

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
REGION 8

2013 MAR 15 PM 4:13

IN THE MATTER OF )  
 )  
 )  
Richard Smith, Owner )  
Lodore Supper Club and Saloon )  
 )  
Respondent ) Docket No. SDWA-08-2012-0056  
 ) EPA'S PREHEARING EXCHANGE  
 )  
 )  
Proceeding under section 1414(g) )  
of the Safe Drinking Water Act, )  
42 U.S.C. § 300g-3(g) )  
\_\_\_\_\_ )

The United States Environmental Protection Agency (EPA), Complainant in this action, submits the following as its initial prehearing exchange, in response to the Order To File Dispositive Motions and Prehearing Information Exchange issued by the Hon. Elyana R. Sutin, Regional Judicial Officer, on January 23, 2013.

**I. Introduction**

The EPA has alleged that Rick Smith, the Respondent in this action, violated an administrative compliance order (the Order) that the EPA issued to the Respondent on July 28, 2010, pursuant to section 1414 of the Safe Drinking Water Act (the Act), 42 U.S.C. § 300g-3.

The Order alleged that the Respondent owned and/or operated the Lodore Supper Club and Saloon Water System (the System) and had violated certain National Primary Drinking Water Regulations (NPDWRs) applying to the System, by failing to monitor the System's water for total coliform bacteria, by failing to report to the EPA that he had failed to monitor for total

coliform bacteria, by failing to submit a timely report of monitoring that he had performed, and by failing to provide public notice of failures to monitor for total coliform bacteria. The Order directed the Respondent to comply with these requirements.

On September 25, 2012, the EPA issued a Complaint and Notice of Opportunity for Hearing (Complaint), alleging that the Respondent violated the Order by:

- (1) failing to monitor the System's water for total coliform bacteria during the third quarter of 2010 and the first and third quarters of 2011;
- (2) failing to report to the EPA that total coliform sampling had not been done in the third quarter of 2010 or the first or third quarters of 2011; and
- (3) failing to provide public notice of the three failures to monitor mentioned above and of three prior failures to monitor that had been cited in the Order.

The Complaint also alleged that the EPA had notified the Respondent of violating the Order by letters dated December 15, 2010, June 14, 2011, and December 19, 2011.

The Complaint proposed that a penalty of \$1,200 be assessed for the Respondent's violations of the Order.

The Respondent has filed a motion to dismiss this action. On March 8, 2013, the EPA filed a response in opposition to that motion.

## **II. Witnesses**

The witnesses the EPA may call to testify at hearing include the following:

Kathelene Brainich: Ms. Brainich is an Environmental Protection Specialist in the Technical Enforcement Program with EPA Region 8. She may testify regarding her observations at the System, the issuance of the Order, her efforts in tracking the Respondent's compliance

with the Order and in attempting to secure the Respondent's compliance with the Order, her communications with the Respondent, and the factors the EPA has considered in proposing a penalty for the Respondent's violations of the Order.

Michael Wayne Boyd. Mr. Boyd is employed by the Rural Community Assistance Corporation as a Rural Development Specialist - Environmental. He conducted a sanitary survey of the System on July 17, 2012. He may testify concerning his observations during the sanitary survey.

Lee Michalsky. Mr. Michalsky is employed Rural and Tribal Environmental Solutions. He conducted a sanitary survey of the System on May 10, 2007. He may testify concerning his observations during the sanitary survey.

### **III. Exhibits**

The EPA intends to introduce the exhibits listed below during the hearing.

- Compl. Exh.1.a. November 21, 2006, Water System Basic Information form, signed by Rick Smith
- Compl. Exh.1.b. November 28, 2006, letter from the EPA to Lodore Supper Club and Saloon, c/o Rick Smith, with signed return receipt card
- Compl. Exh.1.c. February 12, 2007, notification of monitoring requirements for 2007
- Compl. Exh.1.d. February 11, 2008, notification of monitoring requirements for 2008
- Compl. Exh.1.e. January 23, 2009, notification of monitoring requirements for 2009
- Compl. Exh.1.f. January 21, 2010, notification of monitoring requirements for 2010

- Compl. Exh.1.g. February 2, 2011, notification of monitoring requirements for 2011
- Compl. Exh.1.h. July 13, 2007, letter from the EPA to Rick Smith, transmitting a sanitary survey
- Compl. Exh.1.i. October 17, 2007, letter, from the EPA to Lodore Supper Club and Saloon, c/o Rick Smith, regarding Negative GWUDISW [Ground Water Under the Direct Influence of Surface Water] Assessment
- Compl. Exh.1.j. December 18, 2007, Administrative Order, cover letter, and letter from the EPA to County Commissioners
- Compl. Exh.1.k. September 17, 2009, letter from the EPA to Kim Eckerman
- Compl. Exh.1.l. July 28, 2010, letter from the EPA to County Commissioners
- Compl. Exh.1.m. Printout from Sheridan County tax records
- Compl. Exh.2. July 28, 2010, letter to Richard Smith, and Administrative Order, Docket No. SDWA-08-2010-0062, with Regional Hearing Clerk file stamp of same date.
- Compl. Exh.3. December 15, 2010, letter from the EPA to Richard Smith, with Regional Hearing Clerk file stamp of same date.
- Compl. Exh.4. June 14, 2011, letter from the EPA to Richard Smith, with Regional Hearing Clerk file stamp of same date.
- Compl. Exh.5. December 19, 2011, letter from the EPA to Richard Smith, with Regional Hearing Clerk file stamp of same date.
- Compl. Exh. 6. Report of Sanitary Survey conducted on July 17, 2012, by Michael Boyd.

Compl. Exh. 7. Renewal of License and/or Permit Application dated March 22, 2010  
and License and/or Permit Application dated April 1, 2011.

The exhibits have been numbered to match the numbers on the exhibits with documents that the EPA has previously filed. Complainant's Exhibits 1.a - 1.m, 2, 3, 4, and 5 were attached to the EPA's Opposition to Respondent's Motion to Dismiss. Complainant's Exhibits 2-5 were also attached to the EPA's Complaint and Notice of Opportunity for Hearing dated September 25, 2012. The EPA has requested permission from the Regional Judicial Officer not to attach copies of these exhibits to this prehearing exchange, because they have already been filed with the Regional Hearing Clerk and provided to the Respondent. If the Regional Judicial Officer denies this request, the EPA will file a motion requesting permission to supplement its prehearing exchange with the copies of these exhibits.

Copies of Exhibits 6 and 7 are attached.

#### **IV. Facts Relevant to Penalty**

The Prehearing Order directed the EPA to submit all factual information relevant to the assessment of a penalty.

Section 1414(g)(3) of the Act, 42 U.S.C. § 300g-3(g)(3), authorizes the EPA to assess a civil administrative penalty of up to \$25,000 for violation of an order issued under section 1414(g) of the Act, 42 U.S.C. § 300g-3(g). This amount has been adjusted for inflation to \$27,500, as provided in 40 C.F.R. part 19, for violations occurring March 16, 2004, through January 12, 2009, and to \$32,500 for violations occurring after January 12, 2009. (See 74 Fed. Reg. 626, 628 (January 12, 2009).)

For a judicial enforcement action, a court is to consider the seriousness of the violation, the population at risk, and other appropriate factors when imposing civil penalties, according to section 1414(b) of the Act, 42 U.S.C. § 300g-3(b). For assessing administrative penalties, the SDWA does not specify factors for the EPA to consider. However, Administrative Law Judges have held it is appropriate to consider the statutory penalty factors in administrative penalty cases. See, *e.g.*, In the Matter of Sunbeam Water Company, Inc. et al., 1999 EPA ALJ LEXIS 79, 1999 WL 1013077 (ALJ Pearlstein, October 28, 1999); In the Matter of Paul Durham, d/b/a Windmill Hill Estates Water System, 1997 EPA ALJ LEXIS 107, 1997 WL 273142, Docket No. [SDWA]-C980036 (ALJ Biro, April 14, 1997); In the Matter of: Anthony J. Taylor, Andover Water Corporation, 1992 EPA ALJ LEXIS 713, 1992 WL 293140, Docket No. PWS-NJ-CFP-03 (ALJ Yost, August 14, 1992).

The EPA has not developed a policy for proposing penalty amounts in public water supply enforcement actions. Sunbeam, *supra*. Therefore, the EPA presents the following analysis of the factors set forth in section 1414(b) of the Act, 42 U.S.C. § 300g-3(b), and the generic policy goals in EPA policies, such as EPA General Enforcement Policies GM-21 and GM-22 (available at <http://www.epa.gov/enforcement/documents/policies/epapolicy-civilpenalties021684.pdf>, last visited March 15, 2013). Although penalties assessed in other enforcement actions do not dictate the appropriate amount for this particular case, it is instructive to consider how courts and administrative tribunals have applied these factors.

**A. Population At Risk**

According to the EPA's records, the System is a transient, non-community system that serves an average of approximately 50 individuals per day, at least during the summer season



(i.e., for more than 60 days of the year). The System can serve up to 375 individuals at one time. Although not a huge figure, this is sufficient to support the relatively low penalty amount of \$1,200. In several cases involving comparable or lower populations, Administrative Law Judges have assessed a penalty of \$5,000, substantially more than what EPA has proposed in this case. See, e.g., In the Matter of: Board of Directors of Rural Aqueduct, et al., 2005 EPA RJO LEXIS 340, Docket No. SDWA-02-2003-8264 (RJO Helen S. Ferrara, June 16, 2005), where the system served 120 individuals; Taylor, supra, where the system served 160 individuals; and Durham, supra, where the Administrative Law Judge found no support for the allegation that the system served 37 persons, instead finding that “all that can be concluded is that at least 25 persons would be potentially exposed to the risk.” 1997 EPA ALJ LEXIS 107, \*47.

**B. Seriousness of Violations**

The EPA considers any failure to monitor a public water supply as serious. Administrative Law Judges have also considered this a serious violation.

In Durham, supra, where a public water supply system had failed to sample for coliform bacteria for eleven months, and EPA sought \$5,000, the judge held that EPA’s calculations had understated the seriousness of the violations:

Expert testimony at the hearing indicated that coliform analysis involves testing for the presence of coliform bacteria, which are bacteria which come from the gastrointestinal tracts of warm-blooded animals. Such bacteria also exist in the environment. [The project manager for EPA Region 6’s Drinking Water Enforcement Program] indicated that some coliform organisms can, by themselves, be very dangerous to the environment. [He] indicated that some

coliform organisms can, by themselves, be very dangerous to the health of persons with compromised immune systems. [citation omitted] However, coliform is mainly used as a secondary pathogen, to suggest the presence of other organisms dangerous to the health of humans. [citation omitted] Exposure to such organisms can result in gastrointestinal diseases, nausea, vomiting, dizziness, and convey illnesses like hepatitis, typhoid, giardiasis and cryptosporidiosis. [citation omitted] Mr. Durham's failure to have the water analyzed for months at a time left the health of men, women, and children drinking it exposed to these conditions. [1997 EPA ALJ LEXIS 107, \*44-45]

In Durham, although coliform had been detected in the system, no evidence was presented of any complaints about anyone becoming sick from drinking the system's water. Nonetheless, the Administrative Law Judge found that the system's failures to analyze coliform samples and report results were serious violations:

[The violations] directly undermin[ed] the purpose of the [Safe Drinking Water Act] enforcement program, which is the foundation of the EPA's ability to generally protect human health by maintaining water potability. Without the results of periodic water analysis the Agency cannot effectively exercise its power under the [Safe Drinking Water] Act to take measure to prevent the consumption of contaminated water and demand water improvement efforts. [1997 EPA ALJ LEXIS 107, \*47]

Similarly, in In Re: Village of Glendora, 1992 EPA ALJ LEXIS 712 (ALJ Yost, May 20, 1992), another Administrative Law Judge observed:



Without adequate monitoring and monitoring data supplied by [Glendora], EPA is unable to determine whether [Glendora] is supplying water to the public that does not exceed the maximum contaminant levels established by national primary drinking water regulations. [Glendora's] violations of the AO as they relate to coliform bacteria testing analysis, reporting and public notification are grave.

[1992 EPA ALJ LEXIS 712, \*11-12]

The Respondent's failures to monitor for coliform and to report its violations to the EPA are serious violations. Because the Respondent has failed to provide the EPA with results of coliform testing or even to alert the EPA that the required sampling had not been done, the EPA was left without knowledge of whether the System's customers were drinking safe water or the extent to which they were at risk of contracting diseases from coliform or other pathogens in their drinking water.

**C. Other Appropriate Factors**

As "other appropriate factors" in public water supply cases, Administrative Law Judges have considered the factors set forth in EPA General Enforcement Policies GM-21 and GM-22. Sunbeam, supra, 1999 EPA ALJ LEXIS 79, \*24; Glendora, supra, 1992 EPA ALJ LEXIS 712, \*9. These policies do not, in themselves, provide the only basis for determining an appropriate penalty in a specific action, but it is appropriate for the EPA to consider the goals of these policies in its enforcement efforts. According to GM-21 and GM-22, some factors to consider include:

- economic benefit, and
- a gravity component, adjusted, as appropriate, to consider

- degree of cooperation / noncooperation
- degree of willfulness and/or negligence
- history of noncompliance
- ability to pay (optional), and
- other unique factors.

**1. Economic Benefit**

The amount of money that the Respondent saved by failing to monitor for coliform and provide public notice was probably minimal. In similar cases, administrative judges have found relatively low amounts of economic benefit for these types of violations. See, e.g., *Glendora, supra*, finding an economic benefit of \$25 for each month of failing to sample for coliform bacteria. Thus, for the five monitoring violations alleged in the Amended Complaint, a conservative estimate of economic benefit is therefore \$125. The estimated economic benefit for the Respondent's failures to provide public notice of its failures to monitor is likewise minimal.

According to GM-22, the EPA retains discretion not to calculate economic benefit where the amount is likely to be less than \$10,000. (See GM-22, page 11.) A relatively small economic benefit should not preclude a penalty. See, for example, *In the Matter of: Melotz Trucking, Inc.*, Docket No. CWA-08-2005-0033, 2006 EPA RJO LEXIS 238 (RJO Sutin, July 9, 2006), in which a penalty of \$5,000 was assessed on a motion for default in a Clean Water Act case, where the EPA did not present calculations of economic benefit and the Regional Judicial Officer concluded that if there was any economic benefit for the violation, it was negligible.

**2. Degree of Cooperation / Noncooperation**

The Respondent has shown insufficient cooperation with the EPA to warrant a reduction in penalty due to cooperation. Although the EPA notified the Respondent on numerous occasions that the Respondent was in violation of the Order, the Respondent did not take the necessary actions to bring the System into compliance.

**3. Degree of Willfulness or Negligence**

As mentioned above, the Respondent's violations of the NPDWRs persisted even after receiving the Order and notifications of violations of the Order. This also supports the proposed penalty amount.

In Glendora, supra, where the respondent had failed to respond to an EPA order to bring its system into compliance and where the state, as here, had notified the respondent over a period of years of its violations, a penalty of \$5,000 was assessed. It is therefore conservative to assess a \$1,200 penalty in this case.

**4. History of Noncompliance**

Given the history of the Order and the EPA's repeated notifications to the Respondent that the Respondent had violated the Order, it is appropriate to include this factor to support the proposed penalty.

**5. Ability to Pay**

Where a respondent does not raise the claim that it is unable to pay a proposed penalty, there is no reason for a court to consider it. Taylor, supra, 1992 EPA ALJ LEXIS 713, \*9. The Respondent has not raised the possibility of being unable to pay the proposed penalty. Should the Respondent raise this issue in response to the Regional Judicial Officer's January 23, 2013

order, the EPA will consider this information in any settlement offers and/or the penalty amount the EPA requests at hearing.

**6. Other Unique Circumstances**

To deter similar violations by other systems in the future, a penalty of at least \$1,200 is appropriate.

**V. Supplemental Pre-Hearing Exchange**

The EPA reserves the right to file a motion requesting permission to supplement this prehearing exchange with any information that may subsequently become available to EPA.

Respectfully submitted,

*Margaret J. (Peggy) Livingston*  
Margaret J. (Peggy) Livingston  
Senior Enforcement Attorney  
EPA Region 8  
1595 Wynkoop St.  
Denver, CO 80202  
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(303) 312-7202 – fax

**CERTIFICATE OF SERVICE**

I certify that the foregoing Prehearing Exchange, with Exhibits 6 and 7, was sent or delivered, as indicated below, to each of the following on March 15, 2013:

Tina Artemis, Region 8 Hearing Clerk  
U.S. Environmental Protection Agency, Region 8  
1595 Wynkoop Street  
Denver, Colorado 80202-1129  
By Hand Delivery – Original and one copy

Hon. Elyana R. Sutin  
Regional Presiding Officer  
U.S. Environmental Protection Agency, Region 8  
1595 Wynkoop Street  
Denver, Colorado 80202-1129  
By Hand Delivery – One copy

Richard (Rick) Smith, Owner  
Ladore Supper Club and Saloon  
P.O. Box 6044  
Sheridan, WY 82802  
By Certified Mail, Return Receipt Requested  
No. 7009 3410 0000 2592 0592  
One copy

Date: March 15, 2013

By: *Dayle De Arvil*  
Dayle De Arvil

2012 SANITARY SURVEY  
U.S. EPA REGION VIII  
1595 WYNKOOP STREET  
MAIL CODE: 8P - W - DW  
DENVER, COLORADO 80202-1129

COMPLAINANT'S  
EXHIBIT NO. 6

Date of Survey: July 17, 2012

PWS ID No.: WY5600545

Classification (type and source): Transient, Non-Community, groundwater

Name of PWS: Lodore Supper Club and Saloon

Mailing address: Box 591, Bighorn, WY 82833

e-mail address: peri.thomas.lodore@gmail.com

County: Sheridan

Physical address, location and directions: On WY194 in downtown Story, WY

Name of surveyor: Michael Boyd, MAP

Prior Surveyor and date: Lee Michalsky, 5/10/2007

### 2012 GROUND WATER RULE SIGNIFICANT DEFICIENCIES

Significant deficiencies for ground water systems are defined as defects in the design, operation, or maintenance, or a failure or malfunction of the sources, treatment, storage, or distribution system that EPA determines to be causing, or to have the potential for causing, the introduction of contamination into the water delivered to consumers. **Within 120 days** from receipt of this letter and sanitary survey report, the system must either complete the corrective action or be on an approved corrective action plan (40 C.F.R. § 141.403(a)).

**1. Significant Deficiency: Lack of a sanitary seal on the casing of Well #1\*.**

To prevent contamination of the well, the well must have a sanitary seal that prevents contaminants from entering the well. The sanitary seal must be configured such that the electrical cables or other securing cables or ropes entering the well casing are sealed so contaminants cannot enter the well through unsealed openings. **The casing cover on Well #1 is not properly secured and can easily be removed. The cover should be bolted in place with proper sealing to prevent contamination.**

**Significant deficiencies require a written response from the owner/operator of the water system. To avoid receiving a violation, please respond in writing to Ms. Tiffany Mifflin, EPA Region 8, no later than 30 days from receipt of this letter and sanitary survey report. This written response must include:**

1. The public water system name and number;
2. The corrective action(s) to be taken to address each significant deficiency; and



3. A schedule including specific dates for completing each corrective action. This schedule may include both short-term interim steps and longer term completion dates.

Unless we notify you otherwise, the owner/operator of the system must correct each significant deficiency within 120 days or according to the schedule submitted. Failure to do so will result in a violation. If you have any questions regarding a significant deficiency or your corrective action plan contact Ms. Tiffany Mifflin, Ground Water Rule Manager, at 1-800-227-8917, extension 6521. Otherwise, you may send your required response by email to [mifflin.tiffany@epa.gov](mailto:mifflin.tiffany@epa.gov) or to the address listed above, with mailcode 8P-W-DW. Ms. Mifflin will provide you with a confirmation email or letter after receiving your response.

Any construction or modification to a public water supply system requires a permit to construct from the Wyoming Department of Environmental Quality / Water Quality Division. If any of the aforementioned significant deficiencies are followed by an asterisk (\*), please contact the appropriate district engineer located on the following map: <http://deq.state.wy.us/wqd/www/districts.pdf> for details on how to submit a permit application. Additionally, please provide the respective district engineer a copy of your official response to this letter.

## **SECTION 1: RECOMMENDATIONS**

### **1) Operation and Maintenance (O&M) Manual**

**It is recommended that an Operation and Maintenance manual be developed which includes manufacturers' literature and standard operating procedures (SOPs). An O&M manual promotes consistent operation of the water system from operator to operator and helps to document system operating parameters. Written procedures should cover items such as daily operations, start-up and shutdown procedures, response to equipment failure and other emergency conditions. An attempt should be made to collect any records pertaining to the water system, including water testing results, as-built drawings, distribution maps/schematics, master meter water usage, and any other records pertaining to the operations and management of the water system.**

## **SECTION 2: SUMMARY**

The Lodore Supper Club PWS is a transient non-community, groundwater system located in Sheridan County. The water system can serve up to 375 customers through 1 service connection.

Source water for the system is obtained from one well drilled to 100' deep (Well #1). Water from well #1 is pumped directly to the 80 gallon hydropneumatic tank. Water pressure to the facility taps is maintained by the pressure tank.

A sanitary survey was conducted on July 17, 2012 by Michael Boyd, Midwest Assistance Program. Rick and Peri Hall (business owners) were interviewed and a tour of all facilities/appurtenances was conducted.

### SECTION 3: CONTACT NAMES AND PHONE NUMBERS/E-MAIL ADDRESSES

Business Owner: **Rick and Peri Hall 307-683-3334**

Property Owner: **Rick Smith 307-683-3284**

Municipal Legal Representative; Mayor or City Manager: **NA**

Public Works Director, City Engineer, and/or Water Plant Superintendent: **NA**

Main contact for water system (to receive all correspondence from EPA):  
**Rick and Peri Hall**

County and/or CHS Sanitarian: **Sue Mickelson** - CHS Specialist  
Phone: 307.674.6332  
[smicke@state.wy.us](mailto:smicke@state.wy.us)

**DeWayne Hinz** - CHS Specialist  
Phone: 307.673.0071  
[dhinz@state.wy.us](mailto:dhinz@state.wy.us)

DEQ District Engineer: **District Engineer: Karen Farley, P.E.**  
Phone 307-473-3478  
Email [karen.farley@wyo.gov](mailto:karen.farley@wyo.gov)

Operator(s), Certification types(s), and Expiration dates(s) @:

**None/NA**

The following abbreviations will be used throughout this document:

NI = no information; NA = not applicable; NR = not requested,

@ = potential significant deficiency (see Common Potential Significant Deficiencies List)

¥ potential violation to be determined by EPA Rule Manager

#### SECTION 4: SERVICE DATA

Service Area(s): **Restaurant/Bar and Grill**

Owner type: **Private**

Is this PWS part of a concessionaire operation on state/fed land? **No**

Population: (Year-round): **NI**

Estimated summer: **375**

Estimated winter: **20**

If population varies throughout the year, recommend EPA send new Basic Information Form (BIF) to request specific seasonal population counts? **Yes**

Period of operation: **Year-Round**

Number of service connections: **1** Metered? **No**

Water usage: Total (gal/day) **NI**

Per person (gal/day) **NI**

Water lost (gal/day) **NI**

Is the current water source adequate in quantity? **Yes**

Is the water source yield sufficient to meet future demands? **Yes**

Have there been any interruptions in service in the last 5 years?

**None identified/reported during interview**

Have there been reports of water borne disease (2 or more people)?

**None reported to water system personnel**

#### SECTION 5: CONSECUTIVE SYSTEMS

Water purchased from: **NA**

**SECTION 6: SOURCE DATA  
POTENTIAL POLLUTION SOURCES @**

Abandoned wells:

List the names of any properly abandoned wells: **None identified in area**

What procedures were used to abandon the wells? **NA**

List the names of any improperly abandoned wells@: **None**

Indicate what procedure was used to abandon each of these wells: **NA**

Septic systems: **One tank located 200' and down gradient from wellhead**

Above ground fuel or chemical storage tanks: **None near well**

Underground fuel or chemical storage tanks: **None**

Agricultural activities: (e.g. stock pens, crops, irrigation): **None**

Chemical storage and mixing facilities: **None in area**

Industrial activities: (e.g. auto repair, dry cleaning shops): **None**

Are there any sources of pollution in the immediate vicinity of the water source (e.g.: chemicals, cleaning supplies, oil/fuel, rodent droppings, etc.) **No**

**SECTION 7: SOURCE DATA  
CURRENT AND ABANDONED WELLS**

Name and/or Number of Well(s): **Lodore Well #1**

DEQ Permit #: **UW15230**

SEO Permit #:

Does the owner have a copy of the well log? **Property owner - Yes**

Ask the owner to provide a copy of the well log. **Property owner not present during survey**

Does surface water runoff drain toward or away from the wellhead? **Away from**

Well house, well pit, pitless adapter, or combination? **Pitless adapter**

If in a pit/vault, is the pit/vault completed with proper drainage or a sump pump for permanent or portable use? **@ NA**

If in a pit/vault, does the pit/vault have a solid, watertight cover? **NA**

Date well drilled: **9/15/1972**

Total well depth (ft.): **100'** Total casing depth (ft.): **100'** Current static water level (ft.): **NI**

Casing diameter (in.): **4"**

Casing perforations (type, size, range of depth(s), and/or total #): **NI**

Depth of grouting: **Unknown**

Pump depth: **40'** Type of pump/brand name: **1 hp submersible**

Actual yield (gpm): **10 gpm**

Does well casing terminate at least 18 in. above the floor or ground surface? **Yes**

Is the well properly and appropriately capped? **No, See Significant Deficiency #1; Photo #3**

Is the well properly and appropriately vented? **Yes**

Is the vent at least 18 in. above the floor or ground surface? **Yes**

Is the vent facing downward, and is it screened with 24 mesh screen? **Yes**

Is there a working source water sample tap at the well (before treatment)? (If the PWS is subject to the Ground Water Rule please notify the operator that this is their source water sampling location) **Yes-reviewed GWR sampling with operator**

Is emergency power available? **No**

**SECTION 12: SOURCE DATA  
BACKUP WATER SOURCES**

Describe any backup water sources possibly available to the PWS: **None available other than water hauling**

Does the system have interconnections with neighboring systems or a contingency plan for water outages? **No**

**SECTION 15: STORAGE FACILITIES AND PRESSURE TANKS**

**General:**

Name or designation: **Lodore Pressure Tank**

Date put into service: **2011**

Raw or Finished water? **Raw well water**

Location of the tank within the system: **In Basement**

Elevation of the tank (select one): **Underground**

Type of storage tank (select one: Gravity, Hydropneumatic, Other): **Hydropneumatic**

Type of material the tank is constructed of (select one: Concrete, Steel?, Fiberglass, Other):  
(describe) **Sealed, Steel manufactured pressure tank**

Is the storage tank properly covered? **Yes**

Is the storage tank properly enclosed? **Yes**

Volume (gal.): **80 gallons**

Total days' supply when full:                      Winter **<1 day**                      Summer **<1 day**

- Is the storage capacity adequate for current needs? **Reported Yes**

- Is the storage capacity sufficient to meet future needs? **Appears yes**

Is the site subject to flooding? **No**

Can the tank be isolated from the system? **Yes**



**SECTION 15: STORAGE FACILITIES AND PRESSURE TANKS (cont.)**

**For hydropneumatic tanks:**

Is the tank located in an area subject to freezing or in direct sunlight (temperatures greater than 100 °F)? **No**

Is the tank secured (i.e., bolted to the floor)? **No**

Is there anything in the vicinity of the tank that could affect its proper operation (e.g. flammables, corrosives, etc.)? **No**

Is the tank properly operated and maintained? **Yes**

Is there evidence of severe rust, water leaks or air leaks? **No-tank was recently replaced 2011**

If the tank is located in a vault: **Basement**

Is there evidence of flooding in the vault (high water line)? **No**

Is there a sump pump to prevent flooding in the vault? **No**

Does the sump pump work? (Pulling up on the float will turn the pump on.) **NA**

When was the drain valve last purged? **NI**

Has the correct pressure relief valve been installed (not to exceed 125 psi)? **Yes**

When was the pressure relief valve last checked? **NI**

Does the system breakdown or lose pressure (< 20 psi will create potential cross connections)? **Reported Never**

How often? **NA**

Is the system subject to episodes of low pressure (< 20 psi.)@? **No**

Does the pump cycle on/off more than 10 to 15 times per hour? (constant on operation indicates a problem) **No**

If the pump fails in either the high or low pressure setting does it activate an alarm? **No**

What are the cut in and cut out settings? **40-65**

What is the maximum inlet pressure? (should be less than 125 psi) **65psi**

## SECTION 16: WATER TREATMENT DATA

No treatment

## SECTION 17: DISTRIBUTION DATA

Lines: **Simple source to use, 1.5" copper main line from well to pressure tank approximately 70', .5 and .75" copper lines for distribution throughout the facility**

Location and estimated linear feet of asbestos-cement pipe: **None**

Have lines broken due to frost or traffic load? **Reported No**

Does PWS have access to proper main line bedding material? **Yes**

Is proper bedding material used for mainline replacement and repair? **Yes**

Pressure zones: single pressure zone, **40-65 psi**

Is there at least 35 psi pressure in the distribution system at peak normal flow? **Reported Yes**

Is there 20 psi at all points in the system during fire fighting flow? **No firefighting from system**

Location, length, number, and flushing frequency for dead ends in the system: **NA**

Is there an existing or potential interconnection with another system? **No**

Are prints of the distribution system maintained; e.g. revised to show replacement or repair? **No**  
**(See Recommendation #1)**

Number of metered services: **None**

Number of unmetered services: **1**

## SECTION 18: CROSS CONNECTION CONTROL

Per Chapter 12 of the Wyoming Water Quality Rules and Regulations, the following questions will determine whether the PWS has an adequate and compliant cross-connection program.

Have all high-hazard connections to the water system been identified? **No high hazards in the system** (high risk facilities include hospitals; high school labs; clinics; chemical suppliers; weed and pesticide district shops; water fill points; wastewater treatment plants; mortuaries; taxidermies; slaughter houses; and any service connection with an auxiliary source of supply)  
Does each high hazard connection have the appropriate backflow device or method installed?

NA-no high hazards attached to system

Has the PWS required the appropriate BFPs to be installed at all service connections completed after March 12, 2003? **NA**

Does the water supplier have a record keeping program and management procedures to ensure:

- a. the installation and certification by test or inspection of all backflow preventers (BFPs) at new service connections? **NA**
- b. the annual passing test certification by a certified tester of all high-hazard BFPs at service connections? **NA**

Are there any taps or service connections on transmission lines from remote water sources to the water storage and distribution system? **No**

Are stock watering tank connections protected from back-siphonage by at least a double check backflow device at the tap on the transmission line? **NA**

Are yard hydrants protected from back siphonage by an anti-siphon device (such as a vacuum breaker)? **No**

Is the outlet of any yard hydrant at least 12" above the spill point or overflow of any tank being filled from the hydrant? **Yes**

If the frost free hydrant is located in an area where liquids with fecal contamination can pool, does the hydrant have a check valve and drain line installed? **NA**

## SECTION 19: SAFETY DATA

### PERSONNEL SAFETY

Is there a safety program defining measures to be taken if someone is injured? **Yes**

Are all personnel trained in proper handling of all utilized chemicals and materials? **Yes**

Are adequate masks, protective clothing, and safety equipments provided? **Yes**

Does the operator understand relevant Occupational Safety and Health Administration (OSHA) regulations (e.g., confined space, hazard communication, trenching/shoring, lock out/tag out)? **Yes**

### CHLORINE GAS SAFETY

**NA - No chlorine gas used**

### CHEMICAL SAFETY

Are oxidizers, corrosives, and flammables stored in separate areas and in closed, marked containers? **Yes**

Are flammables stored in appropriate containers and cabinets away from combustion sources?  
**Yes**

Is there adequate ventilation in the areas where solvents, aerosols, and chemical feeders are in use? **NA**

Are bulk storage areas physically isolated from treatment areas to prevent spills from entering treated or untreated water? **Yes**

Is the fire department familiar with the facilities and their contents? **Yes**

## SECTION 20: MANAGEMENT DATA

Are there rules governing new hookups? **No**

Is there a water main extension policy? **No**

Are DEQ construction specifications followed? **Yes**

Are there policies or rules describing customer rights and responsibilities? **NA**

Does the PWS have contracts in place to assure prompt supply and repair service? **Yes**

Does system have a current operations and maintenance manual which describes all procedures, equipment, sampling schedules, and inspection data? **No written manual (See Recommendation #1)**

Is there a schedule for routine preventative maintenance for all facilities and equipment? **No (See Recommendation #1)**

Does the system (treatment plant, finished water storage) have security measures in place (fencing; locks; lighting; alarms; etc.)? **No**

Does the system have an emergency response plan (ERP) that includes: **Given to owner**

- Emergency contact phone numbers? **Yes**
- Procedures to respond to a pressure loss/water outage/? **Yes**
- Procedures to respond to a water contamination incident? **Yes**

Is the ERP accessible to the operator on-site? **Yes**

### **SECTION 21: MONITORING AND RECORDS**

Does the operator know how to collect samples for total coliform analysis?

**Yes-reviewed**

Does the operator know what to do in the event of a total coliform "unsafe" result?

**Yes-reviewed** (Contact the Total Coliform Rule Manager when there is a positive Coliform result; 303-312-6034)

If subject to the Ground Water Rule (GWR), does the operator know:

If they receive notice of a positive/unsafe sample under the Total Coliform Rule, they need to sample all their ground water sources? **Yes**

They will need to submit both-

- ✓ Repeat samples under the TCR (utilizing their regular lab form), and
- ✓ Source water samples utilizing the Source Water Collection Form located on the Drinking Water Watch website under the Reporting Form link?  
(<http://www.epa.gov/region8/waterops/>) **Reviewed with operator**

Where to sample if they are required to sample all of their ground water sources?

**One source for all-can sample directly from 1.5" line**

Are extra bottles available in case of need for GWR source or repeat total TCR sampling?

**No**

Does the system have a TCR sampling plan on file and available for the surveyor's review?

**No-reviewed sample siting plan**

Is it up to date? **NA-can only sample-kitchen, bar sink, restroom etc.**

Are test kits, reagents, and instruments, as appropriate, available for monitoring? **NA**

For systems that disinfect:

If the PWS chlorinates, is test equipment available for measuring chlorine residual?  
(Describe equipment) **NA**

(For community and NTNC systems):

Is there a DBPR Monitoring Plan on-site available for the surveyor's review? **NA**

- Is it up-to-date reflecting the current distribution system?

- What types of MRDLs are measured (free, total, combined, or chlorine dioxide)?

Does the system have a Lead & Copper sample siting plan on file and available for the surveyor's review? **NA**

Is it up to date? **NA**

Does the operator know the location of each entry point to the distribution system? **Yes**

Does the operator know how to properly label samples taken from the entry points? **Yes**

Has the PWS completed the monitoring that is specified in the EPA-provided monitoring schedule so far for this calendar year? **No-still have monitoring needed for this year-surveyor left a copy of sampling needs for 2012**

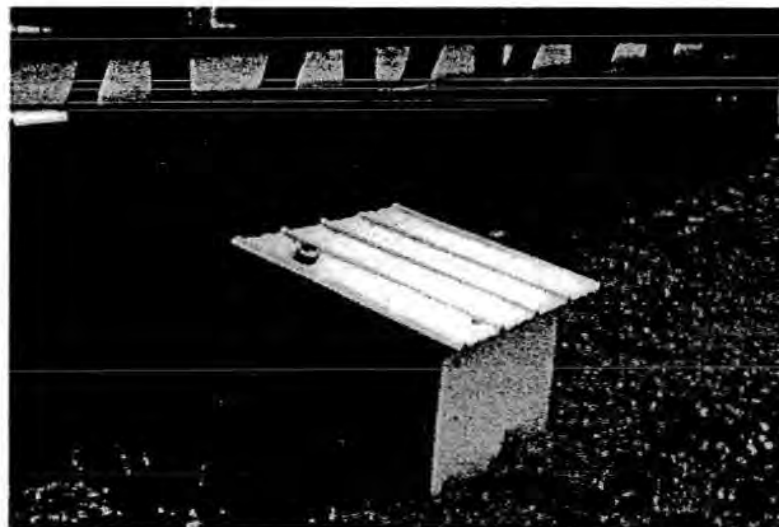
Are copies of all monitoring results filed and readily accessible? **Yes**

Is the operator familiar with the Drinking Water Online (<http://www.epa.gov/region8/waterops/>) and Drinking Water Watch websites created for their benefit (<http://www.epa.gov/region8/waterops/dww/index.html>)? **Yes-reviewed**



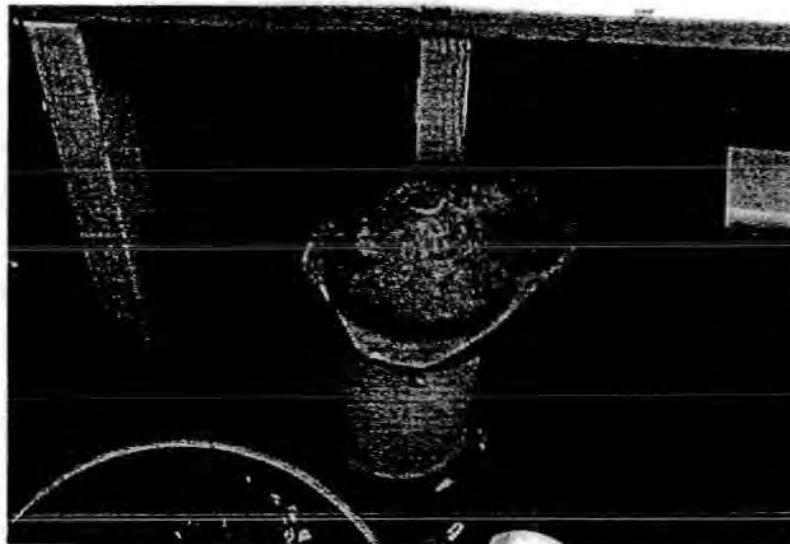
**EPA Official Photograph #1**

**Subject:** Well #1 doghouse  
**PWSID#** 5600545  
**System:** Lodore Supper Club  
Box 591  
Bighorn, WY 82833 **County:** Sheridan  
**Date:** 07/17/2012 **Time:** 1430hrs  
**Photographer:** Michael Boyd, MAP



**EPA Official Photograph #2**

**Subject:** Well #1 wellhead - extended since last survey  
**PWSID#** 5600545  
**System:** Lodore Supper Club  
Box 591  
Bighorn, WY 82833 **County:** Sheridan  
**Date:** 07/17/2012 **Time:** 1430hrs  
**Photographer:** Michael Boyd, MAP



**EPA Official Photograph #3**

**Subject:** #1 wellhead loose pitless cap/sanitary seal  
(See Significant Deficiency #1)

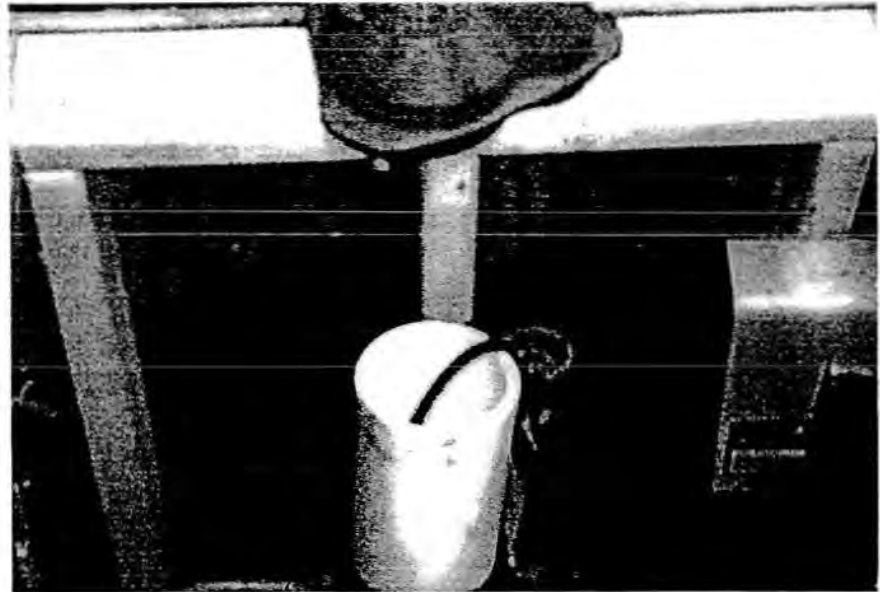
**PWSID#** 5600545

**System:** Lodore Supper Club  
Box 591

Bighorn, WY 82833 **County:** Sheridan

**Date:** 07/17/2012 **Time:** 1430hrs

**Photographer:** Michael Boyd, MAP



**EPA Official Photograph #4**

**Subject:** New pressure tank-located in basement

**PWSID#** 5600545

**System:** Lodore Supper Club  
Box 591

Bighorn, WY 82833 **County:** Sheridan

**Date:** 07/17/2012 **Time:** 1430hrs

**Photographer:** Michael Boyd, MAP



—FOR RENEWALS ONLY—

# RENEWAL OF LICENSE AND/OR PERMIT APPLICATION FOR LIQUOR, WINERY OR MICROBREWERY

NOTE TO APPLICANT: To be filed with the local licensing authority. (Hearing must be 30 days prior to expiration)

LODORE SALOON \$1,666.00  
RETAIL LIQ. LIC. #8290  
6/01/10 TO  
5/31/11

COMPLAINANT'S  
STATE NO. 7

**To be completed by the City, Town or County Clerk:**  
 Date filed MARCH 22, 2010

	<u>Annual Fee</u>
Basic Fee	\$1,000.00
Add'l. Disp. Rm. Fee	\$666.00
Total Lic. Fee Collected	\$1,666.00

Publishing Notice Fee Collected \$DIRECT PAYMENT  
 Required attachments received YES   
 Advertising Dates (4)MARCH 26, APRIL 2, 9 & 16, 2010  
 Hearing Date APRIL 20, 2010  
 Local Licensing Number 8290

LICENSING AUTHORITY: Begin publication promptly. As W.S. 12-4-104(d) specifies **NO LICENSING AUTHORITY SHALL APPROVE OR DENY THE APPLICATION UNTIL THE LIQUOR DIVISION HAS CERTIFIED THE APPLICATION IS COMPLETE.** Copy must be immediately forwarded to:  
 STATE OF WYOMING LIQUOR DIVISION  
 1520 E 5TH ST  
 CHEYENNE, WY 82002-0110

Applicant: L.I.G., LLC  
 Trade Name (dba): LODORE SALOON  
 Premise: 6 NORTH PINEY RD  
Number & Street

STORY WY 82842 SHERIDAN  
City State Zip County

Mailing Address: P O BOX 6044  
Number & Street or P.O. Box

SHERIDAN WY 82801  
City State Zip

Business Telephone Number: 683-3284  
 Fax Number: 672-6282  
 E-Mail Address: \_\_\_\_\_

For the license term JUNE 1, 2010  
Month Day Year  
 to MAY 31, 2011  
Month Day Year

<p><b>FILING IN (CHOOSE ONLY ONE)</b></p> <p><input type="checkbox"/> CITY OF _____</p> <p><input checked="" type="checkbox"/> COUNTY OF <u>SHERIDAN</u></p> <p><b>FILING AS (CHOOSE ONLY ONE)</b></p> <p><input type="checkbox"/> INDIVIDUAL    <input checked="" type="checkbox"/> LLC</p> <p><input type="checkbox"/> PARTNERSHIP    <input type="checkbox"/> LLP</p> <p><input type="checkbox"/> CORPORATION</p> <p><input type="checkbox"/> LTD PARTNERSHIP</p> <p><input type="checkbox"/> LOCATED WITHIN 5 MILES OF CITY</p>	<p><b>TYPE OF LICENSE OR PERMIT (CHOOSE ONLY ONE)</b></p> <p><input checked="" type="checkbox"/> RETAIL LIQUOR LICENSE</p> <p><input type="checkbox"/> RESTAURANT LIQUOR LICENSE</p> <p><input type="checkbox"/> RESORT LIQUOR LICENSE</p> <p><input type="checkbox"/> COUNTY RETAIL or SPECIAL MALT BEVERAGE PERMIT</p> <p><input type="checkbox"/> VETERANS CLUB</p> <p><input type="checkbox"/> FRATERNAL CLUB</p> <p><input type="checkbox"/> GOLF CLUB</p> <p><input type="checkbox"/> SOCIAL CLUB</p> <p><input type="checkbox"/> MICROBREWERY</p> <p><input type="checkbox"/> WINERY</p>	<p>To Assist the Liquor Division with scheduling inspections:  <b>DO YOU OPERATE?</b></p> <p><input checked="" type="checkbox"/> FULLTIME(e.g. Jan through Dec)</p> <p><input type="checkbox"/> SEASONAL/PART-TIME (specify months of operation)          from <u>JUNE</u> to <u>JUNE</u></p> <p>DAYS OF WEEK(e.g. Mon through Sat)  <u>SUNDAY THRU SATURDAY</u></p> <p>HOURS OF OPERATION(e.g. 10a - 2a)  <u>12 PM TO 2 AM</u></p>
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RETAIL  ON PREMISE ONLY     OFF PREMISE ONLY     COMBINATION ON/OFF PREMISE

Have you purchased \$2000 in spirits, wines and/or malt beverages during previous license term?  YES  NO

RESTAURANT, RESORT, CLUB OR COUNTY MALT:

Have you purchased \$500 in spirits, wines and/or malt beverages during previous license term?  YES  NO

W.S.12-4-103(c)

**TO BE COMPLETED BY ALL APPLICANTS (Pursuant to W.S.12-4-102[a]):**

1. Location of License:
  - a. Give a description of the dispensing room and state where it is located in the building (ex. 10x12 room in SE corner of 1<sup>st</sup> floor building). If the building is not in existence, provide the location and an architect's drawing or suitable plans of the room and premises to be licensed: **If Winery or Microbrewery** also list manufacturing facility. W.S.12-4-102(a)(i):  
A ROOM 25' X 30' LOCATED IN THE NORTHWEST CORNER
  - b. Do you have an additional dispensing room?  YES  NO If yes, provide description and location:  
A ROOM 32' X 22' LOCATED IN THE NORTHEAST CORNER OF THE TACK ROOM
  - c. Provide the legal description and the zoning of the site where the applicant will sell under the license: W.S.12-4-102(a)(vi):  
TRACT OF LAND IN SW ¼ SW ¼ OF SECTION 8, T53N, R83W, 6<sup>TH</sup> P.M.
2. Have there been any changes in the physical location of the dispensing room since the last application was filed? (If yes, submit a drawing of the changes in the dispensing room.) YES  NO 
  - (a) Do you anticipate any changes in the next 12 months? YES  NO
3. If the premises are not owned by licensee, attach a copy of the lease agreement which shows that the right to occupy the premises continues through the term of the license and contains an agreement that alcoholic or malt beverages may be sold upon the leased premises. Please indicate the page and paragraph of lease which shows the date of expiration. W.S.12-4-103(a)(iii)
  - (a) DATE lease expires: SEPT 31, 2016, located on page 1, paragraph 2 of lease document.
  - (b) Provision for SALE of alcoholic or malt beverages located on page 1, paragraph 6 of lease document.

**4. Restaurant Liquor License Only**

a. Gross sales figures and percentage of income derived from: W.S.12-4-408(b)  
 Gross Sales \$ \_\_\_\_\_  
 Food sales \$ \_\_\_\_\_ ( \_\_\_\_\_ %)  
 Liquor sales \$ \_\_\_\_\_ ( \_\_\_\_\_ %)

b. Attach a copy of your valid food service permit to this application. W.S.12-4-407(a)

5. a. If applicant is Microbrewery: Did you produce over 100 barrels but less than 15,000 barrels during previous license term? W.S.12-1-101(a)(xix) YES  NO   
 b. Do you self distribute your products? YES  NO   
 c. Do you distribute your products through an existing malt beverage wholesaler? YES  NO

6. If applicant is an Individual(s) or Partnership: State the date of birth and residence of the applicant and of each applicant or partner, if the application is made by more than one individual or by a partnership: W.S.12-4-102(a)(ii). If the application is for a Club: State the age and residence of each officer W.S.12-1-101[a][iii];12-4-301[a]:

True and Correct Name	Date of Birth	DO NOT LIST PO BOXES Residence Address No. & Street City, State & Zip	Residence Phone Number	Have you been a DOMICILED resident for at least 1 year and not claimed residence in any other state in the last year?	Have you been Convicted of a Felony Violation?	Have you been Convicted of a Violation Relating to Alcoholic Liquor or Malt Beverages?
				YES <input type="checkbox"/>	YES <input type="checkbox"/>	YES <input type="checkbox"/>
				NO <input type="checkbox"/>	NO <input type="checkbox"/>	NO <input type="checkbox"/>
				YES <input type="checkbox"/>	YES <input type="checkbox"/>	YES <input type="checkbox"/>
				NO <input type="checkbox"/>	NO <input type="checkbox"/>	NO <input type="checkbox"/>
				YES <input type="checkbox"/>	YES <input type="checkbox"/>	YES <input type="checkbox"/>
				NO <input type="checkbox"/>	NO <input type="checkbox"/>	NO <input type="checkbox"/>

(If more information is required, complete in identical form, on a separate piece of paper and attach to this application.)

7. If the applicant is a Corporation: W.S.12-4-102(a)(iv) state the name, date of birth and residence of each officer, director and stockholder holding, either jointly or severally, ten percent (10%) or more of the outstanding and issued capital stock of the corporation; If the applicant is a Limited Liability Company W.S.12-4-102(a)(v): state name age and residence of each officer, manager and member holding, either jointly or severally, ten percent (10%) or more of the outstanding ownership of the limited liability company.

True and Correct Name	Date of Birth	DO NOT LIST PO BOXES Residence Address No. & Street City, State & Zip	Residence Phone Number	No. of Years in Corp or LLC	% of Stock Held	Have you been Convicted of a Felony Violation?	Have you been Convicted of a Violation Relating to Alcoholic Liquor or Malt Beverages?
RICHARD L SMITH	01/11/53	12 RAWHIDE STORY WY	683-3284	4	98%	YES <input type="checkbox"/>	YES <input type="checkbox"/>
						NO <input checked="" type="checkbox"/>	NO <input checked="" type="checkbox"/>
BRYAN TODD	08/08/62	851 GLADSTONE SHERIDAN WY	674-0549	4	2%	YES <input type="checkbox"/>	YES <input type="checkbox"/>
						NO <input checked="" type="checkbox"/>	NO <input checked="" type="checkbox"/>
						YES <input type="checkbox"/>	YES <input type="checkbox"/>
						NO <input type="checkbox"/>	NO <input type="checkbox"/>
						YES <input type="checkbox"/>	YES <input type="checkbox"/>
						NO <input type="checkbox"/>	NO <input type="checkbox"/>

(If more information is required, complete in identical form, on a separate piece of paper and attach to this application.)

VERIFICATION OF APPLICATION

(Requires signatures by ALL individuals, ALL Partners, ONE (1) LLC Members, or TWO (2) Corporate Officers/Directors, or TWO (2) Club officers.)W.S.12-4-102(b)

Under penalty of perjury, and the possible revocation or cancellation of the license, I swear the above stated facts, are true and accurate. L.I.G. LLC

Dated this 22ND day of MARCH, 2010.

BY: *Richard L. Smith*  
Applicant

STATE OF WYOMING )  
 ) ss.  
COUNTY OF SHERIDAN )

AUDREY KOLTISKA, COUNTY CLERK  
Applicant

Subscribed and sworn to before me by RICHARD L SMITH this 22nd day of MARCH, 2010.  
Witness my hand and official seal.

My Commission expires: JANUARY 3, 2011

*Nicholas P. ...*  
Notary Public or Person Authorized to Administer Oath



FOR LIQUOR DIVISION USE ONLY		
Reviewer	Initials	Date
Clerk:		
Agent:		
Credit:		

**LICENSE AND/OR PERMIT APPLICATION**

**FOR LIQUOR, COUNTY MALT BEVERAGE, LIMITED, WINERY OR MICROBREWERY**

NOTE TO APPLICANT: To be filed with the local licensing authority. (Hearing must be 30 days prior to expiration)

<b>To be completed by the City, Town or County Clerk:</b>		
Date filed	April 1, 2011	
	Annual Fee	Prorated Fee
Basic Fee \$	\$ 1,000.00	\$
Add'l. Disp. Rm. Fee	\$ 666.00	\$
Transfer Fee	\$ 100.00	
Total Lic. Fee Collected	\$	\$ 1,766.00
Publishing Notice Fee Collected	\$ Direct Payment	
Required attachments received YES X		
Advertising Dates (4)	April 22, 29, May 6, 13, 2011	
Hearing Date	May 17, 2011	
Local Licensing Number		
<p>LICENSING AUTHORITY: Begin publication promptly. As W.S. 12-4-104(d) specifies <b>NO LICENSING AUTHORITY SHALL APPROVE OR DENY THE APPLICATION UNTIL THE LIQUOR DIVISION HAS CERTIFIED THE APPLICATION IS COMPLETE.</b> Copy must be immediately forwarded to:</p> <p>STATE OF WYOMING LIQUOR DIVISION 1520 E 5TH ST CHEYENNE, WY 82002-0110</p>		

Formerly Held by: L.I.G., LLC

Applicant: Peri J Thomas

Trade Name (dba): Lodore Supper Club & Saloon

Premise: 6 N. Piney

Number & Street

Story WY ~~82842~~ 82842 County Sheridan

City WY State 82842 Zip

Mailing Address: PO Box 591

Number & Street or P.O. Box

Big Horn WY 82833

City WY State 82833 Zip

Business Telephone Number: 307-683-3334

Fax Number: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

For the license term June 1 2011

Month Day Year

to May 31 2012

Month Day Year

<p><b>FILING FOR</b></p> <p><input type="checkbox"/> NEW</p> <p><input type="checkbox"/> TRANSFER LOCATION</p> <p><input checked="" type="checkbox"/> TRANSFER OWNERSHIP</p>	<p><b>TYPE OF LICENSE OR PERMIT</b> (CHOOSE ONLY ONE)</p> <p><input type="checkbox"/> RETAIL LIQUOR LICENSE</p> <p><input type="checkbox"/> on-premise only</p> <p><input type="checkbox"/> off-premise only</p> <p><input checked="" type="checkbox"/> combination on/off premise</p> <p><input type="checkbox"/> RESTAURANT LIQUOR LICENSE</p> <p><input type="checkbox"/> RESORT LIQUOR LICENSE</p> <p><input type="checkbox"/> COUNTY RETAIL or SPECIAL MALT BEVERAGE PERMIT</p> <p><input type="checkbox"/> VETERANS CLUB</p> <p><input type="checkbox"/> FRATERNAL CLUB</p> <p><input type="checkbox"/> GOLF CLUB</p> <p><input type="checkbox"/> SOCIAL CLUB</p> <p><input type="checkbox"/> MICROBREWERY</p> <p><input type="checkbox"/> WINERY</p>	<p>To Assist the Liquor Division with scheduling inspections:</p> <p><b>DO YOU OPERATE?</b></p> <p><input checked="" type="checkbox"/> FULL TIME (e.g. Jan through Dec)</p> <p><input type="checkbox"/> SEASONAL/PART-TIME</p> <p>(specify months of operation)</p> <p>from <u>June</u> to <u>June</u></p> <p>DAYS OF WEEK (e.g. Mon through Sat)</p> <p>Sunday thru Saturday</p> <p>HOURS OF OPERATION (e.g. 10a - 2a)</p> <p><u>6AM to 2AM</u></p>
<p><b>FILING IN</b> (CHOOSE ONLY ONE)</p> <p><input type="checkbox"/> CITY OF</p> <p><input checked="" type="checkbox"/> COUNTY OF <u>Sheridan</u></p>	<p><input type="checkbox"/> PARTNERSHIP</p> <p><input type="checkbox"/> CORPORATION</p> <p><input type="checkbox"/> LTD PARTNERSHIP</p> <p><input type="checkbox"/> ASSOCIATION</p> <p><input type="checkbox"/> ORGANIZATION</p>	
<p><b>FILING AS</b> (CHOOSE ONLY ONE)</p> <p><input checked="" type="checkbox"/> INDIVIDUAL</p> <p><input type="checkbox"/> PARTNERSHIP</p> <p><input type="checkbox"/> CORPORATION</p> <p><input type="checkbox"/> LTD PARTNERSHIP</p> <p><input type="checkbox"/> ASSOCIATION</p> <p><input type="checkbox"/> ORGANIZATION</p>	<p><input type="checkbox"/> LLC</p> <p><input type="checkbox"/> LLP</p>	
	<p><input type="checkbox"/> LOCATED WITHIN 5 MILES OF CITY (County License only)</p>	

1. Location of License:

(a) Give a description of the dispensing room and state where it is located in the building (e.g. 10x12 room in SE corner of 1st floor of building). If the building is not in existence, provide the location and an architect's drawing or suitable plans of the room and premises to be licensed: If **Winery or Microbrewery**, also list manufacturing facility. W.S. 12-4-102(a)(i):

Room 25' x 30' located in the northwest corner

(b) Do you have an additional dispensing room? X YES  NO If yes, provide description and location:

Room 32' x 22' located in the northeast corner of the tack room

(c) Provide the legal description and the zoning of the site where the applicant will conduct business:

Tract of land in SW1/4SW1/4 Section 8, T53N T83W, 6<sup>th</sup> PM

2. Do you W.S. 12-4-103 (a) (iii):

- (1) **OWN** the building in which sales room is located?  YES (own)  YES (lease)
- (2) **LEASE** the building in which sales room is located?  YES (lease)

(A) **DATE** lease expires 5/31/16 located on page 1 paragraph 3 of lease document.

(B) Provision for **SALE** of alcoholic or malt beverages located on page 1 paragraph 2A of lease

document.

**NOTE:** Attach a true copy of the lease to application. Lease **MUST** contain provision for **SALE OF ALCOHOLIC or MALT BEVERAGES** and be valid **THROUGH** the **TERM OF THE LICENSE** W.S. 12-4-103(a)(iii).

3. Have you already assigned, leased, transferred or do you intend to assign, lease, transfer, contract or in any other manner agree with any person or firm other than yourself as licensee to operate and assert control or partial control of the license and the licensed room to carry on the licensed liquor business? YES  NO



4. Does any manufacturer, brewer, rectifier, wholesaler, or through a subsidiary affiliate, officer, director or member of any such firm: W.S. 12-5-401, 12-5-402, 12-5-403
- (a) Hold any interest in the license applied for?  YES  NO
  - (b) Furnish by way of loan or any other money or financial assistance for purposes hereof in your business?  YES  NO
  - (c) Furnish, give, rent or loan any equipment, fixtures, interior decorations or signs other than standard brewery or manufacturer's signs?  YES  NO
  - (d) If you answered YES to any of the above, explain fully and submit any documents in connection therewith:

5. Does applicant have any interest or intent to acquire an interest in any other retail liquor license to be issued by this licensing authority? W.S. 12-4-103(b)  YES  NO  
If "YES", explain:

6. Is applicant a mayor, member of a city or town council, or member of the board of county commissioners within the jurisdiction of this licensing authority? W.S. 12-4-103(a)(i)  YES  NO

7. Is applicant employed by the State, City or Town, or County as a law enforcement officer, or hold office as a law enforcement officer through election? W.S. 12-4-103(a)(ii)  YES  NO

**RESTAURANT OR BAR AND GRILL LICENSE: Complete questions 8(a) and 8(b):**

8. (a) Have you submitted a valid food service permit upon application? W.S. 12-4-407(a) W.S. 12-4-413(a)  YES  NO  
(b) Was your dispensing room for alcoholic and/or malt beverages in existence and open for consumption purposes prior to February 1, 1979? W.S. 12-4-410(b)  YES  NO  N/A

**RESORT LICENSE: Complete questions 9(a) through 9(c):**

9. (a) Is the actual valuation of the resort complex at least one million dollars, or have you committed or expended at least one million dollars (\$1,000,000.00) on the complex, excluding the value of the land? W.S. 12-4-401(b)(i)  YES  NO  
(b) Does the resort complex include a restaurant and a convention facility which will seat at least one hundred (100) persons? W.S. 12-4-401(b)(ii)  YES  NO  
(c) Does the resort complex include motel or hotel accommodations with at least one hundred (100) sleeping rooms? W.S. 12-4-401(b)(iii)  YES  NO

**MICROBREWERY AND/OR WINERY LICENSE: Complete questions 10 through 11:**

9. Is premise to be co-existent with a retail, restaurant, resort or bar and grill liquor license? W.S. 12-4-412(b)(iii)  YES  NO

If "YES", please specify type:  Microbrewery  Winery  Retail  Restaurant  Resort  Bar and Grill:

11. (a) Do you self distribute your products?  YES  NO  
(b) Do you distribute your products through an existing malt beverage wholesaler?  YES  NO

**ORGANIZATION AND/OR CLUB LICENSE: Complete questions 12 through 15 as applicable:**

**12. FRATERNAL CLUBS W.S. 12-1-101(a)(iii)(B)**

- (a) The name and address of the grand lodge or national organization is: \_\_\_\_\_
- (b) Does lodge or fraternal organization hold a charter from a national organization or national grand lodge?  YES  NO
- (c) Has the fraternal organization been actively operating in at least thirty-six (36) states?  YES  NO
- (d) Has the fraternal organization been actively in existence for at least twenty (20) years?  YES  NO

**13. VETERANS CLUBS W.S. 12-1-101(a)(iii)(A):**

- (a) The name and address of the National Veterans organization is: \_\_\_\_\_
- (b) Has the Veteran's organization been chartered by the Congress of the United States for patriotic, fraternal or benevolent purposes?  YES  NO
- (c) Is the membership of the Veteran's organization comprised only of Veterans and its duly organized auxiliary?  YES  NO



4. SOCIAL CLUBS W.S. 12-1-101(a)(iii)(E):

- (a) Do you have more than one hundred (100) bona fide members who are residents of the county in which the club is located?  YES  NO
- (b) Is the club incorporated and operating solely as a nonprofit organization under the laws of this state?  YES  NO
- (c) Is the club qualified as a tax exempt organization under the Internal Revenue Service?  YES  NO
- (d) Has the club been in continuous operation for a period of not less than one (1) year?  YES  NO
- (e) Has the club received twenty-five dollars (\$25.00) from each bona fide member as recorded by the secretary of the club and are club members at the time of this application in good standing by having paid at least one (1) full year in dues?  YES  NO
- (f) Does the club hold quarterly meetings and have an actively engaged membership carrying out the objectives of the club?  YES  NO
- (g) Have you filed a true copy of your bylaws with the local licensing authority and the Wyoming Liquor Division?  YES  NO
- (h) Has at least fifty one percent (51%) of the membership signed a petition indicating a desire to secure a Limited Retail Liquor License (THE PETITION MUST BE ATTACHED TO APPLICATION) ?  YES  NO
- (i) Have you filed with the licensing authority and the Wyoming Liquor Division a detailed statement of your activities during the preceding year which were undertaken or furthered in pursuit of the objectives of the club, along with an itemized statement expended for such activities?  YES  NO

15. GOLF CLUBS W.S. 12-1-101(a)(iii)(D):

- (a) Do you have more than fifty (50) bona fide members?  YES  NO
- (b) Do you own, maintain, or operate a bona fide golf course together with clubhouse?  YES  NO

16. (a) If applicant is an Individual or Partnership: State the name, date of birth and residence of each applicant or partner, if the application is made by more than one individual or by a partnership. If the application is for a Club: State the name, date of birth and residence of each officer.

True and Correct Name	Date of Birth	DONOT LIST PO BOXES		Residence Phone Number	Have you been a DOMICILED resident for at least 1 year and not claimed residence in any other state in the last year?	Have you been Convicted of a Felony Violation?	Have you been Convicted of a Violation Relating to Alcoholic Liquor or Malt Beverages?
		Residence Address No. & Street City, State & Zip	City, State & Zip				
Peri J. Thomas	6/12/65	636 W 15th Street, Sheridan, WY		751-9103	YES <input checked="" type="checkbox"/>	YES <input type="checkbox"/>	YES <input type="checkbox"/>
					NO <input type="checkbox"/>	NO <input checked="" type="checkbox"/>	NO <input checked="" type="checkbox"/>
					YES <input type="checkbox"/>	YES <input type="checkbox"/>	YES <input type="checkbox"/>
					NO <input type="checkbox"/>	NO <input type="checkbox"/>	NO <input type="checkbox"/>
					YES <input type="checkbox"/>	YES <input type="checkbox"/>	YES <input type="checkbox"/>
					NO <input type="checkbox"/>	NO <input type="checkbox"/>	NO <input type="checkbox"/>
					YES <input type="checkbox"/>	YES <input type="checkbox"/>	YES <input type="checkbox"/>
					NO <input type="checkbox"/>	NO <input type="checkbox"/>	NO <input type="checkbox"/>

(If more information is required, list on a separate piece of paper and attach to this application.)

(b) If the applicant is a Corporation, Limited Liability Company, Limited Liability Partnership or Limited Partnership: State the name, date of birth and residence of each stockholder holding, either jointly or severally, ten percent (10%) or more of the outstanding and issued capital stock of the corporation, limited liability company, limited liability partnership, or limited partnership, and every officer, and every director.

True and Correct Name	Date of Birth	DONOT LIST PO BOXES		Residence Phone Number	No. of Years in Corp or LLC	% of Stock Held	Have you been Convicted of a Felony Violation?	Have you been Convicted of a Violation Relating to Alcoholic Liquor or Malt Beverages?
		Residence Address No. & Street City, State & Zip	City, State & Zip					
							YES <input type="checkbox"/>	YES <input type="checkbox"/>
							NO <input type="checkbox"/>	NO <input type="checkbox"/>
							YES <input type="checkbox"/>	YES <input type="checkbox"/>
							NO <input type="checkbox"/>	NO <input type="checkbox"/>
							YES <input type="checkbox"/>	YES <input type="checkbox"/>
							NO <input type="checkbox"/>	NO <input type="checkbox"/>
							YES <input type="checkbox"/>	YES <input type="checkbox"/>
							NO <input type="checkbox"/>	NO <input type="checkbox"/>

(If more information is required, list on a separate piece of paper and attach to this application.)

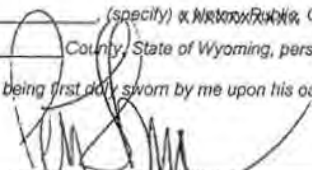
**OATH OR VERIFICATION**

(Requires signatures by ALL Individuals, ALL Partners, ONE (1) LLC Member, or TWO (2) Corporate Officers or Directors except that if all the stock of the corporation is owned by ONE (1) individual then that individual may sign and verify the application upon his oath, or TWO (2) Club Officers.) W.S. 12-4-102(b)

Under penalty of perjury, and the possible revocation or cancellation of the license, I swear the above stated facts, are true and accurate.

STATE OF WYOMING )  
COUNTY OF SHERIDAN ) SS.

Before Me, DALE R. RAWLINGS (specify ~~XXXXXX~~ Officer authorized to administer oaths in and for SHERIDAN County, State of Wyoming, personally appeared PERI J. THOMAS name he/she being first duly sworn by me upon his oath, says that the facts alleged in the foregoing instrument are true.  
(Seal)

1.   
2.  
3.  
4.

Term  
My ~~XXXXXX~~ expires: JANUARY 5, 2015

Witness my hand and official seal:  
EDA S. THOMPSON, COUNTY CLERK  
Dale R. Rawlings  
(Notary Public or other officer authorized to administer oaths)  
Title DEPUTY CLERK



Dated: APRIL 1, 2011

**REQUIRED ATTACHMENTS:**

- (1) Attach any lease agreements W.S. 12-4-103(a)(iii).
- (2) If building is not in existence, an architect's drawing or suitable plans of the room and premises to be licensed must be attached W.S. 12-4-102(a)(i).
- (3) A statement indicating the financial condition and financial stability of new applicant W.S. 12-4-102(a)(v).
- (4) Restaurant or Bar and Grill Liquor License Applications must attach a copy of their CURRENT and valid food service permit W.S. 12-4-407(a) or W.S.12-4-413(a).
- (1) Check or bank draft as payment for the application and for publishing the notice of application. W.S. 12-4-104(a). Direct billing is permissible.
- (2) If transfer, a form of assignment from current licensee, allowing transfer W.S. 12-4-601(b).

NOTE: Federal law requires you to pay a SPECIAL OCCUPATIONAL TAX (federal tax stamp) before you begin business and before July 1 each year thereafter. If you have not paid this tax, contact:

BUREAU OF ATF  
JOHN WELD PECK FEDERAL BLDG RM 6525  
550 MAIN ST  
CINCINNATI OH 45202-3263  
1-800-937-8864

**ADVERTISING REQUIREMENTS W.S. 12-4-104(a):**

When an application for a license, permit, renewal or any transfer of location or ownership thereof has been filed with a licensing authority, the clerk shall promptly prepare a notice of application, place the notice conspicuously upon the premises shown by the application as the proposed place of sale and public the notice in a newspaper of local circulation once a week for four (4) consecutive weeks. The notice shall state that a named applicant has applied for a license, permit, renewal or transfer thereof, and that protests against the issuance, renewal, or transfer of the license or permit will be heard at a designated meeting of the licensing authority.

**HEARING REQUIREMENTS W.S. 12-4-104(b):**

Any license or permit authorized under this title shall not be issued, renewed or transferred until on or after the date set in the notice for hearing protests. If a renewal hearing, the hearing shall be held no later than thirty (30) days preceding the expiration date of the license or permit. A license or permit shall not be issued, renewed or transferred if the licensing authority finds from evidence presented at the hearing:

- (i) The welfare of the people residing in the vicinity of the proposed license or permit premises shall be adversely and seriously affected;
- (ii) The purpose of this title shall not be carried out by the issuance, renewal or transfer of the license or permit;
- (iii) The number, type and location of existing licenses or permits meets the needs of the vicinity under consideration;
- (iv) The desires of the residents of the county, city or town will not be met or satisfied by the issuance, renewal or transfer of the license or permit; or
- (v) Any other reasonable restrictions or standards which may be imposed by the licensing authority shall not be carried out by the issuance, renewal or transfer of the license or permit.

FOR LIQUOR DIVISION USE ONLY		
Reviewer	Initials	Date
Clerk:		
Agent:		
Acct.:		

### COMMERCIAL LEASE AGREEMENT

**THIS AGREEMENT** is made between Richard Lee Smith ("Landlord") as the owner of that certain property known as "The Lodore" and located at 6 North Piney Road, Story, Wyoming and Peri Thomas ("Tenant") and whose mailing addresses are as follows:

Richard Lee Smith	Peri Thomas
P.O. Box 6044	P.O. Box 591
Sheridan, WY 82801	Big Horn, WY 82833

**NOW THEREFORE**, for and in consideration of the foregoing premises, and other good and valuable consideration the parties agree as follows:

1. **LEASE.** Landlord leases to Tenant the following premises known as "The Lodore", more particularly described in the Special Warranty Deed, which is attached hereto as Exhibit "A" ( the leased premises.)

a. Included in this lease in use, are the tables, chairs, plates, and equipment and small wares as set forth in Exhibit "B", attached hereto.

2. **Purpose.** Tenant shall use the leased premises for the purpose of operating a restaurant and bar.

a. Landlord authorizes Tenant to sell alcoholic and malt beverages on the premises.

3. **TERM.** The term of this lease shall commence on the 1<sup>st</sup> day of April, 2011. Said lease period shall run for five (5) years and expire on May 31, 2016.

4. **RENT.** Tenant shall pay to Landlord rent in the amount of One Thousand Dollars (\$1,000) per month or 15% of Gross sales which ever is greater. To determine rent, copies of monthly sales tax reports will be provided to Tenants by Landlord monthly during the term of the lease. Lease also includes a Full Service Wyoming Liquor License and the transfer of use thereof, as well as other assets and equipment currently used to operate the business as owned by the Landlord and part of the lease and not part of the sale of the Business "Lodore Supper Club and Saloon".

a. Rent is payable to Richard L. Smith, P.O. Box 6044, Sheridan, Wyoming, 82801. Said payment shall be made by Tenants depositing said payment into Landlord's account at Wells Fargo Bank in Landlord's account ending in XX1925. Landlord shall provide the complete account information to

Tenant.

- b. A late fee of five percent (5%) of the late payment will be assessed on all payments required to be made by the Tenant under this Agreement that are not made within ten (10) days of the date due. Such late fee will be immediately due and payable to the Landlord. It is specifically agreed that late payments accepted by the Landlord will not operate to change or modify any of the due dates or other payments due from the Tenant to the Landlord.
- c. The rent shall be paid on or before the first day of April, 2011, and rent for each succeeding month shall be payable the first day of each and every month thereafter.

5. **Security Deposit.** Landlord waives the requirement of a security deposit under this Lease in consideration for Tenant accepting the leased premises "AS IS" and assuming maintenance and repair obligations set forth in Section 9 below.

6. **Ordinances, Statutes and Covenants.** Tenant shall comply with all statutes, ordinances and requirements of all municipal, state and federal authorities now in force or which may thereafter be in force pertaining to the use of the premises and shall comply with any and all covenants and restrictions pertaining to the leased premises.

7. **Non-Waiver.** Receipt by Landlord of rent without knowledge of a breach of any provision of this Agreement shall not be deemed as a waiver of such breach. No provision of this Agreement shall be deemed to have been waived by any act or conduct by Landlord unless such waiver be in writing signed by Landlord. No payment by Tenant or receipt by Landlord of a lesser amount than the monthly installment of rent herein stipulated shall be deemed to be other than on account of the rent earliest due, and Landlord may accept any payment without prejudice to Landlord's right to recover any other sums due from the Tenant or pursue any other remedy provided in this Agreement, regardless of any endorsement or statement accompanying such payment. No acceptance of money by Landlord from Tenant after termination of this Agreement or after the services of any notice or after the commencement of any suit, or after final judgment or possession of the premises shall renew, reinstate, continue, or extend the term of this Agreement, or affect any such notice, demand or suit.

8. **Smoke Free Premises.** The parties agree that there shall be no smoking in the building, except for events sponsored where smoking shall be limited to said event and area of the event only and such is allowed by state or local law. Tenant shall be responsible for enforcing the non smoking

environment.

**9. Alterations, Repairs and Maintenance.** Tenant has inspected the leased premises as well as the fixtures, improvements and personal property which are the subject of this Lease. Tenant receives and accepts the leased premises and all property covered by this lease "AS IS", and in its current condition. In consideration for Landlord waiving the security deposit in Section 5 above, Tenant agrees to assume all responsibilities for maintenance, replacement, repair and service to the leased premises and all improvements, fixtures and personal property located thereon that may be necessary during the term of this Lease Agreement.

Tenant shall, at all times, maintain the leased premises, improvements and fixture in good repair and in a clean and sanitary manner and shall surrender the same at the termination of the Lease. Tenant shall not make alterations, installations or redecoration of any kind to the premises without prior written permission by the Landlord. Tenant shall not make alteration to the locks existing on the premises. Tenant shall be responsible for maintaining the septic system on the leased premises, including cleaning the grease trap to prevent grease from entering the septic system and removal of grease from the septic system. Landlord reserves the right from time to time to make such improvements, alterations, renovations, changes, and repairs in and about the leased premises, other than those which are to be made by Tenant, as Landlord shall deem desirable. Tenant shall not make a claim against Landlord for interference with Tenant's leasehold interest because of such work as long as Tenant is still able to operate a restaurant business in the areas leased pursuant to this Agreement. Repair of any glass breakage is the responsibility of the Tenant unless related to Landlord's repairs or alteration. Nothing in this section shall be construed to require Landlord to make repairs, alterations or improvements on the leased premises.

**10. Fixtures.** Any "fixtures" or improvements Tenant brings onto the leased premises shall remain a fixture of the property. Tenant shall be responsible for making any repairs associated with said fixtures or improvements on leased premises.

**11. Access by Landlord.** Landlord may enter said leased premises during normal business hours or at any other reasonable time to inspect, repair, redecorate, remodel or show the premises to prospective tenants, purchasers or representatives of lending institutions. Landlord shall give reasonable advance notice to Tenant when possible and in non-emergency situations. In the case of an emergency, Landlord may enter the leased premises at any time and without notice.

**12. Tenant's Obligations.** Throughout the entire duration of this occupancy of the premises, and in addition to the other agreements, terms and

conditions herein, Tenant shall have the following affirmative obligations:

- a. To keep that of the premises which they occupy and use, clean and sanitary as the condition of the premises permits;
- b. To dispose from premises all rubbish, garbage and other wastes in a legal, clean and sanitary manner;
- c. To properly use and operate all electrical, gas and plumbing fixtures and keep them as clean and sanitary as their condition permits;
- d. To not permit any person(s) on the premises, with Tenant's permission, to willfully or wantonly destroy, deface, damage impair, or remove any part of the structure or dwelling unit or the facilities, equipment or appurtenances thereto, nor shall he do any such thing;
- e. To provide lawn care and snow removal;
- f. Tenant shall pay the total gas, garbage removal, water, sewer charges and electricity for the leased premises on a monthly basis and within ten (10) days of delivery to Tenant of said bills, unless otherwise stated.

**13. Holdover.** Tenant agrees to vacate the premises before 5:00 p.m. on the last day of the term of this Agreement. Failure of Tenant to vacate the leased premises upon termination or expiration of this Agreement shall not serve to extend the term of this Lease Agreement, but Tenant shall remain responsible for rent, repairs, and all other obligations set forth herein until such time as Tenant vacates, whether voluntarily or by forcible entry and detainer.

**14. Assignment and Subletting.** Tenant shall not sublet or assign all or any portion of the leased premises without the prior written consent of Landlord, which consent shall not be reasonably withheld. Landlord may assign this Lease, and this Agreement shall inure to the benefit of Landlord's successors in interest and under the same business plan unless both the Landlord and Tenant agree, in writing, to modify the terms.

**15. Liquor License.** Landlord assigns as part of this Agreement Liquor License #8290 issued by the County of Sheridan, Wyoming to Tenant as an independent contractor for the term of this Agreement subject to reversion to Landlord at the end of the term of this Agreement. Such assignment gives Tenant limited ownership of Landlord's Liquor License pursuant to the



following terms and conditions:

- a. Tenant shall operate Landlord's liquor license solely in connection with the leased premises and not in connection with liquor service at any other premises, except to the extent allowed by law and permitted under catering permits issued by appropriate government officials;
- b. Tenant shall maintain Landlord's liquor license in good order and shall not cause any transfer, conveyance, cancellation or revocation of Landlord's liquor license;
- c. Landlord shall authorize Tenant to apply for and obtain a re-issuance and renewal of the liquor license in its name, subject to reversion to Landlord in the event of termination of this Agreement or the violation of this section of this Agreement by Tenant. Except as otherwise specifically required by this Agreement, all ownership right in the liquor license shall remain in Landlord whether or not registered in the name of Tenant to comply with applicable law. Tenant shall not obtain or claim any ownership right in Landlord's liquor license other than as set forth herein. Tenant shall pay application, advertising and renewal fees of the County of Sheridan for each year this Agreement is in effect.
- d. Tenant shall be solely responsible for the purchase of liquor from the Wyoming Liquor Commission under License #8290 and shall be solely in control of resale and pricing of said liquor for resale.
- e. Tenant shall comply with all laws of the State of Wyoming and the County of Sheridan with respect to operation under Liquor License #8290, cancellation or revocation in said liquor license.
- f. With respect to liability, if any, in connection with the service of alcoholic beverages on the leased premises or otherwise under Liquor License #8290, Tenant shall indemnify Landlord and hold Landlord harmless from any and all damages, losses, claims, action and costs suffered or incurred as a result of the negligence or willful acts or omissions of Tenant or its agents, representatives or employees.
- g. Landlord represents and warrants to Tenant that Liquor License #8290 is and at all relevant times will be valid, that

Tenant can legally operate the bar and related facilities at the leased premises using said liquor license in the sale and dispensing of alcoholic beverages, and that Landlord.

- h. Tenant agrees that at the termination of this contract that it will reassign any and all interest it has in said Liquor License #8290 to Landlord and that in assurance of that it has executed an undated reassignment of said License to Landlord, attached hereto as Exhibit D. Landlord agrees that said undated reassignment should be utilized only if it appears that Tenant has materially breached this Agreement and that action is necessary to protect the reversionary interest of Landlord in said Liquor License #8290.

**16. Financial Fitness.** Tenant shall at all times operate in such a manner as to assure all financial obligations are satisfied, including, but not limited to, all payments to the State of Wyoming for alcohol inventory, all license and permit fees for the premises, including the liquor license, and all other vendors, suppliers, government offices and entities to which money is due in the course of operating the premises as a restaurant and bar. Tenant shall make available to Landlord accounting records, reports, and any and all other information kept during the regular course of business that may be necessary to evaluate the financial fitness of Tenant's business and to documents timely payments made in the course of business. If at any time Tenant fails to make adequate provision for payment of the liquor license or any associated fees or any alcohol inventory, and otherwise jeopardizes, or creates a reasonable risk of jeopardy to, the liquor license, then Landlord may declare this Lease Agreement in breach and immediately terminate this Lease Agreement notwithstanding any provision in this Agreement to the contrary.

**17. Breach.** Upon the event of a breach of this Lease by Tenant, Landlord has the following rights, in addition to any other rights or remedies available in law and equity:

- a. Landlord may continue this Lease in effect and enforce all his rights and remedies under the lease, including the right to recover the rent as it becomes due;
- b. Landlord may re-enter the premises and release the premises or any part thereof without terminating the lease, at the rent and on the terms as Landlord may choose. In that even, the duties and liabilities of the parties shall be as follows:
  - (1) In addition to Tenant's liability to Landlord for breach of the lease, Tenant shall be liable for all expenses of

releasing, plus any rents due under the existing lease agreement until the premises are rented to a new Lessee.

- (2) Landlord may, at any time after a releasing, terminate the lease for a breach on which Landlord has based the re-entry and subsequently release the premises.
- c. Landlord may terminate all Tenants' rights hereunder and recover from Tenant all damages Landlord may incur by reason of the breach of lease, including the cost of recovering the premises. If Landlord terminates Tenant's rights of possession, then Landlord may re-enter the premises either by force or otherwise, and remove the Tenant and Tenant's property therefrom without any liability to Tenant for any damage.
- d. Tenant hereby grants landlord a lien on Tenant's property kept and to be kept, upon the premises by Tenant to secure the performance by Tenant of Tenant's obligations under this Agreement. Tenant agrees that Landlord may assert, enforce and foreclose upon such lien as provided under W.S. §29-7-101 *et seq.*, as amended, or of any other Wyoming statute then applicable. Tenant agrees that Landlord may assert, maintain, enforce, and foreclose upon such lien. In the event the property of the Tenant remains on the demised premises after the last day of the term of this Agreement, the property shall be conclusively deemed to have been abandoned by Tenant and may be retained or disposed of by Landlord in connection with this article or in connection with any other statute or law applicable. Tenant agrees that Landlord may assert the lien and take the actions to enforce and foreclosed upon it as stated above in this article without being liable to Tenant thereby, and Tenant, therefore, releases and discharges Landlord from all claims, actions or suits

**18. Attorneys Fees and Costs.** In the event that any party to this Agreement should be required to hire an attorney to enforce any right under this Agreement against any other party in default or any term, condition or covenant of this Agreement (hereinafter called the "defaulting party"), then the defaulting party shall be liable to pay the reasonable attorney's fees and costs of the non-defaulting party.

**19. Casualty, Condemnation and Governmental Action.** If in the even of fire or other casualty or a condemnation, which damages, destroys or takes a substantial part of the leased premises, then this Agreement may, at the option of either party, terminate.

**20. Insurance.** The Tenant shall be required to carry business liability and risk insurance during the term of this Lease. In addition, Landlord may, but is not required to, carry casualty insurance on the building and those contents owned by the Landlord.

**21. Indemnity.** The Tenant shall indemnify, defend and hold the Landlord, his agents and employees harmless from and against any and all claims, judgments, costs, expenses (including attorney's fees), causes of action, or suits for damages or injuries arising out of or occasioned by the Tenant's use or occupation of the leased premises. The Tenant's obligation to defend (including the obligation to costs, expenses and attorney's fees incurred by the Landlord) shall be diminished or relieved by the fact that the Landlord is also at fault; provided, however, that the Tenant shall have no obligation to indemnify Landlord to the extent of liability directly attributable to the Landlord's fault. The Tenant's obligations and covenants set out in this paragraph shall survive the termination of this Agreement.

**22. Notice.** Tenant shall give Landlord at least ninety (90) days written notice of Tenant's intent to vacate the leased premises by placing a notice in the mail to the address shown above. The giving of such notice shall not, reduce the terms of this lease or relieve Tenant of Tenant's obligations under this lease, and Landlord may continue this lease in full force and effect even if Tenant gives such notice of intent to vacate.

LANDLORD: Richard Lee Smith



TENANT: Peri J. Thomas



STATE OF WYOMING )  
 ) ss.  
COUNTY OF SHERIDAN)

The foregoing instrument was acknowledged before me by Richard Lee Smith who did acknowledge the same to be his free act and deed this 31 day of March, 2011.

Witness my hand and official seal.



Michelle Johnson  
Notary Public

STATE OF WYOMING )  
 ) ss.  
COUNTY OF SHERIDAN)

The foregoing instrument was acknowledged before me by Peri J. Thomas who did acknowledge the same to be her free act and deed this 31 day of March, 2011.

Witness my hand and official seal.



Michelle Johnson  
Notary Public

ASSIGNMENT OF LIQUOR LICENSE #8290

KNOW ALL MEN BY THESE PRESENTS:

That, L.I.G. LLC, of the County of Sheridan, State of Wyoming, do hereby assign, set over and transfer unto PERI J. THOMAS all my right, title and interest in and to that certain retail liquor license issued by the County or County Commissioners of the County of Sheridan, State of Wyoming, to me under the provisions of Wyoming Statutes, 12-2-108, 1977, permitting me to conduct a retail LIQUOR establishment on the premises known as LODORE SUPPER CLUB & SALOON located in the SW1SW4 OF SEC. 8, T. 53 N., R. 83 W., 6TH P.M. 6 NORTH PINEY ROAD, STORY, WY 82842 Sheridan County, Wyoming.

IT IS EXPRESSLY UNDERSTOOD that this Assignment is made subject to the approval of the Board of County Commissioners of Sheridan County, Wyoming, and all provisions and conditions as set forth in the Statutes of the State of Wyoming relating to retail LIQUOR licenses.

Dated at Sheridan, Wyoming this 1 day of APRIL, 2011.

L.I.G. LLC

*Richard Lee Smith*



Subscribed and sworn to before me by RICHARD LEE SMITH

this 1 day of APRIL, 2011

EDA S. THOMPSON, COUNTY CLERK

BY *Dale R. Rowlings*

~~Notary Public~~ DEPUTY CLERK

Term My ~~Contract~~ expires: JANUARY 5, 2015

A P P R O V A L

The above and foregoing Assignment of Liquor License approved this \_\_\_\_\_ day of \_\_\_\_\_,

BOARD OF COUNTY COMMISSIONERS  
SHERIDAN COUNTY, WYOMING

By: \_\_\_\_\_  
Chairman

Attest:

\_\_\_\_\_  
County Clerk