TOWN OF TIMNATH
LIQUOR LICENSING BOARD
Tuesday, July 22, 2014, 6:00 p.m.
Meeting will be held at Timnath Administration Building,
4800 Goodman Street, Timnath, Colorado

1. CALL TO ORDER AND ROLL CALL
   Chair  Jill Grossman-Belisle
   Commissioner  Bill Neal
   Commissioner  Aaron Pearson
   Commissioner  Paul Steinway
   Commissioner  Bryan Voronin

2. BUSINESS:
   a. DISCUSSION/POSSIBLE ACTION:  Review of the Harmony Club 3.2 Beer License Renewal

   b. DISCUSSION/POSSIBLE ACTION:  New Retail Liquor License Approval for Sunset Wine and Spirits, D/B/A Costco Liquors at Timnath

3. ADJOURNMENT
LIQUOR OR 3.2 BEER LICENSE
RENEWAL APPLICATION

HARMONY CLUB THE
6432 GRAND TREE BLVD
TIMNATH CO 80547

PLEASE VERIFY & UPDATE ALL INFORMATION BELOW

<table>
<thead>
<tr>
<th>Licenses Name</th>
<th>DBA</th>
</tr>
</thead>
<tbody>
<tr>
<td>HARMONY CLUB LLC</td>
<td>HARMONY CLUB THE</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liquor License #</th>
<th>License Type</th>
<th>Optional Premises (city)</th>
</tr>
</thead>
<tbody>
<tr>
<td>42489050000</td>
<td>Sales Tax License #</td>
<td>Expiration Date</td>
</tr>
<tr>
<td></td>
<td>42489050000</td>
<td>8/16/2014</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Street Address</th>
<th>Home Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>4176 CLUB DR TIMNATH CO 80547</td>
<td>3544 Riders Gate, Timnath CO 80547</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Mailing Address</th>
<th>Phone Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>6432 GRAND TREE BLVD TIMNATH CO 80547</td>
<td>(970) 224 4522</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Operating Manager</th>
<th>Date of Birth</th>
<th>Home Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>Byron Collins</td>
<td>7/18/57</td>
<td>3544 Riders Gate, Timnath CO 80547</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Date</th>
<th>Phone Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>6/28/14</td>
<td>970-304-4340</td>
</tr>
</tbody>
</table>

1. Do you have legal possession of the premises at the street address above? □ YES □ NO Is the premises owned or rented? □ Owned □ Rent □ Yes □ No

2. Since the date of filing of the last annual application, has there been any change in financial interest (new notes, loans, owners, etc.) or organizational structure (addition or deletion of officers, directors, managing members or general partners)? If yes, explain in detail and attach a listing of all liquor businesses in which these new lenders, owners (other than licensed financial institutions), officers, directors, managing members, or general partners are materially interested. □ YES □ NO

NOTE TO CORPORATION, LIMITED LIABILITY COMPANY AND PARTNERSHIP APPLICANTS: If you have added or deleted any officers, directors, managing members, general partners or persons with 10% or more interest in your business, you must complete and return immediately to your Local Licensing Authority, Form DR 8177: Corporation, Limited Liability Company or Partnership Report of Changes, along with all supporting documentation and fees.

3. Since the date of filing of the last annual application, has the applicant or any of its agents, owners, managers, partners or lenders (other than licensed financial institutions) been convicted of a crime? If yes, attach a detailed explanation. □ YES □ NO

4. Since the date of filing of the last annual application, has the applicant or any of its agents, owners, managers, partners or lenders (other than licensed financial institutions) been denied an alcohol beverage license, had an alcohol beverage license suspended or revoked, or had interest in any entity that had an alcohol beverage license denied, suspended or revoked? If yes, attach a detailed explanation. □ YES □ NO

5. Does the applicant or any of its agents, owners, managers, partners or lenders (other than licensed financial institutions) have a direct or indirect interest in any other Colorado liquor license, including loans to or from any licensee or interest in a loan to any licensee? If yes, attach a detailed explanation. □ YES □ NO

6. SOLE PROPRIETORSHIPS, HUSBAND-WIFE PARTNERSHIPS AND PARTNERS IN GENERAL PARTNERSHIPS: Each person must complete and sign the DR 4679: Affidavit – Restriction on Public Benefits (available online or by calling 303-205-2300) and attach a copy of their driver’s license, state-issued ID or valid passport.

AFFIRMATION & CONSENT
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.

Type or Print Name of Applicant/Authorized Agent of Business

Signature

REPORT & APPROVAL OF CITY OR COUNTY LICENSING AUTHORITY
The foregoing application has been examined and the premises, business conducted and character of the applicant are satisfactory, and we do hereby report that such license, if granted, will comply with the provisions of Title 12, Articles 46 and 47, C.R.S. THEREFORE THIS APPLICATION IS APPROVED.

Local Licensing Authority For

Signature

Attest
# Colorado Liquor Retail License Application

**New License**, **Transfer of Ownership**, **License Renewal**

- All answers must be printed in black ink or typewritten
- Applicant must check the appropriate box(es)
- Local license fee: $__________
- Applicant should obtain a copy of the Colorado Liquor and Beer Code (Call 303-370-2165)

1. Applicant is applying as:
   - [v] Corporation
   - [ ] Partnership (includes Limited Liability and Husband and Wife Partnerships)
   - [ ] Individual
   - [ ] Limited Liability Company
   - [ ] Association or Other

   **Sunset Wine and Spirits, Inc.**

   **Filing Number**: 46-5385489

   **State Sales Tax No.**: 27866874

   **Business Telephone**: 210-240-0076

2. Trade Name of Establishment (DBA)
   - Costco Liquors at Timnath

3. Address of Premises (specify exact location of premises)
   - 4700 Weitzel St., Suite A

4. Mailing Address (Number and Street)
   - 4700 Weitzel St., Suite A

5. If the premises currently have a liquor or beer license, you MUST answer the following questions:

<table>
<thead>
<tr>
<th>Present Trade Name of Establishment (DBA)</th>
<th>Present State License No.</th>
<th>Present Class of License</th>
<th>Present Expiration Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>

### Liabilities:

#### Liability Section A: Nonrefundable Application Fees

<table>
<thead>
<tr>
<th>Liability Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Application Fee for New License w/Concurrent Review</td>
<td>$1,025.00</td>
</tr>
<tr>
<td>Application Fee for New License</td>
<td>$1,025.00</td>
</tr>
</tbody>
</table>

#### Liability Section B: Liquor License Fees

<table>
<thead>
<tr>
<th>Liability Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail Gaming Tavern License (City)</td>
<td>$500.00</td>
</tr>
<tr>
<td>Retail Gaming Tavern License (County)</td>
<td>$500.00</td>
</tr>
<tr>
<td>Retail Liquor Store License (City)</td>
<td>$227.50</td>
</tr>
<tr>
<td>Retail Liquor Store License (County)</td>
<td>$312.50</td>
</tr>
<tr>
<td>Liquor Licensed Drugstore (City)</td>
<td>$227.50</td>
</tr>
<tr>
<td>Liquor Licensed Drugstore (County)</td>
<td>$312.50</td>
</tr>
<tr>
<td>Beer and Wine License (City)</td>
<td>$351.25</td>
</tr>
<tr>
<td>Beer and Wine License (County)</td>
<td>$436.25</td>
</tr>
<tr>
<td>Hotel and Restaurant License (City)</td>
<td>$500.00</td>
</tr>
<tr>
<td>Hotel and Restaurant License (County)</td>
<td>$500.00</td>
</tr>
<tr>
<td>Brew Pub License (City)</td>
<td>$750.00</td>
</tr>
<tr>
<td>Brew Pub License (County)</td>
<td>$750.00</td>
</tr>
<tr>
<td>Hotel and Restaurant License w/o premises (City)</td>
<td>$500.00</td>
</tr>
<tr>
<td>Hotel and Restaurant License w/o premises (County)</td>
<td>$500.00</td>
</tr>
<tr>
<td>Manager Registration - H &amp; R</td>
<td>$75.00</td>
</tr>
</tbody>
</table>

#### Cash Fund Licenses

<table>
<thead>
<tr>
<th>Cash Fund New License</th>
<th>Cash Fund Transfer License</th>
</tr>
</thead>
<tbody>
<tr>
<td>2300-100</td>
<td>2310-100</td>
</tr>
</tbody>
</table>

**TOTAL**

$
# Application Documents Checklist and Worksheet

**Instructions:** This check list should be utilized to assist applicants with filling 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.

<table>
<thead>
<tr>
<th>ITEMS SUBMITTED, PLEASE CHECK ALL APPROPRIATE BOXES COMPLETED OR DOCUMENTS SUBMITTED</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>I. APPLICANT INFORMATION</strong></td>
</tr>
<tr>
<td>□ A. Applicant/Licensee identified.</td>
</tr>
<tr>
<td>□ B. State sales tax license number listed or applied for at time of application.</td>
</tr>
<tr>
<td>□ C. License type or other transaction identified.</td>
</tr>
<tr>
<td>□ D. Return originals to local authority.</td>
</tr>
<tr>
<td>□ E. Additional information may be required by the local licensing authority.</td>
</tr>
<tr>
<td><strong>II. DIAGRAM OF THE PREMISES</strong></td>
</tr>
<tr>
<td>□ A. No larger than 8 1/2&quot; X 11&quot;.</td>
</tr>
<tr>
<td>□ B. Dimensions included (doesn’t have to be to scale). Exterior areas should show control (fences, walls, etc.).</td>
</tr>
<tr>
<td>□ C. Separate diagram for each floor (if multiple levels).</td>
</tr>
<tr>
<td>□ D. Kitchen - Identified if Hotel and Restaurant.</td>
</tr>
<tr>
<td><strong>III. PROOF OF PROPERTY POSSESSION</strong></td>
</tr>
<tr>
<td>□ A. Deed in name of the Applicant ONLY (or)</td>
</tr>
<tr>
<td>□ B. Lease in the name of the Applicant ONLY.</td>
</tr>
<tr>
<td>□ C. Lease Assignment in the name of the Applicant (ONLY) with proper consent from the Landlord and acceptance by the Applicant.</td>
</tr>
<tr>
<td>□ D. Other Agreement if not deed or lease.</td>
</tr>
<tr>
<td><strong>IV. BACKGROUND INFORMATION AND FINANCIAL DOCUMENTS</strong></td>
</tr>
<tr>
<td>□ A. Individual History Record(s) (Form DR 8404-I).</td>
</tr>
<tr>
<td>□ B. Fingerprint taken and submitted to local authority. (State authority for master file applicants.)</td>
</tr>
<tr>
<td>□ C. Purchase agreement, stock transfer agreement, and or authorization to transfer license.</td>
</tr>
<tr>
<td>□ D. List of all notes and loans.</td>
</tr>
<tr>
<td><strong>V. CORPORATE APPLICANT INFORMATION (If Applicable)</strong></td>
</tr>
<tr>
<td>□ A. Certificate of Incorporation (and/or)</td>
</tr>
<tr>
<td>□ B. Certificate of Good Standing if incorporated more than 2 years ago.</td>
</tr>
<tr>
<td>□ C. Certificate of Authorization if foreign corporation.</td>
</tr>
<tr>
<td>□ D. List of officers, directors and stockholders of parent corporation (designate 1 person as &quot;principal officer&quot;).</td>
</tr>
<tr>
<td><strong>VI. PARTNERSHIP APPLICANT INFORMATION (If Applicable)</strong></td>
</tr>
<tr>
<td>□ A. Partnership Agreement (general or limited). Not needed if husband and wife.</td>
</tr>
<tr>
<td><strong>VII. LIMITED LIABILITY COMPANY APPLICANT INFORMATION (If Applicable)</strong></td>
</tr>
<tr>
<td>□ A. Copy of articles of organization (date stamped by Colorado Secretary of State's Office).</td>
</tr>
<tr>
<td>□ B. Copy of operating agreement.</td>
</tr>
<tr>
<td>□ C. Certificate of Authority (if foreign company).</td>
</tr>
<tr>
<td><strong>VIII. MANAGER REGISTRATION FOR HOTEL AND RESTAURANT, TAVERN LICENSES WHEN INCLUDED WITH THIS APPLICATION</strong></td>
</tr>
<tr>
<td>□ A. $75.00 fee.</td>
</tr>
<tr>
<td>□ B. Individual History Record (DR 8404-I).</td>
</tr>
</tbody>
</table>
6. 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 ☑

7. 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 7a, b or c, explain in detail on a separate sheet.

8. 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.

9. 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?

10. 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 or former financial interest in said business including any loans to or from a licensee.

11. 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)
   Landlord: Costco Wholesale Corporation  Tenant: Sunset Wine and Spirits, Inc. Expires 05/15/2019
   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 8.125’ X 11’ (Doesn’t have to be to scale)

12. 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.

<table>
<thead>
<tr>
<th>NAME</th>
<th>DATE OF BIRTH</th>
<th>FEIN OR SSN</th>
<th>INTEREST</th>
</tr>
</thead>
</table>
   None

   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.

13. Optional Premises or Hotel and Restaurant Licenses with Optional Premises
   Has a local ordinance or resolution authorizing optional premises been adopted? N/A

14. Liquor Licensed Drug Store applicants, answer the following:
   Does the applicant for a Liquor Licensed Drug Store have a license issued by the Colorado Board of Pharmacy? COPY MUST BE ATTACHED. N/A

15. Club Liquor License applicants answer the following and attach:
   (a) Is the applicant organization operated solely for a national, social, fraternal, patriotic, political or athletic purpose and not for pecuniary gain? N/A
   (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 fraternal or patriotic organization or society, but not for pecuniary gain? N/A
   (c) How long has the club been incorporated? (Three years required) N/A
   (d) Has applicant occupied an establishment for three years that was operated solely for the reasons stated above? N/A

16. Brew-Pub License or Vintner Restaurant Applicants answer the following:
   (a) Has the applicant received or applied for a Federal Permit? (Copy of permit or application must be attached) N/A

17a. Name of Manager (for all on-premises applicants) Tracy L. Herrmann (if this is an application for a Hotel, Restaurant or Tavern License, the manager must also submit an Individual History Record (DR 8404-I). Date of Birth 02/04/1963

17b. 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 ☑

18. 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.
   Yes ☑
19. 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 their local licensing authority.

<table>
<thead>
<tr>
<th>NAME</th>
<th>HOME ADDRESS, CITY &amp; STATE</th>
<th>DOB</th>
<th>POSITION</th>
<th>% OWNED*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tracy Lynn Herrmann</td>
<td>2 Three Lakes Drive</td>
<td>02/04/1964</td>
<td>President, Secretary, Treasurer, Director &amp; Shareholder</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td>San Antonio, TX 78248-1022</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*If local ownership percentage disclosed here does not total 100%, applicant must check this box.
☐ Applicant affirms that no individual other than those disclosed herein, owns 10% or more of the applicant.

Additional Documents to be submitted by type of entity:
☐ CORPORATION  ☑ Cert. of Incorp.  ☑ Cert. of Good Standing (if more than 2 yrs. old)  ☐ Cert. of Auth. (if a foreign corp.)
☐ PARTNERSHIP ☐ Partnership Agreement (General or Limited)  ☐ Husband and Wife partnership (no written agreement)
☐ LIMITED LIABILITY COMPANY ☐ Articles of Organization  ☐ Cert. of Authority (if foreign company)  ☐ Operating Agrm.
☐ ASSOCIATION OR OTHER ☐ Attach copy of agreements creating association or relationship between the parties.

Registered Agent (if applicable)
Kevin Coates  
Address for Service  
455 Sherman St., Suite 300, Denver, CO 80203

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
Clint Herrmann  
Title  
President  
Date 4/25/2014

REPORT AND APPROVAL OF LOCAL LICENSING AUTHORITY (CITY/COUNTY)

Date application filed with local authority  
Date of local authority hearing (if new license applicants; cannot be less than 30 days from date of application 12-47-311 (1)) C.R.S.

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
☐ 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
Title
Signature
Date

Telephone Number

☐ TOWN, CITY  
☐ COUNTY

Signature (attest)
Title
Date
DEPARTMENT OF THE TREASURY
ALCOHOL AND TOBACCO TAX AND TRADE BUREAU (TTB)
Alcohol Dealer Registration – For Use On and After July 1, 2008
(Please read instructions carefully before completing this form)

SECTION 1 – IDENTIFYING INFORMATION
Complete all fields in section 1 to correctly identify your business

<table>
<thead>
<tr>
<th>NAME (Last, First, Middle) or CORPORATE NAME (If Corporation)</th>
<th>EMPLOYER IDENTIFICATION NUMBER (See Instructions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sunset Wine and Spirits, Inc.</td>
<td>46-5385489</td>
</tr>
</tbody>
</table>

Mailing Address (Street address or P.O. Box)
4700 Weitzel St., Suite A

City
Timnath

State
CO

Zip Code
80547

Select box a, b, or c:
- a. [X] NEW BUSINESS
- b. [ ] OUT OF BUSINESS
- c. [ ] EXISTING BUSINESS WITH CHANGE IN: (Complete items below)

Name/Trade Name

Address/Location

Business Class

Phone

SECTION 2 – BUSINESS CLASS(ES) AND PREMISES LOCATIONS:
Enter information below as it pertains to the business using the appropriate class code

<table>
<thead>
<tr>
<th>DEALER CLASS</th>
<th>TRADE NAME</th>
<th>PREMISES ADDRESS</th>
<th>CITY, STATE, ZIP CODE</th>
<th>TELEPHONE NUMBER</th>
</tr>
</thead>
<tbody>
<tr>
<td>RETAIL DEALER (Anyone who sells, or offers for sale,</td>
<td>Liquors (Distilled Spirits,</td>
<td>4700 Weitzel St., Suite A</td>
<td>Timnath CO 80547</td>
<td>210-240-0076</td>
</tr>
<tr>
<td>beverage alcohol products to any person other than</td>
<td>Wine or Beer)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a dealer. Examples are package stores, restaurants,</td>
<td>Beer Only</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>bars, private clubs, fraternal organizations,</td>
<td>Liquors (Distilled Spirits,</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>grocery stores or supermarkets which sell such</td>
<td>Wine or Beer) – At Large*</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>beverages.)</td>
<td>Beer Only – At Large*</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>WHOLESALE DEALER (Anyone who sells, or offers for</td>
<td>Liquors (Distilled Spirits,</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>sale, beverage alcohol products to another dealer.</td>
<td>Wine, or Beer)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>An IMPORTER must register as a wholesaler if he or</td>
<td>Beer Only</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>she sells beverage alcohol products to other</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>dealers.)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* A retail dealer at large is one whose business requires him to move from place to place, such as a circus or carnivals.

Under penalties of perjury, I declare that the statements in this registration are true and correct to the best of my knowledge and belief; that this registration applies only to the specified business and location or, where the registration is for more than one location, it applies only to the businesses at the locations specified on the attached list.

Signature
Macy Herrmann
President

Date 4/23/2014

TTB F 563235d (05/2009)
### SECTION 3 – OWNERSHIP INFORMATION

<table>
<thead>
<tr>
<th>FULL NAME</th>
<th>RESIDENCE ADDRESS</th>
<th>POSITION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tracy Lynn Herrmann</td>
<td>2 Three Lakes Drive</td>
<td>President, Secretary, Treasurer,</td>
</tr>
<tr>
<td></td>
<td>San Antonio, TX 78248-1022</td>
<td>Director &amp; Shareholder</td>
</tr>
</tbody>
</table>

### INSTRUCTIONS

**GENERAL INSTRUCTIONS**
This registration is for use on and after July 1, 2008. If you are engaged in one or more of the alcohol activities listed on this form, you are required to file this form before beginning business. If there is a change in your business, you need to report it on or before the next July 1 (see CHANGES IN OPERATIONS, below). You may file one registration to cover several locations or several types of activity operating under the same Employer Identification Number (EIN).

**NOTE:** The special (occupational) tax on producers and marketers of alcohol beverages was repealed by Section 11125 of Public Law 109-59, effective July 1, 2008. However, tax liability and the registration requirement for periods before that date remain. If you need to file a delinquent or amended registration for a period through June 30, 2008, please use TTB Form 5630.5a, Alcohol Special (Occupational) Tax Registration and Return – For Periods Ending On or Before June 30, 2008.

**SIGNING YOUR REGISTRATION**
This form must be signed by the individual owner, a partner, or, in the case of a corporation or LLC, an individual authorized to sign on behalf of the corporation or LLC.

**SECTION 1 – IDENTIFYING INFORMATION**
Complete Section 1, Identifying Information, as specified on the form. Your registration must contain a valid Employer Identification Number (EIN). The EIN is a unique number for business entities issued by the Internal Revenue Service (IRS). You must have an EIN whether you are an individual owner, partnership, corporation, LLC, or a government agency. If you do not have an EIN, contact the Internal Revenue Service immediately to obtain one. While TTB may assign a temporary Identification number (beginning with XX) to allow initial processing of a return which lacks an EIN, do not delay submission of your registration pending receipt of your EIN. If you have not received a number by the time you file this return, write "number applied for" in the space for the number. Submit your EIN by separate correspondence after receipt from the IRS.

**SECTION 2 – PREMISES LOCATIONS**
Enter the requested information in Section 2 for each premises location even if this repeats the business information listed in Section 1. If you are reporting a change, enter the date of the change in the appropriate space in Section 1. If additional sheets are needed, make a copy of page 1 of this form or enter the requested information on a separate sheet of paper with your EIN and Company's name.

**SECTION 3 – OWNERSHIP INFORMATION**
Please complete the ownership information in Section 3. Supply the information specified for each individual owner, partner or responsible person. For a corporation, partnership, or association, a responsible person is anyone with the power to control the management policies or buying or selling practices pertaining to alcohol. For a corporation, association, or similar organization, it also means any person owning 10 percent or more of the outstanding stock in the business.

**CHANGES IN OPERATIONS**
If there is a change of your company's name, trade name, address, premises location, telephone number, ownership information, type of business, or EIN, complete TTB F 5630.5d and submit it no later than the next July 1 after the change. Check the box, Existing Business with Change(s), complete all fields in Section 1, and complete Sections 2 and 3 as necessary to show any changes there. Upon going out of business, submit TTB F 5630.5d within 30 days, checking box b in Section 1. If you are still in business but there are no changes since your last registration, this form does not need to be submitted.

**MAILING INSTRUCTIONS**
Please sign and date this registration and mail it to:
Alcohol and Tobacco Tax and Trade Bureau
550 Main Street, Suite 6002
Cincinnati, OH 45202-5215.

**CONTACT INFORMATION**
For further assistance, contact TTB National Revenue Center at 1-800-937-8664 or 1-877-882-3277; or email to ttbtaxstamp@ttb.gov. Additional information is also available at their Web site, www.ttb.gov.

**PAPERWORK REDUCTION ACT NOTICE**
This request is in accordance with the Paperwork Reduction Act of 1995. This information is used to ensure compliance with Section 11125 of Public Law 109-59, and the Internal Revenue Laws of the United States.

The estimated average burden associated with this collection of information is 8 hours per respondent or record keeper, depending on individual circumstances. Comments concerning the accuracy of this burden estimate and suggestions for reducing this burden should be addressed to the Reports Management Officer, Regulations and Rulings Division, Alcohol and Tobacco Tax and Trade Bureau, Washington, D.C. 20220.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a current, valid OMB control number.
Colorado Sales Tax
Withholding Account Application

You can now apply online, see page 3 for more information. If applying by paper, read the instructions (on page 4) before completing this form.

A 1. Reason for Filing This Application — Required
   ☐ Original Application ☐ Change of Ownership ☐ Additional Location

Do you have a Department of Revenue Account Number? ☐ Yes ☐ No
If Yes, Account Number 27866574

2. Indicate Type of Organization. If you are not an individual you must have a FEIN number.
   ☐ Individual ☐ General Partnership ☐ Limited Liability Company (LLC)
   ☐ Limited Liability Partnership (LLP) ☐ Corporation/ S Corp. ☐ Government
   ☐ Association ☐ Joint Venture ☐ Estate/Trust
   ☐ Non-Profit (Charitable)

B 1a. Last Name or Business Name
    Sunset Wine and Spirits, Inc.
    First Name
    Middle Initial

1b. Proof of Identification (Requirements — See page 4)
    Texas Driver's License of Tracy L Hermann, No. TX-09489431

2a. Trade Name/Doing Business As (If applicable, and for informational purposes only) Costa Liquors at Timnath
    2b. FEIN (required) 46-5385489
    2c. SSN

Physical Place of Business
3a. Principal Address (A Colorado address is required if a location in the state)
    4700 Wetzl St., Suite A
    Timnath 80547

3b. County
    Larimer

3c. If business is within limits of a city, what city? Timnath
    3d. Phone Number 210-240-0076

Mailing address — enter mailing address here if different than the physical address
4a. Last Name or Business Name
    Sunset Wine and Spirits, Inc.
    First Name
    Middle Initial

4b. Phone Number (210) 240-0076

4c. Mailing Address
    414 W. Rhapsody
    San Antonio 78216

5. List specific products (you must list the products you sell) and/or services you provide and Explain in Detail in section 6a, below.
   Do you sell motor vehicle tires? ☐ Yes ☐ No
   Do you sell alcohol? ☐ Yes ☐ No
   Do you sell tobacco products? ☐ Yes ☐ No
   Is your business in a special taxing district? ☐ Yes ☐ No
   Do you rent motor vehicles for less than 45 days? ☐ Yes ☐ No

6a. List specific products and/or services you provide and Explain in Detail

Retail liquor store

6b. Owner/Partner/ Corp. Officer Last Name
    Hermann

6c. FEIN 453-45-9833

6d. SSN

6e. Phone Number (210) 240-0076

6f. Address
    2 Three Lakes Dr.
    San Antonio 78248-1022

7a. Owner/Partner/ Corp. Officer Last Name
    N/A

7b. Title

7c. FEIN

7d. SSN

7e. Phone Number

7f. Address
    City
    State
    Zip

If you acquired the business in whole or in part, complete the following:

8a. Prior Last Name or Business Name
    First Name
    Middle Initial

8b. Date of Acquisition (MM/ DD/ YYYY)

8c. Address
    City
    State
    Zip

(Form continued on page 2)
1. If seasonal, mark each business month: □ Jan □ Feb □ Mar □ Apr □ May □ Jun □ Jul □ Aug □ Sep □ Oct □ Nov □ Dec

2a. Filing Frequency: If sales tax is collected:
- □ $15.00/ month or less — Annually
- □ Wholesale Only — Annually
- □ Under $300/ month — Quarterly
- ☑ $300/ month or more — Monthly

2b. First Day of Sales
   09/01/14

3. Indicate which applies to you: ☑ Retail-Sales □ Wholesale □ Charitable □ Retailers-Use

Revenue Registration Account Number (Dept. Use Only)

D

1. Filing frequency if wage withholding amount is W2 (Withholding of $50,000 plus see Section D page 6)
- □ $1 — $6,999/Year — Quarterly
- □ $7,000 — $49,999/Year — Monthly
- □ $50,000 +/Year — Weekly
- ☑ $1 — $6,999/Year — Quarterly
- □ $7,000 — $49,999/Year — Monthly
- □ $50,000 +/Year — Weekly

2a. W2 Withholding
   1099 Withholding

2b. Oil/Gas Withholding

3a. First Day of Payroll, if applicable (MM/DD/YYYY)
   10/01/14

3b. Payroll Records Phone Number
   (210) 343-6000

E

<table>
<thead>
<tr>
<th>Period Covered</th>
<th>Fees (see fees on page 3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>From</td>
<td>To</td>
</tr>
<tr>
<td>MM/YY</td>
<td>MM/YY</td>
</tr>
<tr>
<td>09/14</td>
<td>12/14</td>
</tr>
<tr>
<td>(0020-810)</td>
<td>State Sales Tax Deposit</td>
</tr>
<tr>
<td>MM/YY</td>
<td>MM/YY</td>
</tr>
<tr>
<td>09/14</td>
<td>12/14</td>
</tr>
<tr>
<td>(0080-750)</td>
<td>Sales Tax License</td>
</tr>
<tr>
<td>MM/YY</td>
<td>MM/YY</td>
</tr>
<tr>
<td>12/</td>
<td>(0100-750)</td>
</tr>
<tr>
<td>Wholesale License</td>
<td>(999) $ 0.00</td>
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<tr>
<td>MM/YY</td>
<td>MM/YY</td>
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<tr>
<td>(1000-750)</td>
<td>Wage W2 Withholding</td>
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<tr>
<td>MM/YY</td>
<td>MM/YY</td>
</tr>
<tr>
<td>(1020-750)</td>
<td>1099 Withholding</td>
</tr>
<tr>
<td>MM/YY</td>
<td>MM/YY</td>
</tr>
<tr>
<td>12/</td>
<td>(0160-750)</td>
</tr>
<tr>
<td>Charitable License</td>
<td>(999) $ 0.00</td>
</tr>
</tbody>
</table>

Mail to and Make Checks Payable to:
Colorado Department of Revenue,
Denver, CO 80221-0013

Amount Owed $ 0.00

The State may convert your Check to a one time electronic banking transaction. Your bank account may be debited as early as the same date received by the State. If converted, your check will not be returned. If your check is rejected due to insufficient or uncollected funds, the Department of Revenue may collect the payment amount directly from your bank account electronically.

F

I declare under penalty of perjury in the second degree that the statements made in this application are true and complete to the best of my knowledge.

Signature of Owner/Partner or Corporate Officer Required
 presidents, secretary, treasurer

(See fees and additional information on page 3)
## TOWN OF TIMNATH, COLORADO
### BUSINESS AND SALES TAX LICENSE APPLICATION

**Sales Tax ($25.00)/Business ($25.00) License Fee:**
- $50.00 [x] Annual license expires on 5/31
- $25.00 [ ] Annual license expires on 5/31

**Important:** A business license is required when purchasing a Sales Tax License.
Please keep a copy of this application for your records and remit payment with your application.

<table>
<thead>
<tr>
<th>Town of Timnath</th>
<th>Monthly</th>
<th>Sales Tax License</th>
</tr>
</thead>
<tbody>
<tr>
<td>SALES TAX DIVISION</td>
<td>Quarterly</td>
<td>Business Registration</td>
</tr>
<tr>
<td>4800 GOOCHIAN STREET</td>
<td>Annual</td>
<td>Business Type Code</td>
</tr>
<tr>
<td>TIMNATH, CO 80547</td>
<td>Seasonal</td>
<td></td>
</tr>
<tr>
<td>(970) 224-3211</td>
<td>Amount Paid:</td>
<td></td>
</tr>
<tr>
<td>(970)224-3217 Fax</td>
<td>Check No.</td>
<td></td>
</tr>
<tr>
<td><a href="http://www.timnathcolorado.org">www.timnathcolorado.org</a></td>
<td>Property Zoning:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Zoning Approval:</td>
<td></td>
</tr>
</tbody>
</table>

PLEASE TYPE OR COMPLETE IN BLACK INK.

**PLEASE COMPLETE APPLICATION IN FULL.**

*(Ilegible and/or incomplete forms may be rejected)*

### SECTION ONE - All Information provided in this section of the application is considered public information and is required to be released upon public request.

1. **Type of Ownership:** [ ] Sole Proprietor [x] Partnership [ ] Corporation [ ] Limited Liability Corp. [ ] Other

2. **Taxpayer Name (Owner, Partners or Corporate Name):**
   - [x] Sunset Wine and Spirits, Inc.
   - [ ] Costco Liquors at Timnath

3. **Trade Name ("Doing Business As"):**
   - [ ] Sunset Wine and Spirits, Inc.
   - [ ] Costco Liquors at Timnath

4. **Business Address:**
   - [ ] 4700 Weitzel St., Suite A
   - [x] Timnath CO 80547

5. **Mailing Address:**
   - [ ] 414 W. Rhapsody
   - [x] San Antonio TX 78216

6. **Business Phone No:**
   - [x] 210-240-0076
   - [ ] First Day of Business in Timnath: 09/01/2014

7. **Business Fax No:**
   - [x] 210-341-7645
   - [ ] E-mail Address: tracyherrmann45@gmail.com

8. **Nature of Business (Check all that apply):**
   - [x] Wholesale
   - [ ] Manufacturing
   - [ ] Construction
   - [ ] Service
   - [x] Retail
   - [ ] Office Only
   - [ ] Mail Order
   - [ ] Communications/Telecom
   - [ ] Finance/Insurance/Real Estate

9. **What is your main product/service?**
   - [x] Retail liquor store

10. **Is this business in a:**
    - [ ] private residence
    - [x] commercial building

11. **Do you lease or own your building?**
    - [x] lease
    - [ ] own

12. **No. of employees (include self):**
    - [x] Full time 2
    - [ ] Part-time 3

13. **Years in current location:**
    - [x] N/A

14. **Do you have other locations in Timnath?**
    - [x] Yes
    - [ ] No

   *If "YES", a separate application must be completed per business location.*

15. **Registered Agent (President / CEO):**
    - [ ] Kevin Coates
    - [ ] 455 Sherman St., Suite 300
    - [x] Denver CO 80203
    - [ ] 303-777-3737

(Continued on Reverse Side)
Business and Sales Tax License Application (con't)

SECTION TWO - All information provided in this section of the application is considered confidential.

16 Filing Frequency:  $300 tax/month or more, file monthly $____ Seasonal ☐ Month Start ______ Month End ______
Under $300 tax/month, file quarterly ☐ $15 tax/month or less, file annually ☐ Would you like Pre-Printed Sales Tax Returns sent to you? ☑ Yes ☐ No

17 List Owner(s) or Corporate Officers: (attach supplemental sheet if necessary)

<table>
<thead>
<tr>
<th>Name</th>
<th>Social Security Number</th>
<th>Position</th>
<th>Home Address</th>
<th>City</th>
<th>State</th>
<th>Zip Code</th>
<th>Home Phone</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tracy L. Herrmann</td>
<td>453-45-9633</td>
<td>President</td>
<td>2 Three Lakes Dr.</td>
<td>San Antonio</td>
<td>TX</td>
<td>78248-1022</td>
<td>210-240-0076</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Name</th>
<th>Social Security Number</th>
<th>Position</th>
<th>Home Address</th>
<th>City</th>
<th>State</th>
<th>Zip Code</th>
<th>Home Phone</th>
</tr>
</thead>
<tbody>
<tr>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>

18 Local Manager or Representative:

<table>
<thead>
<tr>
<th>Name</th>
<th>Address</th>
<th>City</th>
<th>State</th>
<th>Zip</th>
<th>Daytime Phone</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tracy L. Herrmann</td>
<td>2 Three Lakes Dr., San Antonio</td>
<td>TX</td>
<td>78248-1022</td>
<td>210-240-0076</td>
<td></td>
</tr>
</tbody>
</table>

19 Former Owner's Name: N/A

20 Former Name of Business: N/A

Date of Purchase: / / 

21 Did the purchase price include fixed assets, machinery, or equipment? Yes ☑ No ☐ ☐ Value $ N/A 

22 State of Colorado Sales Tax License No.: _______ Federal Employer I.D. (FEIN) 46-5385489

Signed: 

Tracy L. Herrmann Date: 4/25/2014

Printed Name: Tracy L. Herrmann Title: President

WHERE DO I GO TO GET INFORMATION ON LICENSING FOR THE STATE OF COLORADO?

When opening a new business in the State of Colorado call the Colorado Business Assistance Center, (303) 592-5520 in Denver, or (800) 333-7798 toll-free in Colorado for information.

To obtain a sales tax, wage withholding tax, or other business tax account number, visit the Denver Service Center at 1375 Sherman St., Denver, or any Taxpayer Service Center in Colorado. You may also get the "Colorado Business Registration" Form (CR 0190) through the Colorado Department of Revenue web site at www.taxcolorado.com, or call the Forms Hotline at (303) 238-FAST (3278).

*Please be sure to check with other departments of the Town to ensure compliance with all other applicable laws and regulations. Issuance of the Sales Tax License does not mean conformance with Zoning provisions, and/or other requirements.*

Thank You.
LEASE
(1178 – Timnath, CO)

THIS LEASE is made and entered into March 14, 2014, by and between COSTCO WHOLESALE CORPORATION, a Washington corporation ("Landlord"), as landlord, and SUNSET WINE AND SPIRITS, INC., a Colorado corporation ("Tenant"), as tenant.

RECITALS

A. Landlord is purchasing the real property with an address of 4745 Harmony Road, Timnath, CO (the "Costco Property").

B. Landlord intends to construct certain improvements to the Costco Property, including a building suitable for the sale of alcoholic beverages for off-premises consumption, as depicted on Exhibit A (the "Leased Premises"). The postal address of the Leased Premises is 4745 Harmony Road, Suite 100, Timnath, CO.

C. Tenant has requested and Landlord has agreed to lease the Leased Premises to Tenant for the purpose of operating a package store, providing for the retail sale of alcoholic beverages for off-premises consumption (the "Package Store"), upon the terms and conditions hereinafter set forth.

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

1. Recitals. The foregoing recitals are true and correct and are hereby incorporated herein by this reference.

2. Condition Precedent; Lease of Premises.

(a) The validity of this Lease is subject to and conditioned upon Landlord closing escrow on the purchase of the Costco Property. In the event Landlord does not close on the purchase of the Costco Property, this Lease shall be deemed to be null and void, without need for further action or documentation.

(b) Subject to the condition precedent set forth in Section 2(a) above, Landlord does hereby lease to Tenant, and Tenant does hereby lease from Landlord, the Leased Premises, which is an area consisting of approximately 3,920 square feet of space, for the purpose set forth in Recital C above. The parties herein acknowledge that Landlord shall provide to Tenant the equipment as indicated on the list attached hereto as Exhibit B, which is and shall remain the property of Landlord, and no title shall ever vest in Tenant by virtue of this Lease.

Landlord hereby grants to Tenant the non-exclusive right to use, in common with other tenants and occupants of the Costco Property, the portions of the Costco Property intended by Landlord to be for use by Tenant in common with Landlord’s customers and employees.
including, but not limited to, any parking areas, roads, curb-cuts, streets, drive ways, tunnels, passageways, landscaped areas, open and enclosed mall, exterior ramps, walks and arcades (as more particularly defined in Section 7 hereof).

3. **Term.**

3.1 **Commencement Date.** The term of this Lease (the “**Term**”) shall commence on the date Landlord closes on the sale of the Costco Property (the “**Commencement Date**”). The “**Rent Commencement Date**” shall be the later of (i) the date that Tenant opens for business, or (ii) the date that Tenant receives its permits authorizing the sale of alcoholic beverages to the general public. Notwithstanding anything to the contrary contained in this Lease, if the Rent Commencement Date has not occurred by the first anniversary of the Commencement Date, then this Lease shall be deemed terminated and canceled (except that Landlord’s or Tenant’s potential liability for wrongful acts or omissions causing such non-commencement will continue).

3.2 **Expiration Date.** The Term of this Lease shall be for five (5) years from the Rent Commencement Date. This Lease may be renewed only by written amendment duly executed by each party hereto. Landlord shall provide to Tenant such amendment for extension of this Lease, which amendment shall be subject to modifications as negotiated between the parties as to rents and conditions of occupancy. Should Tenant holdover at the end of the Term or any extension thereof, then this Lease shall be deemed a month to month tenancy, subject to all of the provisions of this Lease, which tenancy shall be terminable upon thirty (30) days prior written notice from Landlord. Notwithstanding anything contained in this Section 3.2 to the contrary, either party may terminate this Lease, with or without cause, upon ninety (90) days prior written notice to the other party.

4. **Annual Rent.**

Tenant shall pay to Landlord, at such address as Landlord may designate, without prior demand, deductions or set-off, the sum of Sixty Thousand Dollars ($60,000) annually, in equal monthly installments of Five Thousand Dollars ($5,000). The first such payment will include any pro-rated rent for the period from the Rent Commencement Date to the first day of the first full calendar month in the Term. Rent will be evaluated annually, and will be adjusted, if at all, upon the agreement of the parties hereto, in June of each year during the Term.

All payments of rent and other payments required to be made to Landlord shall be in funds which are legal tender at the time and place of payment, without prior notice or demand, without reduction, abatement, deduction or set-off, and shall be made to Landlord at the address of Landlord as provided in Section 25 hereof, or to such other person and/or at such other place as Landlord may designate from time to time in writing to Tenant. Landlord reserves the right to assess a five percent (5%) late charge for any payment not received at Landlord’s office on the tenth (10th) day of the month in which that payment is due, or if mailed, if not postmarked by the eighth (8th) day of the month, with such late charges to be paid by the Tenant upon demand. In addition, Landlord reserves the right to assess any and all checks returned from Landlord’s bank reflecting insufficient funds (“**NSF**”) with a Twenty-Five Dollar ($25.00) NSF charge.

Exhibit A
5. **Possession.** The Leased Premises shall be constructed after execution of this Lease, based on Landlord’s plans and specifications, which have been approved by Tenant. Tenant will accept the Leased Premises in an “AS IS” condition and give Landlord prompt notice of any construction defects.

6. **Real Estate Taxes.** From and after the Commencement Date, Landlord agrees to pay and discharge before delinquent all real estate taxes levied or assessed upon the Leased Premises which become due and payable during the Term.

7. **Parking and Other Common Areas.** Certain common facilities, including parking areas, drive ways, and other public areas, are provided by Landlord for the general use and convenience of the tenants occupying the Costco Property. Tenant, its employees, customers, and invitees, shall have the non-exclusive right to the use of such parking facilities, driveways, and other public areas. Tenant shall remove all rubbish and trash from the Leased Premises and insure that same are placed nightly in a dumpster maintained for such purposes. Tenant shall insures that all walkways, sidewalks, and delivery areas in and about the Leased Premises are neat, clean and free of dirt, trash and rubbish at all times. Storage of such items in garage bags shall be within the Leased Premises until removed to the dumpster.

8. **Indemnification.** Tenant shall indemnify, defend and hold harmless Landlord, its parent, subsidiaries, affiliates, their officers, directors, employees, agents contractors, subcontractors, and/or independent contractors from and against all claims, liabilities, costs, damages, expenses, penalties, claims or demands of whatsoever nature, including but not limited to reasonable attorneys’ fees and legal costs arising out of or relating to (i) any and all acts or omissions of Tenant, its officers, directors, employees, agents, contractors, subcontractors, vendors, or customers on the Leased Premises, (ii) the vehicles, equipment or supplies of Tenant used in connection with the operation of the Package Store, (iii) personal injury, death and/or property damage occurring in or about the Leased Premises; including all statutory and common law liability for damage to property or injuries or loss of life sustained by any person in or about the Leased Premises, and (iv) Tenant’s breach of any of its obligations, warranties or covenants hereunder; provided, however, that Tenant shall have no obligation to indemnify, defend or hold Landlord harmless from Landlord’s own intentional wrongful acts. This indemnification shall not be limited by the amount of any insurance Tenant may carry.

9. **Insurance.**

During the Term, and any extension thereof, Tenant, at its sole cost and expense, and for the mutual benefit of Landlord and Tenant, shall carry and maintain the following types of insurance in the amount specified: (i) comprehensive commercial general liability insurance which includes premises liability coverage (occurrence, not claims-made form) with minimum limits of $2,000,000 combined single limit; (ii) where required by law, workers’ compensation coverage for all persons entering onto the Costco Property; (iii) employer’s liability insurance with minimum limits of $500,000; (iv) automobile liability insurance for all vehicles entering onto the Costco Property, including owned, non-owned, and hired vehicles, with minimum limits of $1,000,000 combined single limit; and (v) personal property insurance in an amount sufficient.
to cover all personal property on the Leased Premises. In addition thereto, Tenant shall maintain so-called dram shop liability insurance insuring Landlord against all liability arising from Tenant’s sale or handling of alcoholic beverages from the Leased Premises, in the amount of at least $1,000,000 single limit, in a form and containing such provisions as may be approved by Landlord. Such coverage shall be primary insurance over any separate insurance Landlord may provide for itself. Tenant may obtain the required dram shop liability insurance in a policy where both Landlord and Tenant are named insureds, provided, however, Landlord shall have the right to apply all proceeds to any liability of Landlord first and any remaining coverage may be utilized by Tenant.

All policies of insurance (except liability insurance) shall provide by endorsement that any loss shall be payable to Landlord or Tenant as their respective interests may appear. Tenant shall have the privilege of procuring and obtaining all of such insurance through its own sources. Tenant shall deliver to Landlord the aforesaid policies of insurance (except that Tenant may deliver certificates evidencing such insurance in the event that blanket policies have been issued), with proof of payment of the premiums therefore, at or before the commencement of the Term, and renewal policies (or certificates) at least thirty (30) days prior to the expiration of any such policy. All insurance policies required hereunder shall contain an agreement by the insurance company that the policy, or policies, will not be canceled, or the coverage changed, without ten (10) days prior written notice to Landlord. If Tenant fails to do so, Landlord may procure such insurance and Tenant shall, on demand, pay the premiums therefore and/or reimburse Landlord for all monies expended by it for that purpose, with interest at the maximum rate of interest permitted under applicable law, which may be added to and be collectible as additional rent hereunder.

Tenant agrees not to knowingly violate or permit to be violated any of the conditions or provisions of the insurance policies required to be furnished hereunder, and agrees to promptly notify Landlord of a fire or other casualty. Tenant agrees not to knowingly increase the hazards on the Leased Premises by any of Tenant’s own acts. Tenant agrees to comply promptly with the requirements of any companies issuing such policies, in order to keep the insurance in full force and effect. In the event that any policies shall be canceled for non-compliance with the conditions or provisions of said policies, or requirements of the insurance companies, or in the event that Tenant shall fail to notify the insurance companies of any claims which may arise in accordance with the terms of said insurance then, in that event, Tenant agrees to indemnify and save harmless Landlord from any claims and/or damages whatsoever which would otherwise be covered by said insurance, including reasonable attorney fees incurred or expended by Landlord in connection therewith.

Tenant agrees that it will replace any plate glass broken or damaged upon the Leased Premises at its own cost and expense, except that it shall not be obligated to replace any plate glass broken or damaged by, or as a result of, any casualty included as a risk in the insurance policies maintained under this Lease to the extent proceeds therefore are received by Landlord. Tenant shall replace any plate glass broken or damaged by or as a result of casualty included as a risk in any insurance policies maintained under this Lease, in which event, Landlord shall reimburse Tenant for the cost and expense thereof only to the extent of the proceeds received by Landlord from the insurance company in connection with such casualty. All policies provided
under this Section 9 shall insure that Landlord is named as an additional insured, and shall be issued by financially responsible insurers, duly authorized to do business in the State of Colorado, with at least a B+/VII rating or better, utilizing the A.M. Best company rating system.

10. **Repairs and Maintenance.**

10.1 **Landlord’s Obligation.** Landlord shall repair and maintain the structural portions of the Leased Premises, including the HVAC system, unless such maintenance and repair are caused in part or in whole by the acts or omissions of Tenant, in which case the cost shall be borne by Tenant. Landlord shall not be liable for any damages or any failure to make any such repairs or to perform any maintenance unless such failure shall persist for an unreasonable time after written notice of the need of such repairs or maintenance is given to Landlord by Tenant.

10.2 **Tenant’s Obligation.** By taking possession of the Leased Premises, Tenant shall be deemed to have accepted the Leased Premises in an “AS IS” and “WHERE IS” condition, and as being in good condition, sanitary order and repair. Landlord shall not be required to alter, remodel, or improve the Leased Premises or any part thereof. Tenant shall, at Tenant’s sole cost and expense, keep the Leased Premises and every part thereof in good condition and repair, ordinary wear and tear excepted. All damage or injury done to the Leased Premises or the Costco Property by Tenant or by any persons who may be in or upon the Leased Premises or the Costco Property with the express or implied consent of Tenant, including but not limited to the cracking or breaking of any glass, windows or doors, shall be paid for by Tenant.

11. **Alterations.**

Tenant shall not make any alterations, changes or additions to the Leased Premises without the prior written approval of Landlord, which Landlord may withhold in Landlord’s sole discretion.

Landlord, at Tenant’s cost, shall cooperate with Tenant in securing building and other permits or authorizations required from time to time for any work permitted under the Lease or installations by Tenant. Following any material alteration by Tenant, Tenant agrees to furnish Landlord with copies of any plans and specifications for same in Tenant’s possession. Landlord agrees to treat such plans and specifications confidentially and not disclose or transmit copies of same except to a purchaser or mortgagee of the Leased Premises. Notwithstanding the foregoing, Tenant’s failure to furnish any such plans and specifications shall not constitute a default under this Lease unless Tenant fails to furnish same within thirty (30) days following written notice from Landlord.

Should Landlord’s fire insurance premiums for the Costco Property be increased due to any such alterations or changes made by Tenant, Tenant shall reimburse Landlord for such increase in premiums.

12. **Utilities.**
12.1 Utilities Charges. Landlord shall pay all charges for reasonable amounts of water, sewer and electrical utility services rendered or furnished to the Leased Premises during the Term. Tenant shall pay for telephone installation and installation and service for a security alarm service.

12.2 Interruption of Utilities. Landlord shall not be liable for any loss, injury or damage to persons or property caused by or resulting from any variation, interruption, or failure of any utilities or services due to any cause whatsoever and no such event shall be deemed an eviction of Tenant or relieve Tenant from any of Tenant's obligations hereunder, provided, however, if such interruption or failure shall continue for more than five (5) business days, Tenant's rent hereunder shall be equitably abated to the extent the Leased Premises are thereby rendered untenable until such services shall be restored. Tenant waives the benefit of any statute which would permit the offsetting of rent by reason of such interruption or failure.

13. Governmental Regulations. Tenant shall observe and comply with all requirements of laws, rules, orders and regulations of the federal, state and municipal governments or other duly constituted public authority affecting the Leased Premises, and Tenant's use thereof, now in force or which may hereafter be in force. Tenant shall have the right to contest, without cost to Landlord (provided Tenant shall indemnify Landlord against any penalties or fines), the validity or application of any such rule, order or regulation required to be complied with by Tenant in accordance with the foregoing, and may postpone compliance therewith until the determination of any such proceeding.

14. Exculpation. Notwithstanding anything to the contrary set forth in this Lease, Tenant shall (except to the extent expressly set forth in this Section 14) look solely to Landlord's interest in the Leased Premises for the recovery of any judgment against Landlord. Landlord, or if Landlord is a partnership, its partners whether general or limited, or if Landlord is a corporation, its directors, officers and shareholders, or any and all successors and assigns and mortgagees of Landlord shall have no personal liability for any judgment. If by reason of the subsequent creation of a ground lease Landlord does not own the fee title to the Leased Premises, the equity interest (but not the personal liability of any successor in ownership) in such fee title, together with Landlord's leasehold interest, shall remain liable for any judgment against Landlord. Nothing herein shall bar Tenant from seeking and enforcing any equitable remedy of Tenant against Landlord or any successor or assign, including without limitation suit for injunctive relief, specific performance or a declaratory judgment.

15. Damage to the Leased Premises.

15.1 Insured Casualty. In the event that at any time after the Commencement Date the Tenant's building or structures within the Leased Premises shall be damaged or destroyed (partially or totally) by fire or any other casualty, Landlord shall have the option to either: (a) terminate this Lease upon thirty (30) days' written notice to Tenant; or (b) Landlord may, at its expense, without unnecessary delay, commence and continue diligently to repair, rebuild and restore Tenant's building or structures within the Leased Premises as nearly as practicable to at least the same condition existing immediately prior to such damage or destruction. All insurance proceeds shall be applied to such restoration work.
15.2 **Waiver of Liability.** Except for the obligations of Tenant under Section 9 and/or otherwise set forth in this Lease, each party hereto has hereby remised, released and discharged the other party hereto and any officer, agent, employee or representative of such party, of and from any liability whatsoever hereafter arising from loss, damage or injury caused by fire or other casualty to its respective property covered by insurance, irrespective of the negligence of such party or any officer, agent, employee or representative of such party.

All insurance carried by Landlord or Tenant on the respective buildings or structures erected within the Leased Premises or the Costco Property, or by Landlord or Tenant on any of its property, shall require Landlord or Tenant to waive right of recovery against the other, shall contain a clause whereby the insurer agrees to waive any right of subrogation against the other party on any claim covered by said insurance, and shall also bear standard first mortgagee fee or leasehold endorsements, as may be required.

15.3 **Rent Abatement.** To the extent that the Leased Premises are rendered untenable, rent shall be proportionately abated from the date of the damage until termination or restoration, except in the event such damage was caused by the act, fault or neglect of Tenant, its employees or customers. No damages, compensation or claim shall be payable by Landlord for inconvenience, loss of business, annoyance arising from any repair or restoration of any portion of the Leased Premises. Tenant shall not be obligated to carry rent insurance.

16. **Eminent Domain.**

16.1 **Expropriation.** In the event, on a permanent basis or temporary basis lasting more than thirty (30) days, either, (1) all or any portion of the Leased Premises shall be expropriated (the term "expropriated" to include a transfer of the property by an eminent domain or similar proceeding or the giving of a deed in lieu thereof) or, (2) the points of ingress and egress to the public roadways or Tenant's access to loading docks be materially impaired by a public or quasi-public authority and if alternative access reasonably acceptable to Tenant is not provided within thirty (30) days of such impairment, and Tenant in its reasonable judgment determines that such taking presents an unacceptable impairment of its business, Tenant may elect to terminate the Lease upon thirty (30) days prior written notice to Landlord.

16.2 **Restoration.** In the event of an expropriation of any portion of the Leased Premises and if this Lease shall not be terminated as hereinabove provided, it shall continue as to that portion of the Leased Premises which shall not have been expropriated or taken, in which event Landlord shall, at its sole cost and expense, promptly and with due diligence restore the Leased Premises as nearly as practicable to complete units of like quality and character as existed just prior to such expropriation. Expropriation proceeds from the taking authority shall be applied to such restoration work.

17. **Use, Assignment and Subletting.**

The Leased Premises shall be used only for the purpose of operating a Package Store, in accordance with the terms of this Lease, and shall be used for no other purpose whatsoever.
without Landlord’s prior written consent which may be withheld in Landlord’s sole discretion. Tenant agrees to continuously operate the Leased Premises for the use permitted throughout the Term, and to keep the Leased Premises adequately staffed and stocked. Tenant agrees to keep the Leased Premises open for business to the public during the same hours and days that the adjacent Costco Wholesale Corporation warehouse is open, unless prevented from doing so by law or ordinance.

Tenant agrees that Landlord has the right, at any time and from time to time, for the general welfare of the Costco Property and its occupants, to impose reasonable rules and regulations of general application governing the conduct of occupants of the Costco Property and their use of the common areas. Tenant agrees to comply with any and all such rules and regulations imposed by Landlord.

Tenant may operate the business under a trade name with notice to Landlord, provided that Landlord may prohibit Tenant from the use of a trade name which has any material, detrimental effect on the business of Landlord on the Costco Property, including, by way of example only, a name which creates any potential for confusion about the ownership or management of the Costco Property or the Leased Premises, or a name commonly associated with competitors of Landlord.

This Lease shall not be assigned or encumbered nor shall all or any portion of the Leased Premises be sublet, used or occupied by any other person or firm, without the prior written consent of Landlord which may be withheld in Landlord’s sole discretion. Any assignment by operation of law, merger or otherwise shall be in violation of this provision, shall be voidable by Landlord and may, at Landlord’s option, be deemed a default hereunder.

In the event Tenant is a corporation, any dissolution, merger, consolidation, or other reorganization of such corporation, or any pledge of the corporate stock, or any sale or other transfer of the controlling percentage of the corporate stock of Tenant, shall constitute an assignment of this Lease for all purposes of this Section 17. The term “Controlling Percentage”, as used herein shall mean the ownership of the stock possessing, and of the right to exercise, at least fifty-one (51%) percent of the total combined voting power of all classes of stock of such corporation, issued, outstanding and entitled to vote for the election of directors whether of such ownership or another corporation. Upon the occurrence of any such events as described in this Section 17, without the prior written consent of Landlord, Tenant shall promptly give written notice thereof to Landlord and Landlord shall have the option to cancel and terminate this Lease upon at least thirty (30) days prior written notice to Tenant, except that this provision shall not be applicable to any corporation, all the outstanding voting stock of which is listed on the United States National Securities Exchange.

18. Signs.

18.1 Trademark. Tenant expressly recognizes that the service mark and trademarks “Price”, “Costco”, “Costco Wholesale”, and “Price Club” are the valid and exclusive property of Landlord, and Tenant agrees that it shall not either during the term of this Lease or thereafter, directly or indirectly, contest the validity of said marks “Price”, “Costco”, “Costco
Wholesale” and “Price Club”, or any of Landlord’s registrations pertaining thereto in the United States or elsewhere, nor adopt or use said mark or any term, word, mark or designation which is in any aspect similar to the mark of Landlord. Tenant further agrees that it will not at any time do or cause to be done any act or thing, directly or indirectly, contesting or in any way impairing or tending to impair any part of Landlord’s right, title and interest in the aforesaid mark, and Landlord shall not in any manner represent that it has ownership interest in the aforesaid mark or registrations therefor, and specifically acknowledges that any use thereof pursuant to this Lease shall not create in Tenant any right, title or interest in the aforesaid mark.

18.2 Permitted Signs. Tenant shall have the option to erect (subject to compliance with all applicable municipal codes and ordinances), at its sole cost and expense, upon any portion of the Leased Premises, signs of such height and other dimensions as Tenant shall determine, bearing such legend or inscription as Tenant shall determine (but same may not advertise anything other than Tenant’s name and/or logos or business carried on in the building), subject only to Landlord’s prior written approval.

No exposed neon sign, flashing or animated sign, or roof or free-standing sign is presently erected or hereafter will be permitted to be erected for any occupant of the Costco Property, and any other signs presently are or hereafter shall be affixed parallel to, and do not or shall not project more than twelve (12) inches out from, any building or marquee.

19. Attorneys Fees. Should either party institute any action or proceeding to enforce or interpret this Lease or any provision hereof, for damages by reason of any alleged breach of this Lease or of any provision hereof, or for a declaration of rights hereunder, the prevailing party in any such action or proceeding shall be entitled to receive from the other party all costs and expenses, including reasonable attorneys’ and other fees, incurred by the prevailing party in connection with such action or proceeding. The term “action or proceeding” shall mean and include actions, proceedings, suits, arbitrations, appeals and other similar proceedings.

20. Landlord’s Remedies.

20.1 Events of Default. The term “Event of Default”, for which Landlord shall have the rights specified in Subsection 20.2, shall mean any of the following:

(i) Tenant shall fail to pay any installment of rent, or any other sums or charges which Tenant may be required to pay pursuant to this Lease;

(ii) (a) if the estate hereby created shall be attached or taken on execution or by other process of law, or (b) if Tenant shall be judicially declared bankrupt or insolvent according to law, or (c) if any assignment shall be made of the property of Tenant for the benefit of creditors, or (d) if a receiver, guardian, conservator, trustee or other similar officer shall be appointed to take charge of all or any substantial part of Tenant’s property by a court of competent jurisdiction and not dismissed within ninety (90) days, or (e) if a petition shall be filed by anyone other than Tenant respecting the bankruptcy or insolvency of Tenant under any provisions of any bankruptcy or insolvency act now or hereafter enacted, and such proceeding is not dismissed within ninety (90) days after it is begun, or (f) if Tenant shall file such a petition;
(iii) If Tenant shall breach or fail to perform or observe any covenant under Section 17 above;

(iv) If (a) Tenant shall breach or fail to perform or observe any other covenant on Tenant’s part to be performed or observed under this Lease and (b) such failure has continued for thirty (30) days after written notice of such failure from Landlord to Tenant; or

(v) If Tenant shall lose the licenses or permits required to conduct the sale of alcoholic beverages from the Leased Premises or if such licenses shall be suspended in excess of thirty (30) days.

20.2 Remedies. Upon the occurrence of an Event of Default, Landlord shall thereafter have the following remedies in addition to Landlord’s right to cure defaults as provided in Subsection 20.6 below:

(i) Bring Suit for Specific Performance. Landlord may bring suit for collection of unpaid rent or other amounts for which Tenant is in default, or for the performance of any other covenant or agreement contained in this Lease, without the necessity of terminating this Lease or entering into possession of the Leased Premises.

(ii) Reentry Without Termination. Landlord may reenter the Leased Premises, by summary proceedings or otherwise, and take possession thereof, without terminating this Lease, and remove all persons and property therefrom, without becoming liable to prosecution therefor, and relet the whole or any part or parts of the Leased Premises from time to time, either in the name of Landlord or on account of Tenant or otherwise, to such person or persons, for such terms ending before, on or after the expiration date of the Term, at such rental and upon such other conditions, which may include concessions and free rent periods, as Landlord in its sole discretion may determine. Landlord will make a good faith and reasonable effort to relet the Leased Premises or any part thereof (but shall not be required to expend any monies in connection therewith) and shall in no event be liable for refusal or failure to relet the Leased Premises and any part thereof, or, in the event of such reletting, for refusal or failure to collect any rent upon any such reletting, and no such refusal or failure shall operate to relieve Tenant of any liability under this Lease or otherwise to affect any such liability. Landlord, at Landlord’s option, may make such repairs, improvements, alterations, additions, decorations and other physical changes in and to the Leased Premises as Landlord, in its sole discretion, considers advisable or necessary in connection with any such reletting or proposed reletting without relieving Tenant of any liability under this Lease or otherwise affecting any such liability. Provided Landlord’s entry is made pursuant to judicial proceedings (or after abandonment), Tenant hereby expressly waives for itself and all persons claiming under it any notice of intention to reenter and repossess and any claim for damages against Landlord or Landlord’s agents, servants or employees, for reentering and repossessing the Leased Premises for any damage caused to Tenant’s property by such reentry or repossession. It is distinctly understood that Tenant’s liability as provided in Subsection 20.3 shall survive and continue after such dispossession, reentry or repossession; and

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(iii) **Termination of Lease.** Landlord may terminate this Lease upon ten (10) days prior written notice to Tenant. No act by Landlord, other than giving Tenant written notice of termination, shall be required to terminate this Lease. Upon termination of this Lease, neither Landlord nor Tenant shall have any further obligation under this Lease except as provided in Subsection 20.3 below and the right of Landlord to recover all unpaid rent to the date of termination.

20.3 **Ongoing Liability.** In case of reentry, repossession or termination of this Lease prior to the expiration date hereof, pursuant to this Section 20, whether or not the same is the result of the institution of summary or other judicial proceedings to obtain possession of the Leased Premises, then, in any of said events, Tenant shall remain liable, at the option of Landlord, for the rent for the period subsequent to reentry, repossession or termination, for the period which otherwise would have constituted the balance of the Term, and for the expenses Landlord may incur in reentering the Leased Premises, repossessing itself thereof, remedying any default committed by Tenant, putting the same in proper repair, making reasonable improvements, and protecting and preserving the same by placing therein watchmen and caretakers, reletting the same (including reasonable attorney’s fees and disbursements, marshal’s fees, customary brokerage fees, etc., in so doing) less the net proceeds of reletting. Tenant agrees to pay any deficiency in the rent or costs incurred by Landlord for such month to Landlord at the end of each and every month. Any suit brought by Landlord to enforce collection of such deficiency or costs for any one month (or months, it being agreed that Landlord need not bring suit every month) shall not prejudice Landlord’s right to enforce the collection of any further deficiency or costs for any subsequent month. Landlord may nevertheless choose to sue each month for collection of sums owed without terminating this Lease. Landlord and Tenant expressly agree to the above provisions with the knowledge that state laws where the Leased Premises are located may grant the parties other rights or remedies, and Landlord and Tenant hereby waive any such rights and remedies in favor of the provisions contained herein. If a court shall determine that these provisions are in violation of public policy or otherwise refuse to enforce them, then the parties agree that the remedies provided herein shall be modified by the court so that they do not violate applicable law in such state, but that such modifications shall be in keeping with the intention of the parties, as far as possible.

20.4 **Waiver of Redemption.** Tenant hereby expressly waives, for itself and all persons claiming under or through it, any right of redemption under any present or future law in case Tenant shall be dispossessed following a default or in case Landlord shall obtain possession of the Leased Premises as herein provided, and Tenant agrees not to exercise such right. However, Tenant does not waive any right of redemption it may have under state laws regarding mortgage or deed of trust foreclosure.

20.5 **Surplus to Landlord.** If Landlord shall relet the Leased Premises there shall be no determination of any surplus resulting from such reletting, and Landlord can keep and shall in no event be required to account to or pay to Tenant any claim for payment of any such surplus.

20.6 **Landlord to Cure with Interest.** In the event of any default hereunder by Tenant, Landlord may elect, following the aforesaid notice period for Tenant’s curing of same

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(provided no notice will be required in the event of an emergency), as another alternative remedy, to cure such breach for the account and at the expense of Tenant. Any sums so expended by Landlord shall be deemed additional rent hereunder and shall be reimbursed by Tenant upon demand, together with interest thereon at the rate of ten percent (10%) per annum or such lesser rate as shall be the highest rate legally permissible (the "Lease Interest Rate") which interest shall accrue from the date of such expenditure by Landlord until the date of payment by Tenant. If Landlord, at any time, by reason of such breach, is compelled to incur any expense, including reasonable attorneys' fees, in instituting or prosecuting any action or proceeding to enforce Landlord's rights hereunder, the sum or sums so paid by Landlord, with interest thereon at the Lease Interest Rate, shall be deemed to be additional rent hereunder and shall be due from Tenant to Landlord on the first day of the month following the payment of such respective sums or expenses.

21.  **Covenant of Title.** Landlord covenants, represents and warrants that as of the Commencement Date it has and will have unrestricted full right, power and lawful authority to execute and perform this Lease for the Term and to grant the estate demised herein and that it is seized of an indefeasible estate in fee simple of the land and improvements described herein, vacant and free and clear of any leases, tenancies, occupancies, assignments, contracts, agreements, restrictions, violations, mortgages and other liens and encumbrances, except as have been approved by Tenant upon execution of this Lease, and that Tenant on payment of the rent and performance of the covenants and agreements hereof, shall peaceably and quietly have, hold and enjoy the Leased Premises and all rights, easements, appurtenances and privileges belonging or in any way appertaining thereto during the Term without molestation or hindrance of any person whomsoever, and if at any time during the Term the title of Landlord shall fail or it be discovered that its title shall not enable Landlord to grant the Term, Tenant shall have the option, at Landlord's expense, to correct such defect or to annul and void this Lease with full reservation of its right to damages, if any.

22.  **Subordination to Mortgage.**

22.1 Tenant understands, acknowledges and agrees that this Lease is and shall be subordinate to any mortgage, ground lease or other lien or restriction of record ("Encumbrance") now existing or hereafter placed on or affecting the Costco Property or any part thereof; provided, however, that subordination to a future Encumbrance shall not be effective unless the holder of such Encumbrance agrees in writing to recognize this Lease and not to disturb Tenant's quiet enjoyment of the Leased Premises so long as Tenant is not in default under this Lease, and to any renewals, refinancing or extensions thereof and to all advances made or hereafter to be made upon the security thereof. This subordination provision shall be self-operative and no further instrument of subordination shall be required by any mortgagee or lender. However, Landlord is hereby irrevocably vested with full power and authority to subordinate this Lease to any mortgage or other lien now existing or hereafter placed upon the Costco Property. Further, Tenant agrees, upon the demand or request of any party in interest, to execute promptly such further instruments or certificates as may be necessary to carry out the intent of this Section.
22.2 Notwithstanding the provisions of Subsection 22.1 hereof, any mortgagee may at any time subordinate the lien of its mortgage to the operation and effect of this Lease without obtaining Tenant’s consent thereto, by giving Tenant written notice thereof, in which event this Lease shall be deemed to be senior to such mortgage without regard to their respective dates of execution, delivery, and/or recordation among the land records of the county in which the Costco Property is located, and thereafter such mortgagee shall have the same rights as to this Lease as it would have had were this Lease executed and delivered before the execution of such mortgage.

22.3 In the event any proceedings are brought for foreclosure, or in the event of the exercise of the power of sale under any mortgage or deed of trust, Tenant shall attorn to the purchaser in any such foreclosure or sale and recognize such purchaser as landlord under this Lease.

23. **Unavoidable Delays.** If either party shall be prevented or delayed from punctually performing any obligation or satisfying any condition under this Lease by any strike, lockout, labor dispute, inability to obtain labor or materials or reasonable substitutes therefor, act of God, governmental restriction, regulation or control, enemy or hostile governmental action, civil commotion, insurrection, sabotage, fire or other casualty, or any other condition beyond the reasonable control of such party (other than inability to provide or obtain financing), then the time to perform such obligation or satisfy such condition shall be extended by the delay caused by such event, except for the payment of rent or other charges. If either party shall, as a result of any such event, be unable to exercise any right or option within any time limit provided therefor in this Lease, such time limit shall be deemed extended for a period equal to the duration of the delay caused by such event. Notwithstanding the foregoing, the provisions of this Section 23 shall not apply to the dates and/or time periods in Section 3.

24. **Rent Notices.** If the ownership of the Leased Premises or the name or address of the party entitled to receive the rent shall be changed, Tenant may, until receipt of proper notice of such change from the grantor, assignor or party entitled to receive the rent immediately preceding such change, continue to pay the rent and additional rent to the party to which, and in the manner in which, the last preceding installment of rent was paid.

25. **Notices.** All notices, demands, consents, approvals and other communications (each, a “Notice”) which are required or desired to be given by either party to the other under this Lease shall be in writing and shall be (a) hand delivered, (b) sent by U.S. registered or certified mail, postage prepaid, return receipt requested, or (c) sent by reputable overnight courier service, addressed to the appropriate party at its address set forth below, or at such other address as such party shall have last designated by Notice to the other. Notices shall be deemed given when delivered. Rejection or other refusal by the addressee to accept a Notice or the inability to deliver the Notice because of a changed address of which no Notice was given shall be deemed to be receipt of the Notice sent. Notice addresses for the parties are as follows:

**Landlord:** Costco Wholesale Corporation 999 Lake Drive Issaquah, WA 98027

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26. **Condition of Leased Premises at Termination.** At the expiration or earlier termination of the Term, Tenant shall surrender the Leased Premises, together with alterations and improvements then a part thereof, in good order and condition, except for the following: ordinary wear and tear, and loss or damage by fire, the elements and other casualty. All furniture, equipment and trade fixtures installed in said building at the expense of Landlord or other occupant shall remain the property of Landlord. Tenant shall remove all other furniture, equipment and trade fixtures within thirty (30) days after the expiration or termination of the Lease or the same will become property of the Landlord and Tenant shall repair any damage to the Leased Premises caused by such removal.

27. **Discharge of Liens.** Tenant shall not cause, suffer, or permit the Leased Premises or the Costco Property to be encumbered by any liens of mechanics, laborers or materialmen, any security interests, or any other liens. Tenant shall, whenever and as often as any such liens are filed against the Leased Premises or the Costco Property and are purported to be for labor or material furnished or to be furnished to Tenant, discharge the same of record within ten (10) days after the date of filing by payment, bonding or otherwise as provided by law. Tenant shall, upon reasonable notice and request in writing from Landlord, also defend Landlord, at Tenant’s sole cost and expense, against any action, suit, or proceeding which may be brought on or for the enforcement of any such lien and shall pay any damages and satisfy and discharge any judgments entered in such action, suit, or proceeding and shall save harmless Landlord from any liability, claim, or damages resulting therefrom.

28. **No Waiver.** The failure of either party to seek redress for violation of, or to insist upon the strict performance of, any term, covenant or condition contained in this Lease shall not prevent a similar subsequent act from constituting a default under this Lease.

29. **Waiver of Trial by Jury.** It is mutually agreed by and between Landlord and Tenant that the respective parties hereto shall and they hereby do waive trial by jury in any action, pricing or counterclaim brought by either of the parties hereto against the other on any matters whatsoever arising out of or in any way connected with this Lease, the relationship of Landlord and Tenant, Tenant’s use or occupancy of the Leased Premises and/or any claim of injury or damage.
30. **Hazardous Waste.** Tenant shall not dispose of or otherwise allow the release of any toxic or hazardous waste or substance in, on, about, or under the Leased Premises, the Costco Property, or any adjacent property. Tenant represents and warrants to Landlord that Tenant’s intended use of the Leased Premises does not involve the use, production, disposal or bringing onto the Leased Premises of any toxic or hazardous waste or substance. Tenant hereby indemnifies Landlord from and against any loss, liability, claim or expense, including, without limitation, removal cleanup, engineering and attorneys fees and expenses that Landlord may incur by reason of the presence on the Leased Premises of any toxic or hazardous waste or substances brought on the Leased Premises by Tenant, its agents, employees and suppliers, or by reason of any investigation or claim of any governmental agency in connection therewith. Tenant’s representations and indemnity to Landlord under this Section 30 shall survive the cancellation or termination of this Lease.

31. **Invalidity of Certain Provisions.** If any provision of this Lease shall be deemed invalid or unenforceable, the remainder of the provisions of this Lease shall not be affected thereby and each and every provision of this Lease shall be enforceable to the fullest extent permitted by law.

32. **Choice of Law.** This Lease, and the rights and obligations of the parties hereto, shall be interpreted and construed in accordance with the laws of the State of Colorado.

33. **Entire Agreement.** This Lease contains the entire agreement between the parties and cannot be changed, modified or amended unless such change, modification or amendment is in writing and executed by the party against which the enforcement of the change, modification or amendment is sought.

34. **Successors and Assigns.** The conditions, covenants and agreements contained in this Lease shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors and assigns. All covenants and agreements of this Lease shall run with the land.

35. **Captions and Gender.** The captions of this Lease are solely for convenience of reference and shall not in any way define, describe, limit or amplify the scope, terms, provisions and intent of this Lease. The necessary grammatical changes which shall be required to make the provisions of this Lease apply (a) in the plural sense if there shall be more than one party, and (b) to any party which shall be either a corporation, a trust, an association, a partnership, or an individual, male or female, shall in all instances be assumed as though in each case fully expressed. Unless otherwise provided, upon the termination of this Lease under any of the sections hereof, the parties hereto shall be relieved of any further liability hereunder, except as to acts, omissions or defaults occurring prior to such termination.
36. **Estoppel Certificates.** Either party shall, without charge, at any time and from time to time within ten (10) days after written request by the other, certify by written instrument, duly executed, acknowledged and delivered to such other party, or to any actual or proposed mortgagee, purchaser, assignee, or sublessee:

36.1 whether or not such other party is, to the knowledge of the party giving the certificate, in default in any way, in the performance of any of the covenants, conditions and agreements to be performed by such party in accordance with this Lease and if there is any such default, specifying the nature of same;

36.2 whether or not this Lease is unmodified and in full force and effect, or in the event that there have been modifications, whether the same is in full force and effect as modified and setting forth the modifications;

36.3 whether or not there have been any prepayments of rent; and

36.4 the Commencement Date and expiration date of the Term.

37. **Independent Operation.** Nothing in this Lease shall cause Landlord in any way to be construed as a partner, joint-venturer, or an associate of Tenant in the operation of the Leased Premises.

38. **Effectiveness of Lease.** This Lease becomes effective as a lease only upon execution and delivery thereof by both Landlord and Tenant and the execution of and delivery to Tenant of any other agreement or document required in connection with this Lease.

39. **Broker.** Landlord and Tenant each represents and warrants that it has not dealt with any real estate agent or broker in connection with this Lease, and each shall and hereby agrees to defend, indemnify and hold the other party harmless, including reasonable attorney’s fees, from and against all claims for commissions and/or other compensation made by any broker or agents or other damage for breach of the foregoing representation by the indemnifying party.

40. **No Recordation of Lease.** Neither this Lease, nor any memorandum thereof, shall be recorded.

[Remainder of page intentionally blank; signature page to follow.]
IN WITNESS WHEREOF, the parties hereto have executed this Lease as of the date first above written.

LANDLORD:     COSTCO WHOLESALE CORPORATION,
a Washington corporation
By: [Signature]
Its: Assistant Secretary

ACKNOWLEDGMENT

STATE OF WASHINGTON )
 )
COUNTY OF KING )

PERSONALLY appeared before me, the undersigned authority, a Notary Public in and for said County and State, Gail E. Tsuboi, with whom I am personally acquainted, or proved to me on the basis of satisfactory evidence and who, upon oath, acknowledged herself to be an Assistant Secretary of Costco Wholesale Corporation, a Washington corporation, the within named signor, and that she, as such Assistant Secretary, executed the within instrument for the purposes therein contained, by signing the name of the corporation by herself such Assistant Secretary

WITNESS my hand and official seal this 24th day of January, 2014

[Notary Public]
[Name (Typed or Printed)]

(Notarial Seal)

Exhibit A
TENANT: SUNSET WINE AND SPIRITS, INC.
a Colorado corporation

By: Tracy Herrmann
its: PRESIDENT

ACKNOWLEDGMENT

STATE OF Texas )
COUNTY OF Bexar )

PERSONALLY appeared before me, the undersigned authority, a Notary Public in and for said County and State, Tracy Herrmann, with whom I am personally acquainted, or proved to me on the basis of satisfactory evidence and who, upon oath, acknowledged herself to be the within named signor, and that she, executed within instrument for the purposes therein contained, by signing her name.

WITNESS my hand and official seal this 19th day of March, 2014

JANET R. KELLNER
Notary Public
Name (Typed or Printed)

(Notorial Seal)

Exhibit A
EXHIBIT A

Site Plan of Leased Premises
(attached)
EXHIBIT B

Equipment to be Provided by Landlord and Tenant

1. **Equipment Provided by Landlord.** In consideration of the rent to be paid and other covenants contained herein, Landlord agrees that it will provide access to an operating forklift truck, either new or used, on days and times as are agreed to by Landlord and Tenant.

2. **Equipment Provided by Tenant.** Tenant shall provide all other fixtures and equipment it deems necessary to reasonably operate the Package Store, including without limitation, a register system sufficient for Tenant's operations in the Leased Premises, and steel fixtures and shelving, in amounts and in locations within the Leased Premises as agreed to by Landlord and Tenant.
FIRST AMENDMENT TO LIQUOR LEASE
(#1178 – Timnath, CO)

This First Amendment to Lease ("Amendment") is made this 1\textsuperscript{st} day of April, 2014, by and between COSTCO WHOLESALE CORPORATION, a Washington corporation ("Landlord"), and SUNSET WINE AND SPIRITS, INC., a Colorado corporation ("Tenant"), with reference to the following facts:

A. Landlord and Tenant entered into that certain Lease dated March 14, 2014 (together with any amendments thereto "Lease") covering those certain premises located in Timnath, CO ("Premises").

B. Landlord and Tenant each desire to modify the Lease in the manner provided below, which modifications shall be deemed effective as of the date of this Amendment as indicated above.

NOW, THEREFORE, in consideration of the foregoing facts and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereby agree as follows:

1. **Address Correction.** Recital A of the Lease is hereby amended to clarify that Landlord owns and operates a Costco Wholesale membership club warehouse ("Costco Warehouse") with a postal address of 4745 Harmony Road, Timnath, CO. The Leased Premises subject to the Lease is adjacent to the Costco Warehouse and has a postal address of 4745 Harmony Road, Suite A, Timnath, CO.

2. **Counterparts.** This Amendment may be signed upon any number of counterparts with the same effect as if the signatures to any counterpart were upon the same instrument.

3. **Effect of this Amendment.** Except as modified by the terms of this Amendment, all the provisions of the Lease shall remain unmodified and in full force and effect.

4. **Defined Terms.** Any term commencing with an initial capital letter which is not otherwise defined herein shall have the same meaning in this Amendment as such term has in the Lease.

5. **Conflict or Inconsistency.** In the event there is any conflict or inconsistency between the terms and conditions of this Amendment and the terms and conditions of the Lease, the terms and conditions of this Amendment shall control and govern the rights and obligations of Landlord and Tenant.
IN WITNESS WHEREOF, this Amendment has been executed as of the date first set forth above.

LANDLORD:  
COSTCO WHOLESALe CORPORATION,  
a Washington corporation

By: Gail E. Tsuboi, Assistant Secretary

TENANT:  
SUNSET WINE AND SPIRITS, INC.  
a Colorado corporation

By: Tracy Herrmann

Reviewed By:
Vanessa Munson

Rick Jerabek
SECOND AMENDMENT TO LIQUOR LEASE
(#1178 – Timnath, CO)

This Second Amendment to Lease ("Amendment") is made this 5th day of June, 2014, by and between COSTCO WHOLESALE CORPORATION, a Washington corporation ("Landlord"), and SUNSET WINE AND SPIRITS, INC., a Colorado corporation ("Tenant"), with reference to the following facts:

A. Landlord and Tenant entered into that certain Lease dated March 14, 2014 (together with any amendments thereto "Lease") covering those certain premises located in Timnath, CO ("Premises").

B. Landlord and Tenant each desire to modify the Lease in the manner provided below, which modifications shall be deemed effective as of the date of this Amendment as indicated above.

NOW, THEREFORE, in consideration of the foregoing facts and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereby agree as follows:

1. **Address Correction.** Recital A of the Lease is hereby amended to clarify that Landlord owns and operates a Costco Wholesale membership club warehouse ("Costco Warehouse") with a postal address of 4700 Weitzel Street, Timnath, CO. The Leased Premises subject to the Lease is adjacent to the Costco Warehouse and has a postal address of 4700 Weitzel Street, Suite A, Timnath, CO.

2. **Counterparts.** This Amendment may be signed upon any number of counterparts with the same effect as if the signatures to any counterpart were upon the same instrument.

3. **Effect of this Amendment.** Except as modified by the terms of this Amendment, all the provisions of the Lease shall remain unmodified and in full force and effect.

4. **Defined Terms.** Any term commencing with an initial capital letter which is not otherwise defined herein shall have the same meaning in this Amendment as such term has in the Lease.

5. **Conflict or Inconsistency.** In the event there is any conflict or inconsistency between the terms and conditions of this Amendment and the terms and conditions of the Lease, the terms and conditions of this Amendment shall control and govern the rights and obligations of Landlord and Tenant.
IN WITNESS WHEREOF, this Amendment has been executed as of the date first set forth above.

LANDLORD:  
COSTCO WHOLESALE CORPORATION,  
a Washington corporation

By: Gail E. Tsuboi, Assistant Secretary

TENANT:  
SUNSET WINE AND SPIRITS, INC.  
a Colorado corporation

By: Tracy Herrmann

Reviewed By:
Vanessa Munson  
Rick Jerabek
OFFICE OF THE SECRETARY OF STATE
OF THE STATE OF COLORADO

CERTIFICATE

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

Sunset Wine and Spirits, Inc.

is a Corporation formed or registered on 02/27/2014 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 20141138722.

This certificate reflects facts established or disclosed by documents delivered to this office on paper through 04/17/2014 that have been posted, and by documents delivered to this office electronically through 04/18/2014 @ 15:14:26.

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 04/18/2014 @ 15:14:26 pursuant to and in accordance with applicable law. This certificate is assigned Confirmation Number 8826550.

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/decl/CertificateSearch Colorado 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.”
Articles of Incorporation for a Profit Corporation
filed pursuant to § 7-102-101 and § 7-102-102 of the Colorado Revised Statutes (C.R.S.)

1. The domestic entity name for the corporation is

Sunset Wine and Spirits, Inc.

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

2. The principal office address of the corporation's initial principal office is

Street address: 4745 Harmony Road
Suite A
Timnath, CO 80547
United States

Mailing address: 414 W. Rhapsody
San Antonio, TX 78216
United States

3. The registered agent name and registered agent address of the corporation's initial registered agent are

Name: Coates Kevin M.

Street address: 455 Sherman Street
Suite 300
Denver, CO 80203
United States

Mailing address: (leave blank if same as street address)
CO  
(State)  
(ZIP/Postal Code)

(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)  
Herrmann  
Tracy  
Lynn  
(Last)  
(First)  
(Middle)  
(Suffix)

or

(if an entity)

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

Mailing address  
414 W. Rhapsody

(Site number and name or Post Office Box Information)

San Antonio  
TX  
78216  
(City)  
(State)  
(ZIP/Postal Code)

(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:

(If the following statement applies, adopt the statement by marking the box and enter the number of shares.)

☑ The corporation is authorized to issue 50,000 common shares that shall have unlimited voting rights and are entitled to receive the net assets of the corporation upon dissolution.

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

☐ Additional information regarding shares as required by section 7-106-101, C.R.S., is included in an attachment.

(Caution: At least one box must be marked. Both boxes may be marked, if applicable.)

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  

(mmm/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

<table>
<thead>
<tr>
<th>Myers</th>
<th>Ann</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>(Last)</td>
<td>(First)</td>
<td>(Middle)</td>
<td>(Suffix)</td>
</tr>
<tr>
<td>455 Sherman Street</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Suite 300</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Denver</td>
<td>CO</td>
<td>80203</td>
<td>United States</td>
</tr>
<tr>
<td>(City)</td>
<td>(State)</td>
<td>(ZIP/Postal Code)</td>
<td>(Country)</td>
</tr>
</tbody>
</table>

(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).
Statement of Trade Name of a Reporting Entity
filed pursuant to §7-71-103 and §7-71-107 of the Colorado Revised Statutes (C.R.S)

1. For the reporting entity delivering this statement, its ID number, true name, form of entity and the jurisdiction under the law of which it is formed are

   ID Number 20141138722
   (Colorado Secretary of State ID number)

   True name Sunset Wine and Spirits, Inc.

   Form of entity Corporation

   Jurisdiction Colorado

2. The trade name under which such entity transacts business or conducts activities or contemplates transacting business or conducting activities in this state is

   Costco Liquors at Timnath

3. A brief description of the kind of business transacted or activities conducted or contemplated to be transacted or conducted in this state under such trade name is

   Retail liquor store

4. (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.

5. (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 are ________________ (mm/dd/yyyy hour:minute am/pm)

Notice:
Causine 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 such document is such individual's act and deed, or that such individual in good faith believes such document is the act and deed of the person on whose behalf such individual is causing such 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 such individual in good faith believes the facts stated in such document are true and such 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 identified in this document as one who has caused it to be delivered.
6. The true name and mailing address of the individual causing this document to be delivered for filing are

Coates
Kevin
(Lati) (First) (Middle) (Suffix)

455 Sherman St.
(Suite number and name or Post Office Box information)

Suite 300

Denver CO 80203
(City) (State) (Postal/Zip Code)

United States
(Province — if applicable) (Country — if not US)

☐ 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).
CONSENT TO
INFORMAL ORGANIZATIONAL ACTION
OF
SOLE SHAREHOLDER AND DIRECTOR
OF
SUNSET WINE AND SPIRITS, INC.

February 27, 2014

THE UNDERSIGNED, constituting the sole member of the Board of Directors of SUNSET WINE AND SPIRITS, INC., a Colorado corporation (the "Corporation"), in accordance with C.R.S., § 7-108-202 of the Colorado Business Corporation Act, meeting without notice, does hereby take the actions below set forth, and to evidence her waiver of any right to dissent from such actions, does hereby consent as follows:

RESOLVED: That the Articles of Incorporation of this Corporation filed with the Secretary of State on February 27, 2014, and attached hereto and incorporated by reference herein be and the same are hereby approved and accepted.

RESOLVED: That the Bylaws attached hereto and incorporated by reference herein be and the same are hereby declared to be the Bylaws of the Corporation.

RESOLVED: That the following person be and she is hereby elected as the sole officer of the Corporation in the respective capacities set forth after her name, the term of office of each person to be until the first annual meeting of the Board of Directors, and until her respective successors shall be elected and qualified:

  Tracy Hermann             Sole Director
  Tracy Hermann             President
  Vacant                    Vice-President
  Tracy Hermann             Treasurer
  Tracy Hermann             Secretary

RESOLVED: That the seal of the Corporation shall consist of a circular impression bearing around the outside rim the words "SUNSET WINE AND SPIRITS, INC.," the word "Colorado," and in the center the date "2014."

RESOLVED: That the Frost National Bank be and it hereby is designated as a depository of this Corporation, and that the corporate banking resolutions of said bank, attached to these Minutes and incorporated herein, be and the same are hereby unanimously adopted and approved.

RESOLVED: That the Treasurer be and is hereby authorized and directed to pay all fees and expenses incident to and necessary for the organization and qualification of the Corporation, including, without limitation, all legal and accounting fees and costs to procure proper corporate books.
RESOLVED: That the proper officer of the Corporation cause to be prepared appropriate books and records with respect to the capital stock of the Corporation, in which shall be recorded, among other things, the names and addresses of the stockholders and the number of shares held by each.

RESOLVED: That the Corporation issue the following number of shares of Common Stock to the following below named individuals upon payment, by check or in cash, to the Corporation by such individuals of the amounts of money set forth opposite her or her name:

<table>
<thead>
<tr>
<th>Name</th>
<th>No. of Shares</th>
<th>Consideration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tracy Herrmann</td>
<td>5,000</td>
<td>$5,000.00</td>
</tr>
</tbody>
</table>

RESOLVED: That any and all actions taken or contracts entered into heretofore by a promoter, officer or director for the Corporation, either as a promoter, officer or director, as well as any and all actions taken or contracts entered into by said persons as individuals, acting for the Corporation, be and the same are hereby ratified, approved and confirmed by the Corporation, and all such contracts adopted as though said individual had at such time full power and authority to act for the Corporation and in the same manner as if each and every act had been done pursuant to the specific authorization of the Corporation.

RESOLVED: The officers, employees, and agents of the Corporation are hereby authorized and directed to take any and all action, necessary or convenient, in order that the Corporation file and perfect an application for a liquor license on the premises located at 4745 Harmony Road, Suite A, Timnath, Colorado 80547.

WITNESS my signature the day and year first above written.

[Signature]
Tracy Herrmann
Sole Shareholder and Sole Director
SUNSET-WINE AND SPIRITS, INC.
Shares are with no par value
Transfer of shares represented by this Certificate is restricted. See legend on reverse side.

This Certificate that
Tracy Herrmann
is the registered holder of
FIVE THOUSAND
Shares

transferable only on the books of the Corporation by the holder himself in person or by attorney upon surrender of this Certificate properly endorsed.

In Witness Whereof, the said Corporation has caused this Certificate to be signed by its duly authorized officers and its Corporate Seal to be hereunto affixed.

this 27th day of February A.D. 2014

By: Tracy Herrmann, President

By: Tracy Herrman, Secretary
The shares represented by this certificate have not been registered under the Securities Act of 1933 (the "Act") and are "restricted securities" as that term is defined in Rule 144 under the Act. The shares may not be offered for sale, sold or otherwise transferred except pursuant to an effective registration statement under the Act, or pursuant to an exemption from registration under the Act, the availability of which is to be established to the satisfaction of the Company.

For Value Received, I hereby sell, assign and transfer
unto ________________________________ Shares
represented by the within Certificate, and do hereby
irrevocably constitute and appoint
Attorney
to transfer the said Shares on the books of the within named
Corporation with full power of substitution in the premises.
Dated ___________________________ A.D. __________
In presence of ________________________________
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 or Tavern 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.

1. Name of Business
   Sunset Wine and Spirits, Inc.

2. Your Full Name (last, first, middle)
   Herrmann, Tracy Lynn

3. List any other names you have used.
   Tracy Lynn Mcdarelli; Tracy Lynn Cloud

4. Mailing address (if different from residence)
   414 W. Rhapsody, San Antonio, TX 78216

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

<table>
<thead>
<tr>
<th>STREET AND NUMBER</th>
<th>CITY, STATE, ZIP</th>
<th>FROM</th>
<th>TO</th>
</tr>
</thead>
<tbody>
<tr>
<td>2 Three Lakes Drive</td>
<td>San Antonio, TX 78248-1022</td>
<td>2005</td>
<td>Current</td>
</tr>
</tbody>
</table>

Previous

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

<table>
<thead>
<tr>
<th>NAME OF EMPLOYER OR BUSINESS</th>
<th>ADDRESS (STREET, NUMBER, CITY, STATE, ZIP)</th>
<th>POSITION HELD</th>
<th>FROM</th>
<th>TO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aqua Gypsy</td>
<td>2 Three Lakes Drive, San Antonio, TX 78248-1022</td>
<td>President/Owner</td>
<td>2013</td>
<td>Current</td>
</tr>
<tr>
<td>Ranch at the Rim</td>
<td>18007 IH 10, San Antonio, TX 78257</td>
<td>Part-time Sales</td>
<td>2010</td>
<td>2013</td>
</tr>
<tr>
<td>Tracy Blue Trading, LLC</td>
<td>1150 N. Noop 1604 W, San Antonio, TX 78248</td>
<td>President/Owner</td>
<td>2011</td>
<td>2012</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>NAME OF RELATIVE</th>
<th>RELATIONSHIP TO YOU</th>
<th>POSITION HELD</th>
<th>NAME OF LICENSEE</th>
</tr>
</thead>
<tbody>
<tr>
<td>See attached</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

12.2013CG
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.

<table>
<thead>
<tr>
<th>13a. Date of Birth</th>
<th>b. Social Security Number SSN</th>
<th>c. Place of Birth</th>
<th>d. U.S. Citizen?</th>
</tr>
</thead>
<tbody>
<tr>
<td>02/04/1963</td>
<td>453-45-9633</td>
<td>Lampasas, TX</td>
<td>☑ Yes ☐ No</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>e. If Naturalized, State where</th>
<th>f. When</th>
<th>g. Name of District Court</th>
</tr>
</thead>
<tbody>
<tr>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>h. Naturalization Certificate Number</th>
<th>i. Date of Certification</th>
<th>j. If an Alien, Give Alien's Registration Card Number</th>
<th>k. Permanent Residence Card Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>l. Height</th>
<th>m. Weight</th>
<th>n. Hair Color</th>
<th>o. Eye Color</th>
<th>p. Sex</th>
<th>q. Race</th>
<th>r. Do you have a current Driver's License? If so, give number and state</th>
</tr>
</thead>
<tbody>
<tr>
<td>5'7&quot;</td>
<td>135</td>
<td>Blonde</td>
<td>Blue</td>
<td>Female</td>
<td>Caucasian</td>
<td>☑ Yes ☐ No TX 09489431</td>
</tr>
</tbody>
</table>

14. Financial Information:

<table>
<thead>
<tr>
<th>a. Total purchase price ($)</th>
<th>(If buying an existing business) or investment being made by the applying entity, corporation, partnership, limited liability company, other</th>
<th>$275,000</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>b. List the total amount of your investment in this business including any notes, loans, cash, services or equipment, operating capital, stock purchases or fees paid</th>
<th>$275,000</th>
</tr>
</thead>
</table>

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

<table>
<thead>
<tr>
<th>Type: Cash, Services or Equipment</th>
<th>Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>Frost Bank</td>
<td>275,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>d. Loan Information (attach copies of all notes or loans)</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Name of Lender</th>
<th>Address</th>
<th>Term</th>
<th>Security</th>
<th>Amount</th>
</tr>
</thead>
</table>

---

**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:** [Signature]

**Title:** President

**Date:** 4/25/2014

12.2013CG
ATTACHMENT TO INDIVIDUAL HISTORY RECORD – TRACY L. HERRMANN
RE: SUNSET WINE AND SPIRITS, INC. dba COSTCO LIQUORS AT TIMNATH

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

<table>
<thead>
<tr>
<th>Name of Relative</th>
<th>Relationship To You</th>
<th>Position Held</th>
<th>Name of Licensee</th>
</tr>
</thead>
<tbody>
<tr>
<td>David Herrmann</td>
<td>Cousin-in-Law</td>
<td>President</td>
<td>DSH Liquors Inc.</td>
</tr>
<tr>
<td>Emily H. Petty</td>
<td>Cousin-in-Law</td>
<td>President</td>
<td>KH&amp;H Liquors, Inc.</td>
</tr>
<tr>
<td>Helen H. Berridge</td>
<td>Cousin-in Law</td>
<td>President</td>
<td>Sheridan Liquors Inc.</td>
</tr>
<tr>
<td>Austin A. Herrmann</td>
<td>Cousin-in Law</td>
<td>President</td>
<td>Ron's Liquors Inc.</td>
</tr>
<tr>
<td>Albert Don Herrmann</td>
<td>Father-in-Law</td>
<td>President</td>
<td>Parker Liquor Company Inc.</td>
</tr>
<tr>
<td>John A. Herrmann</td>
<td>Husband</td>
<td>President</td>
<td>Colorado Liquor Company Inc.</td>
</tr>
<tr>
<td>Paul D. Herrmann</td>
<td>Brother-in-Law</td>
<td>President</td>
<td>Mountain Liquor Company Inc.</td>
</tr>
<tr>
<td>Sara A. Herrmann</td>
<td>Sister-in-Law</td>
<td>President</td>
<td>Jake's Liquor Inc.</td>
</tr>
</tbody>
</table>
Sunset Wine and Spirits, Inc.

dba

Costco Liquors at Timnath

4700 Weitzel Street, Suite A
Timnath, CO 80547

Retail Liquor Store License
Local Licensing Authority
Timnath, Colorado

Re: Petition/Opinion Poll to Determine Needs and Desires of the Defined Neighborhood in the Application of:

**Sunset Wine and Spirits, Inc., dba Costco Liquors at Timnath**
4700 Welzai Street, Suite A, Timnath, CO 80547
Retail Liquor Store License

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**PETITION/OPINION POLL PROCEDURE**

1. Under the direction and control of Oedipus, Inc. management, the Oedipus, Inc. employee was briefed on the application.

2. The employee carried a clipboard with the following:
   
   A. Maps of the area denoting the proposed location of the license and the boundaries of the defined neighborhood;
   
   B. Petitions allowing individuals contacted to indicate their opinion with instructions and qualifications for signing;
   
   C. A stat sheet to record the opinion of those not signing and not-at-homes.

3. This petition/opinion poll was performed on Wednesday, 9 July 2014 (businesses), and Wednesday, Thursday and Saturday, 9, 10 and 12 July 2014 (residences), within the neighborhood defined as the town limits of Timnath (see maps).

4. The circulation packets have cover maps, and the areas in which each petition circulation/polling took place are outlined in highlighter. Included in this Report are master circulation maps outlining areas where circulation/polling was conducted.

5. Individuals were contacted on a random sampling basis, were screened to identify them as parties in interest, and were asked their opinion after they had been informed of the applicant, site location, and type of license being applied for. Their opinion was either recorded on the petition format or on the stat sheet.

6. Tendered herein with this Report are two (2) petition packets representing businesses and residences.
**PETITION/OPINION POLL RESULTS**

1. **Total Doorknocks:**
   - Not-at-Homes and/or Business Owners/Managers Not Available: 143
   - Not Qualified to Sign: 2
   - Preferred to Not Participate: 20
   - Parties in Interest that Participated: 102
   - Deleted Signatures: 0
   - **Total Base Figure**: 267

2. **Qualified Contacts:**

   A. **Signatures and Those Not Signing**
      - Signatures Favoring Issuance: 89
        - Businesses: 2
        - Residences: 87
      - Not Signing/Favoring Issuance: 0
      - Signatures Opposing Issuance: 13
        - Businesses: 0
        - Residences: 13
      - **Not Signing/Opposing Issuance**: 0
      - **Total Contacts**: 102

   B. **Breakdown of Reasons of Signatures in Opposition:**
      - No Need: 7
      - Abhorrence of Alcohol: 5
      - Religious Objections: 0
      - Usage Objections: 1
      - Miscellaneous Reasons: 0
      - No Reason Given: 0
      - **Total Signatures**: 13
Local Licensing Authority, Timnath, Colorado
Re: Costco Liquors at Timnath — Retail Liquor Store License
22 July 2014

<table>
<thead>
<tr>
<th></th>
<th>Count</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>C. Breakdown of Signatures Favoring and Opposing:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Favoring Issuance (Based on Needs/Desires)</td>
<td>89</td>
<td>87.26%</td>
</tr>
<tr>
<td>Signature 89</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Not Signing 0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opposing Issuance (Based on Needs/Desires)</td>
<td>7</td>
<td>6.86%</td>
</tr>
<tr>
<td>Signature 7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Not Signing 0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Abhorrence of Alcohol</td>
<td>5</td>
<td>4.90%</td>
</tr>
<tr>
<td>Signature 5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Not Signing 0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Religious Objections</td>
<td>0</td>
<td>0.00%</td>
</tr>
<tr>
<td>Signature 0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Not Signing 0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Usage Objections (Commercial, Traffic, Parking, Crime)</td>
<td>1</td>
<td>0.98%</td>
</tr>
<tr>
<td>Signature 1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Not Signing 0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Miscellaneous Reasons</td>
<td>0</td>
<td>0.00%</td>
</tr>
<tr>
<td>Signature 0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Not Signing 0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>No Reason Given</td>
<td>0</td>
<td>0.00%</td>
</tr>
<tr>
<td>Signature 0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Not Signing 0</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Base Figure</strong></td>
<td>102</td>
<td>100.00%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Count</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>3. Needs and Desires Signatures:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Favoring Issuance (Based on Needs/Desires)</td>
<td>89</td>
<td>92.71%</td>
</tr>
<tr>
<td>Favoring Issuance/Not Signing (Based on Needs/Desires)</td>
<td>0 }</td>
<td>89</td>
</tr>
<tr>
<td>Opposing Issuance (Based on Needs/Desires)</td>
<td>7</td>
<td>7.29%</td>
</tr>
<tr>
<td>Opposing Issuance/Not Signing (Based on Needs/Desires)</td>
<td>0 }</td>
<td>7</td>
</tr>
<tr>
<td><strong>Total Base Figure</strong></td>
<td>96</td>
<td>100.00%</td>
</tr>
</tbody>
</table>

The petition packets are presented as follows: Cover maps, petitions, and affidavit.

#1 & #2 / Pamela A. Bishop / Businesses & Residences
CATEGORIES OF SIGNATURES IN OPPOSITION

**NN** NEEDS & DESIRES CRITERIA:
Individuals opposed to the license application based on needs and desires criteria per the Colorado Liquor/Beer Codes (currently existing licensed establishments of a same or similar type of license now located within the defined neighborhood are meeting the reasonable requirements of the adult inhabitants of the defined neighborhood at this time).

**NON** NON-USAGE OF ALCOHOL / ABHORRENCE OF ALCOHOL:
Individuals opposed to the license application because they do not drink alcohol beverages, do not approve of alcohol consumption, and/or abhor alcohol.

**RO** RELIGIOUS OBJECTIONS:
Individuals opposed to the license application based on religious beliefs/reasons.

**OBJ** USAGE OBJECTIONS:
Individuals opposed to the license application because of their fear or concern for the potential of parking problems, traffic problems, crime, noise, littering, undesirable people drawn to the area, loss of property value; or individuals who opposed this type of business or applicant, any type of commercial usage in the neighborhood, any new growth in the neighborhood; or, individuals who think this type of business (if issued a liquor/beer license) should not be located near a residential neighborhood, church, or school, etc.; or, individuals who opposed because they are against any alcohol service at this type of facility, location, or atmosphere; or, individuals who favor the service of beer and wine but oppose the service of distilled spirits (on H&R applications).

**MS** MISCELLANEOUS OBJECTIONS:
Individuals opposed to the license application for other miscellaneous reasons to include: fear or concern for the possibility of drunk drivers in the area, fear or concern of resulting behavioral problems, individuals who would purchase alcohol beverages then drink and drive, sales to minors/underaged drinking, the location becoming a teen hang-out and the problems that can arise from this, and the effect it could have on family values or their family in general because they have young children or teens; or, individuals who opposed because competition is not desired or how said business may affect the livelihood of existing businesses; or, individuals who compared the “needs and desires” criteria to existing licensed outlets other than the type of license applied for.

**NR** NO REASON GIVEN:
Individuals who preferred to not state a reason for opposing.
CLOSE-UP MAP - TOWN OF TIMNATH

○ - BUSINESSES ○ - RESIDENCES

APPLICANT/TRADE NAME: SUNSET WINE AND SPIRITS, INC., dba COSTCO LIQUORS AT TIMNATH (3,920 SQ. FT.)
SITE LOCATION: 4700 WEITZEL STREET, SUITE A, TIMNATH, CO 80547
APPLICATION FOR: RETAIL LIQUOR STORE LICENSE (To sell beer, wine & distilled spirits, in sealed containers, to be consumed OFF the licensed premises only)
PUBLIC HEARING: TUESDAY, 22 JULY 2014, 6:00 P.M., COUNCIL CHAMBERS, 4800 GOODMAN STREET, TIMNATH, CO 80547
DEFINED NEIGHBORHOOD: TOWN LIMITS OF TIMNATH, COLORADO
OVERVIEW MAP - TOWN OF TIMNATH & OUTLYING AREAS

- BUSINESSES

- RESIDENCES

APPLICANT/TRADE NAME: SUNSET WINE AND SPIRITS, INC., d/b/a COSTCO LIQUORS AT TIMNATH
SITE LOCATION: 4700 WEITZEL STREET, SUITE A, TIMNATH, CO 80547
APPLICATION FOR: RETAIL LIQUOR STORE LICENSE [To sell beer, wine & distilled spirits, in sealed containers, to be consumed OFF the licensed premises only]
PUBLIC HEARING: TUESDAY, 22 JULY 2014, 6:00 P.M., COUNCIL CHAMBERS, 4800 GOODMAN STREET, TIMNATH, CO 80547
DEFINED NEIGHBORHOOD: TOWN LIMITS OF TIMNATH, COLORADO