



Randy Winkler, Mayor
Jay Miller, Mayor Pro Tem
Richard Carter, Councilor
Barbara Clifton, Councilor
Dirk Myers, Councilor
Hans Parkinson, Councilor
Jonathan Rice, Councilor

City Hall
City Council Chambers
202 Railroad Avenue
Rifle, CO

Cablecast Live on
Comcast Channel 10

Streamed Live at RifleNOW.org

The City of Rifle will make reasonable accommodations for access to City services, programs, and activities and will make special communication arrangements for persons with disabilities. Please call (970) 665-6405 for assistance.

REGULAR MEETING

July 2, 2014

**WORKSHOP 6:00 P.M.
COUNCIL CHAMBERS**

6:00 P.M. Council and Staff Open Discussion

**REGULAR MEETING 7:00 P.M.
COUNCIL CHAMBERS**

The City Council may take action on any of the following agenda items as presented or modified prior to or during the meeting, and items necessary or convenient to effectuate the agenda items.

- 7:00 p.m. 1. Regular Meeting Call to Order and Roll Call
- 7:03 p.m. 2. Consent Agenda – consider approving the following items:
 - A. Minutes from the June 16, 2014 regular meeting
 - B. Minutes from the June 25, 2014 special meeting
 - C. Liquor License Renewal: Eagle Springs Meats & Farm Fresh Café
 - D. Liquor License Transfer from Shale Country Liquors to GMT Investments LLC d/b/a Black Bear Liquors
 - E. Accounts Payable
- 7:08 p.m. 3. Citizen Comments
(For issues NOT on the Agenda. Please limit comments to 3 minutes.)
- 7:11 p.m. 4. Action, if any, on Workshop Items (Mayor Winkler)
- 7:15 p.m. 5. Receive update from Clean Energy Economy for the Region (CLEER)
- 7:30 p.m. 6. Public Hearing – Consider Special Event Liquor Permit Application – Rifle Regional Economic Development Center for July 18, 2014 at Ute Events Center (Lisa Hamilton) – *staff recommends that Council continue (postpone) this hearing until July 16, 2014*

- 7:35 p.m. 7. Public Hearing – Consider Special Event Liquor Permit Application – Rifle Regional Economic Development Center for July 25, August 1, August 15, and August 22, 2014 at Centennial Park (Lisa Hamilton) – *staff recommends that Council continue (postpone) this hearing until July 16, 2014*
- 7:40 p.m. 8. Public Hearing – Consider Second Amendment to Watershed District Permit No. 3-09 for WPX Rocky Mountain Energy, LLC (Jim Neu)
- 7:55 p.m. 9. Public Hearing - Consider Central Business District Zoning Amendments - Ordinance No. 8, Series of 2014 – first reading (Nathan Lindquist)
- 8:05 p.m. 10. Consider awarding contract for 16th Street reconstruction (Rick Barth)
- 8:15 p.m. 11. Administrative Reports
- 8:30 p.m. 12. Comments from Mayor and Council

The order and times of agenda items listed above are approximate and intended as a guideline for the City Council.

Next Regular Meeting of Council: July 16, 2014 at 7:00 p.m.



RIFLE CITY COUNCIL MEETING

Monday, June 16, 2014

REGULAR MEETING

7:00 p.m. * Council Chambers

A regular meeting of the Rifle City Council was called to order at 7:00 p.m. by Mayor Randy Winkler.

PRESENT ON ROLL CALL: Councilors Rich Carter, Barb Clifton, Jay Miller, Dirk Myers, Hans Parkinson, Jonathan Rice, and Mayor Randy Winkler.

OTHERS PRESENT: Matt Sturgeon, City Manager; Lisa Hamilton, City Clerk; Jim Neu, City Attorney; Jim Bell, Rifle Community Television Manager; Michael Churchill, Rifle Community Television Assistant Manager; Kristy Christensen, Deputy City Clerk; Dick Deussen, Utilities Director; John Dyer, Police Chief; Jim Miller, Resident Engineer; Bobby O’Dell, Public Works Superintendent; Ava Bowles; Dylan Cuevas; Chad Harris; Mike McKibbin.

EXECUTIVE SESSION FOR THE PURPOSE OF DETERMINING POSITIONS RELATIVE TO MATTERS THAT MAY BE SUBJECT TO NEGOTIATIONS, DEVELOPING STRATEGY FOR NEGOTIATIONS, AND/OR INSTRUCTING NEGOTIATORS, UNDER C.R.S. SECTION 24-6-402(4)(E)

Councilor Miller moved to adjourn to executive session to discuss negotiations; seconded by Councilor Rice. Roll Call: Yes – Carter, Clifton, Miller, Myers, Parkinson, Rice, Winkler

Council returned to open session at 7:25 p.m.

CONSENT AGENDA - APPROVE THE FOLLOWING ITEMS:

- A. Minutes from the June 4, 2014 regular meeting
- B. Appointments to Visitor Improvements Fund Advisory Board
- C. Accounts Payable

Councilor Rice moved to approve Consent Agenda Items A, B, and C; seconded by Councilor Carter. Roll Call: Yes – Carter, Clifton, Miller, Myers, Parkinson, Rice, Winkler

PRESENT CITIZEN RECOGNITION AWARDS TO DYLAN CUEVAS AND DEVIN MONTGOMERY

Police Chief John Dyer presented Citizen Recognition Awards to Dylan Cuevas and Devin Montgomery for returning to the Rifle Police Department a backpack with valuables that they found at Centennial Park.

CONSIDER CONSENTING TO DISSOLUTION OF RIFLE FIRE PROTECTION DISTRICT - RESOLUTION NO. 9, SERIES OF 2014

City Attorney Jim Neu and Colorado River Fire Protection District (CRFPD) Deputy Fire Chief Chad Harris explained that the Rifle Fire Protection District (RFPD) has merged into the CRFPD. The next step is for RFPD to file a petition for dissolution and once dissolved, CRFPD will be the sole fire district serving the City of Rifle. Proposed Resolution No. 9, Series of 2014 would consent to the dissolution of RFPD.

Councilor Carter moved to approve Resolution No. 9, Series of 2014; seconded by Councilor Parkinson. Roll Call: Yes – Carter, Clifton, Miller, Myers, Parkinson, Rice, Winkler

CONSIDER ACQUISITION OF PLOW TRUCK COMBINATION FOR THE STREETS DEPARTMENT

Public Works Superintendent Bobby O'Dell reminded Council that it budgeted \$214,000 in the Streets Department to purchase a tandem dump truck snow plow combination.

Staff evaluated several new tandem dump truck snow plow combinations and concluded that the City would be better served by purchasing a used snow plow and a new tandem dump truck, instead of purchasing one tandem dump truck snow plow combination. Doing so would save \$54,500.

Hansen Equipment is offering a 2000 Freightliner FL70 used plow truck in excellent condition for \$37,500, and a new 2014 International 7600 tandem dump truck for \$110,000.

The tandem dump truck would require a rock bed. Staff has located a used bed in good condition at SadDas Services for \$12,000. Hansen would include installation of the rock bed in the tandem purchase price.

Councilor Miller moved to approve the purchase of a 2000 Freightliner FL70 used plow truck for \$37,500 from Hansen Equipment, the purchase of a 2014 International 7600 tandem dump truck for \$110,000 from Hansen Equipment, and the purchase of a rock bed for \$12,000 from SadDas Services; seconded by Councilor Clifton. Roll Call: Yes – Carter, Clifton, Miller, Myers, Parkinson, Rice, Winkler

CONSIDER AWARDING CONTRACT FOR CONSTRUCTION OF WATER TREATMENT PLANT

This item was not ready for Council action. Council will consider it at a future meeting.

COMMENTS FROM MAYOR AND COUNCIL

Councilor Parkinson thanked the staff for the good work they are doing.

Councilor Myers informed citizens that if they have concerns about energy development activities, the Colorado Oil and Gas Commission and the Community Counts organization can help.

Meeting adjourned at 7:52 p.m.

Lisa K. Hamilton
City Clerk

Randy Winkler
Mayor

RIFLE CITY COUNCIL MEETING

Wednesday, June 25, 2014

SPECIAL MEETING

6:00 p.m. * Council Chambers

A special meeting of the Rifle City Council was called to order at 6:00 p.m. by Mayor Randy Winkler.

PRESENT ON ROLL CALL: Councilors Rich Carter, Barb Clifton, Jay Miller, Dirk Myers, Hans Parkinson, Jonathan Rice, and Mayor Randy Winkler.

OTHERS PRESENT: Matt Sturgeon, City Manager; Lisa Hamilton, City Clerk; Michael Churchill, Rifle Community Television Assistant Manager; Robert Burns, Water Supervisor; Dick Deussen, Utilities Director; John Dyer, Police Chief; Charles Kelty, Finance Director; Jim Miller, Resident Engineer; Dan Alvis; Ava Bowles; Chris Krelovich; Mike McKibbin; Susan Nichols-Alvis; and Warren Swanson.

EXECUTIVE SESSION FOR THE PURPOSE OF DETERMINING POSITIONS RELATIVE TO MATTERS THAT MAY BE SUBJECT TO NEGOTIATIONS, DEVELOPING STRATEGY FOR NEGOTIATIONS, AND/OR INSTRUCTING NEGOTIATORS, UNDER C.R.S. SECTION 24-6-402(4)(E)

Councilor Miller moved to adjourn to executive session to discuss negotiations; seconded by Councilor Clifton. Roll Call: Yes – Carter, Clifton, Miller, Myers, Parkinson, Rice, Winkler

Council returned to open session at 7:30 p.m.

CONSIDER ACTION ON BIDS TO CONSTRUCT RIFLE REGIONAL WATER PURIFICATION FACILITY (RRWPF)

City Manager Matt Sturgeon reported that the City advertised bids for the construction of the Rifle Regional Water Purification Facility (RRWPF). The resulting best value bid received exceeded the City’s budget by more than \$8,000,000.

Susan Nichols-Alvis commented that the City should downsize the project.

Councilor Myers moved to reject the bids the City received for the construction of the Rifle Regional Water Purification Facility; seconded by Councilor Miller. Roll Call: Yes – Carter, Clifton, Miller, Myers, Parkinson, Rice, Winkler

CONSIDER AUTHORIZING STAFF TO UTILIZE SOLE SOURCE PROCUREMENT FOR THE CONSTRUCTION OF THE RRWPF – RESOLUTION NO. 10, SERIES OF 2014

Mr. Sturgeon and Resident Engineer Jim Miller explained that the City’s existing water treatment plant has reached its maximum production capacity and cannot be expanded. It is at the end of its design lifespan, spare parts are not readily available, and the facility cannot be upgraded to meet anticipated Colorado Department of Public Health and Environment future regulations, creating the urgent need for the RRWPF.

The current situation and status of the City’s existing water plant creates an emergency to public health and safety with components failing or near failure, including but not limited to tube settler modules collapsing, partial failure of disinfection equipment, and a loss of one of two backwash carriage controller drastically reducing capacity, all

of which impede the City's ability to provide potable water to its citizens. A catastrophic failure of an integral component of the existing water plant would disrupt water service in the City for an unknown duration.

The City used a traditional Design/Bid/Build method in seeking bids for the Project. Re-employing this method, i.e., redesigning the RRWPF to meet the City's budget and competitively bidding the project again, during a period of rapidly increasing market conditions, would reduce the City's ability to gain maximum cost savings through such redesign and further delay the Project. This would increase the likelihood of catastrophic failure of the existing water plant.

The City obtained a historically low interest loan from the Colorado Water Resources Development and Power Authority ("CWRDPA") in 2012 to fund the Project. The delay in constructing the RRWPF puts that financing in jeopardy.

Council may approve a waiver of any of the provisions of the Purchasing Code after consideration of the particular facts and circumstances necessitating the request for waiver and all of the procurement procedures may be modified to prevent the loss of any gift or grant to the City.

An emergency exists and it is necessary to expedite the bidding of the Project and commence construction of the RRWPF.

Proposed Resolution No. 10, Series of 2014 would authorize the City's Purchasing Agent to utilize sole source procurement for the Rifle Regional Water Purification Facility Project for the City Council's consideration and award in a manner that is most expeditious to commence construction of the Project and achieve the best value for the City. Staff recommended Council approve this resolution to allow the City to construct the RRWPF using the Construction Manager/General Contractor (CMGC) method.

Ava Bowles asked about the risk of costs exceeding budget using the CMGC method. She asked about the option of building a smaller plant. She suggested the City plan to serve 10,000 to 12,000 people, rather than a larger population.

Councilor Miller moved to approve Resolution No. 10, Series of 2014; seconded by Councilor Rice. Roll Call: Yes – Carter, Clifton, Miller, Myers, Parkinson, Rice, Winkler

CONSIDER ACTION TO AWARD PURCHASE OF MEMBRANES TO PALL AND AUTHORIZE STAFF TO RETAIN PALL TO PREPARE DRAWINGS NECESSARY TO PLACE MEMBRANES IN RRWPF

Mr. Miller explained that microfiltration membranes are planned as the compliance filtration system within the RRWPF. These are not the same as reverse osmosis membranes. Staff has re-negotiated with membrane suppliers. This re-negotiation was prompted by changes forced upon the City by General Electric (GE) which would have raised capital and engineering costs at a time the City was seeking to reduce costs. As a result, the City terminated its contract with GE and entered into simultaneous negotiations with GE and Pall Corporation, the two previous bidders from a 2010 procurement effort.

The results of the negotiations were as follows: General Electric's price for equipment and services was \$2,250,000 and Pall's was \$1,980,000. Besides being lower on capital cost, Pall is lower on membrane purchase and replacement costs. On a lifecycle cost evaluation, capital and membrane replacement costs for Pall are more attractive than GE's. On the matter of payment terms, Pall's payment terms and conditions are more favorable than GE's. The payment schedule negotiated with Pall only requires 5% to initiate drawings and additional 20% through the completion of approved drawings. The payment schedule allows the City to cancel at any time up to the release for fabrication with payment for only the costs incurred.

Staff recommends that the City proceed with an award to Pall for the drawing preparation portion of the payment schedule in the amount of \$99,000.

Councilor Miller moved to authorize staff to retain Pall Corporation to prepare drawings necessary to place membranes in the RRWPF in an amount not to exceed \$99,000; seconded by Councilor Carter. Roll Call: Yes – Carter, Clifton, Miller, Myers, Parkinson, Rice, Winkler

CONSIDER ACTION TO AWARD ADDITIONAL GEOTECHNICAL SERVICES FOR CLOSURE OF WATER IMPOUNDMENT AND DESIGN OF DRYING BEDS

Mr. Miller reminded Council that the City recently made an emergency procurement of \$75,000 for geotechnical engineering services from Kumar and Associates. This initial amount was for borings to determine groundwater level and bedrock elevations. It was also for services to determine soil, waste, and groundwater characteristics for planned clay-lined drying beds to achieve cost savings compared to an earlier plan involving concrete lined drying beds. The \$75,000 scope of work also included several additional borings to examine the suitability of the same site to support a new water treatment plant.

With only \$75,000 of a \$122,290 scope of work authorized to date, it is now appropriate to authorize the remaining portion of the work. The additional funds are required to proceed with the design of the clay-lined drying beds to achieve the anticipated savings and the development of a waste impoundment closure plan.

Staff recommends award of an additional \$47,900 to complete the drying bed design and closure plan development. Analytical and waste characterization costs are excluded, so additional expenses of up to \$10,000 may be incurred.

Councilor Carter moved to authorize Kumar and Associates to complete RRWPF drying bed design and closure plan development for an amount not to exceed \$47,900; seconded by Councilor Rice. Roll Call: Yes – Carter, Clifton, Miller, Myers, Parkinson, Rice, Winkler

CONSIDER AUTHORIZING RETURN OF DEPARTMENT OF LOCAL AFFAIRS (DOLA) GRANT AWARDED TO CONSTRUCT WATERLINE TO SOUTH RIFLE

Councilor Rice moved to authorize the return of a Department of Local Affairs (DOLA) grant awarded to construct a waterline to South Rifle, to allow the City to use \$600,000 in matching funds for other projects; seconded by Councilor Clifton. Roll Call: Yes – Carter, Clifton, Miller, Myers, Parkinson, Rice, Winkler

CONSIDER AUTHORIZING THE SUBMITTAL OF A DOLA TIER II GRANT FOR THE PROCUREMENT OF THE PALL MEMBRANES AND OTHER PROCESS EQUIPMENT – RESOLUTION NO. 11, SERIES OF 2014

Proposed Resolution No. 11, Series of 2014, would authorize the City to apply for a grant from the DOLA Energy and Mineral Impact Assistance Fund in the amount of \$2,000,000 to purchase process equipment and the Pall Membrane System. The City would commit a local match of \$2,000,000 available through the City's water fund.

Councilor Miller moved to approve Resolution No. 11, Series of 2014; seconded by Councilor Rice. Roll Call: Yes – Carter, Clifton, Miller, Myers, Parkinson, Rice, Winkler

UPCOMING MEETINGS

Council’s next regular meeting will take place July 2, 2014.

Council and the Visitor Improvements Fund Advisory Board will meet in a workshop session on July 9, 2014 at 6:00 p.m.

Meeting adjourned at 8:12 p.m.

Lisa K. Hamilton
City Clerk

Randy Winkler
Mayor



To: Mayor and City Council; Matt Sturgeon, City Manager

From: Lisa Hamilton, City Clerk

Date: Wednesday, June 25, 2014

Subject: Liquor License Renewals

THIS BUSINESS HAS FILED A LIQUOR LICENSE RENEWAL APPLICATION:

Business Name/Address

Eagle Springs Meats & Farm Fresh Cafe
1733 Railroad Avenue

Type of License

Hotel & Restaurant

These criteria have been met by this business:

- The application is complete.
- The fees have been paid.

Lou Rotella is no longer the manager of this business. The owner will register a new manager within 30 days, as required by the Liquor Code.

I recommend approval of this renewal application.

LIQUOR OR 3.2 BEER LICENSE RENEWAL APPLICATION

Fees Due	
Renewal Fee	\$ 500.00
Storage Permit \$100 x _____	_____
Optional Premise \$100 x _____	_____
Amount Due/Paid	\$ 500.00

Make check payable to: Colorado Department of Revenue. The State may convert your check to a one-time electronic banking transaction. Your bank account may be debited as early as the same day 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 may collect the payment amount directly from your banking account electronically.

PLEASE VERIFY & UPDATE ALL INFORMATION BELOW

RETURN TO CITY OR COUNTY LICENSING AUTHORITY BY DUE DATE

Licensee Name <i>Eagle Springs Crossing LLC</i>		DBA <i>Eagle Springs Meats + Farm Fresh Cafe</i>		
Liquor License # <i>4701766</i>	License Type <i>Hotel + Restaurant (city)</i>	Sales Tax License # <i>04284503</i>	Expiration Date <i>8-7-14</i>	Due Date <i>6-23-14</i>
Street Address <i>1733 Railroad Ave., Rifle, CO 81650</i>				Phone Number <i>(970)625-5187</i>
Mailing Address <i>PO Box 351, Rifle, CO 81650</i>				
Operating Manager <i>Lou Rotella</i>	Date of Birth	Home Address	Phone Number	

1. Do you have legal possession of the premises at the street address above? YES NO
 Is the premises owned or rented? Owned Rented* *If rented, expiration date of lease _____
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 <i>David Hartman</i>	Title <i>Bookkeeper</i>
Signature <i>David Hartman</i>	Date <i>6-18-14</i>

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	Date
Signature	Title
	Attest

June 20, 2014

Eagle Springs Crossing LLC dba
Eagle Springs Meats & Farm Fresh Café
1733 Railroad Ave.
Rifle, CO 81650
(970)625-5187

Lou Rotella is listed as the operating manager on the current liquor license and renewal application, but he is not functioning in that capacity because he is no longer employed at Eagle Springs Meats & Farm Fresh Café. A new operating manager will be appointed within 30 days in accordance with applicable regulations and the required manager change form will be filed at that time.

Ken Sack, Owner

Eagle Springs Crossing LLC dba
Eagle Springs Meats & Farm Fresh Café
1733 Railroad Ave.
Rifle, CO 81650
(970)625-5187

The owner of the Crossing building has applied for a second liquor license for a separate event center within the same building, but with a different address of 1725 Railroad Ave., Rifle, CO 81650. The two entities are separate with respect to entrances & exits. The café is a restaurant/bar and the event center will be used for catering large groups.

Ken Sack, Owner



To: Honorable Mayor and Rifle City Council; Matt Sturgeon, City Manager
From: Lisa Hamilton, City Clerk
Date: Wednesday, June 25, 2014
Subject: Application to Transfer Ownership of Liquor License – Black Bear Liquors

GMT Investments LLC d/b/a Black Bear Liquors has filed an application to transfer ownership of the Liquor Store License held by Shale Country Liquors at 1250 Railroad Avenue.

The Liquor Code provides that, in determining whether to permit a transfer, Council may consider ONLY whether the new owners are prohibited as licensees because of the following:

- *Character, reputation, or record* – A license cannot be issued to any person who is not of good moral character.
The Police Department conducted background checks on the 3 LLC Members, Kelly Goodrich, Randall Taruffelli, and Nathaniel Mellon. The background checks revealed no arrests.
- *Position* – A license cannot be issued to any peace officer or any employees of the Colorado Liquor Enforcement Division.
None of the 3 LLC Members are peace officers or employees of the Colorado Liquor Enforcement Division.
- *Age* – A license cannot be issued to anyone under age 21.
None of the 3 LLC Members are under age 21.
- *Multiple ownership* – Liquor store licensees cannot have any interest in any other type of license other than arts or public transportation licenses.
None of the 3 LLC Members have any interest in any other type of license.

Council may not consider other issues that it considered when the original license was issued, such as the reasonable requirements of the neighborhood.

Pursuant to Code Section 6-5-80(c), **I recommend that Council approve the transfer.**

**COLORADO LIQUOR
 RETAIL LICENSE APPLICATION**

RECEIVED

JUN 10 2014

City of Rifle
 Clerk's Office

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 a

Corporation Individual
 Partnership (includes Limited Liability and Husband and Wife Partnerships) Limited Liability Company
 Association or Other

2. Applicant If an LLC, name of LLC; if partnership, at least 2 partner's names; if corporation, name of corporation **GMT Investments, LLC** Fein Number **46-5405894**

2a. Trade Name of Establishment (DBA) **Black Bear Liquors** State Sales Tax No. Business Telephone

3. Address of Premises (specify exact location of premises)
1250 Railroad Avenue

City **Rifle** County **Garfield** State **CO** ZIP Code **81650**

4. Mailing Address (Number and Street) **825 Cactus Court** City or Town **Rifle** State **CO** ZIP Code **81650**

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

Present Trade Name of Establishment (DBA) **Shale Country Liquors** Present State License No. **2323464000** Present Class of License **Liquor Store-City** Present Expiration Date **12/26/2014**

LIAB	SECTION A	NONREFUNDABLE APPLICATION FEES	LIAB	SECTION B (CONT.)	LIQUOR LICENSE FEES
2300	<input type="checkbox"/>	Application Fee for New License	1985	<input type="checkbox"/>	Resort Complex License (City)
2302	<input type="checkbox"/>	Application Fee for New License - w/Concurrent Review	1986	<input type="checkbox"/>	Resort Complex License (County)
2310	<input checked="" type="checkbox"/>	Application Fee for Transfer	1988	<input type="checkbox"/>	Add Related Facility to Resort Complex ... \$ 75.00 X _____ Total _____
			1990	<input type="checkbox"/>	Club License (City)
			1991	<input type="checkbox"/>	Club License (County)
			2010	<input type="checkbox"/>	Tavern License (City)
			2011	<input type="checkbox"/>	Tavern License (County)
			2012	<input type="checkbox"/>	Manager Registration - Tavern
			2020	<input type="checkbox"/>	Arts License (City)
			2021	<input type="checkbox"/>	Arts License (County)
			2030	<input type="checkbox"/>	Racetrack License (City)
			2031	<input type="checkbox"/>	Racetrack License (County)
			2040	<input type="checkbox"/>	Optional Premises License (City)
			2041	<input type="checkbox"/>	Optional Premises License (County)
			2045	<input type="checkbox"/>	Vintners Restaurant License (City)
			2046	<input type="checkbox"/>	Vintners Restaurant License (County)
			2220	<input type="checkbox"/>	Add Optional Premises to H & R
			2370	<input type="checkbox"/>	Master File Location Fee
			2375	<input type="checkbox"/>	Master File Background

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

LIABILITY INFORMATION					
County	City	Industry Type	License Account Number	Liability Date	License Issued Through (Expiration Date)
				FROM	TO
State _____-750 (999)	City 2180-100 (999)	County 2190-100 (999)	Managers Reg _____-750 (999)		
Cash Fund New License 2300-100 (999)		Cash Fund Transfer License 2310-100 (999)		TOTAL	
				\$	

APPLICATION DOCUMENTS CHECKLIST AND WORKSHEET

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

ITEMS SUBMITTED, PLEASE CHECK ALL APPROPRIATE BOXES COMPLETED OR DOCUMENTS SUBMITTED

I. APPLICANT INFORMATION

- A. Applicant/Licensee identified.
- B. State sales tax license number listed or applied for at time of application.
- C. License type or other transaction identified.
- D. Return originals to local authority.
- E. Additional information may be required by the local licensing authority.

II. DIAGRAM OF THE PREMISES

- A. No larger than 8 1/2" X 11".
- B. Dimensions included (doesn't have to be to scale). Exterior areas should show control (fences, walls, etc.).
- C. Separate diagram for each floor (if multiple levels).
- D. Kitchen - identified if Hotel and Restaurant.

III. PROOF OF PROPERTY POSSESSION

- A. Deed in name of the Applicant ONLY (or)
- B. Lease in the name of the Applicant ONLY.
- C. Lease Assignment in the name of the Applicant (ONLY) with proper consent from the Landlord and acceptance by the Applicant.
- D. Other Agreement if not deed or lease.

IV. BACKGROUND INFORMATION AND FINANCIAL DOCUMENTS

- A. Individual History Record(s) (Form DR 8404-I).
- B. Fingerprints taken and submitted to local authority. (State authority for master file applicants.)
- C. Purchase agreement, stock transfer agreement, and or authorization to transfer license.
- D. List of all notes and loans. - None. N/A

V. CORPORATE APPLICANT INFORMATION (If Applicable)

- N/A
- A. Certificate of Incorporation (and/or)
 - B. Certificate of Good Standing if incorporated more than 2 years ago.
 - C. Certificate of Authorization if foreign corporation.
 - D. List of officers, directors and stockholders of parent corporation (designate 1 person as "principal officer").

VI. PARTNERSHIP APPLICANT INFORMATION (If Applicable)

- N/A
- A. Partnership Agreement (general or limited). Not needed if husband and wife.

VII. LIMITED LIABILITY COMPANY APPLICANT INFORMATION (If Applicable)

- A. Copy of articles of organization (date stamped by Colorado Secretary of State's Office).
- B. Copy of operating agreement.
- C. Certificate of Authority (if foreign company). N/A

VIII. MANAGER REGISTRATION FOR HOTEL AND RESTAURANT, TAVERN LICENSES WHEN INCLUDED WITH THIS APPLICATION

- N/A
- A. \$75.00 fee.
 - B. Individual History Record (DR 8404-I).

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 No <input type="checkbox"/> <input checked="" type="checkbox"/>												
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? <input type="checkbox"/> <input checked="" type="checkbox"/> (b) had an alcohol beverage license suspended or revoked? <input type="checkbox"/> <input checked="" type="checkbox"/> (c) had interest in another entity that had an alcohol beverage license suspended or revoked? <input type="checkbox"/> <input checked="" type="checkbox"/> If you answered yes to 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. <input type="checkbox"/> <input checked="" type="checkbox"/>													
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? <input type="checkbox"/> <input checked="" type="checkbox"/>													
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. <input type="checkbox"/> <input checked="" type="checkbox"/>													
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? <input type="checkbox"/> Ownership <input checked="" type="checkbox"/> Lease <input type="checkbox"/> Other (Explain in Detail) _____ <input checked="" type="checkbox"/> <input type="checkbox"/>													
a. If leased, list name of landlord and tenant, and date of expiration, EXACTLY as they appear on the lease:													
<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:33%; padding: 2px;">Landlord <i>Sweeney Properties Partnership, LLC</i></td> <td style="width:33%; padding: 2px;">Tenant <i>GMT Investments, LLC</i></td> <td style="width:34%; padding: 2px;">Expires <i>4/30/2017</i></td> </tr> </table>	Landlord <i>Sweeney Properties Partnership, LLC</i>	Tenant <i>GMT Investments, LLC</i>	Expires <i>4/30/2017</i>										
Landlord <i>Sweeney Properties Partnership, LLC</i>	Tenant <i>GMT Investments, LLC</i>	Expires <i>4/30/2017</i>											
Attach a diagram and outline or designate the area to be licensed (including dimensions) which shows the bars, brewery, walls, partitions, entrances, exits and what each room shall be utilized for in this business. This diagram should be no larger than 8 1/2" X 11". (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 border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th style="width:35%;">NAME</th> <th style="width:15%;">DATE OF BIRTH</th> <th style="width:15%;">FEIN OR SSN</th> <th style="width:35%;">INTEREST</th> </tr> </thead> <tbody> <tr> <td colspan="4" style="text-align: center; padding: 5px;"><i>Not applicable. No debt/loans.</i></td> </tr> <tr> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>	NAME	DATE OF BIRTH	FEIN OR SSN	INTEREST	<i>Not applicable. No debt/loans.</i>								
NAME	DATE OF BIRTH	FEIN OR SSN	INTEREST										
<i>Not applicable. No debt/loans.</i>													
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? <i>N/A</i> Yes No <input type="checkbox"/> <input checked="" type="checkbox"/>													
Number of separate Optional Premises areas requested. _____ (See License Fee Chart)													
14. Liquor Licensed Drug Store applicants, answer the following: (a) Does the applicant for a Liquor Licensed Drug Store have a license issued by the Colorado Board of Pharmacy? COPY MUST BE ATTACHED. <i>N/A</i> Yes No <input type="checkbox"/> <input checked="" type="checkbox"/>													
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? <i>N/A</i> Yes No <input type="checkbox"/> <input checked="" type="checkbox"/> (b) Is the applicant organization a regularly chartered branch, lodge or chapter of a national organization which is operated solely for the object of a patriotic or fraternal organization or society, but not for pecuniary gain? <input type="checkbox"/> <input checked="" type="checkbox"/> (c) How long has the club been incorporated? <i>N/A</i> (d) Has applicant occupied an establishment for three years that was operated solely for the reasons stated above? <input type="checkbox"/> <input checked="" type="checkbox"/>													
16. Brew-Pub License or Vintner Restaurant Applicants answer the following: (a) Has the applicant received or applied for a Federal Permit? <i>N/A</i> Yes No <input type="checkbox"/> <input checked="" type="checkbox"/> (Copy of permit or application must be attached) <i>Nathaniel Mellon 4/12/1988</i> <i>Kelly D. Goodrich, Sr. 5/14/1946</i>													
17a. Name of Manager (for all on-premises applicants) <i>Randall Tarutelli</i> (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 <i>8/28/1969</i>													
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 No <input type="checkbox"/> <input checked="" type="checkbox"/>													
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 No <input type="checkbox"/> <input checked="" type="checkbox"/>													

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 finger print cards to their local licensing authority.

NAME	HOME ADDRESS, CITY & STATE	DOB	POSITION	% OWNED*
Kelly D. Goodrich, Sr.	143 Quadrant Dr. Rock Springs, WY 82901	5/14/1946	Managing Member Owner	51%
Randall W. Taruffelli	825 Cactus Ct., Rifle, CO 81650	8/28/1965	Member Owner	24.5%
Nathaniel M. Mellon	628 W. 24 th St., Rifle, CO 81650	4/12/1988	Member Owner	24.5%

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

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 Agrmt.
 ASSOCIATION OR OTHER Attach copy of agreements creating association or relationship between the parties

Registered Agent (if applicable): Kristen Taruffelli Address for Service: 825 Cactus Ct., Rifle, CO 81650

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: Kelly D. Goodrich Title: Managing Member / Owner Date: 4/16/14

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

Date application filed with local authority: 6/10/2014 Date of local authority hearing (for new license applicants; cannot be less than 30 days from date of application 12-47-311 (1)) C.R.S.

THE LOCAL LICENSING AUTHORITY HEREBY AFFIRMS:

That each person required to file DR 8404-I (Individual History Record) has: Yes No

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.**

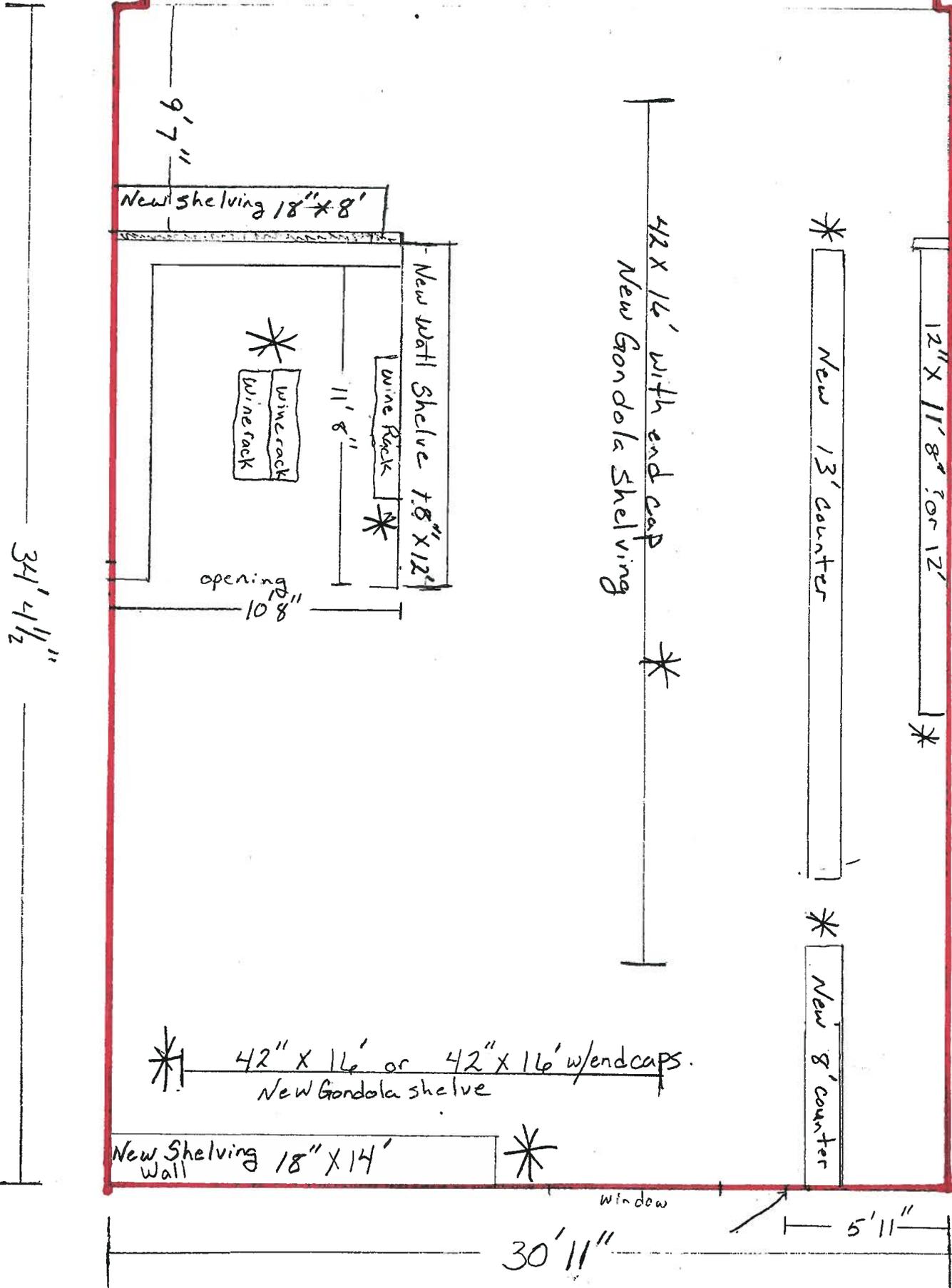
Local Licensing Authority for	Telephone Number	<input type="checkbox"/> TOWN, CITY <input type="checkbox"/> COUNTY
Signature	Title	Date
Signature (attest)	Title	Date

Interior

Existing Cooler

11 doors.
23" wide.

Not to scale
New *



COMMERCIAL LEASE

This Lease, made and entered into to be effective as of the 1st day of May, 2014, by and between Sweeney Properties Partnership, LLC, a Colorado limited liability company, whose address is P.O. Box 5797, Snowmass Village, CO 81615 (hereinafter referred to as "Lessor") and GMT Investments, LLC d/b/a Black Bear Liquors, a Colorado limited liability company, whose address is 1250 Railroad Avenue, Rifle, Colorado 81650 (hereinafter referred to as "Lessee").

WITNESSETH:

WHEREAS, Lessor is the sole owner of the business premises described below having space therein to let; and

WHEREAS, Lessee is a legal entity qualified to do business in the State of Colorado and desires to lease a space from Lessor; and

WHEREAS, the parties desire to enter into a lease agreement defining their respective rights, duties and liabilities relating to the premises; and

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties agree as follows:

1. **Description of Premises.** Lessor agrees to lease to Lessee the premises known by street address as 1250 Railroad Avenue, Rifle, Colorado 81650 and legally described as Lot 2 of the Sweeney Minor Subdivision, Garfield County, Colorado, together with all improvements and appurtenant rights (hereinafter referred to as the "Leased Premises").

2. **Term of Lease.** This Lease shall be for three (3) years commencing on May 1, 2014 and terminating on April 30, 2017 (the "initial term"). Lessee shall surrender the premises to Lessor immediately on termination of the Lease.

3. **Rental and Option:**

(a) Minimum Annual Base Rent:

<u>Month</u>	<u>Annual Base Rent</u>	<u>Monthly Installment</u>
1 – 12	\$21,600.00	\$1,800.00/month
13 – 24	\$24,000.00	\$2,000.00/month
25 – 36	\$26,400.00	\$2,200.00/month

The annual base rent amount for the Leased Premises shall be payable in twelve (12) equal monthly installments as set forth above, which installments shall be due on the first day of each month for the succeeding month's rental, hereafter referred to as the "base rent". The base rent shall be paid at Lessor's address as stated above.

(b) Payments shall be made to Lessor, and the payments shall be delinquent if not paid by the tenth (10th) day after which it is due. Lessee shall pay to Lessor a late payment charge equal to ten percent (10%) of any monthly rent installment not received by Lessor on or before the tenth (10th) day of the month for which such rent installment is due. Said late payment penalty shall be in addition to any other remedies which Lessor may have in the event of default as herein provided. Upon an event of default (as defined in paragraph 16), Lessor shall have the right to terminate this Lease with notice and right to cure as provided under Colorado law. Payments are to be made to Sweeney Properties Partnership, LLC, P.O. Box 5797, Snowmass Village, CO 81615.

(c) During the initial term and any additional term pursuant to paragraph 3(e) below, Lessee shall pay expenses of maintenance and repair for the Leased Premises as set forth in paragraph 8 below at such time as such expenses are incurred. Lessee shall also pay all fire and extended coverage insurance premiums for the building located on the Leased Premises during the initial term and any additional terms. All such expenses and premiums shall be paid within fifteen (15) days of delivery of invoices for the same from Lessor to Lessee.

(d) Lessee shall place all utilities serving the Leased Premises in its name and shall pay one hundred percent (100%) of all utilities serving the Leased Premises as the same become due.

(e) Lessee shall have an exclusive option to extend the Lease for an additional three (3) year term provided notice of intent to exercise the option is extended to Lessor no later than sixty (60) days before the end of the initial three-year term. The Lease extension shall be pursuant to the same terms and conditions as are otherwise set forth herein, except for the base rent which shall be subject to increase to the then current fair market rental rate, to be determined in Lessor's sole discretion.

(g) Lessee shall pay a security deposit in the amount of \$1,800 payable upon the signing of this Lease. Said security deposit shall be returned to Lessee, without interest, provided that Lessor may deduct there from any sums due and owing under the terms of this agreement, and the cost of repairing any damages done to said leased premises. In the event of a bona fide sale of the leased premises, Lessor shall have the right to transfer the security deposit to the purchaser, to be held under the terms of this Lease, and Lessor shall be released from all personal liability for the return of such security to the Lessee.

4. **Possession.** Lessee shall be entitled to possession of the leased premises upon commencement of the lease term.

5. **Restrictions on Use.** Lessee agrees to occupy the Leased Premises to operate and manage a retail liquor store business, and no other business without Lessor's prior written consent, in Lessor's sole discretion, and to use the Leased Premises in a commercially reasonable manner. Lessee agrees to pay on demand for any damage to the Leased Premises caused by misuse or abuse of the Leased Premises by Lessee, its agents or employees, or by any other person entering upon the Leased Premises under express or implied invitation of Lessee. Lessee

shall not use or permit the Leased Premises or any part thereof to be used for any purposes other than those set forth herein. Lessee shall neither permit any act, sale, or storage that may be prohibited under the standard forms of fire insurance policies, nor use the Leased Premises for any purpose which would cause Lessor's commercial general liability insurance coverage to be canceled or premiums thereon to be materially increased other than in the ordinary course.

In addition, no use shall be made or permitted to be made that shall result in waste of the Leased Premises or unlawful use.

6. **Abandoning Premises or Personal Property.** Lessee shall not vacate or abandon the Leased Premises at any time during the term, but if Lessee does vacate or abandon the Leased Premises or is dispossessed by process of law, any personal property belonging to Lessee and left on the Leased Premises shall be deemed abandoned, at the option of Lessor, and shall become the property of Lessor.

7. **Taxes.** Lessee shall pay all real property taxes on the Leased Premises. Lessor shall invoice Lessee monthly for real property taxes based upon the real property taxes per assessments for the prior calendar year. In the event of an overpayment of taxes by Lessee, such overpayment amount shall be credited to Lessee by Lessor; in the event of an underpayment of taxes, Lessor shall invoice Lessee for the difference. All such taxes shall be paid along with base rent on the first day of each month for the succeeding month at Lessor's address as stated above and the payments shall be delinquent if not paid by the tenth (10th) day after which it is due, subject to the same late payment penalty set forth in paragraph 3(b).

8. **Alterations and Modifications; Repairs:**

(a) Lessee shall not materially alter, repair, or change the Leased Premises without the written consent of Lessor. All material alterations, improvements and changes that Lessee may desire shall be done either with the written approval or under the direction of Lessor, but at the expense of Lessee, and shall become the property of Lessor and remain on the Leased Premises. Lessee's alterations and additions shall be maintained by Lessee at its expense. All damage or injury (other than ordinary wear and tear) done to the Leased Premises with the consent of Lessee shall be paid for by Lessee. Lessee shall, at the termination of the Lease, surrender the Leased Premises to Lessor in substantially the same condition and repair as commercially reasonable use thereof will permit.

(b) Lessor shall be responsible for making all routine utility and building repairs and for performing building maintenance. Lessee shall permit Lessor and their agents to enter the Leased Premises at all reasonable times to inspect the Leased Premises, maintain the Leased Premises, make repairs, alterations, or additions to the Leased Premises, including the erection of scaffolding, props, or other mechanical devices, to post notices of non-liability for alterations, additions, or repairs, without any rebate of rent to Lessee or damages for any loss of occupation or quiet enjoyment of the Leased Premises. Lessor may, at any time within sixty (60) days prior to the expiration of the Lease or at any time the Leased Premises are for sale, place in the windows or doors of the Leased Premises any usual or ordinary "for rent" or "for sale" signs. Lessor and its agents may, during the mentioned periods, enter onto the Leased Premises at reasonable hours, and exhibit the same to prospective tenants or buyers.

(c) Lessor is not aware of any conditions on the Leased Premises that would constitute a violation of any law or regulation applicable to the Leased Premises or the use currently being made of it by its current occupants or that would render the same uninhabitable or unusable by Lessee for the current or contemplated uses. Lessor is not aware of any condition of the Leased Premises that would require any material expenditure by Lessee under the Lease.

9. **Rules and Regulations.** Lessor and Lessee agree that the following rules and regulations shall be and are hereby made a part of this Lease, and Lessee agrees that its employees and agents, or any others permitted by Lessee to occupy or enter the Leased Premises will, at all times, abide by said rules and regulations and that a default in the performance and observance thereof shall operate the same as any other defaults herein:

(a) The driveway leading to the Leased Premises shall not be obstructed by Lessee or its agents or employees, or be used for any purpose by Lessee other than ingress and egress to and from the Leased Premises.

(b) No sign, advertisement or notice shall be inscribed, painted or affixed on any part of the Leased Premises unless approved in advance by Lessor as to color, size, style and location. All costs and expenses associated with installation, maintenance, lighting and repair of Lessee's exterior signage will be Lessee's responsibility. Lessee shall (1) fully comply with all local, county, and state regulations, zoning, historical district restrictions and governmental approval requirements, (2) obtain all necessary approvals before signage is installed, and (3) will be responsible for all costs associated with gaining required approvals. Lessor shall have the right to remove all non-permitted signs without notice to Lessee, at the expense of Lessee.

(c) Lessee shall not (1) use the Leased Premises for any illegal purposes; (2) use the Leased Premises to engage in the manufacture or sale of, or permit the use of, any illegal drugs on the Leased Premises.

(d) Lessee assumes full responsibility for protecting its equipment and supplies from theft, robbery or pilferage.

(e) Lessee shall remove trash completely from the Leased Premises.

(f) Lessor reserves the right, by written notice to Lessee, to make other reasonable rules and regulations, or amend these rules and regulations as in Lessor's judgment may from time to time be necessary and desirable for the safety, care and cleanliness of the Leased Premises and for the preservation of good order thereof.

(g) Lessee shall permit no mechanic's, materialmen's or other lien to be filed with respect to the leased premises as a result of any work performed by or on behalf of the Lessee upon the leased premises. In the event any such lien is filed, Lessee shall bond against or otherwise secure the release of such lien within ten (10) days after filing thereof. Lessee shall

indemnify and hold harmless the Lessor against any loss or damage arising as the result of any such lien or any claim arising therefrom.

10. Representations and Warranties Regarding Environmental Compliance and Hazardous Materials.

(a) Lessee agrees to comply and to cause all employees, agents, contractors, subcontractors, invitees and representatives of Lessee or any other person occupying the Leased Premises to so comply, in each case, during the term of the Lease, in all material respects, with all present and future applicable federal, state and local statutes, regulations ordinances and mandatory guidelines relating to the protection of the environment, including the generation, use, handling, storage, treatment, transport and disposal of any hazardous materials located or present in, on, about or under the Leased Premises. Lessee hereby indemnifies and holds Lessor harmless from and against any and all claims, losses, damages, liabilities, fines, penalties, actions, causes of action, charges, administrative and judicial proceedings and orders, judgments, remedial action requirements, enforcement actions of any kind, and all costs and expenses incurred in connection therewith (including, but not limited to, attorney's fees and consultant's fees), arising out of or relating to, directly or indirectly, in whole or in part, any failure of Lessee, its employees, agents, contractors, subcontractors, invitees, representatives or other such persons, to comply during the term of the Lease, in all material respects, with any of such laws, regulations, guidelines, codes, ordinances or other legal requirements.

(b) Lessor represents and warrants to Lessee that, as of the date hereof, the Leased Premises are in compliance, in all material respects, with all applicable federal, state and local statutes, regulations ordinances and mandatory guidelines relating to the protection of the environment, including the generation, use, handling, storage, treatment, transport and disposal of any hazardous materials located or present in, on, about or under the Leased Premises. Lessor hereby indemnifies and holds Lessee harmless from and against any and all claims, losses, damages, liabilities, fines, penalties, actions, causes of action, charges, administrative and judicial proceedings and orders, judgments, remedial action requirements, enforcement actions of any kind, and all costs and expenses incurred in connection therewith (including, but not limited to, attorney's fees and consultant's fees), arising out of or relating to, directly or indirectly, in whole or in part, any failure of the Leased Premises to comply, in all material respects, with any of such laws, regulations, guidelines, codes, ordinances or other legal requirements at all times prior to the date hereof.

(c) The representations, warranties and indemnities contained in this paragraph shall survive the termination of the Lease by lapse of time or otherwise and the transfer of fee title to the Leased Premises by Lessor. This agreement to indemnify and hold harmless shall be in addition to any other obligations or liabilities that Lessee or Lessor may have to the other at common law, or by statute, or otherwise. Each of Lessee and Lessor, as the case may be, shall notify the other in writing immediately of any release or threatened release by Lessee or Lessor of any hazardous material on, in under or about the Leased Premises.

11. **Liability of Lessor.** Lessee will indemnify Lessor on account of any damage or injury to any person, or goods of any person, arising from the use of the Leased Premises by Lessee, or arising from the failure of Lessee to keep the Leased Premises in good condition as provided herein.

12. **Destruction of Premises.** In the event of a partial destruction of the Leased Premises during the term from any cause, Lessor shall forthwith repair the same, provided repairs can be made, within ninety (90) days under the laws and regulations or applicable governmental authorities. Any partial destruction shall neither annul or void this Lease, except that Lessee shall be entitled to a proportionate reduction of rent while the repairs are being made, any apportionate reduction being based on the extent to which the making of repairs shall interfere with the business carried on by Lessee in the Leased Premises. If the repairs cannot be made in the specified time, Lessor may, at its option, make repairs within a reasonable time, this Lease continuing in full force and effect and the rent to be proportionately rebated as previously set forth in this paragraph. In the event Lessor does not elect to make repairs that cannot be made within the specified time, or those repairs cannot be made under the laws and regulations or the applicable governmental authorities, this Lease may be terminated at the option of either party.

13. **Condemnation.** A condemnation of the Leased Premises occupied by Lessee shall result in an immediate termination of this Lease. Lessor shall receive the total of any consequential damages awarded as a result of condemnation proceedings. All future rent installments to be paid by Lessee under this Lease shall be terminated.

14. **Assignment and Sublease.** Lessee shall not assign any rights or duties under this Lease nor sublet the Leased Premises or any part thereof, nor allow any other person to occupy or use the Leased Premises without the prior written consent of the Lessor, which consent shall not be unreasonably withheld, conditioned or delayed. A consent to one assignment, sublease, or occupation or use by any other person shall not be a consent to any subsequent assignment, sublease, or occupation or use by another person. Any assignment or subletting without consent shall be void.

15. **Insurance.** The Lessor shall keep and maintain fire, casualty, and extended coverage insurance on the leased premises and improvements with minimum coverage limits equal to the actual replacement cost of the same as Lessor shall from time to time determine. Lessee shall, during the entire term hereof, keep in full force and effect a policy of liability and property damage insurance with respect to the Leased Premises and the business operated by Lessee and any sub lessee of Lessee in the Leased Premises. The limits of public liability shall not be less than \$1,000,000.00 per person and \$2,000,000.00 per accident. The property damage liability shall not be less than \$1,500,000.00. The policy shall name Lessor and any other person, firm or corporation designated by Lessor, and Lessee as insured.

If the Leased Premises should be damaged by fire or other casualty, but not be

destroyed or rendered substantially untenable or unfit for occupancy, Lessor will, at Lessor's expense, promptly and fully restore the same and the rent payment provided for hereinabove shall abate during the interim.

If the premises shall be rendered wholly untenable by reason of such occurrence, Lessor shall, at its own expense, cause such damage to be repaired, or Lessor may, at its election, terminate this Lease and the tenancy hereby created by giving to Lessee, within fifty (50) days following the date of said occurrence, written notice of Lessor's election to do so and, in the event of such termination, rent shall be adjusted as of the date of occurrence.

16. Breach and Default. Lessee shall have breached this Lease and shall be considered in default hereunder if (1) Lessee files a petition in bankruptcy or insolvency or for reorganization under any Bankruptcy Act, or makes an assignment for the benefit of creditors, (2) involuntary proceedings are instituted against Lessee under any Bankruptcy Act, which are not stayed or discharged within thirty (30) days, (3) Lessee fails to pay any rent when due and does not make the delinquent payment within three (3) days after receipt of notice thereof from Lessor, or (4) Lessee fails to perform or comply with any of the covenants or conditions of this Lease if such failure continues for a period of three (3) days after receipt of notice thereof from Lessor.

17. Effect of Breach. In the event of a breach of this Lease as set forth in Section 16, the rights of Lessor shall be as follows:

(a) Lessor shall have the right to cancel and terminate this Lease, as well as all right, title and interest of Lessee hereunder.

(b) Lessor may elect, but shall not be obligated, to make any payment required of Lessee herein or comply with any agreement, term, or condition required hereby to be performed by Lessee, and Lessor shall have the right to enter the demised Leased Premises for the purpose of correcting or remedying any such default and to remain until the default has been corrected or remedied, but any expenditure for the correction by Lessor shall not be deemed to waive or release Lessee's default or Lessor's right to take any action as may be otherwise permissible hereunder in the case of any default.

(c) Lessor may re-enter the Leased Premises immediately and remove the property and personnel of Lessee, and store the property in a public warehouse or at a place selected by Lessor at the expense of Lessee. After re-entry, Lessor may terminate the Lease on giving ten (10) days written notice of termination to Lessee. Without notice, re-entry will not terminate the Lease. On termination, Lessor may recover from Lessee all damages proximately resulting from the breach, including the cost of recovering the Leased Premises and the worth of the balance of this Lease over the reasonable rental value of the Leased Premises for the remainder of the Lease term, which sum shall be immediately due Lessor from Lessee. After re-entry, Lessor may relet the Leased Premises or any part thereof for any term without terminating

the Lease, at the rent and on the terms as Lessor may choose. Lessor may make alterations and repairs to the Leased Premises. The duties and liabilities of the parties if the Leased Premises are relet as provided herein shall be as follows:

(1) In addition to Lessee's liability to Lessor for breach of the Lease, Lessee shall be liable for all expenses of the reletting for the alterations and repairs made, and for the difference between the rent received by Lessor under the new lease agreement and the rent installments that are due for the same period under this Lease.

(2) Lessor shall have the right to apply the rent received from reletting the Leased Premises (1) to reduce Lessee's indebtedness to Lessor under the Lease, not including indebtedness for rent, (2) to expenses of the reletting and alterations and repairs made, (3) to rent due under this Lease, or (4) to payment of future rent due under this Lease as it becomes due.

If the new lessee does not pay a rent installment promptly to Lessor, and the rent installment has been credited in advance of payment to the indebtedness of Lessee other than rent, or if rentals from the new lessee have been otherwise applied by Lessor as provided for herein and, during any rent installment period, are less than the rent payable for the corresponding installment period under this Lease, Lessee shall pay Lessor the deficiency, separately for each rent installment deficiency period, and before the end of that period. Lessor may, at any time after reletting, terminate the Lease for the breach on which Lessor had based the re-entry and subsequently relet the Leased Premises herein.

18. Removal of Lessee's Property. Lessor and Lessee agree that if Lessee shall fail to remove all effects from the Leased Premises upon the termination of this Lease for any cause whatsoever, Lessor, at its option, may remove such effects in any manner that it shall choose, and store them without liability to Lessee for loss or damage thereof, and Lessee agrees to pay Lessor on demand any and all expenses incurred in such removal, including court costs and attorney's fees and storage charges on such effects for any length of time they shall be in Lessor's possession; or Lessor, at its option, without notice, may sell said effects, or any of them, at private sale and without legal process, for such prices as Lessor may obtain, and apply the proceeds of such sales to any amounts due under this Lease from Lessee to Lessor and to the expense incident to the removal and sale of said effects, rendering the surplus, if any, to Lessee. Nothing in the Agreement shall give Lessor the right to sell Lessee's confidential business information.

19. Unlawful Detainer and Attorney's Fees. Any suit involving any dispute or matter arising under this Lease may only be brought in the respective courts of Garfield County, Colorado, having jurisdiction over the subject matter of the dispute or matter. All parties hereby consent to the exercise of personal jurisdiction by any such court with respect to any such proceeding. In case suit shall be brought, or notice given for an unlawful detainer of the Leased Premises, for the recovery of any rent due under the provisions of this Lease, or for Lessee's breach of any other condition contained herein, Lessee shall pay to Lessor reasonable attorney's

fees which shall be fixed by the Court, and such attorney's fees shall be deemed to have accrued on the commencement of the action and shall be paid on the successful completion of this action by Lessor. Lessee shall be entitled to attorney's fees in the same manner if judgment is rendered for Lessee.

20. Holding Over. If Lessee holds possession of the Leased Premises after the term of this Lease, Lessee shall become a tenant from month-to-month on the terms herein specified and Lessee shall continue to be a month-to-month tenant until the tenancy shall be terminated by Lessor, or until Lessee has given to Lessor a written notice at least two months prior to the date of termination of the monthly tenancy of its intention to terminate the tenancy.

21. Remedies of Lessor Cumulative . The remedies herein given to Lessor shall be cumulative, and the exercise of any one remedy by Lessor shall not be to the exclusion of any other remedy.

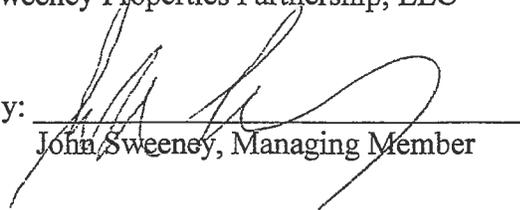
22. Notices. Any notice by either party to the other shall be in writing and shall be deemed to be duly given if delivered personally or mailed ordinary mail, postage prepaid, addressed (a) if to Lessee, at the leased premises, and (b) if to Lessor, at Lessor's address first above set forth, or at such other address as a party may designate in writing. Notice shall be deemed to have been fully given, if personally delivered, upon delivery thereof, and if mailed, one day after the mailing thereof.

23. Miscellaneous. If any clause or provision of this Lease is determined to be illegal, invalid, or unenforceable under present or future laws, then it is the intention of the parties hereto that the other terms and provisions of this Lease shall remain in full force and effect. No assent, expressed or implied, to any breach of any one or more of the covenants hereof shall be taken or deemed to be waiver of any succeeding or other breach. This Lease shall extend to and be binding upon and inure to the benefit of the heirs, personal representative, successors and assigns of the parties hereto. This Lease shall be governed by the laws of Colorado. The text of this Lease shall be read as the singular or the plural and as the masculine and feminine or neutered gender as may be applicable in the particular context. The captions of this Lease are for convenience only, are not part of the lease, and do not in any way limit or amplify the provisions hereof. This Lease contains all of the agreements and representations between the parties. None of the terms of this Lease shall be waived or modified to any extent, except by written instrument signed and delivered by both parties. This Lease may be executed in one or more counterparts, each of which shall be an original and all of which shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Lease to be effective as of the day and year first above written.

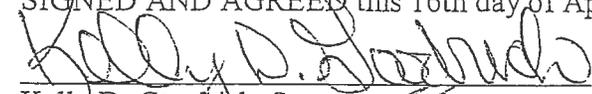
LESSOR:

Sweeney Properties Partnership, LLC

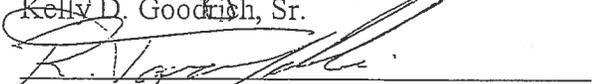
By: 
John Sweeney, Managing Member

LESSEE:

SIGNED AND AGREED this 16th day of April 2014.



Kelly D. Goodrich, Sr. Signature



Randall W. Taruffelli Signature



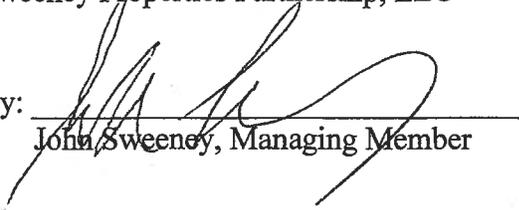
Nathaniel M. Mellon Signature

IN WITNESS WHEREOF, the parties have executed this Lease to be effective as of the day and year first above written.

LESSOR:

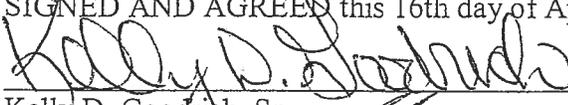
Sweeney Properties Partnership, LLC

By:

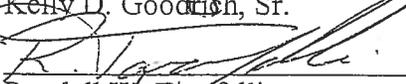

John Sweeney, Managing Member

LESSEE:

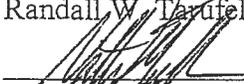
SIGNED AND AGREED this 16th day of April 2014.


Kelly D. Goodrich, Sr.

Signature


Randall W. Tarufelli

Signature


Nathaniel M. Mellon

Signature

**AFFIDAVIT OF TRANSFER
AND STATEMENT OF COMPLIANCE**

Name of Business: Shale Country Liquors

Name of Licensee (Seller): Shale Country Liquor, LLC db/a Shale Country Liquors

Name of Applicant (Buyer): GMT Investments, LLC db/a Black Bear Liquors

Pursuant to the requirements of 12-47-303(3)(b), Colorado Revised Statutes,

Licensee hereby states that all accounts for alcohol beverages sold to the Applicant are:

Paid in full. There are no outstanding accounts with any Colorado Wholesalers.

Licensee hereby certifies that the following is a complete list of accounts for alcohol beverages that are unpaid:

Republic National: \$11,303.38 Southern Wine: \$7,087.00

Wine Cru: \$1,600.00 Beverage Distributors: \$7,323.11

Mountain Beverage: 6,769.00

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

Applicant will assume full responsibility for payment of the outstanding accounts as listed above.

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

Dated this 16th day of April, 2014.

[Signature]
Licensee (Seller) Date

[Signature] 6/6/2014
Applicant (Buyer) Date
[Signature] 6-6-2014
[Signature] 6/6/14

INDIVIDUAL HISTORY RECORD

To be completed by each individual applicant, all general partners of a partnership, and limited partners owning 10% (or more) of a partnership; all officers and directors of a corporation, and stockholders of a corporation owning 10% (or more) of the stock of such corporation; all limited liability company **MANAGING** members, and officers or other limited liability company members with a 10% (or more) ownership interest in such company and all managers of a Hotel and Restaurant or a Tavern License.

NOTICE: This individual history record provides basic information which is necessary for the licensing authority investigation. All questions must be answered in their entirety or your application may be delayed or not processed. **EVERY** answer you give will be checked for its truthfulness. **A deliberate falsehood or omission will jeopardize the application as such falsehood within itself constitutes evidence regarding the character of the applicant.**

1. Name of Business

GMT Investments, LLC

2. Your Full Name (last, first, middle)

Kelly D. Gaudrich, Sr.

3. List any other names you have used.

N/A

4. Mailing address (if different from residence)

143 Quadrant Drive, Rock Springs, WY 82901

Home Telephone

(307) 382-5570

5. List all residence addresses below. Include current and previous addresses for the past five years.

STREET AND NUMBER	CITY, STATE, ZIP	FROM	TO
Current <i>N/A</i>			
Previous			

6. List all current and former employers or businesses engaged in within the last five years (Attach separate sheet if necessary)

NAME OF EMPLOYER	ADDRESS (STREET, NUMBER, CITY, STATE, ZIP)	POSITION HELD	FROM	TO
<i>Retired</i>				

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

NAME OF RELATIVE	RELATIONSHIP TO YOU	POSITION HELD	NAME OF LICENSEE
<i>N/A</i>			

8. Have you ever applied for, held, or had an interest in a State of Colorado Liquor or Beer License, or loaned money, furniture or fixtures, equipment or inventory, to any liquor or beer 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 U.S.? If yes, explain in detail. Yes No

10. Have you ever been convicted of a crime or received a suspended sentence, deferred sentence, or forfeited bail for any offense in criminal or military court or do you have any charges pending? Include arrests for DUI and DWAI. (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 STATE issued licenses suspended, revoked, or denied including a drivers license? (If yes, explain in detail.)

Yes No

PERSONAL AND FINANCIAL INFORMATION

Unless otherwise provided by law in 24-72-204 C.R.S., information provided below will be treated as CONFIDENTIAL.

Colorado liquor licensing authorities require the following personal information in order to determine your suitability for licensure pursuant to 12-47-307 C.R.S.

INDIVIDUAL HISTORY RECORD

To be completed by each individual applicant, all general partners of a partnership, and limited partners owning 10% (or more) of a partnership; all officers and directors of a corporation, and stockholders of a corporation owning 10% (or more) of the stock of such corporation; all limited liability company **MANAGING** members, and officers or other limited liability company members with a 10% (or more) ownership interest in such company and all managers of a Hotel and Restaurant or a Tavern License.

NOTICE: This individual history record provides basic information which is necessary for the licensing authority investigation. All questions must be answered in their entirety or your application may be delayed or not processed. **EVERY** answer you give will be checked for its truthfulness. A deliberate falsehood or omission will jeopardize the application as such falsehood within itself constitutes evidence regarding the character of the applicant.

1. Name of Business
 GMT Investments, LLC

2. Your Full Name (last, first, middle) 3. List any other names you have used.
 Randall W. Taruffelli N/A

4. Mailing address (if different from residence) Home Telephone
 825 Cactus Ct., Rifle, CO 81650 970-987-4815

5. List all residence addresses below. Include current and previous addresses for the past five years.

STREET AND NUMBER	CITY, STATE, ZIP	FROM	TO
Current N/A			
Previous			

6. List all current and former employers or businesses engaged in within the last five years (Attach separate sheet if necessary)

NAME OF EMPLOYER	ADDRESS (STREET, NUMBER, CITY, STATE, ZIP)	POSITION HELD	FROM	TO
EPCO (Enterprise Products Company)	Houston, TX	Board Operator	Jan. 2007	Present

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

NAME OF RELATIVE	RELATIONSHIP TO YOU	POSITION HELD	NAME OF LICENSEE
N/A			

8. Have you ever applied for, held, or had an interest in a State of Colorado Liquor or Beer License, or loaned money, furniture or fixtures, equipment or inventory, to any liquor or beer 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 U.S.? If yes, explain in detail. Yes No

10. Have you ever been convicted of a crime or received a suspended sentence, deferred sentence, or forfeited bail for any offense in criminal or military court or do you have any charges pending? Include arrests for DUI and DWAI. (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 STATE issued licenses suspended, revoked, or denied including a drivers license? (If yes, explain in detail.)

Yes No

PERSONAL AND FINANCIAL INFORMATION

Unless otherwise provided by law in 24-72-204 C.R.S., information provided below will be treated as CONFIDENTIAL.

Colorado liquor licensing authorities require the following personal information in order to determine your suitability for licensure pursuant to 12-47-307 C.R.S.

INDIVIDUAL HISTORY RECORD

To be completed by each individual applicant, all general partners of a partnership, and limited partners owning 10% (or more) of a partnership; all officers and directors of a corporation, and stockholders of a corporation owning 10% (or more) of the stock of such corporation; all limited liability company **MANAGING** members, and officers or other limited liability company members with a 10% (or more) ownership interest in such company and all managers of a Hotel and Restaurant or a Tavern License.

NOTICE: This individual history record provides basic information which is necessary for the licensing authority investigation. All questions must be answered in their entirety or your application may be delayed or not processed. **EVERY** answer you give will be checked for its truthfulness. **A deliberate falsehood or omission will jeopardize the application as such falsehood within itself constitutes evidence regarding the character of the applicant.**

1. Name of Business <i>GMT Investments, LLC</i>				
2. Your Full Name (last, first, middle) <i>Nathaniel M. Mellon</i>			3. List any other names you have used. <i>N/A</i>	
4. Mailing address (if different from residence) <i>628 W. 24th St., Rifle, CO 81650</i>			Home Telephone <i>(970) 987-4816</i>	
5. List all residence addresses below. Include current and previous addresses for the past five years.				
	STREET AND NUMBER	CITY, STATE, ZIP	FROM	TO
Current	<i>See above</i>			
Previous	<i>825 Cactus Ct., Rifle, CO 81650</i>		<i>2009</i>	<i>2014</i>
6. List all current and former employers or businesses engaged in within the last five years (Attach separate sheet if necessary)				
	NAME OF EMPLOYER	ADDRESS (STREET, NUMBER, CITY, STATE, ZIP)	POSITION HELD	FROM TO
	<i>Grace Healthcare</i>	<i>2305 Blake Ave., Greenwood Springs, CO</i>	<i>Registered Nurse</i>	<i>6/2013 Present</i>
	<i>Innovative Services</i>	<i>4534 Hwy. 16 Frontage Rd., Dnalska, WI</i>	<i>PCA</i>	<i>Feb. 07 Aug. 08</i>
7. List the name(s) of relatives working in or holding a financial interest in the Colorado alcohol beverage industry.				
	NAME OF RELATIVE	RELATIONSHIP TO YOU	POSITION HELD	NAME OF LICENSEE
	<i>N/A</i>			
8. Have you ever applied for, held, or had an interest in a State of Colorado Liquor or Beer License, or loaned money, furniture or fixtures, equipment or inventory, to any liquor or beer licensee? If yes, answer in detail. <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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 U.S.? If yes, explain in detail. <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				

10. Have you ever been convicted of a crime or received a suspended sentence, deferred sentence, or forfeited bail for any offense in criminal or military court or do you have any charges pending? Include arrests for DUI and DWAI. (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 STATE issued licenses suspended, revoked, or denied including a drivers license? (If yes, explain in detail.)

Yes No

PERSONAL AND FINANCIAL INFORMATION

Unless otherwise provided by law in 24-72-204 C.R.S., information provided below will be treated as CONFIDENTIAL.
Colorado liquor licensing authorities require the following personal information in order to determine your suitability for licensure pursuant to 12-47-307 C.R.S.



Colorado Secretary of State
 Date and Time: 04/16/2014 09:34 AM
 ID Number: 20141241305

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

Document number: 20141241305
 Amount Paid: \$50.00

ABOVE SPACE FOR OFFICE USE ONLY

Articles of Organization

filed pursuant to § 7-80-203 and § 7-80-204 of the Colorado Revised Statutes (C.R.S.)

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

GMT Investments, LLC

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

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

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

Street address **825 Cactus Court**
(Street number and name)

Rifle **CO** **81650**
(City) (State) (ZIP/Postal Code)

United States
(Province - if applicable) (Country)

Mailing address
 (leave blank if same as street address) *(Street number and name or Post Office Box information)*

(City) (State) (ZIP/Postal Code)

(Province - if applicable) (Country)

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

Name
 (if an individual) **Taruffelli** **Kristen** **Dawn**
(Last) (First) (Middle) (Suffix)

or

(if an entity)

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

Street address **825 Cactus Court**
(Street number and name)

Rifle **CO** **81650**
(City) (State) (ZIP Code)

Mailing address
 (leave blank if same as street address) *(Street number and name or Post Office Box information)*

(City) CO _____
(State) (ZIP Code)

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

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

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

Name
(if an individual) Tarufelli Kristen Dawn
(Last) (First) (Middle) (Suffix)

or

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

Mailing address 825 Cactus Court
(Street number and name or Post Office Box information)

Rifle CO 81650
(City) (State) (ZIP/Postal Code)
United States
(Province - if applicable) (Country)

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

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

5. The management of the limited liability company is vested in
(Mark the applicable box.)

one or more managers.

or

the members.

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

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

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

This document contains additional information as provided by law.

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

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

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

Notice:

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

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

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

<u>Tarufelli</u>	<u>Kristen</u>	<u>Dawn</u>	
<i>(Last)</i>	<i>(First)</i>	<i>(Middle)</i>	<i>(Suffix)</i>
<u>825 Cactus Court</u>			
<i>(Street number and name or Post Office Box information)</i>			
<hr/>			
<u>Rifle</u>	<u>CO</u>	<u>81650</u>	
<i>(City)</i>	<i>(State)</i>	<i>(ZIP/Postal Code)</i>	
<u>United States</u>			
<i>(Province – if applicable)</i>	<i>(Country)</i>		

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

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

Disclaimer:

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

LIMITED LIABILITY COMPANY OPERATING AGREEMENT

GMT INVESTMENTS, LLC

A Member-Managed Limited Liability Company

OPERATING AGREEMENT

THIS OPERATING AGREEMENT is made and entered into effective April 16, 2014, by and among: Kelly D. Goodrich, Sr., Randall W. Tarufelli, and Nathaniel M. Mellon (collectively referred to in this agreement as the "Members").

SECTION 1

THE LIMITED LIABILITY COMPANY

1.1 *Formation.* Effective April 16, 2014, the Members form a limited liability company under the name GMT Investments, LLC (the "Company") on the terms and conditions in this Operating Agreement (the "Agreement") and pursuant to the Limited Liability Company Act of the State of Colorado (the "Act"). The Members agree to file with the appropriate agency within the State of Colorado charged with processing and maintaining such records all documentation required for the formation of the Company. The rights and obligations of the parties are as provided in the Act except as otherwise expressly provided in this Agreement.

1.2 *Name.* The business of the Company will be conducted under the name GMT Investments, LLC, d/b/a Black Bear Liquors, or such other name upon which the Members may unanimously agree.

1.3 *Purpose.* The purpose of the Company is to engage in any lawful act or activity for which a Limited Liability Company may be formed within the State of Colorado.

1.4 *Office.* The Company will maintain its principal business office within the State of Colorado at the following address: 825 Cactus Court, Rifle, CO 81650.

1.5 *Registered Agent.* Kristen D. Tarufelli is the Company's initial registered agent in the State of Colorado, and the registered office is 825 Cactus Court, Rifle, CO 81650.

1.6 *Term.* The term of the Company commences on April 16, 2014, and shall continue perpetually unless sooner terminated as provided in this Agreement.

1.7 *Names and Addresses of Members.* The Members' names and addresses are attached as Schedule 1 to this Agreement.

1.8 *Admission of Additional Members.* Except as otherwise expressly provided in this Agreement, no additional members may be admitted to the Company through issuance by the company of a new interest in the Company without the prior unanimous written consent of the Members.

SECTION 2

CAPITAL CONTRIBUTIONS

2.1 *Initial Contributions.* The Members initially shall contribute to the Company capital as described in Schedule 2 attached to this Agreement.

2.2 *Additional Contributions.* No Member shall be obligated to make any additional contribution to the Company's capital without the prior unanimous written consent of the Members.

2.3 *No Interest on Capital Contributions.* Members are not entitled to interest or other compensation for or on account of their capital contributions to the Company except to the extent, if any, expressly provided in this Agreement.

SECTION 3

ALLOCATION OF PROFITS AND LOSSES; DISTRIBUTIONS

3.1 *Profits/Losses.* For financial accounting and tax purposes, the Company's net profits or net losses shall be determined on an annual basis and shall be allocated to the Members in proportion to each Member's relative capital interest in the Company as set forth in Schedule 2 as amended from time to time in accordance with U.S. Department of the Treasury Regulation 1.704-1.

3.2 *Distributions.* The Members shall determine and distribute available funds annually or at more frequent intervals as they see fit. Available funds, as referred to herein, shall mean the net cash of the Company available after appropriate provision for expenses and liabilities, as determined by the Managers. Distributions in liquidation of the Company or in liquidation of a Member's interest shall be made in accordance with the positive capital account balances pursuant to U.S. Department of the Treasury Regulation 1.704.1(b)(2)(ii)(b)(2). To the extent a Member shall have a negative capital account balance, there shall be a qualified income offset, as set forth in U.S. Department of the Treasury Regulation 1.704.1(b)(2)(ii)(d).

3.3 *No Right to Demand Return of Capital.* No Member has any right to any return of capital or other distribution except as expressly provided in this Agreement. No Member has any drawing account in the Company.

SECTION 4

INDEMNIFICATION

The Company shall indemnify any person who was or is a party defendant or is threatened to be made a party defendant, pending or completed action, suit or proceeding, whether civil, criminal, administrative, or investigative (other than an action by or in the right of the Company) by reason of the fact that he is or was a Member of the Company, Manager, employee or agent of the Company, or is or was serving at the request of the Company, against expenses (including attorney's fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred in connection with such action, suit or proceeding if the Members determine that he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interest of the Company, and with respect to any criminal action proceeding, has no reasonable cause to believe his/her conduct was unlawful. The termination of any action, suit, or proceeding by judgment, order, settlement, conviction, or upon a plea of "no lo Contendere" or its equivalent, shall not in itself create a presumption that the person did or did not act in good faith and in a manner which he reasonably believed to be in the best interest of the Company, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his/her conduct was lawful

SECTION 5
POWERS AND DUTIES OF MANAGERS

5.1 Management of Company.

5.1.1 The Members, within the authority granted by the Act and the terms of this Agreement shall have the complete power and authority to manage and operate the Company and make all decisions affecting its business and affairs.

5.1.2 Except as otherwise provided in this Agreement, all decisions and documents relating to the management and operation of the Company shall be made and executed by a Majority in Interest of the Members.

5.1.3 Third parties dealing with the Company shall be entitled to rely conclusively upon the power and authority of a Majority in Interest of the Members to manage and operate the business and affairs of the Company.

5.2 Decisions by Members. Whenever in this Agreement reference is made to the decision, consent, approval, judgment, or action of the Members, unless otherwise expressly provided in this Agreement, such decision, consent, approval, judgment, or action shall mean a Majority of the Members.

5.3 Withdrawal by a Member. A Member has no power to withdraw from the Company, except as otherwise provided in Section 8.

SECTION 6
SALARIES, REIMBURSEMENT, AND PAYMENT OF EXPENSES

6.1 *Organization Expenses.* All expenses incurred in connection with organization of the Company will be paid by the Company.

6.2 *Salary.* No salary will be paid to a Member for the performance of his or her duties under this Agreement unless the salary has been approved in writing by a Majority of the Members.

6.3 *Legal and Accounting Services.* The Company may obtain legal and accounting services to the extent reasonably necessary for the conduct of the Company's business.

SECTION 7
**BOOKS OF ACCOUNT, ACCOUNTING REPORTS, TAX RETURNS,
FISCAL YEAR, BANKING**

7.1 *Method of Accounting.* The Company will use the method of accounting previously determined by the Members for financial reporting and tax purposes.

7.2 *Fiscal Year; Taxable Year.* The fiscal year and the taxable year of the Company is the calendar year.

7.3 *Capital Accounts.* The Company will maintain a Capital Account for each Member on a cumulative basis in accordance with federal income tax accounting principles.

7.4 *Banking.* All funds of the Company will be deposited in a separate bank account or in an account or accounts of a savings and loan association in the name of the Company as determined by a Majority of the Members. Company funds will be invested or deposited with an institution, the accounts or deposits of which are insured or guaranteed by an agency of the United States government.

SECTION 8

TRANSFER OF MEMBERSHIP INTEREST

8.1 *Sale or Encumbrance Prohibited.* Except as otherwise permitted in this Agreement, no Member may voluntarily or involuntarily transfer, sell, convey, encumber, pledge, assign, or otherwise dispose of (collectively, "Transfer") an interest in the Company without the prior written consent of a majority of the other non-transferring Members determined on a per capita basis.

8.2 *Right of First Refusal.* Notwithstanding Section 8.1, a Member may transfer all or any part of the Member's interest in the Company (the "Interest") as follows:

8.2.1 The Member desiring to transfer his or her Interest first must provide written notice (the "Notice") to the other Members, specifying the price and terms on which the Member is prepared to sell the Interest (the "Offer").

8.2.2 For a period of 30 days after receipt of the Notice, the Members may acquire all, but not less than all, of the Interest at the price and under the terms specified in the Offer. If the other Members desiring to acquire the Interest cannot agree among themselves on the allocation of the Interest among them, the allocation will be proportional to the Ownership Interests of those Members desiring to acquire the Interest.

8.2.3 Closing of the sale of the Interest will occur as stated in the Offer; provided, however, that the closing will not be less than 45 days after expiration of the 30-day notice period.

8.2.4 If the other Members fail or refuse to notify the transferring Member of their desire to acquire all of the Interest proposed to be transferred within the 30-day period following receipt of the Notice, then the Members will be deemed to have waived their right to acquire the Interest on the terms described in the Offer, and the transferring Member may sell and convey the Interest consistent with the Offer to any other person or entity; provided, however, that notwithstanding anything in Section 8.2 to the contrary, should the sale to a third person be at a price or on terms that are more favorable to the purchaser than stated in the Offer, then the transferring Member must reoffer the sale of the Interest to the remaining Members at that other price or other terms; provided, further, that if the sale to a third person is not closed within six months after the expiration of the 30-day period describe above, then the provisions of Section 8.2 will again apply to the Interest proposed to be sold or conveyed.

8.2.5 Notwithstanding the foregoing provisions of Section 8.2, should the sole remaining Member be entitled to and elect to acquire all the Interests of the other Members of the Company in accordance with the provisions of Section 8.2, the acquiring Member may assign the right to acquire the Interests to a spouse, lineal descendent, or an affiliated entity if the assignment is reasonably believed to be necessary to continue the existence of the Company as a limited liability company.

8.3 *Substituted Parties.* Any transfer in which the Transferee becomes a fully substituted Member is not permitted unless and until:

(1) The transferor and assignee execute and deliver to the Company the documents and instruments of conveyance necessary or appropriate in the opinion of counsel to the Company to effect the transfer and to confirm the agreement of the permitted assignee to be bound by the provisions of this Agreement; and

(2) The transferor furnishes to the Company an opinion of counsel, satisfactory to the Company, that the transfer will not cause the Company to terminate for federal income tax purposes or that any termination is not adverse to the Company or the other Members.

8.4 Death, Incompetency, or Bankruptcy of Member. On the death, adjudicated incompetence, or bankruptcy of a Member, unless the Company exercises its rights under Section 8.5, the successor in interest to the Member (whether an estate, bankruptcy trustee, or otherwise) will receive only the economic right to receive distributions whenever made by the Company and the Member's allocable share of taxable income, gain, loss, deduction, and credit (the "Economic Rights") unless and until a majority of the other Members determined on a per capita basis admit the transferee as a fully substituted Member in accordance with the provisions of Section 8.3.

8.4.1 Any transfer of Economic Rights pursuant to Section 8.4 will not include any right to participate in management of the Company, including any right to vote, consent to, and will not include any right to information on the Company or its operations or financial condition. Following any transfer of only the Economic Rights of a Member's Interest in the Company, the transferring Member's power and right to vote or consent to any matter submitted to the Members will be eliminated, and the Ownership Interests of the remaining Members, for purposes only of such votes, consents, and participation in management, will be proportionately increased until such time, if any, as the transferee of the Economic Rights becomes a fully substituted Member.

8.5 Death Buy Out. Notwithstanding the foregoing provision of Section 8, the Members covenant and agree that on the death of any Member, the Company, at its option, by providing written notice to the estate of the deceased Member within 180 days of the death of the Member, may purchase, acquire, and redeem the Interest of the deceased Member in the Company pursuant to the provision of Section 8.5.

8.5.1 The value of each Member's Interest in the Company will be determined on the date this Agreement is signed, and the value will be endorsed on Schedule 3 attached and made a part of this Agreement. The value of each Member's Interest will be redetermined unanimously by the Members annually, unless the Members unanimously decide to redetermine those values more frequently. The Members will use their best efforts to endorse those values on Schedule 3. The purchase price for a decedent Member's interest conclusively is the value last determined before the death of such Member; provided, however, that if the latest valuation is more than two years before the death of the deceased Member, the provisions of Section 8.5.2 will apply in determining the value of the Member's Interest in the Company.

8.5.2 If the Members have failed to value the deceased Member's Interest within the prior two-year period, the value of each Member's Interest in the Company on the date of death, in the first instance, will be determined by mutual agreement of the surviving Members and the personal representative of the estate of the deceased Member. If the parties cannot reach an agreement on the value within 30 days after the appointment of the personal representative of the deceased Member, then the surviving Members and the personal representative each must select a qualified appraiser within the next succeeding 30 days. The appraisers so selected must attempt to determine the value of the Company Interest owned by the decedent at the time of death based solely on their appraisal of the total value of the Company's assets and the amount the decedent would have received had the assets of the Company been sold at that time for an amount equal to their fair market value and the proceeds (after payment of all Company obligations) were distributed in the manner contemplated in Section 8. The appraisal may not consider and

discount for the sale of a minority Interest in the Company. In the event the appraisers cannot agree on the value within 30 days after being selected, the two appraisers must, within 30 days, select a third appraiser. The value of the Interest of the decedent in the Company and the purchase price of it will be the average of the two appraisals nearest in amount to one another. That amount will be final and binding on all parties and their respective successors, assigns, and representatives. The costs and expenses of the third appraiser and any costs and expenses of the appraiser retained but not paid for by the estate of the deceased Member will be offset against the purchase price paid for the deceased Member's Interest in the Company.

8.5.3 Closing of the sale of the deceased Member's Interest in the Company will be held at the office of the Company on a date designated by the Company, not be later than 90 days after agreement with the personal representative of the deceased Member's estate on the fair market value of the deceased Member's Interest in the Company; provided, however, that if the purchase price are determined by appraisals as set forth in Section 8.5.2, the closing will be 30 days after the final appraisal and purchase price are determined. If no personal representative has been appointed within 60 days after the deceased Member's death, the surviving Members have the right to apply for and have a personal representative appointed.

8.5.4 At closing, the Company will pay the purchase price for the deceased Member's Interest in the Company. If the purchase price is less than \$1,000.00, the purchase price will be paid in cash; if the purchase price is \$1,000.00 or more, the purchase price will be paid as follows:

(1) \$1,000.00 in cash, bank cashier's check, or certified funds;

(2) The balance of the purchase price by the Company executing and delivering its promissory note for the balance, with interest at the prime interest rate stated by primary banking institution utilized by the Company, its successors and assigns, at the time of the deceased Member's death. Interest will be payable monthly, with the principal sum being due and payable in three equal annual installments. The promissory note will be unsecured and will contain provisions that the principal sum may be paid in whole or in part at any time, without penalty.

8.5.5 At the closing, the deceased Member's estate or personal representative must assign to the Company all of the deceased Member's Interest in the Company free and clear of all liens, claims, and encumbrances, and, at the request of the Company, the estate or personal representative must execute all other instruments as may reasonably be necessary to vest in the Company all of the deceased Member's right, title, and interest in the Company and its assets. If either the Company or the deceased Member's estate or personal representative fails or refuses to execute any instrument required by this Agreement, the other party is hereby granted the irrevocable power of attorney which, it is agreed, is coupled with an interest, to execute and deliver on behalf of the failing or refusing party all instruments required to be executed and delivered by the failing or refusing party.

8.5.6 On completion of the purchase of the deceased Member's Interest in the Company, the Ownership Interests of the remaining Members will increase proportionately to their then-existing Ownership Interests.

SECTION 9

DISSOLUTION AND WINDING UP OF THE COMPANY

9.1 *Dissolution.* The Company will be dissolved on the happening of any of the following events:

9.1.1 Sale, transfer, or other disposition of all or substantially all of the property of the Company;

9.1.2 The agreement of all of the Members;

9.1.3 By operation of law; or

9.1.4 The death, incompetence, expulsion, or bankruptcy of a Member, or the occurrence of any event that terminates the continued membership of a Member in the Company, unless there are then remaining at least the minimum number of Members required by law and all of the remaining Members, within 120 days after the date of the event, elect to continue the business of the Company.

9.2 *Winding Up.* On the dissolution of the Company (if the Company is not continued), the Members must take full account of the Company's assets and liabilities, and the assets will be liquidated as promptly as is consistent with obtaining their fair value, and the proceeds, to the extent sufficient to pay the Company's obligations with respect to the liquidation, will be applied and distributed, after any gain or loss realized in connection with the liquidation has been allocated in accordance with Section 3 of this Agreement, and the Members' Capital Accounts have been adjusted to reflect the allocation and all other transactions through the date of the distribution, in the following order:

9.2.1 To payment and discharge of the expenses of liquidation and of all the Company's debts and liabilities to persons or organizations other than Members;

9.2.2 To the payment and discharge of any Company debts and liabilities owed to Members; and

9.2.3 To Members in the amount of their respective adjusted Capital Account balances on the date of distribution; provided, however, that any then-outstanding Default Advances (with interest and costs of collection) first must be repaid from distributions otherwise allocable to the Defaulting Member pursuant to Section 9.2.3.

SECTION 10

GENERAL PROVISIONS

10.1 *Amendments.* Amendments to this Agreement may be proposed by any Member. A proposed amendment will be adopted and become effective as an amendment only on the written approval of all of the Members.

10.2 *Governing Law.* This Agreement and the rights and obligations of the parties under it are governed by and interpreted in accordance with the laws of the State of Colorado (without regard to principles of conflicts of law).

10.3 *Entire Agreement; Modification.* This Agreement constitutes the entire understanding and agreement between the Members with respect to the subject matter of this Agreement. No agreements, understandings, restrictions, representations, or warranties exist between or among the members other than those in this Agreement or referred to or provided for in this Agreement. No modification or amendment of any provision of this Agreement will be binding on any Member unless in writing and signed by all the Members.

10.4 *Attorney Fees.* In the event of any suit or action to enforce or interpret any provision of this Agreement (or that is based on this Agreement), the prevailing party is entitled to recover, in addition to other costs, reasonable attorney fees in connection with the suit, action, or arbitration, and in any appeals. The determination of who is the prevailing party and the amount of

reasonable attorney fees to be paid to the prevailing party will be decided by the court or courts, including any appellate courts, in which the matter is tried, heard, or decided.

10.5 *Further Effect.* The parties agree to execute other documents reasonably necessary to further effect and evidence the terms of this Agreement, as long as the terms and provisions of the other documents are fully consistent with the terms of this Agreement.

10.6 *Severability.* If any term or provision of this Agreement is held to be void or unenforceable, that term or provision will be severed from this Agreement, the balance of the Agreement will survive, and the balance of this Agreement will be reasonably construed to carry out the intent of the parties as evidenced by the terms of this Agreement.

10.7 *Captions.* The captions used in this Agreement are for the convenience of the parties only and will not be interpreted to enlarge, contract, or alter the terms and provisions of this Agreement.

10.8 *Notices.* All notices required to be given by this Agreement will be in writing and will be effective when actually delivered or, if mailed, when deposited as certified mail, postage prepaid, directed to the addresses first shown above for each Member or to such other address as a Member may specify by notice given in conformance with these provisions to the other Members.

IN WITNESS WHEREOF, the parties to this Agreement execute this Operating Agreement as of the date and year first above written.

MEMBERS:



Kelly D. Goodrich, Sr.

Signature



Randall W. Taruffelli

Signature



Nathaniel M. Mellon

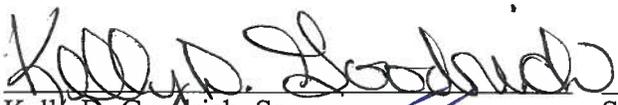
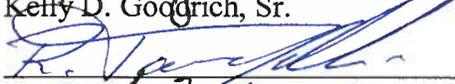
Signature

Listing of Members - Schedule 1
LIMITED LIABILITY COMPANY OPERATING AGREEMENT
FOR GMT INVESTMENTS, LLC
LISTING OF MEMBERS

As of the 16th day of April 2014, the following is a list of Members of the Company:

NAME	ADDRESS
<u>Kelly D. Goodrich, Sr.</u>	<u>143 Quadrant Drive</u> <u>Rock Springs, WY 82901</u>
<u>Randall W. Taruffelli</u>	<u>825 Cactus Court</u> <u>Rifle, CO 81650</u>
<u>Nathaniel M. Mellon</u>	<u>628 West 24th Street</u> <u>Rifle, CO 81650</u>

Authorized by Member(s) to provide Member Listing as of this 16th day of April 2014.

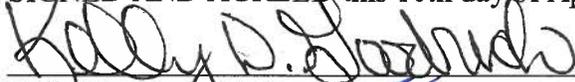
<u></u>	Signature
<u>Kelly D. Goodrich, Sr.</u>	
<u></u>	Signature
<u>Randall W. Taruffelli</u>	
<u></u>	Signature
<u>Nathaniel M. Mellon</u>	

Listing of Capital Contributions - Schedule 2
LIMITED LIABILITY COMPANY OPERATING AGREEMENT
FOR GMT INVESTMENTS, LLC
CAPITAL CONTRIBUTIONS

Pursuant to ARTICLE 2, the Members' initial contribution to the Company capital is stated to be as follows. The description and each individual portion of this initial contribution is as follows:

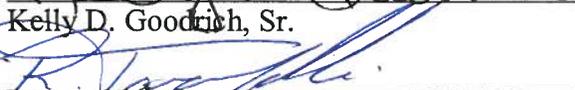
NAME	CONTRIBUTION	% OWNERSHIP
Kelly D. Goodrich, Sr.	\$38,250	51%
Randall W. Tarufelli	\$18,375	24.5%
Nathaniel M. Mellon	\$18,375	24.5%

SIGNED AND AGREED this 16th day of April 2014.



Kelly D. Goodrich, Sr.

Signature


Randall W. Tarufelli

Signature


Nathaniel M. Mellon

Signature

Listing of Valuation of Members Interest - Schedule 3
LIMITED LIABILITY COMPANY OPERATING AGREEMENT
FOR GMT INVESTMENTS, LLC
VALUATION OF MEMBERS INTEREST

Pursuant to ARTICLE 8, the value of each Member's interest in the Company is endorsed as follows:

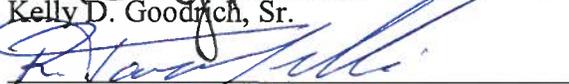
NAME	VALUATION ENDORSEMENT
Kelly D. Goodrich, Sr.	\$38,250
Randall W. Tarufelli	\$18,375
Nathaniel M. Mellon	\$18,375

SIGNED AND AGREED this 16th day of April 2014.



Kelly D. Goodrich, Sr.

Signature



Randall W. Tarufelli

Signature



Nathaniel M. Mellon

Signature

Report Criteria:

Summary report.
Invoices with totals above \$0 included.
Paid and unpaid invoices included.

Vendor Name and Number	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid
1003						
Action Shop Services, Inc						
	SI79405	ENGINE OIL	06/09/2014	38.95	.00	
	SI79575	SPOOL INSERT	06/16/2014	7.99	.00	
	SI79600	SPOOL INSERT	06/17/2014	169.03	.00	
	SI79747	BRUSH KNIFE	06/25/2014	34.99	.00	
Total 1003:				250.96	.00	
1005						
Alpine Bank, Rifle						
	060614	ROAN CLIFF CHAOS CASH PRI	06/06/2014	1,600.00	1,600.00	06/13/2014
Total 1005:				1,600.00	1,600.00	
1009						
B & B Plumbing, Inc						
	3754	PIPE CUT THREAD	06/13/2014	18.10	.00	
	41941	INSTALLED WATER METER ICE	05/22/2014	180.00	.00	
Total 1009:				198.10	.00	
1018						
Valley Lumber						
	93071	CLAMP	04/21/2014	9.99	9.99	06/13/2014
	93802	FLAG MARKING	05/06/2014	14.19	14.19	06/13/2014
	94902	MAKITA ANG GRINDER KIT	05/30/2014	99.99	.00	
	95050	COUPLING	06/03/2014	9.60	.00	
	95150	BATTERY ALKLINE	06/04/2014	20.39	.00	
	95258	MASONRY SCREW	06/06/2014	1.34	.00	
	95273	TAPE DUCK	06/06/2014	6.10	.00	
	95296	EZ SEED TURF BUILDER	06/07/2014	37.77	.00	
	95335	RESPIRATOR HOUSEHOLD	06/09/2014	32.99	.00	
	95402	POLY FOAM BRUSH	06/10/2014	14.28	.00	
	95435	GAL MURIATIC ACID	06/11/2014	44.95	.00	
	95447	SUPERFEX GARDEN HOSE	06/11/2014	61.45	.00	
	95448	SO DRI PAPER TOWEL	06/11/2014	4.58	.00	
	95449	SHORT HOLLOW WALL ANCH	06/11/2014	9.49	.00	
	95497	WEED CRABGRASS KILL	06/12/2014	39.98	.00	
	95571	UNION SCH80 PVC	06/13/2014	14.13	.00	
	95577	VALV BAL	06/13/2014	19.08	.00	
	95583	HSS DRILL BIT	06/13/2014	8.44	.00	
	95603	PLUG THREADED	06/14/2014	2.28	.00	
	95660	CEMENT	06/16/2014	9.50	.00	
	95672	STANLEY TOOL BOX SAW	06/16/2014	16.99	.00	
	95687	CONSTRUCTION FIR	06/17/2014	65.75	.00	
	95714	TEFLON PASTE BRUSH	06/17/2014	13.43	.00	
	95732	CONSTRUCTION FIR	06/17/2014	38.98	.00	
	95753	HEX NUT	06/18/2014	15.24	.00	
	95768	SHOVEL RAZORBACK ROUND	06/18/2014	60.98	.00	
	95775	GAL BELL RED	06/18/2014	11.98	.00	
	95776	ACE BRAND DUCT TAPE	06/18/2014	74.96	.00	
	95800	16D COMMON NAIL	06/18/2014	24.98	.00	

Vendor Name and Number	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid
	95860	REINFORCED HOSE	06/19/2014	24.47	.00	
	95902	SPOT WATERING EMITTERS	06/20/2014	5.99	.00	
	95975	SAND WASHED QPLAY	06/23/2014	37.90	.00	
	96001	SCREWDRIVER	06/23/2014	42.75	.00	
	96015	TWIN SPOT SPRINKLER	06/24/2014	16.97	.00	
	96022	SOLID PRECUT STUD	06/24/2014	25.90	.00	
	96034	SOLID PRECUT STUD	06/24/2014	32.37	.00	
	96137	FLOURESCENT ORANGE CHAL	06/25/2014	9.99	.00	
	96149	GLOSS BLACK GALLON	06/26/2014	155.92	.00	
Total 1018:				1,136.07	24.18	
1022						
Central Distributing Co						
	985557	SUPPLIES	04/30/2014	250.23	250.23	06/13/2014
	986555	SUPPLIES	05/07/2014	135.35	135.35	06/13/2014
	988140	SUPPLIES	05/21/2014	144.97	144.97	06/13/2014
	989085	SUPPLES	05/29/2014	316.59	316.59	06/13/2014
	989768	SUPPLES	06/04/2014	40.00	.00	
	989769	SUPPLES	06/04/2014	78.41	.00	
	990572	SUPPLES	06/10/2014	196.67	.00	
	991124	SUPPLES	06/13/2014	51.16	.00	
	991375	SUPPLES	06/18/2014	165.80	.00	
	991376	SUPPLES	06/18/2014	364.30	.00	
	991378	SUPPLES	06/18/2014	236.16	.00	
	991379	SUPPLES	06/18/2014	56.93	.00	
	991950	SUPPLES	06/20/2014	174.43	.00	
	992211	SUPPLES	06/25/2014	470.26	.00	
	992217	SUPPLES	06/25/2014	41.48	.00	
Total 1022:				2,722.74	847.14	
1023						
Chelewski Pipe & Supply						
	141392	PIPE & FITTINGS	05/02/2014	92.08	92.08	06/13/2014
	141433	PIPE & FITTINGS	05/05/2014	23.78	23.78	06/13/2014
	141469	PIPE & FITTINGS	05/06/2014	20.22	20.22	06/13/2014
	141579	PIPE & FITTINGS	05/09/2014	10.49	.00	
	141679	PIPE & FITTINGS	05/06/2014	21.01	.00	
	141788	PIPE & FITTINGS	05/22/2014	24.84	24.84	06/13/2014
	141843	PIPE & FITTINGS	05/28/2014	21.17	21.17	06/13/2014
Total 1023:				213.59	182.09	
1062						
Dana Kepner Company						
	1390372-02	LOW LEAD MODEL\	06/16/2014	644.88	.00	
	1392941-00	TOUCHCOUPLER	06/17/2014	1,909.44	.00	
Total 1062:				2,554.32	.00	
1065						
Dodson Engineered Products Inc						
	178902	WITCH HAT STRAINER	06/10/2014	163.53	.00	
Total 1065:				163.53	.00	

Vendor Name and Number	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid
1087						
Grainger						
	9461927569	FILTER	06/09/2014	191.24	.00	
Total 1087:				191.24	.00	
1094						
Hy-way Feed & Ranch Supply						
	571714	BACKPACK SPRAYER	06/25/2014	66.99	.00	
	572904	20-10-5	06/16/2014	119.75	.00	
Total 1094:				186.74	.00	
1105						
Meadow Gold Dairies						
	50218672	DAIRY PRODUCTS/REC -POOL	06/06/2014	525.75	.00	
	50218730	DAIRY PRODUCTS/SENIOR CT	06/12/2014	118.81	.00	
	50218771	DAIRY PRODUCTS/POOL	06/13/2014	287.11	.00	
	50218819	DAIRY PRODUCTS/SENIOR CT	06/19/2014	67.91	.00	
Total 1105:				999.58	.00	
1110						
Napa Auto Parts						
	335711	HOSE	05/28/2014	191.44	.00	
	336642	TRACTOR FLUID	06/03/2014	53.99	.00	
	336904	V-BELT	06/04/2014	66.63	.00	
	337140	STRAP	06/05/2014	55.43	.00	
	337780	BRAKE ROTOR	06/10/2014	540.43	.00	
	338015	REPLACEMENT PAD	06/12/2014	203.46	.00	
	338259	REPLACEMENT PAD	06/13/2014	83.82	.00	
	338581	CP SCREW	06/16/2014	84.52	.00	
	338728	CLMP	06/17/2014	8.31	.00	
	338752	HOLDER KIT	06/17/2014	62.16	.00	
	338838	TESTER	06/17/2014	40.02	.00	
	338911	LAMP	06/18/2014	11.52	.00	
	338985	BATTERY	06/18/2014	29.65	.00	
	339793	CUT OFF WHEEL	06/24/2014	10.99	.00	
	339926	TRAILER BALL	06/24/2014	10.69	.00	
	339935	CLEANER	06/24/2014	48.42	.00	
Total 1110:				1,501.48	.00	
1111						
Neve's Uniforms, Inc						
	NE30452	SHIRTS	05/21/2014	99.90	.00	
	NE30655	SHIRTS	06/03/2014	108.89	.00	
Total 1111:				208.79	.00	
1118						
Parts House						
	5613-30507	FIX A FLT HOSE	03/04/2014	8.59	8.59	06/13/2014
	5613-31888	HOSE CLAMPS	06/09/2014	2.76	.00	
Total 1118:				11.35	8.59	

Vendor Name and Number	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid
1120						
Xcel Energy Inc						
	414470720	FLASHER/SPRINKLER	06/02/2014	20.78	20.78	06/13/2014
	414471081	TRAFFIC LIGHTS	06/02/2014	83.62	83.62	06/13/2014
	414472606	CLOCK	06/02/2014	5.82	5.82	06/13/2014
	414580537	PUMP 27346 HWY 6/24 PUMP	06/02/2014	4,024.13	4,024.13	06/13/2014
	414648939	2575 W CENTENNIAL PKWY	06/03/2014	21.09	21.09	06/13/2014
	414767797	2515 W CENTENNIAL BLDG AD	06/03/2014	49.14	49.14	06/13/2014
	414769868	2515 W CENTENNIAL PKWY BL	06/03/2014	52.59	52.59	06/13/2014
	414926112	300 W 5TH ST	06/04/2014	58.25	58.25	06/13/2014
	415158165	132 E 4TH ST	06/06/2014	1,636.70	1,636.70	06/13/2014
	415160015	139 RAILROAD AVE	06/06/2014	53.28	53.28	06/13/2014
	415268368	236 W 4TH ST	06/06/2014	27.20	27.20	06/13/2014
	415278671	300 W 5TH ST UNIT STAGE	06/06/2014	62.41	62.41	06/13/2014
	415763894	105 E CENTENNIAL PKWY	06/11/2014	13,748.95	13,748.95	06/20/2014
Total 1120:				19,843.96	19,843.96	
1138						
Schmueser/Gordon/Meyer, Inc						
	99055A-192	PROFESSIONAL SERVICES	06/20/2014	247.50	.00	
Total 1138:				247.50	.00	
1143						
Swallow Oil Company						
	1816 061314	DIESEL	06/13/2014	4,685.96	.00	
	1835 061314	car wash/	06/13/2014	20.00	.00	
	1837 061314	DETERGENT	06/13/2014	53.00	.00	
Total 1143:				4,758.96	.00	
1188						
Jean's Printing						
	140315	printing	02/03/2014	19.25	19.25	06/20/2014
	141730	printing	06/02/2014	124.76	.00	
	141731	printing	06/02/2014	268.94	.00	
	141767	printing	06/05/2014	12.36	.00	
Total 1188:				425.31	19.25	
1191						
Lewan & Associates, Inc						
	516830	B&W METER	06/19/2014	515.64	.00	
Total 1191:				515.64	.00	
1256						
Resource Engineering, Inc						
	13773	341-10.21 LARAMIE ENERGY	05/31/2014	75.50	.00	
	13774	341-10.4 WPX ENERGY	05/31/2014	1,645.11	.00	
	13775	341-13.1 RIFLE PIPELINE	05/31/2014	368.75	.00	
	13776	341-13.6 WATER RIGHTS MAST	05/31/2014	1,366.75	.00	
Total 1256:				3,456.11	.00	
1258						

Vendor Name and Number	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid
Hach Company						
	8851658	FILTER	05/28/2014	431.90	.00	
	8853721	GEL PROBE	05/29/2014	262.47	.00	
	8855755	PROBE	05/30/2014	919.00	.00	
Total 1258:				1,613.37	.00	
1339						
Grand Junction Pipe & Supply						
	30613	COLF COURSE SAND	06/13/2014	483.40	.00	
	3156860	ROTOR FALCON	06/04/2014	316.80	.00	
	3162116	DI MJ SOLID SLEEVE	06/12/2014	267.19	.00	
	3162118	MEGALUG	06/12/2014	319.20	.00	
	3162230	GSKT TRANS MJ	06/13/2014	358.96	.00	
	3165165	DI MJ SOLID SLEEVE	06/18/2014	1,287.63	.00	
	3167024	METER	06/20/2014	1,700.00	.00	
Total 1339:				4,733.18	.00	
1343						
Pitney Bowes - Purchase Power						
	061114	POSTAGE	06/11/2014	702.62	702.62	06/20/2014
Total 1343:				702.62	702.62	
1348						
Grand Tunnel Ditch Co.						
	060114	2014-IRRIGATION SEASON	06/01/2014	3,003.80	.00	
Total 1348:				3,003.80	.00	
1358						
Timber Line Electric & Control						
	17523	FIELD SERVICE	06/17/2014	641.25	.00	
Total 1358:				641.25	.00	
1407						
Usa Blue Book						
	362574	LIFTING SLING	06/04/2014	339.52	.00	
	363820	DOOR KNOB CARDS	06/05/2014	84.95	.00	
Total 1407:				424.47	.00	
1458						
QA Balance Services Inc						
	11494	LAB SUPPLIES/WASTE WATER	05/29/2014	287.00-	.00	
Total 1458:				287.00-	.00	
1460						
Western Colorado Electrical						
	5092	WATER PUMP STATION REPAI	06/04/2014	147.75	.00	
Total 1460:				147.75	.00	
1505						

Vendor Name and Number	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid
Markertek Video Supply						
	1145259	DIGITAL COAXIA	06/03/2014	374.88	.00	
	1145260	CONNECTOR/	06/03/2014	205.43	.00	
Total 1505:				580.31	.00	
1560						
Applied Concepts,inc						
	252680	STALKER RADAR	05/01/2014	2,268.50	2,268.50	06/13/2014
Total 1560:				2,268.50	2,268.50	
1563						
Quill Corporation						
	3633339	SUPPLIES	06/11/2014	108.26	.00	
Total 1563:				108.26	.00	
1734						
United Companies/Oldcastle SW Group Inc						
	1001255	ROAD BASE	06/03/2014	146.22	.00	
Total 1734:				146.22	.00	
1799						
Lively Electric, Inc.						
	13167	LED LAMPS	06/09/2014	88.82	88.82	06/20/2014
Total 1799:				88.82	88.82	
1830						
Grand Valley Foods						
	131382	FOOD PRODUCT/SR CENTER	06/13/2014	666.04	.00	
	131464	FOOD PRODUCT/SR CENTER	06/20/2014	742.02	.00	
Total 1830:				1,408.06	.00	
1990						
Bookcliff Survey Services, Inc						
	9644	ONE MAN WITH TRIMBLE	06/10/2014	600.00	.00	
Total 1990:				600.00	.00	
2139						
CDW Government, Inc						
	ML32580	BELKIN SUPERSPEED USB	06/11/2014	11.84	.00	
	MM19315	BUFFALO 2TB DRIVESTATION	06/13/2014	248.13	.00	
Total 2139:				259.97	.00	
2181						
Nalco Chemical Company						
	61109011	POLYMERS, COAGULANTS and	06/03/2014	2,212.77	.00	
Total 2181:				2,212.77	.00	
2208						

Vendor Name and Number	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid
Amerigas						
	3029892021	TANK RENT MTN PARK	05/31/2014	75.00	.00	
	3029892022	TANK RENT	05/31/2014	65.00	.00	
	3029892023	TANK RENT	05/31/2014	55.00	.00	
	3030055789	PROPANE	06/05/2014	395.59	.00	
Total 2208:				590.59	.00	
2235						
Acme Alarm Company Inc						
	7967MON	3RD QTR MONITORING	06/01/2014	90.00	.00	
Total 2235:				90.00	.00	
2255						
California Contractors Supply						
	PP27927	WRENCH SET	05/27/2014	259.90	.00	
Total 2255:				259.90	.00	
2397						
Rifle Creek Golf Course						
	061714	SUMMER GOLF CLASSES/REC	06/17/2014	720.00	720.00	06/20/2014
Total 2397:				720.00	720.00	
2412						
B&H Photo - Video, Inc						
	83663813	Council Chambers Multi-Camera s	06/03/2014	7,756.18	.00	
	8379297	Editing Workstation Equipment	06/09/2014	258.99	.00	
	83797146	Video Transport & Converter Equi	06/09/2014	1,879.00	.00	
	83799683	Sony HXR-NX3 Professional Cam	06/09/2014	12,396.00	.00	
	83830392	Field Production Equipment	06/10/2014	2,738.75	.00	
	83992342	Sony DVM 60 PR	06/13/2014	411.70	.00	
	84061708	GEFEN DVI MAL TO	06/16/2014	100.80	.00	
Total 2412:				25,541.42	.00	
2540						
Walker Electric						
	4984	REPLACE LAMPS	05/29/2014	326.00	.00	
	5005	BATTING CAGES	06/10/2014	113.50	.00	
	5014	GENERATOR LOAD TEST	06/17/2014	130.00	.00	
Total 2540:				569.50	.00	
2573						
Mountain West Office Products						
	0561588-001	SUPPLES	03/10/2014	27.16-	.00	
	0563176-001	SUPPLES	04/22/2014	52.99-	.00	
	0564377-001	SUPPLES	05/21/2014	3.95-	.00	
	0564838-001	SUPPLES	06/03/2014	3.95-	.00	
	0565090-001	SUPPLES	06/11/2014	22.67	.00	
	0565090-002	SUPPLES	06/13/2014	12.50	.00	
	0565091-002	SUPPLES	06/13/2014	3.68	.00	
	0565224-001	SUPPLES	06/13/2014	4.25	.00	
	0565336-001	SUPPLES	06/20/2014	42.64	.00	
	0565361-001	SUPPLES	06/19/2014	13.98	.00	

Vendor Name and Number	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid
	0565482-001	SUPPLES	06/20/2014	7.75	.00	
Total 2573:				19.42	.00	
2835						
L.L. Johnson Distributing Co						
	1656266-00	SOLID TINE	05/14/2014	270.24	270.24	06/13/2014
	1656546-00	MASTER LINK DIAMOND	05/20/2014	33.10	33.10	06/13/2014
Total 2835:				303.34	303.34	
2846						
Colo Mtn News Media						
	10146470 0501	AD	05/01/2014	50.62	50.62	06/20/2014
	10146470 0502	AD	05/02/2014	50.63	50.63	06/20/2014
	1082116A 061	AD	06/14/2014	19.73	19.73	06/20/2014
Total 2846:				120.98	120.98	
2960						
Walmart Community						
	004205	supplies	06/04/2014	121.70	121.70	06/13/2014
	005839	supplies	06/05/2014	84.94	84.94	06/13/2014
	011938	supplies	06/11/2014	114.29	114.29	06/20/2014
	013387	supplies	06/13/2014	10.22	10.22	06/20/2014
	013422	CRAFTS	06/13/2014	29.82	29.82	06/20/2014
	013983	supplies	06/13/2014	37.58	37.58	06/20/2014
	017510	DVD CASE	06/17/2014	6.97	6.97	06/20/2014
	019924	SNACKS	06/19/2014	49.68	49.68	06/20/2014
	030825 053014	supplies	05/30/2014	19.83	19.83	06/13/2014
Total 2960:				475.03	475.03	
3015						
Kroger/King Sooper Cust Charge						
	009770	FOOD SUPPLIES	06/16/2014	23.94	23.94	06/20/2014
	015252	FOOD SUPPLIES	06/10/2014	45.88	45.88	06/20/2014
	030403	FOOD SUPPLIES	06/09/2014	180.83	180.83	06/20/2014
	031098	FOOD SUPPLIES	06/09/2014	42.38	42.38	06/20/2014
	041898	BIRTHDAY CAKE	06/16/2014	12.83	12.83	06/20/2014
	067000	FOOD SUPPLIES	06/11/2014	13.90	13.90	06/20/2014
	081463	CARROT CAKE	05/13/2014	20.98	20.98	06/20/2014
	086523	FOOD SUPPLIES	06/17/2014	102.87	102.87	06/20/2014
	1258789	SNACKS	06/12/2014	23.27	23.27	06/20/2014
	131801	SNACKS	04/02/2014	86.07	86.07	06/20/2014
	136862	SNACKS	06/04/2014	28.61	28.61	06/20/2014
	170086	FOOD SUPPLIES	06/13/2014	48.94	48.94	06/20/2014
Total 3015:				630.50	630.50	
3038						
Mountain View Tree Farm & Nurs						
	18707	WEED AND FEED	06/18/2014	117.98	.00	
Total 3038:				117.98	.00	
3083						

Vendor Name and Number	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid
ALSCO						
	1482598	LAUNDRY/senior center	06/10/2014	46.43	.00	
	1485597	SUPPLIES	06/17/2014	25.00	.00	
	1485599	LAUNDRY/senior center	06/17/2014	46.44	.00	
	1488661	SUPPLIES	06/24/2014	25.00	.00	
	1488663	SUPPLIES	06/24/2014	46.43	.00	
Total 3083:				189.30	.00	
3091						
Newman Signs Inc						
	TI-0274416	LETTER PS-WHITE	06/05/2014	414.59	.00	
Total 3091:				414.59	.00	
3178						
Hanson Equipment,inc						
	8248	2003 FREIGHTLINER PLOW TR	06/17/2014	37,500.00	.00	
Total 3178:				37,500.00	.00	
3195						
Frontier Paving Inc						
	36237	ASPHALT	06/03/2014	221.25	.00	
	36247	ASPHALT	06/10/2014	291.00	.00	
Total 3195:				512.25	.00	
3251						
Mountain Communications And EI						
	213343	GRASS MESA RENTAL	06/01/2014	250.00	250.00	06/13/2014
Total 3251:				250.00	250.00	
3389						
Sandy's Office Supply Inc						
	088714	SUPPLES	06/18/2014	92.45	.00	
	089853	TABLE FOLDING	06/23/2014	791.93	.00	
Total 3389:				884.38	.00	
3654						
Mark Briels Electric Inc						
	4913	RAW WATER PUMP STATION	06/20/2014	98.00	.00	
Total 3654:				98.00	.00	
3707						
Interstate Battery System Inc						
	22037095	BATTERIES	06/18/2014	105.95	.00	
Total 3707:				105.95	.00	
3755						
Wagner Equipment Co						
	P02C00455696	PARTS	04/22/2014	29.40	29.40	06/13/2014
	S02W0854085	TROUBLESHOOT BRAKING SY	06/05/2014	735.96	.00	

Vendor Name and Number	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid
Total 3755:				765.36	29.40	
3798						
Ace Industrial Supplies						
	1344238	TOOL CHEST	06/04/2014	1,740.65	.00	
	1344254	LED ROAD FLARE	06/04/2014	369.75	.00	
	1344983	PIPE THREADER KIT	06/06/2014	1,201.00	.00	
Total 3798:				3,311.40	.00	
4055						
UPS/United Parcel Service						
	Y2097W204	SHIPPING	05/17/2014	30.68	30.68	06/13/2014
	Y2097W214	SHIPPING	05/24/2014	15.34	15.34	06/20/2014
Total 4055:				46.02	46.02	
4141						
True Brew Coffee Service						
	157712	COFFEE	06/11/2014	54.44	.00	
Total 4141:				54.44	.00	
4207						
Radio Shack						
	10166624	CAR LIGHTNING CHARGER	06/16/2014	14.99	.00	
	10166627	ipHONE BALLISTIC	06/16/2014	24.99	.00	
	10166667	BATTERIES	06/17/2014	61.97	.00	
Total 4207:				101.95	.00	
4215						
Ziegler, James						
	0612146232	FLANK DRIVE PLUS LONG SET	06/12/2014	500.25	.00	
	0619146448	COMPACT IMPACT	06/19/2014	499.95	.00	
	0619146449	HAMMER DRILL	06/19/2014	499.95	.00	
Total 4215:				1,500.15	.00	
4240						
Platinum Plus For Business						
	CHRISTENSE	COUNCIL DINNER	06/10/2014	1,011.21	1,011.21	06/10/2014
	KEHOE 06101	QUILL	06/10/2014	2,348.97	2,348.97	06/10/2014
	LINQUIST 061	SUPPLIES	06/10/2014	1,043.59	1,043.59	06/10/2014
	MARANTINO 0	TRAINING	06/10/2014	1,001.63	1,001.63	06/10/2014
	PINA 061014	BIKE RODEO BIKES	06/10/2014	1,005.70	1,005.70	06/10/2014
Total 4240:				6,411.10	6,411.10	
4292						
Colo Dept Of Public Safety						
	S141000002	APRIL 2014 STATE ID	05/08/2014	235.00	235.00	06/13/2014
Total 4292:				235.00	235.00	
4339						

Vendor Name and Number	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid
Design Concepts	0016150	PROFESSIONAL SERVICES DE	06/05/2014	576.99	.00	
Total 4339:				576.99	.00	
4371						
Roaring Fork Transp. Authority	24544	2014-CONTRIBUTION HOGBAC	06/19/2014	20,000.00	.00	
Total 4371:				20,000.00	.00	
4701						
Tri County Fire Protection	114474	ANNUAL MAIN INSPECTION	06/06/2014	201.00	.00	
	115440	BACK FLOW PREV TEST	05/30/2014	1,430.00	.00	
	116253	BACKFLOW REPAIR KIT	06/09/2014	181.00	.00	
Total 4701:				1,812.00	.00	
4753						
Rifle Truck & Trailer	8296	ID BAR RED	06/18/2014	28.75	.00	
Total 4753:				28.75	.00	
4771						
Walker Jan	49	PIANO PLAYING	06/10/2014	40.00	40.00	06/20/2014
Total 4771:				40.00	40.00	
4811						
United Site Services Inc	114-2058329	ROLL OFF 20 YD	05/31/2014	10,107.61	.00	
Total 4811:				10,107.61	.00	
4967						
Touch Tone Communications	053114	LONG DISTANCE MONTHLY FE	05/31/2014	131.32	131.32	06/13/2014
Total 4967:				131.32	131.32	
4999						
Master Automotive Inc	18429	REPLACE FLEX PLATE	06/24/2014	958.15	.00	
Total 4999:				958.15	.00	
5023						
CASELLE INC	58006	CONTRACT SUPPORT/FINANC	06/01/2014	1,214.00	1,214.00	06/13/2014
Total 5023:				1,214.00	1,214.00	
5192						
PECZUH PRINTING COMPANY	221013	WINDOW ENVELOPES	06/10/2014	602.73	.00	

Vendor Name and Number	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid
Total 5192:				602.73	.00	
5253						
FASTENAL						
	63593	STEEL MEAS WHEEL	06/03/2014	174.43	.00	
	63621	VELOCITY2 BRAZEAU DE	06/04/2014	19.99	.00	
	63711	BARREL PUMP HVY DUTY	06/09/2014	38.06	.00	
	63775	BOTTLED WATER	06/12/2014	20.00	.00	
	63797	PATIOHEATER	06/12/2014	109.99	.00	
Total 5253:				362.47	.00	
5384						
MOUNTAIN HIGH PAINT						
	19706	PAINT	05/22/2014	178.34	.00	
	19820	PAINT	05/30/2014	210.09	.00	
Total 5384:				388.43	.00	
5473						
McAfee						
	97390499	MONTHLY SERVICE	06/01/2014	225.60	.00	
Total 5473:				225.60	.00	
5518						
CURRENT SOLUTIONS						
	5354	INSTALLED WIRELESS EQUIPM	04/08/2014	4,060.00	4,060.00	06/13/2014
Total 5518:				4,060.00	4,060.00	
5599						
BIGHORN CONSULTING ENGINEERS						
	3335	DEERFIELD PARK REVIEW	05/20/2014	240.00	.00	
Total 5599:				240.00	.00	
5648						
REDI SERVICES, LLC						
	132522	PUMP OUT GREASE TRAP	06/19/2014	500.00	.00	
Total 5648:				500.00	.00	
5821						
ENVIRO-CHEM						
	140415	MPN TESTING	06/16/2014	629.45	.00	
Total 5821:				629.45	.00	
5875						
CUMMINS ROCKY MOUNTAIN						
	003-71810	REPLACED FILTER	05/05/2014	58.07	58.07	06/20/2014
Total 5875:				58.07	58.07	
5888						

Vendor Name and Number	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid
VULCAN INDUSTRIES, INC						
	14233-12383	LOT SPARE PARTS	06/06/2014	1,168.00	.00	
Total 5888:				1,168.00	.00	
5958						
Utility Refund						
	2398104	REFUND-414 W 25TH ST	06/13/2014	81.46	81.46	06/20/2014
Total 5958:				81.46	81.46	
5960						
Recreation Fee Refunds						
	2001027002	REC FEE REFUND	06/10/2014	80.00	80.00	06/13/2014
	2001031002	REC FEE REFUND	06/12/2014	15.00	15.00	06/13/2014
	2001038002	REC FEE REFUND	06/16/2014	70.00	70.00	06/20/2014
	2001039002	REC FEE REFUND	06/16/2014	70.00	70.00	06/20/2014
	2001040002	REC FEE REFUND	06/17/2014	70.00	70.00	06/20/2014
Total 5960:				305.00	305.00	
5984						
JIM DIBLE OIL CO						
	12577 052814	VACUALINE	05/28/2014	276.00	.00	
Total 5984:				276.00	.00	
6025						
Wihera Richard C						
	3365	EVALUATION	05/28/2014	350.00	350.00	06/13/2014
Total 6025:				350.00	350.00	
6067						
Mountain Roll-offs, Inc.						
	239516	RECYCLE SERVICE	06/01/2014	16.20	16.20	06/13/2014
Total 6067:				16.20	16.20	
6071						
TD Productions						
	38266	HAUL 2 LOADS	06/17/2014	2,559.10	.00	
Total 6071:				2,559.10	.00	
6093						
Rifle Postal Service						
	060914	PO BOX FEE	06/09/2014	140.00	140.00	06/13/2014
Total 6093:				140.00	140.00	
6137						
Impressions of Aspen						
	19801	SUPPLIES	04/29/2014	110.48	.00	
	19849	IMAGING UNIT	05/01/2014	615.00	.00	
	19880	TONER CARTRIDGE	05/07/2014	564.95	.00	
	19886	SUPPLIES	05/07/2014	15.14	15.14	06/13/2014
	19905	PRINTER	05/08/2014	848.00	.00	

Vendor Name and Number	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid
	19929	TONER CARTRIDGE	05/14/2014	789.93	.00	
	19962	SUPPLIES	05/22/2014	11.40	11.40	06/13/2014
	20031	SUPPLIES	06/06/2014	77.59	.00	
	20037	TONER CARTRIDGE	06/09/2014	564.95	.00	
	20065	SUPPLIES	06/12/2014	12.08	.00	
	20105	SUPPLIES	06/20/2014	320.21	.00	
	3869CM	CARTRIDGE	04/30/2014	31.65-	.00	
	3896CM	SUPPLIES	05/21/2014	3.26-	3.26-	06/13/2014
Total 6137:				3,894.82	23.28	
6161						
Ewing Irrigation Products						
	8185038	PITCHING RUBBER	06/12/2014	246.12	.00	
Total 6161:				246.12	.00	
6221						
Wells Fargo Financial Leasing						
	5001219177	XEROX COPIER	06/02/2014	336.44	336.44	06/13/2014
Total 6221:				336.44	336.44	
6225						
BRUBACHER DESIGN						
	1243	DOT AND TRUCK	06/19/2014	140.00	.00	
	1248	SIGNS	06/20/2014	30.30	.00	
Total 6225:				170.30	.00	
6262						
Storm King Mechanical LLC						
	3681	INSTALL SPRAY HOSE	06/16/2014	92.10	.00	
Total 6262:				92.10	.00	
6340						
AAT (U.S) Inc.						
	727686	APPLICATION CHARGES	06/13/2014	500.00	.00	
	729184	PHACID INJECTABLE	06/18/2014	560.90	.00	
Total 6340:				1,060.90	.00	
6357						
FIRST STRING						
	5710	UNIFORMS	05/19/2014	543.75	543.75	06/13/2014
Total 6357:				543.75	543.75	
6383						
CENTURY LINK						
	1304507174	LONG DISTANCE	06/11/2014	6.48	6.48	06/20/2014
Total 6383:				6.48	6.48	
6389						
ANYTIME SEWER & DRAIN						
	10122	CAMERA LINE	06/02/2014	370.00	.00	

Vendor Name and Number	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid
	10141	CAMERA LINE	06/09/2014	360.00	.00	
Total 6389:				730.00	.00	
6402						
CENTURY LINK						
	6250004 06011	LONG DISTANCE	06/01/2014	445.57	445.57	06/13/2014
	6250388 06011	LONG DISTANCE	06/01/2014	308.40	308.40	06/13/2014
Total 6402:				753.97	753.97	
6409						
RIFLE TOWING						
	20638 051314	TOWING	05/13/2014	50.00	50.00	06/13/2014
Total 6409:				50.00	50.00	
6484						
MURR WELDING & DESIGN INC						
	1454	REPAIR GATE LATCH	06/13/2014	140.00	.00	
Total 6484:				140.00	.00	
6485						
Tisco Inc/Energy Equip-GrandJct						
	10625 053014	SUPPLIES	05/30/2014	107.14	107.14	06/13/2014
Total 6485:				107.14	107.14	
6509						
POLYDYNE INC.						
	890311	CLARIFLOC	06/11/2014	3,294.00	.00	
Total 6509:				3,294.00	.00	
6512						
C.B. WELLS						
	28	PERFORMANCE	06/14/2014	100.00	100.00	06/20/2014
Total 6512:				100.00	100.00	
6537						
Holscher, Mayberry & Company,LLC						
	132 061714	2013 Financial Statement Audit	06/17/2014	4,000.00	.00	
Total 6537:				4,000.00	.00	
6563						
OMNI CHEER						
	P04201060101	UNIFORMS	05/29/2014	2,164.98	.00	
Total 6563:				2,164.98	.00	
6568						
MICRO PLASTICS						
	102214	SELF INKING RED	06/19/2014	23.75	.00	

Vendor Name and Number	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid
Total 6568:				23.75	.00	
6606						
Western Slope Supplies, Inc.						
	3060901	BOTTLED WATER	06/02/2014	14.20	14.20	06/13/2014
	4115471	BOTTLED WATER	05/05/2014	14.20	14.20	06/13/2014
	4115615	BOTTLED WATER	05/12/2014	34.75	34.75	06/13/2014
	4115616	BOTTLED WATER	05/12/2014	7.35	7.35	06/13/2014
	4115722	BOTTLED WATER	05/19/2014	14.20	14.20	06/13/2014
	4115726	BOTTLED WATER	05/19/2014	21.05	21.05	06/13/2014
	4115727	BOTTLED WATER	05/19/2014	7.35	7.35	06/13/2014
	4115773	BOTTLED WATER	05/20/2014	55.30	.00	
	4115852	BOTTLED WATER	05/27/2014	34.75	34.75	06/13/2014
	4115853	BOTTLED WATER	05/27/2014	7.35	7.35	06/13/2014
	714727	BOTTLED WATER	05/15/2014	15.00	15.00	06/13/2014
	8223266	BOTTLED WATER	06/03/2014	55.30	.00	
Total 6606:				280.80	170.20	
6640						
BUREAU OF LAND MANAGEMENT						
	060614	SPECIAL RECREATION PERMIT	06/06/2014	250.00	250.00	06/13/2014
	061914	PERMIT FEE ROAN CLIFF CHA	06/19/2014	.00	.00	
Total 6640:				250.00	250.00	
6643						
SAFETY & CONSTRUCTION SUPPLY, INC						
	0016323-IN	LOVE DRIVER PIG ORANGE ME	05/29/2014	233.08	.00	
Total 6643:				233.08	.00	
6650						
StepSaver, Inc.						
	T478928	MORTON SOLAR SALT	06/11/2014	2,791.64	.00	
Total 6650:				2,791.64	.00	
6661						
ARCADIS US, INC						
	062614	WATER TREATMENT PLANT DE	06/26/2014	227,376.90	.00	
Total 6661:				227,376.90	.00	
6693						
HOLMES EXCAVATION LLC						
	488	POWER WASHER	06/05/2014	1,275.00	.00	
Total 6693:				1,275.00	.00	
6719						
PHIL VAUGHAN CONSTRUCTION MGMT, INC.						
	06181401	WTP OWNER ADVISOR SERVIC	06/18/2014	7,913.73	.00	
Total 6719:				7,913.73	.00	

Vendor Name and Number	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid
6728						
CB INDUSTRIES-DELTA, INC.						
	053114	BIOSOLIDS DISPOSAL	05/31/2014	4,631.50	4,631.50	06/13/2014
Total 6728:				4,631.50	4,631.50	
6752						
ELAM CONSTRUCTION, INC.						
	30392	EZ STREET COLD MIX	06/11/2014	1,752.60	.00	
Total 6752:				1,752.60	.00	
6779						
COMMERCIAL TIRE SERVICE, INC						
	34761	TIRES	06/23/2014	454.00	.00	
Total 6779:				454.00	.00	
6790						
O'REILLY AUTO PARTS						
	3761-325846	GENERATOR OIL	06/12/2014	103.92	.00	
	3761-326433	ANTENNA ADAP	06/16/2014	105.50	.00	
	3761-326437	SPARK PLUG	06/16/2014	11.97	.00	
	3761-326532	WHEEL STUD	06/17/2014	7.98	.00	
	3761-326959	MOTOR OIL	06/20/2014	25.98	.00	
	3761-327424	STARTER	06/23/2014	16.51	.00	
	3761-327442	GLASS CLNR	06/23/2014	84.89	.00	
Total 6790:				356.75	.00	
6808						
ADVANCED GARAGE DOOR, INC						
	078243	SERVICE CALL COMMERCIAL D	06/18/2014	125.00	.00	
Total 6808:				125.00	.00	
6826						
CALLAWAY PACKING INC						
	24229	FOOD SUPPLIES	06/16/2014	628.58	.00	
Total 6826:				628.58	.00	
6844						
GRASSROOTS SOD FARM						
	14728	BLUEGRASS SOD	06/25/2014	1,100.00	.00	
Total 6844:				1,100.00	.00	
6867						
PNCI Construction, Inc.						
	2138	DRP-P1 Constuction	06/25/2014	93,752.00	.00	
Total 6867:				93,752.00	.00	
6885						
CHEMATOX LABORATORY INC						
	11928	BLOOD ALCOHOL TEST	05/19/2014	20.00	20.00	06/20/2014
	12071	BLOOD COLLECTION KIT	03/31/2014	41.39	41.39	06/20/2014

Vendor Name and Number	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid
Total 6885:				61.39	61.39	
6887						
Oddo Engineering						
	19123	1400-32 SHADE SAIL	05/30/2014	187.50	187.50	06/13/2014
Total 6887:				187.50	187.50	
6916						
CORNWELL QUALITY TOOLS						
	141783	TOOLS	06/18/2014	149.95	.00	
Total 6916:				149.95	.00	
7023						
SPECIALTY INCENTIVES INC						
	182423	SHIPPING	06/04/2014	20.44	20.44	06/13/2014
Total 7023:				20.44	20.44	
7031						
ICEMOUNTAIN MIST						
	061114	MID PRESSURE MIST SYSTEM	06/11/2014	1,206.00	1,206.00	06/13/2014
Total 7031:				1,206.00	1,206.00	
7032						
WESTAR ENGINEERS						
	041514	DEER FIELD PARK FACILITIES	04/15/2014	500.00	500.00	06/20/2014
	060614	CITY OF RIFLE SHADE SAIL PO	06/06/2014	750.00	750.00	06/13/2014
Total 7032:				1,250.00	1,250.00	
7033						
RIFLE FARMER'S MARKET						
	061114	RIFLE FARMERS MARKET	06/11/2014	5,000.00	5,000.00	06/13/2014
Total 7033:				5,000.00	5,000.00	
7034						
MAN-TEX MANUFACTURING & WELDING						
	6491	LABOR TO FAB POLES	06/10/2014	4,604.88	4,604.88	06/13/2014
Total 7034:				4,604.88	4,604.88	
7035						
C.A.S.R.O.						
	062014	SEMINAR -CASRO	06/20/2014	475.00	475.00	06/20/2014
Total 7035:				475.00	475.00	
7036						
FREEMAN SIGNS						
	061914	SIGN PERMIT 2014-06 82630	06/19/2014	80.00	80.00	06/20/2014
Total 7036:				80.00	80.00	

Vendor Name and Number	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid
7037						
ATLASTA SOLAR CENTER						
	061114	USE TAX REBATE	06/11/2014	248.63	248.63	06/20/2014
Total 7037:				248.63	248.63	
7038						
DIRK, MYERS						
	060614	REIMBURSEMENT CONFEREN	06/06/2014	218.32	218.32	06/20/2014
Total 7038:				218.32	218.32	
7039						
MERRIAM, TIFFANY						
	RPD 2014-006	REPLACE ZIPPER	05/27/2014	34.00	34.00	06/20/2014
Total 7039:				34.00	34.00	
7040						
AM SIGNAL INC						
	M17945	YELLOW TUNNEL VISOR POLY	06/02/2014	15.00	.00	
Total 7040:				15.00	.00	
Grand Totals:				562,675.64	61,561.49	

Dated: _____

City Finance Director: _____

Report Criteria:

- Summary report.
- Invoices with totals above \$0 included.
- Paid and unpaid invoices included.

James S. Neu
jsn@mountainlawfirm.com

June 20, 2014

Mayor Randy Winkler
Rifle City Council
P. O. Box 1908
Rifle, Colorado 81650

Re: July 2, 2014 City Council Meeting

Dear Mayor Winkler and Members of the Rifle City Council:

The purpose of this letter is to briefly outline items we worked on for the July 2, 2014 Rifle City Council Meeting.

1. Second Amendment to Watershed District Permit No. 3-09 (WPX Rocky Mountain Energy, LLC). WPX Energy submitted an application for an amendment to City of Rifle Watershed District Permit No. 3-09 for oil and gas operation in the Beaver Creek Watershed. Council met with WPX several months ago and discussed their operations and future plans, which the enclosed Second Amendment to Watershed District Permit No. 3-09 permits. It is in draft form to be completed following the Council meeting with any specific information or changes brought up during the hearing. Michael Erion reviewed the application for WPX's additional activities and his letter is enclosed providing recommendations of approval and it will be attached to the Second Amendment. The Code requires a watershed district permit application to be considered at a public hearing and public notice was properly published.

2. Ordinance No. 8, Series of 2014 (Central Business District Zoning Amendments). The Planning Department is recommending a text amendment to the Central Business District Zoning Code as set forth in their staff memo. Ordinance No. 8, Series of 2014 adopts those recommendations. The Code requires that text amendments be considered at a public hearing and the Planning Department complied with the public notice requirements for this meeting.

We recommend approval of Ordinance No. 8, Series of 2014.

Page 2

As always, please feel free to contact us before the meeting if you have any questions.

Very truly yours,

KARP NEU HANLON, P.C.

James S. Neu

JSN:
Enclosures



Town of Parachute | City of Rifle | Town of Silt
Town of New Castle | City of Glenwood Springs
Town of Carbondale | Garfield County Public Library District
Roaring Fork Transportation Authority
Garfield County | Colorado Mountain College

To: Mayor and Council Members, City of Rifle
From: Shelley Kaup, Garfield Clean Energy/CLEER Staff
Date: June 25, 2014
Re: **Garfield Clean Energy Collaborative 2013-14 Results
City of Rifle Progress**

Introduction: The Garfield Clean Energy Collaborative is the state's first intergovernmental authority dedicated to clean energy. Its local government partners first joined together in 2009, under the umbrella of Garfield County, to work with governments, businesses and households to save energy and strengthen the economy. The Collaborative formed as an authority in 2012.

The City of Rifle is a founding partner in the organization. Rifle plays an important role in helping reach GCE's goals for energy savings. Across the county, these goals will strengthen the economy through energy diversification, energy cost savings and job creation.

CLEER: Clean Energy Economy for the Region is a nonprofit that manages the programs and services of Garfield Clean Energy under an annual contract. By joining forces, the 10 local government partners are providing their constituents with a variety of clean energy programs and services that they could not afford to provide on their own. Together, the partners are building the clean energy economy across Garfield County.

Vision Statement: Garfield County will be the most energy efficient county in the country.

Mission Statement: The mission of Garfield Clean Energy Collaborative is to educate and provide energy efficiency solutions and alternative and renewable energy opportunities to all individuals and organizations in order to build a stronger, more resilient economy benefiting citizens of Garfield County.

Goal No. 1: Increase per capita energy efficiency by 20% by 2020 over a 2009 baseline to have a stronger, more resilient and energy-secure economy.

Goal No. 2: Reduce petroleum consumption 25% by 2020, over a 2009 baseline, as a means to a stronger, more resilient and energy-secure economy.

Goal No. 3: Obtain 35% of our electricity from renewable sources by 2020 as a means to a stronger, more resilient and more energy-secure economy.

Garfield Clean Energy 2013-2014 Results

Strategic planning: GCE’s activities are being guided by its 2014 strategic plan, and the board is now developing its strategic plan and budget for 2015, following a board strategic planning retreat held April 9.

Garfield Clean Energy’s goals are based on energy use and spending in 2009, measured in an energy inventory conducted in 2010. GCE plans to update the countywide energy inventory in 2015, based on energy use and spending in 2014. The results of the update will show how much progress we are making toward achieving the energy goals.

The draft 2015 strategic plan includes a new goal: Identify and implement adequate and sustainable funding for Garfield Clean Energy by 2016 to achieve our mission.

Private sector energy coaching and rebates. A major service of GCE is free energy coaching for households, businesses and organizations. CLEER’s energy coaches help busy people make smart decisions about energy upgrades to lower their energy costs and maximize their potential rebates.

In 2013, GCE paid out the last of its rebates funded by the 2011 Better Buildings grant award to Garfield County. In 2014, CLEER obtained a grant of \$40,000 from the Colorado Department of Public Health and Environment to fund rebates in western Garfield County, and a second grant for \$44,940 is in the works.

Residential energy efficiency results January 2013 through May 2014		
<p>Residential retrofits: 126</p> <p>Parachute: 2 Rifle: 6 Silt: 7 New Castle: 5 Glenwood Springs: 67 Carbondale: 39</p> <p>Rebate multiplier: \$5.8 spent for every \$1 in rebates</p>	<p>Measures: 174</p> <p>Insulation and air seal: 35 Heating/Vent/Cooling: 51 Water heater: 20 Windows/doors: 31 Evaporative cooler: 3 LED lighting: 34 Est. savings: \$24,670/year</p>	<p>Economic development</p> <p>Total invested in upgrades: \$666,659</p> <p>Utility rebates: \$12,130 Glenwood Springs Electric rebate: \$38,897 GCE rebates: \$36,188 Town of Carbondale rebates: \$10,109 CORE rebates: \$29,711</p>

Garfield Clean Energy Residential Revolving Loan Fund	
Total loans: 10	Current loan balance: \$86,926
Total amount loaned: \$90,258	Total available for loan: \$231,000

Commercial energy efficiency results January 2013 through May 2014		
<p>Commercial retrofits: 68</p> <p>Parachute: 2 Rifle: 10 Silt: 0 New Castle: 4 Glenwood Springs: 30 Carbondale: 22</p> <p>See list of participating Rifle / 81650 businesses, page 12</p>	<p>Measures: 107</p> <p>Major equipment replacement: 7 Efficiency upgrades (building envelope, motors, refrigeration): 37 Lighting upgrade: 61 Solar (PV or thermal): 2</p> <p>Est. savings: \$61,471/year</p>	<p>Economic development</p> <p>Total invested in upgrades: \$670,192 Utility rebates: \$83,561 Glenwood Springs Electric rebate: \$34,340 GCE rebates: \$77,874 Town of Carbondale rebate: \$21,698 CORE rebates: \$29,462</p> <p>Rebate multiplier: \$4 spent for every \$1 in rebates</p>

Policy

- Worked with other energy organizations in Colorado to successfully convince the Colorado PUC to hold Xcel Energy to its current energy efficiency targets for 2015-2020.
- Worked with state legislators to develop a successful bill, SB 186, giving small communities better access to performance contracting for energy efficiency upgrades.
- Worked with Dept. of Local Affairs to amend its rolling stock policy to allow grants to local governments to buy down higher costs of alternative fuel vehicles.
- Active Energy Management policy passed by GCE board May 8, 2013, also enacted by six member governments, including the City of Rifle.
- Anti-idling policy resolution passed by GCE board Dec. 11, 2013.

Transportation

Bike and Walk to School Challenge: Eight schools across Garfield County participated in the three-day event, held April 15-17. It encourages kids to bike and walk to school for a healthy and energy-saving alternative to being driven to school. The 2014 winners were Bea Underwood Elementary in District 16 and Carbondale Community School and Carbondale Middle School in Re-1. The first place school prize was \$1,000 for the school to use for playground or P.E. equipment.

CNG: Garfield Clean Energy is participating in the Refuel Colorado Fleets program, a statewide pilot project being led by CLEER. The pilot program is providing energy coaching to fleet owners in nine selected Colorado counties to accelerate the transition to alternative fuel vehicles.

GCE energy coaches are working in Garfield and Mesa counties to help build market demand for CNG, with an aim toward new public fueling facilities in Clifton and Glenwood Springs. This will complement the CNG fueling stations already in place in Rifle and Parachute, making ownership of CNG vehicles a viable, cost-saving option for fleets in our region.

Garfield Clean Energy included Rifle on its Mesa-Garfield Rolling Tour, held Aug. 28, 2013, to promote CNG awareness from Grand Junction to Glenwood Springs. We are now working with Rifle fuel retailers and a CNG station operator to look for options to reopen a CNG fueling facility in Rifle.

Electric Vehicle (EV) charging: Garfield Clean Energy has discussed the idea of assisting the City of Rifle in applying for a Charge Ahead Colorado grant from the Colorado Energy Office. This grant cycle will reopen during the month of July, and we would be pleased to assist the city in an application for electric vehicle charging equipment.

City of Rifle progress



Another key role of Garfield Clean Energy is to help its member governments reduce energy use. When local governments cut energy use in their facilities and fleets, they reduce utility and operational costs, demonstrating wise use of taxpayer dollars and freeing up budget dollars for critical needs.

Garfield Clean Energy uses a method called Active Energy Management (AEM), which engages and motivates people to use energy data, make operational changes and learn energy conservation behaviors to achieve greater levels of energy savings in buildings. AEM training for facility managers and building energy champions helps them engage many more building occupants in energy-saving efforts.

The Garfield Energy Navigator website provides feedback on energy savings, either on a daily or monthly basis. AEM teaches facility managers and building energy champions how to use the Navigator data to achieve their energy savings goals.

The following page lists City of Rifle energy efficiency projects that have been completed, and projects that are recommended to generate even more savings on energy. Garfield Clean Energy encourages the City Council to consider funding some or all of these projects as part of the planning for the 2015 budget.

City of Rifle	Project Type	Status	Project Detail	Results Detail	Completion Date	Annual Energy Savings
City Hall	Energy performance contract	Completed	HVAC projects at City Hall by Ennovate	Occupancy controls; destratification fans, HVAC control upgrade, lighting upgrade, etc.	11/1/12	\$2,500
City Hall	Kiosk	Completed	Installed touch-screen Energy Navigator kiosk	Enables Active Energy Management (AEM) and citizen access to energy data	11/1/11	
City Hall	AEM	Completed	Installed Datalogger for live energy data on Navigator. Provided AEM training to staff.	AEM will help maintain low energy use after energy performance contract ends.	11/1/11	\$1,350
City Hall	Solar PV	Completed	140 kW parking canopy		5/1/2014	TBD
City Hall		Med-priority	Upgrade downstairs parking lot lighting to LED. Label destratification fans to ensure they operate 24/7 in winter. Review data after new solar/garage energy monitoring comes online for additional savings opportunities			
Wastewater Plant	Solar PV	Completed	1,720 kW solar array, PPA w/ SunEdison		1/5/09	
Wastewater Plant	AEM	Completed	CLEER Wastewater Energy Management Training held Nov. 21, 2013	Energy savings on a kwh basis are 20% during certain months in addition to a 44 Kw reduction in demand	6/1/12	\$10,300
Water Plant	Solar PV	Completed	1,720 kW solar array, PPA w/ SunEdison		9/8/08	Unknown
Police Station	Solar PV	Completed	9.9kW Solar PV	9.9 kW Solar PV	5/1/10	\$1,485
Police Station	EPC	Completed	HVAC projects by Ennovate	Occupancy controls; destratification fans; HVAC control upgrades; demand limiting	2/1/12	\$ 4,200
Police Station	AEM	Completed	Schedule refinement	Used Navigator data to assist staff in achieving building savings after energy performance contract.	5/1/12	\$1,300
Police Station	Solar PV	Completed	130 kW in 2 arrays		3/1/14	TBD
Police Station	Upgrade	Evaluate	Install condensing unit heater to replace make-up air heater in police garage	~5% conservative savings on energy savings from AEM		
Police Station	AEM	High Priority	Modify entry door operation to reduce open time and auto open function; label destratification fan for summer 'off'/winter'on'; modify thermostat to allow flow of air and move closer to unit heater			
Police Station	AEM	Priority	Additional control settings: review control and active demand limiting in light of new net-zero solar PV PPA	Building is designed to be 100% covered by solar PV. Make sure ongoing efficiencies stay within estimated usage levels.		
Parks Maintenance Facility	Solar PV	Completed	9.9 kW Solar PV		5/1/10	\$1,485
Parks Maintenance Facility	Solar PV	Completed	55 kW in 2 arrays		2/1/14	TBD
Parks Maintenance Facility	AEM	Completed	Created a plan to improve scheduling, add timers to hot water, add timers to exhaust fans, and to install Energy Navigator hardware.	Implementation by outside contractor	2/1/11	\$ 2,300
Parks Maintenance Facility	Navigator	High Priority	Install Energy Navigator datalogger and use to help optimize building	Planned for completion as part of Solar PPA.		
Public Works O&M	Solar PV	Completed	9.9kW Solar PV		5/1/10	\$1,485
Public Works O&M	Solar PV	Completed	24 kW Solar PV (net zero)		1/1/14	
Public Works O&M	Upgrade	Priority	Air-sealing and insulation			
Public Works O&M	Upgrade	Evaluate	Building heated by propane w/ high energy costs. Analyze ROI of replacement w/high-efficiency heating system.			
Taugenbaugh Pump Station	Solar PV	Completed	42 kW Solar PV (net zero)		12/1/13	
South Pump Station	Solar PV	Completed	15 kW Solar PV (net zero)		12/1/13	
Ball Field	Solar PV	Completed	9.4 kW Solar PV (net zero)		12/1/13	
Cemetery	Solar PV	Completed	9.6 kW Solar PV (net zero)		12/1/13	
Fleet	Alt Fuels	Completed	4 Neighborhood Electric Vehicles for use by town staff	Funded by Garfield New Energy Communities Initiative		
Fleet	Alt Fuels	Completed	Assisted with soliciting funding from Encana to support 2 CNG trucks	1 truck removed from fleet.	2012	
Fleet	Fleet efficiency	Priority	Adopt Fleet Efficiency Policy			

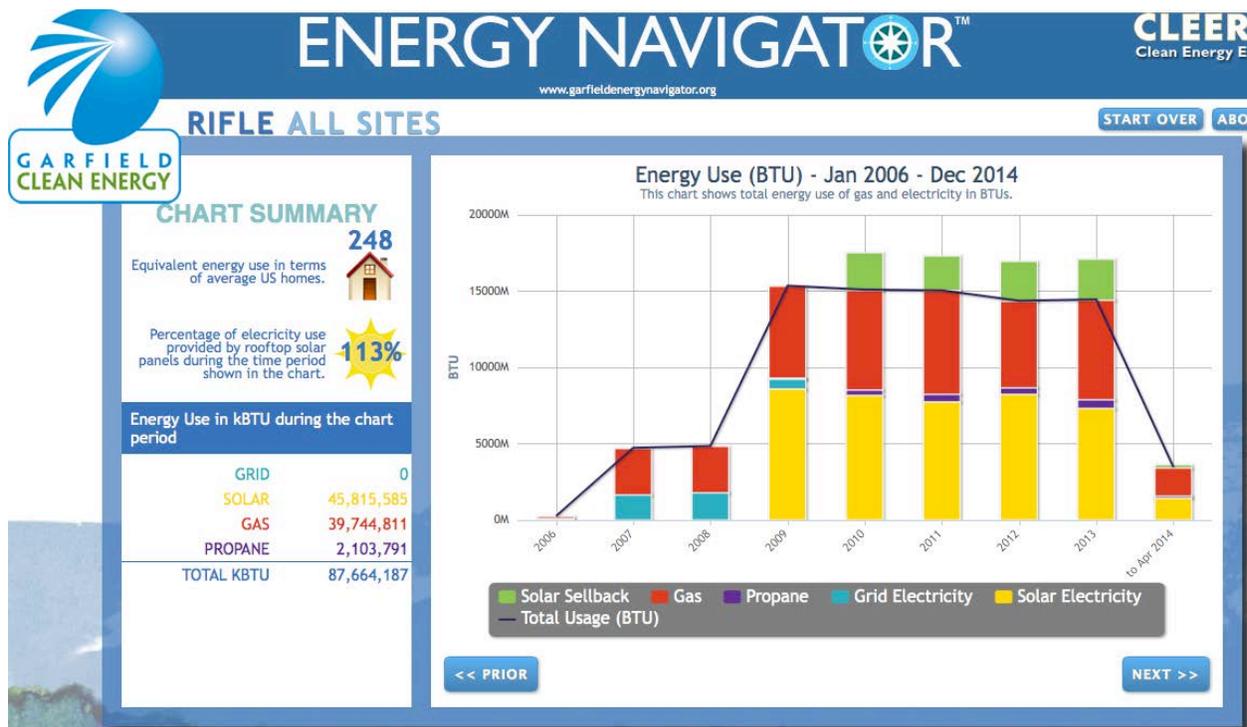
Building energy usage, 2013 compared to 2012

Seven facilities are on the Energy Navigator online energy data system — City Hall, Police Station, Parks Maintenance Facility, Public Works, Wastewater Treatment, the Art Dague Pool and the Senior Center — enabling Garfield Clean Energy to track energy usage, energy spending and carbon dioxide emissions.

A new feature on the Navigator site allows each GCE partner to look at annual totals for all tracked buildings and facilities. Energy use and solar production at the water treatment plant is not being tracked on the Navigator and is not included in these annual totals.

Energy use was up by 0.6% in 2013 compared to 2012 a slight increase. The 2013 energy use essentially maintained saving gains that started in 2012. Compared to 2011, the energy use in these 7 facilities was 4.5% lower in 2013.

Annual electricity, natural gas and propane energy use as combined BTUs at 7 Rifle facilities tracked on the Garfield Energy Navigator, 2007-2014



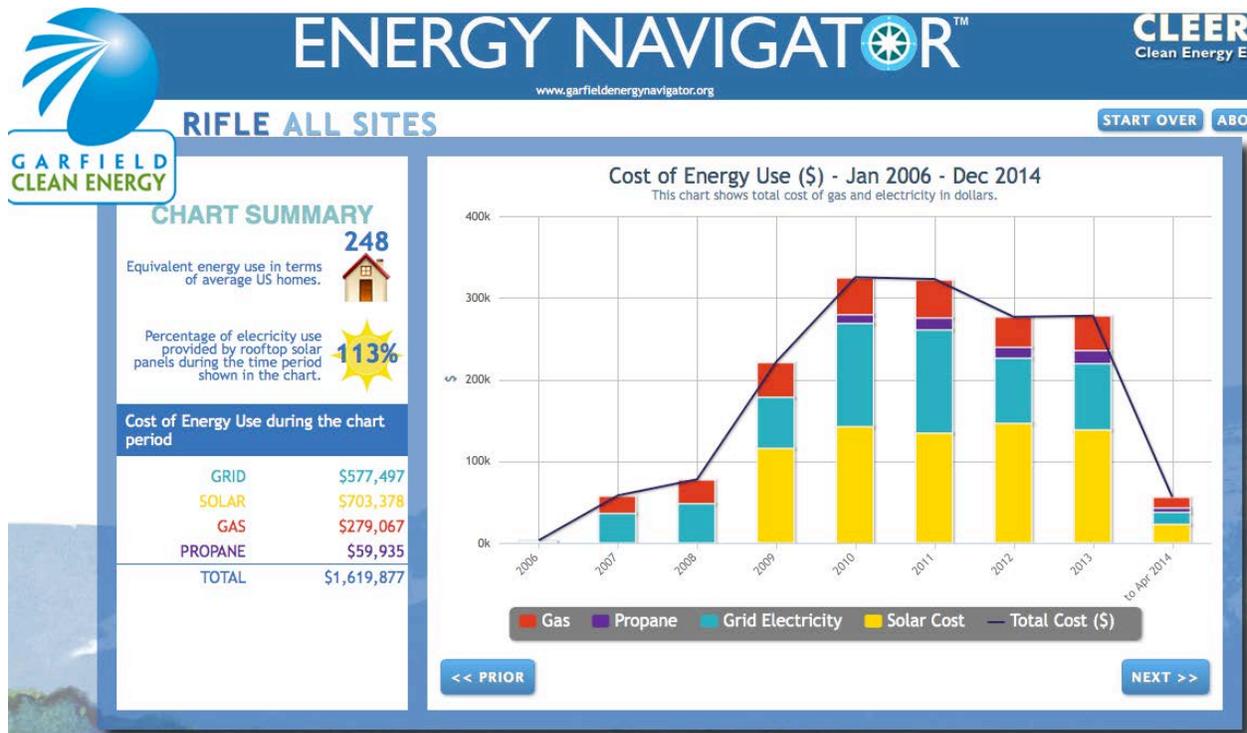
NOTE: Energy use figures for 2007 and 2008 are only for City Hall, Senior Center and Art Dague Pool. Police Station added to Navigator tracking in September 2008. Wastewater treatment plant (including solar array), Public Works Ops & Maintenance, and Parks Maintenance facilities added to Navigator tracking September 2009.

Net-zero for electricity. Although the City of Rifle is still paying bills for grid electric service, the renewable energy produced by the city's solar arrays make its overall operations at these seven facilities net zero for electricity. The additional arrays added in 2013 and 2014 mean the city is also offsetting emissions from its natural gas usage.

Annual energy spending at Rifle facilities tracked on the Navigator

Energy spending at the seven Rifle facilities was up by 0.5% in 2013 compared to 2012, a difference of less than \$1,400. Compared to 2011, the city's 2013 energy spending was 14% lower.

Annual electricity, natural gas and propane energy spending at 7 Rifle facilities tracked on the Garfield Energy Navigator, 2007-2014

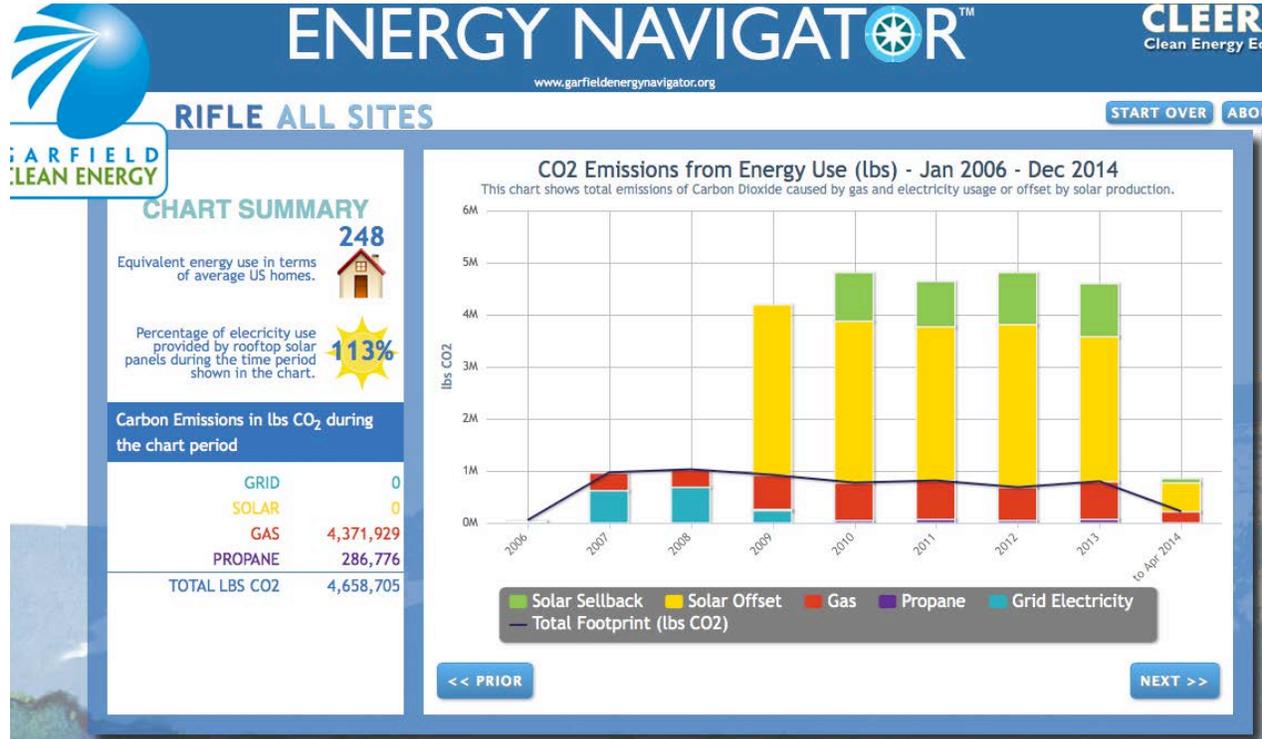


Annual energy spending total for 2006 is low because of incomplete bill data. The 2014 figure is through April 30.

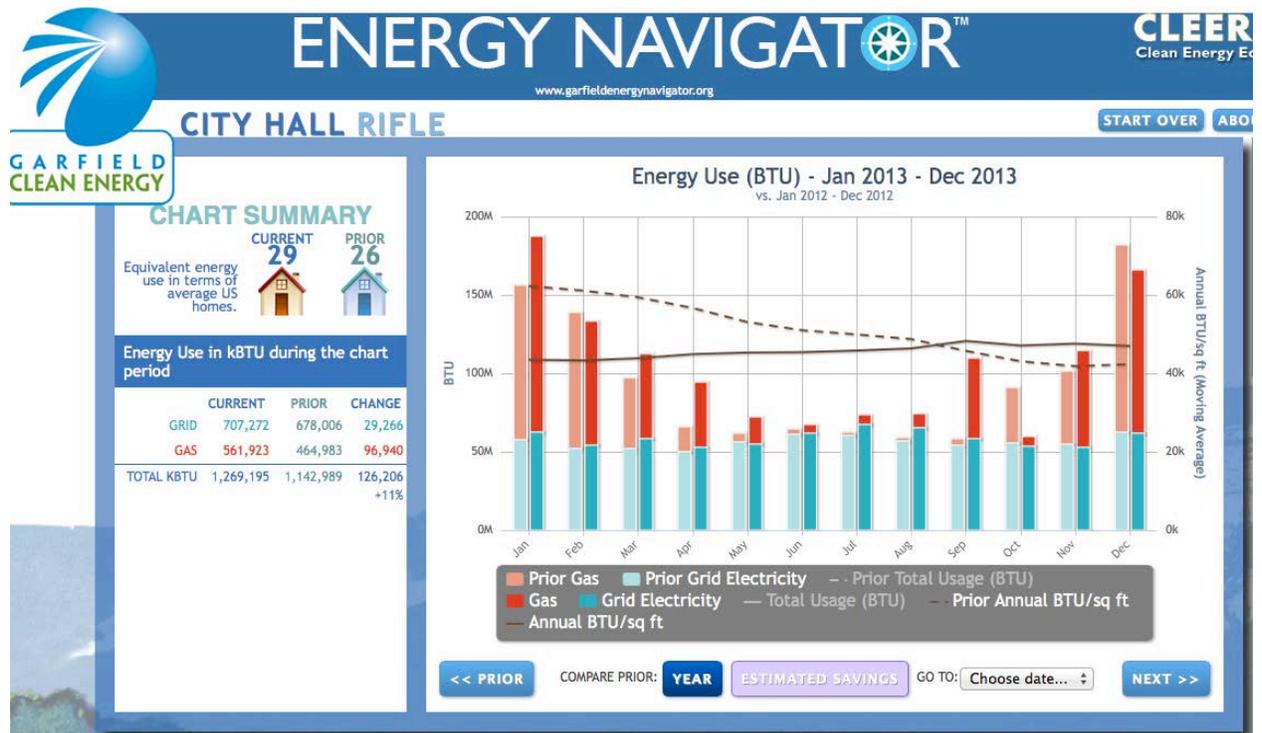
Table summary for energy spending and usage at 7 Rifle facilities

	2007	2008	2009	2010	2011	2012	2013
Dollars spent	\$58,120	\$77,870	\$221,705	\$325,188	\$322,830	\$276,545	\$277,984
Combined BTUs In billions	4.735 B	4.853 B	15.358 B	15.103 B	15.049 B	14.372 B	14.460 B

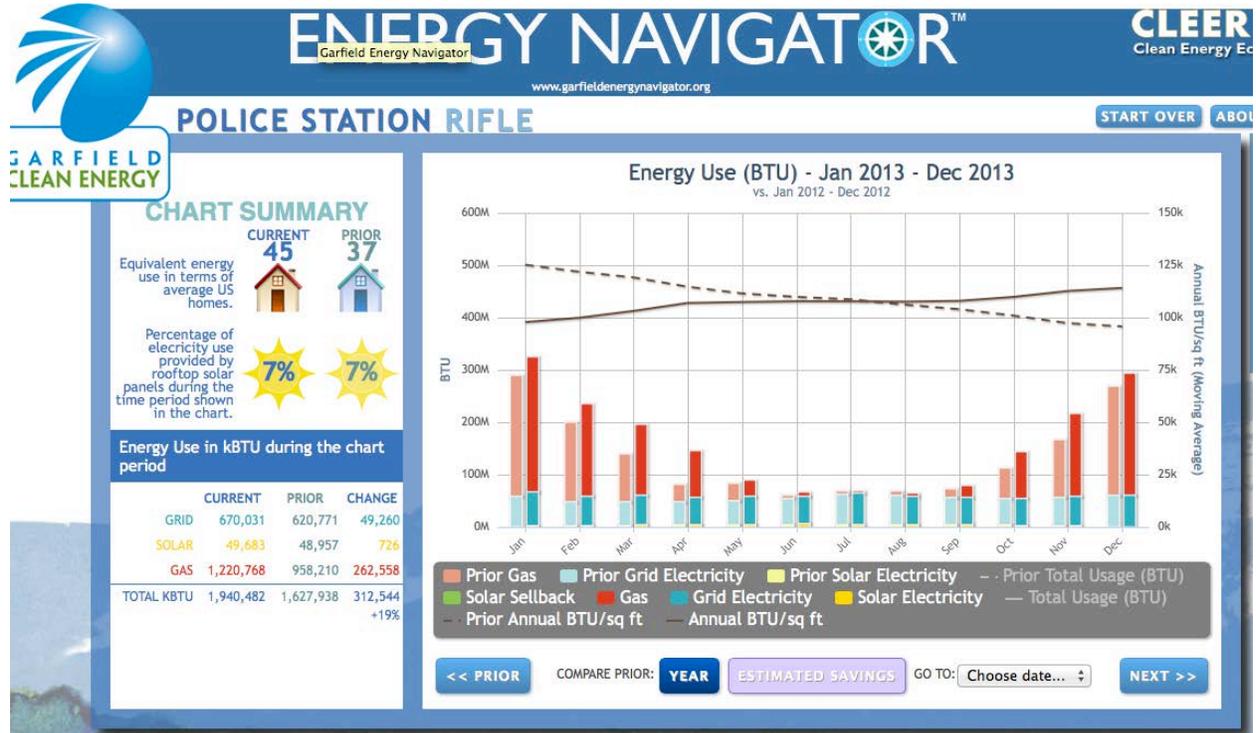
Annual carbon dioxide emissions at 7 Rifle facilities, 2007-2014



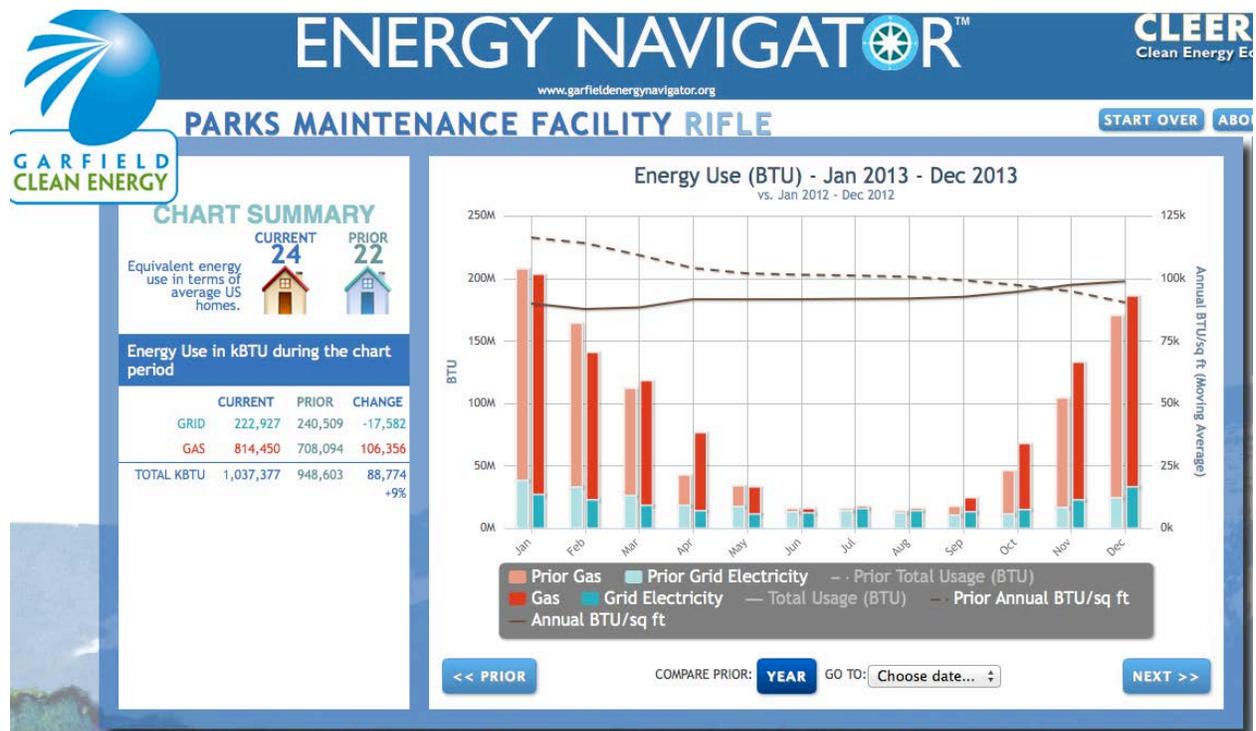
City Hall, 2013 compared to 2012, up 11%



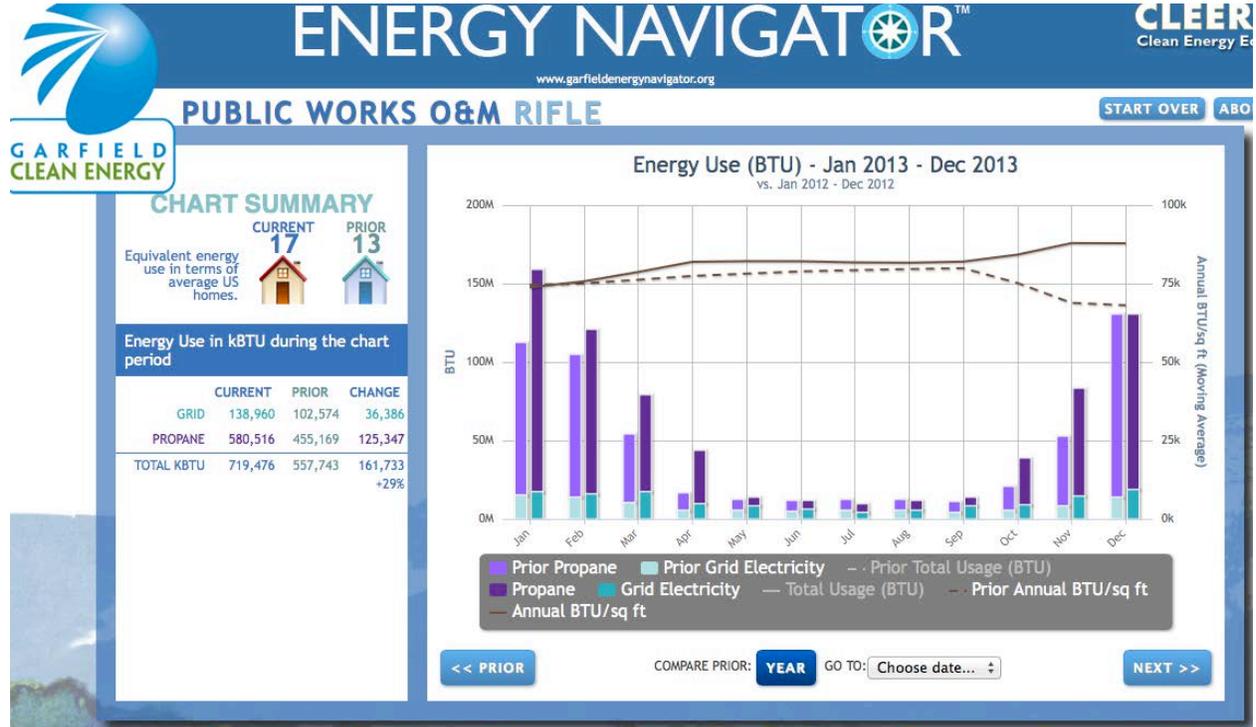
Police Station, 2013 compared to 2012, up 19%



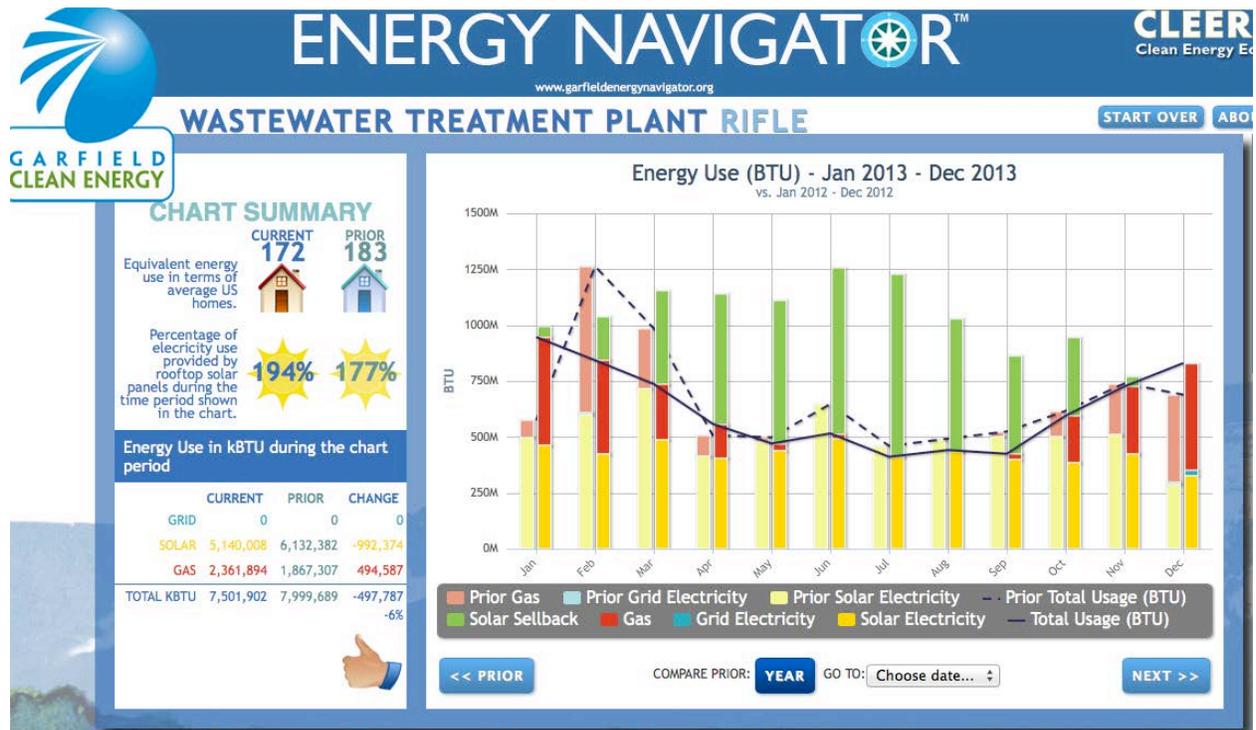
Parks Maintenance Facility, 2013 compared to 2012, up 9%



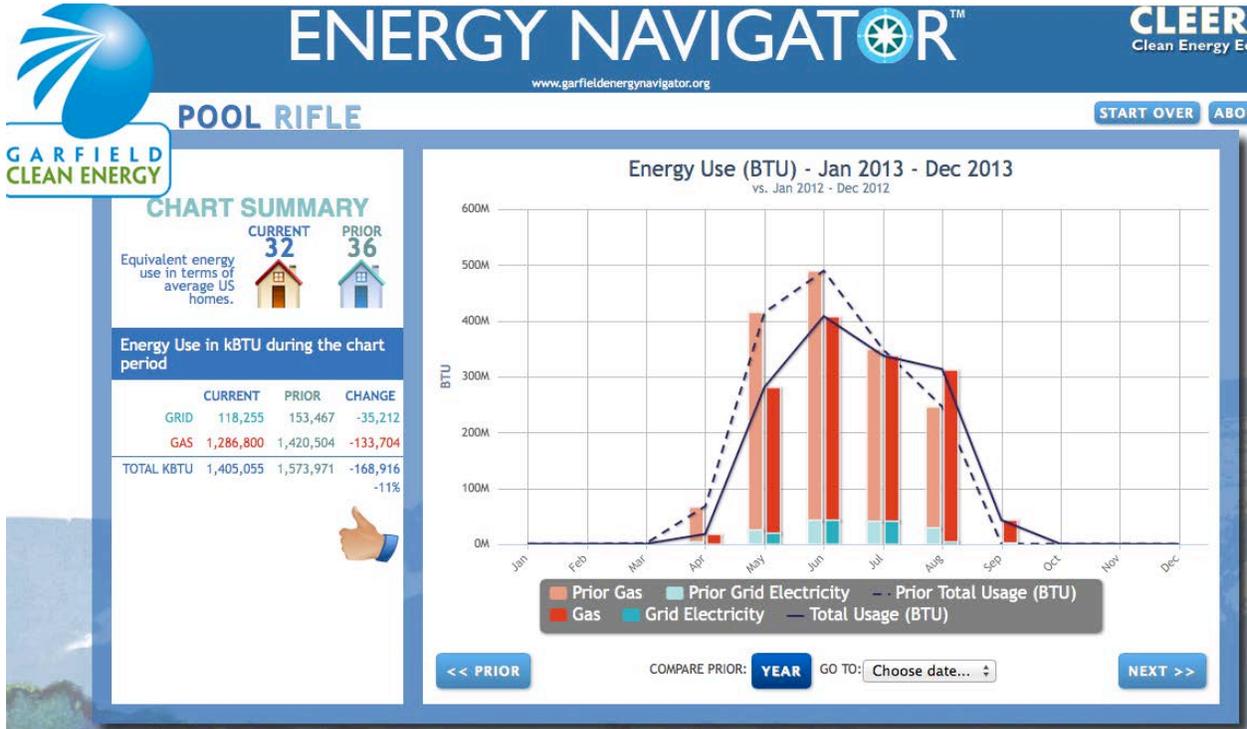
Public Works, 2013 compared to 2012, up 29%



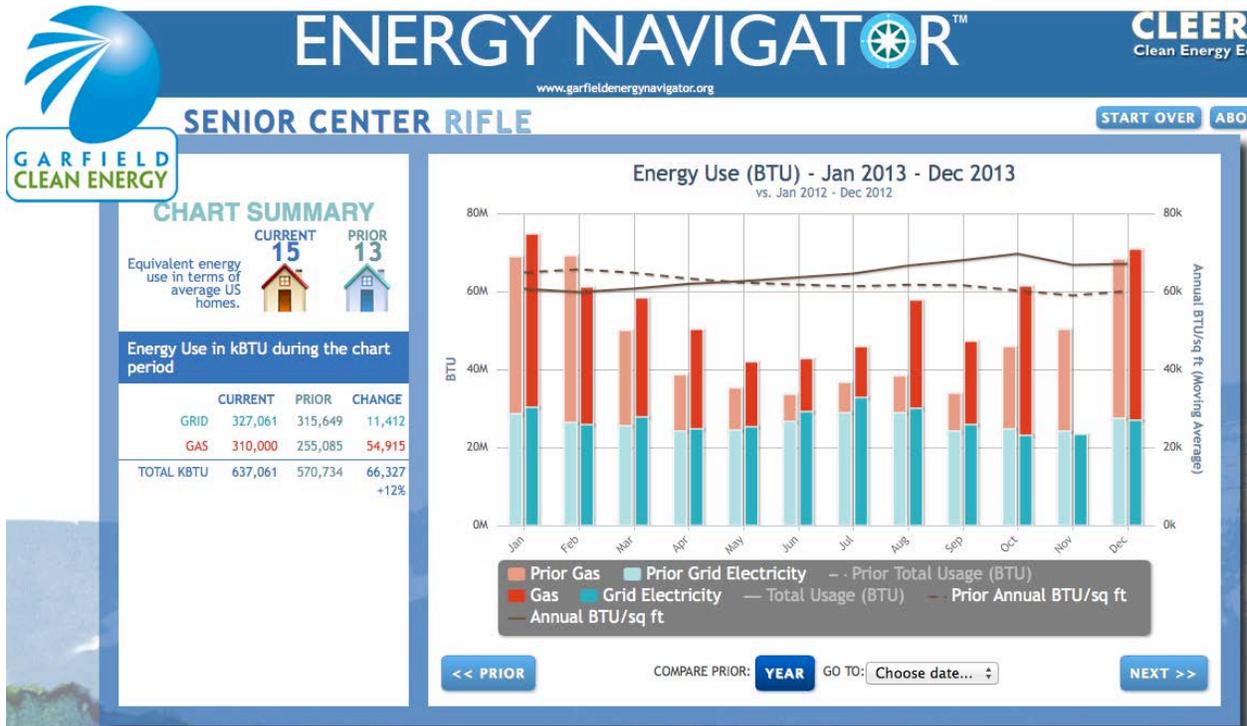
Wastewater Treatment, 2013 compared to 2012, down 6%



Art Dague Pool, 2013 compared to 2012, down 11%



Senior Center, 2013 compared to 2012, up 12%



Goals discussion

In 2010, the Rifle City Council adopted the Garfield Clean Energy goals, noted on page 1 of this report.

- 20% gain in energy efficiency by 2020
- 25% reduction in petroleum use by 2020
- 35% gain in renewable energy by 2020

These goals are meant to cover the public and private sectors throughout Garfield County. When local governments such as the City of Rifle meet or exceed these goals with their own facilities and fleets, they set a strong example and demonstrate wise use of taxpayer dollars.

In 2013, the council adopted GCE's Active Energy Management resolution, aimed at encouraging town staff and trustees to suggest energy-saving changes in buildings, facilities and fleets.

Garfield Clean Energy stands ready to help its partners reach their adopted energy goals through AEM consultations with staff. With this annual energy presentation, we are asking the GCE partner boards to revisit the community-wide goals adopted in 2010, and consider directly setting goals for town-owned buildings and fleets, evaluate the financial benefits, and consider the following active steps:

- Set an energy efficiency goal for town buildings and facilities.
- Set a priority for staff to expedite energy efficiency upgrades and fleet efficiency measures that will result in energy cost savings.
- Include funding for recommended upgrades in the town's 2015 budget.
- Participate in GCE grant applications and performance contracting efforts aimed at generating funding for building and fleet energy efficiency upgrades for multiple GCE partners.

Participating Rifle / 81650 businesses, January 2013 to May 2014

6 & 13 Quick Mart

Bookcliff Car Wash

Bookcliffs Professional Building

Carquest Parts

Church of the Open Door

Eagle Springs Crossing

Meskin Enterprises

Rifle Truck & Trailer

Rocky Mountain Baptist

Subway



To: Mayor and City Council; Matt Sturgeon, City Manager

From: Lisa Hamilton, City Clerk

Date: Thursday, June 26, 2014

Subject: Special Event Liquor Permit: Rifle Regional Economic Development Corporation – Ute Events Center

Rifle Regional Economic Development Corporation (RREDC) has applied for a Special Event Permit to serve liquor at special events at the Ute Events Center at 132 East 4th Street.

This application is not ready for Council consideration. Please open the public hearing on July 2, then continue the hearing to July 16, 2014.

Thank you.



To: Mayor and City Council; Matt Sturgeon, City Manager

From: Lisa Hamilton, City Clerk

Date: Thursday, June 26, 2014

Subject: Special Event Liquor Permit: Rifle Regional Economic Development Corporation – Centennial Park

Rifle Regional Economic Development Corporation (RREDC) has applied for a Special Event Permit to serve liquor at special events at Centennial Park at 300 West 5th Street.

This application is not ready for Council consideration. Please open the public hearing on July 2, then continue the hearing to July 16, 2014.

Thank you.



Mr. Rick Barth, P.E.
City of Rifle
PO Box 1908
Rifle CO 81650

May 28, 2014

James S. Neu, Esq.
Karp Neu Hanlon, P.C.
PO Box 2030
Glenwood Springs CO 81602

RE: WPX Energy – Rifle Beaver Creek Watershed District Permit
Application for Amendment to Permit No. 3-09

Dear Rick and Jim:

This letter presents our review of the application submitted by WPX Energy Rocky Mountain, LLC for an amendment to Watershed District Permit No. 3-09. Permit No. 3-09 was issued to Williams Energy in 2009 for new development in the Beaver Creek Watershed and to consolidate Permit No. 2-99 issued to Barrett Resources for five existing well pad acquired by Williams at that time. Permit No. 3-09 was amended in 2013 to include a water pipeline across the Beaver Creek Watershed and a temporary 1.5 million gallon water storage tank (and change from Williams to WPX). The current amendment seeks additional drilling on seven existing pads; construction of associated access roads, gathering lines, and water lines; and construction and use of access roads to five pads outside of the watershed boundary. The location of the proposed amendment facilities is shown on the attached map from the application. The application submittal includes a cover letter dated May 7, 2014 prepared by WPX Energy and a DVD containing the attachments. Resource Engineering, Inc. (RESOURCE) attended a pre-application meeting with City Staff and WPX Energy, conferred with Rick Barth and Jim Neu on the application submittal and clarified questions on the application with WPX Energy staff. The permit was reviewed in accordance with Section 13-2-120 of the Rifle Municipal Code.

CLASSIFICATION

The original applications for existing Watershed District Permit No. 3-09 and the First Amendment were classified as an "Impact" and were referred to City Council for a public hearing and decision on the permit. The proposed amendment includes similar activities and the City staff is forwarding the current application to the City Council for review and decision with recommendations outlined below.

RECOMMENDATIONS

In accordance with Section 13-2-120(e) of the Rifle Municipal Code, we recommend issuance of a second amendment to Watershed District Permit No. 3-09 with the following conditions:

1. The amendment includes all provisions in the existing permit No. 3-09, construction of additional wells on the existing pads, construction and drilling on four new pads, associated access roads, gathering lines and water lines, and construction and use of access to five pads outside of the watershed for drilling on an existing pad and construction/drilling on four new pads.
2. Construction of new well pads and associated access roads and gathering pipelines will require submittal of detailed drawings to the City at least 30 days prior to construction. The City staff shall approve or approve with conditions, (consistent with the permit) within 30 days. Applicant shall pay all costs associated with review of plans for pads.
3. Additional wells can be drilled on the approved pads provided the Applicant sends written notice of such construction to the City 15 days prior to construction. The City staff shall approve or forward to Council for review within 15 days. Applicant is responsible for all review costs.
4. Applicant shall provide an annual activity plan to be submitted by March 1st of each year.
5. Applicant shall comply with all provisions of the Storm Water Management Plan, SPCC Plan, Spill Response Plan, Emergency Response Plan and Engineering Standards prepared for the project.
6. The project shall be subject to biannual inspections or more frequently if needed, by the City and/or its consultants. Applicant shall be responsible for all costs associated with such inspections.
7. The existing Permit No. 3-09 has a \$250,000 bond for the project. The existing bond amount is appropriate for the amended project.
8. Applicant shall participate on a pro rata basis in the City's water quality monitoring program on Beaver Creek. This includes the periodic stream monitoring program with sampling at various locations along the creek and the operation and maintenance costs associated with the "24/7" monitoring system at the City intake structure.
9. Applicant shall fence the well pad to keep wildlife and cattle from disturbing the cut and fill slopes until reclamation of these areas are complete. Production facilities shall be permanently fenced to protect from damage by wildlife and cattle.

Conditions 2 through 9 above are already included in the existing permit and are acknowledged by WPX in the Application submittal.

ANALYSIS

The existing and proposed activities are within the Beaver Creek Watershed District boundary or associated with activity adjacent to the watershed. The amendment is for drilling gas wells on seven existing well pads; construction of and drilling wells on four new pads; construction of associated access roads, gas gathering pipelines, and water pipelines; and access to (including construction of roads, gas gathering pipelines, and water pipelines) one existing pad and four new pads for construction/drilling outside of the watershed boundary. WPX proposes to drill up to 253 wells on 20 pads within and adjacent to the Beaver Creek Watershed District as shown on the attached map and listed in the attached May 7, 2014 cover letter. Some of the proposed wells within the watershed appear to overlap with existing approvals in the original Permit No. 3-09. However, for purposes of summarizing the activities included up to date in the proposed Second Amendment, there are currently 17 wells on 11 existing pads within the watershed and 27 wells on one existing pad outside the watershed, but accessed through the watershed. There will be up to 23 wells on the existing pad outside of the watershed; up to 112 wells on four new pads outside of the watershed, but accessed through the watershed; up to 80 wells on seven existing pads within the watershed; and up to 65 wells on four new pads within the watershed.

WPX Energy proposes 1.7 miles of new roads and gas/water pipelines to serve the four new pads within the watershed. Approximately 2.25 miles of new roads and gas/water pipelines would be constructed within the watershed for the four new pads to be constructed outside of the watershed. All of the new activity will occur in the east unnamed tributary to Beaver Creek, except for Pad SR 23-12 and Pad SR 22-12 (located outside of the watershed).

The WPX Energy project area includes cattle grazing areas and big game wildlife. Cattle and wildlife have impacted cut/fill slopes and facilities in the area. Fencing out the animals to allow reclamation of cut/fill slopes and to protect facilities should continue as a best management practice.

The submittal includes current Stormwater Management Plan, SPCC Plan, Spill Response Plan, and Emergency Response Plan. These documents are adequate for the project, consistent with the existing permit, and provide best management practices/mitigation measures to minimize the risk of any potential impact to the City's water supply and water works.

The WPX Energy proposed activities in the second amendment to Watershed District Permit No. 3-09 do not have a clear or foreseeable risk of significant injury to the City's water facilities and potable water supply so long as all conditions presented in this letter are met by the Applicant.

Mr. Rick Barth, P.E.
James S. Neu, Esq.

May 28, 2014
Page 4

Please call if you have any questions or need additional information.

Sincerely,

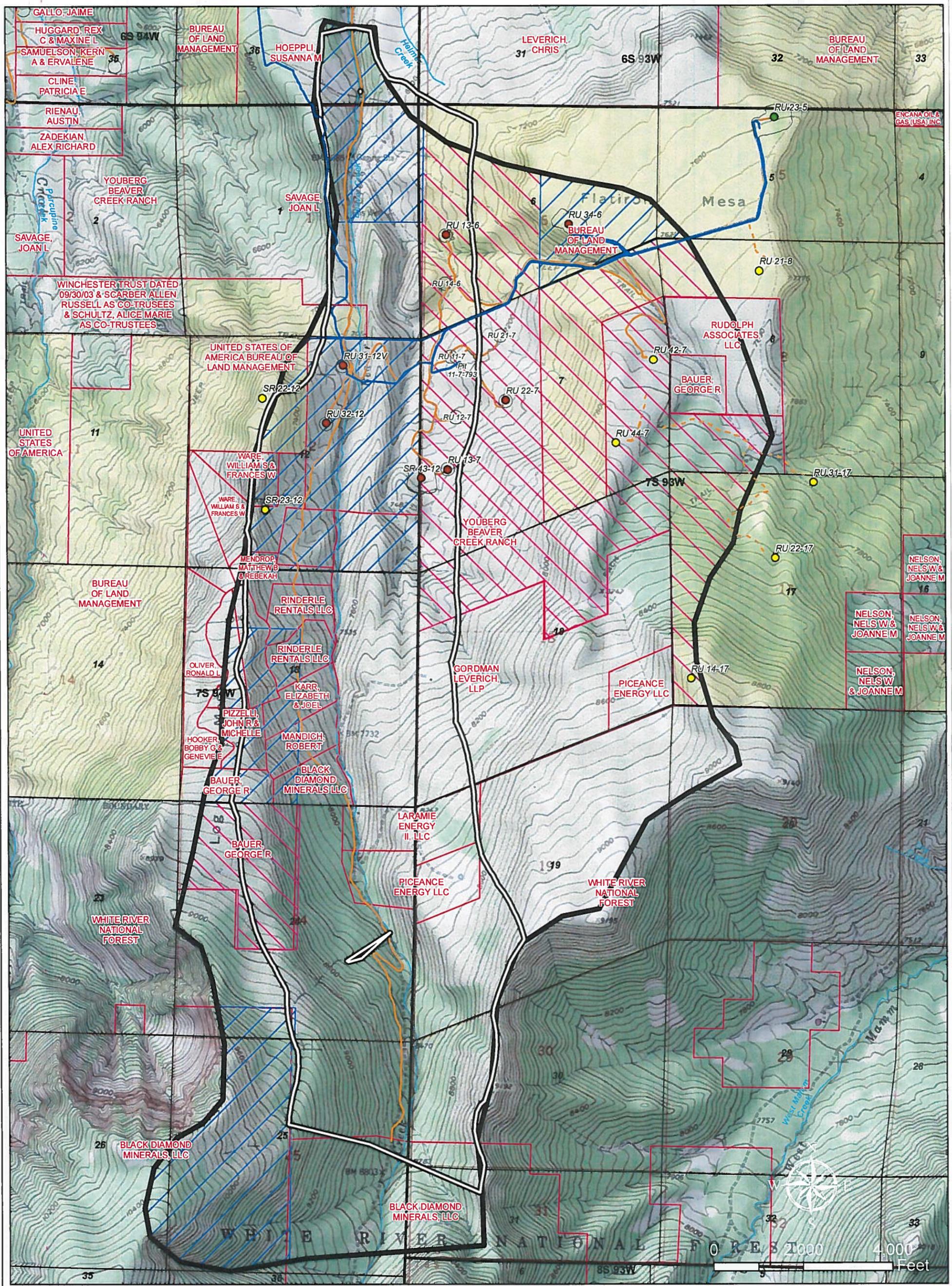
RESOURCE ENGINEERING, INC.



Michael J. Erion, P.E.
Water Resources Engineer

MJE/mmm
341-10.4

Attachment



- Legend**
- Currently Built
 - New Pad
 - Re-builds
 - - - Proposed Road
 - Existing Water Pipeline
 - Existing Road
 - Stream
 - ▭ COGCC Rule 317B Area
 - ▭ City of Rifle/Beaver Creek Watershed Boundary
 - ▨ WPX Energy Mineral Lease (Whole, ~1197 Acres)
 - ▨ WPX Energy Mineral Lease (Partial, ~1463 Acres)
 - ▭ Parcel Ownership (from Garfield County)
 - ▭ Existing Pad
 - ▭ BLM Surface

WPX Energy Rocky Mountain, LLC

City of Rifle Public Works Department

Beaver Creek Watershed

April 28, 2014





May 7, 2014

Mr. Jim Neu
Leavenworth & Karp, P.C.
P.O. Box 2030
Glenwood Springs, CO 81602

Michael Erion
Resource Engineering, Inc.
909 Colorado Avenue
Glenwood Springs, CO 81601

RE: WPX Energy Rocky Mountain, LLC Request for Amendment to Beaver Creek Watershed Permit (#3-09)

Dear Jim and Michael:

Per our meeting of March 11, 2014, WPX Energy Rocky Mountain, LLC (WPX) is requesting an amendment to our existing watershed permit from the City of Rifle (City) for the purposes of renewing and continuing existing natural gas activities approved through Watershed Permit No. 3-09; and for future oil and gas development operations and activities on acreage currently leased within the Beaver Creek watershed. The development area is approximately 5 to 6 miles southwest of the City of Rifle.

As discussed in our meeting the following materials have been prepared and are provided for your review and consideration:

- City of Rifle Public Works Department Watershed Permit Application (including a check in the amount of \$250 for permit processing fees).
- Summary of current locations and proposed development plans (e.g., pads, wells, roads, pipelines) within the Beaver Creek watershed boundary for the 2014 – 2018 time period;
- An area location map showing the watershed boundary, existing facilities, and proposed development plans; and
- A copy of the existing Watershed District Permit Bond #6643941.

Summary of Existing Facilities and Proposed Development Plans

To date, a total of 44 wells have been drilled from 11 pads within (or accessed through) the Beaver Creek Watershed area. Over half (i.e., 27) of these wells have been drilled from a single pad (RU 23-5) that is located outside of the Beaver Creek watershed boundary, but is accessed from roads that travel through the watershed area. A summary of the existing pads (and well count) for the Beaver Creek Watershed area is provided below.

Existing Pads with Wells		
Pad Name	Wells / Pad	Status
RU 13-6	1	Active / Producing
RU 34-6	5	Active / Producing
RU 14-6	1	Active / Producing
RU 11-7	1	Active / Producing
RU 21-7	1	Active / Producing
RU 22-7	1	Active / Producing
RU 13-7	1	Active / Producing
SR 43-12	4	Active / Producing
RU 32-12	1	Active / Producing
RU 31-12V	1	Active / Producing
RU 23-5*	27	Active / Producing
Total Existing Wells / Pads	44	

*Pad is not located within Beaver Creek Watershed boundary, but is accessed through the watershed area.

A summary of the proposed pads, well count, and new roads and/or pipelines planned for 2014 thru 2018 are summarized below.

Future Wells							
Pad Name	2014	2015	2016	2017	2018	Total Per Pad	New Road and/or Pipeline (miles)
RU 23-5 *	23					23	
RU 42-7	9					9	
RU 13-6		3	18			21	0.2
RU 21-8*		29	6			35	0.25
RU 34-6		14				14	
RU 44-7		15				15	0.25
RU 13-7			2	9		11	0.1
RU 22-7			11			11	0.9
RU 31-17*			26	8		34	1
SR 23-12				14		14	
SR 43-12				9		9	
RU 22-17* (or RU 14-17)				27		27	1
RU 31-12V					6	6	
RU 32-12					8	8	0.25
SR 22-12*					16	16	
Total	32	61	63	67	30	253	3.95

*Pad is not located within Beaver Creek Watershed boundary, but is accessed through the watershed area.

Proposed Wells / Pads: Over the next five years (2014 thru 2018), WPX proposes to drill an estimated 253 new wells from a total of 15 pads (7 existing pads, and 8 new pads to be constructed). It should be noted that 112 wells on four of the 15 pads are located *outside* of the watershed boundary; however, access to these locations will be gained by traveling through the watershed area. WPX will abide by all well pad construction, drilling and completions operations, well production, gas gathering, road construction, and reclamation standards and practices as outlined and described in previous application packages.

Proposed Pipelines / Roads: Over the next five years, it is estimated that approximately 1.7 miles of new roads and pipelines will be constructed within the watershed boundary, and approximately 2.25 miles of new roads/pipelines will be constructed to access pads that are located outside of (but accessed through) the watershed area. WPX will maintain all roads accessing our locations making necessary upgrades as needed.

Watershed District Permit Bond: The Watershed District Permit Bond #6643941 (attached) has been verified to be current and in effect for the amount of \$250,000. The Surety Rider dated March 7, 2012 confirms that the name on the Bond has been effectively changed from Williams Production RMT Company to WPX Energy Rocky Mountain, LLC.

Conditions of Approval from Previous Permits: It is proposed that all conditions of approval (COAs) as established for previous versions of this Watershed Permit shall remain in effect, and are incorporated by reference into this amendment. Specifically, the (applicable) COAs as set forth in the letter from Michael Erion (Resource Engineering, Inc.) dated November 11, 2009 shall continue as COAs under the newly amended watershed permit. These COAs include the biannual inspections, providing annual activity plans by March 1st of every year, continue to support the annual operation and maintenance costs of the "24/7" water quality monitoring system at the City Intake, fencing the well-pad to prevent cattle from disturbing cut / fill slopes until reclamation is complete, maintaining all sites in compliance with storm water management permit and Spill Prevention Control and Countermeasure (SPCC) Plan requirements, etc.

In summary, WPX respectfully requests that the existing Beaver Creek watershed permit No. 3-09 be amended to include all existing WPX wells, pads, pipelines, roads, and associated equipment and facilities, as well as WPX's future development within the Beaver Creek watershed area that is planned to occur from 2014 through 2018, as described above. Further, WPX respectfully requests that this item be considered by the Rifle City Council at their earliest opportunity (i.e., June 2014 hearing).

If you have any questions, or require additional information, please do not hesitate to contact me at your earliest convenience.

Sincerely,



Michael J. Gardner

WPX Environmental Manager

Attachments/mjg

BEFORE THE CITY COUNCIL OF THE CITY OF RIFLE, COLORADO

CONCERNING THE APPLICATION FOR A SECOND AMENDMENT TO WATERSHED DISTRICT PERMIT NO. 3-09 TO DRILL AND OPERATE NATURAL GAS WELLS, INCLUDING GATHERING AND TRANSMISSION LINES AND ASSOCIATED FACILITIES, AND ROAD IMPROVEMENTS

FINDINGS OF FACT, CONCLUSIONS OF LAW AND SECOND AMENDMENT TO WATERSHED DISTRICT PERMIT NO. 3-09

WPX ENERGY ROCKY MOUNTAIN, LLC

BEAVER CREEK WATERSHED

I. BACKGROUND

1. In 2009, the City of Rifle, Colorado (the “City”) approved Watershed District Permit No. 3-09 for Williams Production RMT to drill and operate natural gas wells, including gathering and transmission lines and associated facilities, and road improvements within the City of Rifle’s Beaver Creek Watershed (“Permit No. 3-09). Williams Production RMT then changed its name to WPX Energy and requested that its operations in Beaver Creek permitted under Permit No. 3-09 include the construction and operation of buried production water pipelines and related facilities, which request was approved by the City with the First Amendment to Permit No. 3-09 (the “First Amendment”).

2. WPX Energy is now operating under WPX Energy Rocky Mountain, LLC (“WPX”) and WPX applied to the City for a Second Amendment to Permit No. 3-09 to permit additional drilling on existing pads and construction of and drilling on additional pads within the Beaver Creek Watershed including construction of associated access roads, gathering pipelines, and water lines, and construction and use of access roads for drilling operations on pads outside the City’s watershed boundary (the “Activity” or the “Project”). The Project is located within five (5) miles of the City’s Beaver Creek water intake structure within the City’s Watershed District jurisdiction and the application was submitted pursuant to City of Rifle Ordinance No. 22, Series of 1994, codified in Article II of Chapter 13 of the Rifle Municipal Code (“RMC”).

2. For the purposes of this Second Amendment to Permit No. 3-09 (the “Second Amendment”), the application shall consist of all of the materials and representations for and related to Permit No. 3-09 and the First Amendment, all correspondence and materials submitted to the City by the Applicant or its agents and representatives with this application, oral representations made during the public hearing on the Second Amendment, and the watershed permit application entitled WPX Energy Rocky Mountain, LLC Request for Amendment to Beaver Creek Watershed Permit (#3-09) submitted by Michael J. Gardner, WPX Environmental Manager, for WPX dated May 7, 2014. These items shall be collectively referred to herein as the “Application.”

Beaver Creek Watershed

3. Following his review of the Application for the Amendment, Michael Erion, P.E. stated his findings in a letter dated May 28, 2014, attached hereto as Exhibit A and incorporated herein by this reference (the "Erion Letter"). As part of the activities under Permit No. 3-09 and the First Amendment, the Erion Letter concluded that the proposed additional Activity to be performed creates a cumulative impact and presents or creates a clear or foreseeable risk of significant injury to the City's waterworks or pollution to the City water supply. Therefore, the Activity is classified as an "Impact" under the RMC.

II. FINDINGS OF FACT

4. The proposed Activity is within the defined boundaries of the City's Watershed District as defined in RMC §13-2-20, specifically within five (5) miles of the City's Beaver Creek municipal water diversion and intake structure. The proposed Activity for the Second Amendment is set forth in the Application. Due to the nature of the Project and proximity to Beaver Creek, the proposed Project is classified as an "Impact" pursuant to the RMC and certain conditions must apply to this Amendment as set forth in the Erion Letter and this Amendment.

5. The Application filed by WPX is complete.

6. WPX has paid the application fee required under RMC §13-2-110.

7. Any and all other permits issued or to be issued by county, state and/or federal agencies in relation to the Activity are incorporated herein by this reference.

8. A duly noticed public hearing was held before the City Council of the City (the "Council") on July 2, 2014. At the hearing, testimony was presented by Jim Neu, the City Attorney, and Michael Erion regarding the Activity proposed by the Applicant, and the applicability of the City's Watershed District Ordinance. _____, representative of WPX, presented the history and status of WPX's operations in the Beaver Creek Watershed and the specifics of the Activity. Mr. Neu explained to the Council that its jurisdiction on this matter extended five (5) miles beyond the City's Beaver Creek intake point, and that its authority was limited to the protection of the City's water quality and supply. Mr. Erion further explained the provisions of the Second Amendment and the terms and conditions set forth in the Erion Letter, his knowledge of WPX's operations in the Beaver Creek Watershed, his site visits, and his analysis of the Application. The Council asked questions regarding _____.

9. The Council finds that the Project, if constructed and operated as proposed in the Application and pursuant to the conditions stated in the Erion Letter, mitigates the clear or

Beaver Creek Watershed

foreseeable risk of significant injury to the City's waterworks or pollution to the City water supply.

10. The Council hereby finds and determines that the issuance of the Amendment requires the inclusion of conditions as set forth in the Erion Letter, that such conditions are necessary to prevent a risk of injury to the City's water works and pollution of the City's water supply, and that such conditions are authorized pursuant to Sections §13-2-140 of the RMC.

III. CONCLUSIONS OF LAW AND ISSUANCE OF AMENDMENT

11. The foregoing Findings of Facts are incorporated herein by reference.

12. The City has jurisdiction over the proposed activity pursuant to RMC §13-2-20 and City of Rifle Ordinance No. 22, Series of 1994.

13. Based on the evidence presented at the Public Hearing and the Erion Letter, the City hereby determines that this decision shall constitute a Second Amendment to Watershed District Permit No. 3-09 for the Activity as described more fully in the Application and as modified by the conditions of approval recommended by Mr. Erion in the Erion Letter, which conditions of approval are hereby approved and adopted by the City as conditions of approval of this Second Amendment. All representations, whether oral or written, made by WPX and/or its agents as part of the application and public hearing process shall be conditions of approval of the Amendment.

14. The bonds that the Applicant has posted pursuant to Permit No. 3-09 shall ensure compliance with the terms and conditions set forth herein. Said performance guarantee shall indemnify and hold harmless the City from any injuries which are the result of the activities undertaken pursuant to this Amendment and ensure the strict compliance and performance by the Applicant of the terms and conditions set forth herein. The City may upon thirty (30) days written notice require the Applicant to indemnify the City for damages suffered as a result of activities undertaken pursuant to this Amendment or to take corrective action for any violations of the Amendment regardless of whether said violations result in damages to the City. In the event that the Applicant fails to respond or take action as required within said thirty (30) days, the Applicant shall be deemed in default under the terms and conditions of this Amendment and the City may execute upon the performance guarantee without further notice to the Applicant.

15. All conditions of approval contained within any permit issued to the Applicant by any county, state and/or federal agency shall be deemed conditions of approval of this Amendment. Any violation of the conditions of any other such permit issued to the Applicant shall be deemed a violation of this Amendment subject to all of the remedies provided for herein.

City of Rifle, Colorado
Second Amendment to Watershed District Permit No. 3-09
WPX Energy Rocky Mountain, LLC

Beaver Creek Watershed

16. A copy of this Amendment shall be sent to WPX.

17. Pursuant to Rifle Municipal Code §13-2-110(7), WPX shall reimburse the City for all outside professional services, including but not limited to engineering, legal, consulting, publication and copying fees associated with the review of the Application prior to the issuance of this Amendment, and inspection and enforcement of the Amendment following issuance.

18. This Amendment shall not be effective until approved by the City and agreed to and by WPX.

Dated this _____ day of _____, 2014.

CITY OF RIFLE, COLORADO

By _____
Mayor

ATTEST:

City Clerk

This Second Amendment to City of Rifle Watershed District Permit No. 3-09 is accepted and agreed to this _____ day of _____, 2014.

WPX ENERGY ROCKY MOUNTAIN, LLC

By: _____
Name: _____
Title: _____

DEPARTMENT OF PLANNING & DEVELOPMENT

202 Railroad Avenue, Rifle, CO 81650

Phone: 970-665-6490 Fax: 970-625-6268



MEMORANDUM

TO: Honorable Mayor and City Council

FROM: Nathan Lindquist, Planning Director

DATE: June 18, 2014

SUBJECT: Text Amendment 2014-2
Revisions to Downtown Zoning Code

REQUEST

Staff requests revision to two sections of the Downtown Code. The Downtown Code was adopted in 2011 with the goals of fostering high-quality development in the downtown and providing ease of use for developers. One of the recommendations of the 2013 Downtown Strategic Plan was to revise two sections of the Downtown Code to further those goals.

BACKGROUND

The Downtown Strategic Plan team studied the types of downtown development most likely over the next 15 years (see graphic below). Overall, these development types align well with the requirements of the Downtown Code. Development prospects can be improved by revising two Code sections.



DEPARTMENT OF PLANNING & DEVELOPMENT

202 Railroad Avenue, Rifle, CO 81650

Phone: 970-665-6490 Fax: 970-625-6268



MINIMUM BUILDING COVERAGE

The first recommendation is to revise Code Section 16-18-830:

Minimum building coverage	Greater than 75% is "preferred" Between 75% and 40% is "discouraged" Less than 40% is "prohibited"
---------------------------	--

“Minimum building coverage” means that the footprint of a building is required to cover a percentage of the total area of the property. The purpose is to encourage a denser, more walkable style of development instead of a development with a large parking lot and a small building. A development that falls under the “discouraged” category (between 40% and 75%) may receive approval by the Planning Commission through a process similar to a Conditional Use Permit. A development with less than 40% building coverage is prohibited in the downtown.

The Downtown Strategic Plan team found that the minimum 40% building coverage may be problematic for development that would otherwise meet the City’s vision for the downtown. See below a 3D view of Opportunity Site B which fronts on 2nd Street. The development is a 3-story development with commercial on the first floor. However the building coverage is only 30-35% of the lot once the parking is factored in. Under current code this development would be “prohibited”.



DEPARTMENT OF PLANNING & DEVELOPMENT

202 Railroad Avenue, Rifle, CO 81650

Phone: 970-665-6490 Fax: 970-625-6268



The reason that expected development types cannot meet the building coverage requirement is because of the high cost of structured parking. Pre-recession, it was feasible to envision structured or underground parking that would allow for a higher building coverage percentage. However post-recession economics point towards the likelihood of surface parking that takes up more of the lot. In order to protect the "Main Street" feel of important streets in the downtown, the Code will still require that buildings front the street on Railroad Avenue, 2nd Street and 3rd Street, with surface parking located at the rear or the side of buildings.

RECOMMENDATION

The recommendation of Staff and the Planning Commission is the following revision:

Minimum building coverage	Greater than 75 <u>35</u> % is "preferred" Between 75 <u>35</u> % and 40 <u>25</u> % is "discouraged" Less than 40 <u>25</u> % is "prohibited"
---------------------------	--

NON-CONFORMITIES

The second recommended revision is regarding **non-conformities**. Non-conformities create a "grandfathered-in" status of an existing building or property. It allows buildings to remain as they are until a building undergoes a remodel or adds an addition. At the time of a remodel, additional improvements to non-code compliant issues may be triggered. Thus far, remodels in the downtown have either been minor enough to avoid triggering additional improvements, or the business involved chose to make improvements as part of their planned remodel without prompting from the City.

However, Staff has identified verbiage in the code that is confusing and at cross-purposes with the rest of the non-conformities code. This verbiage could be construed to remove the protections to property owners provided by non-conformity status for setbacks, building height, or other aspects of a property. Removal of the verbiage will improve the clarity of the code without changing the intent of impact of the Code.

RECOMMENDATION

Staff and the Planning Commission recommend deleting the following parts of section 16-18-1110:

Applicability.

- (a) Existing uses, structures, sites and lots shall be considered nonconforming if the use, structure, site or lot does not meet all requirements of this Article ~~except for the following:~~
- ~~(1) Residential density and commercial intensity;~~
 - ~~(2) Setbacks, minimum and maximum (except in the case of expansions as provided for in this Division or a building footprint that extends over a property line);~~
 - ~~(3) Minimum building coverage;~~

DEPARTMENT OF PLANNING & DEVELOPMENT

202 Railroad Avenue, Rifle, CO 81650

Phone: 970-665-6490 Fax: 970-625-6268



~~(4) Building height;~~
~~(5) Parking lot locations; and~~
~~(6) Site access locations. (Ord. 11 §15, 2011)~~

FINDINGS

Pursuant to Section 16-5-280, City Council shall consider the following criteria before approving a text amendment (**staff comments shown in bold italics**):

1. Conformance of the proposal with the City of Rifle Municipal Code;

The proposal is following the text amendment process as described in the code.

2. The compatibility of the proposal with the character of the surrounding area, including but not limited to the architectural character of the neighborhood, the average lot and building sizes in the neighborhood, and the relative value of the proposed structure to the value of other structures in the neighborhood;

The proposed text amendment is intended to make development more compatible with existing and future development.

3. The desirability for the proposed use in the specific area of the City;

Not applicable.

4. The potential for adverse environmental effects that might result from the proposed use;

None.

5. Compatibility of the proposed use and the site (or subdivision) plan with the City of Rifle Comprehensive Plan;

The Comprehensive Plan envisions a vibrant and economically successful downtown; this text amendment is intended to further those goals.

6. The potential impact of the proposed use upon the value of property and buildings within the surrounding area;

Impacts on property values are not anticipated.

7. Conformance of the proposal with the approval requirements concerning water and sewer tap availability for high volume use requests pursuant to §10.10.110 of these regulations, if applicable.

Not applicable.

**CITY OF RIFLE, COLORADO
ORDINANCE NO. 8
SERIES OF 2014**

AN ORDINANCE OF THE CITY OF RIFLE, COLORADO, AMENDING SECTION 16-18-830 AND SECTION 16-18-1110 OF THE RIFLE CITY CODE TO CHANGE THE DESIRED PERCENTAGE OF LOT COVERAGE BY BUILDINGS IN THE CENTRAL BUSINESS DISTRICT AND TO HELP IMPROVE THE CLARITY OF THE CITY CODE REGARDING NONCONFORMING STRUCTURES OR USES.

WHEREAS, Section 16-18-830 of the Rifle Municipal Code (the “Code”) provides guidance as to the minimum coverage by a structure of a lot located in the Central Business District of City of Rifle (the “City”); and

WHEREAS, the City Council finds that the current coverage percentages may prohibit the construction of buildings of certain designs that might otherwise be permissible under the Code and compatible with the Downtown Strategic Plan; and

WHEREAS, to change the minimum lot coverage requirements, the City Council wishes to amend Section 16-18-830; and

WHEREAS, Section 16-18-1110 of the Code provides the characteristics of a structure or use that shall be considered nonconforming under the Code; and

WHEREAS, the current version of Section 16-18-1110 has caused confusion in the past due to lack of clarity regarding what is to be considered a nonconforming structure or use; and

WHEREAS, to provide greater clarity regarding the structures or uses that shall be considered nonconforming under the Code, the City Council wishes to amend Section 16-18-1110.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF RIFLE, COLORADO, THAT:

Section 1. The foregoing recitals are incorporated herein as if set forth in full.

Section 2. Section 16-18-830 of the Rifle Municipal Code is hereby amended to read as follows, with additions shown in **bold, double underlined text**, and ~~strike-through language is deleted~~:

Sec. 16-18-830. Density/intensity standards.

Minimum building coverage ⁵	---	---	Greater than 75 <u>35</u> % is "preferred"	---
			Between 75 <u>35</u> % and 40 <u>25</u> % is "discouraged"	
			Less than 40 <u>25</u> % is "prohibited"	

Section 3. Section 16-18-1110 of the Rifle Municipal Code is hereby amended to read as follows, with additions shown in **bold, double underlined text**, and ~~strike through language is deleted~~:

Sec. 16-18-1110. Applicability.

- (a) Existing uses, structures, sites and lots shall be considered nonconforming if the use, structure, site or lot does not meet all requirements of this Article, ~~except for the following~~:
 - (1) ~~Residential density and commercial intensity;~~
 - (2) ~~Setbacks, minimum and maximum (except in the case of expansions as provided for in this Division or a building footprint that extends over a property line);~~
 - (3) ~~Minimum building coverage;~~
 - (4) ~~Building height;~~
 - (5) ~~Parking lot locations; and~~
 - (6) ~~Site access locations.~~

INTRODUCED on July 2, 2014, read by title, passed on first reading, and ordered published by title as required by the Charter.

INTRODUCED a second time at a regular meeting of the Council of the City of Rifle, Colorado, held on July 16, 2014, passed without amendment, approved, and ordered published in full as required by the Charter.

Dated this ___ day of _____, 2014.

CITY OF RIFLE, COLORADO

BY: _____
Mayor

ATTEST:

City Clerk

ENGINEERING DEPARTMENT



To: City Council
From: Rick Barth, City Engineer
CC: Matt Sturgeon, City Manager
Date: July 2, 2014
Re: 16th Street Repave Bid Award

This is to provide recommendation for award of a contract for the repaving work planned for 16th Street near Anvil View. The City was awarded an FML grant of up to \$125,000 to assist in the cost of this construction.

Construction

A gap of nearly 500 feet of curb and sidewalk exists on the north side of 16th Street. The flat grades in this area provide poor drainage which is beginning to cause road paving issues with 16th itself. The project is to 1) complete this curb and sidewalk connection 2) provide a crosswalk to the south side of 16th and 3) repave from Anvil View up to Birch the deteriorating asphalt. While this not the worst road in the City, it is in a great measure preventative as well as finishing a portion of the road that was never completed due to understandable economic conditions and the slowing of the subdivision development to the immediate north.

Bid

Bid by advertisement was conducted per our code. Two respondents provided bids; Johnson Construction and Frontier Paving, both local contractors. Upon review of the project and their bids, the apparent low bidder is Frontier Paving in the amount of \$209,237.00. We do recommend award in this amount.

Frontier Paving -	\$209,237.00
Johnson Const -	\$300,258.10

Construction would begin not long after the 4th with a targeted completion of late August to avoid or at least minimize school interruptions.

-RLB

City of Rifle Utility Department News For Council

Red Rocks Community College

A class from the Red Rocks Community College Water Quality Outreach Program on Instruments & Controls toured the Rifle Regional Wastewater Reclamation Facility on June 7th to discuss operations/instruments/controls/alarms at the facility. Devin Jameson, lead operator, conducted the tour and talked with the students and the instructor about how operations are controlled in large part by the installed instruments. The 131 alarms alert operators around the clock if adverse conditions begin to affect the plant. Led by Randy Vanloozenoord, instructor, about 10 students attended and spent about 3 hours on topic.

Brian Ulve Retirement

Brian Ulve, Chief Water Treatment Operator, recently retired from the City. He kept Rifle's water clean, safe and flowing for over 20 years. We will miss his experience and assistance but wish him well in retirement in Tucson, Arizona. He now keeps the golf greens busy with his playing and says he will miss the citizens of Rifle but not the winter weather.

West Tank Foundation Cracks

Four cracks, some one to two inches wide and up to 10 feet in length, appeared around the tank foundation causing concern in the water department. We called upon SGM, who designed and observed construction, to investigate to determine the cause and effect upon the 600,000 gallon reservoir. They discovered, based upon construction notes and talking to the inspector, that the foundation as designed (24" wide, 36" deep) was changed during construction to a 4' wide section at the top, with a 1 foot wide by 4" thick section on each side of the 24" foundation. This is the area where the cracks are occurring and they do not effect where the tank rests on the foundation. It was recommended the cracks be filled with epoxy grout and the area sloped away from the tank for drainage purposes.

Graham Mesa Water Treatment Plant

One of the two traveling bridge sand filters lost the programmed software for automatic backwashing requiring manual operation, which takes about 3 hours to complete. Our staff was arriving at 2:00 am during the week of 10 June to backwash prior to the demand rising in the morning hours. The unit has now been reprogrammed and we also found and repaired the problem on the other unit, which was non-functioning level probes.

Water Rights

District Court, Water Division 5 ruled that a conditional water right called the "Rifle Pond Well" shall henceforth be an absolute right for the City. This 0.07 cfs increases out absolute water rights to 11.17 cfs from the Colorado River and 2.0 from Beaver Creek.

June 27, 2014

Dick Deussen, Utilities Director