



**AGENDA**  
**March 10, 2015**  
**Regular Meeting**

**Town Council Chambers - 120 Civic Plaza Drive**  
**1:00 PM**

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- 1. CALL TO ORDER BY THE HONORABLE MAYOR DANIEL R. BARRONE**
- 2. ROLL CALL**
- 3. PLEDGE OF ALLEGIANCE**
- 4. MOMENT OF SILENCE**
- 5. APPROVAL OF AGENDA**
- 6. APPROVAL OF MINUTES**
  - A. February 10, 2015 Regular Meeting Minutes**
  - B. February 17, 2015 Special Meeting Minutes**
- 7. AWARDS AND RECOGNITIONS**
  - A. Employee of the Month**

Presentation of a certificate of acknowledgement to Antonio Sanchez - Town of Taos March Employee of the Month.
- 8. PRESENTATIONS**
  - A. Councilmember Judith Cantu**

Presentation by Councilmember Cantu regarding the Cesar Chavez Celebration and a Countywide/Town yard sale.
  - B. Taos Sports Alliance**
    - Presentation from Taos Sports Alliance regarding locker rooms at the Eco Park.
    - Staff seeks direction from the Mayor & Council in regards to the future of the Taos Sports Alliance contract TT-13-49.
- 9. CITIZENS FORUM - Citizens wishing to speak shall have the opportunity to do so for 5 minutes. No action may be taken**
- 10. CONSENT AGENDA**

***The items in the Consent Agenda below have been reviewed by the Mayor and the Mayor has placed these items on the Consent Agenda for the purpose of voting on all items with one vote.***

**A. Resolution 15-12 Intergovernmental Transfer of Personal Property**

Discussion, consideration and possible approval of Resolution 15-12 approving the intergovernmental transfer of a 2006 BMW motorcycle to Taos County.

**B. Resolution 15-14 Declaration of Town Surplus Property**

Discussion, consideration and possible approval of Resolution 15-14 approving the disposition of vehicles, a mobile home and other miscellaneous equipment and materials owned by the Town of Taos pursuant to NMSA Section 3-54-2-A.

**C. Out of State Travel - Lt. David Maggio**

Consideration and possible approval of out of state travel to allow Town of Taos Police Department Lt. David Maggio to attend 31st International Symposium on Child Abuse in Huntsville, Alabama March 23-27, 2015.

**D. Resolution 15-15 Budget Adjustment Request**

Discussion, consideration and possible approval of Resolution 15-15 Budget Adjustment Request to Lodger's Tax Fund- Decrease unreserved fund balance by \$37,887 and transfer this amount out to the Lodger's Tax Promotional Fund to cover for additional marketing expenditures in the amount stated above.

**11. PUBLIC HEARINGS**

**A. Transfer of Ownership of Liquor License - Plaza de Colores, LLC**

Consideration and possible approval of Transfer of Ownership of Liquor License 2660/Application No. 940696 for Plaza de Colores, LLC dba Kyote Club located at 330 Paseo del Pueblo Sur, Suite A.

**B. Ordinance 15-01- Regarding the 2015 International Fire Code**

Discussion, consideration and possible approval of Ordinance 15-01 adopting certain provisions of the 2015 International Fire Code and Code Enforcement Fee Schedule.

**12. MATTERS FROM STAFF**

**A. Resolution 15-13 Establishing Fire Department Fee Schedule**

Consideration, discussion and possible approval of Resolution 15-33 establishing the fee schedule for fire code and life safety inspections and plan reviews.

**B. Plaza Security Camera Update**

Discussions regarding the current security cameras on the plaza.

**C. Matching Requirement for Camino de Medio Engineering and Design**

Discussion, consideration and possible action regarding authority to provide and/or increase a match of local government funds not to exceed \$60,000 for Legislative Appropriation for the engineering, environmental and design work for Camino de Medio, with not more than one-half (\$30,000) to come from the Town and the balance (\$30,000) to be contributed from Taos County.

**D. Other Matters**

**13. TOWN MANAGER'S REPORT**

**A. Other Matters**

**14. MATTERS AND REPORTS FROM THE MAYOR**

**A. Other Matters**

**15. MATTERS AND REPORTS FROM THE COUNCIL**

**A. Public Records Requests - Councilmember Gonzales**

**B. Other Matters**

**16. ADJOURNMENT**

- *To request details on an agenda item please contact the Town Clerk at 400 Camino de la Placita, Taos New Mexico, 87571 (575) 751-2005.*
- *If you are an individual with a disability who is in need of aid or service to attend and/or participate in a meeting of the Town of Taos Council, please contact the office of the Town Clerk at 400 Camino de la Placita, Taos New Mexico, 87571 (575) 751-2005 at least 24 hours in advance.*
- *For copies of this agenda please pick-up at Town Hall. You may also view the agenda and the agenda packet at <http://taos.novusagenda.com/agendapublic/>*



March 10, 2015

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**Title:**

February 10, 2015 Regular Meeting Minutes

**Summary:**

**Background:**

**Staff Recommendation:**

**Recommend Approval/Disapproval:**

Recommend Approval

**Attachments:**

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**MINUTES  
February 10, 2015  
Regular Meeting**

**Town Council Chambers - 120 Civic Plaza Drive  
1:00 PM**

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**1. CALL TO ORDER BY THE HONORABLE MAYOR DANIEL R. BARRONE**

The Regular Meeting of the Taos Town Council was called to order by the Honorable Mayor Daniel R. Barrone at 1:07 p.m.

**2. ROLL CALL**

Ms. Renee Lucero, Town Clerk, called roll and a quorum was present.

**Those present were:**

Mayor, Daniel R. Barrone  
Councilmember, Frederick A. Peralta  
Councilmember, George "Fritz" Hahn  
Councilmember, Judith Y. Cantu

**Also present were:**

Town Manager, Richard Bellis  
Town Clerk, Renee Lucero  
Town Attorney, Floyd Lopez

**Absent:**

Mayor Pro Tem, Andrew T. Gonzales

**3. PLEDGE OF ALLEGIANCE**

Malinda Williams led the audience in the Pledge of Allegiance

**4. MOMENT OF SILENCE**

**5. APPROVAL OF AGENDA**

Under Presentations add "Annual Mother's Day Celebration" and "Taos Solar Music Festival".

Councilmember Hahn made a motion to approve as amended. Councilmember Peralta

1 seconded the motion. The motion Passed. The Councilmembers voted as follows:  
2 Ayes: Cantu, Hahn, Peralta.

3 **6. APPROVAL OF MINUTES**

4  
5 **A. January 13, 2015 Regular Meeting Minutes**

6  
7  
8 Councilmember Peralta made a motion to approve. Councilmember Cantu  
9 seconded the motion. The motion Passed. The Councilmembers voted as  
10 follows: Ayes: Cantu, Hahn, Peralta.

11  
12 **B. January 16, 2015 Special Meeting Minutes**

13  
14 Councilmember Hahn made a motion to approve. Councilmember Peralta  
15 seconded the motion. The motion Passed. The Councilmembers voted as  
16 follows: Ayes: Cantu, Hahn, Peralta.

17  
18 **C. January 26, 2015 Work Study Meeting Minutes**

19  
20 Councilmember Peralta made a motion to approve. Councilmember Hahn  
21 seconded the motion. The motion Passed. The Councilmembers voted as  
22 follows: Ayes: Cantu, Hahn, Peralta.

23  
24 **D. January 27, 2015 Work Study Meeting Minutes**

25  
26 Councilmember Hahn made a motion to approve. Councilmember Peralta  
27 seconded the motion. The motion Passed. The Councilmembers voted as  
28 follows: Ayes: Cantu, Hahn, Peralta.

29  
30 **7. AWARDS AND RECOGNITIONS**

31  
32 **A. Employee of the Month**

33 **Presentation of a certificate of acknowledgement to Sgt. Jani Davis - Town**  
34 **of Taos February Employee of the Month**

35  
36 Amy Seidel, Human Resources Director, stated Taos Police Sergeant Jani Davis  
37 has been selected as February's Employee of the Month. She stated Sergeant  
38 Davis has been a Town employee for four years and has performed above and  
39 beyond the call of duty. She has proven her dedication and excellent public  
40 service to the community and has a great working relationship with her co-  
41 workers.

42 The Mayor and Council congratulated Sergeant Davis on this prestigious award.

43  
44 **8. PRESENTATIONS**

45  
46 **A. Tree Lighting Expenses**

47 **Final report on tree lighting expenses: Mitch Miller**  
48

1 Mr. Miller stated Taos Events was asked to develop a plan to wrap the ten trees  
2 outlining Taos Plaza in conjunction with the 2014 holiday decorating activities.  
3 He stated 50,000 LED lights (1000 strings of lights) were purchased by the Town  
4 of Taos from Rio Grande Ace Hardware at a discounted rate of \$5.74 per string  
5 of lights. He further stated the Town of Taos and Kit Carson Electric provided the  
6 trucks and crews that placed the lights and the installation took five days to  
7 complete.

8 Furthermore, Mr. Miller stated the total amount invoiced was \$3,513 of which  
9 \$1,513 was donated by Taos Events, \$1,000 was donated by Richard Bellis, and  
10 \$1,000 was donated by Mayor Daniel Barrone. The invoice reflected out of  
11 pocket expenses and labor, including the sound and lighting equipment that was  
12 donated. He expected the total amount of the invoice to be a donation; however,  
13 he was surprised and grateful that Mr. Bellis and Mayor Barrone contributed as  
14 well.

15 Councilmember Peralta asked what the Town's actual costs were including  
16 labor. Mr. Bellis stated the cost of the lights were approximately \$5,000. He  
17 does not have the cost of labor; however, he will get with Steve Kennebeck,  
18 Facilities Director, to determine the amount.

19  
20 **B. 2015 Paseo**

21 **Presentation on the 2015 Paseo; Matt Thomas, Director**

22 Dan Cassidy, Fall Arts Festival Vice-President, stated the festival is scheduled  
23 this year from September 25 through October 4th. He gave a brief presentation  
24 regarding the festival.

25  
26 Matt Thomas, Fall Arts Festival President, presented ideas for 2015 and thanked  
27 the Council for their support of the 2014 Paseo. He stated he is excited to  
28 announce this year's Paseo on September 25th and 26th and requested \$25,000  
29 from the Town to plan the Paseo and confirm artists and events.

30  
31 Mayor Barrone thanked Mr. Thomas and Mr. Cassidy for their work on the last  
32 Paseo that was very interactive with the community.

33 Mr. Bellis recommended the Town release funds competitively to contribute to  
34 these types of events that promote tourism.

35  
36 **C. Annual Mother's Day Celebration**

37  
38 Darren Cordova, with DMC Broadcasting, presented photos of last year's  
39 Mother's Day Celebration at Kit Carson Park which has been taking place since  
40 2001. He discussed the magnitude of those who attend the event which includes  
41 locals, people from all over the state and people from surrounding states. Mr.  
42 Cordova stated the best part of the celebration is that it is free of charge. He  
43 requested use of Kit Carson Park on May 9 and 10, 2015.

44 Discussion ensued regarding last year's Mother's Day Celebration that was held  
45 in conjunction with an arts and crafts fair at Kit Carson Park. Concerns were  
46 raised about whether the two events worked well together. Mr. Cordova stated  
47 he believes the events complemented each other.  
48

#### D. Taos Solar Music Festival

Dawn Richardson stated she and Dan Sherman began the Taos Solar Music Festival in 1999 in Kit Carson Park to create a world class solar event drawing big name bands. She stated the event sells tickets to people in forty-five states and hosts over 15,000 people over a three day event. In 2013, they hosted Grammy Award winners Mumford and Sons producing national and international attention. They plan to continue this world wide event the last weekend in June at Kit Carson Park.

Mr. Bellis stated he requested that the coordinator of these events make presentations to the Mayor and Council so that they can begin planning.

Floyd Lopez, Town Attorney, stated discussions have taken place regarding the anti-donation clause prohibiting governmental entities from donating to private entities, which includes goods, services and space. The Town also needs to ensure that funds are not provided unless a service is received. As an example, funds could be provided for advertising.

Mr. Bellis recommended doing an approach similar to what was done for the community block grants through an RFP process meeting procurement requirements.

#### 9. CITIZENS FORUM - Citizens wishing to speak shall have the opportunity to do so for 5 minutes. No action may be taken

The following individuals spoke during Citizens Forum:

- Lynn Fitzgerald discussed Farmers Market;
- Malinda Williams, Executive Director of Community Against Violence, discussed how Chief Weaver is well respected across the state.

#### 10. PUBLIC HEARINGS

##### A. CDBG Planning Grant

**The purpose of the public hearing will be to receive public input on community development needs and suggestions for future CDBG planning projects. NO ACTION WILL BE TAKEN DURING THE PUBLIC HEARING.**

Lynda Perry, Grants and Revenue Development Coordinator, reviewed the guidelines for CDBG Planning Grants and stated planning grant applications are limited to a maximum of \$50,000. She stated, because 53% of Taos' residents are low to moderate income, the Town may apply for a project that benefits the entire community and the project must be on the current Infrastructure Capital Improvements Plan (ICIP). She further stated some of the projects that are eligible are comprehensive plans, feasibility studies, asset management plans, improvement of the current ICIP, mitigation and adaptation plan, development of codes and ordinances, preliminary engineering reports, data gathering analysis and special studies, and regionalization of infrastructure and service delivery. Ms. Perry stated it is staff's recommendation to apply for a parks master plan.

##### ***Public Opinion***

Mayor Barrone opened the public hearing:



- Phillip Econom stated the last storm made Este Es Place dangerous. He believes a study is needed to make improvements to this road. (This road was determined to be out of the Town limits).
- Jim Fambro asked if this has any effect on the joint venture between the Town and County to improve Camino del Medio. Mr. Bellis stated this is for a planning grant and has no effect on the Camino del Medio project.

Mayor Barrone closed the public hearing and asked if there were questions from the Council. There were none.

## **11. MATTERS FROM STAFF**

### **A. Selection of Project for 2015 CDBG Planning Grant**

**Consideration and possible selection of a project for the 2015 Community Development Block Grant Planning Grant application.**

Ms. Perry stated it is the recommendation of staff to select the Parks Master Plan as the project to apply for funding through CDBG. She further stated planning grant applications are limited to a maximum of \$50,000 with a \$5,000 match. **Councilmember Peralta made a motion to approve. Councilmember Hahn seconded the motion. The motion Passed. The Councilmembers voted as follows: Ayes: Cantu, Hahn, Peralta.**

### **B. Resolution 15-07 Authorizing the Submission of a CDBG Grant Application**

**Consideration and approval of Resolution 15-07 authorizing the submission of a CDBG program application in the amount of \$500,000 for the repair of the Youth and Family facility. Furthermore, the resolution identifies a cash match of \$50,000 from the Facilities Improvement Fund.**

**Councilmember Peralta made a motion to approve. Councilmember Hahn seconded the motion. The motion Passed. The Councilmembers voted as follows: Ayes: Cantu, Hahn, Peralta.**

### **C. Resolution 15-06 Mid-Year Budget Adjustments**

**Consideration and possible approval of Resolution 15-06; Mid-year budget adjustment request for various departments.**

Marietta Fambro, Finance Director, reviewed the summary of individual departments' adjustments. She stated most of the adjustments are to correct line items.

Councilmember Peralta referred to an adjustment increasing the Executive Budget by \$23,000 for a movie screen and accessories for events. He requested that the funds not be expended until Council has reviewed a proposal and a budget for the program.

Discussion ensued regarding a projected shortfall in the Solid Waste Fund. Ms. Fambro stated the Town recently increased solid waste rates and there has not been an opportunity to measure whether the increase will assist with the shortfall.

Mr. Bellis stated Community Against Violence requested \$36,000 and only \$2,400 was awarded to them. He recommended awarding an additional \$20,000

for the program. Councilmember Peralta stated the Town of Taos has an obligation to take care of less fortunate citizens and victims of domestic violence.

**Councilmember Peralta made a motion to approve. Councilmember Hahn seconded the motion. The motion Passed. The Councilmembers voted as follows: Ayes: Cantu, Hahn, Peralta.**

**D. UNM Purchase of Taos Convention Center**

**Discussion, consideration and possible approval of an encroachment agreement, an encroachment and non-exclusive access easement agreement and an amendment to the UNM purchase and sale agreement, all involving the Taos Convention Center.**

**Councilmember Peralta made a motion to approve. Councilmember Hahn seconded the motion. The motion Passed. The Councilmembers voted as follows: Ayes: Cantu, Hahn, Peralta.**

**E. Resolution 15-08 Regarding Storm Drain at UNM Health Science Center**

**Discussion, consideration and possible approval of Resolution 15-08 allowing continued use Town of Taos storm drain for the draining of runoff from UNM Health Sciences Center, 121 Civic Plaza Drive, Taos, New Mexico.**

**Councilmember Peralta made a motion to approve. Councilmember Hahn seconded the motion. The motion Passed. The Councilmembers voted as follows: Ayes: Cantu, Hahn, Peralta.**

**F. Domestic Violence Lease with Community Against Violence**

**Discussion, consideration and possible approval of Lease Agreement with Community Against Violence for a Domestic Violence Shelter at 945 Salazar Compound, Taos, New Mexico.**

**Mr. Lopez stated upon execution by the Mayor, the lease will be submitted to Department of Finance and Administration for their approval.**

**Councilmember Peralta made a motion to approve. Councilmember Hahn seconded the motion. The motion Passed. The Councilmembers voted as follows: Ayes: Cantu, Hahn, Peralta.**

**12. TOWN MANAGER'S REPORT**

**A. Town of Taos Municipal Local Economic Development Act (LEDA) Ordinance**

**Discussion and direction to staff to publish and establish a date for a public hearing.**

**Mr. Bellis requested authorization to schedule a public hearing on March 24, 2015 for the Council to take action on the Local Economic Development Act Ordinance. Councilmember Peralta asked if the Planning and Zoning Commission has reviewed the ordinance yet. Mr. Bellis stated they have not; however, he will present it to them at an upcoming joint Historic Preservation Commission/Planning and Zoning Commission meeting.**

1           **B. Public Forum on Downtown Issues, Thursday, February 12th at 6:00 pm**  
2           **Informational item.**

3           Mr. Bellis reminded the Council that there is a public forum on downtown issues  
4           on Thursday, February 12, 2015 at 6:00 p.m. at the Town Council Chambers.

5           **C. Other Matters**

6           Mr. Bellis stated interviews for Marketing Director will take place this Friday,  
7           February 13, 2015.

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9  
10       **13. MATTERS AND REPORTS FROM THE MAYOR**

11           **A. Appointment to Holy Cross Hospital Nominating Committee**  
12           **Appointment of a member to the Holy Cross Hospital Nominating**  
13           **Committee for one year.**

14           Mayor Barrone recommended Councilmember Hahn to serve on the Holy Cross  
15           Hospital Nominating Committee.

16           **Councilmember Peralta made a motion to approve. Councilmember Cantu**  
17           **seconded the motion. The motion Passed. The Councilmembers voted as**  
18           **follows: Ayes: Cantu, Peralta. Abstain: Hahn.**

19           **B. Lease agreement to Taos County for the Ancianos Senior Center**  
20           **Discussion, consideration and possible approval of a lease of the physical**  
21           **facility and grounds, with certain provisions, for the improvement,**  
22           **maintenance and continued operation of the site as a Senior Citizen Center.**

23           **Councilmember Peralta made a motion to create a lease for \$1 per year for**  
24           **five years, renewable annually with Taos County assuming responsibility**  
25           **for all maintenance, repairs and upgrades to the building. Councilmember**  
26           **Hahn seconded the motion for discussion.**

27           Councilmember Hahn stated the Town owns a lot of facilities and asked why this  
28           facility cannot be given to Taos County. Mayor Barrone stated the building may  
29           not be worth very much, but the land is.

30           **The motion Passed. The Councilmembers voted as follows: Ayes: Cantu,**  
31           **Hahn, Peralta.**

32           **C. Other Matters**

33           Mayor Barrone asked Francisco "French" Espinoza, Public Works Director, to  
34           give a briefing on the potholes in the community. Mr. Espinoza stated the  
35           website will soon have information on how to report a pothole. He stated the  
36           public can also call the Public Works Department at (575) 751-2047 to report a  
37           pothole.

38           Councilmember Hahn asked what is the estimated cost to repair each pothole.  
39           Mr. Espinoza stated approximately \$85 to \$100 per pothole.

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47       **14. MATTERS AND REPORTS FROM THE COUNCIL**  
48

1                   **A. Other Matters**

2  
3                   Councilmember Hahn discussed the possibility of holding a summit with  
4                   important community partners to triage community needs. He recommended the  
5                   partners include representatives from Taos Pueblo, the County Manager, the  
6                   Town Manager, a couple of Councilmembers, and the Finance Director. He  
7                   further stated the purpose of the summit is to assess which conditions in the  
8                   community are worse, and how each governmental entity can handle  
9                   the cost. Mayor Barrone stated he supports this initiative; however, it will need to  
10                  be a county-wide effort. Councilmember Hahn stated he will prepare a sample  
11                  draft letter and will bring it back to the Council for their review.

12                  **15. EXECUTIVE SESSION**

13                   **A. WATER RIGHTS**

14                   **(Executive and Public Session Informational Items/Action Items)**  
15                   **Discussion, consideration and decision regarding the purchase of water**  
16                   **rights. This item may be discussed in closed session under Open Meetings**  
17                   **Act exemption 10-15-1(H)(8), which allows the discussion of purchase,**  
18                   **acquisition or disposal of water rights.**

19  
20                   Councilmember Peralta made a motion to go into Executive Session.  
21                   Councilmember Cantu seconded the motion. The motion was Passed.  
22                   Those voting AYE were: Councilmembers: Cantu, Hahn and Peralta.

23  
24                   At 5:07 p.m. Councilmember Peralta made a motion to come out of  
25                   Executive Session. Councilmember Hahn seconded the motion. The motion  
26                   was Passed. Those voting AYE were: Councilmembers: Cantu, Hahn and  
27                   Peralta.

28                   Mr. Lopez stated discussion in the Executive Session was limited to the  
29                   items as they were called for and no action was taken. Councilmember  
30                   Peralta made a motion to accept Mr. Lopez' report. Councilmember Cantu  
31                   seconded the motion. The motion was Passed. Those voting AYE were:  
32                   Councilmembers: Cantu, Hahn and Peralta.

33  
34                  **16. ADJOURNMENT**

35                   A motion was made by Councilmember Peralta and seconded by Councilmember  
36                   Cantu to adjourn the meeting. The motion carried unanimously and the meeting  
37                   adjourned at 5:07 p.m.

38  
39                  **APPROVED:**

40  
41  
42  
43                  \_\_\_\_\_  
44                  Daniel R. Barrone, Mayor

45  
46                  **ATTEST:**

1 **Renee Lucero, Town Clerk**  
2  
3

4 ***PLEASE NOTE: The Town of Taos records most Town Council Meetings via audio,***  
5 ***however, only Regular Town Council Meetings and some Special Town Council Meetings,***  
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10 ***http://taos.novusagenda.com/agendapublic/ .***  
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March 10, 2015

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**Title:**

February 17, 2015 Special Meeting Minutes

**Summary:**

**Background:**

**Staff Recommendation:**

**Recommend Approval/Disapproval:**

Recommend Approval

**Attachments:**

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**MINUTES**  
**February 17, 2015**  
**Special Meeting**

**Town Council Chambers - 120 Civic Plaza Drive**  
**1:00 PM**

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**1. CALL TO ORDER BY THE HONORABLE MAYOR DANIEL R. BARRONE**

**The Regular Meeting of the Taos Town Council was called to order by the Honorable Mayor Daniel R. Barrone at 1:04 p.m.**

**2. ROLL CALL**

**Ms. Renee Lucero, Town Clerk, called roll and a quorum was present.**

**Those present were:**

**Mayor, Daniel R. Barrone**  
**Councilmember, George "Fritz" Hahn**  
**Councilmember, Judith Y. Cantu**

**Also present were:**

**Town Manager, Richard Bellis**  
**Town Clerk, Renee Lucero**  
**Town Attorney, Floyd Lopez**

**Absent/Excused were:**

**Mayor Pro Tem, Andrew T. Gonzales**  
**Councilmember, Frederick A. Peralta**

**3. PLEDGE OF ALLEGIANCE**

**Renee Lucero led the audience in the Pledge of Allegiance.**

**4. MOMENT OF SILENCE**

**5. APPROVAL OF AGENDA**

**Councilmember Hahn made a motion to approve. Councilmember Cantu seconded the**

1 motion. The motion Passed. The Councilmembers voted as follows: Ayes: Cantu,  
2 Hahn.

3  
4 **6. PUBLIC HEARINGS**

5  
6 **A. 575 Sports & Co., LLC Restaurant Beer and Wine License Application**  
7 **Consideration and possible approval of Liquor License Application No.**  
8 **935039 for a Restaurant Beer and Wine Liquor License for 575 Sports & Co.,**  
9 **LLC located at 1109 Paseo del Pueblo Sur.**

10 Monica Tafoya and Luciano Gallegos, Co-Owners of 575 Sports & Co., stated  
11 this is not affiliated with Taos Yacht and Sports Club. Ms. Tafoya stated a  
12 kitchen has been added and the restaurant opened on December 10<sup>th</sup>. They  
13 would like to add beer and wine to their menu to attract more people.

14  
15 ***Public Opinion***

16 Mayor Barrone opened the public hearing.

17  
18 Mary Passaglia, with Rocky Mountain Youth Corps (RMYC), provided a handout  
19 regarding alcohol outlet density. She stated RMYC is very concerned that  
20 underage drinking in New Mexico is the 4<sup>th</sup> highest rate in nation. She believes  
21 this is a public health concern. Furthermore, she stated the Town is 50% over  
22 quota in allowable dispenser licenses.

23  
24 Floyd Lopez, Town Attorney, stated this concern does not apply to this type  
25 of license; however, he has a call in to the Deputy Director of Alcohol and  
26 Gaming Division and he will inform the Council when he hears back from her. He  
27 stated the Deputy Director had informed the Town Clerk that the limit on licenses  
28 does not apply to the Town because we are a local option district.

29 **After closing the public hearing, Mayor Barrone asked for questions from**  
30 **the Council.**

31  
32 Councilmember Cantu asked when the process for the liquor license began. Mr.  
33 Gallegos stated he began the process in November, 2014.

34 **Councilmember Cantu made a motion to approve. Councilmember Hahn**  
35 **seconded the motion. The motion Passed. The Councilmembers voted as**  
36 **follows: Ayes: Cantu, Hahn.**

37  
38 **7. ADJOURNMENT**

39 **A motion was made by Councilmember Cantu and seconded by Councilmember Hahn**  
40 **to adjourn the meeting. The motion carried unanimously and the meeting adjourned**  
41 **at 1:22 p.m.**

42  
43 **APPROVED:**

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46  
47 \_\_\_\_\_  
48 **Daniel R. Barrone, Mayor**



1  
2 **ATTEST:**  
3  
4

5  
6 Renee Lucero, Town Clerk  
7

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14 ***http://taos.novusagenda.com/agendapublic/.***  
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March 10, 2015

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**Title:**

Employee of the Month

**Summary:**

Presentation of a certificate of acknowledgement to Antonio Sanchez - Town of Taos March Employee of the Month.

**Background:**

**Staff Recommendation:**

**Recommend Approval/Disapproval:**

Recommend Disapproval

**Attachments:**

**Click to download**

No Attachments Available



March 10, 2015

---

**Title:**

Councilmember Judith Cantu

**Summary:**

Presentation by Councilmember Cantu regarding the Cesar Chavez Celebration and a Countywide/Town yard sale.

**Background:**

**Staff Recommendation:**

**Recommend Approval/Disapproval:**

Recommend Disapproval

**Attachments:**

**Click to download**

No Attachments Available



March 10, 2015

---

**Title:**

Taos Sports Alliance

**Summary:**

- Presentation from Taos Sports Alliance regarding locker rooms at the Eco Park.
- Staff seeks direction from the Mayor & Council in regards to the future of the Taos Sports Alliance contract TT-13-49.

**Background:**

The Taos Sports Alliance contract TT-13-49 (attached) is managed by the Recreation Dept. The contract has a 120 day notice requirement for termination, and we are asking direction from the Mayor and Council in this regard. Currently this contract is set to automatically renew on August 15, 2015 unless proper notice is given in writing. See Item 2 - Term.

**Staff Recommendation:**

**Recommend Approval/Disapproval:**

Recommend Approval

**Attachments:**

**Click to download**

 [TSA Contract TT-13-49](#)



## AMENDED TOWN OF TAOS SERVICE CONTRACT TT-13-49

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This contract is hereby made and entered into by and between the Town of Taos, a New Mexico Municipality (hereinafter "TOWN") and **Taos Sports Alliance** (hereinafter "CONTRACTOR"). This contract originally began on August 15, 2012 and is now amended and will renew on August 15, 2013 if approved by both parties. See contract item 2 for further details.

**WHEREAS**, the TOWN desires to promote sports and recreation in the region as a strategy for stimulating economic development and reducing childhood obesity and youth gang activity, working with the State of New Mexico, Taos Municipal School District, the County of Taos, Village of Taos Ski Valley, the Village of Questa, the Village of Angel Fire, and any interested sport, recreational group or local youth organization in the region.

**WHEREAS**, the TOWN considers the Taos Eco Park to be a vital element in this strategy,

**WHEREAS**, the TOWN considers the establishment of an institution whose mission is to promote Taos as a premier destination for athletic training and spectator sports events as a central component of this economic development strategy,

**WHEREAS**, the TOWN finds it necessary to retain a contractor that is knowledgeable of sports and recreation promotion to operate the Taos Eco Park,

**WHEREAS**, the CONTRACTOR'S mission is to establish Taos as a premier destination for athletic training and spectator sports events,

**WHEREAS**, the TOWN has procured the services of CONTRACTOR through an open solicitation process in accordance with all applicable laws; and

**WHEREAS**, the TOWN desires to engage CONTRACTOR to operate the Taos Eco Park in coordination with the Town of Taos and the Taos Public Schools, including the scheduling, marketing, ticketing, and supervision of operations and maintenance of the Taos Eco Park,

**WHEREAS**, the TOWN desires to help CONTRACTOR establish itself as an independent and self-sufficient regional organization,

**WHEREAS**, CONTRACTOR desires to provide such service(s) under the terms and conditions of this contract;

**THEREFORE, IT IS HEREBY MUTUALLY AGREED** by and between the parties that the CONTRACTOR will provide the following services and events, hereinafter referred to

as “DELIVERABLES” with partial funding from the TOWN:

Products: due each year of contract:

- A. Update of 3-Year Business Plan by November 15<sup>th</sup> each year.
- B. Facilities Operations and Scheduling Plan by September 15<sup>th</sup> each year; updated monthly as needed.
- C. Quarterly report to Town of Taos Council during Citizens Forum or Regular Agenda.

Services:

- D. Maintain and Publish a Program Calendar for Taos Eco Park updated monthly as needed.
- E. Manage concession Services for Special Events according to the Joint-Powers Agreement (JPA).
- F. Provide Online Media Service for Taos Eco Park to include operation of Taosecopark.com.
- G. Provided that the TOWN maintains the Field pursuant to the recommended standards of Shaw Sports Turf, and the TOWN maintains the Park to prevent damage to the field, other than normal wear and tear from recreational and event usage, the CONTRACTOR shall maintain the Federation of International Football Association Field Certification (FIFA) – 1 or 2 Star Rating.
- H. The Contractor shall monitor all traffic for the Taos Eco Park telephone number 575-737-2599 and email address [ecopark@taosgov.com](mailto:ecopark@taosgov.com) and report on significant developments.

Annual Events:

- I. National Soccer Coaches Association of America (NSCAA) or New Mexico Youth Soccer Association (NMYSA) Coaches or Referee Clinic.
- J. National Collegiate Athletic Association (NCAA), Professional or FIFA International Team Training Camp.
- K. NCAA, Professional or FIFA International Team Game.
- L. Taos Eco Park Annual NCAA & Club Soccer Showcase.
- M. Taos High School Boys & Girls Varsity and JV Soccer Games according to JPA.
- N. Taos High School Boys & Girls Varsity and JV Soccer Training according to JPA.
- O. Adult Club Soccer Team Training and Games according to the JPA.
- P. Taos Youth Soccer League Training and Games according to JPA.
- Q. Sangre de Cristo Boys Fall Soccer Tournament.
- R. Sangre de Cristo Girls Fall Soccer Tournament.
- S. Taos Youth Spring Soccer Skills Training.
- T. Taos Youth Summer Soccer Skills Training.

1. Contact Person, Address & Phone.

A. CONTRACTOR’S contact person for this contract is:

**Justin Lea, President**

B. The address and phone number is:

**630 Paseo del Pueblo Sur,  
Suite 160  
Taos, NM 87571  
575-779-0635**

2. Term. This contract shall automatically renew on its anniversary for the next six years unless either party provides **120 days-notice to terminate it**. This contract shall terminate and not renew on **August 14, 2019** unless sooner terminated pursuant to the termination provisions above. The Town of Taos directs the CONTRACTOR to achieve the goal of self-funding by the end of this current fiscal year ending June 30, 2014. The Town will revisit this contract each budget cycle to determine the Town's availability of funds and the CONTRACTOR'S ability to achieve the goals stated herein without additional payments from the Town. **Contractor should not begin work under this Contract before this Contract is signed by both parties and should not continue work after the Contract terminates unless the Contract has been amended in writing to extend the term.** **The TOWN is not required to pay CONTRACTOR under this Contract for any work performed before the Contract is entered into or after it has terminated.**
3. Compensation
  - A. The total amount payable to the CONTRACTOR under this Contract, including gross receipts tax and any expenses agreed to, as shown below, shall not exceed **\$75,000**, provided further that the Town's contribution for the identical services shall be adjusted annually pursuant to the United States Department of Labor CPI schedules per the South Urban, Size D nonmetropolitan (less than 50,000) calculations. If GRT rate should increase during the term of this contract the total contract amount shall automatically increase to reflect the percentage of increase.
  - B. Subject to availability of funds pursuant to the Appropriations Paragraph below, the TOWN shall pay the \$75,000 in up to twelve (12) equal regular installments to be billed on a monthly basis for services rendered the previous month.
  - C. CONTRACTOR shall receive all forms of revenue generated at Taos Eco Park within the terms of the Joint Powers Agreement to include sponsorships, programming, concession, parking, admissions and all other revenue generated within the terms of the Joint Powers Agreement.
  - D. No further amount(s) beyond those set forth above shall be available under this contract unless authorized by law, ordinance, regulation or resolution and embodied in a written amendment to this contract executed prior to the additional work being performed.
4. Release. CONTRACTOR agrees that, upon final payment of the amount due under this contract, CONTRACTOR releases the TOWN from all liabilities, claims and/or obligations whatsoever arising from, or under, this contract.
5. Deliverables. CONTRACTOR shall deliver, to the TOWN, all "deliverables" included within the scope and timeframe of this contract.
6. Appropriations. This contract is contingent upon there being sufficient appropriations available. The TOWN shall be the sole and final determiner of whether sufficient appropriations exist. If this contract encompasses more than one fiscal year, this contract is contingent upon continuing appropriations being available.

7. Annual Review. If this contract encompasses more than one fiscal year, this contract is subject to an annual review by the TOWN. If any deficiencies are noted during the review process, the CONTRACTOR shall be given a specified time, as per the Notice to Cure provision below, in which to cure said deficiency (ies).
8. Termination-Suspension. This contract may be terminated at will, by either party, with or without cause. Termination shall be by written notice which shall be delivered or mailed (certified mail, return receipt) to the other party. If notice is by mail, notice (i.e., the effective date of termination) will be deemed to be effective one hundred twenty (120) calendar days from the date of the postmark. If notice is hand-delivered, termination is effective as of the time of delivery to the CONTRACTOR (personally or at his/her office) or when delivered to the Office of the Town Manager. If notified of termination, CONTRACTOR shall immediately cease performing services and deliver, to TOWN, any work in progress. If CONTRACTOR terminates this contract, notice of termination shall include CONTRACTOR's final billing statement. In no event shall termination nullify obligations of either party prior to the effective date of termination.

The TOWN may suspend work under this Contract for any reason the TOWN in its sole discretion deems sufficient, including but not limited to budgetary reasons or a need for further studies, investigation or analysis before work continues. Notice of Suspension shall be made or confirmed in writing, which shall be hand-delivered or mailed certified mail, return receipt requested, to CONTRACTOR. Immediately upon receipt of notice of contract suspension, CONTRACTOR shall cease work pursuant to the Contract and await further instructions from the TOWN except that, with the TOWN's permission which shall not be unreasonably denied, the CONTRACTOR may proceed with any work in progress that must be continued or completed in order to avoid damage, harm or risk to the TOWN's, the CONTRACTOR's, any subcontractor's, or the public's personnel or property. In the event that the CONTRACTOR, upon receiving a suspension of work notice, believes there is such reason for continuing work, it shall immediately so inform the TOWN and the parties shall in good faith attempt to agree on what additional work is reasonably required under the circumstances. Suspension of work shall not affect either party's obligations with respect to work done or obligations incurred before notice of contract suspension.

9. Conflict of Interest. CONTRACTOR warrants that it presently has no interest or conflict of interest and shall not acquire any interest or conflict of interest which would conflict with the performance of services under this Contract. This warranty includes Contractor's representation that it has no conflict of interest and will not acquire any conflict of interest as set forth in the Procurement Code, other laws of the State of New Mexico, and the Town of Taos Purchasing Policy Part XXIII or any replacement provisions.
10. Work Product. All work and work product produced under this contract shall be and remain the exclusive property of the TOWN and CONTRACTOR shall not use, sell, disclose or otherwise make available to anyone (individual, corporation or organization), other than the TOWN, any such work or work product or copies thereof. If applicable, the provision of Sec. 13-1-123(B), N.M.S.A. (1978 as amended) shall apply. Further, CONTRACTOR shall not apply for, in its name or otherwise, for any copyright, patent or other property right and acknowledges that any such property right created or developed remains the exclusive right of the TOWN.



11. Status of Contractor. CONTRACTOR acknowledges that it is an independent contractor and as such neither it, its employees, agents or representatives shall be considered employees or agents of the TOWN, nor shall they be eligible to accrue leave, retirement benefits, insurance benefits, use of Town vehicles, or any other benefits provided to Town employees.
12. Non-Agency. CONTRACTOR agrees not to purport to bind the TOWN to any obligation not assumed herein by the TOWN, unless the CONTRACTOR has express written approval and then only within the limits of that expressed authority.
13. Confidentiality. Any information learned, given to, or developed by CONTRACTOR in the performance of this contract shall be kept confidential and shall not be made available or otherwise released to any individual or organization without the prior written approval of the TOWN.
14. Worker's Compensation. CONTRACTOR acknowledges that neither it, its employees, agents or representatives shall have any claim whatsoever to worker's compensation coverage under the TOWN's policy. The CONTRACTOR agrees to comply with state laws and rules applicable to workers' compensation benefits for its employees. If the CONTRACTOR fails to comply with the Workers' Compensations Act and applicable rules when required to do so, this agreement may be terminated by the contracting agency.
15. Taxes. CONTRACTOR acknowledges that it and it alone, shall be liable for and shall pay to the New Mexico Taxation & Revenue Department, the applicable gross receipts taxes on all monies paid to it under this contract and that the TOWN shall have no liability for payment of such tax. CONTRACTOR also acknowledges that it, and it alone, shall be liable to the State and Federal government(s) and/or their agencies for income and self-employment taxes required by law and that the TOWN shall have no liability for payment of such taxes or amounts.
16. Records-Audit. CONTRACTOR shall keep, maintain, and make available to the TOWN all records, invoices, bills, etc. related to performance of this contract for a period of three (3) years after the date of final payment. If federal grant funds are used to pay under this contract, CONTRACTOR shall retain all records for the period of time under which OMB Circular 102-A shall apply. Said records shall be available for inspection, audit and/or copying by the TOWN or its authorized representative or agent, including federal and/or state auditors.
17. Indemnification. CONTRACTOR agrees to defend, indemnify and hold harmless the TOWN from any and all claims, suits, and causes of action which may arise from its performance under this contract unless specifically exempted by New Mexico law. CONTRACTOR further agrees to hold harmless the TOWN from all personal claims for any injury or death sustained by CONTRACTOR, its employees, agents or other representatives while engaged in the performance of this contract.
18. Assignment & Subcontracting. CONTRACTOR shall not assign, transfer or subcontract any interest in this contract or attempt to assign, transfer or subcontract any claims for money due under this contract without the prior written approval of the TOWN.

19. Non-Discrimination. CONTRACTOR agrees that it, its employee(s) and/or agent(s) shall comply with all federal, state and local laws regarding equal employment opportunities, fair labor standards, and other non-discrimination and equal opportunity compliance laws, regulations and practices.
20. Required Liability Insurance. CONTRACTOR shall maintain general liability insurance naming the Town of Taos as an additional insured in an amount at least equal to the requirements set forth by the New Mexico Tort Claims Act, Sec. 41-4-19, N.M.S.A. 1978.
21. Default by Contractor. In the event that CONTRACTOR defaults on any term or provision of this contract, the TOWN retains the sole right to determine whether to declare the contract voidable and/or CONTRACTOR agrees to pay the TOWN the reasonable costs, including court fees and attorney's fees and direct and indirect damages, incurred in the enforcement of this contract.
22. Efforts to Cure. If the TOWN elects to provide the CONTRACTOR with notice to cure any deficiency or default, the CONTRACTOR may have the time specified in the written "Notice to Cure" Authorization. Failure, by the CONTRACTOR, to cure said deficiency or defect, within the authorized time, shall result in an immediate termination of this contract subject to the provision of No's. 10, 25, & 27 herein.
23. Severability. In the event that a court of competent jurisdiction finds that any term or provision of this contract is void, voidable or otherwise unenforceable, all other terms and provisions shall remain intact and enforceable where not otherwise inconsistent with the Court's findings.
24. Scope of Agreement. This contract incorporates all of the agreements and understandings between the parties. No prior agreement(s) or understanding(s), verbal or otherwise, shall be valid or enforceable unless embodied in this contract.
25. Applicable Law. This contract shall be governed by the Laws of the State of New Mexico and the Ordinances, resolutions, rules and regulations of the TOWN. Any legal proceeding brought against the TOWN, arising out of this contract, shall be brought before the Eighth Judicial District Court, Taos County, State of New Mexico.
26. Illegal Acts. Pursuant to Sec. 13-1-191, N.M.S.A. 1978 (as amended), it shall be unlawful for any CONTRACTOR to engage in bribery, offer gratuities with the intent to solicit business, or offer or accept kickbacks of any kind. All other similar act(s) of bribes, gratuities and/or kickbacks are likewise hereby prohibited.

IN WITNESS HEREOF, the parties have executed this Agreement as of the date first written above.

**CONTRACTOR:**

Contractor

Printed Name: JUSTIN LEA, TAOS SPORTS ALLIANCE

Title or Position: PRESIDENT

26-3838447

Contractor's GRT/CRS Number OR

N/A

Contractor's Fed. Tax ID No. or SSN

**TOWN APPROVAL:**

Darren M. Cordova, Mayor

**ATTESTED TO BY:**

Renee Lucero, Town Clerk

**ACCOUNTING APPROVAL:**

Marietta S. Fambro

Marietta S. Fambro, Finance Director

Budget Line Item: 30-25-44005

**APPROVED AS TO FORM:**

C. Brian James  
C. Brian James, Town Attorney

**ADMINISTRATIVE APPROVAL:**

Oscar Rodriguez, Town Manager



March 10, 2015

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**Title:**

Resolution 15-12 Intergovernmental Transfer of Personal Property

**Summary:**

Discussion, consideration and possible approval of Resolution 15-12 approving the intergovernmental transfer of a 2006 BMW motorcycle to Taos County.

**Background:**

The County has requested this motorcycle for police protection throughout Taos County to better serve the communities of the County. Pursuant to NMSA 1978, Section 3-54-2.D and approval from Local Government Division of the Department of Finance and Administration.

Submitted by: Marietta Fambro (with Janice Martinez and David Weaver)

**Staff Recommendation:**

**Recommend Approval/Disapproval:**

Recommend Approval

**Attachments:**

**Click to download**

📎 [Resolution 15-12](#)



## **RESOLUTION 15-12**

### **A RESOLUTION OF THE TOWN OF TAOS COUNCIL APPROVING THE INTERGOVERNMENTAL TRANSFER OF THE 2006 BMW MODEL R12RTP MOTORCYCLE TO TAOS COUNTY.**

**WHEREAS**, the Town of Taos owns certain personal property which the Town no longer needs;  
and

**WHEREAS**, said property is identified as:

One 2006 BMW Model R12RTP Motorcycle VIN: WB10388006ZM19445

**WHEREAS**, the Town of Taos believes it is in the best interest of the Town to dispose of said property pursuant to state and local requirements; and

**WHEREAS**, the property has a current resale value of \$2,500 or more;

**NOW, THEREFORE, BE IT RESOLVED** by the Town Council of the Town of Taos that pursuant to NMSA 1978, Section 3-54-2.D, the items of personal property identified herein will transfer from the Town of Taos to the Taos County, upon approval from the Local Government Division of the Department of Finance and Administration, and said transfer is contingent upon such approval.

**PASSED, APPROVED and ADOPTED**, this 10<sup>th</sup> day of March, 2015, at the Regular Meeting of the Town Council by the following vote:

Mayor Pro Tem George "Fritz" Hahn	_____
Councilmember Judith Y. Cantu	_____
Councilmember Andrew T. Gonzales	_____
Councilmember Frederick A. Peralta	_____


**TOWN OF TAOS**

\_\_\_\_\_  
**Daniel R. Barrone, Mayor**

**ATTEST:**

\_\_\_\_\_  
**Renee Lucero, Town Clerk**

**APPROVED AS TO FORM:**

  
\_\_\_\_\_  
**Floyd W. Lopez, Town Attorney**

**APPROVED:**

\_\_\_\_\_  
**Local Government Division  
Department of Finance and Administration  
State of New Mexico**



## TAOS COUNTY SHERIFF'S OFFICE

Date: 02/10/2015

To: Chief David Weaver, Town of Taos

From: Sheriff Jerry L. Hogrete

Re: Transfer of BMW Motorcycle

A handwritten signature in black ink, appearing to read "J. L. Hogrete", is written over the "From:" and "Re:" lines.

Chief Weaver,

Please accept this letter requesting agency to agency governmental transfer of the 2006 BMW Motorcycle to Taos County.

I understand this vehicle is without warranty either implied or expressed and is in need of certain repairs. I further understand that there is no monetary consideration for this transfer.

Thank you for the assistance and I look forward to working with you in the future, if anything else is needed beyond this request please let me know.



March 10, 2015

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**Title:**

Resolution 15-14 Declaration of Town Surplus Property

**Summary:**

Discussion, consideration and possible approval of Resolution 15-14 approving the disposition of vehicles, a mobile home and other miscellaneous equipment and materials owned by the Town of Taos pursuant to NMSA Section 3-54-2-A.

**Background:**

The following items of property identified will be auctioned and if not successfully sold will be disposed of at the landfill and have a current resale value of \$2,500 or less pursuant to NMSA Section 3-54-2 (Subsection A) first part of the resolution; These items are either worn-out, unusable and obsolete to the extent that the item is no longer economical for continued use by the Town. The following items identified will be auctioned and have a current resale value of \$2,500 or more pursuant to NMSA Section 3-42-2 (Subsection B) second part of the resolution.

**Staff Recommendation:**

**Recommend Approval/Disapproval:**

Recommend Approval

**Attachments:**

**Click to download**

 [Resolution 15-14](#)





## **RESOLUTION 15-14**

### **A RESOLUTION OF THE TOWN OF TAOS COUNCIL APPROVING THE DISPOSITION OF VEHICLES, A MOBILE HOME, AND OTHER MISCELLANEOUS EQUIPMENT AND MATERIALS OWNED BY THE TOWN OF TAOS**

**WHEREAS**, the Town of Taos owns certain personal property which the town is no longer in need of; and

**WHEREAS**, the Town of Taos has specifically identified such property herein; and

**WHEREAS**, the Town of Taos believe it is in the best interest of the Town to dispose of said property pursuant to state and local requirements,

**NOW, THEREFORE BE IT RESOLVED** by the Town Council of the Town of Taos:

The items of property identified herein will be auctioned and each has current resale value of \$2500 or less:

1. 1992 model 1500 Chevrolet 2 door 2-wheel drive truck VIN: 1GCDC1424NZ167312
2. 1991 model 2500 Chevrolet 2 door 4-wheel drive truck VIN: 1GCGK24K2LE262786, mileage: 113,435
3. 1995 Ford Ranger 2 door truck VIN: 1FTCR10A9SWB30792, mileage: 225,941
4. 1996 model 2500 Chevrolet extended cab truck VIN: 1GCGK29R8TE244718, mileage: 124,234
5. 8 sets of vehicle seats 1995 and 2003 Chevrolet Vehicles
6. 6 police vehicle cages
7. 2003 Chevrolet Impala engine (complete)
8. Metal Safe approximately 2'x3'

and

The items identified below will be auctioned contingent upon approval of the Taos Regional Landfill Board and Town of Taos Council and has a current resale value of \$2,500, or more:

1. 2001 Clay Model/Series NMFEMA 16x74 Mobile Home – VIN #: CBH009355TX

**NOW, THEREFORE, BE IT FURTHER RESOLVED** that the property identified above :

1. Is worn-out, unusable, and obsolete to the extent that the items are no longer economical for continued use by the Town; and
2. Will be disposed of by auction; if not successfully sold at auction, disposal will be done at the Landfill or Recycle Center.

**PASSED, APPROVED and ADOPTED**, this 10<sup>th</sup> day of March, 2015, at the Regular Meeting of the Town Council by the following vote:

Mayor Pro Tem George "Fritz" Hahn \_\_\_\_\_  
Councilmember Judith Y. Cantu \_\_\_\_\_  
Councilmember Andrew T. Gonzales \_\_\_\_\_  
Councilmember Frederick A. Peralta \_\_\_\_\_

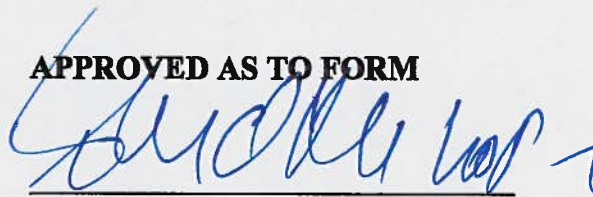
**TOWN OF TAOS**

\_\_\_\_\_  
**Daniel R. Barrone, Mayor**

**ATTEST:**

\_\_\_\_\_  
**Renee Lucero, Town Clerk**

**APPROVED AS TO FORM**



\_\_\_\_\_  
**Floyd W. Lopez, Town Attorney**

**APPROVED:**

\_\_\_\_\_  
**Local Government Division  
Department of Finance and Administration  
State of New Mexico**



March 10, 2015

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**Title:**

Out of State Travel - Lt. David Maggio

**Summary:**

Consideration and possible approval of out of state travel to allow Town of Taos Police Department Lt. David Maggio to attend 31st International Symposium on Child Abuse in Huntsville, Alabama March 23-27, 2015.

**Background:**

Lt. David Maggio has been invited by the Taos Children's Advocacy Center to attend 31st International Symposium on Child Abuse. Funding for registration, lodging and transportation has been awarded by the CJAAG grant and will be paid by Community Against Violence. Lt. Maggio is responsible for meals; \$45.00/day x 5 days + \$20.00 (partial per-diem) = \$245.00.  
Submitted by Chief David Weaver

**Staff Recommendation:**

**Recommend Approval/Disapproval:**

Recommend Approval

**Attachments:**

**Click to download**

 [Invitation,Registration,Agenda,Advance Travel Voucher](#)

## Betsy McCullough

---

**From:** David Maggio  
**Sent:** Thursday, February 26, 2015 1:24 PM  
**To:** Betsy McCullough  
**Subject:** Fwd: Training

Lt. David J. Maggio  
Taos Police Dept.  
Sent from my iPhone

Begin forwarded message:

**From:** "Julie Kay V. Romero" <[JulieKayV@taoscav.org](mailto:JulieKayV@taoscav.org)>  
**Date:** February 26, 2015 at 1:19:31 PM MST  
**To:** <[dmaggio@taosgov.com](mailto:dmaggio@taosgov.com)>  
**Subject:** Training

Hello Dave,

The Taos Children's Advocacy Center has an opportunity to send you to the 31<sup>st</sup> International Symposium on Child Abuse March 24-26, 2015 in Huntsville Alabama. The Team will fly out on the 23<sup>rd</sup> and return to Taos on the 27<sup>th</sup>.

The money to pay for registration, lodging and transportation for training is from a CJAAG grant and will be paid by CAV. Once reservations have been made they are non-refundable.

Each Participant will be responsible for their own food.

Please let me know as soon as possible to make travel arrangements. I will need a definite response no later than Monday March 2, 2015.

Have a Great Day!

Julie Kay

Julie Kay Vigil-Romero  
Taos Children's Advocacy Center Director  
Community Against Violence  
945 Salazar Road  
Taos, New Mexico 87571  
Phone: (575) 758-2361  
Cell: (575) 776-4716  
Fax: (575) 758-4051

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**Town of Taos**  
400 Camino de la Placita  
Taos, New Mexico 87571

# ADVANCE TRAVEL VOUCHER

Name of Traveler: David Maggio  
Department: Police VENDOR # 99-4691  
Date of Travel Request: 3/4/2015

Date	Depart	Arrive	Purpose	Location	Miles Traveled	Mileage Cost	Cost
3/23/2015	7:00 AM	10:00 AM	Travel to ABQ Sunport/Huntsville, AL	Taos, NM		0.00	
3/24/2015	8:00 AM	5:00 PM	31st International Symposium on Child Ab	Huntsville,AL		0.00	
3/25/2015	8:00 AM	5:00 PM	31st International Symposium on Child Ab	Huntsville,AL		0.00	
3/26/2014	8:00 AM	5:00 PM	31st International Symposium on Child Ab	Huntsville,AL		0.00	
3/27/2015	3:30 AM	5:00 PM	Travel to Taos	Huntsville,AL		0.00	20.00
						0.00	
						0.00	
						0.00	
						0.00	

## Credit Card Summary

Please Check:

- ☒ Airplane  
☒ Town Vehicle  
☐ Personal Vehicle

Airline	-
Hotel	-
Taxi	
Food	-
Other	-
<b>TOTAL</b>	-

Total Per Diem Costs	20.00
Total Mileage Costs	0.00
Parking & Taxi Costs	0.00
Phone calls	0.00
Meals	225.00
<b>Trip Grand Total</b>	<b>245.00</b>

- ☐ In-State Regular Per Diem (\$85/day)  
☐ In-State High Cost Area (\$135/day)  
☐ Out of State Regular Per Diem (\$115/day)  
☒ Cost based on actual meal and lodging expenses  
(receipts required) under 2.42.2.9 NMAC

*Less credit card payments	0.00
Total amount due to traveler	245.00

*Less 20% (Retainage)	49.00
Balance Due	196.00

**IMPORTANT:** Map Mileage shall be used, unless unavailable  
Mileage computed at 45.2¢ per mile

\* If applicable  
(requires copies of credit card invoices)

Budget Line Item	Description	Current Budget Balance	Costs Charged To Budget
26-14-42001	Mileage & Per Diem	6097.06	196.00
	Other Travel Costs		

**JURAT:** I do solemnly swear that the above claim is true and correct to the best of my knowledge. I certify that the travel expenses comply with the Mileage and Per Diem Act.

TRAVELER

SIGN HERE \_\_\_\_\_ TITLE \_\_\_\_\_

NOTARY: Subscribed and sworn to before me at \_\_\_\_\_ Taos

this \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_

Signed \_\_\_\_\_

Title \_\_\_\_\_

My commission expires \_\_\_\_\_

OR IN LIEU OF NOTARIZATION, signature witnessed by:

WITNESS: \_\_\_\_\_

WITNESS: \_\_\_\_\_

TOWN APPROVAL: I, or We, certify that the above costs were necessary and proper and that the amounts claimed are just and reasonable and that no part of the balance due has been paid.

NAME \_\_\_\_\_

SUPERVISOR

NAME \_\_\_\_\_

DEPARTMENT HEAD

AUTHORIZED SIGNATURE for payment

Date

TOWN TREASURER


TT-105A (Revised 4/2004)

**Must submit to the Finance Department 10 (ten) working days prior to travel date.**

IT'S ALL ABOUT THE CHILDREN

**31<sup>st</sup> INTERNATIONAL SYMPOSIUM ON CHILD ABUSE**  
Huntsville • Alabama

**march 23-26**  
\*\*\* 2015 \*\*\*

 National Children's Advocacy Center

**The Profession You Chose. The Work You Do. The Training We Offer.**

**Attendee Information (Please Print)**

First and Last Name: DAVID MAGGIO

Agency: TADS Police Dept.

Address: 400 Camino de la Placita

City, State, Zip: TADS, NM, 87571

Work Phone: 575-758-4656

Email Address: dmaggio@tads.gov.com

Are you a Federal Employee: If yes, check here \_\_\_\_\_

**Discipline: (Please check the one that most closely describes your current position)**

To mark an "X" in the box below, double click on the box, under, "Default Value," select, "Checked" and then click, "OK"

- |  |  |  |   |
|--|--|--|---|
| <input type="checkbox"/> Administration  | <input type="checkbox"/> Child Protective Services     | <input type="checkbox"/> Forensic Interview Specialist | <input checked="" type="checkbox"/> Law Enforcement |
| <input type="checkbox"/> Legal           | <input type="checkbox"/> Medical                       | <input type="checkbox"/> Mental Health/Treatment       | <input type="checkbox"/> Prevention                 |
| <input type="checkbox"/> Victim Advocate | <input type="checkbox"/> Other (please specify): _____ |  |   |

**Conference Registration Rates Per Person:**

When paying by Check or Money Order:

- ☐ \$469 – on or before January 23, 2015
- ☐ \$519 – after January 23, 2015

When paying by Military Voucher or Purchase Order:

- ☒ \$519 – regardless of registration date

TOTAL AMOUNT ENCLOSED OR TO BE CHARGED \$

**Method of Payment**

- ☐ Check or Money Order For \$ \_\_\_\_\_ Payable to NCAC (enclosed, must be in U.S. dollars drawn on U.S. bank)
- ☐ Purchase Order on Organization's Form (enclosed)
- ☐ Military Voucher (enclosed)

**How did you hear about Symposium?**

- |   |  |
|---|--|
| <input type="checkbox"/> "In the Loop" e-newsletter from NCAC       | <input type="checkbox"/> NCA Listserv  |
| <input type="checkbox"/> NCAC website                               | <input type="checkbox"/> Social Networking/Media   |
| <input type="checkbox"/> Received information at another conference | <input type="checkbox"/> Have attended other NCAC trainings/conferences                    |
| <input type="checkbox"/> From my supervisor/manager/director        | <input type="checkbox"/> Google Ads  |
| <input type="checkbox"/> From a co-worker                           | <input type="checkbox"/> From my CAC or MDT  |
| <input type="checkbox"/> Internet Search                            | <input checked="" type="checkbox"/> Other: <u>local agency: Community Against Violence</u> |
| <input type="checkbox"/> Symposium brochure/mailler                 |  |

Please send this form AND payment to:

Mail: National Children's Advocacy Center  
Attn: Jennifer Hardy  
210 Pratt Avenue NE  
Huntsville, Alabama 35801

Federal I.D. #63-0891512

Register Online: [www.nationalcac.org/symposium](http://www.nationalcac.org/symposium)  
(with credit card information)

**CANCELLATION POLICY**

Written cancellations received by February 23, 2015 will be refunded, less a \$75 administrative charge.  
**NO REFUNDS will be made after February 23, 2015.** Registration fee is transferable at no additional charge.  
All replacements and/or changes will be handled on-site.

Registration Questions? Contact Jennifer Hardy at [jhardy@nationalcac.org](mailto:jhardy@nationalcac.org) or (256) 327-3791

LET'S ALL TALK ABOUT THE CHILDREN

# 31<sup>ST</sup> INTERNATIONAL SYMPOSIUM ON CHILD ABUSE

Huntsville \* Alabama

March 23-26  
\*\*\* 2015 \*\*\*



The Profession You Chose. The Work You Do. The Training We Offer.

Monday, March 23	Tuesday, March 24	Wednesday, March 25	Thursday, March 26
8:30 a.m. - 4:30 p.m. Pre-Conference Workshops	7:00 a.m. - 8:30 a.m. Registration (SH VBC)		
	8:30 a.m. - 10:00 a.m. Keynote Speaker Opening Plenary Session Kevin M. Mulcahy	8:30 a.m. - 12:00 p.m. Session IV	8:30 a.m. - 10:00 a.m. Session VII
	10:30 a.m. - 12:00 p.m. Session I		10:30 a.m. - 12:00 p.m. Session VIII *NCAC Tour*
	12:00 p.m. - 1:00 p.m. Keynote Speaker Allison Turkel, Deputy Director Office for Victims of Crime	12:00 p.m. - 1:00 p.m. Networking Luncheon	12:00 p.m. - 1:00 p.m.
	1:30 p.m. - 3:00 p.m. Session II	1:00 p.m. - 2:30 p.m. Session V *NCAC Tour*	1:00 p.m. - 2:30 p.m. Session IX
	3:30 p.m. - 5:00 p.m. Session III	3:00 p.m. - 4:30 p.m. Session VI	3:00 p.m. - 4:30 p.m. Session X
4:30 p.m. - 6:30 p.m. Early Registration (SH VBC)	5:00 p.m. - 10:00 p.m. Joe's Hospitality Room (Early Works Museum)		1:00 p.m. - 4:30 p.m. Session IX/X
5:00 p.m. - 10:00 p.m. Joe's Hospitality Room (Early Works Museum)	5:30 p.m. - 7:30 p.m. International Reception (By Invitation)	7:00 p.m. - 10:30 p.m. Symposium Band Party (Round House)	



March 10, 2015

---

**Title:**

Resolution 15-15 Budget Adjustment Request

**Summary:**

Discussion, consideration and possible approval of Resolution 15-15 Budget Adjustment Request to Lodger's Tax Fund- Decrease unreserved fund balance by \$37,887 and transfer this amount out to the Lodger's Tax Promotional Fund to cover for additional marketing expenditures in the amount stated above.

**Background:**

Town of Taos Policy requires Council approval on all budget transfers that transfer funds between cost categories, (ie. Personnel, Operating Expenses and Capital Outlay ), interfund transfers, **budget increases, project to project** and new projects.

Lodger's Tax and Lodger's Promotional Fund - The amount of \$37,887 was discussed in a special council meeting to allocate for additional marketing expenses. This amount is coming from the unreserved fund balance in the carryover of excess Lodger's Tax from previous year's.

**Submitted by Marietta Fambro, Finance Director**

**Staff Recommendation:**

**Recommend Approval/Disapproval:**

Recommend Approval

**Attachments:**

**Click to download**

 [Resolution 15-15 with backup](#)





**TOWN OF TAOS, NEW MEXICO  
RESOLUTION 15-15**

**WHEREAS** the Town of Taos has adopted its operating budget for the fiscal year ending June 30, 2015, and

**WHEREAS** the governing body of the Town of Taos, meeting in Regular Session this 10<sup>th</sup> day of March, 2015 wishes to amend its operating budget inclusive of all previous adjustments for the fiscal year ending June 30, 2015.

**NOW, THEREFORE** be it resolved that the governing body of the Town of Taos, meeting in Special Session this 10<sup>th</sup> day of March, 2015, adopts this budget adjustment and respectfully requests approval from the Local Government Division of the Department of Finance and Administration to effect this budget adjustment.

**Lodger's Tax Fund (23)**

**Revenues and Other Sources:**

Unreserved Fund Balance	\$(37,887)
-------------------------	------------

**Expenditures and other Financing Uses:**

Interfund transfer out	\$ 37,887
------------------------	-----------

(To adjust the Lodger's Tax Fund, this budget adjustment will decrease the unreserved fund balance and transfer the funds out to the Promotional Fund to use for additional marketing expenditures.)

**Lodger's Tax Promotional Fund (24)**

**Revenues and Other Sources:**

Interfund transfer in	\$ 37,887
-----------------------	-----------

**Expenditures and other Financing Uses:**

Operating Expense – Marketing Other Events (24-new)	<u>\$ 37,887</u>
---	------------------

(To adjust the Lodger's Tax Promotional Fund, this budget adjustment will the transfer in and expenditures to use for additional marketing expenditures.)

**PASSED, APPROVED, AND ADOPTED THIS 10<sup>th</sup> DAY OF MARCH 2015.**

Mayor Pro Tem George "Fritz" Hahn  
Councilmember Judith Y. Cantu  
Councilmember Andrew T. Gonzales  
Councilmember Frederick A. Peralta

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**TOWN OF TAOS**

**ADMINISTRATIVE APPROVAL:**

\_\_\_\_\_  
**Daniel R. Barrone, Mayor**

  
\_\_\_\_\_  
**Richard Bellis, Town Manager**

**ATTEST:**

\_\_\_\_\_  
**Renee Lucero, Town Clerk**

**APPROVED AS TO FORM:**

  
\_\_\_\_\_  
**Floyd W. Lopez, Town Attorney**

**APPROVED:**

**APPROVED:**

\_\_\_\_\_  
**Local Government Division  
Department of Finance and Administration  
State of New Mexico**

### **Funding Summary for Economic Development Events**

<b>Lodger's Tax Fund (23) - Reserve</b>	<b>\$ 142,887</b>
<b>Less amount for Anniversary Events</b>	<b>(50,000)</b>
<b>Less amount for Arts Council</b>	<b><u>(15,000)</u></b>
<b>Balance Remaining Unreserved Fund Balance - Lodger's</b>	<b>\$ 77,887</b>
<b>Leave in Reserve</b>	<b>(40,000)</b>
<b>Budget Adjustment</b>	<b>\$ 37,887</b>



<b>Department Name:</b>	<b>Executive</b>
<b>Date Prepared:</b>	<b>3/6/2015</b>
<b>Funds Affected:</b>	<b>Lodger's Tax Fund (23) Lodger's Tax Promotional Fd (24)</b>

<b>FROM</b> <small>(Budget to be Decreased)</small>		<b>TO</b> <small>(Budget to be Increased)</small>			
<b>Line Item Detail</b>	<b>AMOUNT</b>	<b>Line Item Detail</b>	<b>AMOUNT</b>	<b>JUSTIFICATION</b>	
<b>Unreserved Fund Balance</b>		<b>Interfund Transfer Out</b>		This budget adjustment will increase operating	
23-00-25300	\$ 37,887.00	23-00-47101	\$ 37,887.00	expenses for marketing events.	
<b>Interfund Transfer in from Fund (23) - Increase</b>		<b>Advertising</b>			
24-00-39001	\$ 37,887.00	24-new-44001	\$ 37,887.00		
<b>TOTAL</b>	<b>\$ 75,774.00</b>	<b>TOTAL</b>	<b>\$ 75,774.00</b>		

☐ Disapproved      ☒ Approved

☐ Disapproved      ☒ Approved

☐ Disapproved ☒ Approved




DEPARTMENT HEAD SIGNATURE \_\_\_\_\_ DATE 3/6/15 TOWN MANAGER SIGNATURE \_\_\_\_\_

Maritza L. Lall 3/6/15  
FINANCE DIRECTOR SIGNATURE DATE

ACCOUNTANT SIGNATURE \_\_\_\_\_ DATE \_\_\_\_\_

BATCH #

<b>Council Approval Required.</b>	
<input checked="checked" type="checkbox"/> Yes	<b>Resolution #</b> 15-15
<input type="checkbox"/> No	<b>Date Approved</b> 3/18/2015



March 10, 2015

---

**Title:**

Transfer of Ownership of Liquor License - Plaza de Colores, LLC

**Summary:**

Consideration and possible approval of Transfer of Ownership of Liquor License 2660/Application No. 940696 for Plaza de Colores, LLC dba Kyote Club located at 330 Paseo del Pueblo Sur, Suite A.

**Background:**

Submitted by Renee Lucero, Town Clerk

Liquor license transfer is from Casa Los Cordovas to Plaza de Colores dba Kyote Club. Publications requirements were met in accordance with Alcohol and Gaming Division regulations. Public Hearing was noticed in the Taos News on February 25 and March 5.

**Staff Recommendation:**

**Recommend Approval/Disapproval:**

Recommend Approval

**Attachments:**

**Click to download**

📎 [Application](#)



Susana Martinez  
GOVERNOR

Robert "Mike" Unthank  
SUPERINTENDENT

Tania Maestas, Esq.  
CHIEF GENERAL  
COUNSEL

Mary Kay Root  
DIRECTOR

New Mexico Regulation and Licensing Department  
ALCOHOL AND GAMING DIVISION

Toney Anaya Building ▪ 2550 Cerrillos Road ▪ Santa Fe, New Mexico 87505  
(505) 476-4875 ▪ Fax (505) 476-4595 ▪ www.rld.state.nm.us

February 4, 2015

Certified Mail No: 7005 0390 0003 4006 8849

Town of Taos  
Attn: Renee Lucero, Clerk  
400 Camino de la Placita  
Taos, NM 87571

RECEIVED

FEB 06 2015

CLERKS OFFICE

Re: License / App. No. License No. 2660 / Application #940696  
Applicant Name: Plaza de Colores, LLC  
Doing Business As: Kyote Club  
Proposed Location: 330 Paseo del Pueblo Sur, Suite A  
Taos, NM 87571

**ATTENTION:** Department or person responsible for conducting or preparing the public hearing for liquor license transfers or issuance of new liquor licenses.

Greetings:

The Director of the Alcohol and Gaming Division has reviewed the referenced Application and granted **Preliminary Approval**; it is being forwarded to you in accordance with Section 60-6B-4 NMSA of the Liquor Control Act.

Within forty-five (45) days after receipt of a Notice from the Alcohol and Gaming Division, the governing body **shall** hold a Public Hearing in the question of whether the department should approve the proposed issuance or transfer. Notice of the Public Hearing required by the Liquor Control Act **shall** be given by the governing body by publishing a notice of the date, time, and place of the hearing at least once a week for two consecutive weeks in a newspaper of general circulation within the territorial limits of the governing body, **which requires that two weeks of publication must be satisfied before a hearing can be conducted.** The notice shall include: (A) Name and address of the Applicant/Licensee; (B) The action proposed to be taken by the Alcohol and Gaming Division; and (C) The location of the licensed premises. The governing body is required to send notice by certified mail to the Applicant of the date, time, and place of the Public Hearing. The governing body may designate a Hearing Officer to conduct the hearing. A record **shall** be made of the hearing.

**THE APPLICANT IS SEEKING A TRANSFER OF OWNERSHIP OF LIQUOR LICENSE NO. 2660 WITH ON PREMISE CONSUMPTION ONLY.**

Alcohol and Gaming Division  
(505) 476-4875

Boards and Commissions Division  
(505) 476-4600

Construction Industries Division  
(505) 476-4700

Financial Institutions Division  
(505) 476-4885

Manufactured Housing Division  
(505) 476-4770

Securities Division  
(505) 476-4580

Administrative Services Division  
(505) 476-4800

The governing body may disapprove the issuance or transfer of the license if:

- 1) The proposed location is within an area where the sale of alcoholic beverages is prohibited by the laws of New Mexico. (The governing body may disapprove if the proposed location is within 300 feet of a church or school unless the license has been located at this location prior to 1981 or unless the Applicant/Licensee has obtained a waiver from the Local Option District governing body for the proposed licensed premises).
- 2) The issuance or transfer would be in violation of a zoning or other ordinance of the governing body. The governing body may disapprove if the proposed location is not properly zoned. Because this office is in receipt of a Zoning Statement from the governing body, this is not a basis for disapproval.
- 3) The issuance would be detrimental to the public health, safety, or morals of the residents of the Local Option District. Disapproval by the governing body on public health, safety, or morals must be based on and supported by substantial evidence pertaining to the specific prospective transferee or location and a copy of the record must be submitted to the Alcohol and Gaming Division.

Within thirty (30) days after the Public Hearing, the governing body **shall** notify the Alcohol and Gaming Division as to whether the local governing body has approved or disapproved the issuance or transfer of the license by signing the enclosed original Page 1 of the Application. The original Page 1 of the Application must be returned together with the notice of publication(s). **If the governing body fails to either approve or disapprove the issuance or transfer of the license within thirty days after the Public Hearing, the Director will give Final Approval to the issuance or transfer of the license.**

If the governing body disapproves the issuance or transfer of the license, it shall notify the Alcohol and Gaming Division within thirty (30) days setting forth the reasons for the disapproval. A copy of the Minutes of the Public Hearing shall be submitted to the Alcohol and Gaming Division with the notice of disapproval (Page 1 of the Application page noting disapproval).

Sincerely,



Rose L. Garcia

Hearing Officer

NM Regulation & Licensing Dept.

Alcohol & Gaming Division

Phone: 505-476-4552

Fax: 505-476-4595

Email: [rosel.garcia@state.nm.us](mailto:rosel.garcia@state.nm.us)

Enclosures:

1. Original Page 1 of the Application (must be signed and returned).
2. Copy of Page 2 of the Application





1/5/15  
200  
166968

New Mexico Regulation and Licensing Department • Alcohol and Gaming Division  
P.O. Box 25101 • Santa Fe, New Mexico 87505-5101 • (505) 476-4875 • Fax (505) 476-4595 • www.rld.state.nm.us/alcoholandgaming

Page 1  
Rev. 08/13



## LIQUOR LICENSE APPLICATION

Application fee - \$200.00 Fees are non-refundable.

State Liquor License # 2660  
Application Number 940696  
Local option (AGD use) \_\_\_\_\_

Record Owner of Existing License Casa Los Cordovas, Inc.  
Current D/B/A Name Casa Los Cordovas  
Current Premises Address 330 Paseo Del Pueblo Sur, Suite A, Taos

Application is for: Change of Stock \_\_\_\_\_ Change of Officers/Directors \_\_\_\_\_ Transfer Ownership of Existing License X Transfer Ownership and Location \_\_\_\_\_ Transfer Location \_\_\_\_\_ Other \_\_\_\_\_  
Issue New License \_\_\_\_\_ Type of License being applied for \_\_\_\_\_

Applicant is: Individual \_\_\_\_\_ Corporation \_\_\_\_\_ Partnership (General or Limited) \_\_\_\_\_ Limited Liability Company X

NAME OF APPLICANT (company or individual) Plaza De Colores, LLC ADDRESS (including city, state, zip) PO Box 820, Taos, NM 87571 TELEPHONE NUMBER 303-289-5500

Notice Also To: Linda Aikin Manager, 530 B Harkle Rd., Santa Fe, NM 87508 Phone number for licensed premises: TBD  
D/B/A name to be used: Kyote Club

Physical location where license is to be used: 330 Paseo Del Pueblo Sur, Suite A, Taos, NM 87571  
(Include street number / highway number / state road, city and county, state, and zip code)

Mailing address: PO Box 820, Taos, New Mexico 87571

Are alcoholic beverages currently being dispensed at the proposed location? Yes \_\_\_\_\_ No X If yes, give license number and type License 2660 is in suspension.

I, (print name) James Perea, as (title) \_\_\_\_\_, being first duly sworn upon oath deposes and says: that he/she is the applicant or is authorized by the applicant to make this application; that he/she has read the same; knows the contents therein contained are true. Applicant(s) agree(s) that if any statements or representations herein are found to be false, the director may refuse to issue or renew the license or may cause the license to be revoked at any time.

You must sign and date this form in the presence of a notary public.

Signature of Applicant James Perea Date 11/20/14

SUBSCRIBED AND SWORN TO before me this 20<sup>th</sup> day of November, 2014 by James Perea

Notary Public James Perea My Commission Expires 11-29-2015

Local Governing Body of: \_\_\_\_\_ (City or County). Hearing held on \_\_\_\_\_ 20 \_\_\_\_\_

Check one: Approved \_\_\_\_\_ Disapproved \_\_\_\_\_ City/County Official \_\_\_\_\_ (Signature & Title)

Approved \_\_\_\_\_ Disapproved \_\_\_\_\_ Director Approval \_\_\_\_\_ Date \_\_\_\_\_

For Alcohol and Gaming Division Use Only





**Daniel R. Barrone, Mayor**

**Councilmembers:**

**Judith Y. Cantu**

**Andrew T. Gonzales**

**George "Fritz" Hahn**

**Frederick A. Peralta**

**Richard Bellis, Town Manager**



**Taos Municipal Building  
400 Camino de la Placita  
Taos, New Mexico 87571**

**(575) 751-2000  
Fax (575) 751-2026**

**Visit us on our Website at:  
[www.taosgov.com](http://www.taosgov.com)**

**March 3, 2015**


**James Perea  
P.O. Box 820  
Taos, New Mexico 87571**

**Dear Mr. Perea,**

**This letter is to notify you of a Public Hearing for Transfer of Ownership of Liquor License 2660/Application No. 940696. The Public Hearing will be held on March 10, 2015 at 1:00 p.m. at the Town Council Chambers located at 120 Civic Plaza Drive.**

**If you have questions or concerns please contact me at (575) 751-2005.**

**Sincerely,**

  
**Renee Lucero  
Town Clerk**

**"La Ciudad de Don Fernando de Taos"  
Incorporated May 7, 1934**

## STATE OF NEW MEXICO - TAXATION AND REVENUE DEPARTMENT

## TAXATION AND REVENUE DEPARTMENT

## X IDENTIFICATION NUMBER

Please read instructions on reverse

CRS NO. 03-022265-00-6

Temporary Registration Sticker

Valid until official certificate is issued

Identification number issued pursuant to Section 7-1-12, NMSA 1978



ONLY

Date Issued

1st 2 day 04 year 04

Flag: "N" No-Mail

Project:

1. Registration Type (choose one) ☒ Regular ☐ Seasonal ☐ Temporary (max 6 months) If checked, item #11 must be completed ☐ NTTC Only

2. Provide your Federal Employer Identification Number (FEIN) if business entity is required to have an FEIN per IRS guidelines:

3. Business Name

PLAZA de COLORES, L.L.C.

5. Business Telephone (505) 758-7004 ext.

Other Telephone (505) 757-0676

(mobile, pager, message, etc.)

6. Mailing Address

HCR 78 Box 9906

City

RANCHOS DE TAOS

State

NM

Zip Code

87557

Country

TAOS

7. Physical Location Address (not a PO Box)

332 Paseo del Pueblo Sur

City

TAOS

State

NM

Zip Code

87557

Country

TAOS

8a. Select the type of business entity you are registering - (must check one)

- ☐ Sole Owner / Proprietorship ☐ Federal Agency ☐ Indian Tribe /  
☒ Limited Liability Co. (LLC) ☐ State Agency ☐ Pueblo  
☐ Partnership ☐ County ☐ Estate  
☐ Corporation ☐ Municipality ☐ Trust

8b. Income tax treatment of entity - (if applicable, check one)

- ☐ Exempt 501(c) ☐ PL 86-272 ☐ S Corporation  
☐ Proprietorship (LLC only) ☐ Partnership (LLC only)  
☐ Limited (Partnership only) ☐ Non-Nexus

For Corporations and Pass Through Entities (PTE) Only

9a. Are you registering for Corporate Income Tax or PTE purposes only? Yes ☐ No ☒

9b. Provide the address and phone number for income tax purposes

Yes ☐ No ☒ same as #6 above

Address:

Phone #

9c. Will the Corporate Income be reported by another Corporate entity?

Yes ☐ No ☒

If yes, give the following information

NM TRD ID#

FEIN

BUSINESS NAME

10. Date business activity started or is anticipated to start in New Mexico.

9/2/04

11. Date you anticipate business to close (only enter if you have checked "Temporary" above)

12. If you qualify as a Seasonal business, specify the months you are engaging in business.

13. Will business pay wages to employees in New Mexico?

☐ Yes ☒ No

14. Method of Accounting

☒ CASH  
☐ ACCRUAL

15. Select CRS filing status

☐ MONTHLY  
☐ QUARTERLY  
☒ SEMIANNUAL

16. Select the type(s) of business you are engaged in.

- ☐ Accommodation, Food Services, & Drinking Places ☐ Administrative & Support Services and Waste Management & Remediation Services  
☐ Agriculture, Forestry, Hunting & Fishing ☐ Arts, Entertainment & Recreation  
☐ Professional, Scientific & Technical Services ☒ Real Estate & Rental & Leasing  
☐ Finance & Insurance ☐ Health Care & Social Assistance  
☐ Information ☐ Transportation & Warehousing  
☐ Manufacturing ☐ Educational Services  
☐ Mining ☐ Wholesale Trade ☐ Construction  
☐ Utilities ☐ Government ☐ Retail Trade  
☐ Other Services

Briefly describe nature of business:

REAL ESTATE/RENTAL/LEASING

17. Liquor License Type/No.

N/A

18. Public Regulation Commission No.

2494870

19. Contractors License No.

NA

20. If applicable, provide former owner's

NM TRD ID#

Business Name

21. Are you operating or have you operated any other business(es) in New Mexico? ☐ Yes ☒ No

If Yes, give: NM TRD ID#

Business Name

(attach additional pages if needed)

22. Will business sell Gasoline?

☐ Yes ☒ No

23. Will business sell Special Fuels?

☐ Yes ☒ No

24. Will business sell Cigarettes?

☐ Yes ☒ No

25. Will business sell Tobacco Products?

☐ Yes ☒ No

26. Will business engage in Severing Natural Resources?

☐ Yes ☒ No

27. Will business engage in processing Natural Resources?

☐ Yes ☒ No

28. Will business be a Water Producer?

☐ Yes ☒ No

NOTE: If you answered Yes to any of the above, please complete a Special Tax Registration Form.

29. Will business be involved in Gaming Activities?

☐ Yes ☒ No

30. List Owners, Partners, Corporate Officers, Association Members, or Shareholders. If listing an entity other than an individual, please see instructions. (attach additional pages if necessary)

SSN

NAME &amp; TITLE

MARTIN L. SANTISTEVAN MANAGER

ADDRESS

HCR 78 Box 9906 RANCHOS DE TAOS NM 87557

PHONE &amp; E-MAIL

505 758 7004

I declare that the information reported on this form and any supplemental page(s) is true and correct.

MARTIN L. SANTISTEVAN

Print Name &amp; Title

MANAGER

Signature

Date

10-1-04

Application must be complete or processing will be delayed.

Please return both copies to the Taxation and Revenue Department, office locations are on the reverse side.

## LIQUOR LICENE PURCHASE AND SALE AGREEMENT

Casa los Cordovas, Inc., a New Mexico corporation, ("Seller") and Plaza de Colores, LLC, a New Mexico limited liability company (the "Buyer"), agree:

1. **Recitals.** Buyer exercised Buyer's option to purchase Liquor License No. 2660 (the "License") which License is located in the Town of Taos, New Mexico. A copy of the form of Bill of Sale conveying the License to Buyer which is to be delivered by Seller to Buyer at Closing (as defined in this Agreement) is attached as Exhibit A.

2. **Purchase Price and Terms.** The purchase price for the License ("Purchase Price") is Three Hundred Thousand and 00/100 Dollars (\$300,000.00). At Closing, Seller shall receive the portion of the Purchase Price remaining after paying the following, in the order stated below, from the Purchase Price:

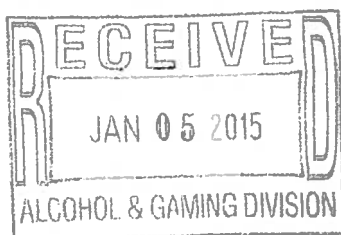
A. First, the balance due for the debt of Seller to Centinel Bank of Taos which was borrowed to finance acquisition of the License by Seller (the "Bank Debt").

B. Second, the balance due by Seller to Carpenter Leasing, Inc under a promissory note dated March 27, 2012.

C. Third, any state tax liability required to be paid in order to obtain a tax clearance from the New Mexico Tax Department (the "Tax Department") in a form sufficient to obtain final approval of the New Mexico Alcohol and Gaming Division of the Regulation and Licensing Department ("AGD") of the transfer of ownership of the License to Buyer.

D. Fourth, any debt owed by Seller to wholesalers which sold alcoholic beverages under the License.

E. Fifth, any other liens on the License.



F. Sixth, rent due by Seller to Buyer under the October 20, 2011 Lease and Addendum to the Lease.

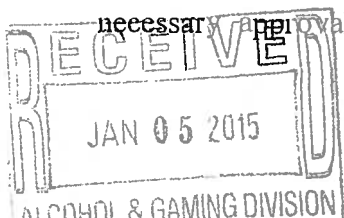
G. Seventh, any fines due to the AGD for operation of the License.

If the total amount of the payments, debts and liabilities listed in Subsections A through G of this paragraph exceed the Purchase Price, Seller will pay the excess.

3. **Clearances.** Seller will provide a wholesaler debt clearance which is needed for approval by the AGD of Buyer's transfer of ownership application. Seller will pay all of Seller's federal, state, and local taxes which the AGD requires to be paid in order to obtain AGD's approval of the transfer of ownership of the License. Seller will provide a tax clearance to Buyer from the Tax Department, in a form which is sufficient to obtain final approval by the AGD of the transfer of ownership of the License to Buyer

4. **Liens.** Within two months after the date of this Agreement, Buyer will obtain reports from Taos County records and the New Mexico Secretary of State indicating any liens on the License or any liens against Seller or the business in which the License was used, including, but not limited to, tax liens (the "Liens"). Buyer will provide Seller with a copy of the reports. Seller will bear the cost of the reports and updates of the reports that are requested at or about the time of Closing. Seller shall obtain and provide Buyer with duly executed releases for any Liens shown on any reports at or before Closing or satisfy Buyer that the Liens will be released upon payment of a portion of the Purchase Price.

5. **Transfer of Ownership.** Within thirty (30) days after the date of this Agreement, Buyer will apply to the AGD for approval of the transfer of ownership of the License to Buyer for Buyer's use at 330 Paseo del Pueblo Sur, Suite A, Taos, New Mexico 87571 (the "Premises"). Seller will provide reasonable cooperation to assist Buyer in obtaining the necessary approvals and will execute all documents required for said transfer. Buyer will



diligently pursue the application process. Either party may terminate this Agreement if final approval of Buyer's transfer application has not been granted within six (6) months after the date of this Agreement, unless Buyer timely filed an application with the AGD and diligently pursued the application process, but has been unable to final approval due to no fault of Buyer, in which case Buyer may, at Buyer's option, extend this Agreement for thirty (30) days or, if the failure to obtain final approval is a result of Seller's failure to perform as required by this Agreement, until two (2) weeks after the date that Seller performs the obligations of this Agreement.

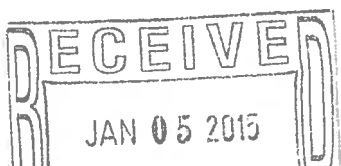
6. **Seller's Representations.** Seller warrants and represents to Buyer that:

A. Seller owns the License, has the right to convey the License, and will deliver to Buyer at Closing an executed Bill of Sale, in the form of the Bill of Sale attached as Exhibit A, and at Closing the License will be transferred free and clear of all Liens.

B. The License is valid and Seller will remain valid until Closing. Seller will not knowingly take any actions, or fail to take any actions, which may affect the validity of the License or cause its cancellation or revocation. Seller has not, as of the date of this Agreement, received any notice from the AGD concerning revocation or other adverse action against the License.

C. Seller has one pending citation against the License for which Seller expects to pay a fine of \$1,000.00. To the best of Seller's knowledge, Seller has not otherwise performed any act or failed to take any actions relating to the License which may constitute a violation of applicable statutes, ordinances or regulations. Seller will not perform any such act or fail to take any actions during the term of this Agreement which would frustrate the purposes of this Agreement.

D. Seller will satisfy or discharge all obligations and Liens arising out of the ownership or operation of the License before Buyer becomes the approved operator of the



License under the Liquor License Lease Agreement, will satisfy all of its obligations of this Agreement, and will take any and all actions necessary to effectuate the purposes of this Agreement.

E. Seller has suspended operation of the License and has received AGD approval of the voluntary suspension of the License.

7. **Seller's Use of License.** If, at any time before Closing, Seller is charged with any violation of the New Mexico Liquor Control Act or AGD Regulations with respect to the ownership or use of the License prior to Closing, Seller will immediately notify Buyer of the existence of such charges and Seller will promptly rectify, at its sole cost and expense, any such violation.

8. **Buyer's Representations.** Buyer warrants and represents to Seller that Buyer:

A. Is qualified to do business in the State of New Mexico.

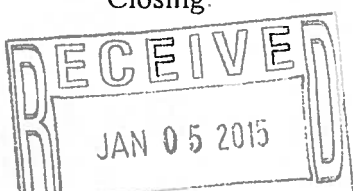
B. Will use reasonable efforts to pursue the application for transfer of ownership in a diligent and timely manner and comply with all reasonable requirements of hearing officers.

C. Will pay the Purchase Price as set forth in paragraph 2 plus the prorated renewal fee.

9. **Buyer's Conditions Precedent to Closing.** The obligations of Buyer to close this transaction are, unless waived by Buyer, subject to the following conditions:

A. Buyer has obtained all necessary approvals of the transfer of ownership of the License by the AGD and Town of Taos for use at the Premises.

B. The representations and warranties of Seller as provided in this Agreement are true and correct as of the time of execution of this Agreement and are still true at the time of Closing.



C. Buyer has received a tax clearance sufficient to obtain final approval by the AGD of the transfer of ownership application.

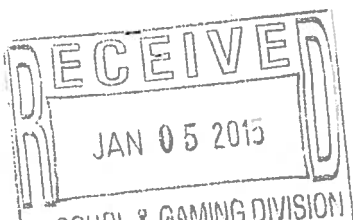
D. Buyer has received a certification by the liquor wholesalers indicating that no amounts are due on the account of the License, in a form required by AGD, for operation of the License by Buyer.

E. Seller has, at Seller's expense, provided Buyer reports from appropriate county records and the New Mexico Secretary of State, satisfactory to Buyer, showing that the License is free and clear of any and all Liens or will be free and clear of liens upon payment of the Purchase Price set forth in paragraph 2.

F. Centinel Bank of Taos and any others who claim a lien on the License have agreed to release of their liens on the License for an amount which totals less than the Purchase Price or Seller has made arrangements to pay for the release of any liens.

10. **Seller's Default.** In the event Seller accepts this offer and Seller refuses or fails to consummate this transaction, for any reason other than failure of Buyer to comply with the requirements of paragraph 2 of this Agreement or failure of one of the conditions of Seller to Closing, Buyer may sue for specific performance, in addition to any other remedies provided by law.

11. **Closing.** Closing and sale of the License will occur within five (5) business days after the approval by all applicable governmental authorities of the transfer of ownership of the License to Buyer by AGD and the Town of Taos (the "Closing"). At Closing, Seller shall deliver a Bill of Sale to Buyer for the License and the Purchase Price will be distributed as set forth in paragraph 2. If required by the AGD for approval of the transfer, Seller will supply the AGD with copy of the signed Bill of Sale prior to Closing.



12.           **Notices.** All notices, requests, demands and other communications given as provided in this Agreement will be in writing and will be deemed duly given, if hand delivered to either individual representative listed below or if mailed, by prepaid certified or registered mail, to:

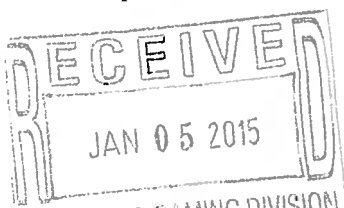
A. Buyer at:           Mr. James A. Perea  
P.O. Box 820  
Taos, New Mexico 87571

B. Seller at:           Mr. Darren Cordova  
125A Camino de la Merced  
Taos, New Mexico 87571

17.           **Commission, Fees and Expenses.** There are no commissions or finder's fees to be paid by Seller or Buyer in this transaction. Buyer agrees to pay any and all application or transfer fees and expenses required by the State of New Mexico and Town of Taos to effectuate this transaction.

13.           **Proration of Fees.** Seller and Buyer will prorate the applicable AGD Annual Renewal Fee for the License to the date that the AGD grants final approval of the transfer of ownership of the License to Buyer. Seller will pay the annual renewal fee for the 2015-2016 on or before April 1, 2015 if Buyer's transfer of ownership application has not received final approval and that renewal fee will be included in the proration due by Buyer at Closing.

14.           **Amendments/Governing Law.** This Agreement may be modified or amended only by a written document signed by Seller and Buyer. This Agreement is governed by the laws of the State of New Mexico, constitutes the entire agreement of Seller and Buyer, and binds and benefits Seller and Buyer, their heirs, personal representatives, successors and assigns. Any dispute shall be resolved in the Eighth Judicial District Court in Taos County, New Mexico, or as the parties otherwise agree.





15. **Counterpart and Facsimile.** This Agreement may be signed in counterparts. If this Agreement is signed in counterparts, the signatures of the parties will appear on different or separate pages, but the contract language and signature blocks will be exactly the same on each of the separate pages. A facsimile transmission of a signature or signatures on this Agreement will be deemed original signatures. If this Agreement is signed in counterpart and/or any of the signatures on this Agreement are pursuant to a facsimile transmission, the counterparts and/or the facsimile transmission(s) will have the same effect as an original Agreement with original signatures on the same signature page.

16. **Force Majeure.** Neither Seller nor Buyer will be liable for any failure to perform any provision hereof because of an act of God, fire or other casualty, riot, strike, disaster, governmental regulation or restriction.

17.. **No Merger.** All representations and warranties contained in this Agreement shall survive the Closing.

**BUYER:**


Plaza de Colores, LLC  
a New Mexico limited liability company

By   
James A Perea

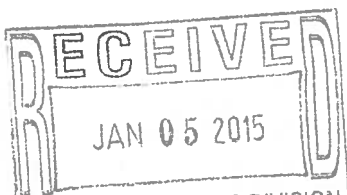
Dated: 11-4-, 2014

**SELLER:**

Casa los Cordovas, Inc.

By   
Darren Cordova  
Its President

Dated: 11-4-14, 2014



## LIQUOR LICENSE LEASE AGREEMENT

THIS LIQUOR LICENSE LEASE AGREEMENT (this "Agreement") is made by and between Casa los Cordovas, Inc. ("Lessor"), Plaza de Colores, LLC ("Successor Lessor") and Kyote Club, LLC a New Mexico limited liability company ("Lessee") agree:

### 1. TERM AND EXTENTION.

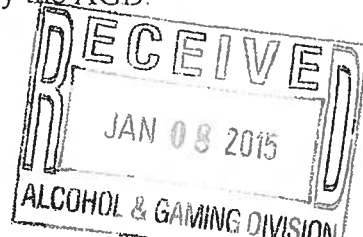
Lessor owns New Mexico Liquor License No. 2660 (the "License"). Lessor leases the License to Lessee, upon the terms and conditions of this Agreement, for a period of three (3) years commencing upon the date of approval by the New Mexico Regulation and Licensing Department, Alcohol and Gaming Division (the "AGD") of Lessee's application for Lease of the License (the "Lease Application") unless sooner terminated as provided in this Agreement (the "Initial Term"). If Lessee is not in default or in default but not beyond all applicable cure and grace periods, Lessee may extend the Initial Term for three years (the "Extended Term") by giving notice to Successor Lessor in writing at least ninety (90) days prior to the end of the Initial Term. The Initial Term and the Extended Term are sometimes referenced as the Term in this Agreement.

### 2. APPROVAL AND APPLICATION.

Within two weeks after the date of this Agreement, Lessee, at its sole expense, shall submit an application for approval of this Agreement to the AGD (the "Lease Application"). Lessor and Lessee acknowledge that Lessor has agreed to sell and transfer the License to Successor Lessor and that Successor Lessor has or will be submitting an application for transfer of ownership of the License to Successor Lessor. Successor Lessor will acquire ownership subject to this Lease Agreement, as set forth in paragraph 3 below. In the event the AGD does not grant final approval of the Lease Application on or before March 31, 2015, Lessor, Successor Lessor, or Lessee may terminate this Agreement by written notice to the other parties unless the reason that the Lease Application has not been approved is the fault of the terminating party and the parties will then have no further obligation, duties or liability to one another.

### 3. AUTOMATIC ASSIGNMENT.

Immediately upon approval by the AGD or the transfer of ownership of the License to Successor Lessor, this Agreement will be automatically assigned from Lessor to Successor Lessor, at which time Lessor shall have no further rights or obligations under this Agreement except those rights of indemnity and insurance for action or inaction from commencement of the Term of this Agreement until Successor Lessor is approved by the AGD as the owner of the License. Lessor agrees that all of Lessor's rights under this Agreement, except those specifically listed in this paragraph, will automatically be assigned to Successor Lessor upon approval of Successor Lessor's application for transfer of ownership by the AGD. Successor Lessor agrees to assume all obligations of Lessor under this Agreement at upon approval of Successor Lessor's application for transfer of ownership by the AGD.



#### 4. RENT.

Lessee agrees to pay rent in the amount of Two Thousand Dollars (\$2000.00) per month plus applicable gross receipts tax, commencing on the date that the Lease Application is approved by the AGD for the Initial Term (the "Rent"). Rent is due on the first (1<sup>st</sup>) day of each month (the "Due Date"). If Successor Lessor does not receive the Rent within ten (10) days after the Due Date, Lessee shall pay a late fee equal to five percent (5%) of the monthly rent then due and payable. If the Term commences on a day that is not the first day of the month, the Rent will be prorated for the first month and last month of the Term.

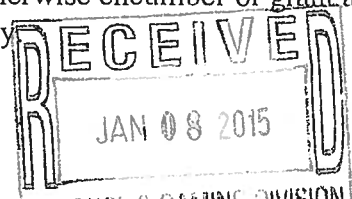
#### 5. SECURITY DEPOSIT.

Within three (3) business days after complete execution of this Agreement, Lessee shall deposit with Successor Lessor, a check in the exact sum of Two Thousand Dollars (\$2000.00) (the "Deposit"). Successor Lessor may use the Deposit or any portion of the Deposit necessary to cover any default by Lessee. The Deposit may be utilized by Successor Lessor to pay any expenses necessarily incurred by Successor Lessor upon default by Lessee and Lessee's failure to timely cure any default under this Agreement, including, but not limited to, expenses incurred by Successor Lessor in terminating this Agreement, expenses related to Successor Lessor's ability to use the License after this Agreement is terminated, payment of legal fees incurred by Successor Lessor as a result of any uncured default of Lessee, payment of Lessee's unpaid gross receipts or other taxes due or owing by Lessee, unpaid invoices for purchase of alcoholic beverages under the License owing by Lessee, unpaid citation and administrative fines or penalties assessed against the License by the AGD for violations by Lessee of the New Mexico Liquor Control Act and/or New Mexico Liquor Regulations.

If Lessee has not timely cured any default(s) under this Agreement, has completed all of Lessee's obligations under this Agreement, and Successor Lessor has not otherwise previously utilized all or any portion of the Deposit for payment of any of the above stated costs and/or expenses, any unused portion of the Deposit shall be applied to the last month of Rent under the Term or Extended Term.

#### 6. LIEN ON LIQUOR INVENTORY.

Lessee grants Successor Lessor a security interest in all alcoholic beverage inventory located at the Premises ("Inventory") and authorizes Successor Lessor to take any actions it deems necessary to perfect such security interest, including filing a UCC financing statement to secure payment and performance of all obligations of Lessee under this Agreement, including Lessee's obligation to pay Lessor's attorney fees as indicated in this Agreement. Lessee shall take whatever action is requested by Lessor that Lessor deems reasonably necessary to perfect and continue Lessor's security interest in the Inventory. Lessor may, at any time and without further authorization from Lessee, file executed counterparts, copies or reproductions of this Agreement as a financing statement. Upon an Event of Default, Lessee shall not remove the Inventory from the Premises, shall assemble the Inventory at the Premises and make it available to Lessor within two (2) days after receipt of written demand from Lessor to the extent permitted by applicable law. Lessee shall not mortgage or otherwise encumber or grant any security interest in or to Lessee's interest in this Agreement or the Inventory.



## 7. OPERATION OF LICENSE.

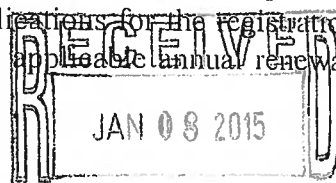
During the Term, Lessee covenants and agrees that Lessee will operate the License continuously and without interruption at 330A Paseo del Pueblo Sur in Taos, New Mexico (the "Premises"); that Lessee will maintain the License in good standing with all appropriate and duly constituted legal authorities; that Lessee will observe and abide by all local and State laws and ordinances and regulations pertaining to the sale, storage and acquisition of alcoholic beverages in the State of New Mexico. If the License is canceled or revoked by reason of some violation or default on the part of the Lessee in complying with the laws, ordinances and regulations, Lessee shall be liable to Successor Lessor for the cost of replacing the License with an identical classified license.

## 8. INSURANCE.

During the Term, Lessee shall procure and maintain in full force and effect public liability insurance covering bodily injury and dram shop liquor liability with limits of coverage of not less than Two Million (\$2,000,000.00) Dollars per occurrence and Two Million (\$2,000,000.00) Dollars aggregate from a carrier with rating of B+ or better as protection against all liability claims arising from Lessee's use or operation of the License. Lessee shall cause Lessor and Successor Lessor to be named as an additional named insured under such policy(s) of insurance until the License is transferred to Successor Lessor, at which time Lessor may be removed from insurance coverage for any action or inaction that occurs after the License is transferred to Successor Lessor. Lessee will cause Successor Lessor to be named as an additional named insured under such policy(s) of insurance continuously and throughout the Term. Lessee shall deliver a true and correct copy of such policy(s) to Lessor and Successor Lessor prior to commencement of the Initial Term and shall immediately provide Successor Lessor with true and correct copies of any endorsements, amendments or similar documents received by Lessee that modify or affect the terms and limits of the insurance coverage. All policies of insurance required of Lessee shall contain an endorsement that such insurance may not be canceled except upon thirty (30) days' prior written notice from the insurance company to Successor Lessor. As often as any such policy shall expire or terminate, renewal or additional policies shall be procured and maintained by Lessee in like manner and to like extent. Lessee hereby further authorizes Lessor to contact Lessee's insurance agent, insurance carrier and premium finance company, if applicable, for the express purpose of ascertaining whether the insurance required to be kept and maintained by Lessee under this Agreement is in full force and effect. Specific to the aforementioned authorization, Lessee has, contemporaneous with this Agreement executed an Insurance Information Authorization (the "**Authorization**"). The Authorization is attached hereto and incorporated herein by reference as Exhibit D and may not be revoked, cancelled, terminated or otherwise interrupted during the entire Term of this Agreement. In the event Lessee changes Lessee's insurer during the Term, Lessee shall immediately notify Successor Lessor and provide a copy of the new policy in the form and with the terms required in this paragraph. Lessee shall not utilize an unlicensed carrier.

## 9. RENEWALS.

During the Term, Lessee shall timely file with the AGD, Town of Taos and U.S. Department of Treasury Alcohol and Tobacco Tax and Trade Bureau any and all applications for the registration and renewal of the License (the "Renewal Applications") and shall pay all applicable annual renewal fees



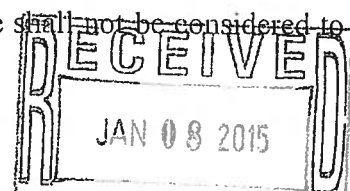
due under the Renewal Applications when due. During the Term, Lessee shall deliver to Successor Lessor, upon Successor Lessor's written request to Lessee, satisfactory evidence that all required Renewal Applications have been timely filed with the applicable agencies and that all renewal, licensing and registration fees have been paid.

#### 10. STATE TAXES.

During the Term, all Lessee's New Mexico gross receipts taxes, Lessee's New Mexico withholding taxes, Lessee's workers' compensation taxes, and Lessee's New Mexico income taxes due on account of Lessee's operation of the License (including the payment of any penalty and accrued interest) shall be reported and paid to the New Mexico Taxation and Revenue Department (the "Tax Department") when due. On the date of this Agreement, Lessee shall sign and deliver to Lessor the Tax Information and Authorization (the "Tax Authorization") attached hereto and made a part hereof by reference as Exhibit A. Lessor or Successor Lessor may deliver the Tax Authorization to the Tax Department. Lessee will pay gross receipts tax and withholding tax only via electronic means on a monthly basis, when due and will provide Lessor with Lessee's password and any other information necessary to permit Lessor to check payment of Lessee's gross receipts and withholding tax via electronic means (on line). Failure to provide Successor Lessor with sufficient information to monitor payment of Lessee's gross receipts and withholding taxes on line is a default under this Agreement. The State of New Mexico Gross Receipts Tax identification Number of Lessee is 03-307838-00-6. In the event the Lessee has not reported and paid all of Lessee's gross receipts tax, penalty and interest amounts due by the due date, Successor Lessor may terminate this Agreement. In the event of termination of this Agreement, Lessee shall remain liable for all unpaid taxes. In the event the Lessee does not pay state workers' compensation tax and state income tax when due, Successor Lessor may terminate this Agreement in accordance with the provisions of this Agreement. Upon request of Successor Lessor, Lessee will supply Successor Lessor with proof of reporting and payment of state workers' compensation tax and state income tax. Lessee expressly authorizes the Tax Department to release to Successor and Successor Lessor's attorneys, accountants, and agents, upon request any and all information specific to Lessee and Lessee's tax account, including but not limited to copies of Lessee's CRS-1 reports and proof of payment. Lessee holds Successor Lessor and Successor Lessor's attorneys, accountants, and authorized agent(s) and the Tax Department harmless from any claim arising from the Tax Department's disclosure of tax information to Successor Lessor or to Successor Lessor's attorneys, accountants, and agents. Any disclosure by the Tax Department of Lessee's tax information will be deemed proprietary information which is confidential and will not be disclosed to third parties other than to Successor Lessor's authorized agents, accountants and attorneys except as required in the course of litigation.

#### 11. TAXES, FEES AND CHARGES.

During the Term, Lessee will promptly pay all taxes, licensing fees, leasing fees, charges and bills, including fines, citations and penalties, properly imposed on the License, for the use, registration, leasing, licensing, rental, or operation thereof. Failure to pay all charges, fees, taxes, fines, citations within ten (10) days of any notice thereof shall be an Event of Default authorizing termination of this Agreement in accordance with the provisions of this Agreement. In the event Lessee files for automatic extension to file its applicable federal and state income tax returns, Lessee shall not be considered to be in default of its obligations to file its state or federal tax returns.



## 12. INDEMNITY.

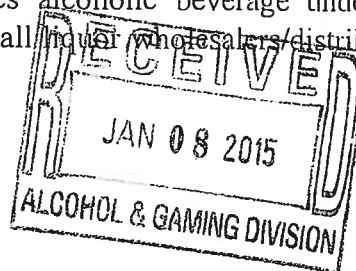
During the Term, Lessee will indemnify and defend Lessor and Successor Lessor, their agents, officers, directors, employees, affiliates, successors and assigns, against all claims, losses, expenses or liabilities of every kind or nature, known or unknown, arising out of Lessee's operation or non-operation of the License during any period of time in which Lessee has an interest of any kind in the License, except to the extent that such claims, losses, expenses or liabilities are due to gross negligence or intentional acts or omissions of Lessor, Successor Lessor or their agents, employees, successors and assigns. Lessor's indemnification obligations in this paragraph shall survive termination of this Agreement. For Lessor, Lessee's indemnification obligations in this paragraph shall survive assignment of the License as set forth in paragraph 3 of this Agreement. Lessee must provide Lessor with copies of any claims, notices, violations and/or lawsuits that affect or might affect the License and/or the Successor Lessor. Lessor and Successor Lessor, at Lessee's sole cost and expense, are permitted to participate in any lawsuit, hearing, mediation or any action related to the License with attorneys of their choice. Lessee agrees to pay reasonable fees of the attorneys which Lessor and Successor Lessor hire to participate or monitor such actions. The parties expressly acknowledge and agree that Lessee's default of any provision can affect Successor Lessor's rights and interest in the License through the imposition of fines, cancellation, revocation and suspension of the License and other claims.

## 13. TRANSFER AND ENCUMBRANCE.

Lessee must operate only at the Premises, except when Lessee is issued special dispenser permits, and may not transfer location of the License to any other location. Lessee may not sublease the License or assign Lessee's rights or delegate Lessee's duties under this Agreement to any third party or entity without prior written consent of Successor Lessor. If this Lease Agreement is assigned, Lessee shall remain liable for all financial obligations of this Agreement and is responsible for notifying the AGD and filing all information required by the AGD for approval of the new owner. The transfer of 20% or more of the membership interests in the Lessee, by one or more transfers, would constitute a transfer of the License for which Successor Lessor's consent is required. Lessee shall not permit any liens to attach to the License and shall indemnify and save Successor Lessor harmless from all loss, cost and expense arising therefrom, which indemnification shall survive termination of this Agreement and Successor Lessor will cause each such lien to be fully discharged and released prior to the time the performance of any obligation secured by any such lien matures and/or becomes due.

## 14. LESSEE'S PURCHASES OF ALCOHOLIC BEVERAGES.

Lessee shall pay for all alcoholic beverages purchased under the License in full within thirty (30) days as required by the Liquor Control Act. If Lessee fails to pay any liquor wholesaler within thirty (30) days after the date of any invoice, the same shall be considered a default under the terms of this Agreement. To ensure compliance with this provision, Lessee authorizes Successor Lessor to contact any/all liquor wholesalers/distributors from whom Lessee purchases alcoholic beverage under the License. Lessee shall disclose to Successor Lessor the identity of any/all liquor wholesalers/distributors from whom Lessee purchases alcoholic beverages under the License.



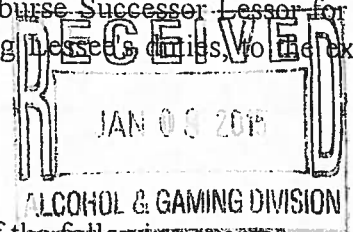
## 15. PERFORMANCE OF LESSEE'S DUTIES.

If Lessee fails to perform any of Lessee's duties under this Agreement after the expiration of any cure periods, Successor Lessor may perform Lessee's obligations under this Agreement on the Lessee's behalf after having given prior written notice to or demand upon Lessee as required under this Agreement. If after expiration of any cure period set forth under this Agreement, Lessee fails to perform any duty or obligation under this Agreement, Successor Lessor may at Successor Lessor's sole election and discretion, utilize all or any portion of the Deposit necessary to satisfy any obligation under this Agreement which Lessee has failed to perform. Any action by Successor Lessor to perform the duty of Lessee does not constitute a waiver of any obligation owed by Lessee, nor a waiver of any default by Lessee. Successor Lessor will notify Lessee in writing of action taken by Successor Lessor to perform any duty of Lessee. On demand of Successor Lessor, Lessee will reimburse Successor Lessor for any amounts necessarily paid or incurred by Successor Lessor in performing Lessee's duties, to the extent which the expenses are not paid from the Deposit.

## 16. EVENTS OF LESSEE'S DEFAULT.

Lessee will be in default of this Agreement upon occurrence of any of the following events:

- A. The failure of Lessee to make any payment required under this Agreement; or
- B. The failure to timely report and pay taxes to the Tax Department; or
- C. The failure to pay in full any invoice(s) for the purchase(s) of alcoholic beverages as required by this Agreement; or
- D. The failure of Lessee to timely perform any obligations under this Agreement; or
- E. The naming of Lessee or Lessee's Guarantor as a Debtor in a petition filed under the Bankruptcy Code, any assignment by Lessee for the benefit of creditors, or the appointment of a trustee or receiver for Lessee or for a substantial part of Lessee's property; or
- F. The failure of Lessee to maintain in full force and effect policy(s) of insurance providing public liability insurance covering bodily injury and dram shop liquor liability in the form and amounts required by this Agreement which names Lessor as an additional named insured for any action or inaction from the commencement of the Term until the License is transferred to Successor Lessor; or
- G. The failure of Lessee to maintain in full force and effect policy(s) of insurance providing public liability insurance covering bodily injury and dram shop liquor liability in the form and amounts required by this Agreement which names Successor Lessor as an additional named insured throughout the Term; or
- H. Causing, permitting or failing to diligently and timely resolve any properly imposed citation, fine or penalty assessed against the License for Lessee's violation(s) of the use or



operation of the License set forth under the provisions of the New Mexico Liquor Control Act or New Mexico Liquor Regulations or to immediately notify Successor Lessor of the issuance of any citation; or

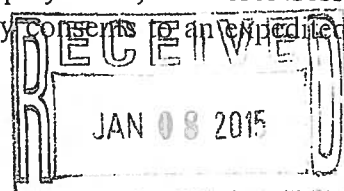
- I. Issuance of two (2) citations for sales to minor(s) or sales to intoxicated person(s) or a combination of one citation for sale to a minor and one citation for sale to an intoxicated person in any twelve (12) month period during the Term of this Agreement; or
- J. The commencement of any proceeding to revoke or cancel the License for Lessee's alleged or admitted violations of provisions of the New Mexico Liquor Control Act or regulation; or
- K. Failure of any warranty or representation of Lessee under this Agreement; or
- L. Default under the real estate lease between Plaza de Colores, LLC and Kyote Club, LLC dated December 1, 2014.

Successor Lessor will provide written notice to Lessee of any default under this Agreement. Upon written notice to Lessee by Successor Lessor of any default, Lessee shall have a period of ten (10) days to cure the default. If the nature of default is as described in subparagraph E, there shall be no cure period and Successor Lessor may immediately terminate this Agreement, by use of the Mutual Termination of Lease which is attached as Exhibit B to this Agreement. The Mutual Letter of Termination in the form attached hereto as Exhibit B ("Letter of Termination") will be executed by the parties and delivered to Linda Aikin, the Escrow Agent, to hold per the terms of this Agreement. Failure of Lessee to execute the Letter of Termination shall be deemed a default. In case of a default by Tenant, the Letter of Termination can be filed with the AGD at Successor Lessor's request in order to transfer the License back to Successor Lessor's control. All periods of cure, if any, must be expired in order for said Letter of Termination to be valid.

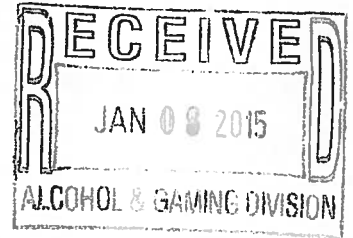
#### 17. REMEDIES UPON LESSEE'S DEFAULT.

In the event of any uncured default by Lessee, Successor Lessor may exercise any and all remedies which Successor Lessor may have upon Lessee's default and failure to timely cure the default, including but not limited to:

- A. Delivering the Mutual Termination of Lease Regarding License 2660 to AGD and in so doing immediately terminating Lessee's interest in the Lease and ability to sell alcoholic beverages at the Premises using License 2660 and/or
- B. Remove all licenses issued by the AGD authorizing the sale of alcoholic beverages at the Premises using License 2660 and notify AGD and the Department of Public Safety of the removal of said licenses and/or;
- C. If the Lessee and/or Lessee's Guarantor file for bankruptcy relief, Successor Lessor may file for relief from a bankruptcy stay and Lessee expressly consents to an expedited motion and order to lift the stay; and/or







D. Successor Lessor has sole discretion to sue in equity and/or law.

Termination of this Agreement does not release Lessee or Lessee's Guarantor from payment of all monetary obligations set forth under this Agreement.

#### **18. FORCE MAJEURE AND CONSEQUENTIAL DAMAGES.**

Lessor, Successor Lessor or Lessee will not be liable for any failure to perform any provision hereof because of fire or other casualty, riot, strike or other labor difficulty, governmental regulation or restriction, or any other major force cause beyond Lessor, Successor Lessor's or Lessee's control ("Force Majeure"). Except as otherwise provided in this Agreement, neither Lessor or Successor Lessor will be liable to Lessee for any loss of profits or other consequential damage or any inconvenience resulting from the loss, cancellation, suspension or failure to renew the License or the time consumed in recovering or replacing the License.

#### **19. ATTORNEY FEES.**

In the event it becomes necessary for Lessor or Successor Lessor to employ an attorney to enforce their rights hereunder, Lessor and/or Successor Lessor shall be entitled to recover its court costs and reasonable attorney fees from Lessee.

#### **20. NO WAIVER.**

No waiver of any breach of any covenant, condition or agreement herein shall operate as a waiver of any breach of the covenant, condition or agreement in the future.

#### **21. BINDING EFFECT.**

This Agreement is binding on, and the benefits inure to, the parties, their successors, assigns, and transferees. This Agreement constitutes the entire agreement of the parties, is governed by the laws of New Mexico and may be modified only by a written document signed by the parties hereto. Guarantor and successors shall be bound as provided in Exhibit C.

#### **22. NOTICES**

All notices will be written and either (i) personally delivered or (ii) delivered anyone at the address below by a nationally recognized overnight mail service which obtains a signature upon delivery or (iii) mailed by certified or registered mail, postage prepaid, with return receipt requested, to:

Lessor: Mr. Darren Cordova  
Casa Los Cordovas, Inc.  
125 A Camino de la Merced  
Taos, New Mexico 87571

Successor Lessor: Mr. James A. Perea  
Plaza de Colores, LLC  
P.O. Box 820  
Taos, New Mexico 87571

Lessee: Ky Quintanilla  
Kyote Club, LLC  
PO Box 155  
Ranchos de Taos, New Mexico 87557

Notice is deemed effective upon personal delivery, delivery by a nationally recognized overnight mail service or three (3) days after mailing of notice via certified or registered mail.

### 23. LESSEE'S REPRESENTATIONS.

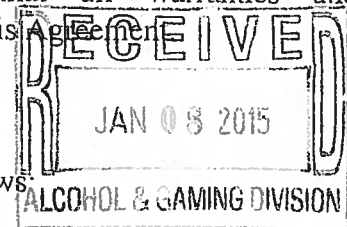
Lessee does hereby warrant and represent unto Lessor as follows:

- A. That none of the members of Lessee have been convicted of a felony charge in any jurisdiction, that the members of Lessee are at least 21 years of age, and are United States citizen or a legal resident aliens; and
- B. That Lessee shall diligently and timely satisfy all of Lessee's obligations set forth under this Agreement and diligently and timely pursue all requisite approvals of the Lease Application; and
- C. That all representations and warranties of Lessee made in this Agreement are true and correct as of the date Lessee signed this Agreement and that all warranties and representations shall remain true and correct during the Term of this Agreement.

### 24. SUCCESSOR LESSOR'S REPRESENTATIONS.

Successor Lessor does hereby warrant and represent unto Lessee as follows:

- A. Immediately prior to approval of the Lease Application, there will be no debts owed to liquor wholesalers against the License.
- B. Immediately prior to approval of the Lease Application, there will be no State taxes due against the License.
- C. Lessor or Successor Lessor will supply a tax clearance and a wholesaler debt clearance, in a form sufficient to obtain approval of the Lease Application, within three weeks after the date that the Lease Application is submitted to the AGD.
- D. Successor Lessor will pay all tax due by Successor Lessor that is required to report payment of rent under this Agreement during the Term of this Agreement.



25. MANAGEMENT.

Neither Successor Lessor or Lessor, notwithstanding any provision to the contrary in this Agreement, or implied by the parties, has any right, obligation or duty to participate in the management of Lessee's business, nor in the Lessee's control and dispensing of alcoholic beverages pursuant to this Agreement.

26. PERSONAL GUARANTEE:

Timely performance of all obligations to be kept and performed by Tenant under this Agreement are personally and irrevocably guaranteed by Ky Quintanilla pursuant to that certain Personal Guarantee attached hereto and made a part hereof as Exhibit C.

LESSOR:  
Casa los Cordovas, Inc.

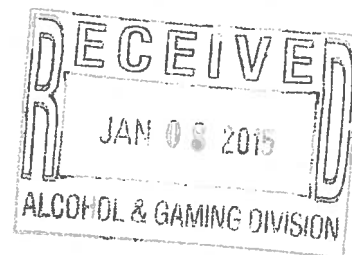
LESSEE:  
Kyote Club, LLC

By: [Signature]  
Dated: 1-1-15

By: [Signature]  
Dated: 1-2-2015

SUCCESSOR LESSOR:  
Plaza de Colores, LLC

By: [Signature]  
Dated: 1/1/15



**PREMISES, LOCATION, OWNERSHIP & DESCRIPTION OF PREMISES**

1. The land and building which is proposed to be the licensed premise is (check one):

Owned by Applicant \_\_\_\_\_ Leased by Applicant (attach copy of deed or lease) ☒ Other (please provide details) \_\_\_\_\_

2. If the land and building are not owned by Applicant, please indicate the following:

A. Owner(s) Taos Enterprises, LLC

B. Date and Term of Lease December 8, 2014 month to month

Attach a hand drawn map, zoning map, or other map, showing the location of the proposed premises, and the main adjacent streets, roads or highways, in relation to the closest church and school properties. This map should be drawn on a sheet of paper no larger than 8 1/2 x 11 inches.

3. Premise location is zoned (example C-1) C-2

If the premise is zoned, attach zoning statement from local government giving location address, type of zone and stating whether alcoholic beverages are allowed at proposed location. If there is no zoning, attach confirmation from local government indicating there is no zoning.

4. Distance from nearest church \*(Property line of church to licensed premises-shortest distance).

1400 ft Name of Church Taos Church of Christ Address-Location of Church 115 Siler Rd., Taos, New Mexico

5. Distance from nearest school \*(Property line of school to licensed premises-shortest distance).

900 ft Name of School Taos Charter School Address-Location of School 313 Randall Lane, Taos, New Mexico

6. Distance from military installation (Property line of military installation to licensed premises-shortest distance).

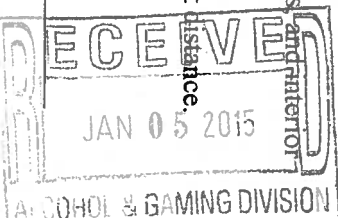
Miles 110 Name of Military Installation Kirtland Air Force Base

7. Attach, on a separate sheet, the detailed floor plan for each level (floor) where alcoholic beverages will be sold or consumed. Show exterior walls, doors and interior walls. This will be the licensed premise. The floor plan should be no larger than 8 1/2 x 11 inches, and must include the total square footage of premises.

\*If the distance is beyond 300 feet, but less than 400 feet, a registered engineer or licensed surveyor must complete a Survey Certificate showing the exact distance.

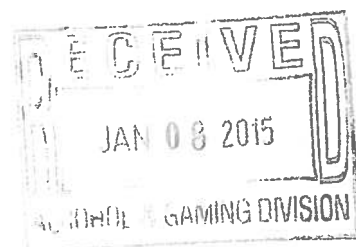
8. Type of Operation:

Lounge ☒ Restaurant ☒ Package \_\_\_\_\_ Racetrack \_\_\_\_\_ Hotel \_\_\_\_\_ Other (Please specify) \_\_\_\_\_



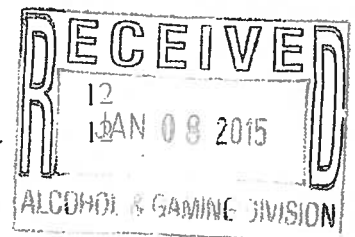
PLAZA DE COLORES, LLC

LEASE AGREEMENT

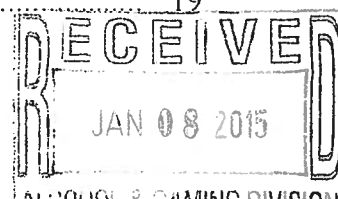


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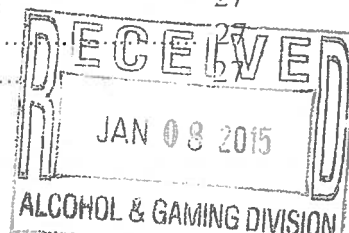
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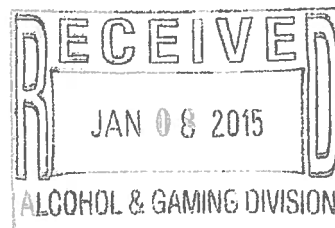


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## LEASE

THIS LEASE ("Lease") is made on December 12, 2014, by and between Plaza de Colores, LLC, a New Mexico limited liability company ("Landlord"), and Kyote Club, LLC, a New Mexico LLC ("Tenant").

In consideration of the mutual covenants and agreements herein contained, and intending to be legally bound, the parties hereby covenant and agree as follows:

### Article I

#### Demise

1.01 *Leased Premises.* Landlord hereby leases to Tenant and Tenant hereby takes from Landlord, the Leased Premises for the Term (as defined in Section 1.04) and at the Rent (as defined in Section 2.01) and upon the provisions and conditions hereinafter set forth. "Leased Premises" and/or "Premises" mean that portion of the Landlord's Building (as defined in Section 1.03) outlined in red on Exhibit A, and described as follows: 330A Paseo del Pueblo Sur Taos NM 87571. The Leased Premises shall not include the roof over the Premises or the land lying under the Leased Premises.

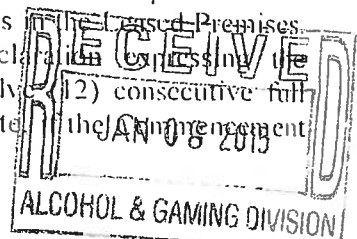
*"Floor Area" Defined.* "Floor Area," with respect to Landlord's Buildings, means the average number of square feet of leasable area in Landlord's Building(s) from time to time designated by Landlord for the exclusive use and occupancy of rent-paying tenants. Any change in the Floor Area of Landlord's Building(s) shall be deemed in effect on the first day of the month following such change. For purposes of calculating Rent, the Floor Area of the Leased Premises ("Tenant's Floor Area") shall be the area specified in Paragraph 1.01 above.

1.02 *Common Areas.* Tenant shall have the right to use, in common with other tenants of the Shopping Center, the Common Areas and Facilities; subject, however, to the terms and conditions of this Lease, to the right of Landlord to alter such areas from time to time and to establish from time to time uniform rules and regulations for the use thereof.

1.03 *"Shopping Center" Defined.* "Shopping Center" means that certain parcel of land, situated in the City of Taos, State of New Mexico, and more particularly described in Exhibit B attached hereto (as the same may be altered or reduced from time to time) and any other parcel(s) of land at any time designated by Landlord to be added thereto (but only so long as such designation remains unrevoked), which are or are to be used for Shopping Center related purposes, including but not limited to, expansion area, employee parking, or the furnishing to the Shopping Center of any utility or other service, for any building or for any other improvement appropriate or related to the operation or functioning of the Shopping Center, together with all buildings on and improvements to any such parcel(s) of land.

1.04 *Term and Commencement Date.* The Term shall commence on the Commencement Date and, unless sooner terminated or extended in accordance with the terms of this Lease, shall expire on the last day of the last month of Third (3rd) Lease Year. As used in this Lease, "Term" shall include any extensions of the period specified in this Article.

The "Commencement Date" means the earlier of ninety (90) days from the date that possession of the Lease Premises is delivered to Tenant or the date Tenant opens for business. Landlord and Tenant shall, upon demand of the other, execute a declaration expressing the Commencement Date. The term "Lease Year" shall mean a period of twelve (12) consecutive full calendar months. The first Lease Year shall begin on the Commencement Date.



Date occurs on the first day of a calendar month, otherwise, the first Lease Year shall begin on the first day of the first full calendar month after the Commencement Date. Each succeeding Lease Year shall begin on the anniversary of the first lease Year. The first Lease Year shall include the period of time, if any, between the Commencement Date and the first day of the first Lease Year.

1.05 *Option to Renew.* Tenant may, at its option, renew this Lease for one (1) renewal terms of Three (3) years each. The term of each renewal period shall commence immediately upon the conclusion of the original term of this lease or the preceding renewal period, as the case may be. This option(s) to renew may be exercised only by written notice in the manner provided in Section 22.05 hereof no later than six (6) months prior to the expiration date of the original term of this Lease or the preceding renewal period, as the case may be. This shall be the exclusive and only method of exercising this renewal option(s) and any other method shall not constitute an exercise thereof. The renewal term(s), granted pursuant to this option(s) to renew, shall be on the terms and conditions as are then in effect.

If: (i) Tenant shall fail to exercise this renewal option(s) during the period(s) in which it is available and in the manner required hereby, or (ii) this Lease is no longer in full force and effect for any reason, or (iii) Tenant is in default under this lease, at the time of such exercise, this renewal option(s) shall terminate, be void and of no further force or effect.

Unless otherwise herein expressly provided, any reference in this Lease to the "term of this Lease" shall mean the original term hereof and such renewal period(s), if validly exercised by Tenant pursuant to its option(s) to renew set forth in this Section, except to the extent that the original term or any renewal period may be sooner terminated or canceled under any provisions of this Lease.

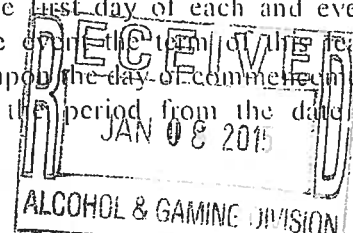
1.06 *Failure of Tenant to Open.* In the event that the Landlord notifies the Tenant that the Leased Premises are available for occupancy and the Tenant fails to take possession and to open the Leased premises for business fully fixtured, stocked and staffed within ninety (90) days thereafter, then the Landlord shall have, in addition to any and all remedies herein provided; the right at its option to collect not only the Minimum Rent, but also Additional Rent at the rate of \$ \_\_\_\_\_ per day for each and every day that the Tenant shall fail to commence to do business as herein provided. Such Additional Rent shall be deemed to be in lieu of any Rent that might have been earned during such period of the Tenant's failure to open.

1.07 *Cancellation Option.* The obligations of both Tenant and Landlord under this Lease are expressly conditioned upon Tenant determining within thirty (30) days after the date of this Lease that the utilities servicing the premises are sufficient for Tenant's Permitted Use. If Tenant determines within such thirty (30) day period that the utilities servicing the Premises are insufficient for Tenant's Permitted use, then Tenant may cancel this Lease, in which event, both parties shall be released of any further liability under this Lease. Failure of Tenant to exercise this option to terminate within that thirty (30) day period shall constitute Tenant's waiver of its right to do so.

## Article II

### Rent

2.01 *Rent Payable.* Tenant hereby agrees to pay to Landlord, as rent (sometimes collectively referred to as "Rent") for the premises for the full term aforesaid, in monthly installments of \$ 5,000.00 Five Thousand Dollars, payable in advance the first day of the first full calendar month of the term hereof, and a like sum on or before the first day of each and every successive calendar month thereafter during the term hereof. In the event the term of the lease commences on a day other than the first day of a calendar month, then upon the day of commencement of the term hereof. Tenant shall pay to Landlord, as rental for the period from the date of



commencement to the first day of the next succeeding calendar month, that proportion of said monthly rental which the number of days between said day of commencement and the first day of said next succeeding calendar month bears to the actual number of days in said month. In the event the term of this lease ends on a day other than the first day of a calendar month, then upon the first day of the last calendar month of the term hereof, Tenant shall pay to Landlord, as rental for the period from said first day of the last calendar month to and including the last day of the term hereof, that proportion of the monthly rental which the number of days between said first day of said calendar month and the last day of the term of said lease bears to the actual number of days in said month.

The monthly rental rate provided in the preceding paragraph shall, commencing JANUARY 1, 2008, and annually thereafter, be increased in an amount proportionate to the increase, if any, of the then most current Consumer Price Index for Taos, New Mexico over said Consumer Price Index to the previous year. Landlord's computation of such adjustment shall be conclusive unless Tenant shall notify Landlord of an error therein within thirty (30) days after notice of such increase is made. In the event publication of the above referenced index should be discontinued, then a comparable index selected by Landlord shall be used.

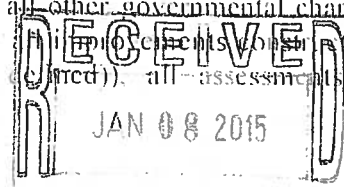
2.02 *Payment of Rent.* Tenant shall pay all Rent when due and payable, without any setoff, deduction or prior demand therefor whatsoever. Any Rent which is not paid when due shall bear interest from the original due date at the Default Rate, which is hereby defined as being eighteen percent (18%) per annum or the maximum rate of interest for which Tenant may lawfully contract in the State of New Mexico, whichever is less. Rent and statements required of Tenant shall be paid and delivered to Landlord at 330 Paseo del Pueblo San Street, City of Taos, State of New Mexico. In addition, if any payments made by Tenant in the form of a check are dishonored by the bank upon which it is written for any reason, then a charge of Two Hundred Fifty Dollars (\$250.00) for each dishonored check will be charged to Tenant. Further, in the event checks from Tenant shall be dishonored on two separate occasions, Landlord shall have the right to demand that all future payments required pursuant to this Lease be made in cash or by certified funds.

2.03 *Security Deposit.* Tenant has deposited with Landlord the sum of \$ 5,000.00 as security for the full and faithful performance of every provision of this lease to be performed by Tenant. If Tenant defaults with respect to any provision of this lease, including but not limited to the provisions relating to the payment of rent, Landlord may use, apply or retain all or any part of this security deposit for the payment of any rent or any other sum in default, or for the payment of any other amount which Landlord may spend or become obligated to spend by reason of Tenant's default, or to compensate Landlord for any other loss or damage which Landlord may suffer by reason of Tenant's default. If any portion of said deposit is so used or applied, Tenant shall, within five (5) days after written demand therefore, deposit cash with Landlord in an amount sufficient to restore the security deposit to its original amount, and Tenant's failure to do so shall be a material breach of this lease. Landlord shall not be required to keep the security deposit separate from its general funds, and Tenant shall not be entitled to interest on such deposit. If Tenant shall fully and faithfully perform every provision of this Lease to be performed by it, the security deposit, or any balance thereof, shall be returned to Tenant (or, at Landlord's option, to the last assignee of Tenant's interest hereunder) within sixty (60) days of the expiration of the lease term or Tenant's vacation of the premises.

### Article III

#### Taxes

3.01 *Landlord Shall Pay Real Estate Taxes.* Landlord shall be responsible for the timely payment of all general and special taxes and assessments and all other governmental charges levied, assessed or imposed on the portion of the Shopping Center, and all improvements located thereon (including Common Areas located thereon (as hereinafter defined)), all assessments for local



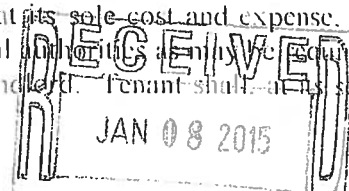
improvements, if any, and any new taxes which may be levied or assessed on Landlord or such portion of the Shopping Center based upon rentals in lieu of or in addition to the current real property taxes (for the purposes of determining such new tax, however, the Shopping Center shall be deemed to be Landlord's sole property) (hereafter collectively the "real estate taxes"). Landlord shall pay the real estate taxes before they become delinquent; however, if authorities having jurisdiction assess real estate taxes which Landlord deems excessive, Landlord may defer compliance therewith to the extent permitted by the laws of the State of New Mexico, so long as the validity or amount thereof is contested by Landlord in good faith and so long as Tenant's occupancy of the Premises is not disturbed.

3.02 *Taxes on Rent.* Tenant shall pay to the appropriate agency any and all sales, income and excise taxes levied, imposed or assessed by the State of New Mexico or any political subdivision thereof or other taxing authority upon any Rent payable hereunder.

3.04 *Tenant's Municipal, County, State or Federal Taxes.* Tenant shall be responsible for and shall pay, before delinquency, all municipal, county, state or federal taxes including, without limitation, personal property taxes, assessed on its merchandise, trade fixtures, and equipment in or upon the Premises and also general license or franchise taxes and rent taxes, if any, which may be required for the conduct of Tenant's business. In addition, Tenant will reimburse Landlord for any and all taxes (real, personal, or mixed) solely allocable to any materials or installations utilized or installed by Tenant or at Tenant's request which are above (on a per rentable square foot basis) Landlord's standard tenant finish for other tenants in the Shopping Center (herein referred to as "Tenant's Over-Standard Work"). Landlord shall have the right, from time to time, to reasonably estimate the amount of any increase in such assessed valuation allocable to any Tenant's Over-Standard Work for which Tenant shall make such payment to Landlord pursuant to this paragraph. The payments to be made by Tenant to Landlord hereunder shall be due when billed to Tenant by Landlord.

#### Article IV Improvements

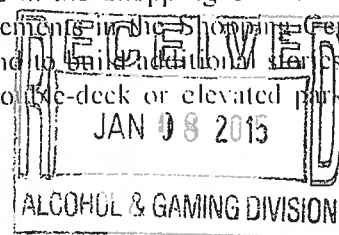
4.01 *Improvements.* (a) Landlord has no obligation to alter, remodel or improve the Premises in any way. Tenant agrees to accept the Premises in an "as is" condition. (b) Tenant shall submit to Landlord, on or before thirty (30) days after the date of this Lease, drawings for the renovation of the Premises. (c) Within ten (10) days after the receipt of the Tenant's drawings, Landlord, by notice in writing addressed to Tenant, shall indicate Landlord's approval of them or clearly specify any objections to them, the objections in all events to be reasonable. Tenant will, within ten (10) days after receipt of a notice of disapproval, as aforesaid, appropriately amend and modify the drawings so as to reflect all changes, modifications and corrections that Landlord reasonably requests. The revisions and resubmissions shall continue until Landlord approves in writing the drawings. The work to be performed by Tenant as described in the drawings therefore, approved by Landlord as provided above, are herein referred to as "Tenant's Work." (d) The drawings for Tenant's Work shall be prepared by licensed architects in the employ of Tenant. Tenant shall bear all costs of preparing the drawings. Landlord's approval of the drawings shall not constitute an opinion or agreement that they are in compliance with law (it being agreed that such compliance is solely Tenant's responsibility) nor shall such approval impose any present or future liability on Landlord or waive any of Landlord's rights under this Lease. Tenant shall provide Landlord with two (2) sets of the drawings. (e) Tenant shall, to the reasonable satisfaction of Landlord, commence, construct, perform and complete all Tenant's Work in a good and workmanlike manner, in complete accordance with the drawings approved by Landlord. (f) At all times prior to the Commencement Date, all the provisions, covenants and conditions of the Lease shall be applicable to the Premises other than those requiring payment of rent relating solely to the Premises. (g) Prior to the commencement of construction of Tenant's Work, Tenant shall obtain, at its sole cost and expense, all permits and licenses and other consents and approvals of all governmental authorities and agencies required in connection with Tenant's Work and shall deliver copies thereof to Landlord. Tenant shall, at its sole



cost and expense, furnish to Landlord all certificates and approvals with respect to work done by Tenant or on Tenant's behalf that may be required from any governmental authority for the issuance of a certificate of occupancy for the Premises and shall obtain such certificate and furnish Landlord with a copy of such certificate prior to the Commencement Date. (h) Tenant's Work and all of Tenant's trade fixtures and equipment shall be performed, constructed and installed in accordance and in full compliance with all applicable governmental requirements, including without limitation the accessibility and other requirements of the Americans with Disabilities Act of 1990 ("ADA"), and all applicable laws, statutes, codes, ordinances and governmental rules, regulations and orders, as well as reasonable rules and regulations established by Landlord. Tenant's Work shall be performed without interference and disruption to Landlord or other tenants. (i) Any contractor used by Tenant to perform Tenant's Work pursuant to this Section, must first be approved in writing by Landlord, which approval shall not be unreasonably withheld. Such approval shall be in Landlord's sole discretion based on the proposed contractor's financial condition, reputation and workmanship, but no such approval shall relieve Tenant of any of its other obligations hereunder or impose any liability upon Landlord. In connection with the performance of Tenant's Work or the use and occupancy of the Premises, Tenant shall not permit anything to occur which directly or indirectly interferes in any way with the use and occupancy of any tenant or the normal operations of the Shopping Center. (j) Landlord shall provide to Tenant an allowance in the sum of \$ N/A which shall be used by Tenant toward the cost of construction of Tenant's Work ("Tenant's Allowance"). The Tenant's Allowance may only be used for leasehold improvements that become part of the Leased Premises: it being specifically understood and agreed that no portion of the Tenant's Allowance may be used for removable trade fixtures, equipment, furniture or other personal property. All improvements constructed with Tenant's Allowance dollars shall become part of the Leased Premises and title thereto shall vest in Landlord upon installation free and clear of all liens and encumbrances. All costs of Tenant's Work that exceed Tenant's Allowance shall be paid by Tenant. Tenant hereby expressly grants Landlord an offset and deduction against Tenant's Allowance for all delinquent costs, payments and expenses Tenant is obligated to pay Landlord pursuant to the Lease or otherwise due and owing to Landlord. Tenant's Allowance shall be due and payable if and when: each condition contained in the cost of construction of Tenant's Work ("Tenant's Allowance") shall have been complied with in full, Landlord shall pay to Tenant the Tenant Allowance.

4.02 *Additional Alterations.* Tenant covenants and agrees that it will not make or permit any structural or nonstructural alterations of the Leased premises except by and with the prior written consent of the plans and specification therefor by Landlord. All alterations and other improvements made by Tenant shall be made in a good and workmanlike manner in accordance with all applicable laws, including without limitation, the ADA and all rules and regulations issued thereunder, shall become the immediate property of Landlord and shall remain for the benefit of Landlord unless otherwise provided in the written consent mentioned above. Tenant shall obtain and furnish Landlord with all permits, licenses and other consents and approvals of all governmental authorities as may be required prior to the commencement of such work. Tenant further agrees in the event of making such alterations as herein provided, fully and promptly to pay for same and to indemnify and save Landlord and the Shopping Center harmless from and against any loss, cost, expense or lien in connection therewith. In the event any such alterations are removed by Tenant (without hereby implying Landlord's consent to such removal), Tenant shall, at its sole cost and expense, repair any damage to the Leased Premises occasioned by such removal.

4.03 *Changes and Additions to Buildings.* The Landlord hereby reserves the right at any time and from time to time to make additions or alterations to any buildings in the Shopping Center. The Landlord also reserves the right to construct other buildings or improvements in the Shopping Center from time to time and to make alterations thereof or additions thereto and to build additional stairs on any building or buildings or to build adjoining same or to construct dock-deck or elevated parking facilities.



4.04 *Mechanic's Liens.* The interest of Landlord in the Shopping Center and the Premises shall not be subject to liens for improvements made by Tenant. Notwithstanding anything to the contrary contained in the statutes of the State of New Mexico or in this Lease, Tenant shall not be deemed to be a partner, joint venturer or agent of Landlord; and in no event shall any lien resulting from Tenant's improvements to the Premises encumber Landlord's underlying fee simple estate. Tenant agrees that it shall not enter into any contract for improvements to the Premises unless the following language is included in such contract:

"Notwithstanding anything herein contained to the contrary, the contractor acknowledges that \_\_\_\_\_ holds only a leasehold interest in the property which is the subject of this contract. \_\_\_\_\_ is not the agent of the owner of the property, and no lien resulting from work performed under this contract shall attach to the interest of such owner."

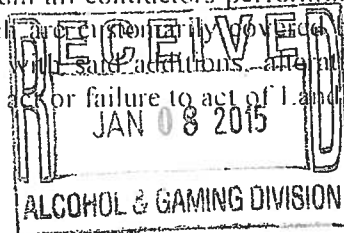
Tenant shall not permit any work to be commenced until such time as Tenant has provided Landlord with a fully executed copy of the construction contract evidencing incorporation of the aforesaid language. In addition, prior to the commencement of the work, Tenant shall post the following notice in a conspicuous place on the Premises, and shall assure that such notice is maintained throughout the entire course of construction:

**"NOTICE TO CONTRACTORS, SUBCONTRACTORS, MATERIALMEN AND LABORERS"**

"Notice is hereby given that work on \_\_\_\_\_, located at \_\_\_\_\_, City of Taos, State of New Mexico, is being performed for \_\_\_\_\_ is not the agent of the owner of this property, and any lien rights shall be limited to the leasehold estate of \_\_\_\_\_ and shall in no event attach to the interest of the owner."

If, for whatever reason, any mechanic's or other lien shall be filed against the Premises, or the Shopping Center, purporting to be for labor or material furnished or to be furnished at the request of Tenant, then Tenant shall, at its expense, cause such lien to be discharged of record by payment, bond or otherwise as allowed by law, within ten (10) days after the filing thereof. If Tenant shall fail to cause such lien to be discharged of record within such ten (10) day period, Landlord, in addition to any other rights and remedies, may, but shall not be obligated to, cause such lien to be discharged by payment, bond or otherwise, without investigation as to the validity thereof or as to any offsets or defenses thereto, and Tenant shall, upon demand, promptly within ten (10) days, reimburse Landlord for all amounts paid and costs incurred, including attorneys' fees and interest thereon at the maximum legal rate from the respective dates of Landlord's payments therefor, in having such lien discharged of record, and, further, Tenant also shall otherwise indemnify, protect, defend and save Landlord harmless from any claim or damage resulting therefrom.

Tenant hereby agrees to hold the Landlord harmless from any and all liabilities of every kind and description which may arise out of or be connected in any way with said alterations, additions, or improvements. Before commencing any work in connection with alterations, additions, or improvements, Tenant, if requested by Landlord, and only in those instances when Landlord's consent is required hereunder, shall furnish the Landlord with certificates of insurance from all contractors performing labor or furnishing materials insuring the Landlord against liabilities which are not covered by such insurance and which may arise out of or be connected in any way with said alterations, additions, or improvements, except such liabilities as may arise from the negligent act or failure to act of Landlord, its agents, representatives, employees or servants.



## Article V

### Conduct of Business by Tenant

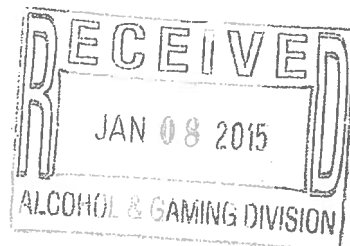
5.01 *Use of premises.* During the Lease Term, the Premises shall be used solely for the purpose of conducting the business as a retail operation of RESTAURANT / LOUNGE with the sale of associated accessories and no other purpose (the "Permitted Use"). From and after the Commencement Date, Tenant shall occupy the Leased Premises and shall conduct continuously in the Leased premises the business above stated. Tenant will not use or permit, or suffer the use of, the Leased Premises for any other business or purpose or any purpose contrary to law or the rules and regulations of any public authority or in any manner deemed extra hazardous on account of fire or otherwise nor in any manner so as to increase the cost of fire and extended coverage insurance of the Leased Premises.

5.02 *Operation of Business.* Tenant shall operate continuously one hundred percent (100%) of the Leased Premises for the Permitted Use during the entire Term and operate and maintain the Premises with due diligence and efficiency and maintain a stock of merchandise of such size, character and quality as to achieve a maximum of sales, consistent with similar types of stores conducting business in the vicinity in which the Premises are located or in the locality closest to the Shopping Center so as to produce the maximum amount of Gross Sales which may be produced by such manner of operation. Tenant agrees to keep the Premises open for business from at least \_\_\_\_\_ a.m. to \_\_\_\_\_ p.m., \_\_\_\_\_ days per week; provided, however, (i) Tenant may open for business with the public as early as \_\_\_\_\_ a.m. and may remain open until \_\_\_\_\_ p.m.; (ii) the above hours are not in conflict with any law, ordinance or union contract provisions; (iii) Tenant shall be relieved of such obligation to operate during such hours to the extent it may be necessary that the Premises be closed on account of the order of any duly constituted authority, or for the purpose of making repairs or improvements, or during the period of any strikes, lockouts, emergencies or other causes beyond Tenant's control, so long as Tenant shall make all reasonable efforts to shorten such periods; and (iv) Tenant is permitted to close on the following holidays: \_\_\_\_\_. Tenant shall keep the display windows and signs, if any, in the Leased Premises well lighted, unless prevented by causes beyond the control of Tenant. Tenant will conduct business in the Premises only in its present Business Name, unless and until the use of some other name is approved in writing by Landlord.

5.03 *Storage, Office Space.* Tenant shall warehouse, store and/or stock in the Leased Premises only such goods, wares and merchandise as Tenant intends to offer for sale at retail at, in, from or upon the Leased Premises. Tenant shall use for office, clerical or other non-selling purposes only such space in the Leased Premises as is from time to time reasonably required for Tenant's business in the Leased Premises.

5.04 *Competition.* Provided Tenant has no uncured event of default under this Lease, and provided that Tenant is operating its business in accordance with Section 5.01, Landlord agrees that it shall not lease to any other tenant within the Shopping Center whose primary use is operation of RESTAURANT / LOUNGE. This restriction shall not apply to any retailer in the Shopping Center in excess of \_\_\_\_\_ square feet or to any retailer over which the Landlord has no right to consent to a change in use.

5.05 *Deliveries.* All deliveries to the Leased Premises shall be made through the rear entrance to the Leased Premises.





## Article VI

### Parking and Common Areas and Facilities

6.01 *Common Areas and Facilities.* "Common Areas and Facilities" means the portions of the Shopping Center, owned by Landlord which have, at the time in question, been designated and improved for common use by or for the benefit of more than one retail occupant of the Shopping Center; including, without limitation (if and to the extent facilities therefor are provided by the Landlord at the time in question), the land and facilities utilized as: parking lots; access and perimeter roads; landscaped areas; exterior walks, arcades, stairways and ramps; underground storm and sanitary sewers, utility lines and the like installed at the cost of Landlord. Any portion of the Shopping Center so included within Common Areas and Facilities shall be excluded therefrom when designated by Landlord for a non-common use, and any portion thereof not theretofore included within Common Areas and Facilities shall be included when so designated and improved for common use.

6.02 *Control of Common Areas and Facilities by Landlord.* All Common Areas and Facilities shall at all times be subject to the exclusive control and management of the Landlord, and the Landlord shall have the right from time to time to establish, modify and enforce reasonable rules and regulations with respect to all facilities and areas mentioned in this Article. The Landlord shall have the right to construct, maintain and operate lighting facilities on all such areas and improvements; to police the same; from time to time to change the size area, level, location and arrangement of parking areas and other facilities referred to above; to restrict parking by tenants, their officers, agents and employees to employee parking areas; to enforce parking charges (by operation of meters or otherwise); to close all or any portion of such areas or facilities to such extent as may, in the opinion of Landlord's counsel, be legally sufficient to prevent a dedication thereof or the accrual of any rights to any person or the public therein; to close temporarily all or any portion of the parking areas or facilities; to discourage non-customer parking; and to do and perform such other acts in and to such areas and improvements as, in the use of good business judgment, the Landlord shall determine to be advisable with a view to the improvement of the convenience and use thereof by Tenant, other tenants and their officers, agents, employees and customers. The Landlord will operate and maintain the Common Areas and Facilities in such manner as the Landlord, in its sole discretion, shall determine from time to time. Without limiting the scope of such discretion, the Landlord shall have the full right and authority to employ all personnel and to make all rules and regulations pertaining to and necessary for the operation and maintenance of the Common Areas and Facilities.

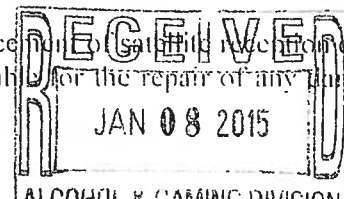
6.03 *License.* All Common Areas and Facilities, which the Tenant may be permitted to use and occupy, are to be used and occupied under a revocable license, and if the amount of such areas be diminished, the Landlord shall not be subject to any liability nor shall the Tenant be entitled to any compensation or diminution or abatement of Rent, nor shall such diminution of such areas be deemed constructive or actual eviction.

## Article VII

### Signs, Awnings and Canopies

7.01 *Signs, Awnings and Canopies.* Tenant's sign(s) shall conform to Landlord's standard sign criteria. Tenant shall not install any sign(s) facing on the parking areas or elsewhere in the Shopping Center, or place on the roof or any exterior wall (including both the interior and exterior surfaces of windows and doors) of the Leased Premises any sign, symbol, advertisement, neon or other light, shade, or any other object or thing visible to public view outside of the Leased Premises, without first obtaining Landlord's approval as to whether the same shall be so installed or placed and, if so, as to the location, number, type and appearance of each thereof.

7.03 *Satellite Dishes:* Landlord has no objection to the placement of satellite reception dish(es) and equipment on the roof of the Property. Tenant shall be responsible for the repair of any damage to



the roof resulting from the installation, maintenance, repair and/or removal of the dish(es). If the roof of the Premises is subject to a warranty, any item installed on the roof by Tenant shall be installed, maintained and removed in accordance with such reasonable requirements as Landlord and/or Landlord's roofing contractor shall require so as to maintain such warranty in full force and effect. Any personal property remaining in the premises thirty (30) days after the expiration of the Lease period shall be deemed abandoned by Tenant and Landlord may claim the same and shall in no circumstances have any liability to Tenant therefor.

### Article VIII

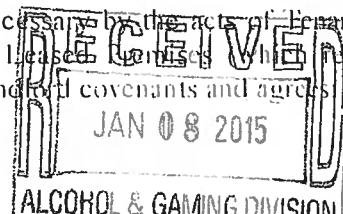
#### Condition and Maintenance of Leased Premises

8.01 *Condition of Leased Premises.* Tenant acknowledges that neither Landlord nor its agents have made any representations as to the condition or repair of the Leased Premises except those specified in this Lease.

8.02 *Maintenance by Tenant.* The Tenant shall, at all times, keep the Leased Premises (including maintenance of exterior entrances, all glass, show window moldings and frames, delivery doors and loading docks) and all partitions, doors, fixtures, equipment and appurtenances thereof (including lighting, heating and plumbing fixtures and equipment, sewer systems and any air-conditioning system exclusively serving the Leased Premises whether located inside or outside the Leased Premises) in good order, condition and repair (including reasonable periodic painting as determined by the Landlord), damage by unavoidable casualty excepted, except for structural portions of the Leased Premises, which shall be maintained by the Landlord. The Tenant further agrees to keep the inside and outside of all glass in doors and windows of the Leased Premises cleaned; to replace promptly at its own expense with glass of a like kind and quality any plate glass or window glass of the Leased Premises which may become cracked or broken; not to place or maintain any merchandise or other articles on the foot walk adjacent thereto or elsewhere on the exterior thereof; to maintain the Leased Premises in a clean, orderly and sanitary condition and free of insects, rodents, vermin and other pests; not to permit accumulations of garbage, trash, rubbish, litter and other refuse in the Leased Premises and the immediately adjacent portion of the Shopping Center, to remove the same at its own expense, and to keep such refuse in proper containers on the exterior of the Leased Premises until called for it to be removed; if Landlord provides a common area for a trash dumpster or compactor, then Tenant shall remove to and place its trash in the trash removal containers furnished by Landlord, and Tenant shall prior to doing so break down all boxes and other shipping containers; to keep all mechanical apparatus free of vibration and noise which may be transmitted beyond the confines of the Leased Premises; not to cause or permit objectionable odors to emanate or be dispelled from the Leased Premises; to comply with all laws and ordinances and all valid rules and regulations of any federal, state, municipal or public authority having jurisdiction with respect to the Leased Premises, and to conduct its business in the Leased Premises in all respects in a dignified manner in accordance with high standards of store operation. In the event the Landlord is required to make repairs: (i) to structural portions of the Leased Premises by reason of Tenant's negligent acts or omissions to act, or (ii) to the Common Areas and Facilities of the Shopping Center by reason of the acts of Tenant, its employees or agents, the Landlord may add the cost of such repairs to the Rent.

8.03 *Snow and Ice.* Tenant shall provide for the removal of all snow and ice from the Leased Premises, the sidewalk in front of the Leased Premises if any, and the customer exits and delivery entrances at the rear of the Leased Premises, if any. Landlord shall provide for the removal of snow and ice from the parking areas and driveways of the Shopping Center.

8.04 *Landlord's Maintenance and Repairs.* Subject to the provisions of Articles XV and XVI hereof, and except for repairs, maintenance or replacements made necessary by the acts of Tenant, its employees, agents, customers or persons making deliveries to the Leased Premises (which repairs, maintenance or replacements shall be the responsibility of Tenant), Landlord covenants and agrees (a) to



maintain in good order, condition replacement and repair the foundation, roof and exterior walls of the Leased Premises; and (b) to maintain in good order, condition, replacement and repair, the conduits providing utility services for gas, electricity, sewer and water up to the Leased Premises.

8.05 *Surrender of Premises.* At the expiration of the tenancy hereby created, the Tenant shall surrender the Leased Premises in the same condition as the Leased Premises were upon delivery of possession thereto under this Lease and as thereafter improved, reasonable wear and tear excepted, and damage by unavoidable casualty excepted, and shall surrender all keys for the Leased Premises to the Landlord at the place then fixed for the payment of Rent and shall inform the Landlord of all combinations on locks and vaults, if any, in the Leased Premises. The Tenant shall, if requested by the Landlord, remove all of its trade fixtures and other improvements before surrendering the Leased Premises as aforesaid, shall repair any damage to the Leased Premises caused thereby, and shall restore the Leased Premises to their original condition. The Tenant's obligation to observe or perform this covenant shall survive the expiration or earlier-termination of the Term of this Lease.

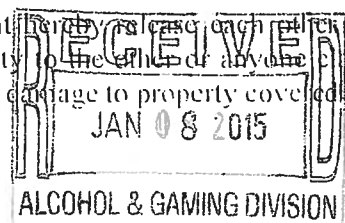
## Article IX

### Insurance and Indemnity

9.01 *Liability Insurance.* The Tenant shall, during the entire Term hereof, keep in full force and effect a policy of public liability and property damage insurance with respect to the Leased Premises, and the business operated by Tenant and any subtenants, concessionaires and licensees of the Tenant in the Leased Premises in which the limits of public liability shall be not less than \$ 2,000,000.00 per person and \$ 2,000,000.00 per accident and in which the property damage liability shall not be less than \$ 2,000,000.00. The policies shall name the Landlord, any person, firms or corporations designated by the Landlord, and the Tenant as insured, and shall contain a clause that the insurer will not cancel or change the insurance without first giving the Landlord thirty (30) days prior written notice. The policies shall be written to provide that such coverage shall be primary and that any insurance maintained by Landlord shall be excess insurance only. All such insurance shall provide for severability of interests; shall provide that an act or omission of one of the named insureds shall not reduce or avoid coverage to the other named insureds; and shall afford coverage for all claims based on acts, omissions, injury and damage, which claims occurred or arose (or the onset of which occurred or arose) in whole or in part during the policy period. Any deductible amounts under any insurance policies required hereunder shall be subject to Landlord's prior written approval. Such insurance shall be in an insurance company approved by the Landlord and a copy of the policy or a certificate of insurance shall be delivered to the Landlord prior to the Commencement Date.

9.02 *Landlord's Insurance.* (a) Landlord will maintain with respect to the Shopping Center (including, but without limitation, comprehensive general liability insurance, fire, extended coverage, vandalism and malicious mischief and all-risk insurance and boiler and sprinkler insurance). Such insurance may include Landlord's interest in the improvements and betterments installed in the Premises by Tenant (except inventory, trade fixtures, wall and floor coverings, furniture and other personal property of Tenant removable by Tenant under the provisions of this Lease), whether the same have been paid for entirely or partially by Tenant. (b) Tenant shall have no rights in any policy or policies maintained by Landlord and shall not, by reason of the reimbursement required by this Section, be entitled to be a named insured thereunder. (c) Tenant shall furnish Landlord, within thirty (30) days after the Commencement Date, a written statement, certified by Tenant or an executive officer of Tenant, of the actual cost incurred by Tenant in making all improvements and betterments to the Leased Premises, in order to assist Landlord in providing adequate insurance coverage.

9.03 *Mutual Waiver of Subrogation.* Landlord and Tenant hereby release each other to the extent of their respective insurance coverage, from any and all liability to the effect of anyone claiming through or under it by way of subrogation or otherwise, for any loss or damage to property covered by the



fire or extended coverage insurance policies carried by Landlord and Tenant, respectively, even if such damage shall have been caused by the fault or negligence of the other party, or anyone claiming through or under it, provided however, that this release shall be applicable and in force and effect only with respect to loss or damage occurring during such time as such policies shall contain a clause or endorsement to the effect that any such release shall not adversely affect nor impair such policies or prejudice the right to recover thereunder. Each party agrees that its policies of insurance will include such a clause or endorsement so long as the same shall be obtainable.

9.04 *Indemnification of Landlord.* The Tenant will indemnify the Landlord and save it harmless from and against any and all claims, actions, damages, liability, suits and expense in connection with the loss of life, personal injury and damage to property arising from or out of any occurrence in, upon, or at the Leased Premises, or the occupancy or use by the Tenant of the Leased Premises or any part thereof, or the conduct by Tenant of its business therein, thereon and therefrom, or occasioned wholly or in part by any act or omission of the Tenant, its agents, contractors, employees, servants, lessees or concessionaires or the sale of merchandise by Tenant in, on or from the Leased Premises. In case the Landlord shall be made a party to any litigation commenced by or against the Tenant, then the Tenant shall protect and hold the Landlord harmless and shall pay all costs, expenses and reasonable attorneys' fees incurred or paid by Landlord in connection with such litigation. The Tenant shall also pay all costs, expenses and reasonable attorneys' fees that may be incurred or paid by the Landlord in the enforcing of the covenants and agreements of this Lease.

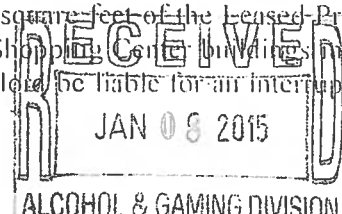
9.05 *Increases in Fire Insurance Premiums Attributable to Tenant.* Tenant shall not keep, use, sell or offer for sale in or upon the Premises any article which may be prohibited by the standard form of fire insurance policy. Tenant agrees to pay one hundred percent (100%) of any increase in premiums for fire and extended coverage insurance that may be charged during the Term on the amount of such insurance which may be carried by Landlord on Landlord's Buildings, resulting from the type of merchandise sold by Tenant in the Premises, whether or not Landlord has consented to the same. In determining whether increased premiums are the result of Tenant's use of the Premises, a schedule, issued by the organization making the insurance rate on the Premises, showing the various components of such rate, shall be conclusive evidence of the several items and charges which make up the fire insurance rate on the premises.

In the event Tenant's occupancy causes any increase of premium for the fire, and/or casualty rates on Landlord's Buildings, Tenant shall pay the additional premium on the fire and/or casualty insurance policies by reason thereof. The Tenant also shall pay, in such event, any additional premium on the rent insurance policy that may be carried by the Landlord for its protection against rent loss through fire. Bills for such additional premiums shall be rendered by Landlord to Tenant at such times as Landlord may elect, and shall be due from, and payable by, Tenant when rendered.

## Article X

### Utilities

10.01 *Utility Charges.* The Tenant shall be solely responsible for and promptly pay all charges for heat, water, sewer, gas, oil, electricity and any other utility used or consumed in the Leased Premises. Should the Landlord elect to supply any utility used or consumed in the Leased Premises, the Tenant agrees to purchase and pay the same at the applicable rates filed by the Landlord with the proper regulatory authority, if any, or absent such filing, at a rate equal to Tenant's proportionate share of such utility service determined by taking the ratio that the total number of square feet of the Leased Premises bears to the total number of square feet of that rented portion of the Shopping Center buildings included under the common meter for such service. In no event shall the Landlord be liable for an interruption of



or failure in the supply of, or for the quantity or quality of, any of such utilities to the Leased Premises and no such interruption or failure shall ever be deemed to be an actual or constructive eviction.

10.02 *Interruption of Services.* Tenant agrees that Landlord shall not be liable for failure to supply any utility services. In the event of any such interruption, reduction, or discontinuance of utility services (either temporary or permanent), Landlord shall not be liable for consequential damages incurred as a result thereof nor shall the occurrence of any such event in any way be construed as an eviction of Tenant; or cause or permit an abatement, reduction or set off of rent; or operate to release Tenant from any of Tenant's obligations hereunder.

10.03 *Notice.* Tenant agrees to notify promptly the Landlord or its representative of any accidents or defects in the Shopping Center of which Tenant becomes aware, including defects in pipes, electric wiring, and heating or ventilation equipment. In addition, Tenant shall provide Landlord with prompt notification of any matter or condition which may cause injury or damage to the Shopping Center or any person or property therein.

#### Article XI

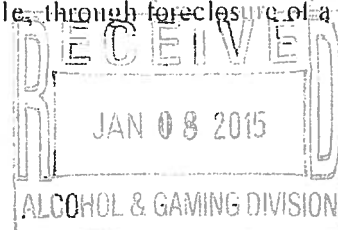
##### Subordination, Estoppel Certificate

11.01 *Mortgage Subordination.* Tenant agrees that, within ten (10) days after written request of Landlord, it will subordinate this lease to the lien of any present or future mortgage to a bank, savings and loan association, insurance company, real estate investment trust or similar institution, irrespective of the time of execution or time of recording of any such mortgage. Tenant agrees that if the mortgagee or any person claiming under the mortgage shall succeed to the interest of Landlord in this Lease, it will recognize such mortgagee or person as its landlord under the terms of this Lease. Tenant hereby irrevocably appoints Landlord its attorney-in-fact to execute and deliver any necessary or appropriate instrument or instruments of subordination, for and in the name of Tenant. It is expressly acknowledged that the foregoing power of attorney is coupled with an interest. The word "mortgage" as used herein includes mortgages, deeds of trust or other similar instruments and modifications, consolidations, extensions, renewals, replacements and substitutes thereof.

11.02 *Estoppel Certificates.* At any time and from time to time Landlord and Tenant each agree, within ten (10) days after request in writing from the other, to execute, acknowledge and deliver to the other or to any person designated by the other a statement in writing certifying that the Lease is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as modified and stating the modifications), that the other party is not in default in the performance of its covenants hereunder (or if there are such defaults, specifying the same), and the dates to which the rent and other charges have been paid.

11.03 *Evidence.* In confirmation of such subordination or superior position, as the case may be, Tenant agrees to execute such documents as may be reasonably required by Landlord or its Mortgagee to evidence the subordination of its interest herein to any of the documents described above, or to evidence that this Lease is prior to the lien of any mortgage or deed of trust, as the case may be.

11.04 *Attornment.* Tenant hereby agrees to adjoin to all successor owners of the Shopping Center, whether or not such ownership is acquired as a result of a sale, through foreclosure of a deed of trust or mortgage, or otherwise.



## Article XII

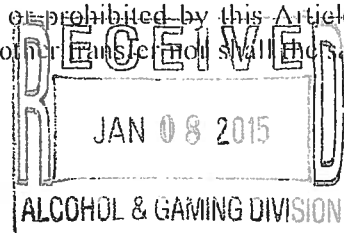
### Assignments and Subletting

12.01 *Landlord's Consent Required.* Tenant will not mortgage, pledge, encumber, assign or in any manner transfer this lease, in whole or in part, nor sublet all or any part of the Leased Premises, nor license concessions or lease departments therein, without, in each instance, first obtaining the written consent of Landlord. The within prohibition against transfer without the Landlord's prior written consent includes any subletting or assignment which would otherwise occur by operation of law, merger, consolidation, reorganization, transfer or other change of Tenant's corporate or proprietary structure, or an assignment, subletting to or by a receiver or trustee in any federal or state bankruptcy, insolvency, or other proceedings. The consent by Landlord to any assignment, subletting or other transfer shall not constitute a waiver of the requirement for such consent to any subsequent assignment, subletting or other transfer. Any assignment, subletting or other transfer, even with the consent of Landlord, shall not relieve Tenant from primary liability for the payment of Rent or from the primary obligation to keep and be bound by the terms, conditions and covenants of this Lease. If, at any time, Tenant shall request Landlord's consent to assign or otherwise transfer this Lease or to sublet all or any portion of the Leased premises, then Landlord shall have the right, by notifying Tenant in writing within thirty (30) days after receipt of such request, to terminate this Lease as of the date specified in such notice from Landlord to Tenant, which effective date shall be not more than ninety (90) nor less than thirty (30) days from the date of such notice. In the event of such termination, all Rent (other than any Rent or Additional Rent due Landlord resulting from Tenant's failure to perform any of its obligations under this Lease) shall be adjusted as of the date of such termination. Landlord's failure or refusal to so terminate this Lease shall not constitute a consent to the proposed assignment, subletting or other transfer. In the event Tenant shall assign or sublet the Leased Premises or request the consent of Landlord for any act that Tenant proposes to do, then Tenant shall pay Landlord's reasonable attorneys' fees incurred in connection therewith. Should Tenant assign, sublet or otherwise dispose of the Leased Premises, whether with or without Landlord's consent, any and all sums payable by virtue of such assignment, sublease or other demise shall be due and payable solely to Landlord. Tenant does hereby appoint Landlord as its attorney-in-fact to bill and collect any and all such sums for the use and benefit of Landlord without liability whatsoever to Tenant.

12.02 *Corporate, Partnership or Limited Liability Company Ownership.* If Tenant is a corporation, then any change in ownership or power to vote of a majority of its outstanding voting stock shall constitute an assignment for the purpose of this Lease and shall require Landlord's prior written consent. If Tenant is a partnership, general or limited, or is a limited liability company, and if at any time during the term hereof or any extension or renewal thereof, the person or persons who at the time of the execution of this Lease owns or own the general partner's interest in a general or limited partnership, or owns a majority of the voting interest in the limited liability company, ceases to own such interest, such cessation of ownership shall constitute an assignment of this Lease for all purposes of this Article.

12.03 *Formation of Entity.* Notwithstanding the foregoing, Landlord agrees that Tenant may form an entity to operate his business at the Premises, at least 75% of which shall be owned by Tenant. Landlord consents to an assignment of this Lease to such an entity but only provided Landlord has notice of such an assignment, and Tenant remains personally liable for all obligations under this Lease. Nothing herein shall relieve Tenant from liability under this Lease, and Tenant, upon assignment, shall be obligated to execute a personal guaranty.

12.04 *Acceptance of Rent from Transferee.* The acceptance by Landlord of the payment of Rent following any assignment, subletting or other transfer restricted or prohibited by this Article shall not be deemed to be a consent by Landlord to any such assignment or other transfer nor shall the same be deemed to be a waiver of any right or remedy of Landlord hereunder.



12.05 *Transfers by Landlord.* Landlord shall have the right to sell, convey, transfer or assign all or any part of its interest in the real property and the buildings of which the Leased Premises are a part or its interest in this Lease. All covenants and obligations of Landlord under this Lease, except those already in existence on the date of conveyance, shall cease as to Landlord upon the execution of such conveyance, transfer or assignment, but such covenants and obligations shall run with the land and shall be binding upon the subsequent owner or owners thereof or of this Lease. All obligations incurred or in existence prior to the date of transfer shall survive said transfer and remain the obligation of Landlord.

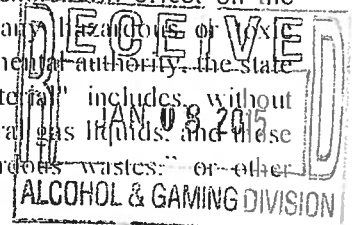
### Article XIII

#### Waste, Governmental Regulations

13.01 *Waste or Nuisance.* The Tenant shall not commit or suffer to be committed any waste upon the Leased Premises or any nuisance or other act or thing which may disturb the quiet enjoyment of any other tenant in Landlord's Building or in the Shopping Center.

13.02 *Governmental Regulations.* The Tenant shall, at Tenant's sole cost and expense, comply with all of the requirements of all county, municipal, state, federal and other applicable governmental authorities, now in force, or which may hereafter be in force, pertaining to the Leased Premises including without limitation, the requirements of all applicable environmental authorities, and shall faithfully observe in the use of the Leased Premises and the Shopping Center all municipal and county ordinances and state and federal statutes now in force or which may hereinafter be in force.

13.03 *Hazardous Materials.* Tenant shall (i) not cause or permit any Hazardous Material (as hereinafter defined) to be brought upon, kept or used in or about the Premises or the Shopping Center by Tenant, its agents, employees, contractors or invitees, without the prior written consent of Landlord (which Landlord shall not unreasonably withhold as long as Tenant demonstrates to Landlord's reasonable satisfaction that such Hazardous Material is necessary or useful to Tenant's business and will be used, kept and stored in a manner that complies with all laws regulating any such Hazardous Material so brought upon or used or kept in or about the Premises). If Tenant breaches the obligations stated in the preceding sentence, or if the presence of Hazardous Material on the Premises or the Shopping Center caused or permitted by Tenant results in contamination of any portion of the Shopping Center, or if contamination by Hazardous Material otherwise occurs for which Tenant is legally liable to Landlord for damage resulting therefrom, then Tenant shall indemnify, defend and hold Landlord harmless from any and all claims, judgments, damages, penalties, fines, costs, liabilities or losses (including, without limitation, diminution in value of the Premises, damages for the loss or restriction on use of rentable or usable space or of any amenity of the Shopping Center, damages arising from any adverse impact on marketing of space, and sums paid in settlement of claims, attorneys' fees, consultant fees and expert fees) which arise during or after the Lease Term as a result of such contamination. This indemnification of Landlord by Tenant includes, without limitation, costs incurred in connection with any investigation of site conditions or any cleanup, remedial, removal or restoration work required by any federal, state or local governmental agency or political subdivision because of Hazardous Material present in the air, soil or groundwater on, within or under the Premises. Without limiting the foregoing, if the presence of any Hazardous Material caused or permitted by Tenant results in any contamination of the Shopping Center, Tenant shall promptly take all actions at its sole expense as are necessary to return the Shopping Center to the condition existing prior to the introduction of any such Hazardous Material to the Shopping Center, provided that Landlord's approval of such actions shall first be obtained, which approval shall not be unreasonably withheld so long as such actions would not potentially have any material adverse long-term or short-term effect on the Shopping Center. As used herein, the term "Hazardous Material" means any hazardous or flammable substance, material or waste which is or becomes regulated by any local governmental authority, the state of New Mexico or the United States Government. The term "Hazardous Material" includes, without limitation, asbestos, petroleum, crude oil (any fraction thereof), natural gas, natural gas liquids, and these substances defined as "hazardous substances," "hazardous materials," "hazardous wastes," or other



similar designations in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Section 9801 et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 et seq., the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801 et seq. and any other governmental statutes, laws, ordinances, rules, regulations, and precautions.

#### Article XIV

##### Advertising, Merchants' Association

14.01 *Solicitation of Business.* The Tenant and Tenant's employees and agents shall not solicit business or place any signs or advertising devices in the Common Areas and Facilities, nor shall the Tenant distribute any handbills or other advertising matter to automobiles parked in the parking areas or in other Common Areas and Facilities without permission from the Landlord.

14.02 *Merchants' Association.* If Landlord has organized, or hereafter organizes, a merchants' association composed of tenants of the Shopping Center, Tenant agrees that it will join and maintain membership in such association, will pay such dues and assessments as may be fixed and determined from time to time by the association, and will comply with such other bylaws, rules and regulations as may be adopted from time to time by the association. If Landlord shall establish a promotional fund to pay for advertising and other marketing activities of the Shopping Center (as may be directed by Landlord from time to time), Tenant shall pay whatever sums Landlord shall reasonably designate as Tenant's proportionate contribution to the promotional fund. The foregoing agreements of Tenant are conditioned upon all of the other Tenants of the Shopping Center having the same obligations as Tenant for the above matters.

14.03 *Advertised Name.* Tenant agrees not to change its trade name or the advertised name of the business operated in the Leased Premises without Landlord's prior written consent.

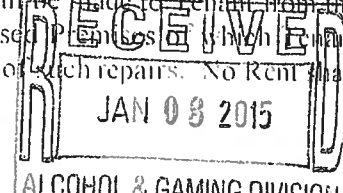
14.04 *Promotional Activities.* Tenant shall not use any portion of the Common Areas and Facilities of the Shopping Center for promotional or advertising activities without the prior written approval of the Landlord.

14.05 *Special Sales, Conduct of Business.* No auction, fire removal, closing, going-out-of-business or bankruptcy sales may be conducted in or from the Leased Premises without the prior written consent of Landlord. Tenant will not use the sidewalk or mall area adjacent to the Leased Premises for sale or display of merchandise or wares, nor will it use any loudspeaker, phonograph, radio or television for advertising in the Shopping Center in such manner that it may be heard or seen outside the Leased Premises without first securing Landlord's written consent.

#### Article XV

##### Damage or Destruction

15.01 *Damage to Leased Premises Repairable Quickly.* If the Leased Premises shall be damaged or destroyed by any cause so as to be unfit for occupancy and such damage or destruction could reasonably be repaired or rebuilt within one hundred eighty (180) days from the happening of such damage or destruction, then Tenant shall not be entitled to surrender possession of the Leased Premises nor shall Tenant's liability to pay Rent under this Lease cease, but in the case of any such damage or destruction Landlord shall repair or rebuild the same with all reasonable speed, and substantially complete such repairs or rebuilding within one hundred eighty (180) days from the happening of such damage or destruction, subject to delays beyond its control. If Tenant shall be deprived of the occupancy of any portion of the Leased Premises because of any such damage or destruction, but can nevertheless reasonably continue to engage in its business, a proportionate allowance shall be made to Tenant from the Rent corresponding to the time during which and to the portion of the Leased Premises of which Tenant shall be deprived on account of such damage or destruction and the making of such repairs. No Rent shall





be payable during such period as Tenant shall be deprived of the occupancy of all portions of the Leased Premises because of such damage or destruction or the effecting of such rebuilding.

15.02 *Non Repairable Quickly.* If such damage or destruction cannot reasonably be repaired or rebuilt within one hundred eighty (180) days from the happening thereof, Landlord shall notify Tenant within sixty (60) days after the happening of such damage or destruction whether or not Landlord will repair or rebuild. If Landlord elects not to repair or rebuild, this Lease shall be terminated, in which event the parties shall be relieved from their respective obligations which would otherwise thereafter accrue. If Landlord shall elect to repair or rebuild, Landlord shall specify the time within which such repairs or rebuilding will be completed, and Tenant shall have the option within thirty (30) days after receipt of such notice, to elect either to terminate this Lease or to extend the term of the Lease by a period of time equivalent to the time from the happening of such damage or destruction until the Leased Premises are restored to their former condition. In the event Tenant elects to extend the Term of the Lease, or shall fail to terminate this Lease within the time specified, Landlord shall repair or rebuild the Leased Premises to their former condition within the time specified in the notice (excluding Tenant's personal property or leasehold improvements, changes or betterments to the Leased Premises made by or for Tenant) subject to delays beyond its control and Tenant shall be entitled to an abatement of Rent in the manner hereinbefore set forth and this Lease shall continue in full force and effect.

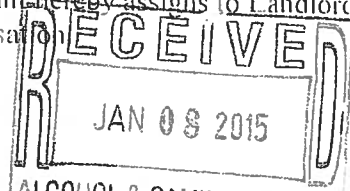
15.03 *Damage to Shopping Center or Building.* If more than forty percent (40%) of the rentable square footage of the Shopping Center or of Landlord's Building is destroyed or damaged by any cause (whether or not the Leased Premises are destroyed or damaged), Landlord shall have the option, upon giving notice to Tenant within sixty (60) days after the happening of such damage or destruction to cancel this Lease as of a date sixty (60) days after the giving of such notice.

15.04 *Uninsured Damage; Loss Near End of Term.* Notwithstanding the foregoing, in the event that damage or destruction of the Leased Premises shall not result from any of the causes covered by Landlord's policies of fire and extended coverage insurance as now or hereafter constituted, or if Landlord's mortgagee does not make the applicable insurance proceeds available to Landlord, or if such damage or destruction shall occur during the last two (2) years of the original term or any extended term of this Lease, Landlord shall have the election of repairing or rebuilding, in which event Tenant shall remain liable under the Lease, or of terminating this Lease, in which event the parties shall be relieved from their respective obligations which would otherwise thereafter accrue. Landlord shall give Tenant notice within thirty (30) days after such damage or destruction of its election.

#### Article XVI Eminent Domain

16.01 *Taking.* If, as a result of the taking by way of appropriation or right of eminent domain (a "Taking") of any part of the Leased Premises, Tenant's use of the Leased premises for the conduct of its business therein is materially adversely impaired, either party may terminate this Lease, in which event the parties shall be relieved of all obligations hereunder thereafter accruing. Tenant's use of the Leased Premises for the conduct of its business shall not be deemed to be "materially adversely impaired" if less than twenty-five percent (25%) of the Leased Premises is taken.

16.02 *Award.* All compensation awarded for any Taking, whether for the whole or a portion of the Leased Premises or the Shopping Center, shall be the sole property of Landlord, whether such compensation shall be awarded for diminution in the value of, or loss of, the leasehold or for diminution in the value of, or loss of, the fee in the premises, or otherwise, and Tenant hereby assigns to Landlord all of Tenant's right, title and interest in any and to any and all such compensation.



16.03 *Non-Termination.* If there is a Taking of the Leased Premises and the Lease does not terminate, the Rent will be reduced by that proportion which the number of square feet of the Leased Premises of which Tenant is thereby deprived bears to the total square feet encompassed within the entire Leased Premises immediately prior to such Taking.

## Article XVII Default

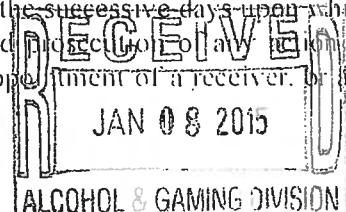
17.01 *Events of Default and Remedies.* In the event that any installment of Rent shall be and remain unpaid for a period of ten (10) days; or in the event Tenant shall at any time be in default in the observance or performance of any of the other covenants, obligations, terms, or conditions assumed by or imposed upon Tenant hereunder and such default continues for a period of fifteen (15) days after written notice to Tenant of such default; or if any waste be committed or unnecessary damage done upon or to the Leased Premises; or if Tenant shall fail to remain open for business for five (5) consecutive business days; or if a temporary or permanent receiver or trustee of Tenant's property or the property of any guarantor of this Lease ("Guarantor") be appointed by any court; or if Tenant or any Guarantor shall make any assignment for the benefit of creditors; or if any execution or attachment shall be issued against Tenant or any Guarantor or Tenant's leasehold interest hereunder and shall not be discharged within forty-five (45) days; or if Tenant shall commence proceedings in a court of bankruptcy or insolvency; or if Tenant or any Guarantor shall be declared or adjudicated bankrupt or insolvent according to law; or if any proceedings are commenced against Tenant or Guarantor in a court of bankruptcy or insolvency, which shall not be discharged within forty-five (45) days; then, and in any one or more of such events, Landlord shall be entitled, at its election, to exercise concurrently or successively, any one or more or all of the following rights and remedies:

(a) Without waiving such default, Landlord may pay any sum required to be paid by Tenant to third parties other than Landlord and which Tenant has failed to pay, and may perform any obligation required to be performed by Tenant for the account of Tenant, and any amount so paid by Landlord shall bear interest thereon at the Default Rate. Any amount or amounts paid by Landlord for the account of Tenant for the performance of any obligations required to be performed by Tenant shall be treated as Additional Rent due hereunder and Landlord may exercise concurrently or successively any one or more of the rights and remedies contained in this Lease for the enforcement of the payment of Rent;

(b) Landlord may enjoin any breach or threatened breach by Tenant of the covenants hereof;

(c) Landlord may bring suit for the collection of the Rent or other amounts for which Tenant may be in default, or for the performance of any other covenant devolving upon Tenant for performance, or damages therefor, all without entering into possession or terminating this Lease;

(d) Landlord may re-enter the Leased Premises by summary proceedings or otherwise, and take possession thereof, without terminating this Lease, and thereupon, to expel all persons and remove all property therefrom, either peaceably or by force, without becoming liable to prosecution therefor, and relet the Leased Premises making reasonable efforts therefor, for such periods and upon such terms according to Landlord's sole discretion, and receive the rent therefrom. Such rent shall be applied first to the payment of the reasonable expenses of such re-entry and the cost of such reletting, including but not limited to the expense of such decorations, alterations and remodeling as shall be incident to such reletting, and then to the payment of the Rent and other sums accruing hereunder, the balance, if any, to be retained by Landlord as a security deposit against Tenant's defaults during the remainder of the Term of this Lease. Tenant, whether or not the Leased Premises are relet, shall remain liable for any deficiency, which deficiency shall be paid by Tenant to Landlord, periodically, upon the successive days upon which the Rent hereunder is payable. It is agreed that the commencement and prosecution of any action by Landlord in forcible entry and detainer, ejectment or otherwise, or the appointment of a receiver, or any



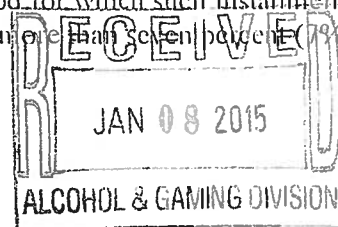
execution of any decree obtained in any action to recover possession of the Leased Premises, or any re-entry, shall not be construed as an election to terminate this Lease unless Landlord shall, in writing, expressly exercise its election to declare the term hereunder ended and to terminate this Lease, and such re-entry or entry by Landlord, whether taken under summary proceedings, or otherwise, shall not be deemed to have absolved or discharged Tenant from any of its obligations and liabilities for the remainder of the term of this Lease;

(c) Landlord may terminate this Lease, re-enter the Leased Premises and take possession thereof, wholly discharged from this Lease. In the event Landlord shall elect to terminate this Lease, as aforesaid, all rights and obligations of Tenant shall cease, except that Landlord shall have and retain full right to sue for and collect all Rent and other amounts for the payment of which Tenant shall then be in default and all damages to Landlord by reason of such breach, and Tenant shall surrender and deliver up the Leased Premises to Landlord, together with all improvements and additions thereto, and upon any default by Tenant in so doing, Landlord shall have the right to recover possession by summary proceedings or otherwise, and to obtain a receiver and other ancillary relief in such action, and again to have and enjoy the Leased premises, fully and completely, as if this Lease had never been made. Tenant hereby expressly waives any and all rights of redemption granted by or under any present or future laws in the event of Tenant being evicted or dispossessed for any cause, or in the event Landlord obtains possession of the Leased Premises by reason of the breach or violation by Tenant of any of the covenants and conditions in this Lease contained or otherwise. No such expiration or termination of this Lease, or summary proceedings, abandonment or vacancy, shall relieve Tenant of its liability and obligation under this Lease, whether or not the Leased Premises shall be relet. In any such event, Tenant shall pay Landlord the Rent and all other charges required to be paid by Tenant up to the time of such event. Thereafter:

(1) Tenant, until the end of the term of this Lease, or what would have been such term in the absence of any such event, shall be liable to Landlord as damages for Tenant's default, the equivalent of the amount of the Rent, and the other charges which would be payable under this Lease by Tenant if this Lease were still in effect, less the net proceeds of any reletting, effected pursuant to the provisions of this Section, after deducting all Landlord's expenses in connection with such reletting, including, without limitation, all repossession costs, brokerage and management commissions, operating expenses, legal expenses, reasonably attorneys' fees, alterations, costs and expenses of preparation for such reletting;

(2) Tenant shall pay such current damages (herein called "deficiency") to Landlord monthly on the days on which the Rent would have been payable under this Lease if this Lease were still in effect, and Landlord shall be entitled to recover from Tenant each monthly deficiency as the same shall arise;

(3) At any time after the expiration or termination of this Lease or abandonment or vacating of the Leased Premises by Tenant, in lieu of collecting any further monthly deficiencies as aforesaid, Landlord shall be entitled to recover from Tenant, and Tenant shall pay to Landlord, on demand, as damages, (minus any such monthly deficiencies previously recovered from Tenant) an amount equal to the difference between the Rent, and other charges reserved in this Lease from the date of such breach to the date of the expiration of the original term demised and the then fair and reasonable rental value of the Leased Premises for the same period. Such damages shall become due and payable to Landlord immediately upon such breach of this Lease and without regard to whether this lease be terminated or not, and if this lease be terminated, without regard to the manner in which it is terminated. In the computation of such damages, the difference between any installment of rent thereafter becoming due and the fair and reasonable rental value of the premises for the period for which such installment was payable shall be discounted to the date of such breach at the rate of not more than seven percent (7%) per annum;



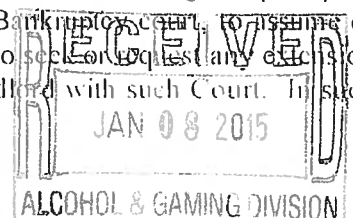
(f) If Tenant shall at any time during the term hereof be adjudged bankrupt, then this Lease, at the option of Landlord, shall terminate. Landlord, in the event it exercises such option to terminate, shall be entitled to receive, as liquidated damages, the difference between the Rent provided for hereunder and the then rental value of the Leased Premises, which liquidated damages shall, however, in no event be less than any sums or allowances to which Landlord may be entitled at that time under any then existing statutes of the State of New Mexico or of the United States of America;

(g) All rights and remedies granted Landlord herein and any other rights or remedies which Landlord may have at law or in equity are cumulative and not exclusive, and the fact that Landlord may have exercised any remedy without terminating this Lease shall not impair Landlord's rights thereafter to terminate or to exercise any other remedy herein granted or to which it may be otherwise entitled.

17.02 *Laches.* No waiver of any covenant or condition or the breach of any covenant or condition of this Lease shall be taken to constitute a waiver of any subsequent breach of such covenant or condition, nor to justify or authorize the non-observance on any other occasion of the same, or any other covenant or condition hereof, nor shall the acceptance of Rent by Landlord at any time when Tenant is in default under any covenant or condition hereof be construed as a waiver of such default, nor shall any waiver or indulgence granted by Landlord to Tenant be taken as an estoppel against Landlord. It is expressly understood that if, at any time, Tenant shall be in default in any of the covenants or conditions hereunder, an acceptance by Landlord of Rent during the continuance of such default, or of the failure on the part of Landlord promptly to avail itself of such other rights or remedies as Landlord may have, shall not be construed as a waiver of such default; but Landlord may at any time thereafter, if such default continues, take action as deems necessary on account of such default, in the manner provided in this Article XVII. Every demand for rent due wherever and whenever made, or demand for the performance or observance of any of the other obligations devolving upon Tenant hereunder, shall have the same effect as if made at the time it falls due and at the place of payment; and after the service of any notice of commencement of any suit or final judgment therein, Landlord may receive and collect any rent due, and such collection or receipt shall not operate as a waiver of nor affect such notice, suit or judgment.

17.03 *Self-help.* If Tenant shall default in the performance or observance of any agreement or condition in this Lease contained on its part to be performed or observed and shall not cure such default within fifteen (15) days after notice from Landlord specifying the default, or if such default shall reasonably take more than fifteen (15) days to cure, shall not have commenced the same within the fifteen (15) days and diligently prosecuted the same to completion, Landlord may, at its option, in addition to any other remedy specified herein, without waiving any claim for damages for breach of agreement, at any time thereafter cure such default for the account of Tenant and any amount paid or any contractual liability incurred by Landlord in so doing shall be deemed paid or incurred for the account of Tenant and Tenant agrees to reimburse promptly Landlord therefor and save Landlord harmless therefrom; provided that Landlord may, however, cure any such default as aforesaid prior to the expiration of such waiting period, if the curing of such default prior to the expiration of such waiting period is reasonably necessary to protect the Leased premises or the Shopping Center or to prevent injury or damage to persons or property. If Tenant shall fail promptly to reimburse Landlord for any amount paid for the account of Tenant hereunder, such failure shall constitute an additional default by Tenant under this Lease and such amount shall be added to and become due as a part of the next payment of Rent due hereunder.

17.04 *Bankruptcy.* If Landlord shall not be permitted to terminate this Lease as provided above because of the provisions of Title 11 of the United States Code relating to Bankruptcy, as amended ("Bankruptcy Code"), then Tenant as a debtor-in-possession or any trustee for Tenant agrees promptly, within no more than fifteen (15) days upon request by Landlord to the Bankruptcy Court, to assume or reject this lease and Tenant on behalf of itself, and any trustee agrees not to seek or request any extension or adjournment of any application to assume or reject this Lease by Landlord with such Court. In such



event, Tenant or any trustee for Tenant may only assume this Lease if (A) it cures or provides adequate assurance that the trustees will promptly cure any default hereunder, (B) compensates or provides adequate assurance that Tenant will promptly compensate Landlord for any actual pecuniary loss to Landlord resulting from Tenant's defaults, and (C) provides adequate assurance of performance during the fully stated term hereof of all of the terms, covenants, and provisions of this Lease to be performed by Tenant. In no event after the assumption of this Lease shall any then-existing default remain uncured for a period in excess of the earlier of ten (10) days or the time period set forth therein. Adequate assurance of performance of this lease, as set forth above, shall include, without limitation, adequate assurance (1) of the source of rent reserved hereunder, (2) and the assumption of this lease will not breach any provision hereunder. In the event of a filing of a petition under the Bankruptcy Code, Landlord shall have no obligation to provide Tenant with any services or utilities as herein required, unless Tenant shall have paid and be current in all payments of Landlord's charges therefor.

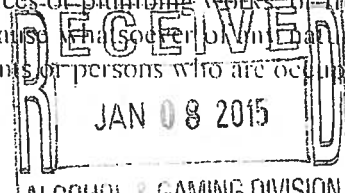
#### Article XVIII Access by Landlord

18.01 *Right of Entry; For Lease Signs.* The Landlord or the Landlord's agents shall have the right to enter the Leased Premises upon reasonable notice (except in the case of an emergency where no prior notice will be required), to examine the same, and to show them to prospective purchasers or lessees of the Leased Premises or the Shopping Center, to make such repairs, alterations, improvements or additions as the Landlord may deem necessary or desirable, and the Landlord shall be allowed to take all material into and upon such Leased Premises that may be required therefor without the same constituting an eviction of the Tenant in whole or in part and the Rent reserved shall be in no wise abated while such repairs, alterations, improvements or additions are being made, by reason of loss or interruption of business of the Tenant or otherwise. During the six (6) months prior to the expiration of the Term of this Lease or any renewal term, or at any time during which Tenant has ceased to conduct its business with the public, the Landlord may place upon the Leased Premises the usual notices "For Rent" or "For Sale," which Tenant shall permit to remain thereon without molestation. If the Tenant shall not be personally present to open and permit an entry into the Premises, at any time, when for any reason an entry therein shall be necessary or permissible, the Landlord or the Landlord's agents may enter the same peaceable or by force, without rendering the Landlord or such agents liable therefor, and without in any manner affecting the obligations and covenants of this lease. Nothing herein contained, however, shall be deemed to impose upon the Landlord any responsibility or liability whatsoever, for the care, maintenance or repair of the Leased Premises, Landlord's Buildings or any part thereof, except as otherwise herein specifically provided.

18.02 *Excavation.* If an excavation shall be made upon land adjacent to the Leased Premises, or shall be authorized to be made, the Tenant shall afford to the person causing or authorized to cause such excavation, license to enter upon the Leased Premises for the purpose of doing such work as the Landlord shall deem necessary to preserve the wall or walls of Landlord's Building from injury or damage and to support the same by proper foundations, without any claim for damages or indemnification against the Landlord or diminution or abatement of Rent.

#### Article XIX Tenant's Property

19.01 *Loss and Damage.* The Landlord shall not be responsible for any damage to the property of the Tenant or of others located on the Leased Premises, nor for the loss of or damage to any property of the Tenant or of others by theft or otherwise. The Landlord shall not be liable for any injury or damage to persons or property resulting from fire, explosion, falling plaster, gas, electricity, water, rain or snow, or leaks from any part of the Leased Premises, or from the pipes, appliances or plumbing works, or from the roof, street or sub-surface, or from any other place, or by any other cause whatsoever, including but not limited to. The Landlord shall not be liable for any such damage caused by other tenants or persons who are occupants of



adjacent property, or of the Shopping Center, or the public, or caused by operations in construction of any private, public or quasi-public work. The Landlord shall not be liable for any latent defects in the Leased Premises or in Landlord's Building. All property of the Tenant kept or stored on the Leased Premises shall be so kept or stored at the risk of the Tenant only, and the Tenant shall hold the Landlord harmless from any claims arising out of damage to the same.

19.02 *Taxes on Tenants Personal Property.* Tenant shall be responsible for and shall pay before delinquency all municipal, county, or state taxes assessed during the term of this Lease against any personal property of any kind owned by or placed in, upon, or about the Leased Premises by Tenant.

19.03 *Pledge of Personal Property and/or Lease Interest.* The foregoing language notwithstanding, Landlord acknowledges that Tenant may seek financing or funding which requires it to encumber the personal property owned by Tenant, by way of a first and prior security interest in the collateral for the benefit of an institutional lender. In such event, Landlord shall execute such documents as are reasonably required by such lender to evidence subordination of Landlord's security interest, if any, in accordance with this paragraph.

19.04 *Notice by Tenant.* The Tenant shall give immediate notice to the Landlord in case of fire or accidents in the Leased Premises or in the Landlord's Building and of defects therein or in any fixtures or equipment.

## **Article XX**

### **Holding Over, Successors**

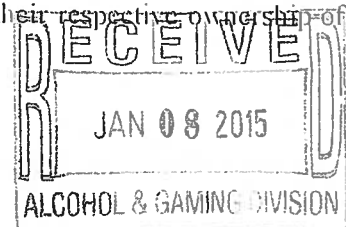
20.01 *Holding Over.* Should Tenant, with Landlord's written consent, hold over at the end of the Term of this Lease, Tenant shall become a Tenant at will and any such holding over shall not constitute an extension of this Lease. During such holding over, Tenant shall pay Rent and other charges at the highest monthly rate provided for herein. If Tenant holds over at the end of the Term without Landlord's written consent, Tenant shall pay Landlord as liquidated damages, a sum equal to twice the Rent to be paid by Tenant to Landlord for all the time Tenant shall so retain possession of the Premises; provided that the exercise of the Landlord's rights under this clause shall not be interpreted as a grant of permission to Tenant to continue in possession.

20.02 *Successors.* All rights, duties and liabilities herein given to, or imposed upon, the respective parties hereto, shall extend to and bind the several respective heirs, executors, administrators, successors, and assigns of the said parties; and if there shall be more than one tenant, they shall all be bound jointly and severally by the terms, covenants and agreements herein. No rights, however, shall inure to the benefit of any assignee of the Tenant unless the assignment to such assignee has been approved by the Landlord in writing as provided in Section 12.01 hereof.

## **Article XXI**

### **Quiet Enjoyment**

21.01 *Landlord's Covenant.* Landlord covenants and agrees that if Tenant shall perform all of the covenants and agreements herein stipulated to be performed on Tenant's part, Tenant shall at all times during the Term hereof have the peaceable and quiet enjoyment and possession of the Leased Premises and the appurtenances thereto without any manner of hindrance from Landlord or any persons lawfully claiming through Landlord, and it is understood and agreed that this covenant and all other covenants of Landlord contained in this Lease shall be binding solely upon Landlord and not any partner thereof and its successors in interest only with respect to breach occurring during its and their respective ownership of the Landlord's interest hereunder.



21.02 *Landlord's Liability.* Notwithstanding anything to the contrary in this Lease, it is specifically agreed that the monetary liability of any Landlord hereunder in the event of a breach by the Landlord of any of the terms, covenants and conditions of this Lease to be performed by Landlord or in the event of any other claim by Tenant against Landlord, whether under this Lease, imposed by statute, or existing at common law, in respect of any matter related to, arising out of or occurring in connection with this Lease, the Leased Premises, the Shopping Center or their relationship to each other as landlord and tenant, shall be limited to and enforceable solely against the Landlord's interest in the Shopping Center and that no personal or other money judgment shall be sought or obtained against Landlord or any partners or shareholders thereof.

## Article XXII Miscellaneous

22.01 *Entire Agreement.* This Lease and the Exhibits attached hereto and forming a part hereof, set forth all the covenants, promises, agreements, conditions and understandings between the Landlord and Tenant, concerning the Leased Premises and there are no covenants, promises, agreements, conditions or understandings, either oral or written, between them other than are herein set forth. Except as herein otherwise provided, no subsequent alteration, amendment, change or addition to this Lease shall be binding upon the Landlord or Tenant unless reduced to writing and signed by them.

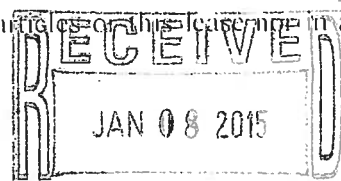
22.02 *No Partnership.* The Landlord does not, by virtue of this Lease, in any way or for any purpose; become a partner of the Tenant in the conduct of its business, or otherwise, or joint venturer or a member of a joint enterprise with the Tenant. The provisions of this Lease relating to the Annual Percentage Rent payable hereunder are included solely for the purpose of providing a method whereby rent is to be measured and ascertained.

22.03 *Cost and Expense.* Whenever this Lease provides for the doing of any act by any party, such act shall be done by such party at its sole cost and expense unless a contrary intent is expressed.

22.04 *Force Majeure.* In the event that Landlord shall be delayed or hindered in or prevented from the performance of any act required hereunder by reason of strikes, lock-outs, labor troubles, inability to procure materials, failure of power, restrictive governmental laws or regulations, riots, insurrection, war or other reason of a like nature not the fault of the Landlord in performing work or doing acts required under the terms of this lease, then performance of such act shall be excused for the period of delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay.

22.05 *Notices.* Any notice, demand, request or other instrument which may be or are required to be given under this Lease shall be in writing and delivered in person or sent by United States certified mail, return receipt requested, postage prepaid, and shall be addressed to the Landlord at P.O. Box 820 Street, City of TAOS, State of New Mexico, or at such other address as the Landlord may designate by written notice, and if to Tenant prior to the Commencement Date of the Lease at PO Box 155 Road, City of Ranchos de Taos State of New Mexico, and after the Commencement Date of this Lease at PO Box 155 - Avenue, City of Ranchos de Taos State of New Mexico, or at such other address as the tenant shall designate by written notice (the "Tenant Notice Address"). Notices shall be effective upon delivery unless delivery is refused or cannot be made in which event notice shall be effective upon mailing.

22.06 *Captions and Section Numbers.* The captions, section numbers, article numbers, and table of contents appearing in this lease are inserted only as a matter of convenience and in no way define, limit construe, or describe the scope or intent of such sections or articles of this lease nor in any way affect this Lease.





22.07 *Tenant Defined, Use of Pronoun.* The word "Tenant" shall be deemed and taken to mean each and every person or party mentioned as a Tenant hereunder, be the same one or more, and if there be more than one Tenant, any notice required or permitted by the terms of this Lease may be given by or to any one thereof, and shall have the same force and effect as if given by or to all thereof. The use of the neuter, singular pronoun to refer to the Landlord or to the Tenant shall be deemed a proper reference even though the Landlord or the Tenant may be an individual, a partnership, a corporation, or a group of two or more individuals or corporations. The necessary grammatical changes required to make the provisions of this Lease apply to the plural sense where there is more than one Landlord or Tenant and to either corporations, associations, partnerships, or individuals, males or females, shall, in all instances, be assumed as though in each case fully expressed.

22.08 *Landlord.* The term "Landlord" as used in this Lease, so far as covenants or obligations on the part of Landlord are concerned, shall be limited to mean and include only the owner or owners of the Shopping Center at the time in question and, in the event of any transfer or transfers of the title thereto, Landlord herein named (and in the case of any subsequent transfers or conveyances, the then grantor) shall be automatically released, from and after the date of such transfer or conveyance, of all liability as respects the performance of any covenants or obligations on the part of Landlord contained in this Lease thereafter to be performed, provided that any funds in the hands of Landlord or the then grantor at the time of such transfer in which Tenant has an interest shall be turned over to the grantee and any amount then due and payable to Tenant by Landlord or the then grantor under any provisions of this Lease shall be paid to Tenant.

22.09 *Broker's Commission.* Each of the parties represents and warrants that there are no claims for brokerage commissions or finder's fees in connection with this Lease.

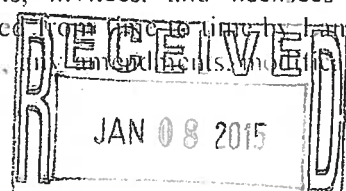
22.10 *Partial Invalidity.* If any term, covenant or condition of this Lease or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term, covenant or condition to persons or circumstances other than those to which it is held invalid or unenforceable, shall not be affected thereby, and each term, covenant and condition of this Lease shall be valid, and be enforced, to the fullest extent permitted by law.

22.11 *No Option.* The submission of this Lease for examination does not constitute a reservation of or option for the Leased Premises and this Lease becomes effective as a Lease only upon the execution and delivery thereof by both the Landlord and the Tenant.

22.12 *Recording.* The Tenant shall not record this Lease without the written consent of the Landlord. However, upon the request of either party hereto, the other party shall join in the execution of a memorandum or so-called "short form" of this Lease to the purpose of recordation. Such memorandum or short form of this Lease shall describe the parties, the Leased Premises and the Term of this Lease and shall incorporate this Lease by reference. The party requesting such short form lease shall pay all recording fees.

22.13 *Joint and Several Liability.* If Tenant is a partnership or other business organization the members of which are subject to personal liability, the liability for each such member shall be deemed to be joint and several. If Tenant is individual persons, then the individual persons comprising Tenant shall be liable for all obligations of Tenant under this Lease.

22.14 *Rules and Regulations.* Tenant, its employees, agents, invitees, and licensees shall comply with all reasonable rules and regulations which may be adopted from time to time by Landlord with respect to the Shopping Center, and, upon notice from Landlord, in amendments, modifications,





deletions, or additions thereto. In the event of any breach of any rules and regulations so established, or any amendments, modifications, or additions thereto, Landlord shall have all remedies in this Lease provided for in the event of default by Tenant.

22.15 *Confidentiality.* Tenant shall keep the contents of this Lease confidential and shall not disclose the contents of this Lease in any manner whatsoever, except that (i) Tenant may make any disclosure of information contained in this Lease to which Landlord gives its prior written consent, and (ii) any information contained in this Lease may be disclosed to Tenant's Representatives who need to know that information for the purpose of assisting Tenant in connection with its business at the Premises and who agree in writing to keep that information confidential. Tenant shall be responsible for any breach of the provisions of this Section by any of its Representatives. The term "Representatives" as used in this Section of the Lease means Tenant's directors, officers, partners, employees, attorneys, accountants and bankers.

If Tenant or its Representatives receive a request to disclose all or any part of the contents of this Lease under the terms of a subpoena or other order issued by a court of competent jurisdiction or by a government agency, Tenant shall: (i) promptly notify Landlord of the existence, terms and circumstances surrounding such request; (ii) consult with Landlord on the advisability of taking steps to resist or narrow that request; (iii) if disclosure of any portion of this Lease is required, furnish only such portion of this Lease as Tenant is advised by counsel is legally required to be disclosed; and (iv) cooperate with Landlord in its efforts to obtain and order or other reliable assurance that confidential treatment will be accorded to that portion of the Lease that is required to be disclosed.

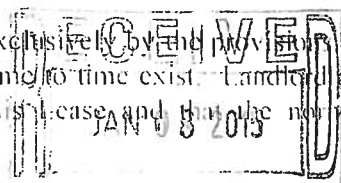
Tenant agrees to protect, indemnify, defend and hold harmless Landlord from any damages or other adverse consequences that Landlord may incur or suffer as a result of a breach of the covenants contained in this Section of the Lease. In addition, Tenant understands, acknowledges and agrees that any breach of the provisions of this Section on the part of Tenant or its Representatives shall constitute a default under this Lease. The provisions of this Section shall survive the expiration or earlier termination of the Term of this Lease.

22.16 *Tenant's Financial Information.* To the extent that Tenant has provided Landlord with financial information, financial statements, tax returns, and financial projections in negotiation of this Lease, Landlord and Tenant acknowledge that Landlord is relying on such information in entering into this Lease. Tenant warrants that such financial information is true, complete and accurate as of the execution of this Lease.

22.17 *Authority and Execution.* Tenant and the party executing this lease on behalf of Tenant represent to Landlord that such party is authorized to do so by requisite action of the board of directors or partners, as the case may be, and agree, upon request, to deliver to Landlord a resolution or similar document or opinion of counsel to that effect. Submission of this instrument for examination or signature by Tenant does not constitute a reservation of or an option for lease, and it is not effective as a lease or otherwise until execution and delivery by both Landlord and Tenant.

22.18 *Provisions Binding.* Except as herein otherwise expressly provided, the terms hereof shall be binding upon and shall inure to the benefit of the heirs, successors and assigns, respectively, of Landlord and Tenant. Each term and each provision of this Lease to be performed by Tenant shall be construed to be both a covenant and a condition and shall run with the land to the fullest extent permitted by law.

22.19 *Governing Law.* This Lease shall be governed exclusively by the provisions hereof and by the laws of the state of New Mexico, as the same may from time to time exist. Landlord and Tenant acknowledge each to the other that both they have reviewed this Lease and that the normal rule of



construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in interpretation of this Lease or Exhibits hereto.

22.20 *Exhibits.* All references to Exhibits contained herein are references to Exhibits attached hereto, all of which are made a part hereof for all purposes the same as if set forth herein verbatim, it being expressly understood that if any Exhibit attached hereto which is to be executed and delivered contains blanks, the same shall be completed correctly and in accordance with the terms and provisions contained herein and as contemplated herein prior to or at the time of execution and delivery thereof.

Exhibit A. Drawing depicting location and configuration of the Leased Premises

Exhibit B. Legal description of the Shopping Center

IN WITNESS WHEREOF, the parties hereto have executed this Lease Agreement as of the day and year first above written.

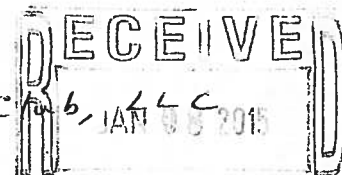
LANDLORD:

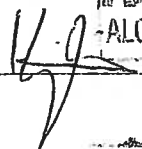
Plaza de Colores, LLC

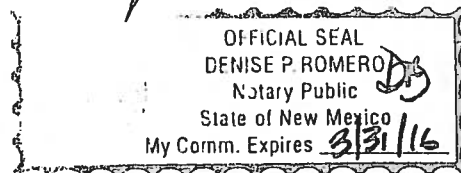


TENANT:

Kyoto Club, LLC








STATE OF NEW MEXICO

COUNTY OF TADS

)  
) ss   
)

The foregoing instrument was acknowledged before me this 21<sup>st</sup> day of NOVEMBER, 2014  
by JAMES PELEA as Landlord.

Witness my hand and official seal.


My commission expires: 3/31/2016



Notary Public

STATE OF NEW MEXICO

COUNTY OF TADS

)  
) ss   
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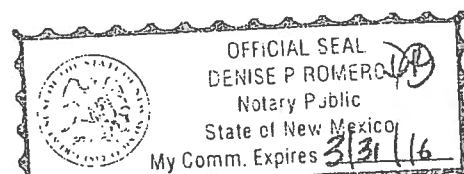
The foregoing instrument was acknowledged before me this 21<sup>st</sup> day of NOVEMBER, 2014  
by KY QUINTANILLA, as Tenant.

Witness my hand and official seal.

My commission expires: 3/31/2016



Notary Public



## **RULES AND REGULATIONS**

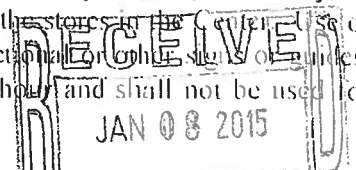
Landlord hereby establishes the following rules and regulations for the safety, care and cleanliness of (i) the store areas (hereinafter referred to as the "demised premises") of any tenant or tenants of the Center (hereinafter referred to as the "tenant"), (ii) the common areas; and (iii) the Center in general, or for the preservation of good order.

### **FOR THE STORE AREAS:**

1. All floor areas of the demised premises (including vestibules, entrances, and air returns), doors, fixtures, windows, and plate glass shall be maintained in a clean, safe and good condition.
2. All trash, refuse, and waste materials shall be stored in adequate containers and regularly removed from the demised premises. These containers shall not be visible to the general public and shall not constitute a health or fire hazard, or nuisance. Five (5) days after written notice by Landlord, Landlord may remedy and/or correct such health or fire hazard or nuisance at the expense of the tenant involved. No portion of the demised premises shall be used for lodging purposes.
3. Neither sidewalks nor walkways shall be used to display, store, or place any merchandise, equipment or devices, except in connection with sidewalk sales held with Landlord's prior written approval. The roof of the demised premises shall not be used for the storage of merchandise or equipment.
4. No public telephone, newsstand, shoeshine stand, refreshment, vending or other coin operated machine shall be installed or placed on the sidewalk or walkway area adjacent to the demised premises or on the common areas without Landlord's prior written approval in each instance.
5. No person or persons shall use the demised premises or any part thereof, for conducting therein a second-hand store, auction, distress or fire sale or bankruptcy sale, or "going-out-of-business" sale or "lost our lease" sale, without Landlord's prior written consent.
6. No portion of the demised premises shall be used for the storage of any merchandise, materials or other properties, other than those reasonably necessary for the operation of a tenant's business. Landlord may, from time to time, inspect the demised premises to insure compliance with foregoing provisions.
7. Except for professionally prepared signs conforming to the Sign Criteria, tenant shall not black out or otherwise obstruct the windows of the demised premises, without Landlord's prior written consent.
8. If a tenant provides its customers with the use of shopping carts and/or baskets, such tenant shall be responsible for causing said carts and/or baskets to be stored only in areas designated by Landlord. If such tenant fails to routinely collect and store said carts as necessary (at least twice on a daily basis), Landlord may assume the responsibility of same and may bill the tenant involved on an estimated monthly basis for such service.

### **FOR THE COMMON AREA:**

1. All tenants and their authorized representatives and invitees shall use any roadway, walkway, or mall (including the enclosed mall, if any) only for ingress and egress from the stores in the Center. Use of the common areas shall be in an orderly manner in accordance with directional or other signs or guides. Roadways shall not be used at a speed in excess of ten (10) miles per hour and shall not be used for



parking or stopping, except for the immediate loading or unloading of passengers, walkways and malls shall be used only for pedestrian travel.

2. Tenants and their authorized representatives, customers and invitees shall not use the parking areas for anything but parking of motor vehicles. All motor vehicles shall be parked in an orderly manner within the painted lines defining the individual parking places. During peak periods of business activity, Landlord can impose any and all controls Landlord deems reasonably necessary to operate the parking lot including but not limited to the length of time for parking use.

3. No person shall use any utility area or truck loading area reserved for use in conducting business, except for the specific purpose for which permission to use these areas had been given.

4. No employee shall use any area for motor vehicle parking except the area specifically designated for employee parking. No tenant shall designate an area for employee parking except the area designated in writing by the Landlord.

5. Without prior written consent of Landlord, no person shall use any of the common areas for:

- a. Vending, peddling or soliciting orders for sale or distributing any merchandise, device, service, periodical, book, pamphlet, brochure, leaflet or other matter;
- b. Exhibiting any non-professional sign placard, banner, notice or other written material;
- c. Distributing any circular, booklet, handbill, placard, or other material;
- d. Soliciting membership in any organization, group, or association, or soliciting contributions for any purpose;
- e. Parading, patrolling, picketing, demonstrating, or engaging in conduct that might interfere with the use of the common areas or be detrimental to any of the business establishments in the Center;
- f. Using the common areas for any purpose when none of the business establishments in the Shopping Center is open for business;
- g. Discarding any paper, glass, or extraneous matter of any kind, except in designated receptacles;
- h. Damaging any sign, light standard, or fixture, landscaping material or outer improvement on property within the Shopping Center.

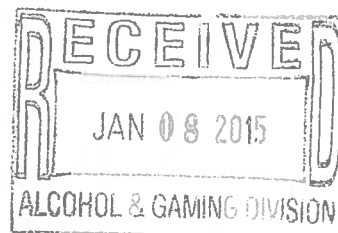
Tenant acknowledges receipt of these rules and regulations as of this 29<sup>th</sup> day of November, 20014.

TENANT: Kyote Club, LLC

By: [Signature]

Printed Name: Ky Portanillo

Title: Owner



## GUARANTY AGREEMENT

This Guaranty is made as of this 21st day of November, 2014, by KY Quintanilla ("Guarantor"), to Plaza de Colores, LLC, a State of New Mexico limited liability company ("Landlord").

### WITNESSETH:

Guarantor has requested Landlord to enter into a certain Lease Agreement dated 12/1/14, (hereinafter, together with any modifications, amendments, extensions, riders, and renewals, referred to as the "Lease") with Kyote Club LLC, a LLC incorporated under the laws of the State of New Mexico, as the Tenant ("Tenant"), covering the space as set forth in the Lease, and defined as the "premises" in the Lease.

To induce Landlord to enter into the Lease, the Guarantor hereby agrees to guarantee as hereinafter provided, the performance by Tenant of all of the terms, covenants, conditions, obligations, and agreements (collectively the "Covenants") contained in the Lease on the part of Tenant to be performed thereunder.

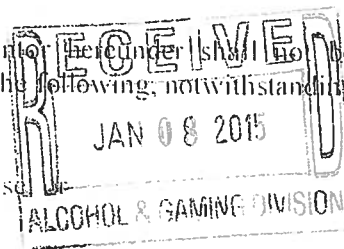
NOW THEREFORE, in consideration of the making of the Lease and other good and valuable consideration, including the undertakings herein contained, the Guarantor hereby agrees as follows, intending to be legally bound hereby:

1. *Definitions.* Unless specifically defined in this Guaranty Agreement or the context clearly requires a different meaning, the capitalized words and phrases used in this Guaranty Agreement have the same meanings ascribed to them in the Lease.

2. *Guaranty of Lease.* Guarantor unconditionally and absolutely, jointly and severally, guarantees to Landlord the prompt payment, when due, of the rents and any and all other charges payable under the Lease and the full and faithful performance and observance of any and all Covenants contained in the Lease, including, without limitation, the rules and regulations as therein provided, on the part of Tenant to be performed and observed. Guarantor unconditionally and absolutely covenants to Landlord that, if Tenant shall default at any time in the Covenants to pay rent or any other charge stipulated in the Lease or in the performance of any of the other Covenants contained in the Lease on Tenant's part to be performed; Guarantor will well and truly perform such Covenants, and pay the rent or other charges or arrears thereof that may remain due thereon to Landlord, and also all damages stipulated in the Lease. Guarantor shall pay to Landlord, on demand, all expenses (including reasonable expenses for attorneys' fees and reasonable charges of every kind) incidental to, or relating to, the enforcement of this Guaranty Agreement. If the Lease is renewed or its term extended, for any period beyond the original expiration date specified in the Lease, either pursuant to any option to renew granted under the Lease or otherwise at any time, or if the Tenant holds over beyond the term of the Lease, or if the Lease is modified in any way, the obligations hereunder of Guarantor shall extend and apply with respect to the full performance and observance of all of the covenants, terms, and conditions of the Lease, as existing, extended, renewed or modified and of any such amendment thereof.

3. *No Discharge of Guaranty.* The liability of any Guarantor hereunder shall not be impaired, released, terminated or discharged, in whole or in part, by any of the following, notwithstanding that the same are made with or without notice to the Guarantor:

(a) any amendment or modification of the provisions of the Lease

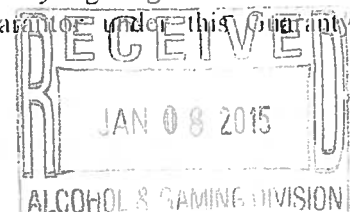


- (b) any extensions of time for performance, whether in whole or in part, of the covenants of Tenant under the Lease given prior to or after default thereunder; or
- (c) any other Guaranty now or hereafter executed by any Guarantor or any other person; or
- (d) any waiver of, assertion or enforcement of, or failure or refusal to assert or enforce, in whole or in part, any covenants, claims, causes of action, or remedies that Landlord may, at any time, have under the Lease or with respect to any guaranty or any security that Landlord may hold, at any time, for or under the Lease or with respect to Tenant; or
- (e) any act, thing, omission or delay to do any act or thing that may, in any manner, or to any extent, vary the risk of Guarantor or that would otherwise operate as a discharge of any Guarantor as a matter of law; or
- (f) the failure to give any Guarantor any notice whatsoever; or
- (g) the release of any security, Guaranty, or any rights, power, or privileges Landlord may now or hereafter have against any persons, entity, or collateral; or
- (h) any transfer by Tenant or any assignment of Tenant's interest under the Lease, whether or not with Landlord's consent; or
- (i) the full liability of the Lease for any reason whatsoever.

In the event that any agreement or stipulation between Landlord and Tenant shall extend the time of performance or modify any covenants of the Lease on the part of Tenant to be performed, Guarantor shall continue to be liable upon this Guaranty.

4. *Demand Not Required.* To charge any Guarantor under this Guaranty, no demand shall be required nor shall there be required any notice of any default in any of the covenants of the Lease on the part of Tenant to be performed or of the same as affected by any agreement or stipulation extending the time of performance or modifying the covenants of the Lease. Guarantor hereby expressly waives any such demand or notice. Landlord shall have the unlimited right to enforce this Guaranty without pursuing any rights or remedies of Landlord against Tenant, or any other party, of any security Landlord may hold, it being intended that immediately upon any breach or default by Tenant in the performance or observance of any covenant of the Lease, Landlord may enforce its rights directly against any Guarantor under this Guaranty. Landlord may commence any action or proceeding based upon this Guaranty directly against Guarantor for the full performance of the Lease without making Tenant, any other guarantors, or any other person a party defendant in such action or proceeding. Any one or more successive or concurrent actions may be brought on this Guaranty against any Guarantor either by the same action, if any, brought against Tenant and/or any other party or in separate actions, as often as Landlord, in its sole discretion, may deem advisable.

5. *Waivers.* The Guarantor hereby expressly waives and releases the following: (i) notice of the acceptance of this Guaranty and notice of any change in Tenant's financial condition; (ii) the right to interpose all substantive and procedural defenses of the law of guaranty, indemnification, and suretyship, except the defenses of prior payment or prior performance by Tenant (of the obligations which Guarantor is called upon to pay or perform under this Guaranty) or that there is no obligation on the part of Tenant with respect to the matter or matters claimed to be in default; (iii) all rights and remedies afforded by applicable law to Guarantor or sureties, including, without limitation, any extensions of time conferred by any law now or hereafter in effect; (iv) the right to interpose any defense (except as allowed under (ii) above), set-off, or counterclaim of any nature or description in any action or proceeding; (v) any right or claim of rights to cause a marshaling of Tenant's assets or to cause Landlord to proceed against Tenant or any collateral held by Tenant at any time or in any particular order; (vi) any right against Tenant for reimbursement or contribution because of any payment made by Guarantor under this Guaranty Agreement; and (vii) any defense based upon the invalidity of the Lease.



6. *No Impairment of Obligation.* Neither Guarantor's obligations to make payment in accordance with the term of this Guaranty nor any remedy for the enforcement thereof, shall be impaired, modified, changed, stayed, released, or limited in any manner whatsoever by impairment, modification, change, release, limitation or stay of the liability of Tenant or its estate in bankruptcy or any remedy for the enforcement thereof, resulting from the operation of any present or future provision of the Bankruptcy Act of the United States or other statutes, or from the decision of any court interpreting any of the same, and each Guarantor shall be obligated under this Guaranty as if no such impairment, stay, modification, change, release, or limitation had occurred.

7. *Subrogation Rights.* Whenever at any time or from time to time Guarantor makes any payment to Landlord or performs or fulfills any covenant, Guarantor will notify Landlord in writing that such payment or performance, as the case may be, is for such purpose. No such payment or performance by Guarantor pursuant to any provision hereof shall entitle Guarantor, by subrogation or otherwise, to the rights of Landlord to any payment by Tenant or out of the property of Tenant, except after payment of all sums or fulfillment of all covenants, terms, conditions, provisions or agreements to be paid or performed by Tenant.

8. *Estoppel Certificate.* Guarantor will, at any time and from time to time, within ten (10) business days following written request by Landlord, execute, acknowledge and deliver to Landlord a statement certifying that this Guaranty is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as modified and stating such modifications). Such certificate may be relied on by anyone holding or proposing to acquire any interest in the premises from or through Landlord or by any mortgagee or prospective mortgagee of the premises or of any interest therein.

9. *Binding Effect.* All of Landlord's rights and remedies under this Guaranty are intended to be distinct, separate and cumulative and no right or remedy mentioned herein is intended to be an exclusion of or a waiver of any of the others. This Guaranty shall be binding upon Guarantor and Guarantor's heirs, personal representatives and assigns.

IN WITNESS WHEREOF, this Guaranty is executed this 21<sup>st</sup> day of November, 2014.

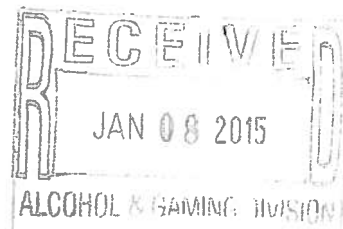
LANDLORD:



GUARANTOR:



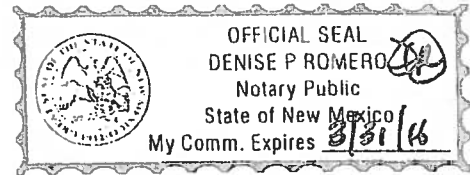
[NOTARIAL ACKNOWLEDGEMENTS ON FOLLOWING PAGE]



STATE OF NEW MEXICO

COUNTY OF TADU

)  
) SS  
)



The foregoing instrument was acknowledged before me this 21<sup>ST</sup> day of NOVEMBER, 2014  
by JAMES PEPEA as Landlord.

Witness my hand and official seal.

My commission expires: 3/31/2016

Denise P. Romero

Notary Public

STATE OF NEW MEXICO

COUNTY OF TADU

)  
) SS  
)

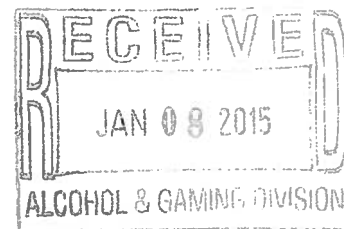
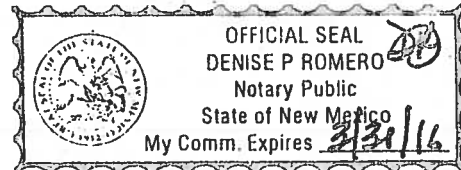
The foregoing instrument was acknowledged before me this 21<sup>ST</sup> day of NOVEMBER, 2014  
by KY QUINTANILLA, as Tenant.

Witness my hand and official seal.

My commission expires: 3/31/16

Denise P. Romero

Notary Public





Amendment

Plaza de Colores, LLC ("Landlord") and Kyote Club, LLC ("Tenant") agree to add the following provision to the Real Estate Lease (the "Lease") executed by Landlord and Tenant on November 21, 2014:


1. **Amendment.** Article XVII (1701) is amended to add another default as follows:

If Tenant is in default under the Liquor License Lease Agreement for License 2660 between Landlord and Tenant.

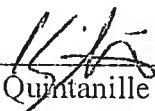
2. **Ratification.** All other provisions of the Lease are hereby confirmed and ratified.

**Landlord:**  
Plaza de Colores, LLC  
a New Mexico limited liability company

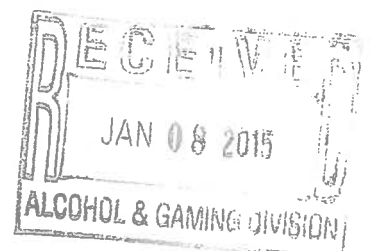
**Tenant:**  
Kyote Club, LLC  
a New Mexico limited liability company

By   
James A Perea  
Its President

Dated: 1/2/15, 2014

By   
Ky Quintanilla  
Its Managing Member

Dated: 1-2-2015, 2014




## REAL ESTATE LEASE

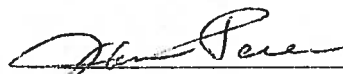
**Taos Enterprises, LLC** ("Landlord") and **Plaza de Colores, LLC** ("Tenant") agree:

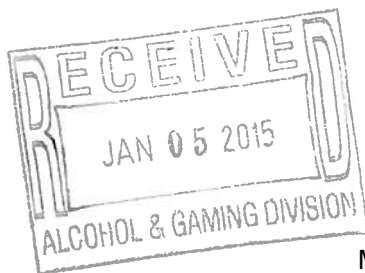
1. **Recitals.** Landlord owns the real property located at 330 Paseo del Pueblo Sur, Suite A in Taos, New Mexico (the "Real Property"). Tenant will transfer ownership of Liquor License No. 2660 (the "License"), which is currently located on the Real Property, to Tenant.
2. **Lease.** Landlord agrees to lease the Real Property to Tenant on a month to month basis for a term which commences on the date that the New Mexico Alcohol and Gaming Division approves the transfer of ownership application of Tenant for the License until the Real Property is leased to a third party. If Landlord enters into an agreement to lease the Real Property to a third party, this Real Estate Lease will automatically terminate.
3. **Rent.** Tenant will pay Landlord rent in the amount of ten percent (10%) of gross income from the sale of alcoholic beverages by Tenant at the Real Property. Rent is due on the first day of each month.

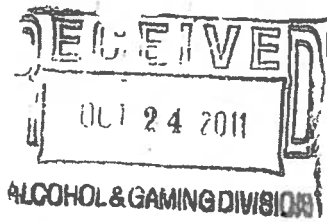
LANDLORD:  
Taos Enterprises, LLC

TENANT:  
Plaza de Colores, LLC

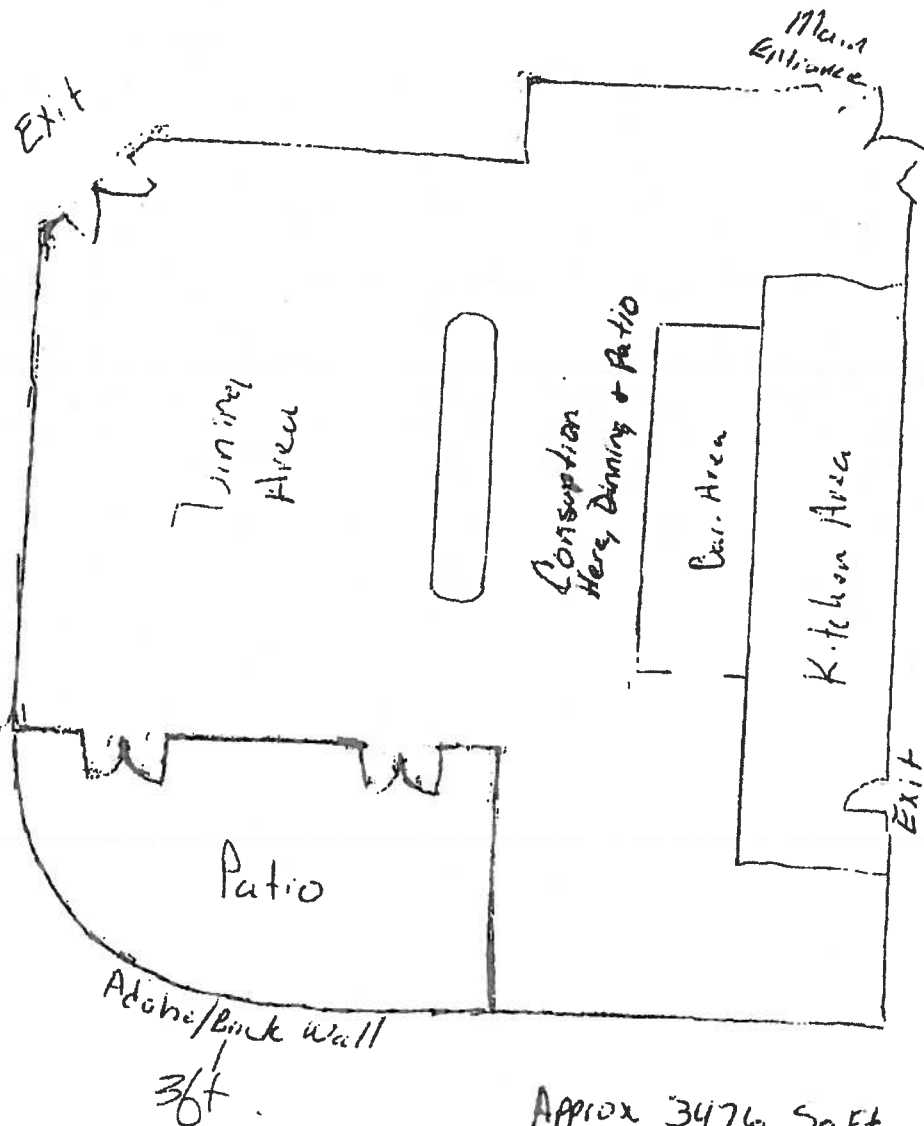
  
James Perea  
Dated: 12/8/14

  
James Perea  
Dated: 12/8/14



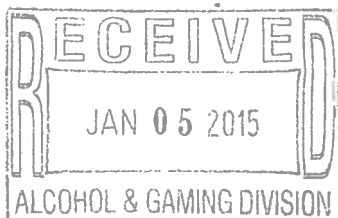


North



Approx 3476 Sq Ft  
Patio Approx 565 Sq Ft.  
All Space unrestricted 4,041 total

Paseo de Pueblo Sur





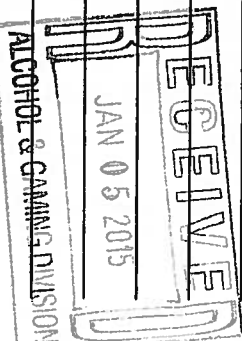
### LIMITED LIABILITY COMPANY

SS 60-6B-24

1. Name of Limited Liability Company Plaza De Colores, LLC
2. Date company formed (attach copy of Operating Agreement) 9 / 9 / 2004
3. Date company registered (attach copy of certificate and Article of Organization) 9 / 9 / 2004
4. Mailing Address: Street PO Box 820 City Taos State NM Zip 87571 Phone 303-289-5500
5. Names and addresses of all Members – full disclosure is required. If a Member is a corporation, Trust, Limited Liability Company, General or Limited Partnership, complete the appropriate entity information page.

#### LIST ALL MEMBERS AND MANAGERS

Name	Title	Address	% of interest/contribution
<u>James Perea</u>		<u>20 Pole Club Drive, Denver, CO 80205</u>	<u>60%</u>
<u>Martin Santistevan</u>		<u>HC 78 Box 9906, Ranchos de Taos, NM</u>	<u>40%</u>



6. Has this Limited Liability Company ever had a liquor license in which it held any interest in any State suspended or revoked, or has the Limited Liability Company been denied the issuance of a liquor license? No X Yes      If Yes, provide details: No

7. List every liquor license in which this Limited Liability Company owns any interest, direct or indirect:

None

**NOTE:** For each individual Member, submit a complete *Personal Data Information Form* (page 6), and two (2) complete fingerprints cards (cards must be obtained from the Alcohol and Gaming Division) along with fee and supporting documentation. Fingerprints must be taken by City Police, State Police, Sheriff's Office (any state), or AGD approved agency.

Return this form to the Alcohol and Gaming Division, PO Box 25101, Santa Fe, New Mexico 87505-5101.



OFFICE OF THE  
PUBLIC REGULATION COMMISSION

CERTIFICATE OF ORGANIZATION

OF

PLAZA DE COLORES, LLC

2494870

The Public Regulation Commission certifies that the Articles of Organization, duly signed & verified pursuant to the provisions of the

LIMITED LIABILITY COMPANY ACT

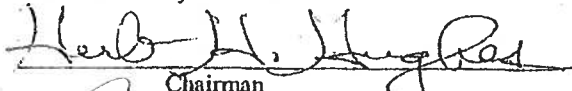
(53-19-1 TO 53-19-74 NMSA 1978)

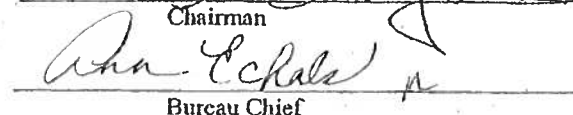
have been received by it and are found to conform to law.

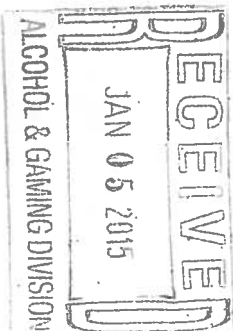
Accordingly, by virtue of the authority vested in it by law, the Public Regulation Commission issues this Certificate of Organization and attaches hereto, a duplicate of the Articles of Organization.

Dated: SEPTEMBER 9, 2004

In testimony whereof, the Public Regulation of the State of New Mexico has caused this certificate to be signed by its Chairman and the seal of said Commission to affixed at the City of Santa Fe.

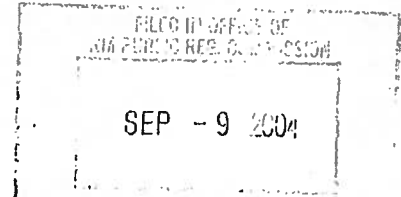
  
Chairman

  
Bureau Chief



2494870

**ARTICLES OF ORGANIZATION**



The undersigned acting as organizers of a limited liability company pursuant to the New Mexico Limited Liability Company Act, adopt the following Articles of Organization:

**ARTICLE ONE:** The name of the limited liability company is PLAZA DE COLORES, LLC.

**ARTICLE TWO:** The period of duration is perpetual.

**ARTICLE THREE:** The New Mexico street address of the company's initial registered office and principal place of business is 332-B Paseo del Pueblo Sur, Taos, New Mexico. The name of the registered agent at that address is Martin L. Santistevan.

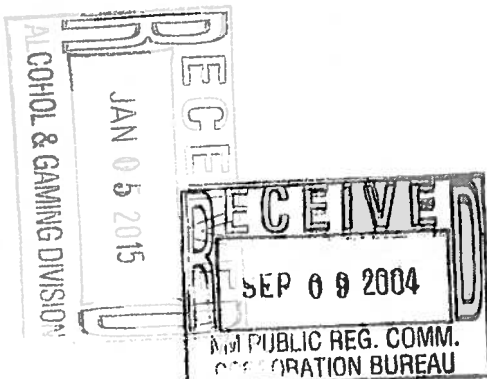
**ARTICLE FOUR:** Management of the business and affairs of the company is vested in the manager, Martin L. Santistevan.

**ARTICLE FIVE:** The limited liability company is not a single member liability company.

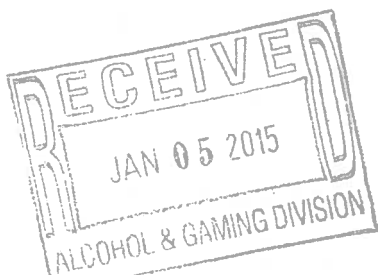
**ARTICLE SIX:** The Articles of Organization are to be effective upon filing with the commission.

Dated: 9-02-04

  
MARTIN L. SANTISTEVAN



OPERATING AGREEMENT  
OF  
PLAZA DE COLORES, LLC  
a New Mexico Limited Liability Company



## OPERATING AGREEMENT

OF

PLAZA DE COLORES, LLC

THIS OPERATING AGREEMENT of Plaza de Colores, LLC is made and entered into as of December 31, 2014 (this "Agreement"), by James Perea and Martin Santistevan (hereinafter referred to individually as a "Member").

### ARTICLE I

#### FORMATION

##### 1.1 Organization.

The Company was organized as a limited liability company pursuant to the provisions of the Act (hereinafter defined). The terms of this Agreement shall govern, except to the extent such terms are expressly prohibited or ineffective under the Act, even when inconsistent with or different than the provisions of the Act or any other law or rule. To the extent any provision of this Agreement is prohibited or ineffective under the Act, this Agreement shall be considered amended only to the extent necessary in order to make this Agreement effective under the Act. In the event the Act is subsequently amended or interpreted in such a way to make valid any provision of this Agreement that was formerly invalid, such provision shall be considered to be valid from the effective date of such amendment or interpretation.

##### 1.2 Name.

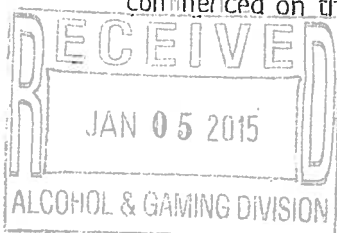
The name of the Company shall be Plaza de Colores, LLC

##### 1.3 Principal Office and Place of Business.

The principal office and principal place of business of the Company shall be HC 78, box 9906, Ranchos De Taos, New Mexico 87557.

##### 1.4 Effective Date and Term of the Company.

The existence of the Company and the effectiveness of this Agreement commenced on the date that the Articles of Organization of the Company were filed with the





New Mexico Secretary of State. The Company shall continue indefinitely unless earlier dissolved as provided in this Agreement. This Agreement amends, restates and supersedes the Original Agreement.

**1.5 Title to Property.**

Title to all property, real or personal, acquired by the Company shall be acquired, held, and conveyed in the name of the Company, unless the Members by a Member Consent otherwise agree.

**ARTICLE II  
DEFINITIONS**

**2.1** Defined terms used in this Agreement shall, unless the context otherwise requires, have the meanings specified below. Certain additional defined terms are set forth elsewhere in this Agreement. Unless the context requires otherwise, the singular shall include the plural and the masculine gender shall include the feminine and neuter, and vice versa, and "Article" and "Section" references are references to the Articles and Sections of this Agreement.

**(a) "Act"**

means the New Mexico Limited Liability Company Act, as amended to date.

**(b) "Additional Capital Contributions"**

means any additional capital contributed to the Company under Section 5.2 hereof or otherwise agreed to in writing by all of the Members.

**(c) "Agreement"**

means this Agreement (including any and all Exhibits and Schedules hereto), as it may be amended, supplemented, or restated from time to time.

**(d) "Assign," "Assigned," or "Assignment"**

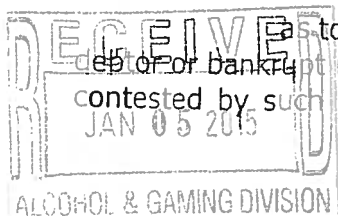
means, with respect to any Company Interest, or any part thereof, a foreclosure or attachment or to offer, sell, assign, transfer, exchange, give, bequeath, pledge, encumber, hypothecate, or otherwise dispose of, whether voluntarily, involuntarily, or by operation of law. An Assignment shall include the transfer of Control in any Person.

**(e) "Assignee"**

means a Person to whom an interest in any Company Interest has been Assigned in a manner permitted under this Agreement.

**(f) "Bankrupt" or "Bankruptcy"**

as to any Person means the filing of a petition for relief as to any such Person as debtor or bankrupt under the Bankruptcy Code or like provision of law (except if such petition is contested by such Person and has been dismissed within one hundred twenty (120) days);



insolvency of such Person which is finally determined by a court proceeding; filing by such Person of a petition or application to accomplish the same or for the appointment of a receiver or a trustee for such Person or a substantial part of its assets; or commencement of any proceedings relating to such Person under any other reorganization, arrangement, insolvency, adjustment of debt, or liquidation law of any jurisdiction, whether now in existence or hereinafter in effect, either by such Person or by another, provided that if such proceeding is commenced by another, such Person indicates its approval of such proceeding, consents thereby or acquiesces therein, or such proceeding is contested by such Person and has not been finally dismissed within one hundred twenty (120) days.

(g) **"Bankruptcy Code"**

means Title 11 of the United States Code.

(h) **"Business Day"**

means all days of the week excluding Saturday, Sunday, and holidays recognized by the State of New Mexico.

(i) **"Capital Account"**

means the capital account maintained for each Member pursuant to Section 5.3 of this Agreement and Schedule B attached hereto.

(j) **"Capital Contribution"**

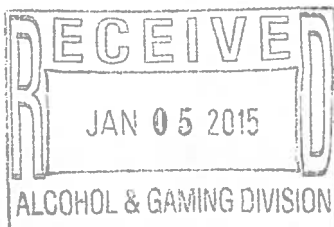
means any cash or property (valued, for this purpose, at its agreed upon value on the date of contribution as determined by a Member Consent) contributed to the Company by a Member and includes any Additional Capital Contribution.

(k) **"Cash Flow"**

means, for any period, all gross cash proceeds of the Company less the portion thereof used to pay or establish reserves for all expenses of the Company, Debt Service, capital improvements, replacements, and contingencies, all as determined by a Member Consent. "Cash Flow" shall not be reduced by depreciation; amortization, cost recovery deductions, or similar allowances, but shall be increased by any reductions of reserves previously established by the first sentence of this definition.

(l) **"Code"**

means the Internal Revenue Code of 1986, as amended and in effect from time to time (including any corresponding provisions of succeeding law).



(m) "Company Expenses"

means all reasonable third-party expenses or obligations (including debt obligations) of the Company incurred by the Members in connection with this Agreement.

(n) "Company Interest"

means the interest of a Member in the Company, whether held by such Member or an immediate or subsequent Assignee thereof, including, without limitation, such Member's right (a) to a share of Company allocations and distributions (including in kind distributions), (b) to vote, consent, or withhold consent with respect to any Company matters, and (c) to participate in the management of the business and affairs of the Company in accordance with this Agreement.

(o) "Controlling, Controlled, and Control"

means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract, or otherwise.

(p) "Deficit Capital Account"

shall mean with respect to any Member, the deficit balance, if any, in such Member's Capital Account as of the end of the Company's taxable year, after giving effect to the following adjustments:

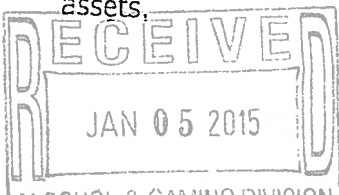
(1) Credit to such Capital Account (i) any amount which such Member is obligated to restore, under Section 1.704-1(b)(2)(ii)(c) of the Treasury Regulations, including, but not limited to, the unpaid principal balance of any promissory note (of which the Member is the maker) contributed to the Company by the Member (other than a promissory note that is readily tradable on an established securities market), (ii) the amount of such Member's share of Company minimum gain (as determined in accordance with Sections 1.704-2(g)(1) and (g)(3) of the Treasury Regulations), and (iii) the amount of such Member's share of partner nonrecourse debt minimum gain (as determined under Section 1.704-2(i)(5) of the Treasury Regulations); and

(2) Debit to such Capital Account the items described in Sections 1.704-1(b)(2)(ii)(d)(4), (5), and (6) of the Treasury Regulations.

The foregoing definition of "Deficit Capital Account" is intended to comply with the provisions of Section 1.704-1(b)(2)(ii)(d) of the Treasury Regulations and shall be interpreted consistently therewith.

(q) "Disposition"

means the sale, exchange, extinguishment, cancellation, retirement, repayment, redemption, termination, lapse, transfer or other disposition of all or any portion of, Company assets.



(r) **"Distributions"**

means, for any Member as of any date, the cumulative amount of cash and the fair market value of any other property distributed to such Member pursuant to Sections 6.2 and 12.4 hereof as of such date, reduced by any liabilities assumed by such Member in connection with such distribution or secured by any Company property distributed to such Member.

(s) **"Economic Interest"**

means the interest of a Member solely to a share of Company allocations and distributions in accordance with this Agreement and does not include any rights described in (b) or (c) of the definition of Company Interest set forth above.

(t) **"Fiscal Year"**

means the Company's annual accounting period established pursuant to Section 4.6 hereof.

(u) **"IRS"**

means the Internal Revenue Service.

(v) **"Member Consent"**

means the consent and/or vote or approval of those Members, not in default under this Agreement at the time such consent or vote is required, holding at least 66 2/3 of the Sharing Percentages of the Members entitled to vote on the matter.

(w) **"Members"**

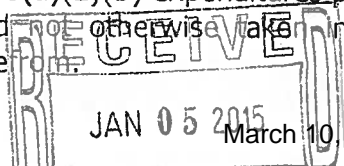
means, individually or collectively, the Persons described in the first paragraph of this Agreement, and any other Substituted Members.

(x) **"Person"**

means an individual or a corporation, partnership, trust, limited liability company, unincorporated organization, association, or other entity.

(y) **"Profits"** or **"Losses"**

means, respectively, the income or loss of the Company for each Fiscal Year of the Company, as determined for federal income tax purposes (including each item of Company income, gain, loss, or deduction which is separately stated or otherwise not included in computing taxable income and loss and including gains or losses on Dispositions), with the following adjustments: (a) any income of the Company that is exempt from federal income tax and not otherwise taken into account in computing Profits or Losses shall be added thereto; and (b) any expenditures of the Company described in Code Section 705(a)(2)(3) or treated as Code Section 705(a)(2)(B) expenditures pursuant to Section 1.704-1(b)(2)(iv)(i) of the Treasury Regulations and not otherwise taken into account in computing Profits or Losses shall be subtracted therefrom.



(z) **"Sharing Percentages"**

means the percentages listed on Schedule A attached hereto and incorporated herein by this reference, as revised from time to time pursuant to this Agreement.

(aa) **"Substituted Member"**

means any Assignee of a Company Interest admitted as a Member under Article X hereof.

(bb) **"Treasury Regulations"**

means the income tax regulations promulgated under the Code as final, temporary, or proposed regulations, as amended, supplemented, or modified from time to time (including corresponding provisions of succeeding regulations).

(cc) **"Withdrawal"**

means a voluntary or involuntary withdrawal of a Member under the Act.

ARTICLE III

**PURPOSES AND AUTHORITY OF THE COMPANY**

**3.1 Principal Purpose.**

The principal purpose of the Company shall be to own, hold, lease, sell, encumber, develop or otherwise deal with the real property known as Silver Plaza South, El Prado, Taos, New Mexico, and such other property as may be acquired by the Company from time to time.

**3.2 General Authority.**

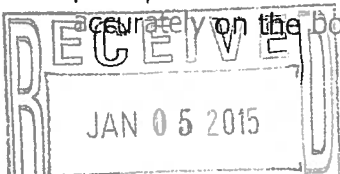
The Company shall have the powers set forth in the Act, including the authority to borrow and loan money and the authority to purchase, lease or in any manner hold, own, improve, sell, exchange, or lease any property in connection with its business. The Company shall have the power and authority to enter into and engage in any lawful business agreed to by the Members by a Member Consent and not prohibited by the Act.

ARTICLE IV

**GENERAL ACCOUNTING MATTERS; BOOKS AND RECORDS**

**4.1 Books of Account.**

True and proper books, records, reports and accounts of the Company shall be maintained by the Company at all times in accordance with generally accepted accounting principles consistently applied. All transactions of the Company shall be entered fully and accurately on the books and records of the Company.



#### 4.2 Location of Books and Records.

The books and records of the Company shall be kept at the Company's principal place of business. Such books and records shall include: (a) a current list of the full name and last known mailing address of each past and present Member set forth in alphabetical order; (b) a copy of the Articles of Organization and all amendments thereto, together with executed copies of any powers of attorney pursuant to which any amendment has been executed; (c) copies of the Company's federal, state, and local income tax returns and reports, if any, for the three most recent years; (d) copies of this Agreement and any amendments thereto; (e) the accounting books and records and copies of the financial statements of the Company for the three most recent years; (f) minutes of every annual and special meeting of the Members and of any meeting ordered pursuant to the Act; (g) copies of any and all written consents of the Members obtained pursuant to this Agreement or the Act or other documents evidencing a Member Consent; (h) all other documents and records pertaining to the Company; and (i) any and all other documents and records required to be maintained by the Company pursuant to the Act. In addition to the documents and records described above, the Company shall also prepare and update, and the Members shall certify as accurate, a statement describing (1) the amount of cash and a description and statement of the agreed value (determined by a Member Consent) of property or services contributed to the Company by each Member, and which each Member has agreed to contribute in the future; (2) the times at which or events on the happening of which any Additional Capital Contributions agreed to be made by each Member are to be made; (3) if agreed upon, the time at which or events on the happening of which a Member may terminate such Member's membership in the Company and the amount of, or the determining, the distribution to which such Member may be entitled respecting such Member's membership interest and the terms and conditions of the termination and distribution; and (4) any right of a Member to receive distributions which include any return of all or part of such Member's contribution.

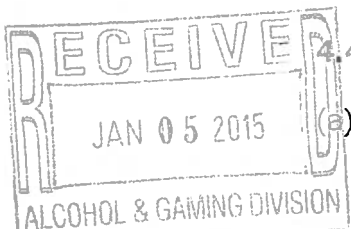
#### 4.3 Inspection of Records.

All books, records, reports and accounts of the Company shall be open to inspection by any Member or such Member's duly authorized representative on reasonable notice and at any reasonable time during business hours, and each Member or representative shall have the further right to make copies thereof, so long as such inspection or duplication does not materially interfere with the duties of any Company employee or agent. The cost of copying shall be borne by the Member. The Member also has the right to obtain from the Company upon written request:

- (a) true and full information regarding the state of the business and financial condition of the Company and any other information regarding the affairs of the Company;
- (b) promptly after they become available, copies of the Company's federal, state, and local income tax returns for each year; and
- (c) a list showing the names, addresses and Sharing Percentages of all Members.

#### 4.4 Tax Returns and Reports.

- (a) Tax Returns.



The Company shall prepare and the Members shall sign all income tax returns and reports required to be filed with the IRS and any other applicable government authorities. The Company shall furnish copies of all returns, reports and associated schedules (including K-1's) to the Members no later than the first day of the third calendar month following the Fiscal Year for which the return or report is prepared.

(b) Reports.

Within thirty (30) days after the end of each quarter, the Company shall deliver to the Members a report including (i) the balance sheet of the Company as of the end of such quarter and statements of operations and changes in Members' Capital Accounts, prepared in accordance with generally accepted accounting principles, consistently applied, and (ii) a report of the activities of the Company during the period covered by the quarterly report. The quarterly report shall set forth distributions to the Members for the period covered thereby and the amount of such distribution released from Reserves established in any prior period. Within ninety (90) days after the end of each Fiscal Year of the Company, the Company shall provide an annual report setting forth an annualized summary of the quarterly reports.

**4.5** Bank Accounts.

Except as otherwise provided in this Agreement, the bank accounts of the Company shall be maintained at such federally insured banking institution as is approved by a Member Consent.

**4.6** Fiscal Year.

The Fiscal Year of the Company for tax and accounting purposes shall be the calendar year.

**4.7** Transfer of Interest.

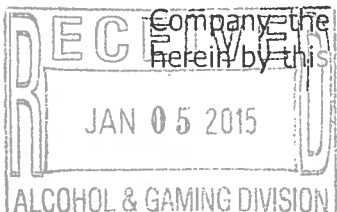
If a Member's Company Interest is transferred during a calendar year, all items of income, gain, loss, deduction, and credit allocated pursuant to Article 5 or Article 6 hereof or Schedule B attached hereto shall be allocated between the transferor and the transferee as of the last day of the month in which the transfer occurred. Items of Company gain or loss earned or incurred on the Disposition of any Company asset shall be allocated to the Member owning the Company Interest at the time of the closing of any Disposition of such Company asset.

ARTICLE V

**CAPITAL CONTRIBUTIONS AND CAPITAL ACCOUNTS**

**5.1** Capital Contributions.

As of the date of this Agreement, the Members have contributed to the Company the cash and property specified on Schedule A attached hereto and incorporated herein by this reference.



## 5.2 Additional Capital Contributions.

If the Members determine by a Member Consent that the Company requires additional capital for any purpose reasonably related to the Company's business, the Members may:

- (a) borrow all or a part of such additional capital by obtaining loans either from Members or from third parties;
- (b) call for voluntary additional capital contributions to the Company from each Member in proportion to that Member's Company Interest; in the event that any Member declines to make a voluntary additional capital contribution, the other Members shall have the right, in proportion to their Company Interests, to make such additional capital contributions, and after any such voluntary additional capital contributions have been made by one or more Members, the Company Interests of all Members shall be adjusted in accordance with the provisions of Section 5.3(d); or
- (c) combine any of the above methods of obtaining financing as the Members by a Member Consent may deem appropriate.

## 5.3 Capital Accounts.

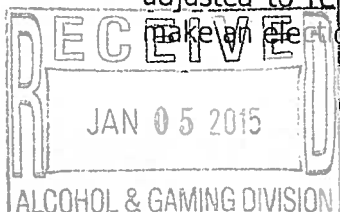
### (a) Maintenance of Capital Accounts.

A Capital Account shall be maintained for each Member in accordance with this Section 5.3 and the principles set forth in Schedule B attached hereto and incorporated herein by this reference. Each Member's Capital Account shall be credited with such Member's aggregate Capital Contributions, such Member's allocable share of Profits and any items in the nature of income or gain that are specially allocated to such Member pursuant to Schedule B hereto, and the amount of any Company liabilities assumed by such Member or that are secured by any property of the Company distributed to such Member. Each Member's Capital Account shall be debited with the aggregate amount of Distributions to such Member, such Member's allocable share of Losses and any items in the nature of deduction or loss that are specially allocated to such Member pursuant to Schedule B attached hereto, and the amount of any liabilities of such Member assumed by the Company or that are secured by any property contributed by such Member to the Company. The determination and maintenance of the Members' Capital Accounts, and any adjustments thereto, shall be made consistent with tax accounting and other principles set forth in Section 704(b) of the Code and Treasury Regulations Section 1.704-1(b) and the provisions of this Agreement shall be interpreted and applied consistently therewith.

### (b) Transfer of Capital Account.

Immediately following the transfer of any portion of a Member's Company Interest, the Capital Account of the transferee shall be equal to the Capital Account of the transferor attributable to the transferred Company Interest. Such Capital Account shall not be adjusted to reflect any basis adjustment under Section 743 of the Code unless the Members make an election under Section 754 of the Code pursuant to Section 5.4, below.

### (c) No Interest Accrual.





No interest shall be paid or accrued by the Company on balances in Members' Capital Accounts.

(d) Computation of Capital Account Adjustments.

For purposes of computing the amount of any item of income, gain, deduction, or loss to be reflected in the Members' Capital Accounts, the determination, recognition and classification of any such item shall be the same as its determination, recognition, and classification for federal income tax purposes, taking into account any adjustments required pursuant to Section 704(b) of the Code and the Treasury Regulations promulgated thereunder as more fully described in Schedule B hereto.

**5.4** Basis-Adjustment Election.

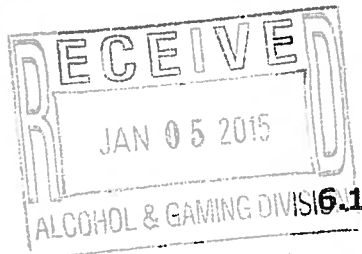
The Members by Member Consent may elect pursuant to Section 754 of the Code to adjust the basis of the Company's assets for all transfers of Company Interests or distributions of property to Members if such election would benefit any Member or the Company.

**5.5** Withdrawal or Reduction of Capital Contributions.

Except as otherwise expressly provided in this Agreement, a Member shall not receive out of the Company's property any part of such Member's Capital Contributions unless the consent of all Members is obtained.

**5.6** Non-Monetary Defaults.

If a Member violates the provisions of this Agreement, such act or acts shall be void *ab initio*. The Company shall promptly give the defaulting Member notice of the default. For so long as such Member is in default, such Member shall have no vote in the decisions of the Company and shall be bound by all decisions of the then majority of Sharing Percentages of those Members not in default status with respect to those matters upon which the Members are entitled to vote. Furthermore, the defaulting Member shall not be entitled to any distribution of capital, Profit, Cash Flow, or otherwise until such defaulting Member shall have cured such Member's default.



ARTICLE VI

**INCOME AND DISTRIBUTION**

**6.1** Allocations among Members.

The Profits shall be divided and the losses, deductions and credits of the Company shall be borne in proportion to the relative Sharing Percentages of the Members.

**6.2** Distributions of Cash Flow.

Except as otherwise required upon dissolution or liquidation, the Company shall distribute, apply or pay Cash Flow or assets of the Company at such times as the Members determine by a Member Consent.

## ARTICLE VII

### ADMINISTRATION OF THE COMPANY

#### 7.1 Management.

The management and control of the Company shall be vested exclusively in the Members. Management decisions of the Members shall be made by a Member Consent.

#### 7.2 Use of Agents.

The Members may, from time to time, retain any Person to provide services to the Company, but only if the Members reasonably believe that such Person is qualified to provide such services. The Members are entitled to rely in good faith upon the recommendations, reports, advice, or other services provided by any such agent.

#### 7.3 Expenses.

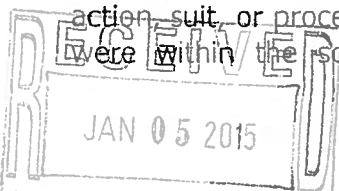
The Company shall be responsible for and shall pay all Company Expenses. All Company Expenses shall be paid out of funds of the Company determined by the Members to be available for such purpose.

#### 7.4 Liability for Certain Acts.

The Members shall exercise the Members' business judgment in managing the business, operations, and affairs of the Company. Absent fraud, dishonesty or deceit, gross negligence, willful misconduct, or a wrongful taking, a Member shall not be liable or obligated to the other Members or to the Company for any mistake of fact or judgment, for the doing of any act or for the failure to do any act in conducting the business, operations and affairs of the Company, which may cause or result in any loss or damage to the Company or its Members. The Members do not guarantee the return of the Members' Capital Contributions or a profit for the Members from the operations of the Company. A Member shall not be responsible to any other Member because of a loss of such Member's investment, unless the loss shall have been the result of the Member's fraud, dishonesty or deceit, gross negligence, willful misconduct, or wrongful taking.

#### 7.5 Member Indemnity.

The Company (but not any Member) shall indemnify and hold harmless each Member (collectively the "Indemnified Party") in the event it was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative by reason of any acts or omissions, or alleged acts or omissions, arising out of the activities of the Indemnified Party on behalf of the Company, or in furtherance of the interests of the Company, against any and all costs, losses, damages, and expenses of any nature whatsoever for which such Indemnified Party has not otherwise been reimbursed (including attorneys' fees, judgments, fines, and accounts paid in settlement) actually and reasonably incurred by the Indemnified Party in connection with such action, suit, or proceeding so long as the Indemnified Party reasonably believed that his actions were within the scope of this Agreement and in the Company's best interests and the



Indemnified Party did not act fraudulently, in bad faith, in a manner constituting negligence, willful misconduct, or dishonesty or deceit or in knowing breach of this Agreement. The termination of any action, suit, or proceeding by judgment, order, settlement or upon a plea of nolo contendere or its equivalent shall not of itself (except insofar as such judgment, order, settlement, or plea shall itself specifically provide) create a presumption that the Indemnified Party acted fraudulently or in bad faith or acted in a manner constituting negligence, willful misconduct, or dishonesty or deceit. The indemnification rights of the Indemnified Party set forth in this Section 7.5 shall be cumulative of and in addition to, any and all rights, remedies, and recourse to which it shall be entitled whether pursuant to the provisions of this Agreement, at law, or in equity.

**7.6 Tax Matters Partner.**

**(a) Designation.**

James Perea is hereby designated the Tax Matters Partner.

**(b) Limitations on Extending Statute of Limitations.**

Without the unanimous consent of the Members, the Tax Matters Partner shall have no right to extend the statute of limitations for assessing or computing any tax liability against the Company or the amount of any Company tax item.

**(c) Filing Petitions in Tax Court.**

If the Tax Matters Partner elects to file a petition for adjustment of any Company tax item (in accordance with § 6226(a) of the Code), such petition shall, unless the Company by a Member Consent determines otherwise, be filed in the United States Tax Court.

**(d) Accountants and Lawyers.**

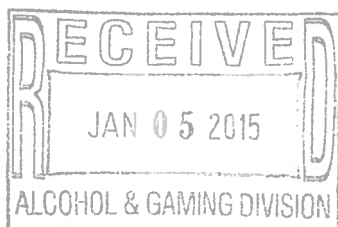
Any reasonable costs incurred by the Tax Matters Partner for retaining accountants and lawyers on behalf of the Company in connection with any Internal Revenue Service audit of the Company shall be expenses of the Company. Any accountants and lawyers retained by the Company in connection with any Internal Revenue Service audit of the Company shall be selected by the Tax Matters Partner after consultation with and securing approval of the other Members and the fees therefor shall be expenses of the Company.

**ARTICLE VIII**

**MEMBERS' LIABILITY, RIGHTS AND DUTIES**

**8.1 Limitation of Liability.**

Each Member's liability shall be limited as set forth in the Act, other applicable law, and this Agreement.



## **8.2    Company Debt Liability.**

Except as otherwise provided by law, a Member will not personally be liable for any debts or losses of the Company beyond such Member's respective Capital Contribution, except:

(a) a Member is liable to the Company for the difference, if any, between such Member's actual Capital Contributions and that stated in this Agreement as having been made by such Member;

(b) a Member is liable to the Company for any unpaid Capital Contributions that such Member agreed in this Agreement to make in the future at the time and on the conditions as stated in this Agreement; and

(c) when a Member has received the return in whole or in part of such Member's Capital Contribution in violation of this Agreement or the Act, the Member shall be liable to the Company for a period of six years thereafter for the amount of the Capital Contribution wrongfully returned, regardless of whether the returned Capital Contribution is necessary to discharge the Company's liability to any creditor.

## **8.3    Limitations on Rights.**

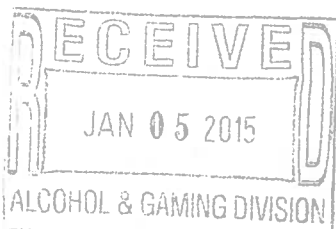
No Member shall have the power or right to undertake the following:

(a) Reduce such Member's contribution to the capital of the Company except as a result of the dissolution of the Company or as otherwise provided in the Act or this Agreement; or

(b) Demand or receive any distribution in any form other than cash.

## **8.4    Indemnification by Members.**

Each Member shall indemnify and hold the Company and the other Members harmless from and against any and all claims, liabilities, damages, or causes of action arising out of or relating to the indemnifying Member's business and the conduct and operations thereof.



## ARTICLE IX

### GENERAL RESTRICTIONS OF TRANSFER OF AN INTEREST

#### 9.1 Restrictions.

While this Agreement is in force, no Member may directly or indirectly transfer all or any part of such Member's Company Interest, whether now owned or hereafter acquired, without first complying with the terms and conditions of this Agreement. Any attempted transfer in contravention of this Agreement shall be null and void.

#### 9.2 Transfers.

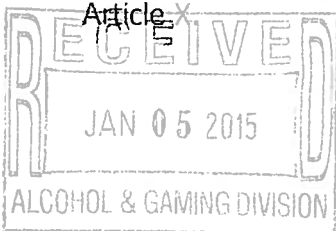
For purposes of this Agreement, a transfer shall mean an Assignment or any direct or indirect act, whether voluntary, involuntary, or by operation of law, which causes a disposition or encumbrance of all or any part of a Member's Company Interest. Further, the following events shall be deemed to cause a transfer for purposes of this Agreement:

- (a) a Member is adjudicated a Bankrupt, whether voluntary or involuntary;
- (b) a Member makes an assignment for the benefit of such Member's creditors;
- (c) a Member is a party to a final decree of divorce which provides for the disposition of all or any part of a Member's Company Interest; or
- (d) the death, resignation, expulsion, bankruptcy, dissolution, incompetency of a Member, or any other act that terminates the continued membership of a Member in the Company.

#### 9.3 Exceptions.

Notwithstanding the foregoing, a Member may at any time transfer all or part of such Member's Company Interest in accordance with the following (referred to as "Permitted Transfers"):

- (a) Revocable Trust. A Member may transfer a Company Interest to a revocable living trust, or its nominee, established by such Member. The Trustees and their successors in trust shall be subject to all of the provisions of this Agreement; or
- (b) Member. A Member may transfer a Company Interest to any other Member; or
- (c) Third Party. A Member may transfer all or part of a Member's Company Interest to any third party acquiring a Company Interest after complying with the provisions of



## ARTICLE X

### VOLUNTARY OR INVOLUNTARY TRANSFER

#### **10.1 Notice of Intention to Transfer.**

If a Member desires to transfer (a "Proposed Voluntary Transfer") or is deemed to have transferred, within the meaning of Article IX hereof (an "Involuntary Transfer"), all or any part of such Member's Company Interest, such Member or such Member's legal representative (the "Transferring Member") shall give written notice (the "Notice") to the other Members of such desire or of the event causing the Involuntary Transfer. The Notice shall specify the Company Interest to be transferred or deemed to have been transferred (the "Offered Interest") and the nature of all other material terms of the Proposed Voluntary Transfer or the Involuntary Transfer. The Notice shall constitute an offer to sell the Offered Interest to the other Members by the Transferring Member in the event of a Proposed Voluntary Transfer or by the deemed transferee in the event of an Involuntary Transfer, in proportion to their Sharing Percentages, on the terms and conditions of Section 10.6 hereof (the "Offer"). The terms of this Section 10.1 shall not apply to any pledge, conveyance, or encumbrance of a Member's Company Interest where such pledge, conveyance, or encumbrance is made for the purpose of obtaining financing for the Company's operations.

#### **10.2 Third-Party Offers.**

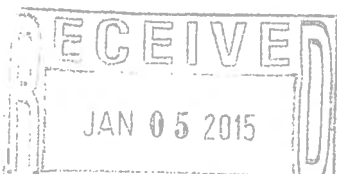
If, in connection with a Proposed Voluntary Transfer, the Transferring Member has received a bona fide offer from a third party to purchase the Transferring Member's Company Interest ("Third Party Offer"), the Notice also shall identify the third party and the purchase price, terms, and conditions of the Third Party Offer. A bona fide offer is a legally enforceable offer from a person or entity financially capable of carrying out its terms, accompanied by a certified or cashier's check for at least 10% of the purchase price.

#### **10.3 First Option to Purchase.**

For thirty (30) days after the Members' receipt of the Offer, or for thirty (30) days after the Members' receipt of actual knowledge of an Involuntary Transfer in the event notice of such transfer is not given, the Members shall determine whether or not they desire to purchase the Offered Interest for the purchase price, terms and conditions provided for in this Article. If some or all Members elect to purchase the Offered Interest, the purchasing Members may divide the Offered Interest in any manner upon which they all agree. In the absence of unanimous agreement, the Offered Interest shall be divided among the purchasing Members in proportion to their Sharing Percentages.

#### **10.4 Election to Dissolve Company.**

In lieu of exercising their option to purchase the Offered Interest, the other Members may, by unanimous consent and written notice to the Transferring Member, elect to dissolve the Company voluntarily. If the Members elect to dissolve the Company, its business and affairs shall be wound up and all its properties distributed in liquidation under the provisions of Article XII hereof.



#### **10.5 Purchase Price.**

The purchase of the Offered Interest shall be upon one of the following alternatives, at the sole election of the purchasing Member or Members:

(a) in the event of a Proposed Voluntary Transfer, the same terms, conditions, and consideration set forth in the Third Party Offer;

(b) in the event of a Proposed Voluntary Transfer, or always in the event of an Involuntary Transfer or a Proposed Voluntary Transfer that contemplates a transaction other than a sale for money or a promissory note to pay money, the terms and conditions and at a purchase price determined in accordance with Article XI hereof.

#### **10.6 Release from Restriction.**

If the Transferring Member offers to sell the Offered Interest in connection with a Proposed Voluntary Transfer and the other Members do not elect to purchase the Offered Interest or to dissolve the Company, then the Transferring Member may sell the Offered Interest to the bona fide third party who made the Third Party Offer at a price equal to or greater than the price originally offered to the other Members, provided it is upon the exact terms and conditions originally contained in the Third Party Offer (except for increases in payment amounts required to accommodate a greater price), and provided further that such sale is completed within sixty (60) days after the last Offer has been rejected by all of the Members or expires, whichever first occurs.

#### **10.7 Changed Offer.**

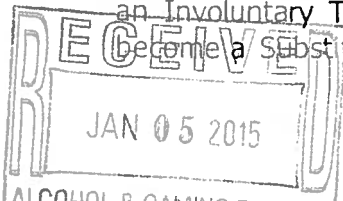
If a Transferring Member thereafter desires, in a Proposed Voluntary Transfer, to sell the Offered Interest at a price that is less than the price originally offered to the other Members, or upon different terms or conditions than those which were contained in the original Third Party Offer, or at a time which is more than sixty (60) days after the rejection or expiration of the last Offer, the Transferring Member must first reoffer the Offered Interest to the other Members at the price and upon the terms and conditions which the Transferring Member was willing to accept from the bona fide third party. The new Offer shall be made to the other Members in the same manner and in accordance with the same procedures as provided for in this Article.

#### **10.8 Form of Offer.**

Offers and acceptances shall be in writing and shall be served either by personal service or by certified mail, return receipt requested, addressed to each of the Members at the last known address as shown by the records of the Company.

#### **10.9 Substituted Member.**

Any Assignee or transferee of an Offered Interest, including an Assignee or transferee of a Member's Company Interest in an Involuntary Transfer, with respect to which the other Members elected not to exercise their option to purchase the same or, in the case of an Involuntary Transfer, have yet to exercise such option, who is not now a Member shall become a Substituted Member only if (a) the Members consent in writing to the admission of



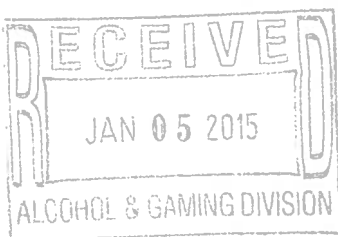
the Assignee or transferee as a Member; (b) such Assignee or transferee agrees: (1) to become a Member, (2) to execute and acknowledge such documents and instruments of conveyance in form and substance as may be necessary in the opinion of counsel to the Company to effect such transfer and to confirm the agreement of the Assignee, (3) to be bound by all of the terms and conditions of this Agreement, as it may be amended from time to time, (4) to pay all reasonable expenses connected with such Assignee's or transferee's admission, including reasonable attorneys' fees required for the preparation of such instruments to effect such admission to the Company, and (5) except in the case of a transfer at death or involuntarily by operation of law, either (i) to register such Company Interest under the Securities Act of 1933, as amended, and any applicable state securities laws or (ii) to provide from the transferring Member an opinion of counsel which shall be satisfactory to the Company, to the effect that such transfer is exempt from all applicable registration requirements and that such transfer will not violate any applicable laws regulating the transfer of securities; (c) the transfer will not cause the Company to be deemed to be a "publicly traded partnership" under the Code or otherwise cause the Company to be treated as an association or corporation for tax purposes under the Code; and (d) the provisions of the preceding sections of this Article have been satisfied. Any transfer or purported transfer of any Company Interest shall be null and void unless made strictly in compliance with the provisions of this Section. The Assignee or transferee of any Member Interest shall be subject to all terms, conditions, restrictions, and obligations of this Agreement.

#### **10.10 Rights of Unadmitted Transferees.**

If all of the other Members do not unanimously approve the Assignee or transferee in an Involuntary Transfer, or the Assignee or transferee in a Permitted Transfer under Section 9.3 hereof becoming a Substituted Member, such Assignee or transferee shall only be entitled to the share of profits or other compensation by way of income or return of contributions to which the Transferring Member would have been entitled under this Agreement. The Assignee or transferee shall have no right to participate in the business or management of the Company, shall have no right to become a Member, shall have no right to any information or accounting to the affairs of the Company, shall not be entitled to inspect the books or records of the Company, and shall not have any of the rights of a Member under the Act or this Agreement.

#### **10.11 Option on the Part of Company.**

Upon the unanimous vote of all of the Members other than the Transferring Member, the Company itself may elect to acquire the Company Interest of a Transferring Member and to liquidate such Transferring Member's Company Interest for the amount determined under Section 10.5 hereof. In such case, no amount shall be paid for the goodwill of the Company. In the event that the Company elects to liquidate the Transferring Member's Interest, then the payments shall be deemed to be made under Section 736(a) of the Code, and appropriate adjustment shall be made to the amount of the payments to equalize the economic interests of the parties.





#### **10.12 Restrictive Legend.**

Each Member hereby agrees that a restrictive legend deemed reasonably necessary by the Company may be placed upon any counterpart of this Agreement or any other document or instrument evidencing ownership or Assignment of a Company Interest or an Economic Interest.

#### **10.13 Forced Sale Between Members.**

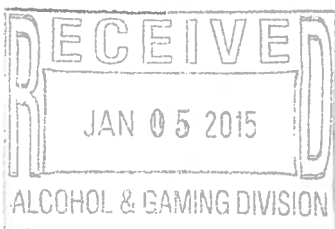
If there is a lack of unanimity or deadlock in the management of the Company due to a disagreement between Members, each Member may force a sale of either that Member's Company Interests or the other Member's Company Interests under the following terms and conditions:

(a) So long as an offer described in this paragraph has not been delivered to a Member, such Member (either referred to as the "Offeror") may deliver an offer (the "Forced Offer") to the other Member (either referred to as the "Offeree") stating that the Offeror will either (i) purchase all of the Company Interest owned by the Offeree at a price, stated on a per one percent (1%) ownership interest basis, and under such terms as are specified in the Forced Offer, or (ii) sell all of the Offeror's Company Interest to the Offeree at the identical per one percent (1%) ownership interest price, and under the identical terms.

(b) The Offeree shall exercise the right to purchase the offered Company Interest within thirty (30) days after receiving the Forced Offer by giving written notice thereof to the Offeror, and on the date such notice of acceptance is given, a binding contract to purchase and sell shall come into effect. If the Offeree fails to exercise the Offeree's right to purchase the offered Company Interest, the Offeree shall be deemed to have accepted the Offeror's offer to purchase the Offeree's Company Interest, and on the date the Offeree's right to purchase expires, a binding contract to purchase and sell shall come into effect. The contract to purchase and sell formed under the terms of this paragraph is referred to as the "Purchase Contract".

(c) The closing of the sale of the selling party's Company Interest under this Section shall be held not later than sixty (60) days after the date of the Purchase Contract, and on such closing date the selling party shall execute an assignment of the selling party's Company Interest to the purchasing party, conveying such interest free and clear of all encumbrances for the price and under the terms specified in the Forced Offer given by the Offeror.

(d) If either party defaults under the terms of the Purchase Contract, the non-defaulting party shall have the right to pursue an action for specific performance or damages, or both. In the event of any litigation arising out of the Purchase Contract, the court may award to the prevailing party all reasonable costs and expenses, including attorneys' fees.



## ARTICLE XI

### PURCHASE PRICE AND TERMS

#### 11.1 Purchase Price.

The purchase price for any Offered Interest to be purchased by the Members or the Company pursuant to Section 10.5(b) shall be the fair value of the Offered Interest as agreed upon between the purchaser and the Transferring Member. In the event such parties cannot agree upon a value, then the value of the Company for the purpose of establishing the purchase price hereunder shall be determined by appraisal as set forth in this Article.

#### 11.2 Appraisal.

In the event that the parties cannot agree on a fair value of an Offered Interest, the fair value of the Offered Interest shall be determined by the written appraisal of a qualified appraiser agreed upon by the parties. In valuing the Offered Interest, the appraiser shall consider appropriate discounts for lack of marketability and control. If the parties cannot agree upon such an appraiser within thirty (30) days after the purchaser is required to purchase the Offered Interest, the Transferring Member (or the Transferring Member's legal representatives) and the purchaser shall each select an appropriately licensed appraiser, the two appraisers shall agree upon a third appropriately licensed appraiser, and the three appraisers shall determine the value of the Offered Interest being purchased. If the three appraisers cannot agree upon a value, the fair value of the Offered Interest shall be determined by averaging the determinations of value by the two appraisers whose determinations are closest, and this value will be final, binding and conclusive upon the parties. The purchaser and the Transferring Member (or the Transferring Member's legal representatives) shall each pay the fees and costs of its own selected appraiser, and the fees and costs of the third appraiser shall be shared equally by the purchaser and the Transferring Member (or the Transferring Member's legal representatives).

#### 11.3 Terms of Purchase Price.

Subject to the provisions of Section 11.4 hereof, the purchase price determined in this Article shall be paid as the parties shall agree, and if the parties cannot agree shall be payable in cash or certified funds payable at the time of closing.

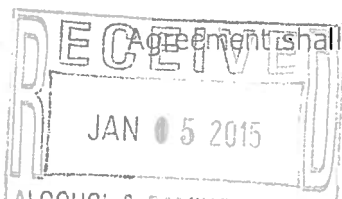
#### 11.4 Payment in Cash.

Any payment required to be made by the Company under this Article may, at the sole discretion of the Company, be satisfied at the closing described in Section 11.5 by delivery of cash or certified funds representing one hundred percent (100%) of the purchase price.

#### 11.5 Closing.

##### (a) Time and Place of Closing.

The closing of any purchase and sale of an Offered Interest pursuant to this Agreement shall be held at the time and place and in such manner mutually agreeable to the



parties to the transaction. In the absence of such agreement, the closing shall be held at the principal office of the Company sixty (60) days after delivery of the written acceptance of an Offer as described in Section 10.8, or if later, sixty (60) days after the purchase price for an Offered Interest is determined under this Article XI.

(b) Conditions to Closing.

The closing of any purchase and sale of an Offered Interest hereunder is expressly conditioned upon compliance with all applicable terms and provisions of this Agreement, including, without limitation, those specified in Sections 9.1 and 10.9 and Article XIII hereof.

## ARTICLE XII

### TERMINATION AND DISSOLUTION

#### 12.1 Grounds for Dissolution.

The Company shall be dissolved upon the occurrence of any of the following events:

- (a) a Member Consent; or
- (b) a decree of a court having competent jurisdiction; or
- (c) operation of law; or
- (d) upon an election of Members as provided in Section 10.4.

#### 12.2 Continuation of Business Notwithstanding Dissolution.

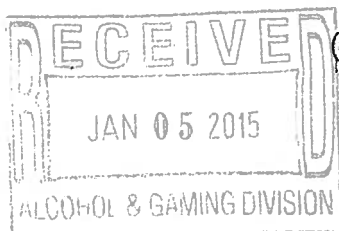
While the foregoing Section describes events causing dissolution of the Company, the same shall in no way prevent any of the Members, not directly responsible for the occurrence of such event, from forming a new limited liability company in order to benefit by the continuation of the terms and conditions set forth in this Agreement.

#### 12.3 Dissolution Procedure.

The procedure to be followed after the occurrence of one of the events causing dissolution, and the failure of all of the remaining Members to consent to continue the Company as provided in Section 12.1(e) hereof, shall be as follows:

(a) the Company shall execute a Statement of Intent to Dissolve which shall be delivered to the New Mexico Secretary of State as provided by the Act (or shall execute and file with the New Mexico Secretary of State such other documents required under the Act), whereupon the Company shall cease to carry on its business, except to the extent necessary to wind up its business and affairs;

- (b) all Company assets shall be marshalled;



(c) all outstanding debts, expenses, and liabilities to third parties shall be paid;

(d) all debts to Members other than capital and profits shall be paid;

(e) after payment of all of the foregoing debts, expenses, and liabilities, Members shall be paid in accordance with the provisions of Section 12.4 hereof; and

(f) the Company shall execute Articles of Dissolution, duplicate originals of which shall be filed in the office of the New Mexico Secretary of State as provided by the Act (or shall execute and file with the New Mexico Secretary of State such other documents required under the Act).

#### **12.4 Distributions in Liquidation.**

##### **(a) Priority of Distributions.**

Upon liquidation of the Company or (except as provided in Treasury Regulations § 1.704-1(b)(2)(ii)(b)) upon the liquidation of any Member's interest in the Company, all distributions shall be made first in accordance with the Members' positive Capital Account balances, as determined after taking into account all contributions, distributions, and allocations for all periods and, to the extent permitted under the Treasury Regulations, after adjusting the Capital Accounts under Article VI and Schedule B hereto in a manner that, to the extent possible, will result in distributions when made in accordance with the positive Capital Account balances. All distributions under this Section shall be made by the later of (1) the end of the taxable year of the Company in which the liquidation of the Company, or any Member's interest, occurs, or (2) within 90 days after the date of the liquidation. Notwithstanding anything to the contrary in this Agreement, upon a liquidation within the meaning of Section 1.704-1(b)(2)(ii)(g) of the Treasury Regulations, if any Member's Capital Account has a negative balance (after giving effect to all contributions, distributions, allocations and other Capital Account adjustments for all taxable years, including the year during which such liquidation occurs), such Member shall have no obligation to make any Capital Contribution, and the negative balance of such Member's Capital Account shall not be considered a debt owed by such Member to the Company or to any other person for any purpose whatsoever.

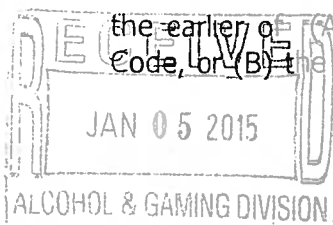
##### **(b) Definitions.**

For purposes of this Section:

(1) the taxable year of the Company shall be determined without regard to Section 706(c)(2)(A) of the Code;

(2) a liquidation of a Member's interest in the Company shall be deemed to occur on the earlier of (A) the date upon which there is a liquidation of the Company, or (B) the date upon which there is a liquidation of the Members' interest in the Company under Treasury Regulation § 1.761-1(d); and

(3) a liquidation of the Company shall be deemed to occur upon the earlier of (A) the date upon which the Company is terminated under § 708(b)(1) of the Code, or (B) the date upon which the Company ceases to be a going concern (even though it



may continue in existence for the purpose of winding up its affairs, paying its debts, and distributing any remaining balance to the Members).

#### **12.5 Waiver of Partition - Dissolution and Withdrawal.**

Each of the Members hereby waives any and all right that each such Member may have to maintain any action for partition with respect to each such Member's interest in the Company or any right such Member may have to force or compel dissolution of the Company except in accordance with this Agreement. Each Member specifically waives any rights such Member may now have or hereafter acquire to withdraw from the Company, and if, notwithstanding such waiver, a Member withdraws in violation of this Agreement, the Company may, in addition to exercising any other remedies at law or in equity, recover damages for breach of this Agreement and offset such damages against amounts otherwise distributable to the withdrawing Member.

### **ARTICLE XIII**

#### **ARBITRATION**

The Members agree to submit all controversies, claims and matters of difference to arbitration in Taos, New Mexico, according to the rules and practices of the American Arbitration Association from time to time in force, except that if such rules and practices differ from the state rules of civil procedure or any other provisions of state law then in effect, such state rules and law shall govern. This submission and agreement to arbitrate shall be specifically enforceable. Arbitration may proceed in the absence of one party if notice of the proceeding has been given to such party. The parties agree to abide by all awards rendered in such proceedings. Such awards shall be final and binding on all parties to the extent and in the manner provided by the state rules of civil procedure. All awards may be filed with the clerk of one or more courts, state or federal, having jurisdiction over the party against whom such award is rendered or such party's property, as a basis of judgment and of the issuance of execution for its collection. No party shall be considered in default hereunder during the pendency of arbitration proceedings relating to such default.

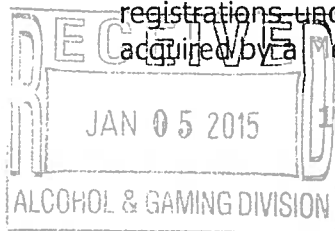
### **ARTICLE XIV**

#### **INVESTMENT REPRESENTATIONS**

##### **14.1 Interests Not Registered.**

The Members understand that (a) the Company Interests evidenced by this Agreement have not been registered under the Securities Act of 1933, as amended, the New Mexico Securities Act, as amended, or any other state or foreign securities laws (collectively, the "Securities Acts") because the Company is issuing such Company Interests in reliance upon the exemptions from the registration requirements of the Securities Acts providing for issuance of securities not involving a public offering, (b) the Company has relied upon the fact that such Company Interests are to be held by each Member for investment, and (c) exemption from registrations under the Securities Acts would not be available if such Company Interests were acquired by a Member with a view to distribution.

##### **14.2 Investment Representation.**



Each Member hereby confirms to the Company that such Member is acquiring the Company Interests for such Member's own account, for investment, and not with a view to the resale or distribution thereof. Each Member agrees not to transfer, sell or offer for sale any portion of such Member's interest as a Member in the Company unless there is an effective registration or other qualification relating thereto under the Securities Act of 1933, as amended (the "'33 Act"), and under any applicable state or foreign securities laws or unless the holder of such membership interest in the Company delivers to the Company an opinion of counsel, satisfactory to the Company, that such registration or other qualification under the '33 Act and applicable state or foreign securities laws is not required in connection with such transfer, sale or offer. Each Member understands that the Company is under no obligation to register the membership interests in the Company or to assist such Member in complying with any exemption from registration under the Securities Acts if such Member should at a later date wish to dispose of such Member's interest as a Member in the Company. Each Member recognizes that exemptions from registration, in any case, are limited and may not be available when the Member may wish to sell, transfer or otherwise dispose of any of the Member's Company Interest.

#### **14.3 Further Representations.**

Prior to acquiring a Company Interest in the Company, each Member has made an investigation of the Company and its business and acknowledges that the Company has made available to each such Member all information with respect thereto which such Member needed to make an informed decision to acquire such Member's Company Interest. Each Member represents possessing the experience and sophistication as an investor which are adequate for the evaluation of the merits and risks of such Member's investment in the Company as a Member.

### **ARTICLE XV**

#### **MEETINGS OF MEMBERS**

##### **15.1 Annual Meetings.**

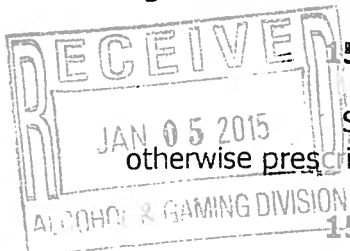
An annual meeting of the Members shall be held on such date and time as shall be determined by a Member Consent. At each annual meeting, the Members may consider, discuss, and vote upon any other matter pertaining to the business of the Company as may properly come before the meeting. Failure to hold the annual meeting as required by this Agreement shall not work a forfeiture or dissolution of the Company.

##### **15.2 Special Meetings.**

Special meetings of the Members may be called for any purpose, unless otherwise prescribed by statute, or by Member Consent.

##### **15.3 Place of Meetings.**

The Members, by a Member Consent, may designate any place, either within or outside the State of New Mexico, as the place of meeting for any annual or special meeting. If no designation is made, the place of meeting shall be the principal office of the Company in the State of New Mexico.



#### **15.4 Notice of Meetings.**

The Members or any person calling the meeting shall cause written notice stating the place, day and hour of the meeting and, in the case of a special meeting, the purpose for which the meeting is called to be delivered not less than 10 nor more than 60 days before the date of the meeting, either personally or by mail, to each Member entitled to vote at such meeting. If mailed, such notice shall be deemed to be given when deposited in the United States mail, addressed to the Member as provided in Section 16.8, with postage prepaid. If a meeting is adjourned to another place or time, notice need not be given of the adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. If the adjournment is for more than 30 days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each Member entitled to vote at the meeting.

#### **15.5 Meetings of All Members.**

If all of the Members shall meet at any time and place, either within or outside of the State of New Mexico, and consent to the holding of a meeting at such time and place, such meeting shall be valid without call or notice, and any action taken at such meeting shall be lawful.

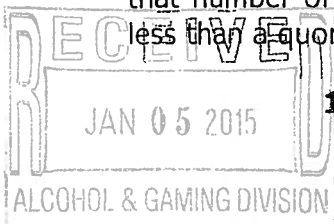
#### **15.6 Record Date.**

For the purpose of determining Members entitled to notice of or to vote at any meeting of Members or any adjournment thereof, or Members entitled to receive payment of any distribution, or in order to make a determination of Members for any other purpose, the date on which notice of the meeting is mailed or the date on which the action declaring such distribution is adopted or the date on which the action requiring such other determination is taken, as the case may be, shall be the record date for such determination of Members. When a determination of Members entitled to vote at any meeting of Members has been made as provided in this Section, such determination shall apply to any adjournment thereof. Notwithstanding the foregoing provisions of this Section, the record date for determining Members entitled to take action without a meeting pursuant to Section 15.10 hereof shall be the date specified in such Section.

#### **15.7 Quorum.**

Members holding at least seventy-five percent of the Sharing Percentages, represented in person or by proxy, shall constitute a quorum at any meeting of Members. In the absence of a quorum at any such meeting, a majority of the Sharing Percentages so represented may adjourn the meeting from time to time without further notice, unless notice is required by Section 15.4 hereof. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting originally noticed. The Members present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal during such meeting of that number of Member's Sharing Percentages the absence of which would cause there to be less than a quorum of the Sharing Percentages.

#### **15.8 Manner of Acting.**



If a quorum is present, the affirmative vote of Members holding at least a Member Consent shall be the act of the Members, unless the vote of a greater proportion or number is otherwise required by the Act, by the Articles of Organization, or by this Agreement.

**15.9 Proxies.**

At any meeting of Members, a Member may vote in person or by proxy executed in writing by the Member or by a duly authorized attorney-in-fact. Such proxy shall be filed with the Company before or at the time of the meeting. No proxy shall be valid after eleven months from the date of its execution, unless otherwise provided in the proxy.

**15.10 Action by Members Without a Meeting.**

Action required or permitted to be taken at a meeting of Members may be taken without a meeting if the action is evidenced by one or more written consents describing the action taken, signed by each Member entitled to vote. Such consent(s) shall have the same force and effect as a vote of the Members by a Member Consent and may be stated as such in any document. Action taken under this Section 15.10 is effective when Members comprising a Member Consent entitled to vote have signed the consent, unless the consent specifies a different effective date. The record date for determining Members entitled to take action without a meeting shall be the date the first Member signs a written consent. All consents signed pursuant to this Section 15.10 shall be delivered to the Company for inclusion in the minutes or for filing with the Company's records.

**15.11 Waiver of Notice.**

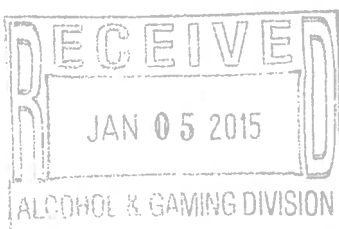
When any notice is required to be given to any Member, a waiver thereof in writing signed by the person entitled to such notice, whether before, at, or after the time stated therein, shall be equivalent to the giving of such notice. By attending a meeting, a Member (a) waives objection to lack of notice or defective notice of such meeting unless the Member, at the beginning of the meeting, objects to the holding of the meeting or the transaction of business at the meeting, and (b) waives objection to consideration at such meeting of a particular matter not within the purpose or purposes described in the notice of such meeting unless the Member objects to considering the matter when it is presented.

**ARTICLE XVI**

**GENERAL MATTERS**

**16.1 Governing Law.**

This Agreement shall be governed by and construed in accordance with the laws of the State of New Mexico.





**16.2 No Waiver.**

No provision of this Agreement may be waived except by an agreement in writing signed by the waiving Member. A waiver of any term or provision shall not be construed as a waiver of any other term or provision.

**16.3 Amendment.**

This Agreement may be amended, altered or revoked at any time, in whole or in part, by filing with this Agreement a written instrument setting forth such amendment, alteration or revocation signed by all of the Members. Notwithstanding the foregoing, the parties hereto agree that this Agreement may be amended upon the admission of new Members, by such new Member's execution of the attached Schedule C.

**16.4 Binding Effect.**

This Agreement shall be binding upon the Members and their respective heirs, personal representatives, successors and assigns.

**16.5 Construction; Definitions.**

Throughout this Agreement the singular shall include the plural, the plural shall include the singular, and the use of any gender shall include all genders, wherever the context so requires. Terms used, but not defined, in any Schedule to this Agreement shall have the meanings assigned to such terms in this Agreement.

**16.6 Text To Control.**

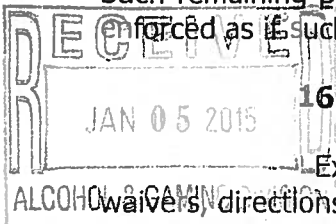
The headings of articles and sections are included solely for convenience of reference. If any conflict between any heading and the text of this Agreement exists, the text shall control.

**16.7 Severability.**

If any provision of this Agreement is declared by any court of competent jurisdiction to be invalid for any reason, such invalidity shall not affect the remaining provisions. Such remaining provisions shall be fully severable, and this Agreement shall be construed and enforced as if such invalid provisions never had been inserted in this Agreement.

**16.8 Notices.**

Except as expressly provided otherwise in the Agreement, all notices, consents, waivers, directions, requests, votes, or other instruments or communications provided for under this Agreement shall be in writing, signed by the party giving the same, and shall be deemed properly given when (a) actually received; (b) the third Business Day after mailing, when mailed, postage prepaid, certified or registered mail, return receipt requested, addressed to the parties hereto at their addresses appearing on the signature pages of this Agreement; or (c) when sent by facsimile at the facsimile number shown on the signature pages to this Agreement provided that such facsimile is sent during the normal business hours of the party to whom it was sent and written confirmation of the transmission of such facsimile is obtained.



Each Member, by written notice to all other Members and the Company in accordance with the provisions of this Section, may specify any other address for the receipt of any notices, instruments, or other communications hereunder.

**16.9 Entire Agreement.**

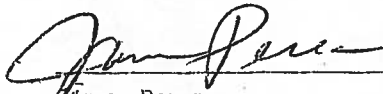
This Agreement embodies the entire understanding and agreement among the parties concerning the Company and supersedes any and all prior negotiations, understandings or agreements in regard thereto.

**16.10 Counterparts.**

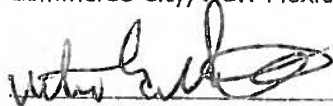
This Agreement may be executed in several counterparts, each of which shall be an original, but all of which together shall constitute one and the same instrument.

The parties hereby execute this Agreement on the respective dates set forth next to their signatures below, effective as of the 31st day of Dec., 2014.

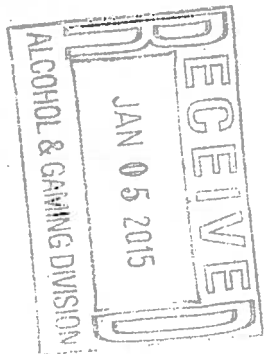
**MEMBERS:**



James Perea  
6050 East 56<sup>th</sup> Avenue  
Commerce City, New Mexico 80222



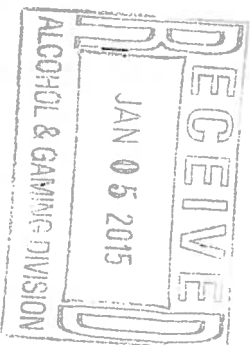
Martin Santistevan  
HC 78, Box 9906  
Ranchos De Taos, New Mexico 87557



SCHEDULE A  
TO  
OPERATING AGREEMENT OF  
PLAZA DE COLORES

The Capital Accounts of each Member of the Company is as follows:

<u>MEMBER</u>	<u>CAPITAL ACCOUNT</u>	<u>SHARING PERCENTAGE</u>
James Perea.		60%
Marin Santistevan		40%



CORPORATE DESIGNATION OF RESIDENT AGENT  
Fee-\$50.00 (excludes Non-Profit Organizations)

11515  
50  
164908

Name of Corporation (Please Print) Plaza de Colores, LLC State License # 2660

KNOW ALL MEN BY THESE PRESENTS that the Corporation named on this form hereby makes, constitutes and appoints Linda L. Aikin to act as Resident Agent on behalf of the Corporation and accept service of process for all purposes relating to the sales and service of the alcoholic beverages, including orders and notices of the Director and/or the Division, and authorizes the Resident Agent to bind the Applicant to matters related to liquor sales.

Signature of Officer of Corporation Charles J. Perea Title President

ACKNOWLEDGEMENT FOR CORPORATION

State of New Mexico County of Santa Fe  
SUBSCRIBED AND SWORN TO before me this 24<sup>th</sup> Day of November, 2014 By (Please Print) James Perea

Notary Public Linda L. Aikin My Commission Expires 11-29-15

ACCEPTANCE

I, (please print) Linda L. Aikin, hereby accept the appointment as Resident Agent. I am a resident of the State of New Mexico.  
I am the Resident Agent for the following numbered New Mexico Liquor License(s): 2660

Residence Address: 1952 Thomas Ave City Santa Fe State NM Zip 87505 Phone # 505-982-6224

Signature of Resident Agent Linda L. Aikin Expiration Date of Servers Certification 4/21/2017

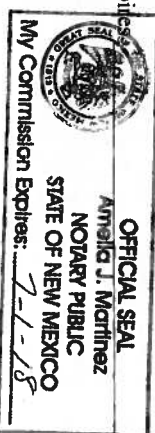
ACKNOWLEDGEMENT FOR NATURAL PERSONS

State of New Mexico County of Santa Fe

SUBSCRIBED AND SWORN TO before me this 24<sup>th</sup> Day of November, 2014 By (Please Print) Linda L. Aikin

Notary Public Charles J. Martinez My Commission Expires 7-1-18

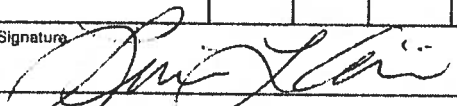
AGD USE ONLY



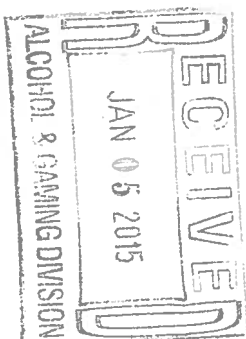
Approved \_\_\_\_\_ Disapproved \_\_\_\_\_ Director Approval \_\_\_\_\_ Date \_\_\_\_\_

AGD-00003

NEW MEXICO  
ALCOHOL & GAMING DIVISION  
SERVER CERTIFICATE

Permit # 271889	Expires 04/21/2017	Social Security No. N/A			
Date of Birth	Sex F	Height 64	Weight 130	Hair BRN	Eyes BLU
Signature 					

Linda L. Aikin  
530B Harkle RD  
Santa Fe, NM 87505





March 10, 2015

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**Title:**

Ordinance 15-01- Regarding the 2015 International Fire Code

**Summary:**

Discussion, consideration and possible approval of Ordinance 15-01 adopting certain provisions of the 2015 International Fire Code and Code Enforcement Fee Schedule.

**Background:**

**Staff Recommendation:**

**Recommend Approval/Disapproval:**

Recommend Approval

**Attachments:**

**Click to download**

- ☐ [Ordinance 15-01](#)
- ☐ [Proposed Citation Program](#)
- ☐ [Proposed Inspection Citation](#)

**TOWN OF TAOS  
ORDINANCE 15-01**

**AN ORDINANCE ADOPTING BY REFERENCE THE 2015 INTERNATIONAL FIRE CODE REGULATING AND GOVERNING THE SAFEGUARDING OF LIFE AND PROPERTY FROM FIRE AND EXPLOSION HAZARDS AND FROM CONDITIONS HAZARDOUS TO LIFE OR PROPERTY IN THE OCCUPANCY OF BUILDINGS AND PREMISES IN THE TOWN OF TAOS; ADOPTING CERTAIN CHANGES TO THE 2015 INTERNATIONAL FIRE CODE; REPEALING AND REPLACING TOWN OF TAOS CODE SECTION 8.12, FIRE PREVENTION; ADOPTING A FINE SCHEDULE AND CITATION PROGRAM, AND REPEALING ANY OTHER PROVISION OF THE TOWN CODE OR ANY OTHER ORDINANCE CLEARLY INCONSISTENT WITH THIS ORDINANCE.**

**WHEREAS**, the International Code Council has issued the International Fire Code, 2015 edition (“2015 International Fire Code”), designed to update state and local fire codes throughout the United States, make them more uniform, and make them more consistent and compatible with related codes such as building codes;

**WHEREAS** the Town Council finds that the 2015 International Fire Code provides a more comprehensive and modern set of fire-related regulations than those existing under the present Town Code;

**WHEREAS** the Town Council finds that the 2015 International Fire Code is more consistent with the uniform building codes that the Town has adopted than are the provisions of the present Town Code adopting fire codes (specifically Section 8.12.10 of the present Town Code;

**WHEREAS** the Town Council finds that the adoption of the 2015 International Fire Code, with certain relatively minor modifications, will assist the Town’s fire officials and firefighters in their tasks of minimizing risks to life and property from fire and explosions;

**NOW, THEREFORE, BE IT ORDAINED BY THE** Governing Body of the Town of Taos, meeting in Regular Session, this 24<sup>th</sup> day of February, 2015, after having held a duly noticed public hearing on the matter, hereby adopts the following provisions.

1. This ordinance repeals Town Code Chapter 8.12, Fire Prevention, Section 010, "Codes Adopted," and replaces that section with the following:

A. There is adopted by reference, with the exceptions and changes set forth in Subparagraph E below, the International Code Council's 2015 International Fire Code for the purposes of regulating and governing the safeguarding of life and property from fire and explosion hazards and from conditions hazardous to life or property in the occupancy of buildings and premises in the town of Taos.

B. The 2015 International Fire Code is incorporated by reference into this Town Code as if fully set out herein, and shall be controlling with respect to the Town except as modified in Subparagraph E below, or inconsistent with State law or regulation. If any provision of this Code is inconsistent with state law or regulation regulating the safeguarding of life and property from fire and explosion hazards and from conditions hazardous to life or property in the occupancy of buildings and premises related to fire prevention, the state law or regulation controls.

C. All provisions of the Town of Taos Code not repealed and replaced by this section, including all sections of Chapter 8.12, Fire Prevention, other than Section 8.12.010, remain in place and in force except to the extent, if any, that they are inconsistent with the provisions of this section or with state law.

D. A true and correct copy of the 2015 International Fire Code shall be maintained by the Town Clerk and made available to any member of the public for



inspection and copying during regular business hours. A copying fee may be charged for copies made.

E. Certain provisions of the 2015 International Fire Code are modified as follows:

i. Section 101, “General,” subsection 101.1 Title, is modified to insert the “the Town of Taos” in the brackets so that the subsection will read:

**101.1 Title.** These regulations shall be known as the Fire Code of the Town of Taos, hereafter referred to as “this code.”

ii. Section 101, “General,” subsection 2.1, “Appendices” is modified to provide:

**101.2.1 Appendices.** Appendix B, Fire-Flow Requirements for Buildings; Appendix C, Fire Hydrant Locations and Distribution; Appendix D, Fire Apparatus Access Roads; Appendix E, Hazard Categories; Appendix F, Hazard Ranking; and Appendix G, Cryogenic Fluids- Weight and Volume Equivalents; Appendix H, Hazardous Materials Management Plan (HMMP) and Hazardous Materials Inventory Statement (HMIS) Instructions; Appendix I, Fire Protection Systems- Noncompliant Conditions; Appendix J, Building Information Sign; Appendix K, Construction Requirements for Existing Ambulatory Care Facilities are adopted. Appendix A, Board of Appeals is not adopted.

iii. Section 108, “Board of Appeals,” subsection 108.1, “Board of Appeals established” is modified by changing the third sentence to read, “The Fire Marshal or his designee shall be an ex officio member of said board but shall have no vote on any matter before the board.”

iv. Section 108, “Board of Appeals,” Subsection 108.3, “Qualifications,” is modified by striking the words “and are not employees of the jurisdiction” at the end of the sentence so that the subsection reads, “The board of appeals shall consist of members

who are qualified by experience and training to pass on matters pertaining to hazards of fire, explosions, hazardous conditions or fire protection systems.”

v. Section 109, “Violations,” subsection 109.4 “Violation Penalties,” is modified by placing the words “petty misdemeanor” in the first set of brackets; placing the words “five hundred dollars (\$500.00)” in the second set of brackets; and placing the words “ninety (90) days” in the third set of brackets, so that the provision will read:

**109.4 Violation Penalties.** Persons who shall violate a provision of this code or shall fail to comply with any of the requirements thereof or who shall erect, install, alter, repair or do work in violation of the *approved construction documents* or directive of the *fire code official*, or of a permit or certificate used under provisions of this code, shall be guilty of a petty misdemeanor, punishable by a fine of not more than five hundred (\$500.00) dollars or by imprisonment not exceeding ninety (90) days, or both such fine and imprisonment. Each day that a violation continues after due notice has been served shall be deemed a separate offense.

vi. Section 111, “Stop Work Order,” subsection 111.4, “Failure to comply” is modified by inserting “fifty dollars (\$50.00)” in the first set of brackets and “five hundred dollars” (\$500.00) in the second set of brackets so that the full provision reads:

**111.4 Failure to comply.** Any person who shall continue any work after having been served with a stop work order, except such work as that person is directed to perform to remove a violation or unsafe condition, shall be liable to a fine of not less than fifty dollars (\$50.00) or more than five hundred dollars (\$500.00).

vii. Section 202, “General Definitions,” is modified to add the following definition:

**AHJ, Authority Having Jurisdiction.** The Fire Chief, Fire Marshal, Code Enforcement Officer, or department-approved designee of the Town of Taos Fire Department.

viii. Section 903, "Automatic Sprinkler Systems," Subsection 903.2, "Where required," "Exception," shall be modified by adding to the end of the "Exception" paragraph, "with installation of approved alternative extinguishment system, where required by fire code official" so that the full "Exception" paragraph (which appears immediately before 903.2.1) reads:

**Exception:** Spaces or areas in telecommunications buildings used exclusively for telecommunications equipment, associated electrical power distribution equipment, batteries and standby engines, provided those spaces or areas are equipped throughout with an automatic fire alarm system and are separated from the remainder of the building by not less than 1-hour *fire barriers* constructed in accordance with Section 707 of the *International Building Code* or not less than 2-hour *horizontal assemblies* constructed in accordance with Section 711 of the *International Building Code*, or both, with the installation of an approved alternative extinguishment system, where required by the Fire Code Official.

2. The attached Citation Program and Fine Schedule are hereby adopted.

3. **Severability.** If any provision of this ordinance is, for any reason, held to be unconstitutional or otherwise unlawful by a court of competent jurisdiction, such decision shall not affect the legality or validity or enforceability of any other provision of this ordinance. The Council hereby declares that it would have passed this ordinance irrespective of the fact that any one or more of its provisions would be declared unconstitutional or otherwise unlawful.

4. This ordinance shall be effective immediately upon its final passage and adoption.

This ordinance shall become effective as provided by law.

**ORDAINED, ADOPTED, AND APPROVED** this 24th of February, 2015 by the following vote:

Mayor Pro Tem Andrew T. Gonzales	_____
Councilmember Frederick A. Peralta	_____
Councilmember George "Fritz" Hahn	_____
Councilmember Judith Y. Cantu	_____


**TOWN OF TAOS**

\_\_\_\_\_  
**Daniel R. Barrone, Mayor**

**ATTEST:**

\_\_\_\_\_  
**Renee Lucero, Town Clerk**

**APPROVED AS TO FORM**

  
\_\_\_\_\_  
**Floyd W. Lopez, Town Attorney** 7

# TAOS FIRE DEPARTMENT

## Code Enforcement Division

323 Camino de la Placita Taos, NM 87571 575-758-3386

### **Fire Code Citation Program**

The goal of the Taos Fire Department is for voluntary compliance in correcting any Fire Code violations found during our fire inspection programs. We hope that education about the fire code requirements and their potential for harm will cause the owner/occupant to take corrective action.

However, there are times where we must use a citation as a response to fire code violations that endanger the public. Citations impose an immediate financial impact on those responsible for these code violations in an attempt to discourage repeat offenses.

### ***Citations***

If an officer with the Fire Marshal's office determines that a violation of the Fire Code has occurred, a citation may be issued to the individual who committed the violation. Citable violations include, but are not limited to:

- ❖ Failure to obtain any required permits or failure to adhere to permit conditions.
- ❖ Failure to adhere to assigned occupant load limits within occupancy.
- ❖ Blocked or obstructed exits; exit corridor or aisle obstructed or width reduced.
- ❖ Fire alarm device or fire extinguishing system blocked, obstructed or otherwise rendered unusable.
- ❖ Parking in a posted or marked fire lane on a private street or public property, blocking or obstructing any fire hydrant or fire department connection
- ❖ Possession or use of illegal fireworks.
- ❖ Illegal Storage/use of fireworks or explosives.
- ❖ Illegal occupancy in violation of Building/Fire Code.
- ❖ Burning in violation of Fire Code and Town Ordinances.
- ❖ Repetitive false alarms in occupancies or businesses equipped with fire, smoke and/or sprinkler flow detection systems.
- ❖ Knowingly maintaining a fire hazard by failure to correct fire code violations noted in writing.

- ❖ Violations that would constitute or contribute to an immediate and/or imminent hazard to life and/or property.

### **Process of Citation**

Any notice of violation, with the exception of the issuance of criminal process, will specify a period during which the violator must correct the violation. If the violation is not corrected within such specified time, the violator is subject to being cited for a new and separate offense(s).

The following process will be followed unless there is an immediate or life safety issue.

1. Written violations of the fire code will be issued to the owner, occupant, or representative of the property owner, with time given to correct the violation.
2. If no corrections are made:
  - a. A civil citation may be issued; and
  - b. Criminal charges may be sought through the court.

All appeals shall be made through the court, and fines shall be paid to the Town of Taos.

### **False Alarm Ordinance Fines**

1 <sup>st</sup> Alarm	Free
2 <sup>nd</sup> Alarm	Free
3 <sup>rd</sup> Alarm	\$50.00
4 <sup>th</sup> Alarm	\$50.00
5 <sup>th</sup> Alarm	\$100.00
6 <sup>th</sup> Alarm	\$100.00
7 <sup>th</sup> Alarm	\$500.00
8 <sup>or</sup> more Alarms	\$500.00 and/or revocation of Alarm Permit
No Key Holder Response	\$125.00

### **Citation Fee Schedule**

Occupancy Posting Requirements- Address, evacuation plan, occupancy load, etc.	\$ 25.00
Fire Extinguisher- Lack of or out of compliance	\$50.00
Open Burning without a permit, per violation	\$ 300.00
Failure to secure a permit, per violation	\$ 250.00
General Fire Code Violations	\$ 100.00
Subsequent Violation of same code	\$ 50.00
Life Safety Violations	\$ 500.00

**TAOS FIRE DEPARTMENT  
CODE ENFORCEMENT  
CITATION SHEET**

323 Camino de la Placita

Taos, NM 87571

575-758-3386

**FIRE CODE VIOLATION CITATION**

THE TAOS FIRE DEPARTMENTS CODE ENFORCEMENT OFFICE ALLEGES THAT ON THE \_\_\_\_\_  
DAY OF \_\_\_\_\_, 20\_\_\_\_ THE TOWN OF TAOS FIRE PREVENTION CODE WAS UNLAWFULLY AND  
WILLFULLY VIOLATED BY:

(NAME): \_\_\_\_\_ PHYSICAL ADDRESS: \_\_\_\_\_

MAILING ADDRESS: \_\_\_\_\_ PHONE: \_\_\_\_\_

TYPE OF OCCUPANCY		GENERAL FIRE OR FIRE SAFETY HAZARD	\$100.00
<input type="checkbox"/> ASSEMBLY	<input type="checkbox"/>	APPROVED FIRE EVACUATION PLAN NOT POSTED	\$25.00
<input type="checkbox"/> BUSINESS	<input type="checkbox"/>	STREET ADDRESS NOT POSTED	\$25.00
<input type="checkbox"/> EDUCATIONAL	<input type="checkbox"/>	STREET ADDRESS NOT VISIBLE	\$25.00
<input type="checkbox"/> INDUSTRIAL	<input type="checkbox"/>	BREACH IN FIRE WALL / FIRE STOPS	\$100.00
<input type="checkbox"/> INSTITUTIONAL	<input type="checkbox"/>	FIRE / EXIT DOOR INOPERATIVE	\$300.00
<input type="checkbox"/> MERCANTILE	<input type="checkbox"/>	FIRE ALARM INOPERATIVE	\$300.00
<input type="checkbox"/> RESIDENTIAL	<input type="checkbox"/>	SPRINKLER SYSTEM INOPERATIVE	\$300.00
<input type="checkbox"/> STORAGE	<input type="checkbox"/>	SPRINKLER SYSTEM NOT COMPLYING WITH CODE	\$100.00
<input type="checkbox"/> VACANT	<input type="checkbox"/>	PORTABLE FIRE EXTINGUISHERS	\$50.00
<input type="checkbox"/> OPEN BURNING	<input type="checkbox"/>	OVERCROWDING	\$250.00
	<input type="checkbox"/>	OCCUPANCY LOAD CERTIFICATE NOT POSTED	\$25.00
	<input type="checkbox"/>	BLOCKED MEANS OF EGRESS	\$500.00
TOTAL VIOLATIONS: _____	<input type="checkbox"/>	BLOCKED STAIRWELL/STAIRWAY	\$500.00
	<input type="checkbox"/>	EXIT ILLUMINATION AND MARKING	\$50.00
	<input type="checkbox"/>	LOCKED OR CHAINED EXIT DOORS	\$500.00
	<input type="checkbox"/>	EXIT /EGRESS DOOR NEEDS REPAIR	\$50.00
	<input type="checkbox"/>	FIRE EXIT / AISLE BLOCKED	\$500.00
CITATION AMOUNT: \$ _____	<input type="checkbox"/>	SPRAY BOOTH NOT COMPLYING TO CODE	\$100.00
	<input type="checkbox"/>	STANDPIPE SYSTEM NOT COMPLYING WITH CODE	\$100.00
	<input type="checkbox"/>	ILLEGAL OPEN BURNING	\$300.00

YOU ARE HEREBY FINED FOR THE ABOVE FIRE CODE VIOLATION(S). YOU MAY APPEAR IN THE  
TOWN OF TAOS MUNICIPAL COURT AT 114 CIVIC PLAZA DRIVE, TAOS, NM 87571, AT: \_\_\_\_\_

OR YOU CAN MAKE CHECKS PAYABLE TO THE TOWN OF TAOS.

FAILURE TO PAY THE FINES(S) WITHIN 30 DAYS WILL RESULT IN THE FILING OF ADDITIONAL CIVIL FINES AND/OR  
CRIMINAL ACTIONS AGAINST YOU THROUGH THE COURT. EACH DAY THE VIOLATION(S) CONTINUES TO EXIST  
SHALL CONSTITUTE A SEPARATE OFFENSE FOR THE PURPOSE OF ISSUING ADDITIONAL CITATIONS.

DATE: \_\_\_\_\_ Inspector: \_\_\_\_\_

ACKNOWLEDGE OF RECEIPT OF THIS CITATION, AND TO APPEAR IN COURT ON THE DATE LISTED  
ABOVE: \_\_\_\_\_

CONSENT TO PAY FINE AND NOT APPEAR IN COURT: \_\_\_\_\_



March 10, 2015

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**Title:**

Resolution 15-13 Establishing Fire Department Fee Schedule

**Summary:**

Consideration, discussion and possible approval of Resolution 15-33 establishing the fee schedule for fire code and life safety inspections and plan reviews.

**Background:**

**Staff Recommendation:**

**Recommend Approval/Disapproval:**

Recommend Approval

**Attachments:**

**Click to download**

📎 [Resolution 15-13](#)





## **RESOLUTION 15-13**

### **A RESOLUTION ESTABLISHING THE TOWN OF TAOS FIRE DEPARTMENT FEE SCHEDULE FOR FIRE CODE AND LIFE SAFETY INSPECTIONS AND PLAN REVIEWS**

**WHEREAS**, the Town Council met in regular session on the 10<sup>th</sup> day of March, 2015, at 1:00 p.m., and adopted Ordinance 15-01 adopting by reference the 2015 International Fire Code; and

**WHEREAS**, Ordinance 15-01 requires the Town of Taos Fire Department to make Fire Code and Life Safety Inspections and Plan Reviews; and

**WHEREAS**, the Town of Taos Fire Department requires inspection fees for said inspections and plan reviews to cover the cost of the administration and overhead costs for the said inspections and plan reviews; and

**WHEREAS**, the Town of Taos Fire Department fees schedule shall be as follows:

#### **Business Building Code Inspections Fees (fees are non-refundable)**

<b>Facility Size or Type (Certificate of Occupancy or New Business)</b>	<b>Fee</b>
Home Occupancy Business	\$25.00
Itinerant Vendor	\$25.00
Businesses 3,000 sq. ft. or less	\$75.00
Businesses 3,001-6,000 sq. ft.	\$150.00
Businesses 6,001-9,000 sq. ft.	\$200.00
Businesses 9,001-12,000 sq. ft.	\$250.00
Businesses 12,001 sq. ft. or more	\$300.00
1,000+sq. ft. membrane structures (tents)	\$50.00
Open Burning Permit	Free

**Annual Fire Inspection Fees (fees are non-refundable)**

Business Space Size	Fee
Space of 1,500 sq. ft. or less	\$20.00
Space of 1,501 to 3,000 sq. ft.	\$40.00
Space of 3,001 to 6,000 sq. ft.	\$75.00
Space of 6,001 to 9,000 sq. ft.	\$100.00
Space of 9,001 sq. ft. or more	\$150.00
Re-inspection No fee- standard violation fines begin at this point.	

**Plan Review Fees (fees are non-refundable)**

Commercial Plan Review	\$.035/ square foot
Residential Fire Sprinkler Plans	\$50.00
Commercial Fire Sprinkler Plans	\$50.00 + \$1.00 per device over 50
Commercial Fire Sprinkler Modification Plans	\$50.00
Commercial Fire Alarm System Plans	\$50.00 + \$1.00 per device over 50
Commercial Hood Fire Suppression System Plans	\$50.00
Fire Evacuation Plans	\$25.00

**NOW, THEREFORE**, in consideration of the foregoing, the Taos Town Council does hereby ratify the above fee schedule for Fire Code and Life Safety Inspections and Plan Reviews within the Fire Department.

**PASSED, APPROVED AND ADOPTED THIS 10<sup>TH</sup> DAY OF MARCH, 2015.**

Mayor Pro Tem Andrew T. Gonzales  
Councilmember Judith Y. Cantu  
Councilmember George "Fritz" Hahn  
Councilmember Frederick A. Peralta

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**TOWN OF TAOS**

\_\_\_\_\_  
**Daniel R. Barrone, Mayor**

**Attest:**

\_\_\_\_\_  
**Renee Lucero, Town Clerk**

**Approved as to form:**



\_\_\_\_\_  
**Floyd W. Lopez, Town Attorney**



March 10, 2015

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**Title:**

Plaza Security Camera Update

**Summary:**

Discussions regarding the current security cameras on the plaza.

**Background:**

**Staff Recommendation:**

**Recommend Approval/Disapproval:**

Recommend Approval

**Attachments:**

**Click to download**

No Attachments Available



March 10, 2015

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**Title:**

Matching Requirement for Camino de Medio Engineering and Design

**Summary:**

Discussion, consideration and possible action regarding authority to provide and/or increase a match of local government funds not to exceed \$60,000 for Legislative Appropriation for the engineering, environmental and design work for Camino de Medio, with not more than one-half (\$30,000) to come from the Town and the balance (\$30,000) to be contributed from Taos County.

**Background:**

**Staff Recommendation:**

**Recommend Approval/Disapproval:**

Recommend Disapproval

**Attachments:**

**Click to download**

No Attachments Available



March 10, 2015

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Title:

Other Matters

Summary:

Background:

Staff Recommendation:

Recommend Approval/Disapproval:

Recommend Disapproval

Attachments:

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No Attachments Available



March 10, 2015

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Title:

Other Matters

Summary:

Background:

Staff Recommendation:

Recommend Approval/Disapproval:

Recommend Disapproval

Attachments:

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No Attachments Available



March 10, 2015

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Title:

Other Matters

Summary:

Background:

Staff Recommendation:

Recommend Approval/Disapproval:

Recommend Disapproval

Attachments:

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No Attachments Available



March 10, 2015

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**Title:**

Public Records Requests - Councilmember Gonzales

**Summary:**

**Background:**

**Staff Recommendation:**

**Recommend Approval/Disapproval:**

Recommend Disapproval

**Attachments:**

**Click to download**

No Attachments Available





March 10, 2015

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Title:

Other Matters

Summary:

Background:

Staff Recommendation:

Recommend Approval/Disapproval:

Recommend Disapproval

Attachments:

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No Attachments Available