

Memo

To: Town Council

From: Melody Harrison, Town Clerk

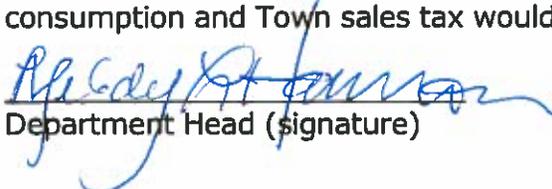
Date: October 20, 2015

Re: New Castle Liquors, Inc. dba New Castle Liquors

Recommendation: Staff recommends that Council approve an application from New Castle Liquors, Inc. dba New Castle Liquors for a Retail Liquor Store License.

Policy Implications: Adopting this recommendation would be consistence with the requirements of the State Liquor Code.

Budget Implications: Adopting this recommendation would allow New Castle Liquors, Inc. dba New Castle Liquors to sell malt, vinous, and spirituous liquors for off-premises consumption and Town sales tax would be collected on sales of these beverages.


Department Head (signature)

Finance Director (signature)

Town Administrator (signature)

Background: New Castle Liquors, Inc. dba New Castle Liquors applied for a Retail Liquor Store License for 820 Castle Valley Boulevard, #104, on September 1, 2015. The application is complete, and all fees have been paid. The application included an Affidavit of Transfer from the previous liquor license holder. New Castle Liquors currently operates the liquor store and sells alcohol on the Temporary Liquor License issued by the Town Clerk.

Staff mailed in the fingerprint card to Colorado Bureau of Investigation and received a clean report on Mr. Scott Gauldin. Unfortunately, Ms. Amanda Gauldin's fingerprints were rejected several times, and we have yet to receive a report on her.

Staff recommends that the council approve the application based on the applicant's representations concerning the lack of criminal convictions on the application. If the CBI report shows otherwise then such could be grounds for future notice of violation.

**TOWN OF NEW CASTLE
RESOLUTION NO. TC-2015-16**

A Resolution of the Town Council of the Town of New Castle Approving an Application from New Castle Liquors, Inc. for a Retail Liquor Store License.

WHEREAS, New Castle Liquors, Inc. dba New Castle Liquors (Applicant) has applied for a retail liquor store license at 820 Castle Valley Boulevard, #104, New Castle, Colorado; and

WHEREAS, the Town Council of the Town of New Castle held a duly noticed public hearing on October 20, 2015 to consider the application; and

WHEREAS, the Town Council listened to testimony from staff, the Applicant, and members of the public concerning the application; and

WHEREAS, the Town Council finds:

1. Within the previous 2 years, the Town Council has not denied an application for the same class of license at this location or within 500 feet of this location for the reason that the reasonable requirements of the neighborhood and the desires of the adult inhabitants were satisfied by the existing outlets;
2. The Applicant is entitled to possession of the premises to be licensed by ownership, lease, rental, or other arrangement;
3. The sale of alcohol beverages at the premises is permitted under the zoning regulations applicable to the premises;
4. The building in which the alcohol beverages are to be sold is not located within 500 feet of any public or parochial school or the principal campus of any college, university, or seminary;
5. The Applicant's officers, and members holding 10 percent or more interest in the Applicant, are of good moral character;
6. The reasonable requirements of the neighborhood for the type of license for which application has been made; the desires of the adult inhabitants; and the number, type, and availability of alcohol beverage outlets located in or near the neighborhood under consideration justify the granting of the license; and

WHEREAS, based on the application and the testimony, the Town Council desires to approve the application.

NOW, THEREFORE, BE IT RESOLVED by the Town Council of the Town of New Castle, Colorado:

1. Recitals. The Town Council adopts the foregoing recitals as findings of fact and determinations of the Council.
2. Definition of the Application. The Application consists of the documents and information identified by the Town Clerk, plus all representations of the Applicant reflected in the minutes of the Town Council public hearing on October 20, 2015.

3. Approval. The Town Council approves the Application.

Introduced, Read and Adopted at a regular meeting of the Town Council of the Town of New Castle, Colorado, on October 20, 2015.

TOWN OF NEW CASTLE

Mayor Bob Gordon

ATTEST:

Town Clerk Melody Harrison, CMC

**NOTICE OF PUBLIC HEARING
New Castle Town Council**

Date: October 20, 2015

Time: 7:00 PM

**Place of hearing: New Castle Town Hall, 450 West
Main Street, New Castle, CO**

**Brief description
of application: Retail Liquor License for Premises
located at 820 Castle Valley
Boulevard, #104, New Castle, CO**

Applicant: New Castle Liquors, Inc.

**Officers: Scott & Amanda Gauldin, 68 Crestone
Way, New Castle, CO**

All interested persons are invited to appear and state their views, protests or objections. If you cannot appear personally at such hearing, then you are urged to state your views by letter to the Town of New Castle, P.O. Box 90, New Castle, CO 81647.

AFFIDAVIT OF TRANSFER AND STATEMENT OF COMPLIANCE

Pursuant to the requirements of 12-47-303(3)(b), Colorado Revised Statutes, Licensee hereby states that all accounts for alcohol beverages sold to the Applicant are:

- Paid in full. There are no outstanding accounts with any Colorado Wholesalers.
- Licensee hereby certifies that the following is a complete list of accounts for alcohol beverages that are unpaid:

Licensee and Applicant agree that all accounts will be paid for from the proceeds at closing by the: Licensee Applicant

- Licensee unavailable to certify disposition of accounts for alcohol beverages - Inventory list attached. Transfer by operation of law - Regulation 47-304.
- Applicant will assume full responsibility for payment of the outstanding accounts as listed above.
- No alcohol beverage inventory transferred or sold.

Licensee hereby authorizes the transfer of its Colorado Retail Liquor License to the Applicant, its agent, or a company, corporation, partnership or other business entity to be formed by the Applicant.

Dated this 1st day of Sept., 20 15.

Seller:

Elmer Suds Ltd. 23962 680000
Licensee & License Number

Elmer Suds Liquor Mart
Trade name

Douglas C. Lyons
Signature

President
Position

Douglas C. Lyons
Print Name

Buyer:

New Castle Liquors, Inc.
Applicant

New Castle Liquors
Trade name

J. Scott Gauldin
Signature

President
Position

J. Scott Gauldin
Print Name



**TOWN OF NEW CASTLE
TEMPORARY ALCOHOLIC
BEVERAGE PERMIT**

New Castle Liquors
820 Castle Valley Boulevard, #104
68 Crestone Way
New Castle, Colorado 81647

Licensed Premises: 820 Castle Valley Boulevard, #104
Permit #: 15-TEMP-002

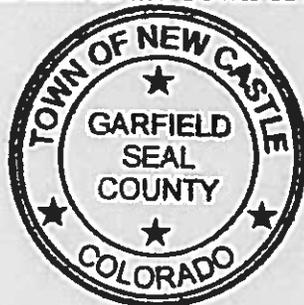
This certifies that having paid the required fee of \$100.00,
New Castle Liquors
has been granted Town of New Castle Temporary Permit Number 15-TEMP-002

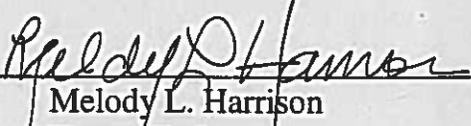
To conduct business and sell malt, vinous and spirituous liquors in accordance with the Retail Liquor Store License of Elmer Suds Ltd., for premises located at 820 Castle Valley Boulevard, #104, known as Elmer Suds Liquor Mart.

This temporary permit shall be valid until such time that the application to transfer ownership of the license to New Castle Liquors is granted or denied, or for one hundred twenty (120) days, whichever occurs first.

Such temporary permit may be cancelled, revoked or summarily suspended if the Town Council of New Castle or the Colorado Department of Revenue determines that there is probable cause to believe that Lazy Bear Restaurant has violated any provision of the Colorado Liquor Code or the Colorado Beer Code or has violated any rule or regulation adopted by the Town Council of New Castle or the Colorado Department of Revenue or has failed to truthfully disclose those matters required pursuant to the application forms required by the Colorado Department of Revenue.

Given under my hand and the seal of the Town of New Castle, September 1, 2015.



Town of New Castle
By: 
Melody L. Harrison
Town Clerk

This license must be posted in a conspicuous place at the license premises and is not transferrable

Colorado Liquor Retail License Application

New License
 New-Concurrent
 Transfer of Ownership

- All answers must be printed in black ink or typewritten
- Applicant must check the appropriate box(es)
- Applicant should obtain a copy of the Colorado Liquor and Beer Code: www.colorado.gov/enforcement/liquor
- Local License Fee \$ _____

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

2. Applicant If an LLC, name of LLC; if partnership, at least 2 partner's names; if corporation, name of corporation FEIN Number
 New Castle Liquors, Inc. 47-4710125

2a. Trade Name of Establishment (DBA) State Sales Tax Number Business Telephone
 New Castle Liquors 30132697 970-984-3707

3. Address of Premises (specify exact location of premises, include suite/unit numbers)
 820 Castle Valley Blvd. #104

City County State ZIP Code
 New Castle Garfield CO 81647

4. Mailing Address (Number and Street) City or Town State ZIP Code
 68 Crestone Way New Castle CO 81647

5. Email Address
 sgauldin64@gmail.com

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

Present Trade Name of Establishment (DBA) Present State License Number Present Class of License Present Expiration Date
 Elmer Suds Liquor Mart 23962680000 Liquor Store (City) 6-18-16

Section A Nonrefundable Application Fees	Section B (Cont.) Liquor License Fees
<input type="checkbox"/> Application Fee for New License..... \$ 600.00	<input type="checkbox"/> Liquor Licensed Drugstore (City)..... \$227.50
<input type="checkbox"/> Application Fee for New License w/Concurrent Review \$ 700.00	<input type="checkbox"/> Liquor Licensed Drugstore (County) \$312.50
<input checked="" type="checkbox"/> Application Fee for Transfer..... \$ 600.00	<input type="checkbox"/> Manager Registration - H & R \$ 75.00
Section B Liquor License Fees	<input type="checkbox"/> Manager Registration - Tavern..... \$ 75.00
<input type="checkbox"/> Add Optional Premises to H & R.....\$100.00 X _____ Total _____	<input type="checkbox"/> Master File Location Fee\$ 25.00 X _____ Total _____
<input type="checkbox"/> Add Related Facility to Resort Complex\$ 75.00 X _____ Total _____	<input type="checkbox"/> Master File Background\$250.00 X _____ Total _____
<input type="checkbox"/> Arts License (City) \$308.75	<input type="checkbox"/> Optional Premises License (City) \$500.00
<input type="checkbox"/> Arts License (County) \$308.75	<input type="checkbox"/> Optional Premises License (County) \$500.00
<input type="checkbox"/> Beer and Wine License (City)..... \$351.25	<input type="checkbox"/> Racetrack License (City)..... \$500.00
<input type="checkbox"/> Beer and Wine License (County) \$436.25	<input type="checkbox"/> Racetrack License (County) \$500.00
<input type="checkbox"/> Brew Pub License (City) \$750.00	<input type="checkbox"/> Resort Complex License (City)..... \$500.00
<input type="checkbox"/> Brew Pub License (County)..... \$750.00	<input type="checkbox"/> Resort Complex License (County)..... \$500.00
<input type="checkbox"/> Club License (City)..... \$308.75	<input type="checkbox"/> Retail Gaming Tavern License (City) \$500.00
<input type="checkbox"/> Club License (County) \$308.75	<input type="checkbox"/> Retail Gaming Tavern License (County)..... \$500.00
<input type="checkbox"/> Distillery Pub License (City)..... \$750.00	<input checked="" type="checkbox"/> Retail Liquor Store License (City)..... \$227.50
<input type="checkbox"/> Distillery Pub License (County) \$750.00	<input type="checkbox"/> Retail Liquor Store License (County) \$312.50
<input type="checkbox"/> Hotel and Restaurant License (City) \$500.00	<input type="checkbox"/> Tavern License (City) \$500.00
<input type="checkbox"/> Hotel and Restaurant License (County) \$500.00	<input type="checkbox"/> Tavern License (County)..... \$500.00
<input type="checkbox"/> Hotel and Restaurant License w/one opt premises (City) \$600.00	<input type="checkbox"/> Vintners Restaurant License (City) \$750.00
<input type="checkbox"/> Hotel and Restaurant License w/one opt premises(County)..... \$600.00	<input type="checkbox"/> Vintners Restaurant License (County)..... \$750.00

Questions? Visit: www.colorado.gov/enforcement/liquor for more information

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

Liability Information

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

Application Documents Checklist and Worksheet

Instructions: This checklist should be utilized to assist applicants with filing all required documents for licensure. All documents must be properly signed and correspond with the name of the applicant exactly. All documents must be typed or legibly printed. Upon final State approval the license will be mailed to the local licensing authority. Application fees are nonrefundable.

Questions? Visit: www.colorado.gov/enforcement/liquor 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 <input type="checkbox"/> E. Additional information may be required by the local licensing authority
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 type="checkbox"/> C. Separate diagram for each floor (if multiple levels) <i>N/A</i> <input type="checkbox"/> D. Kitchen - identified if Hotel and Restaurant <i>N/A</i> <input checked="" type="checkbox"/> E. Bold/Outlined Licensed Premises
III.	Proof of property possession (One Year Needed) <input type="checkbox"/> A. Deed in name of the Applicant (or) (matching question #2) date stamped / filed with County Clerk <input checked="" type="checkbox"/> B. Lease in the name of the Applicant (or) (matching question #2) <input 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) (Attach prior lease to show right to assumption)
IV.	Background information and financial documents <input checked="" type="checkbox"/> A. Individual History Records(s) (Form DR 8404-I) <i>Previously submitted</i> <input checked="" type="checkbox"/> B. Fingerprints taken and submitted to local authority (State Authority for Master File applicants) <i>Previously submitted</i> <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>N/A</i>
V.	Sole proprietor / husband and wife partnership <i>N/A</i> <input type="checkbox"/> A. Form DR4679 <input 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 dated stamped by the Secretary of State <input checked="" type="checkbox"/> B. Certificate of Good Standing <input type="checkbox"/> C. Certificate of Authorization if foreign corporation <i>N/A</i> <input checked="" type="checkbox"/> D. List of officers, directors and stockholders of Applying Corporation (If wholly owned, designate a minimum of one person as Principal Officer of Parent)
VII.	Partnership applicant information (if applicable) <i>N/A</i> <input type="checkbox"/> A. Partnership Agreement (general or limited). Not needed if husband and wife <input type="checkbox"/> B. Certificate of Good Standing (If formed after 2009)
VIII.	Limited Liability Company applicant information (if applicable) <i>N/A</i> <input type="checkbox"/> A. Copy of articles of organization (date stamped by Colorado Secretary of State's Office) <input type="checkbox"/> B. Certificate of Good Standing <input type="checkbox"/> C. Copy of operating agreement <input type="checkbox"/> D. Certificate of Authority if foreign company
IX.	Manager registration for hotel and restaurant, tavern licenses when included with this application <i>N/A</i> <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

7. Is 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) or manager under the age of twenty-one years? Yes No

8. Has 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) or manager ever (in Colorado or any other state):

(a) Been denied an alcohol beverage license?

(b) Had an alcohol beverage license suspended or revoked?

(c) Had interest in another entity that had an alcohol beverage license suspended or revoked?

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.

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?

Waiver by local ordinance?
Other: _____

11. Has a liquor or beer license ever been issued to the applicant (including any of the partners, if a partnership; members or manager if a Limited Liability Company; or officers, stockholders or directors if a corporation)? If yes, identify the name of the business and list any current financial interest in said business including any loans to or from a licensee.

12. Does the Applicant, as listed on line 2 of this application, have legal possession of the premises by virtue of ownership, lease or other arrangement?

Ownership Lease Other (Explain in Detail) _____

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

Landlord <i>Burning Mountain Associates LLLP</i>	Tenant <i>New Castle Liquors, Inc.</i>	Expires <i>11-30-16</i>
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b. Is a percentage of alcohol sales included as compensation to the landlord? If yes complete question 13.

c. Attach a diagram and outline or designate the area to be licensed (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".

13. 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. *NIA*

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.

14. Optional Premises or Hotel and Restaurant Licenses with Optional Premises: *NIA*

Has a local ordinance or resolution authorizing optional premises been adopted?

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

15. Liquor Licensed Drug Store applicants, answer the following: *NIA*

(a) Does the applicant for a Liquor Licensed Drug Store have a license issued by the Colorado Board of Pharmacy?

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

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

(a) Is the applicant organization operated solely for a national, social, fraternal, patriotic, political or athletic purpose and not for pecuniary gain?

(b) Is the applicant organization a regularly chartered branch, lodge or chapter of a national organization which is operated solely for the object of a patriotic or fraternal organization or society, but not for pecuniary gain?

(c) How long has the club been incorporated?

(d) Has applicant occupied an establishment for three years (three years required) that was operated solely for the reasons stated above?

17. Brew-Pub License or Vintner Restaurant Applicants answer the following: *NIA*

(a) Has the applicant received or applied for a Federal Permit? (Copy of permit or application must be attached)

18a. For all on-premises applicants. *NIA*
(If this is an application for a Hotel, Restaurant or Tavern License, the manager must also submit an individual History Record - DR 8404-I)

Last Name of Manager	First Name of Manager	Date of Birth

18b. 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. *NIA*

Name	Type of License	Account Number

19. Tax Distraint Information. Does the applicant or any other person listed on this application and including its partners, officers, directors, stockholders, members (LLC) or managing members (LLC) and any other persons with a 10% or greater financial interest in the applicant currently have an outstanding tax distraint issued to them by the Colorado Department of Revenue?

If yes, provide an explanation and include copies of any payment agreements.

20. 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 submit fingerprint cards to the local licensing authority.

* Jeffrey Scott Gauldin

Name	Home Address, City & State	DOB	Position	% Owned
Jeffrey Scott Gauldin	68 Crestone Way, New Castle, CO	10-23-64	Pres./Treas	90
Amanda Jane Gauldin	68 Crestone Way, New Castle, CO	10-12-63	Sec./VP	10
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 question #20
 ** Corporations - The President, Vice-President, Secretary and Treasurer must be accounted for on question #20 (Include ownership percentage if applicable)
 ** If total ownership percentage disclosed here does not total 100%, applicant must check this box:
 Applicant affirms that no individual other than these disclosed herein, owns 10% or more of the applicant, and does not have ownership in a prohibited liquor license pursuant to Title 47 or 48, C.R.S.

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 <i>J. Scott Gauldin</i>	Printed Name and Title J. Scott Gauldin, Pres.	Date 9-1-15
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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 12-47-311 (1) C.R.S.)
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The Local Licensing Authority Hereby Affirms that each person required to file DR 8404-I (Individual History Record) has:

Been fingerprinted
 Been subject to background investigation, including NCIC/CCIC check for outstanding warrants

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

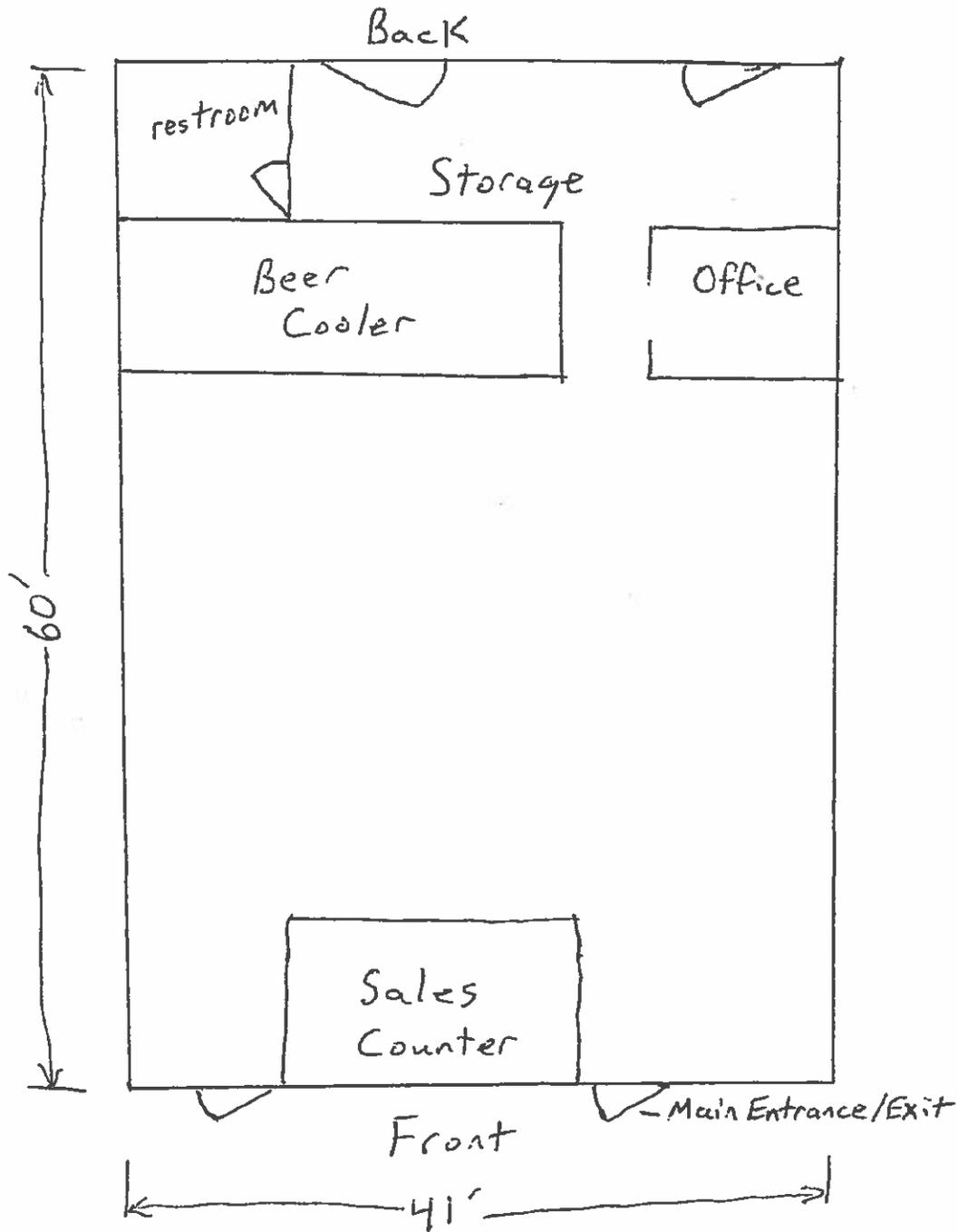
(Check One)
 Date of inspection or anticipated date _____
 Will conduct inspection upon approval of state licensing authority

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 12, Article 46 or 47, C.R.S.
Therefore, this application is approved.

Local Licensing Authority for	Telephone Number	<input type="checkbox"/> Town, City <input type="checkbox"/> County	
Signature	Print	Title	Date
Signature (attest)	Print	Title	Date

* Principal Officer

New Castle Liquors, Inc.
820 Castle Valley Blvd. #104, New Castle, CO 81647



LEASE

This Lease is made and executed between BURNING MOUNTAIN ASSOCIATES LLLP, a Colorado Limited Liability Limited Partnership, ("Lessor") and NEW CASTLE LIQUORS, INC., a Colorado Corporation, ("Lessee").

SECTION 1. DESCRIPTION OF PREMISES

The Lessor leases to the Lessee a portion of that certain commercial area ("Commercial Center") and building wherein the Leased Premises are located ("Building"), referred to as the Leased Premises, situated in the Town of New Castle, County of Garfield, State of Colorado, described as follows:

Space B2
Lot C6
Burning Mountain Planned Unit Development, Phase 2
(the "Leased Premises"),

together with all easements, rights, and appurtenances in connection with the Leased Premises. The Leased Premises are a portion of a commercial center containing other store buildings, a parking area, and common facilities for the use and benefit of all tenants of the Commercial Center. The Commercial Center, containing the Building, other buildings, parking area, and common facilities is shown on plat of Burning Mountain Planned Unit Development, Phase 2 recorded as Reception No. 486745 in the Garfield County records.

The term "common facilities" as used in this Lease shall be construed to include those facilities within the Commercial Center for the nonexclusive use of Lessee in common with other authorized users, and shall include, but not be limited to, parking areas, driveways, sidewalks, planted areas, and open means of ingress and egress.

SECTION 2. PARKING AREA AND COMMON FACILITIES

2.01 Maintenance. The Lessor, throughout the Term of this Lease, shall maintain and keep in good order, condition, and repair the parking area and common facilities of the Commercial Center, but all costs and expenses incurred in connection therewith, including, but not limited to, utility charges, taxes, property management fees, repairs, janitorial expense, and public liability insurance, shall be charged to the tenants of the entire Commercial Center. Such common expenses are hereby referred to as "CAM" and are payable as set forth under SECTION 4.

2.02 Parking Use. No trucks belonging to the Lessee, to suppliers of the Lessee, or to delivery agents of the Lessee shall be admitted to the parking area at any time. Such trucks and delivery agents shall load and unload through the rear of the Building. The Lessee agrees to instruct its employees not to park their vehicles in the parking area and agrees to use its best efforts to enforce such instructions. All employees shall park in the rear of the Building. The Lessee's customers/clients shall be entitled to park in the Commercial Center's parking spaces and areas.

2.03 Governing Regulations. The Lessee will comply and cause its employees and agents to comply with all rules and regulations adopted by the Lessor in connection with the use of the parking area and common facilities, and with all supplements and amendments which the Lessor may subsequently

adopt, including the provisions of the Declaration of Joint Parking Use recorded as Reception No. 487630 in Book 964 at Page 65 and Amended Declaration of Joint Parking Use recorded as Reception No. 499520 in Book 995 at Page 904, copies of which have been furnished to the Lessee by the Lessor. It is understood and agreed that such rules and regulations shall pertain to the safety, care, use, and cleanliness of the parking area and common facilities and the preservation of good order. No rules or regulations now in effect or subsequently adopted shall be inconsistent with any provisions of this Lease or unreasonably interfere with the Lessee's use and enjoyment of the Leased Premises. All rules, regulations and supplements and amendments that the Lessor may adopt shall be in writing, and a copy shall be delivered to Lessee.

2.04 Violation of Regulations. If the Lessee shall fail, within forty-eight (48) hours after receipt of written notice of any violation by the Lessee or its employees or agents of any such rules or regulations, to cure such violation, such failure shall constitute a default under this Lease.

SECTION 3. TERM

3.01 Primary Term. The primary Term of this Lease shall be commence at 8:00 a.m. on September 1, 2015, and terminate at 5:00 p.m. on November 30, 2016.

3.02 Option to Renew. In the event the Lessee is not in material default of any of its obligations under this Lease or any terms, conditions and restrictions contained in applicable recorded instruments or any duly adopted rules and regulations, the Lessee shall have the right and option to renew this Lease for two (2) additional five (5) year terms upon the same terms and conditions as herein contained. The Lessee shall deliver written notice to the Lessor of its intent to exercise the option no earlier than one hundred eighty (180) days and no later than ninety (90) days prior to the expiration of the current term.

SECTION 4. RENTAL

The Lessee agrees to pay the Lessor as rental for the Leased Premises the following:

4.01 Base Rent. A fixed minimum monthly rental, payable in advance on the first day of each month, in the sum of \$3,512.38 (the "base rent").

4.02 CAM. Commencing September 1, 2015, Lessee, as its pro rata share, shall pay 8.4% of the total of all of the costs for the payment of utilities, trash disposal, insurance, maintenance fees, management fees and any costs incurred under the Declaration of Joint Parking Use and amendment thereto for the portion of the Commercial Center located upon Lot C6. The Lessee shall pay such CAM charges within fifteen (15) days after receipt of a statement therefor.

4.03 Rent Modification. Commencing December 1, 2015, annually thereafter during any extended term of this Lease, the monthly rent shall be modified based upon the following formula:

The base rent shall be adjusted based upon the Consumer Price Index All Urban Consumers US City Average for All Items Index 1982-84 = 100 published by the Bureau of Labor Statistics of the United States Department of Labor (CPI). The base rent shall be adjusted by computing the increase, if any, in the cost of living for the preceding twelve (12) month period and adding the same to the base rent. The CPI number for the latest month available on November 30, 2015 shall be the base index number and the CPI number for the same month for each succeeding year thereafter, shall be the current index number. The increase,

if any, between the base index number and the current index number (expressed as a percentage) shall be multiplied by the base rent and any resulting positive product shall be added to the base rent. The total of the base rent and the CPI increase shall be totaled, and one-twelfth (1/12th) thereof shall be paid by Lessee to Lessor each month for the succeeding twelve (12) month period. If at any time the Consumer Price Index is no longer published, the parties shall use such other index as is generally recognized or accepted for the purpose of making similar determinations of purchasing power. If the parties are unable to agree on a substitute index or if a dispute exists, the question of a proper index shall be determined by Lessor.

SECTION 5. OCCUPANCY AND ACCEPTANCE OF PREMISES

By entering into and occupying the Leased Premises, the Lessee shall be deemed to acknowledge that the Leased Premises are in good condition and repair and that the Building has been constructed substantially in accordance with the approved plans and specifications therefor. The entering upon the Leased Premises by the Lessee for the purpose of the installation of trade fixtures, furnishings, and equipment or the storing of merchandise shall be construed as an acceptance of the Leased Premises.

SECTION 6. USE OF PREMISES

6.01 Purposes. The Lessee shall use the Leased Premises for the purpose operating a retail liquor store and no part of the Leased Premises shall be used for any other purpose without the prior written consent of the Lessor.

6.02 Public Auctions. No sale at auction by the Lessee or others shall be made in or from the Leased Premises without the prior written approval of the Lessor.

6.03 Maintenance of Premises. The Lessee shall at all times maintain all of the Leased Premises in a clean, neat, and orderly condition. The Lessee shall not use the Leased Premises or any part, or permit any part of the Leased Premises to be used, or permit any act whatsoever to be done on the Leased Premises, in a manner that will violate or make void or inoperative any policy of insurance held by the Lessor.

6.04 Storage of Merchandise. The Lessee agrees to warehouse, store, or stock in the Leased Premises, at all times during the Term of this Lease, only such goods, wares, and merchandise as the Lessee intends to offer for sale at retail in, at, or from the Leased Premises or use in connection with the services offered by the Lessee in the regular course of Lessee's business. The Lessee further agrees to use for office or clerical purposes only such space in the Leased Premises as is from time to time reasonably required for the Lessee's business.

6.05 Storage of Inflammable Materials.

(a) The Lessee agrees that neither it nor its employees, agents, contractors, subcontractors, invitees, or representatives will keep or permit to be kept at, in, or about the Leased Premises any gasoline, distillate, or other petroleum product, or other substance or material of an explosive, inflammable or hazardous nature in such quantities as may endanger any part or portion of the Leased Premises without the written consent of the Lessor and all insurance companies carrying fire or rental insurance on the Commercial Center or any part thereof, or do any act or engage in any conduct

which shall cause an increase in the fire insurance rates covering the Commercial Center over those charged by reason of use of the character permitted to the Lessee.

(b) In the event the Lessor grants its written approval for any of the activities involving explosive, inflammable or hazardous materials, the Lessee agrees at all times to comply fully and in a timely manner, and to cause all employees, agents, contractors, subcontractors, invitees and representatives of the Lessee or any other person occupying the Leased Premises to comply with all present and future applicable federal, state and local statutes, regulations, ordinances and guidelines relating to the generation, use, handling, storage, treatment, transport and disposal of any such explosive, inflammable or hazardous materials located or present in, on, about or under the Leased Premises. The Lessee hereby indemnifies and holds the Lessor harmless from and against any and all claims, losses, damages, liabilities, fines, penalties, actions, causes of action, charges, administrative and judicial proceedings and orders, judgments, remedial action requirements, enforcement actions of any kind, and all costs and expenses incurred in connection therewith (including, but not limited to, attorney's fees and consultant's fees), arising out of or relating to, directly or indirectly, in whole or in part, any failure of the Lessee, its employees, agents, contractors, subcontractors, invitees, representatives or other such persons, to comply with any of such laws, regulations, guidelines, codes, ordinances or other legal requirements. The warranties and indemnities contained in this paragraph shall survive the termination of the Lease by lapse of time or otherwise and the transfer of fee title to the Leased Premises by Lessor. This agreement to indemnify and hold harmless shall be in addition to any other obligations or liabilities that the Lessee may have to the Lessor at common law, or by statutes, or otherwise. The Lessee shall notify the Lessor in writing immediately of any release or threatened release of any explosive, inflammable or hazardous material on, in, under or about the Leased Premises.

6.06 Use Impairing Structural Strength. The Lessee shall not permit the Leased Premises or any part of such Leased Premises to be used in any manner that will impair the structural strength of the Building or permit the installment of any machinery or apparatus, the weight or vibration of which may tend to injure or impair the foundations or structural strength of the foundations.

6.07 Garbage Disposal. The Lessee shall not burn or incinerate any rubbish, garbage, or debris at, in, or about the Leased Premises, and shall cause all containers, rubbish, garbage, and debris accumulated there to be stored within the Leased Premises until hauled away from the Leased Premises for disposal prior to the accumulation of any substantial quantity. The Lessee agrees to comply with any and all regulations concerning the storage and disposal of trash in effect or that may be adopted by the Lessor, the Town of New Castle, County of Garfield and/or State of Colorado.

6.08 Public Regulations. In the conduct of its business in and about the Leased Premises, the Lessee shall observe and promptly comply with all laws, ordinances, and regulations of public authorities.

6.09 Limitations on Lessor. The Lessor shall not lease any other portion of the Building that would be, in the opinion of the Lessor, in competition with the Lessee.

SECTION 7. INSTALLATION AND MAINTENANCE OF FIXTURES

The Lessee shall purchase and install in the Leased Premises, at its own expense, all trade fixtures, lighting fixtures, floor coverings, all required equipment, and furnishings to be installed in the Leased Premises and necessary or proper for the operation of its business as expeditiously as possible and in any event not later than sixty (60) days after commencement of the Term of this Lease; provided, however, that in the event the installation of such fixtures, furnishings, and equipment is delayed by reason of strikes, lockouts, war, or any other cause or causes beyond the control of the Lessee (excluding financial inability), a time equal to such delay or delays shall be added to the date upon which such

installation shall be completed. All such trade fixtures, lighting fixtures, floor coverings, all required equipment, and furnishings shall be of first quality and commensurate in appearance and in keeping with the Leased Premises; and Lessee throughout the Term of this Lease shall maintain them in good order, condition, and repair at its own cost and expense.

SECTION 8. SIGNS: EXTERIOR LIGHTING AND FIXTURES

8.01 Installation and Removal of Signs.

(a) The Lessee shall have the exclusive right to erect and maintain upon the exterior and interior of the Leased Premises, at its own expense, all signs necessary or appropriate to the conduct of the business of the Lessee; provided, however, that the Lessee shall not have the right to erect or maintain in or upon the Leased Premises any sign the erection, maintenance, or removal of which will operate to decrease the value of the Commercial Center or the Building, without the Lessor's prior consent in writing. Any signs erected or placed in or upon the exterior of the Leased Premises by the Lessee may be removed by it at any time during the Term or upon the expiration or sooner termination of this Lease and, upon the written request of the Lessor, must be so removed upon such expiration or termination, and all damage caused by the erection, maintenance, or removal of any and all such signs shall be fully repaired at the cost and expense of Lessee. If the Commercial Center has central and/or road frontage Commercial Center signage, the Lessee shall be entitled to add its signage to such Commercial Center signage structure.

(b) Installation of any and all exterior signs on the Leased Premises, including the roof of the premises, shall be subject to the prior written approval of the Lessor as to design, size, and location. The Lessee acknowledges that the Leased Premises are a part of an integrated and uniform Commercial Center and that control of exterior signs by the Lessor is essential in order to maintain uniformity and aesthetic values in the Commercial Center.

8.02 Installation of Exterior Lighting and Fixtures. The Lessee shall not install any exterior lighting, exterior plumbing facilities, shades or awnings, amplifiers, or similar devices, or use any advertising medium that may be heard or experienced outside the Leased Premises, such as loudspeakers, phonographs, or radio broadcasts, without Lessor's prior written consent.

SECTION 9. ALTERATIONS, CHANGES, AND ADDITIONS

No structural changes, alterations, or additions shall be made by the Lessee to the Leased Premises without the prior written consent of the Lessor, and any such structural change, alteration, or addition to or upon the Leased Premises made with the written consent of the Lessor shall remain for the benefit of and become the property of the Lessor, unless otherwise provided in the written consent.

SECTION 10. DEFECTS; DEFECTIVE CONDITION; WIND; ACTS OF THIRD PERSONS

10.01 Lessor's Liability. The Lessor shall not be liable to the Lessee for any damage or injury to the Lessee or the Lessee's property occasioned by any defect of plumbing, heating, air-cooling, air-conditioning equipment and ducts, electric wiring or insulation of the Leased Premises, gas pipes, or steam pipes, or from broken steps, or from the backing up of any sewer pipe, or from the bursting, leaking, or running of any tank, tub, washstand, water closet, or waste pipe, drain, or any other pipe or tank in, upon, or about the Leased Premises, or from the escape of steam or hot water from any boiler or

radiator, or for any such damage or injury occasioned by water being upon or coming through the roof, stairs, walks, or any other place upon or near the Leased Premises unless Lessor neglects or fails to make necessary repairs required to be made under the terms of this Lease after receipt of written notice from the Lessee, or for any such damage or injury done or occasioned by the falling of any fixture, plaster, or stucco, or for any such damage or injury caused by wind or by the act, omission, or negligence of cotenants or of other persons, occupants of the Building or of adjacent buildings or contiguous property.

10.02 Waiver of Claims Against Lessor. All claims against the Lessor for any damage or injury as provided in paragraph 10.01 are waived by the Lessee, except those claims occasioned by Lessor's neglect or failure to make repairs for which the Lessor is responsible under this Lease.

SECTION 11. CASUALTY DAMAGE; REPAIRS; ABATEMENT OF RENT

11.01 Use of Partially Damaged Premises. In the event of a partial damaging or destruction of the Leased Premises, the Lessee shall continue to utilize the Leased Premises for the operation of its business to the extent that it may be practicable to do so from the standpoint of good business.

11.02 Right to Terminate on Destruction of Two-Thirds of Premises. Either party to this Lease shall have the right to terminate the Lease if, during the last year of the Term of this Lease, the Building is damaged to an extent exceeding two-thirds (2/3rds) of the then reconstruction cost of such Building as a whole; provided that, in such an event, such termination of this Lease shall be effected by written notice to that effect to the other party delivered within thirty (30) days of the happening of such casualty causing the damage.

11.03 Repairs by Lessor.

(a) If the Leased Premises shall, either prior to the beginning of the Term of this Lease or during the Term of this Lease, be damaged or destroyed by fire or by any other cause whatsoever beyond the Lessee's control, Lessor, except as otherwise provided below, shall, immediately upon receipt of insurance proceeds paid in connection with such casualty damage, but in no event later than ninety (90) days after such damage has occurred, proceed to repair or rebuild the damage, including any additions or improvements made by the Lessor or by the Lessee with the Lessor's consent, on the same plan and design as existed immediately before such damage or destruction occurred, subject to such delays as may be reasonably attributable to governmental restrictions or failure to obtain materials or labor, or other causes, whether similar or dissimilar, beyond the control of the Lessor. Materials used in repair shall be as nearly like original materials as may then be reasonably procured in regular channels of supply.

(b) Wherever a strike, act of God, or cause beyond the power of the party affected to control causes delay, the period of such delay so caused shall be added to the period limited in this Lease for the completion of such work, reconstruction, or replacement.

11.04 Reduction of Rent During Repairs. In the event the Lessee continues to conduct its business during the making of repairs, the fixed minimum monthly rental will be equitably reduced in the proportion that the unusable part of the Leased Premises bears to the whole of the premises; but no change shall be made in the method of computing the percentage rental, and there shall be no reduction of the percentage rental. No rental shall be payable while the Building is wholly unoccupied pending the repair of casualty damage.

11.05 Repair or Replacement of Fixtures. The Lessee shall, as soon as reasonably possible, replace or repair all fixtures in the Leased Premises that may be damaged or destroyed by fire or any other cause whatsoever.

SECTION 12. REPAIRS GENERALLY

12.01 By Lessor. The Lessor shall, at its own cost and expense, repair any damage to the Leased Premises occasioned by termites, dry rot, or fungus, and keep and maintain the roof and exterior walls (plate glass and glazing excepted) of the Leased Premises in good repair at all times, and will further keep and maintain all underground plumbing in good order and repair, but not including the repair of plumbing stopped up by reason of foreign matter introduced into the plumbing fixtures. There shall be no obligation on the Lessor to make any of the repairs required in this section unless and until there has been served upon the Lessor by the Lessee at least ten (10) days' notice in writing, advising the Lessor of the necessity of the repair or repairs, and there shall be no liability upon the Lessor to the Lessee for any loss or damage caused by any failure on the part of the Lessor to make any repairs required of it under this Lease unless the Lessor, after receipt of the notice, shall fail to proceed with due diligence to make such repair or repairs. The phrase "exterior walls" as used in this Lease shall not be so construed as to require the Lessor to make repairs to the interior surfaces of such walls. Except as provided in this section, the Lessee shall not call upon the Lessor to make any improvements or repairs whatsoever in or upon the Leased Premises.

12.02 By Lessee. The Lessee shall, at its own cost and expense, keep and maintain all of the Leased Premises, including but not limited to air-conditioning equipment, store fronts, bulk-heads, exterior entry and exit doors, ornamental facing, plate glass, and glazing in or on the Leased Premises, in good order, condition, and repair, and in compliance with all applicable laws and regulations, during the entire Term of this Lease, except for those repairs required of the Lessor to be made and damage occasioned by fire, earthquake, or other cause or causes as provided for in SECTION 11 of this Lease.

12.03 Emergency Repairs. Notwithstanding the provisions of paragraph 12.01, in the event repairs which the Lessor is required to make under this Lease become immediately necessary in order to avoid possible injury or damage to persons or property, the Lessee shall be entitled to make such repairs at a cost not to exceed Five Hundred Dollars (\$500.00) for the account of the Lessor without giving the required notice.

SECTION 13. UTILITIES

The Lessee agrees to pay before delinquency all charges for all utilities separately metered to the Leased Premises or for which the Lessee is solely responsible.

SECTION 14. TAXES

The Lessee will pay before delinquency any and all taxes levied or assessed upon the Lessee's fixtures, equipment, and personal property in and on the Leased Premises, whether or not affixed to the real property. If at any time after any tax or assessment has become due or payable, the Lessee, or its legal representative, neglects to pay such tax or assessment, the Lessor shall be entitled to pay the tax or assessment at any time thereafter and such amount so paid by the Lessor shall be deemed to be additional rent for the Leased Premises, due and payable by the Lessee.

SECTION 15. INSURANCE

15.01 Insurance Companies. It is agreed that any and all policies of insurance to be kept and maintained in force by the respective parties to this Lease shall be obtained from good and solvent insurance companies.

15.02 Lessee to Obtain Liability Insurance. The Lessee agrees that it will, at its own expense, at all times during the Term of this Lease, maintain in force a policy or policies of insurance, written by one or more responsible insurance carriers, approved by the Lessor, which will insure the Lessee (and the Lessor as an Additional Insured) against liability for injury to or death of persons or loss or damage to their property occurring in or about the Leased Premises. The liability under such insurance shall be not less than One Million Dollars (\$1,000,000.00) for any one person injured or killed, Two Million Dollars (\$2,000,000.00) for any one accident, and Three Hundred Thousand Dollars (\$300,000.00) for property damage.

15.03 Lessee to Obtain Plate Glass Insurance. The Lessee agrees to maintain and keep in force adequate plate glass insurance on all plate glass on the Leased Premises.

15.04 Lessee to Obtain Workers' Compensation Insurance. The Lessee agrees to maintain and keep in force all employees' compensation insurance required under the laws of the State of Colorado, and such other insurance as may be necessary to protect the Lessor against any other liability to person or property arising under this Lease by operation of law, whether such law be now in force or adopted subsequent to the execution of this Lease.

15.05 Lessee to Obtain Fire Insurance on Fixtures and Inventory. The Lessee agrees to maintain in force, at all times during the Term of this Lease, on all fixtures and equipment in the Leased Premises, a policy or policies of fire insurance in companies approved by the Lessor to the extent of at least of 8.4% of the insurable replacement value and adequate inventory insurance, the proceeds of which will, so long as this Lease is in effect, be used for the repair or replacement of the property so insured. Such policies shall name the Lessor as an additional insured to protect its interest as such Lessor.

15.06 Lessor to Obtain Fire Insurance on Premises. The Lessor agrees to maintain in force, at all times during the Term of this Lease, a policy or policies of fire insurance to the extent of at least 8.4% of the insurable value of the Leased Premises. If permitted without additional charge, the Lessor shall cause to be endorsed on its fire insurance, and any extended coverage policy or policies, the waiver of right of subrogation.

15.07 Lessee's Waiver of Casualty Insurance Proceeds. In the event the Leased Premises shall be damaged or destroyed by fire or other casualty so insured against, the Lessee agrees that it will claim no interest in any insurance settlement arising out of any such loss where premiums are paid by Lessor, or where the Lessor is named as the sole beneficiary, and that it will sign any and all documents required by the Lessor or the insurance company or companies that may be necessary for use in connection with the settlement of any such loss.

15.08 Control of Insurance Proceeds to Avoid Taxable Gain. Notwithstanding any provision in this agreement inconsistent with this provision, it is particularly understood and agreed by the parties that in the event that the subject Leased Premises, including any improvements, additions, or betterments, shall be damaged or destroyed in whole or in part, in any manner, and the receipt of any insurance proceeds or other reimbursement for such damage would result in the realization of taxable gain for federal or state purposes, the party to this Lease to whom such gain would be taxed shall have the

right to take any and all action respecting such proceeds or reimbursements as may be necessary to enable the party to comply with any laws or regulations of the appropriate taxing authorities, to the end that such gain will not be recognized for tax purposes. Nothing contained in this Lease shall be construed to entitle Lessor to delay the making of any repairs to or restoration of all or any part of the Building or improvements in the event of damage or destruction.

15.09 Lessee's Failure to Insure. Should Lessee fail to keep in effect and pay for such insurance as required by this section, the Lessor may do so, in which event the insurance premiums paid by the Lessor shall become due and payable promptly, and failure of the Lessee to pay them on demand shall constitute a breach of this Lease.

SECTION 16. TRANSFER OR PLEDGE OF LEASEHOLD INTEREST

The Lessee shall not assign this Lease or any interest in it, or sublet the Leased Premises or any part of the Leased Premises, or license the use of all or any portion of the Leased Premises or business conducted there, or encumber or hypothecate this Lease, without first obtaining the written consent of the Lessor; and any assignment, subletting, licensing, encumbering, or hypothecating of this Lease without such prior written consent shall, at the option of the Lessor, terminate this Lease.

SECTION 17. SURRENDER OF PREMISES

The Lessee shall, at the termination of this Lease, vacate the Leased Premises in as good condition as they are in at the time of entry by the Lessee, except for reasonable use and wear of such Leased Premises, acts of God, or damage by casualty beyond the control of the Lessee, and upon vacating shall leave the Leased Premises free and clear of all rubbish and debris.

SECTION 18. INDEMNIFICATION OF LESSOR

18.01 Lessee's Notice of Work to be Performed. The Lessee shall serve a written notice on the Lessor at least ten (10) days prior to permitting any work to be commenced in or on the Leased Premises.

18.02 Liens and Encumbrances.

(a) The Lessee shall protect, save, and hold harmless the Lessor and the Leased Premises and all improvements placed on the Leased Premises from all claims, liens, claims of lien, demands, charges, encumbrances, or litigation arising directly or indirectly out of or by reason of any work or activity of the Lessee on the Leased Premises, and shall promptly and within thirty (30) days after the filing of any lien for record fully pay and satisfy the lien, and shall reimburse the Lessor for all loss, damage, and expense, including a reasonable attorney's fee, which it may suffer or be put to by reason of any such claims of lien, demands, charges, encumbrances, or litigation.

(b) In the event the Lessee shall fail to pay and fully discharge any claim, lien, claim of lien, demand, charge, encumbrance, or litigation, or should proceedings be instituted for the foreclosure of any such lien or encumbrance, the Lessor shall have the right, at its option, at any time after the expiration of the thirty (30) day period, to pay the lien or any portion of it, with or without the costs and expenses claimed by such claimant, and in making such payment, the Lessor shall be the sole judge of the legality of the claims. All amounts so paid by the Lessor shall be repaid by the Lessee to the

Lessor upon demand, together with interest thereon at the rate of twelve percent (12%) per annum from the date of payment by the Lessor until repayment is fully made.

18.03 Personal Injuries; Violations of Law. The Lessee covenants and agrees at all times to indemnify and save harmless the Lessor and the Leased Premises from and against any cost, liability, or expense arising out of any claims of any person or persons whatsoever by reason of the use or misuse of the Leased Premises, parking area, or common facilities by the Lessee or any person or persons holding under the Lessee. The Lessee shall indemnify and save harmless the Lessor from any penalty, damage, or charge incurred or imposed by reason of any violation of law or ordinance by Lessee or any person or persons holding under the Lessee, and from any cost, damage, or expense arising out of the death of or injury to any person or persons holding under the Lessee.

SECTION 19. SUBORDINATION AGREEMENT

The Lessee covenants and agrees to execute any instrument or instruments permitting an encumbrance to be placed on the Leased Premises or any part of the Leased Premises as security for any indebtedness, and subordinating this Lease to the first mortgage or trust deed, if required so to do by the lending agency. The Lessee is given the right to make payment of any defaults under any and all encumbrances of record on the Leased Premises, and to receive reimbursement for such payment by deduction and credit from and against rentals becoming due under this Lease. Notwithstanding the foregoing, so long as the Lessee is not in default hereunder, in the event of any default by the Lessor of any of its obligations under this paragraph, this Lease shall remain in full force and effect for the benefit of the Lessee.

SECTION 20. SECURITY AGREEMENT

20.01 Lessee to Execute. Upon the Lessor's request, the Lessee agrees to execute and deliver to the Lessor a security agreement covering all fixtures, equipment, and furnishings installed by the Lessee in the Leased Premises, together with all additions and replacements, within thirty (30) days of said request, for the purpose of securing to the Lessor the full and faithful performance by the Lessee of each and all of the covenants and agreements in this Lease contained and on its part to be done and performed. The Lessee, on demand of the Lessor and at any time or from time to time during the Term of this Lease, shall execute, in conformity with all requirements of law then applicable to security agreements, any renewal or certificate of renewal of such security agreement or such other documents as may be reasonably required to maintain the security agreement and the lien in full force and effect.

20.02 Lessee's Equity Only Covered. The Lessor acknowledges that certain of the fixtures, equipment and furnishings subject to the security agreement will be purchased by Lessee subject to financing of the fixtures, and that the effective lien of such security agreement shall be only as to the Lessee's equity in such fixtures, equipment, and furnishings. The Lessee shall provide the Lessor with copies of all such financing arrangements, and Lessee agrees that payment in full on all first priority liens shall be made by Lessee.

20.03 Release by Lessor. The Lessor, on the full, faithful, and complete performance by the Lessee of all the covenants, agreements, and conditions in this Lease contained and on the part of the Lessee to be done and performed, or on the termination of this Lease prior to the expiration of the Term of this Lease for any other reason than the default of the Lessee, shall make, execute, and deliver to the Lessee a proper and valid release and discharge of any and all security agreements executed and delivered by the Lessee to the Lessor under the terms and provisions of this Lease; and then all fixtures, equipment,

and furnishings covered thereby shall be released and discharged of the lien or charge of such security agreement or agreements.

**SECTION 21.
LESSOR'S RIGHT OF INSPECTION AND REPAIRS**

The Lessor shall have access to the Leased Premises, and each and every part of the Leased Premises, during the Lessee's regular business hours for the purpose of inspecting them, making repairs, and posting notices that the Lessor may deem to be for the protection of the Lessor or the demised property.

**SECTION 22.
DEFAULT**

22.01 Lessor's Right to Repossess, Operate, or Relet. If the rental reserved by this Lease or other charges to be paid under this Lease by the Lessee, or any part of this Lease, are not paid when due and remain unpaid for a period of fifteen (15) days after notice in writing, or if the Lessee fails to promptly perform any other covenant, condition, or agreement by it to be performed under this Lease, and such failure shall continue for a period of fifteen (15) days after notice in writing specifying the nature of such failure, or if the Lessee abandons the Leased Premises, or if the Lessee breaches any obligation under this Lease to be performed by it which cannot be cured, then, and in any such event, the Lessee shall be deemed to be in default and the Lessor, without further notice may at its option take possession of the Leased Premises, including all improvements and fixtures and equipment located at, in, or about the Leased Premises. By legal proceedings, the Lessor shall take, operate, or relet the Leased Premises, in whole or in part, for the account of the Lessee at such rental and on such agreement and conditions, and to such tenant or tenants as the Lessor in good faith may deem proper, for a term not exceeding the unexpired period of the full Term of this Lease. The Lessor shall receive all proceeds and rent accruing from such operation or reletting of the Leased Premises or fixtures and equipment. The Lessor shall apply these proceeds first, to the payment of all costs and expenses incurred by the Lessor in obtaining the possession of, and the operation or reletting of the Leased Premises or fixtures and equipment, including reasonable attorney's fees, commissions, and collection fees, and any alterations or repairs reasonably necessary to enable the Lessor to operate or relet the Leased Premises or fixtures and equipment; and, second, to the payment of all such amounts as may be due or become payable under the provisions of this Lease. The remaining balance, if any, given by the Lessor to the Lessee, shall be paid over to the Lessee at the expiration of the full Term of this Lease or on the sooner termination of the Lease by written notice of termination.

22.02 Repossession or Reletting Not a Termination; Lessor's Right to Terminate Not Forfeited. No repossession, operation, or reletting of the Leased Premises or of fixtures and equipment shall be construed as an election by the Lessor to terminate this Lease unless a written notice of such an intention is given by the Lessor to the Lessee. Notwithstanding any such operation or reletting without termination of this Lease, the Lessor may at any time thereafter elect to terminate this Lease in the event that the Lessee remains in default under this Lease.

22.03 Lessee's Obligation to Pay Deficiencies. In the event the proceeds or rentals received by the Lessor under the provisions of this section are insufficient to pay all costs and expenses and all amounts due and becoming due under this Lease, the Lessee shall pay to the Lessor on demand by the Lessor such deficiency as may from time to time occur or exist.

22.04 Lessor's Right to Perform Lessee's Duties at Lessee's Cost. Notwithstanding any provision as to notice contained in this Lease, if in the Lessor's judgment the continuance of any default

by the Lessee, other than for the payment of money, for the full period of the notice otherwise provided for, will jeopardize the Leased Premises or the rights of the Lessor, the Lessor may, without notice, elect to perform those acts in respect of which the Lessee is in default, at the Lessee's cost and expense, and the Lessee shall then reimburse the Lessor, with interest, on thirty (30) days' notice by the Lessor to the Lessee.

22.05 Lessor's Right to Terminate Lease. In the event of the Lessee's default as stated in paragraph 22.01, the Lessor may, at its option, without further notice, terminate this Lease and any and all interest of the Lessee under this Lease, and may then take possession of the Leased Premises by legal proceedings.

22.06 Lessor's Right on Termination to Recover Amount Equal to Rent Reserved. If this Lease is terminated by the Lessor by reason of any default by the Lessee, the Lessor shall be entitled to recover from the Lessee, at the time of such termination, the amount of rent reserved in this Lease for the balance of the Term of the Lease.

22.07 Lessor's Remedies Cumulative. Each and all of the remedies given to the Lessor in this Lease or by law are cumulative, and the exercise of one right or remedy by the Lessor shall not impair its right to exercise any other right or remedy.

22.08 Limitation of Notice Period by Governmental Order. Notwithstanding any provision as to notice in SECTION 22, if the Lessee is required to comply with any governmental regulation or order within a period less than that to which the Lessee would otherwise be entitled to notice, the Lessee shall not be entitled to notice beyond the period within which such compliance may be required by such regulation or order.

SECTION 23. ADDITIONAL PROVISIONS

23.01 Early Termination. In the event either of the following events occur Lessee may terminate the lease upon sixty (60) days' advance, written notice being provided to Lessor:

(a) City Market or its successor is authorized by State law to sell any malt, vinous or spirituous liquors other than 3.2% beer; or

(b) the use of any surrounding parcel such as a school precludes the use of the premises for the operation of a retail liquor store.

23.02 Covenants of Lessor. Lessor covenants and agrees that it will not allow any other business located within Burning Mountain PUD to sell malt, spirituous or vinous liquors other than 3.2% beer, provided that this paragraph shall not apply to restaurants and similar operations.

SECTION 24. EXPENSES OF ENFORCEMENT

Should either party incur any expense in enforcing any covenants of this Lease, the party in default shall pay to the other all expenses so incurred, including reasonable attorneys' fees.

**SECTION 25.
PEACEFUL ENJOYMENT**

The Lessor covenants and warrants that, subject to any secured debt now of record or in the future placed of record, it is the owner of the Leased Premises, and that the Lessee, upon payment of rents and performance of the conditions, covenants, promises, and agreements to be performed by it, shall and may peaceably possess and enjoy the Leased Premises during the Term of this Lease without any interruption or disturbance.

**SECTION 26.
EFFECT OF WAIVER OF BREACH OF COVENANTS**

No waiver of any breach or breaches of any provision, covenant, or condition of this Lease shall be construed to be a waiver of any preceding or succeeding breach of such provision, covenant, or condition or of any other provision, covenant, or condition.

**SECTION 27.
TIME OF THE ESSENCE**

Time is of the essence of each and every provision, covenant, and condition contained in this Lease and on the part of the Lessee or the Lessor to be done and performed.

**SECTION 28.
HEADINGS FOR CONVENIENCE ONLY**

The headings used in this Lease are for convenience and shall not be resorted to for purposes of interpretation or construction of this Lease.

**SECTION 29.
SINGULAR AND PLURAL**

The plural shall be substituted for the singular number or vice-versa and female for male or neuter in any place or places in which the context may require such substitution or substitutions.

**SECTION 30.
AMENDMENTS TO BE IN WRITING**

This Lease may be modified or amended only by a writing duly authorized and executed by both the Lessor and the Lessee. It may not be amended or modified by oral agreements or understandings between the parties unless the same shall be reduced to writing duly authorized and executed by both the Lessor and the Lessee.

**SECTION 31.
PARTIES BOUND**

Each and every provision of this Lease shall bind and shall inure to the benefit of the parties to this Lease and their legal representatives. The term "legal representatives" is used in this Lease in its broadest possible meaning and includes, in addition to personal representatives, every person, partnership, corporation, or association succeeding to the interest or to any part of the interest in or to this Lease or in or to the Leased Premises, of either the Lessor or the Lessee, whether such succession results from the act

of a party in interest, occurs by operation of law, or is the effect of the operation of law together with the act of such party. Each and every covenant, agreement, and condition of this Lease to be performed by the Lessee shall be binding upon all assignees, subtenants, concessionaires, and/or licensees of the Lessee.

**SECTION 32.
HOLDING OVER**

No holding over and continuation of any business by the Lessee after the expiration of the Term of this Lease shall be considered to be a renewal or extension unless written approval of such holding over and a definite agreement to such effect is signed by the Lessor defining the length of such additional term. Any holding over without the consent of the Lessor shall be considered to be a day-to-day tenancy at a rental of three (3) times the daily rate of the fixed minimum monthly rental, computed on the basis of a thirty (30) day month.

**SECTION 33.
NOTICES**

All notices or demands of any kind which the Lessor may be required or may desire to serve on the Lessee under the terms of this Lease may be served upon the Lessee (as an alternative to personal service upon the Lessee) by leaving a copy of such demand or notice addressed to the Lessee at 820 Castle Valley Blvd., Suite 104, New Castle, Colorado, 81647, or by mailing a copy by certified mail, postage prepaid, addressed to the Lessee at the Leased Premises or at such other address or addresses as may from time to time be designated by the Lessee in writing to the Lessor. Service shall be deemed complete at the time of the leaving of such notice or within four (4) days after mailing of such notice. Any and all notices or demands from the Lessee to the Lessor may be similarly served upon the Lessor at 818 Colorado Avenue, P.O. Drawer 790, Glenwood Springs, Colorado 81602, or at such other address as the Lessor may in writing designate to the Lessee.

Effective as the 1st day of September, 2015.

LESSEE:

NEW CASTLE LIQUORS, INC.

By


Jeffrey Scott Gauldin, President

LESSOR:

BURNING MOUNTAIN ASSOCIATES LLLP

By

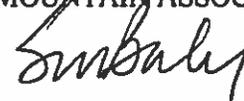

Scott Balcomb, General Partner

EXHIBIT B

BILL OF SALE, ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS BILL OF SALE, ASSIGNMENT AND ASSUMPTION AGREEMENT (the "Agreement") is entered into as of the ___ day of August, 2015, by and between ELMER SUDS, LTD. ("Seller") and NEW CASTLE LIQUORS, INC ("Buyer").

RECITALS

A. Seller is engaged in the business enterprise operated under the name of Elmer Suds Liquor Mart (the "Business" and, with respect to the activities of the Business as business for profit, the "Business Activity"), located at 820 Castle Valley Blvd. #104, New Castle, Colorado 81647 (the "Property").

B. Seller and Buyer have entered in to that certain Business Asset Purchase Agreement dated August ___, 2015 (the "APA"), pursuant to which Seller has agreed to sell and Buyer has agreed purchase certain rights and assets owned by Seller and used in the Business.

AGREEMENT

NOW THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Sale and Assignment. Seller does hereby sell, convey, assign, transfer and deliver to Buyer, its successors and assigns, free and clear of all security interests, liens, restrictions, claims, encumbrances or charges of any kind, all of Seller's right, title and interest in and to the following assets (the "Assets"):

a. All furniture, fixtures, equipment, machinery, personal property, hardware, software, tools and devices owned by Seller and used in the Business, as more fully described in Seller's List of Assets as set forth on Exhibit A attached hereto and incorporated by this reference.

b. All inventories of liquor and alcoholic beverages and any other goods, stock and supplies for sale to customers ("Inventory"), per physical inventory taken by Seller and Buyer pursuant to the terms of the APA.

c. Seller's rights in the trade name "Elmer Suds Liquor Mart," and any variations of that name that may be used in the Business.

d. Any logos, signs, brochures and marketing materials, business files and records, including those files and records maintained on Seller's computerized systems or otherwise, vendor lists and vendor information,

customer lists and customer information, all intellectual property rights of any kind, if any, any prepaid advertising in Yellow Pages, industry magazines or directories, or elsewhere, and any equipment lease rights covering business equipment, machinery, systems and other items of personal property, owned and used by Seller in the conduct of the Business and the Business Activity, unless otherwise expressly excluded in this Agreement.

- e. Seller's contracts to provide services to customers.
- f. Any consulting agreements and agreements with independent contractors of the Business.
- g. All of Seller's business telephone numbers, voice mail accounts, internet domains, e-mail accounts, login passwords, administrator rights and permissions with respect to other communications media.
- h. Seller's right to conduct the business of the sale of liquor and alcoholic beverages, as issued by the Town of New Castle, Colorado, the licensing agency, in order to enable Buyer to continue conduct of the Business.

TO HAVE AND TO HOLD all such Assets hereby sold, conveyed, assigned, transferred and delivered unto Buyer, its successors and assigns, for its and their own use, benefit and behalf forever. Seller covenants and agrees to and with Buyer, its successors and assigns, to WARRANT AND DEFEND the sale of said Assets and the title thereto as conveyed hereby, against all and every person or person whomever.

2. Assumption. Except as otherwise specifically provided for in the APA, Buyer agrees to assume all liabilities and obligations in connection with or arising out of the Assets as of the date of this Agreement.

3. Further Assurances. Seller and Buyer each covenant and agree that each of them will at any time and from time to time do, execute, acknowledge, and deliver any and all other acts, deeds, assignments, transfers, conveyances, powers of attorney, or other instruments that Seller or Buyer, as applicable, deems reasonably necessary or proper to carry out the assignments, conveyances and assumptions intended to be made hereunder.

4. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their successors and assigns.

5. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Colorado.

{Signature Page To Follow}

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date set forth above.

SELLER:

ELMER SUDS, LTD.,
d/b/a ELMER SUDS LIQUOR MART

By: _____
Douglas C. Lyons, President

By: _____
Susan G. Lyons, Secretary/Treasurer

BUYER:

NEW CASTLE LIQUORS, INC.

By: _____
J. Scott Gauldin, President

By: _____
Amanda J. Gauldin, Secretary

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

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

4. The true name and mailing address of the incorporator are

Name
(if an individual) Brown Carri
(Last) (First) (Middle) (Suffix)

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

Mailing address 23586 Calabasas Road Suite 102
(Street number and name or Post Office Box information)
Calabasas CA 91302
(City) (State) (ZIP/Postal Code)
United States.
(Province - if applicable) (Country)

(If the following statement applies, adopt the statement by marking the box and include an attachment.)
 The corporation has one or more additional incorporators and the name and mailing address of each additional incorporator are stated in an attachment.

5. The classes of shares and number of shares of each class that the corporation is authorized to issue are as follows.

- The corporation is authorized to issue 1,000,000 common shares that shall have unlimited voting rights and are entitled to receive the net assets of the corporation upon dissolution.
- Information regarding shares as required by section 7-106-101, C.R.S., is included in an attachment.

6. (If the following statement applies, adopt the statement by marking the box and include an attachment.)
 This document contains additional information as provided by law.

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

(If the following statement applies, adopt the statement by entering a date and, if applicable, time using the required format.)
The delayed effective date and, if applicable, time of this document is/are _____
(mm/dd/yyyy hour:minute am/pm)

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

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

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

Brown Carri
(Last) (First) (Middle) (Suffix)

23586 Calabasas Road Suite 102
(Street number and name or Post Office Box information)

Calabasas CA 91302
(City) (State) (ZIP/Postal Code)

United States
(Province - (if applicable) (Country))

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

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

Disclaimer:

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

OFFICE OF THE SECRETARY OF STATE
OF THE STATE OF COLORADO

CERTIFICATE

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

New Castle Liquors, Inc.

is a **Corporation** formed or registered on 07/31/2015 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 20151436780.

This certificate reflects facts established or disclosed by documents delivered to this office on paper through 08/26/2015 that have been posted, and by documents delivered to this office electronically through 08/27/2015 @ 12:41:44.

I have affixed hereto the Great Seal of the State of Colorado and duly generated, executed, authenticated, issued, delivered and communicated this official certificate at Denver, Colorado on 08/27/2015 @ 12:41:44 pursuant to and in accordance with applicable law. This certificate is assigned Confirmation Number 9289838.



A handwritten signature in blue ink that reads "Wayne W. Williams".

Secretary of State of the State of Colorado

*****End of Certificate*****

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