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TOWN OF SILT
Work Session on Metropolitan Districts

Bob Cole
Collins Cockrel & Cole, P.C.

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WHAT IS A SPECIAL DISTRICT

- Special districts are a type of local government entity that can operate in multiple jurisdictions and provide specific services, with authority to levy taxes (with voter approval) and impose fees and charges to pay for such services.

Types of Special Districts. § 32-1-301(2)(a), C.R.S.

1. Water and/or Sanitation
2. Fire
3. Park and Recreation
4. Ambulance
5. Metropolitan (multiple-service districts)
6. Health Service/Health Assurance
7. Tunnel

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WHAT IS A METROPOLITAN DISTRICT?

Metro Districts are special districts that provide <u>at least two of the following services</u>:

1. Water,
2. Sewer
3. Fire
4. Park and Recreation
5. Street Lighting
6. Safety Protection (through traffic and safety controls and devices on streets, highways and railroad crossings)
7. Mosquito Control
8. Street Improvements
9. Television Relay and Translator Facilities
10. Transportation
11. Solid Waste Disposal (in some circumstances)
12. Security Services (with conditions)
13. Covenant Enforcement and Design Review

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PURPOSE OF A METROPOLITAN DISTRICT

- Primary purpose is to construct and finance public improvements.
  - Metro Districts have become one of the primary financial tools for the construction of public improvements in Colorado. (Approximately 1500 Metro Districts currently in Colorado)
  - Can finance, construct and provide public improvements and services to new and existing development that county and municipal governments are unable or unwilling to provide.
- May provide on-going operations and maintenance of public areas (e.g. clubhouses, pools, parks, open space).
- May provide covenant enforcement.

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FORMATION OF A METROPOLITAN DISTRICT

Steps to Create a Metro District:

1. **Approval of the Service Plan by the Board of Trustees** following a public hearing
2. The developer files a **Petition for Organization with the District Court**. The Court holds a public hearing and orders an election for the organization of the District.
3. **Election:** Majority of the electors must vote to organize the District.
4. **Court issues an Order and Decree** organizing the District, which is recorded against all property within the District.

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POWERS OF METROPOLITAN DISTRICTS

- Power of eminent domain (condemnation)
- Power to levy taxes, assess fees, rates, tolls and charges.
- Power to issue bonds and other forms of financial obligations.

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STATUTORY PROTECTIONS & LIMITATIONS

- C.R.S. § 32-1-1101(6), imposes limitations upon the ability of a metropolitan district to issue debt.
- Subject to the same open meetings, open records, budget & audit laws of other Colorado local governments, and TABOR, and election laws (with some variance).
- Governmental immunity for the District and Cirectors acting within the scope of their duties.
- Reporting requirements to the State (filing and updating a map of the District boundaries, filing Director oaths of office, filing budgets and audits)

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SERVICE PLAN CONSIDERATIONS:

The Town can impose additional requirements and protections in the Service Plan, such as:

- Capping the operating mill levy.
- Capping the authorized debt service mill levy.
- Capping the authorized debt amount.
- Limiting the debt repayment term.
- Limiting or removing the eminent domain power.
- Limiting boundary adjustments via inclusions and exclusions.
- Limitation on applying for certain grants that would compete with Town (i.e. GOCO and Conservation Trust Fund)

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REQUIRED FINDINGS TO APPROVE A SERVICE PLAN:

The Board of Trustees may approve without condition, approve with condition or disapprove a Service Plan, applying the following 9 criteria:

1. There is sufficient existing and projected need for organized service in the area to be serviced by the proposed District.
2. The existing service in the area to be served by the proposed District is inadequate for present and projected needs.
3. The proposed District is capable of providing economical and sufficient service to the area within its proposed boundaries.

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REQUIRED FINDINGS TO APPROVE A SERVICE PLAN (continued)

4. The area to be included in the proposed District has, or will have, the financial ability to discharge the proposed indebtedness on a reasonable basis.
5. Adequate service is not, and will not be, available to the area through the Town or other existing municipal or quasi-municipal corporations, including existing special districts, within a reasonable time and on a comparable basis.
6. The facility and service standards of the proposed District is compatible with the facility and service standards of the Town.

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REQUIRED FINDINGS TO APPROVE A SERVICE PLAN (continued)

7. The proposal is in substantial compliance with the Town's master plan.
8. The proposal is in compliance with any duly adopted county, regional, or state long-range water quality management plan for the area.
9. The creation of the proposed District will be in the best interests of the are proposed to be served.

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RIVER VALLEY METROPOLITAN DISTRICT

- 71 acres of land.
- 2-phase development; residential & commercial.
- $7 million anticipated assessed valuation.
- Anticipated population of almost 700.
- Requested March 16, 2020 approval of Service Plan.
- Proposed services are all services permitted under Title 32, except fire, domestic water, and sanitation services.

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RIVER VALLEY MD – PUBLIC IMPROVEMENTS

- Purpose of District: *"to finance, plan, design, acquire, construct, install, and/or relocate the following Public Improvements: water, sanitary sewer, storm sewer, roadway, traffic and safety and park and recreation…". (Paragraph V.A)*
- Substantially all public improvements will be dedicated to Town for ownership, operations and maintenance, except the roundabout which will be dedicated to CDOT, and certain public rights of way, park landscaping, trails/pedestrian walkways and park improvements to be maintained by the District.

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RIVER VALLEY METROPOLITAN DISTRICT -- DEBT

- Privately-placed debt & developer reimbursements are permitted.
- Debt limit of $10 million.
- Cost estimate of public improvements is $6,041,000.
- Cap on interest rate for debt is 12%.
- Maximum underwriting discount is 3%.
- Anticipated 2021 debt issuance of $2,895,000 and 2025 in amount of $5,605,000 ($8.5 million total)

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RIVER VALLEY METROPOLITAN DISTRICT – MILL LEVIES

- **No mill levy cap** on the portion of the debt which is less than 50% of the District's assessed valuation.
- **Maximum mill levy of 50 mills** for the portion of the debt which exceeds 50% of the District's assessed valuation. Allows for Gallagher adjustments.
- **Operating mill levy cap of 10 mills.**

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RIVER VALLEY METROPOLITAN DISTRICT (continued)

- No inclusions without written consent of Town Administrator.
- Notice of exclusions given 30 days in advance of any exclusions.
- Will not apply for GOCO or Conservation Trust Fund monies for which the Town has also applied.
- Annual report to Town by August 1st.
- Town and District to enter into IGA.

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NEXT STEPS:

1. CCC develops a Model Service Plan and Special District Policy for the Town.
2. Concurrently, CCC reviews River Valley Metro District's proposed Service Plan and provides detailed comments and recommendations to the Town.
3. The Board of Trustees holds a Work Session to discuss the proposed Model Service Plan and Special District Policy.
4. The Board of Trustees approves the Model Service Plan and Special District Policy at a subsequent meeting. At the same meeting, the Trustees can hold the public hearing on River Valley MD's proposed Service Plan.

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TOWN OF SILT
REGULAR BOARD OF TRUSTEES AGENDA
MONDAY, MARCH 9, 2020 – 7:00 P.M.
MUNICIPAL COUNCIL CHAMBERS

5:30 p.m. – Metro District orientation

ESTIMATED TIME	AGENDA ITEM	PUBLIC HEARING or ACTION ITEM	STAFF PRESENTOR
	Agenda		**Tab A**
7:00	**Call to order**		**Mayor Richel**
	Roll call		
	Pledge of Allegiance and Moment of Silence		
7:05	**Consent agenda –** 1. Minutes of the February 24, 2020 Board of Trustees meeting 2. Proclamation recognizing the Coal Ridge Titans Co-ed Cheer Team	**Action Item**	**Tab B Mayor Richel**
	Conflicts of Interest		
7:10	**Public Comments -** A "Sign In Sheet" is available in the Council Chambers. **Each speaker will limit comments to no more than three (3) minutes, with a total time of 30 minutes allotted to public comments, pursuant to Section 2.28.020 of the Silt Municipal Code**		
7:25	**Agenda Changes**		
7:25 5 min	**Resolution No. 17, Series 2020,** A RESOLUTION OF THE TOWN OF SILT ("TOWN") APPROVING A LAND LEASE AGREEMENT BETWEEN THE TOWN AND HIGHWATER FARM, A COLORADO NONPROFIT CORPORATION ("HIGHWATER") FOR A LEASE OF A PORTION OF THE SILT RIVER PRESERVE KNOWN AS PARCEL # 2179-094-00-733 AND THE APPURTENANT WATER RIGHTS, FOR THE PURPOSE OF ACTIVE AGRICULTURAL PRODUCTION, WITHIN THE TOWN OF SILT, GARFIELD COUNTY, STATE OF COLORADO	**Action Item**	**Tab C Director Aluise**
7:30 15 min	**Greater Roaring Fork Housing Coalition – KT Gazunis**	**Info Item**	**Tab D Administrator Layman**
7:45 30 min	**Resolution No. 13, Series 2020,** A RESOLUTION APPROVING THE SILT CASTLE LLC SPECIAL USE PERMIT FOR THE KIND CASTLE RETAIL MARIJUANA STORE ON A PROPERTY KNOWN AS LOT PARCEL A, AMENDED KEITHLEY EXEMPTION PLAT, ALSO KNOWN AS PARCEL #217910100039, AND COMMONLY KNOWN AS 1421 RIVER FRONTAGE ROAD, TOWN OF SILT, GARFIELD COUNTY, STATE OF COLORADO	**Public Hearing**	**Tab E Director Aluise**
	Mayor declares adjournment as the Board of Trustees and convenes as the Marijuana Licensing Authority		

8:15 15 min	**Silt Castle LLC - New Retail Marijuana store license application**	**Public Hearing**	**Tab F Town Clerk McIntyre**
	Mayor declares adjournment as the Marijuana Licensing Authority and reconvenes as the Board of Trustees		
8:30 5 min	**Stoney Ridge Phase II request for partial letter of credit release**	**Action Item**	**Tab G Director Aluise**
8:35 10 min	**Award of bid for 1st Street & 7th Street asphalt overlay**	**Action Item**	**Tab H Director Fonner**
8:45 5 min	Second reading of **Ordinance No. 8, Series 2020**, AN ORDINANCE OF THE TOWN OF SILT, COLORADO, REPEALING AND REPLACING CHAPTER 12.04 OF THE SILT MUNICIPAL CODE REGARDING SNOW AND ICE REMOVAL	**Public Hearing**	**Tab I Director Fonner**
8:50 5 min	**Administrator and Staff Reports**	**Info Item**	**Tab J Administrator Layman**
8:55 10 min	**Updates from Board / Board Comments**		
9:05	**Adjournment**		
The next regularly scheduled meeting of the Silt Board of Trustees is Monday, March 23, 2020. Items on the agenda are approximate and intended as a guide for the Board of Trustees. "Estimated Time" is subject to change, as is the order of the agenda. For deadlines and information required to schedule an item on the agenda, please contact the Silt Town Clerk at 876-2353.			

TOWN OF SILT
REGULAR BOARD OF TRUSTEES MEETING
FEBRUARY 24, 2020 – 7:00 P.M.

The Silt Board of Trustees held their regularly scheduled meeting on Monday, February 24, 2020 in the municipal council chambers. Mayor Richel called the meeting to order at 7:04 p.m.

_____

Roll call	Present	Mayor Keith Richel
		Mayor Pro-tem Kyle Knott
		Trustee Andreia Poston
		Trustee Dina Prieto
		Trustee Jerry Seifert
		Trustee Sam Walls
	Absent	Trustee Justin Brintnall

Also present were Town Administrator Jeff Layman, Town Clerk Sheila McIntyre, Community Development Director Janet Aluise, Town Treasurer Amie Tucker, Public Works Director Trey Fonner, Chief of Police Mike Kite, Town Attorney Michael Sawyer and members of the public.

_____

Pledge of Allegiance and Moment of Silence

_____

Consent Agenda

1) Minutes of the February 10, 2020 Board of Trustees meeting
2) **Resolution No. 14, Series 2020**, A RESOLUTION AUTHORIZING AND DIRECTING THE TOWN CLERK TO PUBLISH NOTICE OF CANCELLATION OF THE REGULAR TOWN ELECTION ON APRIL 7, 2020, AND DECLARING THE ELECTION OF CANDIDATES

Trustee Seifert made a motion to approve the consent agenda as presented. Trustee Prieto seconded the motion, and the motion carried unanimously.

_____

Conflicts of Interest – There were no conflicts of interest.

_____

Public Comments – There were no public comments.

_____

Agenda Changes – There were no agenda changes.

_____

Resolution No. 9, Series 2020, A RESOLUTION FINDING SUBSTANTIAL COMPLIANCE WITH AN ANNEXATION PETITION FOR TWO PARCELS KNOWN AS THE VILLAGE AT PAINTED PASTURES ANNEXATION, A 9.223-ACRE PARCEL AND A 2.001-ACRE PARCEL, BOTH SOUTH OF THE EXISTING PAINTED PASTURES SUBDIVISION AND EAST OF THE LYON COMMERCIAL PLANNED UNIT DEVELOPMENT, WITHIN GARFIELD COUNTY, STATE OF COLORADO

Director Aluise stated that by approving this resolution it sets the public hearing and starts the annexation process.

Mayor Pro-tem Knott made a motion to approve Resolution No. 9, Series 2020, A RESOLUTION FINDING SUBSTANTIAL COMPLIANCE WITH AN ANNEXATION PETITION FOR TWO PARCELS KNOWN AS THE VILLAGE AT PAINTED PASTURES ANNEXATION, A 9.223-ACRE PARCEL AND A 2.001-ACRE PARCEL, BOTH SOUTH OF THE EXISTING PAINTED PASTURES SUBDIVISION AND EAST OF THE LYON COMMERCIAL PLANNED UNIT DEVELOPMENT, WITHIN GARFIELD COUNTY, STATE OF COLORADO. Trustee Walls seconded the motion, and the motion carried unanimously.

First reading of **Ordinance No. 8, Series 2020**, AN ORDINANCE OF THE TOWN OF SILT, COLORADO REPEALING AND REPLACING CHAPTER 12.04 OF THE SILT MUNICIPAL CODE REGARDING SNOW AND ICE REMOVAL

Director Fonner stated that this ordinance addresses issues that town has experienced when snow is placed back in the streets after they have been plowed.

The public hearing was opened at 7:13 p.m. There were no public comments and the hearing closed at 7:13 p.m.

Mayor Pro-tem Knott made a motion to approve first reading of Ordinance No. 8, Series 2020, AN ORDINANCE OF THE TOWN OF SILT, COLORADO REPEALING AND REPLACING CHAPTER 12.04 OF THE SILT MUNICIPAL CODE REGARDING SNOW AND ICE REMOVAL. Trustee Poston seconded the motion, and the motion carried unanimously.

Follow-up complaint regarding Golden Gate Petroleum Sign Exception

Director Aluise went over the process that was taken by the Planning & Zoning Commission when they reviewed the sign exception application that was submitted by Golden Gate Petroleum. She added that there was no public present to speak about the sign request.

There was lengthy discussion about the sign exception process and if the board should be included in it somehow without micro managing the Planning Commission. There was also discussion about how restrictive the sign code is. It was decided to hold a work session to discuss the sign code with consideration to changing it to make it less restrictive and possibly eliminating the need for sign exceptions.

January 2020 financials and balance sheets

Town Treasurer Tucker went over the January 2020 financials and balance sheets.

Updates from Board / Board comments

The Board thanked staff for all of their hard work and for the Metro District work session tonight and all of the information that was provided. Trustee Seifert stated that he enjoyed the State of

the Community luncheon, adding that it was very informative and nice to see what the other communities in the area are doing.

Mayor Richel updated the Board on the Mayor's meeting he attended adding that there was information provided by KT Gazunis about the formation of a Roaring Fork Coalition that would address housing issues in the valley. He asked if she could attend a future meeting to provide information to the entire Board. He stated that Debbie Wilde provided a presentation regarding a possible detox center for the region that would include mental health assistance, adding that it may be good to have her give the Board an update sometime in the near future as well.

Mayor Richel provided an update on HB 19-1234 in regards to marijuana delivery adding that most municipalities are going to oppose the bill. He also commented on the tobacco tax that most municipalities have passed but not Silt. It was discussed that if the Board wanted to consider putting a question on the November ballot this topic would need to be addressed by July.

_____

Adjournment

Mayor Pro-tem Knott made a motion to adjourn. Trustee Seifert seconded the motion, and the motion carried unanimously. Mayor Richel adjourned the meeting 7:45 p.m.

_____

Respectfully submitted,

_____
Sheila M. McIntyre, CMC
Town Clerk

Approved by the Board of Trustees

_____
Keith B. Richel
Mayor

TOWN OF SILT

PROCLAMATION

WHEREAS, Coal Ridge High School serves students from the Town of Silt; and

WHEREAS, in December 2019 the Coal Ridge Titans Co-ed Cheer Team won the Colorado High School Activities Association 2A/3A Co-ed Cheer championship; and

WHEREAS, by winning the championship, the Coal Ridge High School cheerleading squad came away with their second straight state title at CHSAA; and

WHEREAS, the students have set high expectations for themselves and proven their excellence academically as well as their dedication to the team and this sport; and

WHEREAS, Silt residents want to show their pride and thank all of those on the squad and those who participated with them to get them to the championship.

NOW THEREFORE, I Mayor Keith Richel and the Board of Trustees of the Town of Silt would like to congratulate the Coal Ridge Titans Cheer Team for their second straight 2A/3A Co-Ed Cheer title and enter this Proclamation into the official records of the Town of Silt.

Dated this 9th day of March, 2020.

TOWN OF SILT

Keith B Richel

Mayor Keith B. Richel

TOWN OF SILT
BOARD OF TRUSTEES REGULAR MEETING
March 9, 2020
Council Action Form

SUBJECT: Request for approval of lease of a portion of Silt River Preserve for agricultural production.

PROCEDURE: (Public Meeting) Board motion

RECOMMENDATION: (Staff) recommends the Board approve the Town of Silt/Highwater Farm Land Lease Agreement.

SUMMARY AND BACKGROUND OF SUBJECT MATTER: Highwater Farm, a Colorado nonprofit corporation, requests to lease a portion of the Silt River Preserve (not to exceed five acres), for the purpose of agricultural production, including teaching youth farming.

FUNDING SOURCE:	Highwater Farm
ORDINANCE FIRST READING DATE:	N/A
ORDINANCE SECOND READING DATE:	N/A
RESOLUTION READING DATE:	N/A
ORIGINATED BY:	Highwater Farm
PRESENTED BY:	Janet Aluise, CDD
DOCUMENTS ATTACHED:	1) Resolution 17, Series of 2020; 2) Staff Memo; 3) Agreement; & 4) Map of Leased Area.

TOWN ATTORNEY REVIEW [X] YES [ ] NO INITIALS ____

SUBMITTED BY:

JAluise

Janet Aluise, Community Development Director

REVIEWED BY:

Jeff Layman, Town Administrator

TOWN OF SILT
RESOLUTION NO. 17
SERIES OF 2020

A RESOLUTION OF THE TOWN OF SILT ("TOWN") APPROVING A LAND LEASE AGREEMENT BETWEEN THE TOWN AND HIGHWATER FARM, A COLORADO NONPROFIT CORPORATION ("HIGHWATER") FOR A LEASE OF A PORTION OF THE SILT RIVER PRESERVE KNOWN AS PARCEL # 2179-094-00-733 AND THE APPURTENANT WATER RIGHTS, FOR THE PURPOSE OF ACTIVE AGRICULTURAL PRODUCTION, WITHIN THE TOWN OF SILT, GARFIELD COUNTY, STATE OF COLORADO

WHEREAS, the Town of Silt ("Town") owns certain real property located in the Town of Silt and Garfield County, Colorado known as Garfield County Assessor's Parcel Number 2179-094-00-733 (the "Subject Property"), or more commonly known as the Silt River Preserve, subject to a conservation easement; and

WHEREAS, the Town is a "public body" authorized to grant leases in real property it owns; and

WHEREAS, the Town desires to lease a portion of the Subject Property, as depicted and described in **Exhibit A** and hereinafter known as "Leased Property", including all appurtenances, described water rights, easements, and improvements related to the Leased Property for the purpose of active agricultural production; and

WHEREAS, Highwater and the Town acknowledge that it is in the best interests of both parties to approve the agreement, as the Silt River Preserve conservation easement and management plan contemplate the cultivation of vegetative material on the Subject Property; and

WHEREAS, on or about March 9, 2020, the Board considered Resolution 17, Series of 2020, as written, and found that approval of this resolution and the Lease Agreement, attached as **Exhibit B,** is in the best interests of the Town of Silt and its citizens.

NOW, THEREFORE, BE IT RESOLVED, BY THE BOARD OF TRUSTEES OF THE TOWN OF SILT, COLORADO, THAT the Highwater Farm Lease Agreement is hereby approved.

INTRODUCED, READ, PASSED AND ADOPTED at a regular meeting of the Board of Trustees of the Town of Silt, Colorado held on the 9th day of March, 2020.

TOWN OF SILT

ATTEST:

_____
Mayor Keith B. Richel

_____
Town Clerk Sheila M. McIntyre, CMC

AGREED TO BY: Highwater Farm Project

_____
Sara Tymczyszyn, Director

County of Garfield)
) §§
State of Colorado)

Sworn to me and subscribed before me this _____ day of _____, 2020, by Sara Tymczyszyn.

_____
Notary Public

My commission expires: _____

Exhibit A

Highwater Farm Leased Property General Description

Site Plan - Highwater Farm
at the Silt River Preserve

250 500' 1,000'

N

Exhibit B
(See Attached Agreement to follow)

AGRICULTURAL LAND LEASE

This AGRICULTURAL LAND LEASE AND AGREEMENT (the "Agreement" "Lease Agreement" or "Lease") is entered into as of the last signature collected hereto, by and between the Town of Silt, a Colorado home-rule municipality whose legal address is 231 N. 7th Street, Silt, CO 81652 (hereinafter, "Town") and Highwater Farm, a Colorado nonprofit corporation whose legal address is 732 Minter Ave, Glenwood Springs CO 81601 (hereinafter "Highwater"). Town and Highwater may be referred to herein individually without specification as "Party", or collectively as "Parties".

This Agreement is made with reference to the following facts:

A. The Town owns certain real property located in the Town of Silt and Garfield County, Colorado, commonly known as the Silt River Preserve, otherwise known as Parcel # 217909400733, 791 County Road 346, a one hundred and thirty two acre parcel located south of the Colorado River and north of County Road 346, hereinafter "Subject Property."

B. The Town is a "public body" authorized to grant leases in real property it owns.

C. The Town desires to lease a portion of the Subject Property, as depicted and described in **Exhibit A** and hereinafter known as "Leased Property," including all appurtenances, described water rights, easements, and improvements related to the Leased Property for the purpose of active agricultural production.

LEASE AGREEMENT

NOW, THEREFORE, for and in consideration of the mutual agreements, promises and covenants herein contained, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties mutually undertake, promise, and agree for themselves, their respective representatives, successors and assigns, as follows:

1. Recitals: The foregoing recitals are hereby incorporated by this reference.

2. Purpose and Intent. Landlord and Tenant intend that the Leased Property, all appurtenances, water rights, easements and improvements as described herein be used for active agricultural production, fencing, irrigation, and related uses, including education and instruction. Agricultural production shall continue on the Leased Property during the entire term of the lease, consistent with accepted agricultural practices regarding soil and water, and as further determined by Town and Highwater, in order to avoid erosion and weed proliferation on the Leased Property.

3. Compensation for Land Usage. In recognition of the public benefits to be obtained from Highwater's agricultural use of the Leased Property, Highwater shall pay to the Town rent in the amount of ten dollars per year. The rent is due and payable on or before March 31 of each calendar year. .

4. Water Rights/Water Usage. In consideration for the grant of the Lease, the Town agrees that Highwater may utilize the following water rights owned by the Town without additional compensation to the Town.

An amount not to exceed 120 gallons per minute from the following water rights:

Rising Sun Ditch Priority No. 16

Rising Sun Ditch 1st Enlargement Priority No. 64

Rising Sun Ditch 2nd Enlargement Priority No. 226

(collectively the "Water Rights")

Highwater's use of the Water Rights shall be exclusive to the Leased Property. Highwater shall install its own pump and pipe system to deliver water associated with the Water Rights from the Rising Sun Ditch to the Leased Property. The pump shall have a totalizing flow meter and Highwater shall log the meter readings on a monthly basis. Prior to installation of the pump and piping infrastructure, Highwater shall submit to the Town a plan depicting the location of the pump, a description of how electricity will be provided to the pump (certified by a licensed electrician), and the location of the proposed pipeline(s) to deliver the water to the Leased Property. The Town shall review and approve (or approve with conditions) the plan within thirty days. Highwater shall be independently responsible for obtaining any approvals required from the Rising Sun Ditch Company related to siting improvements within the ditch and ditch easement. Highwater shall be solely responsible for the costs of constructing, operating, and maintaining the infrastructure required to deliver water to the Leased Property. Nothing herein shall prevent the Town from entering into joint grant applications with Highwater for irrigation improvements that benefit the Leased Property.

In the event that Highwater uses power from the Town's electric meter for the irrigation pump that takes water from the Rising Sun Ditch, Highwater shall reimburse the Town the cost of its electricity usage. The presumptive amount of Highwater's electricity usage shall be one third of the amount charged at the Town's meter. Either party may request to have the presumptive amount of electricity usage modified based upon the percentage of each party's pump meter readings to the total water pumped from the Rising Sun Ditch using electricity from the Town's meter. Highwater shall use electricity from the Town's meter only for running the irrigation pump and Highwater's cooler, or such other uses as the Town may permit.

Highwater shall contribute to any ditch Rising Sun Ditch assessments payable by the Town. Highwater shall contribute an amount equal to: total assessment amount * area irrigated by Highwater / area of the Silt River Preserve property irrigated by Town or its other lessee(s).

5. Leased Property. Town, in consideration of the terms contained herein, leases to Highwater, the real property depicted and described in **Exhibit A** consisting of approximately five (5) acres. Highwater may choose not to lease all of the Leased Property at all times. On or before March 15 of each calendar year, Highwater shall give notice to the Town of that portion of the Leased Property that Highwater intends to lease and use during the upcoming season together with a depiction of the area on an aerial photograph and an estimate of the acreage to be leased. In the event that Highwater chooses not to lease all of the Leased Premises in any given year, Highwater shall remove fencing so that the area is accessible to the public.

6. Lease Term.

   a. Town leases the Leased Premises to Highwater from the date of execution of this Lease until December 31, 2025 ("Primary Term"). This Lease shall automatically renew at the end of the Primary Term for five subsequent 5-year terms, ending December 31, 2055 (each subsequent period a "Subsequent Lease Term") unless Highwater provides notice to Town of its intent to terminate the Lease at least 60 days prior to the end of the Primary Term or each Subsequent Lease Term.

   b. In the event that Highwater fails to use the Leased Property to grow agricultural crops for a one-year period, this lease shall automatically terminate. If Highwater has not undertaken to use the Leased Property for agricultural purposes in a given year, the Town shall give Highwater notice thereof on or before June 30 of said year.

7. Operations Subject to AVLT Management Plan. The rights provided under this Agreement are subject and subordinate to the terms and provisions of the Silt River Preserve Management Plan and the Deed of Conservation Easement for the Silt River Preserve with the Aspen Valley Land Trust recorded in the public records of Garfield County at Reception No. 795360. Any violation of the Silt River Preserve Management Plan and the Deed of Conservation Easement by Highwater shall constitute a breach of this Agreement.

AGRICULTURAL PROVISIONS

8. Soil Testing. Highwater shall test the soil of the Leased Property no less than once per calendar year, following the agricultural season. The soil tested should adequately represent the entire Leased Property. Highwater shall use an acceptable soils testing laboratory either a public or private entity, and submit the professional results to the Town within thirty (30) days of such testing.

9. Weed Control. Highwater is responsible for the control and removal of noxious weeds from the Leased Property prior to seed dispersal as defined in the Colorado Noxious Weed Act. Prior to application of any herbicide, the Town and/or Aspen Valley Land Trust shall review and approve the type and use of such herbicide.

Town is responsible for control and removal of noxious weeds for the Silt River Preserve outside of the Leased Property.

10. Pest Control. Town shall maintain no less than a one hundred (100) foot buffer for herbicides/pesticides applied surrounding the Leased Property.

    a. Highwater may engage in control and removal of any pests or predators only with the express written approval of the Town and/or Aspen Valley Land Trust.
    b. Highwater will document all applications, detailing date and time, type(s) of herbicides or pesticides and application method(s) and submit documentation to the Town annually.

11. Fertilizers. Highwater's application of any and all fertilizer agents shall be based upon the results of the soil tests, with further recommendation of Colorado State University, if needed, and with approval of the Town and/or Aspen Valley Land Trust. Highwater will document all applications, detailing date and time, type(s) of fertilizers and application method(s) and submit documentation to the Town annually.

12. Livestock. The Town leases portions of the Silt River Preserve for livestock grazing, but such tenants are required to reasonably prevent such livestock from leaving the tenants' leased property and entering the area of the Highwater Leased Property. Notwithstanding the foregoing, Highwater acknowledges Colorado is a "fence out" state and may erect fencing sufficient to keep livestock out of the Leased Property at its discretion and at its sole expense. Likewise, Highwater may maintain livestock on the Leased Property in accordance with the Silt River Preserve Management Plan and as sanctioned by Aspen Valley Land Trust so long as Highwater reasonably prevents such livestock from leaving the Leased Property.

13. Vehicle and Machinery Storage. Highwater's storage of vehicles or machinery not actively used as part of the agricultural operation is prohibited. No unlicensed vehicle shall be stored on the Leased Property. Highwater's maintenance of vehicles and machinery used in agricultural operations may be conducted on Leased Property. Highwater shall collect and dispose of any and all spills or losses of fluid associated with vehicles or agricultural machinery on the Leased Property consistent with applicable law. Highwater shall be entitled to use of up to 4 parking spaces in the existing parking lot for day-to-day activities. Additionally, Highwater shall be entitled to utilize up to 15 additional spaces in the parking lot, together with overflow parking along the road shoulder up to 3 times per year for special events, upon at least 7 days' notice to the Town.

14. Existing Vegetation. Highwater shall not disturb existing hedgerows and brush areas unless they are part of or attached to the Leased Property.

15. Federally Prohibited Crops. Highwater shall not engage in the growing, maintenance, or distribution of federally prohibited crops on the Leased Property.

16. Crops. Highwater shall be entitled to all crops if the termination of the Agreement is not a result of Highwater's breach of the Agreement, or the Silt River Preserve Management Plan / Deed of Conservation Easement, and shall retain harvest rights through the end of the growing season. If the Town terminates or cancels the Agreement as a result of Highwater's default and failure to cure in accordance with the terms of this Agreement, all agricultural products shall be harvested or otherwise gathered and sold, if possible and reasonably practical, with the proceeds of such sale going to the Town to cover its costs and the remainder shared between Town and Highwater based on the percentage of the growing season each was in possession of the Leased Property. The Town will not retain or possess a security interest in the crops.

17. Fences. Highwater shall be responsible for maintaining all fences and gates (that Highwater installs) in working condition for the Leased Property, at Highwater's sole cost. Highwater shall not erect any fence across a Silt River Preserve road or otherwise obstruct access to areas that are not part of the Leased Property. The Town will maintain all other fences on the Subject Property. Highwater's removal of fencing is permitted with Town's approval, but if Highwater removes fencing, it must be reinstalled upon termination of this Agreement.

18. Fixtures and Improvements. In the case that the Agreement is terminated for a reason other than Highwater's breach of this Lease Agreement, Highwater may remove its fixtures and improvements from the Property within sixty days. If such fixtures and improvements are not removed within sixty days of termination, they shall become the property of the Town.

19. Erosion. Highwater shall not engage in any activity on the Leased Property or the Silt River Preserve that results in the loss of soil or changes the topography or grade of any portion of the Silt River Preserve. Highwater shall cease irrigation activity or practices temporarily if any ditch, lateral, pipeline, or other irrigation infrastructure component becomes damaged or inoperable.

20. Inspections. The Town reserves the right for itself, its agents, and employees to enter the Leased Property at any reasonable time to inspect the Leased Property and to work and make improvements as the Town shall deem necessary. Except in exigent or emergency circumstances, the Town shall give Highwater forty-eight (48) hours' notice before entering Leased Property.

21. No Guarantee. The Town makes no guarantee of the productivity of the Leased Property or the availability of the Water Rights and assumes no liability of any condition, visible or not, which may affect agricultural productivity of the Leased Property.

22. No Toxic Substances. Highwater shall not place, use, or store on the Leased Property substances that are hazardous, toxic, dangerous, or harmful, or which are defined as hazardous substances by the Comprehensive Environmental Response Compensation and Liability Act (CERCLA), 42 USC §9601. Highwater shall

indemnify, defend and hold the Town harmless for the release of any hazardous, toxic, dangerous or harmful substance caused by Highwater.

23. Structures. Highwater has permission to install infrastructure that is directly necessary to the farm operation and youth programs as approved through the Town's permitting process. Anticipated infrastructure includes: greenhouses, hoop houses, caterpillar tunnels, tool sheds, a wash station, a walk-in or portable cooler, shade structure, and an event space. Highwater may utilize the Town's porta-potty on the Silt River Preserve for so long as no more than 3 persons are working the site on a regular basis. When more than 3 persons are working the site on a regular basis, or at any time youth programming is occurring on the site, Highwater shall maintain one porta-potty on the Leased Property for use by Highwater, its guests and invitees.

24. Trash and Rubbish. Highwater shall dispose of trash, garbage, rubbish, or refuse off the Leased Property and off the Silt River Preserve, in a responsible manner, at its sole cost and obligation. Town shall maintain public waste receptacles appropriate for public use of Silt River Preserve open space. Highwater shall not deposit its commercial waste in the receptacles installed by the Town.

25. Commercial Activity. Highwater shall not permit any commercial activity on the Leased Property unless it directly relates to produce sales, planned events or youth programming. Prior to hosting any event on the Leased Property that will have more than thirty persons, Highwater shall obtain the written permission of the Town, including by email. Highwater shall not rent the Leased Property to any third party without the Town's written permission (e.g. weddings, concerts, camping events, etc).

TERMINATION; NOTICE OF DEFAULT

26. Termination and Default.

a. Condition of Leased Property Upon Termination. Upon termination at the end of the Lease term or for any other reason, Highwater must vacate the Leased Property and remove all personal possessions and improvements Lessee made to the Leased Premises. At landlord's discretion, the Leased Property may either be remediated into the same condition as at the commencement of this Lease, or better, normal wear and tear notwithstanding and improvement to soil conditions notwithstanding, or it may be left in its then-existing state.

b. Default; Notice of Default. If either party shall default in the material performance of its obligations, covenants or agreements under this Lease and such default shall not be cured within ninety (90) days after written notice to the defaulting party, then the non-defaulting party may declare the Lease terminated. Notwithstanding the foregoing, if the default is such a nature that it cannot be cured within said ninety (90) day period, then the defaulting party will have complied with this requirement to the extent it proceeds with reasonable diligence thereafter to cure the alleged default.

c. The parties recognize that weather, "acts of God," floods, or similar unforeseen events may, in extreme circumstances, interfere with the Lessee's farming practices and could prevent Highwater's timely compliance with the terms of the Lease. The Town shall take such circumstances into account before declaring an event of default.

GENERAL PROVISIONS

27. Insurance. Highwater shall procure and maintain for the term of the lease, insurance against claims for injury to persons or damage to property which may arise from or in connection with occupancy and use of the Leased Property or the Silt River Preserve.

a. Minimum Insurance. The insurance requirements herein are minimum requirements for this Agreement and in no way limit the indemnity covenants contained in this Agreement. Highwater's insurance shall be primary and non-contributory with any insurance or self-insurance purchased by the Town. The insurance companies issuing the policy or policies hereunder shall have no recourse against the Town for payment of any premiums or for assessments under any form of policy. Highwater shall pay any and all deductibles or self-insured retentions in the above-described insurance policies at its sole cost and expense.

b. Acceptance of Risk: Highwater shall assess its own risks and if it deems appropriate or prudent, maintain higher limits or broader coverages. Highwater is not relieved of any liability or other obligations assumed or pursuant to the lease by reason of its failure to obtain or maintain insurance in sufficient amounts, duration, or types.

c. Coverage and Limits of Insurance: Highwater shall provide coverage with limits of liability not less than those stated below. An umbrella or excess liability policy may be used to meet the minimum liability requirements provided that the coverage is written on a "following form" basis.

1. Statutory Workers' Compensation: Highwater shall abide by all laws related to worker's compensation insurance, including statutory minimums required by the state of Colorado

2. Exemption: Town shall not dispute Highwater's potential exemption from Colorado Worker's Compensation Act requirements, but in no way shall be responsible to workers, students, employees, owners, or agents of Highwater for such insurance.

3. Insurance Certificates: Highwater's insurance certificates shall list the Town as an additional insured.

4. Limits: Minimum Limits:

Commercial General Liability – ISO 1CG 0001 form or equivalent
(With Town named additional insured)

General Aggregate	$ 300,000
Products/Completed Operations Aggregate	$ 300,000
Each Occurrence Limit	$ 300,000
Personal/Advertising Injury	$ 300,000
Fire Damage (Any One Fire)	$ 100,000
Medical Payments (Any One Person)	$ 5,000

5. Coverage to include:
   - Premises and Operations
   - Personal / Advertising Injury
   - Products / Completed Operations
   - Independent Contractors
   - Additional Insured—Owners, Lessees or Contractors Endorsement

28. Governmental Immunity: The Town and Highwater agree that use of the Leased Property is governed by the Colorado Recreational Use Statute, C.R.S. §33-41-101, *et seq*., which limits liability for property owners granting leases of public property. Nothing in this Lease Agreement shall be construed as a waiver of the Colorado Governmental Immunity Act, C.R.S. §24-10-101, *et seq*., as may be amended. Nothing herein shall be construed to create a partnership or other joint venture between the Town and Highwater.

29. Indemnification. Highwater agrees to indemnify, defend and hold the Town harmless from any claim brought by any third-party arising out of Highwater's use of the Leased Property (including any claim related to actions of Highwater's employees, guests and invitees) or arising out of the failure of Highwater to conform or comply with this Agreement, any statute, ordinance, regulation, law or court decree.

30. Authority. Highwater has taken all necessary action to authorize the execution, delivery and performance of this Lease Agreement and has the power and authority to execute, deliver and perform this Lease Agreement. The person signing this Lease Agreement on behalf of Highwater warrants that she/he has full power and authority to bind Highwater.

31. Attorneys' Fees. In the event of a legal action or proceeding to enforce or interpret any of the terms of this Lease Agreement, the prevailing Party shall be responsible for payment of the other Party's attorney fees.

32. Waiver. The failure of a Party to insist in one or more cases upon the strict observation of any of the terms of this Lease Agreement is not a waiver or relinquishment of the right to so insist in any future case involving any of the terms of this Lease Agreement.

33. Assignment. This Lease Agreement is not assignable without the written consent of the Town.

34. Third-Party Rights. Nothing in this Lease Agreement, express or implied, is intended to confer any right or remedies whatsoever on any person or entity, other than the Parties hereto, and their respective heirs, successors, and assigns.

35. Headings. The headings of the various paragraphs of this Lease Agreement have been inserted for reference only and shall not have the effect of modifying, amending or changing the express terms and provisions of this Lease Agreement.

36. Severability. Invalidity or unenforceability of any provision of this Lease Agreement in whole or in part shall not affect the validity or enforceability of any other provision or any valid and enforceable part of a provision of the Lease Agreement.

37. Modification. The terms of this Lease Agreement may not be modified except in a writing executed by all of the Parties.

38. Governing Law. This Lease Agreement shall be governed by and construed under Colorado law.

39. Recordation. This Lease Agreement will not be recorded in the records of the Garfield County Clerk and Recorder, but instead will be kept in the records of the Town Clerk.

40. Entire Agreement. This Lease Agreement, together with its Exhibits, is the entire agreement of the Parties with respect to the subject matter hereof and supersedes any and all prior oral or written agreements or understandings between the Parties pertaining to the subject matter of this Lease Agreement.

41. Counterparts and Facsimile Signatures. This Lease Agreement may be executed in counterparts, each of which may be considered an original, and all of which together shall constitute one and the same document. Facsimile, or otherwise electronically generated copies of the signature pages shall be treated as original signature pages.

42. Lien or Mortgage. Highwater shall not pledge a mortgage, security interest, or cause any lien to be recorded against the Leased Property during the term of this Lease Agreement.

43. Notices. Notices required under this Lease Agreement shall be sent to the addresses identified on page 1. In the event that a party's address changes, said party shall provide written notice to the other party. Notices shall be deemed received two business days after they are sent.

IN WITNESS WHEREOF, Town and Highwater have caused this Lease Agreement to be executed as to the date the last signature is obtained.

TOWN OF SILT

By: _____ _____
Mayor Keith B. Richel Date

ATTEST:

_____ _____
Town Clerk Sheila McIntyre, CMC Date

Highwater Farm Project

_____ _____
Sara Tymczyszyn, Director Date

EXHIBIT A
Description of Leased Property
(See Attached Map)

TOWN OF SILT

BOARD OF TRUSTEES WORK SESSION

March 4, 2020

AGENDA ITEM SUMMARY

SUBJECT: Greater Roaring Fork Housing Coalition

PROCEDURE: Information/Discussion

SUMMARY AND BACKGROUND OF SUBJECT MATTER:

Garfield County Housing Authority Executive Director Kate Gazunis will be on hand to discuss with the Board of Trustees a new coalition of communities from both the Colorado and Roaring Fork River valleys focused on housing issues.

This effort recognizes that the communities of these two valleys are integrated by a mobile workforce serving multiple employers, institutions and interests, and acknowledges the benefits of working together to address the challenges facing residents, employers and local governments. It proposes to create an informal but effective vehicle to promote regional collaboration and cooperation on matters relating to affordable housing, primarily for the region's workforce but also for seniors and those in need.

ORIGINATED BY: Jeff Layman

PRESENTED BY: Kate Gazunis

SUBMITTED BY:

Jeff Layman, Town Administrator

REVIEWED BY:

Sheila M. McIntyre, Town Clerk

DRAFT 01/22/2020

MEMORANDUM OF UNDERSTANDING
GREATER ROARING FORK HOUSING COALITION

THIS MEMORANDUM OF UNDERSTANDING is entered into as of the Effective Date defined below by and among the Boards of County Commissioners of the Counties of Garfield, Eagle and Pitkin, Colorado; The Cities of Glenwood Springs, Colorado, Rifle, Colorado and Aspen, Colorado; the Towns of Basalt, Carbondale, Snowmass Village, Silt, Parachute and New Castle, Colorado; the Aspen Pitkin County Housing Authority, the Garfield County Housing Authority and the Eagle County Housing Authority; individually a "Member" and collectively, the "Members".

RECITALS

A. The provisions of Section 18 of Article XIV of the Colorado Constitution and C.R.S. Section 29-1-203, allow Colorado local governments to cooperate or contract with one another to provide any function, service or facility lawfully authorized to each local government.

B. Recognizing that the communities of the Roaring Fork Valley and portions of the Colorado River Valley are integrated through a mobile workforce serving multiple employers, institutions and interests, and acknowledging the benefits of working together to address the challenges facing residents, employers and local governments, the Members desire to create an informal but effective vehicle to promote regional collaboration and cooperation on matters relating to affordable housing, primarily for the region's workforce but also for seniors and those in need.

C. According to the Greater Roaring Fork Regional Housing Study,
    a. Overspending on housing, or housing cost burden, costs the region $54 million per year in lost economic activity.
    b. The region has a 2,100-unit shortfall in housing for households at 60 percent of area median income (AMI) and less, and a 1,900-unit shortfall for households between 100 and 160 percent AMI, what is called the "missing middle".
    c. More than 26,000 workers out of 47,000 employed residents in the Greater Roaring Fork Regional Study Area cross paths in their daily commute versus just 19,000 employed residents who live where they work. This cross-commuting impacts roads, quality of life, economic output, and the environment.
    d. Non-local property ownership and Short-Term Rentals (STRs) put undue pressure on the housing market's prices, which impacts the local workforce and the permanent resident population.
    e. Optimally located housing supply supports resident and workforce mobility, productivity, which contributes to a higher quality of life and stronger economy.

NOW THEREFORE, the Members mutually agree as follows:

1. Establishment of Coalition. The Members hereby establish an informal organization to be known as the "Greater Roaring Fork Housing Coalition" (the "Coalition").

2. Purpose/Mission.

   a. To promote regional collaboration and cooperation among the Members in order to effectively address the needs of working residents, seniors, and other demographic groups identified by the Members as in need of affordable housing.
   b. To serve as a resource for the Members, affordable housing providers and employers by researching and providing information regarding successful affordable housing programs, financing and grant opportunities and strategies, public/private development opportunities, state and federal legislation and programs relating to affordable housing, and other topics as determined by the Board of Directors.
   c. To leverage the Roaring Fork Valley Regional Study to develop and organize a strategy to disseminate critical information from that study to educate the Member communities regarding the need for affordable housing.
   d. To assist the Members in the development of affordable housing policies. To research, organize and promote public/private partnerships to develop affordable housing.

3. Guiding Principles. In pursuing its mission, the Coalition shall respect the housing policies and objectives of each Member and will promote affordable housing development criteria which require that new housing projects will, to the greatest extent possible, be transit oriented, minimize impacts on neighboring properties, contain an appropriate mix of unit types, and contain units that will be affordable to buyers and renters within as wide a range of incomes as possible. In all cases, development projects shall comply with the land use criteria and policies of the jurisdiction in which it is located.

4. Board of Directors. The activities of the Coalition shall be determined and approved by a Board of Directors. Each Member shall appoint one member to the Board. Each Board member shall serve a three-year term. Initial terms may be staggered. Each member of the Board shall have one vote on matters brought before the Board. A majority of Directors shall constitute a quorum and a majority of the quorum shall be necessary for any action taken by the Board.

5. Executive Director. The Board of Directors is authorized to hire or contract with an individual or consultant to serve as the Executive Director of the Coalition. The Executive Director shall supervise and implement the activities of the Coalition and carry out the directives of the Board of Directors. The Executive Director shall be appointed by a majority of the Board, shall report to the Board, and shall have his or her salary and compensation set by the Board.

6. Funding. The Members agree to collectively contribute $100,000.00 as seed money in order to retain the services of a professional consultant to work with the Board of Directors to develop a detailed work program for the Coalition and a budget to fund that program. The work program will include an evaluation of the most equitable manner in which to allocate future operating costs among the Members taking into consideration the relative population and budgets of each Member and other matters deemed appropriate by the Board of Directors.

7. Termination - Additional Members. This Memorandum of Understanding may be terminated upon the approval of two-thirds of the Board of Directors. Any Member may withdraw from this Memorandum at any time by giving at least ninety (90) days written notice to the other Members. The Members acknowledge and agree that the communities of Eagle, Gypsum and Battlement Mesa must be approached and offered the opportunity to participate in and benefit from this Coalition as soon as possible. The Board shall develop and implement a plan to reach out to such communities, evaluate their interest in participation and, if appropriate, amend this Memorandum to add the communities that wish to join the Coalition.

8. General Provisions.

   a. The effective date of this Memorandum shall be date of the last party to sign.
   b. Entire Agreement. (language to be added)
   c. Counterparts. (language to be added)
   d. Notices. (language to be added)

Board of County Commissioners of Garfield County, Colorado

By:_____
_____, its _____

Date:_____

Board of County Commissioners of Eagle County, Colorado

By:_____
_____, its _____

Date:_____

Board of County Commissioners of Pitkin County, Colorado

By:_____
_____, its _____

Date:_____

City of Glenwood Springs, Colorado

By:_____
_____, its _____
Date:_____

City of Aspen, Colorado

By:_____
_____, its _____

Date:_____

City of Rifle, Colorado

By:_____
_____, its _____

Date:_____

Town of Basalt, Colorado

By:_____
_____, its _____

Date:_____

Town of Carbondale, Colorado

By:_____
_____, its _____

Date:_____

Town of Snowmass Village, Colorado

By:_____
_____, its _____

Date:_____

Town of New Castle, Colorado

By:_____
_____, its _____

Date:_____

Town of Silt, Colorado

By:_____
_____, its _____

Date:_____

Town of Parachute, Colorado

By:_____
_____, its _____

Date:_____

Aspen Pitkin County Housing Authority

By:_____
_____, its _____

Date:_____

Garfield County Housing Authority

By:_____
_____, its _____

Date:_____

Eagle County Housing Authority

By:_____
_____, its _____

Date:_____

TOWN OF SILT
BOARD OF TRUSTEES REGULAR MEETING
March 9, 2020
Council Action Form

SUBJECT: Request for special use permit to operate a retail marijuana store.

PROCEDURE: (Public Meeting) Board motion

RECOMMENDATION: On February 18, 2020, the Planning & Zoning Commission recommended to the Board of Trustees approval of Resolution 13, Series of 2020, **a resolution of the Town of Silt ("Town") approving the Silt Castle LLC Special Use Permit for the Kind Castle Retail Marijuana Store on a property known as Parcel A, Amended Keithley Exemption Plat, also known as Parcel # 217910100039, and commonly known as 1421 River Frontage Road, Town of Silt, Garfield County, state of Colorado**

SUMMARY AND BACKGROUND OF SUBJECT MATTER: The applicant proposes a retail marijuana store on the 15-acre parcel west of the Holiday Inn Express and east of the Camp Colorado RV Park. The Subject Property is zoned B-2, and therefore, the Board's issuance of a special use permit is necessary prior to the Board's consideration of the retail marijuana license.

FUNDING SOURCE:	Silt Castle, LLC
ORDINANCE FIRST READING DATE:	N/A
ORDINANCE SECOND READING DATE:	N/A
RESOLUTION READING DATE:	March 9, 2020
ORIGINATED BY:	Silt Castle, LLC
PRESENTED BY:	Janet Aluise, CDD
DOCUMENTS ATTACHED:	1) Resolution 13, Series of 2020; 2) Staff Report; & 3) SUP Application.

TOWN ATTORNEY REVIEW [X] YES [ ] NO INITIALS ____

SUBMITTED BY:

JAluise

Janet Aluise, Community Development Director

REVIEWED BY:

Jeff Layman, Town Administrator

TOWN OF SILT
RESOLUTION NO. 13
SERIES OF 2020

A RESOLUTION OF THE TOWN OF SILT ("TOWN") APPROVING THE SILT CASTLE LLC SPECIAL USE PERMIT FOR THE KIND CASTLE RETAIL MARIJUANA STORE ON A PROPERTY KNOWN AS PARCEL A, AMENDED KEITHLEY EXEMPTION PLAT, ALSO KNOWN AS PARCEL # 217910100039, AND COMMONLY KNOWN AS 1421 RIVER FRONTAGE ROAD, TOWN OF SILT, GARFIELD COUNTY, STATE OF COLORADO

WHEREAS, Red Horse LLC, 16604 County Road # 8, Meeker, CO 81641 owns real property described as Lot A, Amended Keithley Exemption Plat, also known as Parcel # 217910100039, hereinafter known as "Subject Property", located south of River Frontage Road and west of County Road 311, in the Town of Silt, Garfield County, state of Colorado; and

WHEREAS, on or about January 10, 2020, Silt Castle LLC, P.O. Box 687 Glenwood Springs, CO 81602 ("Applicant") filed a retail marijuana store application with the Town of Silt ("Town"), such establishment proposed on the Subject Property; and

WHEREAS, on or about January 10, 2020, the Applicant filed a special use permit ("SUP") for the proposed retail marijuana store, as the Subject Property is located in a B-2 Highway Business District; and

WHEREAS, pursuant to Titles 5 and 17 of the Silt Municipal Code ("Code"), the Town processed the applications as required by the code, and forwarded the SUP Application as well as staff comments about the Application in various memoranda to the Town Planning & Zoning Commission ("Commission"); and

WHEREAS, on or about February 18, 2020, the Commission considered the application and staff memoranda in a duly noticed public hearing; and

WHEREAS, on or about February 18, 2020, the Commission recommended to the Board of Trustees ("Board") (approval, approval with conditions, or denial) of the Silt Castle LLC Retail Marijuana Store Special Use Permit, with conditions as stated in the staff report and this resolution; and

WHEREAS, on or about March 9, 2020, the Board held a public hearing to consider the Silt Castle LLC Retail Marijuana Store Special Use Permit Application at the Board's regularly scheduled meeting; and

WHEREAS, on or about March 9, 2020, the Board (approved, approved with conditions, or denied) the Silt Castle LLC Retail Marijuana Store Special Use Permit Application at the Board's regularly scheduled meeting.

WHEREAS, the Board finds that the Applicant (has/has not) substantially met the requirements of Silt Municipal Code Chapters 5.32 and 17.78 and other sections and that (approval, approval with conditions, denial) of the Silt Castle LLC Retail Marijuana Store Special Use Permit should be (approved and issued, approved with conditions and issued, denied.)

NOW, THEREFORE, BE IT RESOLVED, BY THE BOARD OF TRUSTEES OF THE TOWN OF SILT, COLORADO, THAT the Silt Castle LLC Retail Marijuana Store Special Use Permit is hereby (approved, approved with conditions, denied) and (shall be/shall not be) issued on that property known as 1421 River Frontage Road, otherwise known as Parcel A, Amended Keithley Exemption Plat, and further known as Parcel Number 217910100039, within the Town of Silt, Garfield County, state of Colorado (subject to the following conditions):

1) That all statements made by the applicant both in the application and in meetings before the Board of Trustees, be considered conditions of approval, unless modified in the following conditions:

2) That the Applicant abide by all those conditions as imposed by Resolution 13, Series of 2020;

3) That the Applicant pays all fees associated with the Town's review and approval of renewal of the special use permit, including but not limited to attorney, engineering, planning, administrative and other related costs;

4) That the Applicant (or his heirs, successors, or assigns), if he wishes to continue utilizing the property in the above stated manner, submits a written request to the Board of Trustees not fewer than twenty (20) days prior to the end date of the renewal of the SUP, such request to be considered by the Board of Trustees in a regular meeting. Such written request must state the reason for the SUP extension request. The Applicant (or its heirs, successors, or assigns), shall be in good standing with the Town with regards to payment of utility bills and maintenance of the property; and

5) That the Board of Trustees reviews the Silt Castle Special Use Permit every two (2) years, beginning on the date of approval by the Board of Trustees, and continuing thereafter until or unless such occupancy is discontinued, and determines in its sole discretion, that continuation of this Special Use Permit is in the best interests of its citizens.

INTRODUCED, READ, PASSED AND ADOPTED at a regular meeting of the Board of Trustees of the Town of Silt, Colorado held on the 9th day of March, 2020.

TOWN OF SILT

ATTEST:

_____
Mayor Keith B. Richel

_____
Town Clerk Sheila M. McIntyre, CMC

STAFF REPORT

For the Board of Trustee Meeting of March 9, 2020

Application: Silt Castle LLC Special Use Permit for Retail Marijuana Store

Applicant: Silt Castle LLC
John Oliver Dyet, Manager of LLC
P.O. Box 687
Glenwood Springs, CO 81602

Property Owner Red Horse LLC
16604 County Road 8
Meeker, CO 81641

Site Location: 1421 River Frontage Road

Acreage: 15.215 acres

Present Zoning: B-2, Highway Business District (Retail/Service)
"B-2 Highway Business District is established as a district in which the principal use of land is for retail sales and services to the motoring public and other uses not requiring a centralized location, but which do require major highway frontage, comparatively large lot area, and carefully planned outdoor sales and/or open storage reviewed and approved by the town. It is the intention of these regulations to encourage the orderly development and expansion of the district with such uses and in such a manner as to provide ample parking space and a minimum of traffic congestion."

Proposed Zoning: The applicant requests no change.

Public Notice: Applicant stated that he publicly noticed as required by Silt Municipal Code; Town Clerk will check return receipts prior to Board of Trustee Meeting on March 9, 2020.

Fees: Applicant submitted the required $250.00 SUP application fee; however, consultant attorney and engineer fees (if any), plus 15% administrative fee on all consultant charges (if any), plus public notice and copying charges;

Adjacent Land Use:
South – Colorado River
North – River Frontage Road and Interstate-70 (ROW)
West – Camp Colorado RV Park (Commercial PUD)
East – Holiday Inn Express (B-2)

Present Land Use: Vacant (occasionally used for agriculture)

I. Applicant's Description of Proposal

Silt Castle, LLC ("**Applicant**") is under contract to purchase Parcel A Second Amended Keithley Subdivision Exemption Plat located along the River Frontage Road ("**Site**") as shown in Figure 1. The Applicant intends to purchase the Site and construct a new retail marijuana store if the Special Use Permit and required license are approved by the Town of Silt ("**Town**"). The Applicant also plans to submit the required development applications to subdivide the Site for future commercial development if the proposed retail store is approved by the Town.

The Property contains 15.215 acres and is characterized by flat topography that drops off into the Colorado River. The Property is located in the B-2 Zone District as shown in Figure 2.

The Applicant desires to construct a new 2,292.8 sq. ft. retail store on the Site pursuant to the Municipal Code requirements. Access to the Site will be provided by an existing access road off of River Frontage Road as shown in the plan set.

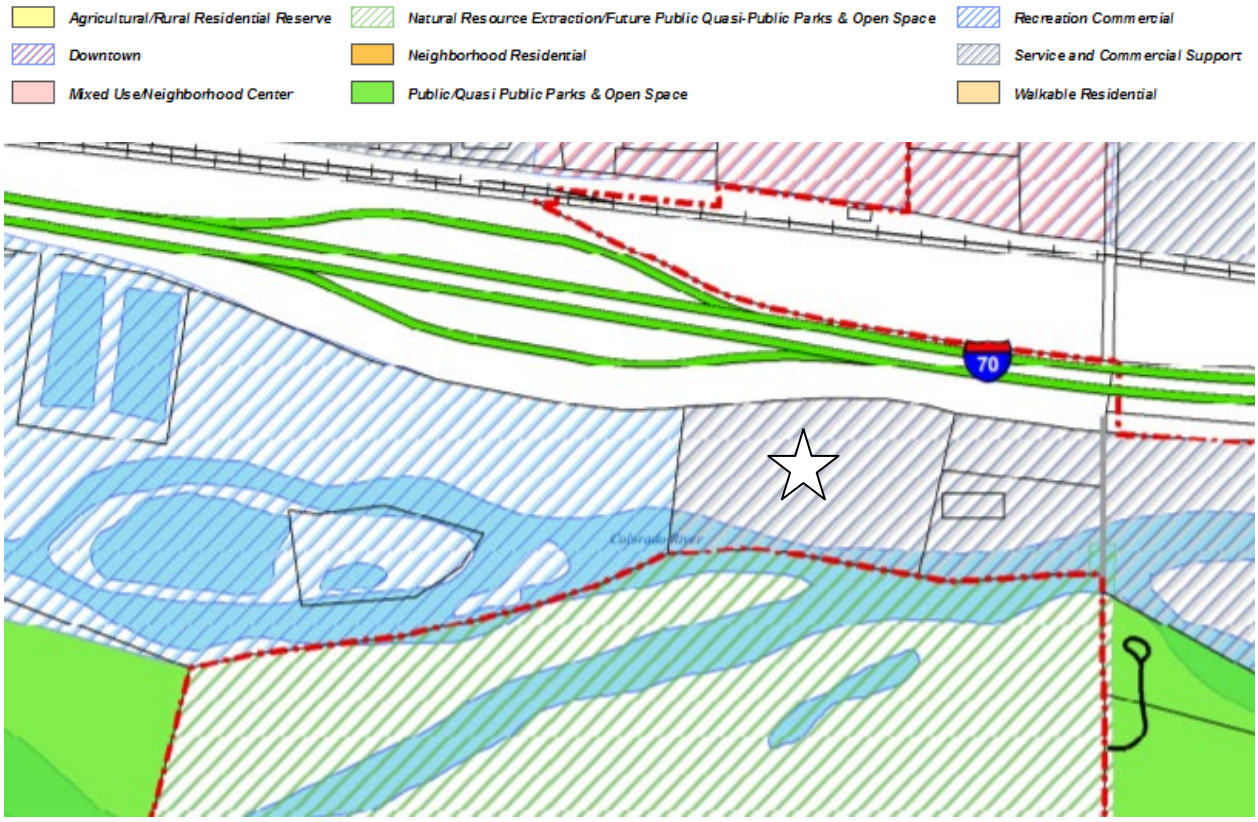
The reason for the request is to permit the establishment of a retail marijuana store pursuant to the Town of Silt Municipal Code ("**Municipal Code**") Section 17.13.020, Schedule of Uses, that permits retail marijuana stores through a special use permit in the B-2 Zone District. It is important to note that there will not be any marijuana cultivation or production facilities on the Site, which will significantly limit odors and other potential impacts associated with such uses.

Figure 1. The Site

II. Comprehensive Plan General Policies and Goals– Designated Urban Growth Areas

Service and Commercial Support- Click + Ctrl for description

The Silt Comprehensive Plan land use designation for Service & Commercial Support states: "Those properties within the Comprehensive Plan Land Use Designation of "Service and Commercial Support" are outside of the Town's Downtown area, but are expected to have good visibility from Main Street and/or the I-70 corridor. The "Service and Commercial Support" designation is not expected to extend more than two blocks north of Highway 6. For this reason, it is appropriate to expect that these properties will provide the Town with solid retail and service commercial businesses, such as construction related businesses like supply companies, office-type businesses such as real estate offices, craftsmen-type businesses such as cabinet makers, and other services such as auto repair and small appliance repair, hotels, and convenience stores. These properties should look inviting and aesthetically professional and the structures should have a western appeal or theme if possible. This area is crucial for the Town's employment picture, providing local jobs within the core of the community, and keeping the residents close to enjoy their time not spent working with their families and friends. While retail businesses may not be the main focus in the "Service and Commercial Support" area, it is important for the Town to encourage any business that provides clean commercial without air pollution, noise, undesired odor, vibration or wasted resources. As the Town and/or businesses grow(s), this Comprehensive Plan Land Use Designation will have to shrink in order to accommodate a larger "Downtown" area. The Town should carefully scrutinize marijuana applications in this land use designation."



Applicant's Statement of Conformance with Comprehensive Plan

The proposed retail store conforms to the Silt Comprehensive Plan ("**Comprehensive Plan**") as follows:

A. The Comprehensive Plan Map designates the Site as "Service and Commercial Support" as shown in Figure 4. The Comprehensive Plan states the Service and Commercial Support area will provide:

> "...retail and service commercial businesses, such as construction related businesses like supply companies, office-type businesses such as real estate offices, craftsmen-type businesses such as cabinet makers, and other services such as auto repair and small appliance repair, hotels, and convenience stores. These properties should look inviting and aesthetically professional, and the structures should have a western appeal or theme if possible. This area is crucial for the Town's employment picture, providing local jobs within the core of the community, and keeping the residents close to enjoy the time not spent working with their families and friends. While retail businesses may not be the main focus in the "Service and Commercial Support" area, it is important for the Town to encourage any business that provides clean commercial without air pollution, noise, undesired odor, vibration or wasted resources."

The proposed store provides a retail commercial business as envisioned by the Comprehensive Plan. The future subdivision of the site will provide the impetus for additional commercial uses as envisioned by the Comprehensive Plan with the store only using approximately 0.80 acre, or 5.3% of the 15 acre site. The proposed store will look inviting and has a western theme. The proposed store will also employ up to 10 full-time employees in the town that do not have to commute up valley. The proposed store also provides clean commercial development that will not have any adverse impacts.

B. The proposed retail store conforms to Economic Development Goal 2: "Enhance commercial corridors and attract high-quality commercial development." The proposed store provides for an attractive and high quality design consistent with Town regulations and provides the impetus for the future development of the Site.

C. The proposed store meets Economic Development Policy C2: "Foster economic development opportunities that provide diversification of the employment base to accommodate job-generating developments." The retail store will employ approximately 10 full time employees. The Town's support and approval of the retail store will also implement Action C2.2: "Encourage businesses that will provide jobs for Silt's residents."

D. The proposed store also conforms to Economic Development Action C3.1: "Use the following location criteria to determine where economic development (employment, commercial and industrial) uses may be located", with our comments on applicable criteria shown in *italics*:

1. Proximity to major highways and access to an arterial street without the need to pass through less intensive land uses. *The proposed store is an excellent location in close proximity to the I-70 interchange with great access via the River Frontage Road. Traffic will not have to pass through the Town to reach the store.*

2. Availability of existing or planned utility services, including water, sewer and electricity. *Water, sewer, electric, gas and telecommunications are available to the site.*

(Staff note: The Comp Plan stresses the need to heavily scrutinize marijuana businesses. In this proposal, the proposed store is well away from the other retail marijuana stores and away from daycares/churches, is on a well-traveled street (River Frontage Road), and is adjacent to a busy arterial road (Interstate-70), perhaps lending to the applicant's position that a retail store of this nature is appropriate. As the property has been vacant for decades, this application represents the first development proposal.)

III. Pertinent Silt Municipal Code - B-2 Highway Business Zone District

Chapter 5.32 Licensing and Regulation of Marijuana (Click + Ctrl to view entire marijuana licensing and regulations.)

Chapter 5.32 regulates the marijuana licensing application provisions.

5.32.200 Signage and Advertising.

A. All signage for a medical marijuana and/or retail marijuana establishment shall comply with the requirements of this code, including without limitation Chapter 17.73;

B. Any person or his agent licensed pursuant to this code, may not cause advertisements, signs, displays, or other promotional material depicting marijuana use or symbols to be shown or exhibited off the premises or in any manner which is visible to the public from roadways, pedestrian sidewalks or walkways, other public place, including advertising utilizing any of the following media: any billboard or other outdoor general advertising device as defined by this code; any sign mounted on a vehicle, any hand-held or other portable sign; or any handbill, leaflet or flier directly handed to any person in a public place, left upon a motor vehicle, or posted upon any public or private property without the consent of the property owner. The prohibition set forth in this subsection shall not apply to:

1. Any sign located on the same zone lot as the medical marijuana and/or retail marijuana establishment which exists solely for the purpose of identifying the location of the medical marijuana and/or retail marijuana establishment and which otherwise complies with the requirements of this code;

2. Any advertisement contained within a newspaper, magazine, or other periodical;

3. Advertising which is purely incidental to sponsorship of a charitable or community event by the medical marijuana and/or retail marijuana establishment.

C. No licensed medical marijuana and/or retail marijuana establishment shall use any advertising material that is misleading, deceptive, or false, or that, as evidenced either by the content of the advertising material or by the medium or the manner in which the advertising is disseminated is designed to appeal to minors;

D. Any person licensed as a medical marijuana and/or retail marijuana store shall include in any advertisement for marijuana the following language: "FOR ADULTS 21 AND OVER ONLY". Provided, however, this language shall not be required to be displayed upon any sign identifying a medical marijuana store.

(Staff note: While the entire chapter of 5.32 is pertinent to the applicant, most of the requirements are related to operational standards and state licensing, except 5.32.200, which is related to signage; although the applicant has not submitted a complete sign permit application, the preceding would necessarily apply.)

17.13.020 Schedule of uses. (Click + Ctrl to view entire Schedule of Uses.)
X = Permitted Use; PR = Prohibited Use; SU = Special Use

Land Use Activity	AG	R-1	R-2	R-3	B-Ind	B-1	B-2	B-3	PU	DMD
Retail Marijuana Store or Dispensary	PR	PR	PR	PR	X	SU	SU	X	PR	PR

(Staff note: Retail marijuana stores are a special use permit in the B-2 Zone District.)

Chapter 17.73 Marijuana Establishment in Commercial Zone District (Click + Ctrl to view Marijuana Criteria.)

17.73.010 Purpose.
The purpose and object of this chapter is to establish reasonable and uniform regulations to allow for the sale of medical and retail marijuana, the cultivation of medical and retail marijuana, the manufacturing of marijuana products, and the testing of marijuana within certain zone districts and within certain parameters pursuant to this chapter and this code. Voters approved Amendment 20 to the Colorado Constitution on November 7, 2000, as well as Amendment 64 to the Colorado Constitution on November 6, 2012, both further codified at Article XVIII, section 16 of the Colorado Constitution, and hereinafter known as Amendment 20 and Amendment 64, respectively. It is the desire of the town to prevent an undue concentration of medical and retail marijuana stores, marijuana cultivation facilities, marijuana products manufacturing facilities and marijuana testing facilities, as defined herein, and to attempt to mitigate the consequential secondary effects created by the concentration of such establishments within the Town of Silt, and to promote the health, safety, and general welfare of the citizens of the town. Lastly, the purpose of this chapter is to prohibit marijuana clubs, bars or other facilities that include or consist of the consumption of marijuana in a public setting within the town limits.
(Staff note: While all other sections are pertinent, the Town underscores the 'purpose' of the chapter and the enforcement.)

17.78.010 Special use. (Click + Ctrl to view Special Use Permit Criteria in its entirety.)
17.78.010 Special use.
Special uses are uses other than permitted uses. A special use is granted by a special use permit which is defined at Section 17.08.400. A special use may or may not be appropriate and may or may not be allowed by the board, in its discretion.

17.78.020 When allowed.
Special uses may be permitted only upon prior approval of the board. The board shall first receive and consider recommendations from the planning and zoning commission and town administration, and shall conduct a public hearing.

17.78.030 Review Criteria (for Special Use Permits)
Criteria for review of special use applications are:

A. Compliance of the application with this code;
B. Compatibilitiy of the proposal with the character of the surrounding area;
C. Desirability and need for the proposed use;
D. Encouragement of the most appropriate use of land throughout town;
E. Potential for adverse environmental influences that might result from the proposed use;
F. Compatibility of the proposed use with the comprehensive plan;
G. Adequate provision for ingress and egress of vehicular and other traffic; parking, servicing and loading/unloading; refuse and service areas; utilities; screening and buffering; signage; yards and open space; and any other items determined necessary or appropriate by the board.)

A. Compliance of the application with this code:

Applicant's Response:

The proposed retail marijuana store conforms with the intent or purpose of the applicable sections of the Municipal Code. The proposed store conforms with the purpose of Municipal Code Section 5.32, Licensing and Regulation of Marijuana Businesses. The Applicant is concurrently submitting the required retail marijuana store license to the Town pursuant to Section 5.32. The proposed store will protect the public health, safety and general welfare of the community because:

1. The proposed retail marijuana store is located in the B-2 Zone District that permits such stores pursuant to the Town special use permit process.
2. The Applicant is concurrently submitting all of the required forms and materials for the retail marijuana store license in accordance with Municipal Code Section 5.32.
3. The Applicant and store manager do not have any criminal history that would disqualify them from owning and operating the store.
4. The Applicant and his manager have a strong moral character and a proven track record of successfully and safely opening, operating and managing a store in an area community in compliance with State and local laws and regulations, including but not limited to the standards and procedures set forth in the Colorado Medical Marijuana Code and the Colorado Retail Marijuana Code.
5. The proposed retail store will be designed and built in accordance with the Municipal Code requirements, including strong security measures.

The proposed store also meets the purpose of Municipal Code Section 17.73, Land Use Regulation of Marijuana Facilities that are designed to mitigate the impacts of such facilities. Mitigation for the retail store will be provided as required by the Municipal Code. The proposed store will not create a concentration of facilities, with the closest store located over 1,500 feet away as shown in Figure 3. The other store in the town is located over 2,000 feet away. The proposed store site is providing over three times more separation than required by the 500 feet established in Section 17.73.030.A. The proposed store is located in the B-2 Zone District and not a residential zone district. The proposed store is also located more than 500 feet away from any school or daycare as required by Municipal Code Section 17.73.030.C. The new retail store will also be designed and constructed in accordance with the Town's adopted building regulations.

(Staff note: At this time, the Town is only considering the applicant's marijuana license application and the applicant's special use permit for a marijuana store on a B-2 zoned property. These applications are complete. The applicant proposes to submit a commercial site plan for the building soon, if approved for the license; the applicant supplied conceptual architectural renderings in this application to give the Town a level of comfort in the building's quality.)

B. Compatibility of the proposal with the character of the surrounding area;

Applicant's Response:

The proposed retail store is very compatible with adjacent commercial and transportation development. A new gas station is located to the west by the I-70 interchange. The intensive I-70 corridor and River Frontage Road are located to the north. The Colorado River is located to the south. The Holiday Inn Express and Suites is located to the east.

Architecture will meet or exceed the Town's Site Planning and Design Standards in Municipal Code Section 17.42.120 that include the requirement for landscape buffering, and the Town's Architectural and Site Planning Standards in Chapter 17.43. All of these standards will help ensure compatibility with adjacent development. The proposed building is designed with one-story and a minimal amount of floor area which also ensures compatibility with surrounding area development.

The Site will be subdivided and developed over time with the store occupying approximately 5.3% of the Site. Thus, the store will blend into the surrounding commercial and service commercial development with a high quality design as envisioned by Town regulations and the Comprehensive Plan. The Comprehensive Plan reiterates this commercial character for the Service and Commercial Support area with the policies stated above. A retail marijuana store that meets all of the Town regulations clearly fits into the mix of existing, envisioned and zoned commercial land uses on the north side of I-70 by the Colorado River.

(Staff note: A retail store is compatible with the character of the surrounding area, which includes a hotel, a recreational vehicle park, and a convenience store. The surrounding zoning (B-2 Highway Business and Commercial PUD) is also compatible with the subject property's B-2 Highway Business zoning. At question is whether the Town believes that a retail marijuana business is in character with the surrounding area. As there are two other retail marijuana businesses in close proximity to commercial uses downtown, it appears that this particular use is compatible to restaurants, a coffee shop, a grocery store, a flooring store, a clothing store, a property management shop, and two liquor stores. However, the Commission and/or the Board may find that this proposed business is not compatible with the existing family-friendly hotel and recreational vehicle park.)

C. Desirability and need for the proposed use;

Applicant's Response:

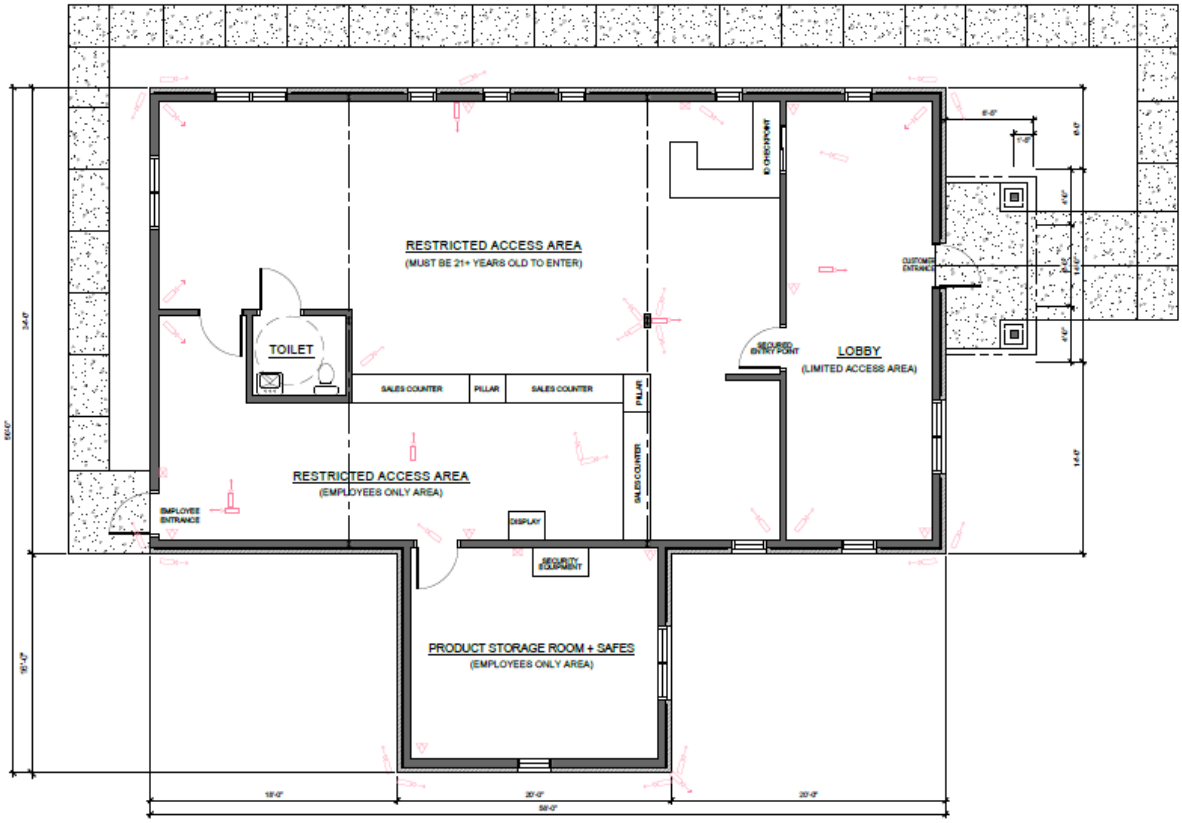
The proposed retail store is supported by several Comprehensive Plan policies which makes the proposed store a desirable land use. The proposed store will generate activity and vitality as envisioned in the Comprehensive Plan and provide the Town with an estimated annual revenue of approximately $90,000.

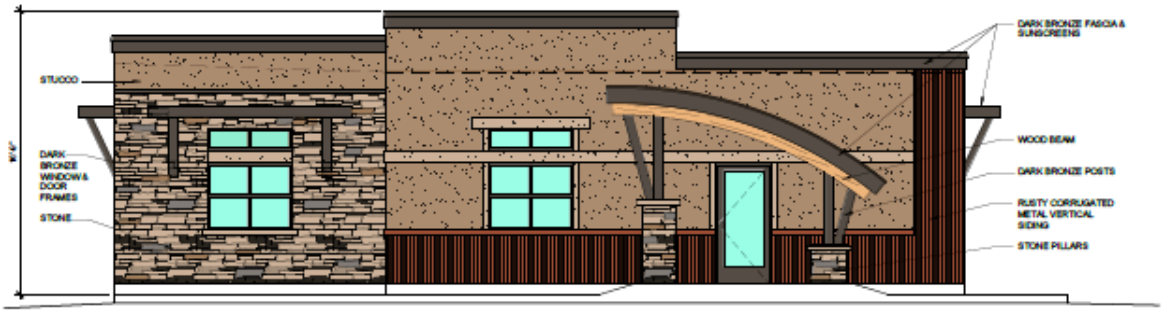
The Town of Silt Board of Trustee's unanimously approved an ordinance to allow retail marijuana stores in 2013 in part because a majority of the Town's electorate voted to approve Amendment 64 which legalized marijuana cultivation, use and possession. Only two other stores have opened in the town since the Town enacted the original zoning and license regulations in 2013. We believe that retail marijuana stores remain a desired use based on the 2013 town vote and Council approval of the Municipal Code provisions concerning the allowance of retail marijuana stores in the town. The Town Zoning Regulations will limit the number of shops in the town due to the separation and spatial requirements.

There is a high demand for organic marijuana products that are grown without chemicals. The Kind Castle brand is strong and brings in shoppers from as far away as Utah due to the high quality, organic products, and knowledgeable staff. Kind Castle has unique partnerships with small-batch, craft growers throughout Colorado. We therefore believe there is a strong desire for Kind Castle in the Silt community.

The proposed retail store provides the impetus for the future development of the Property by utilizing only 5.3% of the total Site area leaving the remainder of the Site for uses permitted under the B-2 Zone District. The Town's approval of the special use permit will help promote all of the desired commercial and service commercial uses on the Site, and will encourage the development of the area south of I-70.

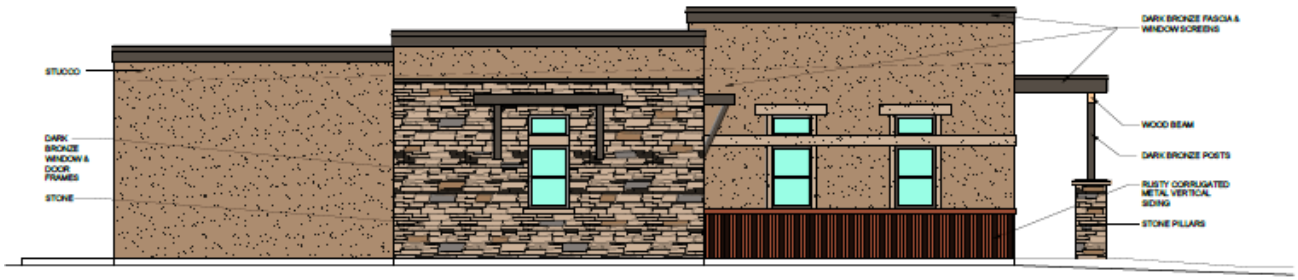
(Staff note: While there is a chance that the existing retail marijuana stores will lose sales, there is also a possibility that the proposed store will appeal to consumers not yet spending money in the Town, thus enhancing all the stores' sales and allowing for consumers' options in variety and pricing of product. Should the Board of Trustees approve this use, the applicant proposes to build an architecturally-pleasing building, subdivide the 15-acre parcel into 2-3 acre parcels, and install extensive infrastructure that not only benefits the applicant's property, but also lends to the Town's overall utility plan. The Town has several larger commercial parcels, but lacks smaller lots (with access to utilities) that are more economical to develop. In this age of home delivery, many would-be retailers are foregoing the investment in storefronts, damaging both communities (from collecting sales tax) and private citizens (who do not shop online). However, the Commission and/or the Board of Trustees might find that the proposed use is not desirable due to its proximity to the family-friendly hospitality businesses currently in Ferguson Crossing. The Board, in its sole discretion, shall determine if this use is both desirable and necessary for the Town.)



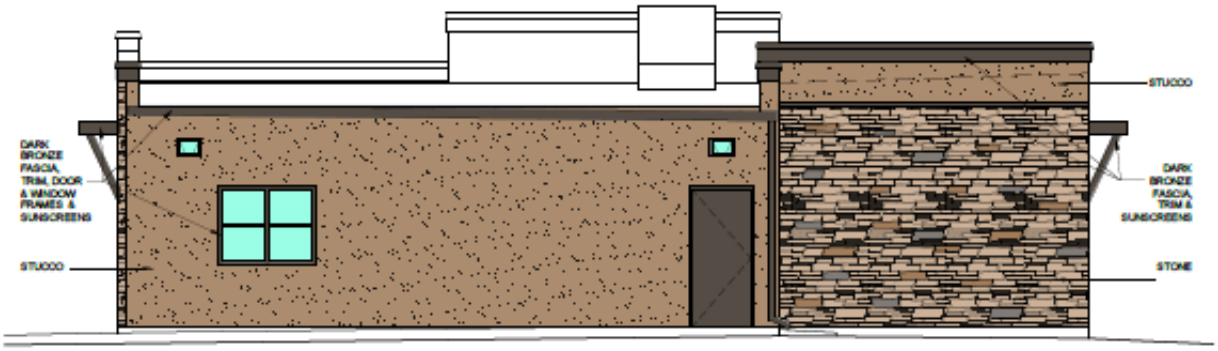


(PROPOSED)
FRONT (NORTH) ELEVATION

(PROPOSED)
SIDE (WEST) ELEVATION



(PROPOSED)
SIDE (EAST) ELEVATION



(PROPOSED)
REAR (SOUTH) ELEVATION

D. Encouragement of the most appropriate use of land throughout the town;

Staff note: Retail development is very appropriate, as is the installation of infrastructure and the subdivision of commercial property. Economic development continues to be one of the Board of Trustees' highest priorities. The Board of Trustees shall ultimately determine if a retail marijuana store in this location is an appropriate land use.)

E. Potential for adverse environmental influences that might result from the proposed use;

Applicant's Response:

The proposed retail store will not have any production or grow operations so the potential environmental impacts are like any other retail store in the town. Water quality and wetlands will be protected during and after construction through the use of Best Management Practices, such as strong erosion control, and engineered detention or retention based on plans prepared by a Colorado Professional Engineer. No significant odors will be emitted from the retail store.

The only significant natural feature present on the Site are the Colorado River and the associated riparian habitat. Theses areas will not be impacted by the proposed retail store.

The Site is located in an area identified on the Flood Insurance Rate Map as Special Flood Hazard Area Zone A. Thus the development of the Site will have to comply with Municipal Code Chapter 15.32, Flood Damage Prevention, including but not limited to determining the base flood elevation; anchoring of the building; and ensuring the retail space is located one (1) foot over the base flood elevation. There will be no development of the floodway that is located on the Site along the Colorado River.

(Staff note: If this special use permit is approved and the applicant proceeds to submit utility infrastructure plans, commercial building permit and commercial site

plan applications, such applications shall indicate compliance with state and Town code related to storm water treatment, underground utility infrastructure construction, trail and sidewalk installation, floodplain development, and the Town's adopted building code. As well, the Town will determine if the applications are in compliance with Chapter 17.49 Home Occupation, Commercial and Industrial Performance Standards (glare, odor, dust, hazardous waste, noise, etc.).)

F. Compatibility of the proposed use with the comprehensive plan; and

Applicant's Response:

The proposed retail store conforms to the Silt Comprehensive Plan ("**Comprehensive Plan**") as follows:

A. The Comprehensive Plan Map designates the Site as "Service and Commercial Support" as shown in Figure 4. The Comprehensive Plan states the Service and Commercial Support area will provide:

> "...retail and service commercial businesses, such as construction related businesses like supply companies, office-type businesses such as real estate offices, craftsmen-type businesses such as cabinet makers, and other services such as auto repair and small appliance repair, hotels, and convenience stores. These properties should look inviting and aesthetically professional, and the structures should have a western appeal or theme if possible. This area is crucial for the Town's employment picture, providing local jobs within the core of the community, and keeping the residents close to enjoy the time not spent working with their families and friends. While retail businesses may not be the main focus in the "Service and Commercial Support" area, it is important for the Town to encourage any business that provides clean commercial without air pollution, noise, undesired odor, vibration or wasted resources."

B. The proposed retail store conforms to Economic Development Goal 2: "Enhance commercial corridors and attract high-quality commercial development." The proposed store provides for an attractive and high quality design consistent with Town regulations and provides the impetus for the future development of the Site.

C. The proposed store meets Economic Development Policy C2: "Foster economic development opportunities that provide diversification of the employment base to accommodate job-generating developments." The retail store will employ approximately 10 full time employees. The Town's support and approval of the retail store will also implement Action C2.2: "Encourage businesses that will provide jobs for Silt's residents."

D. The proposed store also conforms to Economic Development Action C3.1: "Use the following location criteria to determine where economic development (employment, commercial and industrial) uses may be located", with our comments on applicable criteria shown in *italics*:

1. Proximity to major highways and access to an arterial street without the need to pass through less intensive land uses. *The proposed store is an excellent location in close proximity to the I-70 interchange with great access via the River Frontage Road. Traffic will not have to pass through the Town to reach the store.*
2. Availability of existing or planned utility services, including water, sewer and electricity. *Water, sewer, electric, gas and telecommunications are available to the site.*

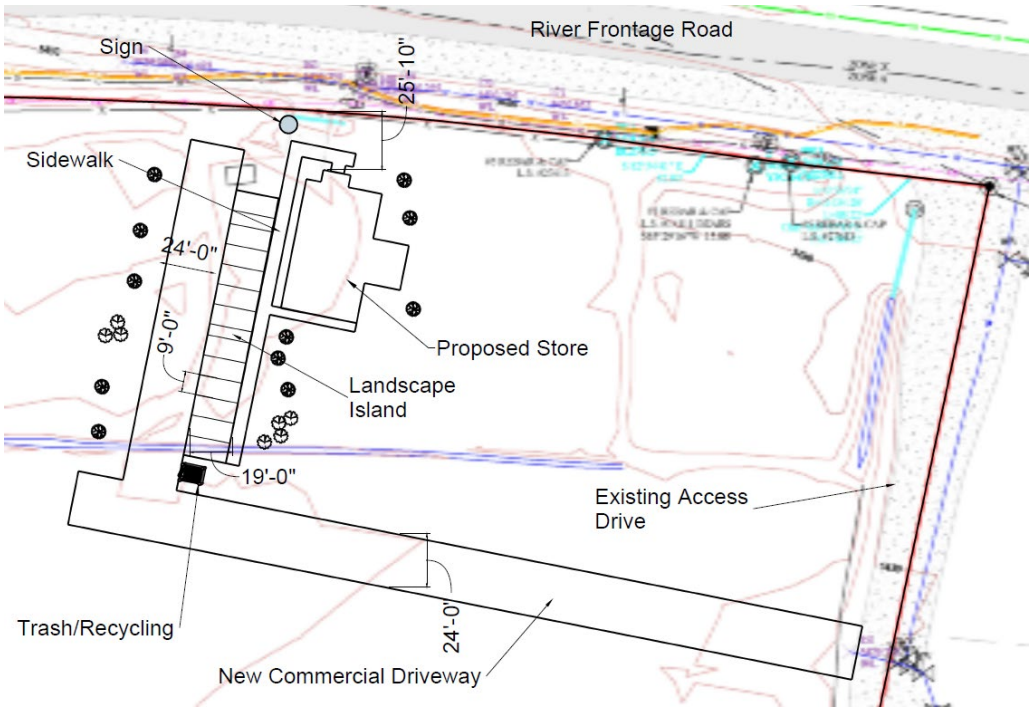
(Staff note: Staff supports the applicant's citations as to the sections within the Comprehensive Plan that promote economic development, diversification of businesses, employment, and utility infrastructure. The Comprehensive Plan stresses the need to heavily scrutinize marijuana businesses, as well, however. In this proposal, the proposed store is located over a thousand feet from the other retail marijuana stores and daycare establishments/churches, is on a well-traveled street (River Frontage Road), is adjacent to a busy arterial road (Interstate-70), perhaps lending to the applicant's position that a retail store of this nature is appropriate. As the property has been vacant for decades, this application represents the first development proposal and the first opportunity for sales tax generation. As the Comprehensive Plan is a guide, the Board of Trustees may find that the provisions within the document are pertinent to this application, or conversely, may find that other factors outweigh economic development provisions as cited herein.)

G. Adequate provision for ingress and egress of vehicular and other traffic; parking, servicing and loading/unloading; refuse and service areas; utilities; screening and buffering; signage; yards and open space; and any other items determined necessary or appropriate by the board.

Applicant's Response:

The proposed retail store has excellent access via River Frontage Road. The required parking for the retail store is shown on the conceptual site plan. A landscape buffer will be provided around the site while leaving open key visual corridors to ensure the visibility and success of the store. Signage will be provided in accordance with the Town and CDOT Sign Regulations as applicable.

Water, sewer, electric, gas and telecommunications connections are available in the CDOT right-of-way along River Frontage Road. Police protection for the proposed store will be provided by the Town of Silt. Fire protection and emergency medical services are available from the Colorado River Fire Rescue District. Trash and recycling will be provided for in an enclosure. Any marijuana product waste will be securely disposed as required by State and local law.



(Staff note: The applicant proposes to use the existing access on River Frontage Road (that serves the Holiday Inn Express) for his proposed retail marijuana store use. The Colorado Department of Transporation (CDOT) issued an Access Permit for the existing access. Region 3 CDOT Access Permit Manager Brian Killian agrees that the proposed activity via this entrance is appropriate without modification to the permit. Conformance with the Town's sign code would be a positive amenity for this area and the Town. Commercial site plan review addresses conformance with these provisions, as well.)

IV. Disadvantages and Advantages of Approving Special Use Permit

Disadvantages	Advantages
1) Town might be perceived as a 'Pot Town' 2) Traffic added to River Frontage Road further accelerates the need for improvements to the interchange; 3) Addition of this business may negatively affect the existing marijuana businesses; & 4) Proposed use may not be compatible with family-friendly hospitality area already developed in Ferguson Crossing.	1) Increase in sales tax; 2) Increase in property tax; 3) Retail brick/mortar is rare & expensive; 4) Increase in jobs; 5) Increase in local retail selection; 6) Possible subdivision, adding smaller, more developable lots with infrastructure 7) Regional lift station/collection lines installed the length of property (de-commissioning of temporary lift station) 8) Commercial construction leads to a synergy that attracts other development; 9) Gaining customers that the businesses in Town do not already have; 10) Constructed trails mean public access to the Colorado River; 11) Water main is looped for a more healthy and safe delivery of water; 12) Possibility for this parcel to contribute to the regional interchange solution via special district or some other financial mechanism not dependent on the Town; & 13) Free market and private property rights upheld.

On February 18, 2020, the Planning & Zoning Commission made a motion to recommend to the Board of Trustees approval of this application, with the following conditions:

1) That all statements made by the applicant both in the application and in meetings before the Planning & Zoning Commission and the Board of Trustees, be considered conditions of approval, unless modified in the following conditions:

2) That the Applicant abides by all those conditions as imposed by Resolution 13, 2020;

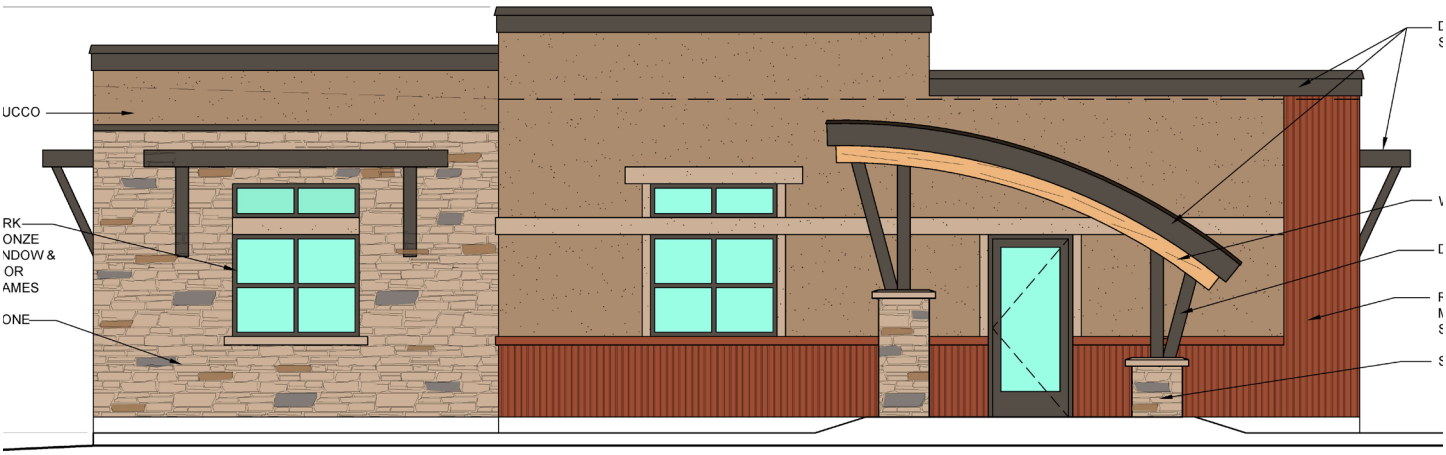
3) That the Applicant pays all fees associated with the Town's review and approval of the special use permit, including but not limited to attorney, engineering, planning, administrative and public notifications costs;

4) That the Applicant (or his heirs, successors, or assigns), if he wishes to continue utilizing the property in the above stated manner, submits a written request to the Board of

Trustees not fewer than twenty (20) days prior to the end date of the SUP, such request to be considered by the Board of Trustees in a regular meeting. Such written request must state the reason for the SUP extension request. The Applicant (or his heirs, successors, or assigns), shall be in good standing with the Town with regards to payment of utility bills and maintenance of the property; and

5) That the Board of Trustees reviews the Silt Castle LLC Special Use Permit every two (2) years, beginning on the date of approval by the Board of Trustees, and continuing thereafter until or unless such occupancy is discontinued, and determines in its sole discretion, that continuation of this Special Use Permit is in the best interests of its citizens.

The KIND Castle
Retail Marijuana Stores



Retail Marijuana Store Special Use Permit

PSTM
Architecture and Planning Inc
320 JENKINS RANCH RD. DURANGO, CO 81301 • 970-682-3237

ALPINE
PLANNING

BACKGROUND

Silt Castle, LLC ("**Applicant**") is under contract to purchase Parcel A Second Amended Keithley Subdivision Exemption Plat located along the River Frontage Road ("**Site**") as shown in Figure 1. The Applicant intends to purchase the Site and construct a new retail marijuana store if the Special Use Permit and required license are approved by the Town of Silt ("**Town**"). The Applicant also plans to submit the required development applications to subdivide the Site for future commercial development if the proposed retail store is approved by the Town.

The Property contains 15.215 acres and is characterized by flat topography that drops off into the Colorado River. The Property is located in the B-2 Zone District as shown in Figure 2.

The Applicant desires to construct a new 2,292.8 sq. ft. retail store on the Site pursuant to the Municipal Code requirements. Access to the Site will be provided by an existing access road off of River Frontage Road as shown in the plan set.

LETTER OF INTENT - SPECIAL USE PERMIT CRITERIA

Request + Reason for Request

The reason for the request is to permit the establishment of a retail marijuana store pursuant to the Town of Silt Municipal Code ("**Municipal Code**") Section 17.13.020, Schedule of Uses, that permits retail marijuana stores through a special use permit in the B-2 Zone District. It is important to note that there will not be any marijuana cultivation or production facilities on the Site, which will significantly limit odors and other potential impacts associated with such uses.

Figure 1. The Site

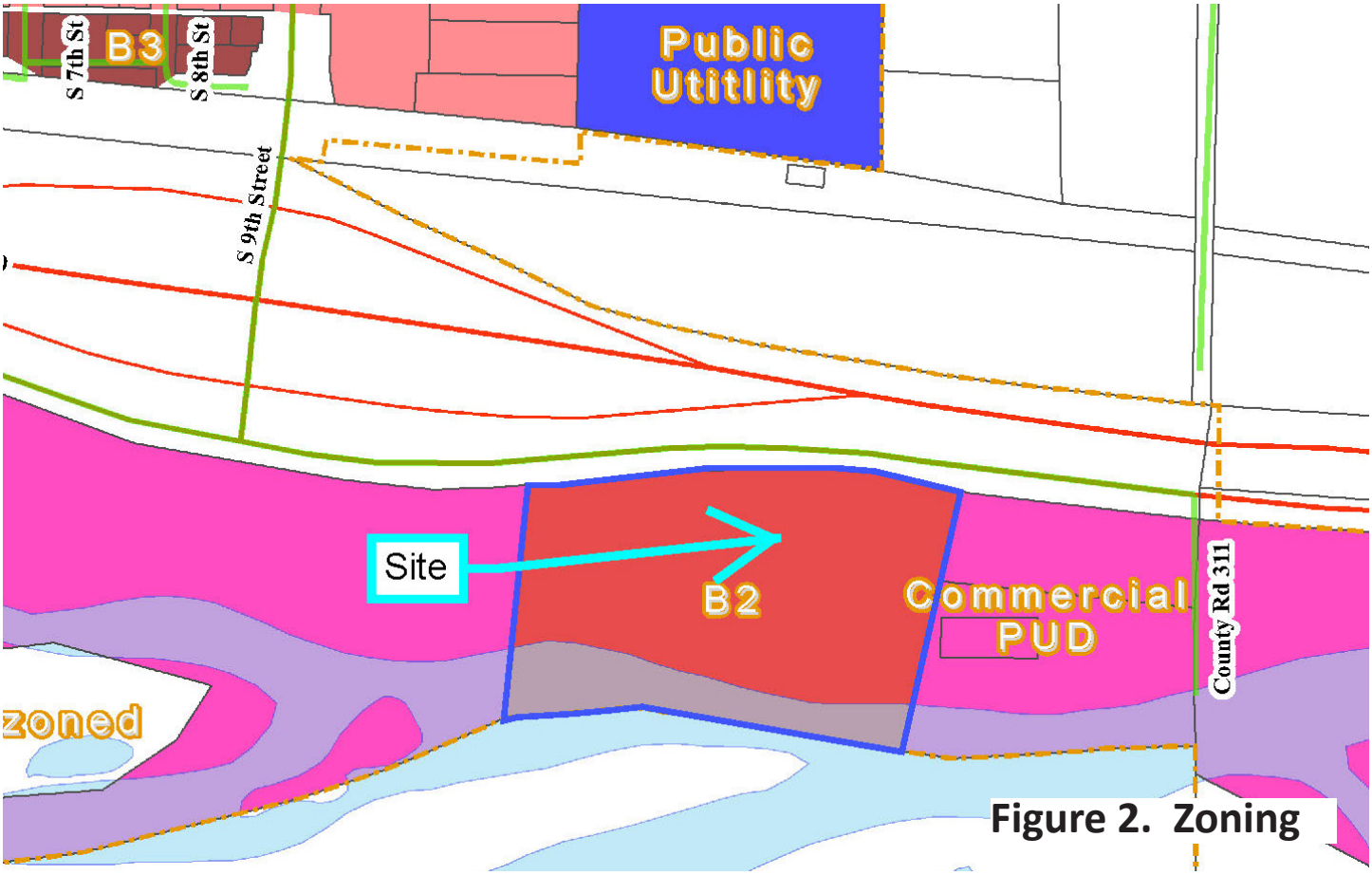


Figure 2. Zoning

Conformance with the Intent of the Silt Municipal Code

The proposed retail marijuana store conforms with the intent or purpose of the applicable sections of the Municipal Code. The proposed store conforms with the purpose of Municipal Code Section 5.32, Licensing and Regulation of Marijuana Businesses. The Applicant is concurrently submitting the required retail marijuana store license to the Town pursuant to Section 5.32. The proposed store will protect the public health, safety and general welfare of the community because:

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2. The Applicant is concurrently submitting all of the required forms and materials for the retail marijuana store license in accordance with Municipal Code Section 5.32.
3. The Applicant and store manager do not have any criminal history that would disqualify them from owning and operating the store.
4. The Applicant and his manager have a strong moral character and a proven track record of successfully and safely opening, operating and managing a store in an area community in compliance with State and local laws and regulations, including but not limited to the standards and procedures set forth in the Colorado Medical Marijuana Code and the Colorado Retail Marijuana Code.
5. The proposed retail store will be designed and built in accordance with the Municipal Code requirements, including strong security measures.

The proposed store also meets the purpose of Municipal Code Section 17.73, Land Use Regulation of Marijuana Facilities that are designed to mitigate the impacts of such facilities. Mitigation for the retail store will be

provided as required by the Municipal Code. The proposed store will not create a concentration of facilities, with the closest store located over 1,500 feet away as shown in Figure 3. The other store in the town is located over 2,000 feet away. The proposed store site is providing over three times more separation than required by the 500 feet established in Section 17.73.030.A. The proposed store is located in the B-2 Zone District and not a residential zone district. The proposed store is also located more than 500 feet away from any school or daycare as required by Municipal Code Section 17.73.030.C. The new retail store will also be designed and constructed in accordance with the Town's adopted building regulations.

Conformance/Compatibility with the Silt Comprehensive Plan

The proposed retail store conforms to the Silt Comprehensive Plan ("**Comprehensive Plan**") as follows:

A. The Comprehensive Plan Map designates the Site as "Service and Commercial Support" as shown in Figure 4. The Comprehensive Plan states the Service and Commercial Support area will provide:

> "...retail and service commercial businesses, such as construction related businesses like supply companies, office-type businesses such as real estate offices, craftsmen-type businesses such as cabinet makers, and other services such as auto repair and small appliance repair, hotels, and convenience stores. These properties should look inviting and aesthetically professional, and the structures should have a western appeal or theme if possible. This area is crucial for the Town's employment picture, providing local jobs within the core of the community, and keeping the residents close to enjoy the time not spent working with their families and friends. While retail businesses may not be the main focus in the "Service and Commercial Support" area, it is important for the Town to encourage any business that provides clean commercial without air pollution, noise, undesired odor, vibration or wasted resources."

The proposed store provides a retail commercial business as envisioned by the Comprehensive Plan. The future subdivision of the site will provide the impetus for additional commercial uses as envisioned by the Comprehensive Plan with the store only using approximately 0.80 acre, or 5.3% of the 15 acre site. The proposed store will look inviting and has a western theme. The proposed store will also employ up to 10 full-time employees in the town that do not have to commute up valley. The proposed store also provides clean commercial development that will not have any adverse impacts.

B. The proposed retail store conforms to Economic Development Goal 2: "Enhance commercial corridors and attract high-quality commercial development." The proposed store provides for an attractive and high quality design consistent with Town regulations and provides the impetus for the future development of the Site.

C. The proposed store meets Economic Development Policy C2: "Foster economic development opportunities that provide diversification of the employment base to accommodate job-generating developments." The retail store will employ approximately 10 full time employees. The Town's support and approval of the retail store will also implement Action C2.2: "Encourage businesses that will provide jobs for Silt's residents."

D. The proposed store also conforms to Economic Development Action C3.1: "Use the following location criteria to determine where economic development (employment, commercial and industrial) uses may be located", with our comments on applicable criteria shown in *italics*:

1. Proximity to major highways and access to an arterial street without the need to pass through less intensive land uses. *The proposed store is an excellent location in close proximity to the I-70 interchange with great access via the River Frontage Road. Traffic will not have to pass through the Town to reach the store.*

2. Availability of existing or planned utility services, including water, sewer and electricity. *Water, sewer, electric, gas and telecommunications are available to the site.*

Figure 3. Current and Proposed Retail Store Locations

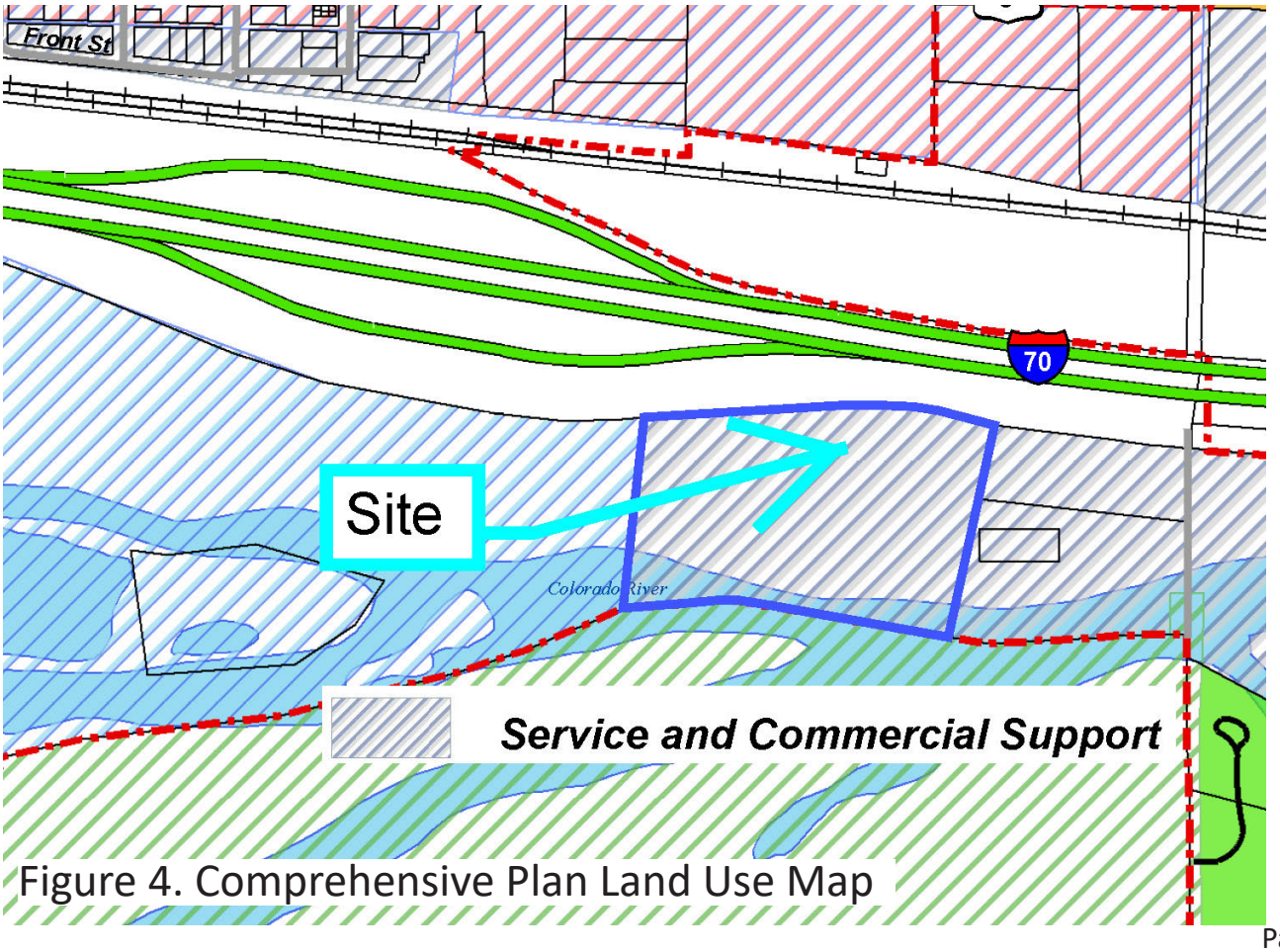


Figure 4. Comprehensive Plan Land Use Map

3. Encourage employment and commercial development along the 1-70 and 6/24 highway corridors. *The proposed retail store is located along the I-70 corridor and will provide the impetus for the future development of the Site.*

D. The proposed store conforms to Economic Development Goal 3: "Diversify the economy and attract a broad range of employment types" and the associated Policy C4: "Encourage new businesses and retain existing businesses that provide needed local services and municipal revenues." The proposed retail store will help to diversity the economy with an estimated annual sales tax revenue of approximately $207,000, and municipal tax of approximately $90,000 to the Town. The estimated sales tax for Garfield County is $30,000 with the rest going to the State of Colorado.

Compatibility with Adjacent Development and Character of the Area

The proposed retail store is very compatible with adjacent commercial and transportation development. A new gas station is located to the west by the I-70 interchange. The intensive I-70 corridor and River Frontage Road are located to the north. The Colorado River is located to the south. The Holiday Inn Express and Suites is located to the east.

Architecture will meet or exceed the Town's Site Planning and Design Standards in Municipal Code Section 17.42.120 that include the requirement for landscape buffering, and the Town's Architectural and Site Planning Standards in Chapter 17.43. All of these standards will help ensure compatibility with adjacent development. The proposed building is designed with one-story and a minimal amount of floor area which also ensures compatibility with surrounding area development.

The Site will be subdivided and developed over time with the store occupying approximately 5.3% of the Site. Thus, the store will blend into the surrounding commercial and service commercial development with a high quality design as envisioned by Town regulations and the Comprehensive Plan. The Comprehensive Plan reiterates this commercial character for the Service and Commercial Support area with the policies stated above. A retail marijuana store that meets all of the Town regulations clearly fits into the mix of existing, envisioned and zoned commercial land uses on the north side of I-70 by the Colorado River.

Desirability, Need and Promotion of the Best Land Use for the Site

The proposed retail store is supported by several Comprehensive Plan policies which makes the proposed store a desirable land use. The proposed store will generate activity and vitality as envisioned in the Comprehensive Plan and provide the Town with an estimated annual revenue of approximately $90,000.

The Town of Silt Board of Trustee's unanimously approved an ordinance to allow retail marijuana stores in 2013 in part because a majority of the Town's electorate voted to approve Amendment 64 which legalized marijuana cultivation, use and possession. Only two other stores have opened in the town since the Town enacted the original zoning and license regulations in 2013. We believe that retail marijuana stores remain a desired use based on the 2013 town vote and Council approval of the Municipal Code provisions concerning the allowance of retail marijuana stores in the town. The Town Zoning Regulations will limit the number of shops in the town due to the separation and spatial requirements.

There is a high demand for organic marijuana products that are grown without chemicals. The Kind Castle brand is strong and brings in shoppers from as far away as Utah due to the high quality, organic products, and knowledgeable staff. Kind Castle has unique partnerships with small-batch, craft growers throughout Colorado. We therefore believe there is a strong desire for Kind Castle in the Silt community.

The proposed retail store provides the impetus for the future development of the Property by utilizing only 5.3% of the total Site area leaving the remainder of the Site for uses permitted under the B-2 Zone District. The Town's approval of the special use permit will help promote all of the desired commercial and service com-

mercial uses on the Site, and will encourage the development of the area south of I-70.

Potential for Adverse Environmental Influences

The proposed retail store will not have any production or grow operations so the potential environmental impacts are like any other retail store in the town. Water quality and wetlands will be protected during and after construction through the use of Best Management Practices, such as strong erosion control, and engineered detention or retention based on plans prepared by a Colorado Professional Engineer. No significant odors will be emitted from the retail store.

The only significant natural feature present on the Site are the Colorado River and the associated riparian habitat. Theses areas will not be impacted by the proposed retail store.

The Site is located in an area identified on the Flood Insurance Rate Map as Special Flood Hazard Area Zone A. Thus the development of the Site will have to comply with Municipal Code Chapter 15.32, Flood Damage Prevention, including but not limited to determining the base flood elevation; anchoring of the building; and ensuring the retail space is located one (1) foot over the base flood elevation. There will be no development of the floodway that is located on the Site along the Colorado River.

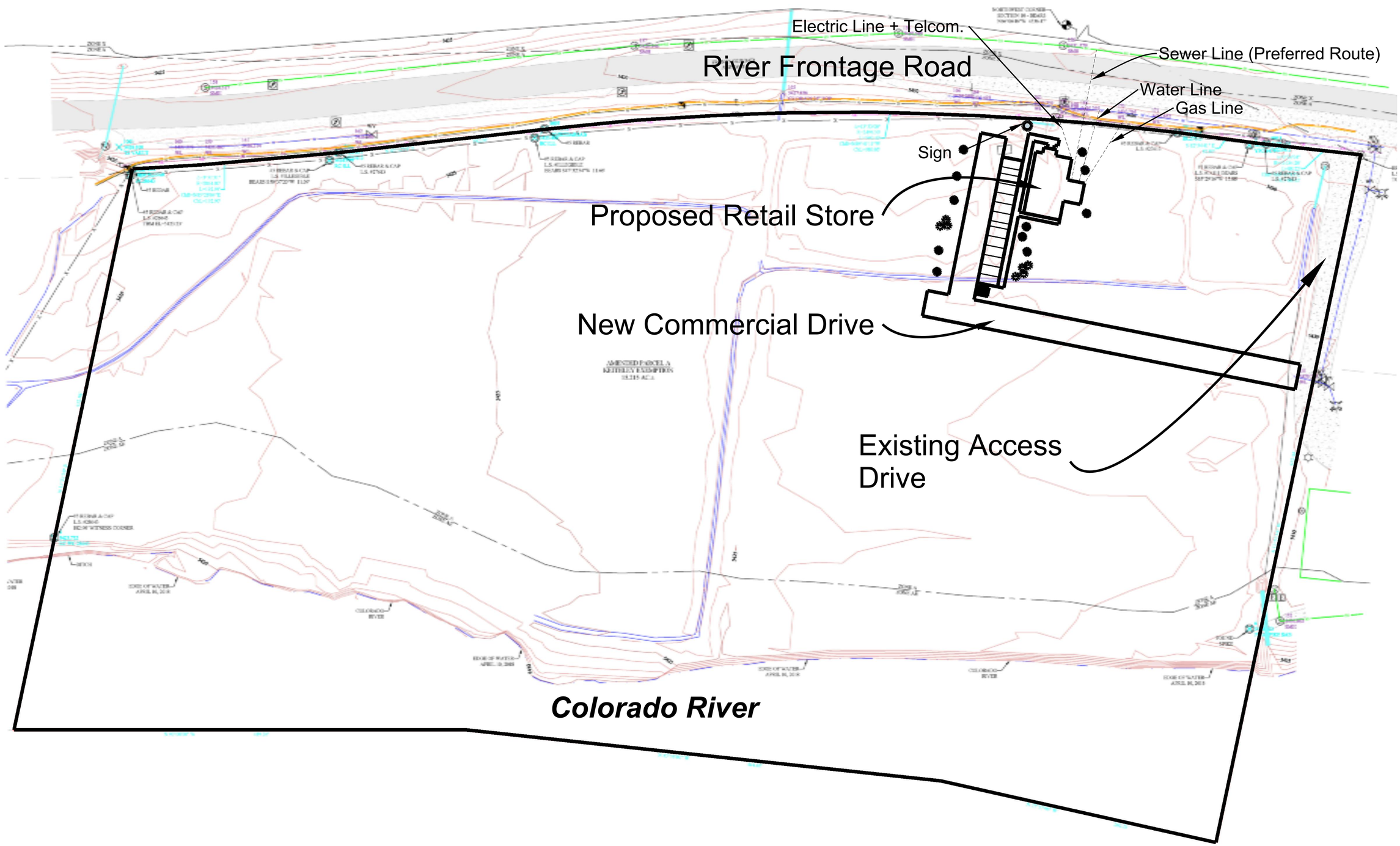
Adequate Access and Infrastructure

The proposed retail store has excellent access via River Frontage Road. The required parking for the retail store is shown on the conceptual site plan. A landscape buffer will be provided around the site while leaving open key visual corridors to ensure the visibility and success of the store. Signage will be provided in accordance with the Town and CDOT Sign Regulations as applicable.

Water, sewer, electric, gas and telecommunications connections are available in the CDOT right-of-way along River Frontage Road. Police protection for the proposed store will be provided by the Town of Silt. Fire protection and emergency medical services are available from the Colorado River Fire Rescue District. Trash and recycling will be provided for in an enclosure. Any marijuana product waste will be securely disposed as required by State and local law.

PSTM
Architecture and Planning Inc
320 JENKINS RANCH RD. DURANGO, CO 81301 • 970-682-3237

ALPINE
PLANNING



ALPINE PLANNING

Alpine Planning, LLC
P.O. Box 654
Ridgway, CO 81432
alpineplanningllc.com

Silt Castle

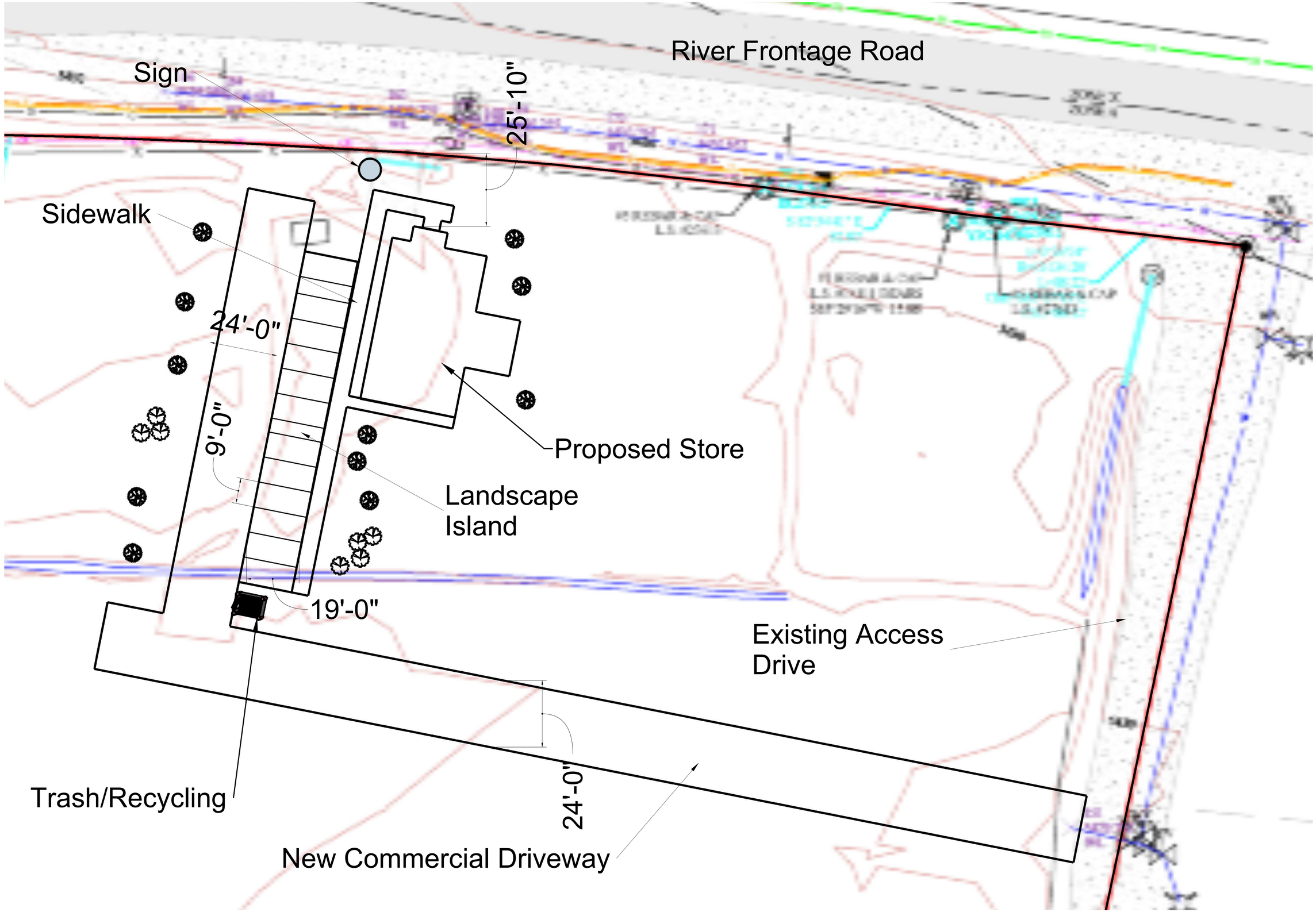
PROJECT
Silt Castle

ISSUE
January 29, 2019

DRAWN BY
Chris Hawkins

Overall Plan

A.00



ALPINE PLANNING

Alpine Planning, LLC
P.O. Box 654
Ridgway, CO 81432
(970) 964-7927
alpineplanninglic.com

Silt Castle, LLC

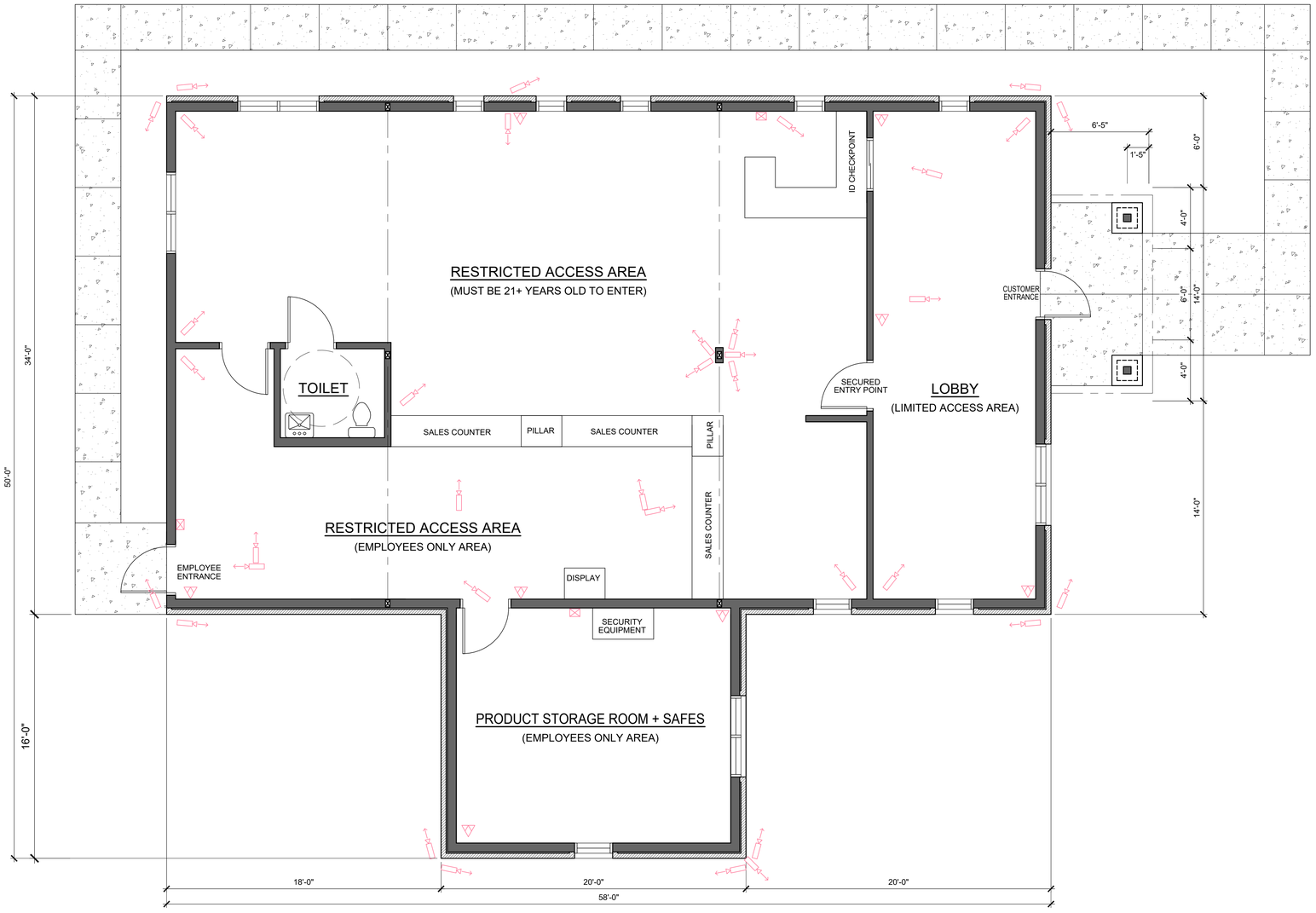
Silt Castle

ISSUE
January 29, 2019

DRAWN BY
Chris Hawkins

Conceptual
Site Plan

A.01



(PROPOSED)
FLOOR PLAN

SCALE 1/4"=1'-0"
2,292 SQUARE FEET

North

Architecture and Planning Inc
320 Jenkins Ranch Rd, Durango, Colorado 81301
970-822-3237
pgallmann@planet.net

PROPOSED NEW DISPENSARY
THE KIND CASTLE
MAIN STREET
SILT, CO 81652

REVISIONS:

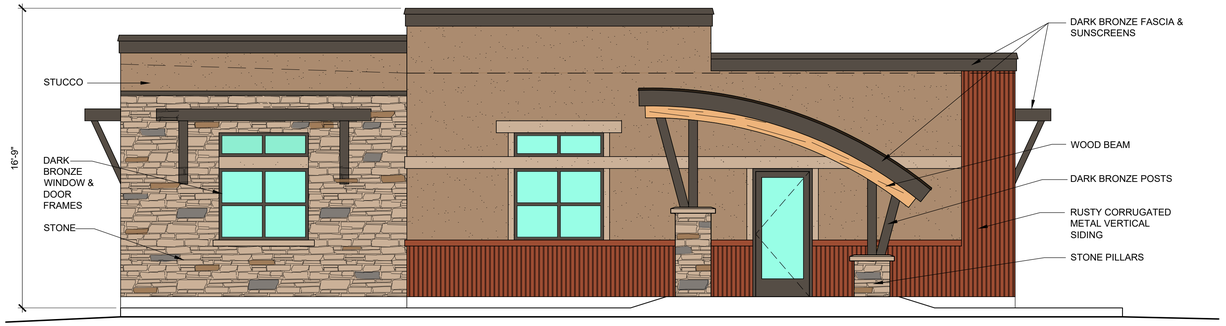
JOB NO. 19-236
DATE: December 3, 2019
CHECKED: PRG
DRAWN: AG

A.02

PROPOSED NEW DISPENSARY BUILDING:

THE KIND CASTLE

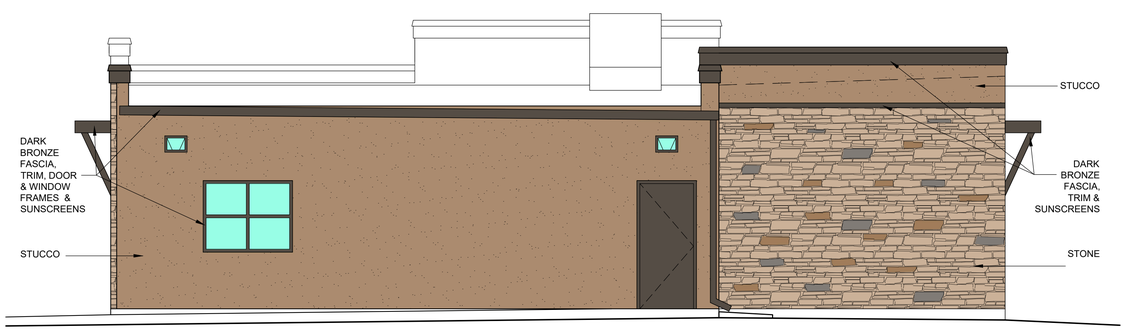
(PARCEL 1) MAIN STREET
SILT, CO 81652



(PROPOSED)
FRONT (NORTH) ELEVATION
SCALE 1/4"=1'-0"

(PROROPOSED)
SIDE (WEST) ELEVATION
SCALE 1/4"=1'-0"

(PROPOSED)
SIDE (EAST) ELEVATION
SCALE 1/4"=1'-0"



(PROPOSED)
REAR (SOUTH) ELEVATION
SCALE 1/4"=1'-0"

Architecture and Planning Inc
320 Jenkins Ranch Rd, Durango, Colorado 81301
970-822-3237
pgallimore@frontier.net
PSIM

PROPOSED NEW DISPENSARY
THE KIND CASTLE
MAIN STREET
SILT, CO 81652

REVISIONS:
-
-
-
-
-

JOB NO. 19-256
DATE: December 3, 2019
DRAWN: AG
CHECKED: PRG

A.03

STATE OF COLORADO

Region 3 Traffic Section
222 S. Sixth St., Room 100
Grand Junction, Colorado 81501
(970) 248-7021 Fax:(970) 248-7230

Permit No. **307072**

August 22, 2007

To: Mark Butler
Sopris Eng.
502 Main St., Suite A3
Carbondale, CO 81623

Dear Permittee or Applicant:

1. Please review the attached State Highway Access Permit (Form #101) and all enclosed attachments.
2. If you choose NOT to act on the permit, please return the permit unsigned.
3. If you wish to APPEAL the Terms and Conditions of the permit, please refer to the attached Form 101, Pages 2 and 3 for an explanation of the appeal procedures.
4. If you ACCEPT the Permit and its Terms and Conditions and are authorized to sign as legal owner of the property or as an authorized representative, please sign and date the Access Permit form on the line marked "PERMITTEE". Your signature confirms your agreement to all the listed Terms and Conditions.
5. Provide a check or money order made out to the jurisdiction named on the next line for the amount due.

   Make check or money order payable to: CDOT Amount Due: $ .00

6. **Return the Access Permit including all pages of terms and conditions along with your payment back to the Colorado Department of Transportation (CDOT) at the address noted below. The Department will process and return to you a validated (signed and recorded) copy of your State Highway Access Permit. You may retain this cover letter for your records.**
7. If you fail to sign and return the attached Access Permit within 60 days of the date of this transmittal letter, Colorado Department of Transportation will consider this permit withdrawn and void.
8. **As described in the attached Terms and Conditions, you must make a written request to obtain a Notice to Proceed. DO NOT begin any work within the State Highway Right-of-Way without a validated Access Permit and Notice to Proceed. Use of this permit without the Colorado Department of Transportation's validation shall be considered a violation of State Law.**

If you have any questions, please call Devin Drayton, Access Technician at (970) 248-7245.

Please return Access Permit and attachments to: Region 3 Traffic Section
222 S. Sixth St., Room 100
Grand Junction, Colorado 81501

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COLORADO DEPARTMENT OF TRANSPORTATION
STATE HIGHWAY ACCESS PERMIT

CDOT Permit No. **307072**

State Highway No/Mp/Side 070 A / 97.760 / R

Permit fee	Date of transmittal	Region/Section/Patrol	Local Jurisdiction
$0.00	8/22/2007	3 / 02 / 10-2 Alen Hayes	Silt

The Permittee(s);

Town of Silt
Richard Aluise
PO Box 70
Silt, CO 81652
970-876-2353

Applicant:

Sopris Eng.
Mark Butler
502 Main St., Suite A3
Carbondale, CO 81623
970-704-0311

Ref No.: 07-052

is hereby granted permission to have an access to the state highway at the location noted below. The access shall be constructed, maintained and used in accordance with this permit, including the State Highway Access Code and any attachments, terms, conditions and exhibits. This permit may be revoked by the issuing authority if at any time the permitted access and its use violate any parts of this permit. The issuing authority, the Department and their duly appointed agents and employees shall be held harmless against any action for personal injury or property damage sustained by reason of the exercise of the permit.

Location: Located on the south side of I-70 Frontage, a distance of 547 feet west of County Road 311.

Access to Provide Service to:

(Land Use Code:)	(Size or Count)	(Units)
820 - Shopping Center (26,400 sqft)	84	DHV
310 - Hotel (80 Rooms)	38	DHV
230 - Residential Condominium/Townhouse (8 Units)	8	DHV
Total	130	DHV

Other terms and conditions:

MUNICIPALITY OR COUNTY APPROVAL

Required only when the appropriate local authority retains issuing authority.

Signature	Print Name	Title	Date

Upon the signing of this permit the permittee agrees to the terms and conditions and referenced attachments contained herein. All construction shall be completed in an expeditious and safe manner and shall be finished within 45 days from Initiation. The permitted access shall be completed in accordance with the terms and conditions of the permit prior to being used.

The permittee shall notify Devin Drayton with the Colorado Department of Transportation in Grand Junction, Colorado at (970) 248-7245, at least 48 hours prior to commencing construction within the State Highway right-of-way.

The person signing as the permittee must be the owner or legal representative of the property served by the permitted access and have full authority to accept the permit and its terms and conditions.

Permittee Signature	Print Name	Date

This permit is not valid until signed by a duly authorized representative of the Department.
COLORADO DEPARTMENT OF TRANSPORTATION

Signature	Print Name	Title	Date (of issue)

Copy Distribution: Required: 1.Region 2.Applicant 3.Staff Access Section 4.Central Files

Make copies as necessary for: Local Authority, Inspector, MTCE Patrol, Traffic Engineer

Previous editions are obsolete and may not be used

The following paragraphs are excerpts of the State Highway Access Code. These are provided for your convenience but do not alleviate compliance with all sections of the Access Code. A copy of the State Highway Access Code is available from your local issuing authority (local government) or the Colorado Department of Transportation (Department). When this permit was issued, the issuing authority made its decision based in part on information submitted by the applicant, on the access category which is assigned to the highway, what alternative access to other public roads and streets is available, and safety and design standards. Changes in use or design not approved by the permit or the issuing authority may cause the revocation or suspension of the permit.

APPEALS

1. Should the permittee or applicant object to the denial of a permit application by the Department or object to any of the terms or conditions of a permit placed there by the Department, the applicant and permittee (appellant) have a right to appeal the decision to the [Transportation] Commission [of Colorado]. To appeal a decision, submit a request for administrative hearing to the Transportation Commission of Colorado within 60 days of transmittal of notice of denial or transmittal of the permit for signature. Submit the request to the Transportation Commission of Colorado, 4201 East Arkansas Avenue, Denver, Colorado 80222-3400. The request shall include reasons for the appeal and may include changes, revisions, or conditions that would be acceptable to the permittee or applicant.

2. Any appeal by the applicant or permittee of action by a local issuing authority shall be filed with the local authority and be consistent with the appeal procedures of the local authority.

3. In submitting the request for administrative hearing, the appellant has the option of including within the appeal a request for a review by the Department's internal administrative review committee pursuant to [Code] subsection 2.10. When such committee review is requested, processing of the appeal for formal administrative hearing, 2.9(5) and (6), shall be suspended until the appellant notifies the Commission to proceed with the administrative hearing, or the appellant submits a request to the Commission or the administrative law judge to withdraw the appeal. The two administrative processes, the internal administrative review committee, and the administrative hearing, may not run concurrently.

4. Regardless of any communications, meetings, administrative reviews or negotiations with the Department or the internal administrative review Committee regarding revisions or objections to the permit or a denial, if the permittee or applicant wishes to appeal the Department's decision to the Commission for a hearing, the appeal must be brought to the Commission within 60 days of transmittal of notice of denial or transmittal of the permit.

PERMIT EXPIRATION

1. A permit shall be considered expired if the access is not under construction within one year of the permit issue date or before the expiration of any authorized extension. When the permittee is unable to commence construction within one year after the permit issue date, the permittee may request a one year extension from the issuing authority. No more than two one-year extensions may be granted under any circumstances. If the access is not under construction within three years from date of issue the permit will be considered expired. Any request for an extension must be in writing and submitted to the issuing authority before the permit expires. The request should state the reasons why the extension is necessary, when construction is anticipated, and include a copy of page 1 (face of permit) of the access permit. Extension approvals shall be in writing. The local issuing authority shall obtain the concurrence of the Department prior to the approval of an extension, and shall notify the Department of all denied extensions within ten days. Any person wishing to reestablish an access permit that has expired may begin again with the application procedures. An approved Notice to Proceed, automatically renews the access permit for the period of the Notice to Proceed.

CONSTRUCTION

1. Construction may not begin until a Notice to Proceed is approved. (Code subsection 2.4]

2. The construction of the access and its appurtenances as required by the terms and conditions of the permit shall be completed at the expense of the permittee except as provided in subsection 2.14. All materials used in the construction of the access within the highway right-of-way or on permanent easements, become public property. Any materials removed from the highway right-of-way will be disposed of only as directed by the Department. All fencing, guard rail, traffic control devices and other equipment and materials removed in the course of access construction shall be given to the Department unless otherwise instructed by the permit or the Department inspector.

3. The permittee shall notify the individual or the office specified on the permit or Notice to Proceed at least two working days prior to any construction within state highway right-of-way. Construction of the access shall not proceed until both the access permit and the Notice to Proceed are issued. The access shall be completed in an expeditious and safe manner and shall be finished within 45 days from initiation of construction within the highway right-of-way. A construction time extension not to exceed 30 working days may be requested from the individual or office specified on the permit.

4. The issuing authority and the Department may inspect the access during construction and upon completion of the access to ensure that all terms and conditions of the permit are met. Inspectors are authorized to enforce the conditions of the permit during construction and to halt any activities within state right-of-way that do not comply with the provisions of the permit, that conflict with concurrent highway construction or maintenance work, that endanger

highway property, natural or cultural resources protected by law, or the health and safety of workers or the public.

5. Prior to using the access, the permittee is required to complete the construction according to the terms and conditions of the permit. Failure by the permittee to abide by all permit terms and conditions shall be sufficient cause for the Department or issuing authority to initiate action to suspend or revoke the permit and close the access. If in the determination of the Department or issuing authority the failure to comply with or complete the construction requirements of the permit create a highway safety hazard, such shall be sufficient cause for the summary suspension of the permit. If the permittee wishes to use the access prior to completion, arrangements must be approved by the issuing authority and Department and included in the permit. The Department or issuing authority may order a halt to any unauthorized use of the access pursuant to statutory and regulatory powers. Reconstruction or improvement of the access may be required when the permittee has failed to meet required specifications of design or materials. If any construction element fails within two years due to improper construction or material specifications, the permittee shall be responsible for all repairs. Failure to make such repairs may result in suspension of the permit and closure of the access.

6. The permittee shall provide construction traffic control devices at all times during access construction, in conformance with the M.U.T.C.D. as required by section 42-4-104, C.R.S., as amended.

7. A utility permit shall be obtained for any utility work within highway right-of-way. Where necessary to remove, relocate, or repair a traffic control device or public or private utilities for the construction of a permitted access, the relocation, removal or repair shall be accomplished by the permittee without cost to the Department or issuing authority, and at the direction of the Department or utility company. Any damage to the state highway or other public right-of-way beyond that which is allowed in the permit shall be repaired immediately. The permittee is responsible for the repair of any utility damaged in the course of access construction, reconstruction or repair.

8. In the event it becomes necessary to remove any right-of-way fence, the posts on either side of the access shall be securely braced with an approved end post before the fence is cut to prevent any slacking of the remaining fence. All posts and wire removed are Department property and shall be turned over to a representative of the Department.

9. The permittee shall ensure that a copy of the permit is available for review at the construction site at all times. The permit may require the contractor to notify the individual or office specified on the permit at any specified phases in construction to allow the field inspector to inspect various aspects of construction such as concrete forms, subbase, base course compaction, and materials specifications. Minor changes and additions may be ordered by the Department or local authority field inspector to meet unanticipated site conditions.

10. Each access shall be constructed in a manner that shall not cause water to enter onto the roadway or shoulder, and shall not interfere with the existing drainage system on the right-of-way or any adopted municipal system and drainage plan.

11. By accepting the permit, permittee agrees to save, indemnify, and hold harmless to the extent allowed by law, the issuing authority, the Department, its officers, and employees from suits, actions, claims of any type or character brought because of injuries or damage sustained by any person resulting from the permittee's use of the access permit during the construction of the access.

CHANGES IN ACCESS USE AND PERMIT VIOLATIONS

1. It is the responsibility of the property owner and permittee to ensure that the use of the access to the property is not in violation of the Code, permit terms and conditions or the Act. The terms and conditions of any permit are binding upon all assigns, successors-in-interest, heirs and occupants. If any significant changes are made or will be made in the use of the property which will affect access operation, traffic volume and or vehicle type, the permittee or property owner shall contact the local issuing authority or the Department to determine if a new access permit and modifications to the access are required.

2. When an access is constructed or used in violation of the Code, section 43-2-147(5)(c), C.R.S., of the Act applies. The Department or issuing authority may summarily suspend an access permit and immediately order closure of the access when its continued use presents an immediate threat to public health, welfare or safety. Summary suspension shall comply with article 4 of title 24, C.R.S.

MAINTENANCE

1. The permittee, his or her heirs, successors-in-interest, assigns, and occupants of the property serviced by the access shall be responsible for meeting the terms and conditions of the permit, the repair and maintenance of the access beyond the edge of the roadway including any cattle guard and gate, and the removal or clearance of snow or ice upon the access even though deposited on the access in the course of Department snow removal operations. Within unincorporated areas the Department will keep access culverts clean as part of maintenance of the highway drainage system. However, the permittee is responsible for the repair and replacement of any access-related culverts within the right-of-way. Within incorporated areas, drainage responsibilities for municipalities are determined by statute and local ordinance. The Department will maintain the roadway including auxiliary lanes and shoulders, except in those cases where the access installation has failed due to improper access construction and/or failure to follow permit requirements and specifications in which case the permittee shall be responsible for such repair. Any significant repairs such as culvert replacement, resurfacing, or changes in design or specifications, requires authorization from the Department.

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STATE HIGHWAY ACCESS PERMIT 307072 **August 22, 2007**

Located on Highway I-70 Frontage near RP 97.760 Right
Issued to Town of Silt

TERMS AND CONDITIONS

1. This permitted access is only for the use and purpose stated in the Application and Permit. This Permit is issued in accordance with the State Highway Access Code (2 CCR 601-1), and is based in part upon the information submitted by the Permittee. Any subsequent relocation, reconstruction, or modifications to the access or changes in the traffic volume or traffic nature using the access shall be requested for by means of a new application. Any changes causing non-compliance with the Access Code may render this permit void, requiring a new permit.
2. The Permittee shall design and install an eastbound right turn deceleration lane in conformance with section 4 of the State Highway Access Code, 2CCR 601-1.
3. It appears Hwy modifications can be made without a 2" pavement overlay or chip-n-seal overlay for this project. However, the details of the striping modifications shall be addressed during the pre-design and pre-construction meetings once an actual design is overlaid on the existing Hwy striping. If an asphalt joint is within 2 feet of a wheel path of through traffic a full width 2-inch minimum depth overlay of the entire length of highway improvements shall be required in accordance with section 4.7(6) of the Access Code.
4. This access shall have 1 entry lane and 2 exit lanes on to the Frontage Road. The access turning radii shall accommodate the minimum turning radius of the largest vehicle or 50 foot, whichever is greater. The design vehicle turning template for largest vehicle entering/exiting site shall be plotted on a plan detail to insure proper radii and lane widths.
5. The access shall be constructed perpendicular to the travel lanes of the State Highway for a minimum distance of 40 feet from the edge of roadway. Side slopes shall be at a 4:1 slope on the roadway and at 6:1 to the approach. The driveway shall slope away from the highway at a -2% grade for the first 20 feet of driveway. This design shall be in conformance with section 4 of the State Highway Access Code, 2CCR 601-1.
6. This permit replaces any and all additional access permits that may be in existence. All other State Highway access to the property shall be removed.
7. The permittee is required to comply with the Americans with Disabilities Act Accessibility Guidelines (ADAAG) that have been adopted by the U.S. Architectural and Transportation Barriers Compliance Board (Access Board), and incorporated by the U.S. Attorney General as a federal standard. These guidelines provide requirements for design and construction. The current Standards Plans and can be found on the Design and Construction Project Support web page at: http://www.dot.state.co.us/DesignSupport/, then click on *Design Bulletins*.
8. A pre-design meeting is required prior to construction design. Required personnel for this meeting are: Professional Engineer of Record (ie. The person who shall sign and seal the plan set), Design Engineer, and Permittee. Please contact Devin Drayton 970-683-6286 for scheduling this pre-design meeting.
9. A Notice to Proceed, CDOT Form 1265 is required before beginning the construction of the access or any activity within the highway right-of-way. To receive the Notice to Proceed the applicant shall submit a complete packet to CDOT with the following items:
   (a) A cover letter requesting a Notice to Proceed.
   (b) Certificate of Insurance Liability as per Section 2.3(11)(i) of the State Highway Access Code.

TERMS AND CONDITIONS (cont.)

(c) A certified Traffic Control Plan in accordance with Section 2.4(6) of the Access Code. The Traffic Control Plan shall provide accessibility features to accommodate all pedestrians including persons with disabilities for all pathways during construction.

(d) Ten copies of Construction Plans Stamped (11"x 17" with a minimum scale of 1" = 50') by a Colorado Registered Professional Engineer in full compliance with the State Highway Access Code.

(e) Signed and sealed Notice to Proceed Checklist.

(f) Signed and sealed drainage report or narrative.

(g) Prior to the issuance of any Notice to Proceed, the applicant shall schedule a pre-construction meeting including but not limited to applicant, Engineer of Record, Construction Inspector, construction personnel, permittee (if other than applicant), CDOT representative and Traffic Control Supervisor.

(h) A construction schedule will be required at the pre-construction meeting.

10. No drainage from this site shall enter onto the State Highway travel lanes. The Permittee is required to maintain all drainage in excess of historical flows and time of concentration on site. All existing drainage structures shall be extended, modified or upgraded, as applicable, to accommodate all new construction and safety standards, in accordance with the Department's standard specifications.

11. A new culvert may be required for this access. The drainage study will be used to size all culverts. As a minimum, an 18-inch culvert with protective end treatments will be required. The culvert shall be kept free of blockage to maintain proper flow and drainage.

12. Open cuts, which are at least 4 inches in depth, within 30 feet of the edge of the State Highway traveled way, will not be left open at night, on weekends, or on holidays, or shall be protected with a suitable barrier per State and Federal Standards.

13. The Permittee is responsible for obtaining any necessary additional Federal, State and/or City/County permits or clearances required for construction of the access. Approval of this access permit does not constitute verification of this action by the Permittee. Permittee is also responsible for obtaining all necessary utility permits in addition to this access permit.

14. All workers within the State Highway right of way shall comply with their employer's safety and health policies/procedures, and all applicable U.S. Occupational Safety and Health Administration (OSHA) regulations - including, but not limited to the applicable sections of 29 CFR Part 1910 - Occupational Safety and Health Standards and 29 CFR Part 1926 - Safety and Health Regulations for Construction. Personal protective equipment (e.g. head protection, footwear, high visibility apparel, safety glasses, hearing protection, respirators, gloves, etc.) shall be worn as appropriate for the work being performed, and as specified in regulation.

15. CDOT requires submission of SWMP plans on any projects where the area of CDOT ROW impacted exceeds one acre.

16. A temporary construction easement is required if highway improvements necessitate entering anther private properties for any reason. The Permittee is responsible for obtaining the said easement and providing the lease information to CDOT prior to obtaining the NTP. The easement shall be a signed legal agreement between the property owner and the permittee of the access permit. This easement shall stipulate

TERMS AND CONDITIONS (cont.)

the range of dates the permittee's contractor may enter the property and provide any construction plan & profiles attachments that have been agreed upon.

17. On all CDOT access permit projects where the developers are required to apply and obtain a CSP (Construction Storm Water Permit) from the respective regulatory agency, "The Permittee/Applicant is required to include the portion of CDOT Rights of Way to be impacted by the construction of the access within their Construction Storm Water Permit (CSP). A notice to proceed will not be issued until the Permittee/applicant provides CDOT region permit office with the proof of such inclusion on the developer's CSP.

18. It is the responsibility of the permittee/applicant to determine which environmental clearances and/or regulations apply to the project, and to obtain any clearances that are required directly from the appropriate agency. Please refer to or request a copy of the "CDOT Environmental Clearance Information Summary" for details. FAILURE TO COMPLY WITH REGULATORY REQUIREMENTS MAY RESULT IN SUSPENSION OR REVOCATION OF YOUR CDOT PERMIT, OR ENFORCEMENT ACTIONS BY OTHER AGENCIES.
    - ALL discharges are subject to the provisions of the Colorado Water Quality Control Act and the Colorado Discharge Permit Regulations. Prohibited discharges include substances such as: wash water, paint, automotive fluids, solvents, oils or soaps.
    - Unless otherwise identified by CDOT or the Colorado Department of Public Health and Environment (CDPHE) Water Quality Control Division (WQCD) as significant sources of pollutants to the waters of the State, the following discharges to storm water systems are allowed without a Colorado Discharge Permit System permit: landscape irrigation, diverted stream flows, uncontaminated ground water infiltration to separate storm sewers, discharges from potable water sources, foundation drains, air conditioning condensation, irrigation water, springs, footing drains; water line flushing, flows from riparian habitats and wetlands, and flow from fire fighting activities. However, construction activities may require a Construction Stormwater Permit. Contact the CDOT Water Quality Program Manager at 303-757-9343.
    - ANY OTHER DISCHARGES may require Colorado Discharge Permit(s) or separate permits from CDPHE or the appropriate agency before work begins. For additional information and forms, go to the CDPHE website at: http://www.cdphe.state.co.us/wq/PermitsUnits/wqcdpmt.html.

19. Nothing in this permit shall prohibit the chief engineer from exercising the right granted in CRS 43-3-102 Including but not limited to restricting left hand turns by construction of physical medial separations.

20. A signed and approved temporary lease agreement is required if construction trailers are to be located on CDOT ROW during construction.

21. The Permittee shall provide accessibility features to accommodate all pedestrians including persons with disabilities for all pathways during and after construction.

22. During access construction no construction personnel vehicles will be permitted to park in the state highway right-of-way.

23. The access shall be completed in an expeditious and safe manner and shall be completed within 45 days from initiation of construction within State Highway right-of-way or in accordance with written concurrence of the Access Manager. All construction shall be completed in a single season.

TERMS AND CONDITIONS (cont.)

24. All costs associated with any type of utility work will be at the sole responsibility and cost of the permittee and at no cost to CDOT.
25. Any damage to present highway facilities including traffic control devices shall be repaired immediately at no cost to the Department and prior to continuing other work.
26. Any mud or other material tracked or otherwise deposited on the roadway shall be removed daily or as ordered by the Department inspector. If mud is obvious condition during site construction, it is recommended that the contractor build a Stabilized Construction Entrance or Scrubber Pad at the intended construction access to aid in the removal of mud and debris from vehicle tires. The details of the Stabilized Construction Entrance are found in the M & S Standards Plan No. M-208-1.
27. A fully executed complete copy of this permit and the Notice to Proceed must be on the job site with the contractor at all times during the construction. Failure to comply with this or any other construction requirement may result in the immediate suspension of work by order of the Department inspector or the issuing authority.
28. All construction and inspection work must be under the direction of a Colorado Registered Professional Engineer. The PE's responsibilities include, but are not limited to:
    (a) The PE shall evaluate compliance with plans and specifications with regard to the roadway improvements within the State right-of-way. The PE shall carefully monitor the contractor's compliance on all aspects of construction, including construction zone traffic control.
    (b) Engineering Certification: After inspection and before final acceptance, the Engineer shall certify to CDOT in writing that all inspections, materials, materials testing, and construction methods conform to the plans, specifications and purpose of design. Upon completion of the work, that responsible Engineer shall submit an "As Built" plans, showing in detail all approved construction changes, modification.
29. No work will be allowed at night, Saturdays, Sundays and legal holidays without prior authorization from the Department. The Department may also restrict work within the State Highway right-of-way during adverse weather conditions.
30. Areas of roadway and/or right-of-way disturbed during this installation shall be restored to their original conditions to insure proper strength and stability, drainage and erosion control. Restoration shall meet the Department's standard specifications for topsoil, fertilization, mulching, and re-seeding.

<u>Construction Completion & Final Acceptance</u>

31. Upon the completion of the access and prior to any use as allowed by this permit, the permittee shall notify the Permit Manager by certified mail within 10 working days to request a final inspection. This request shall include signed and sealed certification that all materials and construction have been completed in accordance with all applicable Department Standards and Specifications; and that the access is constructed in conformance with the State Highway Access Code, 2 CCR 601-1, and the terms and conditions included in this permit. The engineer of record shall be present for this inspection. The access serviced by this permit may not be opened to traffic until the CDOT Access Manager provides written initial approval.
32. Following the final inspection, CDOT will prepare an Access Construction Inspection Summary Letter and send it to the applicant, permittee, and engineer of record. If additional items are

TERMS AND CONDITIONS (cont.)

required to complete the access construction, a list of these items will be part of the access construction inspection summary letter. All required items and final as-built survey shall be completed within 30 days from receiving the Access Construction Summary Letter. The access serviced by this permit may not be opened to traffic until written approval has been given from the CDOT Access Manager. If all work appears to have been done in general close conformity with the above named permit, an initial acceptance letter will be sent to the permittee and this access may be opened for traffic.

33. The 2 year warrantee period will begin when the initial acceptance letter is issued. In accordance with section 2.5(6) of the State Highway Access Code, if any construction element fails within two-years due to improper construction or material specifications, the Permittee shall be responsible for all repairs. Failure to make such repairs may result in suspension of the permit and closure of the access. The letter of final acceptance will be issued once the access has been inspected and is found to comply with all material and construction in accordance with all applicable Department Standards and Specifications approx. 2 years after initial acceptance.

TOWN OF SILT
MINUTES FOR
SPECIAL PLANNING & ZONING COMMISSION MEETING
TUESDAY, FEBRUARY 18, 2020, 6:30 P.M.

Call to Order
Chair Classen called the meeting to order at 6:31p.m.

Roll Call

Present:	Chair Chris Classen Vice Chair Lindsey Williams Commissioner Eddie Aragon Commissioner Marcia Eastlund
Absent:	Commissioner Joelle Dorsey Alternate Commissioner Brittany Cocina Alternate Commissioner #2

Also present at the meeting was Community Development Director Janet Aluise, Renee Grossman, Aron Diaz, Dan Meskin, Julie Pratte, Doug Pratte, Yancy Nichol, John Reed, Chris Hawkins, John Dyet, Eli Snead, and Hannah Bihr.

Pledge of Allegiance
At 6:31 p.m., the Commission cited the Pledge of Allegiance.

Public Comments
There were no public comments.

Conflicts of Interest
There were no stated conflicts of interest.

Tab 2 - Consent Agenda
At 6:31 p.m., Commissioner Eastlund made a motion to approve the February 4, 2020 Planning & Zoning Commission meeting minutes, as written. Vice Chair Williams seconded the motion and the motion carried unanimously.

Agenda Changes
There were no agenda changes.

Tab 3 – Resolution 13, Series of 2020, a Resolution Approving the Silt Castle LLC Special Use Permit for the Kind Castle Retail Marijuana Store on a Property known as Parcel A, Amended Keithley Exemption Plat, also known as Parcel # 217910100039, and commonly known as 1421 River Frontage Road, Town of Silt, Garfield County, state of Colorado

At 6:32 p.m., Director Aluise reviewed the staff report for the Commission, stating that the applicant proposes a retail marijuana store on a vacant parcel known as Parcel A, Amended Keithley Exemption Plat, west of the Holiday Inn Express and County Road 311, east of the Camp Colorado RV Park, and south of River Frontage Road. The application is complete and public notice requirements have been met for the public hearing. She stated that the parcel has been used intermittently for agricultural purposes, and that adjacent land uses include B-2 zoned properties to the east, commercial planned unit development properties to the west, state highways (River Frontage Road and Interstate-70) to the north, and the Colorado River to the south. Further, she stated that the 2017 Comprehensive Plan designates the property as 'Service and Commercial Support', which contemplates retail and service commercial, such as restaurants, hotels, convenience stores, and retail establishments. Chapter 17.78 of the Silt Municipal Code requires the Board to determine, in its sole discretion, whether the applicant has met the following seven review criteria for approval of a special use permit:

1) Compliance of the application with this code;
2) Compatibility of the proposal with the character of the surrounding area;
3) Desirability and need for the proposed use;
4) Encouragement of the most appropriate use of land throughout town;
5) Potential for adverse environmental influences that might result from the proposed use;
6) Compatibility of the proposed use with the comprehensive plan;
7) Adequate provision for ingress and egress of vehicular and other traffic; parking, servicing and loading/unloading; refuse and service areas; utilities; screening and buffering; signage; yards and open space; and any other items determined necessary or appropriate by the board.)

Director Aluise stated that there are potential disadvantages and advantages to approving the applicant's request for a retail marijuana store, as follows:

Disadvantages:
1) Town might be perceived as a "Pot Town";
2) Traffic added to River Frontage Road further accelerates the need for improvements to the interchange;
3) Addition of this business may negatively affect the existing marijuana businesses; and
4) Proposed use may not be compatible with family-friendly hospitality area already developed in Ferguson Crossing.

Advantages:
1) Increase in sales tax;
2) Increase in property tax;
3) Retail brick/mortar is rare and expensive;
4) Increase in jobs;
5) Increase in local retail selection;

6) Possible subdivision, adding smaller, more developable lots with infrastructure;
7) Regional lift station/collection lines installed the length of property (decommissioning the temporary lift station);
8) Commercial construction leads to a synergy that attracts other development;
9) Gaining customers that the businesses in Town do not already have;
10) Constructed trails mean public access to the Colorado River;
11) Water main is looped for a more healthy and safe delivery of water;
12) Possibility for this parcel to contribute to the regional interchange solution via special district or some other financial mechanism not dependent on the Town; and
13) Free market and private property rights upheld.

At 6:56, Mr. John Dyet and Mr. Chris Hawkins offered a slide presentation to the Commission, explaining how another retail marijuana establishment would be beneficial to the Town.

At 7:11 p.m., the Commission had the following comment:

- The odor of marijuana businesses can be overwhelming (Mr. Dyet stated that he will install an elaborate air handling system that will decrease the likelihood of odor beyond the doorways of the building);

At 7:15 p.m., Chair Classen opened the public hearing.

At 7:15 p.m., Mr. Dan Meskin, Owner of Green Cross Retail Marijuana Store addressed the Commission, stating that he felt that a retail marijuana store is not like an art gallery or a restaurant, and in fact, is a polarizing business. He further stated that the applicant has not established a 'need' for an additional store as the existing stores have in contributing to the Downtown activity. Mr. Meskin further stated that he believes that another special use permit for a retail marijuana store in a B-2 zone district is punitive to him and his business, as he chose a location that allowed retail marijuana as a 'use by right'.

At 7:18 p.m., Ms. Renee Grossman of High Q Retail Marijuana Store addressed the Commission, stating that her opposition to this application is not due to concerns about competition, but instead wanted to point out that the applicant had not met the requirements of Silt Municipal Code. She stated that the citizens have indicated that they do not want another store, as evidenced by the Board's approval of a marijuana business moratorium several weeks ago. Ms. Grossman also stated that the concentration of three retail marijuana stores per 3,200 citizens is greater than that of Rifle (3 stores, 9,732 citizens), Parachute (7 stores, 1,100 citizens), and Glenwood Springs (6 stores, 9,962 citizens). Lastly, she stated that each town is making the same per capita amount of sales taxes from marijuana sales.

At 7:21 p.m., Ms. Hannah Bihr addressed the Commission, questioned whether the applicant was collecting $90,000 in sales or in sales taxes. Mr. Dyet (out of order) stated that he was

proposing $90,000 in sales tax from his store. Ms. Bihr stated that she did not believe that the applicant had anticipated that correctly, as the sales tax will likely be much lower.

At 7:24 p.m., Chair Classen closed the public hearing.

At 7:24 p.m., Mr. Dyet addressed the Commission to state the following:

- There will be more sales tax collection, not just a 'splitting of the pie' with existing sales;
- It is not feasible that the Town will be known as a 'Pot Town' with just three stores;
- There is a good possibility that the sales will increase for all the stores;
- Retail marijuana is not polarizing to a large degree anymore; &
- $500,000 in sales in the Parachute store is solid.

At 7:31 p.m., Commissioner Aragon made a motion to recommend approval of Resolution 13, Series of 2020, a resolution approving the Silt Castle LLC Special Use Permit for the Kind Castle Retail Marijuana Store on a property known as Parcel A, Amended Keithley Exemption Plat, also known as Parcel # 217910100039, and commonly known as 1421 River Frontage Road, Town of Silt, Garfield County, state of Colorado, as written. Commissioner Williams seconded the motion, and the motion carried, with Commissioner Eastlund voting nay.

Tab 4 – Ordinance 3, Series of 2020, an ordinance of the Town of Silt, Colorado, annexing that certain property known as the Village at Painted Pastures Annexation, a 9.223-acre parcel and a 2.001-acre parcel, both south of the existing Painted Pastures subdivision and east of the Lyon Commercial Planned Unit Development, within Garfield County, state of Colorado

At 7:32 p.m., Director Aluise reviewed the staff report for the Commission, stating that the applicant, Raley Ranch Project LLC, wishes to annex a 9.223-acre parcel and a 2.001-acre parcel south of the existing Painted Pastures subdivision and State Highway 6 and east of the Lyon Commercial Planned Unit Development. The applicant proposes mixed uses of light industrial commercial and multi-family housing, but the 2017 Comprehensive Plan land use designation of Service and Commercial Support only describes commercial uses as desirable. As such, the Board shall determine if multifamily residential is both desirable and in substantial compliance with the Comprehensive Plan. Director Aluise also informed that the proposed Planned Unit Development zoning for the property might result in an all residential build or an all commercial build, but that future commercial/multifamily site plans, as well as subdivision plats, shall illuminate the Town's concerns regarding access, utilities, landscaping, etc. She stated that the Planned Unit Development zoning contemplates changes in parking for storage/warehouse uses in the amount of one space for every 1,000 gross square feet of structure, as well as an allowance of encroachment of six feet into the setback for fire exits. Staff recommends the Commission recommend to the Board of Trustees approval of Ordinance 3, 2020, as written.

At 7:52 p.m., Mr. Doug Pratte of The Land Studio introduced the Raley Ranch Project LLC team as follows: Julie Pratte of The Land Studio, Yancy Nichol of Sopris Engineering, and John Reed. Mr. Pratte presented a slide presentation for the Commission, indicating that the western area along Lyon Commercial Planned Unit Development is planned for light commercial, a central area for residential, and an eastern area planned for either residential or commercial use. Mr. Pratte stated that the annexation of these two parcels would assist in the

applicant's use of Opportunity Funds and a metropolitan service district, while also addressing the Town's shortage of warehousing/contractor units and multifamily units.

At 8:02 p.m., the Commission had the following questions:

- Will there be landscaping separating the different proposed uses? (Mr. Pratte responded that the commercial/multifamily site plan will indeed indicate landscape);
- Will there be a park for the multifamily area? (Mr. Pratte responded that the multifamily area will likely have a playground, a health center, and a dog park);
- Will there be an irrigation pump station for this subdivision? (Mr. Pratte indicated that the applicant will propose an irrigation system and that water rights will be dedicated to the Town, a property owners' association, or a metropolitan district; Director Aluise stated that the Town's water attorney and water engineer are reviewing the applicant's proposal now);

At 8:10 p.m., Vice Chair Williams made a motion to recommend to the Board of Trustees approval of Ordinance 3, Series of 2020, an ordinance of the Town of Silt, Colorado, annexing that certain property known as the Village at Painted Pastures Annexation, a 9.223-acre parcel and a 2.001-acre parcel, both south of the existing Painted Pastures subdivision and east of the Lyon Commercial Planned Unit Development, within Garfield County, state of Colorado, as written. Commissioner Eastlund seconded the motion and the motion carried unanimously.

Tab 5 – Ordinance 4, Series of 2020, an ordinance of the Town of Silt, Colorado, zoning as a Planned Unit Development certain annexed land known as the Village at Painted Pastures Annexation, a 9.223-acre parcel and a 2.001 acre parcel, both south of the existing Painted Pastures subdivision and east of the Lyon Commercial Planned Unit Development, within the Town of Silt, Garfield County, state of Colorado

At 8:11 p.m., Commissioner Eastlund made a motion to recommend to the Board of Trustees approval of Ordinance 4, Series of 2020, an ordinance of the Town of Silt, Colorado, zoning as a Planned Unit Development certain annexed land known as the Village at Painted Pastures Annexation, a 9.223-acre parcel and a 2.001 acre parcel, both south of the existing Painted Pastures subdivision and east of the Lyon Commercial Planned Unit Development, within the Town of Silt, Garfield County, state of Colorado, as written. Commissioner Aragon seconded the motion and the motion carried unanimously.

Tab 6 – Ordinance 5, Series of 2020, an ordinance of the Town of Silt, Colorado, annexing that certain property known as the Highlands at Painted Pastures Annexation, a 41.743-acre parcel north of the existing Painted Pastures subdivision and east of both the Camario Planned Unit Development and the Heavenly View subdivision within the Town of Silt, Garfield County, state of Colorado

At 8:14 p.m., Vice Chair Williams made a motion to continue the public hearing for Ordinance 5, Series of 2020, an ordinance of the Town of Silt, Colorado, annexing that certain property known as the Highlands at Painted Pastures Annexation, a 41.743-acre parcel north of the existing Painted Pastures subdivision and east of both the Camario Planned Unit Development

and the Heavenly View subdivision within the Town of Silt, Garfield County, state of Colorado. Commissioner Aragon seconded the motion and the motion carried unanimously.

Tab 7 – Ordinance 6, Series of 2020, an ordinance of the Town of Silt, Colorado, zoning as R-2, General Residential District, certain annexed land known as the Highlands at Painted Pastures Annexation, a 41.473-acre parcel north of the existing Painted Pastures subdivision and east of both the Camario Planned Unit Development and the Heavenly View subdivision, within the Town of Silt, Garfield County, state of Colorado

At 8:15 p.m., Vice Chair Williams made a motion to continue the public hearing for Ordinance 6, Series of 2020, an ordinance of the Town of Silt, Colorado, zoning as R-2, General Residential District, certain annexed land known as the Highlands at Painted Pastures Annexation, a 41.473-acre parcel north of the existing Painted Pastures subdivision and east of both the Camario Planned Unit Development and the Heavenly View subdivision, within the Town of Silt, Garfield County, state of Colorado. Commissioner Eastlund seconded the motion and the motion carried unanimously.

Old Business

There was no old business.

New Business

At 8:17 p.m., the Commission volunteered to help stuff Easter eggs. Director Aluise thanked them and offered them to come into Town Hall at their leisure.

Other Business

Future Business

There was no future business.

Commissioner and Staff Comments

There were no Commissioner or staff comments.

Adjournment

At 8:19 p.m., Vice Chair Williams made a motion to adjourn. Commissioner Eastlund seconded the motion, and the motion carried unanimously.

Chairman Chris Classen

Community Development Director Janet Aluise

TOWN OF SILT
BOARD OF TRUSTEES REGULAR MEETING
March 9, 2020

AGENDA ITEM SUMMARY

SUBJECT: Silt Castle, LLC – Retail Marijuana license

PROCEDURE: (Public Hearing, Action item, Information Item) Public hearing

RECOMMENDATION: Staff has reviewed the application and found it to meet all requirements as set out in the Silt Municipal Code.

SUMMARY AND BACKGROUND OF SUBJECT MATTER: Applicants John Dyet and Mark Mayasich have applied for a retail marijuana store at 1421 River Frontage Road. Their business will provide marijuana, accessories and merchandise. The applicants have also submitted their application to the State and are going their process. Staff has reviewed their application, deemed it complete plus all fees have been paid.

FUNDING SOURCE: N/A

ORDINANCE FIRST READING DATE: N/A

ORDINANCE SECOND READING DATE: N/A

RESOLUTION READING DATE: N/A

ORIGINATED BY: John Dyet and Mark Mayasich

PRESENTED BY: Town Clerk McIntyre

DOCUMENTS ATTACHED: Retail marijuana license application and supporting documents

TOWN ATTORNEY REVIEW [x] YES [ ] NO INITIALS ____

SUBMITTED BY:

Sheila M. McIntyre, Town Clerk

REVIEWED BY:

Jeff Layman, Town Administrator

Town of Silt

TOWN OF SILT

MEDICAL MARIJUANA AND/OR RETAIL MARIJUANA STORE BUSINESS LICENSE NEW AND RENEWAL APPLICATION

NEW ☒ RENEWAL ☐

Applicant Name: SILT CASTLE LLC	**Applicant Address and Phone Number(s):** P.O. BOX 687 GLENWOOD SPRINGS, CO 81602 (970) 773-5463	**Social Security # or FEIN:** 84-3911476
dba (Doing Business As) Name: THE KIND CASTLE	**Business Legal Name:** SILT CASTLE LLC	**Business Phone Number(s):** (970) 773-5463
Business Mailing Address: P.O. BOX 687 GLENWOOD SPRINGS, CO 81602	**Physical Business Address and Zoning District:** TBD RIVER FRONTAGE ROAD (SEE MAP) SILT, CO 81652 ZONING: B-2	**Landlord Name & Mailing Address:** River Frontage Silt LLC P.O. BOX 2507 GLENWOOD SPGS, CO 81602
Business Manager and Date of Birth: MARK MAYASICH [redacted] US Citizen: YES NO	**Business Manager's Address and Phone #:** (970) 930-0992	**E-Mail :** MARK@KINDCASTLE.COM
Business Owners (all must be listed) and Dates of Birth: KIND CASTLE COLORADO LLC 11/26/2019 JOHN DYET, MEMBER [redacted] MARK MAYASICH [redacted] US Citizens: YES NO	**Business Owners Addresses and Phone #s:** KIND CASTLE COLORADO LLC 248 E 1ST ST., PARACHUTE, CO 81635 JOHN DYET 248 E 1ST ST. UNIT A, PARACHUTE, CO 81635 MARK MAYASICH 2005 E BALLARD AVE, SILT, CO 81652	**Owners' Social Security Numbers:** 84-3910828 [redacted] [redacted]
Hours of Operation: 10AM - 9PM SUNDAY TO THURSDAY 10AM - 10PM FRIDAY & SATURDAY	**Days of Operation:** MONDAY THROUGH SUNDAY	**Business Square Footage:** 2,292 SQUARE FEET
Nature of Business (as you would like it described on your license): RETAIL MARIJUANA STORE		

TYPE OF BUSINESS:

☐ Medical Marijuana Store (requires a public hearing) – List of Products:

☒ Retail Marijuana Store (requires a public hearing) – List of Products: Marijuana products described below

☐ Medical/Retail Marijuana Store (requires a public hearing) – List of Products:

This retail marijuana store sells the highest quality marijuana flower products in Silt and the western slope area, in addition to highly prized for medicinal effect high CBD content varieties not found at current stores in Silt. Many of the marijuana-infused food items and vaping options for healthier consumption planned to be sold at this store cannot be purchased at the existing marijuana stores in Silt. Pipes and accessories shall be sold. Merchandise including T-shirts, long sleeve shirts, hoodies, hats, lighters, and misc. other products shall also be sold.

TYPE OF OWNERSHIP:

☐ Corporation ☒ Limited Liability Company ☐ Partnership ☐ Sole Proprietorship ☐ Franchise

☐ Non-profit Corporation (attach IRS Letter of Determination) ☐ Other_____

STATE LICENSES *(COPIES MUST BE ATTACHED TO THIS APPLICATION, IF AVAILABLE)*:

☒ State Medical/Retail Marijuana License #(s) TBD ☒ FEIN # 84-3911476

☐ State Health Department License # N/A ☒ State Sales Tax # 77114364-0001 (registered Silt as home base)

REQUIRED DECLARATIONS:

1. Has the applicant or any of the owners of this business been denied a medical marijuana or retail marijuana business or liquor license or similar State or local license, or had such a license suspended or revoked? If yes, please explain on a separate sheet of paper. ☐ Yes ☒ No

2. Has the applicant or any of the owners of this business been convicted of a felony or has completed any portion of a sentence due to a felony conviction within the past 5 years, or has the applicant or any of the owners completed any portion of a sentence for a conviction of a felony regarding the possession, distribution, manufacturing, cultivation or use of a controlled substance within the past 10 years? If yes, please explain on a separate sheet of paper. ☐ Yes ☒ No

3. Is the applicant and the owners or manager U.S. Citizens and Colorado residents of two years and twenty-one (21) years of age or older? If no, please explain on a separate sheet of paper. ☒ Yes ☐ No

4. Is the applicant or any of the owners a law officer and/or employee of the State or local licensing authority? ☐ Yes ☒ No

5. Has a transfer of capital stock, change in principal officers or directors, transfer of membership interest or managers occurred? ☐ Yes ☒ No

6. Does the business utilize any hazardous, toxic or flammable materials? If so, please list out which kind, quantities, and for what purpose. ☒ Yes ☐ No
   Sale of lighters and lighter fluid. Up to 5,000. For sale to consumers.

7. Is your business a change of use or occupancy for this location? (If a **change of use**, then two sets of registered design professional stamped plans are required. Please go to: http://townofsilt.org to apply for a building permit.) N/A ☐ Yes ☐ No
   NEW USE/BUILDING CURRENTLY NO USE

8. Will there be ANY remodeling or building alterations? (Please go to: http://townofsilt.org to apply for a building permit.) ☒ Yes ☐ No
   NEW BUILDING

9. If renewal, have you added any space to your previous square footage? N/A ☐ Yes ☐ No

10. Will you be installing a new sign or changing an existing sign? ☒ Yes ☐ No

FEE SCHEDULE:

1. New license application for medical/retail marijuana store. $1500.00

2. Renewal license application for medical/retail marijuana store. $ 500.00

- A change of ownership requires a new license application and fee.
- A license must be obtained for each marijuana establishment location.
- A license is valid for one year

REQUIRED ATTACHMENTS:

☒ Completed copy of the State Medical/Retail Marijuana application(s) (as submitted to the State)

☒ Copy of State Sales Tax License Application

☒ Copies of Articles of Incorporation or Partnership/Operating Agreements

☒ Lease or Deed for Premises, listing the business as the Owner or Lessee

☒ Floor plan diagram, drawn to scale, showing public medical/retail store area and private areas (offices, etc), as well as secured areas for marijuana storage.

☒ Completed fingerprint card(s) for applicant, manager, and all owners, with a cashier's check or money order for $39.50 made payable to CBI for each card.

☒ All necessary Town fees, in checks payable to the Town of Silt.

REQUIRED APPROVALS PRIOR TO ISSUANCE OF LICENSE:

1. Town of Silt Community Development Department:

Please contact the Community Development Department at 970-876-2353, ext. 108 to confirm zoning.

ZONING District: _____ Zoning Use Correct? ☐ Yes ☐ No

Date of application_____ Date of Planning Commission Hearing_____

Date of Notice in the Paper _____ Date of Notice to 200' property owners' _____

Date of Board of Trustees Hearing_____ Date of Approval _____

License and Certificate Issued? ☐ Yes ☐ No

Does medical/retail store meet setback of 500' from another licensed medical/retail marijuana store? ☐ Yes ☐ No

Does medical/retail store meet setback of 500' from private or public school, daycare or preschool that is located outside of a commercial zone district? ☐ Yes ☐ No

Date of Board of Trustees public hearing_____

Date of Notice in the Paper _____ Date of posting notice at establishment _____

Date of Approval _____ Conforming Sign: ☐ Yes ☐ No

☐ Approved ☐ Denied ☐ Held

Reason if held _____

Zoning Administrator Signature: _____Date:_____

Comments:

2. Town of Silt Building Department:

Please go to: http://townofsilt.org or apply at Community Development Department for a building permit to schedule a medical/retail marijuana store building life safety inspection.

Change of Location Approved Denied Held

Reason if held _____

Building Official Signature:_____ Date:_____

Comments:

3. Town of Silt Police Department:

Town staff will contact the Town of Silt Police Department for review.

(Approved) Denied Held

Reason if held N/A

Police Chief Signature: _____ Date: 2/16/20

Comments:

PLEASE READ CAREFULLY AND INITIAL THE FOLLOWING STATEMENTS:

_____ 1. I have obtained and examined a copy of all ordinances pertaining to the regulation of marijuana, and I agree to abide by and conform to all of the conditions of any license issued to me thereunder. http://townofsilt.org/ordinances/.

_____ 2. I understand an approved and issued business license is required to conduct business within the Town of Silt. I fully understand and will comply with all the rules and regulations of the State and the Town of Silt. It is my responsibility to acquire all necessary approvals for this application, and to submit a completed application *annually* with appropriate fees to the Town Clerk. Finally, this application is complete and correct to the best of my knowledge.

_____ 3. I will operate my establishment in a safe manner that does not endanger the public welfare, and will post all licenses in a conspicuous location at the marijuana establishment(s).

_____ 4. I understand that the Town accepts no legal liability in connection with the approval and subsequent operation of the medical/retail marijuana-based business.

_____ 5. I understand that by accepting a medical/retail marijuana business license issued pursuant to the ordinances of the Town of Silt, the licensee, jointly and severally if more than one, agrees to indemnify and defend the Town, its officers, elected officials, employees, attorneys, agents, insurers, and self-insurance pool against all liability, claims, and demands, on account of injury, loss, or damage, including, without limitation, claims arising from bodily injury, personal injury, sickness, disease, death, property loss or damage, or any other loss of any kind whatsoever, which arise out of or are in any manner connected with the operation of the medical marijuana business that is the subject of the license. The licensee further agrees to investigate, handle, respond to, and to provide defense for and defend against, any such liability, claims, or demands at its expense, and to bear all other costs and expenses related thereto, including court costs and attorney fees.

PLEASE SIGN AND DATE BELOW

Signature of Applicant

JOHN OLIVER DYET	MEMBER	12/20/2019
Print Applicant Name	Title	Date

FOR OFFICE USE ONLY

Paid 12/9/19 Date of Completed Application 1/13/20 Received by SHEILA McINTYRE

The Local Licensing Authority shall approve, deny, or conditionally approve a pending application within 45 days from the receipt of a completed application.

Inspections completed: Yes No

Application Approved or Denied

Clerk Signature _____

If Denied, please state reason:

If Renewal and applicable, confirmed with Town Treasurer that sales tax has been collected

Treasurer Signature_____

Revoked or suspended _____ Date _____ by_____

Reason:

The KIND Castle
Retail Marijuana Stores

Retail Marijuana Store Project Description

Name of ApplicanDt

SILT CASTLE LLC d/b/a THE KIND CASTLE

Hours of Operation

Monday – Sunday: OPEN 10am / CLOSED 10pm

Location & Zoning

TBD River Frontage Road, Silt, CO 81652 (See Exhibit A for legal desc.) | B2 – Highway Business District zoning

Description of Applicant's Services

The Applicant will provide (to end-use consumers) sales services consisting of the highest quality retail marijuana and marijuana-infused product. Products sold are organic driven. The business nature of the Applicant is a retail/recreational marijuana store and does not include medical sales, product-manufacturing or cultivation. Customers must be 21 years of age or older to enter, which will be **strictly** enforced through the Applicant's customer identification (ID) check/verification process including the first ID checkpoint upon entering into a fully secured, double-door lobby and then a second ID checkpoint at the sales counter. The Applicant will strictly enforce all of its policies and procedures, especially close oversight of its employees to screen all customers diligently for age and in-state/out-of-state residency status. The Applicant has a very strong interest in the knowledge of codes and compliance of this business and therefore the Applicant warrants that the business and its employees will at all times be in full compliance with the codes and regulations of the **Town of Silt** and the **State of Colorado's Marijuana Enforcement Division**. Furthermore, the Applicant has retained legal and consulting services to contribute to the current and future compliance of this business operation. The retail sales provided by the Applicant will solely occur at the **Applicant's physical business premises located at TBD River Frontage Road in Silt** and the Applicant will not provide delivery service to customers. The Applicant will offer quality products in proper packaging in a safe environment with full respect to the all industry-standard practices.

Lighting Plan (See "Floor Plan")

The Applicant's lighting plan will fully address the safety/security of the public, respective to Town code, in addition to enhancing the city's nighttime character yet respecting the residents' value of the local mountain setting. The internal and external areas of the premises will have sufficient lighting for the safety of the customers, business, and surrounding residents, however, the Applicant will take precautions to ensure the safety of the installation/maintenance of such lighting fixtures. The Applicant will be in full compliance with the Town code including, but not limited to, parking, display, security, and general purpose lighting structures.

Storage of Products

The Applicant will securely store its products on-site in a room identified as the Product Storage Room, which will house all inventory, receipts and the safe, located in the back portion of the building. The Product Storage Room shall consist of solid walls, double-bolt door, and secured safe. The Product Storage Room will also have its own alarm system, only accessible to management level staff. For adequate product safety and odor control, products will be stored inside a locked safe in labeled, sealed containers in a temperature-controlled environment. The Product Storage Room, in addition to the rest of the premises, will be under video surveillance at all times. For more details regarding Applicant's policies relating to Product Storage, see "Storage of Marijuana Products" section of the "Retail Marijuana Store Plan Summary" document accompanying the Retail Marijuana Application.

Security Plan Summary

The Applicant takes security and the safety of the public very seriously. Therefore, an extensive security plan beyond industry-standard practices will govern the business establishment. The Applicant's security plan consists of alarms, video surveillance, monitoring services, motion sensors, and many other components. The Applicant will install and maintain alarms systems on-site at the premises, with remote alarm system monitoring services which operate 24 hours per day, 7 days per week. The alarm systems will have functions of 24/7 remote monitoring services, motion detection devices throughout the premises (particularly at all points of entry/exit including windows), and security measures such as a silent duress alarm in the event of robbery during business hours. Codes for alarm systems will be changed frequently. Employees must complete several training protocols such as a complete security and safety training courses. The Applicant will not employ any person that does not appear to be able to enforce Applicant's security measures.

The Applicant will install and facilitate the full use of full color, high-resolution video surveillance 24 hours per day, 7 days per week. Internally, the video surveillance will sufficiently monitor and capture such recordings of all entrances/exits of the premises, windows, lobby area, restricted areas, Security/Product Storage Room/Safe(s), points of sale, and all rooms/space within. Externally, video surveillance will capture front, side and rear views of the premises in addition to the covering all entrances/exits, surrounding area in front of the establishment, and the alley driveway. See the "Retail Marijuana Store Plan Summary" for additional supporting details relating to the Applicant's security procedures. See Applicant's Floor Plans (drawn to scale) for indications of camera locations throughout the proposed licensed premises.

ID Check Points

The Applicant's strict policy on double checking the unexpired and appropriate identification from both in-state and out-of state customers for age verification ensures no underage person shall be sold any products from this establishment. Our store in the Town of Parachute has passed underage sting operation tests conducted by the State of Colorado's Marijuana Enforcement Division (see attached letter from the MED). All entrants to the premises have their ID checked once at the door and again at the sales counter. Employees undergo extensive and frequent training and compliance enforcements measures to IDs are consistently checked properly.

Ventilation & Odor Mitigation Plan

The Applicant's licensed premises shall include an aggressive plan to mitigate any odor from permeating through the exterior of the building containing the licensed premises. The plan will include utilizing an extensive, top-quality carbon filtration system to be installed in the building at TBD River Frontage Road, Town of Silt. The carbon odor filtration system implemented and installed by the Applicant at the licensed premises shall meet and exceed the odor mitigation requirements set forth in the Town of Silt's Retail Marijuana Business Ordinance and expectations for such establishment. The carbon filtration shall effectively filter the air and ensure odor is never an issue. In our current operation the past 2 years, we have never had a complaint about odor. The licensed premises shall operate a fully functional ventilation system as desired by the Town of Silt.

Waste Disposal Plan

Please see "Plan Summary" and "Operations Manual" for all details related to the waste disposal plan.

SEE "PLAN SUMMARY" AND "OPERATIONS MANUAL" ATTACHED HEREIN

RECEIVED JAN 13 2020

RETAIL MARIJUANA STORE
ATTACHMENT TO BUSINESS APPLICATION

PROPERTY OWNER AFFIDAVIT

Name of applicant: Silt Castle LLC

Business name: The Kind Castle

Proposed business location: TBD River Frontage Road, Silt, CO 81652
Parcel ID # 217910100039

I, Red Horse LLC, hereby state that I am the owner of record of the property located at TBD River Frontage Road, Silt, CO 81652 (15.2 acres), Town of Silt, Colorado, and further acknowledge that by signing this affidavit I authorize the submission of the application for a Retail Marijuana Business License and Special Use Permit at said location.

Red Horse LLC By Robert M Regalski Manager
Signature of Property Owner Date 1/8/20

STATE OF Colorado)
)
COUNTY OF Rio Blanco)

Sworn to before me this 8TH day of January, 2020,
by Robert M. Regalski, Manager, Red Horse, LLC

Elizabeth Kracht
Notary Public

My Commission Expires: May 10, 2022

ELIZABETH KRACHT
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20184020097
MY COMMISSION EXPIRES MAY 10, 2022

The KIND Castle
Retail Marijuana Stores

Neighborhood Responsibility Plan

The business (Applicant) will fulfill its responsibilities as a good neighbor by always being receptive to any feedback from our neighbors about our business operation and customers. We are ready and willing to do whatever we can to be an excellent neighbor, bring their businesses more customers and be a contributing member of the community. We would take caution not to obstruct their visibility with any new or existing part of our building. Our video surveillance will also keep the nearby businesses and homes safer. The Applicant shall maintain the property in a presentable fashion including nice landscaping, snow removal and professional signage.

The Applicant shall take any necessary steps to deter secondary impacts to the surrounding neighborhood by keeping the property clean and in good order, in addition to doing what we can to ensure our customers are parking in the appropriate places and not being a nuisance to our neighbors. We vouch to take this subject seriously and enforce the company's position through all staff members.

Additionally, we will support local events as a community member and donate to various groups such as some of local events and various activities in the community listed below. The communication methods available to us are by phone, text, email, and website forms. Dispute resolution process involves directly escalating the issue or complaint to management.

Local Support & Sponsorships

The following is a few of the various local activities and events in the community supported and sponsored by The KIND Castle:

- Gold Sponsor - Kiwanas Golf Tournament - 100% of Proceeds go to children in the local community (2018 & 2019)
- Rockmageddon Tournament - Gold Sponsor (2019)
- Sponsored Strut for Mutts Fund Drive for Rifle Animal Shelter (2018 & 2019)
- Collected Donations of Gift Wrap and Tape to help the Parachute Resource Center wrap donated gifts for children in the community (2018 & 2019).

Additionally, we like to help our nearby businesses by having our on-staff website developer build them all new high quality websites as well as improve their online presence and google ranking, at no cost to them. We do this for our neighboring businesses strictly stemming from our desire to support the community and give them a boost so they can thrive and we can all be successful together.

DR 0140 (02/16/11)
DEPARTMENT OF REVENUE
DENVER CO 80261-0013

STATE	COUNTY	CITY
COLORADO	GARFIELD	SILT

Must collect taxes for:

SALES TAX LICENSE

USE ACCOUNT NUMBER for all references	LIABILITY INFORMATION					ISSUE DATE			LICENSE VALID TO DECEMBER 31
	county	city	industry	type	liability date	month	day	year	
77114364-0001	24-0042-007			L	010120	Dec	09	19	2021

THIS LICENSE MUST BE POSTED AT THE FOLLOWING LOCATION IN A CONSPICUOUS PLACE: THE KIND CASTLE
1007 HWY 6 & 24 SILT CO 81652

THIS LICENSE IS NOT TRANSFERABLE

SILT CASTLE LLC
PO BOX 687
GLENWOOD SPRINGS CO 81602-0687

Executive Director
Department of Revenue

Letter Id: L0197695840

▲ **Detach Here** ▲

IMPORTANT INFORMATION

Now that you have your license, here's what you need to know:

- Use the letter ID above and go to **Colorado.gov/RevenueOnline** to set up your online access, manage your account, file electronic returns and submit payments. **Paper returns will NOT be mailed to you.**
- Both your sales tax return **AND** payments are due by the 20th day of the month following the end date of the reporting period in order to avoid any penalty and/or interest. Be sure you know what your filing frequency is in order to avoid missing due dates.
  - *Monthly filer* due dates: On the 20th day of the month following the reporting period end date.
  - *Quarterly filer* due dates: April 20th, July 20th, October 20th and January 20th.
  - *Annual filer* due dates: January 20th following the reporting period end date.
- If no sales were made during the reporting period, you are **still** required to file a return to report zero sales were made during the reporting period. Otherwise, the Department of Revenue will assess a non-filer estimate for tax.
- All licensed retailers are required to collect and remit all state-collected sales taxes based on the location where their products are delivered.
- State law requires you to collect sales tax from your customers solely for the purpose of remitting those taxes to the Colorado Department of Revenue. Businesses are entrusted with collecting and remitting taxes that belong to the State of Colorado and local jurisdictions.
- Your Colorado Sales Tax License must be displayed in a conspicuous place at your physical location.
- Your license must be renewed and the renewal fee paid at the end of the license period ending December 31 of odd-numbered years in order to maintain a valid license. Failure to renew your license will invalidate your license, but it won't automatically close your account. In order to close your account and cease any future liability, you must file form DR 1102 with the Department of Revenue.
- Having a Colorado Sales Tax License gives you the privilege to purchase non-taxable items-for-resale. Items that you consume in the course of your business are not included in this privilege.

We strongly recommend that you set up your Revenue Online account as soon as possible in order to remain compliant. If you have any questions regarding sales tax in Colorado, then please visit our website Colorado.gov/tax and click on "Education and Legal Research" for helpful FYIs, Regulations, Letter Rulings and Statutes. While there, you can also sign up for free Public Sales Tax Classes.

Thank you for registering with the Colorado Department of Revenue.

Revenue ONLINE

DR 0161 (02/16/11)
COLORADO DEPARTMENT OF REVENUE
DENVER CO 80261-0009

WAGE WITHHOLDING LICENSE

THIS LICENSE IS NOT TRANSFERABLE

USE ACCOUNT NUMBER for all references	LIABILITY INFORMATION	ISSUE DATE
77114364	L 010120	Dec 09 2019

SILT CASTLE LLC
PO BOX 687
GLENWOOD SPRINGS CO 81602-0687

Executive Director
Department of Revenue

▲ **Detach Here** ▲

Important Verification Process

If you are new to Colorado withholding tax visit: *www.Colorado.gov/revenue/withholdingbasics*

This license will be valid as long as you are doing business under the same name and ownership shown on the license. **Revenue Online is the way to access your account and file returns.** At *www.Colorado.gov/RevenueOnline* you can file and view your returns and payments, update your mailing address, and submit your Annual Reconciliation and withholding statements through your Revenue Online account.

All the information you need to register is on this document; have it with you before you begin. Follow these easy steps.

1. Go to ***www.Colorado.gov/RevenueOnline***
2. Click on the **Sign Up (Individual or Business)** link on the right.
3. Click on **Continue**.
   Now click on: **Enter Taxpayer Information**. Click on the down arrow in the Account Type list and select Other. Use the first 8-digits of the account number shown on your license. Complete the rest of the screen.
   Next click on: **Enter Login Information** and complete the screen (this is information YOU get to create for the account).
   Next click on: **Enter Account Information** and complete the screen.

Your Letter ID is: L0389454176

Then, click the **Submit** button. You will see a confirmation page on your screen. You should receive a confirmation email from the Colorado Department of Revenue. If you do not, check your Junk email folder. Once you have your Authorization Code return to Revenue Online via the link in your email. Enter the Login ID and Password you created.

1. Click on the **Login** button.
2. Enter the Authorization Code from your email (first time only).
3. Click **Login**. You should then be in your account. NOTE: If you have additional tax types registered under the same Account Number, such as sales tax, you will be able to view those tax types through the account that you can now access. You do not need to create separate Login IDs and Passwords for each tax in your account.

Filing Returns

If you are a withholding frequent filer, you must use Electronic Funds Transfer (EFT). You may register for EFT through your Revenue Online account.
To file a return, go to Revenue Online (*www.Colorado.gov/RevenueOnline*).You must file a return even if you have no tax to remit and file a **"zero"** return. Tax reporting and payment are your responsibility. To avoid late penalties and interest, file online on or before the due date.

You may close your tax account through Revenue Online when you no longer have employees with Colorado withholding.

CR 0100AP (07/06/18)
COLORADO DEPARTMENT OF REVENUE
Registration Center Section
PO Box 17087
Denver CO 80217-0087

Colorado Sales Tax Withholding Account Application

You can now apply online, see page 3 for more information. If applying by paper, read the instructions (on page 4) before completing this form.

A

1. Reason for Filing This Application — Required
☒ Original Application ☐ Change of Ownership ☐ Additional Location

Do you have a Department of Revenue Account Number? ☒ Yes ☐ No
If Yes, Account Number: 27973896-0000

2. Indicate Type of Organization. If you are not an individual you must have a FEIN number.

☐ Individual ☒ Limited Liability Company (LLC) ☐ Corporation/'S' Corp. ☐ Government
☐ General Partnership ☐ Limited Liability Partnership (LLP) ☐ Association ☐ Joint Venture
☐ Limited Partnership ☐ Limited Liability Limited Partnership (LLLP) ☐ Estate/Trust ☐ Non-Profit (Charitable)

B

1a. Last Name or Business Name: SILT CASTLE LLC
First Name:
Middle Initial:

1b. Proof of Identification (Requirements – See page 4): DRIVERS LICENSE

2a. Trade Name/ Doing Business As (If applicable, and for informational purposes only): THE KIND CASTLE
2b. FEIN (required): 84-3911476
2c.SSN:

Physical Place of Business

3a. Principal Address (A Colorado address is required if a location in the state): 1007 HWY 6 & 24
City: SILT
State: CO
Zip: 81652

3b. County: GARFIELD COUNTY
3c. If business is within limits of a city, what city?: SILT
3d. Phone Number: (970) 773-5463

Mailing address — enter mailing address here if different than the physical address

4a. Last Name or Business Name: SILT CASTLE LLC
First Name:
Middle Initial:
4b. Phone Number: (970) 773-5463

4c. Mailing Address: P.O. BOX 687
City: GLENWOOD SPRINGS
State: CO
Zip: 81602

5. List specific products (you must list the products you sell) and/or services you provide and Explain in Detail in section 5a. below.

Do you sell alcohol?	☐ Yes	☒ No	Do you rent out items for 30 days or less?	☐ Yes	☒ No
Do you sell tobacco products?	☐ Yes	☒ No	Do you sell Prepaid Wireless?	☐ Yes	☒ No
Is your business in a special taxing district?	☐ Yes	☒ No	Do you sell medical marijuana?	☐ Yes	☒ No
Do you rent motor vehicles for 30 days or less?	☐ Yes	☒ No	Do you sell adult usage marijuana?	☒ Yes	☐ No

5a. List specific products and/or services you provide and Explain in Detail

Retail sale of adult use marijuana in our store.

6a. Owner/Partner/ Corp. Officer Last Name: KIND CASTLE COLORADO LLC
Owner/Partner/ Corp. Officer First Name:
Middle Initial:

6b. Title: MEMBER
6c. FEIN: 84-3910828
6d. SSN:
6e. Phone Number: (970) 773-5463

6f. Address: P.O. BOX 687
City: GLENWOOD SPRINGS
State: CO
Zip: 81602

7a. Owner/Partner/ Corp. Officer Last Name:
Owner/Partner/ Corp. Officer First Name:
Middle Initial:

7b. Title:
7c. FEIN:
7d. SSN:
7e. Phone Number: ( )

7f. Address:
City:
State:
Zip:

(Form continued on page 2)

If you acquired the business in whole or in part, complete the following:

8a. Prior Last Name or Business Name	First Name	Middle Initial	8b. Date of Acquisition (MM/DD/YY)

8c. Address	City	State	Zip

C

1. If seasonal, mark each business month: ☐ Jan ☐ Feb ☐ Mar ☐ Apr ☐ May ☐ Jun ☐ Jul ☐ Aug ☐ Sep ☐ Oct ☐ Nov ☐ Dec

2a. Filing Frequency: If sales tax is collected:

☐ $15.00/ month or less — Annually ☐ Under $300/ month — Quarterly

☐ Wholesale Only — Annually ☒ $300/ month or more — Monthly

2b. First Day of Sales (MM/DD/YY): 04/20/20

3. Indicate which applies to you: ☒ Retail-Sales ☐ Wholesaler ☐ Charitable ☐ Retailers-Use

Revenue Registration Account Number (Dept. Use Only):

D

1. **Filing frequency** If wage withholding amount is **W2** (Withholding of $50,000 plus see Section D page 6)

☒ $1 – $6,999/Year — Quarterly ☐ $7,000 – $49,999/ Year — Monthly ☐ $50,000 +/ Year — Weekly

2. ☒ **W2** Withholding ☐ **1099** Withholding

1a. **Filing frequency** If wage withholding amount is **1099** (Withholding of $50,000 plus see Section D page 6)

☐ $1 – $6,999/Year — Quarterly ☐ $7,000 – $49,999/ Year — Monthly ☐ $50,000 +/ Year — Weekly

2a. ☐ **Oil/Gas** Withholding

3a. First Day of Payroll, if applicable (MM/DD/YY)

3b. Payroll Records Phone Number ( )

E

Period Covered From	Period Covered To	Fees (see fees on page 3)				
MM/YY	MM/YY	(0020-810)	State Sales Tax Deposit	(355)	$	00
MM/YY	MM/YY 12/	(0080-750)	Sales Tax License	(999)	$	00
MM/YY	MM/YY 12/	(0100-750)	Wholesale License	(999)	$	00
MM/YY	MM/YY	(1000-750)	Wage W2 Withholding	(999)	$	00
MM/YY	MM/YY	(1020-750)	1099 Withholding	(999)	$	00
MM/YY	MM/YY 12/	(0160-750)	Charitable License	(999)	$	00
Mail to and Make Checks Payable to: Colorado Department of Revenue, PO Box 17087 Denver, CO 80217-0087			Amount Owed		$	.00

The State may convert your check to a one time electronic banking transaction. Your bank account may be debited as early as the same day received by the State. If converted, your check will not be returned. If your check is rejected due to insufficient or uncollected funds, the Department of Revenue may collect the payment amount directly from your bank account electronically.

F

I declare under penalty of perjury in the second degree that the statements made in this application are true and complete to the best of my knowledge.

Signature of Owner, Partner, or Corporate Officer Required	Title	Date (MM/DD/YY)
	MEMBER	12/09/19

(See fees and additional information on page 3)

OFFICE OF THE SECRETARY OF STATE
OF THE STATE OF COLORADO

CERTIFICATE OF FACT OF GOOD STANDING

I, Jena Griswold, as the Secretary of State of the State of Colorado, hereby certify that, according to the records of this office,

SILT CASTLE LLC

is a

Limited Liability Company

formed or registered on 08/08/2019 under the law of Colorado, has complied with all applicable requirements of this office, and is in good standing with this office. This entity has been assigned entity identification number 20191640513 .

This certificate reflects facts established or disclosed by documents delivered to this office on paper through 01/07/2020 that have been posted, and by documents delivered to this office electronically through 01/09/2020 @ 02:15:34 .

I have affixed hereto the Great Seal of the State of Colorado and duly generated, executed, and issued this official certificate at Denver, Colorado on 01/09/2020 @ 02:15:34 in accordance with applicable law. This certificate is assigned Confirmation Number 12005762 .

Jena Griswold

Secretary of State of the State of Colorado

**********End of Certificate**********

Notice: A certificate issued electronically from the Colorado Secretary of State's Web site is fully and immediately valid and effective. However, as an option, the issuance and validity of a certificate obtained electronically may be established by visiting the Validate a Certificate page of the Secretary of State's Web site, http://www.sos.state.co.us/biz/CertificateSearchCriteria.do entering the certificate's confirmation number displayed on the certificate, and following the instructions displayed. Confirming the issuance of a certificate is merely optional and is not necessary to the valid and effective issuance of a certificate. For more information, visit our Web site, http://www.sos.state.co.us/ click "Businesses, trademarks, trade names" and select "Frequently Asked Questions."

Document must be filed electronically.
Paper documents are not accepted.
Fees & forms are subject to change.
For more information or to print copies
of filed documents, visit www.sos.state.co.us.

E-Filed

Colorado Secretary of State
Date and Time: 01/09/2020 02:20 AM
ID Number: 20201024464

Document number: 20201024464
Amount Paid: $20.00

ABOVE SPACE FOR OFFICE USE ONLY

Statement of Trade Name of a Reporting Entity

filed pursuant to §7-71-103 and §7-71-107 of the Colorado Revised Statutes (C.R.S)

1. For the reporting entity delivering this statement, its ID number, true name, form of entity and the jurisdiction under the law of which it is formed are

ID Number	20191640513 *(Colorado Secretary of State ID number)*
True name	SILT CASTLE LLC
Form of entity	Limited Liability Company
Jurisdiction	Colorado.

2. The trade name under which such entity transacts business or conducts activities or contemplates transacting business or conducting activities in this state is

   THE KIND CASTLE.

3. A brief description of the kind of business transacted or activities conducted or contemplated to be transacted or conducted in this state under such trade name is

   RETAIL STORE.

4. *(If the following statement applies, adopt the statement by marking the box and include an attachment.)*

   ☐ This document contains additional information as provided by law.

5. *(Caution: Leave blank if the document does not have a delayed effective date. Stating a delayed effective date has significant legal consequences. Read instructions before entering a date.)*

   (If the following statement applies, adopt the statement by entering a date and, if applicable, time using the required format.)
   The delayed effective date and, if applicable, time of this document are _____.
   (mm/dd/yyyy hour:minute am/pm)

Notice:
Causing this document to be delivered to the Secretary of State for filing shall constitute the affirmation or acknowledgment of each individual causing such delivery, under penalties of perjury, that such document is such individual's act and deed, or that such individual in good faith believes such document is the act and deed of the person on whose behalf such individual is causing such document to be delivered for filing, taken in conformity with the requirements of part 3 of article 90 of title 7, C.R.S. and, if applicable, the constituent documents and the organic statutes, and that such individual in good faith believes the facts stated in such document are true and such document complies with the requirements of that Part, the constituent documents, and the organic statutes.

This perjury notice applies to each individual who causes this document to be delivered to the Secretary of State, whether or not such individual is identified in this document as one who has caused it to be delivered.

6. The true name and mailing address of the individual causing this document to be delivered for filing are

McGarvey (Last) Trevor (First) _____ (Middle) _____ (Suffix)

po box 687
(Street number and name or Post Office Box information)

_____

glenwood springs (City) CO (State) 81602 (Postal/Zip Code)

_____ (Province – if applicable) United States (Country – if not US).

(If the following statement applies, adopt the statement by marking the box and include an attachment.)

☐ This document contains the true name and mailing address of one or more additional individuals causing the document to be delivered for filing.

Disclaimer:
This form/cover sheet, and any related instructions, are not intended to provide legal, business or tax advice, and are furnished without representation or warranty. While this form/cover sheet is believed to satisfy minimum legal requirements as of its revision date, compliance with applicable law, as the same may be amended from time to time, remains the responsibility of the user of this form/cover sheet. Questions should be addressed to the user's legal, business or tax advisor(s).

E-Filed

Colorado Secretary of State
Date and Time: 01/09/2020 02:31 AM
ID Number: 20191640513

Document number: 20201024466
Amount Paid: $10.00

Document must be filed electronically.
Paper documents are not accepted.
Fees & forms are subject to change.
For more information or to print copies
of filed documents, visit www.sos.state.co.us.

ABOVE SPACE FOR OFFICE USE ONLY

Statement of Change
Changing the Principal Office Address

filed pursuant to § 7-90-305.5 and § 7-90-705 of the Colorado Revised Statutes (C.R.S.)

1. The entity ID number and the entity name, or, if the entity does not have an entity name, the true name are

Entity ID number: 20191640513
(Colorado Secretary of State ID number)

Entity name or True name: SILT CASTLE LLC.

2. The entity's principal office address has changed.

Such address, as changed, is

Street address: TBD River Frontage Road
(Street number and name)

Silt *(City)* CO *(State)* 81652 *(ZIP/Postal Code)*
(Province – if applicable) United States *(Country)*

Mailing address
(leave blank if same as street address): po box 687
(Street number and name or Post Office Box information)

glenwood springs *(City)* CO *(State)* 81602 *(ZIP/Postal Code)*
(Province – if applicable) United States. *(Country)*

3. *(If applicable, adopt the following statement by marking the box and include an attachment.)*

☒ This document contains additional information as provided by law.

4. *(Caution: Leave blank if the document does not have a delayed effective date. Stating a delayed effective date has significant legal consequences. Read instructions before entering a date.)*

(If the following statement applies, adopt the statement by entering a date and, if applicable, time using the required format.)
The delayed effective date and, if applicable, time of this document are _____.
(mm/dd/yyyy hour:minute am/pm)

Notice:
Causing this document to be delivered to the Secretary of State for filing shall constitute the affirmation or acknowledgment of each individual causing such delivery, under penalties of perjury, that such document is such individual's act and deed, or that such individual in good faith believes such document is the act and deed of the person on whose behalf such individual is causing such document to be delivered for filing, taken in

conformity with the requirements of part 3 of article 90 of title 7, C.R.S. and, if applicable, the constituent documents and the organic statutes, and that such individual in good faith believes the facts stated in such document are true and such document complies with the requirements of that Part, the constituent documents, and the organic statutes.

This perjury notice applies to each individual who causes this document to be delivered to the Secretary of State, whether or not such individual is identified in this document as one who has caused it to be delivered.

5. The true name and mailing address of the individual causing this document to be delivered for filing are

McGarvey (Last) Trevor (First) _____ (Middle) _____ (Suffix)

PO Box 687
(Street number and name or Post Office Box information)

Glenwood Springs (City) CO (State) 81602 (ZIP/Postal Code)

_____ (Province – if applicable) United States (Country).

(If applicable, adopt the following statement by marking the box and include an attachment.)

☐ This document contains the true name and mailing address of one or more additional individuals causing the document to be delivered for filing.

Disclaimer:
This form/cover sheet, and any related instructions, are not intended to provide legal, business or tax advice, and are furnished without representation or warranty. While this form/cover sheet is believed to satisfy minimum legal requirements as of its revision date, compliance with applicable law, as the same may be amended from time to time, remains the responsibility of the user of this form/cover sheet. Questions should be addressed to the user's legal, business or tax advisor(s).

EXHIBIT "A"

A tract of land situated in the Northeast 1/4 of Section 10, Township 6 South, Range 92 West of the Sixth P.M., County of Garfield, State of Colorado, said tract of land lying Southerly of the Right of Way of Interstate Seventy, northerly of the centerline of a channel of the Colorado River, westerly of that tract of land as described in Document recorded in Book 692 at Page 526 of the records of said County, said tract of land being more particularly described as follows:

(Bearings in this description are based upon the West line of the NW1/4 of said Section 10 as bearing North 00°25'11" West)

Beginning at a point on the southerly Right of Way of said Interstate, said POINT OF BEGINNING also being the Northwest corner of said tract of land as described in Book 692 at Page 526 and the most northeasterly corner of the Amended Keithley Subdivision Exemption Plat as recorded under Reception #483404 of the records of said County; then South 11°51'16" West 652.94 feet along the westerly line of said tract and said westerly line as extended to the centerline of a channel of the Colorado River; then along said channel centerline the following three courses:

1) North 77°17'46" West 262.21 feet;
2) North 83°56'02" West 444.63 feet;
3) North 90°00'00" West 419.26 feet;

then departing said centerline and parallel to said Westerly line North 11°51'16" East 532.88 feet to the southerly Right of Way of said Interstate; then along said southerly Right of Way the following five courses:

1) 192.93 feet along the arc of a curve to the left having a radius of 2864.80 feet, a central angle of 03°51'31" and a chord which bears North 85°28'04" East 190.90 feet;
2) North 83°32'19" East 192.00 feet;
3) 590.40 feet along the arc of a curve to the right having a radius of 2496.50 feet, a central angle of 13°33'00" and a chord which bears South 89°41'11" East 589.03 feet;
4) South 82°54'41" East 82.80 feet;
5) 88.22 feet along the arc of a curve to the left having a radius of 11,634.20 feet, a central angle of 00°26'04" and a chord which bears South 83°07"43" East 88.22 feet to the POINT OF BEGINNING

Document must be filed electronically.
Paper documents are not accepted.
Fees & forms are subject to change.
For more information or to print copies
of filed documents, visit www.sos.state.co.us.

E-Filed

Colorado Secretary of State
Date and Time: 08/08/2019 02:54 PM
ID Number: 20191640513

Document number: 20191640513
Amount Paid: $50.00

ABOVE SPACE FOR OFFICE USE ONLY

Articles of Organization

filed pursuant to § 7-90-301 and § 7-80-204 of the Colorado Revised Statutes (C.R.S.)

1. The domestic entity name of the limited liability company is

SILT CASTLE LLC.

(The name of a limited liability company must contain the term or abbreviation "limited liability company", "ltd. liability company", "limited liability co.", "ltd. liability co.", "limited", "l.l.c.", "llc", or "ltd.". See §7-90-601, C.R.S.)

(Caution: The use of certain terms or abbreviations are restricted by law. Read instructions for more information.)

2. The principal office address of the limited liability company's initial principal office is

Street address

1888 Sherman St., Suite 200
(Street number and name)

Denver *(City)* CO *(State)* 80203 *(ZIP/Postal Code)*

Colorado *(Province – if applicable)* United States *(Country)*

Mailing address
(leave blank if same as street address)

PO Box 2507
(Street number and name or Post Office Box information)

GLENWOOD SPRINGS *(City)* CO *(State)* 81602 *(ZIP/Postal Code)*

Colorado *(Province – if applicable)* United States. *(Country)*

3. The registered agent name and registered agent address of the limited liability company's initial registered agent are

Name
(if an individual)

MCGARVEY *(Last)* TREVOR *(First)* H *(Middle)* *(Suffix)*

or

(if an entity)

(Caution: Do not provide both an individual and an entity name.)

Street address

1888 Sherman St., Suite 200
(Street number and name)

Denver *(City)* CO *(State)* 80203 *(ZIP Code)*

Mailing address
(leave blank if same as street address)

PO Box 2507
(Street number and name or Post Office Box information)

GLENWOOD SPRINGS (City) CO (State) 81602 (ZIP Code).

(The following statement is adopted by marking the box.)

☒ The person appointed as registered agent has consented to being so appointed.

4. The true name and mailing address of the person forming the limited liability company are

Name
(if an individual) MCGARVEY (Last) TREVOR (First) H (Middle) (Suffix)

or

(if an entity) _____

(Caution: Do not provide both an individual and an entity name.)

Mailing address PO Box 2507
(Street number and name or Post Office Box information)

GLENWOOD SPRINGS (City) CO (State) 81602 (ZIP/Postal Code)

Colorado (Province – if applicable) United States (Country).

(If the following statement applies, adopt the statement by marking the box and include an attachment.)

☐ The limited liability company has one or more additional persons forming the limited liability company and the name and mailing address of each such person are stated in an attachment.

5. The management of the limited liability company is vested in
(Mark the applicable box.)

☒ one or more managers.

or

☐ the members.

6. *(The following statement is adopted by marking the box.)*

☒ There is at least one member of the limited liability company.

7. *(If the following statement applies, adopt the statement by marking the box and include an attachment.)*

☐ This document contains additional information as provided by law.

8. *(Caution: Leave blank if the document does not have a delayed effective date. Stating a delayed effective date has significant legal consequences. Read instructions before entering a date.)*

(If the following statement applies, adopt the statement by entering a date and, if applicable, time using the required format.)

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This perjury notice applies to each individual who causes this document to be delivered to the Secretary of State, whether or not such individual is named in the document as one who has caused it to be delivered.

9. The true name and mailing address of the individual causing the document to be delivered for filing are

MCGARVEY TREVOR H
(Last) *(First)* *(Middle)* *(Suffix)*

PO Box 2507
(Street number and name or Post Office Box information)

GLENWOOD SPRINGS CO 81602
(City) *(State)* *(ZIP/Postal Code)*

(Province – if applicable) United States .
(Country)

(If the following statement applies, adopt the statement by marking the box and include an attachment.)

☐ This document contains the true name and mailing address of one or more additional individuals causing the document to be delivered for filing.

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For more information or to print copies
of filed documents, visit www.sos.state.co.us.

E-Filed

Colorado Secretary of State
Date and Time: 11/26/2019 12:12 PM
ID Number: 20191937401

Document number: 20191937401
Amount Paid: $50.00

ABOVE SPACE FOR OFFICE USE ONLY

Articles of Organization

filed pursuant to § 7-90-301 and § 7-80-204 of the Colorado Revised Statutes (C.R.S.)

1. The domestic entity name of the limited liability company is

KIND CASTLE COLORADO LLC.

(The name of a limited liability company must contain the term or abbreviation "limited liability company", "ltd. liability company", "limited liability co.", "ltd. liability co.", "limited", "l.l.c.", "llc", or "ltd.". See §7-90-601, C.R.S.)

(Caution: The use of certain terms or abbreviations are restricted by law. Read instructions for more information.)

2. The principal office address of the limited liability company's initial principal office is

Street address: 1888 Sherman St., Suite 200
(Street number and name)

Denver (*City*) CO (*State*) 80203 (*ZIP/Postal Code*)
(*Province – if applicable*) United States (*Country*)

Mailing address
(leave blank if same as street address): po box 687
(Street number and name or Post Office Box information)

glenwood springs (*City*) CO (*State*) 81602 (*ZIP/Postal Code*)
(*Province – if applicable*) United States (*Country*).

3. The registered agent name and registered agent address of the limited liability company's initial registered agent are

Name
(if an individual): McGarvey (*Last*) Trevor (*First*) (*Middle*) (*Suffix*)

or

(if an entity)
(Caution: Do not provide both an individual and an entity name.)

Street address: 1888 Sherman St., Suite 200
(Street number and name)

Denver (*City*) CO (*State*) 80203 (*ZIP Code*)

Mailing address
(leave blank if same as street address): po box 2507
(Street number and name or Post Office Box information)

glenwood springs (City) CO (State) 81602 (ZIP Code).

(The following statement is adopted by marking the box.)

☒ The person appointed as registered agent has consented to being so appointed.

4. The true name and mailing address of the person forming the limited liability company are

Name
(if an individual) DYET (Last) JOHN (First) (Middle) (Suffix)

or

(if an entity) _____

(Caution: Do not provide both an individual and an entity name.)

Mailing address po box 2507
(Street number and name or Post Office Box information)

glenwood springs (City) CO (State) 81602 (ZIP/Postal Code)

(Province – if applicable) United States (Country).

(If the following statement applies, adopt the statement by marking the box and include an attachment.)

☐ The limited liability company has one or more additional persons forming the limited liability company and the name and mailing address of each such person are stated in an attachment.

5. The management of the limited liability company is vested in
(Mark the applicable box.)

☐ one or more managers.

or

☒ the members.

6. *(The following statement is adopted by marking the box.)*

☒ There is at least one member of the limited liability company.

7. *(If the following statement applies, adopt the statement by marking the box and include an attachment.)*

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9. The true name and mailing address of the individual causing the document to be delivered for filing are

DYET JOHN
(Last) (First) (Middle) (Suffix)

po box 2507
(Street number and name or Post Office Box information)

glenwood springs CO 81602
(City) (State) (ZIP/Postal Code)

(Province – if applicable) United States.
(Country)

(If the following statement applies, adopt the statement by marking the box and include an attachment.)

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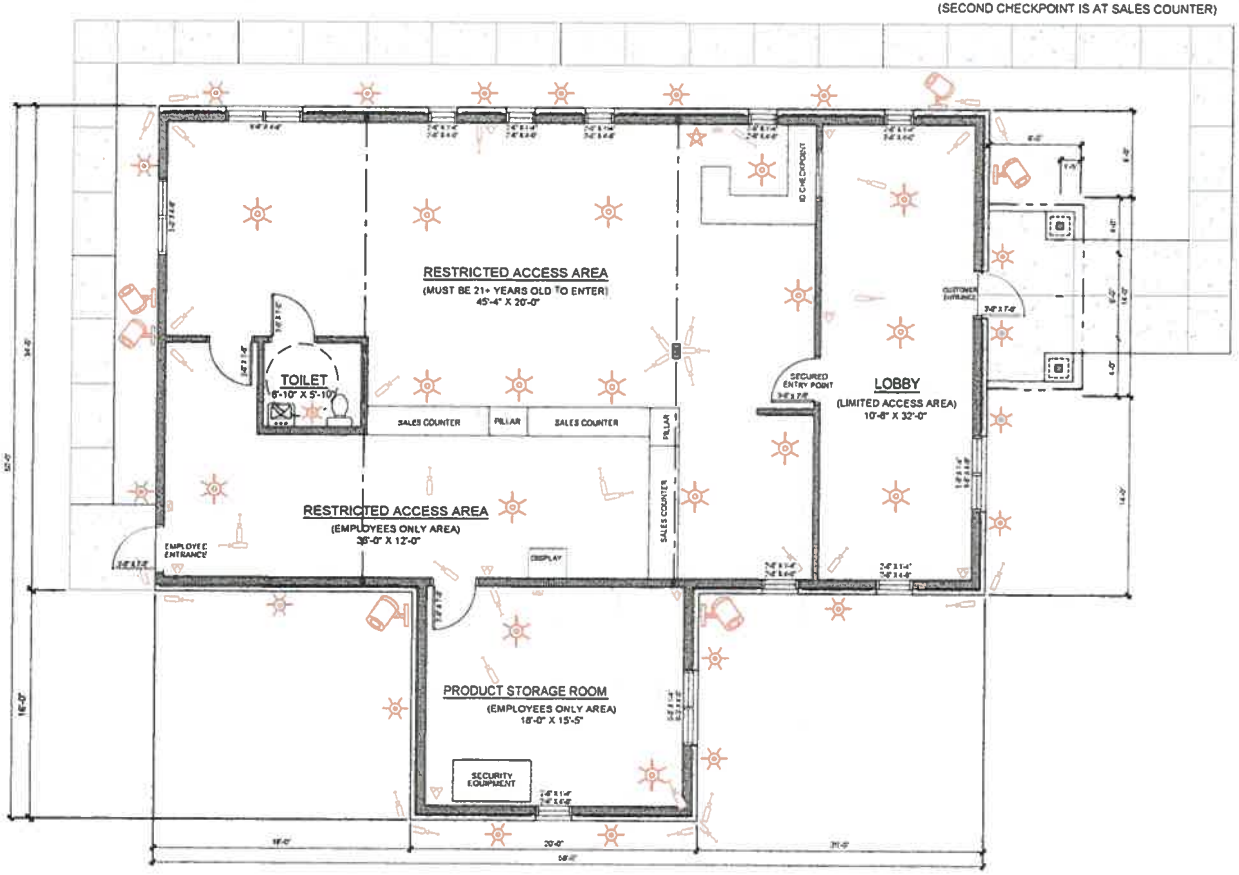
FIRST ID CHECKPOINT AT THE DOOR UPON ENTERING.
(SECOND CHECKPOINT IS AT SALES COUNTER)



(PROPOSED)
FLOOR PLAN

SCALE: 1/4"=1'-0"
1/96 SQUARE FEET

North

KEY

- LOCATION OF POSTED LICENSE
- ALARM KEY PADS
- LIGHTS
- MOTION DETECTORS
- SECURITY CAMERAS (ARROW INDICATES DIRECTION)
- AFTER HOURS MOTION SENSOR LIGHTS

36	SECURITY CAMERAS
8	MOTION DETECTORS
2	ALARM KEY PADS

NOTE:

1. TOTAL AREA = 2,292 SQ FT
2. WALL THICKNESS = 5 to 6"

Measurements are in feet on this floor plan.

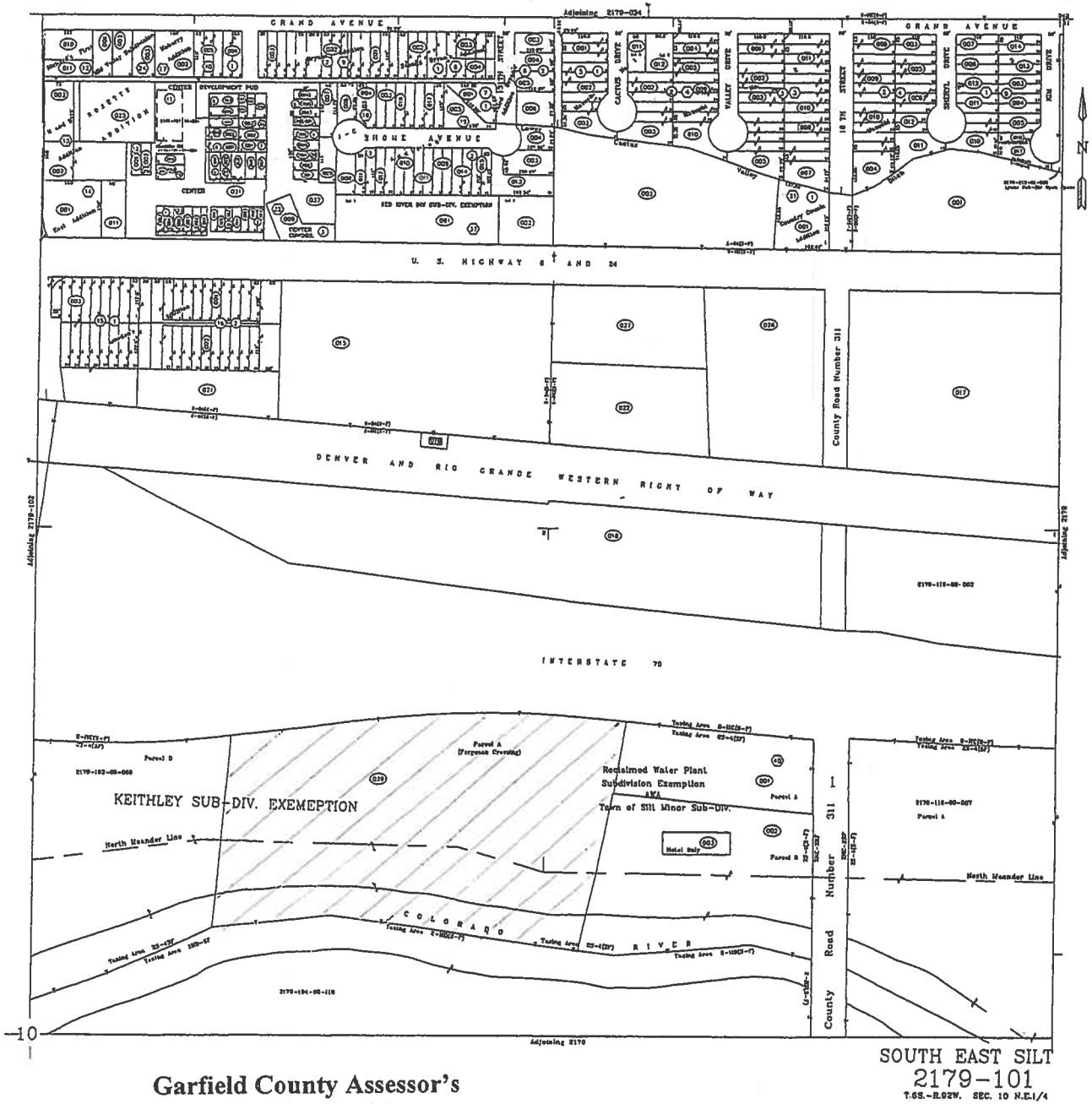
Architecture and Planning Inc
1327 Hidden Valley Rd. Glenwood Springs, CO 81601
970-625-2337
rgassmann@gmail.net
PSTM

PROPOSED NEW RETAIL MARIJUANA SHOP
THE KIND CASTLE
TBD RIVER FRONTAGE ROAD, SILT, CO 81652

REVISIONS

JOB NO. 19-136
DATE: December 5, 2019
CHECKED: PRG
DRAWN: AG

A2



SOUTH EAST SILT
2179-101
T.6S.-R.92W. SEC. 10 N.E.1/4

Garfield County Assessor's
Parcel Map 2179-101
Parcel No. 2179-101-00-039

Improvement Survey

of

Parcel "A"
Second Amended Keithley Subdivision Exemption Plat

SITUATED IN SECTION 10, TOWNSHIP 6 SOUTH, RANGE 92 WEST OF THE 6TH P.M.
TOWN OF SILT, COUNTY OF GARFIELD, STATE OF COLORADO

SURVEYORS' CERTIFICATION:

I, THE UNDERSIGNED, BEING A LICENSED PROFESSIONAL LAND SURVEYOR IN THE STATE OF COLORADO DO HEREBY CERTIFY THAT THIS IMPROVEMENT SURVEY PLAT WAS PREPARED BY ME AND UNDER MY DIRECT SUPERVISION FOR BOB REGULSKI AND THAT IT IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

I FURTHER CERTIFY THAT THE IMPROVEMENTS ON THE PARCEL INDICATED ON THIS DATE, AUG. 15, 2006, EXCEPT UTILITY CONNECTIONS, ARE ENTIRELY WITHIN THE BOUNDARIES OF THE PARCEL, EXCEPT AS SHOWN; THAT THERE ARE NO ENCROACHMENTS UPON THE DESIRED PREMISES BY IMPROVEMENTS ON ANY ADJOINING PREMISES, EXCEPT AS INDICATED, AND THAT THERE IS NO APPARENT EVIDENCE OR SIGN OF ANY EASEMENT CROSSING OR BURDENING ANY PART OF SAID PARCEL, EXCEPT AS NOTED.

THIS SURVEY DOES NOT REPRESENT A TITLE SEARCH BY THIS LAND SURVEYOR OR LAND SURVEYING COMPANY. ALL INFORMATION PERTAINING TO OWNERSHIP, EASEMENTS AND OTHER ENCUMBRANCES OF RECORD IS TAKEN FROM A TITLE INSURANCE COMMITMENT ISSUED BY COMMONWEALTH TITLE OF GARFIELD COUNTY, INC., TITLE INSURANCE COMMITMENT ORDER NO. 0606068, EFFECTIVE DATE JUNE 14, 2006 AT 7:59 A.M.

BY: SAMUEL D. PHELPS

COLORADO LICENSED PROFESSIONAL
LAND SURVEYOR NO. 27613
FOR AND ON BEHALF OF SURVCO, INC.

DATE OF CERTIFICATION: 01/DEC/2011

COLORADO LICENSED PROFESSIONAL LAND SURVEYOR 27613

SURVEYORS' NOTES:
1) THIS IMPROVEMENT SURVEY IS BASED UPON MONUMENTS INDICATED AS FOUND HEREON.

2) THIS PROPERTY IS SUBJECT TO MINERAL RIGHT RESERVATIONS AND PATENT RIGHTS AS NOTED IN THE ABOVE REFERENCED TITLE INSURANCE COMMITMENT.

NOTICE:
ACCORDING TO COLORADO LAW YOU MUST COMMENCE ANY LEGAL ACTION BASED UPON ANY DEFECT IN THIS IMPROVEMENT LOCATION CERTIFICATE WITHIN THREE YEARS AFTER YOU DISCOVER SUCH DEFECT. IN NO EVENT, MAY ANY ACTION BASED UPON ANY DEFECT IN THIS IMPROVEMENT LOCATION CERTIFICATE BE COMMENCED MORE THAN TEN YEARS FROM THE DATE OF CERTIFICATION SHOWN HEREON.

STREET ADDRESS:
TBD
SILT, CO.
81652
(WITHIN MUNICIPAL LIMITS)

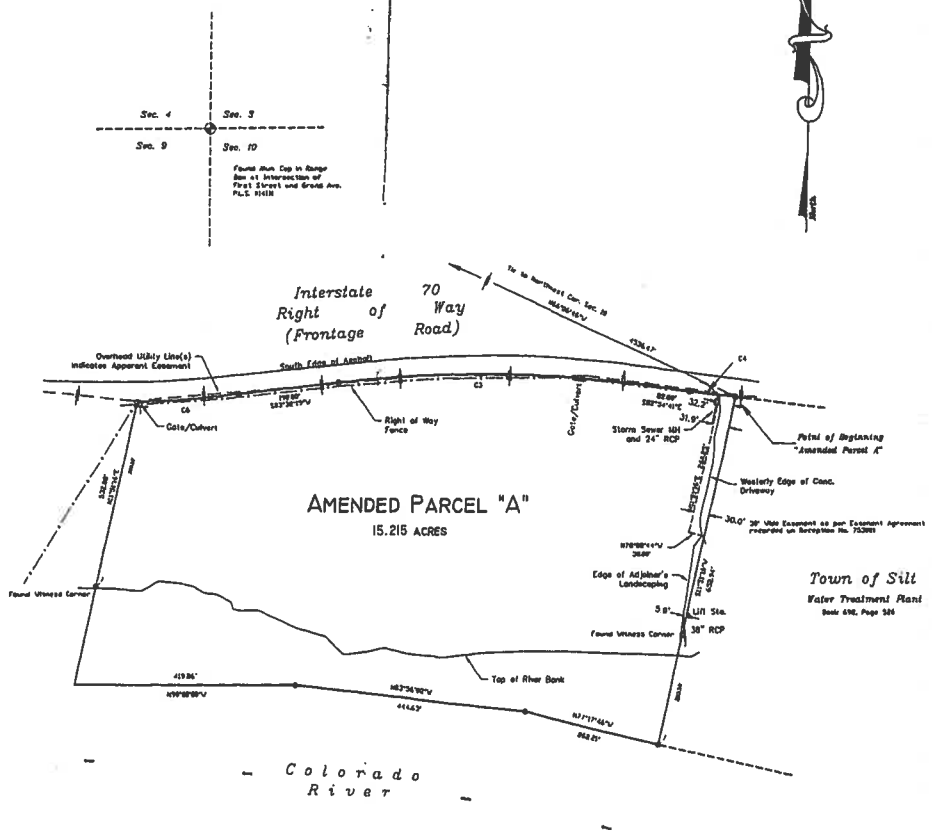
PROPERTY DESCRIPTION

AMENDED PARCEL "A"

A TRACT OF LAND SITUATED IN THE NORTHEAST 1/4 OF SECTION 10, TOWNSHIP 6 SOUTH, RANGE 92 WEST OF THE SIXTH P.M., COUNTY OF GARFIELD, STATE OF COLORADO, SAID TRACT OF LAND LYING SOUTHERLY OF THE RIGHT OF WAY OF INTERSTATE SEVENTY, NORTHERLY OF THE CENTERLINE OF THE COLORADO RIVER AS SHOWN ON THE AMENDED PLAT OF THE KEITHLEY SUBDIVISION EXEMPTION AS RECORDED UNDER RECEPTION NO. 483464 OF THE RECORDS OF SAID COUNTY, WESTERLY OF THAT TRACT OF LAND AS DESCRIBED IN DOCUMENT RECORDED IN BOOK 698 AT PAGE 586 OF THE RECORDS OF SAID COUNTY, SAID TRACT OF LAND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE SOUTHERLY RIGHT OF WAY OF SAID INTERSTATE, SAID POINT OF BEGINNING ALSO BEING THE NORTHWEST CORNER OF SAID TRACT OF LAND AS DESCRIBED IN BOOK 698 AT PAGE 586 AND THE MOST NORTHEASTERLY CORNER OF THE AMENDED KEITHLEY SUBDIVISION EXEMPTION PLAT AS RECORDED UNDER RECEPTION #483464 OF THE RECORDS OF SAID COUNTY FROM WHICH THE NORTHWEST CORNER OF SAID SECTION 10 BEARS N44°06'16"W, 1535.47 FEET; THEN S11°36'16"W, 638.94 FEET ALONG THE WESTERLY LINE OF SAID TRACT AND SAID WESTERLY LINE AS EXTENDED TO THE CENTERLINE OF A CHANNEL OF THE COLORADO RIVER; THEN ALONG SAID CHANNEL CENTERLINE THE FOLLOWING THREE COURSES: 1) N77°12'46"W, 66.61 FEET; 2) N83°26'58"W, 444.63 FEET; 3) N39°49'55"W, 419.06 FEET; THEN DEPARTING SAID CENTERLINE AND PARALLEL TO SAID WESTERLY LINE N11°36'16"E, 1128.06 FEET TO THE SOUTHERLY RIGHT OF WAY OF SAID INTERSTATE; THEN ALONG SAID SOUTHERLY RIGHT OF WAY THE FOLLOWING FIVE COURSES:
1) 198.94 FEET ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 2064.00 FEET, A CENTRAL ANGLE OF 03°51'32" AND A CHORD WHICH BEARS N83°20'54"E, 198.94 FEET;
2) N80°25'19"E, 198.80 FEET;
3) 398.48 FEET ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 2496.50 FEET, A CENTRAL ANGLE OF 13°23'00" AND A CHORD WHICH BEARS S84°41'51"E, 397.93 FEET;
4) S88°24'41"E, 88.80 FEET;
5) 86.85 FEET ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 1,634.20 FEET, A CENTRAL ANGLE OF 03°03'04" AND A CHORD WHICH BEARS S86°53'13"E, 86.83 FEET TO THE POINT OF BEGINNING.

SAID TRACT OF LAND CONTAINS 662,763 SQUARE FEET OR 15.215 ACRES AS DESCRIBED.



GRAPHIC SCALE

(IN FEET)
1 inch = 100 ft.

● Indicates Set Rebar W/Plas. Cap, PLS No. 27613 (typical)

○ Indicates Found Rebar W/Plas. Cap, PLS No. 27613 (typical)

CURVE	RADIUS	LENGTH	TANGENT	CHORD	BEARING	DELTA
C1	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
C2	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
C3	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
C4	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
C5	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
C6	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Sheet 1 of 1	Client: Pete Bunning	Date: 15/August/2006				
		.dwg File: 98.013.004				
	Drawn By: S. Phelps	Job No.: 98.013	08	07	DATE	17/8/11 add easements/ROW, add Fact Pt. REVISION DESCRIPTION

SurvCo, Inc.
RTK GPS and Conventional Land Surveying Services
826-1/2 Grand Avenue
Post Office Box 2782
Glenwood Springs, CO. 81602-2782
Phone:(970) 945-5945 Fax:(970) 945-5946
Email: survco@earthlink.net

EXHIBIT "A"

A tract of land situated in the Northeast 1/4 of Section 10, Township 6 South, Range 92 West of the Sixth P.M., County of Garfield, State of Colorado, said tract of land lying Southerly of the Right of Way of Interstate Seventy, northerly of the centerline of a channel of the Colorado River, westerly of that tract of land as described in Document recorded in Book 692 at Page 526 of the records of said County, said tract of land being more particularly described as follows:

(Bearings in this description are based upon the West line of the NW1/4 of said Section 10 as bearing North 00°25'11" West)

Beginning at a point on the southerly Right of Way of said Interstate, said POINT OF BEGINNING also being the Northwest corner of said tract of land as described in Book 692 at Page 526 and the most northeasterly corner of the Amended Keithley Subdivision Exemption Plat as recorded under Reception #483404 of the records of said County; then South 11°51'16" West 652.94 feet along the westerly line of said tract and said westerly line as extended to the centerline of a channel of the Colorado River; then along said channel centerline the following three courses:

1) North 77°17'46" West 262.21 feet;
2) North 83°56'02" West 444.63 feet;
3) North 90°00'00" West 419.26 feet;

then departing said centerline and parallel to said Westerly line North 11°51'16" East 532.88 feet to the southerly Right of Way of said Interstate; then along said southerly Right of Way the following five courses:

1) 192.93 feet along the arc of a curve to the left having a radius of 2864.80 feet, a central angle of 03°51'31" and a chord which bears North 85°28'04" East 190.90 feet;
2) North 83°32'19" East 192.00 feet;
3) 590.40 feet along the arc of a curve to the right having a radius of 2496.50 feet, a central angle of 13°33'00" and a chord which bears South 89°41'11" East 589.03 feet;
4) South 82°54'41" East 82.80 feet;
5) 88.22 feet along the arc of a curve to the left having a radius of 11,634.20 feet, a central angle of 00°26'04" and a chord which bears South 83°07"43" East 88.22 feet to the POINT OF BEGINNING

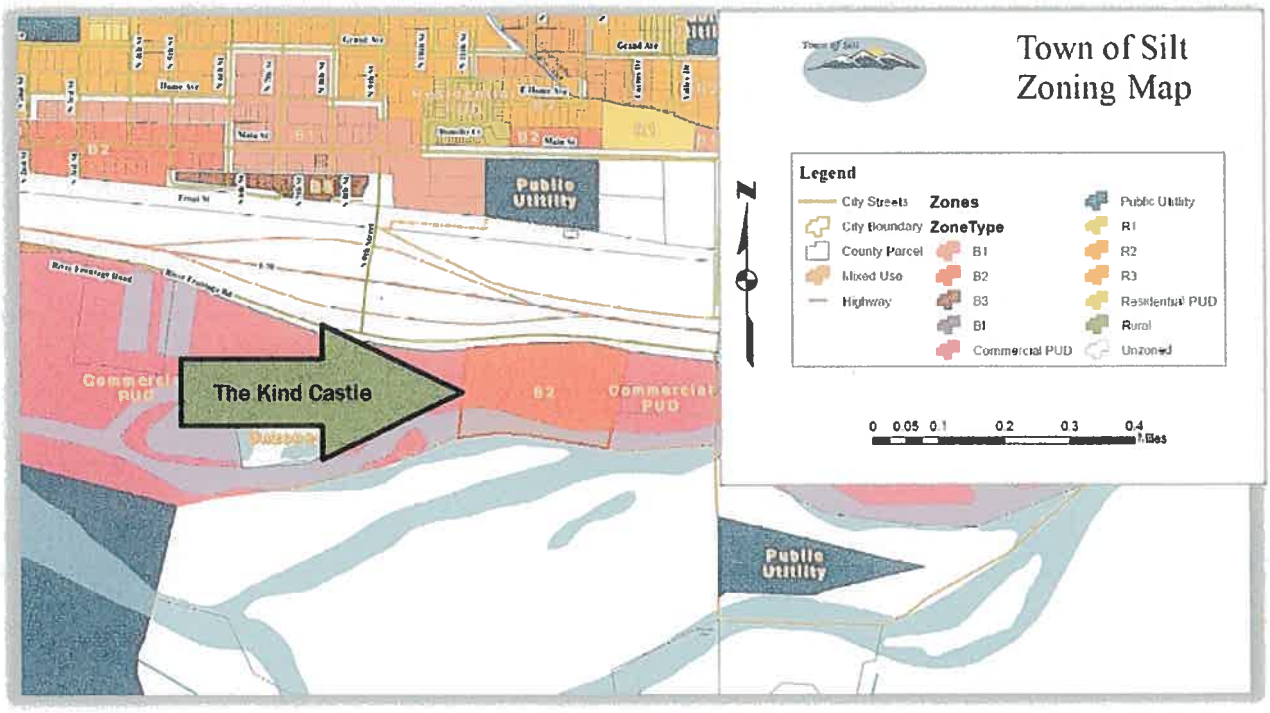
PROOF OF COMPLIANCE WITH ZONING AND LAND USE LAWS

Applicant: Silt Castle LLC d/b/a The Kind Castle
Property Address: TBD River Frontage Road, Silt

Proof that the proposed medical marijuana and/or retail marijuana establishment will be located in a location that permits such land use under this code and other applicable provisions of this code; Proof that application is in conformance with zoning code;

In accordance with Town of Silt's Retail Marijuana ordinance, the following section cut from the Town of Silt's zoning map provides proof that the proposed Retail Marijuana Establishment will be located in a location that is compliant with the zoning and land use laws. The proposed Retail Marijuana Establishment is located in the B2 – Highway Business District zoning area (see Legend), of which its location shall be identified in the map below as the outlined red property line indicated by the green directional arrow. As reflected below, the B2 – Highway Business District zoning is represented by the areas in red in the map below. The town's ordinance states that X = permitted use; SU = special use; PR = prohibited use:

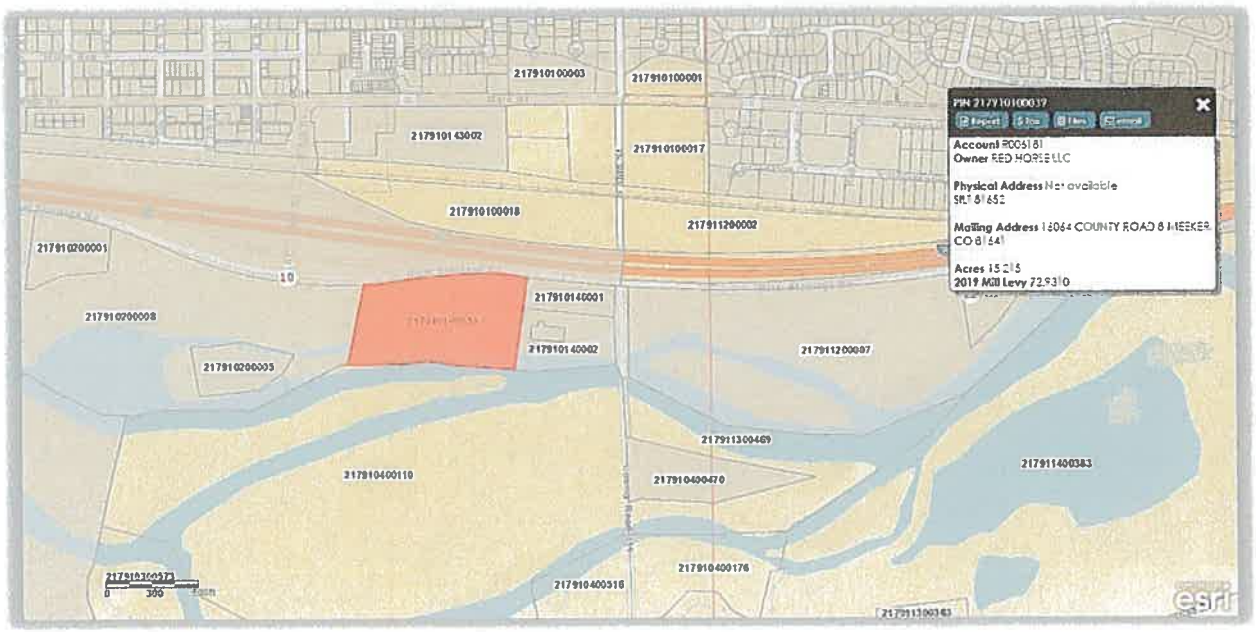
TYPE OF BUSINESS	AG	R-1	R-2	R-3	B-I	B-1	B-2	B-3	PU	DMD
Retail marijuana store or dispensary facility	PR	PR	PR	PR	X	SU	SU	X	PR	PR



Article 1 of 2

PROOF OF COMPLIANCE WITH ZONING AND LAND USE LAWS

The area map below, derived from the Garfield County Assessor website, displays the property lines of the proposed location outlined in the map below in red and therefore indicates the boundaries of the property upon which the proposed Licensed Premises is located, and indicate the property is located within the city limits.



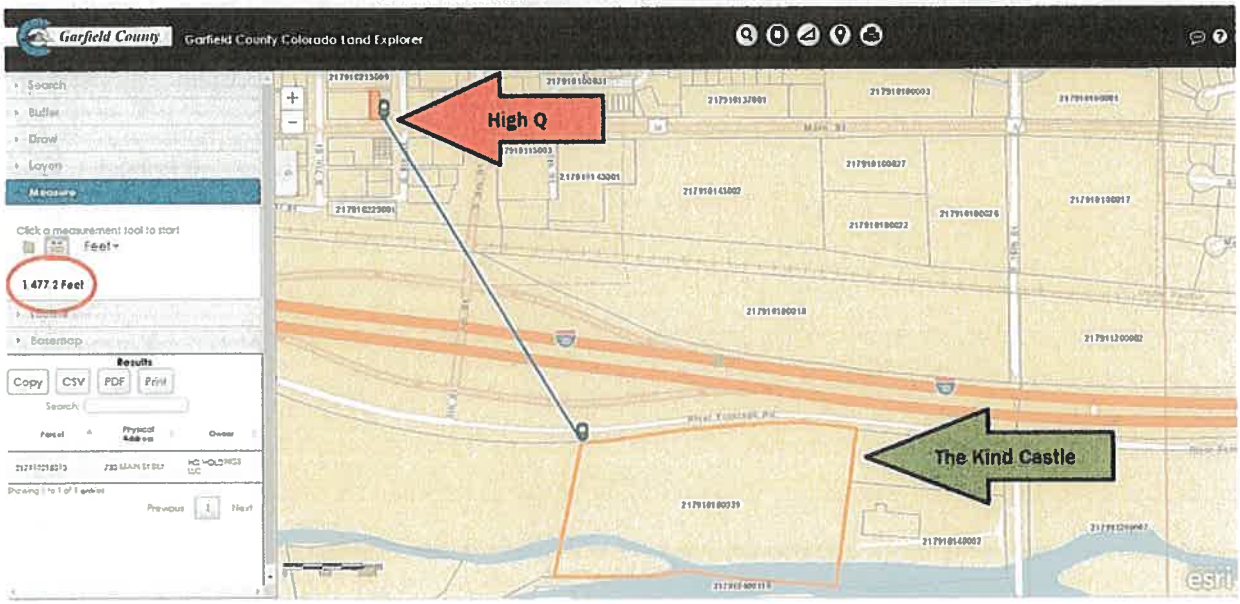
AREA MAP

Proximity to other marijuana establishments

The following Area Map depictions below indicates the nearest distance from the nearest property line of the proposed Licensed Premises of the Applicant at TBD River Frontage Road to the other marijuana establishments in accordance with the Town of Silt ordinance:

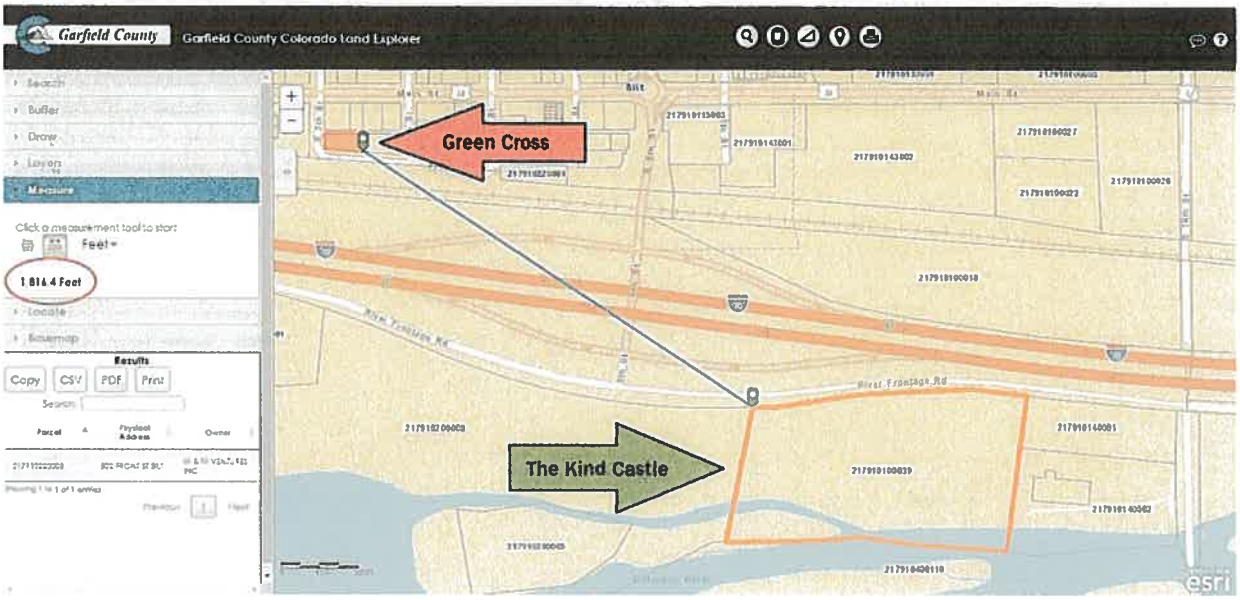
MAP 1 – DISTANCE TO HIGH Q DISPENSARY (GARFIELD COUNTY ASSESSOR)

Distance to the High Q Dispensary located at 730 Main St, Silt, CO 81652 is approximately 1477 feet distance away from Applicant's location, which significantly exceeds the town's minimum required distance of 500 feet separation.



MAP 2 – DISTANCE TO GREEN CROSS DISPENSARY (GARFIELD COUNTY ASSESSOR)

Distance to the Green Cross Dispensary located at 502 Front St, Silt, CO 81652 is approximately 1816 feet distance away from Applicant's location, which significantly exceeds the town's minimum required distance of 500 feet separation.



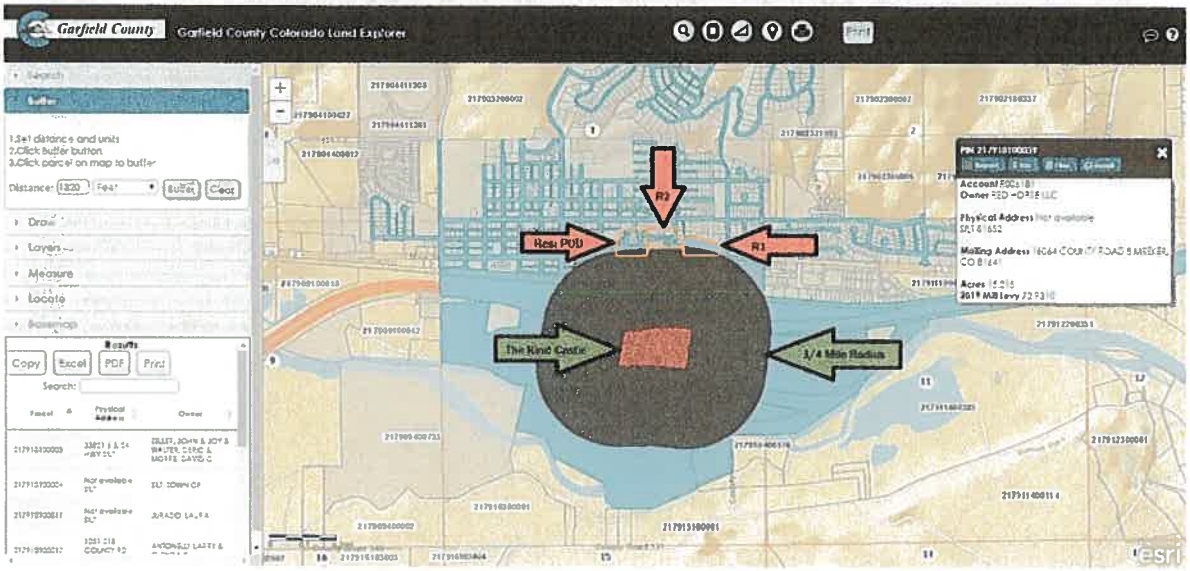
AREA MAP

Proximity to the nearest residential zones

The following Area Map depictions below indicates the nearest distance from the nearest property line of the proposed Licensed Premises of the Applicant at TBD River Frontage Road to the nearest residential zones in accordance with the Town of Silt ordinance:

MAP 2 – APPLICANT WITH A ¼ MILE BUFFER (GARFIELD COUNTY ASSESSOR)

The buffer of ¼ mile (1320 feet) was added to the Applicant's location on Garfield County Assessor's website to depict the relation to any residential property lines within the buffer area.



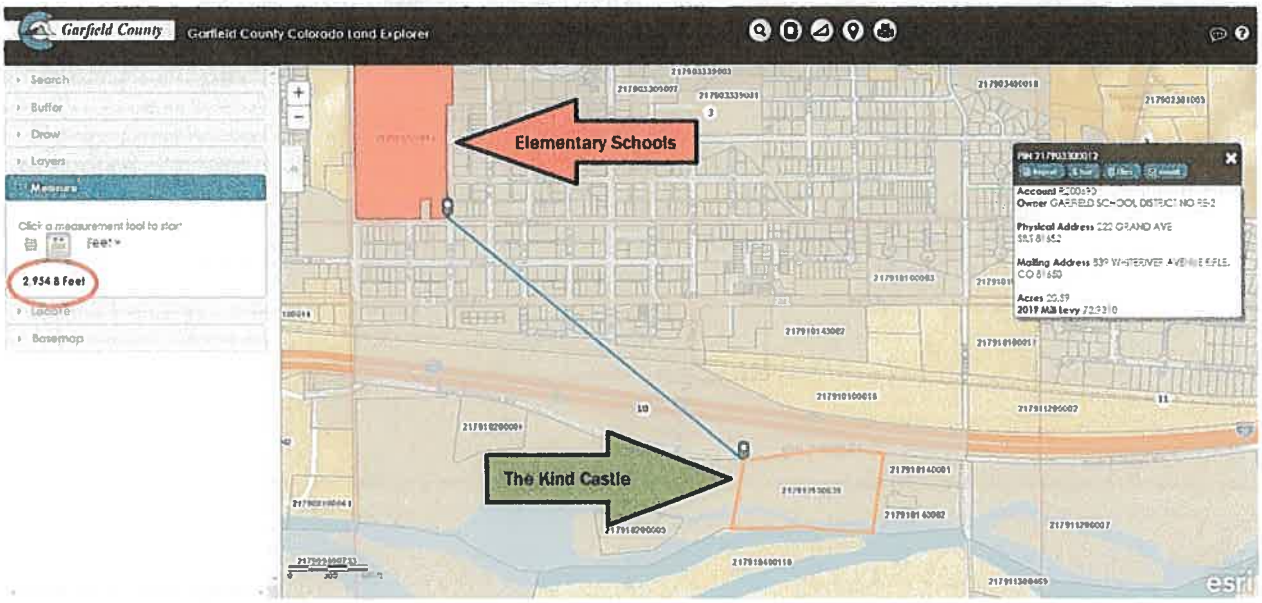
AREA MAP

Proximity to the nearest schools

The following Area Map depictions below indicates the nearest distance from the nearest property line of the proposed Licensed Premises of the Applicant at TBD River Frontage Road to the nearest property line of Roymoore and Cactus Valley Elementary Schools located at 222 Grand Ave, Silt, CO 81652 in accordance with the Town of Silt ordinance:

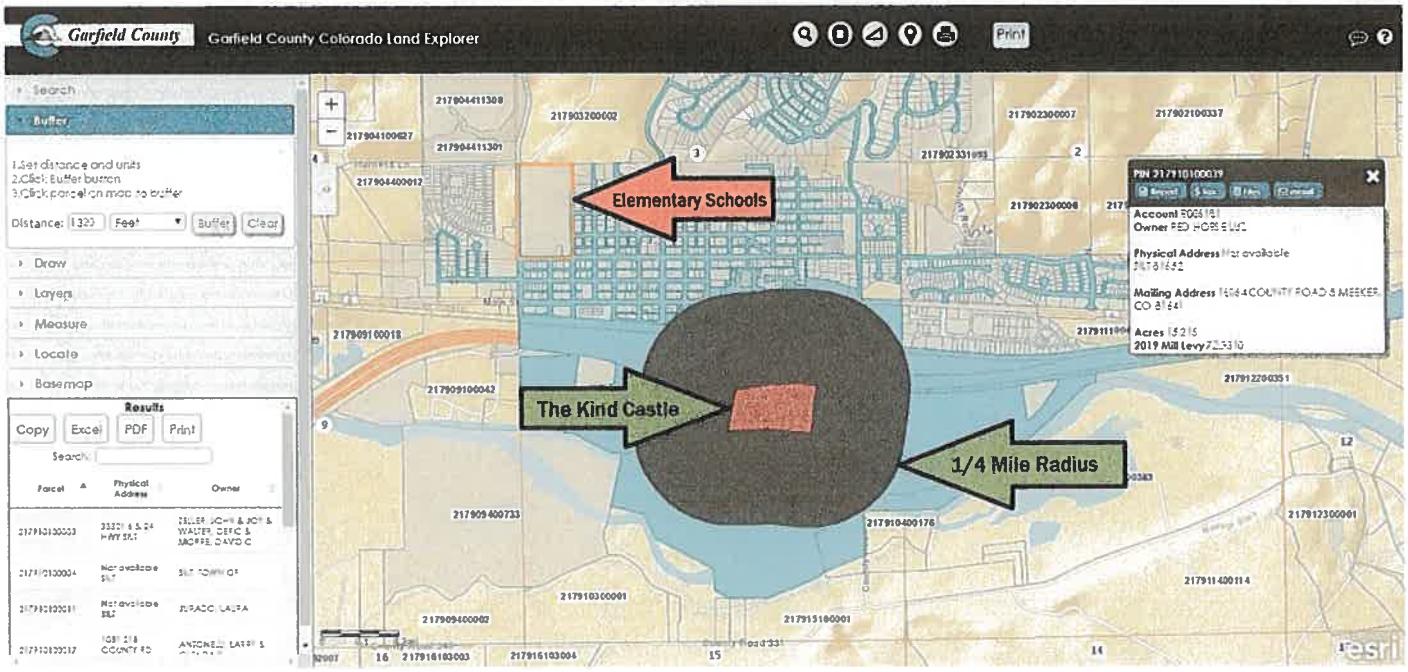
MAP 1 – DISTANCE TO ROYMOORE & CACTUS VALLEY SCHOOL (GARFIELD COUNTY ASSESSOR)

Distance to the nearest school is approximately 2955 feet distance away from Applicant's location, which significantly exceeds the town's minimum required distance of 500 feet separation.



MAP 2 – APPLICANT WITH A ¼ MILE BUFFER (GARFIELD COUNTY ASSESSOR)

The buffer of ¼ mile (1320 feet) was added to the Applicant's location on Garfield County Assessor's website to depict that even with a ¼ mile (1320 feet) buffer, the buffer still is far from reaching the Roymoore and Cactus Valley Elementary Schools' property lines, which significantly exceeds the town's minimum required distance of 500 feet separation.



COLORADO
Department of Revenue
Enforcement Division – Marijuana

Regulated Marijuana Business License Application

Marijuana Enforcement Division

Colorado Marijuana Enforcement Division

Regulated Marijuana Business License Application Instructions

APPLICATION CHECKLIST

☒ 1 **Application Fully Completed**

Type or clearly print, in English, an answer to every question. If a question does not apply, indicate with an N/A. If the available space is insufficient, continue on a separate sheet and precede each answer with the appropriate title. An applicant is prohibited from operating a Regulated Marijuana Business prior to obtaining all necessary approvals or licenses from both the State Licensing Authority and the local jurisdiction. **A separate application is required for EACH license type.**

☒ 2 **Application Contents**

- ☐ Disclosure Requirements
- ☐ Main Application
- ☐ Authorization Forms
- ☐ Publicly Traded Company (PTC)- Addendum A
- ☐ Qualified Private Fund (QPF)- Addendum B
- ☐ Qualified Institutional Investor (QII)- Addendum C
- ☐ Research & Development (Medical only) Addendum D

The disclosure requirements and the main application must be completed in full by all applicants. If this is for a PTC, QPF or QII, the appropriate addendum must also be completed.

☒ 3 **All Forms Signed & Attached**

The following accompanying forms must be completed, signed and returned by each individual CBO and a representative for each CBO entity with the application:

- ☐ Affirmation & Consent
- ☐ Tax Check Authorization
- ☐ Investigation Authorization / Authorization to Release Information
- ☐ Applicants Request to Release Information
- ☐ IRS Form 8821
- ☐ Affirmation of Reasonable Care

☒ 4 **Required Disclosures**

- ☐ **See Application Required Disclosures (page 1 of application)**
- ☐ Upon request by the Division, an Applicant must provide additional information or documents required to process and investigate the application, within seven (7) days of the request. **Please note:** This deadline may be extended for a period of time commensurate with the scope of the request.

☒ 5 **Application and License Fees**

All applications and documentation submitted must be single-sided and on 8.5x11 inch paper.

See fee table on website: *www.colorado.gov/revenue/med*

Application fees remitted to the State Licensing Authority and/or the Department of Revenue, are non-refundable.

- ☐ Submit complete original application packet. All **Retail** businesses must provide one complete copy along with the applicable fee (see fee schedule). **Additional fees may be required by the local jurisdiction.**
- ☐ Cash, checks (in the name of the applicant or applicants attorney's trust account), money orders and major credit cards (subject to service charge).
- ☐ Mail-in applications can only be paid by check or money order.

You are responsible for knowing who your Local Licensing Authority is. **NO Transfers/Changes of Ownership applications will be accepted until after the state license is issued.**

☒ 6 **Application Submittal**

Applications can be submitted in person or by mail with all attachments and requisite fees:

Marijuana Enforcement Division
1707 Cole Blvd., Suite 300, Lakewood, CO 80401
ATTN: Business Licensing

Note: Incomplete applications will not be processed. Applicants must collect the incomplete application and fees (including those mailed in or delivered via courier), from the Lakewood Office prior to the end of the next business day.

New Business Application Required Disclosures

☒ Consolidated Financial Statements (Balance Sheet, Income Statement & Cash Flow Statement), including auditors reports and footnotes, if applicable. (See separate PTC requirements on PTC Addendum)

☐ Audited ☐ Not Audited

☒ Copy of the Local license application, if required for a Regulated Marijuana Business.

☒ Organizational Chart, including the identity and ownership percentage of all CBO's.

☒ Certificate of Good Standing from jurisdiction where Entity was formed. (Must be U.S. or country that authorizes the sale of marijuana).

☒ Organizational documents including identity and physical address of the registered agent in Colorado.

Organizational Documents (Indicate which document is being provided)

☐ Articles of Incorporation ☐ By-Laws ☐ Shareholder agreement ☒ Operating Agreement for LLC ☐ Partnership Agreement for partnership

Corporate Governance Documents

☐ Required for Publicly Traded Companies ☐ Permitted, but not required for Privately held companies

☒ Proof of Possession of Licensed Property (Indicate which document is being provided)

☐ Deed ☒ Lease ☐ Sublease ☐ Rental Agreement ☐ Contract

☒ Facility Diagrams – Provide a Legible and Accurate diagram for the facility. The diagram must include a plan for the Licensed Premises and a separate plan for the Security/Surveillance, including camera location, number and direction of coverage. If the diagram is larger than 8.5x11 inches, the Applicant must also provide a PDF copy of the diagram.

☒ Licensed Premises ☒ Security and Surveillance

☒ A copy of any contracts, agreements, royalty agreements, equipment leases, financing agreement, security contract or any other IFIH required to be disclosed by Rule 230-1(A)(3).

☒ **N/A** A copy of any management agreement(s).

☒ **N/A** Provide a list of any sanctions, penalties, assessments or cease and desist orders.

Addendums:

☐ PTC ☐ QPF ☐ QII

Glossary of Terms:

RMB - Regulated Marijuana Business
PBO - Passive Beneficial Owner
QII - Qualified Institutional Investor
PTC - Publicly Traded Company
CBO - Controlling Beneficial Owner
IFIH - Indirect Financial Interest Holder
QPF - Qualified Private Fund

Affirmation of complete application

Signature	Printed Name	Date
	JOHN OLIVER DYET	12/20/2019

DR 8548 (10/25/19)
COLORADO DEPARTMENT OF REVENUE
Marijuana Enforcement Division
Colorado.gov/revenue/med

Marijuana License Number (Leave Blank)

Colorado Marijuana Licensing Authority

Regulated Marijuana Business License Application

License Types ☒ New Retail ☐ New Medical

☒ Retail Marijuana Store
☐ Retail Marijuana Products Manufacturer
☐ Retail Marijuana Cultivation
☐ Conversion - Converted from Lic. # _____
☐ Retail Marijuana Test Facility
☐ Retail/Medical Marijuana Combined Use - Combined with Lic. # _____
☐ Retail Marijuana Operator
☐ Retail Marijuana Transporter

☐ Medical Marijuana Center
☐ Medical Marijuana Transporter
☐ Medical Marijuana–Infused Products Manufacturer
☐ Marijuana Research & Development Facility
☐ Medical Marijuana Testing Facility
☐ Optional Premises Cultivation (OPC)
☐ Medical Marijuana Operator

Applicant's Legal Business Name (Please Print): SILT CASTLE LLC

Registered Trade Name (DBA): THE KIND CASTLE

Federal Taxpayer ID	Colorado Sales Tax License #	Name of Registered Agent
84-3911476	77114364-0001	TREVOR MCGARVEY

Physical Address

Street Address of Marijuana Business	Business Phone Number
TBD River Frontage Road	(970) 930-0992

City	County	State	ZIP	Email Address
SILT	GARFIELD	CO	81652	MARK@KINDCASTLE.COM

Mailing Address (if different from Physical Address)

Address	City	State	ZIP
P.O. BOX 687	GLENWOOD SPRINGS	CO	81602

Main Business Contact Person Information

Primary Contact Person for Business	Primary Contact Phone Number
MARK JOSEPH MAYASICH	(970) 930-0992

Primary Contact Email: MARK@KINDCASTLE.COM

Physical Address of Contact Person: 2005 E. BALLARD AVENUE

City	State	ZIP
SILT	CO	81652

Jurisdiction of Incorporation or Creation of Business Entity	Date
COLORADO	08/08/2019

If a Corporation, List all Jurisdictions Where the Corporation is Authorized to Conduct Business
LLC - only Colorado

Ownership Structure - Controlling Beneficial Owners with 10% or greater ownership or Executive Officers, managers and any other individual that Controls the RMB.

Name	SSN/FEIN	DOB	License Number
KIND CASTLE COLORADO LLC	84-3910828	[redacted]	

Address (Home)	City	State	ZIP	Phone Number
248 E 1ST STREET	PARACHUT	CO	81635	970 773 5463

Business Associated with (Parent business or sub-entity)	Own. % Entity	Own. % in Applicant

Name	SSN/FEIN	DOB	License Number
JOHN OLIVER DYET	[redacted]	[redacted]	M86864

Address (Home)	City	State	ZIP	Phone Number
248 E 1ST STREET, UNIT A	PARACHUT	CO	81635	970 773 5463

Business Associated with (Parent business or sub-entity)	Own. % Entity	Own. % in Applicant
KIND CASTLE COLORADO LLC	100	99%

Name	SSN/FEIN	DOB	License Number
MARK MAYASICH	[redacted]	[redacted]	M39968

Address (Home)	City	State	ZIP	Phone Number
2005 E BALLARD AVE	SILT	CO	81652	970 930 0992

Business Associated with (Parent business or sub-entity)	Own. % Entity	Own. % in Applicant
		1%

Name	SSN/FEIN	DOB	License Number

Address (Home)	City	State	ZIP	Phone Number

Business Associated with (Parent business or sub-entity)	Own. % Entity	Own. % in Applicant

Name	SSN/FEIN	DOB	License Number

Address (Home)	City	State	ZIP	Phone Number

Business Associated with (Parent business or sub-entity)	Own. % Entity	Own. % in Applicant

Name	SSN/FEIN	DOB	License Number

Address (Home)	City	State	ZIP	Phone Number

Business Associated with (Parent business or sub-entity)	Own. % Entity	Own. % in Applicant

Name	SSN/FEIN	DOB	License Number

Address (Home)	City	State	ZIP	Phone Number

Business Associated with (Parent business or sub-entity)	Own. % Entity	Own. % in Applicant

	Yes	No
Are there any outstanding options, warrants or contracts, that may be exercised into an Owner's Interest in the RMB within the next 60 days that would constitute a CBO? *If YES, attach list of persons	☐	☒
Are there any other Persons, other than those listed in the Ownership Structure, that can control the RMB? *If YES, attach list of persons	☐	☒

RECEIVED JAN 13 2020

Printed Legal Business Name	Printed Trade Name (DBA)
SILT CASTLE LLC	THE KIND CASTLE

Indirect Financial Interest Holder - List those with 2 or more interests (PBO, lease, IP agreements, finance and/or equipment lease agreements, etc.) or loans that are 50% or more of the operating capital as defined in Rule 230-1(A)(3).

Name of Interest Holder	Date of Birth	FEIN	Address

	Yes	No
1. Is the applicant (including any of the partners, if a partnership; members or manager if a limited liability company; or officers, stockholders or directors if a corporation) under the age of twenty-one years?	☐	☒
2. **MEDICAL ONLY** Are the premises to be licensed within 1000 feet of a school (as defined in 44-11-104 (25), alcohol or drug treatment facility, principal campus of a college, university, or seminary, or a residential childcare facility? If YES, then include a copy of a waiver or ordinance from the local jurisdiction where the business is located.	☐	☐
3. Do you have or will you have possession of a licensed premises?	☒	☐

Local Licensing Authority (To be completed by Applicant)

Local Licensing Authority	Local Licensing Authority contact name
Town of Silt	Jeff Layman, Town Administrator
Contact Phone	**Contact Email**
(970) 876-2353 Ext. 103	jlayman@townofsilt.org

	Yes	No
Does the local licensing authority permit this type of business in their jurisdiction?	☒	☐

	Yes	No
4. Is the applicant, the applicant's parent company or any other intermediary business entity delinquent in the payment of any judgments, taxes, interest or penalties due to the Department of Revenue, relating to a Medical or Retail Marijuana Business? If YES, provide details on a separate sheet and attach any documents to prove settlement or resolution of the delinquency.	☐	☒
5. Has a judgment, consent decree, settlement or other disposition related to a violation of federal, state or similar foreign or security law or regulation, ever been filed or entered against the applicant, the applicant's parent company or any other intermediary business entity? If YES, provide details on a separate sheet and attach any applicable documents.	☐	☒
6. In the past year, has the applicant (including any parent companies), been indicted, served with a criminal summons, charged with or convicted of ANY crime or offense in any manner? Include ALL offenses regardless of class of crime or outcome, even if the charges were dismissed or you were found not guilty.	☐	☒
7. Has the applicant filed all Finding of Suitability applications required by the Division?	☒	☐

Affirmation & Consent

I/We, JOHN OLIVER DYET, as an owner(s) for the applicant business, state under penalty for offering a false instrument for recording pursuant to 18-5-114 C.R.S. that the entire Regulated Marijuana Business License Application statements, attachments, and supporting schedules are true and correct to the best of my/our knowledge and belief, and that this statement is executed with the knowledge that misrepresentation or failure to reveal information requested may be deemed sufficient cause for the refusal to issue a Marijuana license by the State Licensing Authority. Further, I/We am/are aware that later discovery of an omission or misrepresentation made in the above statements may be grounds for denial of the marijuana business application. I/We am/are voluntarily submitting this application to the Colorado Marijuana Licensing Authority, under oath, with full knowledge that I/We may be charged with perjury or other crimes for intentional omissions and misrepresentations pursuant to Colorado law or for offering a false instrument for recording pursuant to 18-5-114 C.R.S. I/We further consent to any background investigation necessary to determine my/our present and continuing suitability and that this consent continues as long as I/We hold a Colorado Marijuana License, and for 90 days following the expiration or surrender of such Marijuana license.

Note: If your check is rejected due to insufficient or uncollected funds, the Department of Revenue may collect the payment amount directly from your banking account(s) electronically.

Print Full Legal Name of Owner/Principal clearly below:

Applicant's Legal Business Name SILT CASTLE LLC	Trade Name (DBA) THE KIND CASTLE	
Last Name of Owner/Principal (Please Print) DYET	First Name of Owner/Principal JOHN	Middle Name of Owner/Principal OLIVER
Signature		Date 12/20/2019
Last Name of Owner/Principal (Please Print)	First Name of Owner/Principal	Middle Name of Owner/Principal
Signature		Date
Last Name of Owner/Principal (Please Print)	First Name of Owner/Principal	Middle Name of Owner/Principal
Signature		Date
Last Name of Owner/Principal (Please Print)	First Name of Owner/Principal	Middle Name of Owner/Principal
Signature		Date

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Note: If there are more than four (4) owners, please use a second Affirmation & Consent page (page 5 of 15).

Tax Check Authorization and Request To Release Information

I JOHN OLIVER DYET am signing this waiver on behalf of SILT CASTLE LLC (the "Applicant/Licensee") to permit the Colorado Department of Revenue and any other state or local taxing authority to release information and documents that would otherwise be confidential. If I am signing this waiver for someone other than myself, I certify that I have the authority to execute this waiver on behalf of the Applicant/Licensee.

The information and documentation obtained pursuant to this waiver will be used in connection with the Applicant/Licensee's application or licensure with the Colorado Marijuana Enforcement Division, which requires proof of compliance with certain tax obligations pursuant to several statutory provisions, including sections 44-11-202(1), 44-11-306(1)(g), 44-12-202, and 44-12-305(1)(f), C.R.S. This waiver is made pursuant to section 39-21-113(4), C.R.S.; and any other similar law or ordinance concerning the confidentiality of tax returns and return information. This waiver shall be valid while the application is pending and, if the application is approved, (1) for one year from the date of licensure or; (2) if applying for an employee license under the medical marijuana code, for two years from the date of licensure. If the license is administratively continued pursuant to sections 44-11-311 or 44-12-310, C.R.S., this waiver shall be valid until the state licensing authority takes final action to approve or deny the renewal of the license. Applicant/Licensee agrees to execute a new waiver for each subsequent licensing period in connection with the renewal of any license.

Applicant/Licensee requests that the Colorado Department of Revenue and any other state or local taxing authority release the following information and supporting documentation to the Colorado Marijuana Enforcement Division, which is acting as Applicant's/Licensee's duly authorized representative under section 39-21-113(4), C.R.S., solely to obtain the information specified below.

1. Whether the Applicant/Licensee has failed to file any state tax return with the Colorado Department of Revenue or any other state or local taxing authority by the required due date (determined with regard to any extension(s) of time for filing) for any tax year for which filing of a return might have been required.
2. Whether the Applicant/Licensee has failed to pay any tax, penalty, or interest liability within 30 days of the date on which the Colorado Department of Revenue or any other state or local taxing authority gave notice of the amount due and requested payment.
3. Whether the Applicant/Licensee has entered into a payment plan with the Colorado Department of Revenue or any other state or local taxing authority and whether Applicant/Licensee is current on any payments required by said payment plan.

Applicant/Licensee authorizes the Colorado Department of Revenue and any other state or local taxing authority to release any additional information or documentation necessary to answer the questions above. Applicant/Licensee authorizes the Colorado Marijuana Enforcement Division and its legal representatives to use the information and documentation obtained from the Colorado Department of Revenue and any other state or local taxing authority in any administrative action regarding the application or license. To assist the Colorado Department of Revenue and any other state or local taxing authority locate the tax records, Applicant/Licensee is voluntarily providing the following information (please type or print).

Applicant's Name (Individual/Business)		Social Security Number/Tax Identification Number	
KIND CASTLE COLORADO LLC		84-3910828	
Street Address	City	State	Zip Code
248 E 1ST STREET	PARACHUTE	CO	81635
Home Telephone Number		Business/Work Telephone Number	
970 773 5463		970 773 5463	
Legal Last Name (Please Print)	Legal First Name	Full Middle Name	
DYET	JOHN	OLIVER	
Applicant's Signature		Date	
		12/20/2019	

If you are/were married and filed joint tax returns, your spouse must provide the following.

Spouse's Last Name (Please Print)	Spouse's First Name	Full Middle Name
Social Security Number/Tax Identification Number		
Spouse's Signature		Date
Signature of Marijuana Enforcement Division agent presenting this request		Date

Privacy Act Statement

Requesting your Social Security Number is voluntary and no right, benefit, or privilege provided by law will be denied as a result of refusal to disclose it. § 7 of Privacy Act, 5 USCS § 552a (note).

Investigation Authorization/Authorization to Release Information

I, JOHN OLIVER DYET, hereby authorize the Colorado Marijuana Licensing Authority, the Marijuana Enforcement Division, (hereafter, the Investigatory Agencies) to conduct a complete investigation into my personal background, using whatever legal means they deem appropriate. I hereby authorize any person or entity contacted by the Investigatory Agencies to provide any and all such information deemed necessary by the Investigatory Agencies. I hereby waive any rights of confidentiality in this regard. I understand that by signing this authorization, a financial record check may be performed. I authorize any financial institution to surrender to the Investigatory Agencies a complete and accurate record of such transactions that may have occurred with that institution, including, but not limited to, internal banking memoranda, past and present loan applications, financial statements and any other documents relating to my personal or business financial records in whatever form and wherever located. I authorize the release of this type of information, even though such information may be designated as "confidential" or "nonpublic" under the provisions of state or federal laws. I understand that by signing this authorization, a criminal history check will be performed. I authorize the Investigatory Agencies to obtain and use from any source, any information concerning me contained in any type of criminal history record files, wherever located. I understand that the criminal history record files contain records of arrests which may have resulted in a disposition other than a finding of guilt (i.e., dismissed charges, or charges that resulted in a not guilty finding). I understand that the information may contain listings of charges that resulted in suspended imposition of sentence, even though I successfully completed the conditions of said sentence and was discharged pursuant to law. I authorize the release of this type of information, even though this record may be designated as "confidential" or "nonpublic" under the provisions of state or federal laws.

The Investigatory Agencies reserve the right to investigate all relevant information and facts to their satisfaction. I understand that the Investigatory Agencies may conduct a complete and comprehensive investigation to determine the accuracy of all information gathered. However, the State of Colorado, Investigatory Agencies, and other agents or employees of the State of Colorado shall not be held liable for the receipt, use, or dissemination of inaccurate information. I, on behalf of the applicant, its legal representatives, and assigns, hereby release, waive, discharge, and agree to hold harmless, and otherwise waive liability as to the State of Colorado, Investigatory Agencies, and other agents or employees of the State of Colorado for any damages resulting from any use, disclosure, or publication in any manner, other than a willfully unlawful disclosure or publication, of any material or information acquired during inquiries, investigations, or hearings, and hereby authorize the lawful use, disclosure, or publication of this material or information. Any information contained within my application, contained within any financial or personnel record, or otherwise found, obtained, or maintained by the Investigatory Agencies, shall be accessible to law enforcement agents of this or any other state, the government of the United States, or any foreign country.

Print Full Legal Name of Owner/Principal clearly below:

Applicant's Legal Business Name		Trade Name (DBA)
SILT CASTLE LLC		THE KIND CASTLE
Last Name of Owner/Principal (Please Print)	First Name of Owner/Principal	Middle Name of Owner/Principal
DYET	JOHN	OLIVER
Signature		Date
		12/20/2019

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Applicant's Request to Release Information

TO: (Leave this Blank)	FROM: (Applicant's Printed Name) JOHN OLIVER DYET

1. I/We hereby authorize and request all persons to whom this request is presented having information relating to or concerning the above named applicant to furnish such information to a duly appointed agent of the Marijuana Enforcement Division whether or not such information would otherwise be protected from the disclosure by any constitutional, statutory or common law privilege.

2. I/We hereby authorize and request all persons to whom this request is presented having documents relating to or concerning the above named applicant to permit a duly appointed agent of the Marijuana Enforcement Division to review and copy any such documents, whether or not such documents would otherwise be protected from disclosure by any constitutional, statutory, or common law privilege.

3. If the person to whom this request is presented is a brokerage firm, bank, savings and loan, or other financial institution or an officer of the same, I/we hereby authorize and request that a duly appointed agent of the Marijuana Enforcement Division be permitted to review and obtain copies of any and all documents, records or correspondence pertaining to me/us, including but not limited to past loan information, notes co-signed by me/us, checking account records, savings deposit records, safe deposit box records, passbook records, and general ledger folio sheets.

4. I/We do hereby make, constitute, and appoint any duly appointed agent of the Colorado Marijuana Enforcement Division, my/our true and lawful attorney in fact for me/us in my/our name, place, stead, and on my/our behalf and for my/our use and benefit:

   (a) To request, review, copy sign for, or otherwise act for investigative purposes with respect to documents and information in the possession of the person to whom this request is presented as I/we might;

   (b) To name the person or entity to whom this request is presented and insert that person's name in the appropriate location in this request:

   (c) To place the name of the agent presenting this request in the appropriate location on this request.

5. I grant to said attorney in fact full power and authority to do, take, and perform all and every act and thing whatsoever requisite, proper, or necessary to be done, in the exercise of any of the rights and powers herein granted, as fully to all intents and purposes as I/we might or could do if personally present, with full power of substitution or revocation, hereby ratifying and confirming all that said attorney in fact, or his substitute or substitutes, shall lawfully do or cause to be done by virtue of this power of attorney and the rights and powers herein granted.

6. This power of attorney ends twenty-four (24) months from the date of execution.

7. The above named applicant has filed with the Colorado Marijuana Licensing Authority an application for a Marijuana license. Said applicant understands that it is seeking the granting of a privilege and acknowledges that the burden of proving its qualifications for a favorable determination is at all times on the applicant.

8. I/We do, for myself/ourselves, my/our heirs, executors, administrators, successors, and assigns, hereby release, remise, and forever discharge the person to whom this request is presented, and his agents and employees from all and all manner or actions, causes of action, suits, debts, judgments, executions, claims, and demands whatsoever, known or unknown, in law or equity, which the applicant ever had, now has, may have, or claims to have against the person to whom this request is being presented or his agents or employees arising out of or by reason of complying with the request.

9. A reproduction of this request by photocopying or similar process shall be for all intents and purposes as valid as the original.

Applicant's Legal Business Name		
SILT CASTLE LLC		
Trade Name (DBA)		
THE KIND CASTLE		
Applicant's Last Name (Please Print) DYET	First Name JOHN	Full Middle Name OLIVER
Signature		Date 12/20/2019

Form **8821**

(Rev. January 2018)

Department of the Treasury
Internal Revenue Service

Tax Information Authorization

▶ Go to *www.irs.gov/Form8821* for instructions and the latest information.

▶ Don't sign this form unless all applicable lines have been completed.

▶ Don't use Form 8821 to request copies of your tax returns or to authorize someone to represent you.

OMB No. 1545-1165

For IRS Use Only
Received by:
Name
Telephone
Function
Date

1 Taxpayer information. Taxpayer must sign and date this form on line 7.

Taxpayer name and address	Taxpayer identification number(s)	
SILT CASTLE LLC PO Box 687 Glenwood Springs, CO 81602	84-3911476	
	Daytime telephone number (970) 930-0992	Plan number (if applicable)

2 Appointee. If you wish to name more than one appointee, attach a list to this form. **Check here if a list of additional appointees is attached ▶** ☐

Name and address	
	CAF No. PTIN Telephone No. Fax No. Check if new: Address ☐ Telephone No. ☐ Fax No. ☐

3 Tax Information. Appointee is authorized to inspect and/or receive confidential tax information for the type of tax, forms, periods, and specific matters you list below. See the line 3 instructions.

☐ By checking here, I authorize access to my IRS records via an Intermediate Service Provider.

(a) Type of Tax Information (Income, Employment, Payroll, Excise, Estate, Gift, Civil Penalty, Sec. 4980H Payments, etc.)	(b) Tax Form Number (1040, 941, 720, etc.)	(c) Year(s) or Period(s)	(d) Specific Tax Matters

4 Specific use not recorded on Centralized Authorization File (CAF). If the tax information authorization is for a specific use not recorded on CAF, check this box. See the instructions. If you check this box, skip lines 5 and 6 . . . . . ▶ ☐

5 Disclosure of tax information (you **must** check a box on line 5a or 5b unless the box on line 4 is checked):

a If you want copies of tax information, notices, and other written communications sent to the appointee on an ongoing basis, check this box . . . . . ▶ ☐

Note. Appointees will no longer receive forms, publications, and other related materials with the notices.

b If you don't want any copies of notices or communications sent to your appointee, check this box . . . . . ▶ ☐

6 Retention/revocation of prior tax information authorizations. If the line 4 box is checked, skip this line. If the line 4 box isn't checked, the IRS will automatically revoke all prior Tax Information Authorizations on file unless you check the line 6 box and attach a copy of the Tax Information Authorization(s) that you want to retain. . . . . ▶ ☐

To revoke a prior tax information authorization(s) without submitting a new authorization, see the line 6 instructions.

7 Signature of taxpayer. If signed by a corporate officer, partner, guardian, partnership representative, executor, receiver, administrator, trustee, or party other than the taxpayer, I certify that I have the authority to execute this form with respect to the tax matters and tax periods shown on line 3 above.

▶ IF NOT COMPLETE, SIGNED, AND DATED, THIS TAX INFORMATION AUTHORIZATION WILL BE RETURNED.

▶ DON'T SIGN THIS FORM IF IT IS BLANK OR INCOMPLETE.

Signature	Date
	12/20/2019
JOHN OLIVER DYET	MEMBER
Print Name	Title (if applicable)

For Privacy Act and Paperwork Reduction Act Notice, see instructions.

Cat. No. 11596P Form **8821** (Rev. 1-2018)

Addendum A - NEW Business Application

Publicly Traded Company (PTC)

Please provide:

Stock Trading Symbol	Name of Exchange(s) Traded On	NAICS/SIC Code

Identify all regulatory agencies with oversight over the PTC's securities

Reporting agencies required reports submitted on:

Provide a list of any privileged or professional licenses, with license numbers, you have held within the last three (3) years prior to the submission of the finding of suitability request. List those that were issued by the Colorado Department of Revenue or the Department of Regulatory Agencies, including all marijuana licenses. (Separate sheet)

Date of Registration with the Department of Regulatory Agencies (DORA)	Number

Provide a description of the Publicly Traded Company's business and documents establishing the Publicly Traded Company (PTC) qualifies to hold a RMB license as referenced in 44-12-103 (19.5).

Description

Attach a divestiture plan of any CBO that is prohibited by Section 44-11-306 or 44-12-305 that has had his or her Owner's License revoked or has been found unsuitable.

Attach the most recent list of Non-Objecting Beneficial owners possessed by the PTC.

Identify the type of permitted transaction, i.e. Merger, Investment, or Public Offering and attach all supporting documentation.

Questions

Confirm that the PTC is current with all required filings pursuant to any applicable requirements by any securities regulatory authority including, but not limited to, the United States Securities and Exchange Commission or the Canadian Securities Administrators.

☐ All Current ☐ Not Current (If not, explain on a separate sheet)

Confirm that all mandatory filings for CBO's as required by any securities regulatory authority, including, but not limited to the United States Securities and Exchange Commission or the Canadian Securities Administrators, have been filed and the MED has been provided concurrent notice with the filing. If No, explain on a separate sheet:

☐ YES ☐ NO

Addendum B - NEW Business Application

Qualified Private Fund (QPF)

Please provide:

Identify all regulatory agencies with oversight over the QPF's securities

Reporting agencies required reports submitted on:

Provide a list of any privileged or professional licenses, with license numbers, you have held within the last three (3) years prior to the submission of the finding of suitability request. List those that were issued by the Colorado Department of Revenue or the Department of Regulatory Agencies, including all marijuana licenses. (Separate sheet)

Date of Registration with the Department of Regulatory Agencies (DORA)	Number

Provide a description of the QPF's business and documents establishing the QPF's qualifies to hold a RMB license.

Description

Questions

Confirm that the QPF is current with all required filings pursuant to any applicable requirements by any securities regulatory.

☐ All Current ☐ Not Current (If not, explain on a separate sheet)

Confirm that ALL required findings of suitability, including all QPF managers, investment advisers, investment adviser representatives, any trustee or equivalent, and any other person that controls the investment in, or management or operations of, the RMB, have been obtained PRIOR TO the QPF becoming effective. If No, explain on a separate sheet:

☐ YES ☐ NO

Addendum C - NEW Business Application

Qualified Institutional Investor (QII)

Please provide	
Identity(ies) of all Regulators with oversight over the QII's securities	
Reporting agencies required reports submitted on	
Provide a list of any privileged or professional licenses, with license numbers, you have held within the last three (3) years prior to the submission of the finding of suitability request. List those that were issued by the Colorado Department of Revenue or the Department of Regulatory Agencies, including all marijuana licenses. (Separate sheet)	
Date of Registration with the Department of Regulatory Agencies (DORA)	Number
Provide a description of the QII's business and documents establishing the QII's qualifies to hold a RMB license.	

Questions	
1. Confirm that the QII is current with all required filings pursuant to any applicable requirements by any securities regulatory.	☐ Current ☐ Not Current
If Not Current, explain.	
2. Confirm that ALL required findings of suitability including all QII managers, investment advisers, investment adviser representatives, any trustee or equivalent, and any other person that controls the investment in, or management or operations of, the RMB have been obtained PRIOR TO the QII becoming effective	☐ Yes ☐ No

Addendum D

MARIJUANA RESEARCH AND DEVELOPMENT FACILITY ONLY (Disregard if you are not applying for an R & D license)	
1. Is the Applicant currently either a Marijuana Research and Development Facility Licensee ("Licensed Research Business")? If yes, attach copies of the Conditional Medical Marijuana Business License issued by the State Licensing Authority, relevant local licensing authority issued license information, and any approved Research Projects.	☐ Yes ☐ No
2. Does the License Research Business or Applicant, or parent or subsidiary of the thereof, possess a Medical Marijuana Testing Facility License issued by the State Licensing Authority? If yes, provide details in a **separate document** that address, at minimum, physical separation requirements of the Licensed Premises and marijuana inventory.	☐ Yes ☐ No
3. Is there a separate Research Project proposal attached to this application that the Licensed Research Business or Applicant intends for the Division to review for its approval determination? a. If yes, proceed to question 4 below. b. If yes, the total application fee paid at the time of submission must include the fee amount for the Licensed Research Business application and Research Project proposal review c. If no, proceed to question 13 below.	☐ Yes ☐ No
4. Does the Research Project proposal contain a description of the proposed Research Project, including at a minimum, the specific authorized research activity for which the Research Project may be authorized, defined protocols, clearly articulated goals, defined methods and outputs, defined start and end date, and the proposed quantity of Medical Marijuana, Medical Marijuana Concentrate, and/or Medical Marijuana-Infused Product reasonably required to conduct the proposed Research Project?	☐ Yes ☐ No
5. In the Research Project proposal, this application, and/or any supplemental document(s), has the Licensed Research Business or Applicant disclosed all Persons who have, are, or will provide any funding for the proposed Research Project, including at a minimum, any Person who has funded or intends to fund the Licensed Research Business and/or proposed Research Project who does not hold a license issued by the State Licensing Authority and is neither a CBO nor a PBO, as an IFIH?	☐ Yes ☐ No
6. In the Research Project proposal and/or any supplemental document(s), is there disclosed any contract or agreement, or memorialization thereof, that has been entered by the Licensed Research Business or Applicant with another Marijuana Research Business or public education research institution to conduct the proposed Research Project? If yes, include copies of any such documents.	☐ Yes ☐ No
7. Is the proposed Research Project to be conducted in whole or in part with a Public Institution or Public Money?	☐ Yes ☐ No
a. If yes, does the Research Project proposal contain all information required by section 44-11-408, C.R.S., and the Rule M 1900 series, 1 CCR 212-1, and in order to permit review of the proposed Research Project by the Scientific Advisory Council?	☐ Yes ☐ No
b. If yes, does the Research Project proposal and/or any supplemental documents include disclosure(s) of any contract or agreement, or memorialization thereof, entered by the Licensed Research Business or Applicant to conduct the proposed Research Project with Public Funds or a Public Institution? If yes, attach copies of each.	☐ Yes ☐ No
8. Is the proposed Research Project to be conducted entirely with private funding?	☐ Yes ☐ No
a. If yes, has the Licensed Research Business or Applicant nominated one or more independent reviewer(s) for the proposed Research Project? If yes, proceed to part (b).	☐ Yes ☐ No
b. If yes, has the Licensed Research Business or Applicant provided in the Research Project proposal and/or other documents proof that each nominated independent reviewer is a qualified researcher in the field of study that's related to the proposed Research Project? If no, the Division will not determine whether the nominated independent reviewer is qualified or review the Research Project proposal. If yes, proceed to part (c).	☐ Yes ☐ No
c. If yes, has the Licensed Research Business or Applicant disclosed all pre-existing financial, employment, business, or personal relationships between the Licensed Research Business or any of its Owner Licensees and each independent reviewer nominee?	☐ Yes ☐ No

9. Does the proposed Research Project involve and/or contemplate any Pesticide research activities?	☐ Yes ☐ No
a. If yes, has the Licensed Research Business or Applicant applied for and received any necessary license, registration, certification, or permit from the Colorado Department of Agriculture? If yes, provide copies or other documentation.	☐ Yes ☐ No
10. Does the proposed Research Project involve and/or contemplate any human subject research activities?	☐ Yes ☐ No
a. If yes, has the Licensed Research Business or Applicant received approval and ongoing oversight and review of all aspects of the proposed Research Project by an Institutional Review Board that is registered and in good standing with the Office for Human Research Projects, United States Department of Health and Human Services? If yes, provide copies and/or other documentation evidencing such approval and oversight.	☐ Yes ☐ No
11. Does the proposed Research Project involve and/or contemplate any animal subject research activities?	☐ Yes ☐ No
a. If yes, has the Licensed Research Business or Applicant provided current registration with the United States Department of Agriculture? If yes, attach a copy.	☐ Yes ☐ No
12. Does the proposed Research Project involve marijuana testing research activities?	☐ Yes ☐ No
a. If yes, has the Licensed Research Business or Applicant provided proof and/or documentation that the applicant is qualified to test Medical Marijuana, Medical Marijuana Concentrate, and/or Medical Marijuana-Infused Products pursuant to at least one of the criteria in Rule M 1905, 1 CCR 212-1?	☐ Yes ☐ No
b. If yes, has the Licensee provided proof and/or documentation that the applicant is qualified to test Medical Marijuana, Medical Marijuana Concentrate, and/or Medical Marijuana-Infused Products pursuant to Rule M 703, 1 CCR 212-1?	☐ Yes ☐ No
13. If applicant has not attached a separate Research Project proposal to this application, what is the approximate date that the applicant plans to submit to the Division the Research Project proposal? _____ (MM/DD/YYYY) a. If the separate Research Project proposal is the first to be submitted by a Licensed Research Business, then the submission of the Research Project proposal must occur within 12-months from the date the Division issued the Licensed Research Business License. b. Any Research Project proposal submitted after this application must be submitted pursuant to the procedures established by the Division. c. The fee cost for Division review is due at the time the Research Project proposal is submitted.	
14. Will this business be co-located? (May only be co-located with a commonly owned MIP, OPC, RMPM or RMC) * If YES, please fill out DR 8542 and include with this application	☐ Yes ☐ No

AFFIRMATION OF REASONABLE CARE – PRIVATE COMPANY

Pursuant to subsections 44-11-307.5(4) and 44-12-306.5(4), C.R.S. and Rule 230-1(D), Applicant or Licensee affirms that, prior to submission of this application, it exercised reasonable care to confirm its Passive Beneficial Owners, (including any Qualified Institutional Investors) and Indirect Financial Interest Holders, are not Persons prohibited from being issued or holding a license by sections 44-11-306 and 44-12-305, C.R.S., or otherwise restricted from holding an interest under the Colorado Medical Code or Retail Code. An Applicant's or Licensee's failure to exercise reasonable care is a basis for denial, fine, suspension, revocation or other sanction by the State Licensing Authority.

I, MARK MAYASICH, as Controlling Beneficial Owner or Manager for SILT CASTLE LLC, state under penalty of perjury, pursuant to §18-8-503, that the foregoing is true and correct to the best of my knowledge, information and belief.

AFFIRMATION OF REASONABLE CARE – PUBLICLY TRADED CORPORATION

Pursuant to subsections 44-11-307.5(5) and 44-12-306.5(5), C.R.S. and Rule 230-1(D), Applicant or Licensee affirms that, prior to submission of this application, it exercised reasonable care to confirm its Non-objecting Passive Beneficial Owner, (including any Qualified Institutional Investors) and Indirect Financial Interest Holders, are not Persons prohibited from being issued or holding a license by sections 44-11-306 and 44-12-305, C.R.S., or otherwise restricted from holding an interest under the Colorado Medical Code or Retail Code. An Applicant's or Licensee's failure to exercise reasonable care is a basis for denial, fine, suspension, revocation or other sanction by the State Licensing Authority.

I, _____, as Controlling Beneficial Owner or Manager for

_____, state under penalty of perjury, pursuant to §18-8-503, that the foregoing is true and correct to the best of my knowledge, information and belief.

ORGANIZATIONAL CHART

LICENSEE: SILT CASTLE LLC

D/B/A: THE KIND CASTLE

Ownership:

KIND CASTLE COLORADO LLC 99% MEMBERSHIP INTERESTS

John Oliver Dyet, Sole Member

Signature

MARK MAYASICH 1% MEMBERSHIP INTEREST

Signature

EXPLANATION OF FUNDING SOURCE

The source of funding shall be from income and profits generated from currently operational store in Parachute, CO, called THE CANNABIST CASTLE SUPERMARKET & DISPENSARY LOUNGE LLC d/b/a THE KIND CASTLE.

LIST OF FINANCIAL INSTITUTION ACCOUNTS

ALPINE BANK

100 E 4TH STREET, RIFLE, CO 81650

(970) 625-9610

ACCOUNT #: [redacted]

WESTERN ROCKIES FEDERAL CREDIT UNION

142 W 3RD STREET, RIFLE, CO 81650

(877) 243-2434

ACCOUNT #: [redacted]

OPERATING AGREEMENT
OF
SILT CASTLE LLC

This Operating Agreement of Silt Castle LLC (the "Agreement") is made by and among and those persons (the "Members") who make up the members of Silt Castle LLC, and whose names are listed on Exhibit A attached hereto, this 19TH day of December, 2019.

In consideration of the mutual covenants and conditions herein, the Members agree as follows:

ARTICLE I. ORGANIZATION

1.1. Formation.

The Members have formed a limited-liability company under the Colorado Limited-Liability Company Act (currently Title 7, Article 80, of the Colorado Revised Statutes) by filing Articles of Organization with the Colorado Secretary of State on August 8th, 2019.

1.2. Governing Law.

This Agreement shall be governed by and construed and interpreted in accordance with the laws of the State of Colorado, including the Colorado Limited-Liability Company Act, (the "Act") as amended from time to time, without regard to Colorado's conflicts of laws principles. The rights and liabilities of the Members shall be determined pursuant to the Act and this Agreement. To the extent that any provision of this Agreement is inconsistent with any provision of the Act, this Agreement shall govern to the extent permitted by the Act.

1.3. Name.

The name of the company shall be "SILT CASTLE LLC" (the "Company.") The business of the Company may be conducted under that name or, on compliance with law, any other name the Voting Members (as defined in Section 2.2) deem appropriate or advisable, including any trade name which may later be acquired. The Voting Members on behalf of the Company shall file any documents concerning the name that they consider appropriate or advisable.

1.4. Term.

The term of the Company commenced on the filing of the Articles of Organization and shall be perpetual unless dissolved as provided in this Agreement.

1.5. Office and Agent.

The principal office of the Company shall be at such place or places of business within or without the State of Colorado as the Voting Members determine. The Company shall continuously maintain a registered agent in the State of Colorado as required by the Act. The Company's initial Registered Agent is Trevor H. McGarvey,

Attorney at Law, 1888 Sherman St., Suite 200, Denver, CO 80203.

1.6. Purpose of Company.

The purpose of the Company is to engage in all lawful business activities, as authorized by the Act. The Company initially intends to form and operate a retail marijuana dispensary, pursuant to the rules and regulations established by the State of Colorado and the City of Nederland.

ARTICLE II. MEMBERSHIP INTERTESTS, VOTING AND MANAGEMENT

2.1. Initial Members.

The initial Members of the Company are Kind Castle Colorado LLC and Mark Mayasich, and any such members who may be later added pursuant to this Agreement.

2.2. Classification of Membership Interests.

The Company shall issue 100 Class A Voting Capital membership shares/interests ("Voting Capital"), to the Voting Members (the "Voting Members"). The Voting Members shall have the right to vote upon all matters upon which Members have the right to vote under the Act or under this Agreement, in proportion to their respective Percentage Voting Interest ("Percentage Voting Interest") in the Company. The Percentage Voting Interest of a Voting Member shall be the percentage that is derived when the Member's Voting Capital account is divided by the total of all of the Voting Capital accounts.

The Company may issue Class B Nonvoting Capital ("Nonvoting Capital"). Members may own interests in both Voting Capital and Nonvoting Capital. Members who only own interests in Nonvoting Capital ("Nonvoting Members") shall have no right to vote upon any matters.

2.3. Percentage Ownership and Voting Interests.

A Member's Ownership Interest ("Ownership Interest") is the total of his interests in Voting Capital and Nonvoting Capital, together with all of the rights, as a Member or Manager of the Company, that arise from such interests. The Percentage Ownership Interest ("Percentage Ownership Interest") of a Member shall be calculated by adding together that Member's Voting Capital Account and Nonvoting Capital Account, and then dividing this sum by the total of all of the Member's Voting Capital and Nonvoting Capital Accounts.

The Members shall have the initial Ownership, Percentage Ownership and Percentage Voting Interests in the Company that are identified in Exhibit A, immediately following the making of the Capital Contributions set forth therein. The initial members and corresponding ownership percentages, are as follows:

1) Member 1: Kind Castle Colorado LLC – 99 voting shares
2) Member 2: Mark Mayasich – 1 voting share

2.4 Conditional Membership Interest

Member Mark Mayasich's membership interest was granted by Company in consideration of, and explicitly

conditional on, his continued employment with the Company, or any affiliated company, in the role of general manager, or any role of substantially the same duties, for a period of 5 years from the date of execution of this Agreement, at which point his interest will vest and become permanent. If Mayasich's employment with Company is terminated at any point during the next 5 years, his membership interest will revert to the Company unless a court of competent jurisdiction determines the Company was at fault for the termination and awards the interest pursuant to a court order.

2.5 Management by Voting Members.

The Voting Members shall manage the Company (the "Managers") and shall have the right to vote, in their capacity as Managers, upon all matters upon which Managers have the right to vote under the Act or under this Agreement, in proportion to their respective Percentage Voting Interests in the Company.

The Nonvoting Members shall have no right to vote or otherwise participate in the management of the Company. No Nonvoting Member shall, without the prior written consent of all of the Voting Members, take any action on behalf of, or in the name of, the Company, or enter into any contract, agreement, commitment or obligation binding upon the Company, or perform any act in any way relating to the Company or the Company's assets.

2.6. Voting Control.

The decision of Voting Members owning more than fifty percent (50%) of the Percentage Voting Interests in the Company shall be controlling. The consent of each member is necessary, however, to amend the Articles of Organization, amend the Agreement, or to authorize an act of the Company that is not in the ordinary course of business of the Company.

Except as otherwise provided or permitted by this Agreement, no Voting Member acting individually, in his capacity as a Member or Manager of the Company, shall have any power or authority to sign for, bind or act on behalf of the Company in any way, to pledge the Company's credit, or to render the Company liable for any purpose.

2.7. Liability of Members and Managers.

All debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be solely the debts, obligations and liabilities of the Company, and no Member or Manager shall be obligated personally for any such debt, obligation or liability of the Company solely by reason of being a Member or acting as a Manager of the Company.

2.8. New Members.

The Voting Members may issue additional Voting Capital or Nonvoting Capital and thereby admit a new Member or Members, as the case may be, to the Company, only if such new Member: (i) is approved unanimously by the Voting Members; (ii) delivers to the Company his required Capital Contribution; (iii) agrees in writing to be bound by the terms of this Agreement by becoming a party hereto; and (iv) delivers such additional documentation as the Voting Members shall reasonably require to so admit such new Member to the Company.

Upon the admission of a new Member or Members, as the case may be, to the Company, the capital accounts of Members, and the calculations that are based on the capital accounts, shall be adjusted appropriately.

ARTICLE III. CAPITAL ACCOUNTS

3.1. Initial Capital Contributions.

Each original Member to this Agreement shall make an initial capital contribution ("Capital Contribution") to the Company in the amount shown on Exhibit A, at the time each Member executes this Agreement.

3.2. Capital Accounts.

A separate capital account shall be maintained for each Member's ownership interest in Class A Voting Capital (the "Voting Capital Account") and Class B Nonvoting Capital (the "Nonvoting Capital Account").

The capital account of each Member shall be increased by (i) the amount of any cash and the fair market value of any property contributed to the Company by such Member (net of any liability secured by such contributed property that the Company is considered to assume or take subject to), and (ii) the amount of income or profits allocated to such Member.

The capital account or accounts of each Member shall be reduced by (i) the amount of any cash and the fair market value of any property distributed to the Member by the Company (net of liabilities secured by such distributed property that the Member is considered to assume or take subject to on account of his ownership interest), and (ii) the amount of expenses or loss allocated to the Member. If any property other than cash is distributed to a Member, the Capital Accounts of the Members shall be adjusted as if the Company had instead sold the property for a price equal to its fair market value and the proceeds distributed.

No Member shall be obligated to restore any negative balance in his Capital Account. No Member shall be compensated for any positive balance in his Capital Account except as otherwise expressly provided herein. The foregoing provisions and the other provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with the provisions of Regulations Section 1.704-1(b)(2) and shall be interpreted and applied in a manner consistent with such Regulations. The Members agree that the initial Capital Accounts of the Members on the date hereof are in the amount set forth on Exhibit A.

3.3. Additional Contributions.

If, at any time or times hereafter, the Voting Members shall determine that additional capital is required by the Company, the Voting Members shall determine the amount of such additional capital and the anticipated time such additional capital will be required; whether such additional capital shall be provided by the Members by way of additional Capital Contributions or by way of loans from Members; and whether additional Capital Contributions, if any, shall be of in the form of Class A Voting Capital or Class B Nonvoting Capital. No member shall be obligated, at any time, to guarantee or otherwise assume or become liable for any obligations of the Company or to make any additional Capital Contributions, advances, or loans to the Company, unless such obligations are specifically accepted and agreed to by such Member.

In the event that additional Class A Voting Capital is to be issued, the Voting Members who exist immediately prior to such issuance shall be provided written notice of this intent, and shall be offered in such notice the opportunity to make additional Capital Contributions in Class A Voting Capital in proportion to their respective Percentage Voting Interests; provided that this right, if not exercised within ninety (90) days after such notice is received, shall expire automatically, unless this period is extended by the Voting Members. Any loans or additional Capital Contributions shall be voluntary.

The capital accounts of the Members, and the calculations that are based on the capital accounts, shall be adjusted appropriately to reflect any transfer of an interest in the Company, distributions, or additional Capital Contributions.

ARTICLE IV. MANNER OF ACTING

4.1. Officers and Agents of the Company.

The Voting Members may authorize any Member or Members of the Company, or other individuals or entities, whether or not a Member, to take action on behalf of the Company, as the Voting Members deem appropriate.

The Voting Members may appoint officers and agents of the Company who, to the extent provided by the Voting Members, may have and may exercise all the powers and authority of the Members or Managers in the conduct of the business and affairs of the Company. The Voting Members may provide rules for the appointment, removal, supervision and compensation of such officers and agents, the scope of their authority, and any other matters relevant to the positions. The officers and agents shall act in the name of the Company and shall supervise its operation, within the scope of their authority, under the direction and management of the Voting Members.

Any action taken by a duly authorized officer or agent, pursuant to authority granted by the Voting Members in accordance with this Agreement, shall constitute the act of and serve to bind the Company, and each Member hereby agrees neither to dispute such action nor the obligation of the Company created thereby.

4.2. Meetings of Voting Members.

No regular, annual, special or other meetings of Voting Members are required to be held. Any action that may be taken at a meeting of Voting Members may be taken without a meeting by written consent in accordance with the Act. Meetings of the Voting Members, for any purpose or purposes, may be called at any time by a two thirds (2/3) majority of the Voting Member. The Voting Members may designate any place as the place of meeting for any meeting of the Voting Members. If no designation is made, the place of meeting shall be the principal place of business of the Company.

4.3. Notice of Meetings.

In the event that a meeting of the Voting Members is called, written notice stating the place, day and hour of the meeting and the purpose or purposes for which the meeting is called shall be delivered not less than five nor more than 60 business days before the date of the meeting unless otherwise provided, either personally or by mail, by or

at the direction of the Members calling the meeting, to each Voting Member. Notice of a meeting need not be given to any Voting Member who signs a waiver of notice or a consent to holding the meeting or an approval of the minutes thereof, whether before or after the meeting, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice to such Voting Member.

4.4. Record Date.

For the purpose of determining Voting Members entitled to notice of or to vote at any meeting of Voting Members or any adjournment thereof, the date on which notice of the meeting is provided shall be the record date for such determination of the Voting Members. When a determination of Voting Members has been made as provided in this Section, such determination shall apply to any adjournment thereof.

4.5. Quorum.

Members holding at least 67% of the Voting Capital in the Company represented in person, by telephonic participation, or by proxy, shall constitute a quorum at any meeting of Voting Members. In the absence of a quorum at any such meeting, a majority of the Voting Members so represented may adjourn the meeting from time to time for a period not to exceed 60 days without further notice. However, if the adjournment is for more than 60 days, or if after the adjournment a new record date is fixed for another meeting, a notice of the adjourned meeting shall be given to each Voting Member. The Voting Members present at a duly organized meeting may continue to transact business only as previously provided on the agenda until adjournment, notwithstanding the withdrawal during such meeting of that number of Voting Members whose absence would cause less than a quorum.

4.6. Action by Written Consent.

The Voting Members may take action without a meeting, without prior notice and without a vote if a consent or consents in writing, setting forth the action so taken, shall be signed by the Voting Members having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all Voting Members entitled to vote thereon were present and voted.

4.7 Restrictions on Authorization to Spend

No Member, Officer, Executive of the Company shall be allowed to bind the Company to any financial obligation, debt or otherwise, in excess of Five Hundred Dollars ($500) without first obtaining the written approval of Members holding at least 75% of all outstanding membership interests in the Company.

ARTICLE V. ALLOCATIONS AND DISTRIBUTIONS

5.1. Allocations of Profits and Losses.

Profits and Losses shall be allocated among the Members in proportion to their Percentage Ownership Interests. Any special allocations necessary to comply with the requirements set forth in Internal Revenue Code Section 704 and the corresponding Regulations, including, without limitation, the qualified income offset and minimum gain

chargeback provisions contained therein, shall be made if the Voting Members deem these actions to be appropriate.

5.2. Distributions.

Subject to applicable law and any limitations elsewhere in this Agreement, the Voting Members shall determine the amount and timing of all distributions of cash, or other assets, by the Company. Except as otherwise provided in this Agreement, distributions shall be made to Members in proportion to their Percentage Ownership Interests. Except as otherwise provided in this Agreement, the decision as to whether to make distributions shall be within the sole discretion of the Voting Members.

Distributions shall be made only to the Members who, according to the books and records of the Company, are the holders of record on the actual date of distribution. The Voting Members may base a determination that a distribution of cash may be made on a balance sheet, profit and loss statement, cash flow statement of the Company, or other relevant information. Neither the Company nor the Members shall incur any liability for making distributions.

5.3. Form of Distribution.

No Member has the right to demand and receive any distribution from the Company in any form other than money. No Member may be compelled to accept from the Company a distribution of any asset in kind in lieu of a proportionate distribution of money being made to other Members except on the dissolution and winding up of the Company.

ARTICLE VI. PROHIBITION ON TRANSFER OR ASSIGNMENT OF INTERESTS

6.1. Resignation of Membership and Return of Capital.

For a period of one (1) year after the Articles of Organization for the Company is filed ("the filing"), no Member may voluntarily resign his membership in the Company, and no Member shall be entitled to any return of capital from the Company, except upon the written consent of all of the other Voting Members.

During the second year after the filing, a Member may voluntarily resign membership, but such Member shall be entitled to receive from the Company only the book value of his Ownership Interest, adjusted for profits and losses to the date of resignation, unless otherwise agreed by written consent of all of the other Voting Members.

Subsequent to the second year after filing, a Member may voluntarily resign his membership and shall be entitled to receive from the Company the fair market value of his Ownership Interest, adjusted for profits and losses to the date of resignation. Fair market value may be determined informally by unanimous agreement of all of the Voting Members, including the resigning Member. In the absence of an informal agreement as to fair market value, the Voting Members shall hire an appraiser, at the Company expense, to determine fair market value.

The Voting Members, other than the resigning Member, may elect, by written notice that is provided to the

resigning Member within thirty (30) days after the resignation date, for the Company to purchase the resigning Member's Interest (whether the interest is being purchased at book value or fair market value) in four equal annual installments, with the first installment being due sixty (60) days after the Member's resignation.

6.2. Death of a Member.

Upon the death of a Member, the Member's estate or beneficiary or beneficiaries, as the case may be, shall be entitled to receive from the Company, in exchange for all of the deceased Member's Ownership Interest, the fair market value of the deceased Member's Ownership Interest, adjusted for profits and losses to the date of death. Fair market value may be determined informally by a unanimous good-faith agreement of all of the Voting Members. In the absence of an informal agreement as to fair market value, the Voting Members shall hire an appraiser, at the Company expense, to determine fair market value.

The Voting Members may elect, by written notice that is provided to the deceased Member's estate or beneficiary or beneficiaries, within thirty (30) days after the Member's death, to have the Company purchase the deceased Member's Ownership Interest over a one-year period, in four equal installments, with the first installment being due sixty (60) days after the Member's date of death.

Unless otherwise agreed unanimously by the Voting Members, prior to the completion of such purchase, the Member's estate or beneficiary or beneficiaries, shall have no right to become a Member or to participate in the management of the business and affairs of the Company as a Member or Manager, and shall only have the rights of an assignee and be entitled only to receive the share of profits and the return of capital to which the deceased Member would otherwise have been entitled. The Company may purchase insurance on the lives of any of the Members, with the Company named as the beneficiary, and use all or any of the proceeds from such insurance as a source of proceeds from which the deceased Member's Membership Ownership Interest may be purchased by the Company.

6.3. Restrictions on Transfer.

Except (i) as otherwise provided in this Article or (ii) upon the unanimous consent of all of the other Voting Members, no Member shall sell, hypothecate, pledge, assign or otherwise transfer, with or without consideration, any part or all of his Ownership Interest in the Company to any other person or entity (a "Transferee"), without first having the unanimous approval of all members then holding an interest in the Company.

6.4. Involuntary Transfer of a Membership Interest.

A creditor's charging order or lien on a Member's membership interest, bankruptcy of a Member, or other involuntary transfer of Member's membership interest, shall constitute a material breach of this Agreement by such Member. The creditor, transferee or other claimant, shall only have the rights of an assignee, and shall have no right to become a Member, or to participate in the management of the business and affairs of the Company as a Member or Manager under any circumstances, and shall be entitled only to receive the share of profits and losses, and the return of capital, to which the Member would otherwise have been entitled. The Voting Members, including a Voting Member whose interest is the subject of the charging order, lien, bankruptcy, or involuntary transfer, may unanimously elect, by written notice that is provided to the creditor, transferee or other claimant, at any time, to purchase all or any part of membership interest that was the subject of the creditor's charging order, lien, bankruptcy, or other involuntary transfer, at a price that is equal to one-half (1/2) of the book value of such

interest, adjusted for profits and losses to the date of purchase. The Members agree that such valuation is a good-faith attempt at fixing the value of the interest, after taking into account that the interest does not include all of the rights of a Member or Manager, and after deducting damages that are due to the material breach of this Agreement.

ARTICLE VII. ACCOUNTING, RECORDS AND REPORTING

7.1. Books and Records.

The Company shall maintain complete and accurate accounts in proper books of all transactions of or on behalf of the Company. The Company's books and accounting records shall be kept in accordance with such accounting principles (which shall be consistently applied throughout each accounting period) as the Voting Members may determine to be convenient and advisable. The Company shall maintain at its principal office all of the following:

A current list of the full name and last-known business or residence address of each Member in the Company set forth in alphabetical order, together with, for each Member, the Voting Capital account and Nonvoting Capital account, including entries to these accounts for contributions and distributions; the Ownership Interest, Percentage Ownership and Voting Interests; a copy of the Articles of Organization and any and all amendments thereto together with executed copies of any powers of attorney pursuant to which the Articles of Organization or any amendments thereto have been executed; copies of the Company's federal, state and local-income tax or information returns and reports, if any, for the six most recent taxable years; a copy of this Agreement and any and all amendments hereto together with executed copies of any powers of attorney pursuant to which this Agreement or any amendments thereto have been executed; copies of the financial statements of the Company, if any, for the six most recent Fiscal Years; the Company's books and records as they relate to the internal affairs of the Company for at least the current and past four Fiscal Years; true and full information regarding the status of the business and financial condition of the Company; and true and full information regarding the amount of cash and a description and statement of the agreed value of any other property or services contributed by each Member and which each Member has agreed to contribute in the future, and the date on which each became a Member.

7.2. Accountings.

As soon as is reasonably practicable after the close of each Fiscal Year, the Voting Members shall make or cause to be made a full and accurate accounting of the affairs of the Company as of the close of that Fiscal Year and shall prepare or cause to be prepared a balance sheet as of the end of such Fiscal Year, a profit and loss statement for that Fiscal Year and a statement of Members' equity showing the respective Capital Accounts of the Members as of the close of such Fiscal Year and the distributions, if any, to Members during such Fiscal Year, and any other statements and information necessary for a complete and fair presentation of the financial condition of the Company, all of which shall be furnished to each Member. In addition, the Company shall furnish to each Member financial information regarding the Company that is necessary for such Member to complete such Member's federal and state income tax returns. The Company shall also furnish a copy of the Company's tax returns to any Member requesting the same. On such accounting being made, profits and losses during such Fiscal Year shall be ascertained and credited or debited, as the case may be, in the books of account of the Company to the respective Members as herein provided.

7.3. Filings.

The Voting Members, at Company expense, shall cause the income tax returns for the Company to be prepared

and timely filed with the appropriate authorities. The Voting Members, at Company expense, shall also cause to be prepared and timely filed with appropriate federal and state regulatory and administrative bodies amendments to, or restatements of, the Articles of Organization and all reports required to be filed by the Company with those entities under the Act or other then current applicable laws, rules, and regulations. If the Company is required by the Act to execute or file any document and fails, after demand, to do so within a reasonable period of time or refuses to do so, any Member may prepare, execute and file that document with the Colorado Secretary of State.

7.4. Bank Accounts.

The Company shall maintain its funds in one or more separate bank accounts in the name of the Company, and shall not permit the funds of the Company to be mingled in any fashion with the funds of any other person.

7.5. Tax Matters Partner.

The Voting Members may, in their exclusive discretion, appoint, remove and replace a Tax Matters Partner at any time or times. The Voting Members shall from time to time cause the Company to make such tax elections as they deem to be in the interests of the Company and the Members generally. The Tax Matters Partner, as defined in Internal Revenue Code Section 6231, shall represent the Company (at the Company's expense) in connection with all examinations of the Company's affairs by tax authorities, including resulting judicial and administrative proceedings, and shall expend the Company funds for professional services and costs associated therewith.

ARTICLE VIII. DISSOLUTION AND WINDING UP

8.1. Dissolution.

The Company shall be dissolved, its assets shall be disposed of, and its affairs wound up on the first to occur of: the entry of a decree of judicial dissolution pursuant to the Act; or the approval of the Voting Members then holding eighty-five percent (95%) of the outstanding membership interests in the Company.

8.2. Winding Up.

On the occurrence of an event specified in Section 8.1, the Company shall continue solely for the purpose of winding up its affairs in an orderly manner, liquidating its assets and satisfying the claims of its creditors. The Voting Members shall be responsible for overseeing the winding up and liquidation of Company, shall take full account of the assets and liabilities of Company, shall cause such assets to be sold or distributed, and shall cause the proceeds, to the extent sufficient, to be applied and distributed as provided in Section 9.4. The Voting Members shall give written notice of the commencement of winding up by mail to all known creditors and claimants whose addresses appear on the records of the Company.

8.3. Distributions in Kind.

Any noncash assets distributed to the Members shall first be valued at their fair market value to determine the profit or loss that would have resulted if such assets were sold for such value. Such profit or loss shall then be allocated pursuant to this Agreement, and the Members' Capital Accounts shall be adjusted to reflect such

allocations. The amount distributed and charged against the Capital Account of each Member receiving an interest in a distributed asset shall be the fair market value of such interest (net of any liability secured by such asset that such Member assumes or takes subject to). The fair market value of such asset shall be determined by the Voting Members, or if any Voting Member objects, by an independent appraiser (and any such appraiser must be recognized as an expert in valuing the type of asset involved) selected by a Majority of the Voting Members.

8.4. Order of Payment of Liabilities on Dissolution.

After a determination that all known debts and liabilities of the Company in the process of winding up, including, without limitation, debts and liabilities to Members who are creditors of the Company, have been paid or adequately provided for, the remaining assets shall be distributed to the Members in proportion to their positive Capital Account balances, after taking into account profit and loss allocations for the Company's taxable year during which liquidation occurs.

8.5. Provisions for Payment of Liabilities.

The Company may make: (1) reasonable provisions to pay all claims and obligations, including all contingent, conditional or unmatured contractual claims, known to the Company, and (2) such provision as will be reasonably likely to be sufficient to provide compensation for any claim against the Company which is the subject of a pending action, suit or proceeding to which the Company is a party, and (3) such provision as will be reasonably likely to be sufficient to provide compensation for claims that have not been made known to the Company or that have not arisen but that, based on facts known to the Company, are likely to arise or become known to the Company within 10 years after the date of dissolution.

8.6. Compliance with Regulations.

All payments to the Members on the winding up and dissolution of Company shall be strictly in accordance with the positive capital account balance limitation and other requirements of Regulations Section 1.704-1(b)(2)(ii)(d), as the voting Members deem appropriate.

8.7. Limitations on Payments Made in Dissolution.

Except as otherwise specifically provided in this Agreement, each Member shall only be entitled to look solely to the assets of the Company for the return of such Member's positive Capital Account balance and shall have no recourse for such Member's Capital Contribution or share of profits (on dissolution or otherwise) against any other Member.

8.8. Statement of Dissolution.

The Voting Members conducting the winding up of the affairs of the Company shall cause to be filed in the office of, and on a form prescribed by the Colorado Secretary of State, a Statement of Dissolution of the Articles of Organization on the completion of the winding up of the affairs of the Company.

ARTICLE IX. EXCULPATION AND INDEMNIFICATION

9.1. Exculpation of Members.

No Member shall be liable to the Company or to the other Members for damages or otherwise with respect to any actions taken or not taken in good faith and reasonably believed by such Member to be in or not opposed to the best interests of the Company, except to the extent any related loss results from fraud, gross negligence or willful or wanton misconduct on the part of such Member or the material breach of any obligation under this Agreement or of the fiduciary duties owed to the Company or the other Members by such Member.

9.2. Indemnification by Company.

The Company shall indemnify, hold harmless and defend the Members, in their capacity as Members, Managers, or officers, from and against any loss, expense, damage or injury suffered or sustained by them by reason of any acts or omissions arising out of their activities on behalf of the Company or in furtherance of the interests of the Company, including but not limited to any judgment, award, settlement, reasonable attorney's fees and other costs or expenses incurred in connection with the defense of any actual or threatened action, proceeding or claim, if the acts or omissions were not performed or omitted fraudulently or as a result of gross negligence or willful misconduct by the indemnified party. Reasonable expenses incurred by the indemnified party in connection with any such proceeding relating to the foregoing matters may be paid or reimbursed by the Company in advance of the final disposition of such proceeding upon receipt by the Company of (i) written affirmation by the person requesting indemnification of its good-faith belief that it has met the standard of conduct necessary for indemnification by the Company and (ii) a written undertaking by or on behalf of such person to repay such amount if it shall ultimately be determined by a court of competent jurisdiction that such person has not met such standard of conduct, which undertaking shall be an unlimited general obligation of the indemnified party but need not be secured.

9.3. Insurance.

The Company shall have the power to purchase and maintain insurance on behalf of any person who is or was a Member or an agent of the Company against any liability asserted against such person and incurred by such person in any such capacity, or arising out of such person's status as a Member or an agent of the Company, whether or not the Company would have the power to indemnify such person against such liability under Section 10.1 or under applicable law.

ARTICLE X. DISPUTE RESOLUTION

10.1. Disputes among Members.

The Members agree that in the event of any dispute or disagreement solely between or among any of them arising out of, relating to or in connection with this Agreement or the Company or its organization, formation, business or management ("Member Dispute"), the Members shall use their best efforts to resolve any dispute arising out of or in connection with this Agreement by good-faith negotiation and mutual agreement. The Members shall meet at a mutually convenient time and place to attempt to resolve any such dispute.

However, in the event that the Members are unable to resolve any Member Dispute, such parties shall first attempt to settle such dispute through a nonbinding mediation proceeding. In the event any party to such mediation proceeding is not satisfied with the results thereof, then any unresolved disputes shall be finally settled

in accordance with an arbitration proceeding. In no event shall the results of any mediation proceeding be admissible in any arbitration or judicial proceeding.

ARTICLE XI. MISCELLANEOUS

11.1. Authority.

This Agreement constitutes a legal, valid and binding agreement of the Member, enforceable against the Member in accordance with its terms. The Member is empowered and duly authorized to enter into this Agreement (including the power of attorney herein) under every applicable governing document, partnership agreement, trust instrument, pension plan, charter, articles of incorporation, bylaw provision or the like. The person, if any, signing this Agreement on behalf of the Member is empowered and duly authorized to do so by the governing document or trust instrument, pension plan, charter, articles of incorporation, bylaw provision, board of directors or stockholder resolution or the like.

11.2. Notices.

Except as otherwise expressly provided herein, any notice, consent, authorization or other communication to be given hereunder shall be in writing and shall be deemed duly given and received when delivered personally, when transmitted by facsimile if receipt is acknowledged by the addressee, one business day after being deposited for next-day delivery with a nationally recognized overnight delivery service, or three business days after being mailed by first-class mail, charges and postage prepaid, properly addressed to the party to receive such notice at the following address, or such other address as shall have been designated in accordance with this Section:

Names of Members/Relative %	Address of Members
Kind Castle Colorado LLC / 99%	P.O. Box 687 Glenwood Springs, CO 80503
Mark Mayasich / 1%	2005 E Ballard Ave Silt, CO 81652

11.3. Severability.

If any provision of this Agreement, or the application of such provision to any person or circumstance, shall be held by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement, or the application of such provision to persons or circumstances other than those to which it is held to be invalid or unenforceable, shall not be affected thereby.

11.4. Binding Effect.

Subject to ARTICLE VII, this Agreement shall bind and inure to the benefit of the parties and their respective Successors.

11.5. Counterparts.

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

11.6. Entire Agreement.

This Agreement contains the entire agreement of the parties and supersedes all prior or contemporaneous written or oral negotiations, correspondence, understandings and agreements between or among the parties, regarding the subject matter hereof.

11.7. Further Assurances.

Each Member shall provide such further information with respect to the Member as the Company may reasonably request, and shall execute such other and further certificates, instruments and other documents, as may be necessary and proper to implement, complete and perfect the transactions contemplated by this Agreement.

11.8. Headings; Gender; Number; References.

The headings of the Sections hereof are solely for convenience of reference and are not part of this Agreement. As used herein, each gender includes each other gender, the singular includes the plural and vice versa, as the context may require. All references to Sections and subsections are intended to refer to Sections and subsections of this Agreement, except as otherwise indicated.

11.9. Amendments.

All amendments to this Agreement shall be in writing and signed by all of the Members to the agreement at the time of the amendment.

IN WITNESS WHEREOF, the member has executed this Operating Agreement of Silt Castle LLC on the day and year first above written.

By: _____
John Dyet, Majority Member
Kind Castle Colorado LLC

By: _____
Mark Mayasich, Voting Member

EXHIBIT A

CLASS A MEMBERS AND INITIAL CONTRIBUTIONS

VOTING MEMBER	INITIAL CONTRIBUTION	PERCENTAGE OWNERSHIP
Kind Castle Colorado LLC	$50,000	99%
Mark Mayasich	Sweat Equity	1%

OPERATING AGREEMENT
OF
KIND CASTLE COLORADO LLC

This Operating Agreement is made as of this 18TH day of December, 2019, by John Dyet (the "Member"), the sole member of **KIND CASTLE COLORADO LLC**, a Colorado Limited Liability Company whose principal place of business is 248 E 1st Street, Parachute, CO 81635 and mailing address of P.O. Box 687, Glenwood Springs, CO 81602 (the "Company")

ARTICLE I. FORMATION

1.1. Formation. The Company was organized as a Colorado limited-liability company pursuant to the Colorado Limited-Liability Company Act on DATE OF FORMATION.

1.2. Name. The name of the Company is KIND CASTLE COLORADO LLC.

1.3. Term. The term of the Company shall be perpetual.

ARTICLE II. BUSINESS

2.1. Purpose. The business of the Company shall be to engage in any lawful activity, including the ownership of real and personal property, and particularly the operation of its retail marijuana stores.

ARTICLE III. MANAGEMENT

3.1. Management. The Member shall manage the business and affairs of the Company. The Member shall exercise all of the authority and powers granted to the Company by the Colorado Limited-Liability Company Act.

3.2. Execution of Documents. Any document or instrument of any and every nature, including without limitation, any agreement, contract, lease of real property, deed, promissory note, mortgage or deed of trust, security agreement, financing statement, pledge, assignment, bill of sale and certificate, which is intended to bind the Company or convey or encumber title to its real or personal property shall be valid and binding for all purposes only if executed by the Member.

3.3. Officers. The Company may have one or more officers or other agents with such titles, rights, duties, and authority as the Member shall determine in writing. Officers shall exercise the powers and perform the duties prescribed by the Member. The same person may hold any number of offices, as the Member may determine.

3.4. Term of Office. The officers shall hold office for the term for which they were appointed and until their successors are elected and qualified; provided, however, that any officer may be removed at any time with or without cause by the Member.

ARTICLE IV. LIMITATION OF MEMBER LIABILITY

4.1. Limitation of Liability. All debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be solely the debts, obligations and liabilities of the Company, and no Member shall be obligated personally for any such debt, obligation or liability of the Company solely by reason of being a Member or acting as a manager of the Company.

ARTICLE V. INDEMNIFICATION

5.1. Right to Indemnification. Subject to the limitations and conditions provided in this Article and in the Colorado Limited-Liability Company Act, each Person ("Indemnified Person") who was or is made a party or is threatened to be made a party to or is involved in any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, arbitrative or investigative ("Proceeding"), or any appeal in such a Proceeding or any inquiry or investigation that could lead to such a Proceeding, by reason of the fact that he was or is a Member or an officer of the Company or he was or is the legal representative of or a manager, director, officer, partner, venturer, proprietor, trustee, employee, agent or similar functionary of a Member or of an officer of the Company, shall be indemnified by the Company against judgments, penalties (including excise and similar taxes and punitive damages), fines, settlements and reasonable costs and expenses (including, without limitation, attorney's fees) actually incurred by such Indemnified Person in connection with such Proceeding if such Indemnified Person acted in good faith and in a manner his reasonably believed to be in, or not opposed to, the best interest of the Company and, with respect to any criminal action or proceeding, had no reasonable cause to believe *his* conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the Indemnified Person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Company or, with respect to any criminal action or proceeding, that the Indemnified Person had reasonable cause to believe that his conduct was unlawful.

5.2. Survival. Indemnification under this ARTICLE V shall continue as to a Person who has ceased to serve in the capacity, which initially entitled such Person to indemnity hereunder. The rights granted pursuant to this ARTICLE V shall be deemed contract rights, and no amendment, modification or repeal of this ARTICLE V shall have the effect of limiting or denying any such rights with respect to actions taken or Proceedings arising prior to any such amendment, modification or repeal.

5.3. Advance Payment. The right to indemnification conferred by this ARTICLE V shall include the right to be paid or reimbursed by the Company for the reasonable expenses incurred in advance of the final disposition of the Proceeding and without any determination as to the Indemnified Person's ultimate entitlement to indemnification; provided, however, that the payment of such expenses incurred in advance of the final disposition of a Proceeding shall be made only upon delivery to the Company of a written affirmation by such Indemnified Person of *[his/her]* good faith belief that *[he/she]* has met the standard of conduct necessary for indemnification under this ARTICLE V and a written undertaking, by or on behalf of such Indemnified Person, to repay all amounts so advanced if it shall ultimately be determined that such Indemnified Person is not entitled to be indemnified under this ARTICLE V or otherwise.

5.4. Nonexclusivity of Rights. The right to indemnification and the advancement and payment of expenses conferred by this ARTICLE V shall not be exclusive of any other right which a Person may have or hereafter acquire under any law (common or statutory), provision of the Articles of Organization or Operating Agreement, agreements, vote of members or otherwise.

5.5. Savings Clause. If Section or any portion thereof shall be invalidated on any ground by any court of competent jurisdiction, then the Company shall nevertheless indemnify and hold harmless each Indemnified Person as to costs, charges and expenses (including attorney's fees), judgments, fines and amounts paid in settlement with respect to any action, suit or proceeding, whether civil, criminal, administrative or investigative to the full extent permitted by any applicable portion of this ARTICLE V that shall not have been invalidated and to the fullest extent permitted by applicable law.

ARTICLE VI. CAPITAL CONTRIBUTIONS

6.1. Member's Initial Capital Contribution. The Member contributed capital to the Company in the amount of $50,000.

6.2. Subsequent Contributions. The Member shall not be obligated to make any additional capital contributions other than those set listed on Exhibit A. No promise by the Member to contribute to the Company is enforceable

unless it is set out in writing signed by the Member.

6.3. Loans by Member. The Member may, but is not obligated to, loan to the Company such sums as the Member determines to be appropriate for the conduct of the Company's business. Any such loans shall accrue interest at a reasonable rate and shall be on such terms as the Member may agree.

ARTICLE VII. ALLOCATIONS AND DISTRIBUTIONS

7.1. Allocations of Profits and Losses. For financial and accounting purposes the net profits and net losses of the Company shall be determined on an annual basis and allocated to the Member after all debts and obligations of the Company are repaid.

7.2. Distributions. The Member shall determine and distribute periodically the available funds of the Company. Distributions to the Member shall be at such time or times, as shall be determined in the Members sole discretion.

7.3. Limitation upon Distributions.

(a) No distribution or return of capital contributions may be made and paid if, after the distribution or return of a capital contribution, either:

(1) the Company would be insolvent; or

(2) the net assets of the Company would be less than zero; or

(3) outstanding Company loans, debts, or other financial obligations left unpaid would subject the Company to legal action by the debt holder.

(b) the Member may base a determination that a distribution or return of a capital contribution may be made under Section 7.3(a) in good faith reliance upon a balance sheet and profit and loss statement of the Company represented to be correct by the person having charge of its books of account or certified by an independent public or certified public accountant or firm of accountants to fairly reflect the financial condition of the Company.

ARTICLE VIII. DISSOLUTION AND LIQUIDATION

8.1. Events Causing Dissolution.

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

(1) upon the written agreement of the Member;

(2) upon the death, retirement, resignation, or court declaration of incompetence of the Member;

(3) upon the bankruptcy or dissolution of the Member;

(4) upon the occurrence of any other event where the Company ceases to have a members; or

(5) upon the entry of a decree of judicial dissolution under the Colorado Limited-Liability Company Act.

(b) If a Member who is an individual dies or a court of competent jurisdiction adjudges the individual to be incompetent to manage their person or property, the Member's legal representative may exercise all of the Member's rights for the purpose of settling the individual's estate or administering the property.

8.2. Winding Up, Liquidation and Distribution of Assets.

(a) If the Company is dissolved and its affairs are to be wound up, the Member (or *[his/her]* legal representative) is directed to:

(1) collect its assets;

(2) dispose of its properties that will not be distributed in kind to its members;

(3) discharge of make provision for discharging its liabilities; and

(4) distribute any remaining property among the members.

(b) Upon completion of the winding up, liquidation and distribution of the assets, the Company shall be deemed terminated.

8.3. Statement of Dissolution. Upon the occurrence of an event of dissolution a statement of dissolution for the Company shall be filed with the Colorado Secretary of State.

8.4. Effect of Filing of Statement of Dissolution. Upon the filing of a statement of dissolution with the Colorado Secretary of State, the dissolved Company shall continue to exist as a limited-liability company, but shall not carry on any business except as is appropriate to wind up and liquidate its business and affairs as provided in the Colorado Limited-Liability Company Act. The Member (or his legal representative) shall have authority to distribute any Company property discovered after dissolution, convey real estate and take such other action as may be necessary on behalf of and in the name of the Company.

ARTICLE IX. MISCELLANEOUS PROVISIONS

9.1. Choice of Law. This Operating Agreement, and its interpretation, shall be governed exclusively by the laws of the State of Colorado.

9.2. Amendments. This Operating Agreement may not be amended except in writing signed by the Member.

9.3. Headings. The headings in this Operating Agreement are inserted for convenience only and are in no way intended to describe, interpret, define, or limit the scope, extent or intent of this Operating Agreement or any provision hereof.

9.4. Severability. If any provision of this Operating Agreement shall be determined to be invalid, illegal or unenforceable, the remainder of this Operating Agreement shall be enforceable to the fullest extent permitted by law.

9.5. Heirs, Successors and Assigns. The terms, provisions and agreements herein shall be binding upon and inure to the benefit of the signatories and their heirs, legal representatives, successors and assigns.

IN WITNESS WHEREOF, the member has executed this Operating Agreement of KIND CASTLE COLORADO LLC on the day and year first above written.

By: _____

John Oliver Dyet, Sole Member
KIND CASTLE COLORADO LLC

LEASE AGREEMENT

THIS LEASE AGREEMENT (hereinafter "Lease") is made and entered into this 7th day of January, 2020, by and between River Frontage Silt LLC, (hereinafter "Landlord") whose address is P.O. BOX 2507, Glenwood Springs, Colorado 81602 and Silt Castle LLC (hereinafter "Tenant") whose address is TBD River Frontage Road, Silt, CO 81652 (15.2 acre parcel - see Exhibit A for legal description).

WITNESSETH

1. LEASED PREMISES. In consideration of the mutual covenants and agreements set forth herein, Landlord does hereby lease to Tenant and Tenant does hereby lease from the Landlord, the property known and numbered as is TBD River Frontage Road located in Silt, Colorado under the following terms and conditions (the "Leased Premises").

2. TERM. The term of this Lease shall be for a period of 60 months, to commence on January 7th, 2020, and to end on January 6th, 2025.

A. Option to Renew: Tenant shall have the right to extend the term of this Lease for two (2) successive periods of sixty (60) months provided:

(1) No default by Tenant is existing or continuing in the performance of any of the terms of this Lease at the time of the exercise by Tenant of option to extend the term;

(2) The extended term shall be on the same terms, covenants and conditions as provided in this Lease, and;

(3) Tenant shall have exercised Tenant's right to extend the term by giving written notice of Tenant's exercise of such right at least thirty (30) days prior to the date the present term of this Lease Agreement terminates.

3. GROSS RENT. Tenant shall pay to the Landlord, as rent for the Leased Premises, payable to River Frontage Silt LLC, in advance without demand and without deduction, the total sum of five hundred ten thousand and No/100 dollars ($510,000.00) in equal monthly installments in the amount of $8,500.00 per month all inclusive. Tenant shall make payment to Landlord at lease execution for the first month's rent prorated (due starting January 7th 2020) and security deposit (equal to one month's rent amount). Tenant shall take legal and physical possession, and Landlord shall allow Tenant access, to the Leased Premises upon execution of this Lease Agreement.

4. ADDITIONAL RENT.

A. If said monthly payments are not paid on or before the Tenth (10th) day of each month, Tenant shall pay a late charge of three percent (3%) of the outstanding balance in addition to the monthly payment provided herein.

B. In the event all or part of the combined rent as described in this Lease is delinquent beyond the 30th day of the month in which it is due, the delinquent amount (plus the related late payment additional rent) shall bear interest at the rate of one and one-half percent (1.5%) per month.

C. If Tenant's check is returned due to insufficient funds, Tenant will be charged a $50.00 returned check fee. In addition, if the returned check causes the rent to be paid after the tenth (10th) day of the month, Tenant will also be charged a late fee in accordance with Paragraph A above.

D. If Tenant's delinquency in rent payment requires issuance of a Three Day Notice to Quit, Tenant shall be charged $50.00 per issuance.

In order to be entitled to these payments, Landlord must give written notice to Tenant and Tenant must then be given Ten (10) days from receipt of such notice to cure.

5. TENANT DEFAULT CONSEQUENCES. In the event Tenant defaults, and fails to cure, on any of its obligations under the Lease, including the failure to pay rent when due, Tenant agrees to pay any and all costs of collection, including any court costs and reasonable attorney's fees. If Tenant shall abandon premises and default on this lease for a minimum period of thirty (30) days, Landlord shall provide written notice to Tenant via certified mail, and email, and ten (10) days following the time-stamp date of the mailed written notice to Tenant, Landlord shall have the following remedies:

A. Without cancelling the Lease, Landlord may re-enter and re-let the premises or any part thereof, in accordance with applicable law. Landlord will use diligence to find a new tenant and will not unreasonably withhold its consent of any proposed new tenant. Parties agree that acceptance of a new tenant does not operate as a cancellation of this lease nor does it release Tenant's obligations under this lease.

B. Landlord may cancel this lease and all rights of Tenant under the lease in which event all payments and all other obligations under this lease up to the date of cancellation shall be paid and performed by Tenant. Parties shall be entitled to damages at law for breach of this Lease.

C. Parties shall also have all rights and remedies provided by law.

In the event of default by either party, the prevailing party shall be due any court costs and attorney fees expended in any suit against the other in regards to this Lease.

6. SECURITY DEPOSIT. Upon Tenant's signing of this Lease, Tenant shall deliver to Landlord the Security Deposit in the amount of one month's rent, to be held by Landlord without interest as security for the performance by Tenant of Tenant's covenants and obligations under this Lease, it

being expressly understood that such deposit is not an advance payment of rental or a measure of Landlord's damages in case of default by Tenant. If any time during the term of this Lease any of the rental herein reserved shall be overdue and unpaid, or any other sum payable by Tenant to Landlord hereunder shall be overdue and unpaid, then Landlord may at the option of Landlord (but Landlord shall not be required to) appropriate and apply any portion of the Security Deposit to the payment of any such overdue rental or other sum. In the event of the failure of Tenant to keep and perform any of the terms, covenants and conditions of this Lease to be kept and performed by Tenant, then Landlord at its option may appropriate and apply the Security Deposit, or so much thereof as may be necessary, to compensate Landlord for loss or damage sustained or suffered by Landlord due to such breach on the part of Tenant. Should the Security Deposit or any portion thereof be appropriated and applied by Landlord for the payment of overdue rental or other sums due and payable to Landlord by Tenant hereunder, or for a breach on the part of Tenant, the Tenant shall, within five days after the written demand of Landlord, forthwith remit to Landlord a sufficient amount in cash to restore the Security Deposit to the original sum deposited. Landlord shall have the right to commingle the Security Deposit with other funds of Landlord. Subject to Tenant compliance with all of the terms, conditions and covenants of this Lease and the payment of all amounts due, and all other sums payable by Tenant to Landlord hereunder, the Security Deposit shall be returned to tenant in full within thirty (30) days after the expiration or termination of this Lease. No last month's rent is held for this lease.

7. TENANT / LANDLORD - UTILITIES, USE AND CARE OF LEASED PREMISES

A. Tenant shall utilize the Leased Premises as a commercial retail establishment(s), as permitted by state and local laws. Landlord consents to Tenant's use of the Leased Premises for any retail use, to be determined in Tenant's sole discretion, including the retail sale of marijuana, in accordance with applicable state and local laws. Landlord shall provide any information and execute any documentation that may be required or requested by any state or local authorities including, but not limited to, information and documentation regarding: (i) Tenant or any subtenant's possession of the premises; (ii) Landlord's consent to the use thereof; (iii) any form of affidavit(s) to be executed and/or re-executed by the property owner(s), as may be requested by Tenant; and (iv) obtaining any applicable license(s) and permit(s) ("Government Approvals") necessary for Tenant or any subtenants to conduct a retail establishment, including a licensed retail marijuana business.

B. Tenant will not use, occupy, or permit the Leased Premises or any part thereof for purposes deemed to be hazardous. In the event of any seizure of any property belonging to the owner of the property or the Landlord, Tenant shall be responsible to reimburse the property owner or landlord the fair market value thereof. In addition, in the event of any civil or criminal enforcement action, including but not limited to civil forfeiture actions, by law enforcement, prosecution or other lawful authority, the Tenant agrees to defend, indemnify and hold harmless the other and the property owner. Parties shall not perform any act or carry on any practices which may injure the Building of which the Leased Premises form a part or disturb or be a nuisance to or endanger customers of the Building.

C. Tenant shall not do or permit anything to be done in or about the Leased Premises or bring or keep anything therein which will in any way increase the rate of fire insurance

upon the Building wherein the Leased Premises are situated. Tenant shall, at its sole cost and expense, comply with any and all requirements of any insurance company necessary for the maintenance of reasonable fire and public liability insurance covering the Building and/or the Leased Premises. Tenant shall promptly comply with all laws, rules, ordinances, orders, directions, regulations and requirements of state, county and municipal authorities now in force or which may hereafter be in force, which shall impose any duty upon Landlord or Tenant with respect to the use, occupation, cleanliness, safety or alteration of the Leased Premises, including the installation of such additional facilities as may be required for the conduct and continuance of Tenant's business on the Leased Premises, all at Tenant's sole cost and expense. No fire, auction, going out of business or bankruptcy sales may be conducted on the Leased Premises without Landlord's prior written consent.

D. Tenant shall at all times and at its expense keep the Leased Premises in a good, safe, and clean condition, and in fair judgment relatively free from dirt, rubbish, snow, ice, obstructions, and unsightly or hazardous conditions. Tenant shall not use any electrical equipment, which, in the Landlord's reasonable opinion, will overload the wiring installations or interfere with the reasonable use thereof by the Landlord.

E. Utilities and Services – Tenant. Tenant shall apply for and pay monthly costs for electricity (lights and air conditioning unit), trash removal, and any telephone, television, or communication or security service or any other service required for its business operation.

F. Utilities And Services – Landlord. Landlord shall pay property tax, property insurance, and water/sewer charges. Landlord shall be responsible for the sprinkler system repair/maintenance and start up and shut down.

8. SURRENDER. Unless Tenant elects to renew this Lease, Tenant agrees to and shall, on expiration or sooner termination of this Lease or any extended term hereof, promptly surrender and deliver the Leased premises to the Landlord without demand thereof and in good condition, except for ordinary wear and tear.

Unless Tenant elects to renew this Lease, Landlord shall have the right to show the Leased Premises during the ninety (90) day period prior to Term expiration or ten (10) days after notice to vacate is received, whichever occurs first, subject to applicable law. Tenant shall not remove any of its property from the Leased Premises upon termination of the Lease without prior written approval of The Landlord, except during Landlord's normal working hours, in accordance with applicable law. In the event Landlord consents to Tenant's removal of personal property of the Tenant's, before or after normal business hours, any expenses incurred by Landlord as a result thereof, including but not limited to expenses for personnel, security, utilities, and the like, shall be paid by the Tenant. Landlord agrees and understands this Lease is contingent upon any subtenant obtaining acceptable license(s) from the State of Colorado and the local licensing authority to conduct the type of business specified in the sublease agreement. At the written request of Tenant, this lease is null and void in the event valid aforementioned retail business licenses and permits are not obtained and possessed by Tenant's subtenant(s) for the Leased Premises, or the federal government's enforcement priorities change, all at the sole option of the Tenant, effective thirty (30) days after providing written notice to Landlord.

9. NOTICES. Wherever any notice is required or permitted hereunder, such notice shall be in writing, directed to the respective parties at their addresses as listed herein below, or to such other address as Landlord or Tenant may hereafter specify by written notice to the other.

LANDLORD: RIVER FRONTAGE SILT LLC
P.O. BOX 2507
GLENWOOD SPRINGS, CO 81602

TENANT: SILT CASTLE LLC
PO Box 687
Glenwood Springs, CO 81602

cc: Trevor McGarvey
1888 Sherman Street, suite 200
Denver, CO 80203
thmcgarveyattorney@gmail.com

10. REPAIRS, MAINTENANCE, ALTERATIONS AND IMPROVEMENTS

A. **Landlord's Covenants.** Landlord shall keep in good order, condition and repair, the foundation, structure, sidewalks, exterior walls and windows (except the interior faces thereof and the interior of all windows and doors within the Leased Premises), downspouts, gutters and roof of the Building. The Landlord shall also maintain the building's mechanical systems including heating, air conditioning, plumbing, and facilities outside the Leased Premises and outside other leasable spaces in the Building. The Landlord shall not be required to make any repairs occasioned by the negligence or willful acts of Tenant, its agents, employees, contractors, licensees, invitees or customers, which repairs shall be made by Tenant. Landlord shall make necessary repairs within a reasonable period of time after receipt of written notice from Tenant as to the need thereof. Landlord also agrees to maintain in a good and attractive condition the common exterior walls, roof, grass and sidewalk in the summer, grass sprinkler system maintenance, alley clean up, and to remove ice and snow from alley and roof as necessary. Provided, that if such maintenance is necessitated by the negligence or willful act of Tenant or such tenant's agents, employees, contractors, licensees, invitees or customers, such maintenance shall be performed by the responsible tenant at its cost.

B. **Tenant's Covenants.** Throughout the entire term of this Lease, Tenant agrees to keep and maintain the Leased Premises and each and every aspect thereof, including without limitation non-structural elements, including interior walls, floors, ceilings, utility systems and components, glass, windows, doors, fixtures, leasehold

improvements and equipment, in a clean, safe and attractive condition and in good working order and repair, at Tenant's sole cost and expense. Tenant agrees that any repairs or replacements to or of properties of any kind within or upon the Leased Premises shall be at least equal in quality to the original properties repaired or replaced. Upon the expiration or other termination of this Lease, Tenant shall deliver up the Leased Premises to Landlord in good order and condition as received, plus wear and tear from the reasonable and expected use thereof excepted.

11. TENANT ALTERATIONS, IMPROVEMENTS OR ADDITIONS. Tenant may make necessary alterations, improvements, and/or additions to the Leased Premises or the exterior of the Building or the surrounding property with Landlord's written consent, such consent shall not be unreasonably withheld, conditioned or delayed by the Landlord. All approved changes shall be accomplished by Tenant in a good and workmanlike manner, in compliance with all applicable governmental requirements, and at Tenant's sole cost and expense.

12. LANDLORD NOT LIABLE FOR DAMAGES. Landlord shall not be liable to Tenant or to any other person whatsoever for any damages arising from the breakage, leakage, overrunning, obstruction, interruption, failure or discontinuance of all or any part of any utility or utility system in or about the Leased Premises or the Building, or from water being upon or coming through the roof or vents, due to causes other than the gross negligence or willful misconduct of Landlord, nor for any damages arising from any acts or neglect of co-tenants or other occupants of the Building or of adjacent property, or the public. As used herein, the term "damages" shall include lost profits.

13. ACCESS TO PREMISES. Landlord shall have the right to enter upon the Leased Premises, with reasonable advance notice to Tenant, to inspect the same, to make repairs, additions or alterations to the Leased Premises and/or the adjoining premises or the Building, and for any other lawful purpose, in accordance with applicable law. Landlord shall put forth sufficient effort to arrange for Tenant to be present at all times Landlord desires to enter upon the premises. Landlord agrees to never allow any person or party into the Leased Premises, unless supervised at all times and provided Tenant has agreed in writing (email shall suffice) to allow any such person or party access to the Leased Premises. For a period commencing ninety (90) days prior to the end of the Lease term, unless Tenant elects to renew this Lease, Landlord may have reasonable access to the Leased Premises for the purpose of exhibiting the same to prospective tenants and to post "For Lease" signs upon the Leased Premises, in accordance with applicable law.

14. ASSIGNMENT AND SUBLETTING. Tenant may assign or transfer this Lease, or sublet the Leased Premises or any part thereof, or grant any license, concession or other right to occupy any portion of the Leased Premises without prior written notice to Landlord. No prior written consent from Landlord to assign or sublet is required. In the event Tenant, at its sole discretion and option, requests any such consent from Landlord, such consent shall not be unreasonably withheld by the Landlord.

15. DAMAGE OR DESTRUCTION. In case the Leased Premises shall be partially or totally destroyed by fire or other casualty insured under the Landlord's fire and extended coverage risk insurance, the same shall be repaired as speedily as possible at the expense of Landlord, unless Landlord shall elect not to rebuild as hereinafter provided.

A. If fifty percent (50%) or more of the Building shall be damaged or destroyed, or if the Building is damaged or destroyed to the extent of at least thirty three and one third percent (33⅓%) of the replacement cost thereof, or in the event the Leased Premises shall be partially or totally destroyed by a cause or casualty other than those covered by Landlord's fire and extended coverage risk insurance, then in any such event, Landlord may, if it so elects, rebuild or put the Building in good condition and fit for occupancy within a reasonable time after such destruction or damage, or may within sixty (60) days after such occurrence give Tenant notice in writing terminating this Lease as of the date of such occurrence. If Landlord elects to repair or rebuild the Building, it shall, within sixty (60) days after such occurrence, give Tenant notice of its intention to repair and then proceed with reasonable speed to make such repairs. Unless Landlord elects to terminate this Lease, this Lease shall remain in full force and effect, and rentals shall continue to be paid as provided in Article 3 of this Lease, except as otherwise provided in this Lease.

B. Tenant agrees that during any period of reconstruction or repair of the Leased Premises or the Building it will continue the operation of its business within the Leased Premises to the extent reasonably possible. During the period from the occurrence of the casualty until Landlord's repairs are completed, the fixed minimum rental and other charges and additional rental shall be reduced to such extent as may be fair and reasonable under the circumstances. Finally, in no event shall Tenant be entitled to any rent abatement if the fire or other casualty shall be the result of carelessness or negligence of Tenant or Tenant's agents, officers, directors, employees, or licensees. In such case, Tenant's liability for the payment of rent and the performance of its other Lease obligations shall continue and Tenant shall be liable to Landlord for all damage and loss suffered by Landlord in connection therewith.

C. Landlord agrees that if the Leased Premises are so damaged by a cause other than the carelessness or negligence of the Tenant to be unusable by Tenant or any subtenant for its intended purposes, and if the Leased Premises cannot be restored to a usable condition within sixty (60) days following the date the damage occurred, then Tenant shall have the right to terminate the Lease by giving written notice to Landlord effective as of the date of the occurrence. If Landlord and Tenant cannot agree as to whether restoration can be accomplished within said sixty (60) day period, then they shall select an independent local contractor to make the determination, which determination shall be binding on the parties. Tenant's notice of termination must be given within ten (10) days following the mutual determination by Landlord and Tenant or the termination by the independent contractor, as the case may be. If Tenant does not give timely notice of termination, then Tenant shall be deemed to have waived its right to terminate the Lease under this provision.

16. LANDLORD HAS NO PARTICIPATION. Tenant and Landlord specifically agree and acknowledge that Landlord has no participation, express or implied, in any marijuana related

operations of the Tenant or Tenant subtenant(s), nor any interest in the business or equipment of Tenant or any subtenant.

17. SIGNAGE. Any sign or door lettering is to be designed, produced and installed by Tenant (or Tenant's agent), at the sole expense and discretion of Tenant. All exterior signs must be consistent with any local laws or ordinances governing such signs or lettering.

18. GOVERNING LAW AND JURISDICTION. The laws of the State of Colorado shall govern the interpretation, validity, performance and enforcement of this Lease. Tenant understands and agrees that the State courts located in the State of Colorado shall have subject matter jurisdiction to entertain any action brought to enforce this Lease and, by execution hereof, voluntarily submits to the personal jurisdiction of such courts.

19. INSURANCE. Tenant and/or any subtenants of Tenant may carry, at its sole option and expense, any and all desired insurance, insuring Tenant's or any subtenant's interests in its improvements, personal effects, and other property owned, Leased, held, or possessed by Tenant and/or any subtenant and contained therein.

20. ENTIRE AGREEMENT. This agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors, and assigns when permitted by this agreement. This agreement shall be construed under and in accordance with the laws of the State of Colorado. This agreement constitutes the sole and only agreement of the parties thereto and supersedes any prior understanding or written or oral agreements between the parties respecting the subject matter within it. There are no other agreements other than those which are specifically expressed in this agreement. This Lease cannot be modified or amended in any way except through a written amendment signed by the parties hereto. No oral agreements or amendments are binding unless reduced to writing.

21. INDEMNITY. The Tenant shall indemnify and hold harmless the Landlord against all expenses, liabilities, and claim of every kind, including reasonable attorney's fees, by or on behalf of any person or entity arising out of:

A. Any injury, damage, wrongful death, property damage, or related claims happening on or about the lease premises;

B. Any mechanic's lien or security interest filed against the Leased Premises for alteration, fixtures, or improvement thereon, or for any other reason arising out of work done by or on behalf of the Tenant;

C. Any failure by Tenant to perform any of the terms and conditions of this lease.

22. MISCELLANEOUS. Tenant may, at its sole option and expense, perform updates to the premises including but not limited to the following:

- Replacements/establishment of business signs, provided signs meet the Town's Signage Code.
- Upgrade windows and add privacy tint, as deemed necessary by Tenant.

- Install additional lighting, as deemed necessary by Tenant.
- Replace the front door and locks.
- Paint the business suite.
- Install security system, cameras, and such devices.
- Stone masonry
- Install flags on/around the property
- Landscape upgrades
- Various remodeling

Landlord agrees that no other party shall hold any key whatsoever, or be granted access, to the Tenant's premises, unless put in writing and signed by Tenant.

23. LEASE CONTINGENT ON MED AND LLA APPROVAL. The Parties hereto acknowledge and agree that the terms of this Lease are subject to the approval of the Colorado Department of Revenue's Marijuana Enforcement Division ("MED") and the applicable Local Licensing Authority (LLA), Town of Silt, and the parties agree to negotiate in good faith to conform with any guidance provided by the MED and LLA relating to this Lease. In the event the Parties cannot reach an agreement within one hundred and eighty (180) days of notice by the MED or LLA that the Lease must be reformed, either Party may terminate this Lease and the Parties shall have no further obligation to the other hereunder.

24. JURY TRIAL WAIVER. LANDLORD AND TENANT WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER OF THE PARTIES HERETO AGAINST THE OTHER OR THEIR SUCCESSORS IN RESPECT OF ANY MATTER ARISING OUT OF OR IN CONNECTION WITH THIS LEASE, THE RELATIONSHIP OF THE PARTIES, THE PARTIES' USE OR OCCUPANCY OF THE PREMISES, AND/OR ANY CLAIM FOR INJURY OR DAMAGE, OR ANY EMERGENCY OR STATUTORY REMEDY.

In Witness Whereof, the undersigned Landlord and Tenant hereto execute this agreement on the date first above written.

LANDLORD	TENANT
Manager	Member

The KIND Castle
Retail Marijuana Stores

Retail Marijuana Store Plan Summary

The Applicant's premises will meet and exceed the security requirements set forth by the State and Town. This Plan Summary will detail extensive security measurements such as secure doors/locks, alarm system equipment/services, video surveillance, and various other measures of security enhancements and safety procedures specified herein. There are no anti-personnel devices that impede entry to the premise by emergency responders. The business sells retail recreational marijuana, marijuana extracts, marijuana-infused products, pipes, apparel, and various related miscellaneous merchandise, and provides related customer service, but the business does not propose to engage in the production of retail sale of food or other products for human ingestion, and no products or services will be provided at a location different than the address on the license application. There are no toxic, flammable, or other such regulated materials on site other than lighters and lighter fluid which are sold at the sales counters as indicated on the Floor Plan.

Security Alarm Systems

The Applicant's premises will install and maintain a security alarm system, provided by a reputable alarm system installation company. The entire premises will hold a total of two (2) separate alarm system units, one (1) alarm system exclusively dedicated to the Product Storage and Safe Room. Each alarm system and respective suite area of coverage will have its own alarm keypad and unique access code, in addition to accompanying support services from the alarm system provider including motion detection sensors. All perimeter entry points and windows will be covered by the alarms systems.

The Applicant's alarm system records and existing contracts will be kept current and located within the business premises. The name and contact information of the alarm system installation company will be kept available on-site at the business. The Applicant will also maintain records of the location and respective operation of each security alarm system.

Security Monitoring Services

The Applicant will fulfill the requirement by engaging in the services of a monitoring company. The monitoring company will monitor the alarm systems of the premises 24 hours a day, 7 days a week. The monitoring company will notify the Applicant and the local authorities of any identified security breach.

The Applicant's monitoring service records and existing contracts will be kept current and located in the business premises. The name and contact information of the monitoring company will be kept available on-site at the business.

Locking Mechanisms

At all points of ingress and egress at the Applicant's premises, the Applicant will use commercial-grade door locks and locking mechanisms.

Video Camera Surveillance

The Applicant will maintain video surveillance systems at the licensed premises at all times. The internal video surveillance will broadly monitor and record all entrances and exits to/from the premises, including, but not limited to, all windows, the lobby area, limited/restricted access areas, ID checkpoints, product storage and preparation room, and all points of sale. The external video surveillance will monitor and record the front and rear areas of the premises including all entrances/exits, areas surrounding the front/rear of the establishment, and the rear alley driveway.

The following summary of guidelines for the Applicant's video surveillance requirements will be applicable:

Before operating as a Retail Marijuana Store, the Applicant will install a high-specification, full color video surveillance and camera recording system. The video surveillance recording system will record in digital format and meet the

requirements specified in the Retail Code. All video surveillance records and recordings will be stored in a secure area that is only accessible to the Applicant's management staff member(s). Video surveillance equipment will, at a minimum, consist of digital or network video recorders, video monitors, digital archiving devices, a color printer capable of delivering still photos, and cameras capable of meeting the recording requirements described in the Retail Code including, but not limited to, clearly identifying all individuals entering and exiting the Applicant's premises.

The video surveillance systems will be equipped with a failure notification system that provides prompt notification to the Applicant of any prolonged surveillance interruption and/or the complete failure of the surveillance system. The Applicant will ensure that all surveillance equipment is properly functioning and maintained, so that the playback quality is suitable for viewing and the surveillance equipment is capturing the identity of all individuals and activities in the monitored areas. In addition, all video surveillance equipment will have sufficient battery backup to support a minimum of four hours of recording in the event of a power outage and the Applicant will notify the Division of any loss of video surveillance capabilities that extend beyond four hours.

The video cameras will cover all Limited/Restricted Access Areas, point-of-sale areas, security rooms, all points of ingress and egress to Limited Access Areas, all areas where Retail Marijuana or Retail Marijuana Product is displayed for sale, and all points of ingress and egress to the exterior of the Licensed Premises. Camera placement will be capable of identifying activity occurring within 20 feet of all points of ingress and egress and will allow for the clear and certain identification of any individual and activities on the Licensed Premises. At each point-of-sale location, camera coverage will enable recording of the customer(s) and employee(s) facial features with sufficient clarity to determine identity. All entrances and exits to the facility will be recorded from both indoor and outdoor vantage points. The system will be capable of recording all pre-determined surveillance areas in any lighting conditions. Areas where Retail Marijuana is stored will have camera placement in the room facing the primary entry door at a height which will provide a clear unobstructed view of activity without sight blockage from lighting hoods, fixtures, or other equipment. Cameras will also be placed at each location where weighing, packaging, transport preparation, processing, or tagging activities occur. At least one camera will be dedicated to record the access points to the secured surveillance recording area.

The surveillance room or surveillance area will be a Limited Access Area. Surveillance recording equipment will be housed in a designated, locked, and secured room with access limited to authorized employees, agents of the Division and relevant local jurisdiction, state or local law enforcement agencies. The Applicant will keep a current list of all authorized employees and service personnel who have access to the surveillance system and/or room on the Licensed Premises and also keep a surveillance equipment maintenance activity log on the Licensed Premises to record all service activity including the identity of the individual(s) performing the service, the service date and time and the reason for service to the surveillance system. Off-site Monitoring and video recording storage of the Applicant's Premises by the Applicant or an independent third-party will be performed provided the standards exercised at the remote location meet or exceed all standards for on-site Monitoring.

Video Recording/Retention Requirements

All camera views of all Limited/Restricted Access Areas will be continuously recorded 24 hours a day. The use of motion detection will only be used when the Applicant can demonstrate that monitored activities are adequately recorded. All surveillance recordings will be kept for a minimum of 40 days and be in a format that can be easily accessed for viewing. Video recordings will be archived in a format that ensures authentication of the recording as legitimately-captured video and guarantees that no alteration of the recorded image has taken place. The Applicant's surveillance system/equipment will have the capabilities to produce a color still photograph from any camera image, live or recorded, of the Licensed Premises. The date and time will be embedded on all surveillance recordings without significantly obscuring the picture.

Other Records

All records applicable to the surveillance system will be maintained on the Licensed Premises. The Applicant will maintain a map of the camera locations, direction of coverage, camera numbers, surveillance equipment maintenance activity log, user authorization list, and operating instructions for the surveillance equipment. A chronological point-of-sale transaction log will be made available to be used in conjunction with recorded video of those transactions.

In compliance with state and Town regulations and in the interest of providing a safe and secure environment for our employees, our products, and our establishment, the premises will be equipped with state of the art security equipment. The Applicant has also established strict policies and procedures, which, under the direction of an on-staff expert of

the Colorado Retail Marijuana Code will guide our employees in all areas of dispensing retail marijuana with strict compliance. The security system will be monitored by an extensive camera operation both inside and outside the establishment.

Applicant's Facility Security Plan includes procedures such as:

- Building and Site Security Measures
- Security of Products
- Employee Parking Safety Precautions
- 24/7 Coverage
- Security Systems
- Maintenance of Security Systems
- Access Control / Ingress & Egress
- Perimeter Security

Applicant's Operational Security Plan shall include:

- Transactional Security
- Security Threats & Contingency Planning
- Security of Product Delivery
- Product Inventory Control
- Human Resource Procedures
- Employee Security Training
- Emergency Response Plan
- Visitor Procedures
- Neighborhood Involvement

The guidelines below shall define the security measures of the building, which includes access control hardware, intrusion detection, surveillance, and, at the main entrance at various times, security and/or management personnel for control and screening. All employees and approved contractors will enter through the front door of the building. Access in the building will be through the use of electronic access control mechanisms. This type of entrance prevents unauthorized access. Cameras will monitor and log all persons entering/exiting the facility.

Layer 1 - Entry Procedure:

- All employees will be badged and documented by the state of Colorado;
- Employees will use access credentials only to open the secure door;
- Each employee must open the door with his/her credentials, and only one employee may pass through the door at any given time;
- Vetted and registered guests may only enter the facility under the constant supervision of an employee after they have been photo ID verified, logged in, and issued a temporary ID;
- In the instance that two or more unique visitors arrive at the same time, they will be instructed via intercom to enter the foyer one at a time for processing; and
- All deliveries must be verified and logged in at the front entrance prior to receiving access to the loading areas.

Layer 2 - Entry Foyer:

- Be equipped with a secured lobby with hardened door to separate the public entry from the secure areas;
- Be equipped with a duress alarm;
- Have a log in sheet stating name, date, time, and reason for entry to the security room for legitimate purposes with the entry being witnessed by a security camera;
- Be locked at all times, even during business hours;

- Be equipped with "daytime annunciating" entry/exit doors;
- Have all activity in this area visible on CCTV and monitored by the security office;
- Have motion detectors located inside; and
- Have high security contacts on all doors.

Layer 3 - Entrance into the Office Area

The third layer of control will be to segregate with doors and hardware the generally accessible public area (reception area) to the staff-only areas. Additionally, staff-only areas will also have highly restricted access.
Staff Morning Procedures:

- Office staff will be restricted electronically to only the office areas;
- Office staff will wear photo ID badges at all times;
- General office doors will not use key card access control;
- Dispensary staff will wear photo ID badges at all times;
- Dispensary staff will continue to limited and restricted access areas;

The Office Area Will:

- Be equipped with motion sensors;
- Be segregated by a hardened door with an electronic lock;
- Be accessible to all levels of office employees;
- Be equipped with hardwired and wireless emergency police call devices;
- Have video cameras monitoring all doors (exit and entrance) and doors accessing limited and restricted access areas where marijuana is for sale or stored;
- Include the security office that will remain locked and will not be used for any other function; and
- Have limited access to security, surveillance, and access control systems areas

Layer 4 - Access, Shipping and Receiving

Moving throughout the facility will be restricted even among staff. Employees will only be permitted in areas where they have specific tasks assigned. Employees will be given electronic access cards permitting entry to specific location(s) at specific time(s). Only the minimum number of staff required to perform assigned tasks will be permitted in the restricted access areas.

Staff Restrictions:

- Any picture or video recording on the premises is strictly prohibited;
- Having an access-controlled door leading from the limited access areas to the restricted areas;
- Allowing access only by assigned access credentials provided to workers as they are assigned tasks in specific areas;
- Granting and monitoring access by access credentials to the minimum number of authorized personnel needed (whether production personnel or laboratory employees) in secured areas where marijuana is kept;
- A clear schedule of who should be in what room, at what time, that will be monitored both visually and electronically by the facility manager and/or director of security;

Receiving Area Will:

- Have all doors controlled electronically;
- Be on a "time lock" to only be accessible during regular business hours;
- Have all doors remain closed and locked when not in use; and
- Have all working areas equipped with CCTV surveillance.

Layer 5 - Secure Safe Room

- Highly secure safe for all finished product with locking day gate;
- Must be opened by the manager or two employees with two unique codes simultaneously;

- Will be on a "time lock" to only be accessible during regular business hours;
- Inventory will be performed and documented at the close of each day on the contents of the safe room;
- Keep all equipment, safe(s), and any areas used for the storage of marijuana, securely locked unless in use;
- All lighting and security devices within the safe will be on emergency power; and
- Entrance doors to the safe will be monitored by CCTV.

General Security Guidelines

- Background checks for current/new employees, particularly if the employee is to be accessing restricted areas;
- Request employees to watch for suspicious activities and ask persons they don't recognize to identify themselves and state their reasons for being at the facility;
- Adopt a security whistleblower protection policy;
- Retrieve keys and employment identification cards from an employee and change computer access passwords when their employment ends;
- Arrange for a 24-hour security service when there are unusual or extraordinary challenges to security;
- Keep all access system credentials, access codes, access cards, passwords, etc., secure and accessible only to specifically authorized personnel;
- Arrange for prompt and safe disposal of materials;
- All employees will be trained on emergency procedures;
- Post emergency response numbers, including fire, law enforcement, and executive team in several locations in the facility; and
- Quarterly security reviews with the Director of Security (and security staff) as it is their responsibility to constantly review and make recommendations for improvement to the Applicant's Security Policy and Procedure Manual with all recommended changes being reviewed and approved by the members prior to implementation.

Summary of Restricted and Limited Access Areas

Limited Access Areas

"Limited Access Area" means a building, room, or other contiguous area upon the Licensed Premises where Retail Marijuana is grown, cultivated, stored, weighed, packaged, sold, or processed for sale, under control of the Licensee. All persons in a Limited Access Area will be required to hold and properly display a current license badge issued by the Division at all times. Proper display of the license badge will consist of wearing the badge in a plainly visible manner, at or above the waist, and with the photo of the Licensee visible. In addition, the business will be compliant with provisions from the Retail Code "Visitors in Limited Access Areas" and "Required Signage".

Point of Sale: Restricted Access Areas

"Restricted Access Area" means a designated and secure area within a Licensed Premises in a Retail Marijuana Store where Retail Marijuana and Retail Marijuana Product are sold, possessed for sale, and displayed for sale, and where no one under the age of 21 is permitted. Purchases Only Within Restricted Access Area. A customer must be physically present within the Restricted Access Area of the Retail Marijuana Store's Licensed Premises to purchase Retail Marijuana or Retail Marijuana Product. The purpose of this rule is to establish that a Retail Marijuana Store must control and safeguard access to certain areas where Retail Marijuana and Retail Marijuana Product will be sold to the general public and prevent the diversion of Retail Marijuana and Retail Marijuana Product to people under 21 years of age.

A. Identification of Restricted Access Area. All areas where Retail Marijuana or Retail Marijuana Product are sold, possessed for sale, displayed, or dispensed for sale will be identified as a Restricted Access Area and will be clearly identified by the posting of a sign which will be not less than 12 inches wide and 12 inches long, composed of letters not less than a half inch in height, which will state, "Restricted Access Area – No One Under 21 Years of Age Allowed."

B. Customers in Restricted Access Area. The Restricted Access Area must be supervised by a Licensee at all times when customers are present to ensure that only persons who are 21 years of age or older are permitted to enter. When allowing a customer access to a Restricted Access Area, Owners and Occupational Licensees will make

reasonable efforts to limit the number of customers in relation to the number of Owners or employees in the Restricted Access Area at any time.

C. Display of Retail Marijuana. The display of Retail Marijuana and Retail Marijuana Product for sale is allowed only in Restricted Access Areas. Any product displays that are readily accessible to the customer must be supervised by the Owner or Occupational Licensees at all times when customers are present.

Summary of Transportation Plan

No stops will be made when transporting marijuana. The transportation manager will ensure that all delivery times and routes are randomized, vehicles and equipment are in good working order, and personnel are appropriately trained. Prior to transport, a dispensary agent will weigh, inventory, and account for on video and in the inventory system all marijuana products. The dispensary agent responsible for packaging a delivery order will complete a shipping manifest in a form and manner dictated by state regulations, for retention by the origination location, carry a copy of the manifest with the products being transported, and obtain an original signature from the recipient. Each delivery vehicle will be equipped with two-way radio communication equipment. The transportation manager will ensure the system is operational and each dispensary agent who transports marijuana is trained appropriately on its use, according to our Transportation Plan and any applicable state and local regulations. Radio contact will be maintained throughout the delivery day.

The transportation manager will be responsible for reporting all transportation events. In case of an emergency stop or an accident, a detailed reporting in the transportation event log must be recorded describing the reason for the event, the duration, the location, and any activities of personnel exiting the vehicle. In accordance with state regulations, the Applicant will immediately report any loss or theft of marijuana or marijuana products to state regulators and local law enforcement.

Summary of Inventory Plan

The Applicant will utilize comprehensive seed-to-sale tracking of all inventory and will use METRC, a compliant software system designed specifically for the intricacies of the marijuana industry. This will have online systems for Point of Sale (POS) tracking, inventory, sales, grow management, and other components of the business. Using a comprehensive tracking system will allow for real time reporting and oversight, as well as preventing diversion by increasing accountability. Inventory control will be implemented to account for all products. Inventory levels will be based on projected demand and adjusted to anticipate future customer needs. Beginning inventories will be established based on demand projected in this business plan. The Inventory Manager, along with department managers, will be responsible for tracking marijuana and marijuana-related products. All damaged, defective, expired, or contaminated marijuana will await disposal.

The Inventory Manager will ensure that inventory management and point of sale systems are accurate and capable of producing the necessary reports upon request. The Inventory Manager will direct department managers to perform certified inventory counts on a regular basis utilizing a cycle count method. A cycle count requires the department manager to perform a complete count of the inventory over a period of time counting inventory groups individually. The Inventory Manager, in consultation with Mark Mayasich, the Chief of Operations, along with back-up support by Trevor McGarvey Attorney-at-Law, will verify adherence to law, procedures, and policies. Department managers are responsible for the accurate recording of all inventory transactions in their department. The Compliance Officer is responsible to ensure that our cumulative inventory of usable marijuana reflects the projected needs of customers. Inventory limits will be adjusted by the Compliance Officer to anticipate future customer needs.

Inventory Tracking Requirements

1. In addition to all other tracking requirements set forth in these rules, a Licensee will utilize MITS to ensure its waste materials are identified, weighed and tracked while on the Licensed Premises until disposed of.
2. All Retail Marijuana waste must be weighed before leaving any Retail Marijuana Establishment. A scale used to weigh Retail Marijuana waste prior to entry into the MITS system will be certified in accordance with measurement standards established in Article 14 of Title 35, C.R.S. See Rule R 309 – Retail Marijuana Establishments: Marijuana Inventory Tracking Solution (MITS).
3. A Licensee is required to maintain accurate and comprehensive records regarding waste material that accounts for, reconciles, and evidences all waste activity related to the disposal of Marijuana.

Compliance / Quality Assurance / Quality Control

Quality Assurance and Quality Control. The Applicant will establish and follow a strict quality assurance and quality control program to ensure sufficient monitoring of laboratory processes and quality of results reported.

Identification

The purpose of this rule is to establish guidelines for the acceptable forms of identification for verifying the lawful sale of Retail Marijuana or Retail Marijuana Product.

Acceptable Forms of Identification for Retail Sales

Valid Identification to Verify Age Only. A Licensee will refuse the sale of Retail Marijuana or Retail Marijuana Product to anyone, unless such person can produce a form of valid identification of 21 years of age. If the identification contains a picture and date of birth, the kind and type of identification deemed adequate will be limited to the following, so long as such identification is valid and not expired:

1. An operator's, chauffeur's or similar type driver's license, issued by any state within the United States, any U.S. Territory;
2. An identification card, issued by any state for the purpose of proof of age using requirements similar to those in sections 42-2-302 and 42-2- 303, C.R.S.;
3. A United States military identification card;
4. A passport; or
5. Enrollment card issued by the governing authority of a federally recognized Indian tribe located in the state of Colorado, if the enrollment card incorporates proof of age requirements similar to sections 42-2-302 and 42-2- 303, C.R.S.
6. See below for valid identification to verify Colorado residency.

Valid Identification to Verify Colorado Residency. A Licensee will refuse the sale of more than one quarter of an ounce of Retail Marijuana or its equivalent in Retail Marijuana Product to anyone, unless such person can produce a form of valid identification of Colorado residency. As long as it contains a picture and date of birth, the kind and type of identification deemed adequate to establish Colorado residency for purchase will be limited to the following:
1. Valid state of Colorado driver's license;
2. Valid state of Colorado identification card; or
3. Any other valid government-issued picture identification that demonstrates that the holder of the identification is a Colorado resident.
4. No combination of identification or documents may be used to establish residency.

Storage of Marijuana Products

The Applicant's storage area will be climate controlled and have adequate lighting, ventilation, temperature, humidity, space, and equipment. There will be a separate area for storage of marijuana that is outdated, damaged, deteriorated, mislabeled, contaminated, or whose containers or packing have been opened or breached, until such products are destroyed.

All storage areas will be maintained in a clean and orderly condition, be free from infestation of pests, and maintained in accordance with the security requirements of Colorado state law. All marijuana in the process of preparation, transport or analysis will be housed and stored in locked containers and only the minimum number of specifically authorized employees will have access. At the end of the day, all marijuana and infused products will be returned to a secure, locked, and designated area. All safes, vaults, and any other equipment areas used for the storage of marijuana and MIPs will be securely locked and protected from entry at all times except for the actual time required to remove or replace marijuana. Surveillance cameras will be pointed directly at these storage areas and the camera's field for view will not be obstructed.

Storage and transportation of finished products will be held under conditions that protect them against physical, chemical, and microbial contamination as well as against deterioration of them or their container. Marijuana will be stored in approved, secured, and surveyed areas and each will be labeled with a batch number throughout the process.

Storage and Display Limitations. The business will not display Retail Marijuana and Retail Marijuana Product outside of a designated Restricted Access Area or in a manner in which Retail Marijuana or Retail Marijuana Product can be seen from outside the Licensed Premises. Storage of Retail Marijuana and Retail Marijuana Product will otherwise be maintained in Limited Access Areas or Restricted Access Area.

Labeling / Packaging

The Applicant will comply with the State Licensing Authority's Retail Code to regulate and establish labeling and secure packaging requirements for Retail Marijuana, Retail Marijuana concentrates, and Retail Marijuana Product. The Applicant will ensure that all Retail Marijuana and Retail Marijuana Product are sold and delivered to lawful consumers in packaging that is not easily opened by children.

Waste Disposal

That waste is properly removed and the operating systems for waste disposal are maintained in an adequate manner so that they do not constitute a source of contamination in areas where Retail Marijuana or Retail Marijuana Product are exposed. That the Licensee provides adequate screening or other protection against the entry of pests. Rubbish will be disposed of so as to minimize the development of odor
and minimize the potential for the waste becoming an attractant, harborage, or breeding place for pests. A Retail Marijuana Testing Facility will properly dispose of all Samples it receives, that are not transferred to another Retail Marijuana Testing Facility, after all necessary tests have been conducted and any required period of storage.

A. All Applicable Laws Apply. Retail Marijuana and Retail Marijuana Product waste must be stored, secured, locked, and managed in accordance with all applicable federal, state, and local statutes, regulations, ordinances, or other requirements.
B. Liquid Waste. Liquid waste from Retail Marijuana Establishments will be disposed of in compliance with the applicable Water Quality Control Division statutes and regulations.
C. Hazardous Waste. Disposal of hazardous and chemical waste must be conducted in a manner consistent with federal, state and local laws.
D. Waste Must Be Made Unusable and Unrecognizable. Retail Marijuana and Retail Marijuana Product waste must be made unusable and Unrecognizable prior to leaving the Licensed Premises.
E. Methods to Make Waste Unusable and Unrecognizable. Retail Marijuana and Retail Marijuana Product waste will be rendered unusable and Unrecognizable through one of the following methods:

Grinding and incorporating the marijuana waste with non-consumable, solid wastes listed below such that the resulting mixture is at least 50 percent non-marijuana waste: Paper waste; Plastic waste; Cardboard waste; Food waste; Grease or other compostable oil waste; Bokashi or other compost activators; Other wastes approved by the Division that will render the Retail Marijuana waste unusable and Unrecognizable; and Soil. After Waste is Made Unusable and Unrecognizable. Licensees will not dispose of Retail Marijuana waste in an unsecured waste receptacle not in possession and control of the Licensee. After the Retail Marijuana waste is made unusable and Unrecognizable, then the rendered waste will be:

1. Disposed of at a solid waste site and disposal facility that has a Certificate of Designation from the local governing body;
2. Deposited at a compost facility that has a Certificate of Designation from the Department of Public Health and Environment; or
3. Composted on-site at a facility owned by the generator of the waste and operated in compliance with the Regulations Pertaining to Solid Waste Sites and Facilities (6 CCR 1007-2, Part 1) in the Department of Public Health and Environment.

G. Proper Disposal of Waste. A Licensee will not dispose of Retail Marijuana and Retail Marijuana Product waste in an unsecured waste receptacle not in possession and control of the Licensee.

All marijuana or marijuana containing items that are disposed shall be placed in the secured dumpster outside that shall be locked at all times.

Health & Safety

The Applicant and its employees will remain diligent at keeping intact the public's interest of health and safety. All state and Town regulations pertaining to the health and safety of the public will be followed.

The site building will be maintained in a sanitary condition as follows;

- Toxic cleaning compounds, sanitizing agents, and pesticide chemicals will be identified, held, and stored in a manner that protects against contamination of Retail Marijuana or Retail Marijuana Product and in a manner that is in accordance with any applicable local, state, or federal law, rule, regulation or ordinance.
- All operations in the receiving, inspecting, transporting, segregating, preparing, manufacturing, packaging, and storing of Retail Marijuana or Retail Marijuana Product will be conducted in accordance with adequate sanitation principles.
- Employees are provided with adequate and readily accessible toilet facilities that are maintained in a sanitary condition and good repair.
- Retail Marijuana or Retail Marijuana Product that can support the rapid growth of undesirable microorganisms will be held in a manner that prevents the growth of these microorganisms.

Records / Reporting / Taxes

All business records will be accurately kept up-to-date and on-site. All taxes will be remitted in a timely and accurate fashion.

Testing requirements

The Applicant will ensure that all products sold or offered from its premises meet all current and future product testing and standardization requirements.

The KIND Castle
Retail Marijuana Stores

Operations Manual

Effective Date:
Implementation Date:
Subject Matter Expert:
Quality Assurance:

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Confidentiality Statement and Legal Disclaimer

The contents of this operations manual are confidential. Unauthorized reproduction or distribution of this operations manual or any of its contents in any form or under any circumstances without prior written consent from a member of the Senior Management Team is prohibited. All recipients of this operations manual are responsible for returning all copies immediately upon request of The Kind Castle. The Kind Castle shall hold accountable, to the fullest extent of the law, any individual who reproduces or distributes this operations manual without authorization and written consent from the Senior Management Team.

Revisions, Amendments, and Version Control

The operations manual is a living document and must be regularly updated to accurately reflect the policies, procedures, and processes that are currently in place at the Retail Marijuana Store. There are many reasons for which The Kind Castle could amend its operating procedures: response to market shifts, new regulations, technological advances, new research, and discovery of superior methods. Any proposed revisions or amendments to the operations manual and, therefore, The Kind Castles policies and procedures must be:

1. Reviewed and approved by the supervisor(s) or manager(s) of the Metrc or area of the facility affected by the revised or amended policies and procedures.
2. Reviewed and approved by a member of the Quality Control Unit.
3. Approved by the Director of Compliance.

Material Changes

The State defines a "material change" as, "...any change that would require a substantive revision to a Cannabis Establishment's SOPs for the selling of Cannabis..." If The Kind Castle makes a material change to its SOPs, it must document the change and revise its SOPs accordingly.

The Chief of Operations is responsible for approving material changes.

Forward-Looking Statements.

The operations manual may occasionally contain "forward looking statements" which imply they are tentative, and predicated on uncertainties. Forward-looking statements are based on anticipation, plans, expectations, estimates, projections, and uncertainties that may result in outcomes that differ from those anticipated. Forward looking statements in the operational manual are more common in early drafts of a new operational procedures and may be identified explicitly or through word choice, such as, but not exclusively to: "expects," "will," "should," "anticipates," "estimates," "believes," or statements indicating certain actions "may," "could," or "might" occur. Although the statements in the manual are believed to be accurate, sometimes forward looking statement must be made until more information or details can be determined.

Version Control Log

A copy of each major revision of the operations manual remains on file to maintain a historical record of The Kind Castles policies and procedures. A material change constitutes a major revision. All versions of the operations manual shall be made immediately available to the State upon request. The version-control log must include a description of each material change for the new version. All version-control records must be maintained on the licensed premises.

Mission Statement

Principle 1: Safety

The safety and wellbeing of the qualifying customer is The Kind Castle's true top priority. No matter how efficient or economical the facility becomes, The Kind Castle must not sacrifice its ability to distribute a safe, effective product. This includes meeting or exceeding all applicable State requirements, including responsible distribution practices, labeling, packaging, recall preparedness, and record keeping. We ensure that all product information provided to customers is accurate and timely.

Principle 2: Integrity

We act in a manner that is consistent with maintaining the integrity of the cannabis industry, and we do not engage in any activity that may bring the cannabis industry into disrepute. All interactions with our customers and clients are conducted in a professional and ethical manner. We ensure that our employees are aware of, and appropriately manage, any financial conflicts of interest. We scrupulously follow all applicable Federal and State cannabis laws and regulations, as well as other laws and regulations pertinent to our responsibilities.

Principle 3: Quality

We provide customers with the highest quality cannabis we can produce. We are committed to stringent quality standards and accountability in our purchasing and distribution processes. We continually develop and refine our quality assurance and quality control processes.

Principle 4: Access

We believe in safe access to cannabis for all. We strive to maintain strain diversity and consistent supply to serve the many needs of our diverse customers.

Principle 5: Security

We never supply cannabis to any individual or organization that we reasonably believe to be involved in illegal distribution. We prevent the misuse of cannabis by taking steps and appropriate action to prevent diversion at every stage of the supply chain under our control. We ensure that our facilities are secure through monitoring, intrusion protection, and inventory tracking requirements.

Principle 6: Research and Scientific Advancement

We acknowledge the need for further clinical research relating to cannabis, and commit, to the extent practicable for us, to support such research efforts. We only participate in research activities that are ethically defensible, socially responsible, scientifically valid, and, where applicable, meet good clinical practice. If we make any public statements concerning the science and health benefits of cannabis, we rely on scientifically acceptable data.

Principle 8: Training

The foundation of a successful business begins with its training and supervision practices. All employees are trained thoroughly before they are given significant responsibilities at the facility, especially responsibilities that could affect the compliance and quality assurance standards of The Kind Castle.

Note on the Legal Status of Cannabis

Cannabis is a schedule I controlled substance under the Controlled Substances Act of 1970. Under Federal law, the manufacture, distribution, cultivation, processing, possession, or possession with intent to distribute cannabis or conspiring or attempting to do so, are all crimes potentially subject to harsh penalties under federal law and could result in arrest, prosecution, conviction, incarceration, fine, seizure of property, or loss of registration, licenses, or other privileges.

However, in 2013, to allow state governments to legalize and regulate the cultivation and distribution of cannabis without fear of intervention by federal prosecutors under the Controlled Substances Act, Deputy Attorney General James Cole published a memorandum through the Division of Justice outlining a new set of priorities for states that have legalized the cultivation and distribution of cannabis in some facet. This has become known as the "Cole memo" and it marks a significant shift in the federal government's position on state cannabis programs. It essentially gives state governments permission to legalize and regulate the cultivation and distribution of cannabis with the requirement that they enact effective regulatory and enforcement systems, which meet a minimum set of criteria. Essentially, to comply with the Cole memo and avoid federal prosecution, each state's cannabis program—and the cannabis business license holders who operate within them—must focus on satisfying these eight priorities:

1. Preventing the distribution of cannabis to minors.
2. Preventing revenue from the sale of cannabis from going to criminal enterprises, gangs, and cartels.
3. Preventing the diversion of cannabis from states where it is legal under state law in some form to other states.
4. Preventing state-authorized cannabis activity from being used as a cover or pretext for the trafficking of other legal drugs or other illegal activity.
5. Preventing violence and the use of firearms in the cultivation or distribution of cannabis;
6. Preventing drugged driving and the exacerbation of other adverse public-health consequences associated with cannabis use.
7. Preventing the growing of cannabis on public lands and the attendant public safety and environment dangers posed by cannabis production on public lands.
8. Preventing cannabis possession or use on federal property.

Since the Cole Memo was released, the federal government has indeed taken a more hands-off approach to monitoring state cannabis programs, and the overall number of federal cannabis prosecutions has steeply declined in states that have legalized cannabis responsibly. Consequently, any employee who violates state or local law, the Cole memo, The Kind Castle's policies and procedures, or the instruction of The Kind Castle's management, and, therefore, potentially violates federal law, could have his or her employment with The Kind Castle

immediately terminated. Additionally, depending on the severity of a violation, The Kind Castle may report an employee to the State, and law enforcement, which could result in arrest, prosecution, conviction, incarceration, fine, seizure of property, or loss of registration, licenses, or other privileges, including the privilege of employment with any other cannabis establishment in the state and, potentially, other states in the US.

The Kind Castle's cannabis business license is a privilege. Therefore, employment with The Kind Castle is also a privilege. Ultimately, employment with The Kind Castle is dependent on the employee's ability to remain honest, demonstrate good moral character, and comply with state and local law, applicable federal law, The Kind Castle's policies and procedures, and the instruction of The Kind Castle's management.

As this is a young industry, The Kind Castle understands that many employees are not experienced working closely with cannabis at a legal, state-licensed facility. Many facets of compliance are new to them. As a result, no employee is liable for assisting The Kind Castle in meeting its legal and compliance obligations until he or she has been thoroughly trained and understands the applicable local, state, and federal cannabis laws, and regulations pertinent to his or her position's responsibilities.

Additionally, the laws governing how a licensed Retail Marijuana Store may distribute cannabis are still relatively young, and they are often updated as the state's program matures. It is crucial that all employees remain familiar and up-to-date with applicable cannabis regulations. However, The Kind Castle accepts all responsibility for training its employees on the applicable laws as they are changed, updated, amended and revised.

The Kind Castle's policies and procedures and the state's applicable laws must be complied with at all times by a person who is employed by, and working on, The Kind Castles premises or participating in an off-site delivery. However, any violation of local, state, or federal law, particularly those pertaining to cannabis, even while not immediately working for The Kind Castle or on The Kind Castles premises, could affect the employment status of an agent and could result in the reporting of an employee to the Commission, the Division, and the Division, and to the appropriate law enforcement agencies.

Whistleblower Policy

All employees are required to uphold a high standard of honesty, moral character, and ethics in the conduct of their responsibilities with The Kind Castle. Operating and working for a cannabis Retail Marijuana Store in the US is a privilege. The State has taken a risk by establishing a cannabis program in a country where cannabis is federally illegal. The State trusts its licensed cannabis businesses—among those is The Kind Castle—to comply with the laws and regulations it has established to govern this program. This requires that The Kind Castle and its employees

report to The MED, the Division and/or the Division, of any discovered plan or other action of any person to:

- Commit theft, burglary, underage sales, diversion of cannabis, or other crime related to the operation of The Kind Castle.
- Compromise the integrity of the Metrc.

A report must be made as soon as possible after the discovery of the action, but not later than 14 days. Note that this does not eliminate any obligation to report criminal activity to a local law enforcement agency.
The Kind Castle is to be an exemplary Retail Marijuana Store, regarding compliance standards, and the support of all employees is required to achieve this goal.

Encouraging Employees to Report Concerns
Many of The Kind Castle's policies and procedures are required by law, and, as such, a violation may be a crime. This Whistleblower Policy is intended to encourage and enable employees to raise concerns internally about suspected violations of the law and The Kind Castle's policies and procedures. This allows The Kind Castle to address and correct inappropriate conduct and actions as soon as they are discovered.
Examples of suspected violations covered by the Whistleblower Policy include suspicious accounting practices, abuse of internal controls, falsified auditing procedures, unethical or illegal conduct, discrimination, fraud, or violation of any regulation, law, or policy governing the operations of The Kind Castle. Furthermore, it is especially important that employees uphold their responsibility in preventing the diversion of cannabis products from the facility. Whether an employee's involvement is implicit or explicit, diversion of cannabis is a serious crime, and The Kind Castle holds all employees accountable by reporting them to the MED/Department/Division and law enforcement immediately.

Reporting Concerns
If an employee believes a violation has occurred, that employee is obligated to report the suspected violation to the Director of Compliance or another manager immediately. Any reports of suspected violations are kept confidential to the extent possible, consistent with the need for The Kind Castle to conduct an adequate investigation.
Employees should speak to any manager with whom they are comfortable. Employees may also report suspected violations in writing directly to a manager, if that is more comfortable for the employee. A manager who receives a report of a suspected violation from another employee must notify the complaint, in writing, to acknowledge receipt of the report. Managers are required to forward reports of suspected violation in writing to the Director of Compliance and the appropriate members of the Senior Management Team. The Director of Compliance and the Senior Management Team are responsible for ensuring that all suspected violations are investigated and resolved.

Protection from Retaliation
The Whistleblower Policy is intended to protect employees who wish to report suspected violations. The Kind Castle does not allow anyone to retaliate against an employee who reports in good faith a suspected violation. An employee can only be protected from retaliation if the employee brings the suspected violation to the attention of a manager and provides The Kind Castle with a reasonable opportunity to investigate the suspected violation. Any employee who retaliates against another employee who has reported a suspected violation in good faith is subject to discipline up to and including termination of employment.
Anyone reporting a suspected violation must act in good faith and have reasonable grounds for believing a violation has occurred. Any allegations that proves to be unsubstantiated and to have been made maliciously or knowingly to be false is viewed as a serious violation and could result in disciplinary action up to and including termination of employment.

The Kind Castle Personnel

The Kind Castle is structured so that every employee understands where he or she fits in the hierarchy of the company. This means that all employees, except the most senior employees, are assigned directly to a supervisor. Conversely, all Assistant Managers are assigned direct reports. The primary goal of establishing a clear chain of command is to ensure that all employees understand where to seek authority in circumstances that would affect compliance and quality control.

Senior Management Team

- Kind Castle Colorado LLC / Mark Mayasich

Management and Staffing

The Kind Castle establishes the following roles at the Retail Marijuana Store:

- General Manager
- Assistant Manager
- Bud Tenders

Chief of Operations

Name	Mark Mayasich
Reports to	Senior Management Team
Based at	Location of primary responsibilities

Job Description

The Chief of Operations is responsible for the general well-being and direction of the company. He or she oversees the day-to-day operations at The Kind Castle's Retail Marijuana Store in collaboration with other members of the Senior Management Team. This includes, but is not limited to, managing department heads, ensuring compliance, implementing and enforcing

company policies, mediating internal disputes, and supervising the payroll and budget. All department managers are to report to the Chief of Operations.

Requirements

A 4-year degree from an accredited university and at least 10 years of business management experience are required for this position. The Chief of Operations is expected to possess general knowledge of cannabis and cannabis-specific production techniques. Excellent organizational, verbal and written communication skills are required. A background check is mandatory prior to employment.

Supervision

The Chief of Operations is ultimately responsible for the entire business. All staff reports to their respective department heads under the supervision of the Chief of Operations. He or she is expected to manage the following department heads:

- Chief of Operations
- Retail Marijuana Store General Manager
- Retail Marijuana Store Assistant Managers

Compliance

Ensuring company compliance is essential in operating a successful cannabis Retail Marijuana Store. It is the Chief of Operation's responsibility to maintain a compliant facility in the interest of safe operation and longevity. This includes managing the General Manager with:

- Operating the facility in accordance with state and local rules and regulations.
- Maintaining all records and reports as required by law.
- Safeguarding company policies.
- Caring for employee safety.
- Ensuring that physical inventory matches digital inventory.

Security

The Chief of Operations is responsible for managing all security matters at the Retail Marijuana Store. He or she ensures that all accounts are kept in good standing as to maintain compliance with state regulation. This includes but is not limited to:

- Managing all sub-contracted security accounts, including:
    - Active security personnel
    - Secure courier services
- Passive 24-hour security monitoring services.
- Launching investigations and reporting to the State as required.
- Implementing and enforcing an anti-diversion plan along with the Director of Compliance.

General Manager

Name TBD
Reports to Chief of Operations
Based at Location of primary responsibilities

Job Description

The General Manager is responsible for ensuring that The Kind Castle Retail Marijuana Store operates in compliance with local and State regulation and will oversee all Retail Marijuana Store operations. This includes overseeing the seed-to-sale Metrc, maintaining accurate and up-to-date records, reviewing and managing SOPs, scheduling inspections, and overseeing and training staff. He or she is expected to audit each department on a regular basis for compliance with local and state regulations.
The General Manager reports directly to the Chief of Operations and is expected to effectively communicate compliance and operational issues to the Chief of Operations and local or state authorities as needed. This includes compliance with OSHA and HIPAA requirements. The General Manager is also expected to manage the day-to-day operations should the Chief of Operations be unavailable.

Requirements

The General Manager must possess extensive knowledge of the local and state rules and regulations regarding the sale of cannabis. A minimum of 5-years' experience in a commercially regulated cannabis industry or other highly regulated industry is preferred. He or she is expected to implement all policies and procedures necessary for a Retail Marijuana Store to operate within all rules and regulations. Strong written and verbal communication skills are required for this position. A background check is mandatory prior to employment.

Inventory Management

The General Manager is responsible for:

- Enforcing The Kind Castle's anti-diversion policies.
- Training Retail Marijuana Store staff on The Kind Castle's policies and procedures pertaining to inventory management.
- Auditing the database and reconciling physical inventory with the digital inventory.
- Reporting discrepancies to the State.
- Collaborating with the Retail Marijuana Store Manager and the Chief of Operations to ensure all sales are compliant with State regulations.

Recordkeeping

The General Manager is expected to:

- Maintain accurate inventory and shipping (manifest) records.
- Implement appropriate signage, visitor logs, security plans, etc.

- File documents with licensing authorities.
- Organize and maintain employee files and determine employee eligibility.

Ancillary Duties

The General Manager is responsible for:

- Staying up-to-date on the evolving rules and regulations, and informing staff of changes that dictate policy.
- Possessing knowledge of state and local building and fire codes.
- Managing the inspection process with the licensing authority.
- Reporting directly to the State regarding any compliance issues.
- Disciplining staff and department heads regarding compliance violations.
- Assisting other departments as needed.
- Performing compliance audits within each department on a regular basis.

Human Resources Duties

The General Manager is responsible for:

- Effectively communicate human resource requirements to the Chief of Operations and local or state authorities, as needed.
- Ensuring compliance with all local, state, and federal human resource and employer requirements at The Kind Castles Retail Marijuana Store.
- Plans, directs, and coordinates the administrative functions of the organization.
- Oversees the recruiting, interviewing, payroll, employee benefits, and hiring of new staff.
- Consults with Chief of Operations on strategic planning.
- Ensures the maintenance of accurate and up-to-date employee records.
- Serves as an intermediary for employee disputes; and serves as a link between an organization's management and its employees.
- Updating job requirements and job descriptions for all positions.
- Managing the process for recruiting, testing, and interviewing employees.
- Supporting managers on candidate selection.
- Conducting exit interviews.
- Assisting in the training of Retail Marijuana Store staff, including ensuring the maintenance of training records.
- Assisting is the creation of employee schedules.
- Working with upper management to plan and revise pay structures.
- Assisting in employee evaluation and supports managers on the employee evaluation process.

- Advising managers on disciplinary actions.
- Recommending and maintaining employee benefits programs and counseling employees on benefits.

Recordkeeping

The General Manager is expected to:

- File local, state, and federal human-resource related documents with licensing authorities.
- Organize and maintain employee files and determine employee eligibility.
- Manage background checks.
- Schedule management conferences with employees.
- Hear and resolve employee grievances
- Counsel employees and Assistant Managers on human-resource related matters.
- Responsible for verifying and updating all necessary employee files.

Retail Marijuana Store Assistant Manager(s)

Name TBD
Reports to Chief of Operations and the General Manager

Job Description

The Retail Marijuana Store Assistant Manager(s) will oversee all day-to-day operations within the Retail Marijuana Store. The Retail Marijuana Store Assistant Manager(s) will participate in inventory control and the instruction to the Budtenders of how to perform their job function. The Retail Marijuana Store Assistant Manager(s) will be responsible for the maintenance of the Budtender's schedule. The Retail Marijuana Store Assistant Manager(s) will communicate with the Audit Team to ensure that discrepancies are fixed and prevented. The Retail Marijuana Store Assistant Manager(s) will be responsible for all the opening duties and closing duties of the Retail Marijuana Store.

Requirements

High school diploma required. 2-4 years of experience managing personnel and maintaining inventory in a regulated industry. The Retail Marijuana Store Assistant Manager(s) should be hardworking because of the long shifts that will be required of him or her. The Retail Marijuana Store Assistant Manager(s) must have great communications skills so that he or she is able to communicate with customers, to communicate and instruct Budtenders, to communicate with the audit team regarding practices and strategies, and to communicate with the Chief of Operations and the General Manager.

Inventory Management

The Retail Marijuana Store Assistant Manager(s) is responsible for the inventory of cannabis within the facility. Duties include:

- Maintaining up-to-date inventory records within the electronic seed-to-sale tracking system.
- Reconciling physical inventory with digital records.
- Communicating and training Budtenders how to compliantly label, package, and disseminate product.
- Communicating with other department heads and vendors to schedule and manage the compliant movement of product.
- Recording the receipt or distribution of any product.
- Communicating with the audit team to fix and prevent discrepancies.

Customer Relations Management

The Retail Marijuana Store Assistant Manager(s) will be responsible for the maintenance of customer relations. Should a customer have an issue with anything the Retail Marijuana Store Assistant Manger(s) will be responsible for remedying the issue. The Retail Marijuana Store Assistant Manager(s) will be responsible for notifying the customer of their rights and the regulations associated with being a cannabis consumer. The Retail Marijuana Store Assistant Manager(s) will preemptively assure that product that is demanded by the customer will be available. The Retail Marijuana Store Assistant Manager(s) will maintain a menu, which will be available to customers, which lists the products that facility has for sale, and the prices associated with the products for sale. The Retail Marijuana Store Assistant Manager(s) will ensure that the Budtenders are receiving and recording identification from the customer in a compliant manner.

Cannabis products will be sold only to qualifying customers, and purchases will not exceed the limit on cannabis the State of Colorado has set.

Store Opening & Closing Procedures

The Retail Marijuana Store Assistant Manager(s) will be responsible for the opening and closing procedures that are necessary for the facility. These procedures include:

- Maintaining cash drawers.
- Ensuring that Budtenders are recording the hours they worked and the breaks they took on their corresponding timesheets.
- Recording daily sales to Metrc.
- Securing all medicated product in vaults when the Retail Marijuana Store is closed.
- Securing the Retail Marijuana Store by "locking-up" the store and setting the security system to active.

Inventory Control and Test Management

The Retail Marijuana Store Assistant Manager(s) will be tasked with weekly and monthly audits that will ensure that inventory is compliantly tracked from seed-to-sale. The duties include:

- Identifying that management is retaining up-to-date inventory records within the Retail Marijuana Stores' seed-to-sale tracking system.
- Identify that the manager is recording all adjustments in inventory within an adjustment record.
- Identify that the inventory in Flowhub and recorded sales are maintained in Metrc.
- Identify that manifests involving the transfer of inventory are filed and recorded correctly.

Operational Audits

The Retail Marijuana Store Assistant Manager(s) will also perform audits that test a breadth of compliancy standards that the State or the facility requires. These audits include:

- An initial audit of the starting inventory.
- A general audit in which multiple tests are conducted on a monthly basis. This audit will test controls, which include tests such as, testing if the cameras are operational functioning compliantly, testing if the visitor is being maintained properly, and testing if the employee list is up-to-date.
- A discount audit in which the use of discounts is researched. This audit test that discounts are not abused and the correct price is charged for any inventory sale.

Reporting

The audit team will provide reports to the Chief of Operations and the General Manager on a weekly basis. These reports will include:

- A report that outlines the addition or removal of any new customers. This will accompany a list of all of the current customers registered to the Retail Marijuana Store.
- A report on inventory quantities, which includes all sales that took place and all expenses that facility incurred.
- A report on all of the results produced by any audits that took place.

Budtender

Name	TBD
Reports to	Retail Marijuana Store Assistant Manager(s) & General Manager
Based at	Retail Marijuana Store

Job Description

Budtenders are responsible for the day-to-day operations of the Retail Marijuana Store. Budtenders will communicate with customers to provide for the customer's cannabis needs. Budtenders are responsible for understanding the compliant method for providing cannabis. Budtenders will understand compliancy laws, which include equivalency limits, receiving and recording identification from the customer in a compliant and legal manner, and providing cannabis with correct labeling and child-proof packaging.

Requirements

A high school diploma is required. 1-3 years in medical work of any kind is preferred. Budtenders should have a welcoming and helpful attitude, and Budtenders should treat every customer with detailed and personalized care and attention. Budtenders are expected to have a vast knowledge of all the products that they are selling. Knowledge of computers is expected as the Budtender will use Flowhub to track the sales of cannabis. Budtenders will be added to Metrc. A background check is mandatory prior to employment.

Sales and Distribution of Cannabis to Customers

Budtenders will guide customers from the time that they enter the Retail Marijuana Store to the act of purchasing cannabis. The Budtenders duties include:

- Receiving customers while ensuring that all forms of identification are legitimate and valid.
- Instructing customers as to what products are available, and providing as much knowledge of the products that the customer wishes to understand.
- Ensuring that all sales of product are compliantly tracked through Flowhub, and each Flowhub sale can be mirrored with the camera footage that shows each sale.
- Compliantly labeling all products that were sold to the customer in accordance with Metrc's equivalency laws.
- Packaged products leaving the store with the customer in a child proof container and exit bag (if needed).
- Ensuring that customers understand, and intend to follow, regulations regarding the use of cannabis.
- Participating in inventory counts on a daily basis.
- Transporting Products to customers under the direction of the General Manager and Retail Marijuana Store Assistant Manager(s).

Training and Employment

Additional information found in the Training SOP

The Kind Castle aims to identify and hire employees who are most suited to fulfill the role for which they've been hired. However, there are many aspects of working in a cannabis Retail Marijuana Store for which it is hard to prepare. Therefore, The Kind Castle takes responsibility for ensuring that its employees receive the training they need to meet the demands of their positions. This means no employee is expected to take on their positions' responsibilities—especially those which could affect compliance or quality control—before they have received sufficient training: this includes the issuance of all written training materials (including this document) followed by on-the-job training during a 90-day provisional period where each employee works directly under a supervisor. Such training includes, without limitation:

1. The proper use of security measures and controls that have been adopted by The Kind Castle for the prevention of diversion, theft, or loss of cannabis.
2. Procedures and instructions for responding to an emergency.

Supervision

After an employee is hired, they are assigned to one or more Assistant Managers so that they know exactly who to refer to when they have a question or they would like to request additional training. Each supervisor is responsible for ensuring the employees under their supervision are sufficiently trained to perform in their roles before they are assigned any significant or consequential responsibilities or tasks.

90-day Provisional Period Review

At the end of the 90-day provisional period, the employee meets with their supervisor(s) to review their training, job description, roles, responsibilities, future at the company, etc. At the end of this review, the supervisor(s) should decide whether the employee is ready to be promoted from "provisional" status, or whether they need more provisional training, receive additional training on a specific topic, or the employee is unable to serve in that role and should be reassigned to a different role or terminated from employment at The Kind Castle. The supervisor will document the review and the employee must sign the documentation demonstrating they participated in the evaluation and understand its conclusions.

Semiannual Performance Evaluations

Every six months The Kind Castle performs a Semiannual Performance review with each of its employees. The performance reviews are held between each employee and his or her supervisor(s) to review their performance at the company for the past year. This includes a review of the employee's job description, feedback from the employee, and setting goals for the employee for the next six months. Employees are also given the chance to give anonymous evaluations of the managers. Additionally, managers hold a meeting to review the performance evaluations, the employee evaluations of the manager, the performance evaluations of the Retail Marijuana Store for the past six months, and to determine company goals for the next six months. Finally, the supervisor will document the review and the employee must sign the

documentation demonstrating they participated in the evaluation and understand its conclusions.

Job Descriptions and Employment Contracts

The Kind Castle documents, maintains, and implements policies and procedures regarding Job Descriptions and Employment Contracts, including, without limitation, the duties, authority, responsibilities and qualifications of personnel. Every employee record will hold a copy of the employee's job description, and, with their supervisor, employees will update their job description during each semiannual performance evaluation.

Disciplinary Action

If an employee violates a company policy or regulatory violation or performs an act that merits Disciplinary Action, that employee's supervisor, the General Manager, and any other supervisor who may offer valuable input will meet to determine the appropriate disciplinary action. Additionally, The Kind Castle immediately terminates any employee who:

1. Is implicated, either explicitly or implicitly, in the diversion of, or an attempt to divert, cannabis. The Kind Castle will report that employee to law enforcement officials and the State.
2. Engages in unsafe operational practices or violates a safety rule, especially those which could affect product, customer, and employee safety.

Any violation of any state-cannabis regulation is grounds for termination and reporting to the MED/Department/Division. When an employee is subjected to disciplinary action, a record of the disciplinary action is made and placed in the employee's record.

Change in Management: Notifying the State Licensing Authority

The State Licensing Authority must be able to immediately access information regarding a change in management. The change in management must be reported within seven days after the change occurs. A copy of this written report must be maintained in The Kind Castle's business records.

Emergency Contacts and Information

Each employee must provide a list of Emergency Contacts that The Kind Castle can notify in the event of an emergency, such as an event where the employee must receive emergency care or becomes unresponsive. Additionally, each employee may wish to provide additional emergency information which could prove helpful in a situation, such as a list of the employee's allergies, previous conditions, current medications, etc. This second list of information is entirely optional, up to the discretion of the employee, and kept private.

Training Log

The Kind Castle keeps a Training Log for each employee. Each employee file contains a Training Log describing the training received by each employee (date, time, and place he or she received training and the topics discussed, including the name and title of trainers) with signatures from the employee acknowledging that he or she has received and understands this training. Employees must not be assigned tasks or responsibilities for which they have not been trained *before* being assigned that task or responsibility.

Employee Records

Additional information found in the Employee File SOP

The Kind Castle creates an Employee Record for each employee hired at The Kind Castle's facility. The Employee Record contains a copy of the employee's job description, a training log, a record of any disciplinary actions taken against the employee, a record of training, performance evaluations, a photograph of the employees (for security purposes), a copy of the State-issued employee identification badge, and all other documentation related to the employee and his or her employment and the facility and/or required by Colorado law.

Licensed Facilities

Any person who sells, serves, transports or delivers cannabis as permitted by privileges granted under The Kind Castle's cannabis establishment license must have a valid Occupational License. Any person that is required to be licensed must obtain all required approvals and obtain a State-issued identification badge before commencing activities permitted by The Kind Castle's cannabis establishment license.

State-Issued Identification Badge

The Kind Castle employees must have and properly display their current license badge issued by The State when they are in a limited access area. Proper display of the license badge consists of wearing the badge in a plainly visible manner, at or above the waist, and with the photo of the employee visible.

Employee List

The Kind Castle is required to maintain a list of all employees conducting work on site at The Kind Castle Retail Marijuana Store whether they are volunteers or employees. The General Manager is responsible for managing this list. The employee list must include the full name and occupational license number of each employee and all non-employee owners, who work at The Kind Castle. The employee list is maintained within the Metrc and posted in the facilities Compliance Binder.

The General Manager provides written notice to The MED/Department/Division, including the date of the event, within 10 working days of the date on which an employee or volunteer no longer:

1. Serves as an officer or board member for The Kind Castle.
2. Is employed by or has a contract to provide services for The Kind Castle.
3. Volunteers at or on behalf of The Kind Castle.

The Employee List must be updated accordingly, in all locations.

The Kind Castle Retail Marijuana Store

The Kind Castle must maintain a diagram that labels all approved limited-access areas and any permitted off-premises storage facilities. The diagram must include all reflecting walls, partitions, counters and all areas of ingress and egress. All appropriate facility diagrams pertaining to The Kind Castle will be placed in the Compliance Binder.

Security Features and Procedures

Additional information found in the Security Features and Procedures SOP

Monitoring Systems

The facility is monitored by a security alarm system that continuously monitors each perimeter entry point and perimeter window. Passive security systems are designed to work defensively, without input from an external source. The passive security system includes:

1. Electronic door locks at all perimeters points of entry and to limited access areas.
2. Fob or key access to all limited access areas.
3. A central alarm system.
4. Wearable panic alarms for staff.
5. Surveillance equipment, composed of:
    A. Security cameras:
        i. Infrared
        ii. Thermal
    B. Motion detectors.
    C. Video analytic hardware and software.
    D. Digital Video Recorders (DVR).
    E. Video monitors that are over 12".

Construction Considerations

The facility is installed with both interior and exterior surveillance cameras, as pictured on the security plan layout. The size of the facility, and resulting length of the surveillance system cables, requires a main Medium Density Fiberboard (MDF) Information Technology (IT) closet as well as an Intermediate Distribution Frame (IDF) closet, so Internet Protocol (IP) camera signals sent over the Cat5e cables do not exceed the distance specified by the cable manufacturers (~100 meters). An IDF linked to the MDF and security room permits cameras in distant areas of the facility to operate with power provided via Ethernet connection and maintain solid connections to the server. This arrangement permits the system to operate optimally at the required internal bandwidth.

Off-Site Storage

Offsite storage can be managed via a commercial service provider, or through a wireless area network (WAN) or virtual private network (VPN) connection to a remote server at another physical location. The onsite security room, the offsite terminal location, and the drying rooms and vault are protected by a secondary independent alarm system. This also permits cloud-based operations via a commercial service, which has its own primary and secondary systems.

Surveillance System

1. The Kind Castle has a fully operational video surveillance and camera recording system. The recording system records in digital format.
2. All video surveillance records and recordings are stored in a secure area that is only accessible to The Kind Castles management staff.
3. Video surveillance records and recordings must be made available, upon request, to The MED/Department/Division, relevant local jurisdiction, state or local law enforcement agency, for a purpose authorized by the /Code, or for any other state or local law enforcement purpose.
4. All limited access areas, including the security room, all points of ingress and egress to limited access areas, all areas where cannabis is displayed for sale, and all points of ingress and egress to the exterior of the premises are under constant video surveillance.
5. Camera placement can identify activity occurring within 20 feet of all points of ingress and egress and allows for the clear and certain identification of any individual and activities on the Licensed Premises.
6. All entrances and exits to the facility are recorded from both indoor and outdoor vantage points.
7. The surveillance system is capable of recording in any lighting conditions (there is adequate lighting in the Retail Marijuana Store regardless).
8. All camera views of all limited access areas are continuously recorded 24 hours a day.

Video Surveillance Equipment

1. Video surveillance equipment must, at a minimum, consist of digital or network video recorders, cameras capable of meeting the recording requirements described in this rule, video monitors, digital archiving devices, and a color printer capable of delivering still photos.
2. All video surveillance systems are equipped with a failure notification system that provides prompt notification to the Senior Management Team of any prolonged surveillance interruption or the complete failure of the surveillance system.
3. The Kind Castle must maintain a surveillance equipment maintenance schedule.
4. The video surveillance equipment has a battery backup system to support a recording in the event of a power outage (minimum of four hours of backup power).
5. The Kind Castle must notify the MED and Metrc of any loss of video surveillance capabilities that extends beyond four hours.

Cameras

The system hardware includes specific models for camera equipment which fall into three general categories:

1. Fixed dome infrared (IR) IP cameras for interior locations, including:
   a) Hallways
   b) Work area
   c) Storage area
   d) Processing and packaging
   e) Vault
   f) Main office

Mandatory Security Records

1. The General Manager must maintain up-to-date and current records and existing contracts on the premises that describe the location and operation of each security alarm system, a schematic of security zones, the name of the alarm installation company, and the name of any monitoring company.
2. Upon request, The Kind Castle shall make available to the MED/Department/Division relevant local jurisdiction, state or local law enforcement agency, for a purpose authorized by the /Code, or for any other relevant local jurisdiction, state or local law enforcement purpose, all information related to security alarm systems, monitoring, and alarm activity.
3. A map of the camera locations, direction of coverage, camera numbers, surveillance equipment maintenance activity log, user authorization list, and operating instructions for the surveillance equipment must be maintained on site.

Location and Maintenance of Surveillance Equipment

1. The surveillance recording equipment is housed in a designated, locked, and secured room or other enclosure with access limited to authorized employees, agents of the MED/Department/Division and relevant local jurisdiction, state or local law enforcement agencies for a purpose authorized by the Code or for any other state or local law enforcement purpose, and service personnel or contractors.
2. The Kind Castle keeps a current list of all authorized employees and service personnel who have access to the surveillance system.
3. The Kind Castle must keep a surveillance equipment maintenance activity log on the premises to record all service activity, including the identity of the individual(s) performing the service, the service date and time and the reason for service to the surveillance system.

IP System Storage

1. MPEG-4 streaming.
2. 2 Megapixel resolution.
3. 720p video quality.
4. 21KB frame size average.
5. 102 cameras.
6. 6 Frames per second.
7. 24-hour recording.
8. 40 days of on-site storage.
9. 48-hour minimum battery backup for security system if grid power fails.

Bandwidth Requirements / Storage

1. 150Mbps internal bandwidth.
2. 1.5 Mbps per camera.
3. 135 terabytes (TB) storage required.

Perimeter Site Plan: Cameras and Security System

The facility design includes a component of exterior perimeter security and surveillance, as pictured on the security layout. The facility has a perimeter and access system for security. This includes hardwired and wireless sensors, contacts, and access keypads, backed by a constant offsite monitor system maintained by a commercial provider. The monitoring uses a combination of telco, GSM, and Ethernet based communication. Perimeter and access systems are integrated to facilitate ease of use and to minimize error and false alarms. Access and perimeter settings, and the issuance of key codes is supervised by designated personnel.

A secondary backup system protects the security room where NVR hardware is housed, as well as storage rooms containing cannabis. Internal sensors in those areas are connected to the secondary system in case of main system failure. This secondary system uses similar telco, GSM, and or Ethernet connections for monitoring through the same commercial provider. Both main and secondary perimeter security systems have battery backup capable of maintaining power for 4.5 hours.

Limited staff is issued keys to the Retail Marijuana Store. These are used to gain access to the doors within the Retail Marijuana Store. Access is granted based upon predetermined permission levels as to mitigate unauthorized entry. Low-level staff (Budtenders) requires a manager or director to provide them access to access-restricted areas. Department managers train staff on access restrictions during their orientation period.

Access Restrictions

The following table lists the staff's access to access-restricted areas:

Area	Manager	Access
Vault		Chief of Operations General Manager
Receiving		Chief of Operations General Manager

Diversion Prevention

The Kind Castle prevents diversion at four levels:

1) Employee hiring and management practices.
2) Implementation of Metrc & Flowhub system.
3) Surveillance and security practices.

Diversion Prevention: Hiring and Management Practices

Additional information found in the Anti-Theft SOP

When considering a candidate for employment, The Kind Castle attempts to evaluate the moral and ethical character of the candidate as much as possible, along with the candidate's qualifications for the position he or she has applied. During the interviews for the position, the interviewer attempts to assess the candidate's candor regarding his or her position on cannabis legalization, possession, use, and any history with drugs and alcohol. The Kind Castle also requires at least two references to be contacted and may attempt to confirm details of the interview. For certain high-level positions, The Kind Castle may ask the references to provide

contact information for a second reference for the candidate (a mutual connection) and then contact this reference. Finally, The Kind Castle offers the candidate the position, pending a background check. The purpose of the background check is to determine whether the candidate has a felony drug conviction; a history of drug- or alcohol-related arrests; or a criminal history that would suggest the applicant may not be of good moral and ethical character, and could pose threat of diversion.

Diversion Prevention: Metrc & Flowhub/POS

Once a candidate has been hired and the State has issued him or her an identification badge, The Kind Castle trains the employee on the proper use of Metrc & Flowhub. Metrc & Flowhub allows The Kind Castle to track all cannabis by weight, type, batch number, location, etc. Employee misstatements or omissions in Metrc & Flowhub are grounds for disciplinary action, including termination of employment. Employees are allowed unintentional mistakes before being disciplined internally.

Diversion Prevention: Management Practices

The Kind Castle enforces an employment hierarchy to ensure that any area where post-harvested cannabis is located is accessible to only trusted, senior members of management. Lower-level employees do not have access to bulk storage, decreasing opportunities for diversion within the facility. The General Manager oversees a routine audit of the physical inventory to ensure there are no diversions occurring at the facility.

Diversion Prevention: Surveillance and Security Practices

The Kind Castle's Retail Marijuana Store has 24-hour surveillance monitoring all limited access areas, enclosed, locked facilities, and entrances and exits to these areas.

Emergency Preparedness Plan

Additional information found in the Emergency and Safety SOP

The Kind Castles Emergency Preparedness Plan has been developed to help train and prepare its employees to respond to emergency situations where the safety of its employees, visitors, or property are in jeopardy. The Kind Castle conducts emergency drills quarterly, led by the General Manager. All emergency drills are recorded in each employees training log and employee file.

Emergency preparedness requires that all employees are prepared to respond to an event that effects the overall operations of the facility—such as an emergency, intruder, fire, flood, earthquake, or severe weather—which could require the cooperation of multiple employees and an evacuation of the facility.

Signage and Other Postings

Additional information found in the Signage SOP

Signs are helpful for compliance and communication purposes. The following signs are in use at the facility.

Limited Access Areas

A building, room, or other contiguous area upon the licensed Premises where Retail Marijuana is grown, cultivated, stored, weighed, packaged, transferred, or processed for transfer, under the control of the Licensee.

Restricted Access Areas

A designated and secure area within a Licensed Premises in a Retail Marijuana Store where Retail Marijuana Product are sold, possessed for sale, and displayed for sale, and where no one under the age of 21 is permitted.

Notice of Surveillance

Certificate of Monitoring

Hand Washing Procedures

Washing hands thoroughly in adequate hand-washing area(s) before starting work and at any other time when the hands may have become soiled or contaminated.

Visitor Log

Visitors must be approved by a manager-level employee or higher, prior to being issued a visitor identification badge. Employees should notify security/management of the date and time when visitors are expected, so that they can anticipate the visitor(s). All visitors must enter the facility through the main entrance into the building. Any person who wishes to access a limited-access area or restricted-access area that does not have a valid occupational license is considered a visitor and must be escorted by an employee who holds a valid owner or occupational license.

Once the visitor has been signed into the Visitor Log and verified by management personnel, management personnel in the check-in vestibule issues the visitor(s) a visitor identification badge and locates an employee who can meet the visitor(s) in the main entry so that they can be escorted for the duration of their visit at the premises. When the visitor leaves, the management personnel will sign the visitor out of the Visitor Log and retrieves their visitor identification badge.

Investigators and employees of the MED/Department/Division, authorities from relevant local jurisdiction or state or local law enforcement, for a purpose authorized by the Code, or for any other state or local law enforcement purpose, are authorized to enter a limited-access area or restricted-access area, upon presentation of official credentials identifying them as such.

Facility Sanitation Plan

Additional information found in the Cleaning and Sanitation SOP

All edible and concentrate products received by The Kind Castle for resale will have been pre-packaged and sealed by a licensed processor at the products' original point of production. The Kind Castle's employees will not directly handle infused marijuana products or concentrates (outside their packaging) or perform many of the procedures during which marijuana products are most susceptible to contamination: during manufacturing. The Kind Castle's employees will package bulk flower into opaque, child-resistant dram containers within the marijuana product storage area. At the Retail Marijuana Store, the susceptibility for product contamination is low, however, The Kind Castle has identified the following sanitation and safety control points:

- Contamination of product packaging during storage, handling, and transportation.
- Breach of packaging during transportation or improper storage, potentially adulterating the product within.
- Improper storage of product.
- Storing products beyond their expiration dates.

Therefore, The Kind Castle's sanitation and safety procedures will focus on mitigating the risk of product contamination during delivery, storage, and handling. Finally, The Kind Castle will consistently remind its employees that its customers are customers who are possibly suffering from a debilitating condition while fighting potentially with compromised immune systems. Therefore, employees must exercise strict adherence to these policies and procedures to ensure all dispensed products are as safe as possible for the end user.

Inventory Control: Metrc & Flowhub

Additional information found in the Inventory Control and Inventory Control Testing SOP

The Kind Castle uses Metrc & Flowhub software for its inventory control, recordkeeping, and compliance capabilities. Metrc is the system that is provided by the State of Colorado, whereas the Inventory Management System (Flowhub) acts as a secondary inventory management platform and the point of sale system for the Retail Marijuana Store. Metrc & Flowhub customizes its software for each state where it is used so that it is guaranteed to meet or

exceed that state's inventory control requirements, recordkeeping, and compliance regulations. This includes, for example, compliant labeling, inventory tracking, transportation manifests, and monitoring of inventory limits.

Metrc & Flowhub allows The Kind Castle to:

- Provides a tracking history for its inventory of cannabis flower/products from "seed to sale" (or clone to sale).
- Track each day's beginning inventory, acquisitions, sales, disbursements, disposal of unusable cannabis, and ending inventory.
- Track the creation, removal, and destruction of green waste, by weight and batch number.
- Assign each employee a unique user ID and password, so their interactions with Metrc & Flowhub can be recorded, along with a timestamp. A record of all entries in Metrc & Flowhub are permanent and irrevocable: no actions can be made, including deletions, entries, or edits, without tracking the user ID of the employee who made the entry and retaining copies of the original—for transparency and accountability.
- Retain records in the "cloud" for increased data-integrity. This also allows Metrc & Flowhub to be accessed from any computer with an internet connection, including mobile phone and tablets.
- Track wholesale customers, orders, sales, and disbursements, and export this information to QuickBooks or Excel.

Definition: Batches and Batch Numbers

As used by The Kind Castle, a Batch is defined as a specific group of cannabis plants, grown from one or more seeds or cuttings of the same variety that are planted, grown, and harvested together, under substantially similar conditions.
Additionally, a Batch Number is defined by the State as any distinct group of numbers, letters, or symbols, or any combination thereof, assigned by a cannabis cultivation facility, to a specific harvest batch of cannabis.

Documentation: Policies and Procedures

The General Manager and Retail Marijuana Store Assistant Managers are responsible for oversight of, managing, documenting, implementing, and maintaining the Metrc and the corresponding policies and procedures. When an employee is hired at The Kind Castle, it is the General Managers responsibility to ensure that the new employee(s) receives the proper training before they are given a Metrc & Flowhub user ID. The General Manager only assigns employees a user ID when they have demonstrated sufficient knowledge of the Metrc.

User IDs and Passwords

Each employee receives his or her own unique user ID and password for logging into Metrc & Flowhub and using Metrc. Only the General Manager and Retail Marijuana Store Assistant Manager have the authority in Metrc & Flowhub to create new user IDs. When creating a new user ID for an employee, the employee must choose and enter his or her own unique, secure password and must not disclose that password to any other employees—including Assistant Managers. If an employee believes his or her password has been compromised, he or she must change the password immediately. The General Manager may require staff to periodically change their passwords.

Employees must sign into Metrc & Flowhub with their user IDs before they can create, modify, or view a record. Employees must also remember to sign out when they are finished using Metrc & Flowhub. (The General Manager can set and modify a timer, which automatically signs out a user after a certain length of inactivity.) When employees are signed in, Metrc & Flowhub records their actions with a record of their user ID, a timestamp, and a description of the action, including, without limitation: creation or new records, inputs, modifications, transfers, etc. Once a record in Metrc & Flowhub is created, altered, or even deleted, that action is recorded irrevocably: neither any employees at The Kind Castle nor any employees at Metrc & Flowhub can alter records without creating a record of those changes. Records and actions cannot be permanently deleted or even obscured. When a record is "deleted" it is still accessible by a supervisor for auditing, investigation, transparency, and accountability purposes.

Permissions

The General Manager and Retail Marijuana Store Assistant Manager(s) will create user IDs for new employees as well as assign their permissions in Metrc & Flowhub. Access to this page allows the General Manager and Retail Marijuana Store Assistant Manager(s) to control the permissions of other employees and control the actions they may perform in the system. For example, most employees should not have the permissions to access The Kind Castle's sales and accounting data. Therefore, each employee's user profile is customized with only the permissions they need to fulfill their role. This reduces the potential for an employee to maliciously alter records in Metrc & Flowhub.

Tracking Between Cannabis Establishments

Each unique identifier (and, therefore, each plant) is also assigned to a batch number. Once an independent testing laboratory tests a batch, the certificate of analysis is attached to that batch number in Metrc & Flowhub. Each batch is then packaged and labeled with the batch number of the cannabis on each package. When a Retail Marijuana Store receives the package, they record the batch number in their Metrc. This is required so that The Kind Castle can cooperate in a quality assurance related investigation or product recall across multiple cannabis businesses.

Adverse Event Investigation

Additional information found in the Complaints, Adverse Events, and Quarantines SOP

In the event of a serious adverse event, a customer, licensed Retail Marijuana Store, or licensed cultivator and/or processor can provide The Kind Castle with the batch number(s) associated with the adverse event, and then The Kind Castle can review the production records for that batch number in Metrc & Flowhub. The Kind Castle can also identify every shipment and sale of cannabis from the batch under investigation.

Packaging and Labeling

Additional information found in the Labeling SOP

The Kind Castle uses Metrc & Flowhub to print labels for its packages—for individually packaged cannabis ready for sale at the Retail Marijuana Store, for bulk vacuum-packed packages of cannabis that needs to be repackaged at the Retail Marijuana Store, and for the delivery boxes that are packed with multiple packages. Therefore, the labeling system, electronic manifest, and Metrc are seamless with Metrc & Flowhub.

Metrc & Flowhub are guaranteed to print labels that are compliant with each state's cannabis regulations. To print a label, Metrc & Flowhub requests the information needed to print a compliant label. Metrc & Flowhub creates a record of every package with a record of the label information. Once a package is ready to sell, the employees must print a label and Metrc & Flowhub auto-populates the date and time on the label (when it was printed) and create a record of the label being printed.

An employee must sign into Metrc & Flowhub with his or her user ID to use the Metrc and create packaging labels. When Metrc & Flowhub prints the label, it records the name of the employee who is signed into Metrc & Flowhub for accountability.

Metrc & Flowhub generates a shipment identification number for each shipment received. This shipment identification number is recorded in the electronic manifest and Metrc. The Kind Castle can look up the record for a shipment identification number and review all the information connected with it, such as the contents of the shipment, the employee who packed it, the receiving licensee, etc.

Quarterly Physical Inventory Counts and Reconciliations

Once the cannabis products are delivered, it becomes easier to detect a diversion. Each package is weighed, labeled with a unique identifier, recorded in Metrc, and placed in the secure storage area. The Kind Castle performs quarterly physical inventory counts that are reconciled to the records in Metrc & Flowhub. The Kind Castle uses Metrc & Flowhub to print an inventory report to assist with the physical inventory audit. Significant variances must be documented, investigated by management personnel and immediately reported to Metrc.

To perform an internal audit, an employee verifies that each package in secure storage has not been tampered with or gone missing by visually inspecting each package for tears or damage, and reconciling The Kind Castle's physical inventory of cannabis products with the digital inventory of cannabis products recorded in Metrc & Flowhub. Each package has a unique identifier with a scan-able label, so Metrc & Flowhub is able to track each package in the secure storage room. If there is evidence of a diversion or a discrepancy, the CEO and General Manager will immediately launch an investigation.

Duties of The Kind Castle if a Loss is Incurred

Additional information found in the Incident Report SOP

If The Kind Castle identifies a reduction in the amount of cannabis product in its inventory not due to documented causes, The Kind Castle will determine where the loss has occurred and document the appropriate corrective action. If the reduction in the amount of cannabis product in its inventory is due to suspected criminal activity by an employee, The Kind Castle will report the employee to Metrc and to the appropriate law enforcement agencies immediately.

Reporting of Loss or Theft of Cannabis

The Kind Castle documents and reports any loss or theft of cannabis to the appropriate law enforcement agency and to the MED. Additionally, The Kind Castle maintains copies of any documentation required pursuant to this manual for at least 5 years and provides copies of the documentation to the MED for review upon request.

Investigation of Discrepancies

If The Kind Castle discovers a discrepancy between its physical and digital inventory the General Manager will launch an investigation within 1 business day. This investigation, which shall determine the source of a discrepancy, when it occurred, and where it occurred, may include:

1. An internal audit.

2. A review of the inventory control records.
3. A review of the staff schedule.
4. A review of surveillance footage.
5. Interviews with employees.
6. An audit of the calibration of measuring equipment.
7. A review of delivery manifest and distribution records.

Every step taken during an investigation will be thoroughly recorded in an Incident Report, including any findings, conclusions, suppositions, and recommended action items and preventive action items. If, during an investigation into a discrepancy between the inventory of stock and the Metrc, The Kind Castle discovers evidence of a theft or diversion, The Kind Castle shall, within one (1) business day:

1. Contact the MED by phone, which must be annotated in the Investigation Log, and then again by email for recordkeeping purposes.
2. Contact the appropriate law enforcement by phone call, which must be annotated in the Inc, and then again by email for recordkeeping purposes.

An investigation must be completed within 30 business days. The General Manager will ensure that every step taken during an investigation is thoroughly recorded in the Incident Report. Once the source of the discrepancy has been determined and the investigation has been completed, or within 30 business days, whichever comes first, the General Manager will write an Incident Report summarizing the investigation, actions taken, its findings, conclusions, suppositions, and recommended action items and preventive action items. Any action items created as a result of the findings are given follow up dates and added to the internal audit schedule to ensure that the actions are completed.
The General Manager will, within 30 business days of starting the investigation, make copies of the Incident Report, and he or she will distribute them to the other members of the Senior Management Team. The Senior Management Team will then review the Incident Report, and they will hold a meeting to discuss them—led by the General Manager. The meeting will focus on:

1. Whether/how to improve security and inventory control procedures.
2. Whether/how to improve investigation procedures.
3. Whether/how to amend The Kind Castle's SOPs.
4. Other actions items.

A summary of the meeting and its conclusions will be recorded. A copy of the Incident Report will be made available to the MED.

Inventory Control: Metrc

Metrc is a State-required, web-based, Metrc coupled with RFID technology that allows the State Licensing Authority to identify and account for all cannabis products in Colorado's cannabis market. It is the responsibility of The Kind Castle to ensure it complies with all inventory control requirements. This includes ensuring that each cannabis product is tagged with an RFID Sales Package tag and an individualized number that follows the cannabis product through final sale to a consumer. This allows The Kind Castle and the State Licensing authority the ability to account for all products at the facility. Metrc also provides a platform for the State Licensing Authority to exchange information and provide compliance notifications with The Kind Castle and the rest of the industry. The purpose of Metrc is to regulate, monitor, and track all cannabis to eliminate diversion, inside and outside of the state, and to ensure that all cannabis grown, processed, sold, and disposed of is transparently accounted for.

Metrc Administrator

The Kind Castle must have at least one owner who is an Metrc administrator. However, additional owners and licensed employees may also obtain Metrc administrator accounts.
To obtain a Metrc administrator account, an employee must attend, and successfully complete, all required Metrc training. Metrc may also require additional ongoing, continuing education for an individual to retain his or her Metrc administrator account. Licensed owners and employees who hold valid occupational licenses may be designated as Metrc users. All owners and licensees must be on how to use the Metrc before they are granted Metrc user account access.

RFID Sales Package Tags

Each delivery to the Retail Marijuana Store containing marijuana must be tagged with an RFID Sales Package tag and an individualized number that follows the cannabis product through all phases of production through final sale to a consumer. RFID Sales Package tags allow product to be recorded in the inventory via radio frequency, rather than requiring the user to scan a barcode on each tag.

Daily Reconciliations

The Kind Castle must reconcile its transaction history, on-hand inventory, and in-transit inventory each day, including the initial day of business, in the Metrc at the close of business.

List of Metrc Administrator and User Accounts

The Kind Castle must maintain an accurate and complete list of all Metrc administrators and Metrc users for each licensed premise. This list must be updated each time a new Metrc user is trained. The Kind Castle must train and authorize any new Metrc users before owners or employees may access Metrc or input, modify, or delete any information in Metrc.

Metrc administrators and Metrc users must be cancelled from their associated Metrc accounts once any such individuals are no longer employed by The Kind Castle.

Conduct While Using Metrc

Individuals entering data into Metrc must only use their own Metrc account. Each individual user is accountable for his or her actions while logged into Metrc, or otherwise conducting inventory-tracking activities, and must maintain compliance with all relevant laws. Any misstatements or omissions may be considered a license violation affecting public safety.

Losing Contact with Metrc

If, at any point, The Kind Castle loses access to Metrc, for any reason, the General Manager and Retail Marijuana Store Assistant Manager(s) must ensure that Retail Marijuana Store operations are stopped. The Kind Castle must document when access to the system was lost, and when it was restored. The General Manager will complete an Incident Report Form immediately. Cannabis products must not be transported until such time as access is restored, and all information is recorded into Metrc.

System Notifications

The Kind Castle must monitor all compliance notifications from Metrc. Issues detailed in the compliance notification must be resolved in a timely fashion. Compliance notifications must not be dismissed in Metrc until the compliance issues detailed in the notification are resolved.

The Kind Castle must take appropriate action in response to informational notifications received through Metrc, including but not limited to notifications related to RFID billing, enforcement alerts, and other pertinent information.

Packaging and Labeling Procedures

Additional information in the Labeling SOP

Overview

Each package is delivered and labeled with a unique identifier and batch number, and recorded in the Metrc and stored in the secure vault. A manager must supervise all delivers, ensure all product types and quantities match the manifest, and make sure each package is labeled accordingly.

Container Labeling

Metrc & Flowhub creates compliant labels for individual packages. Labels are printed and conspicuously placed on packages of cannabis. Individual packages also have unique identifiers that can be traced back to the batch number, providing complete traceability in the event of an

adverse reaction or recall. All labels, packaging, and products in general will be approved by, and registered with, the State before they are sold to customers.

All cannabis products must be affixed with a label(s) containing the following information:

1. The Retail Marijuana Cultivation Facility where the Retail Marijuana was grown.
2. If applicable, the Retail Marijuana Cultivation Facility that produced the Water-Based Retail Marijuana Concentrate.
3. If applicable, the Retail Marijuana Products Manufacturing Facility that produced the Retail Marijuana Product or Retail Marijuana Concentrate.
4. The Retail Marijuana Store that sold the Retail Marijuana, Retail Marijuana Concentrate or Retail Marijuana Product to the consumer, except that the Retail Marijuana Store may affix its license number to the Container or Marketing Layer at the time of sale to the consumer.
5. Batch Numbers
6. Statement of Net Contents: Weight, Volume/Number of Items (using a standard measure compatible with the ITS.
7. Concentration of THC and CBD.
8. Universal Symbol – The Universal Symbol on the front of the Container and any Marketing Layer, no smaller than ½ of an inch by ½ of an inch, with the following statement directly below the Universal Symbol: "Contains Marijuana. Keep out of the reach of children."
9. Ingredient List – A list of all ingredients used to manufacture the Retail Marijuana Concentrate or Retail Marijuana Product including identification of any major allergens contained in the Retail Marijuana Concentrate or Retail Marijuana Product in accordance with the Food Allergen Labeling and Consumer Protection Act of 2004, 21 U.S.C. 343 (2010). Food allergens include: milk, eggs, fish, crustacean shellfish, tree nuts, peanuts, wheat, and soybeans.
10. Required Potency Statement – Retail Marijuana or Retail Marijuana Concentrate total THC and CBD expressed as a percentage or Retail Marijuana Product's THC and CBD expressed in milligrams. The potency label shall either be: In a font that is bold, and enclosed within an outlined shape such as a circle or square, or highlighted with a bright color such as yellow.
11. Solvent List – A list of solvents used to produce any Solvent-Based Retail Marijuana Concentrate that is sold on its own or as a production input in any Retail Marijuana Product.
12. Date of Sale
13. Statement of Intended Use – The Container and any Marketing Layer shall identify one or more intended use for Retail Marijuana, Retail Marijuana Product and Retail Marijuana Concentrate from the following list: Inhaled Product, For Oral Consumption (Edible Retail Marijuana Product), Skin and Body Products.
14. Required Warning Statements: "This product was produced without regulatory

oversight for health, safety, or efficacy," "This product complies with testing requirements," "There may be long term physical or mental health risks from use of marijuana including additional risks for women who are or may become pregnant or are breastfeeding. Use of marijuana may impair your ability to drive a car or operate machinery."

15. Concentrate and Extract containers are labeled with;
    a. The cultivation facility or Retail Marijuana Store's business or trade name and cultivation facility or Retail Marijuana Store number.
    b. Business or trade name of the cultivation facility or Retail Marijuana Store that packaged or distributed the product, if different from the cultivation facility or Retail Marijuana Store.
    c. A unique identification number.
    d. Product identity (concentrate or extract).
    e. Date the concentrate or extract was made.
    f. Net weight or volume in U.S. customary and metric units.
    g. If applicable, serving size and number of servings per container or amount suggested for use by the qualifying customer at any one time.
    h. Concentration or amount by weight or volume of THC and CBD in each amount suggested for use and in the container.
    i. Activation time, expressed in words or through a pictogram.
    j. Name of the lab that performed any test, any associated test batch number and any test analysis date.
    k. Universal symbol.
    l. A statement that reads: "This product is not approved by the FDA to treat, cure, or prevent any disease. For use by qualifying customers only. Keep out of reach of children. **DO NOT EAT** in bold and capital letters. Marijuana during pregnancy or breastfeeding poses potential harms."

Additionally, the following restrictions apply to containers:

- Containers may not be designed in a manner that specifically targets individuals under the age of 21, including but not limited to, cartoon characters or similar images.
- Labeling text on a container may not make any false or misleading statements regarding health or physical benefits to the consumer.
- Labeling text on a container must be no smaller than 1/16 of an inch.
- Labeling text on a container must be clearly written or printed and in the English language.
- Labeling text on a container must be unobstructed and conspicuous.
- Multiple labels may be affixed to a container, provided that none of the information required by these rules is completely obstructed.

Child Resistant Containers

Prior to being sold to a consumer, cannabis must be placed in a container that is child resistant. "Child resistant" means packaging that is:

a. Designed or constructed to be significantly difficult for children under five years of age to open and not difficult for normal adults to use properly as defined by 16 C.F.R. 1700.20 (1995). Note that this rule does not include any later amendments or editions to the Code of Federal Regulations. Metrc has maintained a copy of the applicable federal regulation, which is available to the public.
b. Opaque so that the packaging does not allow the product to be seen without opening the packaging material
c. Re-sealable for any product intended for more than a single use or containing multiple servings.

Transportation and Shipments

Additional information found in the Transportation SOP

Inventory-Tracking-System-Generated Transport Manifest

Upon each delivery, a vendor must provide an inventory-tracking-system-generated transport manifest to reflect inventory that leaves the licensed premises to other licensed locations. Metrc is used to create this transport manifest and assign each shipment a shipment identification number that is used for recordkeeping and inventory tracking purposes. The vendor creates a separate transport manifest for each single delivery. Each vendor is responsible for providing a copy of the transport manifest to each cannabis establishment receiving a shipment described in the transport manifest.

Green Waste Disposal

Additional information found in the Waste Log SOP

All unusable plant material is considered green waste. Green waste is generated throughout the life of the plants and during harvest and processing, and includes finished cannabis that is unfit for sale. Green waste may consist of, without limitation:

- Unusable plant material generated from weighing out and packaging into child-resistant containers, i.e. stems.
- Cannabis that is contaminated.
- Cannabis is past its expiration date

All cannabis waste must be weighed, recorded, and tracked while on the premises until it leaves the facility and is disposed of. This requires weighing and recording the cannabis waste in the Green Waste Log.

Key Control Plan

Additional information found in the Key Control SOP

The General Manager and Retail Marijuana Store Assistant Manager(s) are responsible for managing the Key Control Plan to ensure there is a proper distribution, duplication, return, and use of all keys vital to preserving the security of the facility. Inadequate management of keys increases the risk of The Kind Castle losing property through internal theft and burglary. Theft and burglary are most often committed or assisted by someone who is familiar with a business or has access to important keys, such as former or current employees..

Incident Report

Additional information found in the Incident Report SOP

The Incident Report Form is for use by the General Manager and Retail Marijuana Store Assistant Manager(s), who need or would like to document an unusual event for recordkeeping purposes, such as an injury, chemical spill, inventory control deviation, etc. If the employee is not a supervisor, then the employee will need to notify a supervisor, by the end of the working day, to submit the Incident Report Form. Copies of each incident report shall remain on file for 4 years after the date on which the incident was reported, and shall be made available to the MED immediately upon request.

Quality Control Unit

Additional Information found in the Quality Control SOP

The Quality Control Unit is led by the Chief of Operations and General Manager. The purpose is to involve different members of the team with different backgrounds, experience, and knowledge and work together to focus on good quality control practices at The Kind Castle. Additionally, the Quality Control Unit is a highly visible representation of The Kind Castle's commitment to quality control issues. It stresses that this activity is important and an integral function of the facility's responsibility to produce a safe product. The Quality Control Unit is also used to help cross train agents to look for and react to product safety issues in all areas of the facility rather than just the areas where they have responsibility. Finally, it also helps

employees focus on how the management system, company policy, and employee training can and does affect product safety.

Quality Control Unit Inspections

There are two primary types of quality-oriented inspections. The first type is the routine inspection conducted by the CEO and General Manager. They inspect their own areas, including at the beginning and ending of their shift, and should record their inspections and observations.

The second type of inspection is the monthly facility inspection formally led by the General Manager. It must focus on inspecting the entire facility without distraction and document the inspection and list all noted discrepancies or opportunities for improvement. For each discrepancy, the unit records: a required course for corrective action, the action owner, estimated date of correction, and actual completion date.

The monthly Quality Control Unit inspection is systematic, beginning in receiving, then moving through the facility area in a logical sequence. One member is assigned to take notes and make a record of the inspection.

Quality Control

Calibration and Certification of Commercial Weighing Equipment

- All scales.
- Calibration Log and Schedule will be maintained and kept in the Compliance Binder.

Quality Control: Generally

The MED has established minimum health and safety regulations for Retail Marijuana Stores. The Kind Castle expects all its employees to help the company meet or exceed these regulations.
Litter and waste must be properly removed. Operating systems for waste disposal must be maintained in an adequate manner so that they do not constitute a source of contamination in areas where cannabis is exposed. Rubbish is disposed of to minimize the development of odor and minimize the potential for the waste becoming an attractant, harborage, or breeding place for pests.

There must be adequate lighting in all areas where cannabis is stored and where equipment or utensils are cleaned.

Toxic cleaning compounds, sanitizing agents, solvents, and other chemicals must be identified, held, stored and disposed of in a manner that protects against contamination of cannabis, and

in a manner that is in accordance with any applicable local, state, or federal law, rule, regulation or ordinance.

All contact surfaces, including utensils and equipment used in the preparation and selling of cannabis must be cleaned and sanitized as frequently as necessary to protect against contamination. Equipment and utensils must be designed and of material and workmanship as to be adequately cleanable, and must be properly maintained. Only sanitizers and disinfectants registered with the Environmental Protection Agency may be used at The Kind Castle and used in accordance with labeled instructions.

All operations in the receiving, inspecting, transporting, segregating, preparing, manufacturing, packaging, and storing of cannabis are conducted in accordance with adequate sanitation principles.

Product Contact Surfaces

The concept of "product contact surfaces" is important to quality assurance. A product contact surface is any surface that directly touches useable cannabis. Product contract surfaces may include: countertop surfaces, gloves, equipment, containers, packaging, or utensils used for conveying, processing, holding, or storing these consumables. Recognizing the importance of identifying product contact surfaces and ensuring they are constructed, handled, maintained, cleaned, and sanitized is a major step towards maintaining quality-assurance standards and preventing contaminations. Only cleaning compounds and sanitizers authorized for product contact surfaces may be used for cleaning contact surfaces. Finally, product contact surfaces must be cleaned on a regular basis and as often as necessary to eliminate residue, maintain a good appearance, and prevent adulteration or contamination.

Product Contact Surfaces: Supplier Guarantees

Manufacturers of product contact surfaces must provide evidence through supplier guarantees or prior approval from the regulatory agencies that components of articles that contact products are of a purity suitable for their intended use—must not allow bacterial growth, leeching, or the migration of deleterious substances or impart colors, odors or tastes to cannabis.

The General Manager is responsible to secure supplier guarantees and keep them on file.

Definition: Cleaning –

"Cleaning" is the process of removing physical debris, such as plant matter, cannabis residue or soil, from a surface, such as a container, glass, grinder, utensil, or cutting board, or other product contact surface. Cleaning is accomplished using a cleaning agent and, perhaps a scrubbing device that removes the debris, residue, stains, minerals, or other deposits. Surfaces

are "clean" once they are visually inspected and free of debris and residue. Product contact surfaces must be clean before they can be sanitized.

Definition: Sanitizing

"Sanitizing" is the process of reducing the number of microorganisms that are on a properly cleaned surface to a safe level. A safe level is defined as a 99.999% reduction of the number of disease microorganisms that are of public health importance. Sanitizing is accomplished by using either heat or chemicals (or radiation). Unless a surface is effectively cleaned before it is sanitized it is impossible to obtain close contact between the sanitizer and the surface. Therefore, product contact surfaces must be cleaned before than can be sanitized. Also, some chemical sanitizers, such as chlorine and iodine, react with organic matter and so are less effective when the surface is not properly cleaned.

Cleaning and Sanitizing Procedures

The Kind Castle ensures that detailed equipment cleaning and sanitizing procedures are created, maintained, and up-to-date for maintaining the hygiene level of equipment used in the Retail Marijuana Store. These written cleaning procedures must be developed and utilized for the cleaning of all equipment used at the facility that could affect the quality of the cannabis.

Cleaning operations must be performed in a manner to prevent contamination of materials and products. Only food-grade cleaning compounds and sanitizers authorized for product contact surfaces may be used for cleaning product contact surfaces. Nontoxic general-purpose soaps should be used in a manner that prevents product contamination.

Cleaning and Sanitation Performed by Contractors or Temporary Agents

All sanitation procedures apply to work performed by contractors and temporary employees as well as work performed by full-time employees during the ordinary course of operations.

Storage of Cleaning Compounds and Sanitizers

When not in use, all cleaning compounds and sanitizers must be properly labeled and stored away from production, material and product storage, and packaging storage areas. Cleaning equipment and tools must be readily available for use. All cleaning equipment must be maintained and stored in such a way as not to contaminate in-process, finished products or equipment with packaging-contact surfaces. All toxic chemicals, including cleaning and maintenance compounds, and all non-product related materials, such as parts and equipment, must be completely segregated from all product contact surfaces and packaging supplies.

Equipment Cleaning Procedures

Written procedures are established and followed for the cleaning and maintenance of equipment and utensils used to manufacture, process, package or hold cannabis. These procedures must include, without limitation:

- Assignment of responsibility for cleaning and maintaining equipment.
- Maintenance and cleaning schedules, including, where appropriate, sanitizing schedules.
- A description in sufficient detail of the methods, equipment and materials used in cleaning and maintenance operations and the methods of disassembling and reassembling equipment as necessary to assure proper cleaning and maintenance.
- Protection of clean equipment from contamination before use.
- Inspection of equipment for cleanliness immediately before use.

The Kind Castle must maintain records of any maintenance, cleaning, sanitizing and inspection carried out pursuant to this section.

Surfaces of Equipment and Utensils: Cleaning Frequency

Employees must ensure that surfaces, utensils, and equipment that have direct contact with useable cannabis (product contact surfaces) are adequately cleaned and sanitized before each use. The surfaces of equipment and utensils that have direct contact with cannabis must be cleaned:

1. Each time there is a change from working with unfinished and finished cannabis.
2. At any time when contamination may have occurred.
3. At a frequency specified by the manufacturer.
4. If the manufacturer does not specify a frequency, at a frequency necessary to prevent the accumulation of soil or mold.

Additionally, Employees must ensure that:

1. The surfaces of equipment and utensils that have direct contact with cannabis are clean to sight and touch and sanitized prior to use.
2. The surfaces of equipment that do not have direct contact with cannabis are kept free of an accumulation of dust, dirt, residue and other debris.

Master Cleaning Schedule

The Kind Castle maintains a Master Cleaning Schedule for all cleaning and housekeeping assignments that is undertaken as a formalized written plan. It must specify frequency, responsibility, and post-cleaning evaluation and must be up-to-date. This schedule may include the outside grounds, building, drains, utensils, and equipment.

Investigations: Discrepancies and Suspected Diversions

If The Kind Castle discovers a discrepancy between its physical inventory and its digital inventory records stored in the Metrc & Flowhub and there is reason to suspect that a diversion may have occurred, The Kind Castle launches an investigation within 1 business day of the discovery or suspicion. The General Manager is placed in charge of the investigation and appointed the Lead Investigator—this manager is chosen based on the circumstances of the discrepancy and should be someone who is impartial to those circumstances. The goal of this investigation is to determine the source of the discrepancy and when and where it occurred. The investigation may include:

1. A non-scheduled internal audit of The Kind Castles physical inventory and its digital inventory records in Metrc & Flowhub.
2. A review of Metrc & Flowhub's inventory control records.
3. A review of the staff schedule.
4. A review of surveillance footage.
5. Interviews with employees.
6. An audit of the calibration of measuring equipment.
7. A review of delivery manifests and distribution records.
8. A review of the Visitor Log.
9. Communications with licensees to whom The Kind Castle has distributed cannabis.

The Lead Investigator must ensure that every step taken during an investigation is thoroughly recorded in an Investigation Log, including any findings, conclusions, suppositions, and recommended action items and preventive action items.

The Kind Castle shall ensure that it completes its investigation within 30 business days of the launch of the investigation. Once the source of the discrepancy has been determined and the investigation has been completed, or within 30 business days, whichever comes first, the General Manager will write an Incident Report summarizing the investigation, actions taken, its findings, conclusions, suppositions, and recommended action items and preventive action items. Any action items created because of these findings are given follow up dates and added to the internal audit schedule to ensure that the actions are completed.

Then the Lead Investigator will make copies of the Incident Report, and he or she will distribute them to the other members of the Senior Management Team. The Senior Management Team will then review the Incident Report, and they will hold a meeting to discuss the investigation and its findings. The General Manager will lead this meeting, and it will focus on:

1. Whether and how to improve security, inventory control, and other SOPs.
2. Whether and how to improve investigation procedures.
3. Other recommended actions items.

A summary of the meeting, the names and positions of its participants, and its conclusions will be recorded in an Investigation Meeting Report. Each Incident Report will be made available to the MED upon request for at least 5 years after the closing date of each investigation.

Suspected Criminal Activity

Additional information found in the Criminal Activity SOP

If The Kind Castle discovers evidence indicating a theft, diversion, or other criminal activity has occurred, including criminal activity by an employee, The Kind Castle shall immediately report this information to the MED/Department/Division and to the appropriate law enforcement agencies. If uncovered during an investigation, The Kind Castle shall complete an Incident Report Form. The Kind Castle will also notify the MED, Department, and Division, and the appropriate law enforcement agencies by email for recordkeeping purposes.

Complaints, Adverse Events, Recalls, and Quarantining

Additional information found in the Complaints, Adverse Events, Recalls, and Quarantining SOP

All cannabis sold must be labeled with a unique identifier, allowing The Kind Castle to track its cannabis from seed to sale. End users can use this information to report a complaint or adverse event in reference to a batch.

The Kind Castle may recommend that consumers contact the vendor in which they received the marijuana product, but they are more likely to handle the complaint themselves. Most Retail Marijuana Stores are prepared to handle complaints and they also have the ability to review the purchasing records of their customers to identify the exact product that is being identified as the cause of the complaint or adverse event.

All cannabis sold must be labeled with a unique identifier, allowing The Kind Castle to track its cannabis from seed to sale. End users can use this information to report a complaint or adverse event in reference to a batch.

Retail Marijuana Stores may recommend that consumers contact the vendor in which they received the marijuana product, but they are more likely to handle the complaint themselves. Most Retail Marijuana Stores are prepared to handle complaints and they also have the ability to review the purchasing records of their customers to identify the exact product that is being identified as the cause of the complaint or adverse event.

Appendix

i. Cash Handling and Storage
ii. Cleaning and Sanitation
iii. Complaints, Adverse Events, Recalls, and Quarantines
iv. Customer Relations
v. Customer Intake
vi. Disciplinary Action
vii. Retail Marijuana Store Facility
viii. Retail Marijuana Store General Manager
ix. Dispensing Procedures
x. Diversion Prevention
xi. Emergency, Safety, and Criminal Activity
xii. Employee Complaints
xiii. Employee File Management
xiv. Incident Report
xv. Interviewing and Hiring
xvi. Inventory Control and Control Testing
xvii. Key Control
xviii. Labeling and Packaging
xix. Marketing and Advertising
xx. Opening and Closing
xxi. Processing Transactions
xxii. Purchasing Restrictions
xxiii. Quality Control
xxiv. Receiving a Transfer
xxv. Refusal of Sale and Recognizing Abuse
xxvi. Security Features and Procedures
xxvii. Signage
xxviii. Training
xxix. Transportation
xxx. Verification and Recordkeeping
xxxi. Visitor Log
xxxii. Waste Log

RECEIVED JAN 13 2020

Verification for Proposed Retail Marijuana Establishment

Retail Marijuana License & Special Use Permit Applications under the business name of The Kind Castle proposed to be located at TBD River Frontage Road, Silt, CO 81652.

I Mark Mayasich, state under oath that I have read the contents of the application and verify its contents to the best of my knowledge and belief.

Signature: _____

Print Name: Mark J Mayasich

Title: Manager

Date: 1/13/2020

Colorado Drivers License
Type of Identification

County of Garfield)
ss.
State of Colorado)

Sworn to and subscribed before me this 13th (fill in day) day of January (fill in month), 2020 (fill in year).

By Mark J. Mayasich
(name printed)

Witness my hand and official seal.

_____
Notary Public

(seal)

My Commission expires: April 25, 2023

ALLAN MONDRAGON - NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20154001639
MY COMMISSION EXPIRES APRIL 25, 2023

RECEIVED JAN 13 2020

Verification for Proposed Retail Marijuana Establishment

Retail Marijuana License & Special Use Permit Applications under the business name of The Kind Castle proposed to be located at TBD River Frontage Road, Silt, CO 81652.

I John Oliver Dyet, state under oath that I have read the contents of the application and verify its contents to the best of my knowledge and belief.

Signature: _____

Print Name: John Oliver Dyet

Title: Member

Date: 1/13/2020

Colorado Driverse License
Type of Identification

County of Garfield)
ss.
State of Colorado)

Sworn to and subscribed before me this 13th (fill in day) day of January (fill in month), 2020 (fill in year).

By John Oliver Dyet
(name printed)

Witness my hand and official seal.

_____ (seal)
Notary Public

My Commission expires: April 25, 2023

ALLAN MONDRAGON - NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20154001639
MY COMMISSION EXPIRES APRIL 25, 2023

TOWN OF SILT Est. 1915

231 N. 7th Street / P.O. Box 70 / Silt, CO 81652
Phone: 970-876-2353 / Fax: 970-876-2937

January 13, 2020

By Email and/or Standard Mail

Alpine Planning, LLC
P.O. Box 654
Ridgway, CO 81432

Silt Castle, LLC
P.O. Box 687
Glenwood Springs, CO 81602

Red Horse, LLC
16604 CR 8
Meeker, CO 81641

Dear Applicant, Property Owner, and Representative:

The Town is in receipt of a special use permit application (with portions dated January 10, 2020 and January 13, 2020) for a retail marijuana store upon a B-2 Highway Business District property known as Parcel A, Second Amended Keithley Subdivision Exemption Plat, also known as 1421 River Frontage Road, within the Town of Silt. The Town is in receipt of the required $250 fee. Additional consultant fees for administrative, engineering, and attorney review apply. As of January 13, 2020, the Community Development Department deems the special use permit application substantially complete and will process the application in accordance with Silt Municipal Code and statutory guidelines, if applicable.

The Town is also in receipt of a retail marijuana license application, (with portions dated January 10, 2020 and January 13, 2020), and applicable application fee of $1,500. The Town is also in receipt of the required Town and State copies of proposed manager and owner fingerprints, with a money order for $39.50, to be sent to the State for review. As of January 13, 2020, the Town Clerk deems the retail marijuana license application substantially complete and will process the application in accordance with Silt Municipal Code and statutory guidelines.

Following a more comprehensive review, the Town may ask for additional submittal items. The Town expects the applicant to complete all public notifications, in accordance with Silt Municipal Code, and will provide the format of such public notice and date of scheduled public hearing shortly. Should you have any questions, please do not hesitate to call, email, or drop by Town Hall. Thanks very much for your prompt attention.

Sincerely,

Janet G. Aluise, Community Development Director

Sheila McIntyre, Town Clerk, CMC

CC: Jeff Layman, Town Administrator; Michael Sawyer, Town Attorney; file

TOWN OF SILT
Est. 1915

231 N. 7th Street / P.O. Box 70 / Silt, CO 81652
Phone: 970-876-2353 / Fax: 970-876-2937

January 23, 2020

On January 10, 2020, John Dyet submitted a special use permit application and Retail Marijuana application to the Town of Silt. Since the special use permit will need to be presented and approved before the Retail Marijuana application can go to the Board, this process will take longer than the 30-days allowed by Silt Municipal Code for staff to take a retail application to the Board. Staff is asking that the applicant, John Dyet voluntarily comply with an extension of time to take his application to the Board based on the additional time it will take to review and approve the special use permit. This requested extension along with the newly placed moratorium will not in any way effect or change the date that the retail application was received or the remainder of the review process.

John Dyet is signing this letter based solely on the request of the Town of Silt to allow for more time to process the Retail Marijuana application. If this letter causes any issue in processing or approving the Retail Marijuana application or impacts the Applicant's immunity to the Town's moratorium, John Dyet would never have signed it and, in that case, John Dyet hereby revokes his signature from this letter.

John Dyet, applicant

Sheila McIntyre, Town Clerk

PETITION TO THE TOWN OF SILT MARIJUANA LICENSING AUTHORITY

I, the undersigned, am aware that an application for a retail marijuana establishment license has been filed with the Town of Silt Marijuana Licensing Authority by: Silt Castle LLC dba The Kind Castle, and proposed to be located at TBD River Frontage Road, Silt, CO 81652 (15.2 acre parcel) I am aware of its location, next to Holiday Inn Express to the West. I am at least 21 years of age and am a resident, owner or manager of a business located within the defined neighborhood boundaries of the proposed marijuana establishment. I have indicated below whether I consider the granting of the above mentioned marijuana license to be desirable and necessary for the reasonable requirements of the neighborhood:

(Maps of the proposed marijuana store site/location is available to all Parties of Interest.)

Signature	Printed Name	Address	Resident, Business Owner or Manager	Date Signed	Yes √	No √
1.	Robby Lange	2122 Sorrel Ln	Resident	1/12/20	✓	
2.	Nayeli Ramirez	2330 Sorrel Ct	Resident	1/12/20	✓	
3.	LORI Snyder	1325 O Charles Ave SILT CO	Resident	1/12/20	✓	
4.	Jesse Zegarski	522 Ballard Ave.	Resident		✓	
5.	Stephanie White	1438 Domelby	Resident	1/12/2020	✓	
6.	Alan K White	1458 Domelby Ct	Resident	1/12/2020	✓	
7.	Chestin Nierson	1020 Domelby Ct	Resident	1/12/2020		
8.	Amy Rodriguez	1024 Domelby Ct	Resident	1/12/2020	✓	
9.	JESSICA KIDD	1236 Domelby Ct	resident	1/12/2020	✓	
10.	WILLARD J. KIDD	1236 Domelby Ct	resident	1/12/2020	✓	
11.	Tarcila Benitez	1266 Domelby Ct	resident	01/12/20	✓	
12.	BRAD BROOKE	1237 Domelby Ct	resident	01/12/20	✓	
13.	Justin Ryden	1120 main st unit 3	resident	01/12/20	✓	
14.	SOFIA POCANOWSKA	Domelby Ct	resident	1/12/20	✓	
15.	1023 Domelby	Perla Dahlen	Resident	1/12/20	✓	
16.	1019 Domelby	Mary Jo Jones	Resident	1/12/20	✓	
17.	1017 Domelby Ct	Samantha Locke-Kump	Resident	1-12-20	✓	
18.	1015 Domelby Ct	V. Armenoic	Resident		✓	
19.	1015 Domelby Ct	L Terbosic	Resident	1-12-20	✓	
20.	1013 Domelby Ct	Pablo Bogarin	Resident	1-12-20	✓	

PETITION TO THE TOWN OF SILT MARIJUANA LICENSING AUTHORITY

I, the undersigned, am aware that an application for a retail marijuana establishment license has been filed with the Town of Silt Marijuana Licensing Authority by: Silt Castle LLC dba The Kind Castle, and proposed to be located at TBD River Frontage Road, Silt, CO 81652 (15.2 acre parcel) I am aware of its location, next to Holiday Inn Express to the West. I am at least 21 years of age and am a resident, owner or manager of a business located within the defined neighborhood boundaries of the proposed marijuana establishment. I have indicated below whether I consider the granting of the above mentioned marijuana license to be desirable and necessary for the reasonable requirements of the neighborhood:

(Maps of the proposed marijuana store site/location is available to all Parties of Interest.)

Signature	Printed Name	Address	Resident, Business Owner or Manager	Date Signed	Yes √	No √
1.	Janet Collins	399 Grillo Lane	Owner Business	1/12/20	√	
2.	Victoria	3794 Livelton	Res	1/12/20	√	
3.	Selene Reyes	3794 Livelton	Res	1/12/20	√	
4.	Jessica Colvin	2027 Sor	Owner	1/12/20	√	
5.		1245 Rimrock				
6.		111 G				
7.		201 Cates Dr	owner	1/12/20	√	
8.		321 Grand	Rent	1/12/20	X	
9.	Herrera	301 N 5th St	Res	1/12/20	X	
10.		5941 Q 233	Own	1/12/20	√	
11.	Zach	38 R 331	Res	1/12/20	X	
12.	Tabbs	439 Orchard Ave	Resident	1/12/20	X	
13.	Jeff Tabbs	439 Orchard Ave	Resident	1/12/2020	X	
14.	Casey	32 S Golden	Res	1/12/20	X	
15.	John Collins	46 Cheryl Dr	Res	1/12/20	X	
16.		32 S Golden Rd	Res	1/12/20	X	
17.	Mark Mayott	2005 E Ballard	Res	1/12/20	X	
18.						
19.						
20.						

PETITION TO THE TOWN OF SILT MARIJUANA LICENSING AUTHORITY

I, the undersigned, am aware that an application for a retail marijuana establishment license has been filed with the Town of Silt Marijuana Licensing Authority by: Silt Castle LLC dba The Kind Castle, and proposed to be located at TBD River Frontage Road, Silt, CO 81652 (15.2 acre parcel) I am aware of its location, next to Holiday Inn Express to the West. I am at least 21 years of age and am a resident, owner or manager of a business located within the defined neighborhood boundaries of the proposed marijuana establishment. I have indicated below whether I consider the granting of the above mentioned marijuana license to be desirable and necessary for the reasonable requirements of the neighborhood:

(Maps of the proposed marijuana store site/location is available to all Parties of Interest.)

Signature	Printed Name	Address	Resident, Business Owner or Manager	Date Signed	Yes √	No √
1. Rikki Fetterhoff	Rikki Fetterhoff	2005 E Ballard Ave	Resident	01/12/20	X	
2. Jose R		777 main ST	Resident	1/12/20	X	
3. Eryte		777 main	Residen	01/12/20	X	
4. Pablo		777 main	Residen	1/12/20	X	
5. [illegible]	DAVID COLLIER	PO Box 10 Silt	Resident	11/12/20	X	
6.						
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PETITION TO THE TOWN OF SILT MARIJUANA LICENSING AUTHORITY

I, the undersigned, am aware that an application for a retail marijuana establishment license has been filed with the Town of Silt Marijuana Licensing Authority by: Silt Castle LLC dba The Kind Castle, and proposed to be located at TBD River Frontage Road, Silt, CO 81652 (15.2 acre parcel) I am aware of its location, next to Holiday Inn Express to the West. I am at least 21 years of age and am a resident, owner or manager of a business located within the defined neighborhood boundaries of the proposed marijuana establishment. I have indicated below whether I consider the granting of the above mentioned marijuana license to be desirable and necessary for the reasonable requirements of the neighborhood:

(Maps of the proposed marijuana store site/location is available to all Parties of Interest.)

Signature	Printed Name	Address	Resident, Business Owner or Manager	Date Signed	Yes √	No √
1.	Liliana Cerecero	81652	Resident	1-12	X	
2.	Connie Kane	81652	Resident	1-12	X	
3.	Alejandro Leady	81652	Resident	1-12	X	
4.	Don Bollender	81601	Resident	1-12	X	
5.	Tom Regan	81647	Resident	1-12	X	
6.	Sally Regan	" "	"	"	X	
7.	Darrin Crabtree	81652	Resident	1-12	X	
8.	Thomas Swanson	81652	Resident	1/12	X	
9.						
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20.						

RESIDENT PETITION IN SUPPORT OF THE APPLICATION FOR SILT CASTLE LLC d/b/a THE KIND CASTLE TO RECEIVE CITY APPROVALS FOR ITS RETAIL MARIJUANA STORE LICENSE AND SPECIAL USE PERMIT AT TBD RIVER FRONTAGE ROAD IN SILT

I, Connie Karr, state the following in support of Silt Castle LLC d/b/a The Kind Castle's (hereinafter "The Kind Castle") application to apply for and receive all approvals from the Town of Silt licensing authority to allow The Kind Castle to operate a retail marijuana store licensed at TBD River Frontage Road, Silt, CO 81652 (Parcel # 217910100039), directly to the West of Holiday Inn Express located at 1535 River Frontage Rd, Silt, CO 81652:

1. As a Party in Interest, 21 years of age or older, I reside in the Town of Silt, Colorado. My address is:

   _____

   _____

2. Since the Town of Silt voted to allow retail marijuana sales, there has been additional development and revenue in Town as a result of the new retail marijuana stores. There has also been an increase in visitors and tourism for marijuana products.
3. The Applicant offers better prices, quality and more options than the existing stores in Town of Silt.
4. At the same time, there has been no noticeable negative effects related to the retail marijuana stores.
5. I support The Kind Castle and their application to receive a retail marijuana store license at TBD River Frontage Road in the Town of Silt. Since this business meets my needs as an adult inhabitant, I also support the continuous renewal of this license and permit annually.
6. I believe approving this retail marijuana store license and special use permit meets the needs of the neighborhood and desires of the adult inhabitants in the Town of Silt since this approval will bring additional customers to the area and surrounding businesses, providing jobs to residents, thereby improving the economy and ultimately benefiting the city.
7. I believe The Kind Castle meets all requirements set forth by the Town of Silt to operate a retail marijuana business at TBD River Frontage Road in the Town of Silt, Colorado.
8. Based on the foregoing, I request that the Town of Silt, including its Board of Trustees and Licensing Authority, approve The Kind Castle's application for a retail marijuana store license and special use permit at TBD River Frontage Road in the Town of Silt.
9. Other Comments: _____

   _____

By: _____

Name: Connie Karr

Date: 1/12/2020

RESIDENT PETITION IN SUPPORT OF THE APPLICATION FOR SILT CASTLE LLC d/b/a THE KIND CASTLE TO RECEIVE CITY APPROVALS FOR ITS RETAIL MARIJUANA STORE LICENSE AND SPECIAL USE PERMIT AT TBD RIVER FRONTAGE ROAD IN SILT

I, Rikki Fetterhoff, state the following in support of Silt Castle LLC d/b/a The Kind Castle's (hereinafter "The Kind Castle") application to apply for and receive all approvals from the Town of Silt licensing authority to allow The Kind Castle to operate a retail marijuana store licensed at TBD River Frontage Road, Silt, CO 81652 (Parcel # 217910100039), directly to the West of Holiday Inn Express located at 1535 River Frontage Rd, Silt, CO 81652:

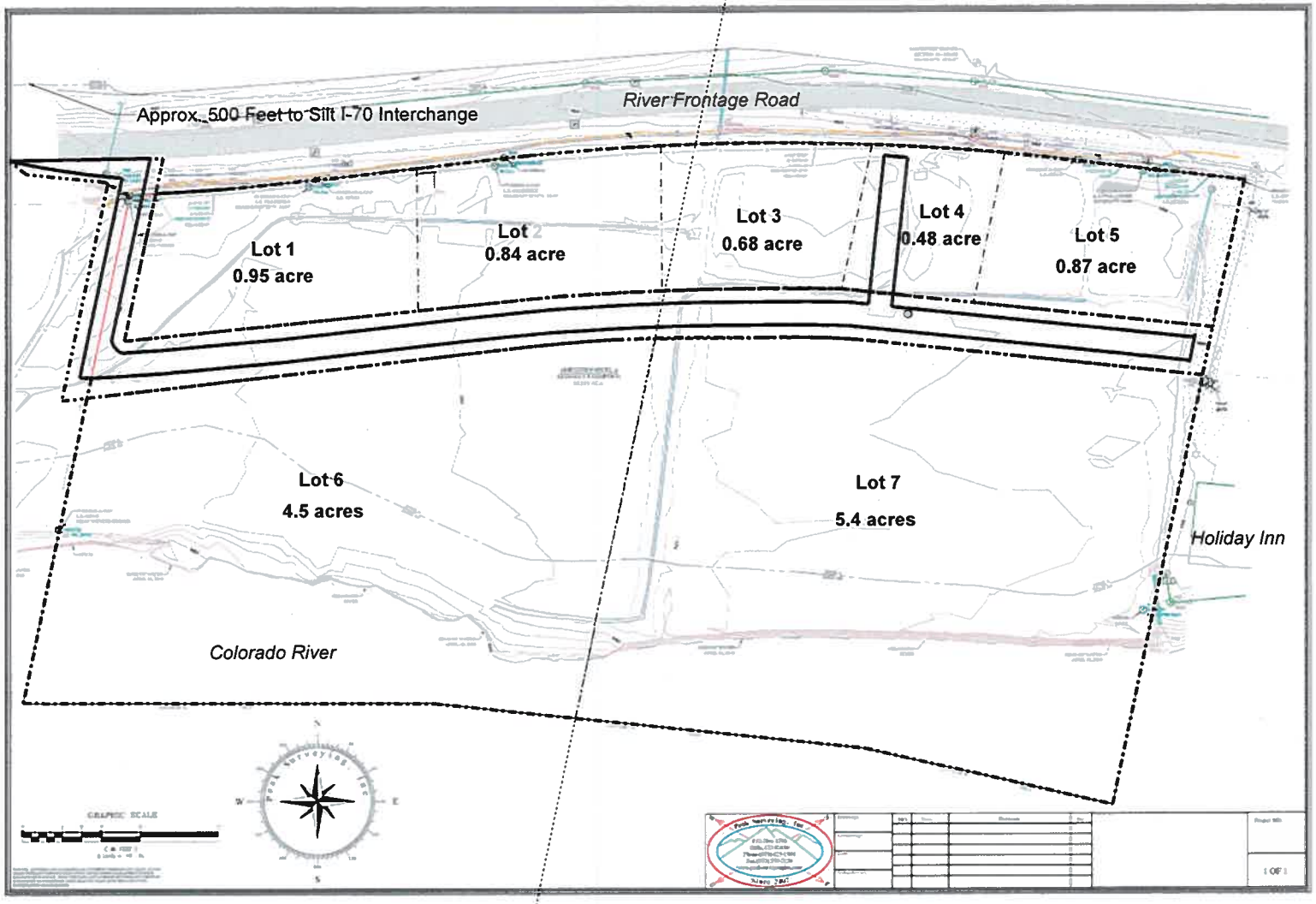
1. As a Party in Interest, 21 years of age or older, I reside in the Town of Silt, Colorado. My address is: 2606 E Ballard Ave Silt CO 81652
2. Since the Town of Silt voted to allow retail marijuana sales, there has been additional development and revenue in Town as a result of the new retail marijuana stores. There has also been an increase in visitors and tourism for marijuana products.
3. The Applicant offers better prices, quality and more options than the existing stores in Town of Silt.
4. At the same time, there has been no noticeable negative effects related to the retail marijuana stores.
5. I support The Kind Castle and their application to receive a retail marijuana store license at TBD River Frontage Road in the Town of Silt. Since this business meets my needs as an adult inhabitant, I also support the continuous renewal of this license and permit annually.
6. I believe approving this retail marijuana store license and special use permit meets the needs of the neighborhood and desires of the adult inhabitants in the Town of Silt since this approval will bring additional customers to the area and surrounding businesses, providing jobs to residents, thereby improving the economy and ultimately benefiting the city.
7. I believe The Kind Castle meets all requirements set forth by the Town of Silt to operate a retail marijuana business at TBD River Frontage Road in the Town of Silt, Colorado.
8. Based on the foregoing, I request that the Town of Silt, including its Board of Trustees and Licensing Authority, approve The Kind Castle's application for a retail marijuana store license and special use permit at TBD River Frontage Road in the Town of Silt.
9. Other Comments: _____

By: _____

Name: Rikki Fetterhoff

Date: 01/12/20

Physical Address	Owner	Account Num	Mailing Address
357 S 16TH ST SILT	WESTERN MINI STORAGE, LLC	R200375	PO BOX 1289 SILT, CO 81652
Not available SILT	RED HORSE LLC	R006181	16064 COUNTY ROAD 8 MEEKER, CO 81641
1555 RIVER FRONTAGE RD SILT	SILT, TOWN OF	R043693	PO BOX 70 SILT, CO 81652
RIVER FRONTAGE RD SILT	SILT, TOWN OF	R043694	PO BOX 70 SILT, CO 81652
1535 RIVER FRONTAGE RD SILT	RIO WEST HOSPITALITY INC	R082684	40 WOODMEN COURT COLORADO SPRINGS, CO 80919
800 RIVER FRONTAGE RD SILT	SILT, TOWN OF	R200552	PO BOX 70 SILT, CO 81652
629 RIVER FRONTAGE RD SILT	CAMP COLORADO RIVER LLC	R200740	PO BOX 5050 EAGLE, CO 81631
241 311 COUNTY RD SILT	ASPHALT PAVING CO	R023306	14802 W 44TH AVENUE GOLDEN, CO 80403-1824
Not available null			



ALPINE PLANNING

Alpine Planning, LLC
P.O. Box 654
Ridgway, CO 81432

Silt Landing Subdivision

ISSUE
February 27, 2020

DRAWN BY
CH

Conceptual Subdivision Plan

A.01

COLORADO
Department of Revenue

Licensee Name: The Cannabist Castle Supermarket and Dispensary Lounge

License Number: 402R-00526

c/o Raymond Strickoff

Address: 248 E 1st St Parachute CO 81635

Email Address: email@cannabistcastle.com

Re: UNDERAGE COMPLIANCE CHECK

This letter is to document the Marijuana Enforcement Division's recent unannounced underage compliance check conducted at your licensed marijuana business. Based upon the Division's investigation, your business was found to be compliant with subsections 12-43.4-901(4)(e) and 12-43.4-402(3)(b)(I) of the Colorado Retail Marijuana Code and Rules R 402(A), R 402(B), R 403(B), and R 404(A), 1 CCR 212-2.

Preventing distribution of marijuana to minors by licensees is a priority of the Marijuana Enforcement Division. Retail Marijuana sales to persons under the age of 21 violates statutory and rule requirements deemed to affect public safety and subjects licensees to penalties including, but not limited to, license suspension, a fine of up to $100,000 and license revocation. Your contribution to this important public safety objective will be part of the Division's records associated with your license.

Please do not hesitate to call with any questions or concerns regarding this matter.

Sincerely,

Don Potter
Criminal Investigator, Grand Junction Field Office
Marijuana Enforcement Division
632 Market St #G3
Grand Junction, Colorado 81505
Office: 970-260-7721
Email: don.potter@state.co.us

COLORADO
Department of Revenue

Licensee Name: THE CANNABIST CASTLE SUPERMARKET & DISPENSARY LOUNGE LLC

License Number: 402R-00526

c/o: Trevor McGarvey

Address: 248 East First Street
Parachute, CO 81635

Email Address: email@cannabistcastle.com

Re: UNDERAGE COMPLIANCE CHECK

This letter is to document the Marijuana Enforcement Division's recent unannounced underage compliance check conducted at your licensed marijuana business. Based upon the Division's investigation, your business was found to be compliant with subsections 44-43.4-901(4)(e) and 44-43.4-402(3)(b)(I) of the Colorado Retail Marijuana Code and Rules R 402(A), R 402(B), R 403(B), and R 404(A), 1 CCR 212-2.

Preventing distribution of marijuana to minors by licensees is a priority of the Marijuana Enforcement Division. Retail Marijuana sales to persons under the age of 21 violates statutory and rule requirements deemed to affect public safety and subjects licensees to penalties including, but not limited to, license suspension, a fine of up to $100,000 and license revocation. Your contribution to this important public safety objective will be part of the Division's records associated with your license.

Please do not hesitate to call with any questions or concerns regarding this matter.

Sincerely,

Brian Bahl
Criminal Investigator, Grand Junction
Marijuana Enforcement Division
632 Market St #G3
Grand Junction, Colorado 81505
Office: 970-248-7187
Email: brian.bahl@state.co.us

COLORADO
Department of Revenue
Enforcement Division – Marijuana

Licensee Name: THE CANNABIST CASTLE SUPERMARKET & DISPENSARY LOUNGE LLC

License Number: 402R-00526

c/o: Trevor McGarvey, M10692

Address: 248 East First Street
Parachute, CO 81635

Email Address: email@cannabistcastle.com

Re: UNDERAGE COMPLIANCE CHECK

This letter is to document the Marijuana Enforcement Division's recent unannounced underage compliance check conducted at your licensed marijuana business. Based upon the Division's investigation, your business was found to be compliant with subsections 44-43.4-901(4)(e) and 44-43.4-402(3)(b)(I) of the Colorado Retail Marijuana Code and Rules R 402(A), R 402(B), R 403(B), and R 404(A), 1 CCR 212-2.

Preventing distribution of marijuana to minors by licensees is a priority of the Marijuana Enforcement Division. Retail Marijuana sales to persons under the age of 21 violates statutory and rule requirements deemed to affect public safety and subjects licensees to penalties including, but not limited to, license suspension, a fine of up to $100,000 and license revocation. Your contribution to this important public safety objective will be part of the Division's records associated with your license.

Please do not hesitate to call with any questions or concerns regarding this matter.

Sincerely,

Investigator Brian Bahl
Criminal Investigator, Office
Marijuana Enforcement Division
632 Market Street, Suite G3
Grand Junction, CO 81505
Office Phone : 970-248-7184
Email: brian.bahl@state.co.us

COLORADO
Department of Revenue
Enforcement Division – Marijuana

Licensee Name: The Cannabist Castle Supermarket & Dispensary Lounge LLC

License Number: 402R-00526

c/o: Trevor McGarvey

Address: 248 E 1st St, Suite A Parachute, CO 81635

Email Address: email@cannabistcastle.com

Re: UNDERAGE COMPLIANCE CHECK

This letter is to document the Marijuana Enforcement Division's recent unannounced underage compliance check conducted at your licensed marijuana business. Based upon the Division's investigation, your business was found to be compliant with subsections 44-10-701(5)(a) and 44-10-601(3)(b)(I) of the Colorado Marijuana Code and Rules 6-110(A), 6-110(B), 6-115(B), and 3-405(B) 1 CCR 212-3.

Preventing distribution of marijuana to minors by licensees is a priority of the Marijuana Enforcement Division. Retail Marijuana sales to persons under the age of 21 violates statutory and rule requirements deemed to affect public safety and subjects licensees to penalties including, but not limited to, license suspension, a fine of up to $100,000 and license revocation. Your contribution to this important public safety objective will be part of the Division's records associated with your license.

Please do not hesitate to call with any questions or concerns regarding this matter.

Sincerely,

Don Potter
Criminal Investigator, Grand Junction
Marijuana Enforcement Division
632 Market St #G3 Grand Junction, CO
970-248-7187
Don.Potter@state.co.us

February 14, 2020

Town of Silt Board of Trustees
231 N. 7th Street
Silt, CO 81652

Dear Trustees:

I own and operate the High Q retail marijuana store at 730 Main Street in Silt. High Q Silt opened in Silt on November 22, 2014 and has been serving the Silt community for over 5 years. I have developed strong relationships within the community that have given me a special understanding of Silt residents and their views on marijuana businesses operating in Silt. This application should be denied for the following reasons:

- **Silt residents and business owners do not want another marijuana store in Silt.**
  - On January 13th, you unanimously voted to place a moratorium on additional marijuana stores in Silt to allow you the time to consider changes to the town's marijuana ordinances, including limiting the number of marijuana stores. It's my understanding that the marijuana subcommittee has not yet had an opportunity to meet. This applicant applied the day before the moratorium went into effect and it seems like the application is being rushed through town consideration despite it being in conflict with the will of the residents and the Trustees elected to represent their interests.
  - Silt residents do not want Silt to become a "pot town" like Parachute and De Beque. Parachute and De Beque have embraced marijuana as their primary industry and cater to I-70 travelers. The I-70 marijuana stores, with their ostentatious signs attract tourists and tax revenues to those towns, but they do not facilitate building vibrant, family-friendly communities like we have in Silt.
  - Business owners in the downtown core do not want to see consumer traffic and business moved across the highway. The #1 growth priority in the Comprehensive Plan is growth in the downtown core. We need development in the vacant properties on Main Street.
- **The applicant has shown an unwillingness to adhere to town ordnances.**
  - On Tuesday February 18th, representatives from Kind Castle were handing out flyers on Main Street in Silt. Section 5.32.200 of the Silt Municipal Codes prohibits marijuana companies from handing out flyers or placing them on automobiles. Town Staff informed Kind Castle of this regulation on February 18th and asked that the cease distributing flyers. On Saturday February 22nd, Kind Castle placed flyers on automobiles in Silt again violating town ordinances.

- **It will not generate additional tax revenues for Silt.**

  - Parachute generated $418,425 in marijuana sales taxes in 2019, down 13.54% from $483,977 in 2018.[1] Assuming this number does not include any portion of the state marijuana sales taxes, that implies a total market size of $11.2 million or an average store size of $1.8 million. At the January 13th Town Council meeting, the applicant said Parachute was 10 times the size of Silt. That's clearly not true. At the February 18th, P&Z meeting the applicant said his store was generating $6 million per year, which is also not true. Another Parachute store owner confirmed his store in Parachute generates $1.5 million and believed the largest store in Parachute was $2 million.

  - The marijuana stores in Silt have been serving the needs of the community for over 5 years. We are very well known locally and with tourists. When Silt passed retail marijuana sales in 2013, it was the farthest most western town in Colorado that allowed retail marijuana sales. Tourists have been traveling far to come to the Silt marijuana stores for many years.

- **It would create an undue concentration of marijuana stores in Silt.**

  - Chapter 17.73 of the Silt Municipal Code states "It is the desire of the town to prevent an undue concentration of medical and retail marijuana stores." With three stores, Silt would have substantially more stores per 1,000 residents than many neighboring towns. The only towns higher are the pot tourist towns of De Beque and Parachute/Battlement Mesa, which rely on marijuana as their primary industry.[2]

City/Town	# of RMS	2020 Population	# RMS/1,000 People
De Beque	4	503	7.9523
Parachute & Battlement Mesa	6	5,850	1.0256
Silt with Three Stores	3	3,181	0.9431
Glenwood Springs	9	9,972	0.9025
Palisade	2	2,714	0.7369
Silt with Two Stores	2	3,181	0.6287
Carbondale	4	6,879	0.5815
Edwards	4	10,071	0.3972
Basalt	1	4,166	0.2400
Rifle	2	9,732	0.2055

- **Allowing this single use outside the downtown core will result in costly urban sprawl.**

  - Urban sprawl refers to unrestricted growth in housing, commercial development and roads over large expanses of land, with little concern for urban planning. It has negative consequences for residents and the environment and undermines the vitality of urban centers. It can strain town resources and infrastructure and lead to vacant storefronts, closed and abandoned businesses, traffic and environmental degradation.

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1 Source: Town of Parachute 2020 Budget.

2 Sources: World Population Review 2020 and Colorado Marijuana Enforcement Division.

- **There are no assurances that the lot being purchased by Kind Castle will ever be developed for additional uses.**
    - Kind Castle will encompass only 5.3% of the lot. While the company may intend to subdivide it and sell parcels for future uses, there are no guarantees anyone will buy any of them or develop them. We can see evidence of this on Main Street today, where three attractive lots near 9th Street have gone undeveloped for several years. Moreover, there is a risk that other businesses that are more appropriate uses for that zone district may not want to locate in such proximity to a marijuana use.
- **As outlined on the attached pages, the use is not compatible with the Silt Comprehensive Plan and does not meet the criteria for approval as specified in the Silt Municipal Code Section 17.78.**

The Town of Silt is a special place that I have come to know very well. In addition to High Q Silt, I have High Q stores in Carbondale and Snowmass Village. I employ a total of 22 people, many of whom live in Silt. As my company grows, I am looking to work with local developers to locate and/or develop housing in Silt for my employees.

It is true that I personally do not want another marijuana store in Silt. However, I am writing this letter to you because I am certain Silt residents do not want another marijuana store. Silt residents do not want Silt to become known as a pot tourist town. Additionally, this application does not meet the requirements for approval as specified in Chapter 17.78 of the Silt Municipal Code and is not consistent with the Silt Comprehensive Plan, as I have enumerated in the attached pages to this letter. The Silt Planning and Zoning Commission should reject this application.

Sincerely,

Renée S. Grossman

SPECIAL USE PERMIT CRITERIA

Section 17.78.030 of the Silt Municipal Code lays out the criteria for review of special use applications, as indicated below.

A. Compliance of the application with this [Silt Municipal] code;

B. Compatibility of the proposal with the character of the surrounding area;

C. Desirability and need for the proposed use;

D. Encouragement of the most appropriate use of land throughout the town;

E. Potential for adverse environmental influences that might result from the proposed use;

F. Compatibility of the proposed use with the comprehensive plan; and

G. Adequate provision for ingress and egress of vehicular and other traffic; parking, servicing and loading/unloading; refuse and service areas; utilities; screening and buffering; signage; yards and open space; and any other items determined necessary or appropriate by the board.

A. Compliance of the application with this [Silt Municipal] code;

While the use is permitted by Special Use Permit in the B-2 Highway Business zone district, it is not consistent with the intended uses envisioned for this area. The Silt Comprehensive Plan land use designation for Service & Commercial Support designates this area, in part, for retail and service commercial businesses, such as construction related businesses like supply companies, office type businesses such as real estate offices, craftsmen-type businesses such as cabinet makers, and other services such as auto repair and small appliance repair, hotels, and convenience stores.

This area is intended for retail and service business that would not make sense to be located in the downtown core. It is intended primarily for businesses that service trades, transportation companies and other businesses. It is intended for businesses that are not consumer retail, that require more square footage than is available downtown and where highway access is important. Examples would be a plumbing supply company, electrical supply company, auto repair business, hotels, etc.

A Retail Marijuana Store use is more compatible with uses such as the liquor stores, Misty's coffee shop, The Miner's Claim, Whimsical Wagon, Skip's Market and other consumer retail uses that are in the downtown core. Recently, I was shopping at the Whimsical Wagon and we were discussing how downtown Silt is vibrant and how unfortunate it would be to take customers away from Main Street.

Allowing this use in the B-2 Highway Business zone district has the potential to move consumer retail sales away from the downtown core, which could adversely impact all of the consumer retail businesses downtown. Having a thriving Main Street is essential for Silt. Many of the businesses downtown share customers and refer business to one another. Our staffs all patron neighboring businesses to solidify the vitality of Silt's downtown core.

B. Compatibility of the proposal with the character of the surrounding area;

Currently the only uses surrounding the location of the proposed use are the Holiday Inn Express, the KOA and the new truck stop gas station. The Holiday Inn and KOA are hospitality businesses that attract overnight guests to Silt, many of whom patron the shops and restaurants in downtown Silt. Those are the types of visitors and businesses Silt wants to attract – visitors and businesses that not only may

generate sales taxes but that boost the overall economy of Silt. A retail marijuana store is not compatible with these existing hospitality businesses.

C. Desirability and need for the proposed use;

As previously mentioned, there is no desire or need for the proposed use. The Silt residents do not want another marijuana store. I talk to residents. I read Silt Happens (now Silt-New Castle Happens) and residents do not want another store. Most of you may not know that the Silt Happens Facebook page started as Down with Silt. It was a page opposing my application for cultivation facility in Silt. I have been talking to residents and monitoring this sentiment for almost 6 years.

More importantly, last month, the Silt Trustees unanimously voted to place a moratorium on additional marijuana stores in Silt. They did this to allow the Town the time to enact an ordinance limiting the number of marijuana stores in Silt to two because Silt residents were clear they did not want another marijuana store.

The two marijuana stores in Silt meet the needs of the community. And, last year, the Town of Rifle allowed its medical marijuana stores to convert to recreational so Silt residents already have more choices than they did previously. The applicant claims there is a high demand for organic marijuana products. That need is also already being served in Silt. There is no desire or need for the proposed use.

D. Encouragement of the most appropriate use of land throughout the town;

As previously mentioned, this area is intended for retail and service business that would not make sense to be located in the downtown core. It is intended primarily for businesses that service trades, transportation companies and other businesses. It is intended for businesses that are not consumer retail, that require more square footage than is available downtown and where highway access is important. Examples would be a plumbing supply company, electrical supply company, auto repair business, hotels, etc.

E. Potential for adverse environmental influences that might result from the proposed use;

Allowing this single use outside the downtown core will result in costly urban sprawl, which has negative consequences for residents and the environment. It has the potential to strain town resources and infrastructure, result in vacant storefronts, closed and abandoned businesses, traffic and environmental degradation. It could also limit future business development in that location because of the town's restrictions concerning proximity to marijuana businesses. One of the enticements offered by the applicant is the prospect of future development. Licensing a marijuana business as the first occupant would hinder the ability of the developer to attract the full range of potential businesses.

F. Compatibility of the proposed use with the comprehensive plan

In the Silt Comprehensive Plan, the very first item in the Growth Framework is "Growth from the Core". Maintaining the vitality of Main Street is one of the highest priorities. Allowing this use in the B-2 Highway Business zone district has the potential to move consumer retail sales away from the downtown core, which could adversely impact all of the consumer retail businesses downtown. Having a thriving Main Street is essential for Silt. Many of the businesses downtown share customers and refer business to one another. Our staffs all patron neighboring businesses to solidify the vitality of Silt's downtown core.

The next stated goal is diversifying the economy and creating jobs. While this use will create some jobs, it will not diversity the economy and will, instead, increase the Town's economic reliance on the marijuana industry. And then, it states, the importance of promoting walkability/pedestrian-friendly connected neighborhood centers. Consumer retail businesses belong in the downtown core to maintain the community and connected neighborhood centers.

G. Adequate provision for ingress and egress of vehicular and other traffic; parking, servicing and loading/unloading; refuse and service areas; utilities; screening and buffering; signage; yards and open space; and any other items determined necessary or appropriate by the board.

It appears from the plans that the company intends to build access roads and parking to adequately provide for ingress and egress of vehicular traffic.

KEY POINTS

1. Silt citizens do not want another store

    a. A few weeks ago, the Silt Trustees unanimously voted to place a moratorium on new retail marijuana stores with the intention of capping the number of stores at two

    b. Silt residents are clear they do not want Silt to become a "pot town"

    c. In 2015, they spoke against two applications because they did not want additional marijuana businesses in the town

2. The needs of the community are already being me by the two stores we have

    a. The applicant asserted that Parachute marijuana sales are much larger than Silt, but in fact Parachutes retail marijuana sales per capita are roughly identical Silt now so the needs of the community are already being met and another store will not generate more tax dollars

3. It would create an undue concentration of marijuana stores

    a. With three marijuana stores, Silt would have more marijuana stores per capita than Glenwood Springs, Rifle, Parachute, Carbondale, Basalt and many other towns

4. A marijuana store is not consistent with the uses envisioned for the B-2 Highway Business Zone district

    a. Consumer retail businesses belong in the downtown core. My customers also shop at Misty's, Skip's and the Whimsical Wagon; they eat at the Miner's Claim and Brickhouse Pizza; they buy gas at the Kum & Go and GoFer. We need more businesses downtown where there are vacant lots and not to take consumer traffic away from Main Street

    b. The Comprehensive Plan also states the importance of growth from the core in in promoting walkability and connected neighborhood centers

5. It could limit future business development in the B-2 Highway Business Zone district

    a. There are setbacks from marijuana stores and certain other uses that could hamper future development in this area

    b. The applicant claims they intend to subdivide the property and sell off parcels but there's no guarantee that will happen

As RESIDENTS, BUSINESS OWNERS, VOTERS, and members of the Silt community, we hereby DO NOT support the opening of another marijuana store in Silt. We urge Trustees to represent the town's best interests in capping the number of marijuana stores at two. Please keep our wishes in mind at the Town Trustees' meeting on March 9, 2020.

Name	Address	Signature
WAYNE KIRKPATRICK	1345 Ballard Ave	
Colombine Liquor	840 Main St	
Michael Williams	894 Red Tail Cir	
Alicia Bartel	2149 Morning Star Dr.	
Brandie Yost	614 Evergreen Rd	
Harley Shroyer	1914 Cr. 311	
Trophy Duct Works Tony Bagett	1914 CR.311 / 504 FRONT ST	
Christa Havira	0149 Lafiere Circle.	
Ashlee Taylor	1600 Cty Rd 259 Ryle	
West + Blessed Boutique	702 main street Silt	
Suds & Dog	402 main St Silt.	
Zeb Roe	677 Ponderosa	
Jason Hymes	820 Main	

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Name	Address	Signature
Katie Westcott	777 Main St, Silt	Katie Westcott
Amy Chabin	222 Grand Ave. Silt	Amy Chabin
Elizabeth Velasco	124 Mountain Shadow Dr Silt	[illegible]
Margaret Hesse	1961 Pioneer Dr. Silt	[illegible]
Josefina Magana	1969 Pickett Ln Silt	Josefina Magana
Ignacio Zeltran	1230 Linda Ave	[illegible]
Ruth Chavez	1230 Linda Ave	[illegible]
[illegible]	1969 Pickett Ln Silt	[illegible]
Scott Sandblom	1074 Standing Deer Dr	[illegible]
Tracey Huey	555 N. 16th St. Silt	Tracey Huey
Jason Spaulding	531 or 260 Silt	Jason Spaulding
Tamy Spaulding	0531 260 Rd. Silt	Tamy Spaulding

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Name	Address	Signature
Arturo Ayón	520 A 4/4 St Silt CO 81652	Arturo Ayón
Leanne Lonsdorf	340 N. 11th St. Silt CO 81652	Leanne Lonsdorf
Julian Traxel	1760 Co 241.	Julian Traxel
Marian Traxel	1760 CO 241	Marian Traxel
M		
Summer Bound	5454 CR 346, Silt Co	Summer Bound
Sara Gibson	27653 Hwy 6 #1901 Rifle CO 81650	Sara Gibson
Samuel Cutting	1290 Rimrock drive Silt CO	
Kellie Murenta	1365 Ballard AVE Silt CO 81652	
Evan White	1290B Rimrock Drive Silt CO 81652	Evan White
JAZMINE QUINTANA	531 N 8th St Silt CO 81653	
Rebecca Bennett	1450 Grand Ave Silt CO 81652	
Justin Decker	" " "	

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Name	Address	Signature
Jennifer Wailes	66 Chipperfield Ln Silt CO. 81652	Jennifer Wailes
D. Brooks	4412 Co. Rd 243 New Castle, CO	Darlene Brooks
H. Alvarado	c/o 345 Dogwood Dr. at Silt on Colorado	...NOTE...
Chris Zung	805 Home Ave Silt CO 81652	Chris Zung
Sadie R Pense	32958 River Frontage Rd Silt, CO 81652	Sadie R Pense
Kai Guthrie	650 N 4th Silt, CO	[illegible]
Josh Pense	32958 River Frontage Rd Silt, CO 81652	Josh Pense
Deseree Fuentes	36610 River Frontage Rd. New Castle, CO. 81647	Deseree Fuentes
Doug Fuentes	668 County Road 231 Silt, CO 81652	[illegible]
Dewey [illegible]	777 main street Apt 13 Silt CO	[illegible]
Melisa Quintana	4450 countyroad silt co	Melisa Quintana
Kelley Gross	Heron nest	Kelley Gross
Alex Mendoza	669 N. 7th St.	[illegible]

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Print Name	Address	Signature
Kristine Reed	611 Reed Rd Silt CO	Kristine Reed
Aiyana Castorena	777 Main St #6 Silt, CO 81652	Aiyana Castorena
Adan Lara	[redacted] 504 Front [redacted] Silt	Adan Lara
H. Martinez	Silt, CO P.O Box 797	H. Martinez
Shane Miller	New Castle, Co. 81647	[illegible]
TROY ZELINSKI	Silt, CO 8165[illegible] 38 Silver Queen Cir	[illegible]
Jory Diaz	Parachute CO 81635	[illegible]
Ky Bradley	32364 Highway Silt CO 81652	[illegible]
Dusty Harrah	540 N 7th St Silt	[illegible]
Tessa Shaffer	540 N 7th St. Silt	[illegible]
Timothy Mitchell	540 N 7th St. Silt	[illegible]
Jason Stilson	Rifle, CO	[illegible]
Dan Meskin	1230 Standing Dr Drive, Silt CO 81652	[illegible]

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Name	Address	Signature
Kelley Gross	Hurons Nest 81652	
Victor Reed	0189 Rec Brace Silt Co 81652	
Scott Worton	403 E. Main NC, CO.	
Angela Gonzales	36640 River Heritage rd NC CO	
Gary Dickard	409 East North Golden	
Tyson Sillery	831 Antler point Ln Silt	
Nichole	135 CR 237	
Justin	5033 CR 335 "	
Amber Roberts	456 Silverhorn Dr New Castle	
Derrick Campbell	340 N. 11 Silt CO	
Carol Back	531 Main St Silt	

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Name	Address	Signature
Devin Campbell	340 N 11th St Silt Co	
	1714 Minnesota Dr Silt Co	Clint Thompson
Dustin Marron	348 W. Orchard Ave	
Joe Lewis	a farm in Silt	
George Cuffy	1887 CR 233 Silt	
Orion Fausett	33 Peach Ct	
Carrie Dice	Antlers Lane Rifle	Carrie Dice
Amber Ramirez	5998 CR 233 Silt	
Dawen Carter	2606 CR 336 New Castle	

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Name	Address	Signature
Enrique T	626 Evergreen Rd (Silt)	
Arron Pace	2013 Pioneer Dr.	
Paige Burkley	2013 Pioneer Dr.	Paige
Maria Herrera	1835 Fawn ct	Maria Herrera
Eduardo Herrera	1835 Fawn ct.	
Fredy Herrera	529 N 4th St	
Gabriela Herrera	529 N 4th St.	Gabriela Herrera
Liz Martinez	HOME AVE SILT CO 81652	Liz Martinez

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Name	Address	Signature
Tyler Brown	32954 River Frontage Rd. Silt, Co. 81652	Tyler B
Justin Auc	331 Dry Hollow Road Silt CO 81652	[illegible]
Brittany Thompson	4380 CR 331 Silt, CO. 81652	Britt Thomp
Alycia Carbaello	1535 McinSt Lot #12 Silt, CO 81652	Aly Carbaello
Raul Hinojos	1410 orchard ave SILT CO. 81652	[illegible]
Kari Meskin	1230 Standing Deer Drive Silt, CO 81652	Kari Mesk

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Name	Address	Signature
Jose Morales	Brickhouse Pizza	Jose Morales
Joanna Gutierrez	Brickhouse Pizza	J. Gutierrez
Steve Fuleki	1155 Standing Deer	Steve Fuleki
Sandy Trujillo	626 Evergreen Rd.	Sandy Trujillo

As RESIDENTS, BUSINESS OWNERS, VOTERS, and members of the Silt community, we hereby DO NOT support the opening of another marijuana store in Silt. We urge Trustees to represent the town's best interests in capping the number of marijuana stores at two. Please keep our wishes in mind at the Town Trustees' meeting on March 9, 2020.

Name	Address	Signature
Tony Starcheck	3724 CR 237 Silt Co	
Nick Harris	663 evergreen Rd	
E Brown	504 8	

As RESIDENTS, business owners, VOTERS, and members of the Silt community, we do not support the opening of a Kind Castle marijuana store on Frontage Road. We do not want another marijuana store in Silt and we want to keep business in the downtown core.

Name	~~Business~~ Address	Signature
Paul A Bodiva	Mechanic	
James Comiskey	Manager	
Toni Comiskey	Homemaker	
Stacy Duchscher	Homemaker	
Autumn Partain	Nanny	
Lark Brintnall	Retail	
JEFF HANNUM	CONSTRUCTION	
Jason Clemmey	Construction	
Keith Pleva	Retired Military	
Mike Dreier	Purchasing Agent	
Renée Grossman	730 Main St. Silt	
Patrick Duncan	670 N 16th Silt	
Allisa S Ford	Retail / 223 Lariat Silt 81652	
Alycia Carballo	1535 Main St. Silt, CO	
Deb Galbraith	Domestic Engineer	
Marco Galbraith	DIY	
Brennen Hagw	Red River	
JOHN CARR	ARTIST	
Melinda Abel	Main St. Silt CO.	
Cherie Pape	Chef	
James Robison	Mineota	
Elizabeth Martinez	8th Street	
Brian Rivas	7Th Street	
Darin	8th Street	
Adrian L	8th Street	
Carla Vega	440 N 10th	
Matt Reynes	130 County Rd 332	

TOWN OF SILT
BOARD OF TRUSTEES REGULAR MEETING
March 9, 2020
Council Action Form

SUBJECT: Request for reduction in Letter of Credit balance for the Stoney Ridge Phase II Sub-phase to construct Silt Pump Canal ditch piping and utility crossings

PROCEDURE: (Public Meeting) Board motion

RECOMMENDATION: (Staff) recommends the Board approve the request for reduction in Letter of Credit balance by $107,607.90 for the Stoney Ridge Phase II ditch piping and utility crossing sub-phase from $182,694.60 to $75,086.70, with recommendation from Town staff.

SUMMARY AND BACKGROUND OF SUBJECT MATTER: The new owner of Stoney Ridge Phase II, Ridge Runner Ventures, LLC, requests permission to reduce the Letter of Credit balance for materials and mobilization efforts completed for the Stoney Ridge Phase II ditch piping and utility crossing sub-phase. Public Works Director Trey Fonner and Town Engineer Deric Walter have verified that materials and equipment are on site.

FUNDING SOURCE:	Ridge Runner Ventures, LLC
ORDINANCE FIRST READING DATE:	N/A
ORDINANCE SECOND READING DATE:	N/A
RESOLUTION READING DATE:	N/A
ORIGINATED BY:	Ridge Runner Ventures, LLC
PRESENTED BY:	Janet Aluise, CDD
DOCUMENTS ATTACHED:	Ridge Runner Ventures, LLC Engineer Certification of purchased pipe, materials, and mobilization

TOWN ATTORNEY REVIEW [ ] YES [ ] NO INITIALS ____

SUBMITTED BY:

JAluise

Janet Aluise, Community Development Director

REVIEWED BY:

Jeff Layman, Town Administrator

GAMBA
& ASSOCIATES
CONSULTING ENGINEERS
& LAND SURVEYORS
WWW.GAMBAENGINEERING.COM

February 25, 2020

Janet Aluise
Community Development Director
Town of Silt
231 North 7th Street
Silt, CO 81652

Re: Engineer's Certification of Work Completed or Materials Delivered for the Construction of the Silt Canal Pipeline for Phase 2 of Stoney Ridge Subdivision, Silt, CO

Dear Janet:

This certification is in regard to the construction of the Silt Canal Pipeline and related infrastructure in Phase 2 of the Stoney Ridge Subdivision (the SILT CANAL PROJECT). Specifically, It is our understanding that the terms of the Agreement between the Town of Silt (TOWN) and Kevin Tucker, the owner of Phase 2 of the Stoney Ridge Subdivision (OWNER), regarding the SILT CANAL PROJECT require the project engineer to certify the completion of work and/or the purchase and on-site delivery of construction materials in order for the TOWN to release the value of the work / materials from the Letter of credit (LOC) so that the OWNER is able to pay the invoices to the contractors and material suppliers.

In that regard, I hereby certify that the following work has been completed as of this date:

Tamerrel Excavation: • Mobilization (see attached invoice)	$15,000.00

I also certify that the following materials have been delivered to the project site:

Dodson Engineered Products, Inc. • 960 linear feet of 42-inch SDR32.5 HDPE PE4710 Pipe (see attached invoice)	$92,607.90

TOTAL VALUE OF WORK COMPLETED AND/OR MATERIAL DELIVERED:	$107,607.90

Based on this certification, we formally request that the TOWN release the amount of One Hundred and Seven Thousand, Six Hundred and Seven Dollars and Ninety Cents ($107,607.90) from the Letter of Credit held by the TOWN

PHONE: 970/945-2550
FAX: 970/945-1410

113 NINTH STREET,
SUITE 214
P.O. BOX 1458
GLENWOOD SPRINGS,
COLORADO 81602-1458

to insure the completion of the SILT CANAL PROJECT, in order for the OWNER to pay the invoices for said work and materials.

Please contact us if you have any questions or need additional information.

Sincerely,

Gamba & Associates, Inc.

_____

Michael Gamba, P.E. & P.L.S. 28036

cc: Deric Walter, Boundaries Unlimited
Kevin Tucker, Ridge Runner Ventures, LLC

C:\02348\2020\Construction Management\Certifications\Certification of Work Completed or Materials Purchased - 20200225.doc

Tamerrel Excavation Inc.

PO Box 1506
Rifle, CO 81650

Invoice

Date	Invoice #
2/19/2020	2020-4653

Bill To
Kevin Tucker Stoney Ridge Phase III adventurefam@comcast.net

P.O. No.	Terms	Project
	Net 15	

Quantity	Description	Rate	Amount
	Stoney Ridge Phase III		
	Mobbed equipment	5,000.00	5,000.00
	Labor and installation of irrigation pipe	10,000.00	10,000.00
		Total	$15,000.00

DEPI Dodson Engineered Products, Inc.
(970) 945-2233
FAX # (970) 945-2300
0033 MARAND ROAD
P.O. BOX 248
GLENWOOD SPRINGS, CO 81602
www.dodsonpipe.com
Email: sales@dodsonpipe.com

WATER SUPPLY & DISTRIBUTION
SEWAGE COLLECTION & DISPOSAL
DRAINAGE & STABILIZATION
LAWN, TURF & AG. IRRIGATION

Invoice (r)

Invoice #: 253838
Inv Date: 02/24/20
Order #: STONEY PHASE II
Ship Date: 01/20/20
Page: 1

SOLD TO: RIDGER

RIDGE RUNNER VENTURES LLC
1700 COUNTY ROAD 103

CARBONDALE, CO
81623

SHIP TO:

STONEY RIDGE PHASE II
STONEY RIDGE & MESA RIDGE
SILT, CO. 81652
KEVIN 309-0178

Counter By: _____ Dbl Ck'd: _____

Customer P.O.: KEVIN
Ship Via: MANU DIRECT
Salesman: DLR
Terms: NET 30
Batch No: 163904

Part Number	Location	Description	Qty Ord	Qty Shp	Qty BO	%	Price	Amount
Z-42"HDPE		42" X 40' SDR32.5 HDPE PE4710 PIPE	960.00	960.00			90.240	86,630.40
		FREIGHT ALLOWED ORDER						

Received By: _____

Print Name: _____

Date Rec'd: _____

Sub-Total	86,630.40
Local Taxes	3,465.22
Colorado Sales Tax	2,512.28
Freight/Handling	

*** THANK YOU FOR YOUR ORDER ***

PLEASE PAY THIS AMOUNT $ 92,607.90

This transaction is governed by and subject to Dodson Engineered Products, Inc's standard conditions of proposal and sale, which are incorporated by reference and accepted. To review these terms and conditons, please contact us.

White Copy = Master File Yellow = Customer

PIPE • VALVES • PUMPS • TANKS

INSPECTION REQUEST

TOWN OF SILT

PERMIT NUMBER _____

Date of Inspection:	2/27/2020	**Job Name:**	Stoney Ridge Phase 2
Date of Request:	N/A	**Caller:**	**Phone:**

FOUNDATION	BUILDING	COVER	PLUMBING	MECHANICAL	GAS PIPING
☐ FOOTING	☐ FRAMING	☐ INSULATION	☐ UNDERGROUND	☐ UNDERGROUNG	☐ UNDERGROUND
☐ WALL	☐ MASONRY	☐ DRYWALL	☐ ROUGH-IN	☐ ROUGH-IN	☐ ROUGH-IN
☐ DAMP PROOFING	☐ CONCRETE	☐ LATH / STUCCO	☐ FINAL	☐ HOODS	☐ _____
☐ INSULATION	☐ _____	☐ INSULATION	☐ _____	☐ _____	☐ FINAL
☐ SLAB (STRUCTURAL)	☐ FINAL	☐ FIRE RESISTIVE ASSEMBLY	☐ PARTIAL	☐ FINAL	☐ PARTIAL
☐ _____	☐ PARTIAL	☐ _____	_____	☐ PARTIAL	_____
☐ PARTIAL	_____	☐ PARTIAL		_____	
_____		_____			

☒ **OTHER:** Pipe Delivery & mobilization ☐ PARTIAL	**JOB ADDRESS:** Stoney Ridge Phase 2

READY FOR INSPECTION: ☐ MONDAY ☐ TUESDAY ☐ WEDNESDAY ☐ THURSDAY ☐ FRIDAY ☐ AM ☐ PM

COMMENTS:

☒ **APPROVED** ☐ **DISAPPROVED** ☐ **REINSPECT**

☐ UPON THE FOLLOWING CORRECTIONS:

Tamerrel Excavation has mobbed in Equipment & Trenching has Begun on Utility crossings of SILT Pump CANAL.

960' of SDR 32.5 HDPE pipe on site and fused together

Joe lundeen on site also

Jason with Silt water conservancy & Matt with Beora of Reclomation arrived on site as well.

DATE INSPECTED:	TIME INSPECTED:	
2/27/2020	1010.	INSPECTOR

IRREVOCABLE STANDBY LETTER OF CREDIT

Date of Issue:	FEBRUARY 20, 2020
Amount:	$182,694.60
Number:	1700008614
Expiration Date:	FEBRUARY 20, 2021
APPLICANT:	RIDGE RUNNER VENTURES, LLC
BENEFICIARY:	TOWN OF SILT, COLORADO ATTN: TOWN ADMINISTRATOR
PURPOSE:	GUARANTEE OF DEVELOPMENT IMPROVEMENTS

To Whom It May Concern:

We hereby establish in Beneficiary's favor, at the request and for the benefit of Applicant, our Irrevocable Standby Letter of Credit in an amount not to exceed $182,694.60 (U.S. $182,694.60). The purpose of this letter is to secure the performance of and the compliance with the Development Improvements Agreement, by and between, Applicant and Beneficiary.

Beneficiary shall promptly notify Bank when a default or event of default of said agreement occurs. Your notification shall include any notice or order required to be sent to Applicant pursuant to the agreement. Notice shall be by telephone and in writing to:

ALPINE BANK CARBONDALE
ATTENTION: ERKKO ALM
0350 HIGHWAY 133
CARBONDALE, COLORADO 81623
970-963-3040

We hereby agree to honor drafts drawn under and in compliance with the terms of this Letter of Credit if duly presented to a loan officer at 0350 HIGHWAY 133, CARBONDALE, COLORADO, during normal business hours on or before the expiration date. Partial drawings are permitted. This Letter of Credit is not transferable.

The conditions for payment of any draft drawn against this Letter of Credit are as follows:

1. Receipt by Bank of Beneficiary's manually signed statement by an authorized signatory certifying that Applicant has failed to perform with, or comply in accordance with, the provisions of said agreement by and between Applicant and Beneficiary, and stating the dollar amount of the default.

2. Presentation of the original Letter of Credit to Bank, endorsed on the reverse side with the words: "TOWN OF SILT, COLORADO" in the amount requested, then manually signed by an authorized signatory.

This Letter of Credit shall be governed by Article V of the Uniform Commercial Code as in effect in the State of Colorado on the date of issue. This Letter of Credit sets forth in full the terms of our undertaking, and such undertaking shall not in any way be modified, amended, amplified or limited by any document, instrument or agreement referred to herein, or in which this credit is referred to, or to which this credit relates; and no such reference shall be deemed to incorporate herein by reference any such document, instrument or agreement.

ALPINE BANK

By:_____
ERKKO ALM, SENIOR VICE PRESIDENT

TOWN OF SILT
BOARD OF TRUSTEES REGULAR MEETING

AGENDA ITEM SUMMARY

SUBJECT: 1st and 7th street asphalt overlay
PROCEDURE: Action Item

RECOMMENDATION: Approval / Authorization

SUMMARY AND BACKGROUND OF SUBJECT MATTER: In the last few years the top of 7th street and 1st street have been identified as roads needing major repair. In the last few years these sections of road have been patched numerous times by staff. 1st street is identified as a truck haul route as well. With thee facts in mind staff determined that an overlay would improve the condition of these roads and would be a fix that would last at least 10 years. The overlay on 1st would start at Iron Horse drive and go north to the Town Limits, the one on 7th will start at Skyline Drive and continue north to the Town Limits.

This project was identified in the process of the 2020 budget and monies set aside for its completion. Staff contacted three of the local asphalt companies and received bids from all three. Grand River construction, Lion construction and Paving, and Frontier Paving. After reviewing all the bids staff recommends awarding the project to Grand River construction.

FUNDING SOURCE: General fund, Streets, Repairs-streets 001-0800-442-0245

PRESENTED BY: Trey Fonner

DOCUMENTS ATTACHED: RFP check list, and Bids

TOWN ATTORNEY REVIEW [ ] YES [x] NO INITIALS ____

SUBMITTED BY:

Trey H Fonner, Public Works Director

REVIEWED BY:

Jeff Layman, Town Administrator

PUBLIC IMPROVEMENT PROJECT RFP / BID CHECK LIST

Project Information		
Name of Project: Asphalt over lay		
Location: 1st street and 7th street		
Project Number:		
Engineer: N/A		
Contact:		
Phone:	**Fax:**	**Email:**
Responsible Department: Public Works		
Contact: Trey Fonner		
Phone: (970)876-2353 ext 106	**Fax:**	**Email: trey@townofsilt.org**

Project Description

Over lay of 1st street from Iron Horse Drive to Town limits and 7th Street from Skyline Drive to Town Limits

Funding Allocation

Fund	Budget Line Item	Amount
General Fund (Streets)	001-0800-442-0245	**$89,211.50**
		$
		$
		$

APPARENT LOW BIDDER / CONSULTANT

Bidder Name	Addendums	Bid Bond	Performance Bond	Maintenance Bond	Bid Amount
Grand River Construction	N/A	N/A	N/A	N/A	**$89,211.50**

RFP / BID TABULATION

PUBLIC IMPROVEMENT PROJECT RFP / BID CHECK LIST

Bidder / Consultant	Addendums	Bonds	Bid Amount
Lion Construction and Paving	N/A	N/A	**$98,160.00**
Frontier Paving	N/A	N/A	**$96,965.00**
			$
			$
			$
			$
			$
			$
			$
			$
			$
			$

RFP / BID REVIEW					
Department	**Staff Person**	**Yes**	**No**	**Date Reviewed**	**Comments**
Public Works	Trey Fonner	XX		2/26/2020	

REFERENCES CHECKED & VERIFIED BY: ***Trey Fonner*** ***DATE: 2/26/2020***

Comments

PW Docs 2015

Phone 970.945.7758
Fax 970.945.1018

P.O. Box 1236
Glenwood Springs, CO 81602

February 06, 2020

Proposal

Bid To: **Town of Silt**
231 North 7th Street
Silt, CO 81652

Project: **1st & 7th Street Overlay**
Location: Silt, CO
Bid Date: 02/06/2020

We Propose to furnish all labor, tools, equipment, materials and transportation to complete the following portions of work on the above named project: **Asphalt Paving.**

Work, as per plans and specifications, including the general conditions of said specifications and addendum numbers **n/a** Thereto, as prepared by **n/a** . This proposal includes or excludes in addition to the above, the following:

WE INCLUDE THE FOLLOWING:

Mill butt joints on ends of asphalt overlay area for smooth transition.

Sweep, clean and tack coat existing asphalt.

Furnish and place asphalt leveling course.

Furnish and place 1.5" hot mixed grading SX (75) PG 58 -28 asphalt overlay.

Unit Prices:

HBP Leveling Course - 30 tons @ $98.75 per ton	$2,962.50
HBP 1.5" Overlay - 780 tons @ $98.75 per ton	$77,025.00
Asphalt Milling - 1,040 Square Feet @ $3.10 per SF	$3,224.00
Traffic Control - 2 Days @ $2,000.00 per day	$4,000.00
Mobilization - 1 Each @ $2,000.00	$2,000.00
Total	$89,211.50

WE EXCLUDE: Testing and anything else not specifically included above.

All for the sum of: **See Above Unit Prices** **Dollars** **$**

Including all applicable taxes and insurance **Unit Prices**

The undersigned agrees to hold the above price or prices for a period of 15 days from bid date, and if required by owner or contractor, to enter into a contract with the owner or contractor. The undersigned further agrees, if required by the owner or contractor, to furnish to said owner or contractor a performance bond and will guarantee the payment of all labor and material bills in connection with the execution of the work covered in the contract. The bond is to be written by a surety company acceptable to the owner or contractor. Premium for said bond shall be paid by the owner or contractor.

This work, if accepted, will proceed under the direction of the Construction Superintendent or owner, and definite installation dates will be arranged with them.

Grand River Construction

Sean Thomas Digitally signed by Sean Thomas DN: C=US, E=sthomas@grandriverpaving.com, O=Grand River Construction, CN=Sean Thomas Date: 2020.02.06 08:41:13-07'00'

Sean Thomas

Acceptance of Proposal

We hereby accept your proposal. Work performed during one month, shall be paid for by the 10th of the following month. Past due account will be subject to service charges of 1.5% per month, together with reasonable attorney fees and filing costs.

Name of Firm or Person | Signed By | Date | Title

Lion Construction & Paving LLC

PO BOX 1258
Silt, CO 81652

Estimate

Date	Estimate #
2/5/2020	3158

Name / Address
Town Of Silt PO BOX 70 Silt, CO 81652

Project

Description	Qty	Rate	Total
North 7th Street Peach Valley Road install new asphalt 1 1/2 " Overlay on town of Silt road to County Road cutoff Approximately 62660 SQ FT (623 Ton) includes milling for matching to existing pavement and tackcoat	623	113.00	70,399.00
Asphalt Leveling application with Lay Down Machine approximately 15 ton includes tack coat application	15	107.00	1,605.00
North 1st Street Silt Install new asphalt 1 1/2" overlay on Town of Silt Road to County Road Cutoff Approximately 22,320 SQ FT (222 Ton) Includes milling for matching to existing pavement and tackcoat	222	113.00	25,086.00
Asphalt Leveling application with Lay Down Machine approximately 10 ton includes tack coat application	10	107.00	1,070.00

Phone #	E-mail
9702014617	brendajshuster@gmail.com

Total $98,160.00

P.O. Box 1167
Silt, Colorado 81652

Frontier Paving Inc.
FPI
Rifle, CO

Office 970.625.2224
Fax 970.625.2715

PROPOSAL

Submitted To:	Phone: 876-2353	2/3/2020
Town of Silt 3rd Street Silt CO 81652	Job Name: Silt Paving 2020	

WE PROPOSE:

Description	Quantity	Unit	Unit Price	Extension
Mobilization	1	EA	$ 500.00	$ 950.00
1.5" HMA 1 ST	255	TN	$ 115.00	$ 29,325.00
1.5" HMA 7th ST	534	TN	$ 115.00	$ 61,410.00
HMA skin patch	13	TN	$240.00	$ 3,120.00
Traffic Control as needed	2	DY	$1,080.00	$ 2,160.00
				$ 96,965.00

Notes:
* Quoted quantities are approximate. Invoice will reflect actual per ton quantities installed per plant tickets.
* Parking provide on-site by other for paving operations
*Tack & sweeping included
* Permits, fees, saw cuts,testing,water, milling trucking or milling clean up excluded.
* No removals or export included, shoulder not included.
*No work other than what is specifically stated above in included, implied or assumed in the prices quoted.
*Acceptance of quote based on mutually acceptable schedule.
*Ring or manhole adjustments excluded.

UNLESS OTHERWISE NOTED, THIS IS A UNIT PRICE PROPOSAL

All of the above work to be completed in a workmanlike manner for the above stated sum.

Important: The terms and conditions stated on page 2 hereof are expressly made a part of this contract. This proposal shall not become a binding contract unless and until the Acceptance of Proposal and Confirmation by Contractor on page 2 has been executed. This proposal must be accepted as provided and delivered to Frontier Paving Inc. 20 days from above date or it shall expire.

Respectfully submitted
Frontier Paving Inc.

By: _____
Dave Heiberger

Accepted Proposal # 13488

Date: _____

By: _____

Print Name: _____

P.O. Box 1167
Silt, Colorado 81652

Frontier Paving Inc.
FPI
Rifle, CO

Office 970.625.2224
Fax 970.625.2715

TERMS AND CONDITIONS

This contract amount is payable to Frontier Paving Inc. for monthly work as it progresses with the entire balance payable upon completion unless otherwise provided in this contract or in the plans and specifications. Unless otherwise specified herein, the plans and specifications, if any, are expressly made a part of this contract. The contractor shall perform all the work in accordance with the terms of the plans and specifications.

If payments for work are not made when due, the contractor may stop work or terminate this contract and recover from the customer payment for all work executed and any loss sustained and reasonable profit and damages. It is hereby mutually agreed that the contractor shall not be held responsible or liable for any loss, damage, liquidated damages or delay caused by fire, strike, civil or military authority or any other cause beyond its control.

The customer may order additional work or changes in writing at any time, at an agreed price or at the contractor's regular rates for the time and material work.

A late charge of 18% per annum on the outstanding balance may be imposed upon all pat due amounts. Customer agrees to pay all costs of collection and a reasonable attorney's fee if the account becomes delinquent and is referred for collection.

ACCEPTANCE OF PROPOSAL

The prices, specifications, term and conditions stated above and on page 1 hereof are satisfactory and are hereby accepted.
By acceptance, I understand that a binding contract has been created when confirmed by Frontier Paving Inc.

ACCEPTED PROPOSAL # 13284

Signature:_____

Date:_____

Signature:_____

CONFIRMATION BY CONTRACTOR

FRONTIER PAVING INC.

By:_____

Date:_____

Dave Heiberger

TOWN OF SILT
BOARD OF TRUSTEES REGULAR MEETING
March 2, 2020

AGENDA ITEM SUMMARY

SUBJECT: Snow and Ice Removal Ordinance second reading
PROCEDURE: Action Item

RECOMMENDATION: Approval / Authorization

SUMMARY AND BACKGROUND OF SUBJECT MATTER: At the January 27th meeting staff presented an issue with removal of snow from sidewalks and driveways that homeowners were putting into the streets. Staff recommended an ordinance change to prevent this practice.

Attached is the ordinance which will repeal and replace chapter 12.04 of the Silt Municipal code. The new ordinance will read the same as the one in place, with the addition of a section. The additional section will state that it is unlawful for any person to plow, shovel, blow or otherwise move snow or ice into any public street, sidewalk, alley or other public property.

FUNDING SOURCE: N/A

PRESENTED BY: Trey Fonner

DOCUMENTS ATTACHED: Ordinance

TOWN ATTORNEY REVIEW [X] YES [ ] NO INITIALS ____

SUBMITTED BY:

Trey H Fonner, Public Works Director

REVIEWED BY:

Jeff Layman, Town Administrator

TOWN OF SILT
ORDINANCE NO. 8
SERIES OF 2020

AN ORDINANCE OF THE TOWN OF SILT, COLORADO ("TOWN"), REPEALING AND REPLACING CHAPTER 12.04 OF THE SILT MUNICIPAL CODE ("CODE") REGARDING SNOW AND ICE REMOVAL

WHEREAS, it is the Town's intent to lookout for the general safety of its citizens and visitors; and

WHEREAS, the Town finds it necessary to apply regulations to the removal of snow and ice from sidewalks; and

WHEREAS, the Town has concluded that the removal of snow and ice from sidewalks, that is placed into the street, creates a series of public safety issues, and unnecessary wear and tear on public motorist and Town equipment; and

WHEREAS, the board is authorized and empowered to enact this Ordinance under its general police powers and the powers of the Town's Home Rule Charter; and

WHEREAS, the Town gave proper and timely published and/or posted notice of the dates and times of the public hearings at which the Board considered this ordinance; and

WHEREAS, the Board has determined that the adoption of this ordinance is necessary and proper to provide for the safety, health, prosperity and order of the Town.

NOW, THEREFORE BE IT ORDAINED BY THE BOARD OF TRUSTEES OF THE TOWN OF SILT THAT:

SECTION 1

Chapter 12.04 is hereby repealed and replaced in its entirety with the following:

12.04.010 Removal of snow and ice from sidewalks

A. The owner or occupant of any lot, tract or parcel of ground within the Town having a sidewalk along or adjacent to any boundary thereof shall cause all snow and ice to be removed from the sidewalk within twenty-four hours from the time of the last accretion of snow or ice upon the sidewalk.

B. It shall be unlawful for any person to plow, shovel, blow or otherwise move snow or ice into any public street, sidewalk, alley or other public property within the Town in a manner which impairs the use of the street or sidewalk for vehicular or pedestrian traffic, increases hazards to vehicles

or pedestrians traveling upon the street or sidewalk, or interferes with the Town's maintenance of the public property; provided, however, nothing contained in this section shall be construed to prohibit or regulate the manner in which persons working on behalf of the Town clear or remove snow or ice from the public streets or other public places within the Town.

12.04.020 Violation---Penalty

The Town may issue a citation to a violator of Chapter 12.04 (snow and ice removal) in accordance with Chapter 1.12 of this code.

SECTION 2

All ordinances heretofore passed and adopted by the Board of Trustees of the Town of Silt, Colorado are hereby repealed to the extent that said ordinances, or parts thereof, are in conflict herewith.

SECTION 3

If any section, subsection, clause, phrase or provision of this Ordinance, or the application thereof to any person or circumstance, shall to any extent, be held by a courts of competent jurisdiction to be invalid, void or unconstitutional, the remaining sections, subsections, clauses, phrases and provisions of this Ordinance, or the application thereof to any person or circumstance, shall remain in full force and shall in no way be affected, impaired or invalidated.

INTRODUCED, READ AND APPROVED ON FIRST READING this 24th day of February 2020, and a public hearing ordered upon second reading this 9th day of March 2020 at 7:00 PM in the municipal building of the Town of Silt, Colorado.

PASSED, APPROVED ON SECOND READING, ADOPTED AND ORDERED PUBLISHED BY TITLE following a public hearing this 9th day of March, 2020.

TOWN OF SILT

ATTEST:

_____
Mayor Keith B. Richel

_____
Town Clerk Sheila M. McIntyre

Date: February 4, 2020
To: Mayor Richel & Board of Trustees
From: Jeff Layman, Town Administrator
Subject: Staff Report

Activities, initiatives and news:

- **Transportation, Housing and Jobs Summit: March 12**
  - This meeting designed for Colorado River Valley and Roaring Fork Valley elected officials to discuss common challenges and opportunities will be held on **Thursday, March 12, 11:45 AM – 5 PM at Morgridge Commons** in Glenwood Springs. An overview of the summit, along with the agenda is attached. You may RSVP to Rifle Assistant City Manager Nathan Lindquist at nlindquist@rifleco.org.

- **Community Communications Improvement Grant**
  - We received a **$2600 grant** from the Colorado State Internet Portal Authority (SIPA) to implement a "Community Communications" improvement, as we had budgeted. The timeline for implementation has not yet been set, but the idea is to use the latest in cloud computing to connect more efficiently with more people. The Town will spend around $3,000 in match to get the system up and running.

- **Corona Virus**
  - Our insurance company CIRSA, Garfield County Health, the Colorado Department of Health and Environment have all reached out to municipalities to provide information regarding this public health hazard.
  - We have posted a link to Garfield County Health's website for Silt residents who may want more information.
  - We have begun a process to review the Town's workplace and make preparations should an outbreak occur in our region. We are already taking some precautions. I have attached the CIRSA flyer for your information.
  - We will continue to monitor the situation and take additional steps should they be necessary.
  - It is important to note that most of the precautions we are taking are universally applicable to the prevention of disease.

- **Metro District Subcommittee**
  - Bob Cole has been retained to provide "outside counsel" for the Town as we evaluate the River Valley Metropolitan District submittal.
  - We will retain the services of a financial consultant to help evaluate the financial aspects of the submittal. We should have two proposals for the subcommittee to review by the end of this week.

- **Golden Gate Petroleum**
  - GGP, the operators of the new truck stop located on River Frontage Road, has submitted a reimbursement request for $500,000 to the Town to help defray the costs associated with the CDOT required improvements to the interchange. GGP reported that they spent nearly $900,000 on the project. I am working with GGP to develop a more reasonable request. I have also suggested to them again that developing a "General Improvement District" in the area with the aim of improving the interchange would serve their business and could potentially result in a portion of this reimbursement. Conversations are ongoing.

- **CRAFT Grant**
  - As you know, the Town of Parachute applied for this grant on behalf of the Towns of Silt, Parachute, New Castle and Rifle to assist us in developing and marketing our recreational amenities, including the Colorado River. We received that grant and the public sessions begin next week. Unfortunately, the first session is being held on March 9 from 5-7:30 PM—during our Board's meetings! I have invited our Planning and Zoning Commission members and our ASAP Committee members, as well as putting out a public invitation, to participate.

- **Human Resources Consulting**
  - Our new HR Consultant, ILG's Anne Rooney McCord conducted a town government culture study and has reported the results to our HR Subcommittee. The results were very favorable and identified a couple of areas that we can improve upon. Not surprisingly, top to bottom communication came in as the area of least favorable rating. Even this area rated higher than average! ILG will report the findings to our employees on March 18 and will begin a salary survey next month.

- **OHV News**
  - I'll meet with Garfield County Assistant Manager Fred Jarman this week to begin discussions about modifying the OHV restricted areas north of Silt. The goal is to get the County to ease these restrictions, at least in part, so that Silt residents and guests can drive their machines to the Federal lands north of Town.

- **Colorado City/County Managers Association Conference**
  - I attended the conference in Glenwood Springs on February 6 and 7. My highlights were presentations on metro districts formed in municipalities and the economic outlook in Western Colorado.

- **State of the Community Luncheon**
  - Mayor Richel and I presented on all of the exciting things going on in Silt this year. We were joined for lunch by Mayor Pro Tem Knott, Trustee Siefert, Commissioner Classen, Amie Tucker, Trey Fonner and Sheila McIntyre.

- **Power Consumption at the Water/Wastewater Plant**
  - GCE/CLEER alerted us some time ago that our electricity consumption at the plant had "spiked". This, coupled with Jack Castle's observation that the solar power at the plant did not seem to be performing as he had understood that it would, has caused us to examine operations of both the plant and the solar at the plant. GCE/CLEER is assisting in this ongoing effort.

- **Silt News!**
  - Attached for your reading pleasure.....

Transportation, Housing and Jobs Summit
Overview of Purpose, Context and Approach

Purpose and Context

The Transportation, Housing and Jobs Summit (Summit) provides local elected officials within the Roaring Fork and Colorado River Valleys a forum for facilitated dialogue and information sharing about these issues, how they connect us as a region, and ways to work together to address them.

The connections between housing, jobs and transportation shape the communities and economies of the Roaring Fork and Colorado River Valleys in important ways. Over the years, local leaders have come together to create strategic regional responses to some of our shared challenges. Some of those efforts have gained national recognition as models for collaboration.

Those efforts notwithstanding, our region continues to grow and change. We still struggle with traffic, transit congestion, housing affordability, economic diversity, and related challenges. And throughout the region, local officials want to provide leadership and workable solutions for their communities.

This Summit brings those local officials together to share information and ideas. It aims to broaden understanding of the issues, provide information about current efforts, and create a venue for communication between local officials, as well as relevant state agencies.

Why Now?

Several initiatives are underway that make it worthwhile for elected officials to convene. CDOT is in the process of developing a 10-year Statewide Transportation Plan and has collected the most public input in their history to understand what Coloradoans think about traffic, safety, road maintenance, and mobility. Regionally, RFTA has developed their 2040 Plan and efforts are underway to extend bus service between Parachute and Rifle. A regional housing coalition has completed an assessment of regional housing and is working to encourage local and regional solutions to affordable housing needs. Economic development efforts are underway to address long-standing challenges with low-paying service sector jobs and a broader lack of economic diversity.

Approach

The Summit aims to engage leaders from throughout the region and is designed to encourage dialogue between participants. Significant time is dedicated to facilitated small and large group conversations. These are supported by two short presentations on relevant trends, as well as two short panel discussions, which will highlight current efforts and offer perspectives from entities outside of local government.

Summit Origins and Organization

The idea for the Summit came out of a state transportation meeting that Rifle Assistant City Manager Nathan Lindquist attended in Denver. The approach for the summit was further defined during a December 12th meeting of staff from Aspen, Eagle County, Glenwood Springs, Pitkin County, Rifle, and RFTA. Since then, staff members from around the region, including a working group from Pitkin County, Rifle and Glenwood Springs, have been working to make the Summit a reality. Community Builders, a local nonprofit, is helping organize and facilitate the summit.

Transportation, Housing, and Jobs: Connecting the Dots in a Changing Region

A Summit for Elected Officials in the in the Roaring Fork & Colorado River Valleys

March 12, 2020 // 11:45am – 5:00pm

Morgridge Commons, 815 Cooper Avenue, 2nd Floor, Glenwood Springs

Join other local officials in the Roaring Fork and Colorado River Valley's to discuss the region's economy, housing market, and transportation system, and the connections between them.

Agenda

11:45 AM **Networking Lunch**

12:30 PM **Welcome, Introductions and Opening Remarks**
Rick Garcia, Director of the Colorado Department of Local Affairs; Shoshana Lew, Director of the Colorado Department of Transportation
Following a brief welcome and round of introductions, we'll hear opening remarks from Rick Garcia, Director of the Colorado Department of Local Affairs (DOLA), and Shoshana Lew, Director of the Colorado Department of Transportation (CDOT).

1:00 PM **Where are we? Challenges and Opportunities in a Changing Region**
Elizabeth Garner, State Demographer and Clark Anderson, Executive Director of Community Builders
The Roaring Fork and Colorado River Valleys continue to grow and change. What does that change look like? What does it mean for communities as well as the region's economy, housing market and transportation systems? This session explores the trends and issues shaping the region and connections between them.

1:30 PM **The View from Here: Local Perspectives on Regional Issues**
Phil Vaughan, Phil Vaughan Construction Management; Matt Gianneschi, Chief Operating Officer of Colorado Mountain College; Jon Fox-Rubin, Principal of Fox-Rubin Ltd; Tim Kirby, Multimodal Planning Branch Manager of CDOT
Civic and business leaders from across the region will explore how broader market, economic and demographic forces are shaping our valleys.

2:00 PM **Group Breakout Activity**
Mixed groups of leaders from across the region will discuss how trends presented are unfolding in their communities and what efforts are underway – or being explored – to address them. Groups will work together to identify issues and opportunities for greater regional collaboration and coordination.

3:00 PM **Break**

3:15 PM **Full Group Debrief**

3:45 PM **Progress, Possibility and the Road Ahead**
Alice Laird, Executive Director of CLEER; Dan Blankenship, Executive Director of Roaring Fork Transportation Authority; Katie Mackley, Executive Director of Rifle Regional Economic Development Corporation
We conclude with a forward-looking discussion about how we respond to the challenges and opportunities in front of us. After the panel, we'll discuss as a group how best to respond and explore future options for collaboration.

4:35 PM **Group Discussion and Closing Remarks**

SHARE

KEEP CALM AND WASH YOUR HANDS: WHAT YOU CAN DO TO PREPARE FOR CORONAVIRUS IN THE WORKPLACE

By: Tami Tanoue, Executive Director and Greg Barlow, Loss Control Manager

Authors' note: Coronavirus (COVID-19) presents rapidly evolving issues. This article will be updated regularly as conditions change, so please check back for modifications and additions. Also, the authors welcome questions, comments, and any resources you'd like to share; contact tami [at] cirsa [dot] org or gregb [at] cirsa [dot] org.

The impact of coronavirus disease (COVID-19) is certainly on everyone's mind these days Regions around the world have experienced or are experiencing outbreaks. In the US, instances of COVID-19 are being reported in some states. The demographics of COVID-19 deaths indicate that the death rate increases by age. Others at high risk may include those with cardiovascular disease, diabetes, or chronic respiratory disease.

Obviously, there are many unknowns about the potential spread of COVID-19 in the US in coming weeks and months. But there are some things that workplaces and individuals can do to prepare.[1]

Workplace preparations

It's important to start thinking now about which employees' jobs could be done from home to accommodate individual needs or a workplace-wide closure. Some questions to ask as you prepare:

- Does each employee either have an employer-assigned laptop, or access to their own computer equipment, with internet and VPN access?

- Is there any specialized equipment, such as a check printer, scanner, etc., that some employees will need to have?
- Do some jobs require interaction with documents or other items that are physically located at the workplace? If so, are there any methods that would address this need?
- How will incoming and outgoing mail be addressed? Incoming phone calls? In-person customer or citizen contacts?
- Do laptops or home computers have links to essential cloud-based apps? Are up-to-date virus and malware protections in place? Is web-based or video conferencing readily available and do employees know how to use it? Is there a chat app for employees to continue needed interactions when working from home?
- In the event of school closures, is a plan in place to address the needs of employees who have school-age children?
- If the workplace remains open, do you have a disinfection protocol and routine environmental cleaning for objects and surfaces that are frequently touched?
- Are you making sure that soap, sanitizer, tissues, and similar supplies are readily available? Hygienic disposal should also be provided.
- Take a look at the CDC's guidance for business preparation.

Image Used from CDC website: www.cdc.gov

Travel and "social distancing" issues

It's possible that travel restrictions may be required or be prudent. Do any positions have travel needs that could be accommodated some other way, such as videoconferencing or webinar? Some federal officials are suggesting that communities plan for "social distancing measures."

Is your entity involved in creating travel or public gathering situations that may have to be reassessed? The possibility of cross-infection may need to be considered in planning special events that involve large gatherings of people. Similar considerations may apply to public attractions that draw crowds, and to public transit operations.

Policy considerations

It goes without saying that employees need to stay home when they have signs of potential contagious illnesses. Even in times when pandemic illnesses are not a concern, an employee who shows up to work feeling ill isn't doing anyone any favors, least of all himself/herself! Your sick leave or PTO policy, as well as supervisor practices, should reinforce (and enforce) this message. You'll also want to think about how to deal with leave issues if an employee lacks sufficient accrued leave to be able to stay home when warranted, if your policies don't already address such issues. You certainly don't want policy or practice to stand in the way of an employee doing the right thing to avoid infecting co-workers.

Many employers already have a work from home policy in place. If you're among them, take a look now, to see if any revisions are needed to encompass the possibility of individual or mass absences due to COVID-19-related issues. If you don't have a work from home policy in place, start thinking about one! While many employers have found that working from home is viable, there are implications and nuances that are important to consider. How will employees be supervised? Are there changes you'll need to consider in accounting for an employee's productivity, such as a more goal-oriented and results-oriented approach to assigning and evaluating work, as opposed to a strict hours-worked approach?

If you require employees to account for time via a time-clock approach, how will that tran k from home scenario, especially for hourly or non-exempt pers vill you ensure that overtime hours worked for non-exempt pers accounted for and compensated in accordance with the Fair Labor Stan .

If possible, you might consider a "rehearsal" or "trial run" if working from home is new to the organization. This will give you an opportunity to work out the bugs before working from home becomes a necessity.

One global business has shared its pandemic action plan. Although the characteristics of local government workplaces will differ somewhat, it's still worth looking at as a planning resource.

Family Medical Leave Act (FMLA) issues may be implicated when an employee or a covered family member is dealing with a serious health condition. Even if your entity is not one that is required to provide leave under the FMLA, your entity may either have its own version of family leave, or it may have other leave-related policies that you'll want to look at now.

Many entities are already equipped with a business contingency plan or disaster preparedness plan that may be pertinent. But if you haven't looked at these plans recently, do so now. Even if they're only a couple of years old, they may be out of date

or may not have contemplated the kind of planning warranted for the outbreak of illness. Now is the time to make sure you have a sensible, up-to-date plan in place.

Contractors and visitors

The work of contractors is another area you'll want to look at. Do you have any time-critical or mission-critical contract work in place, or coming up, that could be affected by a work stoppage or worker shortage among your contractors? How will you deal with those? Does the contract language you have in place address these possibilities in some way? Many contracts have "force majeure" or "Acts of God" provisions that may be applicable. But take a look at those contracts now to help avoid any disputes, misunderstandings, or other problems that may come up.

Do you have independent contractors or other visitors who come on site? An example might be a janitorial services contract. Are you making sure that those who perform contract work are as well-versed and well-equipped as your own employees are in terms of the personal measures that may be needed (discussed further below)? Even if all employees are exercising appropriate precautions and applying best practices on a personal level, if contractors or visitors aren't, then that's a potential vulnerability.

Personal measures

Personal measures are always important in avoiding the spread of illnesses, and this is true with COVID-19. We all need to take responsibility for taking appropriate personal measures. One Colorado official likens personal COVID-19 prep to preparing for a big winter snowstorm. Steps to consider include the following:

- Most importantly, self-monitor and self-isolate in the event of illness or symptoms such as a cough or a fever, even if mild. You owe it to yourself, and everyone around you, to stay home, obtain appropriate medical care, get well, and not contribute to the spread of illness.
- The CDC's advice for individual practices is what we hear in connection with most easily transmissible illnesses: frequent and thorough handwashing; sneezing into your elbow or a tissue, not into your hand; avoid touching your eyes, nose, and mouth; and using alcohol-based hand sanitizers when a sink is not readily available. These practices need to become second nature, if they're not already.
- A facemask currently appears to be recommended only for those who are ill, not for those who are trying to avoid getting ill, and the typical surgical facemask is not considered effective; an N-95 (or higher) respirator mask is needed. There are many precautions around facemask usage.
- Stay up to date on travel advisories.

Check on available tele-medicine options; for some conditions, avoiding a visit to a doctor's office or hospital may be workable or desirable. Of course, never delay getting medical attention if needed. Particularly with respiratory illnesses, waiting too long for medical intervention can be a deadly mistake.

- Check your own home for the feasibility of separating sick family members from well ones.
- Don't be a hoarder, but make sure that you have on hand items you may need for personal care and preparation.
- Ensure that you have an uninterrupted supply of the prescription medications you're already getting.
- Take a look at the Department of Homeland Security's pandemic preparation tips.
- And stay aware of the information provided on the Colorado Department of Public Health & Environment's COVID-19 website.

Essential public services

Many jobs in local government involve essential public services that can't be compromised, delayed, or halted, and that can't be done remotely. Contingency planning for these jobs will involve complexities and considerations of far greater magnitude than those that pertain to an office job, and are not currently addressed in this article.

Many of the available planning resources appear to be aimed at pandemic influenza, but may still be of value. An older resource, that includes planning checklists, is here.

To the extent you have personnel in occupations that may have an elevated exposure risk, you'll want to make sure that additional resources are made available for such personnel. According to OSHA, solid waste and wastewater management employees may be among those personnel.

Conclusion

There's no need for undue alarm, but planning for possibilities is your best bet for dealing with an issue that could become a high probability event. And even if doesn't, good planning is always a sound investment in honing best practices, updating and upgrading processes, and preparing for a host of other potential exigencies. Remember the Y2k scare? Fears of the end of the world didn't pan out as the year 2000 rolled around. But the planning and prep no doubt helped businesses and governments to do some long-needed cleanup and updating of legacy IT resources. So think of pandemic prep in that vein: you don't need to build an underground

bunker and wait for the world to end, but prudent planning will pay off whether or not the worst case scenario comes to pass.

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[1] Of course, CIRSA members, and local governments in general, are on the front lines of providing essential public services, including public safety and first responder services. Thus, your entities have even greater responsibilities on the planning front than a typical workplace. However, those issues are beyond the current scope of this article.

We Are Here To Help

If you need assistance with an article or topic in Willful & Wanton Conduct, let us know!

CONTACT US

MONDAY, MARCH 9

5 - 7:30 PM

GRAND RIVER HEALTH

CRAFT

Colorado Rural Academy for Tourism

Founded by the Colorado Tourism Office

Special BUSINESS AFTER HOURS NETWORKING EVENT

TOURISM VISIONING WORKSHOP

your Western Garfield County Chamber of Commerce | Est. 1954

PUBLIC EVENT

Town of Silt

Town of Parachute

PLEASE RSVP!

jpauch@parachutecolorado.com

Rifle Colorado

New Castle Authentically Colorado

Western Garfield County
CRAFT Studio 101
Day 1 - Visioning Workshop
March 10, 2020
10:00am to 2:30pm
Location: Garfield County Library - Rifle Branch, Conference Room
207 East Avenue Rifle, CO 81650 (Upstairs)

Objectives for Visioning Day

- Begin to define the cohesive vision for Western Garfield County.
- Find alignment in the vision among the Core Group.
- Prioritize top opportunities and challenges facing Western Garfield County that can be addressed in a tourism action plan.
- Begin to define strategic actions and a roadmap for achieving desired vision and goals.

10:00 - Introductions, Ground Rules and Session Goals
Individual introductions. Identify ground rules for sessions. Plus, what do we hope to accomplish by the end of the day? How will this session inform the learning labs and final two workshop days?

10:30 - Presentation on Colorado Tourism Office opportunities
Learn about CTO programs, grants, events and marketing opportunities that can elevate your tourism plan.

11:00 Tourism Drivers / Community Evaluation
Recap of Community Kickoff magazine covers
Recap of Community Kickoff questions
Individually, participants will take 5-10 minutes to write down on a piece of paper, the following:

- Top 3-5 drivers (opportunities and challenges) that will shape your tourism industry over the next 10-20 years
    - Consider input received from Community Kick-Off event
- Rank in order of highest concern/importance

As a group, we will prioritize these in order of importance and ability to influence

11:45 Lunch

12:15 - Recurring Themes and Scenarios
Small group activity: Break into 4 small groups based on scenarios identified in the Community Evaluation. This is the tourism situation in Western Garfield County for the next 10-20 years. Groups will give their scenario a name that describes the state of tourism in Western Garfield County in 10-20 years and answer questions about what the community will look like, what has changed, what obstacles were overcome or not overcome to achieve their chosen scenario.

12:45 - Scenario Presentations
Groups will present their scenarios and discuss how they arrived at their conclusions.

1:00 - Large Group discussion
What scenario does Western Garfield County want to be vs. what is the worst case scenario? Why? Does this align with the vision discussed in the morning session?

1:45 - Top 5 Strategic Actions
Begin to identify actions and steps needed to achieve the chosen scenario.

2:00 - Visioning
Let's create a name for our tourism effort

2:15 - 2:30 Questions and Wrap-up
Discuss upcoming Learning Labs for next training day.

2020 Special Events

April 11	**Easter Egg Hunt** - 10 a.m. (Veterans' Park)
April 27-May 2	**Silt Clean-Up** - 8 a.m. to 4:30 p.m. (612 N. 7th -Town Shop)
May 1-3	**Silt on Sale** (Online Garage Sale) 24/7
May 9	**Silt PD Bike Rodeo** 10 a.m. (Veterans' Park)
May 9	Garfield County Sheriff's First Responder Day & Special Olympics Recognition 3 p.m. (Stoney Ridge Pavilion)
May 29	**Movie in the Park** - dusk (Veterans' Park)
June 12	**Party at the Pavilion** Free Concert - 6 to 9 p.m.
June 26	**Party at the Pavilion** Free Concert - 6 to 9 p.m.
July 10	**Movie in the Park** - dusk (Veterans' Park)
July 17	**Party at the Pavilion** Ticketed Concert - 6 - 10 p.m.
August 14	**Movie in the Park** - dusk (Veterans' Park)
August 22	**Silt Hey Day** - 9 a.m. to 9 p.m. (Veterans' Park)
October 9	**Punkin' Chuckin'** 4-7 p.m. (Stoney Ridge Pavilion)
November 6	**Chili Cook-Off** - 5-8 p.m. (Town Hall Plaza)
December 11	**Sitting with Santa** 10 a.m. -2 p.m. (Town Center)

Other events may be added. Please consider volunteering for one or more events! You will be rewarded with a free t-shirt & food!

6TH ANNUAL

EMPTY BOWLS

FIGHTING HUNGER ONE BOWL AT A TIME

JOIN US!

Wednesday,
March 18th
11:30a–1:00p
at Grand River
Health Ballroom
$20 donation

FEATURING

Rifle CMC ceramics students create one-of-a-kind bowls to be filled with delicious soups crafted by Grand River Cafe and Local Restaurants. Proceeds support Grand River Meals on Wheels of Western Garfield County, delivering meals to the homebound.

Grand River Health | 501 Airport Rd., Rifle CO 81650 | 970.625.6215

THANK YOU EMPTY BOWLS PARTNERS

COLORADO MOUNTAIN COLLEGE

PI

Miner's Claim
Silt, Colorado

Whistle Pig

Grand River Health café

WINGNUTZ Bar and Grill

Rifle Bulldogs Rifle Co. School District
WE HEALTHY COMMUNITY

Grand River Health MEALS ON WHEELS of Western Garfield County

Teed Off Bar & Grill

TOWN OF SILT Est. 1915

Public Works Department
Trey H Fonner
Public Works Director

Memo

To: Jeff Layman, Town Administrator

From: Trey Fonner, Public Works Director

Cc: File

Date: March 2, 2020

Subject: Public Works Department Report

The following department report is a snapshot of some of the tasks and projects the Public Works staff has undertaken over the past several weeks.

- Breakroom remodel Town Hall
- Town Condo removal of flooring and cabinets
- Repair Bulk Water
- Plow and Sand 2/6 and 7
- Fix drainage issue at railroad tracks behind Silt Trade Center
- Pot hole patch throughout Town
- Start on evidence locker for Chief Kite
- Replace shed at Ballfield
- Burn slash piles at Silt River Preserve
- Daily building checks
- Repairs and maintenance at Senior Housing
- AED Monthly checks
- Meeting with Engineers and others on Water Treatment Plant improvements
- Weekly Staff meetings
- Meeting on Transportation Master Plan
- Meet with property owners on 8th street project
- Meet with Silt Water Conservancy on Stoney Ridge phase 2
- Site visits to Stoney Ridge phase 2
- Meeting with Engineer and Attorney on 8th street project easements

Date: March 2, 2020
To: Mayor, Trustees and Administrator Layman
From: Sheila McIntyre, Town Clerk/ Municipal Court Clerk
Re: Staff report for February 2020

Town Clerk duties:

- Worked on misc. election documents (resolution to cancel, notice for paper, etc.)
- Prepare public notice for Painted Pastures
- Misc research for staff members
- Set up employees phones on GETS/WPS program
- Signed A/P and payroll checks
- Emailed various public notices to newspaper
- Attended Heyday meeting
- Attended Granicus webinar
- In contact with Verizon re: various employee phone issues
- Reviewed marijuana license
- Index filing
- Attended BOT meetings
- Attended CIRSA safety meeting
- Prepared directives list
- Attended Chamber luncheon
- Attended AGNC meeting
- Attended staff meetings
- Met with Administrator re: various items
- Took deposits to bank on regular basis, Micro Plastics, DMV & locksmith
- Prepared and sent out BOT packets
- Met with citizen re: liquor license
- Attended HR sub-committee meeting
- Picked up food for work session
- Follow up on meetings and transcribed minutes
- Customer service in office
- Signed 2020 business licenses
- Ordered new computers and a stove
- Purged old records

Municipal Court & Police Dept. duties:

- Prepared court docket and files for Prosecuting Attorney, Judge and YouthZone
- In contact with Colorado Supreme Court regarding appeal
- Input municipal tickets and parking tickets along with payments
- Correspondences with Prosecuting Attorney & Judge regarding cases and plea deals
- Assist with phone calls and walk-ins regarding tickets
- Send out late payment letters
- Working with PD for Bike Rodeo
- In contact with Judge and Prosecuting Attorney re: trial
- Prepared VALE packet
- Assisted Police Records clerk with evidence destruction
- Attended court and court follow up (bench warrants, OJW's, update bench warrant list for officers)
- Emailed Warrantless Arrest Affidavits to the courts
- Assisted officers with Appearance Bonds
- Released bench warrant and OJW's

(This program has been set up for employees who have town issued cell phones only)

Memorandum

Date: March 2, 2020

To: All Staff members

From: Sheila McIntyre, Town Clerk

Re: GETS/WPS Program

The Town has opted to participate in the GETS/WPS Program. What this means is that should the Town be involved in an emergency situation that could cause congested phone lines, your cell number has been added to this program which will allow you priority calling as a Town of Silt employee. In the envelope you will find a card that you will need to carry with you in the event you should have to make a call in an emergency situation and instructions on how to use it.

I have also provided an abbreviated explanation for you:

- If you should need to make a call from a phone other than your town issued cell phone, you will use the GETS program where you will need to dial the access number on the front of the card, enter the pin# on the card and then dial the 10-digit number you are trying to reach.
- If you are calling from your town issued cell phone, you will use the WPS program where you will need to dial the Wireless Priority Service number on the back of the card which will be *272, then dial the 10-digit number that you are trying to reach.
- It is recommended that a person test their card on a regular basis. To do this you will call the Familiarization Call number on the back of the card.
- In the booklet it also goes over the GETS/WPS app that can be downloaded to your phone. This app can make the calling process a little easier as you can pick the persons number that you want to call from your contact list.

Please let me know if you have any questions.

Sheila

MEMORANDUM

TO: Jeff Layman, Town Administrator
FROM: Janet Aluise, Community Development Director
DATE: March 3, 2020

Please accept this memo as a monthly report for February 10, 2020 to March 8, 2020:

Studies/Master Plans/Research
Parks, Recreation, & Culture Master Plan
Emoji Run Race Registration Set-Up
Metro District Review
2018 ICC Codes Revisions
Census Advertising and Outreach
Insurance Requirements for Events
Painted Pastures Annex/Zoning Applications

Meetings/Events
P & Z & BOT Workshops/Meetings (5)
BOCC – Annexation Waiver (2/10)
Pinnacol Safety Overview & Training (2/12)
FEMA Workshop (2/14)
Transportation (2/19)
Silt Hey Days (2/20)
GarCo Torch Run Planning (2/21)
Mayor Pro Tem Knott – Shed (2/24)
Bob Cole/Sawyer re: Metro Districts (2/24)
Gregg Rippy re: unwinding pre-annex (2/24)

Pre-Application Conferences/ Submittals
River Valley Metropolitan District
Village at Painted Pastures Sketch Plan

Economic Development
Jesse Sholler re: multifamily development
Jeff Dablyn re: Opportunity Zone

Building Department
Cover office for training & sick time
Contractor Licensing, BEST Tests, Monthly Reports
Fee estimates for building permits
Permit Issuance (12)

Subdivisions
Stoney Ridge Phase II Letter of Credit
Spruce Meadows Right-of-Way Issue
Ferguson Crossing Irrigation Solution

Administration
Staff meetings (4)
Planning for 2020 Events
LED Sign Requests (14)
Website Revisions for 2020 (All departments)
P & Z meeting minutes
Business Licenses/Contractor Licenses
Equipment and Materials Ordering

Resolutions
None (processing those written early Feb.)

Agreements
Village at PP Infrastructure Improv. Agreement
Highlands at PP Subdivision Improv. Agreement
Village at PP Annexation & Develop. Agreement
Highlands at PP Annexation & Develop. Agreement

Ordinances
Draft Marijuana Code

Recreation
Training for Basketball Tournaments
Inventory and Orders (equipment/uniforms)

Special Events
Concert/Sound & Production Contracts
Reservations/Sponsors/Volunteers

TOWN OF SILT
MINUTES FOR
REGULAR PLANNING & ZONING COMMISSION MEETING
TUESDAY, FEBRUARY 4, 2020, 6:30 P.M.

Call to Order
Chair Classen called the meeting to order at 6:31p.m.

Roll Call

Present:	Chair Chris Classen Commissioner Eddie Aragon Commissioner Marcia Eastlund Commissioner Brittany Cocina (Voting Member)
Absent:	Vice Chair Lindsey Williams Commissioner Joelle Dorsey Alternate Commissioner #2

Also present at the meeting was Community Development Director Janet Aluise.

Pledge of Allegiance
At 6:31 p.m., the Commission cited the Pledge of Allegiance.

Public Comments
There were no public comments.

Conflicts of Interest
There were no stated conflicts of interest.

Tab 2 - Consent Agenda
At 6:32 p.m., Commissioner Aragon made a motion to approve the January 7, 2020 Planning & Zoning Commission meeting minutes, as written. Commissioner Cocina seconded the motion and the motion carried unanimously.

Agenda Changes
There were no agenda changes.

Tab 3 – Garfield County Comprehensive Plan 2030 – Review of Urban Growth Boundary

At 6:34 p.m., Director Aluise reviewed the Kancilia Small Kennel (Limited Impact Review)/Large Kennel (Major Impact Review) request, stating that the use is proposed on a 2-acre property located west of the Silt River Preserve and south of the Colorado River, outside the Town limits but within the Urban Growth Boundary (3-mile sphere of influence). The applicants indicate to the County in their application, "The property is zoned rural and is located in the Urban Growth Area for the Town of Silt. The Town of Silt has been informed of our intention to obtain this permit. A verbal communication with the P/Z occurred and no objection was registered." The applicants have not been scheduled nor have appeared before the Planning & Zoning Commission in the last decade. Further, Director Aluise states that Ms. Kancilia came to the Community Development Department over a month ago, stating that she was thinking of opening a kennel. Ms. Kancilia gave no scope to the project and did not indicate that she had actually submitted an application with Garfield County, so therefore Director Aluise assumed that Ms. Kancilia's idea was inspirational.

The Commission had the following questions/discussion:

- What measures will the County employ to ensure that the applicant keeps 8 or fewer dogs? (Director Aluise stated that she did not know how Garfield County enforces its land use.)
- Dog kennels take an enormous amount of water to provide drinking water and to clean the kennels and bedding (Director Aluise stated that many County residents fill up tanks of potable water every week for both residential and commercial purposes);
- The septic system should not be used for animal waste (Director Aluise stated that the application indicates that the animal waste will be placed in the landfill); &
- The property is well-positioned to mitigate barking dogs.

At 6:47 p.m., the Commission had consensus that Director Aluise should forward to Garfield County Planning Department the comments stated herein.

Tab 4 – Parks, Recreation, and Culture Master Plan Draft

At 6:48 p.m., Director Aluise stated that staff has been making progress on the document, having finished descriptions and inventories, and is currently building budget forecasts, and making park maps. The map project will include an interactive online map detailing each of the Town's parks, open space areas, drainages, and trails, with descriptions and inventories built into the portal. The Subcommittee is very supportive of the effort and will schedule a meeting soon to review further progress.

The Commission had the following questions/discussion:

- The Master Plan document looks great so far, and the Commission appreciates the efforts;
- The historical descriptions are very helpful and enlightening;
- How will the Town attempt to pay for the suggested improvements/land acquisitions? (Director Aluise stated that the upkeep on existing equipment is possible through the

general fund, but that larger capital improvements and land acquisitions will be difficult without grants or intergovernmental cooperation.);

- The inclusion of the Silt Historical Park and its potential future relocation is necessary; &
- Parkland throughout the Town has been donated by civic-minded individuals, including Judge A. A. Alley, whose adopted daughter was the long time Town Clerk Elsa Pyles.

Tab 5 – RBW Automotive and Removal of Abandoned Dwelling Unit at 512 Main Street

Director Aluise stated that the plaintiffs who own the abandoned dwelling unit at 512 Main Street (James Wallace and Ian Wallace, owners of RBW Automotive, Inc.) recently obtained a demolition permit with the State of Colorado and the Town of Silt, with a demolition window of April 1, 2020 to May 31, 2020. She stated that the trial has been stayed, and may be dismissed with the mitigation of unauthorized/dangerous uses on the property. The Commission had consensus that the junk vehicles on the site should also be removed, as per the Silt Municipal Code and the issued citation.

Tab 6 – 2020 Special Event List and Call for Volunteers

Director Aluise stated that the 2020 Special Event List has been posted and it promises to be a great season, with a few co-sponsored events. She advised that the Silt Hey Day celebration will be in Veterans' Park this year, utilizing the Town's Pig Roast (typically reserved for veterans' benefit). The Town will still be a co-sponsor of the events in terms of monetary contributions and in-kind labor, but the Silt Hey Day Committee is coordinating and holding the event, as usual.

The Commission expressed satisfaction that the event is back in Veterans' Park.

Old Business

There was no old business.

New Business

There was no new business.

Other Business

At 7:40 p.m., Director Aluise stated that the Town Administrator is requesting two members of the Planning & Zoning Commission to be part of the Marijuana Code Revision Subcommittee, which will likely meet before select Board meetings at Town Hall. This Subcommittee will look at the current code and determine if the Town shall limit the number of stores within the Town, the location of retail marijuana stores, and the processing guidelines for such applications. Because there are several members missing tonight, Director Aluise will send out an email soliciting volunteers for this Subcommittee. In the case there are more than two volunteers, she will ask the Commission to decide amongst itself who the designated members will be.

At 7:43 p.m., Director Aluise stated that there will be a special Planning & Zoning Commission meeting on February 18, 2020, to consider five (5) applications in as many public hearings.

At 7:44 p.m., Director Aluise stated that there is a FEMA (floodplain) meeting in Berthoud, Colorado, on February 14, 2020, from 9 a.m. to 4 p.m. The Town will provide for travel and meal expenses.

At 7:46 p.m., Director Aluise stated that there is a Rocky Mountain Land Use Institute Planning Conference on March 5 and 6, 2020, in Denver. The Town can sign up P & Z members interested in attending, and as usual, the Town will provide for travel and meal expenses.

Future Business

There was no future business.

Commissioner and Staff Comments

At 7:50 p.m., Chair Classen requested whether the owners of the 2nd Street and Grand Avenue have finished the home. Director Aluise stated that the home is not complete and that she would get further information from the Building Inspector Mike Styk.

At 7:53 p.m., Chair Classen stated that he noticed the street lights have the new LED fixtures attached, but that the lights are not as soft as the former ones. Director Aluise informed the Commission that the Town approved the replacement of the fixtures for a 7% reduction in the Town's flat rate. Each fixture should save approximately 40% - 80% in electric costs to operate.

Adjournment

At 7:57 p.m., Commissioner Eastlund made a motion to adjourn. Commissioner Cocina seconded the motion, and the motion carried unanimously.

Chris Classen

Chairman Chris Classen

Community Development Director Janet Aluise

Water, Waste Water Memo

Activities February 2020

Jeff, Town Administrator

From: Jack Castle, Utilities Director

WASTE WATER

- Wasted 4 loads of sludge
- Ran Lab, Dailies, weeklies, DMR
- Housekeeping
- Changed filters on blowers
- Settle meter test, TSS' on AB's and Digesters weekly
- Lift stations were checked at Camp Colorado and Holiday Inn

WATER

- Rotate Acid and CL2 MCIPs on skids 1 and 2 daily
- Gather dailies/ monthly samples
- Turbidity meters cleaned
- Weekly Lab
- Standard Acid and Cl2 MCIP's preformed on each skid.
- House keeping

DISTRIBUTION

- Meters were read
- 46 door hangers were hung
- 3 address were turned off/back on
- 30 meters that are inside houses would not read
- meters that are in pits would not read
- 7-meter pits must be dug up (spring?)
- Field testing/Hydrant flushing (weather permitting)
- 8 Addresses that would not read. These were corrected for $2405.90

PLEASE NOTE THAT DUE TO METER READING, DISTRIBUTION'S MONTH RUNS FROM FEBRUARY 17TH TO MARCH 17TH

TOWN OF SILT
STAFF REPORT

Date: February 29, 2020

To: Mayor and Board of Trustees

From: Amie Tucker, Treasurer

Tasks Completed in January

- Payroll
- Retirement contributions (FPPA & CRA)
- Payroll tax payments (State & Federal)
- Accounts Payable
- Reconcile Bank Statements
- Journal Entries
- Financial Statements
- Sales Tax
- Monthly Disbursements
- Attended Senior Programs Meeting
- Started HUTF yearly report
- FPPA contributions audit
- Pinnacol Cost Containment Documents
- Town is covering the cost of Emoji Fun Run t-shirts until registration fees come in to offset

SILT POLICE DEPARTMENT

231 North Seventh Street / PO Box 70 / Silt CO 81652
Phone: 970-876-2735 / Fax: 970-876-0205

To : Jeff Layman
From : Chief Kite
Re: Monthly Activity Report , February 29 2020

In the month of February 2020 the Silt Police Department had 291 calls for service.

44 penalty assessment tickets were issued for traffic violations.

92 warnings were issued for infractions of the law.

11 calls for service were related to Animal Complaints.

There were also 22 arrest made by the Silt police Department for criminal charges in the month of February and 1 Juvenile arrest.

At the end of February 2019, the total number of calls for service was 365

There were 0 K9 deployments and 0 finds.
.

We are in the proses of hiring two new officers. Josh will stay on as a reserve officer till we get back up to staff

Community relations

I participated in the "are you smarter that a 5th grader game"

No further information at this time. If you have any questions please contact me.

Chief Kite

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
Incidents 2020	338	291											629
INCIDENTS 2019	446	365	359	408	459	480	441	494	324	381	327	327	4403
Cases 2020	30	16											46
CASES 2019	16	29	19	23	28	31	21	32	25	34	22	16	273
Animal 2020	18	11											29
ANIMAL 2019	12	13	24	23	29	21	25	19	18	19	26	23	229
Adult Arrests 2020	36	22											58
ADULT ARRESTS 19	12	22	12	20	21	37	25	30	12	30	31	32	264
Juvenile Arrests 2020	1	1											2
JUVENILE ARRESTS 19	2	5	0	0	0	3	4	3	2	1	3	0	23
Tickets 2020	43	44											87
TICKETS 2019	60	43	42	29	62	58	78	52	22	53	42	29	541
Warnings 2020	74	92											166
WARNINGS 2019	111	100	90	48	104	124	100	97	60	107	88	30	1012