



TOWN OF PAONIA
214 GRAND AVENUE
REGULAR TOWN BOARD MEETING AGENDA
TUESDAY, FEBRUARY 27, 2024 6:30 PM
[HTTPS://US02WEB.ZOOM.US/J/86556648213](https://us02web.zoom.us/j/86556648213)
MEETING ID: 865 5664 8213

Public Participation: Must raise hand and be recognized by the Mayor, come to the podium and state your name and the street on which you live. Time limit is 3 minutes, one time per item. Direct all comments to the Mayor. No responses will be made by staff or Board during the meeting. No derogatory or demeaning statements or public displays. Please be respectful.

Roll Call

Approval of Agenda

Announcements

Public Comment

Any topic not included under Actions & Presentations; 3-minute time limit.

Consent Agenda

[January 23, 2024 Regular Meeting Minutes](#)

[February 13, 2024 Regular Meeting Minutes](#)

[Disbursements](#)

Staff Reports

[Departmental](#) Scorecards

Actions & Presentations

Public comments must be related to the agenda item, 3-minute time limit.

Presentation: Master Plan Status Update from Phoenix Rising Resources

Public Hearing

Consideration of Granting a Hotel and Restaurant Liquor License to Good Love LLC at the property located at 208 3rd Street.

Agenda Item 1: Consideration of Approval of Offer to the School District to Purchase the Vo-Tech Building

Agenda Item 2: Review of Changes to Pending Ordinance 2024-01: Amending Chapters 7 & 10 of the Paonia Municipal Code

Agenda Item 3: Consideration of Approval of Resolution 03-2024: Adopting a Policy Concerning Town Officer, Employee and Board Member Consultation with the Town Attorney.

Mayor & Trustee Reports

Adjournment

I. RULES OF PROCEDURE

Section 1. Schedule of Meetings. Regular Board of Trustees meetings shall be held on the second and fourth Tuesdays of each month, except on legal holidays, or as re-scheduled or amended and posted on the agenda prior to the scheduled meeting.

Section 2. Officiating Officer. The meetings of the Board of Trustees shall be conducted by the Mayor or, in the Mayor's absence, the Mayor Pro-Tem. The Town Clerk or a designee of the Board shall record the minutes of the meetings.

Section 3. Time of Meetings. Regular meetings of the Board of Trustees shall begin at 6:30 p.m. or as scheduled and posted on the agenda. Board Members shall be called to order by the Mayor. The meetings shall open with the presiding officer leading the Board in the Pledge of Allegiance. The Town Clerk shall then proceed to call the roll, note the absences and announce whether a quorum is present. Regular Meetings are scheduled for three hours, and shall be adjourned at 9:30 p.m., unless a majority of the Board votes in the affirmative to extend the meeting, by a specific amount of time.

Section 4. Schedule of Business. If a quorum is present, the Board of Trustees shall proceed with the business before it, which shall be conducted in the following manner. Note that all provided times are estimated:

- (a) Roll Call - (5 minutes)
- (b) Approval of Agenda - (5 minutes)
- (c) Announcements (5 minutes)
- (d) Recognition of Visitors and Guests (10 minutes)
- (e) Consent Agenda including Approval of Prior Meeting Minutes (10 minutes)
- (f) Mayor's Report (10 minutes)
- (g) Staff Reports: (15 minutes)
 - (1) Town Administrator's Report
 - (2) Public Works Reports
 - (3) Police Report
 - (4) Treasurer Report
- (h) Unfinished Business (45 minutes)
- (i) New Business (45 minutes)
- (j) Disbursements (15 minutes)
- (k) Committee Reports (15 minutes)
- (l) Adjournment

* This schedule of business is subject to change and amendment.

Section 5. Priority and Order of Business. Questions relative to the priority of business and order shall be decided by the Mayor without debate, subject in all cases to an appeal to the Board of Trustees.

Section 6. Conduct of Board Members. Town Board Members shall treat other Board Members and the public in a civil and polite manner and shall comply with the Standards of Conduct for Elected Officials of the Town. Board Members shall address Town Staff and the Mayor by his/her title, other Board Members by the title of Trustee or the appropriate honorific (i.e.: Mr., Mrs. or Ms.), and members of the public by the appropriate honorific. Subject to the Mayor's discretion, Board Members shall be limited to speaking two times when debating an item on the agenda. Making a motion, asking a question or making a suggestion are not counted as speaking in a debate.

Section 7. Presentations to the Board. Items on the agenda presented by individuals, businesses or other organizations shall be given up to 5 minutes to make a presentation. On certain issues, presenters may be given more time, as determined by the Mayor and Town Staff. After the presentation, Trustees shall be given the opportunity to ask questions.

Section 8. Public Comment. After discussion of an agenda item by the Board of Trustees has concluded, the Mayor shall open the floor for comment from members of the public, who shall be allowed the opportunity to comment or ask questions on the agenda item. Each member of the public wishing to address the Town Board shall be recognized by the presiding officer before speaking. Members of the public shall speak from the podium, stating their name, the address of their residence and any group they are representing prior to making comment or asking a question. Comments shall be directed to the Mayor or presiding officer, not to an individual Trustee or Town employee. Comments or questions should be confined to the agenda item or issue(s) under discussion. The speaker should offer factual information and refrain from obscene language and personal attacks.

Section 9. Unacceptable Behavior. Disruptive behavior shall result in expulsion from the meeting.

Section 10. Posting of Rules of Procedure for Paonia Board of Trustees Meetings. These rules of procedure shall be provided in the Town Hall meeting room for each Board of Trustees meeting so that all attendees know how the meeting will be conducted.

II. CONSENT AGENDA

Section 1. Use of Consent Agenda. The Mayor, working with Town Staff, shall place items on the Consent Agenda. By using a Consent Agenda, the Board has consented to the consideration of certain items as a group under one motion. Should a Consent Agenda be used at a meeting, an appropriate amount of discussion time will be allowed to review any item upon request.

Section 2. General Guidelines. Items for consent are those which usually do not require discussion or explanation prior to action by the Board, are non-controversial and/or similar in content, or are those items which have already been discussed or explained and do not require further discussion or explanation. Such agenda items may include ministerial tasks such as, but not limited to, approval of previous meeting minutes, approval of staff reports, addressing routine correspondence, approval of liquor licenses renewals and approval or extension of other Town licenses. Minor changes in the minutes such as non-material Scribner errors may be made without removing the minutes from the Consent Agenda. Should any Trustee feel there is a material error in the minutes, they should request the minutes be removed from the Consent Agenda for Board discussion.

Section 3. Removal of Item from Consent Agenda. One or more items may be removed from the Consent Agenda by a timely request of any Trustee. A request is timely if made prior to the vote on the Consent Agenda. The request does not require a second or a vote by the Board. An item removed from the Consent Agenda will then be discussed and acted on separately either immediately following the consideration of the Consent Agenda or placed later on the agenda, at the discretion of the Board.

III. EXECUTIVE SESSION

Section 1. An executive session may only be called at a regular or special Board meeting where official action may be taken by the Board, not at a work session of the Board. To convene an executive session, the Board shall announce to the public in the open meeting the topic to be discussed in the executive session, including specific citation to the statute authorizing the Board to meet in an executive session and identifying the particular matter to be discussed "in as much detail as possible without compromising the purpose for which the executive session is authorized." In the event the Board plans to discuss more than one of the authorized topics in the executive session, each should be announced, cited and described. Following the announcement of the intent to convene an executive session, a motion must then be made and seconded. In order to go into executive session, there must be the affirmative vote of two thirds (2/3) of Members of the Board.

Section 2. During executive session, minutes or notes of the deliberations should not be taken. Since meeting minutes are subject to inspection under the Colorado Open Records Act, the keeping of minutes would defeat the private nature of executive session. In addition, the deliberations carried out during executive session should not be discussed outside of that session or with individuals not participating in the session. The contents of an executive session are to remain confidential unless a majority of the Trustees vote to disclose the contents of the executive session.

Section 3. Once the deliberations have taken place in executive session, the Board should reconvene in regular session to take any formal action decided upon during the executive session. If you have questions regarding the wording of the motion or whether any other information should be disclosed on the record, it is essential for you to consult with the Town Attorney on these matters.

IV. SUBJECT TO AMENDMENT

Section 1. Deviations. The Board may deviate from the procedures set forth in this Resolution, if, in its sole discretion, such deviation is necessary under the circumstances.

Section 2. Amendment. The Board may amend these Rules of Procedures Policy from time to time.

Minutes
Regular Town Board Meeting
Town of Paonia, Colorado
January 23, 2024

RECORD OF PROCEEDINGS

Public Participation: Must raise hand and be recognized by the Mayor, come to the podium and state your name and the street on which you live. Time limit is 3 minutes, one time per item. Direct all comments to the Mayor. No responses will be made by staff or Board during the meeting. No derogatory or demeaning statements or public displays. Please be respectful.

Roll Call

Mayor Bachran calls the meeting to order at 6:30 pm.

- PRESENT
- Mayor Mary Bachran
- Mayor Pro-Tem Dave Knutson
- Trustee Paige Smith
- Trustee John Valentine
- Trustee Morgan MacInnis
- Trustee Kathy Swartz

- ABSENT
- Trustee Rick Stelter (Excused)

Approval of Agenda

Mayor Pro-Tem Knutson makes a motion, seconded by Trustee MacInnis to approve the agenda.

The motion carries unanimously.

The Board of Trustees sends their condolences to the family of Larry Garret who was a member of the Airport Advisory Committee for many years. He will be missed.

Mayor Pro-Tem Knutson makes an announcement about the Energy and Carbon Management Commission, having a new initial rule on cumulative impacts and encourages the public to read it and submit comments.

Mayor Pro-Tem Knutson also speaks briefly about the first planning call on Safe Routes to Parks and explains that it was decided to focus on Apple Valley Park. Trustee Smith announces that she will not be attending the meeting on February 13th and Mayor Pro-Tem Knutson expresses that he will be missing the February 27 and March 12 meetings.

Public Comment

Any topic not included under Actions & Presentations; 3-minute time limit.

B. Brunner: Comments on the Public Hearing of the Planning Commission and his belief of the process being done wrong.

Consent Agenda

Trustee Swartz asks question about the layout of disbursements and is answered by Trustee MacInnis, who is a member of the Finance Committee.

Mayor Pro-Tem Knutson asks about the audit and where the Town is in the process.

Trustee Valentine makes a motion, seconded by Trustee MacInnis to approve the consent agenda.

The motion carries unanimously.

Staff Reports

Town Administrator Wynn gives a verbal report on matters that were discussed at the CML Policy Committee Meeting that he and Town Clerk Vetter attended on January 19, 2024.

Town Administrator Stefen Wynn goes over the Departmental Scorecard covering the audit, CDOT grant and project updates, employee purchasing policies etc. being updated, water companies and agreements, code rewrite: RFQ will be out in February , Chase credit card update and grant reporting.

Mayor Pro-Tem Knutson asks about when the RFQ for a water attorney will go out.

Clerk Vetter provides a verbal update on the number of candidates who are running for the open Mayor and Trustee seats and asks the Trustees to set a Special Meeting to pass a Resolution to cancel the Election if no write-in candidates present themselves before the deadline on January 29, 2024.

Trustee Swartz makes a motion, seconded by Mayor Pro-Tem Knutson, to set a special meeting for January 30, 2024 at 5 pm.

The motion carries unanimously.

Actions & Presentations

Public comments must be related to the agenda item, 3-minute time limit.

Agenda Item #1: Progress on the Water Moratorium Update by RESPEC

James Starnes, attending by Zoom, goes over their update report and opens himself up for questions.

Public Comment:

C. Patterson: comments on the water crisis in 2019.

W. Brunner: comments on the 2019 water crisis.

Agenda Item #2: Master Plan Status Update from Phoenix Rising Resources

Calla Rose Ostrander from PRR provides an update on the Comprehensive (Master) Plan and explains the changes they are requesting in budget and timeline.

Board discussion includes timelines, what has been produced so far, lack of a product, job scope changes and deadlines.

Agenda Item #3: Consideration of Approval of a Letter of Support to Dark Skies International for the Town of Paonia to be Officially Recognized as a Dark Sky Town - Presentation by Dark Skies Paonia, Aaron Watson

Aaron Watson, with Dark Skies Paonia, explains that they are getting ready to do the final push for official recognition as a Dark Sky community.

Public Comment:

S. Watson: comments on Christmas lights.

C. Ostrander: comments on Dark Skies and stargazing.

Mayor Pro-Tem Knutson asks the Dark Skies Paonia Board to stand and be recognized for their hard work.

Trustee Smith asks for certain edits to the letter of support.

Mayor Bachran also thanks Dark Skies Paonia and asks that money be budgeted for the next 5 years to do the work needed to change all the lights.

Mayor Pro-Tem Knutson makes a motion, seconded by Trustee MacInnis, to approve the letter of support for Dark Skies Paonia to become a recognized Dark Skies Community with Dark Skies International, with the suggested edits; to include a five-year budget in FY 2025-2029 for light replacements and to allow a light monitor to be installed on top of Town Hall.

The motion carries unanimously.

Agenda Item #4: Board Consideration of Appointment for the Zoning Board of Adjustments & Appeals

Dale Duesterbeck, the applicant, is in attendance and introduces himself to the Board of Trustees.

Public Comment:

W. Brunner- comments on advertisement for the position.

S. Watson- comments on board name.

Board discussion includes the Code rewrite will address many of these concerns, out of town vs in town residents, length of time the seat has been vacant.

Mayor Pro-Tem Knutson makes a motion, seconded by Trustee MacInnis, to appoint Dale Duesterbeck to the Zoning Board of Adjustments & Appeals, to fulfill the term ending in August 2024.

The motion carries unanimously.

Mayor Pro-Tem Knutson makes a motion, seconded by Trustee Smith, to take a 5-minute recess.

The motion carries unanimously.

Meeting resumes at 8:05 pm

Agenda Item #5: Consideration of Appointing Town Administrator as Proxy for the Town to the Stewart Ditch and Reservoir Company for the 2024 Annual Meeting on 2/6/24 at 7PM in the Paonia Town Hall Community Room.

Trustee MacInnis makes a motion, seconded by Trustee Smith, to appoint the Town Administrator as official town representative for the Stewart Ditch and Reservoir Company annual meeting.

The motion carries unanimously.

Agenda Item #6: Consideration of Approval for USGS Agreement to Operate and Maintain the Gaging Station at the North Fork of the Gunnison River.

Public Comment:

K. Carter: asks a question about the location.

Mayor Pro-Tem Knutson makes a motion, seconded by Trustee MacInnis, to approve the USGS agreement and to explore cost sharing options with Delta County in the future.

The motion carries unanimously.

Agenda Item #7: Consideration of Request to change Legal Paper of Record Designation to the High Country Spotlight and Shopper - Tina Walker

Dennis Anderson speaks on behalf of the Delta County Independant.

Tamie Meck reads a part of the email included in the packet noting that she was not asked to speak about this.

Public Comment:

S. Watson: comments on things to consider

Board Discussion: side by side comparisons, not on State website yet, HCS&S a little cheaper, requirement for legal notices is different than for public meetings, affidavit required and where are people most likely to look.

Trustee Smith makes a motion, seconded by Trustee Valentine, to continue this item until the next meeting.

Voting Aye: Trustee Smith, Trustee Valentine

Voting Nay: Mayor Pro-Tem Knutson, Trustee MacInnis and Trustee Swartz

The motion fails.

Trustee Swartz makes a motion, seconded by Mayor Pro-Tem Knutson to table the discussion until budget time.

The motion carries unanimously.

Agenda Item #8:

Public Hearing-

Application for Minor Subdivision of Property at 841 HWY 133 Paonia CO 81428 by West Elk Land & Hops

Town Attorney Cotten-Baez asks that the hearing be opened so his statement can be a part of the Public Hearing Record

Mayor Bachran opens the Public Hearing at 8:44 pm

Town Attorney Cotton-Baez was asked to provide a legal opinion on whether Mayor Pro-Tem Knutson and Mayor Bachran's participation in the Planning Commission hearing on this application constitutes an ex parte contact and potential violation of due process rights. It's the Town Attorneys opinion that Mayor Bachran Mayor Pro-Tem Knutson's participation in the Planning Commission hearing does not give rise to a legal obligation to recuse themselves from tonight's Board of Trustee hearing for the following reasons: Recusal is appropriate when relationships or interests could bias a decision maker's judgment or present an appearance of bias. There has been no allegation of such a relationship or interest in this case. To the extent that Mayor Bachran and Mayor Pro-Tem Knutson's participation in the public hearing could be considered to amount to an interest. It's unlikely their participation has biased them. Indeed, the Board of Trustees is charged with deciding the application on the evidence presented at the Board of Trustee hearing this evening. Ex parte communications are those communications between one interested party and a member of the decision-making body outside of a public hearing. Ex parte contacts are prohibited on the rationale that interested parties must be afforded the opportunity to weigh in on or contest information presented to the decision makers by the opposing parties. Mayor Bachran and Mayor Pro-Tem Knutson are duly appointed members of the Planning Commission. Interested parties were notified of and invited to attend the public hearing before the Planning Commission just as they were of the hearing before the Board of Trustees and therefore all interested parties were afforded an opportunity to express their views before the Planning Commission in the presence of those holding opposing views. Therefore, it can't be said that Mayor Pro-Tem Knutson's and Mayor Bachran's participation in the public hearing before the Planning Commission has resulted in ex parte contact giving rise to a due process violation.

Mayor Bachran asks if there are any further questions from the Board on this issue.

Mayor Pro-Tem Knutson asks whether the public hearing should have come before the Planning Commission or not. The Town Attorney says he is willing to give an opinion on that at a more appropriate time but since it is not relevant to tonight's hearing, he would prefer to address that at a later time.

Mayor Bachran asks if proper notification has been made and Clerk Vetter answers in the affirmative. Mayor Bachran then asks if the Trustees have any disclosures to make. No disclosures are made. The Mayor then asks Town Administrator Wynn to make the staff presentation.

Town Administrator Wynn presents why he was not able to do an administrative split, due to some conflicting parts of the Municipal Code; under 17-6-20; all such proposed parcels are divided by or parallel to and part of the original block, track the parcel into the town plant, and I didn't go any further. The recommendation of the Planning Commission was to approve the minor subdivision with conditions: 1) that the applicant grant appropriate access easements on the sale of subject lines 2) that the applicant obtain a general use well permit from the state prior to the sale of subject lots 3) that the applicant provide engineering plans for the domestic water systems prior to the sale of blocks 4) the applicant establish an HOA and provide guidelines prior to the sale of any lots. He

further recommends that the applicant also have engineered drainage plans prior to the sale of lots and that instead of these conditions being done before the sale of lots that instead they be complete before final plat is produced for signatures. He begins to show and explain what is being asked and what issues there are to keep it from being approved administratively, for example, access to each proposed lot.

Mayor Bachran asks if there are any other Staff comments and seeing none, asks the Applicant to begin their presentation.

Applicant David Warren, 40760 Vista Creek Drive, is sworn to tell the truth and begins his presentation. He begins with the history of the property and project which changed after a downturn in the economy in 2008 and led to one large property, Riverbank, being divided into two parcels. The property in question for this hearing is the northern 14 acres that was then utilized as a Hops farm from 2011-2021. He goes on to explain that due to the water moratorium and wanting to develop the property, he and his co-owners had been planning on deannexing, but after a meeting with Interim Town Administrator Leslie Klusmire, they realized that other options were available to them. He begins to explain the four components of their application: domestic water, sewer, fire protection, and access.

In the case of water they obtained a well permit in January 2023; for the State to approve the well as domestic use it must include augmentation, augmentation was approved in October 2023 by the State and a decree was issued. The final step before receiving their general use well permit is to finalize their water contracts for the augmentation plan. Mr. Warren then briefly explains augmentation and how it applies to their project.

The second item discussed is the septic systems. In our meeting with the Interim Town Administrator and the Public Works Director it was determined that the property was located more than 400 feet from the town sewer main, which makes them exempt from connecting to the Town’s sewer system. Mr. Warren that explains that State approved septic systems would be placed for each lot.

For fire protection, the applicants worked closely with the Volunteer Fire Department and incorporated all of the recommendations into their sub-division plan, they also included a letter from the Fire Chief in their application. One key element is the width of the roads: the driveways are all 23 feet wide to accommodate the largest fire trucks. In addition, the shared access up Hwy 133 will take its current width of 15 feet to 25 feet to improve the ease and safety of fire trucks and vehicles entering and exiting Hwy 133 from both directions. CDOT will also require a concrete apron across the 25 foot access, which will join the existing pavement of Hwy 133 and extend into the shared access and will be constructed to CDOT specifications.

The last item is access. Since their driveway is shared with a neighboring property, CDOT requires a traffic study to determine if vehicle traffic for two properties is acceptable for the access location. The applicants have completed a study and been issued an access permit.

The applicants are withdrawing their rezoning request .

In summary, Mr. Warren explains that their project fits the current county master plans, which is to maintain the rural character on Hwy 133. They are seeking to balance the need for housing development and the use of fertile agricultural land and open space. A maximum of six houses are allowed by CDOT based on their access location off of Hwy 133. The project will cause no additional traffic on Price Road.

Mr. Warren states that their Minor Subdivision application has met all the criteria required for the Town. They have followed all Town guidelines and regulations for domestic water, sewer, fire protection and access.

They are asking the Town Trustees to approve our Minor Subdivision with R-2 zoning contingent on core components that need to be completed: the general well use permit, completed engineering plans for domestic water systems, developing HOA guidelines for shared irrigation system use, maintenance and improvements, and the Town Attorney’s recommendation of providing legal deeded easements or driveway access to each lot.

Mr. Warren thanks the Board of Trustees and takes his seat.

Mayor Bachran opens the public comment portion of the Public Hearing and gives instruction on protocol.

Richard Schmidt, 323 Onaga Avenue, is sworn to tell the truth. Mr. Schmidt requests a denial of this application for a minor subdivision. He feels that this is a rush to schedule this meeting after only four business days after the Planning Commission presentation and a packet of 326 pages. He disagrees with the assertion that this meets all Town requirements and is not satisfied that questions and concerns from the Planning Commission have been qualified and fully addressed, along with other potential concerns that the rush timing of this meeting may have prevented. The Town Administrator determined it did not meet the criteria for administrative split of a Minor Subdivision and he wonders what those criteria were. He states that road access, water, sewer and zoning are all unconventional requests, which needed further investigation. Mr. Schmidt asks that the Board of Trustees deny this Minor Subdivision request, require a Major Subdivision review, invoking Article 4, Section 17-4-10 of the Paonia Municipal Code. This will enabling the Town Administrator to, at the applicant’s expense, hire experts to analyze and review this for the town. He asks that they look again at the Minor Subdivision from 2012 and its compliance, noting Article 4, Section 17-4-40 regarding road and easements through lower property, and clarify what seems to be an overlap of ownership regarding Riverbank, and West Elk Land & Hops. He feels that this is anything but normal and feels that there is a lot of information that needs to be addressed and dealt with. Mr. Schmidt states that he doesn’t really think the Town is prepared to do that with the professionalism that a separate Planning and Zoning professional can do, and that it will help the Town Administrator too and he thinks that the Town should have that opportunity with a Major Subdivision, which doesn't necessarily change the project.

This just changes the way the Town will analyze the project to make sure it does comply with the Town Code. Mr. Schmidt asks to submit his written notes as evidence.

Bill Brunner, 608 Second Street, is sworn to tell the truth. Mr. Brunner agrees with what Mr. Schmidt said. He also feels that the subdivision proposal that is submitted is contrary to the existing zoning. Even though the applicant is willing to withdraw the rezoning request, Mr. Brunner thinks it would be odd and improper to consider a subdivision without considering its relationship to the existing zoning on the parcel. He asks the Board of Trustees to uphold the institutional integrity of the town by denying this application. He sees this proposal is an opening offer, when such a proposal meets the criteria set forth in the zoning that is great, the Town wouldn't really have any grounds for denial. He explains that this does not meet the requirements, or it would be administrative approval. He says that the applicants have come to the Board with an offer for a subdivision and he thinks the Town be remiss to accept that first offer, since they are basically asking for a variance, that will give them a license to make money. He says to the Board that they need to establish what is in this for the Town. Mr. Brunner points out that this parcel is zoned R2, the intent of that zoning is single and multiple family residential dwellings at moderate density. He doesn't feel that three big houses with Accessory Dwelling Units on thirteen acres is medium density; the use does not fit the zoning.

Christina Patterson, Price Road. Is sworn to tell the truth and reads a letter written by Arabella Beavers, a neighbor whose property butts up to the southwest portion of the property in question. The letter states that Ms. Beavers was unable to attend tonight but that she never received a notification letter and requests that the Town uphold the notification laws.

Rob Miller, 224 Onarga, is sworn to tell the truth and makes a comment that this isn't about rich people getting richer but about people who need to be able to split land to sell land and it shouldn't be made harder.

Ms. Prider, 798 Hwy 133, is sworn to tell the truth. She comments that she also feels that this was too fast to have the second public hearing, especially for her since the traffic impact will affect her personally.

Suzanne Watson. 195 Second Street, is sworn to tell the truth. Ms. Watson comments that the Town's Planning and Zoning processes are confusing. This project was planned in the past to be a subdivision to move the housing toward the highway with higher densities, so people didn't have to drive through town to get to housing. When people live in town, we share zoning, we share the streets with each other, we share services, we share the water, we share the sewer, and we pay for those things collectively. The proposed subdivision doesn't do any of that. She doesn't feel it supports orderly logical development and growth in the town. Ms. Watson would recommend that the Town let the applicants de-annex. She points out that the Town's recently approved Housing Study recommended that the Town focus on housing density.

Mayor Bachran closes the public comment portion of the hearing and asks if the applicant has any further comments.

Alison Elliot, 316 Oak Avenue, co-owner in West Elk Land & Hops, is sworn to tell the truth. Ms. Elliot clarifies that this is a different property, it's much further out and this was phase two of the original property. She states that they are requesting a minor subdivision, and they have done everything asked of them. She hopes that this moves forward the owners can move on with their lives and make this property available to those people who might want to do small scale farming, just as they have presented it.

Mayor Bachran asks if the Town Staff has anything further to add.

Town Administrator Wynn responds to the comments about the Comprehensive Plan and points out that Town can not use a Comprehensive Plan that hasn't been adopted yet. That leaves the Town with the Comprehensive Plan from 1996, which says under LUD 1 that development maintains only classifications which provide for our right range of uses that clearly specify the allowable uses of the province of boundaries. This property has been annexed to the town as part of that bigger Riverbank property. He points out that one of the reasons the Town isn't considering rezoning is the avoidance of spot zoning. LED 2 encourages the Town of Hotchkiss and Delta County to maintain the agricultural character and rural setting along State Highway 133, between Hotchkiss and Paonia. He points out that it is strange to put in a town's comprehensive plan, things to impose on other communities, but it gives the intent of what is expected along Highway 133.

Mayor Bachran closes the public portion of the hearing

Mayor Pro-Tem Knutson makes a motion, seconded by Trustee MacInnis, to extend the meeting to 10:00 p.m.

The motion passes unanimously.

Mayor Bachran states that the documents included as part of the record for this public hearing, include all the application materials submitted by the applicant, all the materials included in in the trustee packet, all written referral and public comments received regarding the application, the notice of the hearings, town subdivision and zoning ordinances and the written comment notes from Richard Schmidt. There are no objections to any of these items being included as part of the record.

Mayor Bachran opens the Board deliberations with the Board being able to ask questions of the Staff.

Trustee Smith asks about the public hearings being so close together and the statutorily required timeframe.

Town Attorney Cotton-Baez answers that the Planning Commission, when it's required to hear applications, should do so within 30 days of submission and then the Board of

Trustees should hear the application within 30 days of the Planning Commission recommendation.

Trustee Smith asks if these five acre lots can be subdivided in the future.

Town Administrator Wynn and Town Attorney Cotton-Baez agree that it would have to be a major subdivision.

Trustee Smith asks how they can require the owners to make sure there are easements through private property.

Town Administrator Wynn replies that the Town couldn't place a condition on the owners to make an easement or something through a property they do not own. That would have to be an agreement between both property owners. While the intent is to sell them, we can not really contemplate that with the subdivision, but whether or not it complies with the code to subdivide. The applicants have hit every point that they need to, they've worked with appropriate bodies, they paid for a CDOT traffic study on Highway 133, including looking at fire access with the Volunteer Fire Department.

Trustee Smith asks, in terms of the buildings that would be built on each of the five acres, how much control the Town have on the size and type of buildings.

Town Administrator Wynn answers that they are in town limits, they've been annexed in and the Town has quite a bit of control over what can be built during that building permit application type.

Trustee Smith comments that she was very confused about why did this public notice included the E-1 zoning, because our code says if you are doing a Minor Subdivision the district in which the Minor Subdivision is going has to stand, there was never an opportunity for them to change this to E-1, it has to stay R-2 based on our code.

Trustee MacInnis asks the applicant about the time when this was one large lot and then split up into two. At the time, the large part was owned by Riverside LLC and now this plot that we're talking about here is owned by West Elk Land & Hops. He asks if there are any stakes in West Elk Land and Hops? Or stakeholders in West Elk Land and Hops that were in the original LLC that held the whole plot?

Alison Elliot answers yes, that the partners split it.

Trustee MacInnis, Ms. Elliot and Town Administrator Wynn discuss whether the property went through a Minor Subdivision or if it was an administrative split.

Trustee MacInnis asks if there is a reason that utilities were not brought to the property when it was split or subdivided before.

Alison Elliot answers that it was agricultural.

Trustee MacInnis asks when the well study will show whether they have enough water.

Alison Elliot answers that they already know there is enough water and that it was metered at the lowest part of the year as well.

Trustee MacInnis asks if it will be one septic system per single dwelling unit.

Ms. Elliot answers that they have a septic engineer and will adhere to all State regulations and requirements.

Trustee MacInnis asks about power to the plots.

Ms. Elliot responds that there is already three phase power on one lot and that will bring power to the other lots, as needed.

Trustee MacInnis asks about the sculpture center and Ms. Elliot explains that there is a scoop of land that was the original driveway, which was determined to be a bad place due to its location to the road curving.

Trustee MacInnis then asks about the current structures on the property being in use and Ms. Elliot responds that they are selling all the equipment, since the hops farm has not been active for a couple of years.

Trustee MacInnis comments on the lack of planning of flood protection.

Town Administrator Wynn asks Mayor Bachran if they can have the Town Attorney weigh in on the question that was raised by Trustee MacInnis, about one of the owners having been part of the previous LLC now being part of the new LLC.

Town Attorney Cotton-Baez clarifies if he is being asked whether this constitutes a minor subdivision requested by the same owner and explains that it is still 2 separate LLC's so it is still 2 separate owners.

Trustee Smith explains that the answer to that could have created a big issue since the Minor Subdivision couldn't be done at the property with the same owner.

Trustee Swartz asks Town Administrator Wynn if he would explain what reasons he had for saying he could not do an administrative split on the property. The Town Administrator explains that the proposed divided lots are not easily parallel or have access to streets, which didn't meet the Code or his criteria for an administrative split. He then states that because there are conditions that need to be contemplated that is what takes it straight to the Public Hearing process.

Trustee Swartz then asks the Town Administrator if there are more leverage points they should consider, as were raised by several comments from the public and what the Town gaining by doing the subdivision without utilities and services being used.

Town Administrator Wynn explains that it is property tax, with one parcel with some improvements, it is a small amount. If the Town allows it to be subdivided and then those lots are developed, that raises the amount of property taxes that come from the properties. If the lots are sold and one goes to a Major Subdivision that raises property tax and fulfills the need for denser housing. They would also still be using emergency services and the police services are not a separate taxing district.

Trustee Smith asks about trash pickup and snow removal from the streets.

Town Administrator Wynn explains that isn't being contemplated right now but if in the future they wanted to deed right of ways to the Town, the Town would not accept anything that wasn't built to Code. For the purposes of this public hearing, that is one of the things that the owners would have to settle as a part of the HOA guidelines.

Trustee Smith then asks about stormwater runoff and Town Administrator Wynn explains that is in his staff report as a suggested fifth condition as well as changing the conditions to be complete before the recording of the final plat. They also clarify that the Town Administrator will be the arbiter of whether they have met those conditions.

Mayor Bachran closes the Public Hearing at 9:49 p.m

Mayor Pro-Tem Knutson makes a motion, Seconded by Trustee Smith to extend the meeting to 10:30 p.m.

The Board of Trustees and the Town Attorney discuss how similar the Town's subdivision regulations are to the State Statutes and whether the decision can be delayed until after more planning pieces have been put into place. The Town Attorney reminds them that they have to make decision based on what is in place right now and that the applicant has a right to a decision in a reasonable amount of time.

Trustee MacInnis asks what the regulations are on well and septic systems within Town limits: What is the regulation on well and septic within town limits and a discussion ensues about spirit of the law and letter of the law and that there are no regulations around septic systems within town limits. Discussion further delves into how they can ensure the same lots don't just continue to be subdivided with new owners and the enforceability of certain conditions vs Code amendments.

Trustee MacInnis makes a motion, seconded by Trustee Smith, to deny the application.

Voting Yea: Trustee Smith, Trustee MacInnis

Voting Nay: Mayor Pro-Tem Knutson, Trustee Valentine, Trustee Swartz

The motion fails.

Motion made by Mayor Pro-Tem Knutson, Seconded by Trustee Swartz, to conditionally approve the Minor Subdivision with the conditions 1) that the applicants grant appropriate access easements on the lots 2) that the applicants obtain a general use well permit from the State 3) that the applicant provide engineering plans for the domestic water systems 4) the applicant establish an HOA and provide guidelines for shared usage, maintenance and improvements 5) that the applicant have engineered drainage plans and that all of these conditions be met before the final plat can be signed and recorded.

Voting Yea: Mayor Pro-Tem Knutson, Trustee Smith, Trustee Valentine, Trustee Swartz

Voting Nay: Trustee MacInnis

The motion carries.

Agenda Item #9 Consideration of Approval of Wright Water Engineering Contract for the Hydrogeological Study

Trustee Swartz makes a motion, seconded by Trustee MacInnis to approve the contract for the Hydrogeological Study with Wright Water Engineering.

The motion carries unanimously.

Mayor & Trustee Reports

Parks & Public Safety Committee Report

Adjournment

Mayor Bachran adjourns the meeting at 10:25 p.m.

Samira M Vetter, Town Clerk

Mary Bachran, Mayor

Minutes
Regular Town Board Meeting
Town of Paonia, Colorado
February 13, 2024

RECORD OF PROCEEDINGS

Public Participation: Must raise hand and be recognized by the Mayor, come to the podium and state your name and the street on which you live. Time limit is 3 minutes, one time per item. Direct all comments to the Mayor. No responses will be made by staff or Board during the meeting. No derogatory or demeaning statements or public displays. Please be respectful.

Roll Call

Mayor Bachran calls meeting to order at 6:30 pm

PRESENT

- Mayor Mary Bachran
- Mayor Pro-Tem Dave Knutson
- Trustee John Valentine
- Trustee Rick Stelter
- Trustee Morgan MacInnis
- Trustee Kathy Swartz

ABSENT

- Trustee Paige Smith (Excused)

Approval of Agenda

Mayor Pro-Tem Knutson makes a motion, seconded by Trustee Valentine to approve the agenda.

The motion carries unanimously.

Announcements

There will be a Planning Commission Work Session, with Phoenix Rising Resources LLC, at the Blue Sage Center for the Arts, on Sunday March 3rd, 2024 from 1:30 to 3:30pm. This Work Session is specifically focused on the Future Land Use Element of the Comprehensive (Master) Plan. The public is encouraged to attend and comment and one or more members of the Board of Trustees may also be in attendance.

Friday, May 17th, there will be a Dark Sky Film Festival

Trustee MacInnis announces that Cole Berger, who is running for this District will be at Espresso Paonia, time to be announced.

Public Comment

Any topic not included under Actions & Presentations; 3-minute time limit.

Trustee Swartz asks about the skid steer damage at the Town Skate Park.

Consent Agenda

Trustee Swartz makes a motion, seconded by Trustee Stelter, to approve the consent agenda with the January 23rd Regular Meeting Minutes removed.

The motion carries unanimously.

Staff Reports

Town Administrator Wynn goes through his Administrators report with highlights on the 5th and Grand project and playing dodgeball.

Trustee Swartz asks if it is necessary to set a special meeting for the audit.

Chief Laiminger announces that School Resource Officer Training for Officer Heiniger is complete. He is the first nationally certified SRO for Paonia Police Department, this has been a goal for the department since 2022.

February 15th is School Resource Officer Day.

Chief Laiminger also gives a reminder about clearing snow from sidewalks and being watchful for wildlife in town right now.

Mayor Bachran asks about the new speed sign progress and the Chief gives an update.

Actions & Presentations

Public comments must be related to the agenda item, 3-minute time limit.

Presentation: Western Colorado Trust - Libby Collins

This item was Postponed until another meeting.

Agenda Item 1: Consideration of Approval of Town's Response to the Resource Management Plan Amendment for the Uncompahgre Field Office

Mayor Pro-Tem Knutson wants to recognize the work that Natasha Leger and Trustee Smith did to complete all of the research and write the letter presented.

Trustee Swartz is very happy with the letter, feels personal.

Cody Perry and Ben Katz are both recognized for their work on the final letter as well.

Mayor Pro-Tem Knutson makes a motion, seconded by Trustee MacInnis to approve the Mayor signing the Town's response to the Resource Management Plan amendment for the Uncompahgre Field Office.

The motion carries unanimously.

Agenda Item 2: Consideration of Recommendation of an Ordinance Being Developed to Set a Process for the Board of Trustees to Approve Legal Fees Incurred by the Board.

Mayor Pro-Tem Knutson gives background on his time on the Board and how easy it is to incur legal fees. He explains what he would like the Town Attorney to develop an official process for Board assignments to be given to the Town Attorney.

Mayor Pro-Tem Knutson makes a motion, seconded by Trustee MacInnis to direct the Town Attorney to develop an Ordinance or Resolution setting a process for the Board of Trustees to Approve Legal fees incurred by the Board of Trustees.

The motion carries unanimously.

Agenda Item 3: Discussion and Possible Approval of Congressionally Directed Spending Requests

Mayor Bachran gives some background on the discussion and the idea of turning the school building into a municipal complex.

Board discussion includes congressional funding and how it works, historical building funds, uses of the building for police, public works and administration, senior center, business incubator, daycare, community center, freeing up space in the Downtown District and Second Street, repairs needed and work to be done, asbestos, leak in roof and many uses for the community.

Public Comment:

J. McGavin: Hidden Valley: Comments on resources already available to the community, and that the Town should focus on water infrastructure.

L. McCone: comments on the need for a bigger Senior Center

S. Keenan: Comments on other school buildings in Town

C. Patterson: Comments on the idea going to the voters.

Board Discussion includes asbestos remediation, staff resources, competing with the private sector, process for purchase and remodeling, opportunity, more than one request at a time, benefits to consolidating Town Staff and equipment, work load, development of

property, current building needing renovations, police needing more room but nowhere to grow.

Trustee Swartz makes a motion, seconded by Trustee Valentine, to move forward with requesting Congressionally Directed Spending for 1.5 Million dollars to purchase the School building on Fourth and Grand.

Voting Yea: Trustee Valentine, Trustee Stelter, Trustee MacInnis, Trustee Swartz
Voting Nay: Mayor Pro-Tem Knutson

The motion carries.

Agenda Item 4: Consideration of Approval of Purchase of IWorQ Systems for Public Works

Trustee Stelter makes a motion, seconded by Mayor Pro-Tem Knutson to approve the purchase of IWorQ Systems for Public Works.

The motion carries unanimously.

Agenda Item 5: Consideration of Approval of Ordinance 2024-01 Amending Chapters 7 and 10 of the Paonia Municipal Code

The Board discusses the proposed changes and suggests other amendments to Chief Laiminger and the Town Attorney.

Mayor Pro-Tem Knutson makes a motion, seconded by Trustee Stelter to bring the Ordinance back at the next meeting with the proposed changes.

The motion carries unanimously.

Agenda Item 6: Consideration to Approve Submission of Safe Pathways for Paonia RAISE Grant to the US Department of Transportation

Trustee Stelter makes a motion, seconded by Trustee MacInnis, to approve submission of Safe Pathways for Paonia Raise Grant to the US Department of Transportation.

The motion carries unanimously.

Agenda Item 7: Consideration of Appointing Town Administrator to Represent the Town at the Pan American Property Owner's Association

Mayor Pro-Tem Knutson makes a motion, seconded by Trustee Stelter to appoint the Town Administrator to represent the Town at the Pan American Property Owner's Association

The motion carries unanimously.

Agenda Item 8: Consideration of Appointing the Town Administrator as the Town Representative for the Paonia Ditch Company Annual Meeting

Mayor Pro-Tem Knutson makes a motion, Seconded by Trustee Stelter to appoint the Town Administrator as the Town Representative for the Paonia Ditch Company Annual Meeting.

The motion carries unanimously.

Mayor & Trustee Reports

The Town Administrator provides an update on the Skate Park damage.

Adjournment

Mayor Bachran adjourns the meeting at 8:30 pm.

Samira M Vetter, Town Clerk

Mary Bachran, Mayor

Vendor	Vendor Name	Invoice Number	Description	Invoice Date	Net Invoice Amount	Voided	GL Account and Title	GL Period Date
ADP, INC								
1352	ADP, INC	653988749	PROCESSING CHARGES FOR P	02/09/2024	198.80		10-45-33 DATA PROCESSING	02/29/2024
1352	ADP, INC	654098154	PROCESSING CHARGES FOR P	02/14/2024	284.95		10-41-33 DATA PROCESSING	02/29/2024
Total ADP, INC:					483.75			
AFLAC								
749	AFLAC	PPE 02/02	AFLAC ACH	02/14/2024	440.36		10-0225 AFLAC COVERAGE	02/29/2024
Total AFLAC:					440.36			
All Copy Products Inc								
1268	All Copy Products Inc	5028636373	COPIER - ADMIN	02/09/2024	269.48		10-41-25 TOWN HALL EXPENSE	02/29/2024
1268	All Copy Products Inc	5028636373	COPIER - WATER	02/09/2024	269.48		60-50-25 SHOP EXPENSE	02/29/2024
1268	All Copy Products Inc	5028636373	COPIER - WASTEWATER	02/09/2024	269.48		70-51-25 SHOP EXPENSE	02/29/2024
1268	All Copy Products Inc	5028636373	COPIER - SANITATION	02/09/2024	269.49		80-52-25 SHOP EXPENSE	02/29/2024
Total All Copy Products Inc:					1,077.93			
Caselle, Inc								
21	Caselle, Inc	129718	BADGER INTEGRATION WITH C	12/28/2023	500.00		70-51-31 DUES & SUBSCRIPTIONS	02/29/2024
21	Caselle, Inc	129718	BADGER INTEGRATION WITH C	12/28/2023	500.00		60-50-31 DUES & SUBSCRIPTIONS	02/29/2024
21	Caselle, Inc	129718	BADGER INTEGRATION WITH C	12/28/2023	175.00		80-52-31 DUES & SUBSCRIPTIONS	02/29/2024
21	Caselle, Inc	129718	BADGER INTEGRATION WITH C	12/28/2023	400.00		10-41-31 DUES & SUBSCRIPTIONS	02/29/2024
Total Caselle, Inc:					1,575.00			
Delta County Landfill								
56	Delta County Landfill	414315	Landfill Fee	02/05/2024	195.75		80-52-42 LANDFILL FEES	02/29/2024
56	Delta County Landfill	414392	Landfill Fee	02/07/2024	234.25		80-52-42 LANDFILL FEES	02/29/2024
Total Delta County Landfill:					430.00			
Delta Montrose Electric Assn.								
43	Delta Montrose Electric Assn.	20886100-021	UTILITIES - HWY 133 (SEWAGE	01/16/2024	3,753.58		70-51-28 UTILITIES	02/29/2024
43	Delta Montrose Electric Assn.	20992900-021	UTILITIES - 4TH STREET (CITY	02/12/2024	34.64		10-46-28 UTILITIES	02/29/2024
43	Delta Montrose Electric Assn.	3080095000-0	UTILITIES - 12762 ROEBER RD-	02/05/2024	1,399.20		60-50-28 UTILITIES	02/29/2024
43	Delta Montrose Electric Assn.	3080270000-0	UTILITIES - 501 BOX ELDER (BE	02/05/2024	42.22		10-46-28 UTILITIES	02/29/2024
43	Delta Montrose Electric Assn.	3080829100-0	UTILITIES - 41576 LAMBORN M	02/05/2024	198.72		60-50-28 UTILITIES	02/29/2024
43	Delta Montrose Electric Assn.	3100003000-0	UTILITIES - LAMBORN RESVR	02/05/2024	60.81		60-50-28 UTILITIES	02/29/2024

Vendor	Vendor Name	Invoice Number	Description	Invoice Date	Net Invoice Amount	Voided	GL Account and Title	GL Period Date
43	Delta Montrose Electric Assn.	3100701901-0	UTILITIES - 41010 LAMBORN R	02/05/2024	120.25	60-50-28	UTILITIES	02/29/2024
43	Delta Montrose Electric Assn.	3120200000-0	UTILITIES - APPLE VALLEY PAR	02/12/2024	30.50	10-46-28	UTILITIES	02/29/2024
43	Delta Montrose Electric Assn.	3140015008-0	UTILITIES - LIGHTS FOR BB DIA	02/12/2024	30.50	10-46-28	UTILITIES	02/29/2024
43	Delta Montrose Electric Assn.	3140124001-0	UTILITIES - 730 4TH STREET	02/12/2024	46.55	10-45-28	UTILITIES	02/29/2024
43	Delta Montrose Electric Assn.	3140305400-0	UTILITIES - TEEN CENTER & PA	02/12/2024	209.17	10-46-28	UTILITIES	02/29/2024
43	Delta Montrose Electric Assn.	3140308201-0	UTILITIES - PAONIA PARK NEAR	02/12/2024	31.33	10-46-28	UTILITIES	02/29/2024
43	Delta Montrose Electric Assn.	3180027500-0	UTILITIES - 403 2ND STREET	02/12/2024	136.59	10-45-28	UTILITIES	02/29/2024
43	Delta Montrose Electric Assn.	3200125000-0	UTILITIES - STREET LIGHTS	02/12/2024	692.16	10-45-28	UTILITIES	02/29/2024
43	Delta Montrose Electric Assn.	3200690300-0	UTILITIES - 214 GRAND AVE. - T	02/12/2024	247.21	10-41-28	UTILITIES	02/29/2024
43	Delta Montrose Electric Assn.	9805013000-0	UTILITIES - 200 BLOCK GRAND	02/12/2024	30.50	10-45-28	UTILITIES	02/29/2024
Total Delta Montrose Electric Assn.:					7,063.93			
Don's Market								
48	Don's Market	03690	FINAL DON'S PAYMENT - INVOI	01/31/2024	28.75	60-50-25	SHOP EXPENSE	02/29/2024
48	Don's Market	03690	FINAL DON'S PAYMENT - INVOI	01/31/2024	28.75	10-45-25	SHOP EXPENSE	02/29/2024
48	Don's Market	03690	FINAL DON'S PAYMENT - INVOI	01/31/2024	28.76	10-46-25	SHOP EXPENSE	02/29/2024
48	Don's Market	03690	FINAL DON'S PAYMENT - INVOI	01/31/2024	28.76	70-51-25	SHOP EXPENSE	02/29/2024
Total Don's Market:					115.02			
EAGLE WASH								
1367	EAGLE WASH	854453	PD WATER USAGE @ CARWAS	02/15/2024	26.08	10-42-23	VEHICLE EXPENSE	02/29/2024
1367	EAGLE WASH	854453	PW WATER USAGE AT CAR WA	02/15/2024	15.65	80-52-23	VEHICLE EXPENSE	02/29/2024
1367	EAGLE WASH	854453	PW WATER USAGE AT CAR WA	02/15/2024	15.65	10-46-23	VEHICLE EXPENSE	02/29/2024
1367	EAGLE WASH	854453	PW WATER USAGE AT CAR WA	02/15/2024	15.65	70-51-23	VEHICLE EXPENSE	02/29/2024
1367	EAGLE WASH	854453	PW WATER USAGE AT CAR WA	02/15/2024	15.65	60-50-23	VEHICLE EXPENSE	02/29/2024
1367	EAGLE WASH	854453	PW WATER USAGE AT CAR WA	02/15/2024	15.65	10-45-23	VEHICLE EXPENSE	02/29/2024
Total EAGLE WASH:					104.33			
Empower Trust Company LLC								
1190	Empower Trust Company LLC	PPE 02/02	Retirement Plan PPE 02/02	02/14/2024	3,975.61	10-0220	RETIREMENT PLAN	02/29/2024
Total Empower Trust Company LLC:					3,975.61			
Garcia, Jeremiah								
1252	Garcia, Jeremiah	GARCIAJERE	BOOT REIMBURSEMENT 2024	02/12/2024	75.00	60-50-03	SALARIES & WAGES	02/29/2024
1252	Garcia, Jeremiah	GARCIAJERE	BOOT REIMBURSEMENT 2024	02/12/2024	75.00	70-51-03	SALARIES & WAGES	02/29/2024

Town of Paonia

Payment Approval Report - Board of Trustees Disbursement Approval

Page: 3

Report dates: 2/8/2024-2/27/2024

Feb 23, 2024 05:10PM

Vendor	Vendor Name	Invoice Number	Description	Invoice Date	Net Invoice Amount	Voided	GL Account and Title	GL Period Date
Total Garcia, Jeremiah:					150.00			
Leon, Susan								
470	Leon, Susan	LEON-02-2024	Cleaning Contract FOR JAN & FE	02/01/2024	1,550.00	10-41-20	LEGAL, ENGINEERING & PR	02/29/2024
Total Leon, Susan:					1,550.00			
LEXIPOL, LLC								
1274	LEXIPOL, LLC	INVLEX121368	CONTRACT 1/1/2024 - 12/31/202	12/01/2023	4,878.92	10-42-42	CONTRACT SERVICES	02/29/2024
Total LEXIPOL, LLC:					4,878.92			
Mesa County Health Dept Labs								
763	Mesa County Health Dept Labs	4092-24	Samples - DS001 - 401 2ND STR	02/06/2024	25.00	60-50-32	FEES & PERMITS	02/29/2024
763	Mesa County Health Dept Labs	4093-24	Samples - DS001 - 214 GRAND A	02/06/2024	25.00	60-50-32	FEES & PERMITS	02/29/2024
Total Mesa County Health Dept Labs:					50.00			
NAPA - Paonia Auto Parts								
122	NAPA - Paonia Auto Parts	407996	OIL FILTER WRENCH	01/10/2024	2.81	10-46-22	REPAIRS & MAINTENANCE	02/29/2024
122	NAPA - Paonia Auto Parts	407996	OIL FILTER WRENCH	01/10/2024	2.81	10-45-22	REPAIRS & MAINTENANCE	02/29/2024
122	NAPA - Paonia Auto Parts	407996	OIL FILTER WRENCH	01/10/2024	2.81	60-50-22	REPAIRS & MAINTENANCE	02/29/2024
122	NAPA - Paonia Auto Parts	407996	OIL FILTER WRENCH	01/10/2024	2.81	70-51-22	REPAIRS & MAINTENANCE	02/29/2024
122	NAPA - Paonia Auto Parts	408827	BRAKE LIGHT FOR 2016 GMC	02/09/2024	3.19	10-42-23	VEHICLE EXPENSE	02/29/2024
122	NAPA - Paonia Auto Parts	408884	OIL FOR AIR COMPRESSOR	02/13/2024	25.44	60-50-22	REPAIRS & MAINTENANCE	02/29/2024
Total NAPA - Paonia Auto Parts:					39.87			
Paonia Farm & Home Supply Inc								
125	Paonia Farm & Home Supply Inc	180064	LATEX GLOVES	02/13/2024	1.74	10-46-16	OPERATING SUPPLIES	02/29/2024
125	Paonia Farm & Home Supply Inc	180064	LATEX GLOVES	02/13/2024	1.75	10-46-16	OPERATING SUPPLIES	02/29/2024
125	Paonia Farm & Home Supply Inc	180064	LATEX GLOVES	02/13/2024	1.75	80-52-16	OPERATING SUPPLIES	02/29/2024
125	Paonia Farm & Home Supply Inc	180064	LATEX GLOVES	02/13/2024	1.75	60-50-16	OPERATING SUPPLIES	02/29/2024
Total Paonia Farm & Home Supply Inc:					6.99			
PIONEER								
1319	PIONEER	50329	CREDIT FOR INVOICE 50329 PA	08/29/2023	439.00-	10-46-22	REPAIRS & MAINTENANCE	02/29/2024

Vendor	Vendor Name	Invoice Number	Description	Invoice Date	Net Invoice Amount	Voided	GL Account and Title	GL Period Date
Total PIONEER:					439.00-			
Pipestone Equipment								
1241	Pipestone Equipment	13904	2" TUBING AND SUPPLIES	03/06/2023	13,100.00		60-50-22 REPAIRS & MAINTENANCE	02/29/2024
Total Pipestone Equipment:					13,100.00			
Relch, Dennis								
624	Reich, Dennis	REICHDENNIS	BOOT ALLOWANCE 2023	10/19/2023	33.00		10-45-03 SALARIES & WAGES	02/29/2024
624	Reich, Dennis	REICHDENNIS	BOOT ALLOWANCE 2023	10/19/2023	33.00		60-50-03 SALARIES & WAGES	02/29/2024
624	Reich, Dennis	REICHDENNIS	BOOT ALLOWANCE 2023	10/19/2023	34.00		10-46-03 SALARIES & WAGES	02/29/2024
Total Reich, Dennis:					100.00			
RESPEC Company LLC								
1124	RESPEC Company LLC	INV-0124-1286	PAONIA WW/WATER GENERAL	01/31/2024	2,771.25		60-50-20 LEGAL, ENGINEERING & PR	02/29/2024
1124	RESPEC Company LLC	INV-0124-1267	PAONIA WATER CIP PHASE 1 W	01/31/2024	25,219.85		60-50-20 LEGAL, ENGINEERING & PR	02/29/2024
Total RESPEC Company LLC:					27,991.10			
Roop Excavating LLC								
931	Roop Excavating LLC	R24-198	MATERIAL HAULING	02/08/2024	680.00		10-46-22 REPAIRS & MAINTENANCE	02/29/2024
Total Roop Excavating LLC:					680.00			
TDS Telecom								
156	TDS Telecom	970-527-4642-	Telephone+Internet FOR SEWER	02/10/2024	465.62		70-51-29 TELEPHONE & INTERNET	02/29/2024
Total TDS Telecom:					465.62			
The Place I Go								
897	The Place I Go	TPIG7355	RODNEY BYRGE RANDOM DRU	02/06/2024	63.00		80-52-32 FEE & PERMITS	02/29/2024
Total The Place I Go:					63.00			
United Merchants Bank								
1371	United Merchants Bank	80000033294	ONLINE CLASS	01/31/2024	75.00		60-50-26 TRAVEL, MEETINGS & TRAI	02/29/2024
1371	United Merchants Bank	80000033294	ONLINE CLASS	01/31/2024	75.00		60-50-26 TRAVEL, MEETINGS & TRAI	02/29/2024
1371	United Merchants Bank	80000033294	CLASS	01/31/2024	10.00		60-50-26 TRAVEL, MEETINGS & TRAI	02/29/2024

Vendor	Vendor Name	Invoice Number	Description	Invoice Date	Net Invoice Amount	Voided	GL Account and Title	GL Period Date
1371	United Merchants Bank	80000033294	CLASS	01/31/2024	10.00		70-51-26 TRAVEL, MEETINGS & TRAI	02/29/2024
1371	United Merchants Bank	80000033294	FUEL	01/31/2024	88.00		10-45-23 VEHICLE EXPENSE	02/29/2024
1371	United Merchants Bank	80000033294	FUEL	01/31/2024	52.59		10-45-23 VEHICLE EXPENSE	02/29/2024
1371	United Merchants Bank	80000033294	FUEL	01/31/2024	58.01		10-46-23 VEHICLE EXPENSE	02/29/2024
1371	United Merchants Bank	80000033294	FUEL	01/31/2024	112.48		10-45-23 VEHICLE EXPENSE	02/29/2024
1371	United Merchants Bank	80000033294	COURSE	01/31/2024	975.80		80-52-26 TRAVEL, MEETINGS & TRAI	02/29/2024
1371	United Merchants Bank	80000033294	COURSE	01/31/2024	574.00		60-50-26 TRAVEL, MEETINGS & TRAI	02/29/2024
1371	United Merchants Bank	80000033294	COURSE	01/31/2024	574.00		70-51-26 TRAVEL, MEETINGS & TRAI	02/29/2024
1371	United Merchants Bank	80000033294	COURSE	01/31/2024	746.20		10-45-26 TRAVEL, MEETINGS & TRAI	02/29/2024
1371	United Merchants Bank	80000033294	ONLINE COURSE	01/31/2024	229.99		60-50-26 TRAVEL, MEETINGS & TRAI	02/29/2024
1371	United Merchants Bank	80000033294	POSTAGE	01/31/2024	8.56		10-41-17 POSTAGE	02/29/2024
1371	United Merchants Bank	80000033294	POSTAGE	01/31/2024	8.56		10-41-17 POSTAGE	02/29/2024
1371	United Merchants Bank	80000033294	POSTAGE	01/31/2024	43.65		10-41-17 POSTAGE	02/29/2024
1371	United Merchants Bank	80000033294	SUBSCRIPTION TO IIMC FOR R	01/31/2024	125.00		10-41-26 TRAVEL, MEETINGS & TRAI	02/29/2024
1371	United Merchants Bank	80000033294	POSTAGE	01/31/2024	8.73		10-41-17 POSTAGE	02/29/2024
1371	United Merchants Bank	80000033294	MEMBERSHIP TO COLORADO	01/31/2024	137.38		10-41-26 TRAVEL, MEETINGS & TRAI	02/29/2024
1371	United Merchants Bank	80000033294	T-MOBILE BILL	01/31/2024	131.12		10-42-29 TELEPHONE & INTERNET	02/29/2024
1371	United Merchants Bank	80000033294	T-MOBILE BILL	01/31/2024	192.81		60-50-29 TELEPHONE & INTERNET	02/29/2024
1371	United Merchants Bank	80000033294	T-MOBILE BILL	01/31/2024	192.81		70-51-29 TELEPHONE & INTERNET	02/29/2024
1371	United Merchants Bank	80000033294	T-MOBILE BILL	01/31/2024	61.70		10-45-29 TELEPHONE & INTERNET	02/29/2024
1371	United Merchants Bank	80000033294	T-MOBILE BILL	01/31/2024	131.11		80-52-29 TELEPHONE & INTERNET	02/29/2024
1371	United Merchants Bank	80000033294	T-MOBILE BILL	01/31/2024	61.70		10-46-29 TELEPHONE & INTERNET	02/29/2024
1371	United Merchants Bank	80000033294	SUBSCRIPTION	01/31/2024	501.50		10-41-31 DUES & SUBSCRIPTIONS	02/29/2024
1371	United Merchants Bank	80000033294	MEMBERSHIP	01/31/2024	200.00		10-41-31 DUES & SUBSCRIPTIONS	02/29/2024
1371	United Merchants Bank	80000033294	ICMA ONLINE	01/31/2024	646.40		10-41-31 DUES & SUBSCRIPTIONS	02/29/2024
1371	United Merchants Bank	80000033294	SUBSCRIPTION	01/31/2024	500.00		10-42-26 TRAVEL, MEETINGS & TRAI	02/29/2024
1371	United Merchants Bank	80000033294	PARTS	01/31/2024	46.58		10-42-23 VEHICLE EXPENSE	02/29/2024
1371	United Merchants Bank	80000033294	HOTEL	01/31/2024	110.70		10-42-44 HUMAN SERVICES	02/29/2024
1371	United Merchants Bank	80000033294	FEES	01/31/2024	10.00		10-42-15 OFFICE SUPPLES	02/29/2024
1371	United Merchants Bank	80000033294	FEES FOR SUBSCRIPTION	01/31/2024	60.00		10-41-26 TRAVEL, MEETINGS & TRAI	02/29/2024
1371	United Merchants Bank	80000033294	MEMBERSHIP DUES	01/31/2024	225.00		10-41-31 DUES & SUBSCRIPTIONS	02/29/2024
1371	United Merchants Bank	80000033294	SUBSCRIPTION FOR DUES	01/31/2024	185.00		10-41-31 DUES & SUBSCRIPTIONS	02/29/2024
1371	United Merchants Bank	80000033294	FEES	01/31/2024	137.38		10-41-31 DUES & SUBSCRIPTIONS	02/29/2024
1371	United Merchants Bank	80000033294	TRAVEL MEAL	01/31/2024	20.00		10-42-26 TRAVEL, MEETINGS & TRAI	02/29/2024
1371	United Merchants Bank	80000033294	TRAVEL	01/31/2024	61.00		10-42-23 VEHICLE EXPENSE	02/29/2024
1371	United Merchants Bank	80000033294	TRAVEL MEAL	01/31/2024	20.73		10-42-26 TRAVEL, MEETINGS & TRAI	02/29/2024
Total United Merchants Bank:					7,408.49			

Town of Paonia

Payment Approval Report - Board of Trustees Disbursement Approval
Report dates: 2/8/2024-2/27/2024

Page: 6
Feb 23, 2024 05:10PM

Vendor	Vendor Name	Invoice Number	Description	Invoice Date	Net Invoice Amount	Voided	GL Account and Title	GL Period Date
Winwater Corp								
491	Winwater Corp	800872-00	OVERPAYMENT CREDIT	10/31/2023	167.68-		60-50-25 SHOP EXPENSE	02/29/2024
491	Winwater Corp	800872-00	OVERPAYMENT CREDIT	10/31/2023	1,169.36-		60-50-22 REPAIRS & MAINTENANCE	02/29/2024
Total Winwater Corp:					1,337.04-			
Grand Totals:					69,973.88			

Board Meeting Date: _____

Town Administrator: _____

Finance Committee: _____

Date Reviewed: _____

**TOWN OF PAONIA
DEPARTMENTAL SCORE CARD**

ISSUE	STATUS	ESTIMATED COST	INITIAL PROJECT DATE	CURRENT STATUS DATE	DATE COMPLETED
TOWN ADMINISTRATOR'S OFFICE					
ADP Workforce Software Integration with Caselle	Now that the integration is complete on timekeeping and payroll, the integration to automatically book pay as reported in ADP to the GL in Caselle is being worked on with ADP and Professional Management Solutions.		11.1.23	11.24.23	12.1.23
FY-22 Audit	Professional Management Solutions reported that the Audit should be finished in October, 2023, after further discussion it was determined that an RFP will need to be submitted and an Audit firm selected. RFP was live on 8.16.2023 with a closing date of 9.14.23. Auditor Selected & Accepted on 9.25.23, Items for audit submitted to auditors, Accurate GL Trial Balance submitted to auditor 11.14.23. The Auditors have completed: General Review, Cash Review, Receivables Review, Accounts Payable Review, Revenues and Expenses Review, Net Assets Review, and No Single Audit was needed. The auditors are currently reviewing Capital Assets (Submitted 1.17.24), and Accrued Liabilities, Long-Term Debt. The auditors provided us with a Trial Balance Grouping to review for accuracy & consistency and that should be completed by 1.22.24. The audit is getting close to complete.		7.17.23	1.19.24	
CDOT Revitalizing Main Streets Grant, "Safe Pathways for Paonia," 3-Points InX Grand, 4th & 5th	SGM CO #1 Forthcoming adding scope of work for GeoTech Eng. Svcs., and MOT plan to design set & Striping Plan, and Adding Add'l. meetings to Project Admin. as req. by CDOT. (Odisea didn't include in original design). CO #1 approved at the 8.22.23 Board Meeting, CO #1 was executed and submitted to SGM on 8.28.23. CDOT approved RMS Grant, R/W acquired from School Board and design is being finalized for construction. CDOT & SGM informed the Town that construction is likely in Spring 2025 and the estimated probable cost of construction is \$2.5MM		7.14.23	1.19.24	
Policy Reviews: Purchasing, Internal Controls, and Personnel	Collecting various policies for review - first discussion at Department Head Meeting on 7.18.23, 8.1.23 Dept. Head meeting discussed procurement policies needing updates and building permit processes for updates. These processes and policies will be a product to be worked on during 2024. Purchasing, Internal Controls estimated completion 3/30/2024; Personnel estimated completion 6/30/2024.		7.17.23	11.24.23	
Ordinance for Water Companies/Agreements with Water Companies	At a minimum an agreement with water companies that describes expectations from the town, expectations from the water companies/subdivisions, indemnification, and insurance requirements should be considered to reduce liability to the town. Further discussion with the Water Attorney is necessary. Standardized IGA with Water Companies with clauses for maintenance and increasing bulk water rates for non-compliance/if Water Company chooses to have the town complete maintenance. Town Attorney working on Draft Agreement for Hidden Valley water company. Multiple Water Companies have requested formalized agreements with the Town.		7.11.23	1.19.24	
Code Re-Write	If funded by DOLA grant, then an RFP will need to be issued to meet the competitive bid requirement. Scheduled a phone call with a separate consulting firm to get a budget figure on price for DOLA grant for 8.28.23, once budget price received, will submit to DOLA for their consideration. Received Council Approval for \$25,000 Match from DOLA Admin Grant on 9.14.23. Submission of Grant on 9.15.23. Resubmitted Grant information to DOLA on 11.22.23. RFQ will be live in 2024 after grant funding is awarded and approved. RFQ will be made live on 2.5.24		7.11.23	1.19.24	

**TOWN OF PAONIA
DEPARTMENTAL SCORE CARD**

ISSUE	STATUS	ESTIMATED COST	INITIAL PROJECT DATE	CURRENT STATUS DATE	DATE COMPLETED
Chase ink Credit Account	Submitted a letter to Chase Card Services to get control of the online banking account for the Chase ink Credit Card. Would like to see if any cashback rewards have been earned, and if so, where are they. Continue to get control of Chase Bank Credit Cards - will need to travel to Telluride and visit Chase Banker in person. Form has been signed by former finance director and signed by myself and sent to Chase Bank for final approval. Awaiting Chase Banks response.		7.28.23	1.19.24	
Return Un-used items from SIPA grant	Returned Klipsch Bluetooth Speakers for a credit, opened a case with Amazon to return the audioquest dragonfly cobalt DAC, need to contact Amazon to return (2) Ankerwork Powerconf S500 units.		8.1.23	8.1.23	
Special Event Process and Applications	Improve the process and include the recent ordinance for street closures in the application process. This also includes the process for park reservations. Expected completion date: 5/31/24		8.1.23	11.24.23	
DOLA IHOP Grant Reporting - Housing Needs Assessment	Reimbursement reporting for IHOP Grant. Submitted first reimbursement request for HNA in the amount of \$32,348.25. Expect to receive the balance of funds during final reporting period of FY-23, or first reporting period of FY-24. Requested to amend the contract for IHOP Grant to allow for code revision language and tying the HNA into the Housing Element of the Comprehensive (Master) Plan.		8.31.23	1.19.24	
Ordinance for Traffic Schedules	Ordinance for traffic schedules including: revized speed limit schedule, traffic control signage schedule, and crosswalk schedule. Draft is complete, discussion with Staff at 8.29.23 Department Head meeting, and send to Town Attorney for Review. 9.12.23 meeting introduced ordinance for speed limits, stop signs, crosswalks, and parking restrictions. Revised Final Draft Ordinance to be on December 12, 2023 Meeting.		8.1.23	11.24.23	12.12.23
FINANCE DEPARTMENT					
Caselle GL Updates & Chart of Accounts	Professional Management Solutions working with Amanda to get Chart of Accounts correct and GL updated with the most recent reconciliations. This will be marked ongoing until it becomes a normal internal process completed by Staff.		3.1.23	ONGOING	
Schedule of Fees	Introduced at the 7/11/23 Council Meeting. Further discussion may be warranted - including with sidewalk fees. To be on December 12, 2023 Meeting - balancing the FY-2024 Budget relies on edits to the schedule of fees.		7.11.23	11.24.23	12.12.23
Utility Rate/Fees	Proposed Water and Sewer Rate increases will be on the December 12, 2023 Board meeting for consideration of approval.		7.14.23	11.24.23	12.12.23
Working on chase credit cards for Michelle	Half way through entering each item on an excel sheet. Some things need to get coded.		9/8/2023	11/10/2023	12.1.23

**TOWN OF PAONIA
DEPARTMENTAL SCORE CARD**

ISSUE	STATUS	ESTIMATED COST	INITIAL PROJECT DATE	CURRENT STATUS DATE	DATE COMPLETED
CLERK'S DEPARTMENT					
Equipment Surplus	Followed up on this item so Surplus can be looked at		7.19.23	1.30.24	
Records Management System Development and Implementation	Subscribed to NAGARA (National Association of Government Archives & Records) for training and best practices of developing records management	\$285/year for 3 user accounts		1.29.24	
Records and vault reorganization, retention compliance	Actively going through, starting new organization process and logging- goes slow due to time constraints	Staff Time	8.15.23	1.30.24	
Point & Pay/ Caselle Integration	Troubleshooting complete on a search issue and have now moved to troubleshooting postback endpoint. This is the last issue before the site should be able to go live.	Point and Pay Absorbed Costs	2.15.23	02.08.24	
Set up UMB Coding Strings	Department Heads and cardholders attended training to learn coding process, cards were remapped and delegated for best use and fiscal responsibility.	Staff time	8.10.23	1.29.24	1.29.24
Create checklists for Clerk Duties	Create checklists, for all permits, licensing, agenda, board meeting, record retention, new hires etc for consistency and thoroughness. Updating as we go concurrent with the training for new Deputy Clerk - Ongoing	Staff Time	7.19.23	1.29.24	
MuniDocs clean- up & catch up	Still in process as time permits, This has also become the landing place for Board Committee Agenda's and minutes		9.14.23	02.05.24	
Cardholder policy and agreement	Will be updated with updated procurement policy	Staff time	11.2.23	1.29.24	
2024 Municipal Election	Ballot order has been certified and Proof of Ballot reviewed and approved.	\$2,094.00	11.15.23	02.05.24	
Special Events Process	Reimplemented Pre-event Staff meetings for ALL Events, created note template for filing and follow-up and set Policies. Working with Town Administrator to propose a policy to help streamline processes and make Special Events easier to administer and regulate.		7.1.23	11.24.23	
TextMyGov	Textmy Gov is now live and the widget is on the town website! Woo Hoo Ruben! Slow roll out over the next week!		12.1.2023	02.08.24	
Process new Liquor License	Posted, published and scheduled for hearing on February 27, 2024		12.20.23	1.30.24	
Process new Retail Marijuana license	License conditionally approved by Board pending Tax Bond, sign design compliance and final building permit approval. Administrator and Clerk have worked with RMJ license holders on bond and sign process and Clerk has sent letter of conditional approval to the MED.	Revenue \$5000.00	11.15.23	12.19.23	

**TOWN OF PAONIA
DEPARTMENTAL SCORE CARD**

ISSUE	STATUS	ESTIMATED COST	INITIAL PROJECT DATE	CURRENT STATUS DATE	DATE COMPLETED
Minor Subdivision	1.23.24 @ 6:30 pm Approved with Conditions		11.22.23	1.23.24	1.23.24
Transfer Ownership of Liquor License	Reviewing application for completeness	Revenue \$825	2.9.24	2.22.24	
CIRSA WC 2023 Audit	Completed, reviewed and submitted				02.07.24
PUBLIC WORKS DEPARTMENT					
Sidewalk Asset Plan	Working with contractor to determine which projects have been completed within the last 4-5 years. Asset Plan found and being implemented from SGM in 2020.		6.14.2023	11.24.23	
ADA Transition Plan	Discussed at Department Head Meeting, will need to begin to evaluate crossings throughout intersections in Town. Will add this to fulcrum and add notes in GIS about intersections in compliance and intersections that need to be brought into compliance with ADA standards. Working with Town Administrator to accomplish a true plan.		8.1.23	11.24.23	
Remove old flagpoles from arch at Town Hall and Replace with US Flag and Colorado Flag under archway	Cory to evaluate what can work underneath the archway that can safely and respectfully display the US flag and the Colorado State Flag. PW Staff fabricating a hanging display for under the vestibule 8.25.23. Need to schedule time to install with employees.		8.1.23	11.24.23	
Miner's Memorial in Town Park	Add Temporary vapor barrier to top of walls while awaiting new granite pieces being purchased. Completed 10.15.23.	\$2,500	8.22.23	11.24.23	10.15.23
Add cornering mirror at Pan American and Rio Grande	Completed installation of cornering mirror at Rio grand and Pan Am	\$300	8.8.23	11.24.23	
Working on lead service line inventory	Collecting and analyzing historical records		11/6/2023	11.13.23	
Mays water availability.	Conveyance agreement with Bone Mesa for raw water coming off of Gelwick through the Town's pipe to the splitter box at Mays				
construction standard update	need to update construction standards for utility,road, street,and sidewalks.		2/2/2024	2/5/2024	
Purchase and install Signs (speed and stop).	Getting quotes for signs 1-2024			1.31.24	

**TOWN OF PAONIA
DEPARTMENTAL SCORE CARD**

ISSUE	STATUS	ESTIMATED COST	INITIAL PROJECT DATE	CURRENT STATUS DATE	DATE COMPLETED
WATER DEPARTMENT					
Utility Fee Study	Water and Sewer Rates need to be reviewed. 20-year cash flow analysis for water and upcoming restrictions on NPDES permit for wastewater necessitate increases in the rates for utilities. Proposed Rate increases on the Board agenda for December 12, 2023.		7.14.23	11.24.23	
CDPHE Free Assistance Program for Lead Service Lince Replacement	Applied today for the program with Cory and Stefen as PoC. Will evaluate this program in FY-2024.		8.1.23	11.24.23	
Replace meters at Burges & Lamborn Mesa Water Companies	Burges Vault in process of repair and Lamborn Mesa meter replacement will begin soon. Final cost for completing these projects need to be submitted to the Town Administrator and Finance for appropriate accounts receivable.		8.3.23	11.24.23	
Mays Meetering.	Raw Water at the Mays Springs is being metered. Data is being sent to Brian Mitchem. This is before the split to Bone Mesa.				
Mays Cleanup	Clearing trees and brush at Mays along the springs so that tree roots don't get into the pipes				
WASTEWATER DEPARTMENT					
Utility Fee Study	Water and Sewer Rates need to be reviewed. 20-year cash flow analysis for water and upcoming restrictions on NPDES permit for wastewater necessitate increases in the rates for utilities. Proposed Rate increases on the Board agenda for December 12, 2023.		7.14.23	11.24.23	
NPDES Contact Update	Stefen needs to be added as the Executive/Administrative contact for the NPDES Permit. All Correspondence regarding NPDES Permit needs to go to Town Hall Attention: Stefen Wynn, Town Administrator. Follow-up needed to make sure that this is properly completed.		8.1.23	11.24.23	

**TOWN OF PAONIA
DEPARTMENTAL SCORE CARD**

ISSUE	STATUS	ESTIMATED COST	INITIAL PROJECT DATE	CURRENT STATUS DATE	DATE COMPLETED
POLICE DEPARTMENT					
Compiling possible municipal code additions, subtractions, and combinations to adress shortfalls in current muni code	The department is looking at approximately five (5) code updates/ replacements/new codes to be added by the end of the year.		5/1/2023	11/14/2023	
Reviewing possible municipal code fee/fine updates to adress shortfalls in current muni code	Reaching out to other like sized or surroundiung municiplities to compile fee and fine amounts. Final recommendations are needed for inclusion in the December 12, 2023 Board Meeting.	UNK	4/1/2023	11/14/2023	
Lexipol Policy manual review and implementation.	Policies are being reviewd weekly and some changes made. Some policies are sent to town legal counsel for review and input.	PD Admin Function	12/1/2022	11/14/2023	
Patrol Car Outfitting	With a fully staffed department we are needing to get a patrol car fully set up. The patrol car currently being used by the newest officer has no cage for safely transporting individuals. The patrol car is also lacking any radar equipment or overhead lighting.	PW Staff/Donated Eqpt	4/1/2023	11/14/2023	
ESS Security Training	Department Staff are continuing to take the ESS trainings and work towards the 630 Point minimum point threshold	Patrol Function	5/1/2023	1/1/2024	Continuous
Need municipal court subpoena template.	Town legal counsel has supplied a template.	UNK	7/1/2023	11/14/2023	Nov-23
Need more cloud based storage for bodycam footage storage.	Awaiting budget to actuals for 2023 fiscal year to identify purchasing window.	\$3,304.40 for BWC and increased storage.	8/1/2023	11/14/2023	
Patrol Truck has significant hail damage	Truck is scheduled for repair on March 12th 2024	UNK	7/1/2023	1/11/2024	
Bulletproof Vest updating	Vests have been ordered. Invoice Received	\$7,726.50	12/12/2023	1/9/2024	Invoice Paid
Training Hours need entered into Benchmark for POST credit	Hours are currently being entered and all officers have attained the mandatory number of training hours	Hourly Rate	1/1/2023	12/19/2023	23-Dec
Implementation of Spillman FLEX	Awaiting implementation schedule from Motorola	\$25,121.24	3/1/2023	12/19/2023	
Employee appraisal/review	Employees are finalizing appraisal packets	Admin/patrol function	1/1/2024	1/30/2024	
Need one more bodycam to outfit all sworn officers with contracted equipment.	Contract has been signed and submitted, awaiting delivery of new equipment	\$3,304.40 for BWC and increased storage.	8/1/2023	1/30/2024	
CDOT Revitalizing Main Streets Grant, "Safe Pathways for Paonia," 3-Points InX Grand, 4th & 5th					
CO#1 from SGM	SGM CO #1 Forthcoming adding scope of work for GeoTech Eng. Svcs., and MOT plan to design set & Striping Plan, and Adding Add'l. meetings to Project Admin. as req. by CDOT. (Odisea didn't inlcude in original design.	\$40,000.00	7.17.23	11.24.23	
Water Department Water Line Verification	Water Line under InX may need replaced if it's steel or iron. Cost will be internal labor to replace it, and needs coordinated with final contractor - WD to verify pipe under roadway. Verified that the pipe was replaced with plastic, but the fire hydrant that it connects to is almost 40 years old and time to be replaced. It will be included in the intersection improvements.		7.17.23	11.24.23	
Construction Timeline	Construction is estimated to begin in Late-Spring - Mid-Summer of FY-2024.	\$1,032,000.00	7.17.23	11.24.23	

**TOWN OF PAONIA
DEPARTMENTAL SCORE CARD**

ISSUE	STATUS	ESTIMATED COST	INITIAL PROJECT DATE	CURRENT STATUS DATE	DATE COMPLETED
R/W Acquisition - School Board	Plat from the school needs to be recorded - need to contact Wilmore for changes to legal description; County needs to give R/W ASAP; Need to contact private property owner about R/W in front of home (may have an easement). Scheduled to go to the next School Board Meeting for approval - scheduled for 9.14.23. Received the school board R/W, Paonia Plan commission approved in October, and Board of Trustees to consider approval on 11.28.23	N/A	7.17.23	11.24.23	
Verify R/W for County	Portions of the project lay within the Delta County. The portions within Delta County were given to them by CDOT and there may exist an agreement that the County hold it in perpetuity. SGM is checking with CDOT to ensure that the agreement between CDOT and Delta county is sufficient for project purposes. Once confirmed, all R/W will have been acquired for this project.	N/A	11.1.23	11.24.23	

TOWN OF PAONIA
DEPARTMENTAL SCORE CARD

ISSUE	STATUS	ESTIMATED COST	INITIAL PROJECT DATE	CURRENT STATUS DATE	DATE COMPLETED
DORRIS AVE. SEWER REPLACEMENT					
Project Closeout	Project has been completed. CO #1 & #2 have been approved and after final payment is submitted for the change orders, the project will be completely closed. Reimbursement Requests have been submitted and returned by DOLA. Resubmission in the appropriate format will be the week of 11.27.23. The maximum project award for Tier I EIAF grants is \$200,000. This project was awarded approximately \$130,000. The TA will ask to see if the grant request can be amended since bids were higher than expected and there were two change orders that were unforeseen.		7.17.23	11.24.23	

**TOWN OF PAONIA
DEPARTMENTAL SCORE CARD**

ISSUE	STATUS	ESTIMATED COST	INITIAL PROJECT DATE	CURRENT STATUS DATE	DATE COMPLETED
Hydrogeological Study					
Grant for \$25,000 Colorado River Water Conservation District Grant	Contract, COI and W-9 sent and received		7.20.23	11.24.23	
Grant from Roundtable	\$25,000 awarded to Paonia for completing the Hydrogeological Study		7.20.23	11.24.23	
CWCB Grant	Awarded \$147,973 towards the Hydrogeological Study		7.20.23	11.24.23	
RFP Available on Bidnet	RFP for completing the study is live on bidnet and consultants have been direct solicited.		11.1.23	11.24.23	
HOUSING NEEDS ASSESSMENT					
Housing Needs Assessment	Final HNA and Housing Action Plan has been accepted by the Plan Commission and Board of Trustees and will be included in the <u>DRAFT of the Master (Comprehensive) Plan.</u>		5.1.23	11.24.23	
DOLA IHOP Reimbursement	3rd Quarter FY-23 reimbursement request submitted and \$32,348.25 will be sent to the Town from DOLA. 4th Quarter FY-23 reimbursement will be submitted and the final reimbursement amount will be requested.		7.1.23	11.24.23	

**TOWN OF PAONIA
DEPARTMENTAL SCORE CARD**

ISSUE	STATUS	ESTIMATED COST	INITIAL PROJECT DATE	CURRENT STATUS DATE	DATE COMPLETED
MASTER PLAN					
Met with Phoenix Rising Resources	On 1.5.2024, met with Phoenix Rising Resources Principal to go over expectations and a timeline to finish the project.		5.1.23	1.19.24	
Timeline	1/17 PC Meeting with Status Update; 1/22 Survey Questions from Consultant for Publication; 1/23 Status Update for BoT; 2/2 Staff Meeting with Consultant; 2/27 Status Update for BoT; 2/28 FLUM Meeting PH at PC; 3/1 Staff Meeting with Consultant; 3/13 Draft Element Presentation PH at PC Meeting for Infrastructure; 3/26 Status Update for BoT; 3/29 Staff Meeting with Consultant; 4/3 Draft Element Presentation PH at PC for Transportation, Governance & Community Participation; 4/23 Status Update for BoT; 4/26 Staff Meeting with Consultant; 5/1 Draft Element Presentation PH at PC for Growth Framework, Economic Development, Parks, Recreation & Trails; 5/28 Status Update for BoT; 6/5 Final Presentation PH for Adoption at PC; 6/18 PH Final Adoption by BoT	\$52,395.00	1.19.23	1.19.23	
DOLA Planning Grant	Reimbursement for work already completed will be submitted during week of 11.27.23		5.1.23	11.24.23	
PHASE I - WATER IMPROVEMENTS					
Proposed Alignment	Meeting held on 7.24.23 regarding Existing water line alignment & GIS Data Accuracy. Proposed alignment options to consider, avoid easements by placing the water line in road R/Ws. AC line feeding old water plant, Evaluate PRV needs. Main Line improvements are being realigned so that they follow existing rights of way along roadways in areas that they are possible to be relocated.		7.24.23	11.24.23	
Easement Acquisition	May need to plan for two lines, potable and raw water, Town representative to negotiate easements (Town Administrator) once they're located. Land acquisition amounts have changed and are being finalized, if necessary at all.		8.1.23	11.24.23	
Items Needed from Town Staff	As built for PVC Loop; Exhibit of consecutive systems; photos of PRV 7; 8 & 9 (Jordan provided on 7/25 to Respec); Inventory meters to be replaced along the alignment. All items needed from Town Staff have been provided, including the 20-year cash flow analysis for the Project Needs Assessment.		7.25.23	11.24.23	
File for EIAF Tier II Grant	On 7.27.23, a grant application was filed for EIAF Tier II with project number 09721. DOLA Staff accepted the application for consideration on 8.3.23. Town was awarded \$965,000 for Tank Relining.	\$ 965,000.00	7.27.23	11.24.23	
Project Needs Assessment	Has been completed and submitted to CDPHE for consideration. Staff, consultants and Mayor Bachran completed various pieces of the PNA, and this is a monumental step towards project funding for DWSRF.		3.1.23	11.24.23	
SRF Loan Application	SRF Loan Application is being considered for FY - 2024 and is budgeted for approximately \$7.3MM		3.1.23	11.24.23	
American leak detection survey, Jeremiah working on it	0 rd , dry gulch, and lone cabin east loop still need surveyed		4.1.23	12.12.23	



**TOWN OF PAONIA
BOARD OF TRUSTEES MEETING
STAFF REPORT**

AGENDA ITEM:	Public Hearing on Good Love LLC Hotel & Restaurant Liquor License at 208 3rd Street.
SUBMITTED BY:	Samira Vetter, Town Clerk
DATE:	February 27, 2024
BACKGROUND:	<ul style="list-style-type: none"> - All required paperwork and fees including the State fees have been turned into the Town Clerk. The State is concurrently reviewing this liquor license. - Paonia Police Department has no issues or concerns with the granting of this license. - Paonia Public Works has no issues or concerns with the granting of this license - The Administrative Offices have no issues or concerns with the granting of this license. - All legal requirements have been met for this license. - I have received no comments positive or negative about the granting of this license as of the writing of this report.
BUDGET:	\$1075.00 to 10-32-01 : Liquor Licenses
RECOMMENDATION:	All legal requirements have been met for the granting of this liquor license
ATTACHMENT:	<ul style="list-style-type: none"> Preliminary Findings & Report Good Love LLC Application Chapter 6, Article 1 of the Paonia Municipal Code



February 21, 2024

Abreaze Parra
Good Love LLC
14134 Burgess Lane
Paonia, CO 81428

RE: Preliminary Findings & Report

Ms. Parra,

You are hereby advised that an investigation has been made regarding your application for a Hotel & Restaurant Liquor License. Based on the results thereof, the following has been determined:

1. The location of the premises for which the license is sought is 208 3rd Street, Paonia, Colorado. The full application was received on January 24, 2024.
2. In the two years preceding the date of the application, there has not been a denial of any liquor license application for the reason that reasonable requirements of the neighborhood were satisfied by the existing licenses.
3. It appears from the application documents that you are entitled to possession of the premises where you propose to exercise the license applied for and that the possession will continue throughout the initial term of the license, which through the review of documents was corrected and confirmed, that the lease ends on January 31, 2025 by your Landlord, JE Elliot Holdings LLC.
4. The sale of liquor at the proposed premises is not a violation of the Town of Paonia zoning, building and fire laws or regulations.
5. The proposed location does not appear to be within 500_{ft.} from any public or private school or the principal campus of any college, university or seminary.
6. The Town of Paonia has generally held that the Neighborhood is the town limits. You, as the applicant, may accept that or present alternative evidence. You have presented signatures on your petition in support of the license with reference to the needs of the Neighborhood and the desires of the adult inhabitants of the Neighborhood.
7. The background investigation results from the CBI and FBI have produced no results which would cause the character of the applicant to be at issue as part of this hearing.
8. The Notice of Public Hearing was physically posted at the location on February 1st, 2024; at Town Hall and published in the Delta County Independent on February 7, 14 & 21, 2024.

CC:

The Public hearing on your application has been set for Tuesday, February 27, 2024 beginning at 6:30 p.m. or shortly thereafter. The hearing will take place in the Board Room at Paonia Town Hall, 214 Grand Avenue in Paonia. At the hearing, you shall have the opportunity to be heard regarding all matters of consideration of your application. Be advised that you, as the applicant, are burdened with persuading the Board of Trustees, who are the Local Licensing Authority, that the granting of this license will meet the needs of the Neighborhood and desires of the adult inhabitants of the Neighborhood. Should you have any questions or concerns regarding the procedure involved in this public hearing, please feel free to contact me at (970) 527-4101 or samirav@townofpaonia.com.

Sincerely,



Samira M. Vetter

Paonia Town Clerk

E: samirav@townofpaonia.com

Retail License Application

* Note that the Division will not accept cash Paid by check Paid online

Uploaded to Date
MoveIt on

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

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

2a. Trade Name of Establishment (DBA) State Sales Tax Number Business Telephone

3. Address of Premises (specify exact location of premises, include suite/unit numbers)

City County State ZIP Code

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

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 checked="" type="checkbox"/>	Application Fee for New License.....\$1,100.00	<input type="checkbox"/>	Liquor-Licensed Drugstore (County).....\$312.50
<input type="checkbox"/>	Application Fee for New License w/Concurrent Review.....\$1,200.00	<input type="checkbox"/>	Lodging & Entertainment - L&E (City).....\$500.00
<input type="checkbox"/>	Application Fee for Transfer.....\$1,100.00	<input type="checkbox"/>	Lodging & Entertainment - L&E (County).....\$500.00

Section B	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).....\$227.50
<input type="checkbox"/>	Manager Registration - H & R.....\$30.00
<input type="checkbox"/>	Manager Registration - Tavern.....\$30.00
<input type="checkbox"/>	Manager Registration - Lodging & Entertainment.....\$30.00
<input type="checkbox"/>	Manager Registration - Campus Liquor Complex.....\$30.00
<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).....\$600.00
<input type="checkbox"/>	Tavern License (County).....\$600.00
<input type="checkbox"/>	Vintners Restaurant License (City).....\$750.00
<input type="checkbox"/>	Vintners Restaurant License (County).....\$750.00

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

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

Liability Information			
License Account Number	Liability Date	License Issued Through (Expiration Date)	Total \$
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

DR 8404 (01/22/20)

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 for more information

Items submitted, please check all appropriate boxes completed or documents submitted

I. Applicant information
<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 <input type="checkbox"/> F. Master file applicants must include the Application for Master File form DR 8415 and applicable fees to this Retail License Application
II. Diagram of the premises
<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
III. Proof of property possession (<u>One Year Needed</u>)
<input checked="" 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 type="checkbox"/> D. Other agreement if not deed or lease. (matching question #2)
IV. Background information (DR 8404-I) and financial documents
<input checked="" 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. Do not complete fingerprint cards prior to submitting your application. The Vendors are as follows: Identogo - https://enroll.identogo.com/ Phone: 844-539-5539 (toll-free) Identogo FAQs: https://www.colorado.gov/pacific/cbi/identification-faqs Colorado Fingerprinting - http://www.coloradofingerprinting.com Appointment Scheduling Website: http://www.coloradofingerprinting.com/cabs/ Phone: 720-292-2722 Toll Free: 833-224-2227 <input checked="" 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) <i>- writing on loan approval</i>
V. Sole proprietor/husband and wife partnership (if applicable)
<input checked="" type="checkbox"/> A. Form DR 4679 <input checked="" type="checkbox"/> B. Copy of State issued Driver's License or Colorado Identification Card for each applicant
VI. Corporate applicant information (if applicable)
<input checked="" type="checkbox"/> A. Certificate of Incorporation <input checked="" type="checkbox"/> B. Certificate of Good Standing <input type="checkbox"/> C. Certificate of Authorization if foreign corporation (out of state applicants only)
VII. Partnership applicant information (if applicable)
<input type="checkbox"/> A. Partnership Agreement (general or limited). <input checked="" type="checkbox"/> B. Certificate of Good Standing
VIII. Limited Liability Company applicant information (if applicable)
<input checked="" type="checkbox"/> A. Copy of articles of organization <input checked="" 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)
IX. Manager registration for Hotel and Restaurant, Tavern, Lodging & Entertainment, and Campus Liquor Complex licenses when included with this application
<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

DR 8404 (01/22/20)

Name Abreata Parra	Type of License retail liquor	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 <u>current</u> 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"/> 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:		<input checked="" type="checkbox"/> <input type="checkbox"/>		
Landlord Jessica Elliott	Tenant Abreata Parra	Expires 11-24-2023		
b. Is a percentage of alcohol sales included as compensation to the landlord? If yes, complete question 16.		<input type="checkbox"/> <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
Last Name	First Name	Date of Birth	FEIN or SSN	Interest/Percentage
Attach copies of all notes and security instruments and any written agreement or details of any oral agreement, by which any person (including partnerships, corporations, limited liability companies, etc.) will share in the profit or gross proceeds of this establishment, and any agreement relating to the business which is contingent or conditional in any way by volume, profit, sales, giving of advice or consultation.				
17. Optional Premises or Hotel and Restaurant Licenses with Optional Premises: Has a local ordinance or resolution authorizing optional premises been adopted?		<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> AR		
Number of additional Optional Premise areas requested. (See license fee chart)		<input checked="" type="checkbox"/>		
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? If "yes" a copy of license must be attached.		<input type="checkbox"/> <input checked="" type="checkbox"/>		

DR 8404 (01/22/20)

Name <i>Abreata Darrin</i>		Type of License <i>retail liquor</i>	Account Number		
20. Club Liquor License applicants answer the following: Attach a copy of applicable documentation					
				Yes	No
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 checked="" 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 checked="" type="checkbox"/>
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?				<input type="checkbox"/>	<input checked="" 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?				<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 an Manager Permit Application - DR 8000 and fingerprints.					
Last Name of Manager <i>Abreata Darrin</i>		First Name of Manager <i>Abreata</i>			
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.				Yes	No
				<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. b. Designated Manager for Related Facility- Campus Liquor Complex				<input type="checkbox"/>	<input type="checkbox"/>
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 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	
Name	Home Address, City & State	DOB	Position	%Owned	
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.					

DR 8404 (01/22/20)

Name Abraze Parra	Type of License retail liquor	Account Number
Oath Of Applicant		
I declare under penalty of perjury in the second degree that this application and all attachments are true, correct, and complete to the best of my knowledge. I also acknowledge that it is my responsibility and the responsibility of my agents and employees to comply with the provisions of the Colorado Liquor or Beer Code which affect my license.		
Authorized Signature 	Printed Name and Title Abraze Parra owner	Date 11-13-2023
Report and Approval of Local Licensing Authority (City/County)		
Date application filed with local authority	Date of local authority hearing (for new license applicants, cannot be less than 30 days from date of application)	
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 type="checkbox"/> Fingerprinted <input checked="" 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 checked="" 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 checked="" 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 distances 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 checked="" 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
Signature	Print	Title
		Date
		Date

Tax Check Authorization, Waiver, and Request to Release Information


I, Abbrate Parra am signing this Tax Check Authorization, Waiver and Request to Release Information (hereinafter "Waiver") on behalf of the applicant (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>Abbrate Parra</u>		Social Security Number/Tax Identification Number [REDACTED]	
Address <u>14134 Burgess Ln</u>			
City <u>Peoria</u>		State <u>CO</u>	Zip <u>81428</u>
Home Phone Number [REDACTED]		Business/Work Phone Number <u>9704156989</u>	
Printed name of person signing on behalf of the Applicant/Licensee			

Applicant/Licensee's Signature (signature authorizing the disclosure of confidential tax information) 	Date signed <u>11-13-2023</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).

3RD STREET GRILL

TYPE V-B CONSTRUCTION
B OCCUPANCY
OCCUPANCY LOAD = 15
NO STRUCTURAL CHANGES

Reviewed for Code Compliance

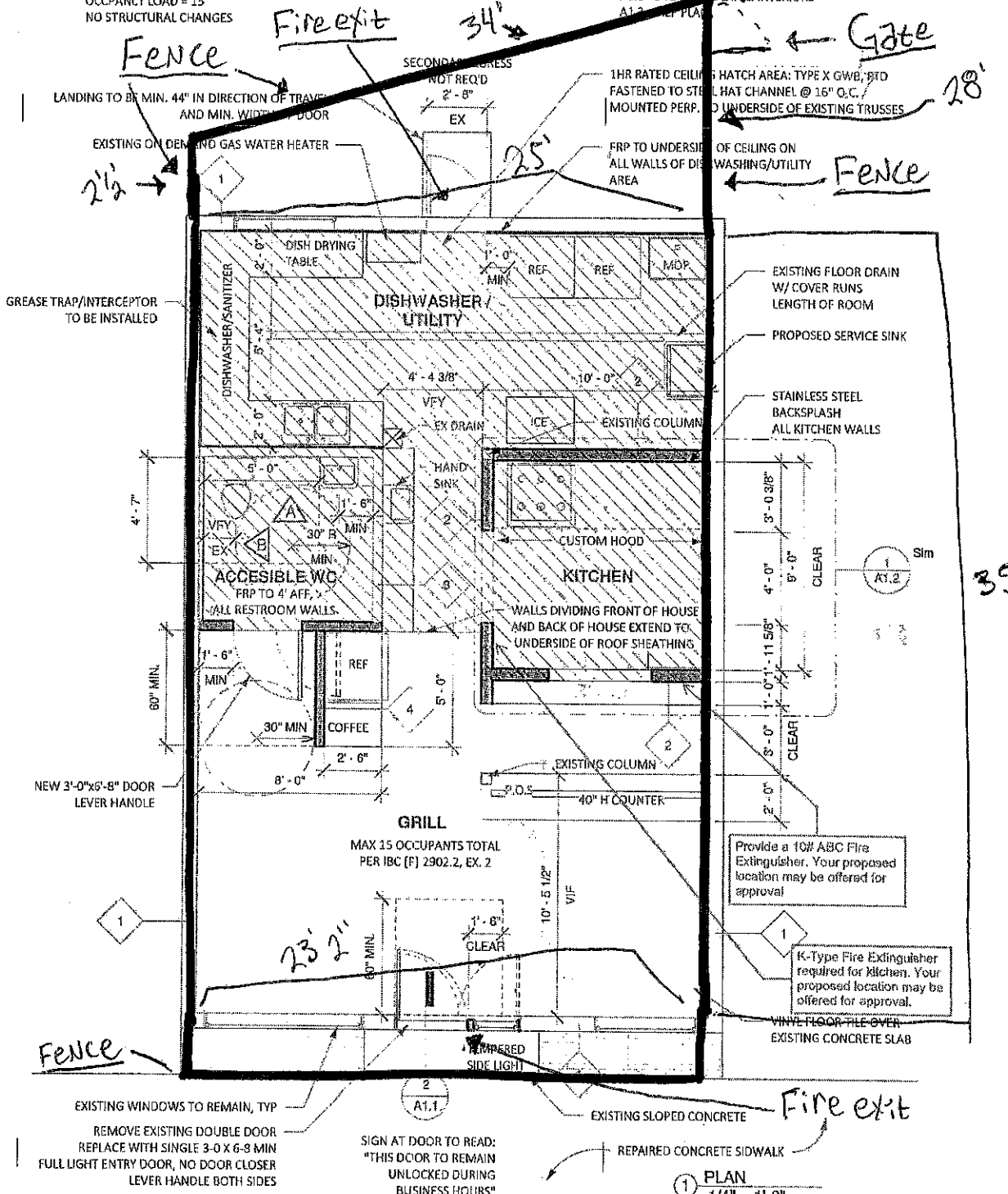
Colorado Code Consulting, LLC

COLORADO CODE CONSULTING, LLC

09/21/2016 11:56:28 AM

Approved "As Noted". All red-line comments shall apply.

- INDEX
- A1.0 GRILL FLOOR PLAN
 - A1.1 OCCUPANCY & WALL TYPES
 - A1.2 ENLARGED ROOMS & INTERIORS
 - A1.3 FLOOR PLAN



STUDIO M W LLC

Molly Wheelock, Principal
(303) 910-4557
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3RD STREET GRILL

SISSON

GRILL FLOOR PLAN

Project number	18_08	A1.0
Date	Aug 13, 2018	
Drawn by	MM	Scale 1/4" = 1'-0"
Checked by	MW	

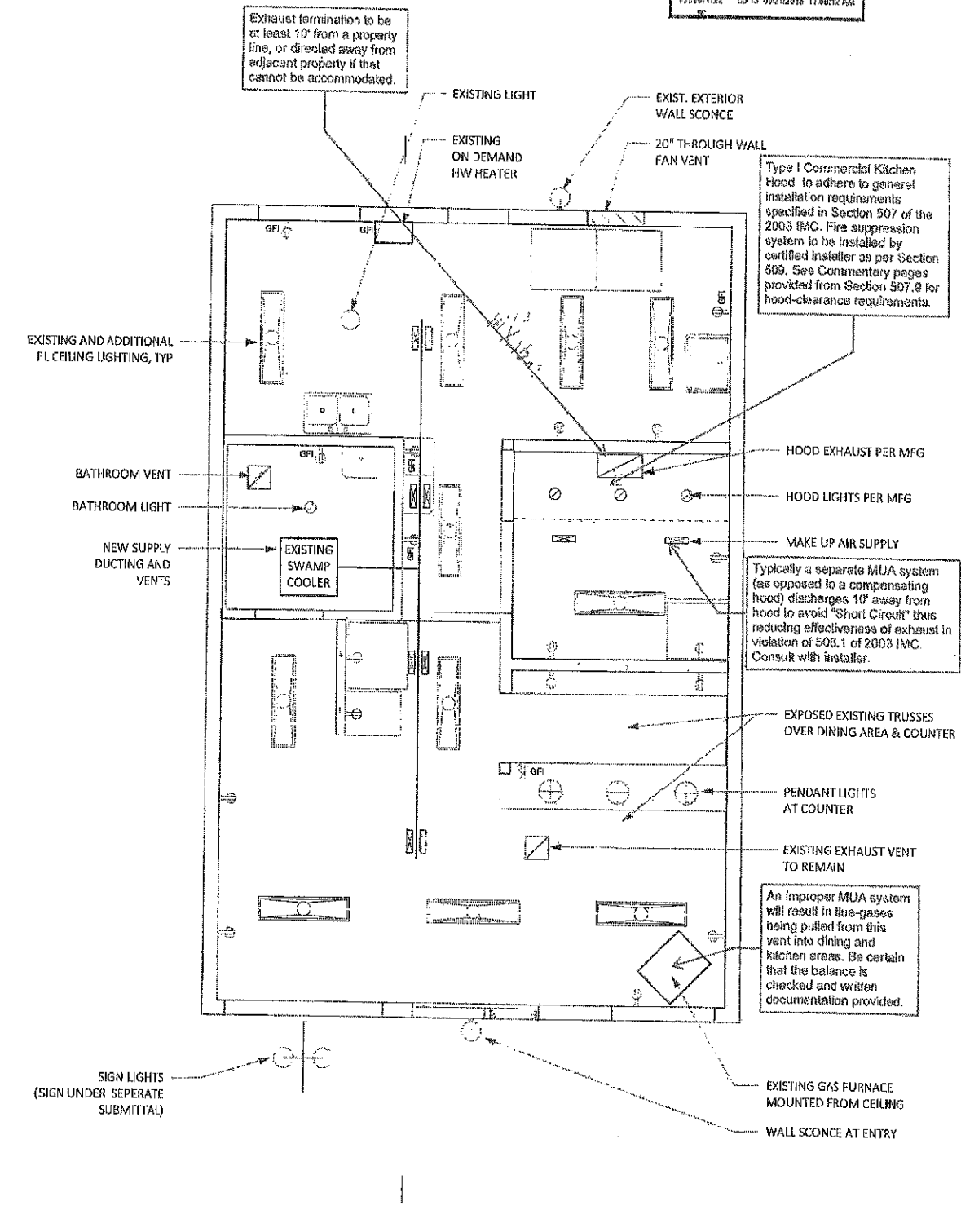
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Reviewed for Code Compliance

Colorado Code Consulting, LLC

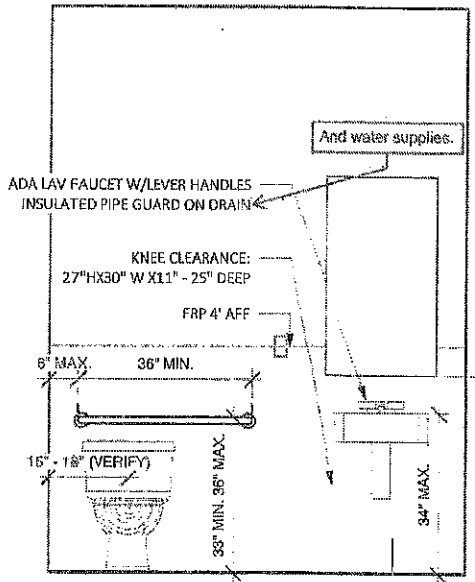
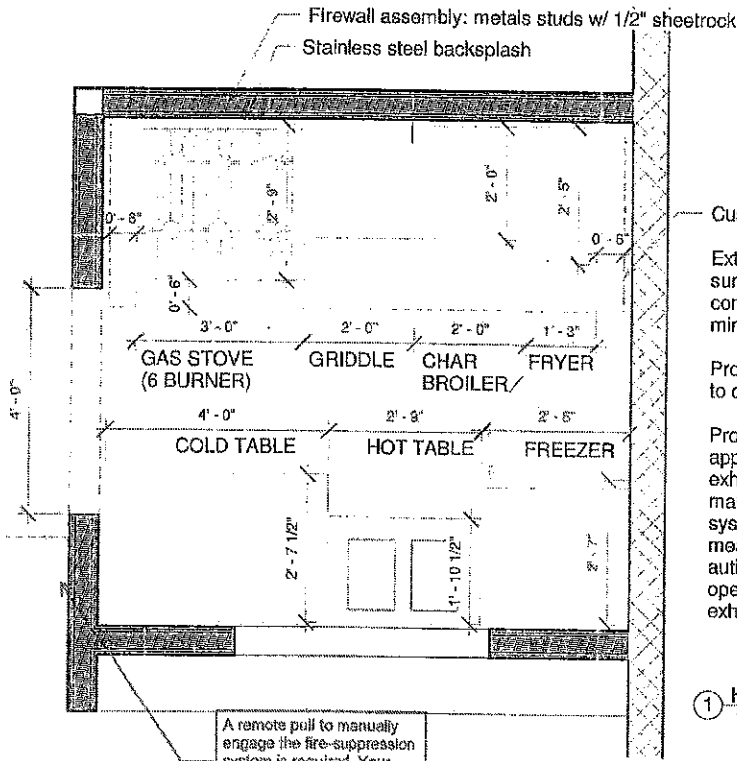
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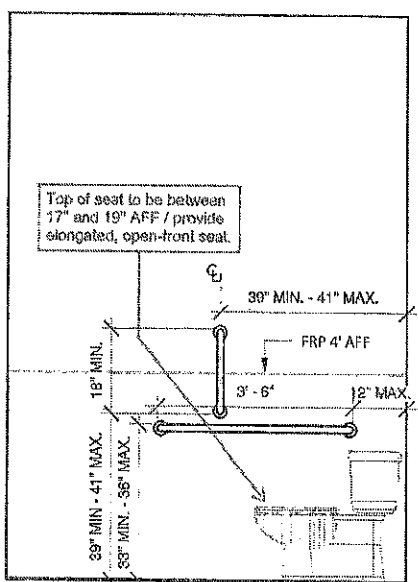
<p>STUDIO MW LLC</p> <p>Molly Wheelock, Principal (303) 910-4557 www.studionwarch.com copyright 2018</p>	<p>3RD STREET GRILL</p> <p>SISSON</p>	<p>MEP PLAN</p>	
		<p>Project number 18_06</p> <p>Date Aug 13, 2018</p> <p>Drawn by MW</p> <p>Checked by Checker</p>	<p>A1.3</p> <p>Scale 1/4" = 1'-0"</p>

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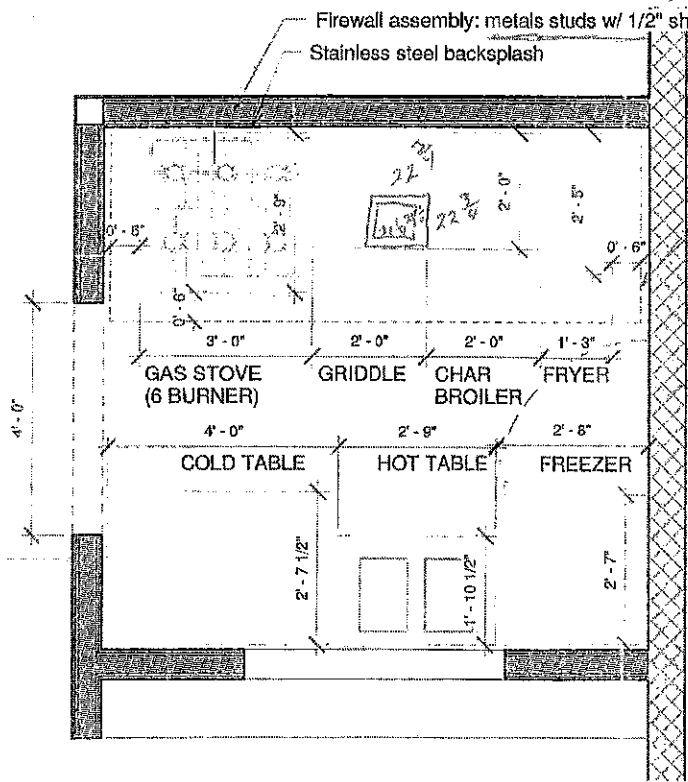


② INTERIOR ELEVATION A
 1/2" = 1'-0"

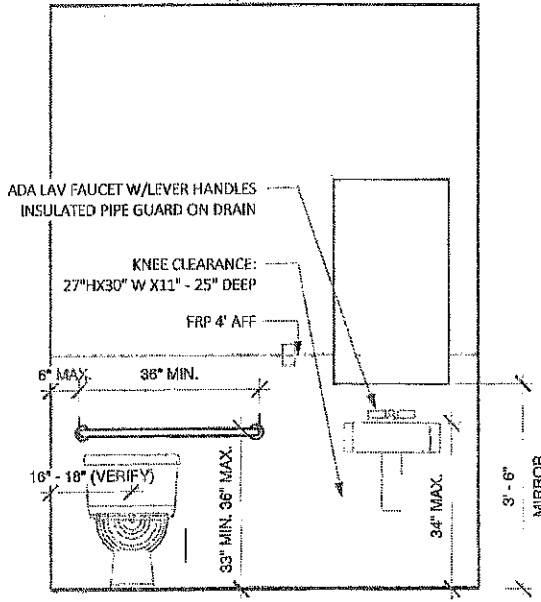


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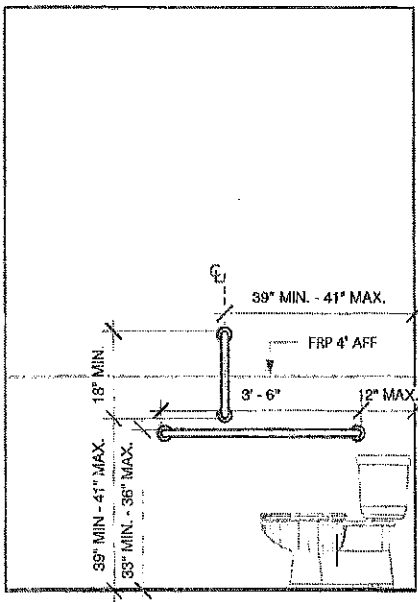
<p>STUDIO MARCH LLC</p> <p>Molly Wheelock, Principal (303) 910-4557 www.studiomarch.com copyright 2018</p>	<p>3RD STREET GRILL</p> <p>SISSON</p>	<p>ENLARGED PLAN & INTERIORS</p> <p>Project number 18_08 Date Aug 13, 2018 Drawn by MM Checked by MW</p>	<p>A1.2</p> <p>Scale 1/2" = 1'-0"</p>
		<p>8/13/2018 10:45:10 AM</p>	



① KITCHEN DETAIL
1/2" = 1'-0"



② INTERIOR ELEVATION A
1/2" = 1'-0"



③ INTERIOR ELEVATION B
1/2" = 1'-0"

<p>STUDIO M W LLC</p> <p>Molly Wheelock, Principal (303) 910-4557 www.studiomwarch.com copyright 2018</p>	<p>3RD STREET GRILL</p> <p>SISSON</p>	<p>ENLARGED PLAN & INTERIORS</p>	
		<p>Project number 18.08</p> <p>Date Aug 13, 2018</p> <p>Drawn by MM</p> <p>Checked by MW</p>	<p>A1.2</p> <p>Scale 1/2" = 1'-0"</p>

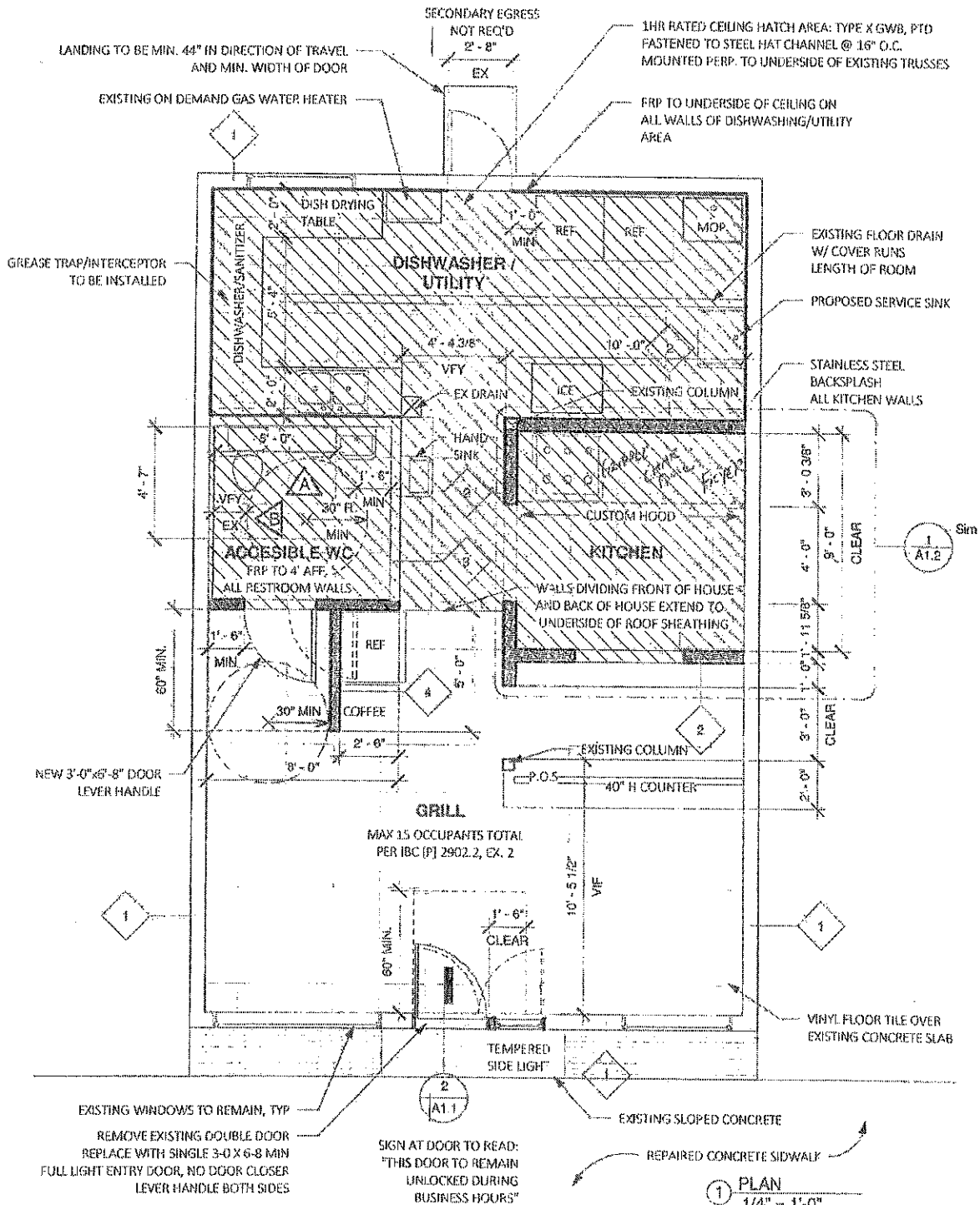
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3RD STREET GRILL

TYPE V-B CONSTRUCTION
 B OCCUPANCY
 OCCUPANCY LOAD = 15
 NO STRUCTURAL CHANGES

INDEX

- A1.0 GRILL FLOOR PLAN
- A1.1 OCCUPANCY & WALL TYPES
- A1.2 ENLARGED PLAN & INTERIORS
- A1.3 MEP PLAN



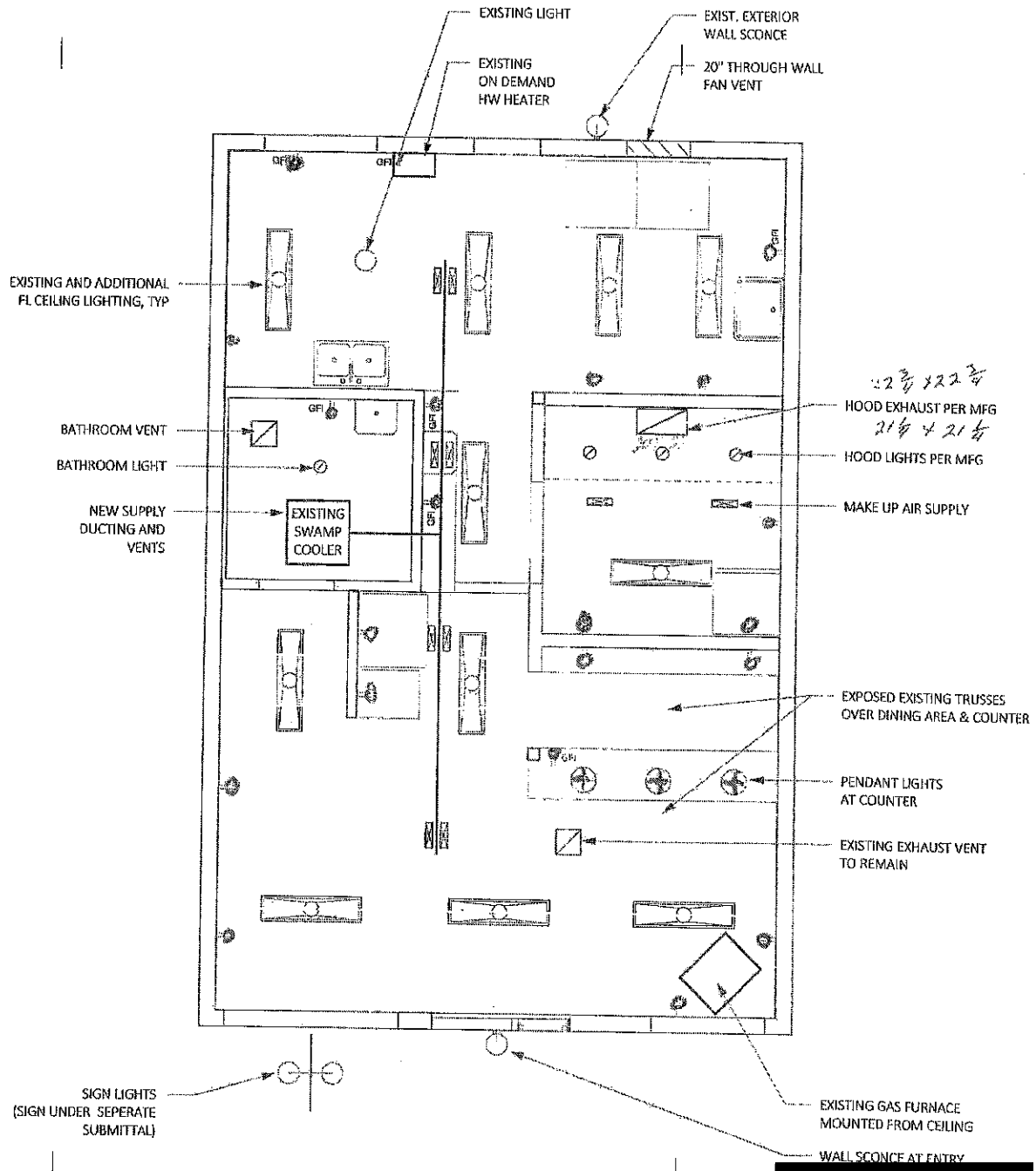
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SISSON

GRILL FLOOR PLAN

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Date	Aug 13, 2018	
Drawn by	MM	
Checked by	MW	
		Scale 1/4" = 1'-0"

8/13/2018 10:45:09 AM



2 3/4 x 22 3/4
 HOOD EXHAUST PER MFG
 21 3/4 x 21 3/4
 HOOD LIGHTS PER MFG



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LEASE AGREEMENT
208 3rd Street, Paonia, Colorado

THIS LEASE AGREEMENT ("**Lease**") is made as of the **5** day of **NOVEMBER, 2023**, by and between **JE ELLIOTT HOLDINGS, LLC.**, a State of Texas Limited Liability Company, having an address at 13450 Chickory Road, Hotchkiss, Colorado 81419 ("**Landlord**") and **GOOD LOVE, LLC.**, a State of Colorado Limited Liability Company, having an address at 14134 Burgess Lane, Paonia, Colorado 81428 ("**Tenant**"). Landlord and Tenant are also sometimes referred to herein collectively as the "**Parties**" or individually as a "**Party**."

ARTICLE I DEFINITIONS

Section 1.01 Definitions. The terms not otherwise defined within the Lease shall have the following meanings whenever used in this Lease:

"**ADA**" shall mean the Americans with Disabilities Act of 1990 (42 U.S.C. §§ 12101 to 12213), as amended by the Americans with Disabilities Act Amendments of 2008 (Pub. L. No. 110-325).

"**Alteration(s)**" shall mean any change, alteration, addition, or improvement to the Premises or the Building following completion of the Initial Tenant's Improvements.

"**Building**" shall mean the restaurant and ancillary office improvements in which the Premises are located, having a street address of **208 3rd Street**, in the city of **Paonia**, County of **Delta**, State of Colorado.

"**Business Day(s)**" shall mean all days, excluding the following days: Saturdays, Sundays, and all days observed as legal holidays by the State and/or the federal government, and/or by any labor unions servicing the Building.

"**Commencement Date**" shall mean the date on which Landlord delivers the Premises to Tenant for its use and occupancy.

"**Common Areas**" shall mean all areas and facilities located outside of the Premises that are provided and designated by Landlord from time to time for the general nonexclusive use of Landlord, Tenant, and their respective employees, suppliers, shippers, customers, contractors, and invitees.

"**Control**" shall mean ownership of more than 51% of the outstanding voting stock of a corporation or other majority equity and controlling interest if not a corporation and the possession of power to direct or cause the direction of the management and policy of such corporation or other entity, whether through the ownership of voting securities, by statute, or according to the provisions of a contract.

"**Environmental Laws**" shall mean all Laws: (a) relating to the environment, human health, or natural resources; (b) regulating, controlling, or imposing liability or standards of conduct concerning any Hazardous Materials; (c) relating to Remedial Action; and (d) requiring notification or disclosure of releases of Hazardous Materials or of the existence of any environmental conditions on or at the Premises, as any of the foregoing may be amended, supplemented, or supplanted from time to time.

"Expiration Date" shall mean the last day of the month in which the **first (1st)** anniversary of the Commencement Date occurs/**January 31, 2025** or such earlier date on which the Term shall sooner end pursuant to any of the terms, covenants, or conditions of this Lease or pursuant to Law.

"Force Majeure Event" means any of the following events: (a) acts of God; (b) floods, fires, earthquakes, hurricanes, tornadoes, explosions, or other natural disasters; (c) war, invasions, hostilities (whether war is declared or not), terrorist threats or acts, riots or other civil unrest; (d) governmental authority, proclamations, orders, laws, actions, or requests; (e) embargoes or blockades; (f) epidemics, pandemics, or other national or regional emergencies; (g) strikes, labor stoppages or slowdowns, or other industrial disturbances; and (h) shortages of supplies, adequate power, or transportation facilities; and (i) other similar events beyond the reasonable control of the parties.

"HVAC" shall mean the heating, ventilation, and air-conditioning equipment services at the Premises and the Building.

"Hazardous Materials" shall mean any pollutant, contaminant, or hazardous, dangerous, or toxic chemicals, materials, or substances within the meaning of applicable Environmental Laws, relating to or imposing liability or standards of conduct concerning any hazardous, toxic, or dangerous waste substance or material, all as amended or hereafter amended including, without limitation, any material or substance which is: (a) designated as a "hazardous substance" pursuant to Section 311 of the Federal Water Pollution Control Act (33 U.S.C. § 1317) or equivalent State Laws; (b) defined as a "hazardous waste" pursuant to § 1004 of the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq. (42 U.S.C. § 6903) or equivalent State Laws; (c) defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. § 9601 et seq. (42 U.S.C. § 9601) or equivalent State Laws; (d) petroleum; (e) asbestos or asbestos-containing materials; (f) polychlorinated biphenyls or substances or compounds containing polychlorinated biphenyls; (g) radon; (h) medical waste; and (i) petroleum products.

"Land" shall mean all that certain plot, piece, or parcel of land on which the Building is located with a street address of **208 3rd Street**, in the **Paonia**, County of **Delta**, State of Colorado, and more particularly described on **Exhibit A** attached hereto and made a part hereof.

"Landlord" shall mean the entity so identified in the first paragraph of this Lease and any successor or assign of such entity, subject to Section 24.10 hereof.

"Law(s)" shall mean all applicable laws, statutes, and ordinances (including building codes, zoning ordinances, and regulations), rules, orders, directives, and requirements of all federal, State, county, municipal departments, bureaus, boards, agencies, offices, commissions, and other subdivisions thereof, or of any official thereof, or of any governmental, public or quasi-public authority, including, without limitation, temporary orders that reduce, alter, or eliminate some or all restaurant operations whether now or hereafter in force, which may be applicable to the Land, the Building, the Premises, or any part thereof, or to Tenant's business, including, without limitation, the ADA, the OSH Act, State and local municipal orders, and any and all Superior Instruments.

"OSH Act" shall mean the Occupational Safety and Health Act (29 U.S.C. §§ 651 to 678), as amended from time to time. **"Permitted Use"** shall mean the operation of a restaurant for on-site dining, with carryout food service, catering, food delivery services, ancillary office use, and for no other purpose.

"Person(s) or person(s)" shall mean any natural person or persons, a limited liability company, a limited partnership, a partnership, a corporation, and any other form of business, legal association, or entity.

"Personal Property" shall mean all tangible personal property now or at any time hereafter located in, on, or at the Premises or used in connection with the Premises, including, without limitation, all trade fixtures, machinery, appliances, furniture, equipment, and inventory.

"Premises" shall mean approximately **eight hundred seventy five (875)** rentable square feet located in the Building, including all improvements therein or to be provided by Landlord under the terms of this Lease, and being the space identified on **Exhibit B** attached hereto and made a part hereof.

"Remedial Action" shall mean the investigation, response, clean up, remediation, prevention, mitigation, or removal of any Hazardous Materials necessary to comply with any Environmental Laws.

"Rent Payment Address" shall mean **13450 Chickory Road, Hotchkiss, Colorado 81419**.

"State" shall mean the State of Colorado.

"Superior Instruments" shall mean any reciprocal easement, covenant, restriction, restriction of easement, association requirements, or other agreement of record affecting the Land as of the date of this Lease or subsequent thereto.

"Tenant Improvements" shall mean Alterations to the Premises performed by or on behalf of Tenant.

"Term" shall mean the term of this Lease beginning on the Commencement Date and ending on the Expiration Date.

ARTICLE II PREMISES

Section II.01 Lease of Premises for the Term. Subject to the terms and conditions of this Lease, Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, the Premises for the Term, subject to earlier termination pursuant to any of the terms, covenants, or conditions of this Lease or pursuant to Law. Landlord shall deliver the Premises to Tenant on the Commencement Date.

Section II.02 Acceptance of Premises. Tenant hereby acknowledges that except as expressly set forth in this Lease: (a) Tenant has had the opportunity to inspect the Premises and accepts the Premises in its "AS IS, WHERE IS" condition; (b) the Premises are acceptable for Tenant's intended Permitted Use; (c) neither Landlord nor any of Landlord's agents has made any oral or written representations or warranties with respect to said matters other than as set forth in this Lease; and (d) TENANT EXPRESSLY WAIVES ANY WARRANTY OF CONDITION OR OF HABITABILITY OR SUITABILITY FOR OCCUPANCY, USE, HABITATION, FITNESS FOR A PARTICULAR PURPOSE, OR MERCHANTABILITY, EXPRESS OR IMPLIED, RELATING TO THE PREMISES.

Section II.03 Common Areas. All parking areas, driveways, entrances and exits thereto, stairways, and all other Common Areas provided by Landlord shall be at all times subject to the exclusive control and management of Landlord. Landlord hereby grants to Tenant for the benefit of

Tenant and its employees, suppliers, shippers, customers, and invitees, during the Term, the nonexclusive right to use, in common with others entitled to such use, the Common Areas as they exist from time to time, subject to any rights, powers, and privileges reserved by Landlord under the terms hereof. Under no circumstances shall the right granted herein be deemed to include Tenant's temporary or permanent right to store any property in the Common Areas. Tenant shall not solicit business within the Common Area or take any action which would interfere with the rights of other persons to use the Common Area. Landlord shall have the right, from time to time, to: (a) make changes to the Common Areas so long as reasonable pedestrian and vehicular access to the Premises remains available; (b) close temporarily any of the Common Areas for maintenance purposes, so long as reasonable pedestrian and vehicular access to the Premises remains available; (c) add additional buildings and improvements to the Common Areas; and (d) do and perform such other acts and make such other changes in, to, or with respect to the Common Areas as Landlord may, in the exercise of sound business judgment, deem to be appropriate.

ARTICLE III PAYMENT OF RENT

Section III.01 Fixed Rent.

- (a) Tenant covenants and agrees to pay, without notice or demand and without any setoffs, abatements, or deductions, fixed rent to Landlord in an amount equal to **\$12,000.00** for the first twelve (12) calendar months of the Lease, payable in equal monthly installments of **\$1000.00 per month**, in advance on the first day of each month during the Term ("**Fixed Rent**").
- (b) Concurrently with Tenant's execution of this Lease, Tenant shall pay to Landlord an amount equal to one (1) monthly installment of Fixed Rent payable under this Lease for the first full calendar month of the Term.
- (c) If the Commencement Date is a day other than the first day of a month, then the Fixed Rent from the Lease Commencement Date until the first day of the following month, and the Fixed Rent for any other partial month during the Term, shall be prorated on a per diem basis at the rate of one-thirtieth (1/30th) of the monthly installment of Fixed Rent payable.
- (d) All Fixed Rent shall be paid except as otherwise specifically provided in this Lease: (i) By good check drawn on an account at a bank in currency that at the time of payment is legal tender for public and private debts in the United States of America, made payable to Landlord at Landlord's Rent Payment Address or to such other parties and at such other addresses as Landlord shall direct by written notice to Tenant from time to time; (ii) At Landlord's or Tenant's option (at any time upon not less than five (5) days prior written notice), by wire transfer of immediately available funds to an account at a bank designated by Landlord in writing; or (iii) By any other method reasonably requested by Landlord.

Section III.02 Late Payment. If any payment of Fixed Rent or any other charge or expense payable under this Lease is not received by Landlord ten (10) days after its due date, such payment shall be subject to a late payment fee of 5% of the unpaid amount, or such lesser amount as may be the maximum amount permitted by Law, in order to compensate Landlord for its administrative expenses and not as a penalty, until such payment is received by Landlord. Acceptance of any late charge or default interest shall not constitute a waiver of Tenant's default with respect to the overdue amount or prevent Landlord from exercising any of the other rights and remedies available to Landlord.

Section III.03 Personal Property Taxes. Tenant shall pay, prior to delinquency, all taxes charged against Tenant's Personal Property.

ARTICLE IV SECURITY DEPOSIT

Section IV.01 Security Deposit Amount. Tenant shall deposit with Landlord simultaneously with the execution of this Lease the sum of **\$1000.00** in lawful US currency (the "**Security Deposit**"), for the faithful performance and observance by Tenant of the terms, provisions, and conditions of this Lease. It is agreed that in the event that there is an uncured and continuing Event of Default by Tenant under this Lease after the expiration of any applicable notice and cure periods, Landlord may draw on the Security Deposit to the extent required for the payment of Fixed Rent or any other sum as to which Tenant is in default, or any sum which Landlord may expend or may be required to expend by reason of Tenant's default in respect of any of the terms, covenants, or conditions of this Lease. In the event that Landlord does draw on the Security Deposit, Tenant shall within fifteen (15) days of receiving written notice from Landlord, replenish the Security Deposit by the amount Landlord withdrew therefrom and failure to do so within such fifteen (15)-day period shall constitute an Event of Default under this Lease.

Section IV.02 Security Deposit Transfer. If Landlord transfers its interest in the Building during the Term of this Lease, Landlord may assign the Security Deposit to the transferee and Landlord and the transferee shall give the required statutory notice to Tenant. Thereafter, Landlord shall have no further liability for the return of such Security Deposit.

Section IV.03 Return of Security Deposit. If Tenant is not in default at the termination of this Lease, the balance of the Security Deposit remaining after any application of the Security Deposit shall be returned by Landlord to Tenant within thirty (30) after expiration of the Term of this Lease.

ARTICLE V USE

Section V.01 Permitted Use. Tenant shall use the Premises only for the Permitted Use and shall not use the Premises for any other purposes. Tenant shall not use the Premises or permit the Premises to be used in violation of any Law. Tenant shall obtain and pay for all permits, and shall promptly take and pay for all substantial and insubstantial actions necessary to comply with all Laws regulating the use by Tenant of the Premises, including, without limitation, the OSH Act and the ADA. Tenant shall use commercially reasonable efforts to obtain and shall diligently pursue immediately upon execution of this Lease, any approvals or licenses from any governmental entity necessary for the Permitted Use in accordance with all Laws.

Section V.02 Uses Prohibited. Tenant shall not do or permit anything to be done in or about the Premises nor bring or keep anything in or on the Premises that is not within the Permitted Use of the Premises or that will in any way increase the existing rate on or affect any fire or other insurance upon the Premises or any of its contents or cause a cancellation of any insurance policy or policies covering the Premises or any part thereof or any of its contents. Tenant shall not conduct or permit any auctions or sheriff's sales at the Premises. Tenant shall pay all extra insurance premiums which may be caused by the use which Tenant shall make of the Premises. Tenant shall not use the Premises for anything that may be dangerous to life or limb. Tenant shall not in any manner deface or injure the Building or any part thereof or overload the floors of the Premises.

Section V.03 Signs. Tenant shall not place any signs on the Premises without Landlord's prior written consent.

Section V.04 Landlord's Access. Landlord or its agents may enter the Premises to inspect the Premises or to show the Premises to potential buyers, investors, tenants, or other parties, or for any other purpose Landlord deems necessary. Landlord shall at all times have and retain a key with which to unlock all the standard entrances and exit doors in, upon, and about the Premises, excluding Tenant's vaults, safes, and files. Landlord may place customary "For Sale" or "For Lease" signs on or about the Premises but may not place such signs in or in front of the Premises until ninety (90) days prior to the end of the Term or if Tenant vacates the Premises prior to the expiration of the Term.

Section V.05 Building Security. Notwithstanding the foregoing, Landlord is not responsible for the security of persons or property on or about the Premises and/or the Building. Tenant shall be responsible for obtaining and maintaining all security with respect to the interior of the Premises, whether by the use of security devices or otherwise. Tenant acknowledges and agrees that Landlord shall have no liability to Tenant and/or any of Tenant's officers, agents, employees, partners, successors, and assigns (collectively, the "Tenant Parties") for the implementation or exercise of, or for the failure to implement or exercise, any security measures with respect to the interior of the Premises or the Building.

ARTICLE VI HAZARDOUS MATERIALS

Section VI.01 Tenant Operations. Tenant shall not cause or suffer or permit to occur in, on, or under the Premises any generation, use, manufacturing, refining, transportation, emission, release, treatment, storage, disposal, presence, or handling of Hazardous Materials, except that limited quantities of Hazardous Materials (such as cleaning supplies) may be used, handled, or stored on the Premises, provided such limited quantities of Hazardous Materials are incident to and reasonably necessary for the maintenance of the Premises or Tenant's operations for its Permitted Use and are in compliance with all Environmental Laws. Should a release of any Hazardous Material occur at the Premises as a result of the acts or omissions of Tenant, or its employees, agents, suppliers, shippers, customers, contractors, or invitees, Tenant shall immediately contain, remove from the Premises, and/or properly dispose of such Hazardous Materials and any material contaminated by such release, and remedy and mitigate all threats to human health or the environment relating to such release, all in accordance with Environmental Laws.

Section VI.02 Permits and Documents. Tenant, in a timely manner, shall, to the extent required due to Tenant's use of the Premises or arising out of Tenant's actions at the Premises or the Building, obtain and maintain in full force and effect all permits, licenses, and approvals, and make and file all notifications and registrations as required by any Environmental Laws. Tenant shall at all times comply with the terms and conditions of any such permits, licenses, approvals, notifications, and registrations. Tenant shall provide copies of the following pertaining to the Premises or Tenant's use thereof, promptly after each shall have been submitted, prepared, or received by Tenant: (a) all notifications and associated materials submitted to any governmental agency relating to any Environmental Law; (b) all notifications, registrations, reports, and other documents and supporting information prepared, submitted, or maintained in connection with any Environmental Laws or otherwise relating to environmental conditions; (c) all permits, licenses, and approvals, including any modifications thereof,

obtained pursuant to any Environmental Laws; and (d) any correspondence, notice of violation, summons, order, complaint, or other documents received by Tenant pertaining to compliance with or liability under any Environmental Laws.

Section VI.03 Environmental Indemnification. Tenant hereby agrees to indemnify, defend, save, and keep Landlord, and Landlord's officers, principals, shareholders, partners, employees, successors, and assigns, harmless from and against any and all liabilities, obligations, charges, losses, damages, penalties, claims, actions, and expenses, including without limitation, engineers' and professional fees, soil tests, chemical analysis, court costs, legal fees, and expenses through all trial, appellate, and administrative levels, imposed on, incurred by, or asserted against Landlord, in any way relating to, arising out of, or in connection with the use, handling, storage, transportation, or disposal of Hazardous Materials by Tenant or its agents, employees, representatives, tenants, or contractors in, on, or about the Premises. The foregoing indemnification shall survive any assignment or termination of this Lease.

ARTICLE VII PARKING

Landlord agrees to provide Tenant with reasonably sufficient parking spaces, for Tenant's customers, which shall in no event be less than the number of parking spaces required with respect to the Premises under applicable Laws.

ARTICLE VIII SERVICES AND UTILITIES

Section VIII.01 Payment for Services and Utilities. Beginning on the Commencement Date and continuing throughout the Lease Term, Landlord shall pay directly to the appropriate supplier prior to delinquency the cost (including all taxes, penalties, surcharges, maintenance charges, and the like pertaining thereto) of all utilities consumed at the Premises, including, without limitation, natural gas, heat, light, power, sewer and water, internet, and telephone for the Premises.

Section VIII.02 Interruption of Services and Utilities. If any of the services or utilities Landlord is required to furnish hereunder are interrupted, Landlord shall use reasonable diligence to restore such services or utilities within **seventy-two (72) hours**, but (except as otherwise provided in this Lease), Tenant shall have no claim for rebate of Fixed Rent, damages (including, without limitation, damages for business interruption), or eviction on account thereof.

ARTICLE IX MAINTENANCE, REPAIRS, AND ALTERATIONS

Section IX.01 Maintenance by Tenant. Tenant shall at all times during the Term keep the Premises (including maintenance of fixtures, equipment, and appurtenances thereof) in good order, condition, and repair. Tenant shall also repair any damages to the structural portions of the roof and the Building resulting from the negligent acts or omissions of Tenant or any Tenant Parties or from the failure of Tenant or any one claiming under Tenant, to perform or observe the covenants or conditions in this Lease or from Alterations, additions, or improvements to the Premises made by Tenant or anyone claiming under or acting by or through Tenant. If Tenant refuses or neglects to comply with the foregoing to the reasonable satisfaction of Landlord within twenty (20) days after written demand from Landlord, Landlord shall have the option, but not the obligation, to perform such cleaning and maintenance and make such repairs without liability to Tenant for any loss or damage that may accrue

to Tenant's inventory, fixtures, or property, or to Tenant's business thereof, and upon completion thereof, Tenant shall pay Landlord's cost for making such repairs, plus 5% for overhead, upon presentation of a bill therefor.

Section IX.02 Maintenance by Landlord. Landlord shall maintain and, as necessary, shall repair or replace the roof and the roof membrane, the HVAC system servicing the Premises and the Building, the exterior walls, and the structural portions of the Building, and Landlord shall periodically paint the exterior walls of the Building from time to time as determined to be necessary by Landlord or its designee, and subject to the obligations of Tenant under the provisions of this Lease. Landlord shall repair and replace plumbing, utility, and/or sewer lines and mains which service the Premises. Landlord shall be solely responsible at Landlord's expense for performing or contracting for all cleaning of the exterior of the Building, for maintaining all equipment necessary or appropriate for such operations, and for compliance with all Legal Requirements with respect thereto. Landlord shall also comply with all Landlord's maintenance, repair, and replacement obligations required pursuant to the terms of this Lease.

Section IX.03 Alterations. Tenant shall not make any Alterations to the Premises without Landlord's prior written consent, which consent Landlord may withhold in its sole discretion. All Alterations, additions, and improvements shall be accomplished in a good and workmanlike manner, in conformity with all applicable Laws, and by a contractor (licensed as necessary by the State or municipality) who is registered as required, bonded, insured, and approved by Landlord.

- (a) Tenant agrees that Tenant shall pay all liens of contractors, subcontractors, mechanics, laborers, materialmen, and other items of like character, and shall indemnify Landlord against all expenses, costs, and charges, including bond premiums for the release of liens, attorneys' fees, and costs reasonably incurred in and about the defense of any suit in discharging the Premises or any part thereof from any liens, judgments, or encumbrances caused or suffered by Tenant. In the event any such lien shall be made or filed, Tenant shall bond against or discharge the same within fifteen (15) after the same has been made or filed. It is understood and agreed between the parties to this Lease that the expenses, costs, and charges above referred to shall be considered as due and owing to Landlord and shall be included in any lien for Fixed Rent.
- (b) All Alterations, additions, or improvements placed on or made to the Premises by Tenant, excluding Personal Property, furniture, trade fixtures, and other movable property not attached to the Building, shall at once become the property of Landlord, and upon termination of this Lease shall be surrendered to Landlord or, at Landlord's option, shall be removed at Tenant's expense, and all damage to the Premises or the Building caused by the installation or removal of such items shall be repaired at Tenant's expense, prior to the expiration or termination of this Lease.

ARTICLE X COVENANT AGAINST LIENS

Nothing contained in this Lease shall authorize or empower Tenant to do any act which shall in any way violate any Superior Instruments, or encumber Landlord's title to the Building or the Premises, nor in any way subject Landlord's title to any claims by way of lien or encumbrance whether claimed by operation of Law or by virtue of any express or implied contract of Tenant. Any claim to a lien upon the Building or the Premises arising from any act or omission of Tenant shall attach only against Tenant's interest and shall in all respects be subordinate to Landlord's title to the Building and the Premises. If

Tenant has not removed or bonded over any such lien or encumbrance within fifteen (15) after written notice to Tenant by Landlord, Landlord may, but shall not be obligated to, pay the amount necessary to remove such lien or encumbrance, without being responsible for making any investigation as to the validity or accuracy thereof, and the amount so paid, together with all costs and expenses (including attorneys' fees) incurred by Landlord in connection therewith, shall be due and payable by Tenant within fifteen (15) after Tenant's receipt of notice of such payment by Landlord and any supporting documentation.

ARTICLE XI ASSIGNMENT AND SUBLEASING

Section XI.01 Landlord's Consent Required. Tenant shall not, directly or indirectly, voluntarily or by operation of Law, sell, assign, encumber, mortgage, pledge, or otherwise transfer or hypothecate all or any part of the Premises, or Tenant's leasehold estate hereunder, or sublet all or any portion of the Premises or permit the Premises to be occupied by anyone other than Tenant (each such act herein referred to as a "Transfer"), without Landlord's prior written consent in each instance. Any attempted Transfer without Landlord's prior written consent shall be void and shall constitute a non-curable breach of this Lease. If Tenant is a partnership or a limited liability company, any cumulative transfer of more than 20% of the partnership or limited liability company membership interests, as applicable, shall constitute a Transfer and shall require Landlord's consent. If Tenant is a corporation, any change in Control shall constitute a Transfer and shall require Landlord's prior consent.

Section XI.02 No Release of Tenant. No Transfer permitted under this Lease, whether with or without Landlord's consent, shall release Tenant or change Tenant's primary liability to pay the Fixed Rent and to perform all other obligations of Tenant under this Lease. Landlord's acceptance of Fixed Rent from any other person is not a waiver of any provision of this Lease. Consent by Landlord to one Transfer is not consent to any subsequent Transfer. If Tenant's transferee defaults under this Lease, Landlord may proceed directly against Tenant without pursuing remedies against the transferee. Landlord may consent to subsequent Transfers of this Lease by Tenant's transferee, without notifying Tenant or obtaining its consent. Such action shall not relieve Tenant's liability under this Lease. If Tenant Transfers its interest hereunder, then Landlord shall receive the excess, if any, between the rent (or other consideration) paid in connection with such Transfer and the Fixed Rent payable by Tenant hereunder.

Section XI.03 Landlord's Election. Tenant's request for consent to any Transfer shall be accompanied by a written statement setting forth the details of the proposed Transfer, including the name, business, and financial condition of the prospective transferee, financial details of the proposed Transfer (such as the term of the sublease and the amount of all rent and the security deposit payable under any assignment or sublease), and any other information Landlord deems relevant. Landlord shall have the right: (a) to withhold consent; (b) to grant consent; or (c) if the Transfer is a sublease of the entire Premises or an assignment of this Lease, to terminate this Lease as of the effective date of such proposed sublease or assignment and enter into a direct lease with the proposed assignee or subtenant.

Section XI.04 No Merger. No merger shall result from Tenant's sublease of the Premises, Tenant's surrender of this Lease, or the termination of this Lease in any other manner. In any event, Landlord may terminate any or all subtenancies or succeed to the interest of Tenant as sublandlord thereunder.

ARTICLE XII INSURANCE AND INDEMNIFICATION

Section XII.01 Insurance Policy Requirements. Tenant shall, at Tenant's sole cost and expense, obtain and keep in force during the Term a commercial general liability insurance policy covering bodily injury and property damage and insuring Landlord and Tenant, and any lender whose names have been provided to Tenant in writing (as additional insureds), against any liability arising out of the ownership, use, occupancy, or maintenance of the Premises and all areas appurtenant thereto. Such insurance shall be provided through a combined single limit policy in an amount not less than **\$1,000,000** per occurrence. The policy shall insure performance by Tenant of the indemnity provision of this Article XIII. The limits of said insurance shall not, however, limit the liability of Tenant hereunder. All insurance to be carried by Tenant shall be primary to and not contributory with any similar insurance carried by Landlord, whose insurance shall be considered excess insurance only.

Section XII.02 Property Insurance.

- (a) Landlord shall obtain and keep in force during the Term a policy or policies of insurance covering loss or damage to the Premises, in the amount of the full replacement value thereof, as the same may exist from time to time, but in no event less than the total amount required by lenders having liens on the Premises, against all perils included within the classification of fire, extended coverage, vandalism, malicious mischief, flood, windstorm coverage (in the event same is required by a lender having a lien on the Premises), and special extended perils ("all risk" as such term is used in the insurance industry). Said insurance shall provide for a payment of loss thereunder to Landlord or to the holder of mortgages on the Premises. Tenant shall pay for any increase in the premiums of property insurance obtained by Landlord if said increase is caused by Tenant's acts, omissions, use, or occupancy of the Premises.
- (b) Tenant shall obtain and maintain insurance coverage for full replacement cost on all Tenant's Personal Property, trade fixtures, and Tenant Improvements in, on, or about the Premises. Such insurance shall be full replacement cost with a deductible not to exceed **\$1,000,000** per occurrence. Landlord shall not insure Tenant's Improvements or any of Tenant's trade fixtures, equipment, or alterations.

Section XII.03 Rental Insurance. Tenant shall obtain and keep in force during the Term a policy of rental value insurance covering Fixed Rent for a period of one year, with loss payable to Landlord. Tenant shall pay the cost of such insurance directly to the insurer and shall provide Landlord proof of such insurance and payment of the premiums therefor.

Section XII.04 Umbrella Policy. Tenant, at its sole cost and expense, shall purchase and keep in full force and effect, an umbrella policy covering general liability with combined single limits of not less than **\$1,000,000** for bodily injury and property damage in respect of any one accident or occurrence, with a **\$1,000,000** annual aggregate or such greater amounts as Landlord may designate or as may be required by applicable Law.

Section XII.05 Automobile Insurance. Tenant, at its sole cost and expense, shall purchase and keep in full force and effect, automobile liability insurance as required by State Laws for any vehicles used by Tenant in direct conjunction with Tenant's business operations at the Premises.

Section XII.06 Workers' Compensation Insurance. Tenant, at its sole cost and expense, shall purchase and keep in full force and effect, workers' compensation insurance in compliance with applicable Laws.

Section XII.07 Builder's Risk. At any time that Tenant is undertaking any Alterations, Tenant, at its sole cost and expense, shall purchase and keep in full force and effect builder's risk insurance for the full replacement cost of the Building and in a form acceptable to Landlord.

Section XII.08 Other Insurance. Tenant, at its sole cost and expense, shall purchase and keep in full force and effect, any other insurance, including, without limitation, flood insurance, as may be required by Landlord from time to time in its reasonable discretion.

Section XII .09 Insurance Policies. Insurance required hereunder shall be issued by companies authorized to do business in the State and holding a "General Policyholders Rating" of not less than "A," or such other rating as may be required by a lender having a lien on the Premises, as set forth in the most current issue of "Best Insurance Guide," or any successor thereto (or if there be none, an organization having a national reputation). No policy carried by Tenant shall be cancelable or subject to reduction of coverage or other modification except after thirty (30) prior written notice to Landlord. Not less than thirty (30) days prior to the expiration of such policies, Tenant shall furnish Landlord with renewals or "binders" thereof, or Landlord may order such insurance and charge the cost thereof to Tenant, which amount shall be payable by Tenant upon demand. Tenant shall not do or permit to be done anything which shall invalidate the insurance policies carried by Landlord. If Tenant does or permits to be done anything which shall increase the cost of the insurance policies referred to in this Article XIII, then Tenant shall immediately upon Landlord's demand reimburse Landlord for any additional premiums attributable to any act or omission or operation of Tenant causing such increase in the cost of insurance. Executed copies of policies of insurance or certificates thereof shall be delivered to Landlord within ten (10) days after the Commencement Date. All insurance obtained by Tenant shall be primary. Except as otherwise approved in writing by Landlord, all insurance obtained by Tenant shall name Landlord and the holder of any first mortgage encumbering the Property as insured parties, as their interests may appear.

Section XII.10 Waiver of Subrogation. Tenant and Landlord each hereby release and relieve the other and waive their entire right of recovery against the other for loss or damage arising out of or incident to the perils insured against under this Article XIII, which perils occur in, on, or about the Premises, whether due to the negligence of Landlord, Landlord Parties, or Tenant, or any of their agents, employees, contractors, and/or invitees. Tenant and Landlord shall, upon obtaining the policies of insurance required hereunder, give notice to the insurance carrier or carriers that the foregoing mutual waiver of subrogation is contained in this Lease.

Section XII.11 Indemnity. Tenant shall indemnify and hold harmless Landlord and Landlord's officers, agents, employees, partners, successors, and assigns (collectively, the "Landlord Parties") from and against any and all claims arising from Tenant's use of the Premises, from the conduct of Tenant's business, or from any activity, work, or things done, permitted, or suffered by Tenant in, on, or about the Premises or elsewhere, and shall further indemnify and hold harmless Landlord and all Landlord Parties from and against any and all claims arising from any breach or default in the performance of any obligation on Tenant's part to be performed under the terms of this Lease, or arising from any negligence of Tenant or any Tenant Parties and from and against all costs, attorneys' fees,

expenses, and liabilities incurred in the defense of any such claim, action, or proceeding brought thereon; and in case any action or proceeding shall be brought against Landlord by reason of any such claim, Tenant, upon notice from Landlord, shall defend the same at Tenant's expense by counsel satisfactory to Landlord. Tenant, as a material part of the consideration to Landlord, hereby assumes all risk of damages to property or injury to persons, in, on, or about the Premises arising from any cause, and Tenant hereby waives all claims in respect thereof against any Landlord Parties.

ARTICLE XIII DAMAGE AND DESTRUCTION

Section XIII.01 Partial Damage to Premises. Tenant shall notify Landlord in writing immediately upon the occurrence of any damage to the Premises. If the Premises are only partially damaged and if the proceeds received by Landlord from the insurance policies maintained by Landlord are sufficient to pay for the necessary repairs, this Lease shall remain in effect and Landlord shall repair the damage as soon as is reasonably possible. Landlord shall not be required to make repairs or replacements of any damage to Tenant's Improvements or to any other fixtures, equipment, Personal Property, or leasehold improvements of Tenant. If the insurance proceeds received by Landlord are not sufficient to pay the entire cost of repair, or if the cause of the damage is not covered by the insurance policies which Landlord maintains, Landlord may elect either to: (a) repair the damage as soon as is reasonably possible, in which case this Lease shall remain in full force and effect; or (b) terminate this Lease effective as of the date the damage occurred. Landlord shall notify Tenant within twenty (20) days after receipt of notice of the occurrence of the damage whether Landlord elects to repair the damage or terminate the Lease. If Landlord elects to repair the damage, Tenant shall pay Landlord the deductible amount (if any) under Landlord's insurance policies, and, if the damage was due to an act or omission of Tenant, the difference between the actual cost of repair and any insurance proceeds received by Landlord. If the damage to the Premises occurs during the last two (2) months of the Term, Landlord may elect to terminate this Lease effective as of the date the damage occurred, regardless of the sufficiency of any insurance proceeds. In such event, Landlord shall not be obligated to repair or restore the Premises and Tenant shall have no right to continue this Lease. Landlord shall notify Tenant of its election within fifteen (15) days after receipt of notice of the occurrence of the damage.

Section XIII.02 Total or Substantial Destruction. If the Premises are totally or Substantially Destroyed by any cause whatsoever, this Lease shall terminate as of the date the destruction occurred regardless of whether Landlord receives any insurance proceeds. The term "**Substantially Destroyed**" shall mean a 50% or more destruction of the Premises. Notwithstanding the foregoing, and regardless of whether or not insurance proceeds are available, if the Premises can be rebuilt within thirty (30) days after the date of destruction, Landlord may elect to rebuild the Premises at Landlord's own expense, in which case, this Lease shall remain in full force and effect. Landlord shall notify Tenant of such election within fifteen (15) days after the occurrence of the total destruction or if the Premises are Substantially Destroyed. If the destruction was caused by an act or omission of Tenant, Tenant shall pay Landlord the difference between the actual cost of rebuilding and any insurance proceeds received by Landlord.

Section XIII.03 Temporary Reduction of Fixed Rent. If the Premises are destroyed or damaged and Landlord repairs or restores the Premises pursuant to the provisions of this Lease, any Fixed Rent payable during the period of such damage, repair, and/or restoration shall be reduced according to the degree, if any, to which Tenant's use of the Premises is impaired. However, the reduction shall not exceed the lesser of the sum of one year's payment of Fixed Rent or the proceeds received by Landlord from Tenant's loss of income insurance coverage. Except for such possible

reduction in Fixed Rent, Tenant shall not be entitled to any compensation, reduction, or reimbursement from Landlord as a result of any damage, destruction, repair, or restoration of or to the Premises.

ARTICLE XIV EMINENT DOMAIN

Should the Premises or the Building be taken, appropriated, or condemned for public purposes, or voluntarily transferred in lieu of condemnation, in whole or in such substantial part as to render the Building unsuitable for Landlord's purposes or the Premises unsuitable for Tenant's purposes, the Term shall, at the option of Landlord in the first instance and at the option of Tenant in the second instance, terminate when the taking occurs. If neither party exercises this option to terminate within fifteen (15) days after the date of such taking, or if the portion of the Premises or the Building that is taken, appropriated, condemned, or voluntarily transferred in lieu of condemnation does not render the Building unsuitable for Landlord's purposes or the Premises unsuitable for Tenant's purposes, then this Lease shall terminate only as to the part taken or conveyed on the date Tenant shall yield possession, and Landlord shall make such repairs and alterations as may be necessary to make the part not taken usable, and the Fixed Rent payable hereunder shall be reduced in proportion to the part of the Premises taken. All compensation awarded for such taking of the fee and leasehold shall belong to and be the property of Landlord without any deduction therefrom for any present or future estate of Tenant and Tenant hereby assigns to Landlord all its right, title, and interest to any such award. However, Tenant shall have the right to recover from the condemning authority, but not from Landlord, such compensation as may be awarded to Tenant on account of the interruption of Tenant's business, for moving and relocation expenses, and for depreciation to and removal of Tenant's goods and trade fixtures.

ARTICLE XV DEFAULTS AND REMEDIES

Section XV.01 Covenants and Conditions. Tenant's performance of each of Tenant's obligations under this Lease is a condition as well as a covenant. Tenant's right to continue in possession of the Premises is conditioned upon such performance. Time is of the essence in the performance of all Tenant's covenants and conditions.

Section XV.02 Events of Default. Tenant shall be in material default under this Lease if any one or more of the following events (herein sometimes referred to individually as an "Event of Default" and collectively as "Events of Default") shall occur and shall not be timely remedied as herein provided:

- (a) If Tenant fails to make any payment of Fixed Rent due under this Lease or any part hereof when and as the same shall become due and payable.
- (b) If Tenant fails to make any payment of any other sum or charge payable under this Lease, other than Fixed Rent, or any part thereof when and as the same shall become due and payable and such failure continues for a period of ten (10) days after receipt by Tenant of notice from Landlord specifying the default.
- (c) If Tenant fails to observe or perform any of the other covenants, agreements, or conditions of this Lease on the part of Tenant to be kept and performed, and such default continues for a period of fifteen (15) days after written notice thereof from Landlord to Tenant.
- (d) If Tenant files a petition in bankruptcy, is adjudicated as bankrupt, or files any petition or answer seeking any reorganization, arrangement, composition, readjustment, liquidation,

dissolution, or similar relief for itself under any present or future Law, or makes an assignment for the benefit of creditors, or if any trustee, receiver, or liquidator of Tenant or of all or any substantial part of its properties or of the Premises shall be appointed in any action, suit, or proceeding by or against Tenant and such proceeding or action shall not have been dismissed within thirty (30) days after such filing or appointment.

- (e) Except as provided by applicable Laws, if Tenant vacates, abandons, or fails to use the Premises for the Permitted Use as stated in Section 5.01 for a period in excess of fifteen (15) days.

Section XV.03 Remedies. In the case of any Event of Default set forth in Section 16.02 hereof that continues beyond the time specified for such default in this Lease, Landlord may, at its option, exercise any and all the remedies listed below. No such remedy herein or otherwise conferred upon or reserved to Landlord shall be considered exclusive of any other remedy, but the same shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at Law or in equity, and every power and remedy given by the Lease to Landlord may be exercised from time to time and as often as the occasion may arise or may be deemed expedient.

- (a) Landlord may: (i) terminate this Lease without further notice, and Tenant shall then surrender the Premises to Landlord; or (ii) enter and take possession of the Premises, in accordance with any applicable laws governing such repossession, and remove Tenant, with or without having terminated this Lease. The provisions of this Section 16.03(a) shall operate as a notice to vacate, any other notice to vacate or of Landlord's intention to re-enter the Premises being expressly waived. If necessary, Landlord may proceed to recover possession of the Premises under applicable laws, or by any other legal proceedings, including re-entry and possession. Landlord's exercise of any of its remedies or its receipt of Tenant's keys shall not be considered an acceptance or surrender of the Premises by Tenant. A surrender must be agreed to in writing and signed by both parties.
- (b) If Landlord terminates this Lease or terminates Tenant's right to possess the Premises because of an Event of Default, Landlord may hold Tenant liable for: (i) Fixed Rent and other indebtedness that otherwise would have been payable by Tenant to Landlord prior to the expiration of the Term, less any amount that Landlord receives from reletting the Premises after all Landlord's costs and expenses incurred in such reletting have been subtracted; (ii) any amounts Landlord incurs in reletting the Premises during the remainder of the Term; and (iii) other necessary and reasonable expenses (including without limitation reasonable attorneys' fees) incurred by Landlord in enforcing its remedies. Notwithstanding the foregoing sentence, at Landlord's election, Tenant shall pay to Landlord, on demand, as liquidated and agreed final damages, a sum equal to the amount by which the Fixed Rent for the period which otherwise would have constituted the unexpired portion of the Term exceeds the then fair and reasonable rental value of the Premises, for the same period less the aggregate amount of any sums theretofore collected by Landlord pursuant to the provisions of this Section 16.03(b) for the same period. If, before presentation of proof of such liquidated damages to any court, commission, or tribunal, the Premises, or any part thereof, shall have been relet by Landlord for the period which otherwise would have constituted the unexpired portion of the Term, or any part thereof, the amount of rent reserved upon such reletting shall be deemed prima facie evidence that such rental amount is the fair and reasonable rental value for the part or the whole of the Premises relet during the term of the reletting.

- (c) Landlord shall use reasonable efforts to relet the Premises or any part thereof, alone or together with other premises, for such terms (which may extend beyond the date on which the Term would have expired but for Tenant's default) and on such terms and conditions (which may include concessions or free rent and Alterations of the Premises) as Landlord, in its sole discretion, may determine, but Landlord shall not be liable for, nor shall Tenant's obligations be diminished by reason of, Landlord's failure to relet the Premises or collect any rent due upon such reletting. If Landlord relets the Premises and collects rent in excess of the Fixed Rent and other charges payable by Tenant under this Lease, Landlord shall be entitled to retain any such excess and Tenant shall not be entitled to a credit therefor.
- (d) Tenant hereby covenants and agrees, as a consideration for the granting by Landlord of this Lease that, in the event of the termination of this Lease by summary proceedings, or in the event of the entry of a judgment for the recovery of possession of the Premises in any action of ejectment, or if Landlord enters by process of law or otherwise, the right of redemption provided or permitted by any statute, law, or decision now or hereafter in force, and the right to any second and further trial provided or permitted by any statute, law, or decision now or hereafter in force shall be and hereby is expressly waived by Tenant. Further, Tenant, on its own behalf and for its legal representatives, successors, and assigns, and on behalf of all persons or entities claiming through or under this Lease, together with creditors of all classes, and all other persons having an interest therein, does hereby waive, surrender, and give up all right or privilege which it may or might have by reason of any present or future law or decision, to redeem the Premises or have a continuance of this Lease for any part of the term hereof after having been dispossessed or ejected therefrom by process of law or otherwise.
- (e) Landlord's rights and remedies set forth in this Lease are cumulative and in addition to Landlord's other rights and remedies at law or in equity, including those available as a result of any anticipatory breach of this Lease. Landlord's exercise of any such right or remedy shall not prevent the concurrent or subsequent exercise of any other right or remedy. Landlord's delay or failure to exercise or enforce any of Landlord's rights or remedies or Tenant's obligations shall not constitute a waiver of any such rights, remedies, or obligations. Neither Tenant's payment of an amount less than a sum due nor Tenant's endorsement or statement on any check or letter accompanying such payment shall be deemed an accord and satisfaction. Notwithstanding any request or designation by Tenant, Landlord may apply any payment received from Tenant to any payment then due. Landlord may accept the same without prejudice to Landlord's right to recover the balance of such sum or to pursue other remedies.

ARTICLE XVI PROTECTION OF LENDERS

Section XVI.01 Subordination. This Lease and Tenant's rights hereunder are and shall be subordinate and inferior to any ground lease or mortgage encumbering all or any portion of the Building, any advances made on the security thereof, and any renewals, modifications, consolidations, replacements, or extensions thereof, whenever made or recorded. If any ground lessor, beneficiary, or mortgagee elects to have this Lease rank prior to the lien of its ground lease or mortgage, and gives written notice thereof to Tenant, this Lease shall be deemed prior to such ground lease mortgage whether this Lease is dated prior or subsequent to the date of said ground lease, or mortgage or the

date of recording thereof. The provisions of this Section 17.01 shall be self-operative and no further instrument shall be required to cause the provisions of this Section 17.01 to be effective.

Section XVI.02 Attornment. If Landlord's interest in the Building is acquired by any ground lessor, beneficiary under a mortgage, mortgagee, or purchaser at a foreclosure sale, Tenant shall attorn to the successor to Landlord's interest in the Building and shall recognize such transferee or successor as Landlord under this Lease. Tenant waives the protection of any statute, rule of law, or Law which gives or purports to give Tenant any right to terminate the Lease or surrender possession of the Premises upon the transfer of Landlord's interest.

Section XVI.03 Signing of Documents. Tenant shall sign and deliver any instrument or documents necessary or appropriate to evidence any such attornment or subordination or agreement to do so. Such subordination and attornment documents may contain such provisions as are customarily required by any ground lessor or mortgagee under a ground lease or a mortgage. If Tenant fails to do so within ten (10) days after written request, Tenant shall be in default under this Lease and further hereby makes, constitutes, and irrevocably appoints Landlord, or any transferee or successor of Landlord, the attorney-in-fact of Tenant to execute and deliver any such instrument or document.

Section XVI.04 Estoppel Certificates. Upon Landlord's written request, Tenant shall execute, acknowledge, and deliver to Landlord a written statement certifying: (a) that none of the terms or provisions of this Lease have been changed (or if they have been changed, stating how they have been changed); (b) that this Lease has not been cancelled or terminated; (c) the last date of payment of Fixed Rent and any other charges and the time period covered by such payment; (d) that Landlord is not in default under this Lease (or, if Landlord is claimed to be in default, stating why); and (e) such other matters as may be reasonably required by Landlord, a prospective purchaser of the Building, or the holder of a mortgage or lien to which the Premises are or become subject. Tenant shall deliver such statement to Landlord within ten (10) days after Landlord's request. Any such statement by Tenant may be given by Landlord to any prospective purchaser or encumbrancer of the Premises. Such purchaser or encumbrancer may rely conclusively upon such statement as being true and correct. Unless Landlord has received a written statement to the contrary within such ten (10) day period, Landlord, and any prospective purchaser or encumbrancer, may conclusively presume and rely upon the following facts: (i) that the terms and provisions of this Lease have not been changed except as otherwise represented by Landlord; (ii) that this Lease has not been cancelled or terminated except as otherwise represented by Landlord; (iii) that not more than one month's Fixed Rent or other charges have been paid in advance; and (iv) that Landlord is not in default under the Lease. In such event, Tenant shall be estopped from denying the truth of such facts.

Section XVI.05 Tenant's Financial Condition. Tenant shall deliver to Landlord, from time to time upon the request of Landlord, such financial statements as are reasonably required by Landlord to verify the net worth of Tenant or any assignee, subtenant, or guarantor of Tenant. In addition, Tenant shall deliver to any lender designated by Landlord, from time to time upon request of Landlord, any financial statements required by such lender to facilitate the financing or refinancing of the Premises. Tenant represents and warrants to Landlord that each such financial statement is a true and accurate representation of Tenant's financial situation as of the date of such statement. All financial statements shall be confidential and shall be used only for the purposes set forth herein.

ARTICLE XVII WAIVER OF CLAIMS

Tenant agrees that, to the extent not expressly prohibited by Law, Landlord and its lenders, officers, agents, servants, and employees shall not be liable for (nor shall Fixed Rent abate as a result of) any direct or consequential damage (including damage claimed for actual or constructive eviction) either to person or property sustained by Tenant or any Tenant Parties, due to: (a) the Building or any part thereof or any appurtenances thereof becoming out of repair; (b) the happening of any accident in or about said Building; or (c) any act or neglect of any tenant or occupant of said Building or of any other person. This provision shall apply particularly (but not exclusively) to damage caused by water, snow, frost, steam, sewage, gas, electricity, sewer gas, or odors or by the bursting, leaking, or dripping of pipes, faucets, and plumbing fixtures, and shall apply without distinction as to the person whose act or neglect was responsible for the damage and whether the damage was due to any of the causes specifically enumerated above or to some other cause of an entirely different kind. Tenant further agrees that all Tenant's Improvements, trade fixtures, equipment, and all other Personal Property in the Premises or the Building shall be at the risk of Tenant only, and that Landlord shall not be liable for any loss or damage thereto or theft thereof. Notwithstanding the foregoing, Landlord shall not hereby be exculpated from any liability arising from the gross negligence or intentional misconduct of Landlord and/or any Landlord Parties.

ARTICLE XVIII WAIVER OF NOTICE

Tenant hereby expressly waives the service of: (a) any notice of intention to terminate this Lease or to re-enter the Premises; (b) any demand for payment of Fixed Rent or for possession of the Premises; and (c) any other notice or demand prescribed by any Law.

ARTICLE XIX NOTICES

Section XIX.01 Notices. Unless specifically stated otherwise in this Lease, all notices, waivers, and demands required or permitted hereunder given to the Parties in writing and shall be considered properly delivered only when received or when first refused by the addressee, if such notice is transmitted to the recipient's address, as provided below until otherwise directed in writing, and such transmittal is given or served (i) personally, (ii) by reputable overnight courier service (such as FedEx or UPS), or (iii) by registered or certified mail (return receipt requested) deposited in the United States general or branch post office.

If to Landlord:	JE ELLIOTT HOLDINGS, LLC. 13450 CHICKORY ROAD HOTCHKISS, COLORADO 81419 Attention: JESSICA ELLIOTT MIDDLETON Email: JEELLIOTT@ATT.NET
If to Tenant:	GOOD LOVE, LLC. 14134 BURGESS LANE PAONIA, COLORADO 81428 Attention: ABREAZE PARRA Email: GOODLOVINCHEF@GMAIL.COM

Notwithstanding the foregoing, all bills, statements, invoices, consents, requests, or other communications from Landlord to Tenant with respect to Rent may be sent to Tenant by regular U.S. Mail.

ARTICLE XX QUIET ENJOYMENT

Landlord agrees that Tenant, on paying the Fixed Rent and other payments herein reserved and on keeping, observing, and performing all the other terms, covenants, conditions, provisions, and agreements contained in this Lease on the part of Tenant to be kept, observed, and performed, shall, during the Term, peaceably and quietly have, hold, and enjoy the Premises subject to the terms, covenants, conditions, provisions, and agreements set forth herein, free from hindrance by Landlord or any other person claiming by, through, or under Landlord ("**Quiet Enjoyment**").

ARTICLE XXI END OF TERM

Section XXI.01 Surrender of the Premises. Upon the expiration or other termination of this Lease, Tenant shall vacate and surrender the Premises vacant, broom clean, and in good order and condition, ordinary wear and tear and damage by casualty or condemnation excepted, failing which Landlord may restore the Premises, equipment, and fixtures to such condition and Tenant shall pay the cost thereof immediately upon demand by Landlord. All Tenant's Personal Property, furniture, trade fixtures, shelves, bins, inventory, equipment, and machinery not removed from the Premises when Tenant leaves the Premises upon the expiration or other termination of this Lease shall thereupon be conclusively presumed to have been abandoned by Tenant and immediately become Landlord's property; provided, however, that Landlord may require Tenant to remove such Personal Property, furniture, trade fixtures, shelves, bins, inventory, equipment, and machinery or may have such property removed at Tenant's expense. Prior to Tenant's vacating the Premises, Tenant shall pay to Landlord an amount reasonably estimated by Landlord as necessary to put the Premises and equipment therein in good condition and repair, ordinary wear and tear excepted. Landlord may credit the Security Deposit against the amount payable by Tenant under this Article XXIII.

Section XXI.02 Holding Over. Any holding over by Tenant after the expiration or termination of this Lease, by lapse of time or otherwise, shall not operate to extend or renew this Lease except by the express mutual written agreement between Landlord and Tenant, and in the absence of such agreement, Tenant shall continue in possession as a month-to-month tenant only, except that the monthly Fixed Rent shall be increased to an amount equal to 150% of the monthly installment of Fixed Rent paid in the month immediately preceding the expiration or termination of this Lease. Either party may thereafter terminate such occupancy at the end of any calendar month by first giving to the other party no less than thirty (30) days' prior written notice.

ARTICLE XXII MISCELLANEOUS PROVISIONS

Section XXII.01 Governing Law; Venue. The Laws of the State shall govern the validity, performance, and enforcement of this Lease. Tenant hereby: (a) irrevocably consents and submits to the jurisdiction of any federal, state, county, or municipal court sitting in the State with respect to any action or proceeding brought therein by Landlord against Tenant concerning any matters arising out of or in any way relating to this Lease; (b) agrees that any action or proceeding by Tenant against Landlord in respect to any matters arising out of or in any way relating to this Lease shall be brought

only in the county where the Building is located; (c) irrevocably waives all objections as to venue and all rights it may have to seek a change of venue with respect to any such action or proceedings; (d) agrees that the laws of the State shall govern in any such action or proceeding and waives any defense to any action or proceeding granted by the laws of any other country or jurisdiction, unless such defense is also allowed by the laws of the State; and (e) agrees that any final judgment rendered against it in any such action or proceeding shall be conclusive and may be enforced in any other jurisdiction by suit on the judgment or in any other manner provided by law.

Section XXII.02 Entire Agreement. This Lease forms the entire agreement between Landlord and Tenant and no provision hereof shall be altered, waived, amended, or extended, except in a writing signed by both parties. Tenant affirms that, except as is expressly set forth herein, neither Landlord nor any of its agents has made, nor has Tenant relied upon, any representation, warranty, or promise with respect to the Premises or any part thereof.

Section XXII.03 Successors and Assigns. The provisions of this Lease shall be binding upon and inure to the benefit of Landlord and Tenant, and their respective successors, assigns, heirs, executors, and administrators. In the event of a sale of the Building, Tenant agrees to become the tenant of Landlord's successor in interest under the same terms and conditions of its tenancy hereunder.

Section XXII.04 Partial Invalidity. If any clause or provision of this Lease is illegal, invalid, or unenforceable under present or future laws, the remainder of this Lease shall not be affected thereby and there shall be added as part of this Lease a replacement clause or provision as similar in terms to such illegal, invalid, or unenforceable clause or provision as may be possible and be legal, valid, and enforceable.

Section XXII.05 Waiver. Landlord shall not be considered to have waived any of the rights, covenants, or conditions of this Lease unless evidenced by its written waiver. The waiver of one default or right shall not constitute the waiver of any other. The acceptance of Rent shall not be construed to be a waiver of any breach or condition of this Lease.

Section XXII.06 Headings. The headings as to the contents of particular paragraphs herein are intended only for convenience and are in no way to be construed as a part of this Lease or as a limitation of the scope of the particular paragraphs to which they refer.

Section XXII.07 Survival of Obligations. All obligations of Tenant hereunder not fully performed as of the expiration or earlier termination of the Term shall survive the expiration or earlier termination of the Term hereof.

Section XXII.08 Independent Covenants. Tenant's covenants to pay Fixed Rent and other sums due hereunder are independent of Landlord's covenants hereunder and Tenant shall have no right to withhold any such payments on account of any alleged failure by Landlord to perform or comply with any of Landlord's covenants.

Section XXII.09 Additional Rights of Landlord. In addition to other rights conferred by this Lease or by Law, and as long as it does not render the Premises untenable, Landlord reserves the right, to be exercised in Landlord's sole discretion, with written notice to the Tenant no less than 30

days prior, if applicable to: (a) change the name of the Building; (b) install and maintain a sign or signs on the exterior or interior of the Building; (c) change the street address of the Building; (d) designate a contractor for furnishing signs, sign painting, and lettering; (e) take all measures as may be reasonably necessary or desirable for the safety and protection of the Premises or the Building; (f) have passkeys to all areas of the Building; (g) alter, add to, improve, or build additional stories on or built adjacent to the Building; (h) close any skylights or windows; (i) run necessary pipes, conduits, and ducts through the walls and ceilings of the Premises; (j) renovate, refurbish, relocate, or modify the Common Areas; and (k) carry on any work, repairs, Alterations, or improvements in, on, or about the Building or in the vicinity thereof. Tenant hereby waives any claim to damages or inconvenience caused by Landlord's exercise of any such rights. This Section 24.09 shall not be construed to alter or create any obligations of Landlord or Tenant with respect to repairs or improvements or other obligations provided herein.

Section XXII.10 Limitation of Liability. Anything in the Lease to the contrary notwithstanding, any judgment obtained against Landlord in connection with this Lease or the subject matter hereof shall be limited solely to Landlord's interest in the Building and shall be absolutely nonrecourse with respect to Landlord personally and all other assets of Landlord. Anything in this Lease to the contrary notwithstanding, the term "Landlord" shall be limited to mean and include only the then owner of the Building, or the tenant under any underlying or ground lease of the Building, and not any predecessor owner or tenant.

Section XXII.11 Authority. Tenant makes the following representations to Landlord, on which Landlord is entitled to rely in executing this Lease: (a) Tenant is a **LIMITED LIABILITY COMPANY** duly organized and existing under the laws of the State of **COLORADO** and is qualified to do business in the State, has the power to enter into this Lease and the transactions contemplated hereby and to perform its obligations hereunder; (b) by proper resolution the signatory hereto has been duly authorized to execute and deliver this Lease; and (c) the execution, delivery, and performance of this Lease and the consummation of the transactions herein contemplated shall not conflict with or result in a violation, breach of, or default under Tenant's articles of incorporation and bylaws/certificate of formation and company agreement/partnership agreement/joint venture agreement, as amended, or any indenture, mortgage, note, security agreement, or other agreement or instrument to which Tenant is a party or by which it is bound or to which any of its properties is subject.

Section XXII.12 Compliance with Laws. Tenant shall comply at its cost and expense with all Laws, and with any direction or recommendation of any public officer or officers, pursuant to Law, or any reasonable request of any insurance company carrying any insurance on the Premises, and any insurance inspection or rating bureau which shall impose any duty upon Landlord or Tenant with respect to the Premises or the use or occupation thereof, and shall bear all costs of any kind or nature whatsoever occasioned by or necessary for compliance with the same, provided such costs or expenses arise from Tenant's specific use of the Premises. If, during the Term any Law requires that an Alteration or other change be made to the Premises, and such Alteration or change is a result of Tenant's use of the Premises, such work shall be performed at Tenant's expense.

Section XXII.13 Waiver of Jury Trial. LANDLORD AND TENANT KNOWINGLY, INTENTIONALLY, AND VOLUNTARILY WAIVE TRIAL BY JURY IN ANY ACTION OR PROCEEDING BROUGHT BY EITHER PARTY AGAINST THE OTHER IN ANY MATTER ARISING OUT OF THIS LEASE, THE RELATIONSHIP OF LANDLORD AND TENANT, TENANT'S USE OR OCCUPANCY OF THE PREMISES, OR ANY CLAIM OF INJURY OR DAMAGE.

Section XXII.14 Counterparts. This Lease may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original for all purposes, and all such counterparts shall together constitute but one and the same instrument.

Section XXII.15 Force Majeure.

- (a) Neither party shall be liable or responsible to the other party, nor be deemed to have defaulted under or breached this Lease, for any failure or delay in fulfilling or performing any obligation under this Lease (except for any obligations to make payments to the other party hereunder), when and to the extent such failure or delay is caused by a Force Majeure Event. The failure or inability of either party to perform its obligations in this Lease due to a Force Majeure Event shall be excused for the duration of the Force Majeure Event and extended for a period equivalent to the period of such delay, but not in excess of sixty (60) days in the aggregate. Nothing contained in this Section 24.16 shall excuse either party from paying in a timely fashion any payments due under the terms of this Lease or extend the term of this Lease.
- (b) To the extent either party relies on a Force Majeure Event to delay performance of any obligation hereunder in accordance with Section 24.16(a) hereof, such party (the "Force Majeure Noticing Party") shall give the other party notice within fifteen (15) days of the commencement of the Force Majeure Event, explaining the nature or cause of the delay and stating the period of time the delay is expected to continue. The Force Majeure Noticing Party shall use reasonable best efforts to end the failure or delay and ensure the effects of such Force Majeure Event are minimized. The Force Majeure Noticing Party shall resume the performance of its obligations as soon as is reasonably practicable after the Force Majeure Event ends. In the event that the failure or delay remains uncured for a period of fifteen (15) days following written notice given by the Force Majeure Noticing Party under this Section 24.16, either party may thereafter terminate this Agreement upon fifteen (15) days' written notice to Noticing Party, in which event neither party thereafter shall have any further obligations under this Lease, except for those obligations which are expressly stated to survive termination or expiration of the Lease.

Section XXII.16 Prevailing Party. If any Party brings an action or proceeding involving the Premises to enforce the Terms hereof or to declare rights hereunder, then the Prevailing Party in any such proceeding, action, or appeal thereon shall be entitled to reasonable attorneys' fees. The term, "**Prevailing Party**" shall include, without limitation, a Party that substantially obtains or defeats the relief sought, as the case may be, whether by compromise, settlement, judgment, or the abandonment by the other Party of its claim or defense. The attorneys' fees award shall not be computed in accordance with any court fee schedule but shall be such as to fully reimburse all attorneys' fees reasonably incurred. In addition, the Prevailing Party shall be entitled to attorneys' fees, costs, and expenses incurred in the preparation and service of notices of default and consultations in connection therewith, whether or not a legal action is subsequently commenced in connection with such default.

[Signature page follows.]

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

LANDLORD:

JE ELLIOTT HOLDINGS, LLC. , a TEXAS LIMITED LIABILITY COMPANY

By: Jessica E Middleton
Name: JESSICA ELLIOTT MIDDLETON
Title: PROPRIETOR

TENANT:

GOOD LOVE, LLC. , a COLORADO LIMITED LIABILITY COMPANY

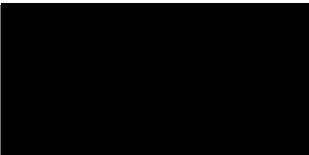
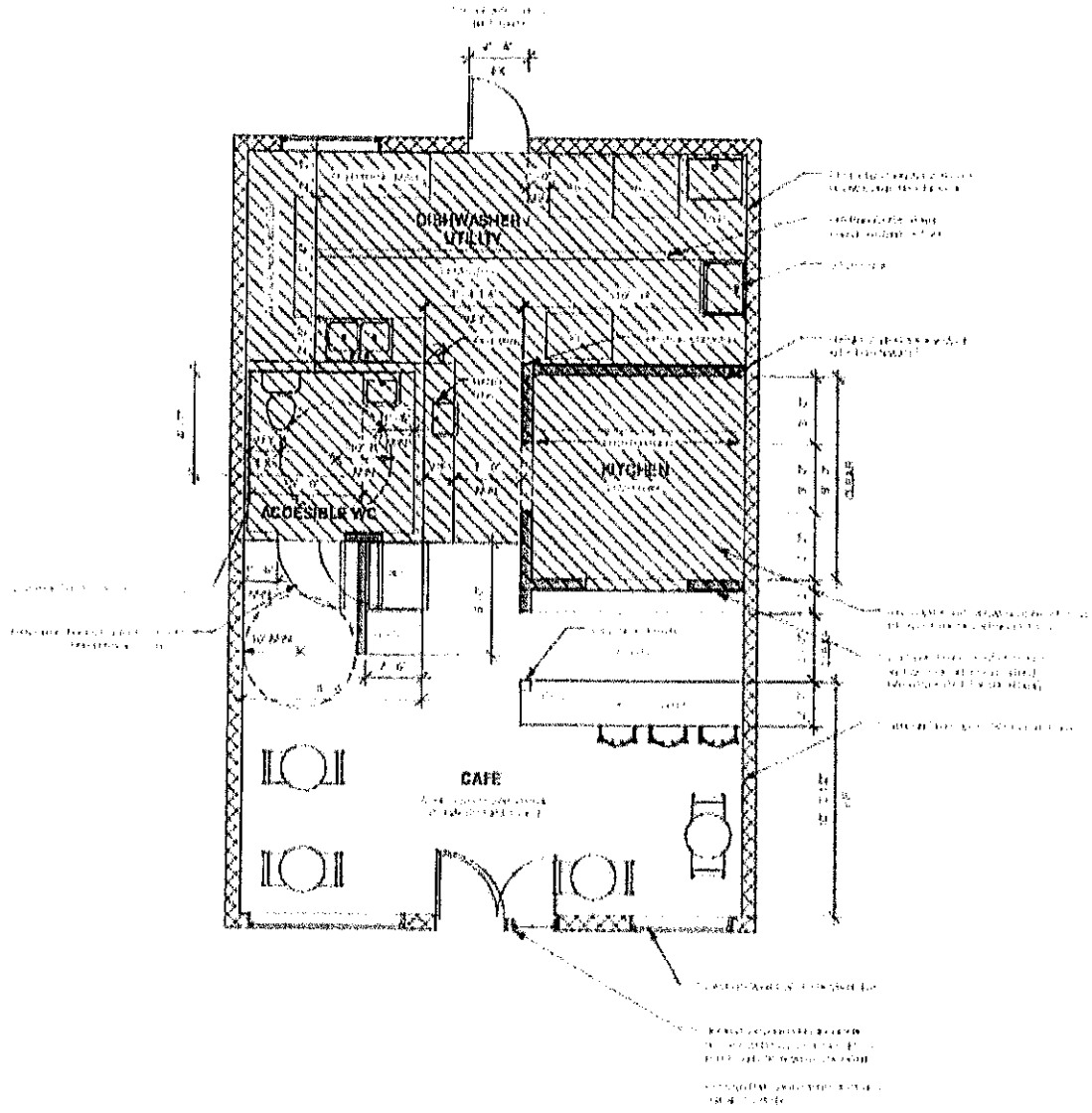

By: _____
Name: Abreaze Parra
Title: Owner

Exhibit A LEGAL DESCRIPTION OF THE LAND

LEGAL DESCRIPTION BEGINNING AT THE SOUTHEAST CORNER OF LOT 40, BLOCK 9, ORIGINAL PLAT OF TOWN OF PAONIA, COLORADO; THENCE RUNNING DUE NORTH 50 FEET; THENCE WEST 25 FEET; THENCE SOUTH 50 FEET; THENCE EAST 25 FEET TO PLACE OF BEGINNING, BEING FRACTIONAL PARTS OF LOTS NUMBER 39 AND 40, BLOCK 9 OF ORIGINAL TOWN OF PAONIA, COLORADO, ACCORDING TO RECORDED PLAT ON FILE IN THE OFFICE OF THE DELTA COUNTY CLERK AND RECORDER, MEANING TO CONVEY A STRIP OF LAND 25 FEET BY 50 FEET, EXCEPT A PORTION OF LAND DESCRIBED AS BEGINNING AT A POINT NORTH 89°12' WEST, 24.1 FEET FROM THE SOUTHEAST CORNER OF LOT 40, BLOCK 9 OF THE ORIGINAL TOWN OF PAONIA, DELTA COUNTY, SAID POINT ON THE SOUTH LINE OF SAID LOT 40; THENCE NORTH 89°12' WEST 0.9 FEET ALONG THE SOUTH LINE OF SAID LOT 40; THENCE NORTH 0°48' EAST, 40 FEET TO THE NORTH LINE OF SAID LOT 40; THENCE SOUTH 89°12' EAST 0.9 FEET ALONG THE NORTH LINE OF SAID LOT 40; THENCE SOUTH 0°48' WEST, 40 FEET TO THE POINT OF BEGINNING, DELTA COUNTY, STATE OF COLORADO, COUNTY OF DELTA, STATE OF COLORADO

Exhibit B FLOOR PLAN



(1) CAFE PLAN 14' x 10'

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 <i>Good Love LLC</i>	Home Phone Number [REDACTED]	Cellular Number
---	---------------------------------	-----------------

2. Your Full Name (last, first, middle) <i>Abreata Parra</i>	3. List any other names you have used
---	---------------------------------------

4. Mailing address (if different from residence) <i>14134 Burgess Ln</i>	Email Address <i>GoodLoveChef@gmail.com</i>
---	--

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
<i>Current</i> <i>14134 Burgess Ln</i>	<i>Paonia, CO, 81428</i>	<i>NOV '23</i>	<i>Current</i>
<i>Previous</i> <i>14138 Burgess Ln</i>	<i>Paonia, CO, 81428</i>	<i>Aug '22</i>	<i>NOV '23</i>

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
<i>Forage Sisters</i>		<i>Chef</i>	<i>2022</i>	<i>Current</i>
<i>Good Fat Chef</i>		<i>Chef</i>	<i>2021</i>	<i>Current</i>
<i>Good Love Catering</i>		<i>Chef</i>	<i>2022</i>	<i>Current</i>

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? (If 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 [redacted] b. Social Security Number [redacted] c. Place of Birth [redacted] AZ d. U.S. Citizen Yes No

e. If Naturalized, state where [redacted] f. When [redacted] g. Name of District Court [redacted]

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

l. Height 5'2" m. Weight 110 n. Hair Color Brown o. Eye Color Green p. Gender F q. Do you have a current Driver's License/ID? If so, give number and state. Yes No # [redacted] State CO

14. Financial Information.

a. Total purchase price or investment being made by the applying entity, corporation, partnership, limited liability company, other. \$ 3

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 a

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 [redacted] Print Signature Abrate prana Title CUMEC Date 11-13-2015

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,

Good love llc

is a

Limited Liability Company

formed or registered on 08/16/2023 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 20231845889 .

This certificate reflects facts established or disclosed by documents delivered to this office on paper through 01/22/2024 that have been posted, and by documents delivered to this office electronically through 01/24/2024 @ 17:47:36 .

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 01/24/2024 @ 17:47:36 in accordance with applicable law. This certificate is assigned Confirmation Number 15688670 .



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 website 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 website, <https://www.coloradosos.gov/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 website, <https://www.coloradosos.gov> click "Businesses, trademarks, trade names" and select "Frequently Asked Questions."

OFFICE OF THE SECRETARY OF STATE
OF THE STATE OF COLORADO

CERTIFICATE OF DOCUMENT FILED

I, Jena Griswold, as the Secretary of State of the State of Colorado, hereby certify that, according to the records of this office, the attached document is a true and complete copy of the

Articles of Organization

with Document # 20231845889 of
Good love llc

Colorado Limited Liability Company

(Entity ID # 20231845889)

consisting of 1 pages.

This certificate reflects facts established or disclosed by documents delivered to this office on paper through 10/31/2023 that have been posted, and by documents delivered to this office electronically through 11/01/2023 @ 20:17:57.

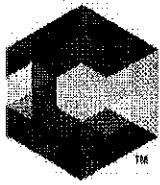
I have affixed hereto the Great Seal of the State of Colorado and duly generated, executed, and issued this official certificate at Denver, Colorado on 11/01/2023 @ 20:17:57 in accordance with applicable law. This certificate is assigned Confirmation Number 15454402



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 website 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 website, <https://www.coloradosos.gov/bs/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 website, <https://www.coloradosos.gov> click "Businesses, trademarks, trade names" and select "Frequently Asked Questions."



Articles of Organization for a Limited Liability Company
filed pursuant to § 7-90-301 and § 7-80-204 of the Colorado Revised Statutes (C.R.S.)

The domestic entity name of the limited liability company is Good love llc

The principal office street address is 14134 Burgess Ln
Paonia CO 81428
US

The principal office mailing address is 14134 Burgess Ln
Paonia CO 81428
US

The name of the registered agent is abreaze parra

The registered agent's street address is 14134 Burgess Ln
Paonia CO 81428
US

The registered agent's mailing address is 14134 Burgess Ln
Paonia CO 81428
US

The person above has agreed to be appointed as the registered agent for this entity.

The management of the limited liability company is vested in Members

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

Person(s) forming the limited liability company

Abreaze Parra
14134 Burgess Ln
Paonia CO 81428
US

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., and, if applicable, 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.

Name(s) and address(es) of the individual(s) causing the document to be delivered for filing

Abreaze Parra
14134 Burgess Ln
Paonia CO 81428
US

A EAGIL SPECIAL NEEDS TRUST

INFINITE POTENTIAL REAL ESTATE LLC

PIERCE EDDIE J

GAVAN JOHN C

HAYES LOUIS GUZZO

DELANEY BRENDAN

NAFT SKIP

812 GRAND LLC

CONDORGANICA LTD

PAONIA

COCKROFT NANCY P PATT

JE ELLIOTT HOLDINGS LLC

SPAKANIK LAURIE J

MAREK DAVID A

PLC CO ASSETS LLC

GILBERT DAVID J

NAFT SKIP

EVANS DAVID L

WHEELLOCK MOLLY A

BROSSANOVA LLC

LITTLE LINDA W

O'BRIEN NADINE

BRICK HOU

HUNKA JANET B

JACKSON ERIC

STELTER RICHAR

STEELER RICHAR

Main Avenue

Grand Avenue

Oarga Avenue

3rd Street

United Methodist Church

OLD CAVE CAFE BUILDING LLC

LINDSEY FAMILY TRUST

234 GRAND AVENUE LLC

CHITTENDEN LAURA JANE

RIGGS SKYE LAUREL

BLUE SAGE CENTER FOR THE ARTS INC

PAONIA TOWN OF

CORONA REBECCA ANN

PAONIA TOWN OF

OSBORN ERIC

HE LLECKSON JACOB

SMITH LINDA J MORLEY SCOTT T

MILLER ROBERT

PAONIA TOWN OF

JOHN D WILLIAMS TRUST

SWORDY ROBERT SCOT

SWORDY ROBERT SCOT

COLLAR LINDA

HSU JENNIFER MCCONNOR

HSU JENNIFER MCCONNOR

N address restorated 500ft

URTEL 11/1/11

Map data © OpenStreetMap contributors, CC-BY-S



PETITION TO THE LIQUOR LICENSING AUTHORITY OF THE TOWN OF PAONIA COLORADO (Each page must contain the full wording of the petition.)

WE, THE UNDERSIGNED, MEETING THE INSTRUCTIONS AND QUALIFICATIONS NECESSARY, RESPECTFULLY REQUEST THE TOWN OF PAONIA LIQUOR LICENSING AUTHORITY TO GRANT A Hotel & Restaurant Liquor LICENSE TO (Type of License Applied For) Abreaze Parra Good Love LLC 208 3rd Street (Name of Applicant, Name of Outlet, Address of Outlet) THE UNDERSIGNED STATE THEY FEEL THE REASONABLE REQUIREMENTS OF THE NEIGHBORHOOD ARE NOT PRESENTLY BEING MET BY EXISTING OUTLETS AND THAT IT IS THEIR DESIRE THIS LICENSE BE GRANTED.

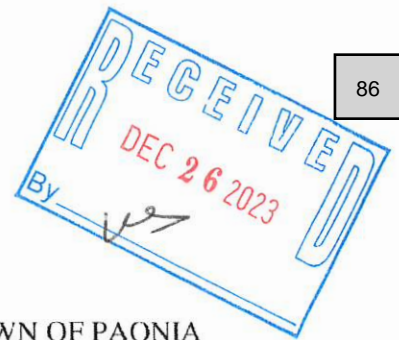
Table with 5 columns: NO., SIGNATURE, ADDRESS, AGE, DATE. Contains 9 rows of handwritten entries.



PETITION TO THE LIQUOR LICENSING AUTHORITY OF THE TOWN OF PAONIA COLORADO (Each page must contain the full wording of the petition.)

WE, THE UNDERSIGNED, MEETING THE INSTRUCTIONS AND QUALIFICATIONS NECESSARY, RESPECTFULLY REQUEST THE TOWN OF PAONIA LIQUOR LICENSING AUTHORITY TO GRANT A Hotel & Restaurant Liquor LICENSE TO (Type of License Applied For) Abreaze Parra Good Love LLC 208 3rd Street (Name of Applicant, Name of Outlet, Address of Outlet) THE UNDERSIGNED STATE THEY FEEL THE REASONABLE REQUIREMENTS OF THE NEIGHBORHOOD ARE NOT PRESENTLY BEING MET BY EXISTING OUTLETS AND THAT IT IS THEIR DESIRE THIS LICENSE BE GRANTED.

Table with 5 columns: NO., SIGNATURE, ADDRESS, AGE, DATE. Contains 4 rows of handwritten entries.



PETITION TO THE LIQUOR LICENSING AUTHORITY OF THE TOWN OF PAONIA COLORADO (Each page must contain the full wording of the petition.)

WE, THE UNDERSIGNED, MEETING THE INSTRUCTIONS AND QUALIFICATIONS NECESSARY, RESPECTFULLY REQUEST THE TOWN OF PAONIA LIQUOR LICENSING AUTHORITY TO GRANT A Hotel & Restaurant Liquor LICENSE TO Abreaze Parra Good Love LLC 208 3rd Street (Name of Applicant, Name of Outlet, Address of Outlet) THE UNDERSIGNED STATE THEY FEEL THE REASONABLE REQUIREMENTS OF THE NEIGHBORHOOD ARE NOT PRESENTLY BEING MET BY EXISTING OUTLETS AND THAT IT IS THEIR DESIRE THIS LICENSE BE GRANTED.

Table with 5 columns: NO., SIGNATURE, ADDRESS, AGE, DATE. Contains 9 rows of handwritten entries.



PETITION TO THE LIQUOR LICENSING AUTHORITY OF THE TOWN OF PAONIA COLORADO (Each page must contain the full wording of the petition.)

WE, THE UNDERSIGNED, MEETING THE INSTRUCTIONS AND QUALIFICATIONS NECESSARY, RESPECTFULLY REQUEST THE TOWN OF PAONIA LIQUOR LICENSING AUTHORITY TO GRANT A Hotel & Restaurant Liquor LICENSE TO Abreaze Parra Good Love LLC 208 3rd Street (Name of Applicant, Name of Outlet, Address of Outlet) THE UNDERSIGNED STATE THEY FEEL THE REASONABLE REQUIREMENTS OF THE NEIGHBORHOOD ARE NOT PRESENTLY BEING MET BY EXISTING OUTLETS AND THAT IT IS THEIR DESIRE THIS LICENSE BE GRANTED.

Table with 5 columns: NO., SIGNATURE, ADDRESS, AGE, DATE. Contains 5 rows of handwritten entries.

ARTICLE 1. ALCOHOLIC BEVERAGE LICENSES

Sec. 6-1-10. Definitions.

(a) As used in this Article, unless the context otherwise requires:

Retail license means a grant to a licensee to sell fermented malt beverages pursuant to the Colorado Beer Code (Article 46 of Title 12, C.R.S.) or a grant to a licensee to sell malt, vinous or spirituous liquors pursuant to the Colorado Liquor Code (Article 47 of Title 12, C.R.S.).

Retail licensee or licensee means the holder of a license to sell fermented malt beverages pursuant to the Colorado Beer Code or the holder of a license to sell malt, vinous or spirituous liquors pursuant to the Colorado Liquor Code.

(b) All other terms shall be defined as set forth in the provisions of the Colorado Beer Code, the Colorado Liquor Code and Special Event Permits, as the definitions presently exist or may hereafter be amended.

(Ord. No. 2014-04, § 1, 1-13-2015)

Sec. 6-1-20. Application of state statutes.

The Colorado Beer Code, Section 12-46-101, et seq., C.R.S., the Colorado Liquor Code, Section 12-47-101, et seq., C.R.S., and Special Event Permits, Section 12-48-101, et seq., C.R.S., as they presently exist or may hereafter be amended, shall apply to the sale of fermented malt beverages, alcoholic beverages, special malt liquors, spirituous liquors and vinous liquors in the Town.

(Ord. No. 2014-04, § 1, 1-13-2015)

Sec. 6-1-30. Power and purpose.

The Board of Trustees finds and determines that it is empowered by Section 12-47-505, C.R.S., to fix and collect certain fees in connection with the application for issuance, transfer and renewal of certain types of beer, wine and liquor licenses. The Board of Trustees further finds that the fees established in this Article are reasonable and are in amounts sufficient to cover actual and necessary expenses incurred by the Town in connection with the handling of such licenses and applications therefor.

(Ord. No. 2014-04, § 1, 1-13-2015)

Sec. 6-1-40. Licensing fees.

(a) Each application for a license provided for in this Article filed with the Local Licensing Authority shall be accompanied by an application fee in an amount determined by the Local Licensing Authority to cover actual and necessary expenses, subject to the following limitations:

- (1) For a new license, not to exceed one thousand dollars (\$1,000.00).
- (2) For a transfer of location or ownership, not to exceed seven hundred fifty dollars (\$750.00).
- (3) For a renewal of license, not to exceed one hundred dollars (\$100.00); except that an expired license renewal fee shall not exceed five hundred dollars (\$500.00).

- (b) Upon approval of any application, the Local Licensing Authority shall notify the state licensing authority of such approval. The state licensing authority shall thereupon promptly act and either approve or disapprove such application. The state licensing authority shall not issue any permit under this Article until the Local Licensing Authority shall apply the same standards for approval and denial applicable to the state licensing authority pursuant to this Article.

(Res. No. 2007-03, §§ 1, 2, 2007; Ord. No. 2014-04, § 1, 1-13-2015)

Sec. 6-1-50. Additional regulations.

Regulations concerning hours of operation, visibility, suspension or revocation of license, optional premises, alcohol beverage tastings, educational requirements and additional matters shall be regulated by state statute.

(Ord. No. 2014-04, § 1, 1-13-2015)

Sec. 6-1-60. Applications for a special event permit.

In addition to the fees provided in Section 6-1-40, applications for a special event permit shall be accompanied by such fee as the Local Licensing Authority may fix, not to exceed fifty dollars (\$50.00) per day, for both investigation and issuance of a permit.

(Ord. No. 2014-04, § 1, 1-13-2015)

Sec. 6-1-70. Alcohol beverage tastings.

- (a) Subject to the limitations of this Section, alcohol beverage tastings are permitted within the Town. For the purposes of this Section "tastings" means the sampling of malt, vinous, or spirituous liquors that may occur on the premises of a retail liquor store licensee or liquor-licensed drugstore licensee by adult patrons of the licensee pursuant to the provisions of this Section and Section 12-47-301(10), C.R.S.
- (b) A retail liquor store or liquor-licensed drugstore licensee who wishes to conduct tastings may submit an application or application renewal for that purpose to the Liquor Licensing Authority. The applicant for a tastings permit shall state on the application the days and times that tastings will occur. The applicant shall give at least seventy-two (72) hours' prior notice to the Clerk's office and Police Department of any deviations in the tastings schedule as set forth in the application. The Liquor Licensing Authority may grant, grant with restrictions, or reject the application if the applicant fails to establish that he or she is able to conduct tastings without violating the provisions of this Section, Section 12-47-310(10), C.R.S., or creating a public safety risk to the neighborhood. The Liquor Licensing Authority shall establish its own application procedure and shall charge a reasonable application fee. The Liquor Licensing Authority may delegate review and decision on the application to its clerk or administrative official.
- (c) Tastings shall be subject to the following limitations:
 - (1) Tastings shall be conducted only by a person who has completed a server training program that meets the standards established by the liquor enforcement division in the department of revenue and who is either a retail liquor store licensee or a liquor-licensed drugstore licensee, or an employee of a licensee, and only on a licensee's licensed premises.
 - (2) The alcohol used in tastings shall be purchased through a licensed wholesaler, licensed brewpub, or winery licensed pursuant to Section 12-47-403, C.R.S.
 - (3) The size of an individual alcohol sample shall not exceed one ounce of malt or vinous liquor or one-half ounce of spirituous liquor.

- (4) Tastings shall not exceed a total of five (5) hours in duration per day, which need not be consecutive.
- (5) Tastings shall be conducted only during the operating hours in which the licensee on whose premises the tastings occur is permitted to sell alcoholic beverages, and in no case earlier than 11:00 a.m. or later than 7:00 p.m.
- (6) The licensee shall prohibit patrons from leaving the licensed premises with an unconsumed sample.
- (7) The licensee shall promptly remove all open and unconsumed alcohol beverage samples from the licensed premises or shall destroy the samples immediately following the completion of the tasting.
- (8) The licensee shall not serve a person who is under twenty-one years of age or who is visibly intoxicated.
- (9) The licensee shall not serve more than four (4) individual samples to a patron during a tasting.
- (10) Alcohol samples shall be in open containers and shall be provided to a patron free of charge.
- (11) Tastings may occur on no more than four (4) of the six (6) days from a Monday to the following Saturday, not to exceed one hundred four (104) days per year.
- (12) No manufacturer of spirituous or vinous liquors shall induce a licensee through free goods or financial or in-kind assistance to favor the manufacturer's products being sampled at a tasting. The licensee shall bear the financial and all other responsibility for a tasting.
- (13) A violation of a limitation specified in this section, Section 12-47-301(10) C.R.S. or Section 12-47-801, C.R.S. by a retail liquor store or liquor licensed drug licensee, whether by his or her employees, agents, or otherwise, shall be the responsibility of the retail liquor store or liquor-licensed drugstore licensee who is conducting the tasting.
- (14) A retail liquor store or liquor-licensed drugstore licensee conducting a tasting shall be subject to the same revocation, suspension, and enforcement provisions as otherwise apply to the licensee.

(Ord. No. 2019-04 , § 2, 5-28-2019)

Sec. 6-1-80. Distance requirement from school, college, university or seminary.

The distance requirement from a public or parochial school or the principal campus of any college, university or seminary, and a licensed premises where the consumption of alcohol is wholly contained onsite, explicitly omitting a retail liquor store license, is reduced to three hundred and fifty (350) feet.

(Ord. No. 2021-06 , § 1, 8-24-2021)

Sec. 6-1-90. Bed and breakfast permits.

Bed and breakfast permits are authorized within the Town of Paonia, subject to the provisions of C.R.S. 44-3-412, as may be amended from time to time.

(Ord. No. 2021-06 , § 1, 8-24-2021)



**TOWN OF PAONIA
BOARD OF TRUSTEES MEETING
STAFF REPORT**

AGENDA ITEM:	Consideration of Approval of Offer to the School District to Purchase the VoTech Building for \$1,500,000
SUBMITTED BY:	Mayor Bachran
DATE:	2-27-24
BACKGROUND:	<p>The Town of Paonia has placed a tentative offer to the School District to purchase the old VoTech building for \$1,500,000. This offer, while signed by the Mayor, will not be valid until the Board approves the offer. The offer and all subsequent transactions are contingent upon receiving funding. If the Town does not receive funding, the contract is null and void.</p> <p>Funding will come through Congressionally Directed Spending through the USDA Community Facilities grant process.</p>
BUDGET:	Congressionally Directed Spending funds of \$1,500,000 with a Town match of 25%
RECOMMENDATION:	I move to approve the offer to purchase the old VoTech building for \$1,500,000 contingent on the receipt of CDS funding.
ATTACHMENT:	<p>Contract Description of property Change of Status Definition of relationships Buyer's information packet from Needlerock Realty</p>



Needlerock Mountain Realty
Liz Heidrick
Ph: 970-921-5331
Fax: 970-921-4595

The printed portions of this form, except differentiated additions, have been approved by the Colorado Real Estate Commission. (CBS3-6-23) (Mandatory 1-24)

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

CONTRACT TO BUY AND SELL REAL ESTATE (COMMERCIAL)

Property with No Residences)
 Property with Residences-Residential Addendum Attached)

Date: 2/16/2024

AGREEMENT

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

2. **PARTIES AND PROPERTY.**

2.1. **Buyer.** Town of Paonia (Buyer) will take title to the Property described below as

Joint Tenants Tenants In Common Other n/a.

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

2.3. **Seller.** Delta County School District 50J (Seller) is the current owner of the Property described below.

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

See Exhibit A Attached hereto and made a part hereof by reference, together with, without warranty all of Seller`s interest in one (1) commercial water tap from the Town of Paonia and one and one half (1 1/2) sewer taps from the Town of Paonia

known as: 218 4th Street, Paonia, CO 81428

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

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

2.5.1. **Inclusions – Attached.** If attached to the Property on the date of this Contract, the following items are included unless excluded under **Exclusions:** lighting, heating, plumbing, ventilating and air conditioning units, TV antennas, inside telephone, network and coaxial (cable) wiring and connecting blocks/jacks, plants, mirrors, floor coverings, intercom systems, built-in kitchen appliances, sprinkler systems and controls, built-in vacuum systems (including accessories) and garage door openers (including any remote controls). If checked, the following are owned by the Seller and included: **Solar Panels** **Water Softeners** **Security Systems** **Satellite Systems** (including satellite dishes). Leased items should be listed under § 2.5.7. (Leased Items). If any additional items are attached to the Property after the date of this Contract, such additional items are also included in the Purchase Price.

57 **2.5.2. Inclusions – Not Attached.** If on the Property, whether attached or not, on the date of this
58 Contract, the following items are included unless excluded under **Exclusions:** storm windows, storm doors,
59 window and porch shades, awnings, blinds, screens, window coverings and treatments, curtain rods, drapery
60 rods, fireplace inserts, fireplace screens, fireplace grates, heating stoves, storage sheds, carbon monoxide
61 alarms, smoke/fire detectors and all keys.

62 **2.5.3. Other Inclusions.** The following items, whether fixtures or personal property, are also
63 included in the Purchase Price:
64 **Seller shall deliver a list of all inclusions to be conveyed to Buyer on or before Due Diligence**
65 **Documents Delivery Deadline.**

66 **2.5.4. Encumbered Inclusions.** Any Inclusions owned by Seller (e.g., owned solar panels) must
67 be conveyed at Closing by Seller free and clear of all taxes (except personal property and general real estate
68 taxes for the year of Closing), liens and encumbrances, except:
69 **TBD**

70 **2.5.5. Personal Property Conveyance.** Conveyance of all personal property will be by bill of
71 sale or other applicable legal instrument.

72 **2.5.6. Parking and Storage Facilities.** The use or ownership of the following parking facilities:
73 **n/a**; and the use or ownership of the following storage facilities:
74 **n/a**
75 Note to Buyer: If exact rights to the parking and storage facilities is a concern to Buyer, Buyer should
76 investigate.

77 **2.5.7. Leased Items.** The following personal property is currently leased to Seller which will be
78 transferred to Buyer at Closing (Leased Items):
79 **NONE**

80 **2.5.8. Trade Fixtures.** With respect to trade fixtures, Seller and Buyer agree as follows:
81 **n/a**
82 The trade fixtures to be conveyed at Closing will be conveyed by Seller free and clear of all taxes
83 (except personal property taxes for the year of Closing), liens and encumbrances, except **n/a**. Conveyance
84 will be by bill of sale or other applicable legal instrument.

85 **2.6. Exclusions.** The following items are excluded (Exclusions):
86 **Seller shall deliver a list of all exclusions to the Buyer on or before Due Diligence Documents**
87 **Delivery Deadline**

88 **2.7. Water Rights/Well Rights.**
89 **2.7.1. Deeded Water Rights.** The following legally described water rights:
90 **as described in 3.4 Property**

91 Any deeded water rights will be conveyed by a good and sufficient **Special Warranty without**
92 **warranty** deed at Closing.

93 **2.7.2. Other Rights Relating to Water.** The following rights relating to water not included in §§
94 2.7.1., 2.7.3. and 2.7.4., will be transferred to Buyer at Closing:
95 **NONE**

96 **2.7.3. Well Rights.** Seller agrees to supply required information to Buyer about the well. Buyer
97 understands that if the well to be transferred is a “Small Capacity Well” or a “Domestic Exempt Water Well”
98 used for ordinary household purposes, Buyer must, prior to or at Closing, complete a Change in Ownership
99 form for the well. If an existing well has not been registered with the Colorado Division of Water Resources in
100 the Department of Natural Resources (Division), Buyer must complete a registration of existing well form for
101 the well and pay the cost of registration. If no person will be providing a closing service in connection with the
102 transaction, Buyer must file the form with the Division within sixty days after Closing. The Well Permit # is
103 **n/a**.

104 **2.7.4. Water Stock Certificates.** The water stock certificates to be transferred at Closing are as
105 follows:
106 **NONE**

107 **2.7.5. Conveyance.** If Buyer is to receive any rights to water pursuant to § 2.7.2. (Other Rights
108
109
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111
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115

115
116 Relating to Water), § 2.7.3. (Well Rights), or § 2.7.4. (Water Stock Certificates), Seller agrees to convey such
117 rights to Buyer by executing the applicable legal instrument at Closing.

118 **2.7.6. Water Rights Review.** Buyer **Does** **Does Not** have a Right to Terminate if
119 examination of the Water Rights is unsatisfactory to Buyer on or before the **Water Rights Examination**
120 **Deadline.**

121
122 **3. DATES, DEADLINES AND APPLICABILITY.**

123 **3.1. Dates and Deadlines.**

Item No.	Reference	Event	Date or Deadline
1	§ 3	Time of Day Deadline	<i>n/a</i>
2	§ 4	Alternative Earnest Money Deadline	<i>3/22/2024</i> Friday
		Title	
3	§ 8	Record Title Deadline (and Tax Certificate)	<i>3/8/2024</i> Friday
4	§ 8	Record Title Objection Deadline	<i>3/15/2024</i> Friday
5	§ 8	Off-Record Title Deadline	<i>3/8/2024</i> Friday
6	§ 8	Off-Record Title Objection Deadline	<i>3/15/2024</i> Friday
7	§ 8	Title Resolution Deadline	<i>3/22/2024</i> Friday
8	§ 8	Third Party Right to Purchase/Approve Deadline	<i>n/a</i>
		Owners' Association	
9	§ 7	Association Documents Deadline	<i>n/a</i>
10	§ 7	Association Documents Termination Deadline	<i>n/a</i>
		Seller's Disclosures	
11	§ 10	Seller's Property Disclosure Deadline	<i>3/8/2024</i> Friday
12	§ 10	Lead-Based Paint Disclosure Deadline (if Residential Addendum attached)	<i>2/23/2024</i> Friday
		Loan and Credit	
13	§ 5	New Loan Application Deadline	<i>4/5/2024 See Additional Provisions Sec.</i> Friday
14	§ 5	New Loan Terms Deadline	<i>n/a</i>
15	§ 5	New Loan Availability Deadline	<i>n/a</i>
16	§ 5	Buyer's Credit Information Deadline	<i>n/a</i>
17	§ 5	Disapproval of Buyer's Credit Information Deadline	<i>n/a</i>
18	§ 5	Existing Loan Deadline	<i>n/a</i>
19	§ 5	Existing Loan Termination Deadline	<i>n/a</i>
20	§ 5	Loan Transfer Approval Deadline	<i>n/a</i>
21	§ 4	Seller or Private Financing Deadline	<i>n/a</i>
		Appraisal	
22	§ 6	Appraisal Deadline	<i>Only if required</i>

174	23	§ 6	Appraisal Objection Deadline	<i>10 days after receipt</i>	
175	24	§ 6	Appraisal Resolution Deadline	<i>10 days after resolution</i>	
176			Survey		
177					
178	25	§ 9	New ILC or New Survey Deadline	<i>provided</i>	
179					
180	26	§ 9	New ILC or New Survey Objection Deadline	<i>NA</i>	
181					
182	27	§ 9	New ILC or New Survey Resolution Deadline	<i>NA</i>	
183					
184			Inspection and Due diligence		
185					
186	28	§ 2	Water Rights Examination Deadline	<i>3/15/2024</i>	Friday
187					
188	29	§ 8	Mineral Rights Examination Deadline	<i>n/a</i>	
189					
190	30	§ 10	Inspection Termination Deadline	<i>3/15/2024</i>	Friday
191					
192	31	§ 10	Inspection Objection Deadline	<i>3/15/2024</i>	Friday
193					
194	32	§ 10	Inspection Resolution Deadline	<i>3/29/2024</i>	Friday
195					
196	33	§ 10	Property Insurance Termination Deadline	<i>3/22/2024</i>	Friday
197					
198	34	§ 10	Due Diligence Documents Delivery Deadline	<i>3/8/2024</i>	Friday
199					
200	35	§ 10	Due Diligence Documents Objection Deadline	<i>3/15/2024</i>	Friday
201					
202	36	§ 10	Due Diligence Documents Resolution Deadline	<i>3/29/2024</i>	Friday
203					
204	37	§ 10	Environmental Inspection Termination Deadline	<i>3/8/2024</i>	Friday
205					
206	38	§ 10	ADA Evaluation Termination Deadline	<i>3/22/2024</i>	Friday
207					
208	39	§ 10	Conditional Sale Deadline	<i>n/a</i>	
209					
210	40	§ 10	Lead-Based Paint Termination Deadline (if Residential Addendum attached)	<i>3/15/2024</i>	Friday
211					
212	41	§ 11	Estoppel Statements Deadline	<i>2/29/2024 If applicable</i>	Thursday
213					
214	42	§ 11	Estoppel Statements Termination Deadline	<i>3/1/2024 If applicable</i>	Friday
215					
216			Closing and Possession		
217	43	§ 12	Closing Date	<i>To Be Determined</i>	
218					
219	44	§ 17	Possession Date	<i>upon successful closing</i>	
220					
221	45	§ 17	Possession Time	<i>after successful closing</i>	
222					
223	46	§ 27	Acceptance Deadline Date	<i>NOA</i>	
224					
225	47	§ 27	Acceptance Deadline Time	<i>NOA</i>	
226					
227	48	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	
228					
229	49	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	
230					
231					

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

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

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

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

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

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

4. PURCHASE PRICE AND TERMS.

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

Item No.	Reference	Item	Amount	Amount
1	§ 4.1.	Purchase Price	\$ 1,500,000.00	
2	§ 4.3.	Earnest Money		\$ 25,000.00
3	§ 4.5.	New Loan		\$
4	§ 4.6.	Assumption Balance		\$
5	§ 4.7.	Private Financing		\$
6	§ 4.7.	Seller Financing		\$
7	<i>n/a</i>	<i>Grant Funds or USDA Loan</i>		\$ 1,475,000.00
8	<i>n/a</i>	<i>Cash at Closing Shall Be Determined</i>		\$
9	§ 4.4.	Cash at Closing		\$
10		Total	\$ 1,500,000.00	\$ 1,500,000.00

4.2. Seller Concession. At Closing, Seller will credit to Buyer \$**none** (Seller Concession). The Seller Concession may be used for any Buyer fee, cost, charge or expenditure to the extent the amount is allowed by the Buyer's lender and is included in the Closing Statement or Closing Disclosure at Closing. Examples of allowable items to be paid for by the Seller Concession include, but are not limited to: Buyer's closing costs, loan discount points, loan origination fees, prepaid items and any other fee, cost, charge, expense or expenditure. Seller Concession is in addition to any sum Seller has agreed to pay or credit Buyer elsewhere in this Contract.

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

4.3.1. Alternative Earnest Money Deadline. The deadline for delivering the Earnest Money, if

291 other than at the time of tender of this Contract, is as set forth as the **Alternative Earnest Money Deadline.**

292 **4.3.2. Disposition of Earnest Money.** If Buyer has a Right to Terminate and timely terminates,
293 Buyer is entitled to the return of Earnest Money as provided in this Contract. If this Contract is terminated as
294 set forth in § 24 and, except as provided in § 23 (Earnest Money Dispute), if the Earnest Money has not
295 already been returned following receipt of a Notice to Terminate, Seller agrees to execute and return to Buyer
296 or Broker working with Buyer, written mutual instructions (e.g., Earnest Money Release form), within three
297 days of Seller's receipt of such form. If Seller is entitled to the Earnest Money, and, except as provided in §
298 23 (Earnest Money Dispute), if the Earnest Money has not already been paid to Seller, following receipt of an
299 Earnest Money Release form, Buyer agrees to execute and return to Seller or Broker working with Seller,
300 written mutual instructions (e.g., Earnest Money Release form), within three days of Buyer's receipt.

302 **4.3.2.1. Seller Failure to Timely Return Earnest Money.** If Seller fails to timely execute
303 and return the Earnest Money Release Form, or other written mutual instructions, Seller is in default and
304 liable to Buyer as set forth in "If Seller is in Default", § 20.2. and § 21, unless Seller is entitled to the
305 Earnest Money due to a Buyer default.

306 **4.3.2.2. Buyer Failure to Timely Release Earnest Money.** If Buyer fails to timely execute
307 and return the Earnest Money Release Form, or other written mutual instructions, Buyer is in default and
308 liable to Seller as set forth in "If Buyer is in Default, § 20.1 and § 21, unless Buyer is entitled to the Earnest
309 Money due to a Seller Default.

310 **4.4. Form of Funds; Time of Payment; Available Funds.**

312 **4.4.1. Good Funds.** All amounts payable by the parties at Closing, including any loan proceeds,
313 Cash at Closing and closing costs, must be in funds that comply with all applicable Colorado laws, including
314 electronic transfer funds, certified check, savings and loan teller's check and cashier's check (Good Funds).

315 **4.4.2. Time of Payment.** All funds, including the Purchase Price to be paid by Buyer, must be
316 paid before or at Closing or as otherwise agreed in writing between the parties to allow disbursement by
317 Closing Company at Closing **OR SUCH NONPAYING PARTY WILL BE IN DEFAULT.**

318 **4.4.3. Available Funds.** Buyer represents that Buyer, as of the date of this Contract, **Does**
319 **Does Not** have funds that are immediately verifiable and available in an amount not less than the amount
320 stated as Cash at Closing in § 4.1.

322 **4.5. New Loan.**

323 **4.5.1. Buyer to Pay Loan Costs.** Buyer, except as otherwise permitted in § 4.2. (Seller
324 Concession), if applicable, must timely pay Buyer's loan costs, loan discount points, prepaid items and loan
325 origination fees as required by lender.

326 **4.5.2. Buyer May Select Financing.** Buyer may pay in cash or select financing appropriate and
327 acceptable to Buyer, including a different loan than initially sought, except as restricted in § 4.5.3. (Loan
328 Limitations) or § 29 (Additional Provisions).

329 **4.5.3. Loan Limitations.** Buyer may purchase the Property using any of the following types of
330 loans: **Conventional** **Other** [USDA if Application this will be an option for the Town of](#)
331 [Paonia](#).

333 **4.6. Assumption.** (Omitted as inapplicable)

334 **4.7. Seller or Private Financing.** (Omitted as inapplicable)

337 **TRANSACTION PROVISIONS**

340 **5. FINANCING CONDITIONS AND OBLIGATIONS.**

341 **5.1. New Loan Application.** If Buyer is to pay all or part of the Purchase Price by obtaining one or
342 more new loans (New Loan), or if an existing loan is not to be released at Closing, Buyer, if required by such
343 lender, must make an application verifiable by such lender, on or before **New Loan Application Deadline**
344 and exercise reasonable efforts to obtain such loan or approval.

346 **5.2. New Loan Terms; New Loan Availability.**

347 **5.2.1. New Loan Terms.** If Buyer is to pay all or part of the Purchase Price with a New Loan, this
348

349 Contract is conditional upon Buyer determining, in Buyer's sole subjective discretion, whether the proposed
350 New Loan's payments, interest rate, conditions and costs or any other loan terms (New Loan Terms) are
351 satisfactory to Buyer. This condition is for the sole benefit of Buyer. Buyer has the Right to Terminate under §
352 24.1., on or before **New Loan Terms Deadline**, if the New Loan Terms are not satisfactory to Buyer, in
353 Buyer's sole subjective discretion.

354 **5.2.2. New Loan Availability.** If Buyer is to pay all or part of the Purchase Price with a New
355 Loan, this Contract is conditional upon Buyer's satisfaction with the availability of the New Loan based on the
356 lender's review and underwriting of Buyer's New Loan Application (New Loan Availability). Buyer has the
357 Right to Terminate under § 24.1., on or before the **New Loan Availability Deadline** if the New Loan
358 Availability is not satisfactory to Buyer. Buyer does not have a Right to Terminate based on the New Loan
359 Availability if the termination is based on the New Loan Terms, Appraised Value (defined below), the Lender
360 Property Requirements (defined below), Insurability (§ 10.5. below) or the Conditional Upon Sale of Property
361 (§ 10.7. below). **IF SELLER IS NOT IN DEFAULT AND DOES NOT TIMELY RECEIVE BUYER'S WRITTEN**
362 **NOTICE TO TERMINATE, BUYER'S EARNEST MONEY WILL BE NONREFUNDABLE** , except as
363 otherwise provided in this Contract (e.g., Appraisal, Title, Survey).
364

365 **5.3. Credit Information.** (Omitted as inapplicable)

366 **5.4. Existing Loan Review.** (Omitted as inapplicable)

368
369 **6. APPRAISAL PROVISIONS.**

370 **6.1. Appraisal Definition.** An "Appraisal" is an opinion of value prepared by a licensed or certified
371 appraiser, engaged on behalf of Buyer or Buyer's lender, to determine the Property's market value (Appraised
372 Value). The Appraisal may also set forth certain lender requirements, replacements, removals or repairs
373 necessary on or to the Property as a condition for the Property to be valued at the Appraised Value.
374

375 **6.2. Appraised Value.** The applicable appraisal provision set forth below applies to the respective
376 loan type set forth in § 4.5.3., or if a cash transaction (i.e., no financing), § 6.2.1. applies.

377 **6.2.1. Conventional/Other.** Buyer has the right to obtain an Appraisal. If the Appraised Value is
378 less than the Purchase Price, or if the Appraisal is not received by Buyer on or before **Appraisal Deadline**
379 Buyer may, on or before **Appraisal Objection Deadline**:

380 **6.2.1.1. Notice to Terminate.** Notify Seller in writing, pursuant to § 24.1., that this Contract
381 is terminated; or

382 **6.2.1.2. Appraisal Objection.** Deliver to Seller a written objection accompanied by either a
383 copy of the Appraisal or written notice from lender that confirms the Appraised Value is less than the
384 Purchase Price (Lender Verification).
385

386 **6.2.1.3. Appraisal Resolution.** If an Appraisal Objection is received by Seller, on or before
387 **Appraisal Objection Deadline** and if Buyer and Seller have not agreed in writing to a settlement thereof on
388 or before **Appraisal Resolution Deadline**, this Contract will terminate on the **Appraisal Resolution**
389 **Deadline**, unless Seller receives Buyer's written withdrawal of the Appraisal Objection before such
390 termination, (i.e., on or before expiration of **Appraisal Resolution Deadline**).
391

392 **6.3. Lender Property Requirements.** If the lender imposes any written requirements, replacements,
393 removals or repairs, including any specified in the Appraisal (Lender Property Requirements) to be made to
394 the Property (e.g., roof repair, repainting), beyond those matters already agreed to by Seller in this Contract,
395 this Contract terminates on the earlier of three days following Seller's receipt of the Lender Property
396 Requirements, or Closing, unless prior to termination: (1) the parties enter into a written agreement to satisfy
397 the Lender Property Requirements; (2) the Lender Property Requirements have been completed; or (3) the
398 satisfaction of the Lender Property Requirements is waived in writing by Buyer.

399 **6.4. Cost of Appraisal.** Cost of the Appraisal to be obtained after the date of this Contract must be
400 timely paid by **Buyer** **Seller**. The cost of the Appraisal may include any and all fees paid to the
401 appraiser, appraisal management company, lender's agent or all three.
402

403
404 **7. OWNERS' ASSOCIATIONS.** This Section is applicable if the Property is located within one or more
405 Common Interest Communities and subject to one or more declarations (Association).

406 **7.1. Common Interest Community Disclosure. THE PROPERTY IS LOCATED WITHIN A**

407 **COMMON INTEREST COMMUNITY AND IS SUBJECT TO THE DECLARATION FOR THE COMMUNITY.**
 408 **THE OWNER OF THE PROPERTY WILL BE REQUIRED TO BE A MEMBER OF THE OWNERS'**
 409 **ASSOCIATION FOR THE COMMUNITY AND WILL BE SUBJECT TO THE BYLAWS AND RULES AND**
 410 **REGULATIONS OF THE ASSOCIATION. THE DECLARATION, BYLAWS AND RULES AND**
 411 **REGULATIONS WILL IMPOSE FINANCIAL OBLIGATIONS UPON THE OWNER OF THE PROPERTY,**
 412 **INCLUDING AN OBLIGATION TO PAY ASSESSMENTS OF THE ASSOCIATION. IF THE OWNER DOES**
 413 **NOT PAY THESE ASSESSMENTS, THE ASSOCIATION COULD PLACE A LIEN ON THE PROPERTY**
 414 **AND POSSIBLY SELL IT TO PAY THE DEBT. THE DECLARATION, BYLAWS AND RULES AND**
 415 **REGULATIONS OF THE COMMUNITY MAY PROHIBIT THE OWNER FROM MAKING CHANGES TO THE**
 416 **PROPERTY WITHOUT AN ARCHITECTURAL REVIEW BY THE ASSOCIATION (OR A COMMITTEE OF**
 417 **THE ASSOCIATION) AND THE APPROVAL OF THE ASSOCIATION. PURCHASERS OF PROPERTY**
 418 **WITHIN THE COMMON INTEREST COMMUNITY SHOULD INVESTIGATE THE FINANCIAL**
 419 **OBLIGATIONS OF MEMBERS OF THE ASSOCIATION. PURCHASERS SHOULD CAREFULLY READ**
 420 **THE DECLARATION FOR THE COMMUNITY AND THE BYLAWS AND RULES AND REGULATIONS OF**
 421 **THE ASSOCIATION.**
 422

423
 424 **7.2. Association Documents to Buyer.** Seller is obligated to provide to Buyer the Association
 425 Documents (defined below), at Seller's expense, on or before **Association Documents Deadline**. Seller
 426 authorizes the Association to provide the Association Documents to Buyer, at Seller's expense. Seller's
 427 obligation to provide the Association Documents is fulfilled upon Buyer's receipt of the Association
 428 Documents, regardless of who provides such documents.

429 **7.3. Association Documents.** Association documents (Association Documents) consist of the
 430 following:

431 **7.3.1.** All Association declarations, articles of incorporation, bylaws, articles of organization,
 432 operating agreements, rules and regulations, party wall agreements and the Association's responsible
 433 governance policies adopted under § 38-33.3-209.5, C.R.S.;

434 **7.3.2.** Minutes of: (1) the annual owners' or members' meeting and (2) any executive boards' or
 435 managers' meetings; such minutes include those provided under the most current annual disclosure required
 436 under § 38-33.3-209.4, C.R.S. (Annual Disclosure) and minutes of meetings, if any, subsequent to the
 437 minutes disclosed in the Annual Disclosure. If none of the preceding minutes exist, then the most recent
 438 minutes, if any (§§ 7.3.1. and 7.3.2., collectively, Governing Documents); and

439 **7.3.3.** List of all Association insurance policies as provided in the Association's last Annual
 440 Disclosure, including, but not limited to, property, general liability, association director and officer professional
 441 liability and fidelity policies. The list must include the company names, policy limits, policy deductibles,
 442 additional named insureds and expiration dates of the policies listed (Association Insurance Documents);

443 **7.3.4.** A list by unit type of the Association's assessments, including both regular and special
 444 assessments as disclosed in the Association's last Annual Disclosure;

445 **7.3.5.** The Association's most recent financial documents which consist of: (1) the Association's
 446 operating budget for the current fiscal year, (2) the Association's most recent annual financial statements,
 447 including any amounts held in reserve for the fiscal year immediately preceding the Association's last Annual
 448 Disclosure, (3) the results of the Association's most recent available financial audit or review, (4) list of the
 449 fees and charges (regardless of name or title of such fees or charges) that the Association's community
 450 association manager or Association will charge in connection with the Closing including, but not limited to,
 451 any fee incident to the issuance of the Association's statement of assessments (Status Letter), any rush or
 452 update fee charged for the Status Letter, any record change fee or ownership record transfer fees (Record
 453 Change Fee), fees to access documents, (5) list of all assessments required to be paid in advance, reserves
 454 or working capital due at Closing and (6) reserve study, if any (§§ 7.3.4. and 7.3.5., collectively, Financial
 455 Documents);

456 **7.3.6.** Any written notice from the Association to Seller of a "construction defect action" under §
 457 38-33.3-303.5, C.R.S. within the past six months and the result of whether the Association approved or
 458 disapproved such action (Construction Defect Documents). Nothing in this Section limits the Seller's
 459 obligation to disclose adverse material facts as required under § 10.2. (Disclosure of Adverse Material Facts;
 460 Subsequent Disclosure; Present Condition) including any problems or defects in the common elements or
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466 limited common elements of the Association property.

467 **7.4. Conditional on Buyer's Review.** Buyer has the right to review the Association Documents.
468 Buyer has the Right to Terminate under § 24.1., on or before **Association Documents Termination**
469 **Deadline**, based on any unsatisfactory provision in any of the Association Documents, in Buyer's sole
470 subjective discretion. Should Buyer receive the Association Documents after **Association Documents**
471 **Deadline**, Buyer, at Buyer's option, has the Right to Terminate under § 24.1. by Buyer's Notice to Terminate
472 received by Seller on or before ten days after Buyer's receipt of the Association Documents. If Buyer does
473 not receive the Association Documents, or if Buyer's Notice to Terminate would otherwise be required to be
474 received by Seller after **Closing Date**, Buyer's Notice to Terminate must be received by Seller on or before
475 Closing. If Seller does not receive Buyer's Notice to Terminate within such time, Buyer accepts the provisions
476 of the Association Documents as satisfactory and Buyer waives any Right to Terminate under this provision,
477 notwithstanding the provisions of § 8.6. (Third Party Right to Purchase/Approve).
478

479
480 **8. TITLE INSURANCE, RECORD TITLE AND OFF-RECORD TITLE.**

481 **8.1. Evidence of Record Title.**

482 **8.1.1. Seller Selects Title Insurance Company.** If this box is checked, Seller will select the
483 title insurance company to furnish the owner's title insurance policy at Seller's expense. On or before **Record**
484 **Title Deadline**, Seller must furnish to Buyer, a current commitment for an owner's title insurance policy (Title
485 Commitment), in an amount equal to the Purchase Price, or if this box is checked, an **Abstract of Title**
486 certified to a current date. Seller will cause the title insurance policy to be issued and delivered to Buyer as
487 soon as practicable at or after Closing.
488

489 **8.1.2. Buyer Selects Title Insurance Company.** If this box is checked, Buyer will select the
490 title insurance company to furnish the owner's title insurance policy at Buyer's expense. On or before **Record**
491 **Title Deadline**, Buyer must furnish to Seller, a current commitment for owner's title insurance policy (Title
492 Commitment), in an amount equal to the Purchase Price.
493 If neither box in § 8.1.1. or § 8.1.2. is checked, § 8.1.1. applies.
494

495 **8.1.3. Owner's Extended Coverage (OEC).** The Title Commitment **Will** **Will Not** contain
496 Owner's Extended Coverage (OEC). If the Title Commitment is to contain OEC, it will commit to delete or
497 insure over the standard exceptions which relate to: (1) parties in possession, (2) unrecorded easements, (3)
498 survey matters, (4) unrecorded mechanics' liens, (5) gap period (period between the effective date and time
499 of commitment to the date and time the deed is recorded) and (6) unpaid taxes, assessments and
500 unredeemed tax sales prior to the year of Closing. Any additional premium expense to obtain OEC will be
501 paid by **Buyer** **Seller** **One-Half by Buyer and One-Half by Seller** **Other** *n/a*.
502 Regardless of whether the Contract requires OEC, the Title Insurance Commitment may not provide OEC or
503 delete or insure over any or all of the standard exceptions for OEC. The Title Insurance Company may
504 require a New Survey or New ILC, defined below, among other requirements for OEC. If the Title Insurance
505 Commitment is not satisfactory to Buyer, Buyer has a right to object under § 8.7. (Right to Object to Title,
506 Resolution).
507

508 **8.1.4. Title Documents.** Title Documents consist of the following: (1) copies of any plats,
509 declarations, covenants, conditions and restrictions burdening the Property and (2) copies of any other
510 documents (or, if illegible, summaries of such documents) listed in the schedule of exceptions (Exceptions) in
511 the Title Commitment furnished to Buyer (collectively, Title Documents).

512 **8.1.5. Copies of Title Documents.** Buyer must receive, on or before **Record Title Deadline**,
513 copies of all Title Documents. This requirement pertains only to documents as shown of record in the office of
514 the clerk and recorder in the county where the Property is located. The cost of furnishing copies of the
515 documents required in this Section will be at the expense of the party or parties obligated to pay for the
516 owner's title insurance policy.
517

518 **8.1.6. Existing Abstracts of Title.** Seller must deliver to Buyer copies of any abstracts of title
519 covering all or any portion of the Property (Abstract of Title) in Seller's possession on or before **Record Title**
520 **Deadline**.

521 **8.2. Record Title.** Buyer has the right to review and object to the Abstract of Title or Title Commitment
522 and any of the Title Documents as set forth in § 8.7. (Right to Object to Title, Resolution) on or before
523

524 **Record Title Objection Deadline.** Buyer’s objection may be based on any unsatisfactory form or content of
 525 Title Commitment or Abstract of Title, notwithstanding § 13, or any other unsatisfactory title condition, in
 526 Buyer’s sole subjective discretion. If the Abstract of Title, Title Commitment or Title Documents are not
 527 received by Buyer on or before the **Record Title Deadline**, or if there is an endorsement to the Title
 528 Commitment that adds a new Exception to title, a copy of the new Exception to title and the modified Title
 529 Commitment will be delivered to Buyer. Buyer has until the earlier of Closing or ten days after receipt of such
 530 documents by Buyer to review and object to: (1) any required Title Document not timely received by Buyer,
 531 (2) any change to the Abstract of Title, Title Commitment or Title Documents, or (3) any endorsement to the
 532 Title Commitment. If Seller receives Buyer’s Notice to Terminate or Notice of Title Objection, pursuant to this
 533 § 8.2. (Record Title), any title objection by Buyer is governed by the provisions set forth in § 8.7. (Right to
 534 Object to Title, Resolution). If Seller has fulfilled all Seller’s obligations, if any, to deliver to Buyer all
 535 documents required by § 8.1. (Evidence of Record Title) and Seller does not receive Buyer’s Notice to
 536 Terminate or Notice of Title Objection by the applicable deadline specified above, Buyer accepts the condition
 537 of title as disclosed by the Abstract of Title, Title Commitment and Title Documents as satisfactory.
 538

539 **8.3. Off-Record Title.** Seller must deliver to Buyer, on or before **Off-Record Title Deadline**, true
 540 copies of all existing surveys in Seller’s possession pertaining to the Property and must disclose to Buyer all
 541 easements, liens (including, without limitation, governmental improvements approved, but not yet installed) or
 542 other title matters not shown by public records, of which Seller has actual knowledge (Off-Record Matters).
 543 This Section excludes any **New ILC** or **New Survey** governed under § 9 (New ILC, New Survey). Buyer has
 544 the right to inspect the Property to investigate if any third party has any right in the Property not shown by
 545 public records (e.g., unrecorded easement, boundary line discrepancy or water rights). Buyer’s Notice to
 546 Terminate or Notice of Title Objection of any unsatisfactory condition (whether disclosed by Seller or revealed
 547 by such inspection, notwithstanding § 8.2. (Record Title) and § 13 (Transfer of Title), in Buyer’s sole
 548 subjective discretion, must be received by Seller on or before **Off-Record Title Objection Deadline**. If an
 549 Off-Record Matter is received by Buyer after the **Off-Record Title Deadline**, Buyer has until the earlier of
 550 Closing or ten days after receipt by Buyer to review and object to such Off-Record Matter. If Seller receives
 551 Buyer’s Notice to Terminate or Notice of Title Objection pursuant to this § 8.3. (Off-Record Title), any title
 552 objection by Buyer is governed by the provisions set forth in § 8.7. (Right to Object to Title, Resolution). If
 553 Seller does not receive Buyer’s Notice to Terminate or Notice of Title Objection by the applicable deadline
 554 specified above, Buyer accepts title subject to such Off-Record Matters and rights, if any, of third parties not
 555 shown by public records of which Buyer has actual knowledge.
 556
 557

558 **8.4. Special Taxing and Metropolitan Districts. Intentionally Deleted**

559 **8.5. Tax Certificate.** A tax certificate paid for by **Seller** **Buyer**, for the Property (Tax Certificate)
 560 must be delivered to Buyer on or before **Record Title Deadline**. If the content of the Tax Certificate is
 561 unsatisfactory to Buyer, in Buyer’s sole subjective discretion, Buyer may terminate, on or before **Record Title**
 562 **Objection Deadline**. Should Buyer receive the Tax Certificate after **Record Title Deadline**, Buyer, at Buyer’s
 563 option, has the Right to Terminate under § 24.1. by Buyer’s Notice to Terminate received by Seller on or
 564 before ten days after Buyer’s receipt of the Tax Certificate. If Buyer does not receive the Tax Certificate, or if
 565 Buyer’s Notice to Terminate would otherwise be required to be received by Seller after **Closing Date**, Buyer’s
 566 Notice to Terminate must be received by Seller on or before Closing. If Seller does not receive Buyer’s Notice
 567 to Terminate within such time, Buyer accepts the content of the Tax Certificate as satisfactory and Buyer
 568 waives any Right to Terminate under this provision. If Buyer’s loan specified in §4.5.3, (Loan Limitations)
 569 prohibits Buyer from paying for the Tax Certificate, the Tax Certificate will be paid for by Seller.
 570

571 **8.6. Third Party Right to Purchase/Approve.** If any third party has a right to purchase the Property
 572 (e.g., right of first refusal on the Property, right to purchase the Property under a lease or an option held by a
 573 third party to purchase the Property) or a right of a third party to approve this Contract, Seller must promptly
 574 submit this Contract according to the terms and conditions of such right. If the third-party holder of such right
 575 exercises its right this Contract will terminate. If the third party’s right to purchase is waived explicitly or
 576 expires, or the Contract is approved, this Contract will remain in full force and effect. Seller must promptly
 577 notify Buyer in writing of the foregoing. If the third party right to purchase is exercised or approval of this
 578 Contract has not occurred on or before **Third Party Right to Purchase/Approve Deadline**, this Contract will
 579 then terminate. Seller will supply to Buyer, in writing, details of any Third Party Right to Purchase the
 580 Property on or before the Record Title Deadline.
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8.7. Right to Object to Title, Resolution. Buyer has a right to object or terminate, in Buyer's sole subjective discretion, based on any title matters including those matters set forth in § 8.2. (Record Title), § 8.3. (Off-Record Title), § 8.5. (Tax Certificate) and § 13 (Transfer of Title). If Buyer exercises Buyer's rights to object or terminate based on any such title matter, on or before the applicable deadline, Buyer has the following options:

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

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

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

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

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

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

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

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

8.9. Mineral Rights Review. Buyer Does **Does Not** have a Right to Terminate if examination of the Mineral Rights is unsatisfactory to Buyer on or before the **Mineral Rights Examination Deadline**.

9. NEW ILC, NEW SURVEY.

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

9.1.1. Ordering of New ILC or New Survey. **Seller** **Buyer** will order the New ILC or New

641 Survey. The New ILC or New Survey may also be a previous ILC or survey that is in the above-required form,
642 certified and updated as of a date after the date of this Contract.

643 **9.1.2. Payment for New ILC or New Survey.** The cost of the New ILC or New Survey will be paid, on
644 or before Closing, by: Seller Buyer or:
645 n/a

646 **9.1.3. Delivery of New ILC or New Survey.** Buyer, Seller, the issuer of the Title Commitment (or
647 the provider of the opinion of title if an Abstract of Title) and n/a will receive a New ILC or New Survey on or
648 before **New ILC or New Survey Deadline**.

649 **9.1.4. Certification of New ILC or New Survey.** The New ILC or New Survey will be certified by
650 the surveyor to all those who are to receive the New ILC or New Survey.

651 **9.2. Buyer’s Right to Waive or Change New ILC or New Survey Selection.** Buyer may select a
652 New ILC or New Survey different than initially specified in this Contract if there is no additional cost to Seller
653 or change to the **New ILC or New Survey Objection Deadline**. Buyer may, in Buyer’s sole subjective
654 discretion, waive a New ILC or New Survey if done prior to Seller incurring any cost for the same.
655

656 **9.3. New ILC or New Survey Objection.** Buyer has the right to review and object based on the New
657 ILC or New Survey. If the New ILC or New Survey is not timely received by Buyer or is unsatisfactory to
658 Buyer, in Buyer’s sole subjective discretion, Buyer may, on or before **New ILC or New Survey Objection**
659 **Deadline**, notwithstanding § 8.3. or § 13:
660

661 **9.3.1. Notice to Terminate.** Notify Seller in writing, pursuant to § 24.1, that this Contract is
662 terminated; or

663 **9.3.2. New ILC or New Survey Objection.** Deliver to Seller a written description of any matter
664 that was to be shown or is shown in the New ILC or New Survey that is unsatisfactory and that Buyer
665 requires Seller to correct.
666

667 **9.3.3. New ILC or New Survey Resolution.** If a **New ILC or New Survey Objection** is received
668 by Seller, on or before **New ILC or New Survey Objection Deadline** and if Buyer and Seller have not
669 agreed in writing to a settlement thereof on or before **New ILC or New Survey Resolution Deadline**, this
670 Contract will terminate on expiration of the **New ILC or New Survey Resolution Deadline**, unless Seller
671 receives Buyer’s written withdrawal of the New ILC or New Survey Objection before such termination (i.e., on
672 or before expiration of **New ILC or New Survey Resolution Deadline**).
673

674 **DISCLOSURE, INSPECTION AND DUE DILIGENCE**

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677 **10. PROPERTY DISCLOSURE, INSPECTION, INDEMNITY, INSURABILITY AND DUE DILIGENCE.**

678 **10.1. Seller’s Property Disclosure.** On or before **Seller’s Property Disclosure Deadline**, Seller
679 agrees to deliver to Buyer the most current version of the applicable Colorado Real Estate Commission’s
680 Seller’s Property Disclosure form completed by Seller to Seller’s actual knowledge and current as of the date
681 of this Contract.
682

683 **10.2. Disclosure of Adverse Material Facts; Subsequent Disclosure; Present Condition.** Seller
684 must disclose to Buyer any adverse material facts actually known by Seller as of the date of this Contract.
685 Seller agrees that disclosure of adverse material facts will be in writing. In the event Seller discovers an
686 adverse material fact after the date of this Contract, Seller must timely disclose such adverse fact to Buyer.
687 Buyer has the Right to Terminate based on the Seller’s new disclosure on the earlier of Closing or five days
688 after Buyer’s receipt of the new disclosure. Except as otherwise provided in this Contract, Buyer
689 acknowledges that Seller is conveying the Property to Buyer in an “**As Is**” condition, “**Where Is**” and “**With All**
690 **Faults.**”
691

692 **10.3. Inspection.** Unless otherwise provided in this Contract, Buyer, acting in good faith, has the right
693 to have inspections (by one or more third parties, personally or both) of the Property, Leased Items, and
694 Inclusions (Inspection), at Buyer’s expense. If (1) the physical condition of the Property, including, but not
695 limited to, the roof, walls, structural integrity of the Property, the electrical, plumbing, HVAC and other
696 mechanical systems of the Property, (2) the physical condition of the Inclusions and Leased Items, (3) service
697 to the Property (including utilities and communication services), systems and components of the Property
698

699 (e.g., heating and plumbing), (4) any proposed or existing transportation project, road, street or highway, or
700 (5) any other activity, odor or noise (whether on or off the Property) and its effect or expected effect on the
701 Property or its occupants is unsatisfactory, in Buyer's sole subjective discretion, Buyer may:

702 **10.3.1. Inspection Termination.** On or before the **Inspection Termination Deadline**, notify
703 Seller in writing, pursuant to § 24.1., that this Contract is terminated due to any unsatisfactory condition,
704 provided the Buyer did not previously deliver an Inspection Objection. Buyer's Right to Terminate under this
705 provision expires upon delivery of an Inspection Objection to Seller pursuant to § 10.3.2.; or

706 **10.3.2. Inspection Objection.** On or before the **Inspection Objection Deadline**, deliver to
707 Seller a written description of any unsatisfactory condition that Buyer requires Seller to correct.

708 **10.3.3. Inspection Resolution.** If an Inspection Objection is received by Seller, on or before
709 **Inspection Objection Deadline** and if Buyer and Seller have not agreed in writing to a settlement thereof on
710 or before **Inspection Resolution Deadline**, this Contract will terminate on **Inspection Resolution Deadline**
711 unless Seller receives Buyer's written withdrawal of the Inspection Objection before such termination (i.e., on
712 or before expiration of **Inspection Resolution Deadline**). Nothing in this provision prohibits the Buyer and
713 the Seller from mutually terminating this Contract before the Inspection Resolution Deadline passes by
714 executing an Earnest Money Release.

715 **10.4. Damage, Liens and Indemnity.** Buyer, except as otherwise provided in this Contract or other
716 written agreement between the parties, is responsible for payment for all inspections, tests, surveys,
717 engineering reports, or other reports performed at Buyer's request (Work) and must pay for any damage that
718 occurs to the Property and Inclusions as a result of such Work. Buyer must not permit claims or liens of any
719 kind against the Property for Work performed on the Property. Buyer agrees to indemnify, protect and hold
720 Seller harmless from and against any liability, damage, cost or expense incurred by Seller and caused by any
721 such Work, claim, or lien. This indemnity includes Seller's right to recover all costs and expenses incurred by
722 Seller to defend against any such liability, damage, cost or expense, or to enforce this Section, including
723 Seller's reasonable attorney fees, legal fees and expenses. The provisions of this Section survive the
724 termination of this Contract. This § 10.4. does not apply to items performed pursuant to an Inspection
725 Resolution.

726 **10.5. Insurability.** Buyer has the Right to Terminate under § 24.1., on or before **Property Insurance**
727 **Termination Deadline**, based on any unsatisfactory provision of the availability, terms and conditions and
728 premium for property insurance (Property Insurance) on the Property, in Buyer's sole subjective discretion.

729 **10.6. Due Diligence.**

730 **10.6.1. Due Diligence Documents.** Seller agrees to deliver copies of the following documents
731 and information pertaining to the Property and Leased Items (Due Diligence Documents) to Buyer on or
732 before **Due Diligence Documents Delivery Deadline**:

733 **10.6.1.1. Occupancy Agreements.** All current leases, including any amendments or other
734 occupancy agreements, pertaining to the Property. Those leases or other occupancy agreements pertaining
735 to the Property that survive Closing are as follows (Leases):

736 **Any current leases or use agreements to be provided if they will be in effect on or after**
737 **closing on the subject property.**

738 **10.6.1.2. Leased Items Documents.** If any lease of personal property (§ 2.5.7., Leased
739 Items) will be transferred to Buyer at Closing, Seller agrees to deliver copies of the leases and information
740 pertaining to the personal property to Buyer on or before **Due Diligence Documents Delivery Deadline**.
741 Buyer **Will** **Will Not** assume the Seller's obligations under such leases for the Leased Items (§ 2.5.7.,
742 Leased Items).

743 **10.6.1.3. Encumbered Inclusions Documents.** If any Inclusions owned by Seller are
744 encumbered pursuant to § 2.5.4. (Encumbered Inclusions) above, Seller agrees to deliver copies of the
745 evidence of debt, security and any other documents creating the encumbrance to Buyer on or before **Due**
746 **Diligence Documents Delivery Deadline**. Buyer **Will** **Will Not** assume the debt on the Encumbered
747 Inclusions (§ 2.5.4., Encumbered Inclusions).

748 **10.6.1.4. Other Documents.** If the respective box is checked, Seller agrees to additionally

757 deliver copies of the following:

- 758 **10.6.1.4.1.** All contracts relating to the operation, maintenance and management of the
- 759 Property;
- 760 **10.6.1.4.2.** Property tax bills for the last *n/a* years;
- 761 **10.6.1.4.3.** As-built construction plans to the Property and the tenant improvements,
- 762 including architectural, electrical, mechanical and structural systems; engineering reports; and permanent
- 763 Certificates of Occupancy, to the extent now available;
- 764 **10.6.1.4.4.** A list of all Inclusions to be conveyed to Buyer;
- 765 **10.6.1.4.5.** Operating statements for the past 2 years;
- 766 **10.6.1.4.6.** A rent roll accurate and correct to the date of this Contract;
- 767 **10.6.1.4.7.** A schedule of any tenant improvement work Seller is obligated to complete
- 768 but has not yet completed and capital improvement work either scheduled or in process on the date of this
- 769 Contract;
- 770 **10.6.1.4.8.** All insurance policies pertaining to the Property and copies of any claims
- 771 which have been made for the past *n/a* years;
- 772 **10.6.1.4.9.** Soils reports, surveys and engineering reports or data pertaining to the
- 773 Property (if not delivered earlier under § 8.3.);
- 774 **10.6.1.4.10.** Any and all existing documentation and reports regarding Phase I and II
- 775 environmental reports, letters, test results, advisories and similar documents respective to the existence or
- 776 nonexistence of asbestos, PCB transformers, or other toxic, hazardous or contaminated substances and/or
- 777 underground storage tanks and/or radon gas. If no reports are in Seller's possession or known to Seller,
- 778 Seller warrants that no such reports are in Seller's possession or known to Seller;
- 779 **10.6.1.4.11.** Any *Americans with Disabilities Act* reports, studies or surveys concerning
- 780 the compliance of the Property with said Act;
- 781 **10.6.1.4.12.** All permits, licenses and other building or use authorizations issued by any
- 782 governmental authority with jurisdiction over the Property and written notice of any violation of any such
- 783 permits, licenses or use authorizations, if any; and
- 784 **10.6.1.4.13.** Other:

785 **a. Any repairs of details related to the subject property maintenance and also if available,**

786 **receipts from work done in the last two years on the subject property.**

787 **b. Seller shall provide requested documents only if in Seller's actual possession.**

788 **10.6.2. Due Diligence Documents Review and Objection.** Buyer has the right to review and

789 object based on the Due Diligence Documents. If the Due Diligence Documents are not supplied to Buyer or

790 are unsatisfactory, in Buyer's sole subjective discretion, Buyer may, on or before **Due Diligence Documents**

791 **Objection Deadline:**

792 **10.6.2.1. Notice to Terminate.** Notify Seller in writing, pursuant to § 24.1., that this Contract

793 is terminated; or

794 **10.6.2.2. Due Diligence Documents Objection.** Deliver to Seller a written description of

795 any unsatisfactory Due Diligence Documents that Buyer requires Seller to correct.

796 **10.6.2.3. Due Diligence Documents Resolution.** If a Due Diligence Documents Objection

797 is received by Seller, on or before **Due Diligence Documents Objection Deadline** and if Buyer and Seller

798 have not agreed in writing to a settlement thereof on or before **Due Diligence Documents Resolution**

799 **Deadline**, this Contract will terminate on **Due Diligence Documents Resolution Deadline** unless Seller

800 receives Buyer's written withdrawal of the Due Diligence Documents Objection before such termination (i.e.,

801 on or before expiration of **Due Diligence Documents Resolution Deadline**.

802 **10.6.3. Zoning.** Buyer has the Right to Terminate under § 24.1., on or before **Due Diligence**

803 **Documents Objection Deadline**, based on any unsatisfactory zoning and any use restrictions imposed by

804 any governmental agency with jurisdiction over the Property, in Buyer's sole subjective discretion.

805 **10.6.4. Due Diligence – Environmental, ADA.** Buyer has the right to obtain environmental

806 inspections of the Property including Phase I and Phase II Environmental Site Assessments, as applicable.

807 Seller Buyer will order or provide **Phase I Environmental Site Assessment**, **Phase II**

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816 **Environmental Site Assessment** (compliant with most current version of the applicable ASTM E1527
817 standard practices for Environmental Site Assessments) and/or *n/a*, at the expense of Seller Buyer
818 (Environmental Inspection). In addition, Buyer, at Buyer's expense, may also conduct an evaluation whether
819 the Property complies with the *Americans with Disabilities Act* (ADA Evaluation). All such inspections and
820 evaluations must be conducted at such times as are mutually agreeable to minimize the interruption of
821 Seller's and any Seller's tenants' business uses of the Property, if any.

822 If Buyer's Phase I Environmental Site Assessment recommends a Phase II Environmental Site
823 Assessment, the **Environmental Inspection Termination Deadline** will be extended by *n/a* days (Extended
824 Environmental Inspection Objection Deadline) and if such Extended Environmental Inspection Objection
825 Deadline extends beyond the **Closing Date**, the **Closing Date** will be extended a like period of time. In such
826 event, Seller Buyer must pay the cost for such Phase II Environmental Site Assessment.

827 Notwithstanding Buyer's right to obtain additional environmental inspections of the Property in this §
828 10.6.4., Buyer has the Right to Terminate under § 24.1., on or before **Environmental Inspection**
829 **Termination Deadline**, or if applicable, the Extended Environmental Inspection Objection Deadline, based on
830 any unsatisfactory results of Environmental Inspection, in Buyer's sole subjective discretion.

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

833 **10.7. Conditional Upon Sale of Property.** This Contract is conditional upon the sale and closing of
834 that certain property owned by Buyer and commonly known as *n/a*. Buyer has the Right to Terminate under §
835 24.1. effective upon Seller's receipt of Buyer's Notice to Terminate on or before **Conditional Sale Deadline** if
836 such property is not sold and closed by such deadline. This Section is for the sole benefit of Buyer. If Seller
837 does not receive Buyer's Notice to Terminate on or before **Conditional Sale Deadline**, Buyer waives any
838 Right to Terminate under this provision.

839 **10.8. Source of Potable Water (Residential Land and Residential Improvements Only).**
840 **[Intentionally Deleted - See Residential Addendum if applicable]**

841 **10.9. Existing Leases; Modification of Existing Leases; New Leases.** Seller states that none of
842 the Leases to be assigned to the Buyer at the time of Closing contain any rent concessions, rent reductions
843 or rent abatements except as disclosed in the Lease or other writing received by Buyer. Seller will not amend,
844 alter, modify, extend or cancel any of the Leases nor will Seller enter into any new leases affecting the
845 Property without the prior written consent of Buyer, which consent will not be unreasonably withheld or
846 delayed.

847 **10.10. Lead-Based Paint. [Intentionally Deleted - See Residential Addendum if applicable]**

848 **10.11. Carbon Monoxide Alarms. [Intentionally Deleted - See Residential Addendum if**
849 **applicable]**

850 **10.12. Methamphetamine Disclosure. [Intentionally Deleted - See Residential Addendum if**
851 **applicable]**

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857 **11. TENANT ESTOPPEL STATEMENTS.**

858 **11.1. Estoppel Statements Conditions.** Buyer has the right to review and object to any Estoppel
859 Statements. Seller must request from all tenants of the Property and if received by Seller, deliver to Buyer on
860 or before **Estoppel Statements Deadline**, statements in a form and substance reasonably acceptable to
861 Buyer, from each occupant or tenant at the Property (Estoppel Statement) attached to a copy of the Lease
862 stating:

863 **11.1.1.** The commencement date of the Lease and scheduled termination date of the Lease;

864 **11.1.2.** That said Lease is in full force and effect and that there have been no subsequent
865 modifications or amendments;

866 **11.1.3.** The amount of any advance rentals paid, rent concessions given and deposits paid to
867 Seller;

868 **11.1.4.** The amount of monthly (or other applicable period) rental paid to Seller;

869 **11.1.5.** That there is no default under the terms of said Lease by landlord or occupant; and

870 **11.1.6.** That the Lease to which the Estoppel Statement is attached is a true, correct and
871 complete copy of the Lease demising the premises it describes.
872
873

874 **11.2. Seller Estoppel Statement.** In the event Seller does not receive from all tenants of the Property
875 a completed signed Estoppel Statement, Seller agrees to complete and execute an Estoppel Statement
876 setting forth the information and documents required §11.1. above and deliver the same to Buyer on or
877 before **Estoppel Statements Deadline**.

878 **11.3. Estoppel Statements Termination.** Buyer has the Right to Terminate under § 24.1., on or
879 before **Estoppel Statements Termination Deadline**, based on any unsatisfactory Estoppel Statement, in
880 Buyer’s sole subjective discretion, or if Seller fails to deliver the Estoppel Statements on or before **Estoppel**
881 **Statements Deadline**. Buyer also has the unilateral right to waive any unsatisfactory Estoppel Statement.
882

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884 **CLOSING PROVISIONS**
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887 **12. CLOSING DOCUMENTS, INSTRUCTIONS AND CLOSING.**

888 **12.1. Closing Documents and Closing Information.** Seller and Buyer will cooperate with the
889 Closing Company to enable the Closing Company to prepare and deliver documents required for Closing to
890 Buyer and Seller and their designees. If Buyer is obtaining a loan to purchase the Property, Buyer
891 acknowledges Buyer’s lender is required to provide the Closing Company, in a timely manner, all required
892 loan documents and financial information concerning Buyer’s loan. Buyer and Seller will furnish any
893 additional information and documents required by Closing Company that will be necessary to complete this
894 transaction. Buyer and Seller will sign and complete all customary or reasonably required documents at or
895 before Closing.
896

897 **12.2. Closing Instructions.** Colorado Real Estate Commission’s Closing Instructions **Are**
898 **Are Not** executed with this Contract.

899 **12.3. Closing.** Delivery of deed from Seller to Buyer will be at closing (Closing). Closing will be on the
900 date specified as the **Closing Date** or by mutual agreement at an earlier date. At Closing, Seller agrees to
901 deliver a set of keys for the Property to Buyer. The hour and place of Closing will be as designated by
902 [Listing Agent](#).
903

904 **12.4. Disclosure of Settlement Costs.** Buyer and Seller acknowledge that costs, quality and extent
905 of service vary between different settlement service providers (e.g., attorneys, lenders, inspectors and title
906 companies).
907

908 **12.5. Assignment of Leases.** Seller must assign to Buyer all Leases at Closing that will continue
909 after Closing and Buyer must assume Seller’s obligations under such Leases. Further, Seller must transfer to
910 Buyer all Leased Items and assign to Buyer such leases for the Leased Items accepted by Buyer pursuant to
911 § 2.5.7. (Leased Items).
912

913 **13. TRANSFER OF TITLE.** Subject to Buyer’s compliance with the terms and provisions of this Contract,
914 including the tender of any payment due at Closing, Seller must execute and deliver the following good and
915 sufficient deed to Buyer, at Closing: special warranty deed general warranty deed
916 bargain and sale deed quit claim deed personal representative’s deed [n/a](#) deed. Seller, provided
917 another deed is not selected, must execute and deliver a good and sufficient special warranty deed to Buyer,
918 at Closing.
919

920 Unless otherwise specified in § 29 (Additional Provisions), if title will be conveyed using a special
921 warranty deed or a general warranty deed, title will be conveyed “subject to statutory exceptions” as defined
922 in §38-30-113(5)(a), C.R.S.
923

924 **14. PAYMENT OF LIENS AND ENCUMBRANCES.** Unless agreed to by Buyer in writing, any amounts
925 owed on any liens or encumbrances securing a monetary sum against the Property and Inclusions, including
926 any governmental liens for special improvements installed as of the date of Buyer’s signature hereon,
927 whether assessed or not, and previous years’ taxes, will be paid at or before Closing by Seller from the
928 proceeds of this transaction or from any other source.
929

930 **15. CLOSING COSTS, FEES, ASSOCIATION STATUS LETTER AND DISBURSEMENTS, TAXES AND**
931

932 **WITHHOLDING.**

933 **15.1. Closing Costs.** Buyer and Seller must pay, in Good Funds, their respective closing costs and all
934 other items required to be paid at Closing, except as otherwise provided herein.

935 **15.2. Closing Services Fee.** The fee for real estate closing services must be paid at Closing by
936 Buyer Seller **One-Half by Buyer and One-Half by Seller** Other n/a.

938 **15.3. Association Fees and Required Disbursements.** At least fourteen days prior to **Closing Date**,
939 Seller agrees to promptly request that the Closing Company or the Association deliver to Buyer a current
940 Status Letter, if applicable. Any fees associated with or specified in the Status Letter will be paid as follows:

941 **15.3.1. Status Letter Fee.** Any fee incident to the issuance of Association’s Status Letter must
942 be paid by Buyer Seller **One-Half by Buyer and One-Half by Seller** **N/A**.

944 **15.3.2. Record Change Fee.** Any Record Change Fee must be paid by Buyer Seller
945 **One-Half by Buyer and One-Half by Seller** **N/A**.

946 **15.3.3. Assessments, Reserves or Working Capital.** All assessments required to be paid in
947 advance (other than Association Assessments as defined in § 16.2. (Association Assessments), reserves or
948 working capital due at Closing must be paid by Buyer Seller
949 **One-Half by Buyer and One-Half by Seller** **N/A**.

951 **15.3.4. Other Fees.** Any other fee listed in the Status Letter as required to be paid at Closing will
952 be paid by Buyer Seller **One-Half by Buyer and One-Half by Seller** **N/A**.

953 **15.4. Local Transfer Tax.** Any Local Transfer Tax must be paid at Closing by Buyer Seller
954 **One-Half by Buyer and One-Half by Seller** **N/A**.

955 **15.5. Sales and Use Tax.** Any sales and use tax that may accrue because of this transaction must be
956 paid when due by Buyer Seller **One-Half by Buyer and One-Half by Seller** **N/A**.

957 **15.6. Private Transfer Fee.** Any private transfer fees and other fees due to a transfer of the Property,
958 payable at Closing, such as community association fees, developer fees and foundation fees, must be paid at
959 Closing by Buyer Seller **One-Half by Buyer and One-Half by Seller** **N/A**.

961 **15.7. Water Transfer Fees.** Water Transfer Fees can change. The fees, as of the date of this
962 Contract, do not exceed \$ **TBD** for:

- 963 Water Stock/Certificates Water District
- 964 Augmentation Membership Small Domestic Water Company **Town of Paonia Water and**
965 **Sewer Taps**

966 and must be paid at Closing by Buyer Seller **One-Half by Buyer and One-Half by Seller** **N/A**.

968 **15.8. Utility Transfer Fees.** Utility transfer fees can change. Any fees to transfer utilities from Seller to
969 Buyer must be paid by Buyer Seller **One-Half by Buyer and One-Half by Seller** **N/A**.

970 **15.9. FIRPTA and Colorado Withholding.**

971 **15.9.1. FIRPTA.** The Internal Revenue Service (IRS) may require a substantial portion of the
972 Seller’s proceeds be withheld after Closing when Seller is a foreign person. If required withholding does not
973 occur, the Buyer could be held liable for the amount of the Seller’s tax, interest and penalties. If the box in
974 this Section is checked, Seller represents that Seller **IS** a foreign person for purposes of U.S. income
975 taxation. If the box in this Section is not checked, Seller represents that Seller is not a foreign person for
976 purposes of U.S. income taxation. Seller agrees to cooperate with Buyer and Closing Company to provide
977 any reasonably requested documents to verify Seller’s foreign person status. If withholding is required, Seller
978 authorizes Closing Company to withhold such amount from Seller’s proceeds. Seller should inquire with
979 Seller’s tax advisor to determine if withholding applies or if an exemption exists.

981 **15.9.2. Colorado Withholding.** The Colorado Department of Revenue may require a portion of
982 the Seller’s proceeds be withheld after Closing when Seller will not be a Colorado resident after Closing, if
983 not otherwise exempt. Seller agrees to cooperate with Buyer and Closing Company to provide any
984 reasonably requested documents to verify Seller’s status. If withholding is required, Seller authorizes Closing
985 Company to withhold such amount from Seller’s proceeds. Seller should inquire with Seller’s tax advisor to
986 determine if withholding applies or if an exemption exists.

988 **16. PRORATIONS AND ASSOCIATION ASSESSMENTS.**

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

16.1.1. **Taxes.** Personal property taxes, if any, special taxing district assessments, if any, and general real estate taxes for the year of Closing, based on

Taxes for the Calendar Year Immediately Preceding Closing

Most Recent Mill Levy and Most Recent Assessed Valuation, adjusted by any applicable qualifying seniors property tax exemption, qualifying disabled veteran exemption or **Other**

There shall be no tax proration at closing, as Seller is exempt from taxes. Buyer will be assessed taxes from the County from the date of closing onward.

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

16.1.3. **Other Prorations.** Water and sewer charges, propane, interest on continuing loan and n/a

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

16.2. **Association Assessments.** Current regular Association assessments and dues (Association Assessments) paid in advance will be credited to Seller at Closing. Cash reserves held out of the regular Association Assessments for deferred maintenance by the Association will not be credited to Seller except as may be otherwise provided by the Governing Documents. Buyer acknowledges that Buyer may be obligated to pay the Association, at Closing, an amount for reserves or working capital. Any special assessment assessed prior to **Closing Date** by the Association will be the obligation of **Buyer** **Seller.** Except however, any special assessment by the Association for improvements that have been installed as of the date of Buyer's signature hereon, whether assessed prior to or after Closing, will be the obligation of Seller unless otherwise specified in Additional Provisions. Seller represents there are no unpaid regular or special assessments against the Property except the current regular assessments and // n/a

Association Assessments are subject to change as provided in the Governing Documents.

17. **POSSESSION.** Possession of the Property and Inclusions will be delivered to Buyer on **Possession Date** at **Possession Time**, subject to the Leases as set forth in § 10.6.1.1.

If Seller, after Closing occurs, fails to deliver possession as specified, Seller will be subject to eviction and will be additionally liable to Buyer, notwithstanding § 20.2. (If Seller is in Default), for payment of \$ 100 per day (or any part of a day notwithstanding § 3.3., Day) from **Possession Date** and **Possession Time** until possession is delivered.

General Provisions

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

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

1049 prior to Closing or, at the option of Buyer, (1) Seller must assign to Buyer the right to the proceeds at Closing,
1050 if acceptable to Seller's insurance company and Buyer's lender; or (2) the parties may enter into a written
1051 agreement prepared by the parties or their attorney requiring the Seller to escrow at Closing from Seller's
1052 sale proceeds the amount Seller has received and will receive due to such damage, not exceeding the total
1053 Purchase Price, plus the amount of any deductible that applies to the insurance claim.

1054 **18.2. Damage, Inclusions and Services.** Should any Inclusion or service (including utilities and
1055 communication services), system, component or fixture of the Property (collectively Service) (e.g., heating or
1056 plumbing), fail or be damaged between the date of this Contract and Closing or possession, whichever is
1057 earlier, then Seller is liable for the repair or replacement of such Inclusion or Service with a unit of similar
1058 size, age and quality, or an equivalent credit, but only to the extent that the maintenance or replacement of
1059 such Inclusion or Service is not the responsibility of the Association, if any, less any insurance proceeds
1060 received by Buyer covering such repair or replacement. If the failed or damaged Inclusion or Service is not
1061 repaired or replaced on or before Closing or possession, whichever is earlier, Buyer has the Right to
1062 Terminate under § 24.1., on or before **Closing Date**, or, at the option of Buyer, Buyer is entitled to a credit at
1063 Closing for the repair or replacement of such Inclusion or Service. Such credit must not exceed the Purchase
1064 Price. If Buyer receives such a credit, Seller's right for any claim against the Association, if any, will survive
1065 Closing.
1066

1067 **18.3. Condemnation.** In the event Seller receives actual notice prior to Closing that a pending
1068 condemnation action may result in a taking of all or part of the Property or Inclusions, Seller must promptly
1069 notify Buyer, in writing, of such condemnation action. Buyer has the Right to Terminate under § 24.1., on or
1070 before **Closing Date**, based on such condemnation action, in Buyer's sole subjective discretion. Should
1071 Buyer elect to consummate this Contract despite such diminution of value to the Property and Inclusions,
1072 Buyer is entitled to a credit at Closing for all condemnation proceeds awarded to Seller for the diminution in
1073 the value of the Property or Inclusions, but such credit will not include relocation benefits or expenses or
1074 exceed the Purchase Price.
1075

1076 **18.4. Walk-Through and Verification of Condition.** Buyer, upon reasonable notice, has the right to
1077 walk through the Property prior to Closing to verify that the physical condition of the Property and Inclusions
1078 complies with this Contract.
1079

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1081 **19. RECOMMENDATION OF LEGAL AND TAX COUNSEL.** By signing this Contract, Buyer and Seller
1082 acknowledge that their respective broker has advised that this Contract has important legal consequences
1083 and has recommended: (1) legal examination of title; (2) consultation with legal and tax or other counsel
1084 before signing this Contract as this Contract may have important legal and tax implications; (3) to consult with
1085 their own attorney if Water Rights, Mineral Rights or Leased Items are included or excluded in the sale; and
1086 (4) to consult with legal counsel if there are other matters in this transaction for which legal counsel should be
1087 engaged and consulted. Such consultations must be done timely as this Contract has strict time limits,
1088 including deadlines, that must be complied with.
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1091 **20. TIME OF ESSENCE, DEFAULT AND REMEDIES.** Time is of the essence for all dates and deadlines
1092 in this Contract. This means that all dates and deadlines are strict and absolute. If any payment due,
1093 including Earnest Money, is not paid, honored or tendered when due, or if any obligation is not performed
1094 timely as provided in this Contract or waived, the non-defaulting party has the following remedies:

1095 **20.1. If Buyer is in Default:**

1096 **20.1.1. Specific Performance.** Seller may elect to cancel this Contract and all Earnest Money
1097 (whether or not paid by Buyer) will be paid to Seller and retained by Seller. It is agreed that the Earnest
1098 Money is not a penalty, and the parties agree the amount is fair and reasonable. Seller may recover such
1099 additional damages as may be proper. Alternatively, Seller may elect to treat this Contract as being in full
1100 force and effect and Seller has the right to specific performance or damages, or both.
1101

1102 **20.1.2. Liquidated Damages, Applicable. This § 20.1.2. applies unless the box in § 20.1.1. is**
1103 **checked.** Seller may cancel this Contract. All Earnest Money (whether or not paid by Buyer) will be paid to
1104 Seller and retained by Seller. It is agreed that the Earnest Money amount specified in § 4.1. is LIQUIDATED
1105 DAMAGES and not a penalty, which amount the parties agree is fair and reasonable and (except as provided
1106

1107 in §§ 10.4. and 21), such amount is SELLER'S ONLY REMEDY for Buyer's failure to perform the obligations
1108 of this Contract. Seller expressly waives the remedies of specific performance and additional damages.

1109 **20.2. If Seller is in Default:**

1110 **20.2.1. Specific Performance, Damages or Both.** Buyer may elect to treat this Contract as
1111 canceled, in which case all Earnest Money received hereunder will be returned to Buyer and Buyer may
1112 recover such damages as may be proper. Alternatively, in addition to the per diem in § 17 (Possession) for
1113 failure of Seller to timely deliver possession of the Property after Closing occurs, Buyer may elect to treat this
1114 Contract as being in full force and effect and Buyer has the right to specific performance or damages, or
1115 both.
1116

1117 **20.2.2. Seller's Failure to Perform.** In the event Seller fails to perform Seller's obligations under
1118 this Contract, to include, but not limited to, failure to timely disclose Association violations known by Seller,
1119 failure to perform any replacements or repairs required under this Contract or failure to timely disclose any
1120 known adverse material facts, Seller remains liable for any such failures to perform under this Contract after
1121 Closing. Buyer's rights to pursue the Seller for Seller's failure to perform under this Contract are reserved and
1122 survive Closing.
1123

1124
1125 **21. LEGAL FEES, COST AND EXPENSES.** Anything to the contrary herein notwithstanding, in the event
1126 of any arbitration or litigation relating to this Contract, prior to or after **Closing Date**, the arbitrator or court
1127 must award to the prevailing party all reasonable costs and expenses, including attorney fees, legal fees and
1128 expenses.
1129

1130 **22. MEDIATION.** If a dispute arises relating to this Contract (whether prior to or after Closing) and is not
1131 resolved, the parties must first proceed, in good faith, to mediation. Mediation is a process in which the
1132 parties meet with an impartial person who helps to resolve the dispute informally and confidentially. Mediators
1133 cannot impose binding decisions. Before any mediated settlement is binding, the parties to the dispute must
1134 agree to the settlement, in writing. The parties will jointly appoint an acceptable mediator and will share
1135 equally in the cost of such mediation. The obligation to mediate, unless otherwise agreed, will terminate if the
1136 entire dispute is not resolved within thirty days of the date written notice requesting mediation is delivered by
1137 one party to the other at that party's last known address (physical or electronic as provided in § 26). Nothing
1138 in this Section prohibits either party from filing a lawsuit and recording a *lis pendens* affecting the Property,
1139 before or after the date of written notice requesting mediation. This Section will not alter any date in this
1140 Contract, unless otherwise agreed.
1141
1142

1143 **23. EARNEST MONEY DISPUTE.** Except as otherwise provided herein, Earnest Money Holder must
1144 release the Earnest Money following receipt of written mutual instructions, signed by both Buyer and Seller.
1145 In the event of any controversy regarding the Earnest Money, Earnest Money Holder is not required to
1146 release the Earnest Money. Earnest Money Holder, in its sole subjective discretion, has several options: (1)
1147 wait for any proceeding between Buyer and Seller; (2) interplead all parties and deposit Earnest Money into a
1148 court of competent jurisdiction (Earnest Money Holder is entitled to recover court costs and reasonable
1149 attorney and legal fees incurred with such action); or (3) provide notice to Buyer and Seller that unless
1150 Earnest Money Holder receives a copy of the Summons and Complaint or Claim (between Buyer and Seller)
1151 containing the case number of the lawsuit (Lawsuit) within one hundred twenty days of Earnest Money
1152 Holder's notice to the parties, Earnest Money Holder is authorized to return the Earnest Money to Buyer. In
1153 the event Earnest Money Holder does receive a copy of the Lawsuit and has not interplead the monies at the
1154 time of any Order, Earnest Money Holder must disburse the Earnest Money pursuant to the Order of the
1155 Court. The parties reaffirm the obligation of § 22 (Mediation). This Section will survive cancellation or
1156 termination of this Contract.
1157
1158
1159

1160 **24. TERMINATION.**

1161 **24.1. Right to Terminate.** If a party has a right to terminate, as provided in this Contract (Right to
1162 Terminate), the termination is effective upon the other party's receipt of a written notice to terminate (Notice to
1163 Terminate), provided such written notice was received on or before the applicable deadline specified in this
1164 Contract.
1165

1166 Contract. If the Notice to Terminate is not received on or before the specified deadline, the party with the
1167 Right to Terminate accepts the specified matter, document or condition as satisfactory and waives the Right
1168 to Terminate under such provision.

1169 **24.2. Effect of Termination.** In the event this Contract is terminated, and all Earnest Money received
1170 hereunder is timely returned to Buyer, the parties are relieved of all obligations hereunder, subject to §§ 10.4.
1171 and 21.

1173 **25. ENTIRE AGREEMENT, MODIFICATION, SURVIVAL; SUCCESSORS.** This Contract, its exhibits and
1174 specified addenda, constitute the entire agreement between the parties relating to the subject hereof and any
1175 prior agreements pertaining thereto, whether oral or written, have been merged and integrated into this
1176 Contract. No subsequent modification of any of the terms of this Contract is valid, binding upon the parties, or
1177 enforceable unless made in writing and signed by the parties. Any right or obligation in this Contract that, by
1178 its terms, exists or is intended to be performed after termination or Closing survives the same. Any successor
1179 to a party receives the predecessor's benefits and obligations of this Contract.
1180

1182 **26. NOTICE, DELIVERY AND CHOICE OF LAW.**

1183 **26.1. Physical Delivery and Notice.** Any document or notice to Buyer or Seller must be in writing,
1184 except as provided in § 26.2. and is effective when physically received by such party, any individual named in
1185 this Contract to receive documents or notices for such party, Broker, or Brokerage Firm of Broker working
1186 with such party (except any notice or delivery after Closing must be received by the party, not Broker or
1187 Brokerage Firm).
1188

1189 **26.2. Electronic Notice.** As an alternative to physical delivery, any notice may be delivered in
1190 electronic form to Buyer or Seller, any individual named in this Contract to receive documents or notices for
1191 such party, Broker or Brokerage Firm of Broker working with such party (except any notice or delivery after
1192 Closing, cancellation or Termination must be received by the party, not Broker or Brokerage Firm) at the
1193 electronic address of the recipient by facsimile, email or n/a.
1194

1195 **26.3. Electronic Delivery.** Electronic Delivery of documents and notice may be delivered by: (1) email
1196 at the email address of the recipient, (2) a link or access to a website or server provided the recipient
1197 receives the information necessary to access the documents, or (3) facsimile at the facsimile number (Fax
1198 No.) of the recipient.

1199 **26.4. Choice of Law.** This Contract and all disputes arising hereunder are governed by and construed
1200 in accordance with the laws of the State of Colorado that would be applicable to Colorado residents who sign
1201 a contract in Colorado for real property located in Colorado.
1202

1203 **27. NOTICE OF ACCEPTANCE, COUNTERPARTS.** This proposal will expire unless accepted in writing,
1204 by Buyer and Seller, as evidenced by their signatures below and the offering party receives notice of such
1205 acceptance pursuant to § 26 on or before **Acceptance Deadline Date** and **Acceptance Deadline Time**. If
1206 accepted, this document will become a contract between Seller and Buyer. A copy of this Contract may be
1207 executed by each party, separately and when each party has executed a copy thereof, such copies taken
1208 together are deemed to be a full and complete contract between the parties.
1209

1210 **28. GOOD FAITH.** Buyer and Seller acknowledge that each party has an obligation to act in good faith
1211 including, but not limited to, exercising the rights and obligations set forth in the provisions of **Financing**
1212 **Conditions and Obligations; Title Insurance, Record Title and Off-Record Title; New ILC, New Survey;**
1213 **and Property Disclosure, Inspection, Indemnity, Insurability and Due Diligence.**
1214
1215

1216 **ADDITIONAL PROVISIONS AND ATTACHMENTS**
1217

1218 **29. ADDITIONAL PROVISIONS.** (The following additional provisions have not been approved by the
1219 Colorado Real Estate Commission.)
1220

1221 **1. The Town's obligation to pay the purchase price and any other costs under this Contract**
1222
1223

1224 are contingent upon the Town`s receipt of a Congressionally-Directed (grant) funding or
1225 USDA Rural Development (grant) funding in the full amount of the purchase price
1226 (\$1,500,000.00). If by July 31, 2024 the Town does not receive such funds in such amount, or
1227 a legally binding commitment that it will receive such funds, then this Contract shall
1228 automatically terminate, with written notice to the Seller.
1229

1230
1231 2. This Contract is contingent upon approval by the Board of Education for Delta County
1232 School District 50J, which shall address the Contract within 21 days of MEC. If the Board of
1233 Education does not approve this Contract, then the Contract will automatically terminate,
1234 with written notice given to Buyer.
1235

1236 3. The abbreviation "NOA" (notice of acceptance) means the date upon which the Board of
1237 Education has approved this contract
1238

1239
1240 4. This effectiveness of this Contract is contingent upon approval by the Board of Trustees of
1241 the Town of Paonia, which shall address the Contract within 21 days of MEC. If the Paonia
1242 Board of Trustees does not approve this Contract, then the Contract will automatically
1243 terminate, with written notice given to Seller.
1244

1245 5. Nothing in this Contract is intended or shall be deemed or construed as creating any
1246 multiple-fiscal year direct or indirect debt or financial obligation on the part of the Town
1247 within the meaning of Colorado Constitution Article X, Section 20 or any other constitutional
1248 or statutory provision. All financial obligations of the Town under this Contract are subject to
1249 budgeting and appropriation by the Paonia Board of Trustees, in its sole discretion.
1250 Notwithstanding anything in this Contract to the contrary, in the event of non-appropriation
1251 of funds necessary to pay the purchase price or other costs for which Buyer is responsible
1252 under this Contract, this Contract shall automatically terminate, with written notice to Seller.
1253 This clause is intended to be broad and inclusive in accordance with the TABOR provision of
1254 the Colorado Constitution; however, it is most likely to be triggered in the event the Town
1255 would be required to pay part of the purchase price or closing or other costs from the
1256 general or other funds of the Town, whether or not subject to reimbursement from
1257 Congressionally-Directed Grant or USDA Rural Development Grant funds, as such sums may
1258 not yet be budgeted for or appropriated at such time as they become due.
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1273 **30. OTHER DOCUMENTS.**

1274 **30.1. Documents Part of Contract.** The following documents are a part of this Contract:
1275 Exhibit A. the attached Legal Description per recorded Boundary Adjustment Plat
1276 recorded under Reception # 750218
1277

1278
1279
1280 **30.2. Documents Not Part of Contract.** The following documents have been provided but are not a
1281

1282 part of this Contract:
1283 n/a
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Signatures

Mary Bachran, Mayor

Date: 2/20/2024

Buyer: **Town of Paonia**
By: Mary Bachran, Mayor

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

_____ Date: _____

Seller: **Delta County School District 50J**
By: Caryn Gibson, Superintendent

END OF CONTRACT TO BUY AND SELL REAL ESTATE

BROKER'S ACKNOWLEDGMENTS AND COMPENSATION DISCLOSURE.

A. Broker Working With Buyer

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

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

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

Brokerage Firm's compensation or commission is to be paid by **Listing Brokerage Firm** **Buyer**
 Other Liz Heidrick shall be changed to a Transaction Broker.

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

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Brokerage Firm's Name: **Needlerock Mountain Realty**

Brokerage Firm's License #: **EC100006650**

Liz Heidrick

Date: **2/20/2024**

Broker's Name: **Liz Heidrick**

Broker's License #: **40041520**

Address: **380 HWY 92 Crawford, CO 81415**

Phone No.: **970-921-5331**

Fax No.: **970-921-4595**

Email Address: ***liz.needlerock@gmail.com***

B. Broker Working with Seller

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

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

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

Brokerage Firm's compensation or commission is to be paid by **Seller** **Buyer** **Other** **Liz Heidrick shall be changed to a Transaction Broker.**

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

Brokerage Firm's Name: **Needlerock Mountain Realty & Land, LLC**

Brokerage Firm's License #: **EC100006650**

Date: _____

Broker's Name: **Marsha Brezonick**

Broker's License #: **EA40020989**

Address: **236 Grand Ave, PO Box 520 Paonia, CO 81428**

1399 Phone No.: **970-527-5331**

1400 Fax No.:

1402 Email Address: **marshabrezonick@gmail.com**

1403 _____ Date: _____
1404

1406 Broker's Name: **Liz Heidrick**

1407 Broker's License #: **40041520**

1409 Brokerage Firm's Name: **Needlerock Mountain Realty**

1410 Brokerage Firm's License #:

1412 Address: **380 HWY 92 Crawford, CO 81415**

1414 Phone No.: **970-921-5331**

1415 Fax No.: **970-921-5331**

1417 Email Address: **liz.needlerock@gmail.com**

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CBS3-6-23. CONTRACT TO BUY AND SELL REAL ESTATE (COMMERCIAL)

1425

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1426

EXHIBIT A
LEGAL DESCRIPTION

LOT 1

A Parcel of land located within Government Lot 2 of Section 6, Township 14 South, Range 91 West of the 6th P.M., having a description based upon a bearing of S.89°05'26"E. from the E1/16 Corner common to Sections 31 and 6 (monumented by a 1-1/2" aluminum cap RLS1456) to the Section Corner common to Sections 5, 6, 31 and 32 (monumented by a 3-1/4" USGLO Brass cap), with all other bearings relative thereto and being more particularly described as follows: Beginning at a point on the southerly right-of-way line of 5th Street from whence said E1/16 corner bears N.86°51'31"E. 159.12 feet; thence leaving said southerly right-of-way line and running S.01°15'39"E. 51.94 feet; thence S.01°19'28"W. 17.35 feet; thence S.00°10'17"E. 148.00 feet; thence S.89°32'01"E. 14.74 feet; thence S.00°50'45"W. 5.89 feet; thence S.46°15'36"E. 85.03 feet; thence S.01°37'56"E. 140.56 feet to the northerly right-of-way line of 4th Street; thence along the northerly right-of-way line of 4th Street N.89°17'51"W. 391.84 feet to the easterly right-of-way line of Grand Ave.; thence along the easterly right-of-way line of Grand Ave. N.00°45'30"E. 3.38 feet to the southeasterly right-of-way line of 5th Street; thence along the southeasterly right-of-way line of 5th Street the following four (4) courses: (1) on a tangent curve to the right 302.47 feet, with a radius of 425.00 feet, with a chord bearing and distance of N.21°08'49"E. 296.13 feet; (2) thence N.41°32'08"E. 69.56 feet; (3) thence on a tangent curve to the right 168.73 feet, with a radius of 275.00 feet, with a chord bearing and distance of N.59°06'48"E. 166.10 feet; (4) thence N.86°39'25"E. 15.03 feet to the Point of Beginning, said parcel contains 2.531 acres, more or less.

Town of Paonia, County of Delta, State of Colorado



Needlerock Mountain Realty
 Liz Heidrick
 Ph: 970-921-5331 Fax: 970-921-4595

The printed portions of this form, except differentiated additions, have been approved by the Colorado Real Estate Commission (CS23-10-06) (Mandatory 1-07)

**CHANGE OF STATUS
 TRANSACTION-BROKERAGE DISCLOSURE**

[Note: This form is to be used at the time a broker changes the brokerage relationship from an agency relationship to a Transaction-Brokerage relationship.]

For purposes of this disclosure, seller also means landlord (which includes sublandlord) and buyer also means tenant (which includes subtenant).

This form discloses to Seller and Buyer the change in brokerage relationship from an agency relationship to a transaction- brokerage relationship. This change is effective only for the transaction between Seller and Buyer for the property described below and does not change the relationship with Broker for other transactions.

Regarding: **218 4th Street, Paonia, CO 81428.**

Seller: **Delta County School District 50J**

Buyer: **Town of Paonia**

As agreed to between Brokerage Firm and the undersigned in the following contract:

- Exclusive Right-to-Sell Listing Contract, dated **7-6-2022**
- Exclusive Right-to-Lease Listing Contract, dated
- Exclusive Right-to Buy Contract, dated
- Exclusive Tenant Contract, dated
- Other contract titled: **Contract to Buy Sell**, dated **2-16-2024**

Broker will be working as a Transaction-Broker with both Buyer and Seller and will assist both parties with communication, advice, negotiation, contracting and closing without being an agent or advocate for either party.

THIS IS NOT A CONTRACT.

Receipt of this Disclosure form is hereby acknowledged on **2-16-2024** (date).

_____ Date: _____

Seller: **Delta County School District 50J**
By: Caryn Gibson, Superintendent

Mary Bachran, Mayor

Date: **2/20/2024**

Buyer: **Town of Paonia**
By: Mary Bachran, Mayor

On **2-16-2024** (date), I provided Seller Buyer with a copy of this Disclosure form and retained a copy for the Broker's records..

Brokerage Firm's Name: **Needlerock Mountain Realty**

Liz Heidrick

Broker

Date: 2/20/2024

Liz Heidrick

(CS23-10-06) CHANGE OF STATUS (Transaction-Brokerage Disclosure)

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The printed portions of this form, except differentiated additions, have been approved by the Colorado Real Estate Commission. (DD25-5-09) (Mandatory 7-09)

DIFFERENT BROKERAGE RELATIONSHIPS ARE AVAILABLE WHICH INCLUDE SELLER AGENCY, BUYER AGENCY OR TRANSACTION-BROKERAGE.

DEFINITIONS OF WORKING RELATIONSHIPS

For purposes of this document, seller also means "landlord" (which includes sublandlord) and buyer also means "tenant" (which includes subtenant).

Seller's Agent: A seller's agent (or listing agent) works solely on behalf of the seller to promote the interests of the seller with the utmost good faith, loyalty and fidelity. The agent negotiates on behalf of and acts as an advocate for the seller. The seller's agent must disclose to potential buyers all adverse material facts actually known by the seller's agent about the property. A separate written listing agreement is required which sets forth the duties and obligations of the broker and the seller.

Buyer's Agent: A buyer's agent works solely on behalf of the buyer to promote the interests of the buyer with the utmost good faith, loyalty and fidelity. The agent negotiates on behalf of and acts as an advocate for the buyer. The buyer's agent must disclose to potential sellers all adverse material facts actually known by the buyer's agent including the buyer's financial ability to perform the terms of the transaction and, if a residential property, whether the buyer intends to occupy the property. A separate written buyer agency agreement is required which sets forth the duties and obligations of the broker and the buyer.

Transaction-Broker: A transaction-broker assists the buyer or seller or both throughout a real estate transaction by performing terms of any written or oral agreement, fully informing the parties, presenting all offers and assisting the parties with any contracts, including the closing of the transaction without being an agent or advocate for any of the parties. A transaction-broker must use reasonable skill and care in the performance of any oral or written agreement, and must make the same disclosures as agents about all adverse material facts actually known by the transaction-broker concerning a property or a buyer's financial ability to perform the terms of a transaction and, if a residential property, whether the buyer intends to occupy the property. No written agreement is required.

Customer: A customer is a party to a real estate transaction with whom the broker has no brokerage relationship because such party has not engaged or employed the broker, either as the party's agent or as the party's transaction-broker.

THIS IS NOT A CONTRACT.

I acknowledge receipt of a copy of this document on **2-16-2024**.

Mary Bachran, Mayor _____ Date: 2/20/2024

Signature: **Town of Paonia**
By: Mary Bachran, Mayor

On , Broker provided with this document via and retained a copy for the Broker's records.

Brokerage Firm: **Needlerock Mountain Realty**

Broker *Liz Heidrick* _____ Date: 2/20/2024
Liz Heidrick

218 4th St
Paonia, CO 81428



Commercial Property Information Packet
Contact Marsha Brezonick & Liz Heidrick
(970) 361-6305 / (970) 234-5344
www.needlerockrealty.com/

Prime Location Commercial Building



218 4th Street, Paonia, CO

MLS #	Building SQFT	Property Acreage	Listing Price	Price per SQ FT (Interior)
796590	33,860	2.53	\$2,500,000	\$73.83

MASSIVE BUILDING IN PICTURESQUE DOWNTOWN PAONIA WITH ENDLESS OPPORTUNITIES. Once a loved School Building, this 33,860 MOL sq ft building on 2.53 acres has been a vocational school, public meeting place and commercial training center. Recently this facility had 13 rooms totally updated! Several rooms have their own independent outside access doors, which sparks the imagination towards multi living units concept. Large meeting rooms with overhead projectors and a massive auditorium/gymnasium with hardwood flooring leaves room for even more creative thinking. Big industrial workshop with newer ventilation system set up for automotive training or ????? Kitchen facility with dining area will need to be updated but has many valuable fixtures and features built right in. There are multiple bathrooms throughout the building including four that are ADA accessible. The building has a newer 96% efficient boiler, 208v 3 phase electric, camera security system and more. Large Parking area behind the building and the existing infrastructure will lend itself to multiple uses. The Town of Paonia domestic water line into the building is a 2" line, which can typically service 6-10 single family homes. Currently zoned Public, a change of use will require re-zoning by the Town of Paonia. Buyers should consult with the Town regarding any intended use. Imagine your project here within walking distance to the POPULAR TOWN PARK and Downtown Shopping District of Paonia. Western Colorado continues to attract wonderful people and we need to work and repurpose buildings like this to help keep our communities vital and strong. This is located in the OPPORTUNITY ZONE! Provenance is priceless in terms of memories here, but it is time for a new DREAM to take hold.

Contact Marsha Brezonick & Liz Heidrick

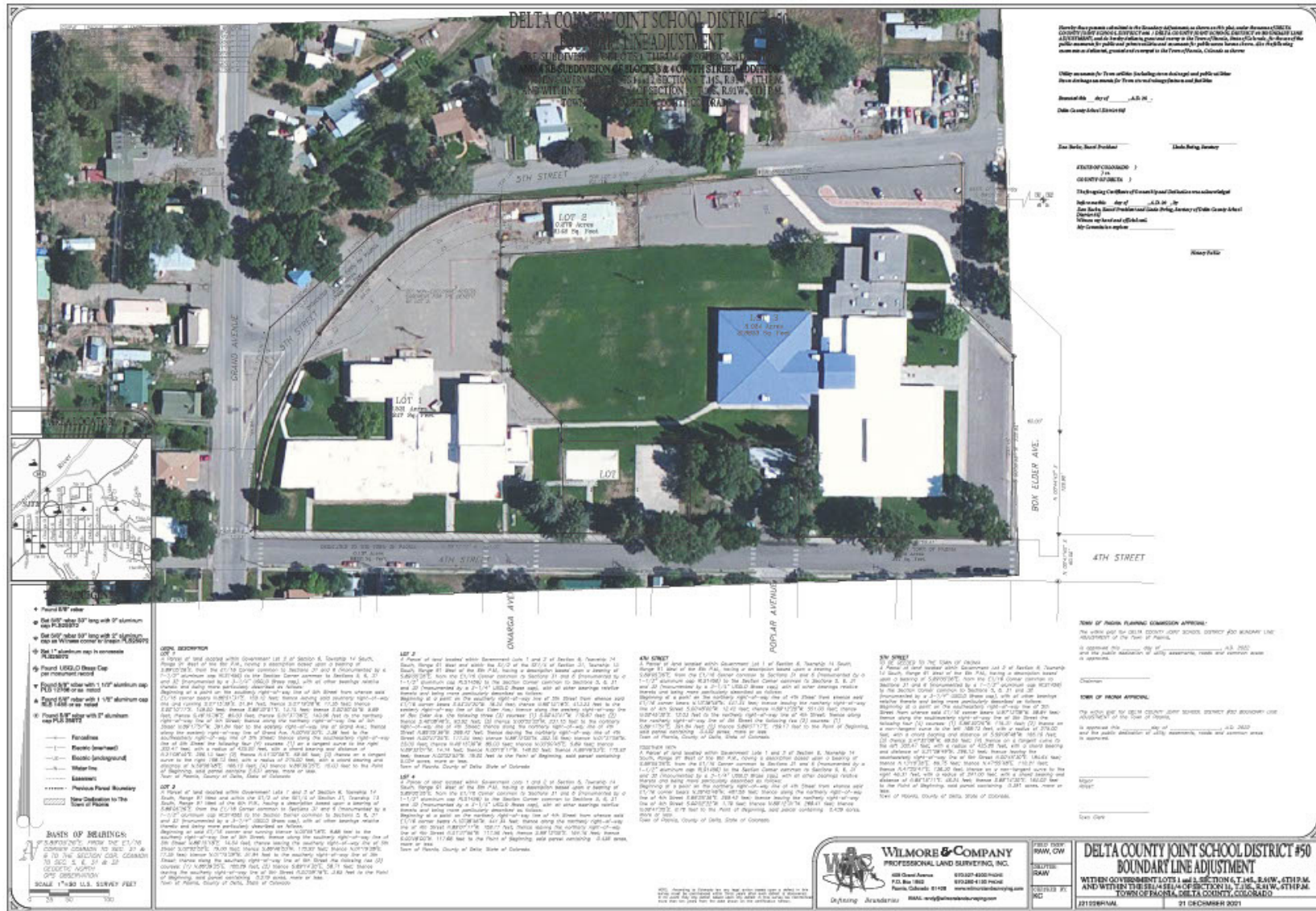
(970) 361-6305 / (970) 234-5344

Needlerockrealty.com

Information deemed reliable, but not guaranteed and should be verified.



View From Above/Boundary Adjustment Plat



Contact Marsha Brezonick & Liz Heidrick
 (970) 361-6305 / (970) 234-5344

Needlerockrealty.com

Information deemed reliable, but not guaranteed and should be verified.

Floor Plan

April 5, 2017

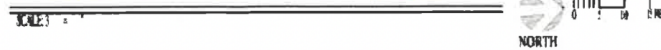


Building COST	\$46,114.35	Building Admin	\$ 19,535	Utility fee	\$ 26,579
S.f. heated	31092		\$ 0.82	s.f.	

Places with asbestos flooring

PAONIA ENERGY TECH 218 4TH STREET PAONIA

31,291 s.f.



Contact Marsha Brezonick & Liz Heidrick
 (970) 361-6305 / (970) 234-5344

Needlerockrealty.com

Information deemed reliable, but not guaranteed and should be verified.

Features

Honeywell IFP-100 Silent Knight alarm & strobe system, currently monitored by Superior Alarm. High Efficiency (96%) Thermic Boiler, Trane Mechanical Control System, lines in place for future cooling system, T-5 and T18 Lighting, 2012 electrical updated, Camera Security System, overhead projectors (2), 208 v 3phase electric.

Additional Information

Plat with Boundary Adjustment will be recorded prior to transfer.

Tax Parcel includes a portion of the elementary building, does not reflect boundary adjustment. No tax history because School District is exempt. Internet was provided through district network. Elevate is available in the area, but not installed in the building. Asbestos tile and mastick/glue in cafeteria and some closets.



Directions: From Highway 133, head South on Grand Ave. The building is on the left at 4th Street and Grand Ave.



Contact Marsha Brezonick & Liz Heidrick
(970) 361-6305 / (970) 234-5344

Needlerockrealty.com

Information deemed reliable, but not guaranteed and should be verified.

Outside Photographs



Contact Marsha Brezonick & Liz Heidrick
(970) 361-6305 / (970) 234-5344

Needlerockrealty.com

Information deemed reliable, but not guaranteed and should be verified.

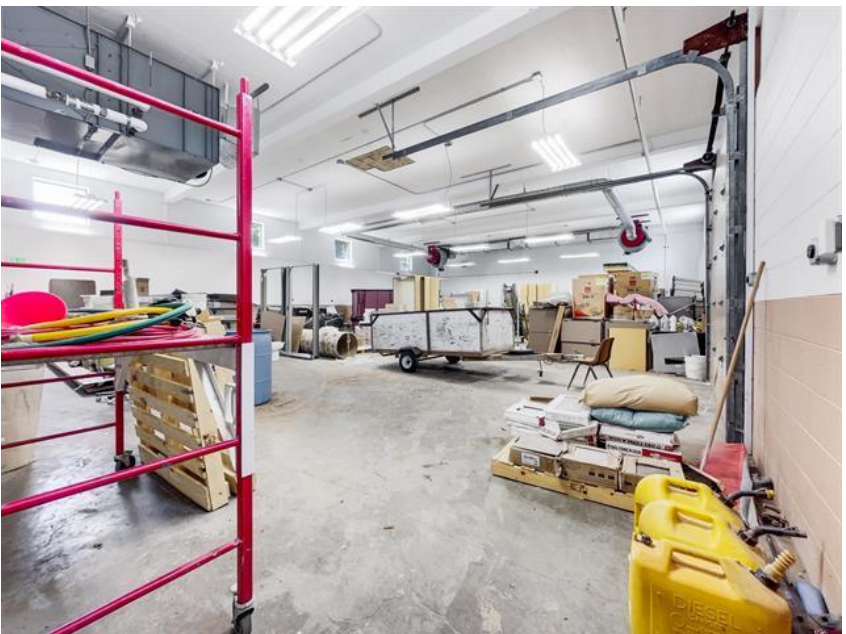




Contact Marsha Brezonick & Liz Heidrick
(970) 361-6305 / (970) 234-5344

Needlerockrealty.com

Information deemed reliable, but not guaranteed and should be verified.



Contact Marsha Brezonick & Liz Heidrick

(970) 361-6305 / (970) 234-5344

Needlerockrealty.com

Information deemed reliable, but not guaranteed and should be verified.



General Information

Possible Uses

- Automotive
- General Office
- Lodging
- Apartments
- Manufacturing
- Mixed-Use
- Multi-Flex/R & D
- Office Warehouse
- Other
- Professional/Medical
- Restaurant
- Retail Storefront
- Retail Warehouse
- Showroom
- Special Use
- Warehouse

*Rezoning will be required

UTILITIES

- Water/Sewer: Town of Paonia (970) 527-4101
- Natural Gas: Black Hills Energy (888) 890-5554
- Electricity: DMEA (877) 687-3632
- Fiber Internet: Elevate (844) 386-8744
- Utility Records Available Upon Request

PROPERTY SYSTEMS

- Heating: Forced Air/Boiler/Other
- Heating Fuel: Natural Gas
- Lighting: Fluorescent/Other



Contact Marsha Brezonick & Liz Heidrick
(970) 361-6305 / (970) 234-5344

Needlerockrealty.com

Information deemed reliable, but not guaranteed and should be verified.

DRAFT – FOR DISCUSSION ONLY – NO FORMAL ACTION
CHANGES FROM FEBRUARY 13 MEETING DRAFT SHOWN IN TRACKED CHANGES

ORDINANCE NO. 2024-__

AN ORDINANCE AMENDING CHAPTERS 7 AND 10 OF THE PAONIA MUNICIPAL CODE REGARDING INOPERABLE VEHICLES, ANIMALS, AND OPEN BURNING

WHEREAS, the Town of Paonia (the “Town”) is a municipal corporation duly organized and existing under the laws of the State of Colorado; and

WHEREAS, the Town is authorized under state law to regulate junked and inoperable vehicles, health, sanitation, and animals, and open burning; and

WHEREAS, the Board of Trustees determines that it is in the best interest of the community and the public health, safety and welfare of the citizens of the Town to amend the Town Code as set forth in this ordinance; and

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF TRUSTEES OF THE TOWN OF PAONIA, COLORADO, AS FOLLOWS:

Section 1. Section 7-2-160 of the Paonia Municipal Code is hereby amended to read as follows (words added are underlined; words deleted are ~~stricken through~~):

Sec. 7-2-160. - Inoperable vehicles prohibited; penalty.

A. Except as specifically provided in this section, it is unlawful for any person, whether as owner, lessee, or person in possession or control to park, store or leave, or permit to be parked, stored or left any inoperable vehicle on any lot or land within the Town, or for any person to park, store or leave any inoperable vehicle on any public right-of-way or other public property within the Town. The presence of an inoperable vehicle, or partially dismantled vehicle parts thereof, on public or private property in violation of this Section is declared a public nuisance. It is unlawful for any person or agent, either as owner, lessee, tenant or occupant of any lot or land within the Town, to park, store or deposit or permit to be parked, stored or deposited thereon an inoperable vehicle unless such vehicle is enclosed in a garage or other building. The provisions of this Section shall not apply to any person or agent with one (1) vehicle inoperable for a period of less than thirty (30) consecutive days, or to any person who is conducting a business enterprise in compliance with existing zoning regulations.

B. Except as specifically provided in this Section, it is unlawful for any person to repair or work on any motor vehicle or, as owner, lessee, tenant, or occupant of any lot or land within the Town, to permit such repair or work on such

lot or land, unless the repair or work is conducted in a fully enclosed structure and in such a manner so as not to create a safety, health or fire hazard. This subsection shall not apply to minor repair and maintenance of a motor vehicle such as, by way of example, the changing of oil, sparkplugs and tires, so long as the length of time of such minor work does not exceed seventy-two (72) hours and so long as the vehicle on which such minor work is performed is parked on a graveled or paved driveway or parking area, or in a carport, and not on public property or otherwise within a front yard setback.

C. This Section shall not apply to any vehicle within a fully enclosed structure; or to any vehicle held in connection with a business enterprise which is lawfully operating in an appropriate zone district pursuant to the zoning laws of the Town. In addition, this Section shall not apply to the outdoor parking, storing, or leaving by the owner, lessee, tenant, or occupant of such lot or parcel, of not more than one inoperable vehicle per lot or parcel of real property if such vehicle is located on a graveled or paved driveway or parking area, or in a carport, not located in the front setback and entirely covered with a one-piece opaque heavy tarp or commercially-manufactured car cover of a size appropriate to the subject vehicle, securely fastened at all times, or otherwise fully screened from being viewed from public rights-of-way and neighboring properties with materials or landscaping complying with applicable zoning and building regulations and approved in writing by the Town Administrator.

D. For the purposes of this section, the following definitions shall apply:

1. *Inoperable vehicle* means any motor vehicle that does not have a current license plate and validation sticker lawfully affixed thereto; or is in a condition of being junked, wrecked, wholly or partially dismantled, discarded, or abandoned; or is unable to perform the functions or purpose for which it was originally constructed; or is not capable of being promptly started and driven under its own power upon a street.

2. *Motor vehicle* means a self-propelled vehicle which as originally built contained an engine, regardless of whether it contains an engine at any other time, including, without limitation, automobiles, trucks, buses, motor homes, motorized campers, motorcycles, motor scooters, mopeds, tractors, and dune buggies and other off-the-road vehicles.

E. Any violation of this section may be subject to abatement as provided in this Chapter and to the penalties described in Chapter 1, Article 4 of this Code. All remedies are cumulative and the exercise of one shall not be deemed to prevent the exercise of another nor to bar nor abate any prosecution under this section.

F. It shall be an affirmative defense to prosecution under this Section that the violation was remedied within seventy-two (72) hours of the violation date and time as indicated on the summons.

Section 2. Section 7-7-330 of the Paonia Municipal Code is hereby amended to read as follows (words added are underlined; words deleted are ~~stricken through~~):

Sec. 7-7-330. - Animals running at large; leash required; exceptions.

(a) Restraining. It is unlawful for any person owning or having charge of any dog or other animal, except domestic house cats, to permit such animal to run at large, ~~unless such animal is~~ A dog or other animal is presumed to be running at large when it is neither on the premises of the owner or other person having charge of the animal, nor restrained by a substantial leash not to exceed ten (10) feet in length ~~and is in the charge of~~ held by or tied to a person competent to restrain such animal.

~~(b) Nuisance. It is unlawful for any animal owner or keeper to harbor, maintain or permit on any lot, parcel of land or premises under his or her control any dog or other animal which, by any sound or cry, shall disturb the peace and comfort of the inhabitants of the neighborhood or interfere with any person in the reasonable and comfortable enjoyment of life or property.~~

~~(c) Injured animals. Animals injured on public property shall be impounded and given adequate veterinary medical treatment pending notification of the owner.~~

~~(b) (d) Exceptions. Running on owner's premises. The provisions Subsection (a) of this Section does~~ do not:

(1) prohibit animals from running off leash at large on the premises of the owner or person having charge of such animal, provided the animal is confined within a fence or under the close supervision of the owner or person having charge of such animal, and except that any female animal in heat must be confined in a structure or pen, substantial in nature, so as to restrain said female and to prevent contact with male animals running at large.

(2) prohibit dogs from running off leash within a clearly marked, off-leash area designated, licensed, or sanctioned by the Town.

(3) apply to professionally trained, service animals utilized to assist physically impaired persons when accompanied by their masters, nor to animals participating in animal shows, animal exhibits or animal training activities to the extent such exhibits and activities are conducted in compliance with law.

Section 4. Section 7-7-350 of the Paonia Municipal Code is hereby deleted in its entirety and replaced to read as follows:

Sec. 7-7-350. - Animal disturbances.

It is unlawful for any animal owner or keeper to harbor, maintain or permit on any lot, parcel of land or premises under his or her control any dog or other animal which, by any sound or cry, shall disturb the peace and comfort of the inhabitants of the neighborhood or interfere with any person in the reasonable and comfortable enjoyment of life or property.

Section 5. Chapter 10, Article 10 of the Paonia Municipal Code is hereby amended by the addition of a new Section 10-10-20, to read as follows:

Sec. 10-10-20. - Open fires prohibited.

(a) Definitions. For purposes of this Section, the following terms shall have the following meanings:

Chiminea means a freestanding front-loading fireplace or oven with a bulbous body and usually a vertical smoke vent or chimney.

Fire pit means a permanently affixed receptacle designed and constructed with enclosed sides, a bottom, and a flue or chimney, the entirety of which must be made from cement, brick, rock, clay, or other masonry, or sheet metal, or similar materials capable of enduring fire and extinguishing methods.

Household trash means any mixture or quantity of flammable or inflammable waste materials such as garbage, rubbish, waste paper, cardboard, plastics, metal cans, or any materials discarded from a home, public or private institution, or business.

Open fire means any outdoor fire, including but not limited to campfires, warming fires, bonfires or the burning of fields, trash, or debris.

Outdoor fireplace means a commercially-manufactured fire pit or fire place, which need not be permanently affixed, such as a chiminea, fire bowl, or other container designed specifically to contain fire, which is intended for outdoor use; the term expressly does not include burn barrels.

(b) It is unlawful for a person to set, maintain or allow the setting or maintenance of an open fire unless the fire is contained in:

- (1) a Town-installed fire pit or grill on public property; or
- (2) a fire pit, grill, ~~or~~ chiminea, or outdoor fireplace on private property.

(c) Any person who lawfully sets, maintains, or allows the setting or maintaining of an open fire under this Section shall ensure that the open fire is:

- (1) under constant supervision; and
- (2) immediately extinguished upon notification by a peace officer, code enforcement officer, or fire official that, in such official’s opinion, such fire constitutes a hazardous condition. The production of smoke and particulates in an amount that unreasonably interferes with the use and enjoyment of any other property shall constitute a hazardous condition.

(d) It is unlawful for any person to burn any item or materials prohibited for burning under state law, which include, but may not be limited to:

- (1) material that contains food wastes, plastic, coated or treated wood products, rubber, insulation, tires, car bodies, insulated wire, motor oil, aerosol cans, hazardous or toxic materials, or other materials that will produce substantial amounts of smoke and particulates.
- (2) wood residue, which includes bark, sawdust, slabs, chips, shavings, mill trim, and other wood products derived from wood processing.
- (3) construction debris (includes both clean and treated wood).
- (4) buildings or structures for demolition purposes.
- (5) material for which a practical alternative method of disposal exists. ~~household trash, rubber, plastics, tires, asphaltic, shingles, insulation, building materials, or similar dense smoke producing substances.~~

(e) It is unlawful for any person to burn any item or materials for which the state requires an open burning permit without first obtaining the required permit from the state, which include, but may not be limited to, yard waste that does not include salvageable wood or tree stumps, such as dry weeds, garden waste, tree brush, or shrub brush, and slash piles. A person may burn ~~dry weeds, garden waste, tree brush, or shrub waste~~ household trash without a permit from the state, subject to and in accordance with subsections (b) and (c), above.

(f) It is unlawful for any person to set, maintain, or allowing the setting

or maintaining of an open fire, or burn any item, in a burn barrel.

(g) In addition to other remedies available under this Code, the Chief of Police or the Chief’s designee may order any open fire extinguished for violations of this Section.

Section 6. All other ordinances or portions thereof inconsistent or conflicting with this Ordinance or any portion hereof are hereby repealed to the extent of such inconsistency or conflict.

Section 7. If any article, section, paragraph, sentence, clause, or phrase of this Ordinance is held to be unconstitutional or invalid for any reason, such decision shall not affect the validity or constitutionality of the remaining portions of this Ordinance. The Board of Trustees hereby declares that it would have passed this Ordinance and each part or parts hereof irrespective of the fact that any one part or parts be declared unconstitutional or invalid.

Section 8. This Ordinance shall take effect thirty (30) days after adoption and publication.

HEARD AND FINALLY ADOPTED by the Board of Trustees of the Town of Paonia, Colorado, this ___ day of _____, 2024.

**TOWN OF PAONIA, COLORADO,
a Colorado municipal corporation**

By: _____
Mary Bachran, Mayor

ATTEST:

Samira Vetter, Town Clerk

RESOLUTION NO. 03-2024

A RESOLUTION ADOPTING A POLICY CONCERNING TOWN OFFICER, EMPLOYEE, AND BOARD MEMBER CONSULTATION WITH THE TOWN ATTORNEY.

WHEREAS, by this resolution, the Board of Trustees of the Town of Paonia desires to adopt a policy for Town officer, employee, and Board member consultation with the Town Attorney, for purposes of limiting legal fees incurred by the Town without compromising the Town’s legal, contractual, and liability avoidance interests.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE TOWN OF PAONIA:

Section 1. Town Board members, excepting the Mayor, shall request the services of the Town Attorney through the Town Administrator. Upon receiving such a request, the Town Administrator, in his informed discretion concerning the necessity of legal services relative to the matter, will either pass the request along to the Town Attorney, or, if the Town Administrator anticipates the matter will require significant legal services or otherwise requires or would benefit from input from the entire Board, place the request on a regular or special meeting agenda for discussion and potential direction.

Section 2. The Mayor, Town Administrator, Police Chief, and Town Clerk, and in such officers’ absence, such officers’ designees, may request legal services from the Town Attorney at any time without Board approval, subject to the Town’s organizational structure and applicable personnel policies, provided that the subject officer or designee has determined, in such person’s informed discretion, that the advice, opinion, or legal services of the Town Attorney are needed.

PASSED AND ADOPTED this 27th day of February, 2024.

TOWN OF PAONIA, COLORADO

By: _____
Mary Bachran, Mayor

ATTEST:

Samira M. Vetter, Town Clerk

APPROVED AS TO FORM:

By: /s/ Nicolas Cotton-Baez _____
Kelly PC, Town Attorney