



## Zone Map Amendment (Rezoning) - Application

PROPERTY OWNER INFORMATION*		PROPERTY OWNER(S) REPRESENTATIVE**	
<input type="checkbox"/> CHECK IF POINT OF CONTACT FOR APPLICATION		<input checked="" type="checkbox"/> CHECK IF POINT OF CONTACT FOR APPLICATION	
Property Owner Name	Greenbox IV, LLC (c/o Focus	Representative Name	Jo M. Ryan, AICP (Carvana)
Address	3000 Lawrence St	Address	1930 W Rio Salado Pkwy
City, State, Zip	Denver, CO 80220	City, State, Zip	Tempe, AZ 85281
Telephone		Telephone	503.515.7861
Email	ryans@focuscorporation.com	Email	jo.ryan@carvana.com
<p><b>*If More Than One Property Owner:</b> All standard zone map amendment applications shall be initiated by all the owners of at least 51% of the total area of the zone lots subject to the rezoning application, or their representatives authorized in writing to do so. See page 3.</p>		<p><b>**Property owner shall provide a written letter authorizing the representative to act on his/her behalf.</b></p>	
<p>Please attach Proof of Ownership acceptable to the Manager for each property owner signing the application, such as (a) Assessor's Record, (b) Warranty deed or deed of trust, or (c) Title policy or commitment dated no earlier than 60 days prior to application date.</p> <p>If the owner is a corporate entity, proof of authorization for an individual to sign on behalf of the organization is required. This can include board resolutions authorizing the signer, bylaws, a Statement of Authority, or other legal documents as approved by the City Attorney's Office.</p>			
SUBJECT PROPERTY INFORMATION			
Location (address and/or boundary description):	4760 E. Evans Avenue, Denver, CO		
Assessor's Parcel Numbers:	0630221023000		
Area in Acres or Square Feet:	~1.54 Acres		
Current Zone District(s):	I-MX-3		
PROPOSAL			
Proposed Zone District:	S-MX-8A		

**REVIEW CRITERIA**

<p>General Review Criteria: The proposal must comply with all of the general review criteria DZC Sec. 12.4.10.7</p>	<input checked="" type="checkbox"/> <b>Consistency with Adopted Plans:</b> The proposed official map amendment is consistent with the City's adopted plans, or the proposed rezoning is necessary to provide land for a community need that was not anticipated at the time of adoption of the City's Plan. Please provide an attachment describing relevant adopted plans and how proposed map amendment is consistent with those plan recommendations; or, describe how the map amendment is necessary to provide for an unanticipated community need.
	<input checked="" type="checkbox"/> <b>Uniformity of District Regulations and Restrictions:</b> The proposed official map amendment results in regulations and restrictions that are uniform for each kind of building throughout each district having the same classification and bearing the same symbol or designation on the official map, but the regulations in one district may differ from those in other districts.
	<input checked="" type="checkbox"/> <b>Public Health, Safety and General Welfare:</b> The proposed official map amendment furthers the public health, safety, and general welfare of the City.

<p>Additional Review Criteria for Non-Legislative Rezoning: The proposal must comply with both of the additional review criteria DZC Sec. 12.4.10.8</p>	<p><b>Justifying Circumstances - One of the following circumstances exists:</b></p> <input type="checkbox"/> The existing zoning of the land was the result of an error. <input type="checkbox"/> The existing zoning of the land was based on a mistake of fact. <input type="checkbox"/> The existing zoning of the land failed to take into account the constraints on development created by the natural characteristics of the land, including, but not limited to, steep slopes, floodplain, unstable soils, and inadequate drainage. <input checked="" type="checkbox"/> Since the date of the approval of the existing Zone District, there has been a change to such a degree that the proposed rezoning is in the public interest. Such change may include: a. Changed or changing conditions in a particular area, or in the city generally; or b. A City adopted plan; or c. That the City adopted the Denver Zoning Code and the property retained Former Chapter 59 zoning. <input type="checkbox"/> It is in the public interest to encourage a departure from the existing zoning through application of supplemental zoning regulations that are consistent with the intent and purpose of, and meet the specific criteria stated in, Article 9, Division 9.4 (Overlay Zone Districts), of this Code. Please provide an attachment describing the justifying circumstance.
	<input checked="" type="checkbox"/> The proposed official map amendment is consistent with the description of the applicable neighborhood context, and with the stated purpose and intent of the proposed Zone District. Please provide an attachment describing how the above criterion is met.

**REQUIRED ATTACHMENTS**

Please ensure the following required attachments are submitted with this application:

- Legal Description (required to be attached in Microsoft Word document format)
- Proof of Ownership Document(s)
- Review Criteria, as identified above

**ADDITIONAL ATTACHMENTS**

Please identify any additional attachments provided with this application:


- Written Authorization to Represent Property Owner(s)
- Individual Authorization to Sign on Behalf of a Corporate Entity

Please list any additional attachments:



**PROPERTY OWNER OR PROPERTY OWNER(S) REPRESENTATIVE CERTIFICATION/PETITION**

We, the undersigned represent that we are the owners of the property described opposite our names, or have the authorization to sign on behalf of the owner as evidenced by a Power of Attorney or other authorization attached, and that we do hereby request initiation of this application. I hereby certify that, to the best of my knowledge and belief, all information supplied with this application is true and accurate. I understand that without such owner consent, the requested official map amendment action cannot lawfully be accomplished.

Property Owner Name(s) (please type or print legibly)	Property Address City, State, Zip Phone Email	Property Owner Interest % of the Area of the Zone Lots to Be Rezoned	Please sign below as an indication of your consent to the above certification statement	Date	Indicate the type of ownership documentation provided: (A) Assessor's record, (B) warranty deed or deed of trust, (C) title policy or commitment, or (D) other as approved	Has the owner authorized a representative in writing? (YES/NO)
<b>EXAMPLE</b> John Alan Smith and Josie Q. Smith	123 Sesame Street Denver, CO 80202 (303) 555-5555 sample@sample.gov	100%	<i>John Alan Smith</i> <i>Josie Q. Smith</i>	01/01/12	(A)	YES
Bahman Shafa, Manager and Sole Member of Greenbox IV LLC	3000 Lawrence St Denver, CO 80205 303-830-4700 shafa@focuscorporation.com	100%		8/13/2020	A	YES

October 28, 2020

Community Planning & Development  
City and County of Denver  
Attn: Libbie Adams, AICP, Associate City Planner  
201 W. Colfax Avenue, Dept. 205  
Denver, CO 80202

**RE: Carvana - Zone Map Amendment (Rezoning) Application  
4700 E. Evans Avenue**

Dear Libbie,

This project narrative is provided to serve as supporting documentation for the attached Zone Map Amendment (Rezoning) Application filed by Carvana, LLC as an authorized representative of Greenbox IV LLC, for property located at 4700 E. Evans Avenue (the "Property"). Carvana intends to seek approval of a rezone from the current Industrial Mixed-Use (I-MX-3) to Suburban Mixed-Use (S-MX-8A) and concurrent Site Development Plan approval to construct a Carvana Vending Machine / Fulfillment Center on the Property.

**Request for Rezoning Summary**

Address: 4700 E. Evans Avenue  
RNOs: East Evans Business Association; Virginia Village / Ellis Community Association; Southside Unified; University Hills North Community  
Site Area: ~1.54 Acres  
Current Zoning: I-MX-3  
Proposed Zoning: S-MX-8A  
Property Owner: Greenbox IV, LLC, a Colorado limited liability company  
Owner Representative/Applicant: Carvana, LLC  
Council District: No. 4 (Kendra Black)  
Neighborhood: Goldsmith

**Site Description**

The Property is located adjacent to the I-25 freeway at the southeast corner of the off-ramp and E. Evans Avenue. The Property is currently vacant with perimeter fencing, paved parking, and a sign that served the Rockies Inn hotel, which was recently demolished.

The Property is bounded by land owned by the Colorado Department of Transportation (I-25) to the west, E. Evans Avenue to the north, S. Dahlia Street and two commercial buildings to the east, and a surface parking lot to the south. The Property currently has two driveway access

points; one from E. Evans Avenue (a Mixed-Use Arterial), and one onto S. Dahlia Street (a Local Street). Redevelopment of the site would retain and improve both access points.



**Aerial View**

The Property is located in the Goldsmith Neighborhood and lies on the western edge of the Suburban Neighborhood Context. The Colorado Station transit station lies approximately 1,200 feet to the west, across the I-25.



**Zoning Map**

The Property is currently zoned Industrial Mixed-Use (I-MX-3), which limits building height to 3 stories.



**Existing Building Form and Scale**

The existing structures in the vicinity of the Property are single- and two-story commercial buildings, with several vacant parcels available for redevelopment. Surrounding zoning districts permit a variety of building heights up to 8 stories.

	Existing Zoning	Existing Land Use	Existing Building Form/Scale	Existing Block, Lot, Street Pattern
Site	I-MX-3	Vacant	N/A	Generally regular grid of streets. Fronting E. Evans Ave. on the north, I-25 on the west, and S. Dahlia Street to the east.  Block sizes and shapes are generally consistent and rectangular.
North	PUD 166	Commercial Retail (Donut / Paint / Auto Trim)	Single-Story	
South	I-MX-3	Paved Surface Parking	N/A	
East	I-MX-3	Tavern and Language School	Single-Story Two-Story	
West Northwest	C-MX-8	Worship Center Office Building	Single-Story Two-Story	



**Existing Land Use Map**

**Colorado Station General Development Plan (GDP)**

The Property lies near the eastern edge of the Colorado Station GDP. Under the Denver Zoning Code, “City Council may approve an official map amendment (rezoning) application for property located within an approved LDF (Large Development Framework) or GDP area, taking into consideration the approved LDF or GDP” (DZC Section 12.4.12.15.B). Although the Property is not located within the boundary of the Colorado Station GDP, the proposed S-MX-8A zone district is consistent with the GDP intent to allow more intense commercial uses and to offer a horizontal and vertical mix of uses. Development of the Property by Carvana consistent with the proposed rezoning will also complement the goals of the Colorado Station GDP to offer new retail and commercial uses within the area and to contribute to greater transit ridership at the Colorado Station.

The “GDP is a framework plan only and does not specifically allocate building height, mix of uses or density.” Overall, the proposed map amendment is consistent with the general framework outlined in the Colorado Station GDP.

**Proposed Zoning**

This request is to rezone the Property from Industrial Mixed-Use (I-MX-3) to Suburban Mixed-Use (S-MX-8A). Approval of this rezone request will allow the Property to accommodate a Carvana Vending Machine / Fulfillment Center (75 feet).



**Carvana 8-Tier Vending Machine / Fulfillment Center**



## Proposal

Carvana proposes to remove the existing site improvements (left from demolition of the former Rockies Inn), and construct an 8-tier Carvana Vending Machine / Fulfillment Center. Please refer to the attached Carvana Cover Letter that provides information on the operations and functions of a Carvana VM/FC.

Carvana has been conducting entitlement due diligence on this Property, including a Rezoning Pre-Application Meeting, which was held on July 13, 2020. Additionally, Carvana has submitted for Concept Plan review and will be pursuing a Site Development Permit and Building Permit concurrently, approval of which will be contingent upon a Rezoning Approval.

Carvana has also commissioned numerous reports specific to this project in support of the proposal, which are attached, and include the following:

- Sales Tax Revenue: A Fiscal Impact & Revenue Analysis has been prepared for the proposed project. (Ref. attached report prepared by Applied Economics, dated July 2020.)
- Light/Glare: A Light Reflectivity Analysis has been prepared by the General Contractor, ARCO Murray. (Ref. attached mem dated April 14, 2020.)
- Noise: A Site Noise & Vibration Study has been prepared by Censeo AV Acoustics. (Ref. attached study dated November 2, 2019.)
- Environmental Assessment: A Phase I ESA Report has been prepared and concluded that there are no recognizable environmental concerns associated with the subject property. (Ref. attached report prepared by Partner Engineering.)
- Traffic Impact: A Trip Generation Memo has been prepared by Kittelson. (Ref. attached memo dated August 11, 2020.)

## Public Outreach

City Council: On July 1, 2020, representatives of Carvana held a Zoom Meeting with Councilmember Black to introduce the proposal. A Rezoning Pre-Application Zoom Meeting was then held with staff on July 13, 2020. Carvana reached out to Councilmember Black again following the Pre-App to inform her of Carvana's intention to proceed with a proposed rezone, but with a lower building height than originally contemplated.

Registered Neighborhood Organizations: An introduction to Carvana presentation was emailed to the RNO's on August 13, 2020. At the time of this Application, no responses have been received.

## Criteria for Review

DZC Section 12.4.10.7





1. Consistency with Adopted Plans
2. Uniformity of District Regulations and Restrictions
3. Public Health, Safety and General Welfare

DZC Section 12.4.10.8

1. Justifying Circumstances
2. Consistency with Neighborhood Context Description, Zone District Purpose and Intent Statements

### Consistency with Adopted Plans

The following adopted plans currently apply to this property:

- *Denver Comprehensive Plan 2040*
- *Blueprint Denver (2019)*
- *Housing An Inclusive Denver*

The proposed Zone Map Amendment (Rezoning) will serve to spur redevelopment in this area, and is consistent with the City's vision for this neighborhood. In addition to the Blueprint Denver, approval of this proposal will also satisfy various goals of the Denver Comprehensive Plan 2040.

#### *Denver Comprehensive Plan 2040*

The proposed rezoning is consistent with the goals and strategies of the adopted *Denver Comprehensive Plan 2040*.

- Equitable, Affordable, and Inclusive Goal 1: *Ensure all Denver residents have safe, convenient and affordable access to basic services and a variety of amenities (pg. 28).*

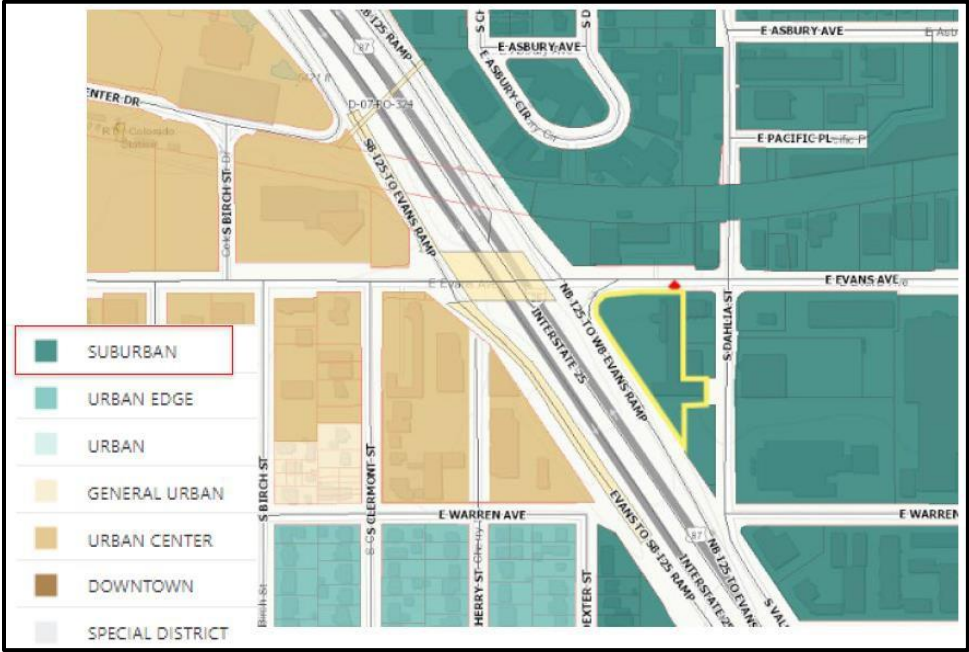
Approval of this rezoning request will allow for a true mixed-use neighborhood at an intersection of an interstate highway and a major arterial. Further, the change in zoning will facilitate redevelopment of a blighted property in a prominent location of the City.

- Environmentally Resilient Goal 8, Strategy A – *Promote infill development where infrastructure and services are already in place (p. 54).*

The requested map amendment will enable mixed-use development at an infill location where infrastructure is already in place and will encourage transit ridership due the Property's location near the Colorado Station. The requested S-MX-8A zone district broadens the variety of uses and architectural building type allowing residents to live, work and play in an area served by transit. Therefore the rezoning is consistent with *Denver Comprehensive Plan 2040* recommendations.

Blueprint Denver

Blueprint Denver was adopted in 2019 as a supplement to Comprehensive Plan 2040 and establishes an integrated framework for the city’s land use and transportation decisions. Blueprint Denver identifies the Property as part of a Community Corridor place within the Urban Center Neighborhood Context and provides guidance from the future growth strategy for the city.



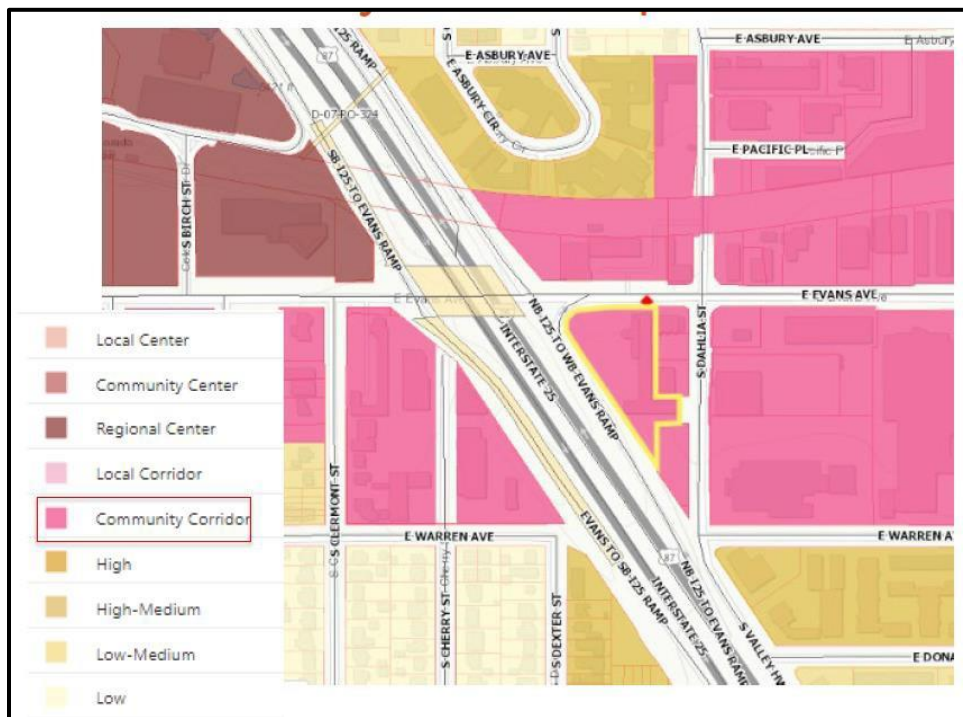
Future Neighborhood Context Map

In *Blueprint Denver*, future neighborhood contexts are used to help understand differences in things like land use and built form and mobility options at a higher scale, between neighborhoods. The neighborhood context map and description help guide appropriate zone districts (p. 66).

The Property is shown on the context map as Suburban. *The Suburban Neighborhood Context is characterized by low scale buildings except for some mid- and high-rise multi-unit residential and commercial structures, particularly along arterial streets.* (DZC 3.1.4)

Since the proposed district allows a substantial mix of uses and allowable building forms that contribute to street activation, the proposed rezoning to a Suburban Neighborhood Context is appropriate and consistent with the plan.

Blueprint Denver Future Place Type



**Future Place Type Map**

The Future Places Map shows the subject property along a Community Corridor (E. Evans Place). In *Blueprint Denver*, street types work in concert with the future place to evaluate the appropriateness of the intensity of the adjacent development (p. 67). *Blueprint Denver* classifies Evans Ave. as a Mixed-Use Arterial and Dahlia St. as a Local Street. Interstate 25 is undesignated, but is an interstate freeway.

The proposed map amendment to S-MX-8A will focus mixed-use growth to a Community Corridor which typically provides some mix of office, commercial and residential, and a wide customer draw both of local residents from surrounding neighborhoods and from other parts of the city by a variety of transportation options (p.196). Access to jobs, housing, and services can improve in the mixed-use zone districts, where multiple transit options are available.

Evans Avenue: Mixed-Use Arterial. *Blueprint Denver* states “Arterial streets are designed for the highest amount of through movement and the lowest degree of property access” (p. 154). Mixed Use streets are intended for a “varied mix of uses including retail, office, residential, and restaurants, typically multi-story, usually with high building coverage with a shallow front setback” (p. 159). The proposed Zone Map Amendment (Rezoning) will allow for the goals of the Mixed Use Arterial street type to be achieved.

Dahlia Street: Local Street. “Local streets provide the lowest degree of through travel but the





*highest degree of property access*” (p.161). The use and built form characteristics of Local streets are described as, “*Local streets can vary in their land uses and are found in all neighborhood contexts.*” (p.161) The proposed S-MX-8A district is consistent with these descriptions as Local streets provide property access and connections to larger streets, such as Evans Ave.

### *Housing an Inclusive Denver*

Housing an Inclusive Denver is not adopted as a supplement to the Comprehensive Plan, but the plan was adopted by City Council. Housing an Inclusive Denver provides guidance and strategies to create and preserve strong and opportunity-rich neighborhoods with diverse housing options that are accessible and affordable to all Denver residents (p. 6).

Carvana is requesting this rezone to allow for an increase in building height. The proposal is for a retail e-commerce fulfillment center for customers to pick up vehicles purchased online. Therefore, no residential units are associated with this proposal.

Carvana intends, however, to enter into an Agreement with the City of Denver. In the event that residential development is proposed on the Property in the future, the Agreement would require a percentage of those residential units to meet the City’s definition of affordable housing.

### **Uniformity of District Regulations and Restrictions**

The proposed rezoning to S-MX-8A will result in the uniform application of zone district building form, use and design regulations.

### **Public Health, Safety and General Welfare**

The proposed official map amendment furthers the public health, safety, and general welfare of the City through implementation of the city’s adopted land use plan and fostering the creation of a walkable, mixed-use area.

Redevelopment of this blighted property would include improvements to the pedestrian way within the public right-of-way, including widened landscaping and widened sidewalks.

### **Justifying Circumstance**

The application identifies several changed or changing conditions as the Justifying Circumstance under DZC Section 12.4.10.8.A.4, “*Since the date of the approval of the existing Zone District, there has been a change to such a degree that the proposed rezoning is in the public interest. Such a change may include: Changed or changing conditions in a particular area, or in the city generally;*”.

The area between Warren Ave. and Evans Ave. has seen redevelopment in recent years, which is changing the character of the area into a higher-intensity mixed-use area, consistent with the proposed S-MX-8A zoning and the Colorado Station GDP. The character of the area is changing into a transit-oriented mixed-use corridor, which justifies the rezoning of the property to S-MX-8A to serve the public interest.



## Consistency with Neighborhood Context Description, Zone District Purpose and Intent Statements

### DZC 7.2.2.1 Mixed Use Districts General Purpose

The proposal complies with the General Purpose of the Suburban Mixed Use District, specifically S-MX-8A:

#### *SECTION 3.2.4 MIXED USE DISTRICTS (S-MX-2, -2X, -2A, -3, -3A, -5, -5A, -8, -8A, -12, -12A)*

##### *3.2.4.1 General Purpose*

- A. The Mixed Use zone districts are intended to promote safe, active, pedestrian-scaled, diverse areas and enhance the convenience and ease of walking, shopping and public gathering within and around the city's neighborhoods.*
- B. The Mixed Use districts are appropriate along corridors, for larger sites and at major intersections.*
- C. The building form standards of the Mixed Use zone districts balance the importance of street presence and provision of adequate parking through build-to requirements, Street Level activation and parking lot screening along the right-of-way. Standards offer predictable flexibility consistent with the variety of mixed use development found in the Suburban Neighborhood Context.*
- D. The Mixed Use zone district standards are also intended to ensure new development contributes positively to established residential neighborhoods and character, and improves the transition between commercial development and adjacent residential neighborhoods.*

According to the zone district intent stated in the Denver Zoning Code, the S-MX-8A district “applies to areas or intersections served primarily by arterial streets where a building scale of 1 to 8 stories is desired. Design standards provide flexibility in building siting while supporting a consistent pattern of buildings placed closer to the street to offer an active street front. Sites are limited to the General building form to encourage a more pedestrian-oriented environment.”

The proposal for an 8-tier Carvana Vending Machine meets the intent of the Suburban Mixed Use (S-MX-8A) district.

The subject property is served by Evans Avenue, a Mixed-Use Arterial street. In addition, Interstate 25 is immediately west of the site and the Colorado Station transit station is located approximately 1,200 feet to the west. The street classifications and desired building heights in this area are consistent with the zone district purpose and intent statements.

Thank you for consideration of this proposal. If there are any questions or concerns regarding this application, please don't hesitate to contact me at 720-939-1454 or [jbborgel@hollandhart.com](mailto:jbborgel@hollandhart.com), or Ms. Jo Ryan, AICP of Carvana at 503-515-7861 or at [jo.ryan@carvana.com](mailto:jo.ryan@carvana.com).

Sincerely,



James B. Borgel  
Senior Partner  
of Holland & Hart LLP

Attachments

1. Application Form
2. Carvana Cover Letter
3. Proof of Ownership
4. Fiscal Impact & Revenue Analysis Report
5. Light Reflectivity Memo
6. Noise Study
7. Trip Generation Memo
8. Legal Description (Word doc)

15194721\_v3



# 4700 E EVANS AVE

<b>Owner</b>	GREENBOX IV LLC 3000 LAWRENCE ST DENVER , CO 80205-3422
<b>Schedule Number</b>	06302-21-023-000
<b>Legal Description</b>	WARRENS UNIVERSITY HEIGHTS B8 PT L39 TO 42 DAF *
<b>Property Type</b>	VACANT LAND
<b>Tax District</b>	DENV

**Print Summary**

Property Description			
<b>Style:</b>	OTHER	<b>Building Sqr. Foot:</b>	0
<b>Bedrooms:</b>		<b>Baths Full/Half:</b>	0/0
<b>Effective Year Built:</b>	0000	<b>Basement/Finish:</b>	0/0
<b>Lot Size:</b>	67,288	<b>Zoned As:</b>	I-MX-3

**Note:** Valuation zoning may be different from City's new zoning code.

Current Year			
Actual	Assessed	Exempt	
Land	\$1,009,300	\$292,700	\$0
Improvements	\$0	\$0	
<b>Total</b>	<b>\$1,009,300</b>	<b>\$292,700</b>	

Prior Year			
Actual	Assessed	Exempt	
Land	\$1,009,300	\$292,700	\$0
Improvements	\$0	\$0	
<b>Total</b>	<b>\$1,009,300</b>	<b>\$292,700</b>	

### Real Estates Property Taxes for current tax year

Please click on additional information below to check for any delinquencies on this property/schedule number and for tax sale information.

	<b>Installment 1 (Feb 28 Feb 29 in Leap Years)</b>	<b>Installment 2 (Jun 15)</b>	<b>Full Payment (Due Apr 30)</b>
<b>Date Paid</b>	2/28/2020	6/15/2020	
<b>Original Tax Levy</b>	\$10,554.18	\$10,554.17	\$21,108.35
<b>Liens/Fees</b>	\$0.00	\$0.00	\$0.00
<b>Interest</b>	\$0.00	\$0.00	\$0.00
<b>Paid</b>	\$10,554.18	\$10,554.17	\$21,108.35
<b>Due</b>	\$0.00	\$0.00	\$0.00

### Additional Information

Note: If "Y" is shown below, there is a special situation pertaining to this parcel. For additional information about this, click on the name to take you to an explanation.

<b>Additional Assessment</b> ⓘ	N	<b>Prior Year Delinquency</b> ⓘ	N
<b>Additional Owner(s)</b> ⓘ	N	<b>Scheduled to be Paid by Mortgage Company</b> ⓘ	N
<b>Adjustments</b> ⓘ	N	<b>Sewer/Storm Drainage Liens</b> ⓘ	N
<b>Local Improvement Assessment</b> ⓘ	N	<b>Tax Lien Sale</b> ⓘ	N
<b>Maintenance District</b> ⓘ	N	<b>Treasurer's Deed</b> ⓘ	N
<b>Pending Local Improvement</b> ⓘ	N		

Real estate property taxes paid for prior tax year: **\$22,826.55**

### Assessed Value for the current tax year

<b>Assessed Land</b>	\$292,700.00	<b>Assessed Improvements</b>	\$0.00
<b>Exemption</b>	\$0.00	<b>Total Assessed Value</b>	\$292,700.00



**Focus Corporation**  
**3000 Lawrence Street**  
**Denver, CO 80205**  
**P 303.296.7550**  
**F 303.296.7696**

August 13, 2020

To whom it may concern,

Greenbox IV LLC, the owner of the property at 4700-4760 East Evans Avenue, hereby authorizes Jo M. Ryan, AICP, whose employer is Carvana, to represent the landowner in the rezoning of the property.

Sincerely,

Bahman Shafa  
Managing Member of Greenbox IV LLC



**OPERATING AGREEMENT OF  
GREENBOX IV LLC,  
A COLORADO LIMITED LIABILITY COMPANY**

THIS OPERATING AGREEMENT (the “**Operating Agreement**”) is entered into and adopted by all of the Members of Greenbox IV LLC, a Colorado Limited Liability Company (the “**Company**”) and by the Company this 15th day of January, 2015.

RECITALS

A. On January 15, 2015, the Organizer(s) of the Company caused the Articles of Organization (the “**Articles**”) to be delivered with the Colorado Secretary of State pursuant to the laws set forth in the Colorado Limited Liability Company Act, Colo. Rev. Stat. §§ 7-80-101 et seq. (the “**Act**”). Pursuant to such delivery, the Company was duly formed. A true and correct copy of the file-stamped Articles is attached hereto as Exhibit A.

B. The Members and the Company unanimously desire to adopt this Operating Agreement. This Operating Agreement shall govern the rights, duties, limitations, qualifications and relations among the Members, the Managers (if any), the Members’ assignees and transferees, and the Company. The Company shall also be bound by this Operating Agreement.

C. Except as otherwise specifically provided by the Act, the Members desire that the Operating Agreement take precedence and control over any conflicting or contrary provisions in the Act. To the extent the Operating Agreement is silent upon a matter, the Act shall control.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and promises set forth herein, the Members agree as follows:

**SECTION 1  
COMPANY INFORMATION**

1.1 Name. The name of the Company is: Greenbox IV LLC.

The Company shall conduct all of its business under this name.

1.2 Purpose and Powers. Company is organized under the Act to transact any and all lawful business, subject to any applicable provisions of law governing or regulating such business. The Company shall, to the fullest extent permitted, have all powers of a limited liability company as provided by the Act.

1.3 Fiscal Year. The fiscal year of the Company shall be the calendar year unless otherwise agreed.

1.4 Duration. The Company’s period of duration shall be perpetual.

1.5 Registered Agent/Office. The initial registered agent is Focus Property Group, LLC (the “**Registered Agent**”). The registered office of the Company is 2737 Larimer Street, Unit C, Denver, CO 80205 (the “**Registered Office**”), which is located within the State of Colorado and is the business address of the Registered Agent. The Registered Agent and/or Registered Office may be changed from time to time by action of the Members, and shall be reported to the Colorado Secretary of State as provided by the Act. The Registered Agent may resign as provided by the Act.

1.6 Principal Place of Business. The initial principal place of business is 2737 Larimer Street, Unit C, Denver, CO 80205 (the “**Principal Address**”). The Company may have such other offices which its business may require.

1.7 Effective Date. This Operating Agreement shall be effective as of the date of formation of the Company.

**SECTION 2  
MEMBERS/CAPITAL CONTRIBUTIONS**

2.1 Initial Member. The initial Member of the Company is: Bahman Shafa.

2.2 Form of Contributions. The contribution of a Member may be in cash, property, or services rendered or a promissory note or other obligation to contribute cash or property to perform services. A person may be admitted to the Company as a Member of the Company and may receive a Membership Interest in the Company without making a contribution or being obligated to make a contribution to the Company. A person may be admitted to the Company as a Member of the Company without acquiring a Membership Interest in the Company. A person may also be admitted as the sole Member of the Company without making a contribution or being obligated to make a contribution to the Company or without acquiring a Membership Interest in the Company.

2.3 Initial Contributions. The initial capital contributions of Members is as follows:

<b>Member</b>	<b>Contribution</b>	<b>Value</b>
<u>Bahman Shafa</u>	<u>Cash</u>	<u>\$100.00</u>
Total Value of Contributions:		\$ <u>100.00</u>

2.4 Ownership Interest. The Members own the following individual interests in the Company (the “**Membership Interest**”):

<b>Member</b>	<b>Membership Interest</b>
<u>Bahman Shafa</u>	<u>100 %</u>

2.5 Profits/Losses and Distributions. Unless otherwise determined, the profits and losses and distributions of the Company shall be allocated among the Members on the basis of the value of the contributions made by each Member, as stated in Company records required to be kept pursuant to Section 8 of this Operating Agreement and applicable law.

2.6 Liability for Contributions. A Member is obligated to the Company to perform any enforceable promise to contribute cash or property or to perform services, even if the Member is unable to perform because of death, disability, or any other reason. If a Member does not make the required contribution of property or services, the Member is obligated at the option of the Company to contribute cash equal to that portion of the value of such contribution that has not been made.

2.6.1 Compromise of Obligation. The obligation of a Member to make a contribution or return money or other property paid or distributed in violation of this section may be compromised only by consent in writing of all the Members.

2.6.2 Obligation in Writing. No promise by a Member to contribute to the Company is enforceable unless set out in writing by the Member.

2.7 Additional Contributions. The Managers may call for additional capital contributions of the Members to the Company (“**Capital Calls**”).

In the event of a Capital Call, the Members shall be obligated to contribute to the Company their respective obligations for the Capital Call within 30 days after notice of Capital Call from the Company. The Members’ respective obligation for Capital Calls shall be calculated based upon their Membership Interest percentages. All Capital Call contributions shall be in cash. In the event a Member fails to meet a Capital Call, the remaining Members, or any one or combination thereof, may pay said Member’s Capital Call obligation and the Membership Interest shall be modified accordingly.

### **SECTION 3 MEMBER CONSENT**

3.1 Member Consent. In the event the consent or agreement of Members is required under the Operating Agreement or applicable law, and unless otherwise specifically required to be in writing, such consent or agreement may, but need not, be in writing. Unless otherwise specifically required, Member Consent shall mean the consent of a majority of the Members.

### **SECTION 4 MEMBERS’ INTEREST/TRANSFERABILITY**

4.1 Admission of Additional Members. After the filing of the Company’s Articles, one or more persons may be admitted as an additional Member or Members upon the consent of all Members. At any time that the Company has no Members, upon the unanimous consent of all the persons holding by assignment or transfer any of the Membership Interest of the last remaining Member of the Company, one or more persons, including an assignee or transferee of the last remaining Member, may be admitted as a Member or Members.

4.2 Interest in Company/Transferability of Interest. The interest of each Member in the Company constitutes the personal property of the Member and may be assigned or transferred. However, unless the assignee or transferee is admitted as a Member, the assignee or transferee shall only be entitled to receive the share of profits or other compensation by way of income and the return of contributions to which that Member would otherwise be entitled and shall have no right to participate in the management of the business and activities of the Company or to become a Member. The transferee shall be liable for Additional Contributions as provided in Paragraph 2.7.

4.3 Substitution. A Member ceases to be a Member upon assignment or transfer of all of the Member’s Membership Interest. A person to whom all or a portion of a Member’s Membership Interest has



been assigned or transferred and who has been admitted as a Member has all the rights and powers and is subject to all the restrictions and liabilities of the assignor or transferor with respect to the portion of the Membership Interest assigned or transferred. The admission of the assignee or transferee releases the assignor or transferor from liability to the Company except that the substitution of the assignee does not release the assignor from liability to the Company for pre-existing contributions due and owing and liabilities under Section 502 or 606 of the Act.

4.4 Effect of Death/Termination. If a Member who is an individual dies or a court of competent jurisdiction appoints a guardian or general conservator for the Member, the Member's executor, administrator, guardian, conservator, or other legal representative may exercise all of the powers of an assignee or transferee of the Member. If a Member other than an individual is dissolved or terminated, the legal representative or successor of the Member may exercise all of the powers of an assignee or transferee of the Member.

4.5 Rights of Creditor Against a Member. On application to a court of competent jurisdiction by any judgment creditor of a Member, the court may charge the Membership Interest of the Member with payment of the unsatisfied amount of the judgment with interest thereon and may then or later appoint a receiver of the Member's share of the profits and of any other money due or to become due to the Member in respect of the Company and make all other orders, directions, accounts, and inquiries that the debtor Member might have made, or that the circumstances of the case may require. To the extent so charged, except as provided in this section, the judgment creditor has only the rights of an assignee or transferee of the Membership Interest. The Membership Interest charged may be redeemed at any time before foreclosure. If the sale is directed by the court, the Membership Interest may be purchased without causing a dissolution with separate property by any one or more of the Members. With the consent of all Members whose Membership Interests are not being charged or sold, the Membership Interest may be purchased without causing a dissolution with property of the Company. This section shall not deprive any Member of the benefit of any exemption laws applicable to the Member's Membership Interest.

4.6 Liability of Members and Managers. Members and Managers of the Company are not liable under a judgment, decree, or order of a court, or in any other matter, for a debt, obligation, or liability of the Company.

4.7 Derivative Proceedings. A Member may commence or maintain a derivative proceeding only in conforming with and compliance under sections 713-719 of the Act.

## SECTION 5 MANAGEMENT

5.1 Managers. The Articles vest management of the Company in a Manager or Managers (the "**Managers**" or "**Board of Managers**"). The number of Managers is 1 and the name and address of the initial Manager is:

Bahman Shafa

2737 Larimer St., Unit C, Denver, CO 80205

The initial Manager shall hold office until his successors have been designated.

5.2 Designation of Managers. The Company may designate one or more persons to be Managers. Managers may be designated and removed by the consent of a majority of the Members.

5.3 Other Agents. The Company may have one or more officers or other agents with such titles, rights, duties and authority as the Company may determine. An officer or an agent who is an individual shall

be eighteen years of age or older. Except as provided in the sentence immediately below, officers and other agents may be designated or removed, and their titles, rights, duties and authority may be established, by the consent of a majority of the Members or, if the Company has one or more Managers, by a majority of the Managers. Officers and other agents may be given authority to do any act that is not in the ordinary course of the business of the Company only with the consent of all of the Members.

5.4 Duties of Managers. In addition to the duties established elsewhere in the Operating Agreement and the Act, the duties that each Manager (and each Member in a Member managed company) owes to the Company include the duties to:

(a) Account to the Company and hold as trustee for it any property, profit, or benefit derived by the Member or Manager in the conduct or winding up of the Company business or derived from a use by the Member or Manager of property of the Company, including the appropriation of an opportunity of the Company;

(b) Refrain from dealing with the Company in the conduct or winding up of the Company business as or on behalf of a party having an interest adverse to the Company; and

(c) Refrain from competing with the Company in the conduct of the Company business before the dissolution of the Company.

5.5 Duties upon Winding up. A Manager (and each Member in a Member managed company) owes to the Company a duty of care in the conduct and winding up of the business of the Company, which shall be limited to refraining from engaging in grossly negligent or reckless conduct, intentional misconduct, or a knowing violation of law.

5.6 Good Faith and Fair Dealing. A Manager (and each Member in a Member managed company) shall also discharge the Manager's duties to the Company and exercise any rights consistently with the contractual obligation of good faith and fair dealing.

5.7 Self-Interest. A Manager (and each Member in a Member managed company) does not violate a duty or obligation to the Company solely because the Manager's conduct furthers the Manager's own interest.

5.8 Member Authority Limited if Managers Exist. If the Company is managed by Managers, a Member is not an agent of the Company and has no authority to bind the Company solely by virtue of being a Member.

5.9 Managers as Agents of the Company. Each Manager is an agent of the Company for the purposes of its business and an act of a Manager, including the execution of an instrument in the name of the Company, for apparently carrying on in the ordinary course the business of the Company or business of the kind carried on by the Company binds the Company, unless the Manager had no authority to act for the Company in the particular matter and the person with whom the Manager was dealing had notice that the manager lacked authority.

5.10 Actions Requiring Member Approval. Notwithstanding any other provisions to the contrary, the Managers shall not have the authority amend the Articles, amend the Operating Agreement, to admit any additional Members to the Company, authorize an act of the Company that is not in the ordinary course of business of the Company, or to act on behalf of the Company for any of the following transactions without the express consent of all of the Members: Sell, transfer, assign, convey, encumber or otherwise dispose of substantially all of the assets of the Company.

In all other actions and transactions, the Managers shall consult with the Members as may be reasonable to ascertain the Members' Membership Interests, desires and concerns regarding the Company as may be appropriate under the circumstances, but specific consent shall not be required. Managers shall not

undertake any act or fail to perform any act which would adversely and materially affect the business of the Company.

5.11 Members as Agents in Member Managed Company. If the Articles provide that management of the Company is vested in the Members, each Member is an agent of the Company for the purposes of its business and an act of a Member, including the execution of an instrument in the name of the Company, for apparently carrying on in the ordinary course the business of the Company or business of the kind carried on by the Company binds the Company, unless the Member had no authority to act for the Company in the particular matter and the person with whom the Member was dealing had notice that the Member lacked authority.

## **SECTION 6 BUSINESS TRANSACTIONS**

6.1 Business Transactions of Member or Manager with the Company. A Member or a Manager may lend money to, and transact other business with, the Company, and as to each loan or transaction the rights and obligations of the Member or Manager may be exercised or performed in the same manner as those of a person who is not a Member or Manager, subject to other applicable law.

## **SECTION 7 REIMBURSEMENT/INDEMNIFICATION**

7.1 Reimbursement and Indemnification of Members and Managers. The Company shall reimburse a person who is or was a Member or Manager for payments made, and indemnify a person who is or was a Member or Manager for liabilities incurred by the person, in the ordinary course of the business of the Company or for the preservation of its business or property if such payments were made or liabilities incurred without violation of the person's duties to the Company.

## **SECTION 8 RECORDS**

8.1 Access to Records. Each Member of the Company has the right, subject to such reasonable standards as may be established by the Managers, to inspect and copy at the expense of the requesting Member the following records of the Company from time to time upon reasonable demand for any purpose reasonably related to the Member's interest as a Member of the Company:

- (a) True and full information regarding the business and financial condition of the Company, including written resolutions and minutes, if any, of the Company;
- (b) A copy of the Company's federal, state, and local income tax returns for each year;
- (c) A current list of the name and last-known business, residence, or mailing address of each Member and Manager;
- (d) A copy of the Company's Articles and a copy of any written operating agreement of the Company;
- (e) True and full information regarding the amount of cash and a description and statement of the agreed value of any other property or services contributed by each Member and that each Member has agreed to contribute in the future, and the date on which each became a Member; and
- (f) Other information regarding the affairs of the Company as is just and reasonable.

8.2 Manager Inspection Rights. Each Manager shall have the right to examine all of the information described in this section above for a purpose reasonably related to the position of Manager.

8.3 Confidentiality. Each Member of the company and each Manager shall have the right to keep confidential from the Members, for such period of time as the Members or Managers deem reasonable, any information that the Members or Managers reasonably believe to be in the nature of trade secrets or that the Company is required by law or by agreement with a third party to keep confidential.

8.4 Electronic Records. A Company may maintain its records in other than a written form if such form is capable of conversion into written form within a reasonable time.

8.5 Written Request for Records. Any demand by a Member under this section shall be in writing and shall state the purpose of the demand.

8.6 Accounting. A Member of the Company Shall have the right to have a formal accounting of Company affairs whenever circumstances render it just and reasonable.

## **SECTION 9 AMENDMENTS**

9.1 Amendment of Articles. Any and all amendments and modifications of the Articles shall require the approval of all of the Members.

9.2 Amendment of Operating Agreement. Any and all amendments and modifications to this Operating Agreement shall require the approval of all of the Members.

## **SECTION 10 DISTRIBUTION**

10.1 Interim Distribution. Distributions from the Company to Members shall be authorized by Member consent pursuant to Section 3. All distributions shall be at the discretion of Members, and subject only to Paragraph 10.2 and other applicable laws.

10.2 Limitations on Distributions.

(1) The Company shall not make a distribution to a Member to the extent that at the time of distribution, after giving effect to the distribution, all liabilities of the Company, other than liabilities to Members on account of their Company interests and liabilities for which the recourse of creditors is limited to a specific property of the Company, exceed the fair value of the assets of the Company; except that the fair value of property that is subject to a liability for which the recourse of creditors is limited shall be included in the assets of the Company only to the extent that the fair value of that property exceeds that liability. For purposes of this subsection, the term “distribution” shall not include payments to the extent that the payments do not exceed amounts equal to or constituting reasonable compensation for present or past services or reasonable payments made in the ordinary course of business pursuant to a bona fide retirement plan or other benefits program.

(2) A Member who receives a distribution in violation of subsection (1) of this section, and who knew at the time of the distribution that the distribution violated subsection (1) of this section, shall be liable to the Company for the amount of the distribution. A Member who receives a distribution in violation of subsection (1) of this section, and who did not know at the time of the distribution that the distribution



violated subsection (1) of this section, shall not be liable for the amount of the distribution. Subject to subsection (3) of this section, this subsection (2) shall not affect any obligation or liability of a Member under an agreement or other applicable law for the amount of a distribution.

(3) Unless otherwise agreed, a Member who receives a distribution from the Company shall have no liability under this provision or other applicable law for the amount of the distribution after the expiration of three years from the date of the distribution unless an action to recover the distribution from such Member is commenced prior to the expiration of the said three-year period and an adjudication of liability against such Member is made in the said action.

10.3 Distributions in Kind. A Member, regardless of the nature of the Member's contribution, has no right to demand and receive any distribution from the Company in any form other than cash. A Member may not be compelled to accept a distribution of any asset in kind from the Company to the extent that the percentage of the asset distributed to the Member exceeds a percentage of that asset which is equal to the percentage in which the Member shares in distributions from the Company.

10.4 Sharing of Distributions. Distributions of cash or other assets of the Company shall be allocated among the Members and among classes of Members on the basis of value, as stated in the Company records required to be kept by the Company, of the contributions made by each Member.

10.5 Right to Distribution. At the time a Member becomes entitled to receive a distribution, the Member has the status of and is entitled to all remedies available to a creditor of the Company with respect to the distribution.

## **SECTION 11 RESIGNATION**

11.1 Resignation of Member. A Member may resign from the Company at any time by giving written notice to the other Members. Notwithstanding the foregoing, if the resignation violates any other provisions of this Operating Agreement, the Company may recover from the resigning Member damages for breach of this Operating Agreement and offset the damages against the amount otherwise distributable to the resigning Member.

11.2 Interest of Member upon Resignation. A Member who has resigned shall have no right further rights to participate in the management of the business and affairs of the Company, and is entitled only to receive the shares of the profits or other compensation by way of income, and the return of contributions, to which such Member would have been entitled if the Member had not resigned.

## **SECTION 12 DISSOLUTION**

12.1 Dissolution. The Company shall be dissolved:

- (a) Upon the agreement of all Members;
- (b) At the time or upon the occurrence of the events stated in the operating agreement; or
- (c) After the Company ceases to have Members, on the earlier of:

(i) The ninety-first day after the Company ceases to have Members unless, prior to that date, a person has been admitted as a Member; or

(II) The date on which a Statement of Dissolution of the Company becomes effective pursuant to applicable law. Upon dissolution, the Company shall deliver to the Secretary of State, for filing a Statement of Dissolution stating the domestic entity name of the Company; and the principal address of the Company.

12.2 Effect of Dissolution. The dissolved Company continues its existence as a limited liability company but shall not carry on any business except as is appropriate to wind up and liquidate its business and affairs, including:

- (a) Collecting its assets;
- (b) Disposing of its properties that will not be distributed in kind to the Members;
- (c) Discharging or making provision for discharging its liabilities;
- (d) Distributing its remaining property among the Members; and
- (e) Doing every other act necessary to wind up and liquidate its business and affairs.

12.3 Disposition of Claims. The dissolved Company may dispose of claims against it pursuant to Sections 7-90-911 and 7-90-912 of the Colorado Revised Statutes.

12.4 Winding up Business. After dissolution, the Manager or, if there is no Manager, any Member may wind up the Company's business, but on application of any Member, Member's legal representative, or Member's assignee or transferee, the district court, for good cause shown, may order judicial supervision of the winding up. The legal representative, assignee, or transferee of the last remaining Member may wind up the Company's business if the Company dissolves. A person winding up the Company's business may preserve the business or property as a going concern for a reasonable time, prosecute and defend actions and proceedings, whether civil, criminal, or administrative, settle disputes, settle and close the Company's business, dispose of and transfer the Company's property, discharge or provide for obligations of the Company, distribute the assets of the Company pursuant to this Operating Agreement and applicable law and perform other necessary acts. Subject to Section 802 (3) of the Act, the Company is bound by a Manager's act or, in the case of a company, the Articles of which provide that management is vested in Members, a Member's act after dissolution that: (a) Is appropriate for winding up the Company's business; or (b) Would have bound the Company under Section 405 of the Act before dissolution, if the other party to the transaction did not have notice of the dissolution.

12.5 Judicial or Administrative Dissolution. Pursuant to applicable law the Company is also subject to Judicial or Administrative Dissolution.

### **SECTION 13 MISCELLANEOUS**

13.1 Complete Agreement. This Agreement and the Articles constitute the complete and exclusive statement of agreement among the Members and the Company. This Agreement and the Articles replace and supersede all prior agreements by and among the Members or any of them.

13.2 Governing Law. This Agreement and the rights of the parties hereunder will be governed by, interpreted, and enforced in accordance with the Act and the laws of the State of Colorado.

13.3 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 Managers, Members, and their respective distributees, successors and assigns.

13.4 Headings. All headings herein are inserted only for convenience and ease of reference, and are not to be considered in the construction or interpretation of any provision of this Agreement.

13.5 Severability. If any provision of this Agreement is held to be illegal, invalid, or unenforceable under the present or future laws effective during the term of this Agreement, such provision will be fully severable; this Agreement will be construed and enforced as if such illegal, invalid, or unenforceable provision had never comprised a part of this Agreement and the remaining provisions of this agreement will remain in full force and effect and will not be affected by the illegal, invalid, or unenforceable provision or by its severance from this Agreement. Furthermore, in lieu of such illegal, invalid, or unenforceable provision, there will be added automatically as part of this Agreement a provision as similar in terms to such illegal, invalid, or unenforceable provision as may be possible and be legal, valid and enforceable.

13.6 Multiple Counterparts. This Agreement may be executed in several counterparts, each of which will be deemed an original but all of which will constitute one and the same instrument.

13.7 Additional Documents and Acts. Each Member agrees to execute and deliver such additional documents and instruments and to perform such additional acts as may be necessary or appropriate to effectuate, carry out and perform all of the terms, provisions, and conditions of this Agreement and the transactions contemplated hereby.

13.8 Execution/Delivery. To the extent that any provisions contained herein contemplate execution of documents to be delivered to or filed with the Colorado Secretary of State such provision or provisions shall be deemed to mean delivery of the document to the secretary of State for filing pursuant to § 7-90-301 et seq. C.R.S.

AGREED AND ACCEPTED by all of the initial Members and Managers of Greenbox IV LLC, a Colorado Limited Liability Company, this 5th day of February, 2013.



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Bahman Shafa, Member



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Bahman Shafa, Manager