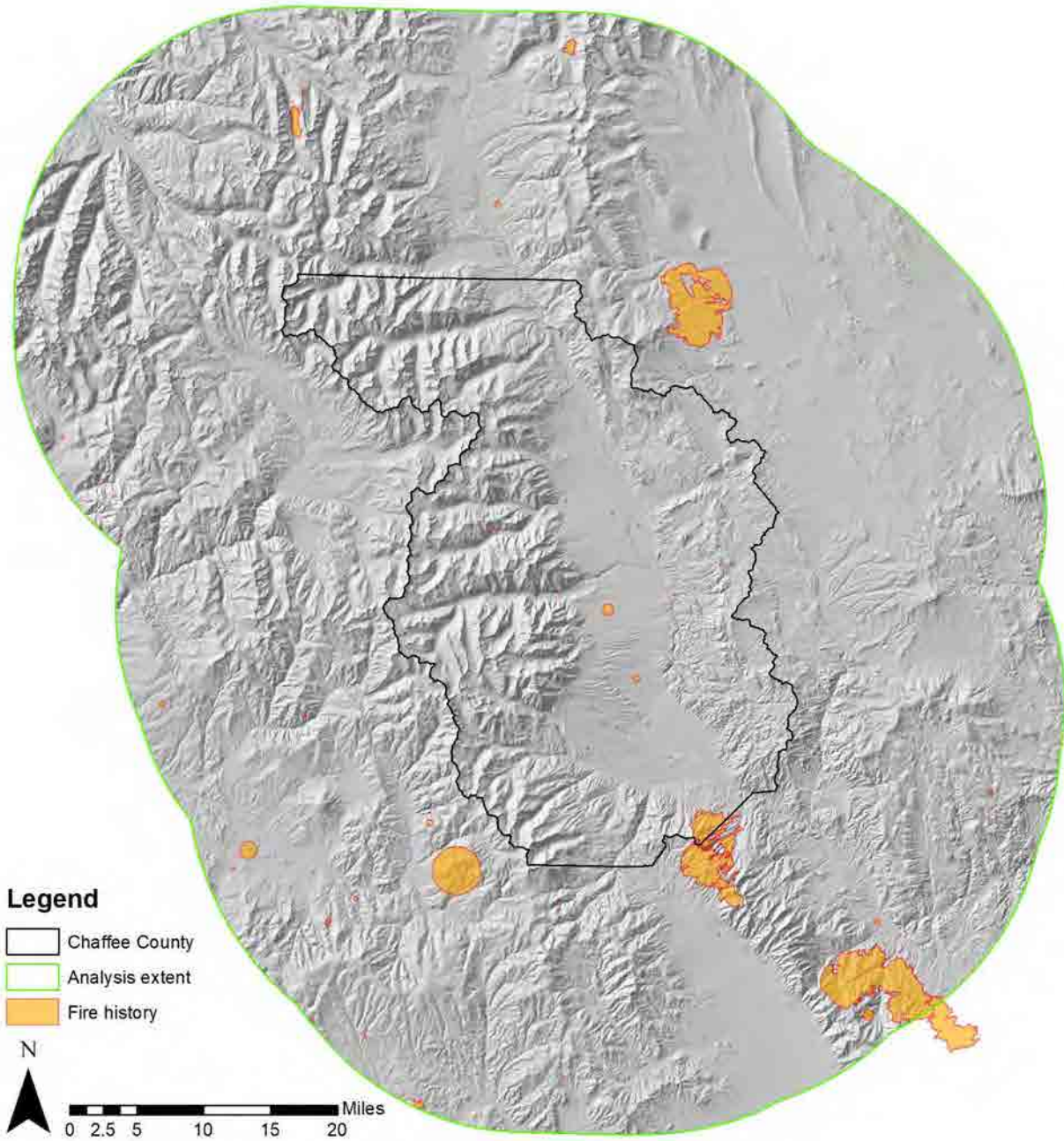


Figure 18: Fires used in the empirical burn probability analysis.



# Burn Probability

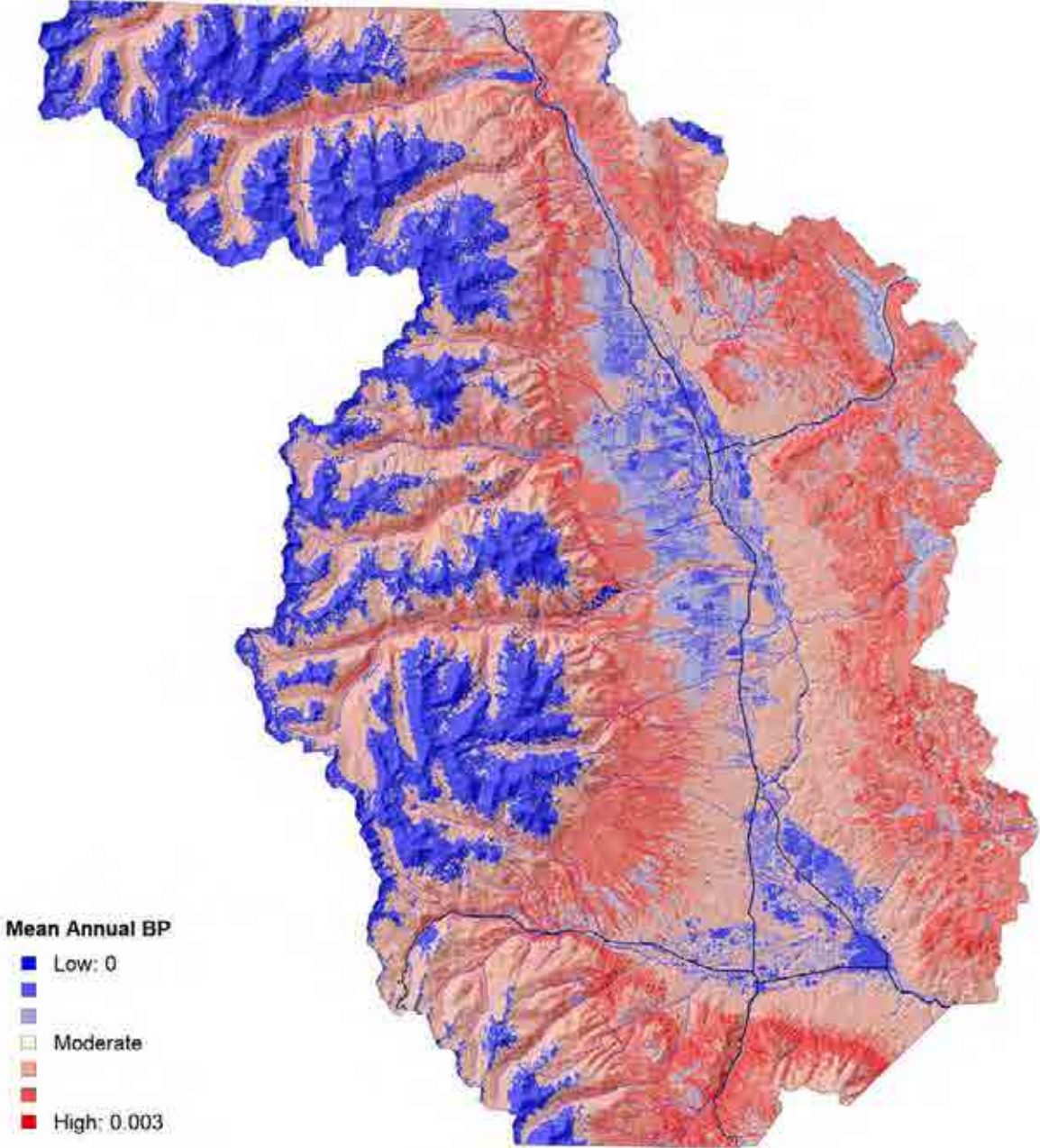


Figure 19: Empirical burn probability by vegetation type used for the Chaffee County Risk Assessment.

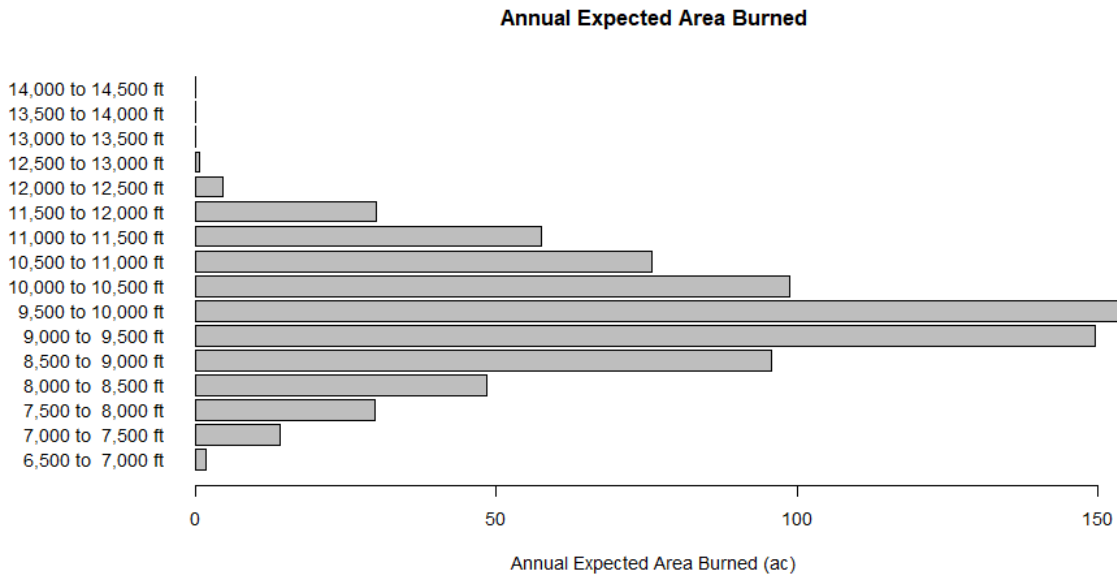


Figure 20: Expected area burned by elevation from the empirical burn probability estimates.

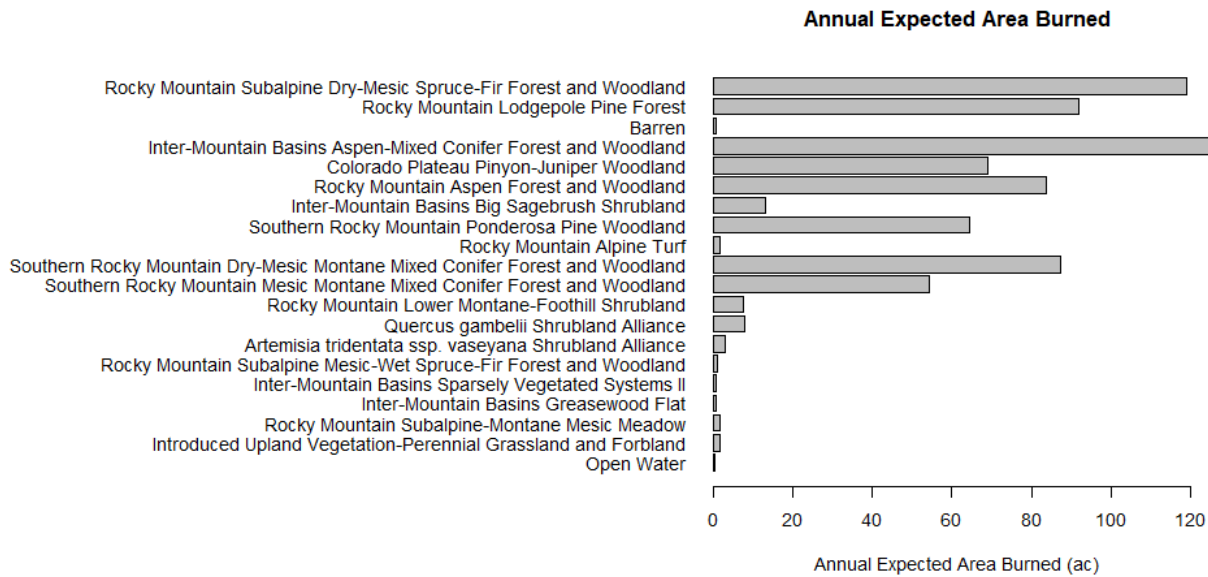


Figure 21: Expected area burned by LANDFIRE existing vegetation type from the CO-WRA burn probability.

### Community Wildfire Protection Plan Working Group input

Forest and fire managers in the Community Wildfire Protection Plan Working Group expressed opinions that the empirical burn probability was a more accurate representation of fire likelihood than the CO-WRAP product and voted unanimously at the November 1<sup>st</sup>, 2019 meeting to use the empirical burn probability. The Colorado Forest Restoration Institute team

made it clear that using historical estimates of burn probability by vegetation type has several limitations including:

1. **Small sample size.** Just three fires account for 75% of the observed area burned and just five fires account for 90% of the area burned (Table 7).
2. **Space for time substitution.** We made a space for time substitution to increase the fire observation size, which can introduce error if biophysical conditions and fire management differ outside Chaffee County.
3. **Imperfect fire history and vegetation data.** The spatial precision of the fire occurrence data is imperfect and use of the FOD required the assumption of circular fires. Inaccuracies in the existing vegetation type from LANDFIRE (2014) or poor match between current vegetation and vegetation at the time of fire occurrence may contribute to errors in the analysis.
4. **No accounting of factors other than vegetation.** Burn probability can also vary across large landscapes due to spatial variation in ignition sources, climate, topography, barriers to fire spread, and fire management.
5. **No accounting of past fire effects on future burn probability.** Past fire occurrence can modify future fire spread, especially in recently burned areas. However, this is probably of minor concern given that only 1.5% of the analysis extent burned in the last 27 years.

Although there are limitations with this simple empirical approach, it is consistent with west-wide models of burn probability that account for additional factors. For example, Parisien *et al.* (2012) found that burn probability increases with measures of remoteness and topographic roughness, which are interpreted as proxies for fire suppression influence. They also found fire activity peaked at intermediate levels of gross primary productivity, which are associated with forested vegetation, and increase unimodally with the proportional coverage of burnable fuels, which decreases near agricultural and urban land uses. In fact, their maps show much lower burn probability in the grass and shrub dominated valleys of Colorado compared to forests, which agrees with our empirical estimates but conflicts with both CO-WRAP and National FSim models of burn probability. The trend of most area burning in mid- to high-elevation forests around Chaffee County is also consistent with changing perceptions of firefighter risk and appropriate suppression strategies in beetle impacted forests (Page *et al.* 2013; Moriarty *et al.* 2019). The shift towards indirect fire containment versus direct attack in forest with abundant snags and jackstrawed logs implies that we may see more area burning in lodgepole pine and spruce-fir forests than we did in the past.

Table 7: Characteristics of fires that burned more than 100 acres in the analysis extent.

Name	Year	Source	Acres burned	Cum. Percent	Most abundant vegetation type	Second most abundant vegetation type
Hayden Pass	2016	GeoMAC	16,274	32.2	Southern Rocky Mountain Dry-Mesic Montane Mixed Conifer Forest and Woodland	Colorado Plateau Pinyon-Juniper Woodland
Weston Pass	2018	GeoMAC	13,035	58.0	Inter-Mountain Basins Aspen-Mixed Conifer Forest and Woodland	Southern Rocky Mountain Ponderosa Pine Woodland
Decker	2019	GeoMAC	8,900	75.6	Rocky Mountain Subalpine Dry-Mesic Spruce-Fir Forest and Woodland	Rocky Mountain Aspen Forest and Woodland
Mustang Creek	2000	FOD	6,495	88.5	Rocky Mountain Lodgepole Pine Forest	Rocky Mountain Subalpine Dry-Mesic Spruce-Fir Forest and Woodland
Ox Cart	2013	GeoMAC	1,153	90.8	Barren	Southern Rocky Mountain Montane-Subalpine Grassland
Doyleville	2012	FOD	801	92.3	Rocky Mountain Lower Montane-Foothill Shrubland	Western Cool Temperate Pasture and Hayland
Granite lake	2019	GeoMAC	722	93.8	Rocky Mountain Subalpine Dry-Mesic Spruce-Fir Forest and Woodland	Barren
Treasure	2012	GeoMAC	415	94.6	Rocky Mountain Subalpine Dry-Mesic Spruce-Fir Forest and Woodland	Southern Rocky Mountain Montane-Subalpine Grassland
Unnamed	2010	FOD	344	95.3	Colorado Plateau Pinyon-Juniper Woodland	Inter-Mountain Basins Big Sagebrush Shrubland
Duckett	2011	GeoMAC	327	95.9	Southern Rocky Mountain Dry-Mesic Montane Mixed Conifer Forest and Woodland	Inter-Mountain Basins Semi-Desert Grassland
Big Cottonwood	2007	FOD	295	96.5	Rocky Mountain Subalpine Dry-Mesic Spruce-Fir Forest and Woodland	Rocky Mountain Lodgepole Pine Forest
Trickle Mountain	2013	GeoMAC	205	96.9	Southern Rocky Mountain Montane-Subalpine Grassland	Southern Rocky Mountain Ponderosa Pine Woodland
Unnamed	1992	FOD	112	97.1	Rocky Mountain Lodgepole Pine Forest	Rocky Mountain Subalpine Dry-Mesic Spruce-Fir Forest and Woodland
Buck Park #2 WFU	2005	FOD	110	97.4	Colorado Plateau Pinyon-Juniper Woodland	Inter-Mountain Basins Big Sagebrush Shrubland



## Appendix III – Watershed related Conditional Net Value Change (cNVC)

Wildfire risk to watershed related HVRAs was assessed with a separate process that modeled potential post-fire erosion and sediment transport to water supply diversions, reservoirs, and aquatic habitat following the methods in Gannon *et al.* (2019). Soil burn severity was predicted by mapping crown fire activity (Scott and Reinhardt 2001) categories of surface fire, passive crown fire, and active crown fire to low, moderate, and high severity respectively. Post-fire erosion was estimated with the Revised Universal Soil Loss Equation (Renard *et al.* 1997) using empirical observations of post-fire change in cover and soil erodibility by burn severity (Larsen and MacDonald 2007). Sediment transport to water supplies was estimated based on empirical models of hillslope and channel sediment delivery ratio (Wagenbrenner and Robichaud 2014; Frickel *et al.* 1975). This workflow supports pixel-level estimates of the sediment generated in each pixel that is delivered to downstream values at risk.

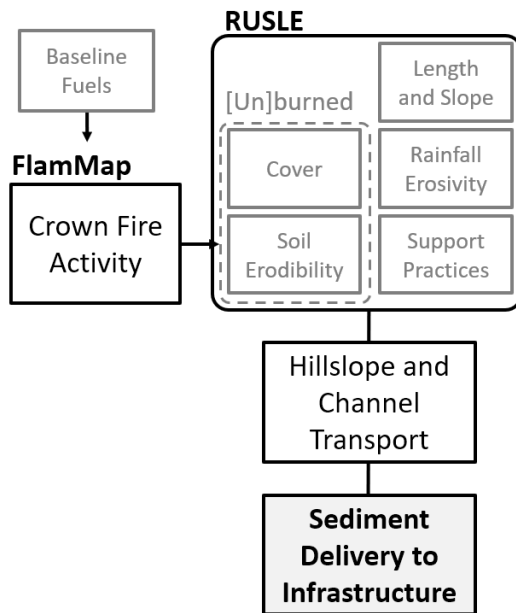


Figure 22: Workflow used to quantify potential post-fire sediment delivery to water infrastructure from each pixel of the landscape.

This framework was applied with slight modifications to quantify the conditional net value change of critical water supplies, surface diversions, ground diversions, and aquatic habitat. Like the regular cNVC calculations, these metrics were calculated for each fire weather scenario and then combined into a single cNVC raster by a weighting averaging using their probabilities of occurrence (Table 4). Local critique of the erosion outputs revealed that an area of erosion concern around the Chalk Cliffs was not represented in the soils data. We increased soil erodibility by a factor of five to account for the extreme erosion hazard in the zeolite alteration zone (Coe *et al.* 2010).

### *Critical Water Supplies*

For critical water supplies, local stakeholder input was used to rank their relative importance on a scale from 0 for least important to 1 for most important. These ratings were applied as weights to express the importance (impact) of sediment delivered to each water supply. It was assumed that  $\geq 50 \text{ Mg ha}^{-1}$  of sediment delivery to infrastructure in the first post-fire year is a dramatic loss based on the reported sediment yield from hillslope erosion after the 1996 Buffalo Creek Fire ( $68 \text{ Mg ha}^{-1}$ ; Moody and Martin 2001). Therefore, the pixel-level estimates of sediment delivery to water infrastructure were linearly rescaled so that 0 to  $50 \text{ Mg ha}^{-1}$  corresponds to 0 to -100 percent value change. The final cNVC is mapped in Figure 23.

*Table 8: Relative importance of critical water supplies as defined by local stakeholders.*

<b>Name</b>	<b>Rel. Imp.</b>
Buena Vista Diversion	1
Salida Diversion	1
Cottonwood Lake	0.4
O'Haver Lake	0.4
North Fork Reservoir	0.2
Pasquale Springs	0.12
Boss Lake Reservoir	0.12
Rainbow Lake	0.12
Alpine Lake	0.12
Clear Creek Reservoir	0.12
Moltz Reservoir	0.12
Twin Lakes	0.12

## Critical Water Supplies

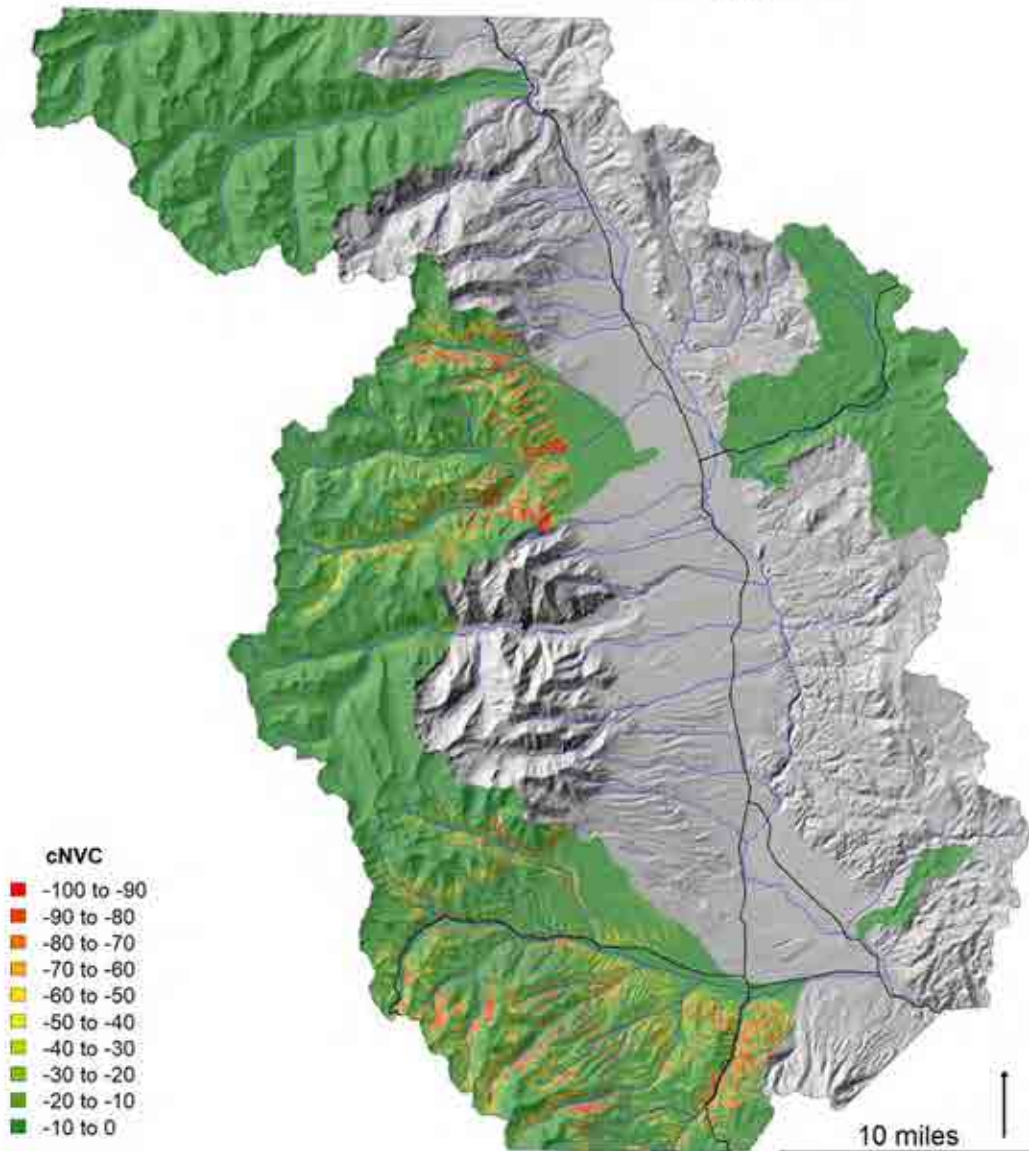


Figure 23: Critical water supplies conditional Net Value Change.

### Surface Diversions

It was acknowledged that many small surface diversions exist for drinking and agricultural water. To capture these, we summed the total decreed diversion rate (in cfs) for ditches and pipelines in the Colorado Division of Water Resources (CODWR) structures database for each catchment. This measure was then normalized to a scale from 0 to 1 by dividing by the maximum catchment-level diversion rate (in cfs) and applied as weights to the sediment delivery predictions. It was assumed these structures have similar sensitivity as the critical water supplies. Therefore, the pixel-level estimates of sediment delivery to water infrastructure

were linearly rescaled so that 0 to 50 Mg ha<sup>-1</sup> corresponds to 0 to -100 percent value change. The final cNVC is mapped in Figure 24.

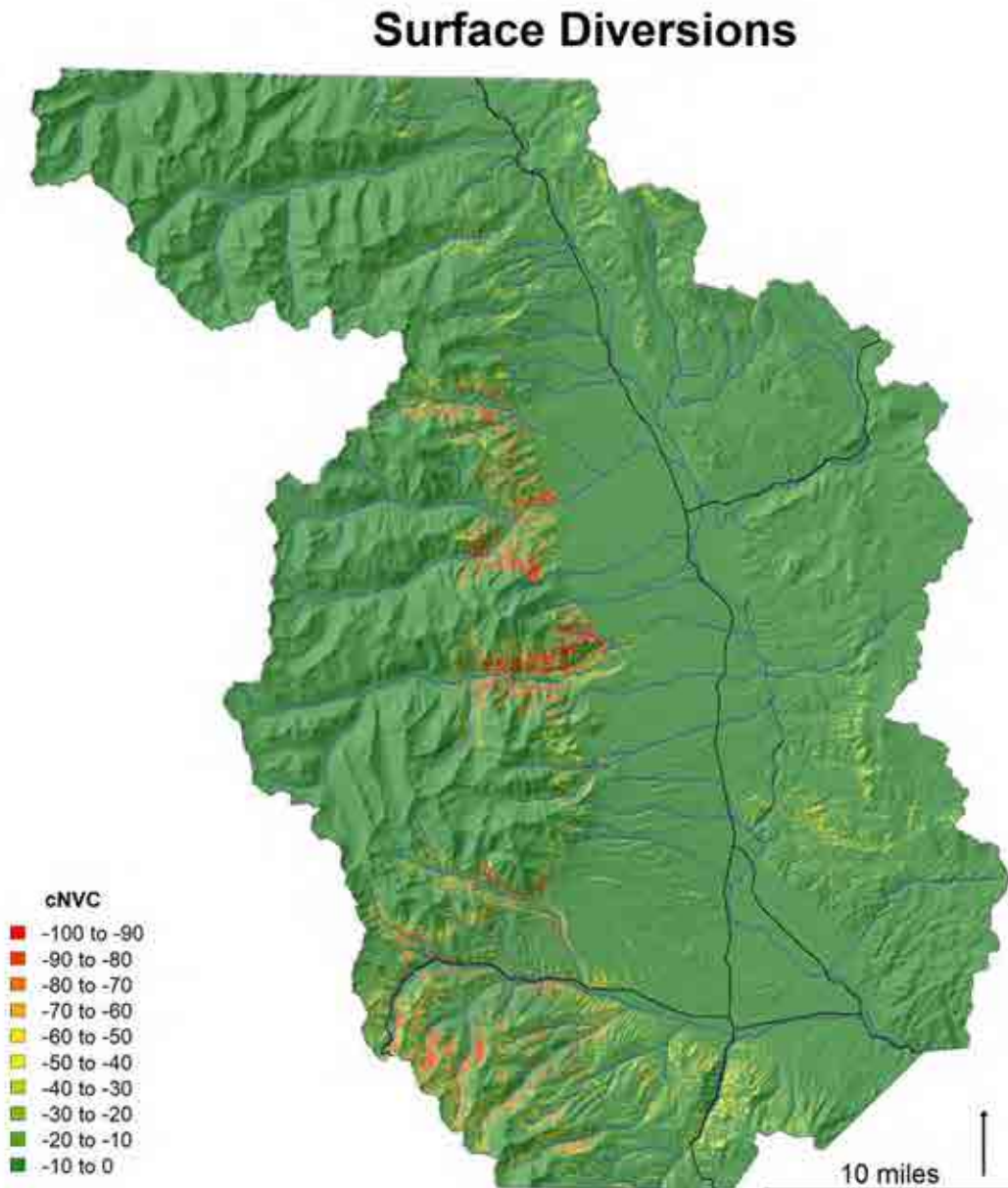


Figure 24: Surface diversions conditional Net Value Change.

### Ground Diversions

Stakeholders noted that ground water sources are often impacted by local erosion and sediment deposition. Therefore, impacts to ground water sources including wells (and well groups), seeps, and springs were assumed to be proportional to the local hillslope erosion rate. Ground water use was quantified using the total decreed diversion rate (in cfs) for ground water sources in the Colorado

Division of Water Resources (CODWR) structures database within a 400 m circular radius around each pixel. This measure was then normalized to a scale from 0 to 1 by dividing by the maximum pixel-level diversion rate (in cfs) and applied as weights to the hillslope erosion predictions. Given that we don't expect the actual ground water sources to be impacted by fire, just the surface equipment, we linearly rescaled the hillslope erosion predictions so that 0 to 50 Mg ha<sup>-1</sup> corresponds to 0 to -50 percent value change. The final cNVC is mapped in Figure 25.

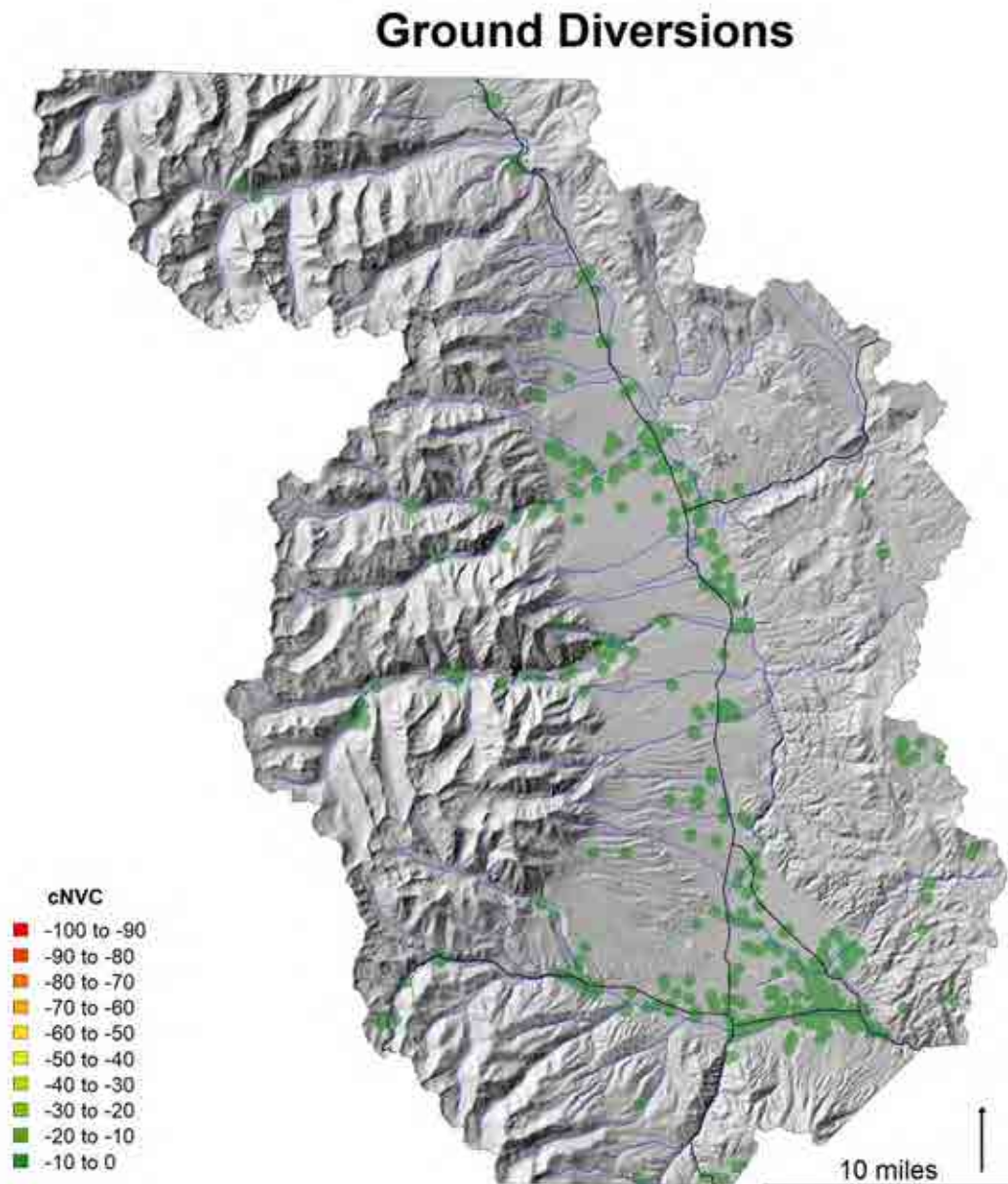


Figure 25: Ground diversions conditional Net Value Change.



## *Aquatic Habitat*

The first draft of the risk assessment included the Gold Medal reaches of the Arkansas River with a quarter mile buffer around it to represent critical aquatic habitat. Feedback from stakeholders, especially Colorado Parks and Wildlife, suggested it was important to expand this to represent the importance of tributaries. To capture this, we predicted post-fire sediment delivery to the Gold Medal reaches of the Arkansas River. The pixel-level estimates of sediment delivery to Arkansas River were linearly rescaled so that 0 to 50 Mg ha<sup>-1</sup> corresponds to 0 to -80 percent value change. The final cNVC is mapped in Figure 26.

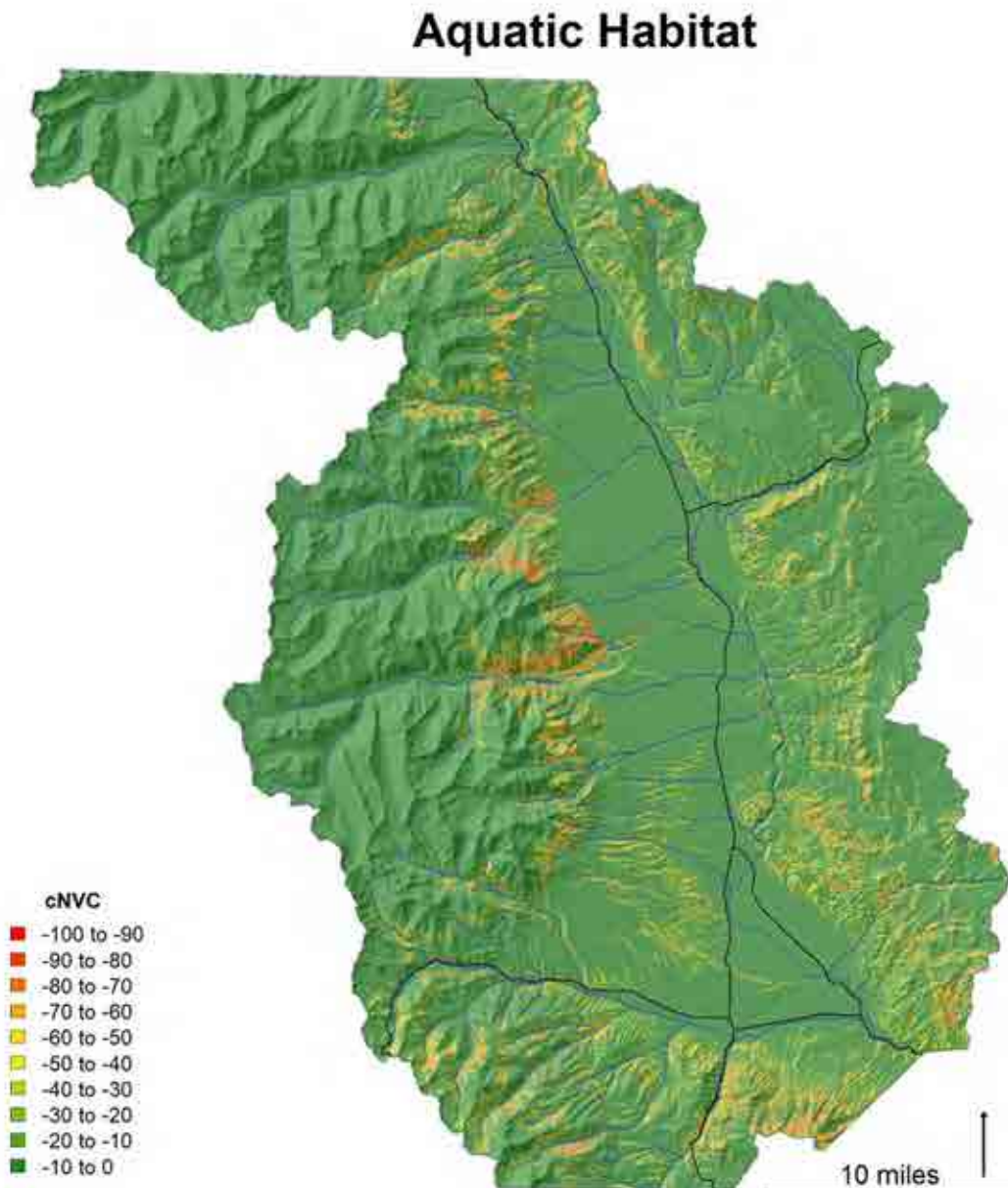


Figure 26: Aquatic habitat conditional Net Value Change.

## Appendix II – Spatial data processing

### *Wildland Urban Interface*

Wildland urban interface (WUI) was defined from two datasets that mapped structures using object based remote sensing image extraction methods (Caggiano *et al.* 2016; Microsoft 2018). These methods produce either point or polygon vector data representing individual structure centroids or footprints with high, but not perfect accuracy. We used the building point locations from Caggiano *et al.* (2016) as our base data for the analysis because of the known high overall accuracy (95%) of the building extraction process and its low omission (5%) and commission (3%) rates. The Microsoft (2018) building footprints were converted into points representing building centroids to supplement the primary data source.

Structure omission errors can lead to underestimating WUI extent, whereas structure commission errors can lead to overestimating WUI extent. We minimized the effect of these errors using two steps:

- 1) We manually reviewed the two data sources to remove false positives (structures that do not exist) to reduce the effect of commission errors.
- 2) We then merged the two data sources for the buffer analysis used to define WUI extent to reduce the effect of omission errors in each dataset.

### Manual review of false positives

The manual review process focused primarily on WUI structures at the fringe because they have the strongest influence on WUI area. That is, a false positive does little to change WUI extent when located near a true positive, but it has a large effect on WUI extent when mapped far from the closest true positive. We first reviewed the Caggiano *et al.* (2016) data using recent reference imagery from multiple sources, parcel ownership information, road data, and topographic maps. Any mapped structures that could not be confirmed with imagery were deleted, as were structures associated with mining or communication infrastructure. Object based image extraction methods do not have the ability to discern if structures are permanent dwellings. The most common non-permanent dwelling structures captured in these datasets included large recreational vehicles, campground and trailhead outhouses, agricultural and ranching outbuildings, and historical homestead and mining structures. These methods also mistakenly mapped certain rock and vegetation features as structures. When non-dwelling structures could be identified from imagery, they were deleted. We then focused our quality control of the Microsoft (2018) data on points that fell outside a 200 m buffer around the cleaned Caggiano *et al.* (2016) data. The reasoning is that false positives within 200 m of mapped structures have little effect on WUI extent. The same deletion criteria were applied. The manual review process reduced the structures mapped in Chaffee County from 10,266 to 10,251 for the Caggiano *et al.* (2016) dataset and from 14,114 to 13,980 for the Microsoft (2018) dataset. Additional false positives were removed from adjacent counties. The final structures used to define WUI extent are mapped in Figure 27.

## Wildland Urban Interface Structures

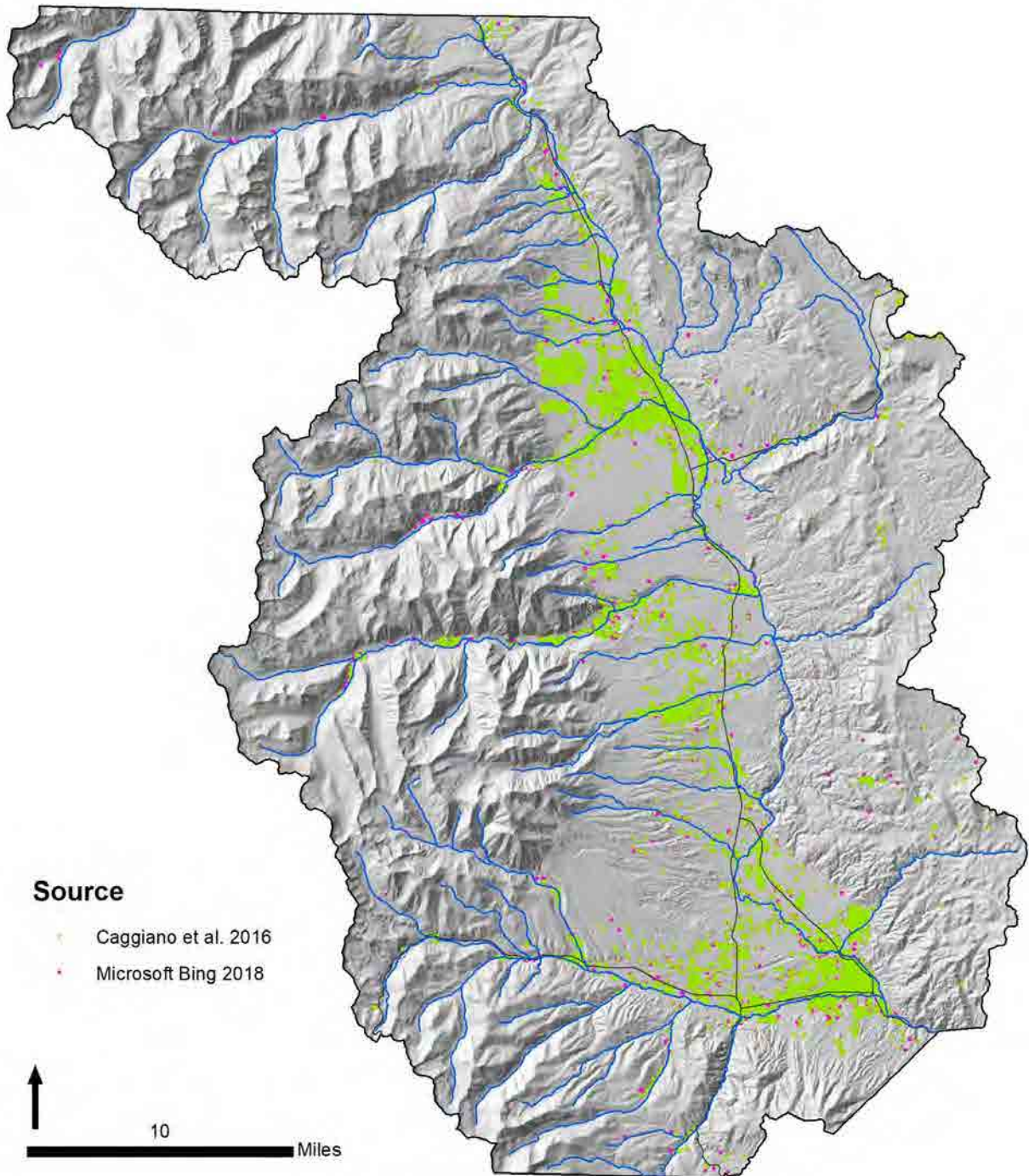


Figure 27: Structures included in the analysis to define wildland urban interface used in the risk assessment.

WUI definition from the merged dataset



WUI extent was then defined as any area within a 0.5-mile radius buffer around structures mapped in either dataset. The 0.5-mile radius buffer was chosen to be consistent with the 2009 risk assessment. WUI extent defined from the merged dataset differed by only 5-10% from WUI defined from either of the individual datasets.

### WUI density

WUI was partitioned into low ( $< 1.5$  structures/acre) and high density ( $\geq 1.5$  structures/acre) classes based on local input that greater loss is expected in high density areas similar to observations from the Waldo Canyon Fire in Colorado Springs (Maranghides *et al.* 2015). High density was defined as areas with  $\geq 1.5$  structures/acre in either the Caggiano *et al.* (2016) or Microsoft (2018) datasets. Structure density was calculated at 30 m resolution using the *point density* tool in ArcGIS 10.3 with a 50 m circular neighborhood size. The high density WUI class was assigned a higher loss response function to reflect greater potential for structure-to-structure ignition. Relative importance weights were assigned based on relative frequency of structures within the low and high WUI density classes. Of the 24,231 WUI structures mapped in both datasets, 47% fall in the low density WUI zone and 53% fall in the high density zone. The final WUI extent is mapped by density class in Figure 28.

## Wildland Urban Interface

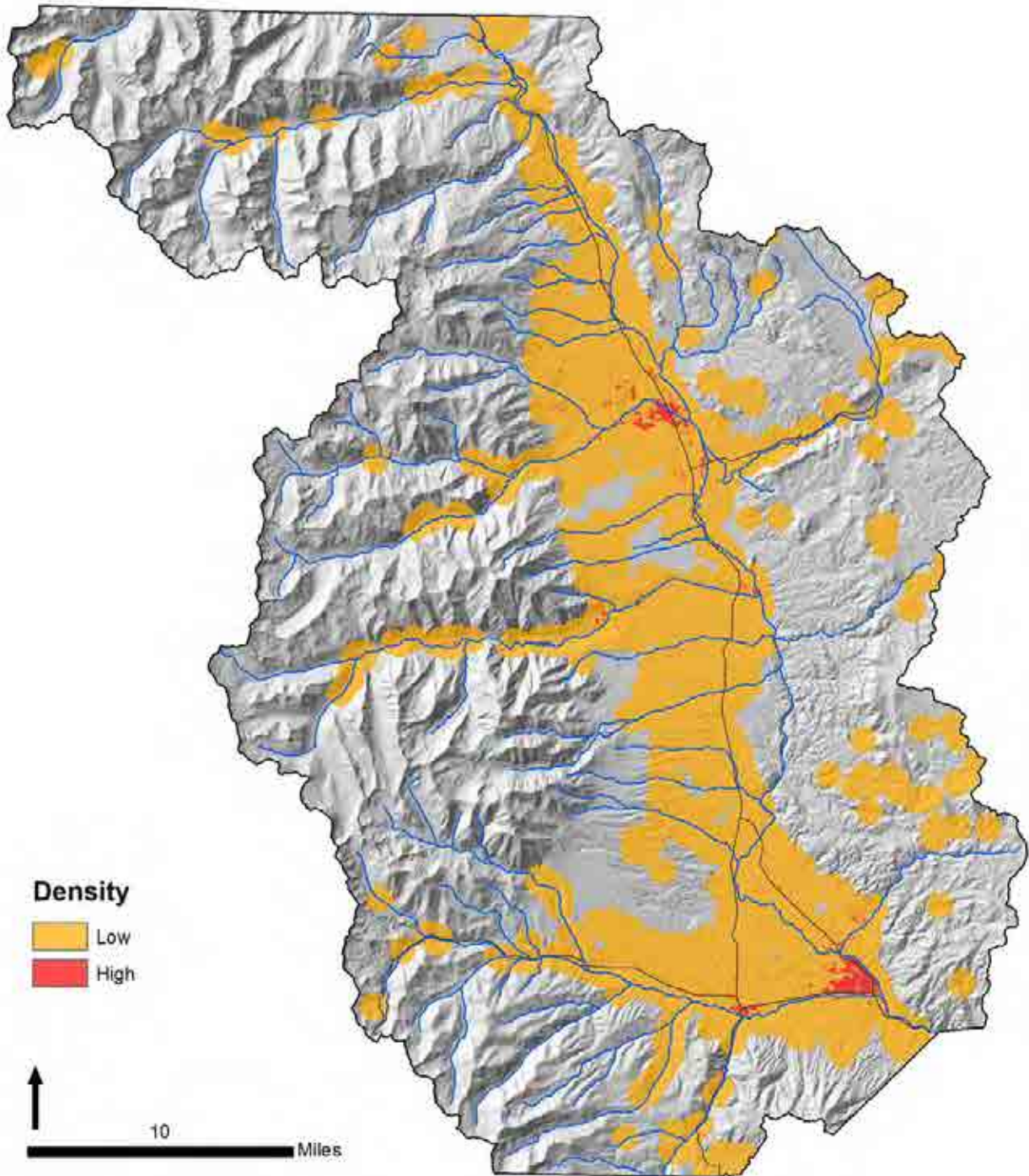


Figure 28: Wildland urban interface extent by density class used in the risk assessment.

## **Appendix D: Chaffee County Fuel Treatment Prioritization**

Benjamin Gannon, Colorado Forest Restoration Institute, benjamin.gannon@colostate.edu

Version IV – 12.09.2019

### **Purpose and Scope**

The purpose of this fuel treatment prioritization is to inform a revision of the Chaffee County Community Wildfire Protection Plan (CWPP) and the Chaffee Common Grounds Initiative. The focus of the prioritization is identifying cost-effective treatment opportunities at the county scale using the results of the Chaffee County Wildfire Risk Assessment and available spatial data on treatment constraints.

### **Methods**

The Colorado Forest Restoration Institute's Risk Assessment and Decision Support (RADS) model was used to prioritize fuel treatment type and location considering constraints on treatment feasibility and cost. RADS uses a generalized form of the linear programming optimization model described in Gannon *et al.* (2019) and Figure 1 to select treatment locations and types that maximize risk reduction for the available budget. Spatial treatment units are defined by the user at an appropriate scale for decision-making. Each treatment unit is attributed with the area feasible for treatment and the average risk reduction and treatment cost for each treatment type. Linear optimization is then used to identify the optimal treatment plan for the available budget (see Appendix I – Model formulation). The resulting treatment plan represents the most cost-effective means to reduce wildfire risk given the specified constraints.

**Objective:** maximize risk reduction (minimize risk)

**Decisions:** acres to treat by location and treatment type

**Model:**

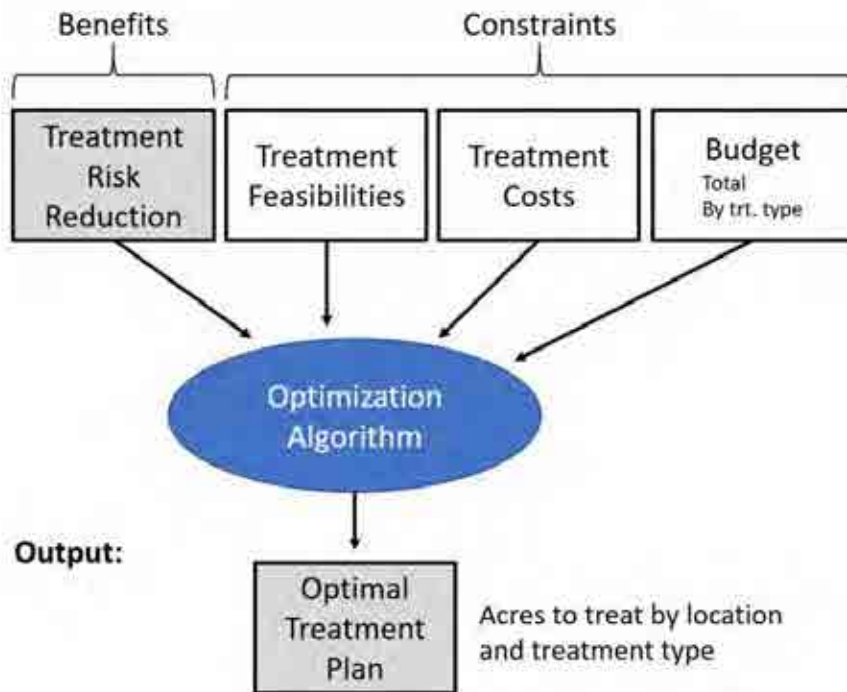


Figure 1: Conceptual diagram of the Risk Assessment and Decision Support (RADS) fuel treatment optimization model. Fuel treatment benefits and constraints are summarized for the feasible treatment area in each treatment unit. Linear optimization is then used to maximize risk reduction for the available budget. Budget is manipulated by the user to focus or expand priorities.

### Treatment units

The Community Wildfire Protection Plan Working Group selected National Hydrography Dataset Plus (NHDPlus) catchments as treatment units for the prioritization (USEPA and USGS 2012). There are 830 catchments in Chaffee County. The median, mean, and maximum sizes are 510, 788, and 14,058 acres respectively.

### Treatment types

This prioritization considered four treatment types: 1) thin only, 2) prescribed fire only, 3) complete (thin followed by prescribed fire), and 4) mastication.

Treatments are simulated in the baseline fuels data from LANDFIRE (2014) and CO-WRA (Technosylva 2018) by changing surface and canopy fuel attributes by the mean effect sizes for

hazardous fuels reduction and forest restoration projects in the western U.S. (Stephens and Moghaddas 2005; Stephens *et al.* 2009; Fulé *et al.* 2012; Ziegler *et al.* 2017) and mastication projects in the Arkansas Valley (Coop *et al.* 2016). Treatment effects on canopy attributes are applied as proportional adjustments to the pre-treatment data (Table 1). Treatment effects on surface fuels are represented by changing the fire behavior fuel model (Scott and Burgan 2005). For this assessment, it was assumed that the thin only treatment would not alter the fire behavior fuel model, except in the case where baseline conditions are mapped as slash blowdown; prescribed fire would shift the fire behavior fuel model to the least intense model in the same category; the complete treatment of thinning followed by prescribed fire would achieve the same effects as prescribed fire; and mastication would result in a uniform slash blowdown fuel model (Heinsch *et al.* 2018) (Table 2).

*Table 1: Fuel reduction treatments are simulated with proportional adjustments to baseline canopy attributes using mean effect sizes from fuels reduction and forest restoration projects in the western U.S. (Stephens and Moghaddas 2005; Stephens *et al.* 2009; Fulé *et al.* 2012; Ziegler *et al.* 2017) and mastication projects in the Arkansas Valley (Coop *et al.* 2016).*

<b>Parameter</b>	<b>Thin Only</b>	<b>Rx Fire Only</b>	<b>Complete</b>	<b>Mastication</b>
Canopy base height	1.20	1.09	1.20	0.65
Canopy height	1.20	1.13	1.20	1.00
Canopy cover	0.70	0.95	0.75	0.15
Canopy bulk density	0.60	0.92	0.50	0.22

Table 2: The categorical fire behavior fuel model was not modified for thinning treatments except for slash blowdown models. The surface fuel reduction from prescribed fire is representing by transitioning fire behavior fuel models to the least intense fire behavior fuel model in the same category (e.g. grass shrub, timber litter from Scott and Burgan [2005]). Changes are highlighted with red text.

Category	Code	Current	Thin	Rx Fire	Complete	Mastication
Grass	GR1	101	101	101	101	201
	GR2	102	102	101	101	201
	GR3	103	103	101	101	201
	GR4	104	104	101	101	201
	GR5	105	105	101	101	201
	GR6	106	106	101	101	201
	GR7	107	107	101	101	201
	GR8	108	108	101	101	201
	GR9	109	109	101	101	201
Grass shrub	GS1	121	121	121	121	201
	GS2	122	122	121	121	201
	GS3	123	123	121	121	201
	GS4	124	124	121	121	201
Shrub	SH1	141	141	141	141	201
	SH2	142	142	141	141	201
	SH3	143	143	141	141	201
	SH4	144	144	141	141	201
	SH5	145	145	141	141	201
	SH6	146	146	141	141	201
	SH7	147	147	141	141	201
	SH8	148	148	141	141	201
	SH9	149	149	141	141	201
Timber understory	TU1	161	161	161	161	201
	TU2	162	162	161	161	201
	TU3	163	163	161	161	201
	TU4	164	164	161	161	201
	TU5	165	165	161	161	201
Timber litter	TL1	181	181	181	181	201
	TL2	182	182	181	181	201
	TL3	183	183	181	181	201
	TL4	184	184	181	181	201
	TL5	185	185	181	181	201
	TL6	186	186	181	181	201
	TL7	187	187	181	181	201
	TL8	188	188	181	181	201
	TL9	189	189	181	181	201
Slash blowdown	SB1	201	201	201	201	201
	SB2	202	201	201	201	201
	SB3	203	201	201	201	201
	SB4	204	201	201	201	201

### *Treatment feasibility*

Hard constraints are captured in binary rasters representing whether each pixel is feasible (1) or infeasible (0) the target treatment type. Economic constraints are instead captured with variable treatment costs described in the



Treatment cost section.

Feasible locations for the **thin only** treatment were defined by the following constraints:

- Must have trees to cut (LANDFIRE canopy cover  $\geq$  10%)
- No treatment in wilderness
- No treatment in upper tier roadless
- No treatment in special designation areas (Browns Canyon)

Given these constraints, 242,215 acres or 37.3% of Chaffee County are considered feasible for the thinning only treatment (Figure 2).

# Mechanical Feasibility

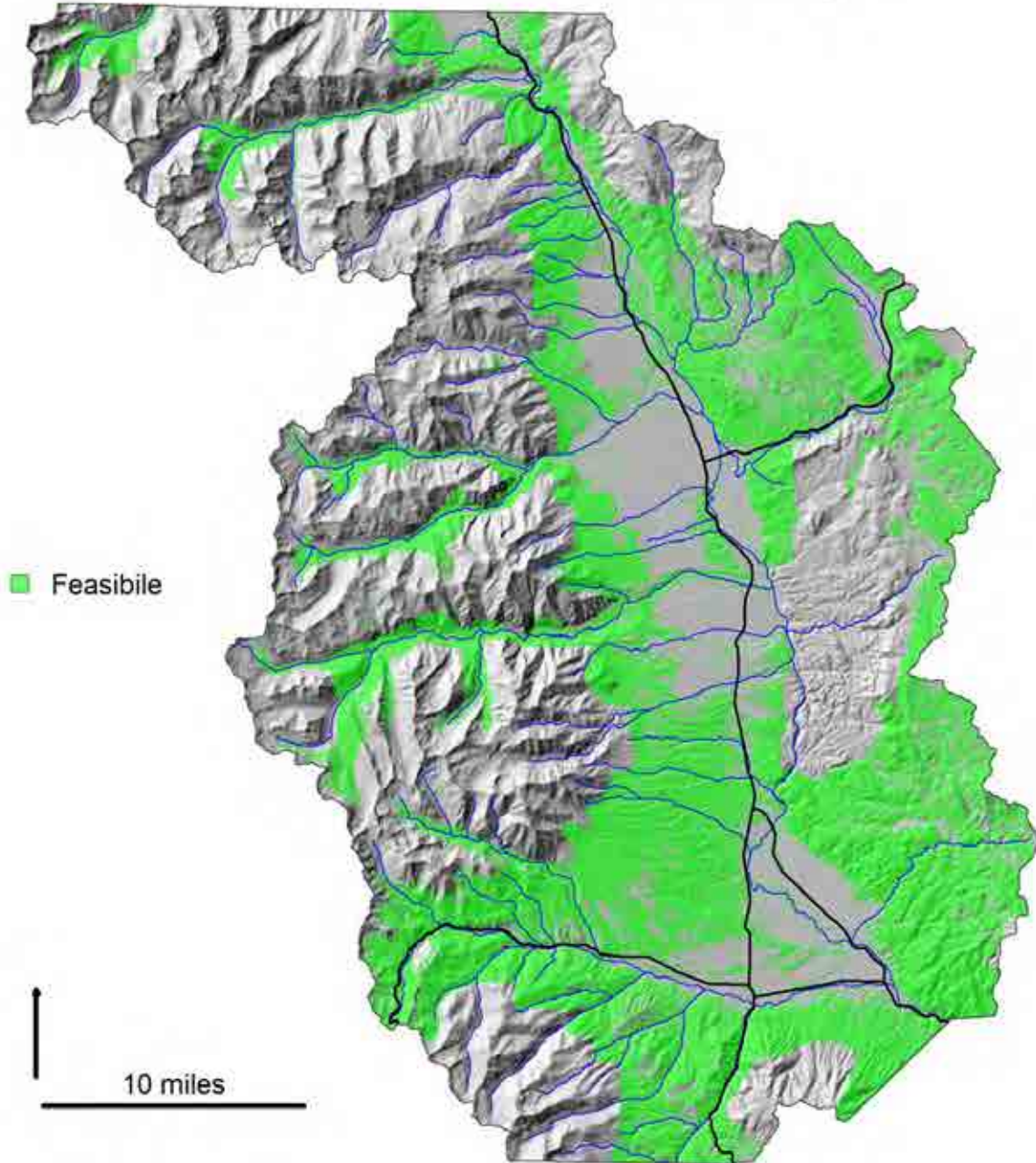


Figure 2: Feasible locations for the mechanical thinning treatment in Chaffee County.

Feasible locations for the **prescribed fire only** treatment were defined by the following constraints:

- No burning < 250 m from structures in the wildland urban interface (from Caggiano *et al.* 2016 and Microsoft 2018)
- Limited to “frequent” fire forest types that can be burned with prescribed fire as a first entry treatment - no high elevation forest types (lodgepole or spruce-fir) and no pinyon-juniper because of the need to rearrange fuels or burn under extreme weather conditions (Chris Naccarato, personal communication)

Given these constraints, 138,497 acres or 21.3% of Chaffee County are considered feasible for the prescribed fire only treatments (Figure 3).

Additionally, stakeholders expressed that prescribed fire use is constrained by the availability of personnel and to some degree smoke permitting and hunting impacts. To capture that it is unrealistic to drastically increase prescribed fire use in the short-term, an additional constraint was created to limit spending on prescribed fire to 30% of the total budget.

# Rx fire Feasibility

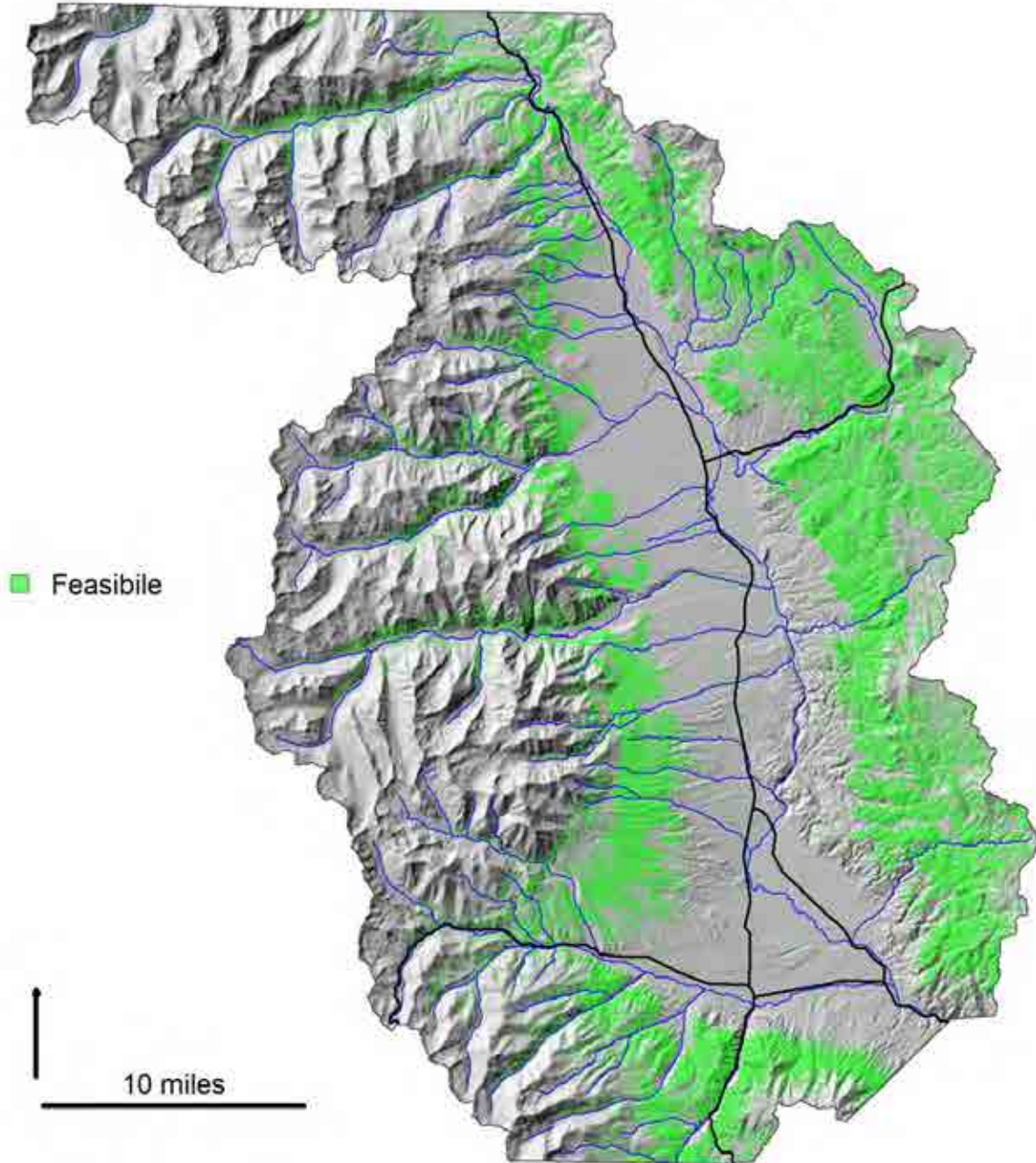


Figure 3: Feasible locations for the prescribed fire treatment in Chaffee County.

Feasible locations for the **complete** treatment were assumed to be the same as the thin only treatment:

- Must have trees to cut (LANDFIRE canopy cover  $\geq 10\%$ )
- No treatment in wilderness
- No treatment in upper tier roadless
- No treatment in special designation areas (Browns Canyon)

Given these constraints, 242,215 acres or 37.3% of Chaffee County are considered feasible for the complete treatment (Figure 4).



# Complete Feasibility

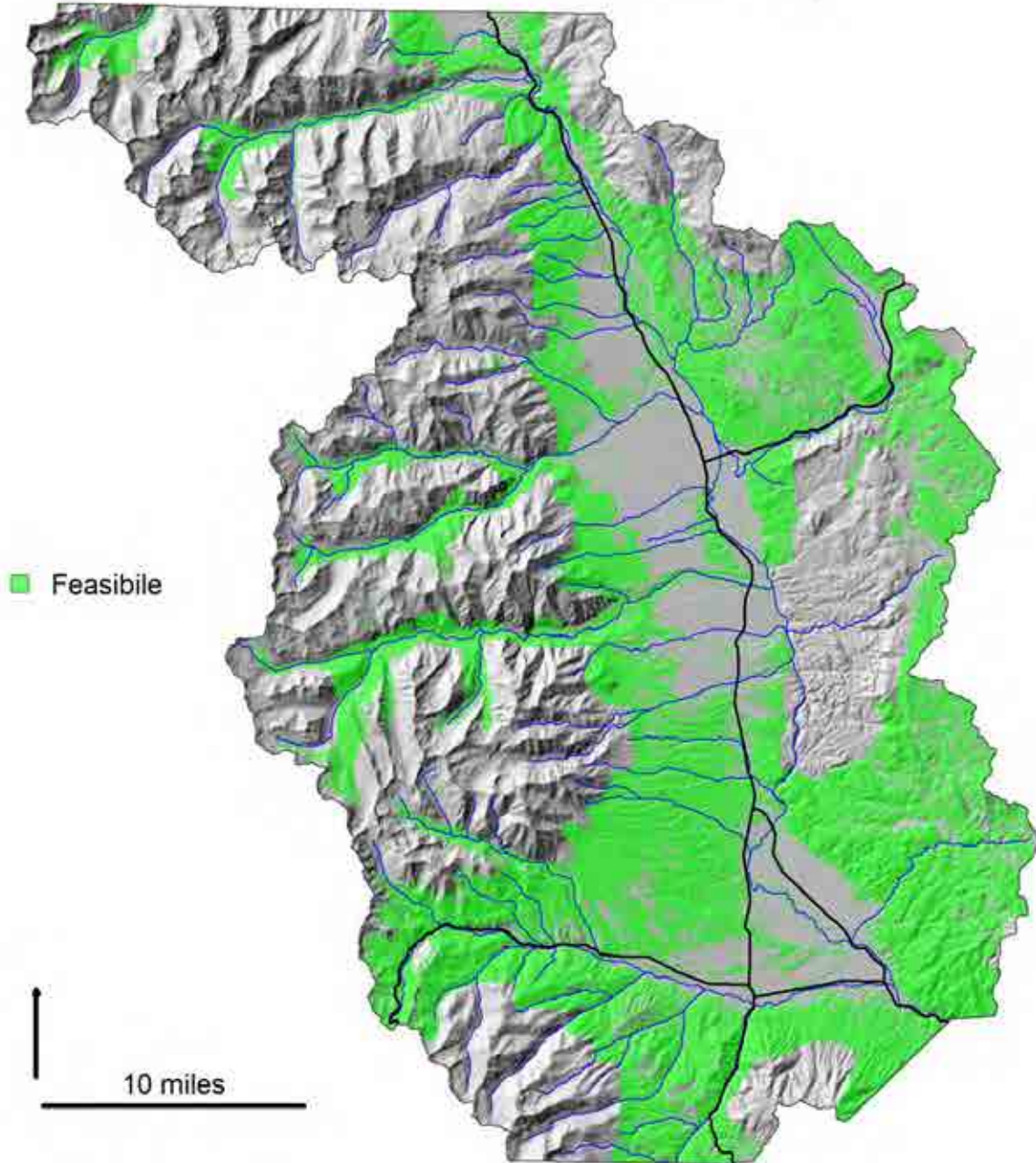


Figure 4: Feasible locations for the complete treatment in Chaffee County.

Feasible locations for the **mastication** treatment were defined by the following constraints:

- Must have trees to cut (LANDFIRE canopy cover  $\geq 10\%$ )
- Must be pinyon-juniper
- Must have slopes  $\leq 40\%$  (Jain *et al.* 2018; local feedback)
- No treatment in wilderness
- No treatment in upper tier roadless
- No treatment in special designation areas (Browns Canyon)

Given these constraints, 52,878 acres or 8.1% of Chaffee County are considered feasible for the mastication treatment (Figure 4).

Additionally, stakeholders expressed concern that widespread use of mastication in pinyon juniper could negatively impact ecological and scenic values. While mastication is often used to improve habitat for ungulates and other species that benefit from increased grass, forb, and shrub production, drastic reductions in pinyon juniper canopy cover over large portions of the landscape is expected to negatively impact species that depend on closed canopy habitats. To limit mastication treatment extent, an additional constraint was created to limit spending on mastication to 20% of the total budget.



# Mastication Feasibility

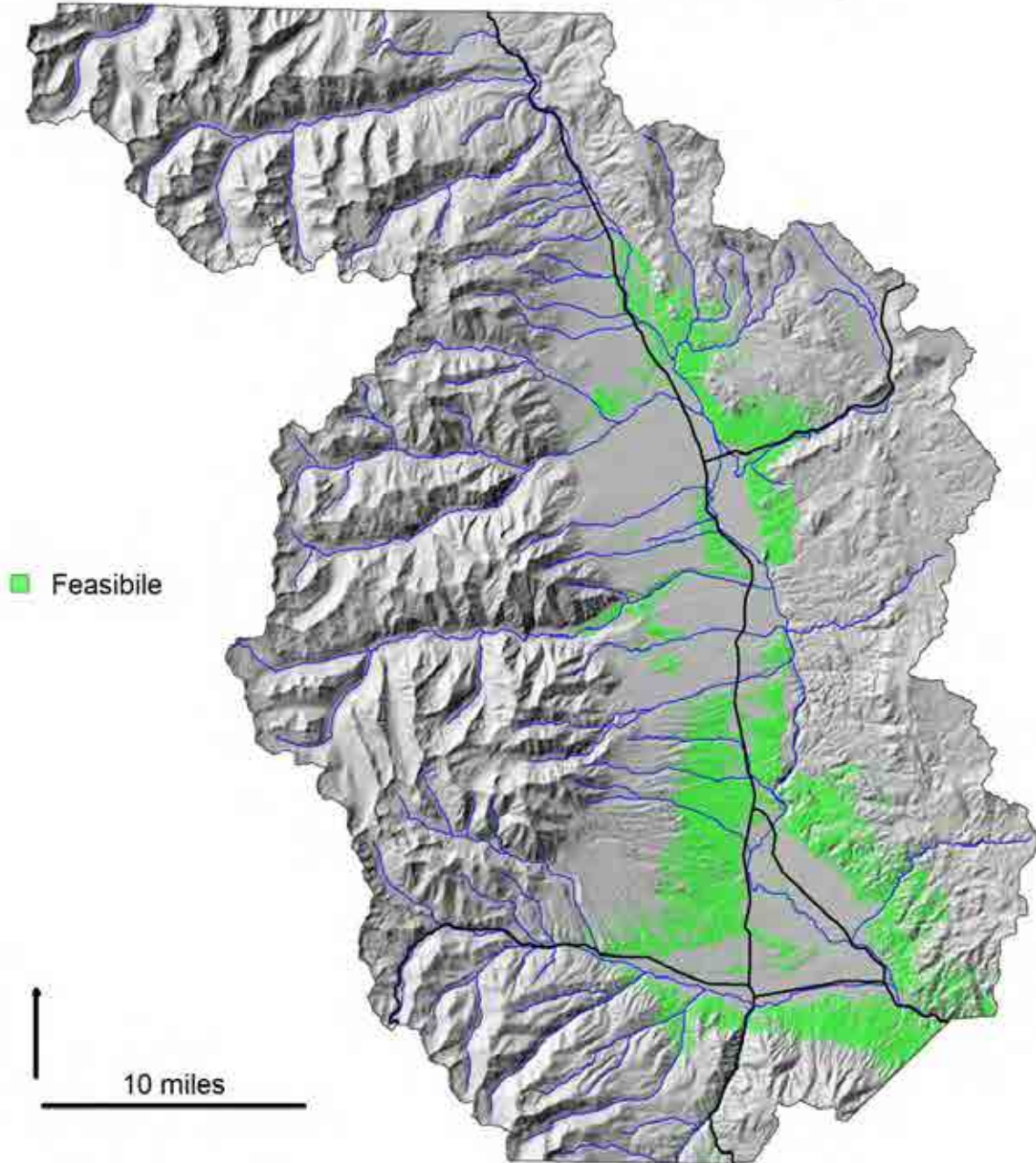


Figure 5: Feasible locations for the mastication treatment in Chaffee County.

### *Risk reduction*

The risk reduction benefit of treatment is assessed on a per-pixel basis as the difference between current risk and simulated post-treatment risk using the Chaffee County CWPP Risk Assessment. The benefit of fuel treatment is only represented as changing fire behavior (flame lengths, crown fire activity) as modeled with FlamMap 5 (Finney *et al.* 2015), not burn probability. This approach is consistent with the primary objectives of fuel treatments (Reinhardt *et al.* 2008), but it could underestimate fuel treatment benefits where they are expected to reduce area burned (Thompson *et al.* 2013). Risk reduction estimates are mapped for each treatment type in Figure 6 through Figure 9.

# Mechanical Risk Reduction

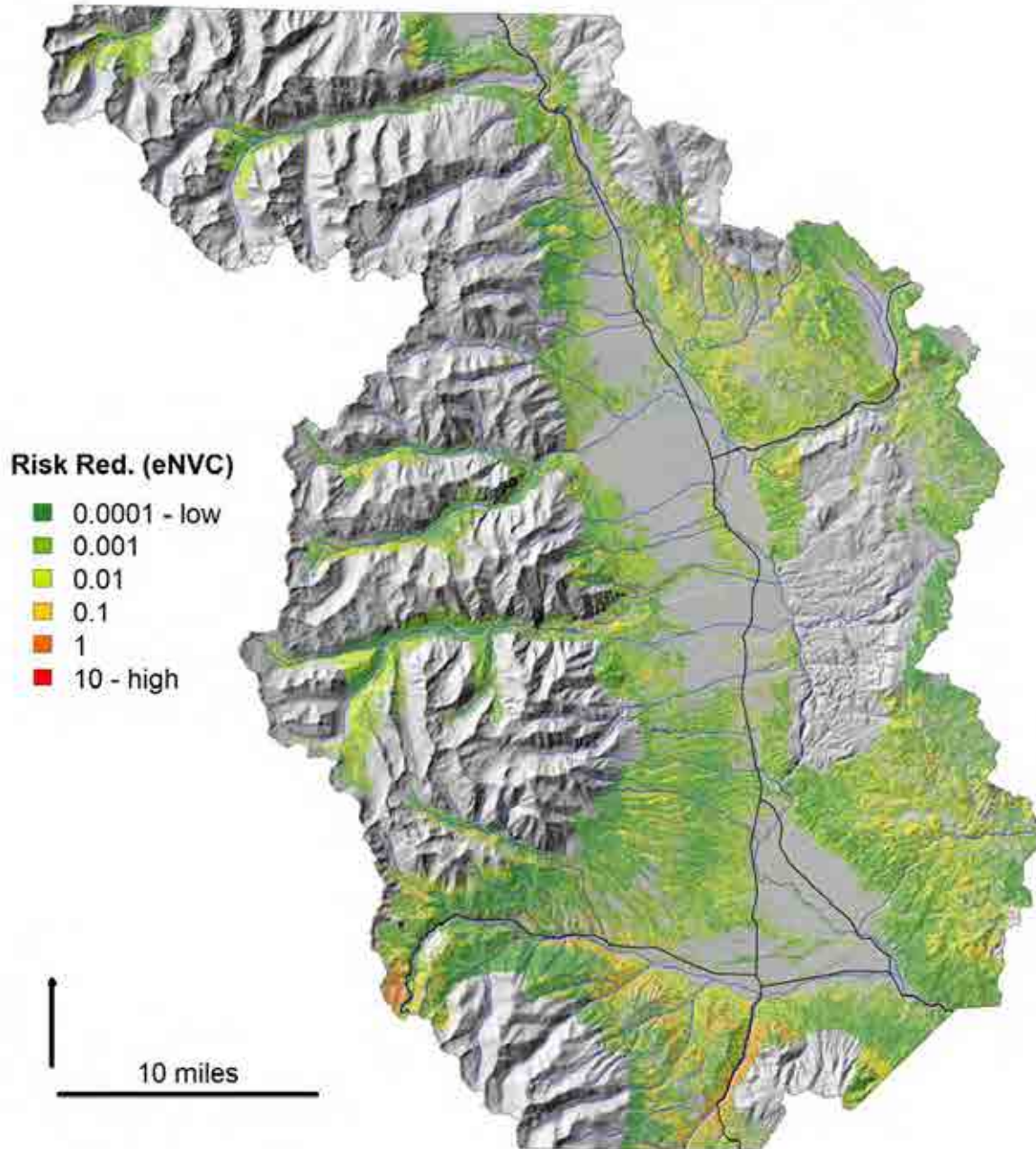


Figure 6: Estimated risk reduction for the mechanical thinning only treatment.



# Rx fire Risk Reduction

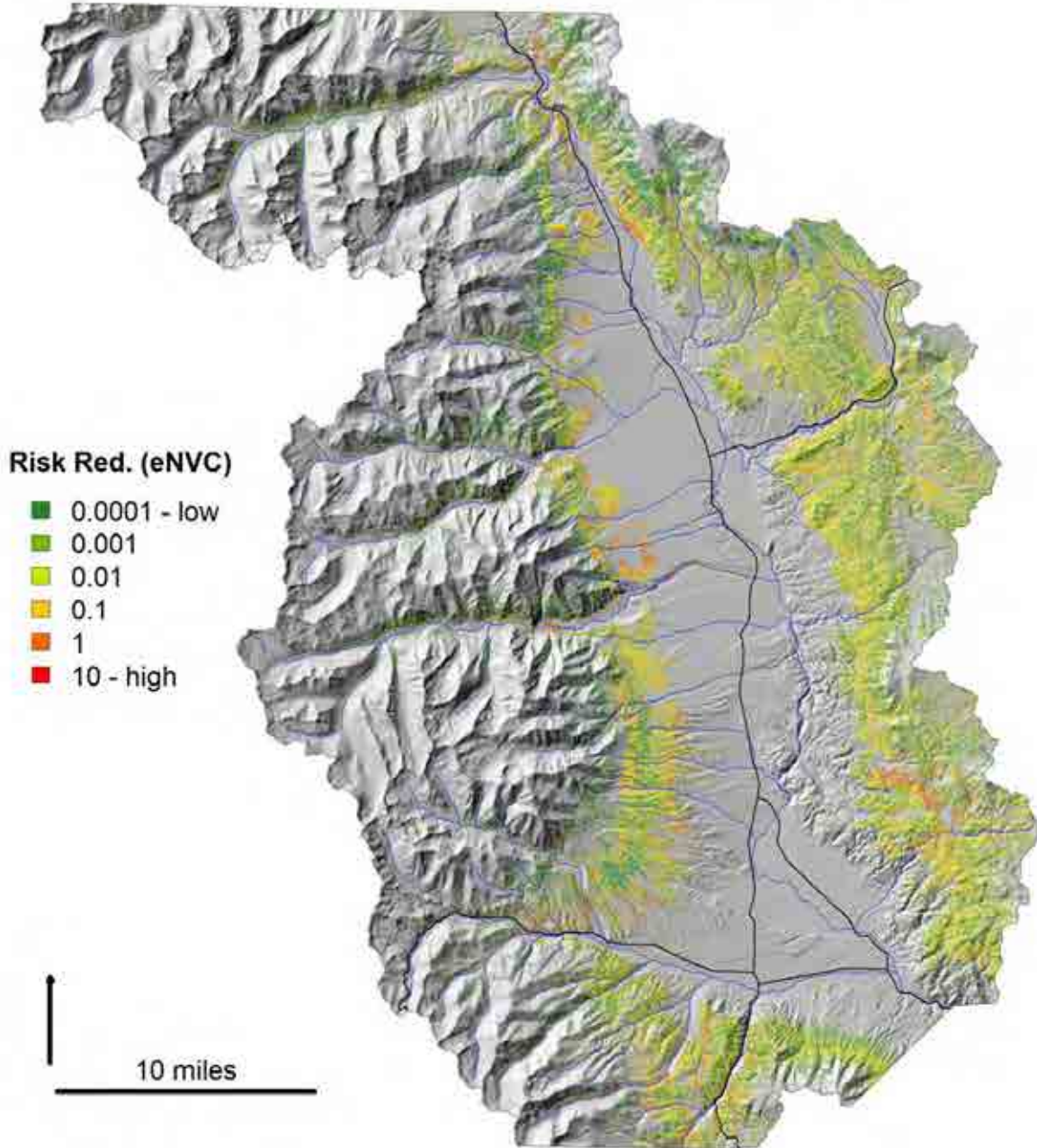


Figure 7: Estimated risk reduction for the prescribed fire only treatment.

# Complete Risk Reduction

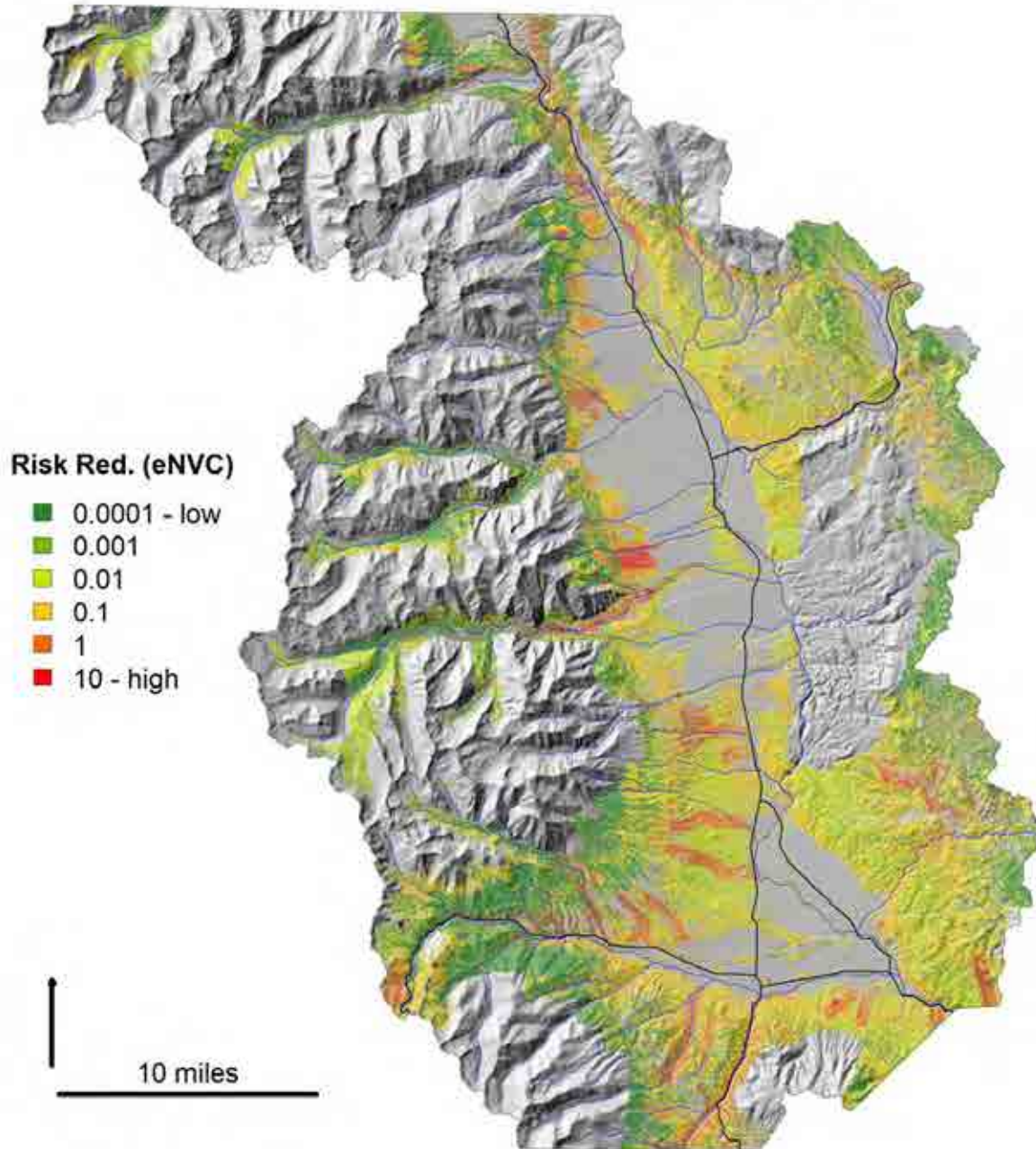


Figure 8: Estimated risk reduction for the complete treatment.



# Mastication Risk Reduction

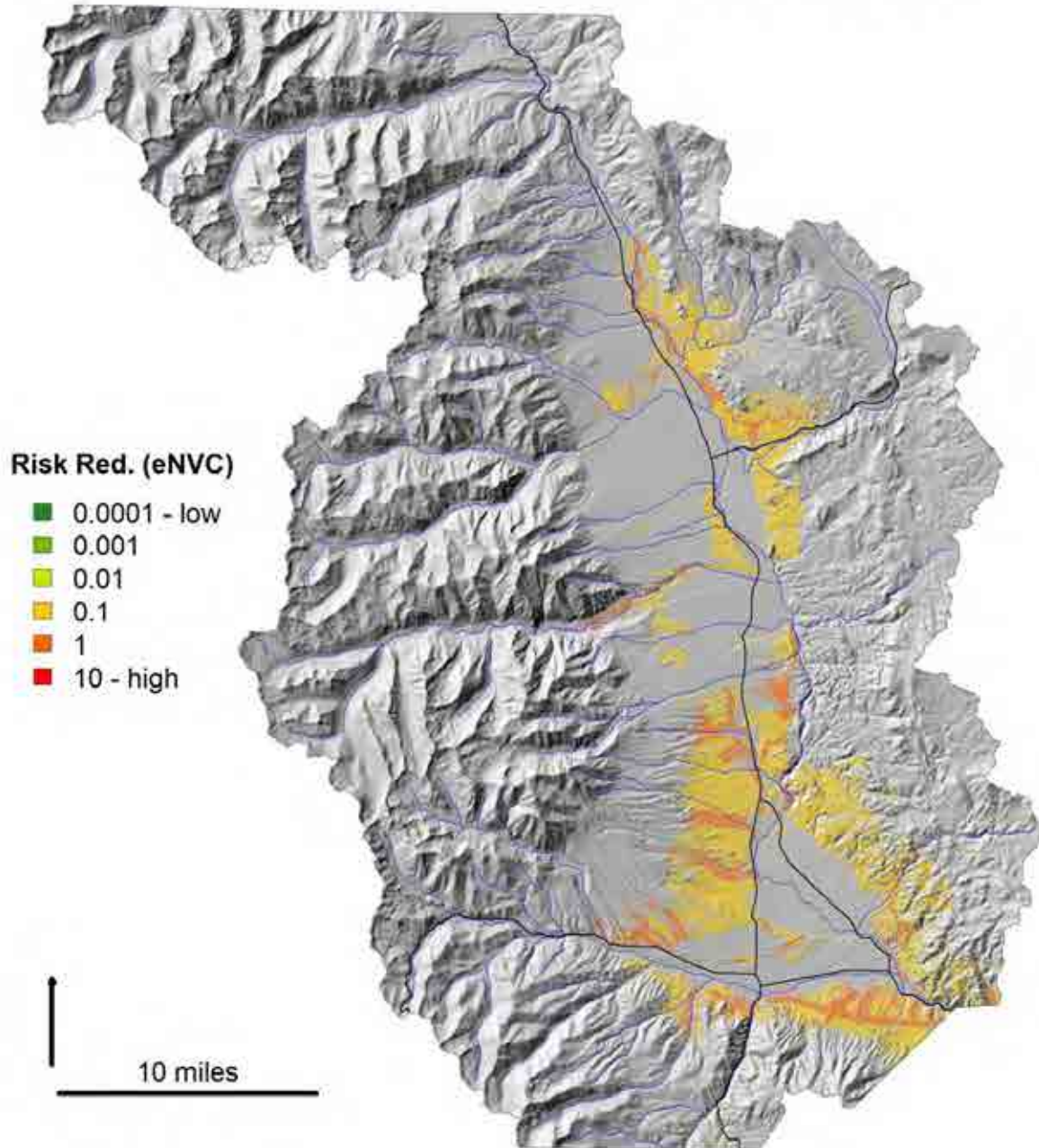


Figure 9: Estimated risk reduction for the mastication treatment.

### Treatment cost

Treatment costs were based primarily on expert opinion because current treatment cost models either do not consider landscape-scale variation (Calkin and Gebert 2006) or require detailed data on stand conditions that are not available for most the landscape (Fight *et al.* 2006).

Per acre cost for the **thin only** treatment is approximated by adapting an expert model developed in northern Colorado (Gannon *et al.* 2019) for use in Chaffee County. Cost is considered a function of base treatment cost under ideal conditions (\$1,800/ac) with adjustments for distance from roads (*Dcost*) and slope steepness (*Scost*) in Eqn 1.

$$Cost = 1,800 + Dcost + Scost \quad \text{Equation 1}$$

Cost increases with distance from roads > 800 m as specified in Eqn 2 such that the total cost of treatment increases to \$10,000/ac at four miles from the nearest road.

$$Dcost(x) = \begin{cases} 0, & x < 800 \text{ m} \\ 1.46 * (x - 800), & x \geq 800 \text{ m} \end{cases} \quad \text{Equation 2}$$

Cost increases with slope > 35% as specified in Eqn 3 such that the total cost of treatment increases to \$10,000/ac at 200% slope.

$$Scost(x) = \begin{cases} 0, & x < 35 \% \\ 49.7 * (x - 35), & x \geq 35 \% \end{cases} \quad \text{Equation 3}$$

This formulation suggests the base cost applies anywhere within 800 m of roads and less than 35% slope. Total thinning costs were limited to a maximum of \$10,000/ac if the combination of road distance and slope adjustments predicted costs in excess of \$10,000/ac. The thin only treatment costs are shown in Figure 10.



# Mechanical Cost

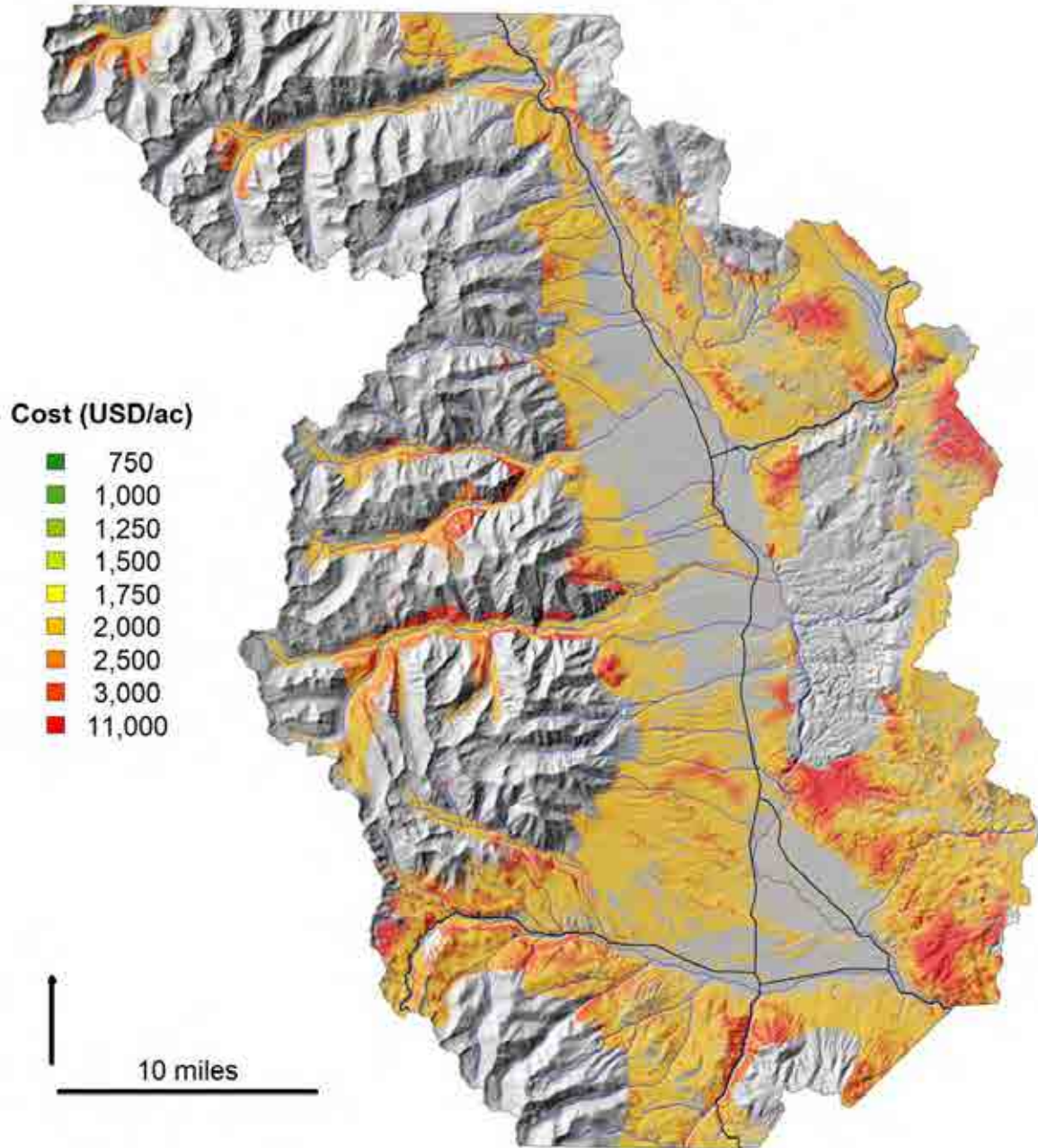


Figure 10: Mechanical thinning cost for Chaffee County estimated using distance from roads and slope steepness.

Per acre cost for the **prescribed fire only** treatment is assumed constant. While prescribed fire costs do vary widely, the causes of this variation are highly site and condition specific and therefore difficult to quantify with coarse spatial data. Prescribed fire costs are difficult to characterize in part because preparation costs are not consistently recorded. We therefore assumed a flat rate of \$1,000/ac to cover both the preparation and day of costs. The prescribed fire only treatment costs are shown in Figure 11.

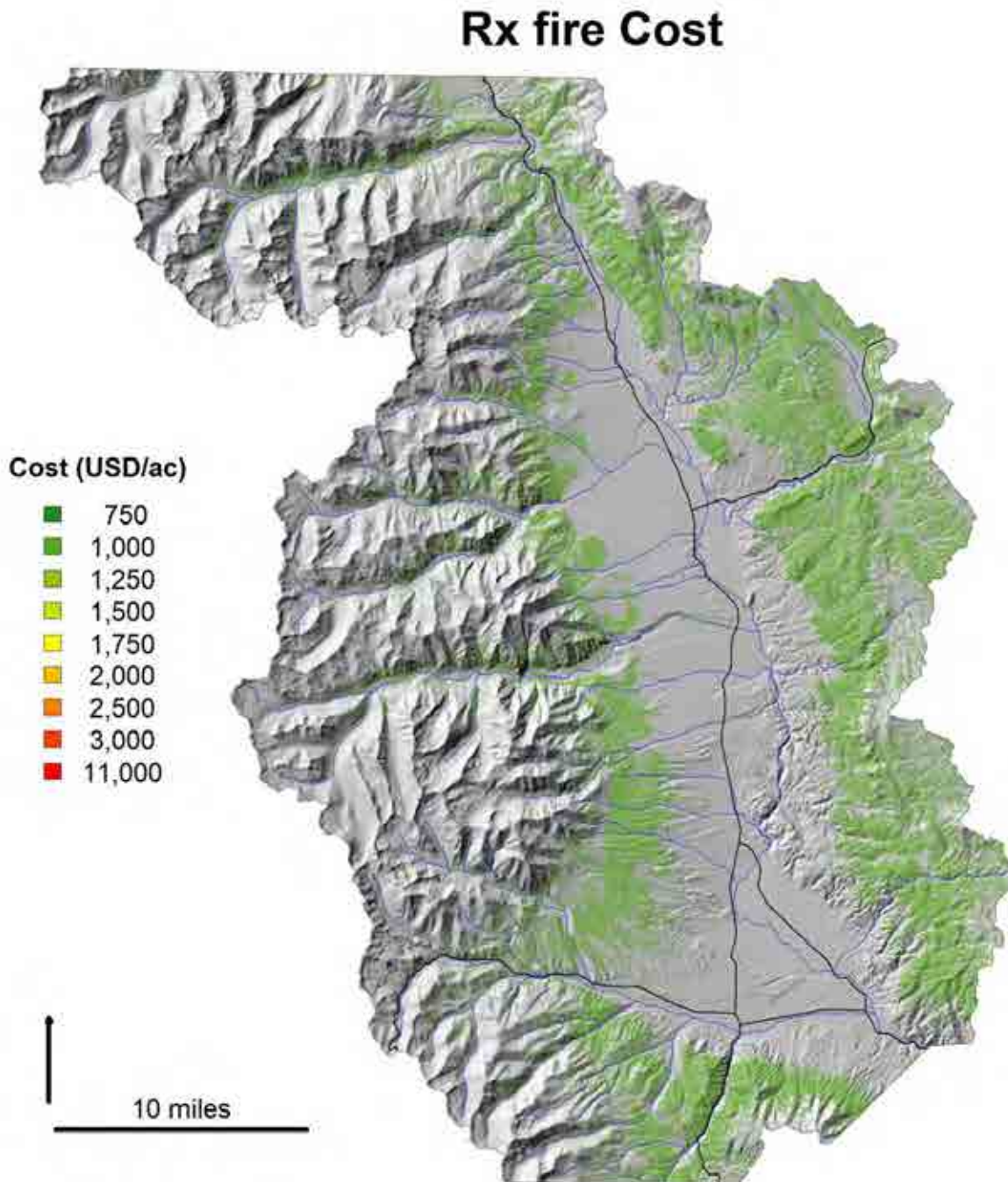


Figure 11: Prescribed fire cost for Chaffee County estimated as a constant value.



Per acre cost for the **complete** treatment is assumed to be the sum of the thinning and prescribed fire treatment costs. The Working Group discussed whether the thinning treatment would reduce the prescribed fire costs by eliminating preparation work. Fire and fuels planners said there is rarely a synergy. Previously thinned areas may require pile burns or other fuel manipulations before broadcast burning will achieve the desired effects. A similar effort is still required to prep control lines. The complete treatment costs are shown in Figure 11.

## Complete Cost

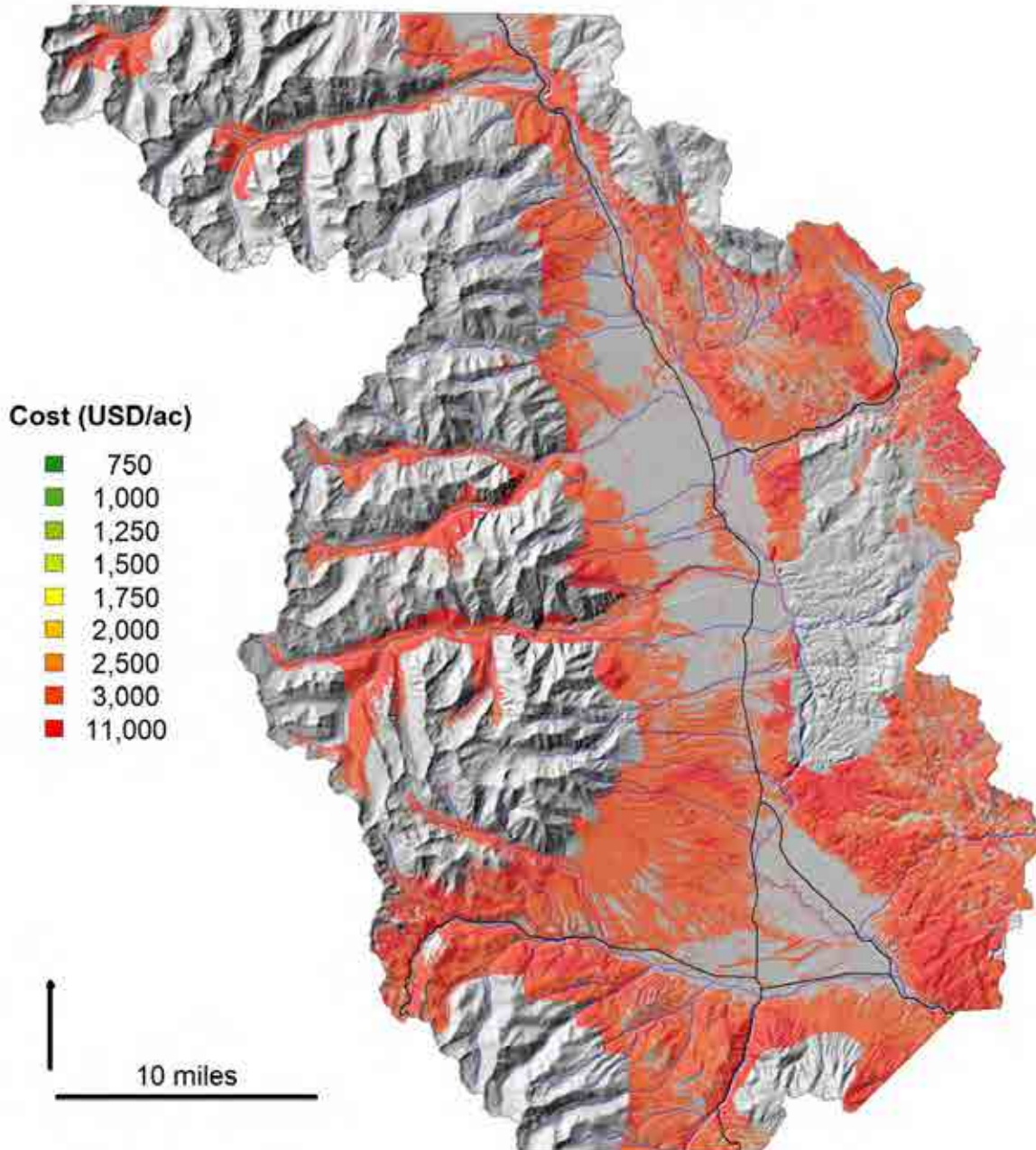


Figure 12: Complete treatment cost for Chaffee County estimated as the sum of thinning and prescribed fire costs.

Per acre cost for the **mastication** treatment is modeled similar to thinning. Cost is considered a function of base treatment cost under ideal conditions (\$700/ac) with adjustments for distance from roads (*Dcost*) and slope steepness (*Scost*) in Eqn 4.

$$Cost = 700 + Dcost + Scost \quad \text{Equation 4}$$

Cost increases with distance from roads > 800 m as specified in Eqn 5 such that the total cost of treatment increases to \$5,000/ac at four miles from the nearest road.

$$Dcost(x) = \begin{cases} 0, & x < 800 \text{ m} \\ 0.77 * (x - 800), & x \geq 800 \text{ m} \end{cases} \quad \text{Equation 5}$$

Cost increases with slope > 20% (Jain *et al.* 2018) as specified in Eqn 6 such that the total cost of treatment increases to \$1,400/ac at 40% slope.

$$Scost(x) = \begin{cases} 0, & x < 20 \% \\ 35 * (x - 20), & x \geq 20 \% \end{cases} \quad \text{Equation 6}$$

This formulation suggests the base cost applies anywhere within 800 m of roads and less than 20% slope. Total mastication costs were limited to a maximum of \$5,000/ac if the combination of road distance and slope adjustments predicted costs in excess of \$5,000/ac. The mastication treatment costs are shown in Figure 13.

# Mastication Cost

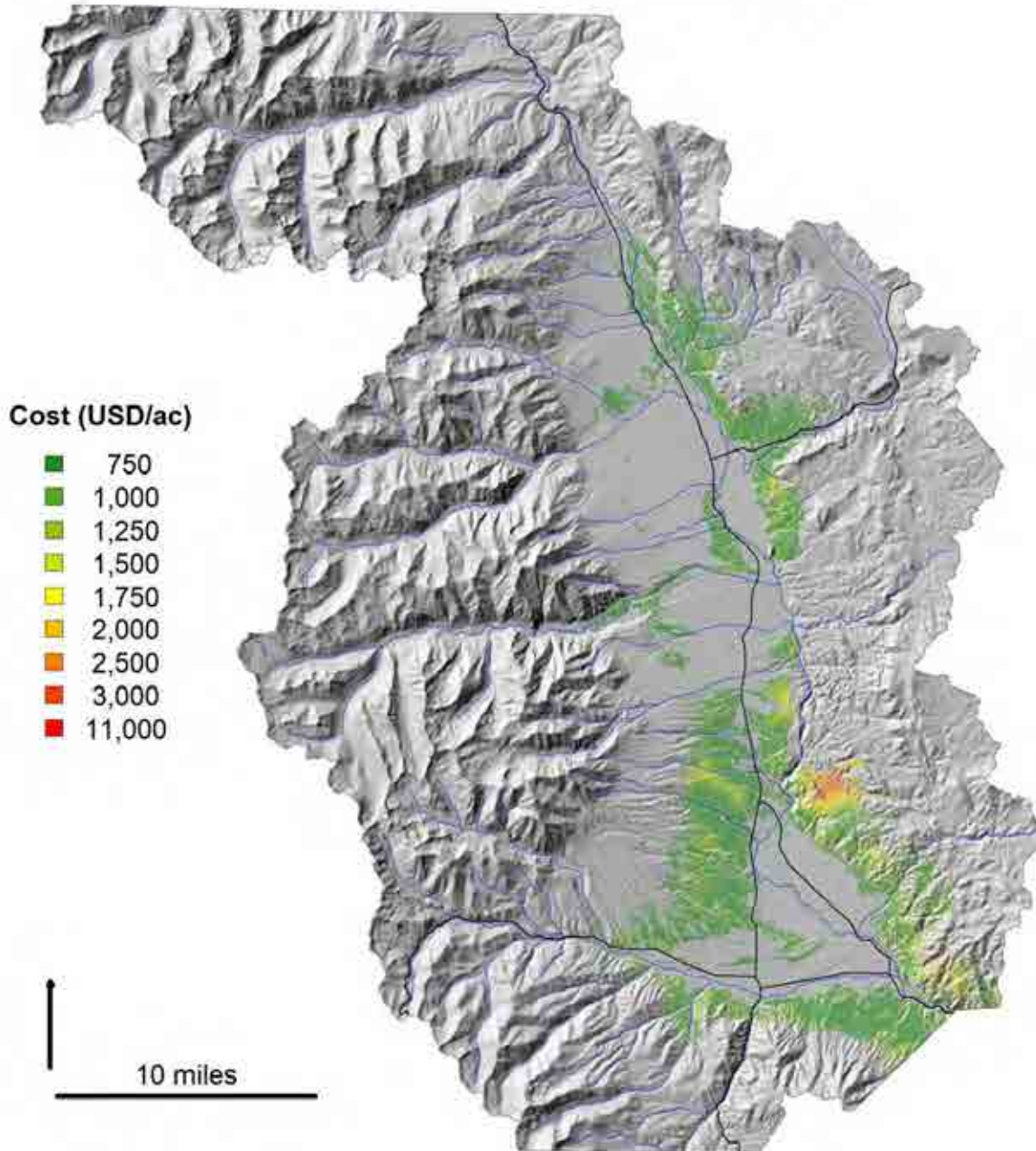


Figure 13: Mastication cost for Chaffee County estimated using distance from roads and slope steepness.

## Prioritization

The RADS model is used for prioritization by identifying the optimal treatment locations and types for a wide range of budget levels – \$10M, \$50M, \$100M, and \$200M. Areas selected at a lower budget levels are more cost effective than those selected at higher budget levels.

## Results

The RADS optimization model selected between 7,252 and 130,521 acres for treatment across the modeled budgets (Table 3). Budgets of \$10M, \$50M, \$100M, and \$200M correspond to selecting the top 2.5%, 12%, 22%, and 45% of treatment opportunities respectively. The draft fuel treatment priorities for Chaffee County are mapped in Figure 14.

Table 3: Budget summary of risk reduction achieved and treatment allocation.

Priority	Budget	Risk Reduction (eNVC)	Thin only (acres)	Rx fire only (acres)	Complete (acres)	Mastication (acres)	Total (acres)
Highest	\$10M	1,184	174	3,000	1,484	2,593	7,252
Higher	\$50M	2,848	141	13,652	8,565	12,361	34,719
High	\$100M	3,873	141	22,180	18,816	24,524	65,661
Moderate	\$200M	4,827	141	44,987	37,615	47,778	130,521

The model was also run across the full range of possible fuel treatment budgets (Figure 15). The top panel illustrates that although less than half the area available for treatment is selected at the \$200M budget level, this treatment plan is expected to achieve most of the risk reduction that is possible with fuel treatment. The RADS model selects close to the maximum allowed use of prescribed fire and mastication (Table 3; Figure 15) because they are very cost-effective treatments (Appendix II – Cost-effectiveness results). Despite the cheaper cost of the thin only treatment, the model primarily chooses the more expensive complete treatment because there is substantial benefit to managing the surface fuels. The dominant treatment type assigned to each catchment is mapped in Figure 16 for the \$200M treatment plan to provide a general indication of what treatment types are most appropriate in which areas. This map is not meant to be prescriptive or to replace the need for field assessment of current conditions to identify the appropriate treatment type. The RADS model often allocates multiple treatment types within large catchments, so the map should be interpreted with caution; for example, 105 of the 258 catchments prioritized for treatment at the \$200M budget level are assigned multiple treatment types. The spatial distribution of treatments is reflective of the current forest conditions and associated management practices: 1) mastication is assigned exclusively within the pinyon-juniper zone; 2) prescribed fire is targeted towards the ponderosa pine and dry mixed conifer zones; and 3) the complete treatment is assigned primarily to dense mid- to high-elevation forests.



# Fuel Treatment Priorities

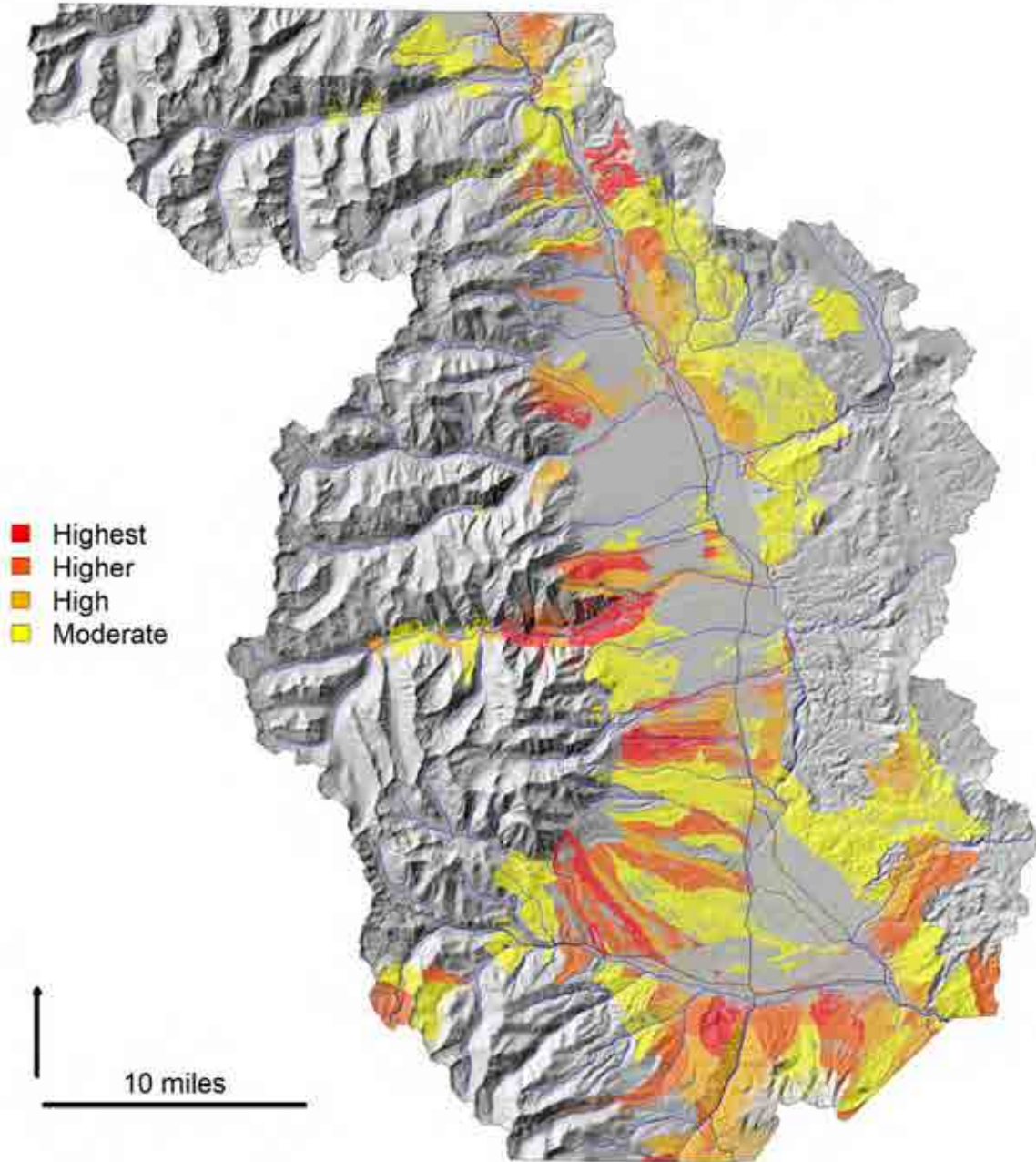


Figure 14: Fuel treatment prioritization for Chaffee County. Highest, higher, high, and moderate treatment priorities correspond to \$10M, \$50M, \$100M, and \$200M fuel treatment budgets.



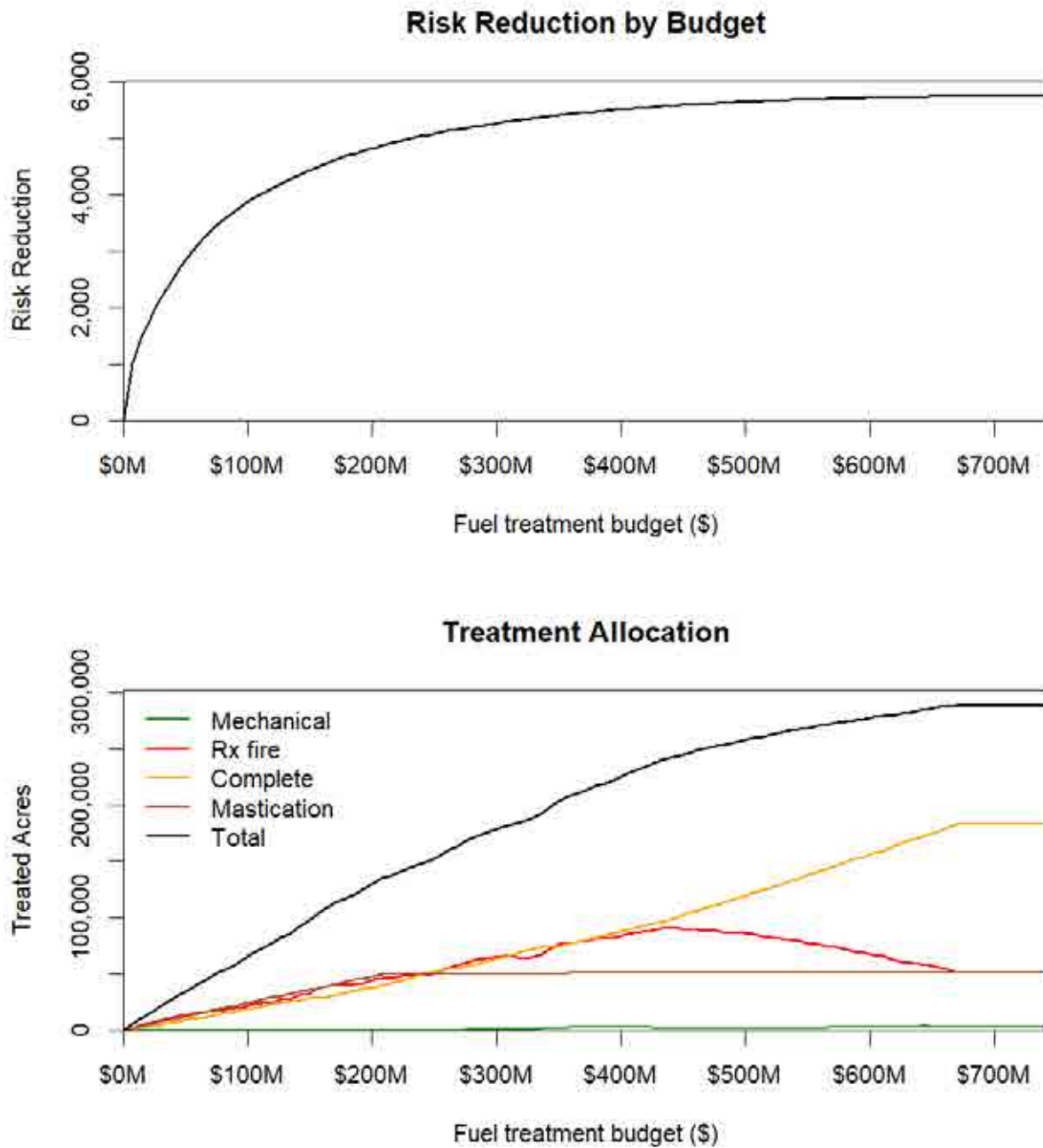


Figure 15: The avoided risk curve shows the level of risk reduction achieved across a wide range of fuel treatment budgets in the top panel. Treatment type allocations are tracked by budget level in the lower panel. Risk is unitless (or relative) measures of expected Net Value Change from the Chaffee County Wildfire Risk Assessment.

## Dominant Treatment Type

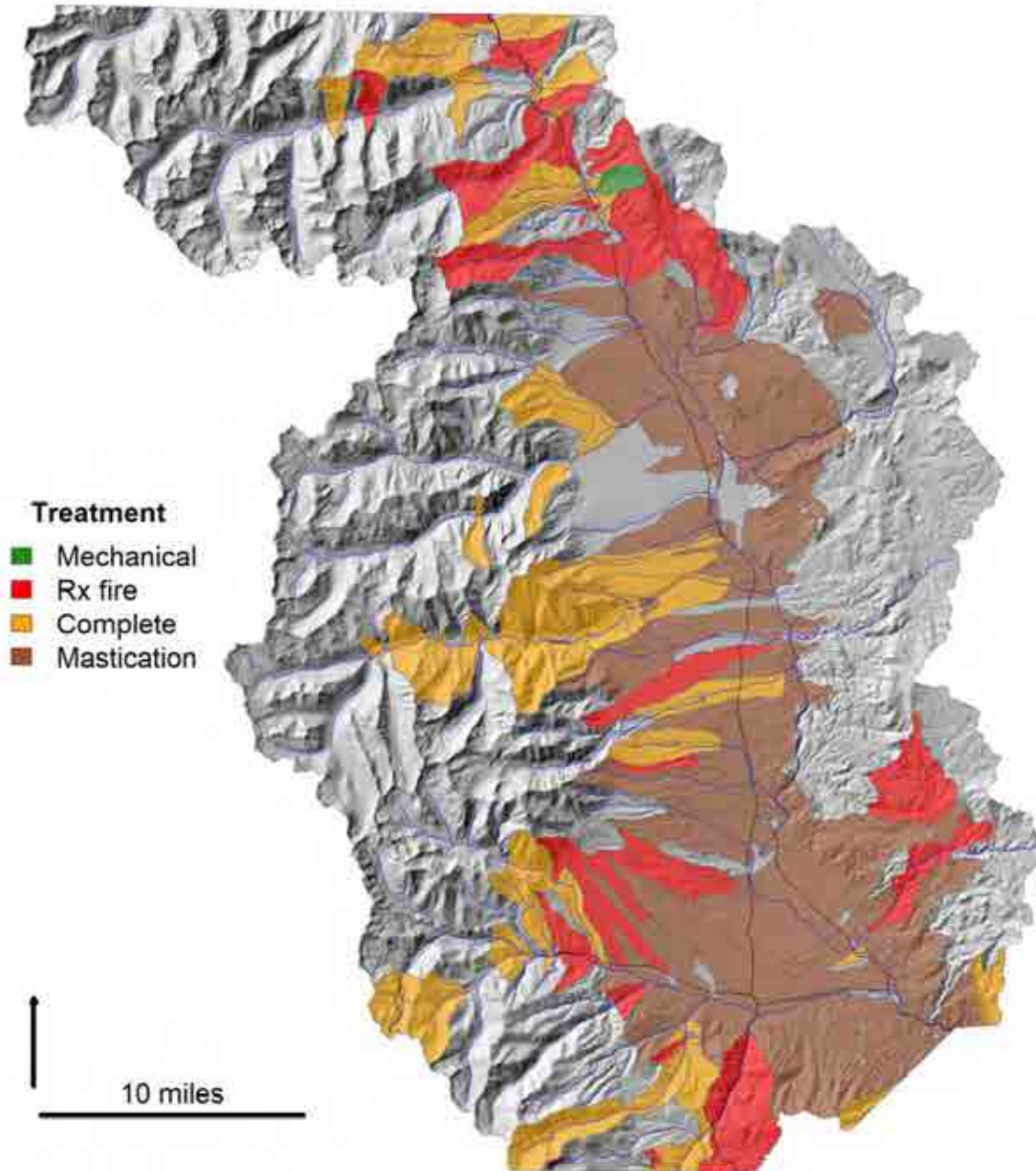


Figure 16: The RADS model can assign multiple treatment types within a catchment. This simplified map shows the dominant treatment type by acres in each catchment for the \$200M treatment plan (moderate-highest priority areas). It does not imply that the mapped treatment type is applied across the entire catchment.

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## Appendix I – Model formulation

### Linear program formulation

Objective function:

$$\max Z = \sum_{i=1}^N \sum_{t=1}^P RR_{i,t} * x_{i,t}$$

Constraints:

$$x_{i,t} \leq F_{i,t} \quad \forall i, t$$

$$\sum_{t=1}^P x_{i,t} \leq tF_i \quad \forall i$$

$$x_{i,t} \geq 0 \quad \forall i, t$$

$$\sum_{i=1}^N \sum_{t=1}^P TC_{i,t} * x_{i,t} \leq Budget * BP_t \quad \forall i, t$$

$$\sum_{i=1}^N \sum_{t=1}^P TC_{i,t} * x_{i,t} \leq Budget$$

Subscript notation:

$i$  is used to index treatment units from 1 to  $N$

$t$  is used to index treatment types from 1 to  $P$

Decision variables:

$x_{i,t}$  is the area (ac) of treatment  $t$  assigned to treatment unit  $i$

Parameters:

$Z$  is the total risk reduction (unitless)

$RR_{i,t}$  is the risk reduction per acre of treatment  $t$  applied to treatment unit  $i$

$F_{i,t}$  is the feasible area (ac) for treatment  $t$  in treatment unit  $i$

$tF_i$  is the total feasible area (ac) for any treatment in treatment unit  $i$

$TC_{i,t}$  is the cost (\$/ac) of applying treatment  $t$  in treatment unit  $i$

$Budget$  is the funding available for fuel treatment (\$)

$BP_t$  is the maximum budget proportion that can be allocated to treatment type  $t$

Minimum and maximum treatment sizes (ac) are also imposed on the model by pre-processing decision units to eliminate those that fall under the minimum treatment size and by shrinking the feasible acres for those decision units that exceed the maximum treatment size.

## Appendix II – Cost-effectiveness results

### Mechanical Cost Effectiveness

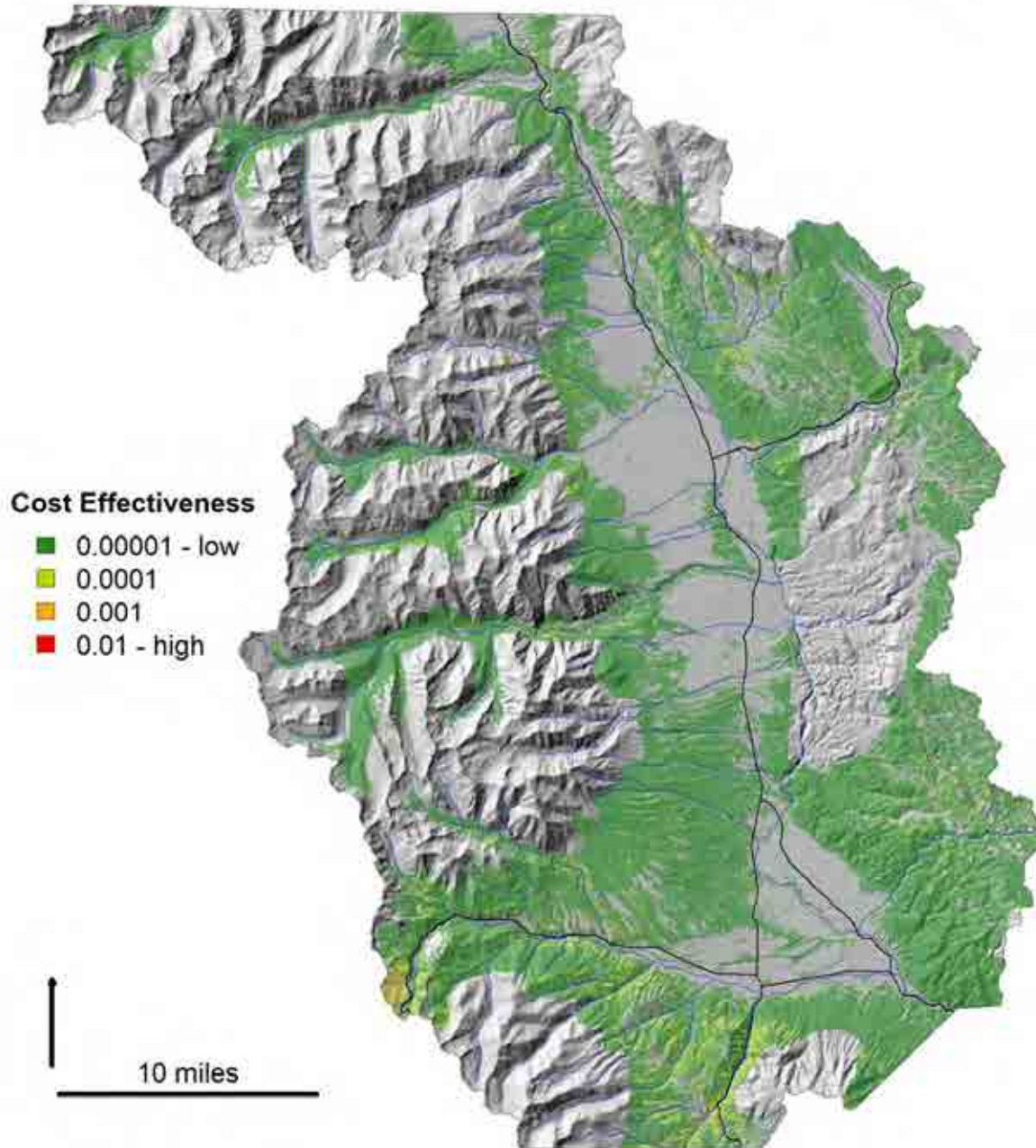


Figure 17: Cost-effectiveness (risk reduction/treatment cost) of the mechanical thinning only treatment.



# Rx fire Cost Effectiveness

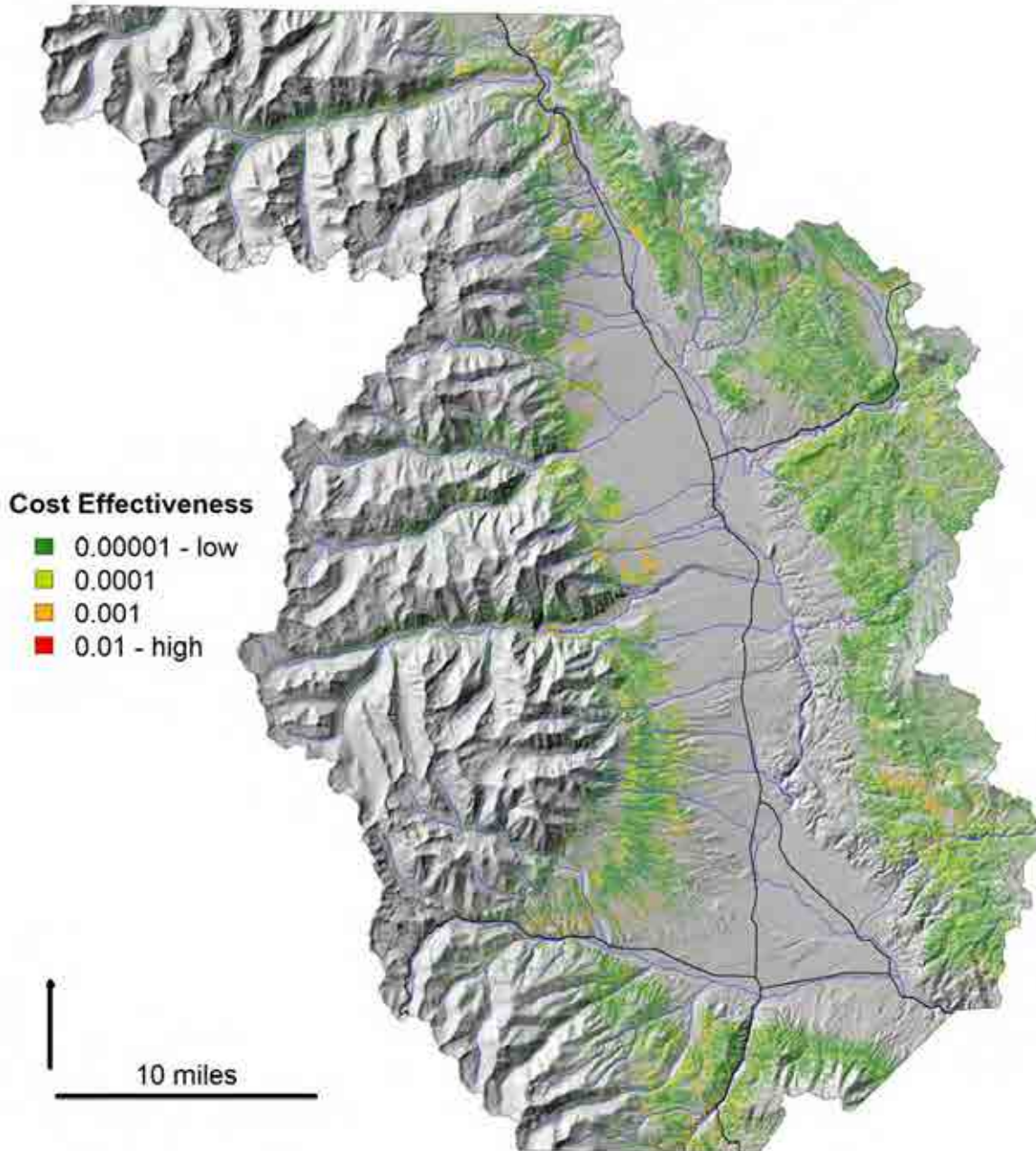


Figure 18: Cost-effectiveness (risk reduction/treatment cost) of the prescribed fire only treatment.



# Complete Cost Effectiveness

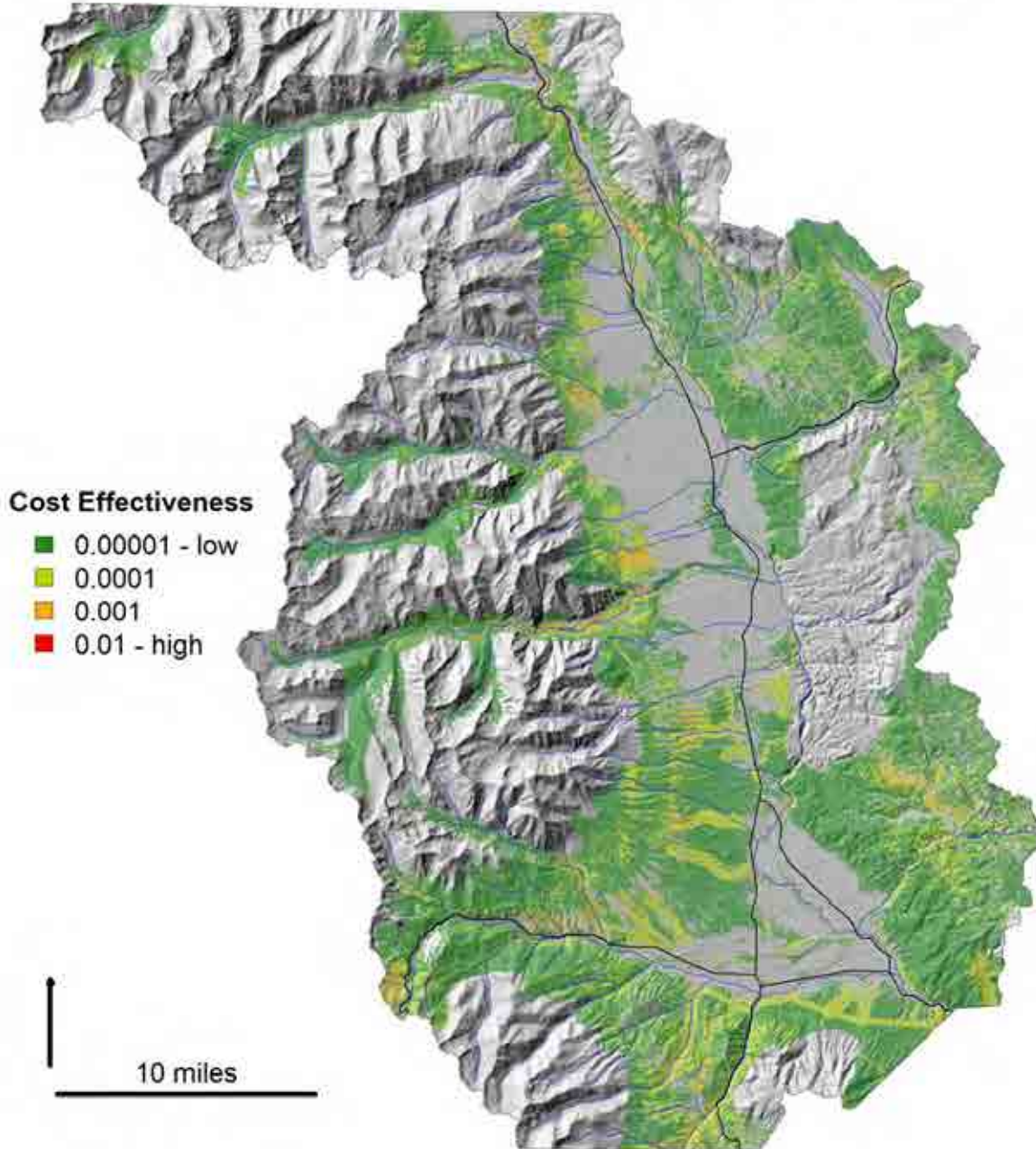


Figure 19: Cost-effectiveness (risk reduction/treatment cost) of the complete treatment.

# Mastication Cost Effectiveness

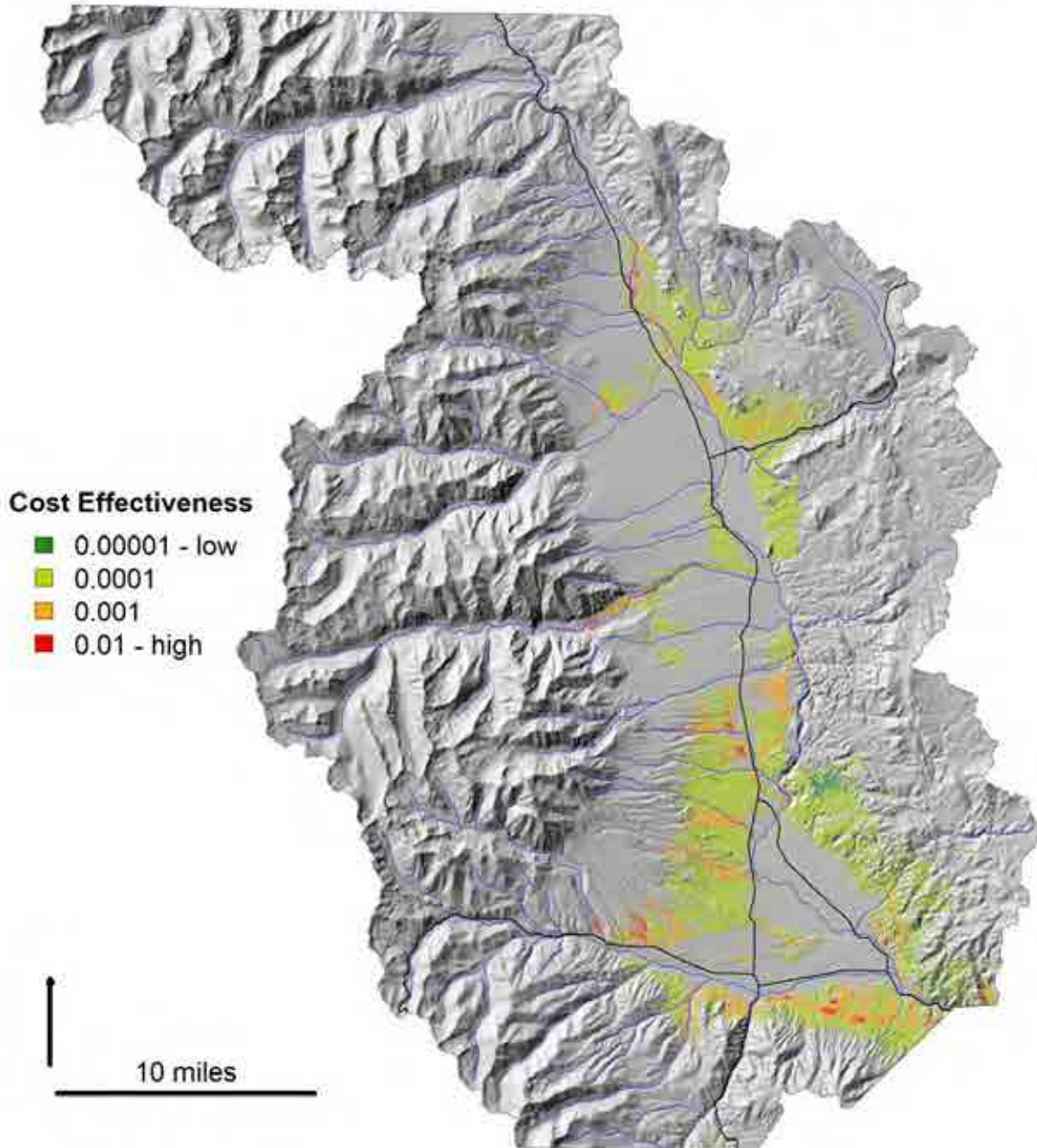


Figure 20: Cost-effectiveness (risk reduction/treatment cost) of the mastication treatment.

## **Appendix E – WUI Communities**

### **A. Summary**

Information from the Chaffee County Assessor on 1/23/2020 indicates there are a total of 404 subdivisions in the county with 6,525 lots. Of those, 171 include more than 10 lots.

Since 2007, 135 subdivisions have been added to the county, and 12 of those have more than 10 lots.

The 2009 CWPP included a 2007 risk assessment of 54 prioritized communities and subdivisions. This was 34% of all subdivisions with greater than 10 lots at that time.

### **B. 2007 Prioritized Communities Risk Assessment**

Fifty-four communities and major subdivisions were identified in the 2009 Chaffee County CWPP and prioritized by a 2007 risk assessment as follows (with community, risk rating (on 0 to 100 scale) and categories (Extreme, Severe, High, Moderate and Low) as listed below. When the risk ratings were completed in 2007, the county had 268 recorded subdivisions with 5,943 lots. Of those, 60 had more than 30 lots and 159 had more than 10 lots. This data is provided in Table E-1.

### **C. 2020 List of all current Chaffee County Subdivisions**

Information from the Chaffee County Assessor on 1/23/2020 indicates there are a total of 404 subdivisions in the county with 6,525 lots. Of those, 171 include more than 10 lots. Since 2007, 135 subdivisions have been added to the county, and 12 of those have more than 10 lots.

All of these communities are considered in the Next Generation Community Wildfire Protection plan WUI community list. A full list is provided in Table E-2.

**Table E-1 2007-2008 Risk Assessment**

<b>Subdivision, Community, or Neighborhood</b>	<b>Fire District</b>	<b>Risk Rating</b>	<b>Hazard Class</b>
<b>Eagles Roost</b>	CCFPD	87	Extreme
<b>Angel Of Shavano</b>	CCFPD	75	Extreme
<b>Jo Love Ranch</b>	CCFPD	67	Extreme
<b>Mt. Princeton Hot Springs</b>	CCFPD	62	Extreme
<b>Rancho Antero Estates</b>	CCFPD	62	Extreme
<b>Silver Cliff Club</b>	CCFPD	62	Extreme
<b>Princeton Shadows</b>	CCFPD	62	Extreme
<b>Milne Subdivision</b>	CCFPD	62	Extreme
<b>Deer Valley Ranch</b>	CCFPD	62	Extreme
<b>Chalk Creek Acres</b>	CCFPD	62	Extreme
<b>Chalk Creek Estates</b>	CCFPD	62	Extreme
<b>Alpine</b>	CCFPD	60	Extreme
<b>Lost Creek Ranch</b>	CCFPD	58	Severe
<b>Trail West Village</b>	CCFPD	58	Severe
<b>Meadow Lake Mtn Estates</b>	CCFPD	55	Severe
<b>North Fork Acres</b>	CCFPD	53	Severe
<b>Mesa Antero Estates</b>	CCFPD	50	Severe
<b>St. Elmo</b>	CCFPD	50	Severe
<b>Whispering Pines</b>	CCFPD	47	High
<b>Trout Creek Meadows</b>	CCFPD	47	High
<b>Cochetopa Estates</b>	CCFPD	46	High
<b>The Canyons Rosi</b>	CCFPD	46	High
<b>Hidden Hills</b>	CCFPD	45	High
<b>Eureka Ranch</b>	CCFPD	45	High
<b>Methodist Meadow</b>	SAFPD	45	High
<b>Methodist Mountain</b>	SAFPD	44	High
<b>Wapiti</b>	CCFPD	43	High
<b>Four Elk Camp</b>	CCFPD	43	High
<b>Mt Harvard Addition</b>	CCFPD	43	High
<b>Mt Harvard Valley Estates</b>	CCFPD	43	High
<b>Mt Princeton View Estates</b>	CCFPD	40	High
<b>Game Trail</b>	CCFPD	39	Moderate
<b>Pinon Acres</b>	CCFPD	38	Moderate
<b>Saddle Ridge Ranch</b>	CCFPD	37	Moderate
<b>Weldon Creek</b>	CCFPD	36	Moderate

<b>Tenderfoot Business Park</b>	SAFPD	36	Moderate
<b>Cedar Gate Estates</b>	CCFPD	35	Moderate
<b>Maysville</b>	CCFPD	34	Moderate
<b>Maysville Meadows</b>	CCFPD	34	Moderate
<b>Boot Hill</b>	SAFPD	34	Moderate
<b>Mesa Antero</b>	CCFPD	32	Moderate
<b>Nicholas Hills</b>	SAFPD	32	Moderate
<b>Pinon Hills</b>	SAFPD	30	Moderate
<b>Ute Heights</b>	SAFPD	29	Low
<b>Webb Tracts</b>	SAFPD	29	Low
<b>Fawn Ridge</b>	SAFPD	27	Low
<b>Betty's Meadows</b>	SAFPD	26	Low
<b>Hacienda Village</b>	CCFPD	26	Low
<b>Shikoba Acres</b>	SAFPD	26	Low
<b>Hilton Subdivision</b>	SAFPD	25	Low
<b>Mt. Princeton View Estates</b>	CCFPD	25	Low
<b>Rancho Sawatch</b>	CCFPD	25	Low
<b>Martha's Court</b>	CCFPD	24	Low
<b>Rancho Caballeros</b>	SAFPD	24	Low
<b>The Reserve At Cottonwood Creek</b>	CCFPD	24	Low
<b>Pikul Subdivision</b>	CCFPD	23	Low
<b>River West</b>	SAFPD	23	Low
<b>Carpenter Industrial Air Park</b>	CCFPD	22	Low
<b>Chaparral</b>	SAFPD	22	Low
<b>Oro Vista</b>	CCFPD	22	Low
<b>Shavano Vista</b>	SAFPD	22	Low
<b>Vista Grande</b>	SAFPD	22	Low
<b>Windance</b>	SAFPD	22	Low
<b>Embry Estates (industrial)</b>	SAFPD	21	Low
<b>Pinon Pines</b>	CCFPD	21	Low
<b>Rainbow Ridge</b>	SAFPD	21	Low
<b>Cielo Vista</b>	CCFPD	20	Low
<b>Meadowlark Estates</b>	SAFPD	20	Low
<b>The Range ROSI</b>	SAFPD	20	Low
<b>Troy Kelly</b>	CCFPD	18	Low
<b>Princeton Estates</b>	CCFPD	18	Low
<b>Bear Trail Subdivision</b>	CCFPD	18	Low
<b>Smelertown</b>	SAFPD	16	Low
<b>Glenview</b>	CCFPD	15	Low
<b>Westwinds Subdivision</b>	CCFPD	15	Low



Table E-2. Subdivisions in Chaffee County, according to Chaffee County Assessor 1/23/20.

SUBNO	Name	Filing Number	Lots	Date Recorded
<b>Subdivisions added 2007 to 2019 (sorted by number of lots)</b>				
SUB388	The Estates at Mt Princeton	PHASE I	33	6/27/2012
SUB393	Eagle View at Mt Princeton	-	24	6/20/2013
MIS614	Broadview Rural Open Space Incentive	Phase I	18	6/8/2018
SUB413	Longhorn Ranch Subdivision	-	16	9/20/2017
SUB1735	Shikoba Acres	2	16	6/7/2011
MIS566	Arkansas Valley Business Park	PHASE 1	15	4/1/2016
50	Boot Hill	4	15	7/12/2008
SUB091	Casa Del Rio MHP	River Addition	13	7/28/2009
SUB400	Caballo Ranchero ROSI	-	11	7/31/2015
SUB398	Gold Medal River Estates	-	11	12/1/2014
MIS614	Broadview Rural Open Space Incentive	Phase II	10	7/17/2019
MIS472	High Lonesome	-	10	6/18/2010
sub356	GRAY HAWK SUB	-	9	1/20/2009
MIS431	Monarch River Estates III ROSI	-	9	1/4/2008
SUB438	Cactus Ranch Major Subdivision	-	8	12/23/2019
MIS497	Hutchinson Sub Exemption No 2	-	8	11/9/2011
SUB344	Betty's Meadows	-	8	3/25/2008
SUB408	Willows Subdivision	1	7	11/7/2016
SUB391	Vista del Rio Subdivision	-	7	7/25/2012
MIS435	RIVER VALLEY RANCH	-	7	3/27/2008
SUB341	Highlanders Retreat	-	7	1/8/2008
MIS634	Mountain Shadows Subdivision	-	6	12/20/2019
MIS631	Nestle Waters North America Inc./Jacobson Boundary Line Adjustment	-	6	7/16/2019
SUB423	Pintane Subdivision Exemption	-	6	7/31/2018
SUB396	Three Roads Subdivision	-	6	7/15/2014
MIS449	PONCHA CREEK ROSI	-	6	12/12/2008
MIS430	Monarch River Estates I ROSI	-	6	1/4/2008
MIS627	Uspenski-Brewer Boundary Line Adjustment	-	5	4/4/2019
SUB424	Hill Large Tract Subdivision No 1	-	5	8/27/2018
SUB422	Brady Minor Subdivision	-	5	7/16/2018
MIS595	Tabeguache Hills Large Tract Subdivision	-	5	7/20/2017
SUB409	Bos Minor Subdivision	-	5	11/15/2016
BV247	Southwinds Minor Subdivision	-	5	10/9/2015
MIS490	Habitat JV PUD	-	5	5/24/2011
MIS490	Habitat JV PUD	*	5	5/24/2011
MIS432	Shining Mountain ROSI	-	5	1/4/2008
MIS626	Project 2411 Ministries and Deer Valley Boundary Line Adjustment No 2	-	4	3/26/2019
SUB427	Kalivoda Heritage Water Subdivision Exemption	-	4	1/24/2019
SUB420	Pinon Grove Minor Subdivision	-	4	5/31/2018
MIS607	Project 2411 Ministries at Deer Valley Boundary Line Adjustment	-	4	3/21/2018
SUB411	Shanahan Minor Subdivision	-	4	3/29/2017
SUB348	SECURITY ACRES	-	4	5/29/2008
SUB347	SALIDA COUNTRY ESTATES	-	4	4/28/2008
SUB346	MARGIOTTA SUB	-	4	4/21/2008
SUB343	J.D. MINOR SUB	-	4	2/28/2008
MIS643	Rice-Sellers Boundary Line Adjustment	-	3	12/18/2019
MIS635	Kalivoda Rural Open Space Incentive	Phase 1	3	9/20/2019
MIS644	Thompson Boundary Line Adjustment	-	3	9/10/2019
SUB430	Temarctos Minor Subdivision	-	3	3/4/2019
SUB428	Lion Mountain Heritage Water Subdivision Exemption	-	3	2/28/2019

SUBNO	SUBNAME	FILINGNO	Lots	SUBFILINGDATERECORDED
<b>Subdivisions added from 2007 to 2019 (sorted by number of lots)</b>				
SUB426	141 Annex Minor Subdivision	-	3	1/4/2019
BV288	D & L Holdings Boundary Line Adjustment	-	3	8/2/2018
MIS608	SHURBET RANCH BOUNDARY LINE ADJUSTMENT	-	3	3/21/2018
SUB416	LANTZ SUBDIVISION EXEMPTION	-	3	12/13/2017
MIS602	Independence Boundary Line Adjustment	-	3	10/13/2017
MIS586	GUGLIELMO-WILLAMS BLA AND AGRICULTURAL SUBDIVISION EXEMPTION	-	3	2/23/2017
MIS564	Wooden Flume Minor Subdivision	-	3	3/28/2016
SUB404	Sunset Mesa Minor Subdivision	-	3	2/2/2016
SUB401	Triple T Minor Subdivision	-	3	11/30/2015
MIS554	Butala/Chermack/Chaffee County Boundary Line Adjustment	-	3	11/10/2015
MIS546	Starbuck Boundary Line Adjustment	-	3	9/14/2015
MIS544	Strother Parcels	-	3	7/31/2015
SUB399	Nachtrieb-DTS Ranch BLA and Nactrieb Ag Sub Exemption	-	3	4/22/2015
MIS527	Mt Princeton Hot Springs Resort Subdivision	-	3	4/23/2014
SUB373	Pinon Bough Minor Sub	-	3	4/20/2011
SUB365	MARTIN MINOR SUBDIVISION	-	3	1/12/2010
SUB357	SZYMANSKI MINOR SUB	-	3	5/12/2009
MIS450	WITTWER BLA	-	3	12/22/2008
MIS445	Maxwell Creek BLA	-	3	10/1/2008
MIS440	LOWRY-MARTIN REPLAT	-	3	7/15/2008
MIS642	Nola Minor Subdivision	-	2	12/18/2019
SUB437	Hunter Boundary Line Adjustment	-	2	11/27/2019
MIS639	Centerville Ranch Heritage Water Subdivision Exemption	-	2	10/18/2019
MIS637	McConaghy Heritage Water Subdivision Exemption	-	2	10/2/2019
PS99	JLS, LLC/Town of Poncha Springs Subdivision Exemption No 2	-	2	9/11/2019
SUB434	Melton Minor Subdivision	-	2	7/25/2019
MIS630	Van Deel Heritage Water Subdivision Exemption	-	2	7/16/2019
SUB432	Wilson Minor Subdivision	-	2	6/21/2019
SUB431	MONARCH SHADOWS MINOR SUBDIVISION EXEMPTION	-	2	6/6/2019
SUB429	Crossroads Ranch Minor Subdivision	-	2	3/4/2019
MIS620	House Rock Minor Subdivision	-	2	12/7/2018
MIS619	DTS Ranch Agricultural Subdivision Exemption	-	2	12/4/2018
MIS646	Hayden Spings Ranch Subdivision No 2	-	2	8/20/2018
SAL482	Cocovinis Plat #3	3	2	6/26/2018
MIS612	Baker Boundary Line Adjustment	-	2	5/31/2018
MIS609	Senter Agricultural Subdivision Exemption No 3	-	2	4/23/2018
MIS605	Adams Agricultural Subdivision Exemption	-	2	12/19/2017
SUB415	Fisher Subdivision Exemption	-	2	11/30/2017
SUB412	Chipeta Meadows Minor Subdivision	-	2	7/13/2017
MIS593	Arnett Agricultural Subdivision Exemption	-	2	6/8/2017
MIS589	Allen Minor Subdivision	-	2	5/2/2017
MIS587	Senter Agricultural Subdivision Exemption No 2	-	2	3/21/2017
PS79	JLS, LLC/Town of Poncha Springs Subdivision Exemption	-	2	3/14/2017
SUB410	Ruby Mountain Subdivision Exemption	-	2	2/10/2017
MIS581	Shurbet Ranch Minor Subdivision	-	2	9/2/2016



SUBNO	Name	Filing Number	Lots	Date Recorded
<b>Subdivisions added 2007 to 2019 (sorted by number of lots)</b>				
SUB407	Schwitzer Minor Subdivision	-	2	8/2/2016
SUB 406	Butler House Minor Subdivision	-	2	5/10/2016
MIS570	Ranch View Minor Subdivision	-	2	4/26/2016
MIS560	Waite Boundary Line Adjustment	-	2	3/2/2016
SUB403	Stark Minor Subdivision	-	2	12/10/2015
SUB402L	Linbloom Minor Subdivision	-	2	12/7/2015
MIS547	Klugh Boundary Line Adjustment	-	2	9/21/2015
BV245	Haarber Minor Subdivision	-	2	7/7/2015
MIS541	Chaffee County Subdivision Exemption	-	2	6/8/2015
MIS526	Lindstrom Boundary Line Adjustment	-	2	4/2/2014
SUB395	Horse Park Minor Subdivision	-	2	2/10/2014
MIS522	Daubenspeck BLA/LLE	-	2	10/25/2013
SUB392	Milk House Minor Subdivision	-	2	9/20/2012
SUB390	Rundell Tracts	-	2	7/25/2012
MIS503	Paddock BLA	-	2	2/3/2012
MIS502	McMurray Land & Livestock BLA 2	-	2	12/28/2011
MIS501	McMurray Land & Livestock Company, Inc BLA 1	-	2	12/28/2011
MIS500	McMurray Land & Livestock Subdivision Exemption	-	2	12/28/2011
SUB381	Holman Subdivision Exemption	-	2	8/16/2011
SUB375	COOK/JONES BLA	-	2	5/17/2011
SUB371	Lundberg Minor Subdivision	-	2	2/15/2011
SUB370	Wilken Minor Sub	-	2	1/26/2011
MIS476	MESTEL LOT LINE ADJUSTMENT	-	2	10/18/2010
MIS473	EDSON MIZELL BLA	-	2	6/29/2010
MIS468	PAPLOW BLA	MIS468	2	1/26/2010
MIS467	BARTON BLA & REPLAT	-	2	1/20/2010
MIS465	Lottinville/Cabe BLA	-	2	10/29/2009
MIS463	SITES BLA AND REPLAT TRACT 2 MCPHETRES SUB	-	2	9/14/2009
SUB361	WILMOTH SUB EXEMPTION	-	2	6/23/2009
SUB360	EMBRY LLA	-	2	6/3/2009
SUB358	CD SUBDIVISION	-	2	5/14/2009
SUB355	SPIRIT DANCER SUB EXEMPTION	-	2	12/8/2008
SUB354	ROCK RIDGE ESTATES ROSI	-	2	10/15/2008
MIS442	Monarch River Estates II	-	2	8/29/2008
MIS437	S. EGGLESTON BLA	-	2	5/29/2008
MIS434	HERMES REPLAT	-	2	3/12/2008
MIS433	Monarch Shadows-Cates BLA	-	2	2/20/2008
SUB327	The View at Chalk Creek Canyon	*	1	6/20/2013
MIS488	South Arkansas River Subdivision Exemption	0	1	4/28/2011
SUB364	RCC RANCH SUB EXEMPTION	-	1	11/5/2009
MIS460	POST-COX BLA	-	1	6/23/2009

Subdivisions filed in 2007 and earlier				
SUBNO	Name	Filing Number	Lots	Date Recorded
589	Mining Claims - Non Produ	1	695	
100	Chateau Chaparral	1	307	
600	Pinon Hills	1	222	
760	St. Elmo	1	117	
550	Nathrop	1	99	
582	Oro Vista	1	85	
370	Mesa Antero	4	83	
370	Mesa Antero	3	75	
280	Ivy League	1	71	
530	Mt Princeton Hot Springs	1	71	
350	Maysville	1	70	
813	Turret	1	69	
845	Weldon Creek	1	66	7/2/2002
410	Mesa Antero Estates	1	61	
340	Lost Creek Ranch	1	54	
370	Mesa Antero	2	54	
517	Severed Interest Minerals	1	54	
880	Yale Lakes Estates	1	51	
800	3 Elk Creek	1	50	
170	Eagles Roost	1	48	
215	Game Trail	1	47	
215	Game Trail	2	47	
648	The Reserve at Cottonwood Creek	1	45	12/17/2001
238	Glenview	2	45	3/9/2000
510	Monte Escondido	1	45	
SUB091	Casa Del Rio MHP	-	44	7/28/2005
270	Hidden Hills	1	43	
290	Jo Love Ranch	1	42	
520	Mt. Harvard Valley Estates	1	42	
780	Sunshine Acres	1	42	
215	Game Trail	12	41	
370	Mesa Antero	5	41	
336	Las Colinas	1	40	8/14/2002
238	Glenview	1	40	3/9/2000
420	Mesa View Estates	1	40	
560	North Cottonwood Estates	1	40	
590	Pinon Acres	1	39	
215	Game Trail	9	38	
808	Trout Creek Meadows	2	38	
92	The Canyons	ROSI	37	7/11/2002
89	Cameron Meadow Estates	1	36	1/13/2005
808	Trout Creek Meadows	1	36	
215	Game Trail	11	35	

Subdivisions filed in 2007 and earlier				
SUBNO	Name	Filing Number	Lots	Date Recorded
120	Colorado Midland	1	34	
351	Maysville Replat	1	34	
650	Rio Hondo	1	34	
215	Game Trail	14	33	10/19/1999
215	Game Trail	4	33	
999	Town of Kortz	0	33	
818	Ute Heights	1	33	
614	Maysville Meadows	1	31	12/6/2001
20	Alta Vista	1	31	
190	Four Elk Camp	1	31	
215	Game Trail	8	31	
SUB1079	Buffalo Hills	-	30	9/29/2005
169	Eagle Moon Ranch	1	30	9/8/2004
1875	Windmill Ranch Estates	ROSI	30	9/4/2004
790	3 Bar J Estates	1	30	
215	Game Trail	10	30	
360	Meadow Lakes Mountain Est	2	30	
840	Wapiti	1	29	
186	Fawn Ridge Subdivision	1	28	9/17/2002
702	Saddle Ridge Ranch	1	27	10/28/2002
215	Game Trail	7	26	
810	Troy Kelly	1	25	
95	Cedar Gate Estates	1	24	
160	Deer Valley	1	24	
215	Game Trail	13	24	
681	Riverside Subdivision	1	24	
362	Meadowlark Estates	-	23	3/16/2005
559	River Meadow Estates	1	23	12/8/2000
215	Game Trail	16	23	5/17/2000
360	Meadow Lakes Mountain Est	1	23	
559	River Meadow Estates	2	22	12/8/2000
8	Abernathy Tracts	1	22	
420	Mesa View Estates	3	22	
597	Pine Grove Estates	1	21	1/7/2003
420	Mesa View Estates	2	21	
827	Vista Farms	1	20	9/7/2004
315	Lakeside Estates	1	20	1/28/1963
697	Ruby Mountain Ranch	1	20	
SUB104	Cielo Vista	-	19	5/3/2005
185	Eureka Ranch	1	19	11/20/2000
215	Game Trail	15	19	
480	Methodist Mountain	1	19	
660	River Rim Estates	1	19	
370	Mesa Antero	1	18	
480	Methodist Mountain	2	18	
535	Mt. Princeton View Estates	3	18	
620	Princeton Plateau	1	18	
730	Shell-ter Homes	1	18	
820	Via Ponderosa	1	18	
32	Arroyo del Vista	1	17	4/15/2003
617	Princeton Estates	5	17	4/14/2000

Subdivisions filed in 2007 and earlier				
SUBNO	Name	Filing Number	Lots	Date Recorded
25	Angel Creek	1	17	
161	Dos Madres	1	17	
176	Elephant Rock Estates	1	17	
250	Hacienda Village	1	17	
535	Mt. Princeton View Estates	1	17	
570	North Fork Acres	1	17	
607	Pinon Pines	1	17	
761	St. Elmo - outlying	1	17	
MIS428	Lakeside Preserve	-	16	12/18/2007
865	Westwinds Subdivision	1	16	6/14/2002
86	Carpenter Industrial Air Park	1	16	11/19/2001
617	Princeton Estates	3	16	6/6/2000
165	Elk Crossing Ranch	3	16	
640	Rancho Antero Estates	1	16	
720	Shavano Vista	1	16	
865	Westwinds Subdivision	2	15	6/14/2002
865	Westwinds Subdivision	3	15	6/14/2002
97	Cedar Ridge Estates	1	15	7/30/1997
SUB1735	Shikoba Acres	-	14	7/28/2006
420	Mesa View Estates	4	14	
690	River West	1	14	
135	Country Meadows Estates	1	13	
260	Harvard Lakeside Estates	1	13	
750	Silver Cliff	1	13	
97	Cedar Ridge Estates	4	12	2/14/2006
42	Bear Trail	1	12	10/22/2003
99	Chaparral	1	12	11/19/2002
865	Westwinds Subdivision	4	12	6/14/2002
617	Princeton Estates	7	12	4/10/2002
591	Paradise Ranch	1	12	12/19/2001
215	Game Trail	17	12	1/17/2001
617	Princeton Estates	4	12	8/23/1999
31	Arkansas Wilderness Sub	1	12	
215	Game Trail	5	12	
215	Game Trail	6	12	
645	Rancho Caballeros	1	12	
643	Rancho Sawatch	1	12	
698	Rupp Placer	1	12	
830	Vista Meadows	1	12	
860	West Range	1	12	
860	West Range	2	12	
784	Talisman Subdivision	1	11	10/23/2002
103	Cherokee Heights	1	11	4/18/2002
617	Princeton Estates	6	11	4/10/2002
777	Sunnyside Estates	1	11	8/24/2000
274	Highland Estates	1	11	
367	Mear's Junction	1	11	
490	Milne Sub	1	11	

Subdivisions filed in 2007 and earlier				
SUBNO	Name	Filing Number	Lots	Date Recorded
500	Montana Terrace	1	11	
556	Nicholas Hills	1	11	
SUB321	Falcon's Reach ROSI	-	10	5/17/2007
648	The Reserve at Cottonwood Creek	Replat of II	10	8/4/2006
ROSI6081	Pinon Ridge Estates	-	10	12/9/2005
97	Cedar Ridge Estates	2	10	2/14/2005
131	Cottonwoods	1	10	8/23/2000
39	Big Sandy	1	10	
50	Boot Hill	1	10	
136	Country Meadow Ridge	1	10	
165	Elk Crossing Ranch	2	10	
165	Elk Crossing Ranch	4	10	
215	Game Trail	3	10	
470	Methodist Meadow	1	10	
82	NW Buena Vista	1	10	
658	Rio Vista	1	10	
816	Villa Vista	1	10	
SUB6081	Pinon Ridge Estates Sub	EAST	9	4/4/2006
841	Weaver Lane Estates	1	9	12/30/2003
559	River Meadow Estates	3	9	12/8/2000
802	356 Subdivision	1	9	
90	Chalk Creek Estates	1	9	
165	Elk Crossing Ranch	5	9	
210	Freegold Estates	1	9	
290	Jo Love Ranch	3	9	
617	Princeton Estates	2	9	
630	Princeton Shadows	1	9	
700	Rushing Waters	1	9	
83	SW Buena Vista	1	9	
876	Windance	1	9	
SUB1275	Hilton Subdivision	-	8	10/6/2006
SUB1774	Sunrise Ridge	-	8	8/2/2006
295	Journeys End	1	8	7/20/2004
549	Mountain View Farms	1	8	12/21/2001
114	Choctaw Heights	1	8	1/12/2000
87	Calarco	1	8	
130	Cottonwood Estates	1	8	
370	Mesa Antero	5A	8	
589	Mining Claims - Non Produ	GRANITE MD	8	
740	Sierra Vista	1	8	
50	Boot Hill	3	7	5/2/2007
648	The Reserve at Cottonwood Creek	III	7	8/4/2006
355	McMurray Tracts	1	7	5/10/2005
648	The Reserve at Cottonwood Creek	2	7	9/24/2004
276	High Mesa Estates	1	7	9/25/2002
783	Tenderfoot Business Park	1	7	8/14/2002
638	Rainbow Ridge	1	7	1/18/2000
177	Embry Estates	1	7	

Subdivisions filed in 2007 and earlier				
SUBNO	Name	Filing Number	Lots	Date Recorded
290	Jo Love Ranch	5	7	
580	Ocho Casa	1	7	
ROSI6081	Pinon Ridge Estates	South	6	3/21/2006
1042	The Bend	ROSI	6	7/12/2004
77	Buena Vista Ranch Estates	1	6	2/3/2000
88	Chalk Creek Acres	1	6	
290	Jo Love Ranch	2	6	
617	Princeton Estates	1	6	
828	Vista Grande	1	6	
870	Whispering Pines	1	6	
MIS423	Colorado Farm to Table Replat	-	5	10/16/2007
50	Boot Hill	2	5	5/2/2007
ROSI6075	Pinon Mesa Ranch ROSI	-	5	2/27/2006
ROSI1817	Two Trees ROSI	-	5	9/2/2005
1687	River's Edge ROSI	ROSI	5	3/19/2004
1646	The Range ROSI	ROSI	5	3/19/2004
1173	Eagles' View ROSI	1	5	11/6/2003
264	Hayden Springs Ranch	1	5	2/16/2001
SUB16	CRAIG SUBDIVISION	-	5	7/7/1964
36	Blackwell Parcels	1	5	
290	Jo Love Ranch	4	5	
692	Robinson-Lockett	1	5	
SUB324	Fuqua Minor Sub	-	4	6/5/2007
MSD3820	Wyatt Acres	-	4	11/28/2005
SUB1343	Lazy Daze	-	4	10/27/2005
MIS362	HummingBird Hill Ranch	-	4	12/28/2004
3078	Buena Vista Sanitation District BLA	1	4	5/21/2004
SUB259	CHALK VIEW SUBDIVISION	-	4	4/2/2004
92	The Canyons	1	4	8/27/2001
MIS426	Mt Shavano Ranch BLA	-	3	11/30/2007
SUB338	Crist-Couch Sub	-	3	11/19/2007
MIS424	Hill O'Connor & Scanga BLA	-	3	10/18/2007
SUB336	Williams-Dafoe BLA & Sub Exemption	-	3	9/13/2007
SUB333	Sand Creek Minor Sub	-	3	9/4/2007
MIS414	Ray's Ridge Minor Sub	-	3	1/22/2007
704	Sand Gulch Sub	1	3	7/13/2005
MIS213	Garatti Tracts	-	3	6/6/2000
MIS160	Coprio Exemption Plat #2	-	3	3/9/1999
MIS54	Marques Tracts	0	3	12/17/1996
70	Brown/Gold Estates	1	3	
256	Harrow Parcels	1	3	
255	Harrow Tracts	1	3	
338	Little Cochetopa Acres	1	3	
347	Marthas Court	1	3	
715	Severed Mineral Rights	1	3	
782	Swick Parcels	1	3	
842	Webb Tracts	1	3	
SUB340	Senter Sub Exemption	-	2	12/12/2007

Subdivisions filed in 2007 and earlier				
SUBNO	Name	Filing Number	Lots	Date Recorded
MIS427	Dallas BLA	-	2	12/4/2007
SUB337	Burkhart Sub	-	2	10/5/2007
MIS421	Young Life LLA	-	2	8/17/2007
SUB303	COWGIRL RANCH	-	2	8/29/2006
MIS398	LONG MINOR TRACT DIVISION NO 2	-	2	7/28/2006
97	Cedar Ridge Estates	3	2	3/11/2005
MIS323	Benton Minor Tract Division	-	2	12/16/2003
42	Bear Trail	2	2	10/22/2003
MIS289	Coleman LLA	-	2	8/8/2002
MIS217	Patton/Saston LLA	-	2	8/25/2000
MIS111	ZEIXET TRACTS	-	2	5/26/1998
165	Elk Crossing Ranch	1	2	
589	Mining Claims - Non Produ	CLEORA MD	2	
535	Mt. Princeton View Estates	2	2	
588	Oyler Tracts	1	2	
635	Princeton View Estates	1	2	
548	Mountain View Addition	2	1	6/15/2000
400	Mesa Antero 4	1	1	
589	Mining Claims - Non Produ	CAMERON MD	1	
589	Mining Claims - Non Produ	CHALK CREEK MD	1	
589	Mining Claims - Non Produ	COTTONWOOD MD	1	
589	Mining Claims - Non Produ	FREGGOLD MD	1	
589	Mining Claims - Non Produ	HOPE MD	1	
589	Mining Claims - Non Produ	LA PLATA MD	1	
589	Mining Claims - Non Produ	MONARCH MD	1	
589	Mining Claims - Non Produ	NORTH COTTONWOOD MD	1	
589	Mining Claims - Non Produ	RED MOUNTAIN MD	1	
589	Mining Claims - Non Produ	SOUTH COTTONWOOD MD	1	
589	Mining Claims - Non Produ	TURRET	1	
680	Riverside Addition	1	1	