

SAN JUAN COUNTY, COLORADO
BOARD OF COMMISSIONERS MEETING AGENDA

August 26, 2020

DUE TO THE COVID 19 EMERGENCY SAN JUAN COUNTY WILL CONDUCT ALL OF ITS PUBLIC MEETING VIRTUALLY UNTIL FURTHER NOTICE. THE INFORMATION NECESSARY TO CONNECT TO THIS PUBLIC MEETING IS LISTED BELOW

CALL TO ORDER: 6:30 P.M.

BOCC Meeting Minutes for August 12, 2020

APPOINTMENTS:

6:40 P.M. DeAnne Gallegos PIO - COVID 19 Update
7:00 P.M. Public Hearing. San Juan Retail. LLC (CannaFarmer). County
Renewal Application for a Retail Marijuana Store License. 71463 US HWY
550 Unit A. Silverton Placer. San Juan County, CO.
7:15 P.M. James Simino San Juan National Forest
7:45 P.M. Klem Branner – Single Track GOCO Grant Sponsorship
8:00 P.M. Terry Morris – CAG Update

CORRESPONDENCE

Jeff Widen, The Wilderness Society – Mountain Pact Letter

OLD BUSINESS

San Juan County Fire Ban

NEW BUSINESS

OPUS Hut Liquor License Renewal
Mark Kloster Lot 7
Mel Russek Lot 9
Public Comment
Commissioner and Staff Reports

Next Regular Meeting – September 9, 2020 8:30 A.M.

Join Zoom Meeting

<https://zoom.us/j/92136473203>

Meeting ID: 921 3647 3203

One tap mobile

+16699006833,,92136473203# US (San Jose)

+12532158782,,92136473203# US (Tacoma)

Dial by your location

+1 669 900 6833 US (San Jose)

+1 253 215 8782 US (Tacoma)

+1 346 248 7799 US (Houston)

+1 646 876 9923 US (New York)

+1 301 715 8592 US (Germantown)

+1 312 626 6799 US (Chicago)

Meeting ID: 921 3647 3203

SAN JUAN COUNTY BOARD OF COMMISSIONERS
REGULAR MEETING WEDNESDAY, AUGUST 12, 2020
AT 8:30 A.M.

Call to Order: The meeting was called to order by Chairman Peter McKay. Present were Commissioners Scott Fetchenhier, Ernie Kuhlman, and Administrator William Tookey. The meeting was held via Zoom video conferencing.

Payment of Bills: Commissioner Fetchenhier moved to authorize payment of the warrants as presented. Commissioner Kuhlman seconded the motion. The motion passed unanimous.

Minutes: Commissioner Fetchenhier moved to approve the minutes of July 22, 2020 as presented. Commissioner Kuhlman seconded the motion. The motion passed unanimous.

Incident Management Team members Jim Donovan OEM, Becky Joyce Public Health Director, and Public Information Officer DeAnne Gallegos were present to provide the Commissioners with an update on the COVID 19. It was the consensus of the Commissioners to have the Incident Management Team meet with the Commissioners on the first meeting of the month and for the PIO Deanne Gallegos to meet during the second meeting of the month.

The Commissioners received written information concerning County Road 22 the River Road. One complaint concerned the barricade at Boulder Creek making it inconvenient for bicycles and the second concerned motorcycles and OHVs going through and around the barricade. It was the consensus of the Commissioners to consider making improvements on both comments for next season.

The Treasurer's Semi-Annual Report was presented to the Commissioners for their review. Commissioner Kuhlman moved to approve the Semi-Annual Report as presented. Commissioner Fetchenhier moved to second the motion. The motion passed unanimous.

The CORE Mountain Liquor License renewal was presented to the Commissioners. Commissioner Fetchenhier moved to approve the renewal application for CORE Mountain as presented. Commissioner Kuhlman seconded the motion. The motion passed unanimous. The Commissioners questioned the adequacy of the current bathroom facilities.

Social Services Director Martha Johnson was present to provide the Commissioners with a monthly update. Commissioner Fetchenhier moved to approve Transmittal #6 in the amount of \$43,310.83 as submitted. Commissioner Kuhlman seconded the motion. The motion passed unanimous.

Administrator Tookey presented the Commissioners with a proposed Use Covenant and Requirements for Anvil Mountain Attainable Lot 26. Commissioner Fetchenhier moved to approve the Use Covenants and Requirements for Lot 26 as presented. Commissioner Kuhlman seconded the motion. The motion passed unanimous.

Also presented to the Commissioners was the proposed sale of Anvil Mountain Attainable Lot 26 in the amount of \$10,000 to Beth and Brian Anderson dba 9318 Development Ventures LLC. Commissioner

Fetchenhier moved to approve the sales agreement as submitted and authorize Chairman McKay to sign all necessary documents. Commissioner Kuhlman seconded the motion. The motion passed unanimous.

The Commissioners discussed sending a letter to comment on the EPA's proposed repository. It was the consensus of the Commissioners to send a formal letter commenting on the repository. The comments would include pursuing innovative solutions, minimize impact on county roads, minimize impact on the Historical Society's Mayflower Mill road and operations, discourage fencing the site, minimize noise, dust and visual impact to the users of the Boulder Creek Road, minimize impact on tourist, make sure that the site is structurally sound and protected from flood and avalanche hazards, protect the Town's water intake, minimize impact on the cemetery and dry the sludge on site in Gladstone.

Building Inspector Bill MacDougall was present to provide the Commissioners with an update on all the current county building permits. It was the consensus of the Commissioners to have the Building Inspector provide semi-annual reports.

Planning Director Lisa Adair was present to provide the Commissioners with an update on the activities of the Planning Department.

It was the consensus of the Commissioners to hold a meeting in the fall with BLM and the Forest Service to discuss the impacts that are occurring in the backcountry this season and how to address them for next season.

Having no further business, the meeting was adjourned at 10:51 A.M.

STAFF REPORT FOR THE BOARD OF COUNTY COMMISSIONERS

Report Date: August 23, 2020.

Meeting Date: August 26, 2020.

From: Town & County Planning Director.

Project: Public Hearing to consider a County Renewal Application for a Retail Marijuana Store License.

Applicant: San Juan Retail, LLC, Tradename CannaFarmer Farm Store Silverton, represented by Kevin Farmer.

Attachments: Retail Marijuana Local Licensing Application; 3 Signature Pages from Building Inspector, Sheriff, and Fire Department.

Proposal: Kevin Farmer, representing "San Juan Retail, LLC" Tradename CannaFarmer Farm Store Silverton, is requesting an annual County license renewal, for the continued operation of a Retail Marijuana Store.

Project Site: The facility is located at 71463 US HWY 550, Unit A, on the Silverton Placer, approximately 2 miles north of Silverton. Applicant is continuing to lease the building from the property owner The Filling Station, LLC. The parcel legal description is: A Portion of the Silverton Placer USMS No. 14665 (containing 12.63 acres).

Zoning: All uses, including mining and milling, are Uses Subject to Review in San Juan County. The proposed use is located in unincorporated San Juan County within the Highway 550 Economic Corridor. It appears that this site may be located within the Town County Mutual Overlay District; the Town of Silverton has not stated any opposition to the renewal application.

Applicable County Regulations: San Juan County adopted Ordinance No. 2014-01 establishing the licensure of retail marijuana establishments within unincorporated San Juan County. County Resolution No. 2014-03 imposed fees for the renewal of County licenses of those marijuana establishments. The 2014 Ordinance & Resolution are posted on the County website.

Related Site Use and License: The Applicant recently obtained a renewal for the adjacent cultivation facility. The Commissioners waived the application fee due to the economic hardship request made by the Applicant.

Application Fee: The Applicant has attached a letter requesting the County Commissioners waive the license renewal fee for this Retail Marijuana Store due to economic hardship. The Planning Department would recommend the Commissioners can waive the application fee if desired, minus perhaps the cost associated with the two recent legal notices and staff time.

License Renewal Application: San Juan Retail, LLC submitted a license renewal application for this existing Retail Marijuana Store to the front desk at Town Hall on June 25, 2020.

Staff Report Regarding CannaFarmer Retail Store License Renewal, for August 26, 2020 BOCC Meeting (Continued).

Public Notice: The required legal notice for this Public Hearing was advertised in the Silverton Standard newspaper, more than ten days prior to the hearing. A copy of the legal notice is available upon request from the Planning Department. The required public notice sign, to be posted on-site at least ten days before the hearing, was emailed to the Applicant, to post in a visible front window location.

Current Use: To the best of our knowledge, the Applicant has operated the retail store in compliance with all applicable laws and conditions of the license. No requirements or negative comments were received regarding this renewal, from the Fire Chief, Building Inspector, or Sheriff. They “signed off” on this application on August 18, 19, and 21, 2020 (attached).

Neighbor Comments: A neighbor Inga McFadden, who resides year-round adjacent to the project site, was contacted about this Retail Marijuana Store on August 19, 2020, and she had no issues or concern to report about this existing land use.

Comments from Former Planning Director Bob Nevins: “The continued operation ... within the US Highway 550 Economic Corridor is consistent with the relevant Vision Statements, Goals and Strategies contained within the jointly adopted 2010 Town and County Master Plan. This... has provided positive results to both the County and Town in terms of increased employment and revenues while having minimal environmental, visual, traffic or other operational impacts. The ... facility is not located within any mapped INSTAAR Hazard Zones such as Avalanche, Geologic, Floodplain and/or Wildfire.”

Criteria for Reviewing This Renewal Application (Page 15 of Ordinance 2014-01): In determining whether to grant or deny a Renewal License the Board shall consider the following as applicable:

- (1) Whether the Applicant has failed to comply with any of the terms, conditions, or provisions of the State Retail Marijuana Code...or this Ordinance.
- (2) Whether the Applicant has failed to comply with any terms or conditions that were placed on its State Retail Marijuana License...or a License issued under this Ordinance.

As attested to by the Applicant, in the Renewal Application, and to the best of our knowledge, the existing facility and the Applicant appear to be in compliance with all of the pertinent State and County regulations, licenses, provisions, terms, and conditions.

- (3) Whether the Licensed Premises has been operated in a manner that adversely affects the public health or the safety of the immediate neighborhood...
- (4) Whether complaints...have been made to the Administrator or others by the public or law enforcement.
- (5) Whether there has been an increased need for law enforcement in the vicinity...or as a result of its operation.

Staff Report Regarding CannaFarmer Retail Store License Renewal, for August 26, 2020 BOCC Meeting (Continued).

As noted by the Sheriff, Building Inspector, and Fire Chief, within the Renewal Application, the existing facility appears to be free from complaints, public health/safety issues, and law enforcement concerns. County Building Inspector Bill MacDougall, and Fire Chief Gilbert Archuleta and the Sheriff were contacted by the Planning Director and each "signed off" on this renewal application, indicating they have no specific concerns about this facility.

(6) Whether the Applicant has changed its business structure and whether the current owners, officers, contractors, employees, and other support staff have completed a fingerprint-based criminal history record check and the results of such check.

(7) Whether any physical modifications have been made to the Licensed Premises.

(8) Whether the Applicant owns...or has a valid lease, rental agreement...for possession of the Licensed Premises for the term of the renewal.

As noted by the Applicant, in the Renewal Application, and to the best of our knowledge, the existing facility and the Applicant appear to be in compliance with all of the above requirements, including: "no change" to the rental lease agreement; "no change" to the building plans, Location, Licensed Premises; Applicant(s) fingerprints are "on file;" and "no change" to the business structure, owner(s), of the LLC (San Juan Retail, LLC).

The County Commissioners may: approve the renewal application, deny the renewal application, or "table" the decision in order to request additional information.

As the Planning Director, having reviewed the application, finding it generally complete, without any known change to the existing license or operation, and receiving no written or verbal concerns from the Sheriff, Fire Chief, and Building Inspector, and the closest neighbor, I recommend that **the Board of County Commissioners can approve the "Retail Marijuana Store License Renewal Application."**

This "Retail Marijuana Store License Renewal Application" can be approved, with the following proposed Conditions of Approval (listed below and similar to those previously imposed each year by the County):

1. The Operator is San Juan Retail, LLC, doing business as Tradename CannaFarmer Farm Store Silverton, with the Contact Person/Applicant designated as Kevin Farmer.
2. The Land Use hereby approved is one "Retail Marijuana Store."
3. The Applicant shall comply with the CDOT access permit, and the parking, deliveries, and vehicles associated with this use shall not impact highway traffic safety.
4. That all owners, officers, managers, contractors, and employees, comply with the fingerprint-based criminal history background check requirements.

**Staff Report Regarding CannaFarmer Retail Store License Renewal, for August 26, 2020
BOCC Meeting (Continued).**

5. The Applicant shall comply with all San Juan Basin Health Department public health, safety, and septic system regulations, for this site.

6. Any cannabis waste shall be disposed in a manner consistent with the Colorado Retail Marijuana Code, and regular trash shall be stored in bear-proof containers behind the building. Applicant is responsible for transporting trash to the Transfer Station near Silverton, and not allowing it to accumulate on-site.

7. The security system shall meet the requirements of the Colorado Marijuana Enforcement Division. All windows and doors shall be secured. Chain-link security perimeter fencing is not permitted.

8. There shall be a sufficient, operational air filtration system, to ensure there are no cannabis odors detectable from outside the building.

9. All marijuana related activities are to be wholly contained within the structure, and not visible from the highway.

10. All lights shall comply with the County's "dark sky" regulations of Section 4-110.17 titled Exterior Lighting.

11. The building exterior and property shall be maintained in a neat and orderly manner.

12. The Operator, Applicant, project, facility, and site shall be in compliance with all applicable County and State regulations, including County Ordinance 2014-01 and Land Use Regulations Section 4-110.

13. The Applicant shall possess permits for and obtain all required renewals of the applicable State marijuana facility licenses.

14. The failure to comply with these conditions shall be grounds for the revocation of this Retail Marijuana Store license.



RETAIL MARIJUANA LOCAL LICENSING APPLICATION

San Juan County Land Use Administrator P.O. Box 250, Silverton, CO 81433 Phone (970) 387-5522 ext. 16 Fax (970) 387-5583	RECEIVED <u>06/25/2020</u> PAID _____ RM- _____
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License for: <input type="checkbox"/> New <input checked="" type="checkbox"/> Renewal <input type="checkbox"/> Change of Ownership/Corporate Structure <input type="checkbox"/> Modification to Premises		Application and Operation Fee: \$1,000.00	
License Type: <input checked="" type="checkbox"/> Retail Marijuana Store License <input type="checkbox"/> Retail Marijuana Cultivation Facility <input type="checkbox"/> Retail Marijuana Products Manufacturing <input type="checkbox"/> Retail Marijuana Testing Facility		Permit: <input type="checkbox"/> Improvement Permit	
Physical Address			
Applicant's Legal Business Name/Trade Name (DBA): San Jaun Retail, LLC		Parcel Name and ID Number Silverton Placer	Zone District ED
Street Address of Business 71463 US HWY 550, Unit A, Silverton, CO 81433		Business Phone Number (970) 403-6233	
Mailing Address PO Box 933	City Silverton	State CO	Zip 81433
Primary Contact Person			
Primary Contact Person for Business Kevin Farmer		Primary Contact Phone Number (206) 225-6353	Primary Contact Cell Number (206) 225-6353
Primary Contact Email Address kevin@cannafarmer.com			
Primary Contact Address PO Box 492	City Silverton	State CO	Zip 81433
State Retail Marijuana License Numbers			
Retail Marijuana Center Number 402R-00768		Products Manufacturing Number NA	
Cultivation Facility Number NA		Testing Facility Number NA	
Applicant's Signature 			Date 6/25/20

Retail Marijuana License Application Checklist

For Complete Regulation Language see San Juan County- Ordinance 2014-01,

Submitted	Section 4 (1)	
No change	(a)	<i>Copy of Lease, Deed, or Contract</i> for right to possess physical premises.
No change	(b)	<i>Building Plans</i>
NA	(b)	<i>Food Prep Area</i>
No change	(c)	<i>Location Plan/Plot Plan</i> - Submit a location plan showing all uses located within 1,000 feet of the premises including schools, daycare facility (see complete list in Section 4.1 c.)
Attached	(d)	<i>Fees</i> – Make payable to San Juan County
On file	(e)	<i>Fingerprints</i> – Applicants shall include a set of fingerprints for each licensee applicant on forms provided by the state licensing authority.
No Change	(f)	<i>Corporate, LLC, or Partnership</i> – Formation documents shall be provided for any licensee other than a sole proprietorship.
No Change	(g)	<i>Material Safety Data Sheets ("MSDS")</i> – MSDS sheets for each and every proposed chemical and/or proposed chemical mixtures to be stored or used on the premises shall be submitted with the application.
Submitted	Section 4 (3)	
Attached	(a)	<i>Fire District Comments</i> – Written comments or a letter from the appropriate fire district in which the proposed licensed premises are to be located demonstrating compliance with the applicable fire code provisions.
No Change	(b)	<i>Proof of county land use approval</i> – use is allowed in the proposed location.
NA	(c)	<i>San Juan Basin Department of Health and Environment approval</i>
Attached	(d)	<i>Building Department approval</i> – facility must comply with applicable building codes and comply with all applicable Colorado plumbing/electrical code standards.
Attached	(e)	<i>Sheriff's Office</i> – Written comments or a letter with regard to the Sheriff's recommendations concerning issuance of the license(s) for which application has been made, including the results of any investigation conducted.
Submitted	Section 5	
Current	(3)	<i>State License for the proposed Licensed Premises.</i>
Attached	(4)	<i>Indemnification</i> – Applicant/Licensee must provide an executed indemnification in a form acceptable to the Local Licensing Authority.
1 year	(5)	<i>Permit Duration</i> – Local License shall be valid for a period not to exceed one year from date of issuance, and shall terminate on the same date as the State Licensing Authority's license.
Attached		<i>Affirmation & Consent Form</i>
Attached		<i>Investigation Authorization & Authorization to Release Information</i>
Attached		<i>Applicant's Request to Release Information</i>

Retail Cannabis (Marijuana) Local Licensing Application
San Juan County – Land Use Administrator
P.O. Box 250, Silverton, CO 81433

Phone (970) 387-5522 Ext. 16 – Fax 970-387-5583 – bnevins@silverton.co.us

PRIOR TO THE LOCAL LICENSING AUTHORITY'S FINAL DECISION REGARDING AN APPLICATION, THE APPLICANT SHALL PROVIDE THE FOLLOWING INFORMATION:

FIRE PROTECTION DISTRICT	
Written comments or a letter from the appropriate fire authority or district in which the proposed licensed premises are to be located demonstrating compliance with the applicable adopted fire code provisions.	
<input type="checkbox"/> No objection to the Retail Marijuana facility as proposed.	
_____ Signature Fire Department	_____ Date
<input type="checkbox"/> Applicant must comply with the following adopted fire code provisions:	
_____ Signature Fire Department	_____ Date

SAN JUAN BASIN DEPARTMENT OF HEALTH AND ENVIRONMENT	
For Retail cannabis infused products manufacturing licenses, documentary proof of compliance with the applicable county and/or state health department standards.	
<input type="checkbox"/> No objection to the Retail Marijuana facility as proposed.	
_____ Signature Dept. Health and Environment	_____ Date
<input type="checkbox"/> Applicant must comply with the following health code provisions:	
_____ Signature Dept. Health & Environment	_____ Date

SAN JUAN COUNTY BUILDING DEPARTMENT

For all licensed facilities located within a building or structure for which a San Juan County Building permit is required, documentary proof of compliance with all applicable county building code standards, as well as documentary proof of compliance with all applicable Colorado Plumbing/Electrical Code standards.

No objection to the Retail Marijuana facility as proposed.

Signature Building Official

Date

Applicant must comply with the following county building code standards:

Signature Building Official

Date

SAN JUAN COUNTY SHERIFF'S OFFICE

Written comments or a letter from the San Juan County Sheriff or his designee with regard to the Sheriff's recommendations to the Local Licensing Authority concerning the issuance of the license(s) for which the application has been made, including the results of any investigation conducted: New application review shall include, but need not be limited to, an investigation into the criminal background, if any, of the proposed licensee(s) by the San Juan County Sheriff's Office. The Sheriff's Office may, in its discretion, require the proposed licensee(s) to submit to a personal interview regarding, but not limited to, their background, qualifications, and financial arrangements, relevant to the proposed License.

No objection to the Retail Marijuana facility as proposed, and recommend no additional security measurers required.

Signature Sheriff

Date

Application should be Denied. See attached written report of the results of the SMCSO investigation of the proposed licensee(s).

Signature Sheriff

Date

**SAN JUAN COUNTY COLORADO
RETAIL MARIJUANA LOCAL
LICENSEE INDEMNIFICATION
AGREEMENT**

The undersigned in consideration for the San Juan County Board of Commissioners, acting in its capacity as the Local Licensing Authority, issuance of a Retail Marijuana local license to the undersigned pursuant to the Colorado Retail Marijuana Code (C.R.S. Title 12, Article 43.3, Part 1) by its acceptance of such Local License hereby agrees, undertakes, and covenants to hold and save harmless, release, and indemnify San Juan County, its Board of County Commissioners, the San Juan County Local Licensing Authority, and their officers, directors, employees, contractors and agents, and all other persons or entities associated or affiliated with San Juan County, all jointly and severally (collectively, the "County"), from and against any and all liabilities, claims, demands, actions, damages, injuries, and/or rights of action, of any nature whatsoever, that are related to, arise out of, or are in any way connected with the County's issuance of a local license to the undersigned pursuant to the Colorado Retail Marijuana Code and San Juan County Ordinance 2014-01 For Licensure of Retail Marijuana Establishment.

The undersigned understands and acknowledges that by signing this Retail Marijuana Local Licensee Indemnification Agreement the undersigned has given up certain legal rights and/or possible claims that the undersigned might otherwise assert or maintain against the County. The undersigned also understands and acknowledges that this Indemnification Agreement is intended to be as broad and inclusive as permitted by the laws of the State of Colorado and that if any portion hereof is held invalid, the undersigned agrees and understands that the balance shall continue in full legal force and effect.

The undersigned understands and acknowledges that this Indemnification Agreement constitutes the entire agreement and understanding between the undersigned and the County relating to the subject matter herein and that it cannot be modified or changed in any way by the representations or statements of the County, or by the undersigned.

Nothing herein shall be deemed or construed as waiver or diminishment of any protections, limitations, rights or immunities available to the County by any provision of Colorado law, including, without limitation, any protection or limitation of liability under the Colorado Governmental Immunity Act, C.R.S. § 24-10-101, *et seq.*

In the event that a controversy, dispute, litigation or arbitration emerges over this Indemnification Agreement, venue and jurisdiction shall be proper only in San Juan County District Court. The County shall have the right to recover reasonable attorneys fees and costs it may incur to enforce this Indemnification Agreement.

MY SIGNATURE BELOW INDICATES THAT I, THE UNDERSIGNED, HAVE READ AND UNDERSTAND THIS ENTIRE RETAIL MARIJUANA LOCAL LICENSEE INDEMNIFICATION AGREEMENT AND AGREE TO BE BOUND BY THE TERMS HEREIN.

Date _____

PRINTED NAME OF LOCAL LICENSEE: San Juan Retail LLC

By: [Signature]
Authorized Signature of Local Licensee

STATE OF COLORADO
COUNTY OF SAN JUAN

ss.

Acknowledged, subscribed and sworn to before on June 25 2020 by
[Signature] as authorized signatory of the Local
Licensee San Juan Retail LLC

My commission expires September [Signature]
Witness my hand and official seal. 5 30 20 Notary Public

(SEAL)

ACCEPTED AND AGREED TO by the SAN JUAN COUNTY, COLORADO, BOARD OF COUNTY COMMISSIONERS, ACTING IN ITS CAPACITY AS THE LOCAL LICENSING AUTHORITY PURSUANT TO THE COLORADO RETAIL MARIJUANA CODE (Title 12, Article 43.4, Part 1, C.R.S.)

SAN JUAN COUNTY, COLORADO
COUNTY LAND USE ADMINISTRATOR
Acting for the
SAN JUAN COUNTY LOCAL LICENSING AUTHORITY


By: _____
Land Use Administrator

Date: _____

Affirmation & Consent

I, Kevin Michael Farmer, as an authorized agent for the applicant, state under penalty for offering a false instrument for recording pursuant to 18-5-114 C.R.S. that the entire Retail Marijuana Business License Application Form, statements, attachments, and supporting schedules are true and correct to the best of my 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 Retail Marijuana license by San Juan County. Further, I am aware that later discovery of an omission or misrepresentation made in the above statements may be grounds for the denial of a temporary Retail Marijuana application or the revocation of the license. I am voluntarily submitting this application to the San Juan County Licensing Authority under oath with full knowledge that I 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 further consent to any background investigation necessary to determine my present and continuing suitability and that this consent continues as long as I hold a San Juan County Retail Marijuana License, and for 90 days following the expiration or surrender of such Retail Marijuana License.

Print Full Legal Agent Name clearly below:

Applicant's Business Name San Juan Retail, LLC		Trade Name (DBA) CannaFarmer Farm Store Silverton	
Legal Agent Last Name (Please Print) Farmer	Legal Agent First Name Kevin	Legal Agent Middle Name Michael	
Signature 		Date 6/25/20	

INVESTIGATION AUTHORIZATION AUTHORIZATION TO RELEASE INFORMATION

I, Kevin Michael Farmer, as an authorized agent for the applicant, hereby authorize the San Juan County Local Licensing Authority, through the San Juan County Sheriff's Office (hereafter, the Investigative Agency) 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 Investigative Agency to provide any and all information deemed necessary by the Investigative Agency. 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 Investigative Agency 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 understand that by signing this authorization, a financial record check of my tax filing and tax obligation status may be performed. I authorize the Colorado Department of Revenue to surrender to the Investigative Agencies a complete and accurate record of any and all tax information or records relating to me. I authorize the Investigative Agency to obtain, receive, review, copy, discuss and use any such tax information or documents relating to me. 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 Investigative Agency 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 Investigative Agency reserves the right to investigate all relevant information and facts to their satisfaction. I understand that the Investigative Agency may conduct a complete and comprehensive investigation to determine the accuracy of all information gathered. However, San Juan County, the Investigative Agency, and other agents of employees of San Juan County 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 San Juan County, the Investigative Agency, and other agents or employees of San Juan County 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 Investigative Agency, 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 Agent Name clearly below:

Applicant's Business Name San Juan Retail, LLC		Trade Name (DBA) CannaFarmer Farm Store Silverton	
Legal Agent Last Name (Please Print) Farmer	Legal Agent First Name Kevin	Legal Agent Middle Name Michael	
Legal Agent Title Owner	Signature (Must be signed in front of one witness) 		
Dated this <u>25th</u> day of <u>June</u> , 20 <u>20</u> at <u>2:25 pm</u> (time)			
<u>Silverton</u> (City)		<u>CO</u> (State)	
Witness Signature 			

APPLICANT'S REQUEST TO RELEASE INFORMATION

To: _____

From: _____

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 San Juan County Retail Marijuana Local Licensing Authority 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 San Juan County Retail Marijuana Local Licensing Authority 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. I/We hereby authorize and request the Colorado Department of Revenue to permit a duly appointed agent of the San Juan County Retail Marijuana Local Licensing Authority to obtain, receive, review, copy, discuss and use any such tax information or documents relating to or concerning the above named applicant, whether or not such information or documents would otherwise be protected from disclosure by any constitutional, statutory, or common law privilege.
4. 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 San Juan County Retail Marijuana Local Licensing Authority 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 records, savings deposit records, safe deposit box records, and general ledger folio sheets.
5. I/We do hereby make, constitute, and appoint any duly appointed agent of the San Juan County Retail Marijuana Local Licensing Authority, my/our true and lawful attorney in fact for me/us in 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.
6. 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 it 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.
7. This power of attorney ends twenty-four (24) months from the date of execution.
8. The above named applicant has filed with the San Juan County Retail Marijuana Local Licensing Authority an application for a Retail Marijuana Local 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. Said applicant accepts any risk of adverse public notice, embarrassment, criticism, or other action of financial loss, which may result from action with respect to this application.
9. 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 employers arising out of or by reason of complying with the request.
10. I/We agree to indemnify and hold harmless the person to whom this request is presented and his agents and employees from and against all claims, damages, losses, and expenses, including reasonable attorney's fees arising out of or by reason of complying with this request.
11. A reproduction of this request by photocopying or similar process shall be for all intents and purposes as valid as the original.

Legal Agent Last Name (Please Print) Farmer	Legal Agent First Name Kevin	Legal Agent Middle Name Michael
Legal Agent Title Owner	Signature (Must be signed in front of one witness) 	
Dated this <u>25th</u> day of <u>June</u> , 20 <u>20</u> at <u>2:25pm</u> (time)		
<u>Silverton</u> (City)		<u>CO</u> (State)
Witness Signature 		
Signature of Retail Marijuana Licensing agent presenting this request		Date



San Juan County Board of County Commissioners
San Juan County Land Use Administrator
PO Box 250
Silverton, CO 81433

San Juan Retail, LLC
CannaFarmer
PO Box 933
Silverton, CO 81433

RE: Annual renewal fee – request to waive

Good day,

As the owner and operator of San Juan Retail, LLC., I, Kevin Farmer, am requesting the \$1,000 annual renewal fee be waived for the current renewal year as was approved with the San Juan Cultivation, LLC annual license fee. Due to the current business conditions around COVID 19 and my businesses' inability to acquire protections from the state and federal government, I'm asking the county help me and my business move into the summer without needing to borrow money from a private party to pay the annual renewal fee to the county. My business is down 31% or \$14,506 compared to March 1 – June 25 of last year, thus the cash shortage going into the summer and the lack of funds to pay the renewal fee at the current date.

I'm hopeful you'll understand my position and help locally where I'm unable to get assistance federally or at a state level with the fee waiver. I appreciate very much the waiver for the cultivation license that was approved.

Thank you for considering my request.

Sincerely,

Kevin Farmer
Owner/Operator
San Juan Retail, LLC – DBA CannaFarmer Farm Store Silverton

San Juan County Building Department
2/12/2020

SAN JUAN COUNTY BUILDING DEPARTMENT

For all licensed facilities located within a building or structure for which a San Juan County Building permit is required, documentary proof of compliance with all applicable county building code standards, as well as documentary proof of compliance with all applicable Colorado Plumbing/Electrical Code standards.

No objection to the Retail Marijuana facility as proposed.

Signature Building Official

Date

[Signature] 2/12/2020

Applicant must comply with the following county building code standards:

N/A

Signature Building Official

Date

SAN JUAN COUNTY SHERIFF'S OFFICE

Written comments or a letter from the San Juan County Sheriff or his designee with regard to the Sheriff's recommendations to the Local Licensing Authority concerning the issuance of the license(s) for which the application has been made, including the results of any investigation conducted: New application review shall include, but need not be limited to, an investigation into the criminal background, if any, of the proposed licensee(s) by the San Juan County Sheriff's Office. The Sheriff's Office may, in its discretion, require the proposed licensee(s) to submit to a personal interview regarding, but not limited to, their background, qualifications, and financial arrangements, relevant to the proposed License.

No objection to the Retail Marijuana facility as proposed, and recommend no additional security measurers required.

Signature Sheriff

Date

Application should be Denied. See attached written report of the results of the SMCSO investigation of the proposed licensee(s).

Signature Sheriff

Date

Retail Cannabis (Marijuana) Local Licensing Application
San Juan County – Land Use Administrator
P.O. Box 250, Silverton, CO 81433

Phone (970) 387-5522 Ext. 16 – Fax 970-387-5583 – bnevins@silverton.co.us

PRIOR TO THE LOCAL LICENSING AUTHORITY'S FINAL DECISION REGARDING AN APPLICATION, THE APPLICANT SHALL PROVIDE THE FOLLOWING INFORMATION:

FIRE PROTECTION DISTRICT

Written comments or a letter from the appropriate fire authority or district in which the proposed licensed premises are to be located demonstrating compliance with the applicable adopted fire code provisions.

No objection to the Retail Marijuana facility as proposed.

Signature Fire Department

Date

Applicant must comply with the following adopted fire code provisions:

Signature Fire Department

Date

SAN JUAN BASIN DEPARTMENT OF HEALTH AND ENVIRONMENT

For Retail cannabis infused products manufacturing licenses, documentary proof of compliance with the applicable county and/or state health department standards.

No objection to the Retail Marijuana facility as proposed.

Signature Dept. Health and Environment

Date

Applicant must comply with the following health code provisions:

Signature Dept. Health & Environment

Date

SAN JUAN COUNTY BUILDING DEPARTMENT

For all licensed facilities located within a building or structure for which a San Juan County Building permit is required, documentary proof of compliance with all applicable county building code standards, as well as documentary proof of compliance with all applicable Colorado Plumbing/Electrical Code standards.

No objection to the Retail Marijuana facility as proposed.

Signature Building Official

Date

Applicant must comply with the following county building code standards:

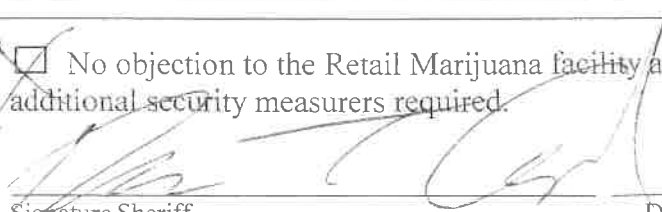
Signature Building Official

Date

SAN JUAN COUNTY SHERIFF'S OFFICE

Written comments or a letter from the San Juan County Sheriff or his designee with regard to the Sheriff's recommendations to the Local Licensing Authority concerning the issuance of the license(s) for which the application has been made, including the results of any investigation conducted: New application review shall include, but need not be limited to, an investigation into the criminal background, if any, of the proposed licensee(s) by the San Juan County Sheriff's Office. The Sheriff's Office may, in its discretion, require the proposed licensee(s) to submit to a personal interview regarding, but not limited to, their background, qualifications, and financial arrangements, relevant to the proposed License.

No objection to the Retail Marijuana facility as proposed, and recommend no additional security measurers required.


Signature Sheriff


Date

Application should be Denied. See attached written report of the results of the SMCSO investigation of the proposed licensee(s).

Signature Sheriff

Date



September 9, 2020

Dear Senator Gardner,

As local elected officials in Colorado, we write to implore you to actively support the Colorado Outdoor Recreation and Economy (CORE) Act. There is broad bipartisan support in Colorado for the protection of our public lands and this bill is the most broadly supported legislation to protect public lands in Colorado in a generation. It is supported by the majority of the Colorado congressional delegation and has passed the House of Representatives with bipartisan support *twice*. The CORE Act's inclusion in the House-passed version of the National Defense Authorization Act (NDAA) offers this Congress a critical opportunity to pass significant protections for Colorado public lands. As the Colorado Senator on the Senate Energy and Natural Resources Committee, we urge you to actively take up the CORE Act in the Senate this year.

COVID-19 has hit our mountain communities very hard. Some are struggling with 50% unemployment. Before the pandemic, 229,000 jobs in Colorado were in our state's outdoor recreation economy. As local elected officials who are tasked with helping our region's economy to recover, we know protecting our state's public lands permanently is an important part of the solution. The CORE Act will help our communities recover from the pandemic by bringing some of these people back to work.

The CORE Act, which will protect 400,000 acres of Colorado public land and nearly 80,000 acres will be new recreation and conservation management areas that preserve existing outdoor uses such as hiking and mountain biking, is the most significant and broadly-supported effort to protect Colorado's most cherished lands, waters, and forests in a generation. It also includes a first-of-its-kind National Historic Landscape at Camp Hale to honor Colorado's military legacy and the history of Colorado's 10th Mountain Division, a unique and powerful tribute to those who have served our country. The last living members of the 10th Mountain Division have called on you to support this effort before they pass.

For decades, local communities have been calling for the protection of historic sites, recreation areas, unspoiled wilderness lands, as well as waterways and wildlife habitat through individual pieces of legislation that have now been united and refined in the CORE Act. This important legislation is the result of collaboration with diverse stakeholders including ranchers, sportsmen, small business owners, veterans, local elected officials, outdoor recreation organizations, as well as water, and energy groups.

Public lands are the backbone of our mountain communities. This bill will protect our public lands and outdoor recreation opportunities to boost the economy as we recover from the impact of the COVID-19 pandemic, and has now passed the House of Representatives twice. We urge you to publicly support the CORE Act and work with Senate leadership to ensure the CORE Act passes Congress this year.

Sincerely,

Submit to Local Licensing Authority

**OPUS HUT
PO BOX 833
Ophir CO 81426**

Fees Due		
Renewal Fee		500.00
Storage Permit	\$100 X _____	\$
Sidewalk Service Area	\$75.00	\$
Additional Optional Premise Hotel & Restaurant	\$100 X _____	\$
Related Facility - Campus Liquor Complex	\$160.00 per facility	\$
Amount Due/Paid		\$ 500

Make check payable to: Colorado Department of Revenue. 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 may collect the payment amount directly from your banking account electronically.

Retail Liquor or Fermented Malt Beverage License Renewal Application

Please verify & update all information below

Return to city or county licensing authority by due date

Licensee Name OPUS HUT LLC			Doing Business As Name (DBA) OPUS HUT	
Liquor License # 03-03330	License Type Tavern (county)	Sales Tax License # 02558823-0000	Expiration Date 09/16/2020	Due Date 08/02/2020
Business Address 3660 COUNTY ROAD 8 Silverton CO 81433			Phone Number 9707080092	
Mailing Address PO BOX 833 Ophir CO 81426			Email OPUS HUT LLC@gmail.com	
Operating Manager ROBERT KIMBLEY	Date of Birth 11/12/65	Home Address PO BOX 833 OPUS CO 81426		Phone Number 970-728-8710
<p>1. Do you have legal possession of the premises at the street address above? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Are the premises owned or rented? <input checked="" type="checkbox"/> Owned <input type="checkbox"/> Rented* *If rented, expiration date of lease _____</p>				
<p>2. Are you renewing a storage permit, additional optional premises, sidewalk service area, or related facility? If yes, please see the table in upper right hand corner and include all fees due. <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>				
<p>3a. Since the date of filing of the last application, has the applicant, including its manager, partners, officer, directors, stockholders, members (LLC), managing members (LLC), or any other person with a 10% or greater financial interest in the applicant, been found in final order of a tax agency to be delinquent in the payment of any state or local taxes, penalties, or interest related to a business? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>				
<p>3b. Since the date of filing of the last application, has the applicant, including its manager, partners, officer, directors, stockholders, members (LLC), managing members (LLC), or any other person with a 10% or greater financial interest in the applicant failed to pay any fees or surcharges imposed pursuant to section 44-3-503, C.R.S.? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>				
<p>4. Since the date of filing of the last application, has there been any change in financial interest (new notes, loans, owners, etc.) or organizational structure (addition or deletion of officers, directors, managing members or general partners)? If yes, explain in detail and attach a listing of all liquor businesses in which these new lenders, owners (other than licensed financial institutions), officers, directors, managing members, or general partners are materially interested. <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>				
<p>5. Since the date of filing of the last application, has the applicant or any of its agents, owners, managers, partners or lenders (other than licensed financial institutions) been convicted of a crime? If yes, attach a detailed explanation. <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>				
<p>6. Since the date of filing of the last application, has the applicant or any of its agents, owners, managers, partners or lenders (other than licensed financial institutions) been denied an alcohol beverage license, had an alcohol beverage license suspended or revoked, or had interest in any entity that had an alcohol beverage license denied, suspended or revoked? If yes, attach a detailed explanation. <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>				
<p>7. Does the applicant or any of its agents, owners, managers, partners or lenders (other than licensed financial institutions) have a direct or indirect interest in any other Colorado liquor license, including loans to or from any licensee or interest in a loan to any licensee? If yes, attach a detailed explanation. <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>				

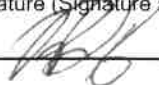
Tax Check Authorization, Waiver, and Request to Release Information

I, Robert D. Kingsley am signing this Tax Check Authorization, Waiver and Request to Release Information (hereinafter "Waiver") on behalf of Robert D. Kingsley (the "Applicant/Licensee") to permit the Colorado Department of Revenue and any other state or local taxing authority to release information and documentation that may otherwise be confidential, as provided below. If I am signing this Waiver for someone other than myself, including on behalf of a business entity, I certify that I have the authority to execute this Waiver on behalf of the Applicant/Licensee.

The Executive Director of the Colorado Department of Revenue is the State Licensing Authority, and oversees the Colorado Liquor Enforcement Division as his or her agents, clerks, and employees. The information and documentation obtained pursuant to this Waiver may be used in connection with the Applicant/Licensee's liquor license application and ongoing licensure by the state and local licensing authorities. The Colorado Liquor Code, section 44-3-101, et seq. ("Liquor Code"), and the Colorado Liquor Rules, 1 CCR 203-2 ("Liquor Rules"), require compliance with certain tax obligations, and set forth the investigative, disciplinary and licensure actions the state and local licensing authorities may take for violations of the Liquor Code and Liquor Rules, including failure to meet tax reporting and payment obligations.

The Waiver is made pursuant to section 39-21-113(4), C.R.S., and any other law, regulation, resolution or ordinance concerning the confidentiality of tax information, or any document, report or return filed in connection with state or local taxes. This Waiver shall be valid until the expiration or revocation of a license, or until both the state and local licensing authorities take final action to approve or deny any application(s) for the renewal of the license, whichever is later. Applicant/Licensee agrees to execute a new waiver for each subsequent licensing period in connection with the renewal of any license, if requested.

By signing below, Applicant/Licensee requests that the Colorado Department of Revenue and any other state or local taxing authority or agency in the possession of tax documents or information, release information and documentation to the Colorado Liquor Enforcement Division, and its duly authorized employees, to act as the Applicant's/Licensee's duly authorized representative under section 39-21-113(4), C.R.S., solely to allow the state and local licensing authorities, and their duly authorized employees, to investigate compliance with the Liquor Code and Liquor Rules. Applicant/Licensee authorizes the state and local licensing authorities, their duly authorized employees, and their legal representatives, to use the information and documentation obtained using this Waiver in any administrative or judicial action regarding the application or license.

Name (Individual/Business) <u>ROBERT D. KINGSLEY</u>		Social Security Number/Tax Identification Number <u>070-66-8449</u>	
Address <u>PO Box 323</u>			
City <u>OPHIR</u>		State <u>CO</u>	Zip <u>81426</u>
Home Phone Number <u>970-728-8710</u>		Business/Work Phone Number <u>970-708-0092</u>	
Printed name of person signing on behalf of the Applicant/Licensee <u>ROBERT D. KINGSLEY</u>			
Applicant/Licensee's Signature (Signature authorizing the disclosure of confidential tax information) 			Date signed <u>6/30/20</u>

Privacy Act Statement

Providing 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).

Affirmation & Consent

I declare under penalty of perjury in the second degree that this application and all attachments are true, correct and complete to the best of my knowledge.

Type or Print Name of Applicant/Authorized Agent of Business	Title
Signature	Date
ROBERT D. KINGSLEY	OWNER / MANAGER
	6/30/20

Report & Approval of City or County Licensing Authority

The foregoing application has been examined and the premises, business conducted and character of the applicant are satisfactory, and we do hereby report that such license, if granted, will comply with the provisions of Title 44, Articles 4 and 3, C.R.S., and Liquor Rules.

Therefore this application is approved.

Local Licensing Authority For	Date
Signature	Title
	Attest

GENERAL WARRANTY DEED

Know all men by these presents:

That for and in consideration of a Promissory Note in the amount of Thirty Thousand Dollars (\$30,000.00) payable within two years of the date of this Deed, the receipt and sufficiency of which is hereby acknowledged, **San Juan County, Colorado**, P. O. Box 466, Silverton, CO, Grantor, hereby grants, bargains, sells and conveys to Marc Kloster and Katie Shapiro, whose address is P.O. Box 936, Silverton, CO 81433 Grantee, and to his, her or their successors and assigns forever, the following described real property located in the San Juan County, Colorado:

Lot 7, Anvil Mountain Subdivision, and according to the official plat thereof recorded September 20, 2011 at Reception No. 148169,

together with all appurtenances thereto. Grantors hereby warrant the title to the same, subject to taxes for the current year from the date of purchase, a lien but not yet due and payable, and subject to all covenants, liens, encumbrances and other matters of record. The property is sold as is without any warranties or guaranties regarding its physical condition. Grantee's obligations under the Development Agreement and Contract for Deed between these parties dated August _____, 2020 which have not been satisfied as of the date of this Deed are not merged into, nor are they extinguished by, this Deed but instead shall survive delivery of this Deed.

Signed this _____ day of August, 2020.

Grantor:

San Juan County, Colorado

By: _____
Peter C. McKay, Chairman, Board of County Commissioners

State of Colorado:
County of San Juan:

The foregoing instrument was signed and acknowledged before me this _____ day of August, 2020, by Peter C. McKay, Chairman of the San Juan County Board of County Commissioners. Witness my hand and official seal. My commission expires _____.

Notary Public

DEVELOPMENT AGREEMENT AND CONTRACT FOR DEED

This Development Agreement and Contract for Deed is made and entered into effective as of August _____, 2020 by and between San Juan County, Colorado, P. O. Box 466, Silverton, CO 81433 ("County") and Marc Kloster and Katie Shapiro, P.O. Box 936, Silverton, CO 81433 ("Purchaser").

Whereas, County has developed and is the owner of the Anvil Mountain Subdivision located adjacent to the Town of Silverton, CO, and is seeking purchasers to construct new homes in that subdivision consistent with the covenants and restrictions applicable thereto; and

Whereas, Purchaser wishes to purchase a lot within the Anvil Mountain Subdivision and construct thereon a residence;

Now therefore, the parties agree as follows:

I. Purchase of Lots:

- A. County hereby agrees to sell to Purchaser, and Purchaser hereby agrees to purchase from County and to construct a home on Lot 7, Anvil Mountain Subdivision ("the Lot" or "the Property"). The purchase price for the lot shall be Thirty Thousand Dollars (\$30,000) ("the Purchase Price"), payable by Purchaser to County as provided below.
- B. Closing of the sale of any lot hereunder and transfer of title of the Lot to the Purchaser shall be by delivery to Purchaser of a general warranty deed executed by County. Transfer of Title shall take place as and when Purchaser tenders to the County either (i) Purchaser's payment of the Purchase Price or (ii) Purchaser's fully executed promissory note (in a form approved by the County) for the purchase price specified above payable on Purchaser's closing on permanent financing or one year after delivery of the Deed from County to Purchaser, whichever occurs sooner. Upon receipt of one of the two foregoing means of payment, County shall execute and deliver to Purchaser a general warranty deed for the Lot warranting title to said lot to be free of any liens, claims or encumbrances except for matters of record. County agrees to subordinate the indebtedness owed to it or take such other action as may be required as a condition of obtaining construction financing.
- C. Purchaser acknowledges that the Lot is located on the former site of an industrial activity, the Walsh smelter, and that any known environmental hazards associated therewith have been remediated under the supervision of the United States Environmental Protection Agency in accordance with applicable laws and regulations. Purchaser acknowledges that it is buying the Lot "As is" without any warranties or guaranties regarding its physical condition.
- D. Because the Lot is located within a subdivision owned and developed by the County, the parties agree that the County shall not be obligated to provide Purchaser with title insurance for the Lot. County hereby represents, covenants and warrants that the Lot is owned by the County in fee simple absolute free and clear of any liens, claims or other encumbrances except those shown of record in the records of the San Juan County Clerk

and Recorder and that, at the time of signing this Agreement, to its knowledge, there are no easements, leases, contracts or other agreements affecting title to the Property which are not of record.

- E. The parties hereby acknowledge that, because the Lot has been and currently is owned by the County, it has not been subject to any property tax. Upon delivery to Purchaser of the deed for the Lot, notice of the delivery of such deed shall be given by the County to the County Assessor and County Treasurer and the Lot shall be entered on the tax roles of San Juan County and shall be subject to property tax from and after the date of transfer. Purchaser shall be responsible for, and shall pay, all such taxes and all bills and expenses applicable to the Lot including past due amounts, interests and penalties from and after the date of closing and transfer of title to the Purchaser regardless when such became or become due.

II. Construction and Sale of New Homes:

- A. Immediately upon signing of this Agreement, Purchaser, without cost or further obligation of any sort on the part of the County, shall diligently pursue and complete construction of a single family home on the Lot.
- B. County shall deliver exclusive possession of the Lot upon delivery to Purchaser of County's deed for the lot. From and after delivery of the deed for the Lot to Purchaser, Purchaser shall maintain liability and property insurance on the Lot and on any improvements being constructed thereon until any indebtedness to County related to such Lot is fully paid. County shall be named as an additional named insured on any such insurance policy.
- C. All construction on the Lot shall be consistent with the designs and plans approved by the County and with the provisions of all recorded covenants and restrictions applicable to the subdivision as well as the provisions of any applicable building or other codes relating to construction.
- D. In addition to any other requirements otherwise applicable to the Lots or to any home built thereon, Purchaser shall ensure that the home constructed on the Lot shall be designed to blend with the architectural styles of the Town of Silverton and its mining heritage and shall meet at least the following standards: snow shedding roofs designed to avoid snow buildup on north sides or in driveways or walkways, ensure energy efficiency including use of dual pane thermal windows, house wrap, 2 x 6 wall construction with maximum insulation, not less than R-38 insulation in all roof systems/attics, high efficiency propane heat and water heaters, and Energy Star appliances.
- E. No real estate commission shall be due or payable in connection with Purchaser's purchase of the Lot.
- F. Consistent with the intent of this Agreement to develop homes for Silverton residents, and in recognition that County is selling the Lot at a cost which likely is below what such a lot might otherwise command on the open market without this restriction, Purchaser expressly covenants and agrees that it shall complete construction of a home on the Lot

within two years after Closing. In no event shall Purchaser be permitted to resell the Lot acquired from the County unless and until Purchaser has constructed a home on such Lot.

III. General Provisions:

- A. Purchaser hereby represents, covenants and agrees that it is purchasing the Lot solely for the construction of a residence thereon and not for purposes of speculation.
- B. In the event of any default by either party hereunder, the party claiming default shall immediately provide the other party hereto with a notice setting forth the precise nature of the claimed default and the desired action to remedy the claimed default. If the parties are not able to resolve the matter informally within ten days of the receipt of any such notice of default, the parties agree to promptly mediate their dispute.
- C. This document shall become a contract between San Juan County and the Purchaser upon its being signed by both of the parties. A copy of this document may be executed by each party, separately, and when each party has executed a copy thereof, such copies taken together shall be deemed to be a full and complete contract between the parties. Notices under this agreement shall be by regular U.S. mail, electronic transmission (fax, email, etc.) or by personal delivery to the party or parties to whom directed or to their attorney. When fully executed by both parties hereto, a copy of this document shall be recorded in the land records of San Juan County.
- D. This Agreement and the obligations contained herein shall not be assigned by either party without the prior written consent of the other party. Notwithstanding the foregoing, this Agreement shall be binding upon the heirs, personal representatives, successors and assigns of the respective parties. This Agreement contains all agreements and understandings of the parties with regard to the subject matter hereof. This Agreement shall not be altered or amended except by written document, signed by all of the parties hereto.
- E. To the extent permitted by law, Purchaser agrees to indemnify, hold harmless, and defend County from and against any and all losses, claims, liabilities and expenses, including reasonable attorney fees, if any, which County may suffer or incur in connection with Buyer's possession, use or misuse of the Property, except to the extent such losses, claims, liabilities and expenses are solely due to the County's negligent acts or omissions.
- F. This Development Agreement and Contract for Deed contains the entire agreement of the parties with regard to the subject matter hereof and there are no other promises, conditions, understandings or other agreements, whether oral or written, relating to the subject matter of this Contract for Deed. This Contract for Deed may be modified or amended in writing, so long as all parties obligated under this Contract sign the agreement. All covenants and obligations imposed on Purchaser hereunder which are not expressly satisfied before Closing shall survive Closing.

In witness whereof, the parties hereto have set their hands this ____ day of _____, 2020.

San Juan County, Colorado

Purchaser:

Peter C. McKay, Chairman, BOCC

Marc Kloster

Katie Shapiro

PROMISSORY NOTE

U.S. \$30,000.00

Silverton, Colorado
August ____, 2020

1. FOR VALUE RECEIVED, the undersigned Borrower, Marc Kloster and Katie Shapiro, P.O. Box 936, Silverton, CO 81433, promise(s) to pay to San Juan County, Colorado, 1557 Greene Street, P. O. Box 466, Silverton, CO 81433 ("County"), or to its assignees or designees, the principal sum of Thirty Thousand Dollars and No Cents (\$30,000) with interest on the unpaid balance from the date on which said amount is received by Borrower from County, until paid, at the rate of Five Percent (5.0 %) per annum. All payments shall be payable to the County at the office of the County Treasurer at the address set forth above or as the Board of County Commissioners of San Juan County may hereafter designate by written notice to the Borrowers signed by the Chairman of said Board. All principal and any accrued but unpaid interest, together with any other costs or expenses recoverable pursuant to the terms of this Note or of the Deed of Trust Securing same shall be due and payable in full on the earlier of Borrower's closing on permanent financing or one year after delivery of the Deed from County to Purchaser, whichever occurs sooner, provided however that, by written agreement of the Borrower and County, the time for repayment may be extended.

2. Any payments shall be applied first to payment of accrued interest and thereafter to reduction of principal. This note may be prepaid in part or in full at any time without penalty.

3. Each of the following shall constitute an event of default under this Note: (a) Borrower's failure to make any payment as and when due or to fully perform each and every, and all, obligations under this Note in exact compliance with the terms of this Note; (b) the failure by Borrower to fully perform under any other obligation or indebtedness which failure might in any way jeopardize Borrower's financial condition or the status of any of Borrower's assets; (c) any of the following actions or conditions on the part of Borrower: (i) applying for, or consenting to, or failing to resist, the appointment of a receiver, custodian, trustee, or liquidator of all or any part of the assets of the Borrower; (ii) being unable, or expressing or stating in any way an inability, to pay all of its debts and obligations as and when due; (iii) making any assignment for the benefit of creditors other than County; (iv) filing, or taking any steps toward filing, a voluntary petition in bankruptcy or a petition or answer seeking an arrangement with creditors or otherwise taking advantage of any insolvency law including the filing of an answer in response to an involuntary petition in bankruptcy admitting the material allegations alleged against Borrower; or (v) taking any action, regardless of nature, type, degree or seriousness, for the purpose of effectuating any of the foregoing, including but not limited to, consulting with counsel regarding the taking of any such action; (d) Borrower doing or failing to do, anything which action or inaction reasonably causes County to deem itself insecure for any reason, as determined by County in her sole and absolute discretion.

4. In the event of any default hereunder which is not cured within fifteen calendar days after notice to Borrower thereof, including a failure to make any payment of principal and any accrued interest, regardless of the circumstances or nature of said default, County may, by written notice to Borrower, declare the entire balance then outstanding immediately due and payable in which event the entire balance then outstanding, together with any costs or expenses of collection, including attorney fees and all other litigation expenses, shall immediately accelerate and become due and payable without further action or notice by County and further shall thereafter bear interest from the date of default at a default rate of Eighteen Percent (18%) per year until paid in full.

5. On payment in full of this obligation by Borrower, the holder hereof shall immediately return this Note to Borrower, endorsing thereon the fact of its payment in full.

6. No failure on the part of County or its assignee or designee to exercise, and no delay in exercising, any right hereunder shall operate as a waiver of such right nor shall any single or partial exercise by the County of any right hereunder preclude the exercise of any other right. Any waiver of rights hereunder by County shall be ineffective unless in writing, signed by County and notarized. No waiver of any right hereunder by County shall cause or constitute, give rise to, or be construed to cause, any waiver of any other right of County hereunder. The remedies provided herein are cumulative and not exclusive of any remedies provided by law or otherwise, including rights existing under any agreement between these parties. County shall be entitled to recover all attorney fees (at County's counsel's then current hourly rate) and costs incurred in enforcing any provision of this Note including collection of amounts due.

7. No rights or obligations hereunder are assignable or transferable by Borrower without the prior written consent of the County. On assignment by Borrower, provided that consent has been obtained, the assignee(s) shall assume all rights, privileges and obligations of the assignor hereunder. County may transfer or assign its interest herein without consent and without any limitation and on such transfer, County's assignee or transferee shall assume all of County's rights, privileges and obligations hereunder.

8. If for any reason, County utilizes the services of an attorney or collection agency or otherwise incurs any cost or expense in order to collect this note, Borrower agrees to pay all costs incurred by County in connection with collection, including attorneys and agency fees, in addition to all other sums due hereunder.

9. No failure on the part of County to exercise, and no delay in exercising, any right hereunder shall operate as a waiver of such right.

10. Borrower and each and every maker, endorser, and guarantor of this Note, and any person or entity who now is or hereafter becomes liable (either primarily or secondarily) for the payment of this Note or any portion thereof hereby irrevocably: (a) waives presentment, demand of protest, notice of dishonor, and diligence in collection hereof; and (b) consents to any extension of time with respect to payment hereof; and (c) agrees that the County or Holder hereof may release, agree not to sue, suspend its rights to enforce this Note against, or otherwise discharge or deal with any person against whom such Borrower, maker, endorser, guarantor or other person or entity has a right of recourse, and further agrees that County or Holder hereof may release, fail to enforce, or agree not to enforce or perfect its rights in or against, or otherwise deal with, any person otherwise liable hereon or any collateral for the payment of this Note or any portion thereof, and (d) agrees to pay to County or holder hereof, in case of any bankruptcy or other legal proceeding which affects in any way the collection hereof (including but not limited suit on this Note or to foreclose any lien or other security securing the indebtedness represented by this Note), all costs of collection and of appearance in such bankruptcy or proceeding including but not limited to, attorneys fees and costs incurred for attendance at, and participation in, any creditor committee or other meetings or proceedings of every type and sort whatsoever associated with any such proceedings.

11 This note shall be secured by a first lien upon the property which Borrower is purchasing from County, to wit, Lot 7 Anvil Mountain Subdivision, Silverton, San Juan County, Colorado, which security interest shall be reflected by recording with the Clerk and Recorder of San Juan County, Colorado of standard form deed of trust evidencing same.

12. This Note shall be interpreted in accordance with Colorado law. Any suit involving this Note shall occur in San Juan County, Colorado, the place at which this Note was made and Borrower hereby irrevocably submits to the jurisdiction of said courts to hear all matters involving this Note. No modification of this Note or of any term, right or obligation hereof, shall be effective unless in writing, signed by both parties hereto. If any provision of this Note should be deemed invalid for any cause or reason, County, at its sole and absolute discretion, may demand repayment of the Note in full. If County fails to do so, all remaining terms hereof shall remain in full force and effect. Notices hereunder may be given by facsimile or other electronic method of transmission and shall be effective on sending provided that proof of receipt can be shown. The parties hereto hereby irrevocably waive any right to trial by jury of any issues hereunder or relating in any way to the relationship between them, whether or not related to the terms of this Note.

IN WITNESS WHEREOF, the Borrower agrees to all of the foregoing terms, conditions and provisions.

Borrower:

Marc Kloster

Katie Shapiro

STATE OF COLORADO:
COUNTY OF SAN JUAN:

On _____, 2020, Marc Kloster ("Borrower") personally appeared before me and acknowledged the signing of the foregoing instrument as his/her/their or its voluntary act and deed, fully intending to be bound hereby. Witness my hand and seal. My commission expires _____.

Notary Public

GENERAL WARRANTY DEED

Know all men by these presents:

That for and in consideration of a Promissory Note in the amount of Thirty Thousand Dollars (\$30,000.00) payable within two years of the date of this Deed, the receipt and sufficiency of which is hereby acknowledged, **San Juan County, Colorado**, P. O. Box 466, Silverton, CO, Grantor, hereby grants, bargains, sells and conveys to **Melanie Russek** and **Mitchel Carrier**, as joint tenants with right of survivorship, whose address is 3514 Bennett St., Durango, CO 81301, Grantees, and to their successors and assigns forever, the following described real property located in the San Juan County, Colorado:

Lot 9, Anvil Mountain Subdivision, and according to the official plat thereof recorded September 20, 2011 at Reception No. 148169,

together with all appurtenances thereto. Grantors hereby warrant the title to the same, subject to taxes for the current year from the date of purchase, a lien but not yet due and payable, and subject to all covenants, liens, encumbrances and other matters of record. The property is sold as is without any warranties or guaranties regarding its physical condition. Grantee's obligations under the Development Agreement and Contract for Deed between these parties dated August ____, 2020 which have not been satisfied as of the date of this Deed are not merged into, nor are they extinguished by, this Deed but instead shall survive delivery of this Deed.

Signed this _____ day of August, 2020,

Grantor:

San Juan County, Colorado

By: _____
Peter C. McKay, Chairman, Board of County Commissioners

State of Colorado:

County of San Juan:

The foregoing instrument was signed and acknowledged before me this _____ day of August, 2020, by Peter C. McKay, Chairman of the San Juan County Board of County Commissioners. Witness my hand and official seal. My commission expires _____.

Notary Public

DEVELOPMENT AGREEMENT AND CONTRACT FOR DEED

This Development Agreement and Contract for Deed is made and entered into effective as of August ____, 2020 by and between San Juan County, Colorado, P. O. Box 466, Silverton, CO 81433 ("County") and Melanie Russek and Mitchel Carrier, 3514 Bennett St., Durango, CO 81301 ("Purchaser").

Whereas, County has developed and is the owner of the Anvil Mountain Subdivision located adjacent to the Town of Silverton, CO, and is seeking purchasers to construct new homes in that subdivision consistent with the covenants and restrictions applicable thereto; and

Whereas, Purchaser wishes to purchase a lot within the Anvil Mountain Subdivision and construct thereon a residence;

Now therefore, the parties agree as follows:

I. Purchase of Lots:

- A. County hereby agrees to sell to Purchaser, and Purchaser hereby agrees to purchase from County and to construct a home on Lot 9, Anvil Mountain Subdivision ("the Lot" or "the Property"). The purchase price for the lot shall be Thirty Thousand Dollars (\$30,000) ("the Purchase Price"), payable by Purchaser to County as provided below.
- B. Closing of the sale of any lot hereunder and transfer of title of the Lot to the Purchaser shall be by delivery to Purchaser of a general warranty deed executed by County. Transfer of Title shall take place as and when Purchaser tenders to the County either (i) Purchaser's payment of the Purchase Price or (ii) Purchaser's fully executed promissory note (in a form approved by the County) for the purchase price specified above payable on Purchaser's closing on permanent financing or one year after delivery of the Deed from County to Purchaser, whichever occurs sooner. Upon receipt of one of the two foregoing means of payment, County shall execute and deliver to Purchaser a general warranty deed for the Lot warranting title to said lot to be free of any liens, claims or encumbrances except for matters of record. County agrees to subordinate the indebtedness owed to it or take such other action as may be required as a condition of obtaining construction financing.
- C. Purchaser acknowledges that the Lot is located on the former site of an industrial activity, the Walsh smelter, and that any known environmental hazards associated therewith have been remediated under the supervision of the United States Environmental Protection Agency in accordance with applicable laws and regulations. Purchaser acknowledges that it is buying the Lot "As is" without any warranties or guaranties regarding its physical condition.
- D. Because the Lot is located within a subdivision owned and developed by the County, the parties agree that the County shall not be obligated to provide Purchaser with title insurance for the Lot. County hereby represents, covenants and warrants that the Lot is owned by the County in fee simple absolute free and clear of any liens, claims or other encumbrances except those shown of record in the records of the San Juan County Clerk

and Recorder and that, at the time of signing this Agreement, to its knowledge, there are no easements, leases, contracts or other agreements affecting title to the Property which are not of record.

- E. The parties hereby acknowledge that, because the Lot has been and currently is owned by the County, it has not been subject to any property tax. Upon delivery to Purchaser of the deed for the Lot, notice of the delivery of such deed shall be given by the County to the County Assessor and County Treasurer and the Lot shall be entered on the tax roles of San Juan County and shall be subject to property tax from and after the date of transfer. Purchaser shall be responsible for, and shall pay, all such taxes and all bills and expenses applicable to the Lot including past due amounts, interests and penalties from and after the date of closing and transfer of title to the Purchaser regardless when such became or become due.

II. Construction and Sale of New Homes:

- A. Immediately upon signing of this Agreement, Purchaser, without cost or further obligation of any sort on the part of the County, shall diligently pursue and complete construction of a single family home on the Lot.
- B. County shall deliver exclusive possession of the Lot upon delivery to Purchaser of County's deed for the lot. From and after delivery of the deed for the Lot to Purchaser, Purchaser shall maintain liability and property insurance on the Lot and on any improvements being constructed thereon until any indebtedness to County related to such Lot is fully paid. County shall be named as an additional named insured on any such insurance policy.
- C. All construction on the Lot shall be consistent with the designs and plans approved by the County and with the provisions of all recorded covenants and restrictions applicable to the subdivision as well as the provisions of any applicable building or other codes relating to construction.
- D. In addition to any other requirements otherwise applicable to the Lots or to any home built thereon, Purchaser shall ensure that the home constructed on the Lot shall be designed to blend with the architectural styles of the Town of Silverton and its mining heritage and shall meet at least the following standards: snow shedding roofs designed to avoid snow buildup on north sides or in driveways or walkways, ensure energy efficiency including use of dual pane thermal windows, house wrap, 2 x 6 wall construction with maximum insulation, not less than R-38 insulation in all roof systems/attics, high efficiency propane heat and water heaters, and Energy Star appliances.
- E. No real estate commission shall be due or payable in connection with Purchaser's purchase of the Lot.
- F. Consistent with the intent of this Agreement to develop homes for Silverton residents, and in recognition that County is selling the Lot at a cost which likely is below what such a lot might otherwise command on the open market without this restriction, Purchaser expressly covenants and agrees that it shall complete construction of a home on the Lot

within two years after Closing. In no event shall Purchaser be permitted to resell the Lot acquired from the County unless and until Purchaser has constructed a home on such Lot.

III. General Provisions:

- A. Purchaser hereby represents, covenants and agrees that it is purchasing the Lot solely for the construction of a residence thereon and not for purposes of speculation.
- B. In the event of any default by either party hereunder, the party claiming default shall immediately provide the other party hereto with a notice setting forth the precise nature of the claimed default and the desired action to remedy the claimed default. If the parties are not able to resolve the matter informally within ten days of the receipt of any such notice of default, the parties agree to promptly mediate their dispute.
- C. This document shall become a contract between San Juan County and the Purchaser upon its being signed by both of the parties. A copy of this document may be executed by each party, separately, and when each party has executed a copy thereof, such copies taken together shall be deemed to be a full and complete contract between the parties. Notices under this agreement shall be by regular U.S. mail, electronic transmission (fax, email, etc.) or by personal delivery to the party or parties to whom directed or to their attorney. When fully executed by both parties hereto, a copy of this document shall be recorded in the land records of San Juan County.
- D. This Agreement and the obligations contained herein shall not be assigned by either party without the prior written consent of the other party. Notwithstanding the foregoing, this Agreement shall be binding upon the heirs, personal representatives, successors and assigns of the respective parties. This Agreement contains all agreements and understandings of the parties with regard to the subject matter hereof. This Agreement shall not be altered or amended except by written document, signed by all of the parties hereto.
- E. To the extent permitted by law, Purchaser agrees to indemnify, hold harmless, and defend County from and against any and all losses, claims, liabilities and expenses, including reasonable attorney fees, if any, which County may suffer or incur in connection with Buyer's possession, use or misuse of the Property, except to the extent such losses, claims, liabilities and expenses are solely due to the County's negligent acts or omissions.
- F. This Development Agreement and Contract for Deed contains the entire agreement of the parties with regard to the subject matter hereof and there are no other promises, conditions, understandings or other agreements, whether oral or written, relating to the subject matter of this Contract for Deed. This Contract for Deed may be modified or amended in writing, so long as all parties obligated under this Contract sign the agreement.

In witness whereof, the parties hereto have set their hands this ____ day of August, 2020.

San Juan County, Colorado

Purchaser(s):

Peter C. McKay, Chairman, BOCC

Melanie Russek

Mitchel Carrier

PROMISSORY NOTE

U.S. \$30,000.00

Silverton, Colorado
August __, 2020

1. FOR VALUE RECEIVED, the undersigned Borrowers, Melanie Russek and Mitchel Carrier, 3514 Bennett St., Durango, CO 81301, promise to pay to San Juan County, Colorado, 1557 Greene Street, P. O. Box 466, Silverton, CO 81433 ("County"), or to its assignees or designees, the principal sum of Thirty Thousand Dollars and No Cents (\$30,000) with interest on the unpaid balance from the date on which said amount is received by Borrower from County, until paid, at the rate of Five Percent (5.0 %) per annum. All payments shall be payable to the County at the office of the County Treasurer at the address set forth above or as the Board of County Commissioners of San Juan County may hereafter designate by written notice to the Borrowers signed by the Chairman of said Board. All principal and any accrued but unpaid interest, together with any other costs or expenses recoverable pursuant to the terms of this Note or of the Deed of Trust Securing same shall be due and payable in full on the earlier of Borrowers' closing on permanent financing or one year after delivery of the Deed from County to Purchaser, whichever occurs sooner, provided however that, by written agreement of the Borrower and County, the time for repayment may be extended.
2. Any payments shall be applied first to payment of accrued interest and thereafter to reduction of principal. This note may be prepaid in part or in full at any time without penalty.
3. Each of the following shall constitute an event of default under this Note: (a) Borrowers' failure to make any payment as and when due or to fully perform each and every, and all, obligations under this Note in exact compliance with the terms of this Note; (b) the failure by Borrowers to fully perform under any other obligation or indebtedness which failure might in any way jeopardize Borrowers' financial condition or the status of any of Borrowers' assets; (c) any of the following actions or conditions on the part of either of the Borrowers: (i) applying for, or consenting to, or failing to resist, the appointment of a receiver, custodian, trustee, or liquidator of all or any part of the assets of either of the Borrowers; (ii) being unable, or expressing or stating in any way an inability, to pay all of its debts and obligations as and when due; (iii) making any assignment for the benefit of creditors other than County; (iv) filing, or taking any steps toward filing, a voluntary petition in bankruptcy or a petition or answer seeking an arrangement with creditors or otherwise taking advantage of any insolvency law including the filing of an answer in response to an involuntary petition in bankruptcy admitting the material allegations alleged against either Borrower; (v) defaulting on any other obligation owed by Borrowers to County; or (vi) taking any action, regardless of nature, type, degree or seriousness, for the purpose of effectuating any of the foregoing, including but not limited to, consulting with counsel regarding the taking of any such action; (d) Borrowers doing or failing to do, anything which action or inaction reasonably causes County to deem itself insecure for any reason, as determined by County in its sole and absolute discretion.
4. In the event of any default hereunder which is not cured within fifteen calendar days after notice to Borrowers thereof, including a failure to make any payment of principal and any accrued interest, regardless of the circumstances or nature of said default, County may, by written notice to Borrowers, declare the entire balance then outstanding immediately due and payable in which event the entire balance then outstanding, together with any costs or expenses of collection, including attorney fees and all other litigation expenses, shall immediately accelerate and become due and payable without further action or notice by County and further shall thereafter bear interest from the date of default at a default rate of Eighteen Percent (18%) per year until paid in full.
5. On payment in full of this obligation by Borrowers, the holder hereof shall immediately return this Note to Borrowers, endorsing thereon the fact of its payment in full.
6. No failure on the part of County or its assignee or designee to exercise, and no delay in exercising, any right hereunder shall operate as a waiver of such right nor shall any single or partial exercise by the County of any right hereunder preclude the exercise of any other right. Any waiver of rights hereunder by County shall be ineffective unless in writing, signed by County and notarized. No waiver of any right hereunder by County shall cause or constitute, give rise to, or be construed to cause, any waiver of any other right of County hereunder. The remedies provided herein are cumulative and not exclusive of any remedies provided by law or otherwise, including rights existing under any agreement between these parties. County shall be entitled to recover all attorney fees (at County's counsel's then current hourly rate) and costs incurred in enforcing any provision of this Note including collection of amounts due.
7. No rights or obligations hereunder are assignable or transferable by Borrowers without the prior written consent of the County. On assignment by Borrowers, provided that consent has been obtained, the assignee(s) shall assume all rights, privileges and obligations of the assignor hereunder. County may transfer or assign its interest

herein without consent and without any limitation and on such transfer, County's assignee or transferee shall assume all of County's rights, privileges and obligations hereunder.

8. If for any reason, County utilizes the services of an attorney or collection agency or otherwise incurs any cost or expense in order to collect this note, Borrowers agree to pay all costs incurred by County in connection with collection, including attorneys and agency fees, in addition to all other sums due hereunder.

9. No failure on the part of County to exercise, and no delay in exercising, any right hereunder shall operate as a waiver of such right.

10. Borrowers and each and every maker, endorser, and guarantor of this Note, and any person or entity who now is or hereafter becomes liable (either primarily or secondarily) for the payment of this Note or any portion thereof hereby irrevocably: (a) waive presentment, demand of protest, notice of dishonor, and diligence in collection hereof; and (b) consent to any extension of time with respect to payment hereof; and (c) agree that the County or Holder hereof may release, agree not to sue, suspend its rights to enforce this Note against, or otherwise discharge or deal with any person against whom such Borrower, maker, endorser, guarantor or other person or entity has a right of recourse, and further agrees that County or Holder hereof may release, fail to enforce, or agree not to enforce or perfect its rights in or against, or otherwise deal with, any person otherwise liable hereon or any collateral for the payment of this Note or any portion thereof, and (d) agree to pay to County or holder hereof, in case of any bankruptcy or other legal proceeding which affects in any way the collection hereof (including but not limited suit on this Note or to foreclose any lien or other security securing the indebtedness represented by this Note), all costs of collection and of appearance in such bankruptcy or proceeding including but not limited to, attorneys fees and costs incurred for attendance at, and participation in, any creditor committee or other meetings or proceedings of every type and sort whatsoever associated with any such proceedings.

11 This note shall be secured by a first lien upon the property which Borrowers are purchasing from County, to wit, Lot 9, Anvil Mountain Subdivision, Silverton, San Juan County, Colorado, which security interest shall be reflected by recording with the Clerk and Recorder of San Juan County, Colorado of standard form deed of trust evidencing same.

12. This Note shall be interpreted in accordance with Colorado law. Any suit involving this Note shall occur in San Juan County, Colorado, the place at which this Note was made and Borrower hereby irrevocably submits to the jurisdiction of said courts to hear all matters involving this Note. No modification of this Note or of any term, right or obligation hereof, shall be effective unless in writing, signed by both parties hereto. If any provision of this Note should be deemed invalid for any cause or reason, County, at its sole and absolute discretion, may demand repayment of the Note in full. If County fails to do so, all remaining terms hereof shall remain in full force and effect. Notices hereunder may be given by facsimile or other electronic method of transmission and shall be effective on sending provided that proof of receipt can be shown. The parties hereto hereby irrevocably waive any right to trial by jury of any issues hereunder or relating in any way to the relationship between them, whether or not related to the terms of this Note.

IN WITNESS WHEREOF, the Borrowers agree to all of the foregoing terms, conditions and provisions.

Borrower:

Melanie Russek

Mitchel Carrier

STATE OF COLORADO:
COUNTY OF SAN JUAN:

On August ____, 2020, Melanie Russek and Mitchel Carrier ("Borrowers") personally appeared before me and acknowledged the signing of the foregoing instrument as his, her and their voluntary act and deed, fully intending to be bound hereby. Witness my hand and seal. My commission expires _____.

Notary Public



Town of
Silverton

PO Box 250
Silverton, CO 81433
970-387-5522



SAN JUAN COUNTY

PO Box 466
Silverton, CO 81433
970-387-5766

Date: August 22, 2020.

For: August 26 County Commissioners Meeting.

From: Town/County Planning Director.

Regarding: Some of the Town/County Planning Department Work During the Past Two Weeks.

County Projects

- The County Commissioners will hold a Public Hearing August 26 to review a renewal permit application for an existing County Retail Marijuana Store License.
- An access agreement document is being finalized for a mining company to cross County lands to continue sampling of soil and groundwater.
- A former resident who lived on the Shrine Road is planning to apply to contract a single family residence on the adjacent 5 acre vacant parcel.
- The owner of a mining claim above Town near the water tank is planning to subdivide.
- A Powerhouse vacant lot owner is preparing an application for a proposed mixed use structure.
- A BAA Hearing occurred, with County Assessor, Building Inspector, Administrator, and Planning Director present, regarding the Assessor's value of a structure within the Town's avalanche district.
- A County Improvement Permit application is being reviewed for a proposed single family residence in the Know Your Neighbor Subdivision.
- There are several BLM & DRMS mining reclamation County permits being processed.
- An application is about to be submitted for a vacant lot in the Cole Ranch Subdivision.
- A site visit will occur on August 26 to evaluate the potential visibility of a proposed solar panel array.
- Three claims for sale in Cunningham have been a recent source of inquiries.
- Discussions occurred regarding a group of claims on Mill Creek Road at the Chattanooga Highway 550 hairpin curve between the Forest Service, a land buyer, and County Planning.
- Inquiries were received regarding several claims for sale on Ophir Pass.
- Inquiries were received regarding an old cabin for sale near Eureka.
- Discussion occurred between Building & Planning Depts. regarding an existing ski area septic system.
- Coordination with owner/design professionals for the permitted, proposed bed & breakfast on CR 110.
- Many other County related projects.

Town Projects

- Applications are incoming for three proposed camper/RV parks in the Town's avalanche district.
- The Town Board will hold a Public Hearing on August 24 to consider a proposed mixed use structure on Mineral Street within the avalanche hazard overlay district.
- Last week reports was written by the Town staff, including one from the Planning Department, for the Town Administrator and Town Board, regarding 2020 & 2021 Goals & Objectives.
- The Town Board held a Work Session to consider a Town Fire Ban and Town Goals & Objectives.
- The Town Board had a first reading of an ordinance to revise parts of the Town's Accessory Dwelling Unit (ADU) regulations.

- The Town Code Committee is working on proposed revisions to the Town's Vacation Rental regulations.
- Building & Planning Departments are expecting four incoming Town Vacation Rental applications.
- A Town Variance Application is being prepared by a historic building owner for a proposed marijuana facility on Greene Street.
- Inquiries are being received for Town Variance Application forms, from homeowners who would not be able to comply with the regulations, but want to have a Vacation Rental.
- Lots in Town are selling and assistance is being given to Applicants and Town Public Works as needed regarding ways to extend water, sewer, and roads.
- Calls received from longtime landowners who own lots near the Shrine which are lacking infrastructure.
- The Town Master Plan Committee selected two at-large members and will meet August 25.
- Safe Routes to School Grant Applications are being accepted. This grant could help address pedestrian safety issues at the Greene Street Cement Creek Bridge, and from Town to the Visitor's Center.
- Many other Town related projects. Here is the Town Staff Report Form, prepared on August 17, for the August 24 Town Board Meeting:

Town of Silverton Staff Report

<p>Department: Town & County Planning Department Head of Department: Lisa Adair PE Date of Trustee meeting: August 24, 2020</p>	
<p>For immediate Trustee consideration:</p> <p>(1) 8/24 Public Hearing: Proposed Luther Structure for "propane business office and living quarters," Lots 8-9 Block 18, Mineral Street, in the Avalanche Hazard Overlay District,</p> <p>(2) On or after 8/24: 2nd Reading of Ordinance 2020-06 regarding Accessory Dwelling Units (ADUs).</p>	
<p>Regular Meetings & Communication: Upcoming Meetings: 8/18: State Bd. of Adjustment & Appeals (BAA) Court Hearing for a structure within Town limits. San Juan Regional Planning Commission. Town Historic Review Committee. 8/19: Town Board & Staff Work Session. 8/20: Town Staff Meeting. 8/21: Town Code Committee. 8/24: Town Board, Public Hearing. 8/25: Town Master Plan Committee. 8/26: County Commissioners. Public Hearing. 8/27: Town Staff Meeting, Solar Panels Visibility Tentative Site Visit w/Bldg. Inspector, 8/28: Town Code Committee.</p>	<p>Top on the TO DO list: Preparing Staff Reports for several projects being reviewed in upcoming Public Hearings by the Town Board and County Commissioners. Replying to about 50 persons by email, about their zoning, development, and application requirements. Removing pictures and burdensome formatting from the under-construction Master Plan. Making revisions to the Town Use Subject to Review regulations.</p>
<p>Grants (applications, updates, awards): N/A.</p>	<p>Upcoming Issues: Revisions to the Town Vacation Rental regs.</p>
<p>Notable completed tasks: The Planning Dept. prepares a detailed staff report, listing specific Town & County projects, every two weeks, for the County Commissioners. These are now being posted on the County website, by the County Administrator. If you would like to see the list of specific Town & County projects passing through the Planning Department, please view the staff report in the online County Commissioner "board packets" posted every two weeks, or contact the Planning Director (387-0500, 946-9408).</p>	<p>Ongoing Project Update: Replying to high volume of phone and email inquiries, about zoning, hazard zones, applications, and development in the Town and County. Reviewing several Town and County land use applications, which are mostly incomplete. Administrative review of several mining reclamation permit applications. Working with Building Inspector and Public Works Director regarding inquiries on proposed in-Town infrastructure. Updating Town codes. County permit enforcement. Several projects in the Town-County Mutual Overlay District.</p>
<p>Learning/ Professional Development Research of: Town Avalanche Hazard Overlay District Regulations, Town Use Subject to Review Regulations, the County's various camping, signs, and RVs/RV Park regulations, Town-County Mutual Overlay District regulations.</p>	<p>COVID related: No notable covid-related work: most of the planning work during the past two weeks involved proposed permanent structures.</p>