



AGENDA
February 17, 2015
Special Meeting

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

- 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. PUBLIC HEARINGS**

A. 575 Sports & Co., LLC Restaurant Beer and Wine License Application

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

7. 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/>*



February 17, 2015

Title:

575 Sports & Co., LLC Restaurant Beer and Wine License Application

Summary:

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

Background:

Staff Recommendation:

Recommend Approval/Disapproval:

Recommend Approval

Attachments:

Click to download

☐ [Letter from AGC](#)

☐ [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

January 26, 2015

Certified Mail No: 7005 0390 0003 4006 8818

RECEIVED

JAN 29 2015

CLERKS OFFICE

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

Re: License / App. No. Application #935039
Applicant Name: 575 Sports & Co., LLC
Doing Business As: 575 Sports & Co.
Proposed Location: 1109 Paseo del Pueblo Sur
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 RESTAURANT BEER & WINE LICENSE 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

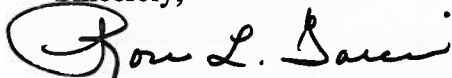
The governing body may disapprove the issuance or transfer of the license if:

- 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

Enclosures:

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

PROCEDURAL INFORMATION FOR APPLICANT:

Applicant: 575 Sports & Co., LLC

- Please deliver (or email) the following publication notice to the Taos News. **The applicant is responsible for all costs associated with the publication notice.** Contact the Taos News at (575) 758-2241 to determine the costs. Alcohol & Gaming Division requires that the notice be published for 2 consecutive weeks before a hearing can be conducted.
- The Public Hearing will be held Tuesday, February 17, 2015 at 1:00 p.m. at the Town Council Chambers located at 120 Civic Plaza Drive, Taos, New Mexico. Please plan on attending the hearing so that you can answer any questions the Council may have.
- Upon Council approval/disapproval of the application, the Town Clerk will obtain the Mayor's signature and return the application to the Alcohol & Gaming Division. Please contact the Alcohol & Gaming Division as to the status of your license (505) 476-4875.
- Once you have received the State License from Alcohol & Gaming Division, you must provide a copy to the Town of Taos and pay the Municipal Liquor License Tax to the Town of Taos in the amount of \$250. *Depending on when the license is approved, the Town may prorate the tax in accordance with State Statute (NMSA 7-24-4 AND 60-6A-15) on a quarterly basis. For example, if a license is issued any time April 1 or later, the applicant must pay one fourth of the \$250 fee; if the license is issued January 1 or later, the applicant must pay one half of the \$250 fee, etc.)*
- Upon receipt of the Municipal Liquor License Tax the Town Clerk will issue a Certificate of Receipt of Municipal Liquor License Tax. Please post the Town's Certificate along with the State's Liquor License in your establishment.
- Contact Renee Lucero, Town Clerk, at (575) 751-2005 or by email at rlucero@taogov.com if you have any questions.

**APPLICANT: KEEP THIS PAGE
FOR YOUR RECORDS**



NOTICE OF TAOS TOWN COUNCIL PUBLIC HEARING

Notice is hereby given that the Taos Town Council will hold a Public Hearing on February 17, 2015 at 1:00 p.m. at the Town Council Chambers, located at 120 Civic Plaza Drive, Taos, New Mexico, to consider a request for Restaurant Liquor License Application No. 935039.

APPLICANT: 575 Sports & Co., LLC
1109 Paseo del Pueblo Sur
Taos, NM 87571

LOCATION: 575 Sports & Co.
1109 Paseo del Pueblo Sur
Taos, NM 87571

ACTION TO BE TAKEN: Approval or Disapproval of
Restaurant Liquor License
Application No. 935039

Witness my hand and seal of the Town of Taos on this 29th day of January, 2015.

/s/
Renee Lucero, Town Clerk

Publication Dates: February 5, 2015
February 12, 2015

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***

February 10, 2015

Monica Tafoya
1109 Paseo del Pueblo Sur
Taos, NM 87571

Dear Ms. Tafoya,

This letter is to notify you of a Public Hearing for Restaurant Beer and Wine Liquor License Application No. 935039. The Public Hearing will be held on February 17, 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,

A handwritten signature in black ink, appearing to read "Renee Lucero", written over a horizontal line.

Renee Lucero
Town Clerk

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



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

RESTAURANT LIQUOR LICENSE APPLICATION

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

AGD USE ONLY - APPLICATION # 935639 LOD

Application is for: New License ☒ / Change of Stock among existing members only ☐ / Change of Officers (no ownership interest) ☐
 Applicant is: Individual ☐ / Corporation ☐ / Partnership (General or Limited) ☐ / Limited Liability Company ☒

NAME OF APPLICANT (company or individual) 575 Sports & Co. LLC

ADDRESS (including city, state, zip) 1109 Paseo Del Pueblo Sur, Taos, NM 87571

TELEPHONE NUMBER OWNER 575-613 0707 EMAIL 575sports@gmail.com

D/B/A name to be used: 575 Sports & Co. Phone number for licensed premises: 575-613-0707

Physical location where license is to be used: 1109 Paseo del Pueblo Sur, Taos, Taos County, NM 87571
 (Include street number / highway number / state road, city and county, state, and zip code)

Mailing address: 1109 Paseo del Pueblo Sur Taos, NM 87571

Are alcoholic beverages currently being dispensed at the proposed location? Yes ☐ No ☒ If yes, give license number and type

I, (print name) MONICA TAFOLA, as (title) MANAGER 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 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 [Signature] Date 11/16/14

SUBSCRIBED AND SWORN TO before me this 10th day of NOVEMBER, 2014 by Monica B. Tafola Notary Public Use Only

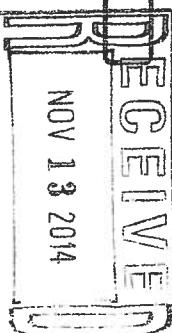
Notary Public [Signature] My Commission Expires 3-30-16

Local Governing Body of: _____ (City or County), Hearing held on _____ 20____

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

For Alcohol and Gaming Division Use Only

Approved _____ Disapproved _____ Director Approval _____ Date _____





7:00 am. - 9:00 PM
Sun - Sat
7 days a week

575 SPORTS & CO.

FAMOUS STADIUM FAVORITES

Angels - Halo Dog \$4.95

Nathan's hot dog wrapped in bacon, Jack cheese and peppers on a buttered toasted gourmet bun.

Astros - BBQ Stuffed Baked Potato \$7.95

Huge baked potato topped with BBQ brisket, cheese, chives and jalapeños.

Giants - Gillyroy Garlic Fries \$6.95

Our hand cut fries with roasted garlic, olive oil, parsley and sea salt and fresh ground pepper.

Sox - Corn Off The Cobb \$7.95

Fresh roasted corn cut off the cob, lime juice, red chile pepper, mayo and cheese.

Twins - Juicy Lucy Sliders \$4.95

Twin mini burgers stuffed with cheddar cheese melted in the center of the beef pattie.

SIDE LINES

Basket of hand cut fries \$1.95

Slaw \$2.95

Roasted Corn on the cob \$2.95

HYDRATION

Coke, Sprite, Dr. Pepper, Diet

Coke \$2.00

Iced Tea \$2.00

Milk \$2.00

Juice 2.50



TAILGATER

Bases Loaded Nachos \$7.95

Tortilla chips piled high layered with beans and cheese, topped with guacamole, sour cream, jalapeños and a side of homemade salsa. Add : chicken or ground beef

Chili 'N Cheese Red Potatoes 4.95

Roasted red potatoes smothered in our homemade red chile or green chile

Calamari \$7.95

Beer battered and served with our homemade lemon green chile aioli or cocktail sauce.

Fried Zucchini \$5.95

Beer battered served with our homemade ranch dressing.

HOMERUN WINGS

Wings

Breaded or naked wings sauced and tossed in your choice of our house made flavor

Original Hot, Garlic Parmesan, Asian Zing, BBQ and Mild.

OPTIONS: Homemade ranch, homemade blue cheese, celery sticks.

Small:5 \$6.50. Medium:10 \$11.50. Large:15 \$16.50

All drums: \$

BURGER BLITZ (LOCAL GRASS FED BEEF AND LOCAL BAKED BUNS)

Classic Burger \$9.95

All natural beef patty all the fixings on a buttered toasted gourmet bun with our hand cut fries.

Add: cheese, bacon, avocado or green chile \$

Jalapeño Cream Cheese Burger \$11.95

All natural beef patty topped with jalapeño cream cheese all the fixings on a buttered and toasted gourmet bun with our hand cut fries.

Stadium Burger \$10.95

All natural patty with a grilled Nathan's hot dog cheddar cheese all the fixings on a buttered and toasted gourmet bun with our hand cut fries.

Stuffed Burger \$10.95

All natural beef patty with provolone cheese piled high with tomatoes, slaw and our hand cut fries on a buttered and toasted baguette .

BBQ Brisket Burger \$10.95

All natural beef patty with provolone cheese piled with BBQ brisket and an onion ring on a buttered and toasted bun served with slaw and our hand cut fries. Tomato and lettuce upon request.

***CONSUMING RAW OR UNDER COOKED MEATS, POULTRY, SEAFOOD OR EGGS MAY INCREASE YOUR RISK OF FOOD BORNE ILLNESS**



575 SPORTS & CO.

CROWD PLEASERS

Buffalo Chicken Sandwich \$4.95

Beer battered chicken breast tossed in our buffalo sauce, all the fixings on a gourmet bun with our hand cut fries.

Hatch Green Chili Melt \$7.95

Melted cheddar, Hatch green chili on handcut sourdough bread buttered and toasted and our hand cut fries.

Add: Avocado, tomato \$1.00 or 4oz beef patty \$2.50

Pork Belly Sandwich (chicharrón) \$6.95

Chicharrónes on a toasted baguette with Louisiana hot sauce, maple mayo, lettuce, tomato and our hand cut fries.

Fish & Chips \$7.95

Beer battered cod with slaw and our hand cut fries, lemon green chile aioli, habañero malt vinegar or cocktail sauce.

POST GAME

Fried PB&J : \$4.95

Strawberry or grape jelly. Fried to perfection.

Homemade Pie of The Month : \$4.95

Add Taos Cow Ice Cream
\$1.50



END ZONE ENTRÉES

Flat Iron Steak \$13.95

With hand cut fries or roasted red potatoes and roasted corn cob or slaw or side caesar salad.

Chicken Fried Steak \$15.95

Hand breaded deep fried steak topped with gravy or red or green chile, hand cut fries or roasted red potatoes, roasted corn on the cob or housemade slaw or side caesar salad.

Chicken Cordon Bleu \$15.95

Chicken breast stuffed with ham and Swiss cheese hand breaded and fried served with hand cut fries or roasted red potatoes, roasted corn on the cob or housemade slaw or side caesar salad.

Broiled Salmon with Olive Oil and Lemon \$12.95

Salmon broiled with olive oil and fresh lemon served with lemon roasted asparagus and roasted red potatoes. small caesar salad \$3.50

FIELD OF GREENS

Buffalo Chicken Salad \$9.95

Romain lettuce with tomatoes, red onions, breaded chicken breast tossed in our buffalo hot sauce with homemade ranch dressing.

Caesar Salad \$11.95

Hearts of romain with croutons, Parmesan cheese and our housemade Caesar dressing.

Add grilled chicken breast: \$

Greek Salad \$10.95

Romain lettuce, feta cheese crumbles, Kalamata olives, tomatoes, red onion and our housemade Greek dressing.

LITTLE LEAGUE

Burger \$6.95

Mustard, pickle and hand cut fries.

Add: cheese

Nathan's all Beef Hot Dog \$3.95

Nathan's hot dog with our hand cut fries.

Wings \$6.95

Breaded or plain, mild buffalo sauce or plain with a side of hand cut fries

Grilled Cheese \$7.95

With hand cut fries and a pickle spear

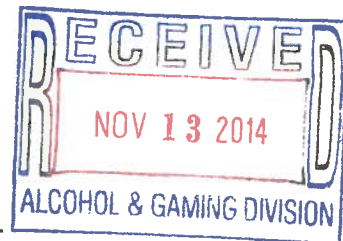
Bean and Cheese Burrito \$3.95

Beans, cheese and a flour tortilla served with hand cut fries.

Mini Caesar salad

Caesar salad kids size.

Add: grilled chicken breast \$





575 Sports & Co.

BREAKFAST

Breakfast Burrito

with scrambled eggs, bacon, ham or sausage, hash browns, cheese, beans and red or green chile \$7.95

Huevos Rancheros

corn tortillas, hash browns, beans, onions, cheese, topped with red or green chile and an egg. \$7.95

Build an Omelet

two eggs, cheese, onions, tomato, sausage or ham or bacon and spinach extra. \$7.95

Egg Breakfast

two eggs the way you like with hash browns, sausage or ham or bacon and toast or tortilla \$6.75

Pork Chops & Eggs

pork chop with one egg hash browns, toast or a tortilla. \$8.95

Pancakes

2 pancakes with hot maple syrup, ham, bacon, or sausage \$5.95

French Toast

With hot maple syrup, ham, bacon, or sausage \$5.95

Hot Oatmeal

Oatmeal with toast 3.75

Hand Held Breakfast Burrito

eggs, cheese, hash browns, choice of meat red or green chile and tortilla. 4.95

Monday

Breakfast stuffed sopapilla with eggs, hash browns, cheese, ham, bacon, or sausage smothered with red or green chile \$6.95

Tuesday

Breakfast enchilada with eggs, hash browns, beans, ham, bacon, or sausage with cheese, onion and red or green chile \$6.95

Wednesday

Chicharrone burrito with beans, cheese, onions smothered with red or green chile \$6.95

Thursday

Two eggs, hash browns, ham, bacon, or sausage with toast, or tortilla side of red or green chile. 6.95

Friday

Chicharrone breakfast burrito with eggs, beans, hash browns, cheese, onions and red or green chile \$6.95

BEVERAGES

Milk reg or choc.....	\$2.50
Soda or Iced Tea.....	\$2.50
Orange, Cranberry, or Apple Juice ..	\$2.50
Hot Tea.....	\$2.50
French Roast Coffee or Decaf.....	\$2.50

SIDES

Hash Browns	\$1.50
Bacon, Sausage, or Ham.....	\$2.00
Toast- White or Wheat or Tortilla ...	\$1.00
Red or Green Chile	\$1.50
Avocado	\$1.00
Pancake	\$1.95

Breakfast served 10am to 2pm sometimes longer ! |

APPLICATION FOR BUSINESS TAX IDENTIFICATION NUMBER



TAXATION AND REVENUE DEPARTMENT BLACK INK - Please read instructions on reverse

CRS NO. 03-272952-00-9

Temporary Registration Sticker

Valid until official certificate is issued

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



OFFICE USE ONLY

☐ Flag N - No Mail

ad

10

day

14

yr

14

SEC Number

☐ PERMANENT☐ ONE-TIME ONLY☐ NTTC ONLY

1. Business Name

575 SPORTS & CO.

Telephone - Home ()

Business ()

Mailing Address

1109 PASO DEL PUEBLO SUR

City

TAOS

State

NM

Zip Code

87574

2. Principal Business Location (Street Address - Not P.O. Box)

1109 PASO DEL PUEBLO SUR

City

TAOS

State

NM

Zip Code

87574

3. Select filing status (see instructions on reverse)

☒ Monthly☐ Quarterly☐ Semiannually

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

11 month 3 day 2014 year

5. Type of Ownership (Check One)

01 ☒ Proprietorship/Sole Owner02 ☐ Partner/Joint Venture03 ☐ General ☐ Limited04 ☐ Corporation05 ☐ Cooperative Association06 ☐ S Corporation07 ☐ Federal Agency08 ☐ State Agency09 ☐ Munic. or County10 ☐ Fiduciary11 ☐ Indian Tribe or Pueblo12 ☐ Other (Specify)13 ☐ Exempt14 ☐ Non-Nexus (PL 88-272)15 ☒ Limited Liability Co.

6. Federal ID Number (if any)

47-1726068

7. Location of principal office in NM (see reverse side of page 1)

TAOS

Municipality/County

20-126

Code

8. Date began paying wages to employees in New Mexico

month

day

year

9. Method of accounting

C ☒ CashA ☐ Accrual

(see reverse)

10. Primary type of business in New Mexico (Check One)

01 ☐ Agriculture02 ☐ Mining03 ☐ Construction04 ☐ Manufacturing05 ☐ Trans. Comm. Utility06 ☐ Wholesale07 ☐ Retail08 ☐ Finance, Ins. & Real Estate09 ☒ Service10 ☐ Government

11. Liquor License No.

12. State Corporation Commission No.

13. Contractor's License No.

14. Give brief description of nature of business

Restaurant -

15. Former owner's business name and CRS identification number (See instructions on reverse)

N/A

16. Are you operating or have you operated any other business(es) in New Mexico?

☒ YES☐ NO

If yes, give business name(s) and CRS ID number(s). (Attach separate sheet if necessary.)

Name SMOKE & MIRRORS SALON

CRS ID number 03225204008

GASOLINE REGISTRATION

17. Will business sell gasoline?

☐ YES☒ NO

If yes, check type of business

1 ☐ Retail2 ☐ Wholesale3 ☐ Distributor

SPECIAL FUELS

18. Will business sell special fuels?

☐ YES☒ NO

If yes, check type of business

1 ☐ Supplier2 ☐ Dealer

CIGARETTE OR TOBACCO SALES REGISTRATION

19. Will business sell cigarettes?

☐ YES☒ NO

If yes, check type of business

1 ☐ Retail2 ☐ Wholesale3 ☐ Distributor

20. Will business sell tobacco products?

☐ YES☒ NO

If yes, check type of business

4 ☐ Manufacturer5 ☐ Vending Machine

SEVERANCE TAX AND RESOURCES TAX REGISTRATION

21. Will business be engaged in severing natural resources?

☒ NO☐ YES

22. Will business be engaged in processing natural resources?

☒ NO☐ YES

Type(s) of Resources

23. LIST OWNERS, PARTNERS, ASSOCIATION MEMBERS, CORPORATE OFFICERS OR SHAREHOLDERS

Name and Title

Home address/City/State/Zip Code

SSN or Fed. ID No.

MONICA TAFOYA (OWNER)

421 MARTINEZ LN TAOS, NM 87574

87574

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

PRINT NAME

SIGNATURE

TITLE

DATE



State of New Mexico

Environment Department

FOOD ESTABLISHMENT PERMIT

This is to certify that 575 Sports & Co. LLC

Owner of: 575 Sports and Co. LLC

Is hereby granted a permit to operate a food establishment

At: 1109 Paseo Del Pueblo Sur; Taos, NM 87571

Type of Establishment: Food Service - Restaurant

Limitations or Restrictions: _____

Failure to maintain and operate the establishment in compliance with the Regulations (7.6.2 NMAC) may result in suspension or revocation of this permit by an authorized representative of this Department. This permit shall be renewed annually.

Date Issued: 20-OCT-14

Permit Number: 34964 - PRF20140001

Expiration Date: 31-OCT-15

Authorizing Official: _____

This permit is not transferable to another individual, establishment, or location.

This permit must be displayed in a conspicuous place.



 **IRS** DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
CINCINNATI OH 45999-0023

Date of this notice: 09-02-2014

Employer Identification Number:
47-1726068

Form: SS-4

Number of this notice: CP 575 B

575 SPORTS & CO
LUCIANO GALLEGOS MBR
1109 PASEO DEL PUEBLO SUR
TAOS, NM 87571

For assistance you may call us at:
1-800-829-4933

IF YOU WRITE, ATTACH THE
STUB AT THE END OF THIS NOTICE.

WE ASSIGNED YOU AN EMPLOYER IDENTIFICATION NUMBER

Thank you for applying for an Employer Identification Number (EIN). We assigned you EIN 47-1726068. This EIN will identify you, your business accounts, tax returns, and documents, even if you have no employees. Please keep this notice in your permanent records.

When filing tax documents, payments, and related correspondence, it is very important that you use your EIN and complete name and address exactly as shown above. Any variation may cause a delay in processing, result in incorrect information in your account, or even cause you to be assigned more than one EIN. If the information is not correct as shown above, please make the correction using the attached tear off stub and return it to us.

Based on the information received from you or your representative, you must file the following form(s) by the date(s) shown.

Form 1065

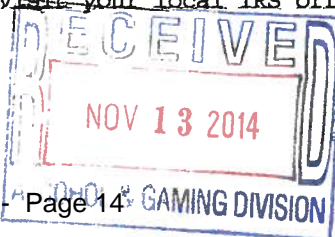
04/15/2015

If you have questions about the form(s) or the due date(s) shown, you can call us at the phone number or write to us at the address shown at the top of this notice. If you need help in determining your annual accounting period (tax year), see Publication 538, *Accounting Periods and Methods*.

We assigned you a tax classification based on information obtained from you or your representative. It is not a legal determination of your tax classification, and is not binding on the IRS. If you want a legal determination of your tax classification, you may request a private letter ruling from the IRS under the guidelines in Revenue Procedure 2004-1, 2004-1 I.R.B. 1 (or superseding Revenue Procedure for the year at issue). Note: Certain tax classification elections can be requested by filing Form 8832, *Entity Classification Election*. See Form 8832 and its instructions for additional information.

A limited liability company (LLC) may file Form 8832, *Entity Classification Election*, and elect to be classified as an association taxable as a corporation. If the LLC is eligible to be treated as a corporation that meets certain tests and it will be electing S corporation status, it must timely file Form 2553, *Election by a Small Business Corporation*. The LLC will be treated as a corporation as of the effective date of the S corporation election and does not need to file Form 8832.

To obtain tax forms and publications, including those referenced in this notice, visit our Web site at www.irs.gov. If you do not have access to the Internet, call 1-800-829-3676 (TTY/TDD 1-800-829-4059) or visit your local IRS office.





PREMISES LOCATION, OWNERSHIP, AND DESCRIPTION

SS-60-6B-10

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

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

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

A. Owner(s) ALG LLC

B. Date and term of lease Nov 9, 2014 to Nov 9, 2019 5 years

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

If the premises is zoned, attach zoning statement from local government giving location address and type of zone, 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).

Miles/feet 1050 FT Name of church St James Address/location of church East 1st 108 Santa Fe 87574

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

Miles/feet 780 FT Name of school TAOS Middle School Address/location of school 235 Pinedale Ave Taos 87571

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

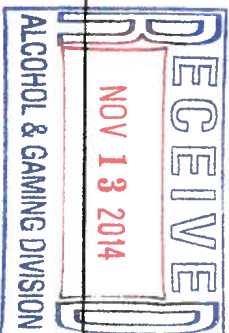
Miles/feet 140 Name of Military Installation, circle one Kirtland Air Force Base (Albuquerque), White Sands Missile Range (Las Cruces), Holloman Air Force Base (Alamogordo), Cannon Air Force Base (Clovis).

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 premises. 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 Grocery _____ Racetrack _____ Hotel _____ Other (specify) _____



TRIPLE NET LEASE AGREEMENT

THIS LEASE is made as of 12/10/2014, by and between ALLG LLC. ("Lessor"), whose address is Box 2200, Ranchos De Taos, New Mexico 87557, and 575 Sports & Co. LLC ("Lessee"), whose address is 1109 Paseo Del Pueblo Sur, Taos, New Mexico 87571.

WITNESSETH, THAT FOR AND IN CONSIDERATION of the covenants and agreements herein contained to be observed, kept and performed by the aforementioned respective parties hereto, the Lessor does hereby lease, let and demise unto the Lessee and the Lessee does hereby lease and hire for the Lessor the premises located and situated at 1109 PASEO Del Pueblo Sur, Taos, New Mexico 87571 (the "Premises") in the County of Taos, County Tax Map # N/A, Parcel # N/A containing approximately N/A acre parcel of real estate being the same real estate by deed dated N/A and recorded in the office of the Clerk of the County of Taos, in the State of New Mexico, in the Deed Book , on page . The description of the premises is as follows:

1600 square feet Dinning area and kitchen for restaurant with beer and wine license

USE OF PREMISES

The premises shall be used only as or for the purpose of:
Restaurant with beer and wine license.

LEASE TERM

The term of this lease shall begin on 12/10/2014 and will end on 12/10/2019 at 11:59 PM (the "Term"). If the Lessee vacated the premises prior to the end of the lease term, the Lessee shall be liable for the balance amount of the lease for the remainder of the lease term.

In the event that the Lessee desires to vacate the premises, the Lessee shall provide the Lessor with 30 days advance written notice of intent to vacate. Advance notice shall be provided to ensure termination ensues at the end of the month. Prior to vacating the premises, the Lessee shall make sure that the premises are clean and free and clear of any dirt, trash, waste and/or debris, with the exception of normal wear and tear. The Lessor shall have the right to perform a walk through prior to the Lessee vacating to ensure premise complies with the aforementioned requirements.

RENT/LEASE PAYMENT

The Lessee agrees to and shall pay monthly installment payments to the Lessor at Box 2200, Ranchos De Taos, New Mexico 87557, or at such other address that the Lessor shall designate in writing, as rent or lease payment for the leased premises.

Lessee shall pay to the Lessor the annual base amount of \$12,000.00 payable in twelve (12) equal monthly installment payments of \$1,000.00, due and payable on the first of each month.

Any payments received after the aforementioned day shall be deemed late and delinquent. Should the Lessor not receive payment by the thirteenth day of the month in which the payment is due, the Lessee shall pay a late charge of 85.00.

In the event a check for rent or lease payment is returned for non-sufficient funds (NSF), the Lessee shall pay a return check fee in the amount of \$100.00, and the Lessor shall reserve the right to only accept further payments made in certified funds (e.g. certified check or money order).

RENEWAL TERM

If the Lessee is not in default under the terms and conditions of this Agreement, the Lessee shall have the options to renew this Agreement for the extended term of 5 years ("Renewal Term"). If the Lessee chooses to exercise this renewal option, the Lessee shall provide to the Lessor written notice of Lessee's intention to renew at least 30 days prior to the expiration of the initial Lease Term. The Renewal Term shall continue upon the same terms and conditions in this Agreement, except the new annual base rate for the first year of the Renewal Term shall be \$14,400.00 payable in twelve (12) equal monthly installment payments of \$1,200.00 per month.

HOLDING OVER

Failure of the Lessee to surrender the leased premises at expiration of the lease constitutes a holding over which shall be construed as a "tenancy-at-will" or a month to month lease at the rate of \$1,200.00 per month, until such time as the Lessee completes a renewal or provides notice of intent to vacate.

TRIPLE NET LEASE

This Lease is what is generally referred to as a "net net net lease" ("triple net lease"), and it is understood that the Lessor shall receive all rent or lease payments free and clear of any and all impositions, encumbrances, charges, obligations or expenses of any nature whatsoever in connection with the ownership and operation of the Premises. In addition, the Lessee shall pay to the parties respectively entitled thereto all impositions, insurance premiums, operating charges, maintenance charges, construction costs and any other charges, cost, and expenses which arise or may be contemplated under any provisions of this Lease during the Term hereof. All of the said charges, costs and expenses shall constitute Rent or Lease payment, and upon the failure of the Lessee to pay any such costs, charges or expenses, the Lessor shall have the same rights and remedies as otherwise provided in this Lease for the failure of Lessee to pay rent or make lease payments. The Lessee shall at no time be entitled to any abatement or reduction in Rent or Lease payments that are payable under this Lease except as otherwise expressly provided. Any present or future law to the contrary shall not alter this agreement of the parties.

SECURITY DEPOSIT

Concurrently with the execution of this Lease, the Lessee shall deliver to the Lessor the amount of as security for the performance of the Lessee of every covenant and conditions of this Lease (the "Security Deposit"). Said Security Deposit .

In the event that the Lessee defaults with respect to any covenant or condition of this Lease, including, but not limited to the payment of rent, the Lessor reserves the option and right to apply some or all of the paid Security Deposit to the payment of any sum in default or any sum which the Lessor may be required to spend by reason of 'Lessee's' damage or default. If any portion of the Security Deposit is so applied, the Lessee, upon demand by the Lessor, shall deposit cash with the Lessor in an amount sufficient to restore the Security Deposit to its original amount.

Lessee's compliance with all the covenants and conditions of this Lease shall ensure the return of the Security Deposit, or any balance thereof, to the Lessee promptly after expiration of the term of the Lease Agreement.

POSSESSION

The Lessee shall take possession of the premises on 12/10/2014, unless otherwise stipulated. The Lessor shall use due diligence to ensure Lessee is provided possession of the premises at the beginning of the Term of this Lease Agreement. The first month's rent shall be prorated for the period of any delay in providing or turning over possession of the premises to the Lessee; however, the length of the term of this Agreement shall not be extended as a result of any such delay. The Lessee shall bring no claim against the Lessor for any delay in obtaining possession.

In the event that the Lessee fails to take possession of the premises within 30 days after the beginning of this Lease, then the Lessor retains the right to terminate this Agreement.

INSURANCE ON PREMISE

The Lessee shall obtain and pay for, at his/her own cost and expense, fire and extended coverage casualty insurance for the building and other improvements on the leased premises, with such comprehensive or so called "all-risk" endorsements and in such amounts as the Lessor may, from time to time, deem reasonably necessary, and showing the Lessee, the Lessor and the Lessor's Lender or Lien Holder, if any, as the insured parties. Lessee shall also obtain and pay for loss of rent coverage. The Lessee shall at all times keep said insurance in force and effect and shall provide to the Lessor copies of said policies or certificates evidencing said coverage. The policies shall be in form and content reasonably required by the Lessor, shall be issued by an insurance company approved by the Lessor and shall contain a clause that the Lessee will not cancel, materially modify or fail to renew said insurance in effect without first providing to the Lessor 30 days advance written notice. If the Lessee fails to keep said insurance in effect, the Lessee shall be in default hereunder, and the Lessor may, at his/her option, immediately obtain insurance coverage as provided for herein and charge the Lessee for the cost thereof.

LESSEE INDEMNITY & LIABILITY INSURANCE

The Lessee shall at all times indemnify, defend and hold the Lessor harmless from all loss, liability, costs, damage and expenses that may occur or be claimed with respect to any person or persons, property on or about the Premises or to the Premises resulting from any act done or omission by or through the Lessee, the Lessee's agents, employees, staff, invitees or any person on the Premises by reason of the Lessee's use or occupancy or resulting from the Lessee's non-use or possession of said property and any and all loss, cost, liability or expense resulting therefrom. Lessee shall maintain at all times during the lease term comprehensive general liability insurance with an insurance company that is licensed to do business in the state in which the Premises are located and is satisfactory to Lessor, properly protecting and indemnifying Lessor with single limit coverage of not less than \$25,000.00 for injury or \$25,000.00 for death of persons and \$25,000.00 for property damage. During the lease term, Lessee shall furnish the Lessor with a certificate or certificates of insurance, in a form acceptable to the Lessor, covering such insurance so maintained by the Lessee and naming the Lessor and Lessor's mortgagees, if any, as additional insureds.

LESSOR INDEMNITY & LIABILITY INSURANCE

Lessor shall at all times indemnify, defend and hold the Lessee harmless from all loss, liability, costs, damages and expenses that may occur or be claimed with respect to any person or persons, property on, about or to any Common Areas resulting from any act done or omission by or through the Lessor, Lessor's agents, employees, staff, invitees or any person in or on the Common Areas. The Lessor shall maintain at all time during the lease term comprehensive general liability insurance with an insurance company satisfactory to the Lessee, properly protecting and indemnifying the Lessee with single limit coverage of not less than \$25,000.00 for any injury or \$25,000.00 for death of persons and \$25,000.00 for property damage.

TAXES

Lessor shall pay during the term of this Lease the real estate taxes and special taxes and assessments (collectively, the "taxes") attributable to the premises and accruing during such term. Lessee, at Lessor's option, shall pay to the Lessor said taxes on a monthly basis, based on one-twelfth (1/12) of the estimated annual amount for taxes. Taxes for any fractional calendar year during the term hereof shall be prorated. In the event the Lessee does not make any tax payment required hereunder, Lessee shall be in default of this Lease.

TAXES ON LEASEHOLD

Lessor shall be responsible for and shall pay before delinquency all municipal, county, or state taxes assessed during the term of this Lease against any leasehold interest or personal property of any kind owned

by or placed in, upon, or about the premises by the Lessee.

OPERATING EXPENSES

It is the intention of the parties, and they hereby agree, that this shall be a triple net Lease, and the Lessor shall have no obligation to provide any services, perform any acts or pay any expenses, charges, obligations or costs of any kind whatsoever with respect to the Premises, and Lessee hereby agrees to pay one hundred percent (100%) of any and all Operating Expenses as hereafter defined for the entire term of the Lease and any thereof in accordance with specific provisions hereinafter set forth. The term Operating Expenses shall include all costs to Lessee of operating and maintaining the Premises and related parking areas, and shall include, without limitation, real estate and personal property taxes and assessments, management fee, heating, electricity, water, waste disposal, sewage, operating materials and supplies, service agreements and charges, lawn care, snow removal, restriping, repairs, repaving, cleaning and custodial, security, insurance, the cost of contesting the validity or applicability of any governmental acts which may affect operating expenses, and all other direct operating costs of operating and maintaining the Premises and related parking areas, unless expressly excluded from the operating expenses.

Notwithstanding the foregoing operating costs, and Lessee's obligations in relation thereto, shall not include (i) any expense chargeable to a capital account or capital improvement, ground leases; principal or interest payments on any mortgage or deed of trust on the premises; (ii) any amount for which Lessor is reimbursed through insurance, or by third persons, (iii) repair costs occasioned by fire, windstorm or other casualty, (iv) any construction, repair or maintenance expenses or obligations that are the sole responsibility of the Lessor (not to be reimbursed by the Lessee), (v) leasing commissions and other expenses incurred in connection with leasing any other area located on the premises to any other party, (vi) any expense representing an amount paid to an affiliate or subsidiary of the Lessor which is in excess of the amount which would be paid in the absence of such relationship, and (vii) costs of items and services for which the Lessee reimburses or pay any third persons directly.

ASSIGNMENT AND SUBLETTING

The Lessee shall not assign, transfer or encumber this Lease and shall not sublease the Premises or any part thereof or allow any other person to be in possession thereof without prior written consent of the Lessor, in each and every instance. Said consent shall not be unreasonably withheld by the Lessor. For the purpose of this provision, any transfer of a majority or controlling interest in Lessee (whether in one or more related or unrelated transactions), whether by transfer of stock, consolidation, merger, transfer of a partnership interest or transfer of any or all of Lessee's assets or otherwise, or by operation of law, shall be deemed an assignment of this lease. Notwithstanding any permitted assignment or subletting, Lessee shall at all times remain directly, primarily and fully responsible and liable for the payment of the rent herein specified and for compliance with all of its other obligations under the terms and provisions of this Lease.

CONDITION OF PREMISES

Lessee acknowledges that it has had the opportunity to inspect the Premises and, with the exception of any notations or provisions herein provided otherwise in this Lease, the Lessee accepts the Premises in its present condition. At the end of the lease term, except for any damages caused by fire or other perils, Lessee, at its expense shall (i) surrender the Premises in the same or similar condition as existed at the time the Premises were accepted and possession taken by the Lessee, subject to reasonable wear resulting from uses permitted hereunder, and further subject to Lessee's obligations; (ii) have removed all of the Lessee's property from the Premises; (iii) have repaired any damages to the Premises caused by the removal of the Lessee's Property; and (iv) leave the Premises free of trash, waste, dirty and debris and the Premises in good and reasonable condition.

LESSOR'S RIGHT OF ENTRY

The Lessor or Lessor's agent shall have the right of entry at reasonable hours to inspect or show the

Premises to prospective Lender or Lien Holders and purchasers, and to perform or provide anything that the Lessor may be required to perform or provide hereunder, or which the Lessor may deem necessary for the good or benefit of the Premises or any building of which they are a part. As of and during the last ninety (90) days of this Lease, the Lessor shall have the right to post and/or display a "For Rent" sign on the Premises.

EXCLUSION OF LESSEE

Lessor may not intentionally prevent the Lessee from entering the leased Premises except by judicial process unless the exclusion results from: (i) bona fide repairs, construction, or an emergency; (ii) removing the contents of Premises abandoned by Lessee; or (iii) changing door locks of Lessee in the event the Lessee is delinquent in paying rent; Lessor or Lessor's agent must then place a written notice on Lessee's front door stating the name and address or telephone number of company or the individual from whom the key may be obtained. The new key is required to be provided only during Lessee's regular business hours.

SIGNS AND ADVERTISEMENTS

The Lessee shall not place upon nor permit to be placed upon any part of the Premises, any signs, billboards or advertisements whatsoever, or paint the exterior walls of the building without the advance prior written consent of the Lessor. The Lessor shall have the right to remove any sign(s) which have not been approved in order to maintain the leased premises or to make any repairs or alterations thereto. All permitted signage placement and/or removal shall be at the Lessee's sole cost and expense.

FORCE MAJEURE

In the event that the Lessor or Lessee is unable to reasonably perform its obligations under this Agreement as a result of a natural disaster, war, terrorist activities, strike, lockout, labor issues, civil commotion, and act of God, or any other event beyond the control of the Lessor or Lessee, with the exception for non-availability of funds, the party shall not be in breach of this Agreement if the party diligently performs the obligations after the end of the force majeure event. The non-performing party shall give written notice to the other party as soon as reasonably practicable in the event of non-performance due to a force majeure event.

In the event, during the Term or previous Term thereto, the premises shall be destroyed or so damaged by fire or other casualty as to become uninhabitable or unusable, then in such event, at the option of the Lessor, this Lease shall terminate from the date of such damage and/or destruction. The Lessor shall exercise this option to terminate this Lease by delivering written notice to the Lessee within 30 days after the occurrence of such damage and/or destruction. Upon such notice, the Lessee shall immediately surrender said Premises and all interest therein to the Lessor, and the Lessee shall pay rent only to such time that damages and/or destruction occurred. In the event that the Lessors does not elect to terminate this Lease, this Lease shall therefore continue in full force and effect, and the Lessor shall expeditiously make any and all necessary repairs to the Premises as needed, placing the same in as good condition as it was prior to the occurrence of damage or destruction.

PERSONAL PROPERTY

The Lessor shall not be liable for any loss or damage to any merchandise inventory, goods, fixtures, improvements or personal property of the Lessee in or about said Premises.

ALTERATIONS

Any and all alterations, additions and/or improvements, except trade fixtures, installed at the expense of the Lessee shall become the property of the Lessor and shall remain upon and shall be surrendered with the leased Premises as a part thereof on the termination of this lease. Such alterations, additions, and improvements may only be made with the prior written consent and approval of the Lessor, which shall not

be unreasonably withhold said consent. If consent is granted by the Lessor for the making of improvements, alterations or additions to the leased Premises, such improvements, alterations or additions shall not commence until such time as the Lessee has furnished to the Lessor a copy of all plans and a certificate of insurance showing coverage in an amount satisfactory to the Lessor protecting the Lessor from liability for injury to any person and damage to any personal property, on or off the leased Premises, in connection with the making of such improvements, alterations or additions. No cooling tower, equipment, or structure of any kind shall be placed on the roof or elsewhere on the leased premises by the Lessee without prior written permission of the Lessor. If such permission is granted, such work or installation shall be done at the Lessee's expense and in such a manner that the roof shall not be damaged thereby. If it becomes necessary to remove such cooling tower, equipment or structure temporarily so that repairs to the roof can be made, Lessee shall promptly remove and reinstall the cooling tower, equipment or structure at the Lessee's expense and repair at the Lessee's expense any damage which may result from such removal or reinstallation. Upon termination of this lease, Lessee shall remove or cause to be removed from the roof any such cooling tower, equipment or structure if directed to do so by the Lessor. Lessee shall promptly repair, at its expense, any damages resulting from such removal. At the termination of this lease, Lessee shall deliver the leased Premises in good order and condition, natural deterioration only excepted. Any damage caused by the installation of trade fixtures shall be repaired at the Lessee's expense prior to the expiration of the lease term. All alterations, improvements, additions and repairs made by the Lessee shall be made in good and workmanlike manner.

UTILITIES & SERVICES

The Lessee shall furnish and pay for all of the following and any other utilities deemed necessary by the Lessee at the Premises:
electric gas sewer trash

INTERRUPTION OF UTILITIES

Lessor or Lessor's agent may not interrupt or cause the interruption of utility services paid directly to the utility company by the Lessee unless interruption results from bona fide repairs, construction, or an emergency. If any utility services furnished by the Lessor are interrupted and continue to be interrupted despite the good faith efforts of Lessor to remedy the same, Lessor shall not be liable in any respect for damages to the person or property of Lessee or Lessee's employees, agents, or guests and same shall not be construed as grounds for constructive eviction or abatement of rent. Lessor shall use reasonable diligence to repair and remedy such interruption promptly.

LEGAL REQUIREMENTS

The Lessee shall comply with all laws, orders, ordinances and other public requirements now and hereafter affecting the Premises or the use thereof, and the Lessee shall indemnify, defend and hold harmless the Lessor from any expense or damage resulting from the failure to do so.

FIXTURES

With the exception for Lessee's personal property and trade fixtures, all buildings, repairs, alterations, additions, improvements, installation and other non-trade fixtures installed or erected on the Premises, whether by or at the expense of the Lessor or Lessee, shall belong to the Lessor and shall remain on and be surrendered with the Premises at the expiration or termination of this Lease. However, the Lessor shall retain the option to permit the Lessee to remove their alterations or improvements prior to the expiration of this Lease and return the Premise to its original condition.

REPAIRS AND MAINTENANCE

The Lessor shall maintain the foundation, exterior walls (with the exception of glass; windows; doors; door closure devices; window and door frames; molding; locks and hardware) and exterior painting or other treatment of exterior walls, and the roof of the leased Premises in good repair except that the Lessor shall

not be required to make any repairs resulting from the negligence or acts of negligence on the behalf of the Lessee, its staff, employees, sublessees, licensees and concessionaires. The Lessee shall be responsible for maintenance of the common areas and common area equipment and furnishings. Any such repairs and/or maintenance in which the Lessor would be responsible, the Lessee agrees to provide Lessor with written notice of the needed repairs and/or maintenance, and Lessor shall ensure that any repairs and/or maintenance shall be made and completed within a reasonable time frame. Lessee shall notify the Lessor of any emergency repairs to be made. Lessee shall keep the interior of the leased Premises in good, clean and workable condition and shall, at its sole expense, make all needed repairs and replacements, including replacement of cracked or broken glass, windows, doors, door closure devices, door and window frames, molding, locks and hardware, except for repairs and replacements required to be made by the Lessor under this section.

In the event that any repairs required to be made by the Lessee hereunder are not made within 30 days after written notice delivered to the Lessee by the Lessor, the Lessor shall reserve the right and option to make or have said repairs made without liability to the Lessor for any loss or damage which may result by reason of such repairs, and that Lessee shall pay to the Lessor, upon demand as additional rent hereunder, the cost of such repairs plus. At the termination of this Lease, Lessee shall deliver the leased premises in good order and condition, normal wear and tear excepted. Normal wear and tear meaning the deterioration which results from normal use and not as an act of carelessness, neglect, accident or abuse.

EMINENT DOMAIN

In the event that the Premises are taken under the power of eminent domain or a conveyance in lieu thereof by any authority having the right of condemnation, or if a portion thereof is taken so that the Premises are unsuitable, in the Lessee's reasonable opinion, for Lessee's use, then the term of this lease shall terminate as of the date that title shall vest in the acquiring authority, and the rent and other charges shall be adjusted as of the date of such taking. In such case, the Lessor shall be entitled to the proceeds of the condemnation award made to the Lessor. Nothing herein shall be construed to prevent the Lessee from separately pursuing a claim against the condemning authority for its independent loss or damages to the extent available, provided however, that no award made to or on behalf of the Lessee shall reduce, limit, or restrict the award to the Lessor, and no allocation of the Lessor's award in condemnation shall occur. The Lessee shall have no claim against the Lessor for the value of the unexpired term of this Lease. Should any part of the Premises be taken in the exercise of eminent domain or a conveyance in lieu thereof or in connection therewith, but not such as to render the Premises unsuitable for the operation of Lessee's business, this Lease shall continue on the same terms and conditions except that the description of the Premises or the real estate taken by right of eminent domain or conveyance in lieu thereof or in connection therewith shall be modified to reflect such taking. In the event this Lease does not terminate by reason of such taking, the condemnation proceeds from the 'Demised Premises' will first be used to restore the Premises to a position of occupancy by the Lessee. The balance of such condemnation proceeds from the Premises, if any, shall belong to the Lessor.

WAIVER OF SUBROGATION

As part of the consideration for this Lease, each of the parties hereby releases the other party from all liability for damage due to any act or neglect of the other party occasioned to the property owned by said parties which is or might be incident to or the result of fire or other casualty against loss for which either of the parties is now carrying or hereafter carry insurance; provided however, that the releases herein contained shall not apply to any loss or damage occasioned by intentional acts of either of the parties, and the parties further covenant that any insurance they obtain on their respective properties shall contain an appropriate provision whereby the insurance company, or companies, consent to the mutual release of liability contain in this paragraph.

DEFAULT & REMEDIES

Lessor shall have the following remedies if Lessee commits a default. These remedies are not exclusive; they are cumulative and in addition to any remedies now or later allowed by law:

RE-ENTRY: Upon the happening of any such event of default, Lessor, at any time thereafter may:

(a) Either with or without notice of demand, declare the Lease term ended and re-enter the Premises or any part thereof, either with or without process of law, and expel or remove therefrom Lessee and all parties occupying the same or any of them, using force as may be necessary so to do, and again repossess and enjoy the same without prejudice to any remedies that Lessor may otherwise have by reason of the breach hereof. Or

(b) Re-enter the Premises at its option without declaring the Lease Term ended and relet the whole or any part therefor for the account of Lessee on such terms and conditions and at such rent as Lessor may deem proper, collecting such rent and applying it on the amount due from Lessee hereunder. And on the expense of such reletting (including expense of alteration and special inducements to Lessee) and on any other damage or expense so sustained by Lessor, or on any such item or items, Lessor will recover from Lessee the difference between the proceeds of such reletting and the amount of rentals reserved hereunder and any such damage or expense from time to time which said sum Lessee agrees to pay upon demand.

LESSEE DEFAULT AND REMOVAL OF ABANDONED PROPERTY

In the event that the Lessee abandons the Premises or otherwise defaults in the performance of any obligations or covenants herein, the Lessor may enforce the performance of the lease in any manner provided by law. This lease may be terminated at the Lessor's discretion if such abandonment or default continues for a period of 30 days after the Lessor notifies the Lessee of such abandonment or default and of Lessor's intention to declare this lease terminated. Such notice shall be sent by the Lessor to the Lessee at the Lessee's last known address by certified mail. If Lessee has not completely removed or cured the default within the 30 day period, this lease shall terminate. Thereafter, Lessor or its agents shall have the right without further notice or demand to enter the leased Premises and remove all property without being deemed guilty of trespass and without waiving any other remedies for arrears of rent or breach of covenant. Upon abandonment or default by the Lessee, the remaining unpaid portion of any rent shall become due and payable. For the sole purpose of this section, Lessee is presumed to have abandoned the Premises if goods, equipment, or other property, in an amount substantial enough to indicate a probable intent to abandon the Premises, is being or has been removed from the Premises and the removal is not within the normal course of Lessee's business. Lessor shall have the right to store any property of Lessee that remains on the abandoned Premises and, in addition to Lessor's other rights, may dispose of the stored property if the Lessee does not claim the property within 30 days after the date that the property is stored, provided Lessor delivers notice by certified mail to Lessee.

DAMAGES

Should Lessor terminate this Lease by reason of any breach thereof by Lessee, Lessor may thereupon recover from Lessee the worth at the time of such termination of the excess, if any, of the amount of rent and charges equivalent to rent reserved herein for the balance of said Term over the then reasonable rental value of the Premises for the same period. Lessor shall not by any re-entry or other act be deemed to have terminated this Lease or the liability of Lessee for the total rent hereunder or any installment thereof then due or thereafter accruing or for damages unless Lessor shall notify Lessee in writing that Lessor has so elected to terminate the Lease.

LESSOR'S RIGHT TO CURE LESSEE'S DEFAULT

Lessor, at any time after Lessee commits a default, can cure the default at Lessee's cost. If Lessor at any time, by reason of Lessee's default, pays any sum or does any act that requires the payment of any sum, the sum paid by Lessor shall be due immediately from Lessee to Lessor at the time the sum is paid.

WAIVER

The rights and remedies of the Lessor under this Lease, as well as those provided by law, shall be cumulative, and none shall be exclusive of any other rights or remedies. A waiver by the Lessor of any breach or default of the Lessee shall not be deemed or construed to be a continuing waiver of such breach or default nor as a waiver of or permission, expressed or implied, for any subsequent breach or default. It is agreed that the acceptance by the Lessor of any installment of rent subsequent to the date the same should have been paid shall not alter the covenant and obligation of Lessee to pay subsequent installments of rent promptly upon the due date. Receipt by Lessor of partial payment after Lessee's default shall not be construed to be or constitute a cure of any such default. No receipt of money by Lessor before or after the termination of this Lease shall in any way reinstate, continue or extend the term above demised.

TOXIC OR HAZARDOUS MATERIALS

Lessee shall not store, use or dispose of any toxic or hazardous materials in, on or about the Premises without the prior written consent of Lessor. Lessee, at its sole cost, shall comply with all laws relating to Tenant's storage, use and disposal of hazardous or toxic materials. Lessee shall be solely responsible for and shall defend, indemnify and hold Lessor, its agents and employees, harmless from and against all claims, costs and liabilities, including attorney's fees and costs, arising out of or in connection with the Lessee's storage, use or disposal of any toxic or hazardous material in, on or about the Premises including, but not limited to, removal, clean-up and restoration work and materials necessary to return the Premises, and any other property of whatever nature located on the Premises, to their condition existing prior to the appearance of toxic or hazardous materials on the Premises. Lessee's obligations under this paragraph shall survive the termination of this Lease.

GOVENING LAWS

This Agreement shall be construed under and in accordance with the laws of the State of New Mexico.

COMPLIANCE WITH LAWS AND REGULATIONS

Lessee shall, at its own expense, comply with all laws, orders, codes and requirements of all government entities with reference to the use and occupancy of the leased Premises. Lessee and Lessee's agents, employees, and invitees shall fully comply with any rules and regulations governing the use of the buildings or other improvements to the leased premises as required by the Lessor. Lessor may make reasonable changes in such rules and regulations from time to time as deemed advisable for the safety, care and cleanliness of the leased Premises, provided same are in writing and are not in conflict with this lease.

NOTICES

Any notice hereunder shall be sufficient if sent by certified mail, addressed to the Lessee at the Premises, and to the Lessor where rent is payable.

SUBORDINATION OF LEASE TO MORTGAGES

This Lease shall be subject and subordinate at all times to the lien of existing mortgages and of mortgages which hereafter may be made a lien on the Premises; provided however, that with regard to any pledge or mortgage executed by the Lessor, Lessor shall use its best efforts to provide to the Lessee a non-disturbance agreement from any mortgagee or other lien holder of Lessor's interest in the Premises. Such non-disturbance agreement shall be in form and content reasonably acceptable to Lessee and Lessor's mortgagee or other lien holder, together with a representation that the Lessor is not in default of any of the terms of any such mortgage or security agreement as of the date thereof. Although no instrument or act on the part of the Lessee shall be necessary to effectuate such subordination, the Lessee will nevertheless execute and deliver such further instruments subordinating this Lease to the lien of any such mortgages as may be desired by the mortgagee. The Lessee hereby irrevocably appoints the Lessor as Lessee's attorney-in-fact to execute and deliver such instrument for the Lessee. Provided however, and notwithstanding the foregoing

provisions hereof, upon foreclosure of the mortgage with the mortgagee succeeding to the rights of the Lessor, the Lessee shall, at the option of said mortgagee, be bound to the mortgagee under all of the terms of the Lease for the balance of the term hereof remaining with the same force and effect as if the mortgagee were the Lessor under the Lease, and the Lessee hereby attorns to the mortgagee as its Lessor, such attornment to be effective and self-operative if the mortgagee so elects. In no event, however, shall the mortgagee be liable for any act or omission of any prior Lessor, be subject to any offsets or defenses which Lessee might have against any prior Lessor, or be bound by any rent or additional rent which the Lessee might have paid to any prior Lessor for more than the current month.

SUCCESSORS

The provisions, covenants and conditions of this Lease shall bind and inure to the benefit of the legal representatives, heirs, successors and assigns of each of the parties hereto, except that no assignment or subletting by Lessee without the written consent of Lessor shall vest any rights in the assignee or subtenant of Lessee.

QUIET POSSESSION

Lessor agrees, so long as Lessee fully complies with all of the terms, covenants and conditions herein contained on the Lessee's part to be kept and performed, Lessee shall and may peaceably and quietly have, hold and enjoy the Premises for the term aforementioned, it being expressly understood and agreed that the aforementioned covenant of quiet enjoyment shall binding upon the Lessor, its heirs, successors or assigns, but only during such party's ownership of the Premises. Lessor and Lessee further covenant and represent that each has full right, title, power and authority to make, execute and deliver this Lease.

BANKRUPTCY

Neither this Lease nor any interest therein nor any estate hereby created shall pass to any trustee or receiver in bankruptcy or to any other receiver or assignee for the benefit of creditors by operation of law or otherwise during the Term or any renewal thereof.

PRIOR AGREEMENTS SUPERSEDED

This agreement constitutes the sole and only agreement of the parties to this lease and supersedes any prior understandings, whether written or oral agreement, between the parties respecting the subject matter of this lease.

AMENDMENT

No amendment, modification, or alteration of the terms hereof shall be binding unless it is in writing, dated subsequent to the date hereof and duly executed by all parties to this agreement.

ADDITIONAL INSTRUMENTS

The parties hereto will execute any and all additional document or instruments that may be necessary or convenient to carry out the intent and purposes of the parties to this agreement.

ENTIRE AGREEMENT

This Lease contains the entire agreement between the parties and no modification of this Lease shall be binding upon the parties unless evidenced by an agreement in writing and signed by the Lessor and Lessee after the date hereof. If there be more than one Lessee name herein, the provisions of this Lease shall be applicable to and binding upon such Lessees, jointly and severally.

IN WITNESS WHEREOF, said parties hereunto subscribe their names.

LESSOR

By:


(Lessor Signature)

Lessor Telephone: 5757581612

Lessor Email:

29 Dec 2014

(Date)

LESSEE

By:

Monica Tafoya
(Lessee Signature)

Lessee Telephone: 5054075750

Lessee Email: 575sports@gmail.com

29 Dec 2014

(Date)

Daniel Barrera, Mayor

Councilmembers:

Judith Cantu

Andrew T. Gonzales

George "Fritz" Hahn

Fredrick A. Peralta

Rick 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

November 13, 2014

Alfonso Lucero De Godoi
Box 2200
Ranchos de Taos, NM 87557

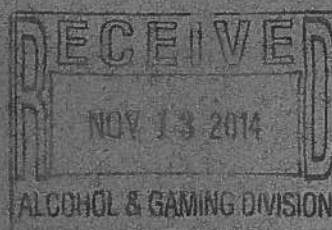
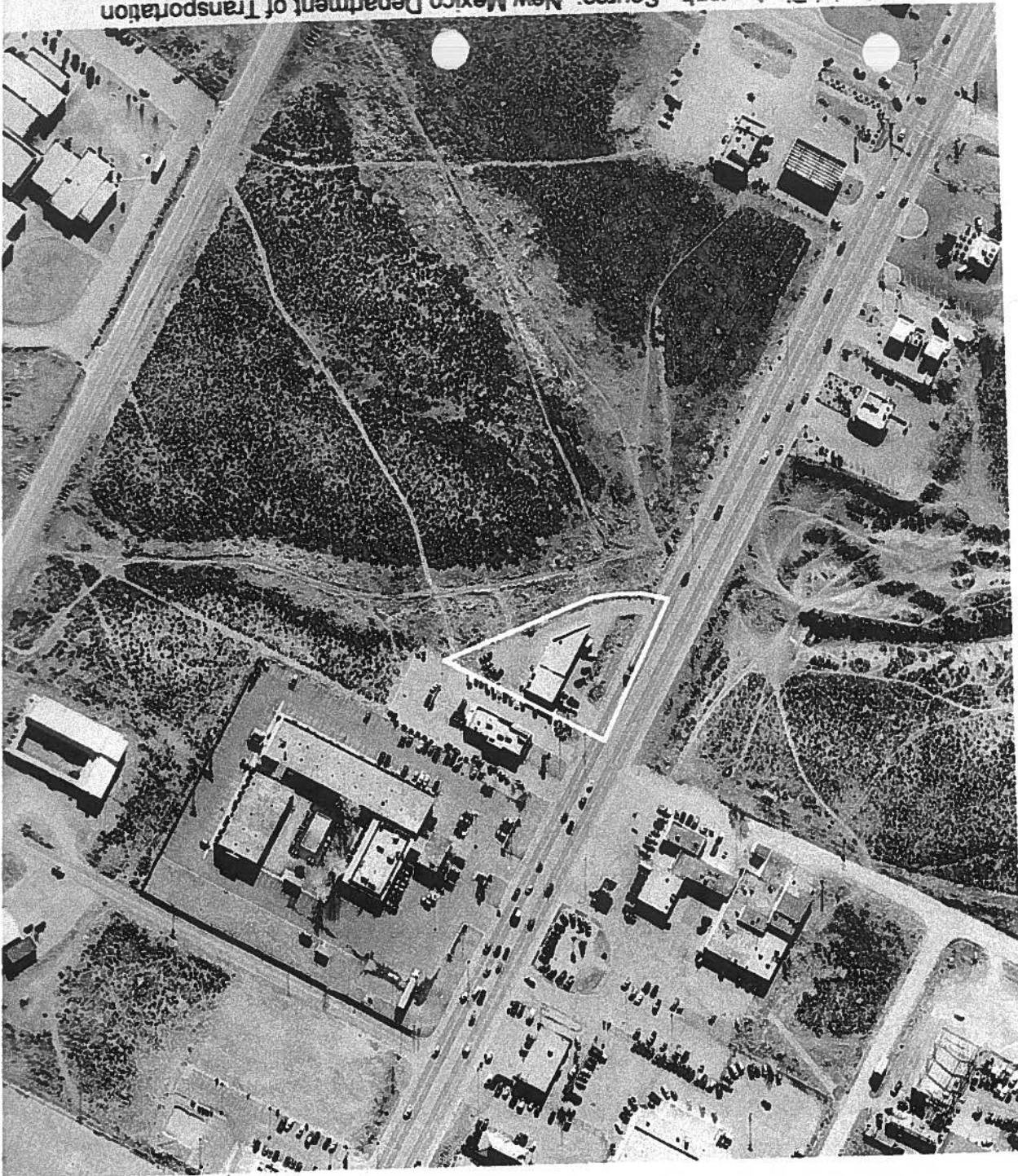
Dear Mr. Lucero De Godoi,

This letter is in regards to your request for a zoning verification for the property located at 1109 Paseo del Pueblo Sur. This property is zoned C-2 General Commercial within the town limits of the Town of Taos. The permitted principal uses in a C-2 Zone include any use permitted in the C-1 Zone. Eating/drinking establishments are a permitted use however in the C-1 Zone regulations it specifies bar/lounge and clubs are not a permitted use but shall be permitted only if a conditional use permit is granted by the Planning and Zoning Commission.

If you have questions regarding this zoning verification letter please contact the Planning, Zoning and Buildings Department at 575-751-2016.

Sincerely,

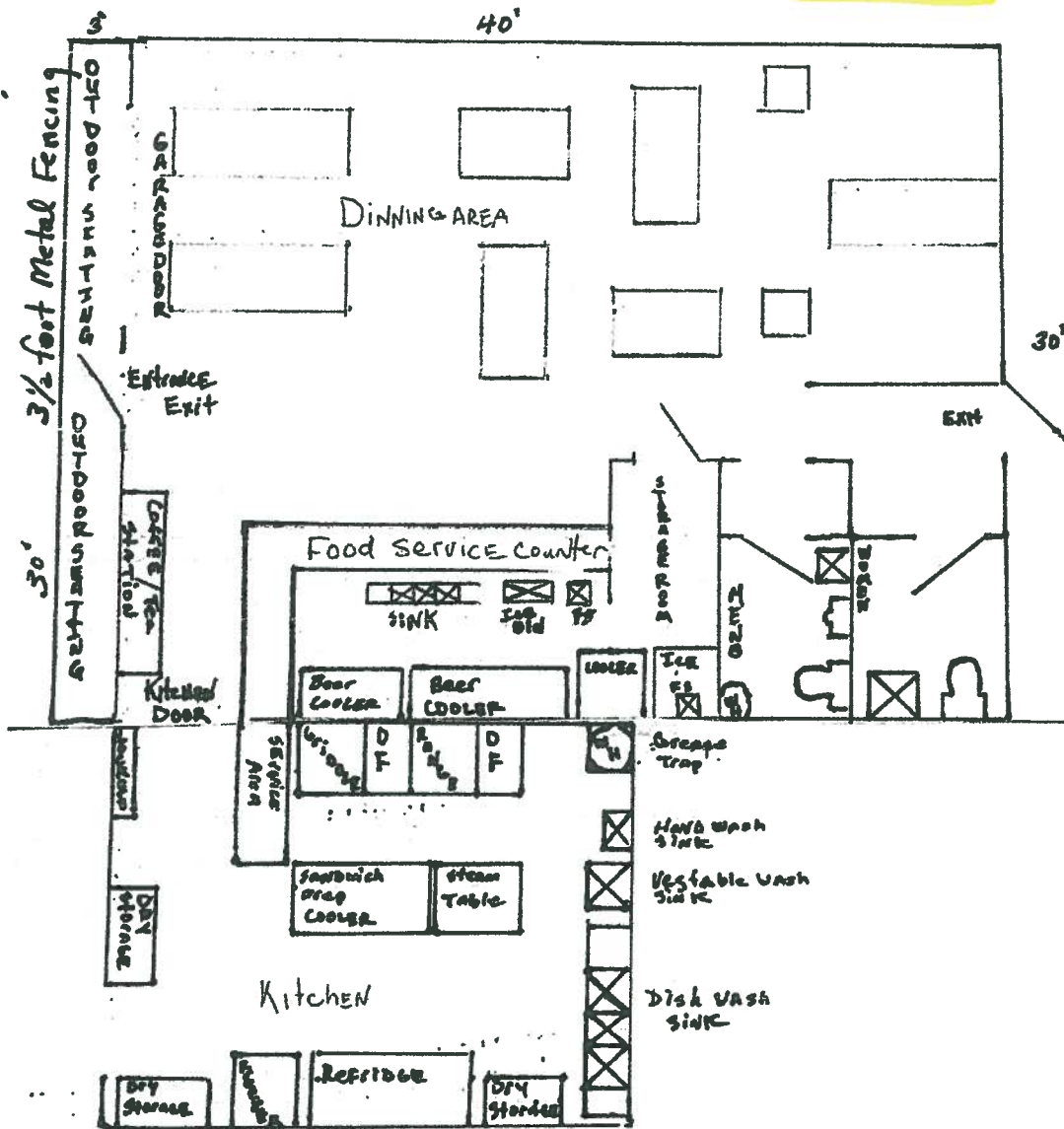
Richard Bellis
Town Manager



575 SPORTS & CO.
FLOOR PLAN

□ = 1 FOOT

1290 sq.



□ = 1 FOOT

575 SPORTS & CO.
KITCHEN

375 sq.

Scanned by CamScanner





LIMITED LIABILITY COMPANY

1. Name of Limited Liability Company

575 SPORTS ^{SS 60-6B-24} & CO.

2. Date company formed (attach copy of Operating Agreement)

Sept 11th 2014

3. Date company registered (attach copy of certificate and Article of Organization)

Sept 18 2014

4. Mailing Address: Street

1109 Paseo del Pueblo Sur

City Taos

State NM

Zip 87571

Phone 575-613-0807

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

MONICA TAYLOR

Manager

421 Martinez LN Taos, NM 87571

50%

LUCIANO GALLAGHER

421 Martinez LN Taos, NM 87571

50%

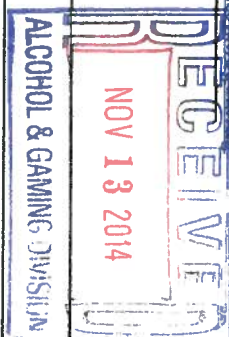
6. Has this Limited Liability Company ever had a liquor license in which it held any interest in any State suspended or revoked, or has the Limited Liability Company been denied the issuance of a liquor license? No ☒ Yes ☐ If Yes, provide details: No

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

N/A

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 SECRETARY OF STATE

NEW MEXICO

Certificate Of Organization

OF

575 SPORTS & CO, LLC

4960602

The Office of the Secretary of State certifies that the Articles Of Organization, duly signed and verified pursuant to the provisions of the

Limited Liability Company Act

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

have been received and are found to conform to law. Accordingly, by virtue of the authority vested in it by law, the Office of the Secretary of State issues this Certificate Of Organization and attaches hereto a duplicate of the Articles Of Organization.

Dated : **September 18, 2014**

In testimony whereof, the Office of the Secretary of State has caused this certificate to be signed on this day in the city of Santa Fe, and the seal of said office to be affixed hereto.



A handwritten signature in black ink, reading "Dianna J. Duran".

Dianna J. Duran
Secretary of State



ARTICLES OF ORGANIZATION

OF

575 Sports & Co, LLC.

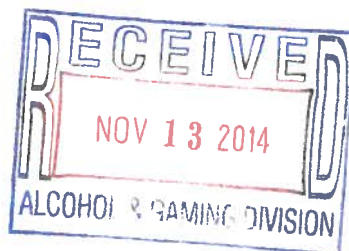
The undersigned, acting as organizer to form a limited liability company pursuant to the New Mexico Limited Liability Act adopt the following Articles of Organization:

FIRST: The name of the limited liability company is 575 Sports & Co, LLC.

SECOND: The latest date upon which the Company is to dissolve is June 1, 2032.

THIRD: The name of its registered agent and the street address and city of the initial registered office in New Mexico are Luciano Gallegos, 1109 Paseo del Pueblo Sur, Taos, New Mexico, 87571.

FOURTH: Management of all affairs of the Company is to be vested with Luciano Gallegos and Monica Tafoya.



SEP 18 2014

FIFTH: The name and residential address of the
organizer is:

NAME
Luciano Gallegos

RESIDENTIAL ADDRESS
1109 Paseo del Pueblo Sur
Taos, NM 87571

16 sept 2014

Date

[Signature]

Signature of Organizer

NAME
Monica Tafoya

RESIDENTIAL ADDRESS
1109 Paseo del Pueblo Sur
Taos, NM 87571

Sept. 16, 2014

Date

[Signature]

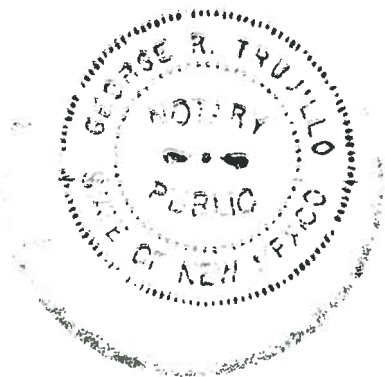
Signature of Organizer

State of New Mexico
County of Taos

Acknowledged before me on this 16th day of Sep, 2014.

My commission expires: 7-22-2016

[Signature]
Notary Public



SEP 18 2014

AFFIDAVIT OF ACCEPTANCE OF APPOINTMENT
BY DESIGNATED INITIAL REGISTERED AGENT

To the Public Regulatory Commission
State of New Mexico


STATE OF NEW MEXICO

COUNTY OF TAOS

On this 16 day of September, 2014, before me a Notary Public in and for the State and County aforesaid, personally appeared Luciano Gallegos, who is to me known to be the person and who, being by me duly sworn, acknowledged to me that he does hereby accept his appointment as the Initial Registered Agent of 575 Sports & Co, LLC., the Limited Liability Company which is named in the annexed Articles of Organization.


Registered Agent's Signature

Subscribed and sworn to me
on the day, month, and year
first above set forth


Notary Public

Commission Expires: 7-22-2016



Operating Agreement

for 575 Sports & CO a New Mexico Limited Liability Company

This Operating Agreement (the "Agreement") is entered into on or as of _____
by and among the Members listed on Exhibit A attached to this Agreement.

Recitals

- A. On Sept 16 2014, Articles of Organization for 575 Sports & CO LLC (the "Company"), a limited liability company under the laws of the State of New Mexico, were filed with the New Mexico Secretary of State.
- B. The Members hereby adopt and approve this operating agreement for the Company on the following terms and conditions:

Agreement

Article I

Organizational Matters

- 1.1. **Name.** The Company shall conduct business under the name "575 Sports & CO LLC." If the majority of Members approve, the Company may also conduct business under a fictitious name filed with the county clerk of the county where the Company has its principal office.
- 1.1. **Term.** The company's beginning date is the date that the Articles of Organization were filed. The Company shall automatically terminate at the earlier of twenty-five (25) years or as provided in Article 9.1 of this Agreement. The Members may unanimously to continue the Company as provided in Article 9.
- 1.1. **Office and Agent.** The Company shall continuously maintain an office and a registered agent within the State of New Mexico. The principal office of the company shall be at 1109 Paseo del Pueblo SW or such location as the Members may determine. As required, the Company shall file a Statement of Information with the New Mexico Secretary of State stating its registered agent for service of process.
- 1.1. **Business of the company.** The Company shall engage in the following business, and any activities necessary or appropriate to carry out that business, unless all the Members approve a change in the Company's business: _____

Article 2

Capital Contributions

- 2.2. **Capital Contributions.** Each Member shall contribute capital to the Company in the amount shown on Exhibit A of this Agreement. No Member shall be required or permitted

1



to make any additional contributions to the Company without the unanimous consent of the other Members.

2.2 Capital Accounts. The Company shall keep books and records which clearly show each Member's capital contributions and withdrawals ("Capital Account").

- The Company shall determine the balance of each Member's Capital Account according to Treasury Regulations Section 1.704-1(b)(2)(iv).
- If a Member sells or transfers his Membership Interest in the Company that Member's Capital Account shall carry over to the new owner according to Treasury Regulations Section 1.704-a(b)(2)(iv)(1).

2.2 No Interest. The Company shall not pay any interest on capital contributions.

Article 3 Members

3.3 Admission of Additional Members. Upon unanimous approval of the existing Members, additional members may be admitted into the Company on terms determined by the Members.

3.3 Withdrawals or Resignations. No member may withdraw without the unanimous approval of the Members. However, if a Member's interest is based on providing services to the Company, that Member shall be allowed to withdraw or resign as a Member at any time upon 120 days prior written notice to the Company. In the event of such withdrawal, such Member's Membership Interest will be available for sale as described in Section 7.2. If it is not purchased, the withdrawing Member shall have only an economic interest in the Company after withdrawal. The Withdrawing Member shall the right to share in the Company's income, gain, losses, deductions, credit or similar items, and to receive distributions from the Company, but not the right to access Company business information or to participate in the Company management, except as required by law. The Withdrawing Member shall not be entitled to a return of the Member's capital, and may not withdraw contracts or personal guarantees that (s)he may have given.

3.3 Payments to Members. There will be no minimum or guaranteed payments to Members. The Company shall reimburse the Members for the actual costs including organization expenses incurred to form the Company.

Article 4 Management and Control of the Company

4.4 Management and Powers. The intent of each Member is to actively engage in the Company management. Accordingly, each Member shall have full, complete and exclusive authority, power and discretion to manage and control the business, property and affairs of the Company, to make all decisions regarding those matters and to perform any and all other



acts or activities customary or incident to the management of the Company's business property and affairs.

- 4.4 Limitations on Power of Members.** Notwithstanding any other provisions of this Agreement, no debt or liability of more than 10 may be contracted on behalf of the Company without the approval of the majority of Membership Interests. The signature of 1 Members is required to sign contracts and obligations on behalf of the Company. Additionally, the unanimous approval of the Members must be obtained prior to:
- A. The merger of the Company with another business entity.
 - B. The establishment of different Member classes.
 - C. A change in the authorized businesses of the Company (Section 1.4),
 - D. Any act which would make it impossible to carry on the ordinary business of the Company
 - E. The confession of judgment against the Company
 - F. Any other transaction described in this Agreement which requires the approval, consent or vote of all of the Members.
 - G. The sale, exchange or other disposition of substantially all of the Company's assets occurring as part of single or multiple transactions or plan.
- 4.4 Member Approval.** The "vote" or "approval" of the Members shall mean approval by a majority percentage of Membership Interest. Members shall vote or approve by their percentage interest as shown on Exhibit A of this Agreement. No annual or regular meetings of the Members are required. However, if such meetings are held, such meetings shall be noticed, held and conducted pursuant to the Act.
- 4.4 Devotion of Time.** The Members Not (are or are not) required to devote all of their time or business efforts to the Company. Each Member shall devote whatever time or effort (s)he deems appropriate to carry out the Company's business.
- 4.4 Noncompetition.** Each Member agrees that (s)he will not be employed, concerned or financially interested, either directly or indirectly in any other business entity that is engaged in the same or similar business as that conducted by the Company. However, Members may invest in any passive investment engaged in the same or similar business, as long as that investment does not exceed 5% of the ownership of that entity.
- 4.4 Protection of Trade Secrets.** Each Member acknowledges that the customer lists, trade secrets, processes, methods and technical information of the Company and any other matters designated by the majority of the Members are the Company's assets. Each Member agrees not to disclose any of these assets to anyone outside the Company, except with written consent by the Company, even if the Member withdraws from the Company.
- 4.4 Transactions between the Company and the Members.** Any Member may enter into a contract or transaction with the Company with the approval of the majority of other Members. If there is a potential conflict of interest, this approval must be in writing.



Article 5
Allocations of Net Profits and Net Losses and Distribution

5.5 Allocations of Net Loss and Quarterly Distributions

- A. **Net Loss.** Net loss for income tax purposes shall be allocated to Members in proportion to their Membership Interest. Loss allocations to a Member shall be made only to the extent that such loss allocations will not create a Capital Gain for that Member in the event of foreclosure of the Company's assets.
- B. Any loss not allocated to a Member because of the 5.1.A. shall be allocated to the other Members to the extent where it does not create a Capital Gain to another Member.
- C. **Quarterly Distribution of Available Cash.** At the end of each calendar quarter, the available cash of the Company, if any, must be distributed to the Members, pro rata according to their percentage interest. Available cash means cash beyond what is required as reasonable working capital, as determined by the Members.

5.5 Special allocations.

- A. **Minimum Gain Chargeback for Nonrecourse and Recourse Liabilities.** The Company shall allocate income, loss and gain to comply with the minimum gain chargeback requirement contained in Treasury Regulations Section 1.704-2(f) and 1.704-2(i)(5)). Nonrecourse Liability shall be allocated in accordance with Treasury Regulations Section 1.704-2(g)(2). Recourse Liability shall be allocated to Members in accordance with Treasury Regulations Section 1.704-2(i)(4).
 - B. **Nonrecourse Deductions.** Notwithstanding Section 5.2, any nonrecourse deductions (as defined in Treasury Regulations Section 1.704-2(b)(1)) for any fiscal year or other period shall be specially allocated to the Members in proportion to their Membership Interests.
 - C. **Member Nonrecourse Deductions.** Those items of Company loss, deduction or Code Section 705(a)(2)(B) expenditures which are attributable to Member Nonrecourse Debt shall be specially allocated to the Member who bears the economic risk of loss with respect to the Member Nonrecourse Debt according to Treasury Regulations Section 1.704-2(i).
 - D. **Qualified Income Offset.** Notwithstanding Section 5.2, if a Member unexpectedly receives any adjustments, allocations or distributions described in Treasury Regulations Section 1.704-1(b)(2)ii(d)(4),(5) or (6), or any other event creates a deficit balance in such Member's Capital Account in excess of such Member's share of Company Minimum Gain, items of Company income and gain shall be specially allocated to such Member so that such excess deficit balance is eliminated as quickly as possible.
- 5.5 Code Section 704(c) Allocations.** Notwithstanding any other provision in this Article VI, in accordance with Treasury Regulations Code Section 704(c), income, gain, loss and deduction with respect to any property contributed to the Company shall, solely for tax purposes, be allocated among the Members so as to take account of any variation between the adjusted basis of such property to the Company for federal income tax purposes and its



fair market value on the date of contribution. This shall be solely for tax purposes and shall not affect a Member's Capital Account, share of profits, losses or other items of distributions.

Article 6

Transfer and Assignment of Interests

6.6 Transfer and Assignment of Interests. With the exception of transfers between family members, stated in 6.3, Members who wish to transfer, assign, convey or sell their Membership Interest must obtain unanimous written approval from the other Members. The other Members may approve or reject this request in their sole discretion.

6.6 Substitution of Members. If unanimous written approval is received, the transferee shall:

- (i) Execute an instrument satisfactory to the Members which accepts and adopts the terms and provisions of this Agreement.
- (ii) Pay any reasonable expenses in connection with his or her admission as a new Member.

The admission of a new Member shall not release the Member who assigned the Membership Interest from any liability that Member may have to the Company.

6.6 Family Transfers. The Membership Interest of any Member may be transferred by inter vivos gift or by testamentary transfer to any spouse, parent, sibling, child or grandchild of the Member, or to a trust for the benefit of the Member or such spouse, parent, sibling, child or grandchild of the Member. If the transfer is to a revocable living trust, the transferring Member may also reacquire the Membership in whole or in part upon complying with Section 6.2.

6.6 Transfers in violation of this Agreement and Transfers of Partial Membership Interest. Transfers violating this Article 6 shall only have an economic interest in the Company, with no right to participate in the Company management or exercise any rights of a Member.

Notwithstanding the proceeding sentence, if, in the determination of the Remaining Members, a transfer violating Article 6 would cause the termination of the Company under the Code, in the sole discretion of the Managers, the transfer shall be null and void.

Article 7

Consequences of Death, Dissolution, Retirement or Bankruptcy of Member

7.7 Dissolution Event. Upon the occurrence of the death, withdrawal, resignation, expulsion, bankruptcy or dissolution of any Member ("Dissolution Event"), the Company shall dissolve unless the Remaining Members who hold a majority of Remaining Membership Interest agree within ninety (90) days to continue the business of the Company. The Company and/or the Remaining Members may purchase the Former Member's Membership Interest as provided in this Article.



- 7.7 **Purchase Price.** The purchase price for the Former Member's interest shall be the fair market value of the Former Member's Interest as determined by agreement of the former Member and the Purchasing Members. If the Former Member and the Purchasing Members cannot agree on the purchase price within 30 days after the Dissolution Event, the purchase price shall be determined by an independent appraiser. The Purchasing Members as a group, and the Former Member, shall each pay one-half of the cost of the appraisal. If the Dissolution Event results from a breach of this Agreement by the Former Member, the purchase price shall be reduced by an amount equal to the damages suffered by the Company or the Purchasing Members as a result of such breach.
- 7.7 **Notice of Intent to Purchase.** Within fifteen (15) days after a Dissolution Event, each Remaining Member shall notify the Members in writing of whether (s)he chooses to purchase a portion of the Former Member's Interest. Each Purchasing Member shall be entitled to purchase a portion of the Former Member's Interest in the same proportion as their Membership Interest compared with the percentage interest of all Purchasing Members. If the Remaining Members fail to purchase the entire interest of the Former Member, the company shall purchase any remaining share of the Former Member's Interest.
- 7.7 **Payment of Purchase Price.** The closing shall occur no later than 30 days following the determination of the purchase price. The Purchasing Members may pay all of the purchase in cash, or one fifth (1/5) at closing, with the remainder due in a negotiable promissory note, payable in four equal annual principal installments plus prevailing interest
- 7.7 **Closing of Purchase of Former Member's Interest.** At the closing for the sale of a Former Member's Interest, the Former Member shall provide a document conveying their interest and representing that the interest is free of encumbrances.

Article 8
Accounting, Records, Reporting by Members.

- 8.8 **Books and Records.** The Company's books and records shall be kept using standard accounting methods for federal income tax purposes. The Company shall maintain at its principal office:
- A. A current Members list showing their full name and last known business or residence, their capital contributions, Capital Account balance and Membership Interest;
 - B. A copy of the Articles of Organization and any and all amendments
 - C. Copies of the Company's federal, state, and local income tax or information returns for the six (6) most recent taxable years;
 - D. A copy of this Operating Agreement and any and all amendments;
 - E. The Company's books and records as they relate to the internal affairs or the company for at least the current and past four (4) fiscal years.
- 8.2 **Reports.** By March 30th of each year, the Company shall prepare information necessary for the Members to prepare their annual federal and state income tax returns.
- 8.8 **Bank Accounts.** The Members shall maintain Company funds in one or more separate bank accounts in the name of the Company and shall not commingle the funds with any other



person or entity. Any Member, acting alone, may endorse and deposit into the Company's accounts any checks made payable to the Company. The Members shall authorize one or more of the Members to sign checks and drafts in the Company's name.

- 8.8 **Tax Matters for the Company.** Luciano Collegos is designated as "Tax Matters Partner" to represent the Company (at the Company's expense) in connection with all tax authorities. The Tax Matters Partner may spend Company funds for associated professional services and costs.

Article 9

Dissolution and Winding Up

- 9.9 **Conditions of Dissolution:** The company shall dissolve:
- A. Automatically twenty-five (25) years after filing of the Articles or Organization, unless the Members unanimously vote to continue the company and file a Certificate of Continuation with the New Mexico Secretary of State;
 - B. If there is a judicial dissolution pursuant to Section 17351 of the Corporations Code;
 - C. If the Members unanimously vote to dissolve the Company;
 - D. If there is a Dissolution Event and the Remaining Members fail to agree to continue the business of the Company within ninety (90) days after the occurrence of such event or the Company or the Remaining Members fail to purchase the former Member's Interest as provided in Article 7; or
 - E. Upon the sale of substantially all of the assets of the Company.
- 9.9 **Winding Up.** Upon the dissolution, the Company's assets shall be disposed of and its affairs wound up. After determining that all the known debts and liabilities of the Company have been paid, the remaining assets shall be distributed to the Members according to their Capital Account balances, after taking into account income and loss allocations for the Company's final taxable year.
- 9.9 **Limitations on Payments Made In Dissolution.** Except as otherwise specifically provided in this Agreement, each Member shall only be entitled to look solely at the assets of the Company for the return of his or her positive Capital Account balance and shall have no recourse against any other Member except as provided in Article 10.

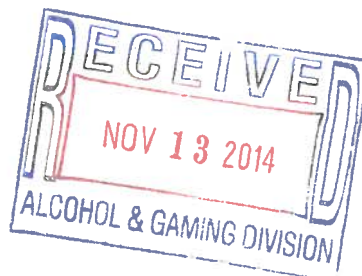
Article 10

Indemnification

- 10.10 **Indemnification of Agents.** The Company shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding by reason that (s)he was a Member, officer, employee or other agent of the Company to the fullest extent permitted by applicable law. The standard of the fiduciary duty each member is to act in the highest good faith to the members and the Company. A member may not seek to obtain an advantage in the Company affairs by misconduct, misrepresentation, concealment, threat or adverse pressure.

Article 11

7



Investment Representations

Each Member hereby represents and warrants to, and agrees with, the Members, the other Members and the company as follows:

- 11.1 Preexisting Relationship or Experience.** (S)he has a preexisting personal or business relationship with the Company or one or more of its Members, or by reason of his or her business or financial experience (s)he is capable of evaluating the risks and merits of an investment in the Company and of protecting his or her own interests in connection with this investment.
- 11.2 No Advertising.** (S)he has not seen, received, been presented with or been solicited by a leaflet, public promotional meeting, article or any other form of advertising with respect to the sale of the Membership Interest.
- 11.3 Investment Intent.** (S)he is acquiring the Membership Interest for investment purposes for his or her own account only and not with a view to or for. No other person will have any direct or indirect beneficial interest in or right to the Membership Interest.

Article 12 Miscellaneous

- 12.12 Complete Agreement.** This Agreement and the Articles of Organization constitute the complete and exclusive statement of agreement among the Members and replace and supersede all prior written and oral agreements among the Members. To the extent that any provision of the Articles of Organization conflict with any provision of this agreement, the Articles of Organization shall control.
- 12.12 Binding Effect.** Subject to the provisions of this Agreement relating to transferability, this Agreement will be binding upon and inure to the benefit of the Members and their respect successors and assigns.
- 12.12 Jurisdiction.** Each Member hereby consents to the exclusive jurisdiction of the state and federal courts sitting in New Mexico in any action on a claim arising out of, under or in connection with this Agreement.
- 12.12 Severability.** If any provision of this Agreement shall be held invalid, the remainder of this Agreement shall not be affected.
- 12.12 Notices.** Any notice to be given or to be served upon the Company or any party hereto in connection with this Agreement must be in writing at the addresses shown on Exhibit A. Any party may designate any other address in substitution of the foregoing address by giving 5 days written notice to all Members.
- 12.7 Amendments.** All amendments to this Agreement will be in writing and signed by all the Members.



12.12 **Multiple Counterparts.** This agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which shall constitute one or the same instrument.

12.12 **Attorney Fees.** In the event that any dispute between the Company, the Members or among the Members should result in litigation or arbitration, the prevailing party in such a dispute shall be entitled to recover from the other party all reasonable fees, cost and expenses of enforcing any right of the prevailing party, including without limitation, reasonable attorneys' fees and expenses.

12.12 **Remedies Cumulative.** The remedies under this Agreement are cumulative and shall not exclude any other remedies to which any person may be lawfully entitled.

All of the Members of 575 Sports & CO LLC, a New Mexico Limited Liability Company, have executed this agreement, effective as of the date written above.

MEMBER

Monica Tafuya

MEMBER

Luciano Gallegos

MEMBER

MEMBER



Exhibit A

List of Members

Name Monica Talley Address 421 MARTINEZ LN 50% Interest
TAOS, NM 87571

Luisano Gallegos. 421 MARTINEZ
TAOS, NM 87571 50%

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DESIGNATION OF RESIDENT AGENT

Fee \$50. (Excludes non-profit organizations.)

Name of Corporation/LLC/Partnership/Trust (print) 575 Sports & CO. LLC Liquor License # & GAMING DIVISION

D/B/A Name Luciano Gallegos 575 Sports & CO.

KNOW ALL MEN BY THESE PRESENT that the company named on this form hereby makes, constitutes and appoints Luciano Gallegos to act as Resident Agent on behalf of the company 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 to have power of attorney to exercise full authority, control, and responsibility for the conduct of all business transactions of the company, within the relative to the sale of alcoholic beverages under authority of this license. ☒ Initial or Replacing Resident Agent ☐ Adding another Resident Agent

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

Signature of Officer of Corporation/LLC/Partnership/Trust _____ Title Manager

ACKNOWLEDGEMENT FOR COMPANY

State of New Mexico County of Taos

SUBSCRIBED AND SWORN TO before me this 14th Day of NOVEMBER, 20 14 by (appointing officer print name) Luciano L. Gallegos

Notary Public [Signature] My Commission Expires 3-30-16

ACCEPTANCE

I, (print name) Luciano Gallegos, 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): _____

Residence Address: 421 Martinez LN City Taos State NM Zip 87571 Phone # 575-613-0717

You must sign and date this form in the presence of a notary public. I certify that I am a resident of the state of New Mexico ☒

Signature of Resident Agent _____ Expiration Date of Servers Certification _____

ACKNOWLEDGEMENT FOR NATURAL PERSONS

State of New Mexico County of Taos

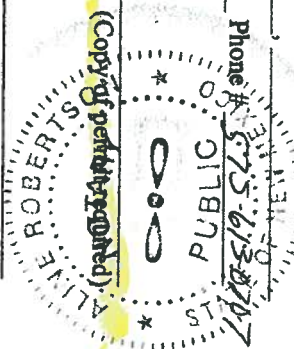
SUBSCRIBED AND SWORN TO before me this 14th Day of NOVEMBER, 20 14 by (accepting RA print name) Luciano L. Gallegos

Notary Public [Signature] My Commission Expires 3-30-16

For Alcohol and Gaming Division Use Only

Approved _____ Disapproved _____ Director's Signature _____ Date _____

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

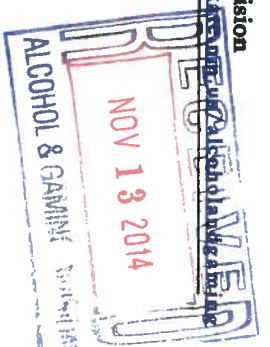




New Mexico Regulation and Licensing Department - Alcohol and Gaming Division
PO Box 25101 • Santa Fe, New Mexico 87505-5101 • (505) 476-4875 • Fax (505) 476-4595 • www.rld.state.nm.us/algaming

RESTAURANT SUNDAY SALES APPLICATION

Fees are Non-refundable



Rev. 11/13
1053597
ENTERED
1053597

Sunday Sales BY THE DRINK X (Fee: \$100.00) Liquor License # _____ (Division use)

1. Type of Liquor License applied for (print): Beer & Wine / Restaurant
2. JA Name (print): 575 Sports & Co
3. Name of applicant: ~~Adrian Thayer~~ 575 Sports & Co, LLC
4. Physical location of licensed premises.
Street address: 1109 Paseo del Pueblo Sur City: TAOS State: NM Zip: 87571
5. Mailing address: 1109 Paseo del Pueblo Sur City: TAOS State: NM Zip: 87571
6. Local Option District (city or county where license is located): TAOS

The holder of a license that allows sales of alcoholic beverages by the drink may obtain a permit for the sale, service, or consumption of alcoholic beverages by the drink on a licensed premises on Sundays, between the hours of 11:00am to 11:00pm or until meal services ceases whichever is earlier.

Sunday Sales by the drink are only permitted in those local option districts in which Sunday Sales have been approved by the voter in the that local option district.

Licensee Signature [Signature] Date: 11/6/14

For Alcohol and Gaming Division Use Only

Approved By _____ Date: _____

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