

AGENDA
RIDGWAY AREA JOINT PLANNING BOARD
REGULAR MEETING

May 25, 2016, 3 – 4:30 p.m.
Meeting to be held at the Ouray County Land Use Office
111 Mall Road, Ridgway, Colorado

*If all agenda items are not covered in this time frame they may be continued until the next regular meeting. ***Times are approximate and subject to change***. If an item is finished early the Planning Commission will move directly to the next agenda item. If not a Public Hearing, public comment may or may not be taken during the meeting. Action may be taken at the conclusion of public hearings.*

I. Call to Order – Ridgway Area Joint Planning Board (3:00 PM)

1. Public Hearing (3:00 PM): The purpose of the hearing is to review and make a recommendation to the Board of County Commissioners regarding a Special Use Permit application, made by Dalwhinnie Farms, LLC, to operate a Home Business at 6154 County Road 23. The purpose of the business is to operate a marijuana manufacturing/production (extraction) facility.
2. Request for authorization to allow the Ouray County Planning Commission to approve the minutes for this meeting.
3. Adjourn Regular Meeting

Copies of land use applications or workshop materials can be obtained at the Land Use Office at 111 Mall Road, Ridgway, CO; by calling 970.626.9775 or e-mailing mcastrodale@ouraycountyco.gov. Comments on the agenda items may be sent to Mark Castrodale, County Planner, P.O. Box 28, Ridgway, CO 81432



APPLICATION FOR MARIJUANA CULTIVATION LICENSE
LAND USE DEPARTMENT
STAFF REVIEW AND FINDINGS
May 25, 2016

Application(s):	Special Use Permit – Home Business to operate a Retail Marijuana Products Manufacturing Facility
Request By:	Dalwhinnie Farms, LLC (Travis Howard & Reed Porter)
Owner of Property:	Dalwhinnie Group, LLC (Cari Quattlebaum)
Address of Property:	6154 County Road 23 Parcel # 430521201001, Acct # R003495
Property Size:	~60 AC
Authorized Agent(s) / Lessee:	Travis Howard & Reed Porter (Shift Cannabis Co.)
Zoning:	Valley
Case Manager:	Bryan Sampson

Request

Dalwhinnie group, LLC has applied to Ouray County to license and develop a Marijuana production/manufacturing facility for extraction purposes. The applicant is proposing to repurpose a portion the existing arena building to house the extraction operation. Approximately 2,200sf of the arena will be dedicated to the extraction facility, and the remainder of the structure is planned for marijuana cultivation. The scope of this application is restricted to the extraction facility only, which requires a Special Use Permit. The marijuana cultivation license will be reviewed by the Local Licensing Authority (Board of County Commissioners).

Background / History

On December 16, 2014, the Ouray County Board of County Commissioners (BOCC) adopted Ordinance 2014-003, allowing and providing for marijuana related facilities, including “Retail Marijuana Products Manufacturing Facility”. The BOCC subsequently approved Ordinance 2015-004 on November 17, 2015 revising certain portions of the 2014 Ordinance. The ordinance states, in part, that:

“Retail marijuana production facilities, including production of edibles, may be located within unincorporated Ouray County to the extent that such facility can be operated within the provisions of the definition of Home Business in the Ouray County Land Use Code.

County Referrals, Outside Agency Referrals, and Public Comments:

Note: Land Use Staff responses to applicable sections are shown in red

County Attorney:

The County Attorney received the application referral and noted the following concerns:

- Requested the Key personnel applications and background checks to be completed by the County Sheriffs Department.
- Asked if we are combining Special Use Permit and Marijuana license applications

Staff Response:

The Key licenses and background checks are a requirement for the “marijuana license”, but not the Special Use Permit. The applicant will provide these documents for review by the County Attorney and Sherriff’s office prior to review by the Local Licensing Authority (Board of County Commissioners).

The Special Use Permit is a separate process from the marijuana licenses, and while much of the review criteria is the same for both, it is Staff’s opinion that it is “cleaner” to separate the review of the SUP and the marijuana licenses.

Ouray County Sheriff’s Department:

The Ouray County Sherriff received the application referral and did not have any concerns.

Road and Bridge Concerns:

Road and Bridge has concerns regarding ADT count and resulting impacts to the County Road.

Staff Response: Staff is recommending a condition that will address impacts to the County Road.

Building Department Concerns:

The building inspector noted that a building permit application and complete set of drawings will be required to construct the facility.

Staff Response: The applicant will be required to comply with this request at time of building permit.

Special Use Permit Review Criteria (as they pertain to the extraction facility):

See Exhibit XX for responses by the Applicant

- (1) Description of proposed use.

Staff Response: The Applicant is proposing to operate a 2,200 sf marijuana extraction facility at 1654 County Road 23.

- (2) The proposed use will not create undue danger in surrounding areas, will not cause water pollution and will not create unreasonable amounts of offensive noise, vibration, smoke, dust, odors, heat, glare or other objectionable influences beyond the boundaries of the property on which such use is located. *(At the discretion of the BOCC, a written plan may be required indicating methods to be used to minimize smoke, odors, dust and similar environmental problems, which might result from the operation of the proposed use.)*

Staff Response: Staff is unaware of any evidence that the proposed use will create water pollution or undue danger in the surrounding areas. As conditioned, the operation shall not conduct its operations in a manner that causes a nuisance in regards to offensive noise, or odors. Staff does not anticipate that the proposed use will produce smoke, dust, heat, or glare.

- (3) The proposed use has legal access; potable water, sewage disposal and all other utilities necessary to serve the proposed use.

Staff Response: The property is legally accessed via CR23, and potable water is supplied from an existing well on the property. Sewage disposal will be achieved by way of an engineered on-site waste water treatment system, and all other utilities required for the proposed use are already in existence at the property.

- (4) The proposed use will comply, if applicable, with the provisions of the Visual Impact Regulations found in Section 9 of this Code.

Staff Response: The facility is to be located inside of an existing structure that complies with the visual impact regulations.

- (5) The proposed use will not unreasonably impact wildlife or significant wildlife habitat.

Staff Response: Staff does not anticipate any unreasonable impact to wildlife or wildlife habitat.

- (6) The proposed use will not alter, restrict, inhibit or interfere with historic irrigation practices, headgates, ditches and ditch rights-of-way.

Staff Response: The property has existing water rights that they will utilize and Staff has no reason to believe that the operation will alter, restrict, inhibit, or interfere with other historic irrigation practices, headgates, ditches, or ditch right-of-ways.

- (7) The proposed use is not located within any area subject to identified geohazards, including, but not limited to rockfall areas, avalanches, landslide, potentially unstable slopes, slopes greater than 30 percent, alluvial fans, colluvial slopes, talus slopes, shale, faults, expansive soils or ground subsidence. *(If the proposed use is located within areas subject to the effects of geological hazards, the Applicant shall present satisfactory evidence that such hazards will be avoided. If avoidance is not possible, evidence shall be provided that hazards will be mitigated. The County may require qualified professional geologic or engineering certification that the proposed land use can be located or developed in a safe manner.)*

Staff Response: Staff conducted a site visit and did not note any such geologic hazards on the subject property.

- (8) The proposed use/property has no known chemical or other contamination. If the property is contaminated, a mitigation plan must be presented that would satisfactorily resolve the contamination.

Staff Response: Staff conducted a site visit and did not witness any chemical or other contamination.

- (9) The proposed use is compatible with the community character and surrounding land uses within the area for which the request is being proposed.

Staff Response: By ordinance, Marijuana cultivation facilities are allowed in zones that allow farming and ranching as a use by right. The location of this facility is in a rural area of the county within the Valley Zoning district (which does allow farming and ranching as a use by right). Surrounding land uses include low-density residential development (1DU per 35 Acres) and other agricultural properties. Because the proposed operation lies within a zoning district in which marijuana cultivation is allowed, and the low-density nature of the residential properties surrounding the facility, it is the opinion of Staff that

the proposed use is compatible with the community character and surrounding land uses within the area.

(10) Statements addressing any potential material adverse effect on the surrounding area.

Staff Response: Staff is unaware of any other potential material adverse effect that would rise from the proposed use.

(11) Statements addressing any possible impacts on existing infrastructure beyond what would be created by a use by right. *(If potential impacts are identified, evidence shall be provided that such impacts will be mitigated as provided by this Section.)*

Staff Response: The Applicant has stated that a maximum of 2 employees will be required to operate the extraction facility. This equates to 2 ADT's, and as such Staff is not concerned with road impacts occurring as a result from the extraction facility. There are, however, other uses approved and proposed on the property (commercial equestrian & marijuana cultivation). For this reason Staff is recommending the following condition to approval:

If road conditions degrade as a result of this land use, or the cumulative affects of all land uses on the property, the Applicant shall consult with the Ouray County Road and Bridge Superintendent and County Administrator to develop a mitigation plan. Such mitigation plan may include payment of impact fees by the Applicant.

Staff has no reason to believe that other negative impacts to existing infrastructure will occur as a result of this operation.

(12) If the property/use is located within a Planned Unit Development, current letter from the Homeowner's Association approving the proposed use.

Staff Response: The proposed use is not located within a Planned Unit Development.

(13) If located within a PUD, proof of notification that the HOA has been notified of an application and a statement that the use is not otherwise prohibited is required.

Staff Response: The proposed use is not located within a Planned Unit Development.

(14) Weed mitigation and/or revegetation plan shall be required if applicable. *(May require meeting and on-site review by County Weed Manager.)*

Staff Response: The facility is proposed inside of an existing structure, so the Land Use Staff has no reason to believe that the proposed use will result in any weed issues on the property.

Additional Special Use Permit Review Criteria (for all commercial uses):

(1) Sufficient distance shall separate such uses from abutting properties, which might otherwise be damaged or diminished in value due to the operation of the proposed use.

Staff Response: The proposed facility is surrounded properties used other for residential and commercial uses (including other marijuana facilities). The closest neighboring structure is a single family dwelling that is approximately 1,520' to the west of the facility. It is Staff's opinion that sufficient distance will separate these land uses.

- (2) The proposed uses will be properly maintained.

Staff Response: The Applicant is aware of this condition, and Staff is recommending the following condition to approval:

The property shall, at all times, be properly maintained.

- (3) Vehicle traffic to and from such use will not create hazards or nuisance.

Staff Response: As previously stated, the Applicant has stated that a maximum of 2 employees will be required to operate the extraction facility. This equates to 2 ADT's, and as such Staff is not concerned with road impacts occurring as a result from the extraction facility. There are, however, other uses approved and proposed on the property (commercial equestrian & marijuana cultivation). For this reason Staff is recommending the following condition to approval:

If road conditions degrade as a result of this land use, or the cumulative affects of all land uses on the property, the Applicant shall consult with the Ouray County Road and Bridge Superintendent and County Administrator to develop a mitigation plan. Such mitigation plan may include payment of impact fees by the Applicant.

- (4) Sufficient off-street parking, as required in Section 7 of this Code shall be provided to accommodate the expected volume of users of the proposed facilities.

Staff Response: The Applicant has proposed parking to occur on the eastern side of the Arena, away from the view of passer-bys on County Road 23. The Arena is approximately 260' long on that side, and would potentially accommodate 28 parking stalls for a maximum of 2 employees. Therefore, Staff's opinion is that there is sufficient off-street parking.

Staff Conclusion and Recommendation:

It is the determination of Staff that this application, by Dalwhinnie Farms, LLC, for a Home Business, to operate a Retail Marijuana Products Manufacturing Facility, has met the requirements and standards set forth in Section 5 of the Ouray County Land Use Code. Therefore, Staff is recommending that the Ridgway Area Joint Planning Board recommend approval to the Board of County Commissioners, with the following conditions:

- (1) If road conditions degrade as a result of this land use, or the cumulative affects of all land uses on the property, the Applicant shall consult with the Ouray County Road and Bridge Superintendent and County Administrator to develop a mitigation plan. Such mitigation plan may include payment of impact fees by the Applicant.
- (2) The property shall, at all times, be properly maintained.
- (3) Applicant shall at all times maintain full compliance with all regulations and requirements including the State of Colorado Retail Marijuana Code, C.R.S. 12-43.1-101, et seq., Ouray County Ordinance 1992-01, 1995-01, 2014-003 and/or 2015-004 as maybe amended or superseded, and the Ouray County Land Use Code (including but not limited to Sign Regulations, Outdoor Lighting Regulations, and Visual Impact Regulations).

- (4) Applicant shall copy the Ouray County Land Use Department on any correspondence with the State of Colorado – Marijuana Enforcement Division.
- (5) Applicant shall provide the Land Use Department with a copy of the State license(s), or other approval issued by the State, within 7-days of issuance.
- (6) Only those members listed on Exhibit A to the Dalwhinnie Farms, LLC Operating Agreement as of February 26, 2016 may have an ownership interest in Dalwhinnie Farms, LLC without further approval by the Ouray County Local Licensing Authority. Changes in membership, including the addition of anyone holding a financial interest as a lender, Permitted Economic Interest, or other potential ownership interest, must be approved as a transfer of ownership.
- (7) The property shall, at all times, be properly maintained.
- (8) At no time shall the facility (cultivation and/or extraction) operate in a manner that causes a nuisance.
- (9) If a complaint (investigated and validated by Staff) is received regarding objectionable odors from the facility, the Applicant agrees to institute any mitigation methods that are required to eliminate objectionable odors emanating beyond the boundaries of the property.
- (10) The average daily trips (ADT's) for the combined facility (cultivation and production/manufacturing) shall not exceed 24 ADT's, and if road conditions degrade as a result of this marijuana facility (cultivation and/or manufacturing/production), the Applicant shall consult with the Ouray County Road and Bridge Superintendent and County Administrator to develop a mitigation plan. Such mitigation plan may include payment of impact fees by the Applicant.
- (11) The Applicant agrees to comply with all requirements as set forth by the Road and Bridge Department for access, driveway specifications, and any road impact mitigation measures that may be required as a result of the facility.
- (12) There shall be no signage other than an EMS style address.
- (13) Dalwhinnie Farms, LLC shall apply to the Land Use department for any necessary building permits to construct the marijuana facilities described in the application.
- (14) The Applicant shall maintain compliance to the security measures required by the State of Colorado and Ouray County Ordinance 2015-004, as may be amended or superseded.
- (15) All interior lighting associated with the facility shall be completely screened and outdoor lighting must comply with the Outdoor Lighting Regulations of Ouray County.
- (16) The Applicant shall receive approval for a Marijuana Products Manufacturing License, from the County and State of Colorado, prior to commencing this proposed use.

Exhibits

- Exhibit 1 – County Application
- Exhibit 2 – Vicinity Map, Site Plan
- Exhibit 3 – Floor Plans
- Exhibit 4 – Application Narrative
- Exhibit 5 – Response to Special Use Permit Criteria
- Exhibit 6 – Signage Plan
- Exhibit 7 – Visual Impact Plan
- Exhibit 8 - Water Availability
- Exhibit 9- Property Lease
- Exhibit 10- County Departmental Referrals

THIS PAGE INTENTIONALLY LEFT BLANK

Exhibit 1 – County Application

THIS PAGE INTENTIONALLY LEFT BLANK



CANNABIS (MARIJUANA) LICENSE APPLICATION

Land Use Department; 111 Mall Road, Ridgway CO -- 970.626.9775

STAFF USE ONLY:

Accepted as Complete by Land Use Staff (Date/Time/Initial):
 Fee Total:
 Paid (Date/Initial):

4/12/2016, 9:00 AM [Signature]
\$2500 - CULT. \$1000 - SUP
4/12/16 [Signature]

Type of Marijuana License:

- Marijuana Store *
- Marijuana Cultivation
- Marijuana Production/Manufacturing *

Purpose of Marijuana License:

- | | | |
|---|---|---|
| <input checked="" type="checkbox"/> New License | <input type="checkbox"/> Modification of Premises | <input type="checkbox"/> Medical to Retail Conversion |
| <input type="checkbox"/> License Renewal | <input type="checkbox"/> Change in Entity Structure | <input type="checkbox"/> Dual License |
| <input type="checkbox"/> Change of Location | <input type="checkbox"/> Change in Trade Name | <input type="checkbox"/> Transfer of Ownership |

** A Special Use Permit is required to operate a marijuana store or production facility.*

SUBMITTAL REQUIREMENTS: (use checklist to ensure that your application is complete)

- Copy of State Application and supporting documentation OR Copy of State License
- Signage Plan Floor Plan (Stores) Lighting Plan (Stores) Visual Impact Plan (If Applicable)
- Site Plan (Showing Property Boundaries, Current/Proposed Structures, Dimensions, and North Arrow)
- Special Use Permit Application (If Applicable – Store or Manufacturing)

APPLICANT / AGENT INFORMATION:

Applicant (Land Owner) Name: Dalwhinnie Farms, LLC
Mailing Address: 1750 30th street # 201 City/ST/Zip: Boulder, CO 80301
Phone: N/A **Email Address:** dalwhinnie@shiftcannabis.com
Authorized Agent Name: Travis Howard & Reed Porter (Shift Cannabis Co.)
Mailing Address: 1750 30th street #201 City/ST/Zip: Boulder, CO 80301
Phone: 303.956.4518 **Email Address:** Travis@shiftcannabis.com
Business Name: Dalwhinnie Farms, LLC

Business Name: Dalwhinnie Farms, LLC
Mailing Address: 1750 30th street #201 **City/ST/Zip:** Boulder, CO 80301
Phone: 303-709-5211 **Email Address:** dalwhinnie@shiftcannabis.com

FACILITY/USE LOCATION INFORMATION:

Parcel # 430521201001 **Account #** R003495
Site Address: 6154 County Road 23 **City:** Ridgeway
Zip Code: 81435 **Legal:** Town: 45 **Range:** 8 **Qtr. Sections:** 21 **Section:** _____
Subdivision: The Lougher Place **Lot/Tract #:** 1 **Filing/Phase:** _____
Size of Parcel: 60.08 **Directions to site from nearest County Road:** site is located on County Road 23.

Zoning: Colona High Mesa North Mesa South Mesa South Slope
 Valley Alpine

COMPLIANCE WITH COVENANTS / HOA NOTIFICATION:

I represent that the proposed facility or use does not conflict with any applicable covenants or subdivision regulations, and, that I have notified the Home Owners Association regarding the pending application.

STATE MARIJUANA LICENSE NUMBERS: (If Available)

Retail Marijuana Center Number(s): _____
Products Manufacturing Number(s): _____
Cultivation Facility Number(s): _____

WATER (for cultivation facilities only):

Anticipated gallons of water used per day: 4,000 Gal/Day Amount of water available: 21,600 Gal/Day
Describe Water Source(s): (Must include information regarding current decree.) please see attached decree language

Describe Waste Water Discharge Plan: please see attached "Water Plan" language

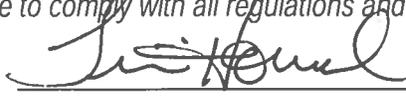
Proposed "Best Management Practices" for Water/Energy Conservation:
please see attached "Water Plan" language

PLEASE READ THE FOLLOWING CAREFULLY BEFORE YOU SIGN!

I hereby certify that I have read this application completely and that all information provided is correct to the best of my knowledge. All laws, regulations, and ordinances governing the scope of the project contemplated by this application will be complied with, whether or not specifically described within this application. I understand that providing false or misleading information may result in any permit(s) issued being revoked. The granting of a permit does not presume to give authority to violate or cancel the provisions of any other state or local law regulating the scope of the project contemplated by this application.

I understand that this application may be open for public inspection as required by the Colorado Open Records Law (C.R.S. 24-72-202, et seq.) and that my personal information contained on this application may be available to the public for review.

I have read **Ordinance # 2014-03**, and agree to comply with all regulations and requirements as stated.

Signature of Property Owner/Lessee:  Date: 4/7/16

Printed Name: Travis Howard of Dalwhinnie Farms, LLC

OR

Signature of Authorized Agent: _____ Date: _____

Printed Name of Authorized Agent: _____

NOTE TO APPLICANT:

If application is approved, the original license shall be displayed in a location visible to the public or enforcement officials. Licenses approved per this application shall be valid for one (1) year from the date of issuance.

Notes:

Applicant affirms that he/she understands that marijuana is an illegal drug under federal law; that state and local laws permitting the use, sale, and cultivation of marijuana and/or marijuana products for either medical or retail purposes, including Ordinance 2014-003, may be determined to be void, invalid, or otherwise superseded by federal law. Applicant agrees, by submitting this application to Ouray County, that issuance of a license from Ouray County does not in any manner alter the potential application and enforcement of federal law; that federal officials could prosecute applicant or otherwise enforce federal law at any time; and that Applicant will not sue, make a claim against, or otherwise hold Ouray County responsible for any enforcement action, loss of property or other damage resulting from any enforcement action under federal laws and regulations.

STAFF REVIEW

Land Use Department:

Name: _____ Title: _____

Signature: _____ Date: _____

County Attorney

Name: _____

Signature: _____ Date: _____

COUNTY/LICENSING AUTHORITY APPROVAL

Board of County Commissioners

ACCEPTED AND AGREED TO BY THE OURAY COUNTY, COLORADO, BOARD OF COUNTY COMMISSIONERS, ACTING IN ITS CAPACITY AS THE LOCAL LICENSING AUTHORITY PURSUANT TO THE COLORADO RETAIL MARIJUANA CODE (Title 12, Article 43.4, Part 1, C.R.S.) AND SUBJECT TO ALL CONDITIONS AS STATED IN THE ASSOCIATED RESOLUTION.

RESOLUTION NO. _____

OURAY COUNTY, COLORADO
BOARD OF COUNTY COMMISSIONERS
OURAY COUNTY LOCAL LICENSING AUTHORITY

By: _____
Chair – Board of County Commissioners

Date: _____

Exhibit 2 – Vicinity Map, Site Plan

THIS PAGE INTENTIONALLY LEFT BLANK



Google Maps 6154 Co Rd 23



Imagery ©2016 Google, Map data ©2016 Google 200 ft

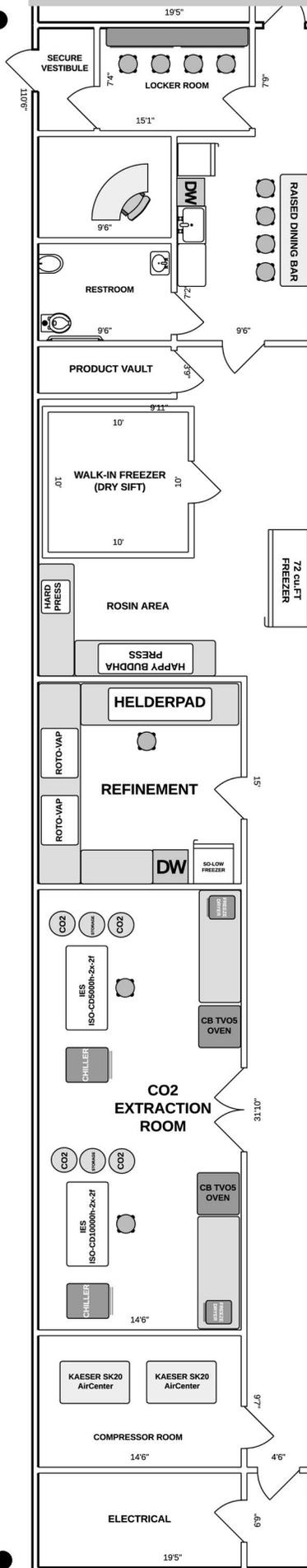
6154 Co Rd 23
Ridgway, CO 81432

Google Maps

Exhibit 3 – Floor Plans

THIS PAGE INTENTIONALLY LEFT BLANK

Proposed Marijuana Extraction Facility (Under Special Use Permit Review)



THIS PAGE INTENTIONALLY LEFT BLANK

Exhibit 4 – Application Narrative

THIS PAGE INTENTIONALLY LEFT BLANK

Dalwhinnie Farms, LLC – Narrative Document

- 1) Minimizing Off-Site Impacts – The Dalwhinnie Farms project takes neighborhood and community impact very seriously. The property itself is iconic in the area and almost all residents in the county are familiar with its ranch name. For this reason we feel we must even go above and beyond what is required to ensure the pristine views, reputations, and watershed of the community are protected. The project will not be adding any additional buildings to the property, and the only real visual change will be a nice iron security gate at the road line of CR23. This gate will be iron and in a design style that is consistent with a horse ranch look and feel. Neighboring homes should not notice any significant visual impacts at all, excepting construction work itself, which will only be temporary. The property is large and there is ample parking for a large workforce, in fact many workers have used this area in years past (craftsmen, veterinarians, riders, ranchers, guests, wedding parties, judges, dressage shows, lesson takers, etc) and there is no local record online or via word of mouth indicating there was ever a traffic congestion problem. Just to make sure we do not impact the area negatively, we will provide parking areas on the water side of the facility so it is obstructed from view. We are also researching the options of bringing in a shuttle from Montrose for some of the labor force to be able to carpool each day to minimize traffic impacts. It is possible we may be able to pick up local Ridgway workers as well. In any event, the workforce required is not larger than has been required in the past and should have no greater impact than the community is used to, excepting when the property was completely vacant. Inside the facility we will be using carbon filtration units to minimize the odor impacts on the property. These will be in the cultivation rooms and the packaging rooms where odors are the strongest. All of the cultivation will be inside the facility so there will be no light impact to the neighbors (this is different than a greenhouse center where external light escape is a big issue). The building materials used will be based around insulation factors to ensure the proper cultivation environments. One of the benefits to this type of construction is the inherent noise reduction property of insulation. In addition, the workforce is located inside the building for all of their work needs. The river and the space the property provides are additional factors working in favor of the project, and it is very unlikely neighbors will be able to hear anything more on this property than they currently do today.
- 2) Fencing – This project will be located inside of a building so no additional fencing is required. We will be adding the gate as discussed above in section 1. The idea of security fencing was discussed internal to the team as well as with County Staff and all parties were unanimous that such fencing would actually do more harm to the community than good. A significant security system will be installed on the facility itself and an adjacent security office will be attached to the building (currently used for judges for dressage access).

- 3) Energy and Water – We have experience designing cultivation facilities around the country. We have designed facilities for Oahu, Hawaii, Boulder, Colorado and Santa Fe, New Mexico. These 3 areas provide vast discrepancies to their approaches to environmental impacts including energy (Hawaii) and water (New Mexico) as well as general attitudes of conservation principles (Boulder). We have integrated these three approaches into our Dalwhinnie Farms design. We have elected to use double-ended bulbs that last 3 years instead of 9 months. They also cover 25 square feet instead of just 16 square feet per light fixture. This means less waste and more coverage per 1000 watts. Additionally, since the winters are cold and fairly long, these fixtures will offset the needs to produce propane or natural gas heat at such great levels during the winter months. Our general contractor and engineering teams are currently researching if a water chiller system is feasible in the facility, and if so, this will provide a significant drop in power required to cool the facility in the summer. Even if we are forced to use a traditional HVAC system, we have used insulation and building materials and venting systems that will minimize the need to cool all day long. Culligan water, via its representative Brian Rytting, has already set up a state of the art reverse osmosis water system for the ranch house needs. Instead of multiplying the filtration effects, we will tap into this water system (all water is used under same decree supplied with application) and use either an Emerson Micro-Motion or a Metron-Farnier flow meter system to calculate and track every gallon of water used inside the cultivation facility. Metered water, combined with automated fertigation systems allows us to use the absolute minimum viable water amounts. We will know within 2 hours if a system has failed and it can be addressed immediately without wasting water.
- 4) Disposal of Waste – State law requires waste to be removed safely and securely. We will at minimum destroy waste in a manner where it is locked up and unavailable to the public or private individuals on the property. We will also work with the County to research opportunities for composting the waste in a safe manner whereby the waste is unrecognizable but still usable for nutrient profiles elsewhere on the property. No actual usable cannabis products will ever be discarded except in a locked and surveillance viewed dumpster.
- 5) More Visual Impacts – If at any time in the future we find the need to build more buildings or modify a structure in any manner, the items will be approved by the County and we will ensure they match the colors and materials already in use on the ranch property. At no point will this project destroy the visual integrity of this beautiful property.
- 6) Security Plan – We have implemented security programs around the country and we will use the same type of systems at this property. We will have cameras (360 view, infrared, and high res), motion detectors, DVRs with backup, heavy doors, deadbolts, card reader access locks, a large bolted safe or actual vault, and a security facility attached to the building. In addition, regular ranch staff live on the property in the ranch house and stable house

on either side of the cultivation facility and will be trained to assist the security personnel should they see anything suspicious. Exterior motion lighting will be set to account for wildlife so lights aren't flashing at all hours of the night.

- 7) Water Source – We have included the decree information and the gallons proposed for use daily. We are at a very low % of our maximum allowable water consumption for the property.
- 8) Night Lights – We have a day-time light cycle planned, but regardless, this facility is all enclosed and external light leaks will not be a part of the design or operation of this facility.

THIS PAGE INTENTIONALLY LEFT BLANK

Exhibit 5 – Response to Special Use Permit Criteria

THIS PAGE INTENTIONALLY LEFT BLANK

Dalwhinnie Farms; Special Use Permit Criteria Responses

5.2 SUBMITTAL REQUIREMENTS:

A completed Special Use Permit application form, together with any applicable information as described below, and the required fees, shall be submitted to the County Land Use Department at the time of application submittal:

- A. Applicants should review the definition for the proposed use in Section 2, Definitions, and demonstrate that the requested Special Use Permit meets the definition criteria.
- B. Existing conditions map.
- C. A detailed site plan which includes, but is not limited to, lot lines, easements, road access, all proposed and existing driveways, parking areas and structures, all areas of significant vegetation and all ditches, ponds and waterways. Signature of owner(s) of all property, authorizing application and proof of ownership satisfactory to the County, and if land included in an application is leased to an Applicant, a current copy of the lease shall be provided. *(Applicant may redact all proprietary or other confidential information.)*

(Please provide an overall map of the property with the information requested above – perhaps show all existing buildings, then label their current use and proposed use) (Satisfied)

Please see attached documents.

- D. If the operator of the Special Use Permit will be someone other than the owner of the property or the Applicant, the proposed operator shall be identified on the application. (Satisfied)
- E. A detailed written narrative explaining the proposed operation or use that includes, at a minimum, statements addressing the following issues or concerns:
 - (1) Description of proposed use.

Applicant Response:

We intend to operate two divisions of business inside the old horse arena. The first is a cannabis cultivation operation where we will grow medical and recreational cannabis plants in an indoor and responsible setting. We will utilize water filtration and water clean up, we will grow with a mixture of organic nutrients and synthetic hydroponic nutrients (called Biologic Cultivation). We will cultivate and harvest the cannabis onsite, package onsite, and then ship to client store across Colorado. The second division is an extraction facility. We will extract via carbon dioxide, a harmless, non-flammable, organic substance safe for workers and the environment. This extraction will take place in a hospital grade clean extraction laboratory inside the old horse arena. We will package and store in

a vault the oils produced and they will be shipped to client stores across Colorado.

- (2) The proposed use will not create undue danger in surrounding areas, will not cause water pollution and will not create unreasonable amounts of offensive noise, vibration, smoke, dust, odors, heat, glare or other objectionable influences beyond the boundaries of the property on which such use is located. *(At the discretion of the BOCC, a written plan may be required indicating methods to be used to minimize smoke, odors, dust and similar environmental problems, which might result from the operation of the proposed use.)*

Applicant Response:

We will utilize Reverse Osmosis water scrubbers as well as carbon pre-filters to clean waste-water to levels beyond what we received them. Our process will ensure that water leaving Dalwhinnie Farms shall return to nature in a better state than it arrived. In addition, we will build the interior of the facility with insulating materials to kill any sounds that may occur during the cultivation and extraction processes. All areas of cultivation and extraction, as well as trimming and harvesting, will be equipped with carbon filters scrubbing the air of any scents. We will also use UV based air scrubbers to kill any spores or fungi that may enter the building, so air leaving the building will be cleaner than when it arrived in our facility. All lights will be inside enclosed rooms, so no light will escape the building.

- (3) The proposed use has legal access; potable water, sewage disposal and all other utilities necessary to serve the proposed use.

Applicant Response:

Yes, the proposed use has legal access to potable water, sewage disposal, and all other utilities. The water is detailed in the current decree, and the lease allows access to property sewage systems, garbage disposal, electrical mains and all other utilities we will need, including internet for security concerns.

- (4) The proposed use will comply, if applicable, with the provisions of the Visual Impact Regulations found in Section 9 of this Code.

Applicant Response:

We will comply because we are not going to modify the nature of the current facility. We will not be adding new buildings or roadways. We will not be removing any of the buildings or roadways that currently exist on the property. The Dalwhinnie Farms Brand is banking on the nature of the property to carry appeal to folks who

do not have the ability to live or vacation in beautiful natural settings like the Dalwhinnie Ranch sits in. We must keep it looking just as beautiful tomorrow as it is today, or our business model won't work.

- (5) The proposed use will not unreasonably impact wildlife or significant wildlife habitat.

Applicant Response:

We will not disrupt any wildlife habitat. All buildings will stay the same, and in fact, we will be cleaning the water before discharging so we will actually be making the water-life environment better than we found it.

- (6) The proposed use will not alter, restrict, inhibit or interfere with historic irrigation practices, headgates, ditches and ditch rights-of-way.

Applicant Response:

Dalwhinnie Farms will utilize water rights that are currently existing on the property, and will not alter, restrict, inhibit, or interfere with historic irrigation practices, headgates, ditches, or any ditch rights-of-way.

- (7) The proposed use is not located within any area subject to identified geohazards, including, but not limited to rockfall areas, avalanches, landslide, potentially unstable slopes, slopes greater than 30 percent, alluvial fans, colluvial slopes, talus slopes, shale, faults, expansive soils or ground subsidence. *(If the proposed use is located within areas subject to the effects of geological hazards, the Applicant shall present satisfactory evidence that such hazards will be avoided. If avoidance is not possible, evidence shall be provided that hazards will be mitigated. The County may require qualified professional geologic or engineering certification that the proposed land use can be located or developed in a safe manner.)*

Applicant Response:

We will only use the previously constructed areas of the property and will not impact any of the above factors in our proposed use.

- (8) The proposed use/property has no known chemical or other contamination. If the property is contaminated, a mitigation plan must be presented that would satisfactorily resolve the contamination.

Applicant Response:

The property has been reported clean, and upon inspection, talks with former engineers and attorneys who worked on the original well taps as well as the construction of the property. It is a clean property and we intend to keep it that way.

- (9) The proposed use is compatible with the community character and surrounding land uses within the area for which the request is being proposed.

Applicant Response:

In order to maintain compatibility with the community character and surrounding land uses, Dalwhinnie Farms is proposing to construct and operate the facility within the footprint of an existing building, minimizing any physical changes to the structure. Day to day operations will also be conducted in a discreet fashion, and for these reasons, there will be little to no change perceived by the average passer-by. Additionally, Ouray County has previously licensed two other marijuana related facilities in the same area. We will take great care to remain compatible.

- (10) Statements addressing any potential material adverse effect on the surrounding area.

Applicant Response:

We intend to have no adverse affects on the surrounding areas. We intend to have a positive effect, by cleaning the area's water, by investing in more wildlife and natural landscape protections, and by marketing the ideas and concepts of natural beauty and conservation in our branding materials around the state.

- (11) Statements addressing any possible impacts on existing infrastructure beyond what would be created by a use by right. *(If potential impacts are identified, evidence shall be provided that such impacts will be mitigated as provided by this Section.)*

Applicant Response:

Roadway infrastructure should not be impacted, as we will not have more workers arriving than previous uses had when it was an equestrian facility. We will not tax the water system because we will be using less water than is allocated by right (decree). The engineering team will be able to further address electrical load needs but the initial conversations with the General Contractor, Michael Cox, who also oversees the property for Dalwhinnie Group, LLC said this will not be an issue. Once final architectural and engineering plans have been finalized we will update the County. We have not found anything in our research that leads us to believe we will request what the infrastructure cannot supply currently. Additionally, there will only be one or two laboratory employees per day, so at a maximum it will produce 4 ADTs but most days only 2 ADTs.

(12) If the property/use is located within a Planned Unit Development, current letter from the Homeowner's Association approving the proposed use.

Applicant Response:

N/A

(13) If located within a PUD, proof of notification that the HOA has been notified of an application and a statement that the use is not otherwise prohibited is required.

Applicant Response:

N/A

(14) Weed mitigation and/or revegetation plan shall be required if applicable. *(May require meeting and on-site review by County Weed Manager.)*

Applicant Response:

We won't be developing any new land, or un-developing any land. Having an active workforce, especially ones that understand horticulture and botany, will assist the Weed Manager by being able to converse about problems and assist with any issue that may arise on the overall property. However, the proposed use should have no impact at all on the overall Weed Manager plan.

(15) Additional information may be required as deemed appropriate by Staff for the specific application.

A. Cemeteries, Schools, Bed and Breakfast Operations, Churches, Commercial Equestrian Activities, Commercial Outdoor Recreation, Livery or Horse Rental Operations, Commercial Uses, Commercial Camping, and Guest Ranches, Historical Museums, and Wildlife Rehabilitation Facilities

(1) Sufficient distance shall separate such uses from abutting properties, which might otherwise be damaged or diminished in value due to the operation of the proposed use.

Applicant Response:

We will have no impact on the neighbors of this kind or others. Everything will be located inside the building that already exists, and it is centrally located to the overall property.

(2) The proposed uses will be properly maintained.

Applicant Response:

We are professionals, we will be investing our own money and the landowners will be investing large amounts of their own money into tenant improvements inside the facility. Maintenance will not only be required by the County, but also by our standard operating procedures of the business. A clean, well-maintained building is the only way we can perform our business operations.

- (3) Vehicle traffic to and from such use will not create hazards or nuisance.

Applicant Response:

For the SUP, as it relates only to the extraction laboratory, there will be a maximum of 2 employees per day creating a maximum of 4 ADTs per day. On most days, there will be only 1 laboratory employee and thus 2 ADTs.

For the base labor pool, as it relates to the cultivation facility not covered by the SUP, we will most likely shuttle them in from Montrose and Ridgway pickup spots. On trim days there will be between 4 and 6 trim employees. There will be 2 assistant gardeners on each day and there will always be at least 1 manager on-site, with some days during the week requiring 2 managers. The managers and assistants of the facility will drive in and park behind the facility so neighbors cannot see any parked cars. Today, land workers and caretakers access this area in the exact same manner we will utilize it. We do not foresee any additional traffic besides supplies deliveries, which we intend to limit to once or twice per month with ample storage space in the facility.

- (4) Sufficient off-street parking, as required in Section 7 of this Code shall be provided to accommodate the expected volume of users of the proposed facilities.

Applicant Response:

There is more than enough parking space already created on the Ranch outside of the facility we intend to use. No additional parking will be required and none will be created. This business will not be open to the public and is on private property.

5.10 MULTIPLE SPECIAL USE PERMITS:

If multiple Special Use Permits have been issued for the same property, the uses permitted under the existing permits shall be considered in reviewing the new permit application. The application may be denied or appropriate conditions may be required

on the proposed use to address or mitigate any incompatibility or cumulative impacts if:

- A. The existing uses are not compatible with the new/proposed use.

Applicant Response:

There should be no conflict between the SUPs, as the new proposed SUP is only for one building on the property and all operations will be contained to the inside of that building. The old SUP relates to the stables (not currently in use) and the grasslands (also not currently in use) of the property. While the old SUP is not currently being used (the land was vacant for so long that the rodent holes make it impossible to run horses currently) any future use would not be incompatible.

- B. Cumulative impacts of all Special Use Permits cannot or will not be mitigated.

Applicant Response:

Cumulative impacts can and will be mitigated as a top priority if/when the old SUP is viable on the property in the future.

- C. Cumulative impacts of all Special Use Permits would not be in compliance with the Ouray County Master Plan.

Applicant Response:

Cumulative impacts will remain in compliance with the OCMP, and should that ever change in any manner, per item B above, we will ensure with the property owner that those impacts are mitigated and remain in compliance with the OCMP.

20.3 HOME BUSINESSES (USES ALLOWED BY SPECIAL USE PERMIT, AS ALLOWED BY ZONE):

- A. Home businesses shall be required to receive approval of a special use permit and shall be defined and operated subject to the following standards:

- 1. Any non-residential activity conducted within a lot, parcel or tract of land, dwelling unit and/or an accessory structure that is owned and operated by one or more persons residing on the property.

Applicant Response:

We do not intend to have fulltime workforce residing on the property. The overall caretaker of the property does live onsite in the Ranch House, is the general contractor for the project, and may assist with overall property security, but he will not manage or own

the actual cannabis business. The use subject to the SUP is only the extraction laboratory.

2. The home business may employ up to a maximum of five (5) people who may or may not reside on the property. There is no limitation of the number of employees if all employees reside on the property (subject to the restrictions set forth under the definition of “dwelling unit” in Section 2 of this Code).

Applicant Response:

The extraction laboratory will only require 2 employees on large volume days.

3. Any home business shall be incidental and subordinate to the use of the property for residential purposes by its occupants and shall not change the residential character thereof. The property upon which the home business is located must appear to be a residence, with or without accessory structures, to the average person traveling past the property.

Applicant Response:

The appearance of the property shall not change at all. All uses will be inside the building and the main attraction is still the Ranch House where the caretaker lives and where the property owners come to vacation and stay during seasonal times. This property feels like a vacation home and shall retain that look and feel.

4. The total area used for any home business(es), including any building(s), shall not exceed three percent (3%) of the lot, parcel or tract of land or no more than 6,000 square feet whichever is less.

Applicant Response:

The extraction laboratory business is much less than 6,000 square feet. A maximum measurement of this area is 2,400 square feet and that is much less than 3% of the entire parcel/lot.

5. The maximum area of any building(s) or the area within a building(s) used for a home business(es) shall be no greater than 4,000 square feet (subject to the limitations as setout above in Section 20.3 A. 4.).

Applicant Response:

The area of the building being dedicated to this extraction use (SUP required) is a maximum of 2,400 square feet.

6. One (1) on-site sign advertising the home business may be allowed. In no instance shall off-premise signage be allowed. The sign shall be no greater than six (6) square feet in area, shall not be illuminated and shall be no higher than eight (8) feet high from existing grade to the top of the sign.

Applicant Response:

This is perfectly fine with our plan. As of now, we intend to place no signage signaling the use of the property for this business. We want to keep the property feeling like a working ranch home.

7. Outside storage of stocks, supplies, equipment, machinery or finished and/or unfinished products may occur as long as the outside storage is within the allowed area used for the home business (see Section 20.3 A. 4). Screening may be required.

Applicant Response:

Storage for this business will be contained inside the building.

8. All vehicles that are used as part of the home business shall be licensed and operable and meet equipment requirements of Part 2, Article 4, Title 42 C.R.S., as amended.

Applicant Response:

Absolutely not a problem. We do not intend to have any vehicles for use in the extraction portion of this business.

9. There shall be no offensive noise, vibration, smoke, dust, odors, heat or glare noticeable beyond any boundary line of the lot, parcel or tract of land due to the conduct of the home business.

Applicant Response:

The business shall be contained inside the arena, and it shall be well constructed as to not allow any of the nuisances listed above to make their way out of the property.

10. If the home business generates more than seven (7) vehicle trips per day, a mitigation plan shall be submitted to the satisfaction of the County. The mitigation plan will be a condition of Special Use Permit approval and will be based on multiples of seven (7) vehicle trips per day for normal weight vehicles.

Applicant Response:

The extraction portion of this business will not generate more than 7 vehicle trips per day. There will be 2 or 3 staff at maximum working the extraction laboratory and thus 4 or 6 trips per day would be maximum. We are offering a shuttle service for our employees and we will encourage them to take it so as to avoid any extra vehicle trips.

- B. The above standards are meant to define the upper limits of activity and impacts by home businesses. Uses that exceed these criteria are more appropriately located within a municipality where sufficient infrastructure is available to accommodate the use.

Exhibit 6 – Signage Plan

THIS PAGE INTENTIONALLY LEFT BLANK

Dalwhinnie Farms – Signage Plan

Dalwhinnie Farms, LLC does not intend to add to the signage of the overall Dalwhinnie Ranch property as of now. Should we ever find a reason (not likely) to add signage, we would ask the County to approve and assist us in building a plan. For now, we would like as few people as possible to know about the project and the contents of the buildings.

THIS PAGE INTENTIONALLY LEFT BLANK

Exhibit 7 – Visual Impact Plan

THIS PAGE INTENTIONALLY LEFT BLANK

Dalwhinnie Farms – Visual Impact Plan

Dalwhinnie Farms has worked hard to build an operational plan that does not require significant impact on the current property. A security gate, not uncommon on these types of private properties, will be installed at the main road driveway onto the property. It will be stylish and match the horse ranch nature of the property already existing. All parking will be located behind the cultivation structure, and no extra interior lights will show through (this is not a glass greenhouse property). Some motion sensor lights will be placed around property for security planning purposes but these lights will be calibrated to not focus on common wildlife that will help to not disturb migrating and grazing animals. Our architect and engineering teams feel confident they will be able to locate HVAC and other such supporting equipment in a manner that will not obstruct the rooflines or views for neighbors living up elevation from the Ranch. Making sure we do not disturb the viewing areas is paramount in our plan, both for the neighbors, as well as the owners of the property, Dalwhinnie Group, LLC.

THIS PAGE INTENTIONALLY LEFT BLANK

Exhibit 8 - Water Availability

THIS PAGE INTENTIONALLY LEFT BLANK



Dalwhinnie Group LLC

6154 County Road 23

Ridgway, CO 81432

In regards to documentation of Water Source: *Decree Information*

The property's water rights and water supply system are composed of four main components. These rights are decreed and permitted to allow domestic, irrigation, commercial and other uses year-round. These four components of the water rights include:

1. 1.05 c.f.s. (of 9.5 c.f.s.) decreed to the Dallas Ditch for irrigation under Priority No. 126 (appropriation date April 1, 1890), on May 15, 1897 in Case No. 939 (District Court of the Seventh Judicial District, Ouray County) (Exhibit 1);
2. Patzau Well No. 1 (Well Permit No. 64182-F, Exhibit 2) is decreed in Case No. 98CW29 (and made absolute in Case No. 06CW49) for 15 gallons per minute for domestic, commercial, irrigation, recreational, livestock watering, wildlife watering, fish propagation, and fire protection uses;
3. Dalwhinnie Pond Well, (Well Permit No. 64181-F, Exhibit 3) is decreed in Case No. 98CW29 (and made absolute in Case No. 06CW49) for domestic, commercial, irrigation, recreational, wildlife watering, fish propagation, and fire protection uses;
4. An augmentation plan, as decreed in Case No. 98CW29 (Exhibit 4) to allow year-round use of the two wells. Case No. 06CW49 (Exhibit 5) is the diligence, and to make absolute, these well rights and the augmentation plan that were decreed in Case No. 98CW29

Dalwhinnie Farms, LLC – Water Usage and Source Plan

Source: The Dalwhinnie Ranch has a water decree for two wells on the land. The decree information is listed in the application and provides more than enough water flow for our proposed maximum daily use of 4,000 gallons per day. We have worked with Bernie Gehris of Burns Figa & Will for water counsel to review the decree and we also work with Wayne Goin a water engineer from Montrose. Wayne worked on the original decree for the Patzau family and was responsible for obtaining the rights for the “pond well” and the “tap well” that will provide the water. In addition, even though we have the rights of usage for enough water currently, we intend to work with Wayne and Bernie to obtain additional rights and create a more comprehensive augmentation plan in the water courts this summer. (All updates and modifications to the decree, as well as any new decrees will be submitted to Ouray County as an amendment to our application/license.) We understand and take very seriously the nature of water as it relates to sources, cleanliness, usage, and augmentation in the valley and it is our sincere intention and promise that Dalwhinnie Farms will be a part of the solution for water conservation, and never the problem.

Useage & Monitoring: Dalwhinnie Farms will install smart water meters to track water usage and the effectiveness of water efficiency activities and programs. We have already started application testing protocols with Emerson and Metron Farnier; both are international corporations responsible for measuring and controlling flow of gases and liquids in thousands of applications. They are assisting us in selecting the appropriate meters and controllers for our purposes at Dalwhinnie Farms. We have already begun discussions and plans with Culligan water and their local representative, Brian Rytting. Brian built the Reverse Osmosis system designed for the Ranch House at Dalwhinnie Ranch and will assist us in engineering the appropriate membranes and pumps requirements for augmenting the system for use in the cultivation facility. Additionally, internal audits will be initiated every quarter and will focus on water quality and the wastewater pumps and motors to identify most and least efficient equipment or any potential water leaks or lapse in water quality. This is in addition to the “as needed” maintenance for the reverse osmosis wastewater filtration system that will clean and replace any used water (augmentation). The cultivation facility at Dalwhinnie Farms will utilize wastewater reclamation systems from a company that specializes in the filtration of wastewater (research ongoing as to correct unit – multiple exist). This recycling system will remove the vast majority of salt-based fertilizers (nitrates) and bio-solids (organic feeding systems) using a reverse osmosis water filtration membrane. All water will be measured for use and reclaim. We will initiate a water-loss program in the existing infrastructure that directs any fugitive water from the production facility to the wastewater filtration system prior to discharge in the Uncompahgre. Dalwhinnie Farms will also construct an additional water recharge facility that will lower overall daily water impacts caused by cultivation operations on the local water resources. The cultivation facility will work with the local wastewater and river management authorities to maintain a healthy river ecosystem that is not impacted by increasing agricultural demands in the area and the cultivation facility will work with the Uncompahgre Watershed Plan to identify factors that lead to instability and unpredictability of the river channel and work to protect environmentally sensitive systems.

Exhibit 9- Property Lease

THIS PAGE INTENTIONALLY LEFT BLANK

LEASE AGREEMENT

THIS LEASE AGREEMENT ("Lease") is entered into and made effective as of this 1 day of April, 2016 by and between **Dalwhinnie Group, LLC** (hereinafter referred to as "Landlord") and **Dalwhinnie Farms, LLC** (hereinafter referred to as "Tenant").

1. PREMISES. Landlord leases to Tenant and Tenant leases from Landlord upon the terms and conditions set forth in this Lease, the below-described land and building located at 6154 South County Road, Ridgway, CO 81432 (the "Property") containing approximately 30,000 square feet of arena space plus 2000 square feet of storage space, excluding the other buildings and the ranch house on the Property, together with all and singular the rights, privileges and easements thereunto belonging or in anywise appertaining, (hereinafter referred to as the "Premises" or "Leased Premises").

2. TERM OF LEASE

2.1 Landlord hereby leases the Leased Premises to Tenant, and Tenant hereby leases the same from Landlord, for an "Initial Term" of 5 years, beginning **April 1, 2016** and ending **March 31, 2021**. Landlord shall use its best efforts to give Tenant possession as nearly as possible at the beginning of the Lease term. If Landlord is unable to timely provide the Leased Premises, rent shall abate for the period of delay. If the Lease begins on any day other than the first day of the month, the rental payment due for that month shall be prorated on a daily basis.

2.2 Tenant shall have the option ("Option") to extend the Term for one additional term of **five (5) years** ("Option Term"), on the same terms, conditions and covenants contained in this lease, with monthly Base Rent increasing 5%. Tenant shall give written notice to Landlord of its intent to exercise the Option not less than ninety (90) days prior to expiration of the Initial Term.

2.3 Early Occupancy or Entry. In the event Landlord permits Tenant or its agents or contractors to occupy or enter the Premises for any reason prior to the Commencement Date, Tenant shall be subject to all terms and provisions hereof.

2.4 Cancellation of Lease. If the Premises do not qualify to be a medical/recreational marijuana establishment, or if Ouray County fails to license the property, or if the State of Colorado Marijuana Enforcement Division does not approve the Tenant's marijuana licenses at this location, this Lease shall automatically terminate.

3. RENT

3.1 Base Rent. During the initial Term, Tenant hereby agrees to pay Landlord minimum monthly rent ("Base Rent") described below, payable on or before the first day of the each and every month, without setoff or deduction, without notice or demand, in advance, at the address of Landlord designated below, (or at such other place as Landlord may designate in writing from time to time). Base Rent and any additional rent payable hereunder shall be

referred to as "Rent."

Base Rent for Initial Term: *REDACTED*

Rent payments shall begin one hundred twenty (120) days following the Tenant's placement of "plants in the ground" at the Premises, meaning Landlord acknowledges Tenant's Rent payments will come from cash flow from operations. Tenant and Landlord shall meet and confer at least monthly after the Commencement Date to analyze cash flow operations of Tenant's business. On or before a date that is not less than 130 days after the Commencement Date, the parties shall mutually agree on disposition of Rent due, if any, for the first 120 days of the Initial Term. All Rent payments shall be in good funds under Colorado law and lawful money of the United States. Base Rent for the Option Term, if the Option is exercised by Tenant, shall be as set forth as above.

3.2 Security Deposit. N/A

3.3 Non-refundable fee. N/A

3.4 Late Payment. In the event that any installments of Rent or any other payment or reimbursement due hereunder is not postmarked within three (3) days of the date when such payment or reimbursement is due, Tenant shall pay to Landlord a late charge of \$500 per occurrence, in addition to any interest or other fees due. Landlord's acceptance of any late payment shall not be deemed a waiver of any rights under this Lease.

3.5 Interest On Past Due Obligations. N/A

4. USE OF PREMISES

4.1 The Leased Premises shall be used for the cultivation, extraction, and processing of marijuana, recreationally and/or medically, in accordance with all local and State legal requirements, and for related general office purposes. Any other use shall be permitted only with the written consent of the Landlord. The Tenant covenants that, throughout the Term of this Lease, at Tenant's sole cost and expense, to promptly comply in all respects with all State and local laws and ordinances and the orders, rules, regulations and requirements of all State, County and municipal governments and, appropriate departments, commissions, boards and officers thereof, which shall impose any duty upon Tenant with respect to the Premises or Tenant's use or occupation thereof. Tenant shall obtain and maintain any state and local approvals, including licenses and permits necessary to operate its business prior to commencing operations.

4.2 Tenant represents and warrants to Landlord the following: (i) that Tenant, its employees, agents, contractors, invitees, and guests shall act only in accordance with all State and local laws, regulations, licenses and rules governing its business; (ii) that no marijuana shall be used in or near the Property in plain view of (or in a place open to) the general public or in any way that endangers the health or well-being of any person. Tenant shall use its good-faith best efforts to maintain the security of the Leased Premises against criminal activity associated with the presence of marijuana at the Leased Premises by third parties, and Tenant, its members, managers, employees and agents shall not engage in any criminal or tortious activity

at any time on the Premises, the Property, or while engaged in its business. In the event that Tenant's cultivation or dispensing of marijuana at any time becomes impermissible under State or local Law, whether due to changes in law, or Tenant's actions, Tenant shall so notify Landlord and shall immediately and properly dispose of all marijuana plants and products on the Premises in any manner permitted by law and shall indemnify and hold harmless Landlord, its members, managers, employees and agents from and against any cost, liability or expense arising therefrom, including without limitation attorneys' fees and legal costs. Tenant shall provide to Landlord upon request copies of any government issued licenses relating to Tenant's use of the Leased Premises. Landlord shall have the right to terminate this Lease immediately upon written notice to Tenant in the event that Tenant breaches any of the warranties or covenants contained in this Lease.

4.3 Landlord acknowledges the very specific needs of a marijuana manufacturing facility and agrees to make a significant Tenant Improvement Allowance available to Tenant for the construction of the facilities, as Landlord understands the significant increase in value for the use associated with the eventual facility upgrades. The allowance will be agreed to in writing between the Landlord and Tenant and both parties agree to work together amicably to reach appropriate timeframes and milestones for construction and TI Allowance (totals and phases).

4.4 Tenant shall not use the Leased Premises for the purposes of storing, manufacturing or selling any explosives, flammables or other inherently dangerous substances or chemicals, or any other hazardous materials not contemplated or approved in writing by an industrial hygienist and Landlord, regarding a manufactured infused products facility (MIP).

4.5 Tenant and its members, managers, agents and employees shall, at all times, conduct themselves in accordance with all State and local laws, rules and regulations relating to Tenant's use. If Tenant receives notice that it is in violation of any such laws, rules and regulations, Tenant shall notify Landlord in writing within 48 hours of receiving such notice. Receipt of such notice shall not be deemed to create any obligation on the part of Landlord to defend or otherwise respond to any such notification or communication. Tenant shall immediately commence to cure such violation and shall complete such cure within 30 days of receipt of such notice or as soon as possible if such cure cannot be completed within 30 days.

4.6 Tenant, its members, managers, agents and employees and guests shall, at all times, conduct themselves in a professional manner while inside and on the Property surrounding the Leased Premises. Such determination of "professional" conduct shall be in the Landlord's sole discretion.

5. TAXES.

5.1 Landlord shall be responsible for all property taxes except under the conditions listed under this section and Section 6.6 of this Lease. Landlord shall also be responsible for common area maintenance charges, and Landlord's building liability insurance to cover the structure except under the conditions listed under this section and Section 6.6 of this Lease. In the event Landlord is assessed any additional taxes, including any special real estate, property taxes, use taxes and sales taxes, assessments, water rents, sewer rents and

charges levied or other governmental charges or penalties (which are hereinafter referred to as "Taxes") which are assessed, imposed or become a lien upon the Premises or the contents, during the Term of this Lease, as a result of the nature of Tenant's use or activities, the Landlord shall be entitled to collect any difference in taxes from the Tenant as additional rent. Tenant shall pay such amounts with the next installment of monthly rent due after written demand of Landlord.

5.2 Tenant covenants and agrees to pay promptly when due all personal property taxes on personal property of Tenant on the Premises and all federal, state and local income taxes, sales taxes, use taxes, excise taxes, Social Security taxes, *ad valorem* taxes, unemployment taxes and taxes withheld from wages or salaries paid to Tenant's employees, the nonpayment of which might give rise to a lien on the Premises or the Property or Tenant's interest therein, and to furnish, if requested by Landlord, evidence of such payments.

6. INSURANCE AND OTHER COSTS

6.1 Landlord will maintain in full force and effect during the Term of this Lease, a policy or policies of insurance covering loss or damage to the Building and Premises, in an amount covering the full replacement value thereof, against all perils included within the classification of fire, extended coverage, vandalism and malicious mischief ("All Risk" as such term is used in the insurance industry).

6.2 Tenant will maintain in full force and effect during the Term of this Lease and at its own expense, not less than following coverage and limits of insurance required under this lease, which shall be maintained under forms of policies and from companies satisfactory to Landlord. Landlord shall be named as an additional insured in any such policy. Insurance coverage must be provided by insurer(s) with a financial rating of at least A-VII as defined by AM Best Company. Copies of policies shall be provided to Landlord when requested.

(a) Commercial General Liability Insurance and Excess Liability (umbrella) Liability Insurance, with coverage at least as broad as ISO form CG 00 01 10 93, insuring against claims for bodily injury (including death), property damage, personal injury and advertising liability occurring upon the Premises or operations incidental or necessary thereto located in or on the Premises. Such insurance shall specifically provide the following coverage extensions: (i) Broad form property damage including leasehold liability (which includes coverage of the indemnity obligations of Tenant under this Lease), (ii) products and completed operations coverage, and (iii) coverage limits that are not to be depleted by payment of defense costs. Such insurance shall have limits of liability not less than \$1,000,000 each occurrence; \$1,000,000 general aggregate; \$1,000,000 aggregate for products-completed operations; and \$1,000,000 for personal and advertising injury liability.

(b) "All-risk" fire insurance, including without limitation vandalism and malicious mischief, to the extent insurable of the full replacement value of all fixtures and leasehold improvements, from time to time situated in, on, or upon the Premises during the Term.

6.3 Tenant shall furnish to Landlord, in form satisfactory to Landlord, certificates

of insurance, as evidence of the insurance required by this Lease. In the event of any change in the limits of liability, decrease in coverage or other material change in coverage, or the cancellation of insurance in its entirety, Tenant shall be obligated to give Landlord written notice at least thirty (30) days prior to the effective date of such change or cancellation. All insurance shall be expressly endorsed to state that coverage shall not be canceled, non-renewed or materially changed except after ten (10) days' prior written notice to Landlord, and insurance coverage shall remain in force during said ten (10) day period. The certificate of insurance shall be subject to approval of Landlord, but any acceptance of insurance certificates by Landlord shall in no way limit or relieve the Tenant of the duties and responsibilities assumed by the Tenant in this Lease. All policies will contain provisions: (i) that, at the election of Landlord's mortgagee, the proceeds of any insurance will be paid to a trustee or depository designated by Landlord's mortgagee; (ii) that the policies will be written as primary policies, not entitled to contribution from, nor contributing with, any coverage that landlord may carry; and (iii) that the policies shall be written on an occurrence basis.

6.4 If Tenant fails either to acquire the insurance required pursuant to this paragraph or to pay the premiums for such insurance or to deliver required certificates or policies, Landlord may, in addition to any other rights and remedies available to Landlord, acquire such insurance and pay the requisite premiums for it. Those premiums shall be payable by Tenant to Landlord as additional rent immediately upon demand.

6.5 Landlord and Tenant waive any rights each may have against the other for loss or damage to its property or property in which it may have an interest if the loss is caused by a peril of the type generally covered by property insurance with extended coverage or arising from any cause that the claiming party was obligated to insure against under this Lease. Landlord and Tenant on behalf of their insurer waive any right of subrogation that the insurer might otherwise have against the other. Landlord and Tenant agree to cause their respective insurance companies insuring the Premises or insuring their property on or in the Premises to execute a waiver of any such rights of subrogation.

6.6 Tenant agrees to pay to Landlord any increases in insurance premiums, Real Estate taxes, or other expenses Landlord incurs due to Tenant's business or Tenant's lease of the Premises.

7. ASSIGNMENT AND SUBLETTING. Neither this Lease nor any interest herein may be assigned, transferred or subleased by the Tenant without the prior written consent of the Landlord, which may be granted in Landlord's sole discretion. Any consent to assignment, transfer or subletting given by the Landlord shall not constitute a waiver of the necessity for such consent to a subsequent assignment, transfer or subletting. Notwithstanding any assignment or sublease, Tenant shall remain fully liable under the terms and conditions of this Lease and shall not be released from performing any of the terms, covenants and conditions. Tenant shall require any sublessee or assignee to specifically be responsible for all payments, conditions, covenants and agreements in this Lease, in addition to Tenant's liability.

8. UTILITIES. Tenant shall pay when due all utilities charges applicable to the Premises, including without limitation all charges for water, heating, gas, electricity, trash, sewer, internet, phone and other public or private utilities used on the Premises during the Term. If Tenant shall

fail to pay any utilities as required above, Landlord, may, at its option, pay such utilities (without affecting any other remedy available to the Landlord) on account of Tenant and the same shall be deemed immediately due and payable by Tenant to Landlord. Utilities that are not metered separately to the Premises will be billed in a fair and equitable manner to be determined by Landlord.

9. ACCEPTANCE OF CONDITION AND PARKING N/A

10. MAINTENANCE AND REPAIR. Prior to and following the completion of the Tenant Allowance construction, Tenant shall, at its sole expense, keep, maintain, and promptly repair or replace when necessary all portions of the Premises, including all improvements, fixtures, personal property, structural repairs, replacement of major equipment systems, including but not limited to HVAC, water heater, plumbing, electrical, mechanical systems, walls and foundations of the building, and for all repairs to sidewalks adjacent to the Premises, all facilities within the Premises including the sump pumps and all fixtures and personal property within the Premises. The obligations of Tenants shall include upkeep of the interior portions of the Premises including all windows and doors and stairs in the Premises. Tenant shall give the Landlord prompt written notice of any defects or breakage in the structure, equipment, fixture or of any unsafe conditions upon or within the Premises. Tenant shall be responsible for all repairs to the interior of the space. Repair and maintenance of doors and windows shall be the responsibility of Tenant. All maintenance and repairs to be performed by Tenant shall be done promptly by licensed professionals, where appropriate, in accordance with all state and local ordinances and regulations governing the property and Tenant's use thereof, in a manner of good quality and craftsmanship.

11. OCCUPATIONAL SAFETY AND HEALTH ACT AND AMERICANS WITH DISABILITIES ACT

11.1 Tenant shall comply in all material respects with the Occupational Safety and Health Act of 1970 (Chapter XVII, Title XIX of the United States Code) (OSHA) and applicable state statutes adopted pursuant to OSHA as applicable to Tenant's use or occupancy of the Premises during the Term.

11.2 Tenant shall comply in all material respects with the Americans with Disabilities Act, 42 U.S.C. Section 12101 et seq. (ADA) or applicable state statutes adopted pursuant to ADA as applicable to Tenant's use or occupancy of the Premises during the Term.

12. ALTERATIONS TO PREMISES Tenant's right and obligation to make alterations to the Leased Premises is subject to the following conditions, which Tenant agrees to observe and perform:

12.1 No change or alteration shall at any time be made which shall impair the structural soundness or diminish the value of the Building.

12.2 Tenant shall not make any alteration to the Premises without the prior written consent of Landlord. Tenant shall give written notice to Landlord of any proposed change or alteration to the Premises prior to submitting any plans to Ouray County for approval or beginning any work. As a condition precedent to the Landlord's consent, Tenant shall deliver to Landlord all written plans and specifications for all such work, including Architectural Plans

submitted to Ouray County, and copies of any/all permits received. Tenant shall pay costs for all such plans and permits. Landlord's approval, rejection, or suggested modifications to the plans and specifications must be given within thirty (30) days from the receipt of such plans and specifications, or consent shall be deemed to have been granted. The above notwithstanding, the parties acknowledge and agree that any changes costing under Five Hundred Dollars (\$500) which relate to installation of carpeting or other flooring material, installation of window treatments, painting, color selection or addition of removable fixtures not attached to the physical structure shall not require Landlord's prior written consent.

12.3 At the end of the Lease Term and except as set forth in Section 12.8, Tenant shall remove all of Tenant's equipment to which he is entitled under this Lease. If such removal shall injure or damage the Premises, Tenant shall, at its sole cost and expense, at or prior to the expiration of the Lease Term, to repair such injury and damage in good and workmanlike fashion and to place the Premises in the same condition as the Premises would have been if such Tenant's Equipment had not been installed. If Tenant fails to remove any Tenant's Equipment by the expiration of the Lease Term, Landlord may, at its option, keep and retain any such Tenant's Equipment or dispose of the same and retain any proceeds therefrom, and Landlord shall be entitled to recover from Tenant any costs or expenses of Landlord in removing the same and in restoring the Premises in excess of the actual proceeds, if any, received by Landlord from disposition thereof. Tenant releases, discharges, indemnifies and holds harmless Landlord from any and all claims and liabilities of any kind arising out of Landlord's disposition of Tenant's Equipment or property.

12.4 No change or alteration shall be undertaken until Tenant shall have procured and paid for all required municipal and other governmental permits and authorizations of the various municipal departments and governmental subdivisions having jurisdiction over the Premises.

12.5 All work done in connection with any change or alteration shall be done in a good and workmanlike manner and in material compliance with the building and zoning laws, with all other laws, ordinances, orders, rules, regulations and requirements of all federal, state and municipal government and the appropriate departments, boards and officers thereof, excepting federal laws relating to marijuana.

12.6 At all times, when any change or alteration is in progress, there shall be maintained at Tenant's expense Worker's Compensation insurance in accordance with material law governing all persons employed in connection with the change or alteration and general liability insurance for the mutual benefit of the Landlord and Tenant, expressly covering the additional hazards due to the change or alteration.

12.7 Tenant covenants and agrees not to obtain any financing secured by Tenant's interest in the Premises and not to encumber the Premises or Landlord's or Tenant's interest therein, without the prior written consent of Landlord, and to keep the Premises free from all liens and encumbrances except liens and encumbrances existing upon the date of commencement of the Lease Term or liens and encumbrances created by Landlord.

12.8 Except as stated herein, any and all installations, alterations, changes, additions, partitions, fixtures or improvements to the Premises, including, but not limiting the generality of the foregoing, all fixtures, lighting fixtures, cooling equipment, built-ins, partitions, wall coverings, tile, flooring, carpeting, linoleum and power wiring shall be the property of the Landlord upon any expiration or termination of this Lease.

13. COMPLIANCE WITH LAWS. Tenant represents, warrants and covenants to Landlord as follows:

13.1 During the Term, Tenant and the Premises will remain in compliance with all applicable State and local laws, ordinances and regulations (including consent decrees and administrative orders) relating to its use of the Premises, including but not limited to C.R.S. 12-43.3-101 et. seq., C.R.S. 12-43.4-101 et. seq., 1 C.C.R. 212 et seq., public health and safety and protection of the environment (collectively, "Environmental Laws"), which shall impose any duty upon Tenant with respect to the Premises or Tenant's use of occupation thereof, and all federal laws, excepting those relating to marijuana. Tenant shall procure any and all governmental permits relating to the use or operation of the Premises during the Term by Tenant required by applicable laws, rules and regulations.

13.2 During the Term, Tenant will not permit to occur any release, generation, manufacture, storage, treatment, transportation or disposal of "hazardous material" as that term is defined in this Lease or by regulations governing Tenant's business, on, in, under or from the Premises. Tenant will promptly notify Landlord, in writing, if Tenant has or acquires notice or knowledge that any hazardous material has been or is threatened to be released, discharged, disposed of, transported, or stored on, in, under or from the Premises. If any hazardous material is found on the Premises, and Tenant is required to remediate to comply hereunder, Tenant, at its own cost and expense, will immediately take such action as is necessary to detain the spread of and remove the hazardous material to the satisfaction of Landlord and the appropriate governmental authorities.

13.3 Tenant will immediately notify Landlord and provide copies upon receipt of all written complaints, claims, citations, demands, inquiries, reports, or notices, including those: issued by any governmental authority, relating to Tenant's licenses or permits, use of the Premises, condition of the Premises, zoning or building codes, or compliance with Environmental Laws. With respect to any action or proceeding which relates hereunder to a duty upon Tenant with respect to the Premises or Tenant's use or occupation thereof, Tenant will promptly cure at its own expense and have dismissed with prejudice any such actions and proceeding to the satisfaction of Landlord.

13.4 Landlord will have the right at all reasonable times and from time to time, in accordance with regulations governing Tenant's business, to conduct environmental and compliance audits of the Premises, and Tenant shall cooperate in the conduct of each audit. The audits will be conducted by a consultant of Landlord's choosing and Landlord shall provide Tenant promptly a copy of any report prepared as a result of the audit. If any violation of any of the warranties, representations, or covenants of Tenant contained in this Section 14 or any of its subsections is discovered, the reasonable fees and expenses of such consultant will be borne by Tenant and will be paid by Tenant as additional rent under this Lease promptly on demand by Landlord.

13.5 If Tenant fails to comply with any of the foregoing warranties, representations and covenants, Landlord may cause the removal (or other cleanup acceptable to Landlord) of any hazardous materials from the Premises. The costs of hazardous material removal and any other cleanup (including transportation and storage costs) will be immediately due and payable by Tenant to Landlord, whether or not a court has ordered the cleanup. Tenant will give Landlord, its agents and employees access to the Premises to remove or otherwise clean up any hazardous material. Landlord, however, has no affirmative obligation to remove or otherwise clean up any hazardous material, and this Lease will not be construed as creating any such liability.

13.6 If Tenant fails to comply with any of the foregoing warranties, representations and covenants, Tenant agrees to indemnify (which indemnification shall survive expiration or termination of this Lease), defend (with counsel reasonably acceptable to Landlord and at Tenant's sole cost) and hold Landlord and Landlord's agents, successors and assigns, free and harmless from and against all losses, liabilities, obligations, penalties, claims, litigation, demands, defenses, costs, judgments, suits, proceedings, damages (including consequential damages), disbursements or expenses of any kind (including reasonable attorneys' and experts' fees and expenses and fees and expenses incurred in investigating, defending or prosecuting any litigation, claim, or proceeding) that may at any time be imposed upon, incurred by, or asserted or awarded against Landlord or any of them which might directly or indirectly or in whole or in part, be caused by, arise out of, or be related to Tenant's use of the Premises.

13.7 For purposes of this Lease, "hazardous materials" shall mean and include those elements, materials, compounds, mixtures, wastes or substances which are contained in any list of hazardous substances adopted by the United States Environmental Protection Agency (the "EPA") or any list of toxic pollutants designated by Congress or the EPA or which are defined as hazardous, toxic, pollutant, infectious, flammable or radioactive by any of the environmental laws or regulations by any local governmental authority having jurisdiction over the Premises or the State of Colorado and, whether or not included in such lists, shall be deemed to include all products or substances containing petroleum, asbestos, and polychlorinated biphenyls, whether originating from the Premises, or migrating, flowing, percolating, diffusing or in any way moving onto or under the building, the Property or Premises.

14. CONDEMNATION

14.1 Complete Taking. If, during the Term of this Lease, or any extension hereof, all or substantially all of the Premises shall be taken as a result of the exercise of the power of eminent domain, this Lease and all of Tenant's obligations thereunder shall terminate as of the date of vesting of title of the Premises or delivery of possession, whichever event shall first occur, pursuant to such proceeding. For the purposes of this Section, "substantially all of the Premises" shall be deemed to have been taken if a taking under any such proceeding shall involve such an area, whether the area be improved with building or be utilized for a parking area or for other use, that Tenant cannot reasonably operate in the remainder of the Premises being conducted on the Premises at the time of such proceeding.

14.2 Partial Taking. If, during the Term of this Lease, or any extension hereof, less than the whole or less than substantially all of the Premises shall be taken in any such

proceeding, this Lease shall not terminate. The rent thereafter due and payable by Tenant shall be reduced in such proportion as the nature, value and extent of the part so taken bears to the whole of the Premises. Landlord shall, from the proceeds of the condemnation, restore the Premises for the use of the Tenant.

14.3 Award. Any award granted for either partial or complete taking regarding the Premises shall be the sole property of Landlord. Upon notice to Landlord, Tenant shall also be entitled to make claim in its own name to the condemning authority for the value of any furniture, trade fixtures, trade equipment, merchandise or personal property of any kind belonging to Tenant and not forming part of the real estate, or for the cost of moving all of the same, and any such award made directly to Tenant shall belong entirely to Tenant.

15. DESTRUCTION OF PREMISES

15.1 If the Premises shall be damaged or destroyed by fire or other insured casualty, Landlord will give Tenant written notice of the time which will be needed to repair such damage, as determined by Landlord in its reasonable discretion, and the election (if any) which Landlord has made according to this Section. Such notice will be given before the 45th day (the "notice date") after the fire or other insured casualty or such later time period necessary for Landlord to make such determination.

15.2 If the Premises is damaged by fire or other insured casualty to an extent which in Landlord's sole opinion can be repaired within 120 days after the notice date, Landlord will promptly begin to repair the damage after the notice date and will diligently pursue the completion of such repair. In that event this Lease will continue in full force and effect.

15.3 If the Premises is damaged by fire or other insured casualty to an extent which may not be repaired within 120 days after the notice date, as solely determined by Landlord, then (i) Landlord may cancel this Lease as of the date of such damage by written notice given to Tenant on or before the notice date or (ii) Tenant may cancel this Lease as of the date of such damage by written notice given to Landlord within 10 days after Landlord's delivery of a written notice that the repairs cannot be made within such 120-day period. If neither Landlord nor Tenant so elects to cancel this Lease, Landlord will diligently proceed to repair the Premises and Base Rent will be abated on a pro rata basis during the repair period based on the proportion of the rentable area of the Premises which Tenant is unable to use during the repair period.

15.4 If all or a substantial part of the Premises is damaged by fire or other insured casualty to such a material extent that in the reasonable opinion of Landlord the Premises must be totally or partially demolished, whether or not to be reconstructed in whole or in part, Landlord may elect to terminate this Lease by written notice delivered to Tenant by the notice date.

15.5 Notwithstanding the provisions of subparagraphs above, if the Premises are damaged by uninsured casualty, or if the proceeds of insurance are insufficient to pay for the repair of any damage to the Premises, Landlord will have the option to repair such damage or cancel this Lease as of the date of such casualty by written notice to Tenant on or before the notice date.

15.6 Notwithstanding the provisions of subparagraphs above, if any such damage by fire or other casualty is the result of the willful conduct, negligent act, or failure to act of Tenant, its members, managers, agents, contractors, employees or invitees, there will be no abatement of Rent as otherwise provided for in this Section and Tenant will have no rights to terminate this Lease on account of any damage to the Premises, except as set forth in this Lease. Tenant shall also be liable for the costs of repair.

15.7 Notwithstanding the provisions of the subparagraphs above, no Rent shall abate for any period caused by an act of nature not including fire and not at the fault of Landlord, including any period that power or utility services to the Premises are interrupted.

16. NO MECHANICS LIENS OR OTHER ENCUMBRANCES.

16.1 Tenant shall not suffer nor permit any mechanic's liens to be filed against the Premises by reason of work, labor, service or materials supplied or claimed to have been supplied to Tenant as a result of an agreement with, or the assent of Tenant. Nothing in this Lease shall be construed as constituting permission or otherwise, to any contractor, subcontractor, laborer or materialman for the performance of any labor or the furnishing of any materials for any specific improvement, alteration or repair of the Premises, nor as giving Tenant any right, power or authority to contract for or permit the rendering of any services or the furnishing of any materials that would give rise to the filing of any mechanic's liens against the Premises. If any such mechanic's lien shall at any time be filed against the Premises, Tenant shall cause the same to be discharged of record within thirty (30) days after the date Tenant has knowledge of such filing. If Tenant shall fail to discharge such mechanic's lien within such period, then, in addition to any other right or remedy of Landlord, Landlord may, but shall not be obligated to, discharge the same either by paying the amount claimed to be due or by procuring the discharge of such lien, which amount shall be immediately due and payable by Tenant to Landlord. However, Tenant shall not be required to pay or discharge any such mechanic's lien so long as Tenant shall in good faith proceed to contest the same by appropriate proceedings; provided, however, Tenant shall give notice in writing to Landlord of its intention to contest the validity of such lien and shall furnish a surety bond of a company satisfactory to Landlord in an amount sufficient to pay such contested lien claim with all interest thereon and court costs and expenses, including reasonable attorneys' fees, which may at such time be allowable by law to be incurred in connection therewith.

16.2 Tenant covenants and agrees not to obtain any financing secured by Tenant's interest in the Premises and not to encumber the Premises or Landlord's or Tenant's interest therein, without the prior written consent of Landlord, and to keep the Premises free from all liens and encumbrances except liens and encumbrances existing upon the date of commencement of the Lease Term or liens and encumbrances created by Landlord.

17. DEFAULT PROVISIONS

17.1 Default by Tenant: The occurrence of any one or more of the following events shall constitute an Event of Default by Tenant:

(a) The Tenant fails to pay the Rent, or Tenant fails to make any other payments required to be made under this Lease, where such failure shall

continue for a period of five (5) days following the date said Rent, or other such payment was due.

(b) The failure of Tenant to perform or observe any non-monetary provision of this Lease, where such failure continues for a period of thirty (30) days after written notice thereof to Tenant from Landlord, or, in the case of a failure which cannot with reasonable diligence be cured within thirty (30) days, if Tenant shall fail to proceed promptly after the service of such notice to cure the same or thereafter shall fail to prosecute such cure with all reasonable diligence.

(c) Any other event, act or failure of Tenant specifically noted as a default in this Lease;

(d) The purported, actual or attempted assignment of any interest of Tenant in the Premises or this Lease, or of any interest in Tenant without the prior written approval of Landlord including any assignment by operation of law.

(e) Tenant or Tenant's employee's violation of local, County or State of Colorado rules, statutes, laws or regulations governing the growing/cultivation and/or dispensing of marijuana.

(f) The revocation or denial of any license required to operate Tenant's business.

(g) Except as permitted under this Lease, the Tenant abandoning the Premises for more than consecutive thirty days.

(h) The Tenant being adjudicated a bankrupt or insolvent or the Tenant filing in any court a petition in bankruptcy or for reorganization or for the adoption of an arrangement under the Bankruptcy Act (as now or in the future amended) or the filing of an involuntary bankruptcy which is not terminated within thirty (30) days from the date of said filing) or the Tenant filing in any court for the appointment of a receiver or trustee of all or a portion of the Tenant's property or there being appointed a receiver or trustee for all or a portion of the Tenant's property, unless said receiver or trustee is terminated within thirty (30) days from the date of said appointment.

(i) Tenant making any general assignment or general arrangement of its property for the benefit of its creditors.

(j) A determination by Landlord that any financial statement or other instrument or document provided by Tenant or any guarantor of this Lease is materially false or misleading.

(k) The sale or other transfer of more than twenty percent 20% of the membership interests in the LLC to any party other than Adam Weiss or Spencer Uniss without the Landlord's prior written consent.

(l) Tenant shall not commit waste on the premises, commit any act that might impair the value of the premises, or permit any unsightly condition on or about the premises, and use all reasonable efforts to mitigate any odor coming from the Premises.

17.2 Default by Landlord. If there is a default with respect to any of Landlord's covenants, warranties or representations under this Lease, and if the default continues more than fifteen (15) days after notice in writing from Tenant to Landlord specifying the default, Tenant may, at its option and without affecting any other remedy hereunder, cure such default and deduct the cost thereof from the next accruing installment or installments of rent payable hereunder until Tenant shall have been fully reimbursed for such expenditures. If this Lease is terminated by the Landlord prior to Tenant's receiving full reimbursement, Landlord shall pay the unreimbursed balance to Tenant on demand so long as any termination was not caused by any default by the Tenant.

17.3 Landlord's Remedies. Upon the occurrence of any Events of Default occurs then Landlord has the right, then or at any time thereafter, at its election to exercise any one or more the following remedies:

(a) To give Tenant written notice of Landlord's intention to terminate this Lease on the earliest date permitted by law or on any later date specified in such notice, in which case Tenant's right to possession of the Premises will cease;

(b) Without further demand or notice, to reenter and take possession of the Premises or any part of the Premises, repossess the same, expel Tenant and those claiming through or under Tenant, and remove the effects of both or either, using such force for such purposes as may be necessary, without being liable for prosecution, without being deemed guilty of any manner of trespass, and without prejudice to any remedies for arrears of Base Rent or other amounts payable under this Lease or as a result of any preceding breach of covenants or conditions; Should Landlord elect to reenter as provided in subsection, or should Landlord take possession pursuant to legal proceedings or pursuant to any notice provided by law, Landlord may, from time to time, without terminating this Lease, re-let the Premises or any part of the Premises in Landlord's or Tenant's name, but for the account of Tenant, for such term or terms (which may be greater or less than the period which would otherwise have constituted the balance of the Term) and on such conditions and upon such other terms (which may include concessions of free rent and alteration and repair of the Premises) as Landlord, in its reasonable discretion, may determine and Landlord may collect and receive the rent. Landlord will in no way be responsible or liable for any failure to relet the Premises, or any part of the Premises, or for any failure to collect any rent due upon such re-letting. No such reentry or taking possession of the Premises by Landlord will be construed as an election on Landlord's part to terminate this Lease unless a written notice of such intention is given to Tenant. No written notice from Landlord under this Section or under a forcible or unlawful entry and detainer statute or similar law will constitute an election by Landlord to

terminate this Lease unless such notice specifically so states. Landlord reserves the right following any such reentry or re-letting to exercise its right to terminate this Lease by giving Tenant such written notice, in which event this Lease will terminate as specified in such notice;

(c) Without further demand or notice to cure any Event of Default and to charge Tenant for the cost of effecting such cure, including, without limitation, reasonable attorneys' fees and interest on the amount so advanced at the rate of twelve percent (12%) per annum ("Default Rate"), provided that Landlord will have no obligation to cure any such Event of Default of Tenant.

17.4 Certain Damages. In the event that Landlord does not elect to terminate this Lease as permitted in this Section, but on the contrary, elects to take possession, Tenant will pay to Landlord: (a) Base Rent, Additional Rent, and other sums as provided in this Lease, which would be payable under this Lease if such repossession had not occurred, less (b) the net proceeds, if any, of any re-letting of the Premises after deducting all of Landlord's reasonable expenses in connection with such re-letting, including, without limitation, all repossession costs, brokerage commissions, attorneys' fees, expenses of employees, alteration and repair costs and expenses of preparation for such re-letting. If, in connection with any re-letting, the new lease term extends beyond the existing Term, or the premises covered by such new lease include other premises not part of the Premises, a fair apportionment of the rent received from such re-letting as provided in this Section will be made in determining the net proceeds from such re-letting, and any rent concessions will be equally apportioned over the term of the new lease. Tenant will pay such rent and other sums to Landlord monthly on the day on which the Base Rent would have been payable under this Lease if possession had not been retaken and Landlord will be entitled to receive such rent and other sums from Tenant on each such day.

17.5 Continuing Liability After Termination. If this Lease is terminated on account of the occurrence of an Event of Default, Tenant will remain liable to Landlord for damages in an amount equal to Base Rent, Additional Rent, and other amounts which would have been owing by Tenant for the balance of the Term, had this Lease not been terminated, less the net proceeds, if any, of any re-letting of the Premises by Landlord subsequent to such termination, after deducting all of Landlord's expenses in connection with such re-letting, including, without limitation, all costs and expenses. Landlord will be entitled to collect such damages from Tenant monthly on the day on which Base Rent and other amounts would have been payable under this Lease if this Lease had not been terminated, and Landlord will be entitled to receive such Base Rent, Additional Rent, and other amounts from Tenant on each such day. Alternatively, at the option of Landlord, in the event this Lease is so terminated, Landlord will be entitled to recover against Tenant as damages for loss of the bargain and not as a penalty:

(a) The worth at the time of award of the unpaid Rent that had been earned at the time of termination;

(b) The worth at the time of award of the amount by which the unpaid Rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that Tenant proves could be reasonably avoided;

(c) The worth at the time of the award of the amount by which the unpaid Rent for the balance of the Term of this Lease (had the same not been so terminated by Landlord) after the time of award exceeds the amount of such rental loss that Tenant proves could be reasonably avoided;

(d) Any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom.

The "worth at the time of award" of the amounts referred to in clauses (a) and (b) above is computed by adding interest at the Prime Rate on the date on which this Lease is terminated from the date of termination until the time of the award. The worth at the time of award of the amount referred to in clause (c) above is computed by discounting such amount at the discount rate of the Federal Reserve Bank of Denver, Colorado, at the time of award plus 1%.

17.6 Cumulative Remedies. Any suit or suits for the recovery of the amounts and damages set forth in this lease may be brought by Landlord, from time to time, at Landlord's election, and nothing in this Lease will be deemed to require Landlord to await the date upon which this Lease or the Term would have expired had there occurred no Event of Default. Each right and remedy provided for in this Lease is cumulative and is in addition to every other right or remedy provided for in this Lease. All costs incurred by Landlord in collecting any amounts and damages owing by Tenant pursuant to the provisions of this Lease or to enforce any provision of this Lease, including reasonable attorneys' fees from the date any such matter is turned over to an attorney, whether or not one or more actions are commenced by Landlord, will also be recoverable by Landlord from Tenant.

17.7 No payment by Tenant or receipt or acceptance by Landlord of a lesser amount than the monthly rent and all other amounts owing, as set forth in this Lease, shall be deemed a waiver of any default or other amounts owing, nor shall any endorsement or statement, on any check or any letter accompanying any check or payment as rent be deemed an accord and satisfaction and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such rent or pursue any other remedy available to Landlord.

18. CANCELLATION RIGHTS: If Landlord or Tenant is given notice by the Federal Government of violations relating to Tenant's use of the Premises or that it intends to seize Landlord's property, or if Landlord determines in its sole discretion that Landlord may suffer substantial loss of value of the premises due to Tenant's use of the Premises, regardless of whether any event of default by Tenant has occurred, Landlord may cancel this lease upon fifteen days notice to Tenant. However, Tenant shall be responsible for all lease obligations, until he has vacated the premises and restored it in accordance with this Lease.

19. INDEMNITY PROVISIONS. Tenant shall indemnify Landlord from all liability, loss or other damages or claims for obligations resulting from any injuries or losses to persons or property occurring in or on the Premises, including reasonable attorney's fees and court costs

incurred by Landlord in defending any such claims, except to the extent caused by the negligence or misconduct of Landlord, or its agents or employees. Tenant shall indemnify Landlord from all liability, loss or other damages or claims for obligations resulting from any injuries or losses to persons or property occurring on or about any other portions of the Property claims, to the extent caused by the negligence or misconduct of Tenant, or its members, managers, agents or employees.

20. HOLD OVER. Any rule or law to the contrary notwithstanding, in the event that Tenant remains in possession of the Premises or any part thereof subsequent to the expiration of the term hereof, or any permitted extensions, it shall be conclusively deemed that such possession and occupancy shall be a tenancy from month-to-month only, at a rental equal to 150% of the base rental rate which was existing at the end of the term hereof and, further, such possession shall be subject to all of the terms and conditions of this Lease. The foregoing notwithstanding, Tenant agrees there shall be no such holding over or occupancy without Landlord's prior written consent.

21. SURRENDER OF PREMISES. Upon the expiration or termination of the Lease Term, Tenant shall peaceably and quietly leave and surrender the Premises in as good condition as they were as of the Commencement Date. Tenant shall surrender and deliver up the building and Premises broom-clean and free of Tenant's personal property, including all keys. Provided Tenant is not in default under this Lease. Except as set forth in Section 12.8, Tenant shall have the right to remove all of its trade fixtures, equipment, machinery and other personal property, provided that upon removal the Premises are delivered in the same condition as existed at the time of commencement of this Lease. Further, in the event Tenant does not remove any of its own trade fixtures, equipment or personal property or any additions or alterations made to the Premises during the term of this Lease, the Landlord may, at its option, require the Tenant to remove any such improvements, alterations, trade fixtures and equipment and restore the Premises to the condition as existed at the commencement of this Lease, or retain the same.

21.1 Delivery of Keys/No Surrender/No Accord and Satisfaction. The delivery of keys to Landlord, or Landlord's agents, employees, or officers shall not operate as a termination of this Lease or a surrender of the Premises.

22. SUBORDINATION AND ESTOPPEL LETTER

22.1. This Lease shall be subject and subordinate to all mortgages and deeds of trust which affect the Premises as of the Commencement Date. The rights and interest of Tenant under this Lease shall be subject and subordinate to any mortgage or trust deed that may be placed upon the Property or the Premises by Landlord after the Commencement Date and to any and all advances to be made thereunder, and to the interest thereon, and all renewals, replacements and extensions thereof. The mortgagee or beneficiary named in said mortgage or trust deed may elect to subject and subordinate the rights and interest of Tenant under this Lease to the lien of its mortgage or deed of trust and may agree to recognize this Lease of Tenant in the event of foreclosure if Tenant is not in default. Any mortgagee or beneficiary may elect to give the rights and interest of Tenant under this Lease priority over the lien of its mortgage or deed of trust. In the event of either such election and upon notification by such mortgagee or beneficiary to Tenant to that effect, the rights and interest of Tenant under this Lease shall be deemed to be subordinate to, or to have priority over, as the case may be, the lien of said mortgage or trust deed, whether this Lease is dated prior to or subsequent to the date of said mortgage or trust deed. Tenant shall execute and deliver whatever instruments may

be required for such purposes.

22.2 Tenant shall at any time and from time to time upon not less than ten (10) days prior written notice, execute, acknowledge and deliver to Landlord a statement in writing certifying that this Lease is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Lease as modified is in full force and effect) and the dates to which rent and any other charges are paid in advance, if any, and acknowledging that there are not, to Tenant's knowledge, any uncured defaults on the part of Landlord, or specifying such defaults, if any are claimed.

23. NOTICES. All notices, demands and requests required to be given by either party to the other under this lease shall be made in writing. All notices, demands and requests shall either be (a) hand delivered, (b) sent by a nationally recognized overnight delivery service, (c) sent by email to the email addresses set forth herein, or (d) shall be sent by certified or registered mail, return receipt requested, postage prepaid, addressed to the parties at the addresses set forth below or at such other addresses as the parties may designate in writing delivered pursuant to the provisions hereof. Any notice when given as provided herein shall be deemed to have been delivered on the date actually delivered or two (2) days subsequent to the date that said notice was deposited with the United States Postal Service.

LANDLORD: _____

TENANT: _____

24. TIME OF THE ESSENCE. Time is of the essence with regard to all provisions of this Lease.

25. LANDLORD REPRESENTATIONS AND WARRANTIES. The Landlord represents and warrants that:

25.1 It has full right and lawful authority to enter into this Lease for the full term that Landlord is lawfully seized of the Premises, and has good title thereto.

25.2 The Tenant, upon paying the rent herein reserved and upon performing all of the terms and conditions of this Lease on its part to be performed, shall at all times during the term herein demised peacefully and quietly have, hold and enjoy the Premises.

26. RIGHT TO INSPECT OR SHOW PREMISES. The Landlord, or Landlord's agent and representative, with 48 hours notice, and in compliance with any regulations governing Tenant's use, shall have the right to enter into and upon the Premises or any part thereof at all reasonable hours for the purpose of examining the same; provided, however, that such inspection does not interfere substantially with operation of Tenant's use of the Premises, and Landlord shall use reasonable efforts to minimize the interference with the conduct of Tenant's business resulting from such entry.

27. NON-WAIVER. No waiver by Landlord of any provision hereof or default by Tenant shall

be deemed a waiver of any other provisions hereof or of any subsequent breach by Tenant of the same of any other provision. Landlord's consent to or approval of any act shall not be deemed to render unnecessary the obtaining of Landlord's consent to or approval of any subsequent act by Tenant. The acceptance of rent hereunder by Landlord shall not be a waiver of any breach by Tenant of any provision hereof, including the failure of Tenant to pay the particular rent so accepted, regardless of Landlord's knowledge of such breach at time of acceptance of such rent.

28. ATTORNEYS' FEES. In case any action shall be brought to enforce any provisions of this Lease, or the breach or any terms of this Lease, the prevailing party shall (in addition to other relief granted) be awarded all fees and costs resulting from such litigation, including reasonable attorneys' fees and legal costs.

29. BROKERAGE. Tenant warrants that no broker, agent or other person was used in connection with this transaction and that no broker, agent or other person brought about this transaction.

30. MISCELLANEOUS.

30.1 Colorado Law Governs. This Lease has been executed and delivered in the State of Colorado and shall be construed in accordance with the laws of the State of Colorado. Tenant shall not make any claim that the Lease is unenforceable because of Tenant's use. Any dispute arising out of this Lease shall take place in the Ouray County District Court.

30.2 Headings and Captions. The parties mutually agree that the headings and captions contained in this Lease are inserted for convenience of reference only and are not to be deemed or construed to limit any rights or obligations this Lease.

30.3 Binding Effect. The covenants and agreements herein contained shall be binding upon and inure to the benefit of the Landlord, its personal representatives, heirs, successors and assigns.

30.4 Lease Construction and Interpretation. Words of any gender used in this Lease shall be held to include any other gender, and words in the singular shall be held to include the plural, when the sense requires.

30.5 Independent Covenants. This Lease shall be construed as though the covenants between Landlord and Tenant are independent and not dependent, and Tenant shall not be entitled to any set off of the rent or other amounts owing hereunder against Landlord if Landlord fails to perform its obligations set forth in this Lease.

30.6 Invalid Lease Provisions. If any clause, covenant, condition or provision of this Lease is determined to be illegal, invalid, or unenforceable under present or future laws effective during the term of this Lease, or any extended term, then and in that event it is the intention of the parties that the remainder of this Lease shall not be affected. It is also the intention of the parties to this Lease that in lieu of each clause or provision of this Lease that is illegal, invalid or unenforceable, a court shall be entitled to add as a part of this Lease, a clause or provision similar in terms or intent to make such illegal, invalid, or unenforceable clause or

provision legal, valid, and enforceable. Tenant shall not raise a defense that this lease is void against public policy in defense of any action arising under this lease.

30.7 Landlord Limited Liability. Notwithstanding anything to the contrary contained in this Lease, Landlord's liability under this Lease shall be limited to Landlord's interest in the Premises.

30.8. No Recording. Tenant shall not record this Lease or a memorandum hereof.

30.9 Authority of Tenant. Each individual executing this Lease on behalf of Tenant represents and warrants that he is duly authorized to deliver this Lease on behalf of Tenant and that this Lease is binding upon Tenant in accordance with its terms.

30.10 Relationship of Landlord and Tenant. Nothing contained herein shall be deemed or construed as creating the relationship of principal and agent, or of partnership, or of joint venture between the parties hereto, it being understood and agreed that no provision contained in this Lease or any acts of the parties hereto shall be deemed to create any relationship other than the relationship of Landlord or Tenant.

30.11 Entire Agreement. This Lease constitutes the entire understanding and agreement of the Landlord and Tenant with respect to the subject matter of this Lease, and contains all of the covenants and agreements of Landlord and Tenant with respect thereto. Landlord and Tenant each acknowledge that no representations, inducements, promises or agreements, whether oral or written, made by Landlord or Tenant, or anyone acting on behalf of Landlord and Tenant, which are not contained in this Lease shall be binding. Any prior agreements, promises, negotiations, or representations not expressly set forth in this Lease are of no force or effect. This Lease may not be altered, changed or amended except by an instrument in writing signed by both Landlord and Tenant.

By Signing Below, the parties agree they understand and agree to be bound by all terms contained in this lease agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Lease to be executed this 1 day of April 2016.

LANDLORD:

DALWHINNIE GROUP, LLC

By: Carter Investments, LLC, its Manager

By: Cari Quattebaum
Cari Quattebaum, Manager

TENANT:

DALWHINNIE FARMS, LLC

By: Travis Howard

Printed Name: Travis Howard

Title: Manager

THIS PAGE INTENTIONALLY LEFT BLANK

Exhibit 10- County Departmental Referrals

THIS PAGE INTENTIONALLY LEFT BLANK



LAND USE APPLICATION REFERRAL

Land Use Department

You are receiving this referral because the Land Use Department sends out Land Use applications to the other County Departments for review. The purpose of this is to provide the various departments with an opportunity to comment on any concerns they may have with an application. Please take a moment to review the attached application and return this form to the Land Use Office.

DEPARTMENT:

- Assessor
- Attorney
- Building
- EMS / Sheriffs
- Public Health
- Road / Bridge
- Weeds
- Administration

APPLICATION INFORMATION

Applicant's name: VALWHINNIE FARMS, LLC Agency: _____

Application:

- Special Use Permit
- Regular PUD
- Limited PUD
- Communications Facility
- Final Plat Amendment
- Boundary Adjustment
- Exemption/Exception
- Appeal (Variance)
- Marijuana Application

Application Acceptance Date: 4/12/2016

PROPERTY INFORMATION

Parcel/Account #: 430521201001 Job Site Address: 6154 County Rd. 23
 Subdivision Name: N/A Filing: N/A Lot Name/Number: N/A
 Nearest County Road: CR #23

*Parcel and/or account number is available from the Ouray County Assessor's Office - (970) 325-4371 or online at www.ouraycountyassessor.org

COUNTY DEPARTMENT COMMENTS

- This department does not have any concerns regarding this application
- This department does have a concern(s) with this application. Please provide concerns below:

Need key personnel applications & background checks completed by OCSD to confirm eligibility under state law - especially since LLC's not individual. Are you considering special use and not app? Not clear what part is for SWP.

*Please attach additional sheets if necessary

Dept. Head/Elected Off. Signature: Nathaniel... Date: 4/26/16



LAND USE APPLICATION REFERRAL

Land Use Department

You are receiving this referral because the Land Use Department sends out Land Use applications to the other County Departments for review. The purpose of this is to provide the various departments with an opportunity to comment on any concerns they may have with an application. Please take a moment to review the attached application and return this form to the Land Use Office.

DEPARTMENT:

- | | | | |
|--|--|-----------------------------------|--|
| <input type="checkbox"/> Assessor | <input type="checkbox"/> Attorney | <input type="checkbox"/> Building | <input checked="" type="checkbox"/> EMS / Sheriffs |
| <input type="checkbox"/> Public Health | <input type="checkbox"/> Road / Bridge | <input type="checkbox"/> Weeds | <input type="checkbox"/> Administration |

APPLICATION INFORMATION

Applicant's name: ALWHINNE FARMS, LLC Agency: _____

Application:

- | | | |
|--|---|---|
| <input checked="" type="checkbox"/> Special Use Permit | <input type="checkbox"/> Regular PUD | <input type="checkbox"/> Limited PUD |
| <input type="checkbox"/> Communications Facility | <input type="checkbox"/> Final Plat Amendment | <input type="checkbox"/> Boundary Adjustment |
| <input type="checkbox"/> Exemption/Exception | <input type="checkbox"/> Appeal (Variance) | <input checked="" type="checkbox"/> Marijuana Application |

Application Acceptance Date: 4/12/2016

PROPERTY INFORMATION

Parcel/Account #: 430521201001 Job Site Address: 6154 County Rd. 23
 Subdivision Name: N/A Filing: N/A Lot Name/Number: N/A
 Nearest County Road: CR #23

*Parcel and/or account number is available from the Ouray County Assessor's Office - (970) 325-4371 or online at www.ouraycountyassessor.org

COUNTY DEPARTMENT COMMENTS

- This department does not have any concerns regarding this application
- This department does have a concern(s) with this application. Please provide concerns below:

**Please attach additional sheets if necessary*

Dept. Head/Elected Off. Signature: Dominic Mattina Date: 04-27-2016



LAND USE APPLICATION REFERRAL

Land Use Department

You are receiving this referral because the Land Use Department sends out Land Use applications to the other County Departments for review. The purpose of this is to provide the various departments with an opportunity to comment on any concerns they may have with an application. Please take a moment to review the attached application and return this form to the Land Use Office.

DEPARTMENT:

- | | | | |
|--|--|--|---|
| <input type="checkbox"/> Assessor | <input type="checkbox"/> Attorney | <input checked="" type="checkbox"/> Building | <input type="checkbox"/> EMS / Sheriffs |
| <input type="checkbox"/> Public Health | <input type="checkbox"/> Road / Bridge | <input type="checkbox"/> Weeds | <input type="checkbox"/> Administration |

APPLICATION INFORMATION

Applicant's name: ALWHINNE FARMS, LLC Agency: _____

Application:

- | | | |
|--|---|---|
| <input checked="" type="checkbox"/> Special Use Permit | <input type="checkbox"/> Regular PUD | <input type="checkbox"/> Limited PUD |
| <input type="checkbox"/> Communications Facility | <input type="checkbox"/> Final Plat Amendment | <input type="checkbox"/> Boundary Adjustment |
| <input type="checkbox"/> Exemption/Exception | <input type="checkbox"/> Appeal (Variance) | <input checked="" type="checkbox"/> Marijuana Application |

Application Acceptance Date: 4/12/2016

PROPERTY INFORMATION

Parcel/Account #: 430521201001 Job Site Address: 6154 County Rd. 23
 Subdivision Name: N/A Filing: N/A Lot Name/Number: N/A
 Nearest County Road: CR #23

*Parcel and/or account number is available from the Ouray County Assessor's Office - (970) 325-4371 or online at www.ouraycountyassessor.org

COUNTY DEPARTMENT COMMENTS

- This department does not have any concerns regarding this application
- This department does have a concern(s) with this application. Please provide concerns below:

Must submit full set of adequate building plans, meeting 2006 IBC code, when applying for building permit.

**Please attach additional sheets if necessary*

Dept. Head/Elected Off. Signature: [Signature] Date: 5/12/16



LAND USE APPLICATION REFERRAL

Land Use Department

You are receiving this referral because the Land Use Department sends out Land Use applications to the other County Departments for review. The purpose of this is to provide the various departments with an opportunity to comment on any concerns they may have with an application. Please take a moment to review the attached application and return this form to the Land Use Office.

DEPARTMENT:

- | | | | |
|--|---|-----------------------------------|---|
| <input type="checkbox"/> Assessor | <input type="checkbox"/> Attorney | <input type="checkbox"/> Building | <input type="checkbox"/> EMS / Sheriffs |
| <input type="checkbox"/> Public Health | <input checked="" type="checkbox"/> Road / Bridge | <input type="checkbox"/> Weeds | <input type="checkbox"/> Administration |

APPLICATION INFORMATION

Applicant's name: JAC WHINNIE FARM LLC Agency: _____

Application:

- | | | |
|--|---|---|
| <input type="checkbox"/> Special Use Permit | <input type="checkbox"/> Regular PUD | <input type="checkbox"/> Limited PUD |
| <input type="checkbox"/> Communications Facility | <input type="checkbox"/> Final Plat Amendment | <input type="checkbox"/> Boundary Adjustment |
| <input type="checkbox"/> Exemption/Exception | <input type="checkbox"/> Appeal (Variance) | <input checked="" type="checkbox"/> Marijuana Application |

Application Acceptance Date: 4 / 12 / 2016

PROPERTY INFORMATION

Parcel/Account #: 490521201001 Job Site Address: 6154 CR 23
 Subdivision Name: N/A Filing: N/A Lot Name/Number: N/A
 Nearest County Road: CR #23

*Parcel and/or account number is available from the Ouray County Assessor's Office - (970) 325-4371 or online at www.ouraycountyassessor.org

COUNTY DEPARTMENT COMMENTS

- This department does not have any concerns regarding this application
- This department does have a concern(s) with this application. Please provide concerns below:

Due to the amount of ADT's (40?) ROAD & BRIDGE IS CONCERNED
about ROAD IMPACTS. ROAD & BRIDGE will Monitor conditions

**Please attach additional sheets if necessary*

Dept. Head/Elected Off. Signature: Chris Miller Date: 5/10/16

business provided in said Evidence of Debt secured by the deed of trust, plus attorneys' fees, the expenses of sale and other items allowed by law, and will issue to the purchaser a Certificate of Purchase, all as provided by law.

IF THE SALE DATE IS CONTINUED TO A LATER DATE, THE DEADLINE TO FILE A NOTICE OF INTENT TO CURE BY THOSE PARTIES ENTITLED TO CURE MAY ALSO BE EXTENDED.

IF THE BORROWER BELIEVES THAT A LENDER OR SERVICER HAS VIOLATED THE REQUIREMENTS FOR A SINGLE POINT OF CONTACT IN SECTION 38-38-103.1 OR THE PROHIBITION ON DUAL TRACKING IN SECTION 38-38-103.2, THE BORROWER MAY FILE A COMPLAINT WITH THE COLORADO ATTORNEY GENERAL, THE FEDERAL CONSUMER FINANCIAL PROTECTION BUREAU (CFPB), OR BOTH. THE FILING OF A COMPLAINT WILL NOT STOP THE FORECLOSURE PROCESS.

Colorado Attorney General Federal Consumer Financial Protection Bureau
1300 Broadway, 10th Floor P.O. Box 4503
Denver, Colorado 80203 Iowa City, Iowa 52244
(800) 222-4444 (855)411-2372
www.coloradoattorneygeneral.gov www.consumerfinance.gov
First Publication May 5, 2016
Last Publication June 2, 2016
Name of Publication Ouray County Plaindealer
DATE: March 14, 2016
Jeannine Casolari

Ouray County Public Trustee

The name, address, business telephone number and bar registration number of the attorney representing the legal holder of the indebtedness is:

Aaron R. Clay #9666
Clay and Dodson, P.C.
P.O. Box 38
Delta, CO 81416
Phone: 970/874-9777
Fax: 970/874-7224
Attorney File #

The Attorney above is acting as a debt collector and is attempting to collect a debt. Any information provided may be used for that purpose.

Published: Ouray County Plaindealer: May 5, 12, 19, 26, June 2, 2016

Legal Notice No. 1341533

NOTICE TO CREDITORS

Estate of NEAL SCOTT MILLS aka NEAL S. MILLS, Deceased
Case No. 2016 PR 30005

All persons having claims against the above-named estate are required to present them to the personal representative or to the District Court of Ouray County, Colorado on or before September 6, 2016, or the claims may be forever barred.

Sandra R. Myers
P.O. Box 493
Ouray, CO 81427

Published: Ouray County Plaindealer: May 5, 12, 19, 2016
Legal Notice No. 1341534

NOTICE OF HEARING

Notice is hereby given that the Ridgway Area Joint Planning Board will hold a public hearing beginning at approximately 3:00 pm on May 25, 2016 at the Ouray County Land Use Office in Ridgway, Colorado, located at 111 Mall Road, Ridgway, Colorado.

The purpose of the hearing is to review and make a recommendation to the Board of County Commissioners regarding a Special Use Permit application, made by Dalwhinnie Farms, LLC, to operate a Home Business at 6154 County Road 23. The purpose of the business is to operate a marijuana manufacturing/production (extraction) facility.

Hearing materials may be reviewed during regular business hours (8:00 am to 4:30 pm, Mon thru Thu) at the Land Use Office, 111 Mall Road, Ridgway, Colorado. Written or emailed comments should be received no later than May 17th and may be mailed to: Land Use Office, P.O. Box 28, Ridgway, CO 81432 or by email: bsampson@ouraycountycogov. Members of the public may also present testimony during the hearing.

Action may be taken on this item following the hearing.

Published: Ouray County Plaindealer: May 5, 2016
Legal Notice No. 1341536

NOTICE TO CREDITORS

Estate of Hershella H. Bennett a/k/a Shelly H. Bennett, Deceased
Case Number 16PR30004

All persons having claims against the above-named estate are required to present them to the Personal Representative or to District Court of Ouray County, Colorado on or before September 6, 2016, or the claims may be forever barred.

Gary L. Bennett
678 Sumac
Montrose, CO 81401

Published: Ouray County Plaindealer: May 5, 12, 19, 2016

REQUEST FOR PROPOSAL

FAIRWAY PINES SANITATION DISTRICT WASTEWATER TREATMENT FACILITY ROOF REPLACEMENT

Introduction/Invitation: The Fairway Pines Sanitation District (District, Owner) is requesting electronic Bids from qualified firms for the construction of the Wastewater Treatment Facility Roof Replacement Project until Wednesday, June 1st, 2016 at 2:00 P.M. MST. Bids shall be clearly marked "Fairway Pines Sanitation District -- Wastewater Treatment Facility Roof Replacement Project."

JVA, Inc. is acting as the Engineer for this project. The Engineer's address is 1319 Spruce St., Boulder, CO, 80302; e-mail: aspam@jvajva.com. The Owner's Representative is Mike Ardoin, FPSD Board Secretary. The Owner's Representative's address is 2233 East Main St., Montrose, CO, 81401; e-mail: mspikea@q.com

Bidding Documents may be obtained from the Engineer, JVA, Inc. and are available in electronic format at no cost. Paper copies of the Bidding Documents can also be made available for a non-refundable cost of \$50. Overnight mailing of Bidding Documents can be provided at bidder's expense. Please provide a UPS or FedEx account number when requesting documents.

Interested parties are invited to submit sealed Bids to the Owner or an electronic Bid to the Engineer, no later than Wednesday, June 1st, 2016 at 2:00 P.M. MST. Hard copies of Bids will be received at 2233 East Main St., Montrose, CO, 81401 or by email. Emailed copies of each Bid are limited to a maximum of 10MB capacity. Electronic Submittals must be received at the e-mail: aspam@jvajva.com. Submittals sent to any other box will NOT be forwarded or accepted. Please use the Delivery Receipt option to verify receipt of your email.

The District reserves the right to reject any and all responses, to waive any informalities or irregularities therein, and to accept the proposal that, in the opinion of the District, is in the best interest of the Fairway Pines Sanitation District, County of Ouray, State of Colorado.

Please direct all questions concerning this RFP in writing to the Engineer via e-mail. No questions will be answered verbally; all questions must be in e-mail. All questions and answers will be circulated as an Addendum via e-mail. Questions will not be accepted after Friday, May 27th at 5:00 P.M. MST. The Final Addendum will be sent out no later than close of business on Monday, May 30th.

Project Scope/Performance Standards: All necessary labor, supervision, equipment, tools, and materials to remove and replace the existing Wastewater Treatment Facility (WWTF) roof and access hatches. Work includes, but is not limited to, demolition of the existing corrugated metal roof, removal of select structural headers and installation of insulated metal roof panels, hatches, skylights, and structural modifications as detailed in the Bidding Documents. All existing demolished items shall be considered waste and shall become the property of Contractor for off-site disposal. Published by the authority of the Fairway Pines Sanitation District Board Chairman, C.J. Julin.
Dated April 25, 2016

Published: Ouray County Plaindealer: May 5, 2016
Legal Notice No. 1341537

PUBLIC HEARING NOTICE

The Ouray County Board of County Commissioners has scheduled a public hearing beginning at 10:00 a.m. on May 24, 2016 at the Colona Roadhouse located at 35 County Road 1, Colona.

The purpose of this hearing is to review a request for approval of an amendment to an existing Special Use Permit (Commercial Use), by Hockersmith Law P.C., authorized agent for Porter & Chessie, LLC, for the inclusion of a drive-thru window with the existing coffee shop business.

The Special Use Permit application and associated documentation may be reviewed at the Land Use Office, 111 Mall Road, Ridgway, Colorado. Comments may be submitted in writing prior to the hearing and should be received no later than May 16, 2016. Comments may be submitted in writing prior to the hearing and should be received no later than June 15, 2015. Mail comments to: Ouray County - Clerk of the Board, P.O. Box C, Ouray, CO 81427 or email to: hhollenbeck@ouraycountycogov. Alternatively, written and/or oral testimony will be taken at the public hearing. Action may be taken on this application following the hearing.

Published: Ouray County Plaindealer: May 5, 12, 19, 2016
Legal Notice No. 1341538

HEARING NOTICE

The Ouray County Local Licensing Authority has scheduled a hearing beginning at 10:15 a.m. on May 24, 2016 at the Colona Roadhouse, 35 CR 1. The purpose of this hearing is to review a request by Krush Productions, LLC for approval of a marijuana cultivation license at 33380 US Highway 550.

The application and all associated documentation may be reviewed at the Land Use Office, 111 Mall Road, Ridgway, Colorado. Comments may be submitted in writing prior to the hearing and should be received no later than May 16, 2016. Mail comments to: Ouray County - Clerk of the Board, P.O. Box C, Ouray, CO 81427 or email to: hhollenbeck@ouraycountycogov. Alternatively, written and/or oral testimony will be taken at the public hearing. Action may be taken on this application following the hearing.

Published: Ouray County Plaindealer: May 5, 12, 19, 2016

negotiating re-
ize these with t
voters will have
vote."

The petition
BOCC to create
November ballot
covering constr
mill levy is to r
ongoing chip s
years.

These mill le
which would ad
tax bill for ev
example, a hou
increase of \$21

The petition
Off Highway V
limit signs and
many citizens h
increase their
Montrose and T

The petition
committee com
CR 1 decisions
tee would initia
appointed by th
Construction a

Kreutzen sai
and be comple
sealing the gra
improved along
seal will not las

He said \$3.0
estimate, but t
likely be lower
out this could
economy.

County com
\$5,000 for lega
nary engineerin

One major c
not be used so
concern, as the
county, like a t
ty will not have
1.

The county
road after const
sealing.

Citizen concern

Residents ra
the proposed p
on CR 22 and
section of CR 1
levy will cost hi
of the road he

"I pay for th
small part of th
particular road
can it be mora
together in the

PUBLIC NOTICE

6154 COUNTY ROAD 23

DALWHINNIE FARMS, LLC, LEASEE OF PROPERTY OWNED BY DALWHINNIE GROUP, LLC HAS APPLIED TO THE OURAY COUNTY LAND USE DEPARTMENT FOR A LICENSE TO OPERATE A MARIJUANA CULTIVATION AND MARIJUANA EXTRACTION FACILITY ON THIS PROPERTY.

FOR MORE INFORMATION, INCLUDING HEARING DATES AND LOCATIONS, PLEASE CONTACT THE OURAY COUNTY LAND USE DEPARTMENT AT 970.626.9775, OR IN PERSON AT 111 MALL ROAD.

15

PRIVATE



Certificate Of Mailing

This Certificate of Mailing provides evidence that mail has been presented to USPS®
This form may be used for domestic and international mail

From: Land use Department
PO Box 28
Ridgway, Co 81435

To: Coal Creek Hydro, L.
PO Box 1385
~~Father~~ Oway, Co 81427

PS Form 3817, April 2007 PSN 7530-02-000-9065



1000



81427

U.S. POSTAGE
PAID
RIDGWAY, CO
81432
MAY 04 18
AMOUNT
\$1.30
R2304Y123005-1



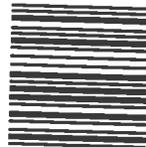
Certificate Of Mailing

This Certificate of Mailing provides evidence that mail has been presented to USPS®
This form may be used for domestic and international mail

From: Land Use Department
PO Box 28
Ridgway, Co 81432

To: Ridgway River Developpr
1076 Pioneer Rd
Montrose, Co 81403

PS Form 3817, April 2007 PSN 7530-02-000-9065



81435

U.S. POSTAGE
PAID
RIDGWAY, CO
81432
MAY 04 18
AMOUNT
\$1.30
R2304Y123005-10



Certificate Of Mailing

This Certificate of Mailing provides evidence that mail has been presented to USPS®
This form may be used for domestic and international mail

From: Land use Department
PO Box 28
Ridgway, Co 81432

To: Fisher Ranch
170 Race course Rd
Ridgway, Co 81432

PS Form 3817, April 2007 PSN 7530-02-000-9065



1000



81432

U.S. POSTAGE
PAID
RIDGWAY, CO
81432
MAY 04 18
AMOUNT
\$1.30
R2304Y123005



Certificate Of M

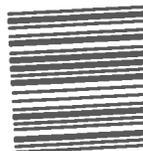
This Certificate of Mailing provides evidence that mail has been presented to USPS® to This form may be used for domestic and international mail

From: Land Use Departm
PO Box 28
Ridgway, Co 81432

To: Carter Investments
PO Box 3891
Telluride Co
81435

PS Form 3817, April 2007 PSN 7530-02-000-9065

U.S. POSTAGE
PAID
RIDGWAY, CO
81432
MAY 04, 16
AMOUNT
\$1.30
R2304Y123005-



81435



1000



Certificate Of I

This Certificate of Mailing provides evidence that mail has been presented to USPS® This form may be used for domestic and international mail

From: Land Use Departmen
PO Box 28
Ridgway, Co
81432

To: Susan Waitman
23471 Uncompahgre
Montrose, Co
81403

PS Form 3817, April 2007 PSN 7530-02-000-9065

U.S. POSTAGE
PAID
RIDGWAY, CO
81432
MAY 04, 16
AMOUNT
\$1.30
R2304Y123005-1



81403



1000



Certificate Of I

This Certificate of Mailing provides evidence that mail has been presented to USPS® This form may be used for domestic and international mail

From: Land Use Departmen
PO Box 28
Ridgway, Co
81432

To: Michael Masker
5895 County Rd 23
Ridgway, Co
81432

PS Form 3817, April 2007 PSN 7530-02-000-9065

U.S. POSTAGE
PAID
RIDGWAY, CO
81432
MAY 04, 16
AMOUNT
\$1.30
R2304Y123005



81432



1000



Certificate Of

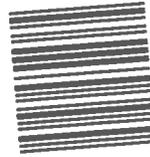
This Certificate of Mailing provides evidence that mail has been presented to USPS. This form may be used for domestic and international mail.

From: Land Use Department
PO Box 28
Ridgway, Co 81432

To: Coal Creek Hydro L
PO Box 745
Telluride, Co 81435

PS Form 3817, April 2007 PSN 7530-02-000-9065

U.S. POSTAGE
PAID
RIDGWAY, CO
81432
MAY 04, 16
AMOUNT
\$1.30
R2304Y123005-



81403



1000



Certificate Of M

This Certificate of Mailing provides evidence that mail has been presented to USPS. This form may be used for domestic and international mail.

From: Land Use Department
PO Box 28
Ridgway, Co 81432

To: ATAMJ Family LP
1193 Romney Dr
Pasadena, CA 91105

PS Form 3817, April 2007 PSN 7530-02-000-9065

U.S. POSTAGE
PAID
RIDGWAY, CO
81432
MAY 04, 16
AMOUNT
\$1.30
R2304Y123005



81105



1000



Certificate Of I

This Certificate of Mailing provides evidence that mail has been presented to USPS. This form may be used for domestic and international mail.

From: Land use department
PO Box 28
Ridgway, Co 81432

To: Ruth Higdon
PO Box 275
Ridgway, Co 81432

PS Form 3817, April 2007 PSN 7530-02-000-9065

U.S. POSTAGE
PAID
RIDGWAY, CO
81432
MAY 04, 16
AMOUNT
\$1.30
R2304Y123005



81432



1000