

**SAN JUAN COUNTY, COLORADO BOARD OF COMMISSIONERS
TOWN OF SILVERTON BOARD OF TRUSTEES
MEETING AGENDA**

May 25, 2022

Due to the continuing COVID-19 concerns, San Juan County meetings will be conducted in a hybrid virtual/in-person format. All persons including Board Members, Staff and those with appointments scheduled on the agenda may meet in person or via zoom. At risk participants are strongly encouraged to wear a mask. We encourage community members to participate via zoom. The information necessary to connect to the public meeting is listed below.

CALL TO ORDER: 6:30 P.M.

BOCC Meeting Minutes for May 11, 2022

APPOINTMENTS

- 6:35 P.M. Marcel Gaztambide – Outstanding Waters
- 7:00 P.M. Public Hearing For A Retail Marijuana Local Licensing Applications Submitted by JWJ Inc.,
71463 Highway 550
- 7:30 P.M. Resolution 2022-03 Implementing An Immediate Fire Ban
- 7:40 P.M. Resolution 2022-04 Realigning Search And Rescue As A County Operation With Budgetary
And Administrative Oversight To Be Performed By The County Office Of Emergency
Management
- 8:00 P.M. Louis Girodo, Road Supervisor

Correspondence: Wade Christensen-Jake Brakes
Public Comment
Commissioner and Staff Reports
Other

Adjourn

Times listed above are approximate.

Discussion of an agenda item may occur before or after the assigned time.

Next Regular Meeting – June 8, 2022 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)

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Meeting ID: 921 3647 3203

SAN JUAN COUNTY BOARD OF COMMISSIONERS
REGULAR MEETING WEDNESDAY, MAY 11, 2022
AT 8:30 A.M.

Call to Order: The meeting was called to order by Chairman Scott Fetchenhier. Present were Commissioners Ernie Kuhlman and Austin Lashley, and Administrator William Tookey.

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

Minutes: Commissioner Kuhlman moved to approve the minutes of April 27, 2022 as presented. Commissioner Kuhlman seconded the motion. The motion passed unanimously.

Public Health Director Becky Joyce and P.I.O. DeAnne Gallegos provided the Commissioners with a COVID 19 update. Public Health, Emergency Management and the Administrator met with representatives of Cascade Village to improve communications with the south end of the county.

Social Service Director Martha Johnson was present to provide the Commissioners with an update.

The Commissioners reviewed Social Services financials. Commissioner Lashley moved to approve Transmittal #3 in the amount of \$7,867.80. Commissioner Kuhlman seconded the motion. The motion passed unanimously.

Director Johnson presented the Commissioners with 7 policies for TANF Social Service Procedures. Commissioner Kuhlman moved to approve the policies as presented. Commissioner Lashley seconded the motion. The motion passed unanimously.

Melissa Smeins and Lisa Merrill of the BLM were present to provide the Commissioners with an update on what the BLM had planned for this summer.

A public hearing was held to receive comments concerning the Improvement Permit Application from Public Hearing-Preliminary/Final Improvement Permit Application from Gary Bowman to allow for the construction of a single-family dwelling unit located on the Cumberland Mill Site USMS No. 693B adjacent to the confluence of Deer Park Creek and the Animas River. Mr. Bowman was represented by Nick Anesi. Upon completion of the public hearing Commissioner Lashley moved to approve the application with the following conditions:

1. That the applicant acknowledge that emergency services will not be available in a timely manner and perhaps not at all.
2. That the applicant be placed on the Town of Silverton's Utility billing system for refuse.
3. That all requirements in Section 4-110 of the San Juan County Zoning and Land Use Regulations pertaining to the development of individual building sites shall be met.
4. All improvements to the Cumberland Mill Site shall fully and completely comply with, and strictly conform to, all terms, conditions and restrictions contained in the San Juan County Zoning

and Land Use Regulation, all permits issued, and all applicable State and Federal rules and regulations.

5. That a dedicated trail easement be dedicated through the Cumberland Mill Site to preserve public access to the historic trail identified on the 1955 Silverton Quadrangle 7.5 Minute Series Topographic Map.
6. That a screening plan be submitted for staff review and approval and that additional screening may be required upon completion of the improvements if it is determined by staff that the visibility of the structure(s) is found to exceed the minimal anticipated impact.
7. That the applicant is responsible for providing round trip transportation to the Cumberland Mill Site as required for all inspections as needed for the development of the property. Such inspections shall include but not be limited to Building, Electrical, Plumbing, Septic System and Improvement Permit Compliance.
8. The site is approved only for the use as a single-family residential unit. The use of the site as a vacation rental or any other short-term rental of less than 30 days is prohibited.
9. The installation of solar panels shall be placed in locations that are the least visible when viewed from the adjacent railroad tracks of the Durango and Silverton Narrow Gauge Railroad and historic trail.
10. The failure to comply with these conditions shall be grounds for the revocation of this Improvement Permit.

Commissioner Kuhlman seconded the motion. The motion passed unanimously.

A public hearing was held to receive comments concerning the Sketch/Preliminary/Final Plan Improvement Permit Application submitted by Nick and Frank Anesi, Anesi Mining Ventures LLC., for a single-family dwelling on the Carolina Mill Site USMS 5569B on County Road 33, near Deer Park. Upon completion of the public hearing Commissioner Kuhlman moved to approve the Sketch/Preliminary/Final Improvement Permit Application with the following conditions as presented by staff.

1. Compliance with all applicable State and Federal regulations is required as a condition of this County Improvement Permit. Any State and Federal permits that are required for the proposed development shall be obtained by the owner prior to commencement of the work. Those may include: permits required from the San Juan Basin Public Health Department, Army Corps of Engineers, stormwater management, Colorado Firewise wildfire reduction guidelines.
2. The property line shall be staked/clearly marked, with caution tape or survey flagging, to create a temporary construction fence, prior to any excavation or work that is anticipated to occur within 20 feet of the project site property line. The purpose of marking the property line adjacent to nearby proposed construction is to prevent heavy equipment, or the limits of construction disturbance, from trespassing, and to prevent the construction of the proposed improvements from extending beyond the required minimum setback, or onto adjacent land.

3. The owner shall provide “adequate screening” of the proposed structure(s) and improvements as viewed from County Road 33. A site visit by County staff shall occur during or after construction, and the County staff may require the owner to install additional screening, typically including the planting of evergreens, if the visibility of the structure (cabin and/or shed) is found to exceed the minimal anticipated visual impact. The land owner, if not agreeing with the County staff requirements, may have the proposed County staff screening requirements reviewed by the Board of County Commissioners, for a final determination.
4. The owner shall submit a completed County Driveway Permit Application form, and a completed “Relationship to State Highways” form, to the County Road and Bridge Supervisor, along with a copy of the application or site plan/survey. The owner shall be responsible for obtaining the written comments from the Supervisor on those forms, and submitting those two forms to the Planning Department.
5. No historic objects are expected. However, if any historic objects are encountered during construction, the construction shall temporarily cease, and recommendations of the County Historic Impact Review Committee shall be obtained and followed.
6. The owner shall submit conceptual building plans (one floor plan, and one elevation drawing) showing the two exterior dimensions of the proposed cabin footprint, and the total height, and shall also include a text/numerical description of the summary of the total Floor Area, to demonstrate compliance with the limit of 1,000 square feet, as more fully described/defined in the County Zoning and Land Use Regulations.
7. Proposed shed structure shall also comply with the requirements of the County Zoning and Land Use Regulations as described for sites above 11,000 feet elevation (per NAVD 27). An updated site plan shall be submitted, reflecting proposed locations/sizes of cabin, shed, any ground mounted or pole mounted solar panel(s), other proposed improvements, and any proposed screening.
8. The proposed cabin, shed, and any proposed solar panels shall be placed in locations that are least visible, as viewed from nearby County Roads and public trails, as permitted in accordance with the avalanche expert’s study and recommendations.
9. San Juan County requires reseeding of any disturbed soil ground surface with certified noxious weed free native seed. The reseeding shall comply with the applicable San Juan County Zoning and Land Use Regulations.
10. San Juan County has “dark sky” lighting requirements. Proposed lighting associated with this project shall comply with the San Juan County Zoning and Land Use Regulations.
11. The owner shall comply with all San Juan County Zoning and Land Use Regulations. In particular please refer to Section 4-110 which has specific requirements for all Improvement Permits. The violation of San Juan County Zoning and Land Use Regulations, State regulations, or Federal regulations, shall cause this County permit to be void. If requirements differ, the most stringent shall apply.

12. The owner shall follow all recommendations of the avalanche expert and study, and is encouraged to consult with the avalanche expert regarding the locations/orientation/design of the proposed structures/improvements, for a follow-up review and/or recommendations, prior to septic/structure construction commencement.
13. Foundation concrete placement shall not occur until final written approval of the proposed septic system location is approved by the San Juan Basin Public Health Department.
14. The building materials and the exterior colors for the proposed structures (cabin and shed) shall be non-reflective, muted, neutral, natural colors, which are compatible with the adjacent existing natural terrain, and shall be in accordance with the County Zoning and Land Use Regulations.
15. All on-site trash shall be contained in a bear proof container and/or enclosed structure. The land owner will not be required to sign up for Town of Silverton water and sewer billing, because the proposed improvements include water rights and a septic system. The land owner will be required to sign up with the Town of Silverton for the standard refuse transfer station billing.
16. In accordance with the County Zoning and Land Use Regulations, the owners and applicants hereby acknowledge that emergency services may not be available in a timely manner, and may not be available at all.
17. Any vacation rental usage at this site is prohibited at this time, and this approval is only for single family residential use.

Commissioner Lashley seconded the motion. The motion passed unanimously.

A public hearing was held to receive comment concerning the Sketch/Preliminary/Final Plan Improvement Permit Application submitted by Cameron Adams, The Lorraine LLC and Kinley LLC for a single-family dwelling and boundary line adjustment on the Ruby Placer, Annie Lode, and Ninety Six Lode USMS16941 on County Road 8 near Ophir Pass. Upon completion of the public hearing Commissioner Lashley moved to approve the Sketch/Preliminary/Final Plan Improvement Permit Application with the following conditions as presented by staff.

18. Compliance with all applicable State and Federal regulations is required as a condition of this County Improvement Permit. Any State and Federal permits that are required for the proposed development shall be obtained by the owner prior to commencement of the work. Those may include: permits required from the San Juan Basin Public Health Department, CDPHE, Army Corps of Engineers, stormwater management, Colorado Firewise wildfire reduction guidelines.
19. The property line shall be staked/clearly marked, with caution tape or survey flagging, to create a temporary construction fence, prior to any excavation or work that is anticipated to occur within 30 feet of the project site property line. The purpose of marking the property line adjacent to nearby proposed construction is to prevent heavy equipment, or the limits of construction disturbance, from trespassing, and to prevent the construction of the proposed improvements from extending beyond the required minimum setback, or onto adjacent land.

20. The owner shall provide “adequate screening” of the proposed structure and improvements as viewed from County Road 8. A site visit by County staff shall occur during or after construction, and the County staff may require the owner to install additional screening, typically including the planting of evergreens, if the visibility of the structure is found to exceed the minimal anticipated visual impact. The land owner, if not agreeing with the County staff requirements, may have the proposed County staff screening requirements reviewed by the Board of County Commissioners, for a final determination.
21. The owner shall comply with the requirements of the County Road & Bridge Department Supervisor regarding the existing driveway and the proposed relocation of the existing gate. County regulations require that all gates are at least 30 feet away from the closest edge of the nearby County Road. *The existing gate shall be relocated to allow for the temporary parking of one vehicle off of the County Road. (Text in italics was added by the Planning Commission).*
22. The owner shall comply with the forthcoming written recommendations of the County Historic Impact Review Committee.
23. Any ground mounted or pole mounted solar panel(s), and other proposed improvements, shall be adequately screened in accordance with the County regulations.
24. The proposed cabin, improvements, and any proposed solar panels shall be placed in locations that are least visible, as viewed from nearby County Roads and public trails, as permitted in accordance with the avalanche expert’s study and recommendations.
25. The Proposed Boundary Line Adjustment appears acceptable, but a more legible Plat is required as well as existing and proposed acreage information for the Annie, Ninety Six, Jay, and Branch Lodes and Revised Lodes. In lieu of the typical Lot Consolidation Plat limiting future development rights the Applicant shall submit a proposed legal document or Conservation Easement document for County review. The Applicant shall obtain written acknowledgement from Mr. Popov of Pilatus LLC stating he is aware of and agrees with the Proposed Boundary Line Adjustment. Applicant is encouraged to obtain, review, and legally clarify if needed, any existing or proposed access Easement Deeds that may be associated with the existing driveway to the Ruby Placer, prior to finalizing the Boundary Line Adjustment Survey Plat.
26. San Juan County requires reseeding of any disturbed soil ground surface with certified noxious weed free native seed. The reseeding shall comply with the applicable San Juan County Zoning and Land Use Regulations.
27. San Juan County has “dark sky” lighting requirements. Proposed lighting associated with this project shall comply with the San Juan County Zoning and Land Use Regulations.
28. The land owner shall comply with all San Juan County Zoning and Land Use Regulations. In particular please refer to Section 4-110 which has specific requirements for all Improvement Permits. The violation of San Juan County Zoning and Land Use Regulations, State regulations, or Federal regulations, shall cause this County permit to be void. If requirements differ, the most stringent shall apply.

29. The owner shall follow all recommendations of the avalanche expert and study, and geohazard expert and study, and is encouraged to consult with those professionals regarding the final proposed locations/orientation/design of the proposed structures/improvements, for a follow-up review and/or recommendations, prior to construction commencement, septic system installation, an/or foundation concrete placement.
30. The building materials and the exterior colors for the proposed structures (cabin and shed) shall be non-reflective, muted, neutral, natural colors, which are compatible with the adjacent existing natural terrain, and shall be in accordance with the County Zoning and Land Use Regulations.
31. All on-site trash shall be contained in a bear proof container and/or enclosed structure. The land owner will not be required to sign up for Town of Silverton water and sewer billing, because the proposed improvements include water rights and a septic system. The land owner will be required to sign up with the Town of Silverton for the standard refuse transfer station billing.
32. In accordance with the County Zoning and Land Use Regulations, the owners and applicants hereby acknowledge that emergency services may not be available in a timely manner, and may not be available at all.
33. Any vacation rental usage at this site is prohibited at this time, and this approval is only for single family residential use.

Commissioner Kuhlman seconded the motion. The motion passed unanimously.

Commissioner Lashley moved to approve the Boundary Line Adjustment with the conditions listed above as presented by staff and the additional condition that the County Attorney is to review the forthcoming Boundary Line Adjustment Proposed Deed Restrictions to make sure that they are adequate.

Commissioner Kuhlman seconded the motion. The motion passed unanimously.

The Commissioners met with Clinic Nurse Lois MacKenzie, members of the Clinic Board, Dr. Bob Brokering, Public Health Director Becky Joyce, Town Administrator Gloria Kaasch-Buerger and others to discuss the status of the Silverton Clinic. Th discussion included how to make the Silverton Clinic sustainable. It was the consensus of the commissioners to schedule another work session to continue the clinic discussion for the afternoon of June 8th .

The Treasurer's Report and Sales Tax Reports were present to the Commissioners for their review.

Having no further business, the meeting was adjourned at 1:50 P.M.

Scott Fetchenhier, Chairman

Ladonna L. Jaramillo, County Clerk

**San Juan Regional
Planning Commission**
SAN JUAN COUNTY TOWN OF SILVERTON
Silverton, Colorado 81433
P.O. Box 223

May 17, 2022

Board of County Commissioners
San Juan County
Silverton, CO 81433

Members of the Commission:

RE: County Application for a
Proposed Transfer of Ownership and
Retail Marijuana Store License at
71463 HWY 550
San Juan County, CO

At the regular meeting of the San Juan Regional Planning Commission on May 17, 2022, members of that Commission held a meeting and a Public Hearing to discuss the Proposed Transfer of Ownership and a County retail marijuana store license application, for the existing Marijuana Facility known as Cannfarmer Store at 71463 HWY 550 in San Juan County, CO. The applicant and owner Jeremy Bonin doing business as The Green House Silverton, was present to answer questions.

After discussion and background of the project, questions and presentations from the Town/County Planner and the applicant, the Planning Commission voted unanimously to recommend to the San Juan County Commissioners that you approve the proposed County Application for the transfer of ownership and a retail Marijuana store license with the 28 proposed conditions of approval.

The Summary and Conditions from the Town/County Planner are included.

Thank you for considering this recommendation.

Sincerely,
The Planning Commission Members and
James Weller
Chairman

to receive public comments on the following Application:

San Juan County Retail Marijuana Local Licensing Application, Change of Ownership/Corporate Structure, for a Retail Marijuana Store License, submitted by JWW Inc., for the facility formerly known as Cannafarmer, 71463 Highway 550, near Silverton, in San Juan County, CO. The purpose of the application is to obtain approval of a County license associated with a transfer of ownership of a marijuana facility.

The first Public Hearing is at 7:15 PM during the meeting of the San Juan Regional Planning Commission on Tuesday May 17, 2022.

The second Public Hearing is at 7:00 PM during the meeting of the San Juan County Board of County Commissioners on Wednesday May 25, 2022.

NOTICE is further given that all persons may present written/oral testimony regarding this Application, prior to/during the Public Hearings. County Applications, Meeting Agendas, and virtual Zoom meeting instructions are posted on the County website. Citizen comments may be sent by email, mail, phone, or hand-delivered to: Town Hall, 1360 Greene Street, PO Box 250, Silverton, CO 81433. Please contact Town/County Planning Director Lisa Adair (970) 946-9408 (LAdair@silverton.co.us) with any questions/comments about this Application.

Published in the Silverton Standard & Miner: May 5, 2022.

LEGALS & PUBLIC NOTICES

PUBLIC HEARINGS

NOTICE is hereby given to the members of the general public that San Juan County will hold two Public Hearings at the San Juan County Courthouse, 1557 Greene Street, in Silverton, CO,

STAFF REPORT FOR THE BOARD OF COUNTY COMMISSIONERS

PROPOSED TRANSFER OF OWNERSHIP RETAIL MARIJUANA STORE JWJ INC. DBA THE GREEN HOUSE SILVERTON (FORMERLY KNOWN AS CANNAFARMER)

Report Date: May 22, 2022.

Meeting Date: May 17, 2022.

From: Town/County Planning Director.

Public Hearing: Public Hearing at/after 7:00 PM, on Wednesday May 25, San Juan Regional Planning Commission, to consider a Proposed Transfer of Ownership, and a County Retail Marijuana Store License Application, for the existing Marijuana Facility known as the Cannafarmer Store, 71463 Highway 550, near Silverton, in San Juan County, CO.

Applicants/Owners: Jeremy Bonin, et al, of the Colorado Corporation “JWJ Inc.,” doing business as (dba/Tradename) The Green House Silverton.

SUMMARY: Jeremy Bonin of JWJ Inc. is requesting County approval of the following:

- (1) Proposed Transfer of Ownership of an Existing Retail Marijuana Store in San Juan County, CO.
- (2) Annual County License of an Existing Retail Marijuana Store.

The Planning Commission reviewed this Application on May 17, and recommended that you can consider Conditional Approval of this Application, with the proposed Conditions of Approval at the end of this Staff Report.

Project Site: The existing facility is located at 71463 Highway 550, on A Portion of the Silverton Placer USMS No. 14665 (containing 12.63 acres), approximately 2 miles north of Silverton, in unincorporated San Juan County, Colorado.

Ownership: Applicant is going to lease the building and premises from the property owner The Filling Station, LLC (c/o Erik “Skinny” Everett of Silverton).

Zoning Districts: San Juan County Mountain Zoning District, San Juan County Economic Corridor, San Juan County Scenic Preservation Overlay District, San Juan County & Town of Silverton Town/County Mutual Overlay District aka Area/Zone of Mutual Interest.

Purpose of County Review: All uses, including mining and milling, are Uses Subject to Review in San Juan County. Uses Subject to Review are individually approved or denied by the County Commissioners. County marijuana facility licenses are annual, with renewal applications to be reviewed each year by the Commissioners. Transfer of ownership of a County marijuana facility requires Board of County Commissioner approval.

Applicable County Marijuana Facility Regulations: San Juan County adopted Ordinance 2014-01 “for Licensure of Retail and Medical Marijuana Establishments” within unincorporated San Juan County, Colorado. The 2014 County Marijuana Ordinance is attached, and it is also posted on the County website under “Transparency.”

STAFF REPORT FOR BOCC, JWJ INC. (FORMERLY CANNAFARMER), MAY 22, 2022.

Application Fee: The County Administrator and County Treasurer have confirmed for the Planning Department that a County application fee of \$1000 has recently been paid.

Application: Please see the attached application. The Application was scanned and posted on the County website for citizen review.

Public Hearing, Legal Notice: Page 10 of the attached County Marijuana Ordinance states “*The Planning Commission shall hold a Public Hearing on the Application.*” The required Legal Notice for the May 17 Planning Commission Public Hearing, and the subsequent May 25 Board of County Commissioners Public Hearing, was published in the newspaper, and a copy of the Legal Notice is attached. A “sign” regarding the Public Hearings was given to the Applicants via email, to print and post in a “conspicuous place” on the site, as described in the Ordinance.

Agency Comments: This application was forwarded to all of the agencies specified in the attached Ordinance, including Sheriff, Fire Chief, Building Inspector, County Clerk, San Juan Basin Health Department, Town of Silverton. Emails were received from Sheriff, Fire Chief, and Building Inspector, noting that they currently have no opposition/concerns about this Application.

Comments on the Project Site 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.”

Scenic Preservation Overlay District: All sites within 1500 feet of Highway 550 (and the Railroad and the Alpine Loop) are within the County’s Scenic Preservation Overlay District. Within this District, proposed improvements “must be designed to protect the environmental assets ... in a manner which minimizes impacts upon scenic views, ... protects historic assets,” takes “into account ... soils, slopes, and geological hazards;” and “additional setbacks ...screening, or design requirements” may be imposed (County regulations Section 1-114).

Town/County Mutual Overlay District: The site and proposed improvements appear to be located within the Town/County Mutual Overlay District/Area of Mutual Interest. Therefore this Application was forwarded by email to the Town Staff for review, including Building Department, Public Works, Town Administrator. To date there has been no opposition or concerns received by the Planning Department from the Town Staff. As County Planning Director and Town Planning Director I would like to note for the Applicants that the Town Public Works Department occasionally is required to cross through this property, to access/maintain the Town’s Bear Creek Water System Intake, and that existing Town Public Works access shall not be blocked/prevented by the Applicants (who are tenants leasing a portion of the site from the Property Owner Everett).

Planning Commission Review of the Proposed Transfer of Ownership: The Planning Commission was asked to make a “recommendation” for the Board of County Commissioners. On May 17 the Planning Commission reviewed this application and they recommended that you can consider granting

STAFF REPORT FOR BOCC, JWJ INC. (FORMERLY CANNAFARMER), MAY 22, 2022.

Conditional Approval, with the Conditions in this Staff Report. On May 25 the Board of County Commissioners will consider approving a proposed Transfer of Ownership of an existing Retail Marijuana Store. The County application form describes this as a proposed “Change of Ownership/Corporate Structure.”

Page 7 of the attached County Marijuana Ordinance states the following requirements regarding Transfer of Ownership:

IX. Transfer of Licenses, Change of Location, Change of Ownership

- 1. Each License issued under the Ordinance is separate and distinct. No Licensee may transfer its License to another Person. A separate License shall be required for each specific business or business entity and for each geographic location.*
- 2. Any proposed transfer of capital stock or any change in principal officers or directors of a corporation holding a license shall be reported to the Administrator and approved by the Board prior to such transfer or change.*
- 3. Any proposed transfer of membership interest or any change in members of any limited liability company holding a license shall be reported to the Administrator and approved by the Board prior to such transfer or change.*
- 4. Any proposed transfer of partnership interest in or change in general or managing partners of any partnership holding a license shall be reported to the Administrator and approved by the Board prior to such transfer or change.*

The Application describes a proposed Transfer of Ownership. The Application appears to comply with the requirements above. The Application includes a purchase agreement to sell the existing Licensed Cannafarmer Retail Marijuana Store business to the Applicants. The Applicants are requesting that the Board of County Commissioners approves this proposed Transfer of Ownership.

- The **current Owner**, existing County Licensee, and the Business Seller is:
San Juan Retail LLC, dba **Cannafarmer** Farm Store, represented by **Kevin Farmer**.
- The **new Owner**, the Business Buyer, and the proposed County Licensee will be:
JWJ Inc. dba **The Green House Silverton**, represented by **Jeremy Bonin** of Pagosa Springs Colorado, who is one of the corporation members, who prepared the Application along with his employee Dwayne Baird, and in conjunction with other corporation members, as shown in the attached Application, named Jason Werby and Wally Yoost, with legal representation being provided by attorney Craig Small of Denver.

Application Requirements: Please review Page 2 of the attached County Marijuana Facility Application Form. Page 2 has a list of the submittal requirements. They are summarized here with Planning Department review comments.

Section 4(1) Requirements (as shown on Page 2 of the attached County Application Form):

- (a) **Copy of Lease** – the Applicants have a Lease (signed by the Property Owner Everett) submitted in the attached Application.
- (b1) **Building Plans** – submitted; they appear to be a reprint of plans prepared by Kevin Farmer. It is “assumed” there are no proposed changes to the exterior or interior of the building/store. However

STAFF REPORT FOR BOCC, JWJ INC. (FORMERLY CANNAFARMER), MAY 22, 2022.

there is no text or narrative in the Application so that is an assumption. If there are any proposed changes to the site or operations, those should be noted/clarified by the Applicants at this time.

(b2) *Food Prep Area* - N/A. It is "assumed" there is no "food prep area" existing or proposed, associated with the Retail Marijuana Store.

(c) *Location Plan/Plot Plan* – A site plan was added into the paper copies of the application, which were delivered on May 11. It appears that there are no proposed changes to the site plan/site layout. The Applicants mentioned at the Planning Commission meeting on May 17 that they plan to paint the exterior of the existing structure green. The Planning Commission mentioned to the Applicants that the County has regulations requiring that structure exteriors utilize natural muted colors, that blend in with the nearby terrain and vegetation.

(d) *Fees* – County Administrator and Treasurer informed the Planning Director that the Application Fee was recently paid.

(e) *Fingerprints* – None submitted yet. Applicants were put into contact with our local Sheriff Dept. who noted that our Sheriff Dept. recently stopped preparing fingerprints. The Applicants have requested that the Town and County contact a company called Identigo to set up a Town/County fingerprints account. The County Administrator has recently indicated to me that the County should set up an online fingerprints account with CBI.

(f) *LLC Documents* – submitted, see attached.

(g) *Materials Safety Data Sheets (MSDS)* – none submitted. Therefore it is "assumed" that means the Applicants may not be expecting to have any products on site that required MSDS sheets. Any potentially harmful chemicals or products that can be expected on site by the Applicants should be clarified or noted at this time.

Section 4(3) Requirements (as shown on Page 2 of the attached County Application Form):

(a) *Fire District Comments* – none submitted. I sent the application by email to Fire Chief Gilbert Archuleta. His response appears to indicate that he has no information and/or no opposition to this Application at this time. Previous comments from Fire Chief are included in the Conditions of Approval at the end of this Staff report, related to parking around the existing hydrant. The Fire Chief shall be invited by the Applicants to visit the site upon opening of the Retail Marijuana Store.

(b) *Proof of County Land Use Approval* – the Applicants are hereby requesting a reconfirmation of the County Land Use Approval, in conjunction with this Transfer of Ownership Application, and County Retail Marijuana Store License Application. This site previously had a County Land Use Approval which was approved years ago for Kevin Farmer. There is no known change to the existing Land Uses, which apparently includes an existing "apartment" (assumed Residential Land Use), as well as the existing Retail Marijuana Store (Commercial Land Use). The Applicants did not submit any "Proof of County Land Use Approval." The previously approved Land Use also included Marijuana Cultivation, and it is my understanding that cultivation portion of the Existing Land Uses will cease to occur at this time.

(c) *San Juan Basin Department of Health and Environment Approval* – Not submitted. The site reportedly has an existing septic system. I believe the San Juan Basin Public Health Department (SJBPH) would need to "sign off" on this Marijuana Facility County License Application if edible marijuana products were going to be manufactured on site. I do not believe there is any marijuana cultivation or edible marijuana products food production proposed. The Application was recently forwarded by email to Brian Devine at SJBPH as noted in the County Marijuana Ordinance.

(d) *Building Department approval* – I forwarded a scan of the application to the Building Inspector for any review comments. By email he replied (paraphrasing) indicating the Building Inspector appears to have no opposition or concerns on behalf of the Building Department at this time. The

STAFF REPORT FOR BOCC, JWJ INC. (FORMERLY CANNAFARMER), MAY 22, 2022.

Building Inspector noted that he had recently spoken with the Applicants, proposing a new exterior sign for the Retail Marijuana Store. I have no proposed sign information in the attached application at this time for your review. Any proposed signage requires a County Sign Permit Application, submitted by Applicant, reviewed by County Staff, and shall comply with the County sign regulations. The Retail Marijuana Store License, if approved, shall be contingent on a site visit/building inspection, and compliance with any Building Department requirements.

- (e) ***Sheriff's Office*** – I forwarded a scan of the application to the Sheriff's Office asking for any review comments. The Sheriff wrote to the Planning Department by email that the Sheriff's Office does not have concerns at this time and will go to the site for an inspection after the Retail Store is opened. I believe we may need to ask the Sheriff to "run background checks." There are authorization forms for that in the attached Application. However fingerprints have not been completed and may be required in conjunction with or before that background check process can occur. The Applicants will be required to comply with Sheriff's Office requirements. "Clean" background checks shall be required as a contingency of the County Retail Marijuana Store License, if it is conditionally approved by the Board of County Commissioners.

Section 5 Requirements (as shown on Page 2 of the attached County Application Form):

- (3) ***State License for the proposed Licensed Premises*** – Not submitted. This would probably consist of a "concurrent review" MED State Marijuana Facility License. Typically the State and County Permits/Licenses for Marijuana Facilities are both contingent on the other (which can cause some Licensee difficulty in coordinating simultaneously). On approximately May 14 the Applicants sent an email indicating that there is a State approval of the Transfer of Ownership.
- (4) ***Indemnification*** – Attached.
- (5) ***Permit Duration*** – The County Retail Marijuana Store License, if granted, would be valid for one year from the date of issuance. That issuance date could be expected to occur as early as May 25, 2022, depending on the outcome of the Public Hearing on May 25.
- (6) ***Affirmation & Consent Form*** – Attached.
- (7) ***Investigation Authorization & Authorization to Release Information*** – Attached. I do not believe any "**background check(s)**" have been submitted, provided, or reviewed at this time by any County Staff.
- (8) ***Applicant's Request to Release Information*** – Attached.

Review Criteria: Please take a moment to read Page 12 of the attached County Marijuana Ordinance. That section provides "Review Criteria" for you to sue when "determining whether to approve or deny an Application" of this type.

The Review Criteria includes evaluations of the following:

*"...Fitness, character and reputation...of the Applicant, ... officers, directors, and managers.
...Criminal history...
...willful misrepresentations...
...Previous... Licenses... revoked...
...tax delinquency...
...violations...
...finding of bad moral character by any licensing authority."*

*"Whether the Establishment is compatible with existing and allowed uses...
...consistent with the...Master Plan."*

STAFF REPORT FOR BOCC, JWJ INC. (FORMERLY CANNAFARMER), MAY 22, 2022.

*...substantial adverse impact on property in the vicinity...
...complies with applicable standards...
...compliant with all building, fire and electrical code...
...well and septic permits...
...offensive odors...
...property taxes...
...vehicular access and parking..."*

The Review Criteria above consists of items related to personal character, and items related to the site and structure. The Planning Department does not have any document or information at present that would cause concern at this time regarding the Review Criteria above. However, the Planning Department currently possesses no background checks or criminal histories of the Applicants/Owners.

County Options for Marijuana Facility License Applications:

"...The Board may deny an Application if the Applicant does not show by a preponderance of the evidence presented at the hearing that the proposed Establishment can be operated in a manner that will not adversely affect the public...

...The Board may impose conditions upon the approval of Application..."

Annual Renewal Criteria: If you would like to compare this Application to the County Annual Marijuana Facility License "Renewal" requirements, those can be found on Page 14 of the attached County Marijuana Ordinance. The site has an existing Retail Marijuana Store. The "Licensee" is changing. The "Renewal" requirements may help you further evaluate this Application and the existing Marijuana Facility operations at the site. Each year the Annual County Marijuana Facility License for this site was "renewed" in the past for Kevin Farmer. The standard annual Conditions of Approval for those Renewals are included at the end of this Staff Report. They were originally written by former Planning Director Bob Nevins. They have been slightly revised over the past few years. For continuity of what was required in the past for this site and business, those Conditions of Approval should be included and reiterated as requirements for the new Licensees.

Board of County Commissioners Options:

1. Deny, Approve, Conditionally Approve the County Application for a Marijuana Facility "Change of Ownership/Corporate Structure." Or you may "Table" the Change of Ownership Application, and "continue" the Public Hearing, because you need more information before being able to make a decision.
2. Deny, Approve, or Conditionally Approve the Annual County License Renewal of a Retail Marijuana Store, with a new Licensee named Jeremy Bonin of JWJ Inc. dba The Green House Silverton. Or you may "Table" the Application and "continue" the Public Hearing, because you need more information before making a decision.

Public Comments: Since this is a Public Hearing, the Board of County Commissioners should ask for any Public Comment before making a decision on this Application.

STAFF REPORT FOR BOCC, JWJ INC. (FORMERLY CANNAFARMER), MAY 22, 2022.

Staff Recommendations: The Planning Department and the Planning Commission recommends that if you choose to conditionally approve this application, that you do so with the proposed Conditions of Approval listed below. These are the Conditions last used for this Marijuana Facility/Site, during the Annual License Renewal, for the previous Licensee Kevin Farmer. There are also some new Conditions added to address a new Licensee, some missing “background check” information, and some County Staff/agency inspections.

Proposed Conditions of Approval:

1. The Operator is: JWJ Inc. doing business as (dba/Tradename) The Green House Silverton, with the Contact Person/Applicant designated as: Jeremy Bonin.
2. The Land Use hereby approved is one “Retail Marijuana Store.”
3. The Applicant shall comply with the CDOT access permit, and parking, deliveries, and vehicles associated with this use shall not impact highway traffic safety.
4. All owners, officers, managers, contractors, and employees, shall comply with the fingerprint based criminal history background check requirements. Approval of this License is contingent on County Staff review of acceptable background checks for the Applicant and associates.
5. The Applicant shall comply with all San Juan Basin Public Health Department health, safety, and septic system regulations.
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 shall be wholly contained within the structures, and not visible from the Highway.
10. All lights shall comply with the County’s “dark sky” regulations including 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.

STAFF REPORT FOR BOCC, JWJ INC. (FORMERLY CANNAFARMER), MAY 22, 2022.

13. The Applicant shall immediately possess permits for and obtain all required 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.
15. The Applicant shall comply with all requirements of the Building Department, Sheriff's Office, and Fire Department. Applicant shall contact the three agencies by email to arrange a site visit and structure/business inspection, at the time of the proposed opening of the Marijuana Retail Store.
16. The Fire Chief has previously recommended, and the Applicant shall comply with, the following: that the Applicant shall continue to not permit parking of vehicles, in the vicinity of the existing on-site fire hydrant.
17. There shall be no toxic chemicals used at the site, which could be reasonably expected to be harmful to human/wildlife health, which could discharge from the existing structures/site, into the air, groundwater, soil, septic system, creek, and/or surface water.
18. Any proposed signs shall require review of a San Juan County Sign Permit Application.
19. Any proposed improvements/fences/gates shall require CDOT written permission, and Board of County Commissioners review.
20. Applicant hereby acknowledges that emergency services may not be available in a timely manner and may not be available at all.
21. Adverse impacts associated with the existing/proposed land uses and/or the proposed improvements, to wildlife, the environment, adjacent land owners, shall be reduced by the Applicant, to the greatest extent possible, including but not limited to: noise, lights, avoiding the blocking of animal migration routes.
22. All State and Federal permits and compliance with regulations are required as a condition of this County permit, including but not limited to: State MED licenses/permits, CDOT/USFS/BLM access permits, NPDES/CDPHE stormwater permits, Colorado Regulation 43 (regarding septic systems). All required State/Federal permits shall be obtained prior to commencement of the business operation. If regulations differ, then the most stringent shall apply. Failure to comply with State and/or Federal regulations shall void this County Permit.
23. The Applicant and proposed Land Uses/Improvements shall comply with all applicable San Juan County Zoning and Land Use Regulations. Violation of the San Juan County Zoning and Land Use Regulations may cause this Permit to be void. If requirements in the County regulations differ, the most stringent shall apply.
24. Applicant shall be in full compliance with Section 4-110. The County Zoning and Land Use Regulations are posted on the County website. Applicant shall review Section 4-110 prior to commencement of the business operation.

STAFF REPORT FOR BOCC, JWJ INC. (FORMERLY CANNAFARMER), MAY 22, 2022.

25. Regarding any on site fire mitigation, none is anticipated; however, any on site burning of cut tree limbs and/or brush requires notification of the Sheriff and Fire Department prior to a controlled burn. Water and tools shall be readily available, directly adjacent to the fire during any controlled burn, and there shall be no unsupervised campfires/burn piles. The Sheriff or Fire Department shall have the right to prevent the property owner, applicant(s) and/or contractor(s) from burning, if weather conditions are expected to be dry or windy. Additionally, all required permits, including but not limited to San Juan Basin Health Department and CDPHE permits, shall be obtained by the Applicants prior to a controlled burn.

26. On-site existing trails and/or roads shall remain open to public access.

27. Applicant shall acknowledge that Town of Silverton Public Works Department personnel and the Public sometimes cross through this property to access Public Lands and the Town of Silverton Bear Creek Water Intake. Applicant shall not impede or block the existing access through the property.

28. Applicant shall acknowledge agreement with these Conditions of Approval, by signing in the presence of a Notary Public, and shall file these Conditions of Approval in the office of the County Clerk and Recorder in the San Juan County Colorado County Courthouse.

29. *Other conditions of approval that the Board of County Commissioners may wish to add.*



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 5/11/22 ama
PAID _____
RM- _____

License for: <input type="checkbox"/> New <input type="checkbox"/> Renewal <input checked="" type="checkbox"/> Change of Ownership/Corporate Structure <input type="checkbox"/> Modification to Premises		Application and Operation Fee: \$	
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) JWJ Inc / dba The Green House Silverton		Parcel Name and ID Number PIN 48270000010142	Zone District
Street Address of Business 71463 US Hwy 550 Silverton CO 81433		Business Phone Number (970) 403-4323	
Mailing Address PO Box 5843	City Pagosa Springs	State CO	Zip CO
Primary Contact Person			
Primary Contact Person for Business Jeremy Bonin		Primary Contact Phone Number (970) 403-4323	Primary Contact Cell Number ()
Primary Contact Email Address jbonin@jandjinc.net			
Primary Contact Address PO Box 5843		City Pagosa Springs	State CO
		Zip 81147	
State Retail Marijuana License Numbers			
Retail Marijuana Center Number 402R-00768		Products Manufacturing Number	
Cultivation Facility Number		Testing Facility Number	
Applicant's Signature 		Date 3/17/22	

Retail Marijuana License Application Checklist

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

Submitted	Section 4 (1)	
1	(a)	<i>Copy of Lease, Deed, or Contract</i> for right to possess physical premises.
2	(b)	<i>Building Plans</i>
N/A	(b)	<i>Food Prep Area</i>
3	(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.)
PAID	(d)	<i>Fees</i> - Make payable to San Juan County
TBD	(e)	<i>Fingerprints</i> - Applicants shall include a set of fingerprints for each licensee applicant on forms provided by the state licensing authority.
4	(f)	<i>Corporate, LLC, or Partnership</i> - Formation documents shall be provided for any licensee other than a sole proprietorship.
N/A	(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)	
	(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.
	(b)	<i>Proof of county land use approval</i> - use is allowed in the proposed location.
	(c)	<i>San Juan Basin Department of Health and Environment approval</i>
	(d)	<i>Building Department approval</i> - facility must comply with applicable building codes and comply with all applicable Colorado plumbing/electrical code standards.
	(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	
5	(3)	<i>State License for the proposed Licensed Premises.</i>
6	(4)	<i>Indemnification</i> - Applicant/Licensee must provide an executed indemnification in a form acceptable to the Local Licensing Authority.
	(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.
7		<i>Affirmation & Consent Form</i>
8		<i>Investigation Authorization & Authorization to Release Information</i>
9		<i>Applicant's Request to Release Information</i>

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 measures 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



Apartment Lease CS 02232022.docx

DocVerify ID: 778E6A21-2616-4315-AA6C-BDD7CAE1AACE
Created: February 23, 2022 12:47:21 -8:00
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E-Signature Summary

E-Signature 1: Erik Everett (EE)

Feb 23, 2022 14:51:58 -8:00 [4EC00EEDCE9A] [174.16.151.149]
erikceverett@gmail.com

E-Signature 2: Jeremy Bonin (JB)

Feb 23, 2022 15:13:58 -8:00 [1043AA5C73E8] [64.188.179.196]
jbonin@jandjinc.net



LEASE AGREEMENT 71463 US Highway 550 (STORE)

This Store Lease Agreement ("Store Lease") is entered by and between **The Filling Station LLC** ("Landlord") and **JWJ Inc.** (the "Tenant") on January 1, 2022. Landlord and Tenant may collectively be referred to as the "Parties." This Store Lease creates joint and several liabilities in the case of multiple Tenants. The Parties agree as follows:

STORE PREMISES: Landlord is in possession of two units on the premise: a ground level store ("Store") and an upper level apartment ("Apartment"). Landlord desires to lease and Tenant desires to rent both the Store and the Apartment under separate but identical leases whereby each lease is contingent upon the other lease. In this Store Lease, Landlord hereby leases that certain part of 71463 US HWY 550, Silverton, Colorado 81433 located on the ground level ("Store Premises".) and all other real property sufficient for adequate parking as required by the Colorado Department of Transportation. The metal building and all property in the lower elevation is not included in this lease. The parking area west of the metal building is not included in the lease as it will be the access for the metal building. The Store Premises is located in San Juan County.

LEASE TERM: This Agreement shall be a fixed-period arrangement beginning upon Tenant's approval by the relevant governmental regulatory agencies to operate a Colorado regulated marijuana business at the Store and ending at midnight on March 31, 2027 ("Initial Term"). Provided Tenant is not in breach of this Agreement during the Initial Term and has complied with the intent of the lease terms to the satisfaction of the Landlord, Tenant will have an Option to Renew this Agreement for an additional sixty-month period beginning on April 1, 2027 and ending on midnight on March 31, 2032 ("First Extension"). Rent shall be increased in accordance to the following criteria:

1. Rent shall be increased in proportion to actual insurance and taxes increase as of January 1, 2027.
2. Rent shall be increased to be a maximum of rent comparable to that of similar structures in the Silverton area on January 1, 2027. This new rental rate shall be used to calculate the actual percentage increase in order to determine the rate increases for the First Extension.

The Landlord will notify the Tenant in writing no later than January 1, 2027 of any information that would affect Rent increases as set forth above. Provided Landlord and Tenant are not contesting Rent increase data, Tenant shall be entitled to this First Extension.

The Tenant shall notify the Landlord by December 31, 2026 in writing if they will want the option of the First Extension.

LEASE PAYMENTS: Tenant agrees to pay to Landlord as rent for the Store Premises the amount of \$1000 each month in advance on the 1st day of each month.

The following rent schedule shall apply;

Date on Executed Lease Agreement thru March 31, 2023	\$1000 per month
April 1, 2023 thru March 31, 2024	\$1100 per month
April 1, 2024 thru March 31, 2025	\$1200 per month
April 1, 2025 thru March 31, 2026	\$1236 per month
April 1, 2026 thru March 31, 2027	\$1273 per month

LATE CHARGES: Rent is due on the 1st of each month. If any or all of the rent is not received by the 10th of the month, a \$100 late fee will be incurred. If rent is not received by the 15th of the month, Tenant will be



considered in breach of the Store Lease Agreement and eviction proceedings will be initiated. \$20 (US Dollars) for every day the rent is late after the 5th Day rent is due.

INSUFFICIENT FUNDS: Tenant agrees to pay the charge of \$100 for each check given by Tenant to Landlord that is returned to Landlord for lack of sufficient funds.

DEFAULTS: If the Tenant shall be in arrears in payment of rent, or any portion thereof, or in default or in default of any other agreements of this Store Lease, including the condition of the property, store and apartment at the time of inspection and the default remains uncorrected for a period of three (3) days after the Landlord has given written notice, than the Landlord may, at the Landlord's option, undertake any of the following remedies without limitation: (a) declare the term of the lease ended (b) terminate the Tenant's right to possession of the Store Premises and reenter and repossess the Store Premises pursuant to applicable provisions of the Colorado Forcible Entry and Detainer Statute and in compliance with any other laws in the State of Colorado; (c) recover all present and future damages, costs, and other relief to which the Landlord is entitled; (d) pursue breach of contract remedies; and/or (e) pursue any and all available remedies in law or equity. In the event possession is terminated by as reason of default prior to expiration of the term, the Tenant shall be responsible for the rent occurring for the remainder of the term, subject to the Landlord's duty to mitigate such damages. Pursuant to applicable law [13-40-1049d.5), (e.5) and 13-40-107.5, C.R.S.] which is incorporated by this reference, in the event repeated or substantial default(s) under the lease occur, the Landlord may terminate the Tenant's possession upon a written Notice to Quit, without a right to cure. Upon such termination, the Landlord shall have available any and all of the above listed remedies.

CONCURRENT APARTMENT LEASE: Concurrent with the execution of this Store Lease, Landlord and Tenant have also executed a separate Apartment Lease. Landlord and Tenant mutually agree the Store Lease and Apartment Lease shall be contingent upon one another and termination of one lease by virtue of default shall entitled either Landlord or Tenant to terminate the other lease. Therefore, any default event the Apartment Lease that results in termination of the Apartment Lease shall be grounds for default and termination of this Store Lease.

QUIET ENJOYMENT: Tenant shall be entitled to quiet enjoyment of the Store Premises and Landlord will not interfere with that right, as long as Tenant pays the rent in a timely manner and performs all other obligations under this Store Lease.

SURRENDER OF STORE PREMISES: The Tenant(s) has surrendered the Store Premises when (a) the move-out date has passed, and no one is living in the Store Premise within the Landlord's reasonable judgment; or (b) Access to the Store Premise have been turned in to Landlord – whichever comes first. Upon the expiration of the term hereof, the Tenant(s) shall surrender the Store Premise in better or equal condition as it were at the time the tenant first took position of the store and apartment, reasonable use, wear and tear thereof, and damages by the elements excepted.

USE OF STORE PREMISES: The tenant shall use the premise only as a Colorado regulated marijuana business and shall not use premise for any purpose prohibited by the laws of the state of CO, or the ordinances of San Juan County.

CONDITION OF STORE PREMISES: Tenant or Tenant's agent has inspected the Store Premises, the fixtures, the grounds, building and improvements and acknowledges that the Store Premises are in good and acceptable condition and are habitable. If at any time during the term of this Store Lease, in Tenant's opinion, the conditions change, Tenant shall promptly provide reasonable notice to Landlord.



Additionally, the Landlord will inspect the Store Premises once a year to ensure the Store Premises are being maintained in sufficient care and shall be returned to the landlord at the expiration of this lease agreement. The Landlord will coordinate this inspection so as not to disrupt the Tenant. In the case where the Landlord determines there is damage in addition to normal wear and tear, Landlord bears the right to seek damages from Tenant to return the Store Premises back to its original condition at the inception of the tenant's original occupancy in 2022. Should the Tenant be unable to remediate damages, Tenant will be notified in writing as described in Defaults above.

SECURITY DEPOSIT: At the signing of this Store Lease, Tenant shall deposit with Landlord, in trust, a security deposit of \$1000 as security for the performance by Tenant of the terms under this Store Lease and for any damages caused by Tenant, Tenant's agents and visitors to the Store Premises during the term of this Store Lease. Landlord may use part or all the security deposit to repair any damage to the Store Premises caused by Tenant, Tenant's agents and visitors to the Store Premises. However, Landlord is not just limited to the security deposit amount and Tenant remains liable for any balance. Tenant shall not apply or deduct any portion of any security deposit from the last or any month's rent. Tenant shall not use or apply any such security deposit at any time in lieu of payment of rent. If Tenant breaches any terms or conditions of this Store Lease, Tenant shall forfeit any deposit, as permitted by law. The Filling Station LLC, POB 543, Silverton, CO 81433, shall hold security deposit.

ASSIGNMENT AND SUBLEASE: Tenant shall not assign or sublease any interest in this Store Lease without prior written consent of the Landlord. Any assignment or sublease without Landlord's written prior consent shall, at Landlord's option, terminate this Store Lease. Notwithstanding the above, during the Initial Term Tenant shall be entitled to transfer this Store Lease to a third party entity comprised of at least 50% of the same owners as Tenant.

HAZARDOUS MATERIALS: The Tenant(s) agrees to not possess any type of personal property that could be considered a fire hazard such as a substance having flammable or explosive characteristics on the Store Premises. Items that are prohibited to be brought into the Store Premises, other than for everyday cooking or the need of an appliance, includes but is not limited to gas (compressed), gasoline, fuel, propane, kerosene, motor oil, fireworks, or any other related content in the form of a liquid, solid, or gas. Notwithstanding the above, Tenant shall be entitled to possess and sell lighter, torches and other reasonably similar commercial product intended to be used in connection with Tenant's other products.

UTILITIES AND SERVICES: The Tenant shall be responsible for paying electric, gas, phone, and internet. The tenant agrees to keep all improvements upon the Store Premises including but not limited to, structural components, interior and exterior walls, floor, ceiling, sewer connections, plumbing, wiring, and glass in good maintenance and repair at Tenant's expense. In the event that Landlord is responsible for repair of the Store Premises, the Tenant shall notify the Landlord of any condition requiring repair and Landlord shall be provided a reasonable time to accomplish said repair.

ALTERATIONS AND IMPROVEMENTS: Tenant agrees not to make any improvements or alterations to the Store Premises without prior written consent of the Landlord of which Landlord shall not unreasonably withhold. If any alterations, improvement or changes are made to or built on or around the Store Premises, with the exception of fixtures and personal property that can be removed without damage to the Store Premises, they shall become the property of Landlord and shall remain at the expiration of the Store Lease, unless otherwise agreed in writing.



DAMAGE TO STORE PREMISES: If the Store Premises or part of the Store Premises are damaged or destroyed by fire or other casualty not due to Tenant's negligence, the rent will be abated during the time that the Store Premises are uninhabitable. If Landlord decides not to repair or rebuild the Store Premises, then this Store Lease shall terminate and the rent shall be prorated up to the time of the damage. Any unearned rent paid in advance shall be refunded to Tenant.

MAINTENANCE, REPAIRS, OR ALTERATIONS: The Tenant(s) shall, at their own expense and at all times, maintain Store Premises in a clean and sanitary manner, and shall surrender the same at termination hereof, in as good condition as received, normal wear and tear excepted. The Tenant(s) may not make any alterations to the leased Store Premises without the consent in writing of the Landlord. The Landlord shall be responsible for repairs to the interior and exterior of the building. If the Store Premises includes a washer, dryer, freezer, dehumidifier unit and/or air conditioning unit, the Landlord makes no warranty as to the repair or replacement of units if one or all shall fail to operate. The Landlord will place fresh batteries in all battery-operated smoke detectors when the Tenant(s) moves into the Store Premises. After the initial placement of the fresh batteries it is the responsibility of the Tenant(s) to replace batteries when needed. TENANT AGREES TO MAINTAIN YARD, AND STREET ADJACENT TO PROPERTY, FREE AND CLEAR OF JUNK AND DEBRIS.

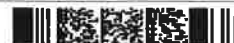
LEASEHOLD IMPROVEMENTS: Tenant shall bear the cost of all interior leasehold improvements. All leasehold improvements become the property of the Landlord upon termination of the lease with the exception of all equipment, structures and electronics specifically associated with the cultivation and sale of cannabis and cannabis products, the Tenants inventory, and the security camera systems.

RIGHT OF INSPECTION: During normal business hours, Tenant agrees to make the Store Premises available to Landlord or Landlord's agents for the purposes of inspection, making repairs or improvements, or to supply agreed services or show the Store Premises to prospective buyers or tenants, or in case of emergency. Except in case of emergency, Landlord shall give Tenant reasonable notice of intent to enter. For these purposes, twenty-four (24) hour notice shall be deemed reasonable. Landlord's presence in the Store Premises without Tenant constitutes a violation of Colorado marijuana law. Therefore, absent exigent circumstances, Landlord shall not enter upon the Store Premises without being escorted by Tenant or Tenant's agent.

ABANDONMENT: If Tenant abandons the Store Premises of any personal property during the term of this Store Lease, Landlord may at its option enter the Store Premises by any legal means without liability to Tenant and may at Landlord's option terminate the Store Lease. Abandonment is defined as absence of the Tenants from the Store Premises for at least 30 consecutive days without notice to Landlord. If Tenant abandons the Store Premises while the rent is outstanding for more than 30 days and there is no reasonable evidence, other than the presence of the Tenants' personal property, that the Tenant is occupying the unit, Landlord may at Landlord's option terminate this Store Lease Agreement and regain possession in the manner prescribed by law. Landlord will dispose of all abandoned personal property on the Store Premises in any manner allowed by law.

EXTENDED ABSENCES: In the event Tenant will be away from the Store Premises for more than 15 consecutive days, Tenant agrees to notify Landlord in writing of such absence.

SEVERABILITY: If any part of this Store Lease shall be held unenforceable for any reason, the remainder of this Agreement shall continue in full force and effect. If any provision of this Store Lease is deemed invalid or unenforceable by any court of competent jurisdiction, and if limiting such provision would make the provision valid, then such provision shall be deemed to be construed as so limited.



INSURANCE: Landlord and Tenant shall each be responsible to maintain appropriate insurance for their respective interests in the Store Premises and property located on the Store Premises. Tenant understands that Landlord will not provide any insurance coverage for Tenant's property. Landlord will not be responsible for any loss of Tenant's property, whether by theft, fire, riots, strikes, acts of God or otherwise.

BINDING EFFECT: The covenants and conditions contained in the Store Lease shall apply to the Parties and the heirs, legal representatives, successors and permitted assigns of the Parties.

GOVERNING LAW: This Store Lease shall be governed by and construed in accordance with the laws of the State of Colorado.

NOISE/WASTE: The Tenant(s) agrees not to commit waste on the Store Premises, maintain, or permit to be maintained, a nuisance thereon, or use, or permit the Store Premises to be used, in an unlawful manner. The Tenant(s) further agrees to abide by any and all local, county, and State noise ordinances.

AGREEMENT: This Store Lease constitutes the entire Agreement between the Parties and supersedes any prior understanding or representation of any kind preceding the date of this Agreement. There are no other promises, conditions, understandings or other Agreements, whether oral or written, relating to the subject matter of this Store Lease. This Store Lease may be modified in writing and must be signed by both Landlord and Tenant.

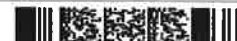
CUMULATIVE RIGHTS: Landlord's and Tenant's rights under this Store Lease are cumulative and shall not be construed as exclusive of each other unless otherwise required by law.

WAIVER: The failure of either Party to enforce any provisions of the Store Lease shall not be deemed a waiver of limitation of that Party's right to subsequently enforce and compel strict compliance with every provision of this Store Lease. The acceptance of rent by Landlord does not waive Landlord's right to enforce any provisions of this Store Lease.

INDEMNIFICATION: To the extent permitted by law, Tenant will indemnify and hold Landlord and Landlord's property, including the Store Premises, free and harmless from any liability for losses, claims, injury to or death of any person, including Tenant, or for damage to property arising from Tenant using and occupying the Store Premises or from the acts or omissions of any person or persons, including Tenant, in or about the Store Premises with Tenant's express or implied consent except Landlord's act or negligence.

MULTIPLE TENANT(S) OR OCCUPANT(S): Each individual that is considered a Tenant(s) is jointly and individually liable for all of this Agreement's obligations, including but not limited to rent monies. If any Tenant(s), guest, or Occupant(s) violates this Agreement, the Tenant(s) is considered to have violated this Agreement. Landlord's requests and notices to the Tenant(s) or any of the Occupant(s) of legal age constitutes notice to the Tenant(s). Notices and requests from the Tenant(s) or any one of the Occupant(s) (including repair requests and entry permissions) constitutes notice from the Tenant(s). In eviction suit s, the Tenant(s) is considered the agent of the Store Premise for the service of process.

DISPUTES: If a dispute arises during or after the term of this Agreement between the Landlord and Tenant(s), they shall agree to hold negotiations amongst themselves, in "good faith", before any litigation.



LEGAL FEES: If any action at law or in equity is necessary to enforce or interpret the terms of this Store Lease, the prevailing party shall be entitled to reasonable attorneys' fees, costs and necessary disbursements in addition to any other relief to which such party may be entitled.

PLUMBING: Toilet paper and human waste are the only items allowed in drainpipes. No wipes, diapers, feminine hygiene products, coffee, animal fat, food wastes, or textiles are to ever be put in drain. If drain gets clogged and evidence of an introduced obstruction is discovered, Tenant will be responsible for cost of clog removal.

SNOW REMOVAL: Tenant is responsible for snow removal on property. Tenant is to keep entrances, windows, and propane tank free and clear of snow and ice.

FROZEN PIPES: The tenant is responsible for keeping the Store Premises at an adequate minimum temperature of 55° to prevent the pipes from freezing. Any damage that occurs due to interior frozen pipes will be the responsibility of tenant to repair.

WATER LEAKS: Tenant is to notify the Landlord immediately if Tenant notices any running water in the faucets in the kitchen, bathroom sinks, bathtub or any other faucets. If the toilet is running and does not shut off properly, Tenant is to notify Landlord immediately. If Tenant does not notify Landlord of any water leaks and it is determined that the water bill is in excess because of this leak, Tenant will be responsible financially for paying the difference in the water bill.

TRANSFERABILITY: Landlord reserves the right to assign or transfer this lease in the event of a sale or change or ownership of the property. Any new ownership shall be required to honor the terms of this lease or may buy the tenant out of the lease by paying tenant double of the amount of tenant's total remaining lease payments and providing sixty day notice prior to exercising the buyout option.

HOLDING OVER: Any holding over after expiration hereof, with the consent of Landlord, shall be construed as a month to month tenancy in accordance with the terms hereof, as applicable.

RIGHT OF FIRST REFUSAL: Provided Tenant is not in default of this Store Lease, during the term of this Store Lease Landlord has granted Tenant an ongoing right of first refusal to purchase 71463 HIGHWAY 550 N, SILVERTON, CO 81433-5078 (parcel #48270000010142) for which Landlord receives a third-party offer that Landlord desires to accept, to be exercised in accordance with the terms and conditions of the Lease.

REGULATORY REFORMATION CLAUSE: This Store Lease is subject to review by the Colorado Department of Revenue: Marijuana Enforcement Division ("MED") and San Juana Licensing Authority. If the MED or San Juana Licensing Authority determines that this Store Lease must be reformed, Landlord and Tenant shall negotiate in good faith to so reform this Store Lease according to the requesting agency's requirements while effectuating the original intent of this Store Lease as near as possible.



IN WITNESS THEREOF, the Parties have caused this Store Lease to be executed on the day and year first above written.

LANDLORD:
Erik Everett
The Filling Station LLC

Erik Everett

Signed on 2022/02/23 14:51:58 -0700

02/23/2022

TENANT:
JWJ Inc.

Jeremy Bonin

Signed on 2022/02/23 15:13:58 -0700

02/23/2022



LEASE AGREEMENT 71463 US Highway 550 (APARTMENT)

This Apartment Lease Agreement ("Apartment Lease") is entered by and between **The Filling Station LLC** ("Landlord") and **JWJ Inc.** (the "Tenant") on January 1, 2022. Landlord and Tenant may collectively be referred to as the "Parties." This Apartment Lease creates joint and several liabilities in the case of multiple Tenants. The Parties agree as follows:

APARTMENT PREMISES: Landlord is in possession of two units on the premise: a ground level store ("Store") and an upper level apartment ("Apartment"). Landlord desires to lease and Tenant desires to rent both the Store and the Apartment under separate but identical leases whereby each lease is contingent upon the other lease. In this Apartment Lease, Landlord hereby leases that certain part of 71463 US HWY 550, Silverton, Colorado 81433 located on the upper level ("Apartment Premises".) and all other real property sufficient for adequate parking as required by the Colorado Department of Transportation. The metal building and all property in the lower elevation is not included in this lease. The parking area west of the metal building is not included in the lease as it will be the access for the metal building. The Apartment Premises is located in San Juan County.

LEASE TERM: This Agreement shall be a fixed-period arrangement beginning upon Tenant's approval by the relevant governmental regulatory agencies to operate a Colorado regulated marijuana business at the Store and ending at midnight on March 31, 2027 ("Initial Term"). Provided Tenant is not in breach of this Agreement during the Initial Term and has complied with the intent of the lease terms to the satisfaction of the Landlord, Tenant will have an Option to Renew this Agreement for an additional sixty-month period beginning on April 1, 2027 and ending on midnight on March 31, 2032 ("First Extension"). Rent shall be increased in accordance to the following criteria:

1. Rent shall be increased in proportion to actual insurance and taxes increase as of January 1, 2027.
2. Rent shall be increased to be a maximum of rent comparable to that of similar structures in the Silverton area on January 1 1, 2027. This new rental rate shall be used to calculate the actual percentage increase in order to determine the rate increases for the First Extension.

The Landlord will notify the Tenant in writing no later than January 1, 2027 of any information that would affect Rent increases as set forth above. Provided Landlord and Tenant are not contesting Rent increase data, Tenant shall be entitled to this First Extension.

The Tenant shall notify the Landlord by December 31,2026 in writing if they will want the option of the First Extension.

LEASE PAYMENTS: Tenant agrees to pay to Landlord as rent for the Apartment Premises the amount of \$\$1000 each month in advance on the 1st day of each month.

The following rent schedule shall apply;

Date on Executed Lease Agreement thru March 31, 2023	\$1000 per month
April 1, 2023 thru March 31, 2024	\$1100 per month
April 1, 2024 thru March 31, 2025	\$1200 per month
April 1, 2025 thru March 31, 2026	\$1236 per month
April 1, 2026 thru March 31, 2027	\$1273 per month



LATE CHARGES: Rent is due on the 1st of each month. If any or all of the rent is not received by the 10th of the month, a \$100 late fee will be incurred. If rent is not received by the 15th of the month, Tenant will be considered in breach of the Apartment Lease Agreement and eviction proceedings will be initiated. \$20 (US Dollars) for every day the rent is late after the 5th Day rent is due.

INSUFFICIENT FUNDS: Tenant agrees to pay the charge of \$100 for each check given by Tenant to Landlord that is returned to Landlord for lack of sufficient funds.

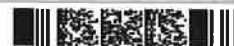
DEFAULTS: If the Tenant shall be in arrears in payment of rent, or any portion thereof, or in default or in default of any other agreements of this Apartment Lease, including the condition of the property, store and apartment at the time of inspection and the default remains uncorrected for a period of three (3) days after the Landlord has given written notice, then the Landlord may, at the Landlord's option, undertake any of the following remedies without limitation: (a) declare the term of the lease ended (b) terminate the Tenant's right to possession of the Apartment Premises and reenter and repossess the Apartment Premises pursuant to applicable provisions of the Colorado Forcible Entry and Detainer Statute and in compliance with any other laws in the State of Colorado; (c) recover all present and future damages, costs, and other relief to which the Landlord is entitled; (d) pursue breach of contract remedies; and/or (e) pursue any and all available remedies in law or equity. In the event possession is terminated by as reason of default prior to expiration of the term, the Tenant shall be responsible for the rent occurring for the remainder of the term, subject to the Landlord's duty to mitigate such damages. Pursuant to applicable law [13-401049d.5), (e.5) and 13-40-107.5, C.R.S.] which is incorporated by this reference, in the event repeated or substantial default(s) under the lease occur, the Landlord may terminate the Tenant's possession upon a written Notice to Quit, without a right to cure. Upon such termination, the Landlord shall have available any and all of the above listed remedies.

CONCURRENT STORE LEASE: Concurrent with the execution of this Apartment Lease, Landlord and Tenant have also executed a separate Store Lease. Landlord and Tenant mutually agree the Store Lease and Apartment Lease shall be contingent upon one another and termination of one lease by virtue of default shall entitle either Landlord or Tenant to terminate the other lease. Therefore, any default event the Apartment Lease that results in termination of the Apartment Lease shall be grounds for default and termination of this Store Lease.

QUIET ENJOYMENT: Tenant shall be entitled to quiet enjoyment of the Apartment Premises and Landlord will not interfere with that right, as long as Tenant pays the rent in a timely manner and performs all other obligations under this Apartment Lease.

SURRENDER OF APARTMENT PREMISES: The Tenant(s) has surrendered the Apartment Premises when (a) the move-out date has passed, and no one is living in the Apartment Premises within the Landlord's reasonable judgment; or (b) Access to the Apartment Premise have been turned in to Landlord – whichever comes first. Upon the expiration of the term hereof, the Tenant(s) shall surrender the Apartment Premise in better or equal condition as it were at the time the tenant first took position of the store and apartment, reasonable use, wear and tear thereof, and damages by the elements excepted.

USE OF APARTMENT PREMISES: The tenant shall use the Apartment Premises only as a residence.



CONDITION OF APARTMENT PREMISES: Tenant or Tenant's agent has inspected the Apartment Premises, the fixtures, the grounds, building and improvements and acknowledges that the Apartment Premises are in good and acceptable condition and are habitable. If at any time during the term of this Apartment Lease, in Tenant's opinion, the conditions change, Tenant shall promptly provide reasonable notice to Landlord.

Additionally, the Landlord will inspect the Apartment Premises once a year to ensure the Apartment Premises are being maintained in sufficient care and shall be returned to the landlord at the expiration of this lease agreement. The Landlord will coordinate this inspection so as not to disrupt the Tenant. In the case where the Landlord determines there is damage in addition to normal wear and tear, Landlord bears the right to seek damages from Tenant to return the Apartment Premises back to its original condition at the inception of the tenant's original occupancy in 2022. Should the Tenant be unable to remediate damages, Tenant will be notified in writing as described in Defaults above.

SECURITY DEPOSIT: At the signing of this Apartment Lease, Tenant shall deposit with Landlord, in trust, a security deposit of \$1000 as security for the performance by Tenant of the terms under this Apartment Lease and for any damages caused by Tenant, Tenant's agents and visitors to the Apartment Premises during the term of this Apartment Lease. Landlord may use part or all the security deposit to repair any damage to the Apartment Premises caused by Tenant, Tenant's agents and visitors to the Apartment Premises. However, Landlord is not just limited to the security deposit amount and Tenant remains liable for any balance. Tenant shall not apply or deduct any portion of any security deposit from the last or any month's rent. Tenant shall not use or apply any such security deposit at any time in lieu of payment of rent. If Tenant breaches any terms or conditions of this Apartment Lease, Tenant shall forfeit any deposit, as permitted by law. The Filling Station LLC, POB 543, Silverton, CO 81433, shall hold security deposit.

ASSIGNMENT AND SUBLEASE: Tenant shall not assign or sublease any interest in this Apartment Lease without prior written consent of the Landlord. Any assignment or sublease without Landlord's written prior consent shall, at Landlord's option, terminate this Store Lease. Notwithstanding the above, during the Initial Term Tenant shall be entitled to transfer this Store Lease to a third party entity comprised of at least 50% of the same owners as Tenant.

HAZARDOUS MATERIALS: The Tenant(s) agrees to not possess any type of personal property that could be considered a fire hazard such as a substance having flammable or explosive characteristics on the Apartment Premises. Items that are prohibited to be brought into the Apartment Premises, other than for everyday cooking or the need of an appliance, includes but is not limited to gas (compressed), gasoline, fuel, propane, kerosene, motor oil, fireworks, or any other related content in the form of a liquid, solid, or gas. Notwithstanding the above, Tenant shall be entitled to possess and sell lighter, torches and other reasonably similar commercial product intended to be used in connection with Tenant's other products.

UTILITIES ANDS SERVICES: The Tenant shall be responsible for paying electric, gas, phone, and internet. The tenant agrees to keep all improvements upon the Apartment Premises including but not limited to, structural components, interior and exterior walls, floor, ceiling, sewer connections, plumbing, wiring, and glass in good maintenance and repair at Tenant's expense. In the event that Landlord is responsible for repair of the Apartment Premises, the Tenant shall notify the Landlord of any condition requiring repair and Landlord shall be provided a reasonable time to accomplish said repair.



ALTERATIONS AND IMPROVEMENTS: Tenant agrees not to make any improvements or alterations to the Apartment Premises without prior written consent of the Landlord of which Landlord shall not unreasonably withhold. If any alterations, improvement or changes are made to or built on or around the Apartment Premises, with the exception of fixtures and personal property that can be removed without damage to the Apartment Premises, they shall become the property of Landlord and shall remain at the expiration of the Apartment Lease, unless otherwise agreed in writing.

DAMAGE TO APARTMENT PREMISES: If the Apartment Premises or part of the Apartment Premises are damaged or destroyed by fire or other casualty not due to Tenant's negligence, the rent will be abated during the time that the Apartment Premises are uninhabitable. If Landlord decides not to repair or rebuild the Apartment Premises, then this Apartment Lease shall terminate and the rent shall be prorated up to the time of the damage. Any unearned rent paid in advance shall be refunded to Tenant.

MAINTENANCE, REPAIRS, OR ALTERATIONS: The Tenant(s) shall, at their own expense and at all times, maintain Apartment Premises in a clean and sanitary manner, and shall surrender the same at termination hereof, in as good condition as received, normal wear and tear excepted. The Tenant(s) may not make any alterations to the leased Apartment Premises without the consent in writing of the Landlord. The Landlord shall be responsible for repairs to the interior and exterior of the building. If the Apartment Premises includes a washer, dryer, freezer, dehumidifier unit and/or air conditioning unit, the Landlord makes no warranty as to the repair or replacement of units if one or all shall fail to operate. The Landlord will place fresh batteries in all battery-operated smoke detectors when the Tenant(s) moves into the Apartment Premises. After the initial placement of the fresh batteries it is the responsibility of the Tenant(s) to replace batteries when needed. TENANT AGREES TO MAINTAIN YARD, AND STREET ADJACENT TO PROPERTY, FREE AND CLEAR OF JUNK AND DEBRIS.

LEASEHOLD IMPROVEMNTS: Tenant shall bear the cost of all interior leasehold improvements. All leasehold improvements become the property of the Landlord upon termination of the lease with the exception of all equipment, structures and electronics specifically associated with the cultivation and sale of cannabis and cannabis products, the Tenants inventory, and the security camera systems.

RIGHT OF INSPECTION: During normal business hours, Tenant agrees to make the Apartment Premises available to Landlord or Landlord's agents for the purposes of inspection, making repairs or improvements, or to supply agreed services or show the Apartment Premises to prospective buyers or tenants, or in case of emergency. Except in case of emergency, Landlord shall give Tenant reasonable notice of intent to enter. For these purposes, twenty-four (24) hour notice shall be deemed reasonable.

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EXTENDED ABSENCES: In the event Tenant will be away from the Apartment Premises for more than 15 consecutive days, Tenant agrees to notify Landlord in writing of such absence.

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GOVERNING LAW: This Store Lease shall be governed by and construed in accordance with the laws of the State of Colorado.

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AGREEMENT: This Apartment Lease constitutes the entire Agreement between the Parties and supersedes any prior understanding or representation of any kind preceding the date of this Agreement. There are no other promises, conditions, understandings or other Agreements, whether oral or written, relating to the subject matter of this Apartment Lease. This Store Lease may be modified in writing and must be signed by both Landlord and Tenant.

CUMULATIVE RIGHTS: Landlord's and Tenant's rights under this Apartment Lease are cumulative and shall not be construed as exclusive of each other unless otherwise required by law.

WAIVER: The failure of either Party to enforce any provisions of the Apartment Lease shall not be deemed a waiver of limitation of that Party's right to subsequently enforce and compel strict compliance with every provision of this Store Lease. The acceptance of rent by Landlord does not waive Landlord's right to enforce any provisions of this Store Lease.

INDEMNIFICATION: To the extent permitted by law, Tenant will indemnify and hold Landlord and Landlord's property, including the Apartment Premises, free and harmless from any liability for losses, claims, injury to or death of any person, including Tenant, or for damage to property arising from Tenant using and occupying the Apartment Premises or from the acts or omissions of any person or persons, including Tenant, in or about the Apartment Premises with Tenant's express or implied consent except Landlord's act or negligence.



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DISPUTES: If a dispute arises during or after the term of this Agreement between the Landlord and Tenant(s), they shall agree to hold negotiations amongst themselves, in "good faith", before any litigation.

LEGAL FEES: If any action at law or in equity is necessary to enforce or interpret the terms of this Store Lease, the prevailing party shall be entitled to reasonable attorneys' fees, costs and necessary disbursements in addition to any other relief to which such party may be entitled.

PLUMBING: Toilet paper and human waste are the only items allowed in drainpipes. No wipes, diapers, feminine hygiene products, coffee, animal fat, food wastes, or textiles are to ever be put in drain. If drain gets clogged and evidence of an introduced obstruction is discovered, Tenant will be responsible for cost of clog removal.

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TRANSFERABILITY: Landlord reserves the right to assign or transfer this lease in the event of a sale or change or ownership of the property. Any new ownership shall be required to honor the terms of this lease or may buy the tenant out of the lease by paying tenant double of the amount of tenant's total remaining lease payments and providing sixty day notice prior to exercising the buyout option.

HOLDING OVER: Any holding over after expiration hereof, with the consent of Landlord, shall be construed as a month to month tenancy in accordance with the terms hereof, as applicable.

RIGHT OF FIRST REFUSAL: Provided Tenant is not in default of this Apartment Lease, during the term of this Apartment Lease Landlord has granted Tenant an ongoing right of first refusal to purchase 71463 HIGHWAY 550 N, SILVERTON, CO 81433-5078 (parcel #48270000010142) for which Landlord receives a third-party offer that Landlord desires to accept, to be exercised in accordance with the terms and conditions of the Lease.



///

IN WITNESS THEREOF, the Parties have caused this Store Lease to be executed on the day and year first above written.

LANDLORD:

Erik Everett

The Filling Station LLC

Erik Everett

Signed on 2023/02/23 14:51:58 -0500

02/23/2022

TENANT:

JWJ Inc.

Jeremy Bonin

Signed on 2023/02/23 11:12:55 -0500

02/23/2022





Asset Purchase Agreement - 10k early access.docx

DocVerify ID: 52A3F637-BDB4-4991-A817-47B54FC38E14
 Created: February 23, 2022 16:30:05 -8:00
 Pages: 25
 E-Sign: Yes

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E-Signature Summary

E-Signature 1: Kevin Farmer (KF)

Feb 24, 2022 07:21:49 -8:00 [8F481244107A] [174.16.143.89]
 kevin@canna-farmer.com

E-Signature 2: Jeremy Bonin (JB)

Feb 24, 2022 09:38:32 -8:00 [A77DA23CD0FA] [64.188.179.196]
 jbonin@jandjinc.net



ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this "Agreement") dated February 23, 2022 (the "Contract Date"), is hereby entered into by and between San Juan Retail, LLC a Colorado limited liability company doing business as Cannafarmer Farm Store (the "Seller"), and JWJ, Inc. a Colorado limited liability company (the "Purchaser"). Purchaser and Seller are each individually referred to as a "Party," and collectively as the "Parties."

RECITALS

WHEREAS, Seller is the owner of assets used in connection with a retail marijuana store (the "Business") licensed by the State of Colorado Marijuana Enforcement Division (the "MED") and the local licensing authority of the County of San Juan, Colorado (the "San Juan Licensing Authority"). Seller operates its Business at 71463 Hwy 550, Unit A and Unit B, Silverton, Colorado (the "Business Location"). Seller leases the Business Location from The Filling Station, LLC (the "Landlord").

WHEREAS, Seller desires to sell to Purchaser, and Purchaser desires to purchase from Seller, all right, title and interest in and to those certain assets relating to the ownership and operation of the Business in accordance with the terms and conditions set forth in this Agreement.

NOW, THEREFORE, the Parties hereby agree as follows in consideration of the mutual premises and covenants contained herein:

ARTICLE I

Purchase and Sale of Acquired Assets

SECTION 1.01. Purchase and Sale.

(a) Acquisition. At the Closing (as defined in Section 2.02), Seller shall sell to Purchaser, and Purchaser shall purchase from Seller, the Acquired Assets (as defined in Section 1.02(a)) in consideration for the payment of Fifty Thousand and 00/100 Dollars (\$50,000.00) (the "Purchase Price") and other valuable consideration identified in this Agreement. The purchase and sale of the Acquired Assets is referred to in this Agreement as the "Acquisition."

(b) Payment of Purchase Price. The Purchase Price shall be paid in the following manner:

(i) On or about December 7, 2021 (the "Deposit Date") and prior to entering into this Agreement Purchaser tendered Five Thousand and 00/100 Dollars (\$5,000.00). On the execution of this Agreement, Purchaser shall tender an additional Ten Thousand and 00/100 Dollars (\$10,000) for a total of Fifteen Thousand and 00/100 Dollars (\$15,000) (the "Deposit") as a deposit on the Purchase Price to be applied to the Purchase Price at Closing. The Deposit is non-refundable unless the Seller terminates the Agreement or Seller is in breach of this Agreement; and

(ii) On the Closing Date (as defined in Section 2.02), Purchaser shall pay to Seller Thirty-Five Thousand and 00/100 Dollars (\$35,000.00) (the "Closing Cash Consideration").



SECTION 1.02. Acquired Assets and Excluded Assets.

(a) The term “Acquired Assets” means the following assets:

(i) Equipment. The equipment, tools, devices, goods, and other tangible personal property owned by Seller and used in the operation of the Business at the Business Location, which personal property is more particularly described on Schedule 1.02(a)(i) attached hereto (collectively, the “Equipment”).

(ii) Contract Rights. Seller’s right, title, and interest in and to all license agreements, equipment leases, instruments, agreements, commitments, and arrangements the “Contracts”).

(iii) Marijuana Business Establishment Licenses. Seller’s right, title and interest in and to the following marijuana business establishment licenses issued by the respective state and local licensing authorities as set forth below (collectively the “Licenses”):

(1) Retail Marijuana Store License 402R-00768 issued by MED; and

(2) Retail Marijuana Store License 2019-02 issued by San Juan Licensing Authority.

(iv) Inventory. All retail marijuana inventory of the Business at the Business Location and in connection with the Licenses, or hereafter acquired by Seller in Seller’s ordinary course of business at the Business Location (the “Inventory”).

(v) Intellectual Property. All patents (including all reissues, divisions, continuations and extensions thereof), patent applications, patent rights, copyrights including any such rights related to the Acquired Assets (including any extension thereof), rights to file such extensions or reversions therein, copyright registrations (including applications therefor or rights to apply therefor);

(vi) Accounts Receivable. All accounts receivable of the Seller’s Business, including, but not limited to, any proceeds from pending credit card or debit card transactions attributable to sales at the Seller’s Business prior to the Closing Date which have not been received by Seller as of the Closing Date.

(vii) Seller Merchandise. Any merchandise located at the Business Location including hemp-derived CBD, Industrial Hemp Products (as defined by MED rules), or other CBD-related products that is not included in the Inventory of the Business;

(viii) Books and Records. The books and records of the Seller’s Business that are required by the MED to be maintained at the Business Location or related to the Seller’s Business;

(ix) Other Property. All other assets and property used by Seller in the operation of



the Business at the Business Location, including, without limitation, those assets and property set forth on Schedule 1.02(a)(x) attached hereto.

(x) Business Location Access. On or before March 15th, Seller shall permit Purchaser full access to the Business Location. Seller will have no right to enter Business Location following Midnight, March 14th, 2022 and will relinquish all keys to the Business location to Purchaser.

(b) The term "Excluded Assets" means the following assets of Seller not identified in Section 1.02(a), and all rights of Seller under this Agreement and the other agreements and instruments executed and delivered in connection with this Agreement (the "Ancillary Agreements"):

(i) Books and Records. The books and records of the Seller's Business, with the exception of the Books and Records referenced in Section 1.02(a)(viii).

(ii) Landlord Property. Any personal property, fixtures, or equipment at the Business Location which are the property of the Landlord pursuant to Seller's lease.

(iii) Trademarks. Seller's right, title and interest in and to all trade names, brands, marks, trademark registrations, domain names, designs, design registrations (including applications therefor or rights to apply therefor).

SECTION 1.03. Allocation of Purchase Price. The Purchase Price shall be allocated to the Acquired Assets in accordance with Schedule 1.03.

SECTION 1.04. Due Diligence Period. Commencing with the Contract Date and continuing until and including the date that is fifteen (15) days after the Contract Date (the "Due Diligence Period"), Purchaser shall have the right to a due diligence investigation of the Business Operations, the Acquired Assets, and the Business Location (including but not limited to lease negotiations with the Landlord). All documents, agreements, financial records, inventory tracking records, and other materials requested by Purchaser in relation to the Business Operations, Acquired Assets and the Business Location shall be timely provided by Seller to Purchaser. All documents, agreements, financial records, inventory tracking records, and other materials provided to Purchaser by Seller shall be true, correct, and complete. Neither the information provided to Purchaser by Seller nor any statements made to Purchaser by Seller shall contain any untrue statement or omission of material fact, and, in light of circumstances in which the information was given or statements made, shall be misleading. Purchaser shall have the right, in Purchaser's sole and absolute discretion, to terminate this Agreement at any time during the Due Diligence Period by providing a written termination notice during the Due Diligence Period.

ARTICLE II

The Closing

SECTION 2.01. Conditions to Closing. The Closing of this Agreement and the transfer of the Acquired Assets is subject to the satisfaction of the following conditions:

(a) Seller has fulfilled all outstanding obligations under Seller's lease agreement with



Landlord, including payment of any amounts owed to Landlord;

(b) Each Parties' respective representations and warranties contained in Articles III and IV will be true and correct on and as of the Closing as though made on and as of the Closing (other than those representations and warranties that speak to an earlier date), and those representations and warranties that speak to an earlier date will be true and correct as of the earlier date;

(c) The Parties' receipt of written approval of the Acquisition by the MED and San Juan Licensing Authority, to the extent such written approvals are required for the transfer of any of the Acquired Assets; and

(d) The issuance by the MED and San Juan Licensing Authority of regulated marijuana business licenses in the name of the Purchaser for the Purchaser's operation of the Business at the BusinessLocation.

SECTION 2.02. Closing Date. The closing of the Acquisition (the "Closing") will take place remotely. The Closing will be the date the Parties agree to and designate at the effective date on Schedule A of the MED's Conditional Approval Letter (the "Closing Date"), provided that Closing must occur within five (5) business days after the Parties' receipt of written conditional approval for both the MED COO Applications (as defined in Section 5.03) and the San Juan Licensing Authority COO Applications (as defined in Section 5.03).

SECTION 2.03. Transactions To Be Effected at the Closing. At the Closing:

(a) Seller shall deliver to Purchaser (i) such appropriately executed bills of sale, assignments, consents and other instruments of transfer relating to the Acquired Assets in form and substance reasonably satisfactory to Purchaser and its counsel; and (iii) such other documents to be delivered by Seller in accordance with the terms of Section 6.01.

(b) Purchaser shall deliver to Seller (i) the Closing Cash Consideration via cash, wire transfer, or other immediately available funds, and (ii) such other documents to be delivered by Purchaser in accordance with the terms of Section 6.02.

ARTICLE III Representations and Warranties of Seller

Seller represents and warrants to Purchaser as of the date hereof, and as of the Closing Date, as follows:

SECTION 3.01. Organization, Standing and Power. Seller is duly organized, validly existing and in good standing under the laws of the state of its organization or formation and has full company power and authority and possesses all licenses, permits, authorizations and approvals necessary to enable it to own, lease, or otherwise hold its properties and assets, including the Acquired Assets, other than such licenses, permits, authorizations and approvals the lack of which, individually or in the aggregate, have not had and could not reasonably be expected to have a material adverse effect on the business, assets, condition (financial or otherwise), prospects or results of operations of Seller or of the Acquired Assets, or on the ability of Seller to perform its obligations under this Agreement and the Ancillary



Agreements or to consummate the Acquisition and the other transactions contemplated hereby.

SECTION 3.02. Authority; Execution and Delivery; Enforceability. Seller has full power and authority to execute this Agreement and the Ancillary Agreements to which it is a party and to consummate the Acquisition and the other transactions contemplated hereby and thereby. The execution and delivery by Seller of this Agreement and the Ancillary Agreements to which it is a party and the consummation by Seller of the Acquisition and the other transactions contemplated hereby and thereby have been duly authorized by all necessary corporate action, including any required vote or approval by the members of Seller. Seller has duly executed and delivered this Agreement and each Ancillary Agreement to which it is a party, and this Agreement and each Ancillary Agreement to which it is a party constitute its legal, valid and binding obligation, enforceable against it in accordance with its terms, except as subject to laws of general application relating to bankruptcy, insolvency and relief of debtors and rules of law governing specific performance, injunctive relief or other equitable remedies.

SECTION 3.03. Title. Seller owns all the Acquired Assets free and clear of any and all liabilities, obligations, licenses, and commitments, and free and clear of all mortgages, liens, security interests, charges, easements, leases, subleases, covenants, rights of way, options, claims, restrictions, or encumbrances of any kind (collectively, "Liens").

SECTION 3.04. No Conflicts; Consents. The execution and delivery by Seller of this Agreement and the Ancillary Agreements do not, and the consummation of the Acquisition, and the other transactions contemplated hereby and thereby and compliance by Seller with the terms hereof and thereof, will not: (a) conflict with, or result in any violation of its organizational documents, or (b) result in the creation of any Lien upon the Acquired Assets. Other than the approvals required by the MED and San Juan Licensing Authority for the change of ownership of the Acquired Assets (including but not limited to the Licenses), to Seller's knowledge, no consent, approval, license, permit, order, or authorization ("Consent") of, or registration, declaration or filing with, any federal, state, local, or foreign government or any court of competent jurisdiction, administrative agency or commission or other governmental authority or instrumentality, domestic or foreign (a "Governmental Entity"), is required to be obtained or made by or with respect to a Seller in connection with (i) the execution, delivery and performance of this Agreement or any Ancillary Agreement or the consummation of the Acquisition or the other transactions contemplated hereby and thereby or (ii) the use of the Acquired Assets by Purchaser following the Closing as used on the date hereof.

SECTION 3.05. Contracts.

(a) Except as disclosed by Seller, Seller is not a party to or bound by any Contract that is necessary for Purchaser's continued operation of the Business at the Business Location. Complete and correct copies of all Contracts together with all modifications and amendments thereto, have been made available to Purchaser.

(b) Seller has performed all obligations required to be performed by it to date under the Contracts, and it is not (with or without the lapse of time or the giving of notice, or both) in breach or default in any material respect thereunder and, to the knowledge Seller, no other party to any Contract is (with or without the lapse of time or the giving of notice, or both) in breach or default in any material respect thereunder.



SECTION 3.06. Sufficiency of Acquired Assets. The Acquired Assets (together with the Excluded Assets specified in Section 1.02(b)), comprise all the assets employed in connection with the Business at the Business Location. The Acquired Assets are sufficient for the operation of the Business at the Business Location immediately following the Closing in substantially the same manner as currently used.

SECTION 3.07. Taxes.

- (a) For purposes of this Agreement:

“**Tax**” means (i) any tax, governmental fee, or other like assessment or charge of any kind whatsoever (including any tax imposed under Subtitle A of the Code and any net income, alternative or add-on minimum tax, gross income, gross receipts, sales, use, ad valorem, value added, transfer, franchise, profits, license, withholding tax on amounts paid, payroll, employment, excise, severance, stamp, capital stock, occupation, property, environmental or windfall profit tax, premium, custom, duty or other tax), together with any interest, penalty, addition to tax or additional amount due, imposed by any Governmental Entity (domestic or foreign) responsible for the imposition of any such tax (a “**Taxing Authority**”), (ii) any liability for the payment of any amount of the type described in clause (i) above as a result of a Party to this Agreement being a member of an affiliated, consolidated or combined group with any other corporation at any time on or prior to the Closing Date and (iii) any liability of any Person with respect to the payment of any amounts of the type described in clause (i) or (ii) above as a result of any express or implied obligation of such Person to indemnify any other person.

“**Code**” means the Internal Revenue Code of 1986, as amended.

(b) Unless otherwise disclosed in writing to Purchaser, Seller, and any affiliated group, within the meaning of Section 1504 of the Code, of which Seller is or has been a member, has filed or caused to be filed all material Tax returns, reports and forms required to be filed by it and all such returns, reports and forms are true, complete and correct, all Taxes due have been timely paid in full or will be timely paid in full by the due date thereof (including any applicable extensions approved by the respective Taxing Authority pursuant to a payment plan with such Taxing Authority), and no Tax Liens shall exist with respect to the Acquired Assets as of the Closing Date.

SECTION 3.08. Proceedings. There is no pending or, to the knowledge of Seller, threatened suit, action or proceeding (“**Proceeding**”), arising out of the use of or against any Acquired Asset and that relates to the transactions contemplated by this Agreement. There is not any Proceeding or claim by Seller pending, or which Seller intends to initiate against any other Person. Seller is not a party or subject to or in default under any judgment applicable to the use of any Acquired Asset nor, to the knowledge of Seller, is there any pending or threatened investigation of or affecting any Acquired Asset. Unless otherwise disclosed to Purchaser in writing herein, there is no Proceeding pending, or to Seller’s knowledge threatened, against Seller before or by any Governmental Entity which seeks a writ, judgment, order, or decree restraining, enjoining, or otherwise prohibiting or making illegal any of the transactions contemplated by this Agreement.

SECTION 3.09. Compliance with Applicable Laws. Seller’s use of the Acquired Assets is in



compliance with all applicable laws with the exception of federal laws relating to marijuana. Unless otherwise disclosed to Purchaser, Seller has not received any written or oral communication from any Sin any material respect with any applicable law. The Licenses are in good standing as of the Closing Date. To Seller's knowledge, the Licenses are not subject to any disciplinary proceedings or administrative investigations. This Section 3.09 does not relate to matters with respect to Taxes, which are the subject of Section 3.07.

SECTION 3.10. Permits. Seller possesses all necessary Licenses, permits, authorizations, approvals, registrations, and similar consents (collectively, "**Permits**") that are required for the ownership and operation of the Business in the manner in which it is currently owned and operated. All Permits described in this Section 3.10 are in full force and effect, and Seller is in compliance with each such Permit.

SECTION 3.13. Complete Disclosure. This Agreement and the agreements and instruments attached hereto and to be delivered at the time of Closing do not contain any untrue statement of material fact by Seller. This Agreement and such related agreements and instruments do not omit to state any material fact necessary in order to make the statements made herein or therein by Seller, in light of the circumstances under which they are made, not misleading.

SECTION 3.14. Due Diligence. Seller shall timely respond to all of Purchaser's requests during Purchaser's due diligence investigation. All documents, agreements, financial records, inventory tracking records, and other materials provided to Purchaser by Seller (during the Due Diligence Period or at any other times) are true, correct, and complete. Neither the information provided to Purchaser by Seller nor any statements made to Purchaser by Seller contain any untrue statement or omission of material fact, and, in light of circumstances in which the information was given or statements made, are not misleading.

ARTICLE IV Representations and Warranties of Purchaser

Purchaser hereby represents and warrants to Seller as of the date hereof, and as of the Closing Date, as follows:

SECTION 4.01. Organization, Standing and Power. Purchaser is duly organized, validly existing and in good standing under the laws of the State of Colorado and has full corporate power and authority and possesses all governmental franchises, licenses, permits, authorizations and approvals necessary to enable it to own, lease, or otherwise hold its properties and assets and to carry on its business as presently conducted.

SECTION 4.02. Authority; Execution and Delivery; and Enforceability. Purchaser has full power and authority to execute this Agreement and the Ancillary Agreements to which it is, or is specified to be, a party and to consummate the Acquisition and the other transactions contemplated hereby and thereby. The execution and delivery by Purchaser of this Agreement and the Ancillary Agreements to which it is, or is specified to be, a party and the consummation by Purchaser of the Acquisition and the other transactions contemplated hereby and thereby have been duly authorized by all necessary corporate action. Purchaser has duly executed and delivered this Agreement and prior to the Closing will have



duly executed and delivered each Ancillary Agreement to which it is, or is specified to be, a party, and this Agreement constitutes, and each Ancillary Agreement to which it is, or is specified to be, a party will after the Closing constitute, its legal, valid and binding obligation, enforceable against it in accordance with its terms.

SECTION 4.03. No Conflicts; Consents The execution and delivery by Purchaser of this Agreement do not, and the execution and delivery by Purchaser of each Ancillary Agreement to which it is or is specified to be a party will not, and the consummation of the Acquisition and the other transactions contemplated hereby and thereby and compliance by Purchaser with the terms hereof and thereof will not conflict with, or result in any violation of or default (with or without notice or lapse of time, or both) under, or give rise to a right of termination, cancellation, or acceleration of any obligation or loss of a material benefit under, or result in the creation of any Lien upon any of the properties or assets of Purchaser under, any provision of (i) Purchaser's articles or organization or operating agreement, (ii) any contract to which Purchaser is a party or by which any of its properties or assets is bound or (iii) any judgment or applicable law to Purchaser or its properties or assets. Other than the approvals required by the MED and San Juan Licensing Authority for the change of ownership of the Acquired Assets (including but not limited to the Licenses), no Consent of or registration, declaration or filing with any Governmental Entity is required to be obtained or made by or with respect to Purchaser or any of its subsidiaries in connection with the execution, delivery and performance of this Agreement or any Ancillary Agreement or the consummation of the Acquisition or the other transactions contemplated hereby and thereby.

SECTION 4.04. Suitability of Ownership of Marijuana Business License. Purchaser and each of Purchaser's owners, members, shareholders, officers, and directors are suitable for licensure from the MED and San Juan Licensing Authority, to the extent required by respective state and local laws, rules, and ordinances.

SECTION 4.05. Complete Disclosure. This Agreement and the agreements and instruments attached hereto and to be delivered at the time of Closing do not contain any untrue statement of material fact by Purchaser. This Agreement and such related agreements and instruments do not omit to state any material fact necessary in order to make the statements made herein or therein by Purchaser, in light of the circumstances under which they are made, not misleading.

ARTICLE V Covenants

SECTION 5.01. Confidentiality. Seller shall keep confidential, and cause its affiliates, officers, directors, partners, employees and advisors to keep confidential, all information relating to the Acquired Assets, except as required by law or administrative process and except for information that is available to the public on the Closing Date, or thereafter becomes available to the public other than as a result of a breach of this Section 5.01. Seller may release such information only upon the express written approval of Purchaser. Purchaser shall keep confidential, and cause its affiliates, officers, directors, partners, employees and advisors to keep confidential, all information relating to the existence and terms and conditions of this Agreement, except as required by law or administrative process and except for information that is available to the public on the Closing Date, or thereafter becomes available to the public other than as a result of a breach of this Section 5.01. The covenants



set forth in this Section 5.01 shall terminate one year after the Closing Date or one year after this Agreement is terminated; provided, however, this termination provision shall not apply to the release of the terms and conditions of this Agreement.

SECTION 5.02. Reasonable Efforts. Each Party shall, and shall cause its affiliates to, use its commercially reasonable efforts to obtain, and to cooperate in obtaining, all Consents from third parties necessary or appropriate to permit the transfer of the Acquired Assets to Purchaser to the extent that such Consents shall not have been obtained or taken by the Closing Date, provided that all Consents related to the transfer of ownership of the Licenses shall be received prior to the Closing Date. Any unreasonable delay by a Party to satisfactorily respond to the MED or San Juan Licensing Authority for any request for information shall constitute a material breach of this Agreement by such Party.

SECTION 5.03. Change of Ownership Applications. The Parties shall submit to the MED all required change of ownership applications related to the Acquisition (the "MED COO Applications"). The Parties shall submit to San Juan Licensing Authority all required change of ownership applications related to the Acquisition (the "San Juan Licensing Authority COO Applications"). The MED COO Applications and the San Juan Licensing COO Applications shall be submitted to the MED and San Juan Licensing Authority, respectively, no later than fifteen (15) business days following the expiration of the Due Diligence Period. The parties shall cooperate in good faith to prepare the applications and provide all supplemental documents and information to Purchaser no later than seven (7) business days following the expiration of the Due Diligence Period.

SECTION 5.04. Expenses; Renewal Fees; Taxes.

(a) Except as set forth in this Section 5.04, all costs and expenses incurred in connection with this Agreement and the Ancillary Agreements and the transactions contemplated hereby and thereby shall be paid by the Party incurring such expense, including all costs and expenses incurred pursuant to Section 5.02.

(b) All fees required to be paid to the MED and San Juan Licensing Authority upon submission of the MED COO Applications and San Juan Licensing COO Applications shall be paid by Purchaser.

(c) With respect to any MED or San Juan Licensing Authority renewal application submitted after the Contract Date for the Licenses but prior to the Closing Date, Purchaser shall submit any and all renewal applications and pay all required application and license fees associated therewith. With respect to any MED or San Juan Licensing Authority renewal application submitted prior the Contract Date for the Licenses Seller shall have timely submit License renewal applications to the MED and the County of San Juan. Seller shall pay the License renewal fees to the applicable Governmental Authorities and Buyer shall reimburse Seller for any such license renewal fees at Closing, pro-rated for the remaining term of each renewed License.

(d) With the exception of the change of ownership application fees provided for in Section 5.03, all liabilities, obligations, or commitments for transfer, documentary, sales, use, registration, value-added and other similar Taxes and related amounts (including any penalties, interest and additions to Tax) incurred in connection with this Agreement, the Ancillary Agreements, the



Acquisition, and the other transactions contemplated hereby and thereby applicable to the conveyance and transfer from Seller to Purchaser of the Acquired Assets and any other transfer or documentary Taxes or any filing or recording fees applicable to such conveyance and transfer shall be paid by Seller. Seller shall prepare, execute and file all returns, questionnaires, applications, and other documents regarding any Tax that is required to be filed by Seller prior to Closing. Each Party shall use reasonable efforts to avail itself of any available exemptions from any such Taxes or fees, and to cooperate with the other Party in providing any information and documentation that may be necessary to obtain such exemptions.

SECTION 5.05. Status of Licenses and Permits. Seller shall maintain the Licenses and Permits in good standing at all times from the Contract Date to the Closing Date.

SECTION 5.06. Brokers or Finders. Seller has not incurred any obligation for the payment of a fee due upon the consummation of the transactions provided for in this Agreement.

SECTION 5.07. Publicity. Prior to the Closing, no public release or announcement concerning the transactions contemplated hereby shall be issued by either Party without the prior consent of the other Party (which consent shall not be unreasonably withheld).

SECTION 5.08. Further Assurances. From time to time, as and when requested by any Party or by a Governmental Entity, each Party shall execute and deliver, or cause to be executed and delivered, all such documents and instruments and shall take, or cause to be taken, all such further or other actions (subject to Section 5.02), as are necessary to consummate the transactions contemplated by this Agreement, or to verify the accuracy of the representations and warranties contained in this Agreement, including, in the case of Seller, executing and delivering to Purchaser such assignments, deeds, bills of sale, consents, and other instruments as Purchaser or its counsel may reasonably request as necessary for such purposes.

ARTICLE VI

Actions and Deliveries at Closing

SECTION 6.01. Seller's Actions and Deliveries at Closing.

At the Closing:

- (a) Seller's Officer's Certificate. Seller shall deliver to Purchaser a certificate signed by an authorized officer of Seller in the form attached hereto as **EXHIBIT A**.
- (b) Bill of Sale. Seller shall execute and deliver to Purchaser the Bill of Sale for the Acquired Assets in the form attached hereto as **EXHIBIT B**.
- (c) Taxes. Seller shall deliver to Purchaser copies of all Federal Income Tax, State Income Tax, and state sales tax returns, questionnaires, applications, or other documents regarding any Federal Income Tax, State Income Tax, and/or state sales Tax that Seller has proposed, executed, and filed prior to Closing to prove all Taxes have been paid prior to Closing.



(d) Other Documents. Seller shall furnish to Purchaser such other documents relating to Seller's corporate existence and authority (including copies of resolutions of the board of directors or partners of Seller), absence of Liens, ownership of the Acquired Assets and such other matters as Purchaser or its counsel may reasonably request prior to the Closing Date.

SECTION 6.02. Purchaser's Actions and Deliveries at Closing.

At the Closing:

(a) Purchaser Officer's Certificate. Purchaser shall deliver to Seller a certificate signed by an authorized officer of Purchaser in the form attached hereto as EXHIBIT C.

ARTICLE VII

TERMINATION

SECTION 7.01. Termination. This Agreement may be terminated at any time prior to the Closing pursuant to the following:

(a) By Seller, so long as Seller is not in material breach of this Agreement, with written notice to Purchaser, if there has been a material breach of, inaccuracy in, or failure to perform any representation, warranty, covenant, condition or agreement made by Purchaser pursuant to this Agreement that has not been cured by Purchaser within ten business days of Purchaser's receipt of written notice of such breach;

(b) By Purchaser, so long as Purchaser is not in material breach of this Agreement, with written notice to Seller, if there has been a material breach of, inaccuracy in, or failure to perform any representation, warranty, covenant, condition or agreement made by Purchaser pursuant to this Agreement that has not been cured by Seller within ten business days of Purchaser's receipt of written notice of such breach;

(c) By Purchaser, in Purchaser's sole and absolute discretion, at any time during the Due Diligence Period; or

(d) At any time on or after July 31, 2022, by either Party with written notice to the other Party, so long as (i) the MED or San Juan Licensing Authority has not issued its letter of conditional approval of the MED and San Juan Licensing COO Applications prior to that date, (ii) the Party terminating this Agreement pursuant to this Section 7.01(d) is not in material breach of this Agreement; and (iii) the Parties do not have any MED and/or San Juan Licensing COO Applications pending.

SECTION 7.02. TERMINATION PROCEDURE. Any Party having the right to terminate this Agreement who elects to exercise such right to terminate this Agreement shall do so by delivering to the other Party written notice of termination by certified mail or overnight delivery to the address(es) identified in this Agreement. The termination notice shall be effective as of the date such notice is



mailed.

ARTICLE VIII
Limitation of Liability, Third-Party Claims, and Arbitration

SECTION 8.01. Indemnity. From and after the Closing:

(a) Seller shall indemnify, defend, and hold harmless Purchaser from and against all losses, judgments, liabilities, amounts paid in settlement, damages, fines, penalties, deficiencies, and expenses (including interest, court costs, reasonable fees for attorneys, accountants, and other experts or other reasonable expenses of litigation or other Proceedings, claims, defaults, or assessments) (collectively, "Losses") incurred or suffered by Purchaser resulting from:

- (i) any breach as of the Closing (as though made on and as of the Closing except to the extent a representation and warranty is expressly made as of an earlier date, in which case only as of the earlier date) of Seller's representations and warranties;
- (ii) any breach of any covenant or agreement of Seller contained in this Agreement;
- (iii) any Losses attributed solely to the Acquired Assets of Purchaser attributable to Seller's operation of the Business at the Business Location prior to the Closing Date.

(b) Purchaser shall indemnify, defend, and hold Seller harmless from and against all Losses incurred or suffered by Seller resulting from:

- (i) any breach as of the Closing (as though made on and as of the Closing Date except to the extent a representation and/or warranty is expressly made as of an earlier date, in which case only as of the earlier date) of Purchaser's representations and warranties; and
- (ii) any breach of any covenant or agreement of Purchaser contained in this Agreement;

SECTION 8.02. Limitations of Liability. Notwithstanding anything in this Agreement to the contrary:

(a) Seller's representations and warranties and Purchaser's representations and warranties will survive the Closing; provided, however, that no claim may be made with respect to any representation, warranty, covenant, agreement, or obligation of Sections 8.01(a)(i) or (b)(i) that a Party breaches later than eighteen months following the Closing Date.

(b) Purchaser shall give written notice to Seller within a reasonable period of time after becoming aware of any breach by Seller of any representation, warranty, covenant, agreement, or obligation in this Agreement, but in any event no later than 30 days after becoming aware of such breach.



(c) Seller shall give written notice to Purchaser within a reasonable period of time after becoming aware of any breach by Purchaser of any representation, warranty, covenant, agreement or obligation in this Agreement, but in any event no later than 30 days after becoming aware of such breach.

(d) the Parties have a duty to mitigate any Losses in connection with this Agreement.

(e) Seller's liability with respect to Section 8.01 is limited to Losses incurred or suffered by Purchaser in an amount no more than \$50,000.00.

(f) Purchaser's liability with respect to Section 8.01 is limited to Losses incurred or suffered by Seller in an amount no more than \$50,000.00.

SECTION 8.03 Procedure with Respect to Third-Party Claims.

(a) If a Party is threatened with or becomes subject to a third party claim, and such Party (the "**Claiming Party**") believes it has a claim entitled to indemnification from the other Party (the "**Responding Party**") as provided in Section 8.01 as a result thereof, then the Claiming Party shall notify the Responding Party in writing of the basis for the claim setting forth the nature of the claim in reasonable detail. The failure of the Claiming Party to so notify the Responding Party will not relieve the Responding Party of liability hereunder except to the extent that the defense of the claim is prejudiced by the failure to give the notice.

(b) If any Proceeding is brought by a third party against a Claiming Party and the Claiming Party gives notice to the Responding Party pursuant to Section 8.03(a), the Responding Party may participate in the Proceeding and, to the extent that it wishes to, assume the defense of the Proceeding, if:

- (i) the Responding Party provides written notice to the Claiming Party that the Responding Party intends to undertake the defense,
- (ii) the Responding Party conducts the defense of the third-party claim actively and diligently with counsel reasonably satisfactory to the Claiming Party, and
- (iii) the Responding Party or the Claiming Party has not determined in good faith that joint representation would be inappropriate because of a conflict of interest. The Claiming Party may, in its sole discretion, select and employ separate counsel in any such action and to participate in the defense thereof, and the Claiming Party shall pay the fees and expenses of its counsel. The Claiming Party shall cooperate with the Responding Party and its counsel in the defense or compromise of the Claim. If the Responding Party assumes the defense of a Proceeding, no compromise or settlement of the Claims may be effected by the Responding Party without the Claiming Party's consent unless (x) there is no finding or admission of any violation of Law or any violation of the rights of any Person and no effect on any other Claims that may be made against the Claiming Party, and (y) the sole relief provided is monetary damages that the Responding Party pays in full.



(c) If notice is given to the Responding Party of the commencement of any third-party Proceeding and (i) the Responding Party does not, within 14 days after the Claiming Party's notice is given pursuant to Section 8.03(a), give notice to the Claiming Party of its election to assume the defense of the Proceeding, (ii) any of the conditions set forth in clauses (i) through (iii) of Section 8.03(b) above become unsatisfied, or (iii) a Claiming Party determines in good faith that there is a reasonable probability that a Proceeding may adversely affect it other than as a result of monetary damages for which it would be entitled to indemnification from the Responding Party under this Agreement, then the Claiming Party may (upon notice to the Responding Party) undertake the defense, compromise or settlement of the Claim; provided, however, that the Responding Party shall reimburse the Claiming Party for the Losses associated with defending against the third-party claim (including reasonable attorneys' fees and expenses) and will remain otherwise responsible for any liability with respect to amounts arising from or related to the third-party claim, in both cases to the extent it is ultimately determined that the Responding Party is liable with respect to the third-party claim for a breach under this Agreement. The Responding Party may elect to participate in the Proceedings, negotiations or defense at any time at its own expense.

ARTICLE IV General Provisions

SECTION 9.01. Assignment. This Agreement and the rights and obligations hereunder shall not be assignable or transferable by Purchaser or Seller (including by operation of law in connection with a merger or consolidation of Purchaser or Seller) without the prior written consent of the other Party hereto. Any attempted assignment in violation of this Section 9.01 shall be void.

SECTION 9.02. No Third-Party Beneficiaries. This Agreement is for the sole benefit of the parties hereto and their permitted assigns and nothing herein expressed or implied shall give or be construed to give to any person, other than the parties hereto and such assigns, any legal or equitable rights hereunder.

SECTION 8.03. Attorney Fees. If either Party brings a Proceeding to enforce the provisions of this Agreement, the substantially prevailing Party will be entitled to recover its reasonable attorneys' fees and expenses incurred in such action from the non-prevailing Party as determined by the arbitrator or a court of law.

SECTION 9.04. Notices. All notices or other communications required or permitted to be given hereunder shall be in writing and shall be delivered by hand or sent by facsimile or sent, postage prepaid, by registered, certified or express mail or reputable overnight courier service, and shall be deemed given when so delivered by hand or facsimile, or if mailed, three days after mailing (one business day in the case of express mail or overnight courier service). All notices to a Party hereto shall be sent to the address and attention indicated below each Party's signature on the signature pages hereto, or to such other address and attention as a Party may designate from time to time to the other Party pursuant to this Section 9.04.

SECTION 9.05. Interpretation; Exhibits and Schedules; Certain Definitions.

- (a) The headings contained in this Agreement, in any Exhibit or Schedule hereto and in the



table of contents to this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. All Exhibits and Schedules annexed hereto or referred to herein are hereby incorporated in and made a part of this Agreement as if set forth in full herein. Any capitalized terms used in any Schedule or Exhibit but not otherwise defined therein, shall have the meaning as defined in this Agreement. When a reference is made in this Agreement to a Section, Exhibit or Schedule, such reference shall be to a Section of, or an Exhibit or Schedule to, this Agreement unless otherwise indicated.

(b) For all purposes hereof:

“Person” means any individual, firm, corporation, partnership, limited liability company, trust, joint venture, Governmental Entity or other entity.

SECTION 9.06. Counterparts. This Agreement may be executed by facsimile and in one or more counterparts, all of which shall be considered one and the same agreement, and shall become effective when one or more such counterparts have been signed by each of the parties and delivered to the other Party.

SECTION 9.07. Entire Agreement. This Agreement and the Ancillary Agreements, along with the Schedules and Exhibits thereto, contain the entire agreement and understanding between the parties hereto with respect to the subject matter hereof and supersede all prior agreements and understandings relating to such subject matter. Neither Party shall be liable or bound to any other Party in any manner by any representations, warranties or covenants relating to such subject matter except as specifically set forth herein or in the Ancillary Agreements.

SECTION 9.08. Severability. If any provision of this Agreement (or any portion thereof) or the application of any such provision (or any portion thereof) to any Person or circumstance shall be held invalid, illegal or unenforceable in any respect by a court of competent jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision hereof (or the remaining portion thereof) or the application of such provision to any other persons or circumstances.

SECTION 9.09. Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Colorado applicable to agreements made and to be performed entirely within such State, without regard to the conflicts of law principles of such State. THE PARTIES ACKNOWLEDGE THAT (A) COLORADO HAS PASSED AMENDMENTS TO THE COLORADO CONSTITUTION AND ENACTED CERTAIN LEGISLATION TO GOVERN THE MARIJUANA INDUSTRY AND (B) THE POSSESSION, SALE, MANUFACTURE, AND CULTIVATION OF MARIJUANA IS ILLEGAL UNDER FEDERAL LAW. THE PARTIES WAIVE ANY DEFENSES BASED UPON INVALIDITY OF CONTRACTS FOR PUBLIC POLICY REASONS AND/OR THE SUBSTANCE OF THE CONTRACT VIOLATING FEDERAL LAW.

SECTION 9.10. Advice of Counsel. Each Party has had the opportunity to seek the advice of independent legal counsel and has read and understood each of the terms and provisions of this Agreement.

SECTION 9.11. MED and San Juan Licensing Authority Reformation. This Agreement and the



transactions contemplated hereby are subject to review by the MED and San Juan Licensing Authority. If the MED or San Juan Licensing Authority determines that this Agreement must be reformed, the Parties shall negotiate in good faith to so reform this Agreement according to such Governmental Entity's requirements while effectuating the original intent of this Agreement as near as possible.

SECTION 9.12 Amendments and Waivers. This Agreement may not be amended except by an instrument in writing signed on behalf of each of the Parties. By an instrument in writing, a Party may waive compliance by the other Party with any term or provision of this Agreement that such other Party was or is obligated to comply with or perform.

IN WITNESS WHEREOF, Seller and Purchaser have duly executed this Asset Purchase Agreement as of the date first written above.

SELLER: San Juan Retail, LLC doing business as Cannafarmer Farm Store

By: Kevin Farmer
Name: Kevin Farmer
Title: Member - Manager

Notice Address:
San Juan Retail, LLC
P.O. Box 933
Silverton, Colorado 81433

PURCHASER: JWJ Inc.

By: Jeremy Bonin
Name: Jeremy Bonin
Title: President

Notice Address:
JWJ Inc.
Attn: Jeremy Bonin
P.O. Box 5843
Pagosa Springs, Colorado 81147-5843
Email: jbonin@jandjinc.net

With a copy to:

Clark Hill PLC
Attn: Craig Small, Esquire
730 17th Street, Suite 420,
Denver, Colorado 80202



Email: csmall@clarkhill.com

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EXHIBIT A

SELLER'S OFFICER'S CERTIFICATE

SAN JUAN RETAIL, LLC

02/24/2022, 2022

This Seller's Officer's Certificate is delivered with respect to Section 6.01(a) of that certain Asset Purchase Agreement dated 02/24/2022, 2022 (the "APA") by and between San Juan Retail, LLC, a Colorado limited liability company, and JWJ Inc., a Colorado corporation. Capitalized terms used in this certificate that are defined in the APA have the respective meanings ascribed to them in the APA.

I, Kevin Michael Farmer, the duly elected, qualified and acting member-manager of Seller, on behalf of Seller, hereby certify as follows:

1. Seller's Representations and Warranties contained in Article III of the APA are true and correct on and as of the Closing as though made on and as of the Closing.
2. Seller has performed and complied in all material respects with the agreements, covenants, and obligations required by the APA to be performed or complied with by Seller at or before the Closing.

IN WITNESS WHEREOF, the undersigned has executed this Officer's Certificate on behalf of Seller as of the date first written above.

San Juan Retail, LLC

By: Kevin Farmer
Name: Kevin Michael Farmer
Title: Member-Manager



EXHIBIT B

BILL OF SALE

THIS BILL OF SALE (this "Bill of Sale") is entered into on 02/24/2022, 2022, by San Juan Retail, LLC, a Colorado limited liability company ("Seller"), for the benefit of JWJ, Inc. a Colorado corporation ("Purchaser").

Recitals

A. Seller and Purchaser entered into that certain Asset Purchase Agreement dated 02/24/2022, 2022 (the "Purchase Agreement"), whereby Purchaser agreed to purchase the Acquired Assets from Seller; and

B. Capitalized terms not defined herein have the respective meanings ascribed to them in the Purchase Agreement.

NOW THEREFORE, Seller certifies as follows:

Terms

1. Sale of Acquired Assets. In accordance with the terms and conditions of the Purchase Agreement, Seller hereby sells, transfers, conveys, assigns and delivers unto Purchaser all of the Acquired Assets subject to the Purchase Agreement, free and clear of all Liens.

2. Title. Seller has good and marketable title to the Acquired Assets, free and clear of all Liens, and Purchaser hereby receives such good and marketable title thereto.

3. Warranty. Seller shall warrant and defend the sale, transfer, conveyance, assignment and conveyance of the Acquired Assets hereunder against each and every person or persons claiming against any or all of the same.

4. Further Assurances. Seller shall take all steps necessary to put Purchaser in actual possession and operating control of the Acquired Assets, to carry out the intent of the Purchase Agreement and this Bill of Sale, and to more effectively sell, transfer, convey, assign and reduce to possession and record to title any of the Acquired Assets, including by executing and delivering, or causing to be executed and delivered, such further instruments or documents of transfer, assignment and conveyance, or by taking such other actions as may be requested by Purchaser.

5. Independent Covenants. This Bill of Sale is subject in all respects to the terms and conditions of the Purchase Agreement. Nothing contained in this Bill of Sale will be deemed to diminish any of the obligations, agreements, covenants, or statements of fact of Seller set forth in the Purchase Agreement.



6. Dispute Resolution. If a dispute arises under this Bill of Sale, such dispute will be settled by in accordance with the provisions set forth in Section 8.04 of the Purchase Agreement.

7. Electronic or Fax Signatures. This Bill of Sale may be executed electronically or by fax which will each be effective as original signature.

IN WITNESS WHEREOF, this Bill of Sale has been duly executed and delivered by the duly authorized representative of Seller as of the date first above written.

San Juan Retail, LLC

By: 
Name: Kevin Michael Farmer
Title: Managing Member

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EXHIBIT C

PURCHASER'S OFFICER'S CERTIFICATE

JWJ INC.

02/24/2022, 2022

This Purchaser's Officer's Certificate is delivered with respect to Section 6.02(a) of that certain Asset Purchase Agreement dated 02/24/2022, 2022 (the "APA") by and between San Juan Retail, LLC a Colorado limited liability company, and JWJ Inc., a Colorado corporation. Capitalized terms used in this certificate that are defined in the APA have the respective meanings ascribed to them in the APA.

I, Jeremy Douglas Bonin, as the duly qualified and acting member of Purchaser, hereby certify as follows:

1. Purchaser's Representations and Warranties contained in Article IV of the APA are true and correct on and as of the Closing as though made on and as of the Closing.

2. Purchaser has performed and complied in all material respects with the agreements, covenants, and obligations required by the APA to be performed or complied with by Purchaser at or before the Closing.

IN WITNESS WHEREOF, the undersigned has executed this Officer's Certificate on behalf of Purchaser as of the date first written above.

JWJ INC.

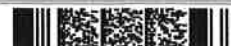
By: Jeremy Bonin
Name: Jeremy Bonin
Title: President



SCHEDULE 1.02(a)(i)

EQUIPMENT

SJR Asset Purchase Agreement	
Schedule 1.02(a)(i) - Equipment	
<u>Equipment Description</u>	<u>QTY</u>
Microwave	1
Microwave Stand	1
Dry erase board	1
fold up table	1
Security System	1
Camera System	1
Battery Backup (Camera System)	1
Storage Dresser	1
Storage Tubs	50
Trash Cans	2
Firewood Rack, Shover, Poker	1
Main Sales Counter	1
Wrap Around Counters	3
Couch (Lobby)	1
Couch (Apartment)	1
Lobby ID stand	1
Lobby Storage Drawers	1
POS Computer	1
POS Monitor	1
Bar Code Scanner	1
Printer/Scanner/Copier	1
Clover POS syste	1
Product Fridge	1
Fridge (Apartment)	1
Security System Monitor	1
Product Shelves	4
Mason Jar Lamps	2
Office Chair	2
Wooden Chair	4
Tall Chair	1
Kitchen Table (Apartment)	1



Storage Drawers (Apartment)	1
Dresser (Apartment)	1
Office Desk (Apartment)	1
Queen Platform Bedframe (Apartment)	1
Queen Matteress (Apartment)	1
Trash Can (Apartment)	1
Night Stand (Apartment)	1
Product Scale	1



SCHEDULE 1.02(a)(x)

OTHER PROPERTY

OTHER PROPERTY

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SCHEDULE 1.03
PURCHASE PRICE ALLOCATION

Furniture, fixtures, and equipment:	\$50,000
Retail Inventory:	\$0
Licenses/Goodwill:	\$0

52A3F637-8DB4-4991-A817-47B54FC38E14 --- 2022/02/23 16:30:05 -8:00





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

Colorado Secretary of State
Date and Time: 04/12/2018 10:45 AM
ID Number: 20181304199
Document number: 20181304199
Amount Paid: \$50.00

ABOVE SPACE FOR OFFICE USE ONLY

Articles of Incorporation for a Profit Corporation

filed pursuant to § 7-102-101 and § 7-102-102 of the Colorado Revised Statutes (C.R.S.)

1. The domestic entity name for the corporation is

JWJ Inc.

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

2. The principal office address of the corporation's initial principal office is

Street address

235 Bastille Dr.

(Street number and name)

Pagosa Springs

(City)

CO

(State)

81147

(ZIP Postal Code)

CO

(Province - if applicable)

United States

(Country)

Mailing address

(leave blank if same as street address)

PO Box 5843

(Street number and name or Post Office Box information)

Pagosa Springs

(City)

CO

(State)

81147-5843

(ZIP Postal Code)

CO

(Province - if applicable)

United States

(Country)

3. The registered agent name and registered agent address of the corporation's initial registered agent are

Name

(if an individual)

Bonin

(Last)

Jeremy

(First)

D

(Middle)

(Suffix)

or

(if an entity)

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

Street address

235 Bastille Dr.

(Street number and name)

Pagosa Springs

(City)

CO

(State)

81147

(ZIP Postal Code)

Mailing address

(leave blank if same as street address)

PO Box 5843

(Street number and name or Post Office Box information)

Pagosa Springs

(City)

CO

(State)

81147-5843

(ZIP Postal Code)

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

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

4. The true name and mailing address of the incorporator are

Name
(if an individual) Bonin Jeremy D
(Last) (First) (Middle) (Suffix)

or

(if an entity)

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

Mailing address

PO Box 4442

(Street number and name or Post Office Box information)

Pagosa Springs

(City)

CO

(State)

81147

(ZIP/Postal Code)

CO

(Province - if applicable)

United States

(Country)

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

☒ The corporation has one or more additional incorporators and the name and mailing address of each additional incorporator are stated in an attachment.

5. The classes of shares and number of shares of each class that the corporation is authorized to issue are as follows.

☒ The corporation is authorized to issue 10,000 common shares that shall have unlimited voting rights and are entitled to receive the net assets of the corporation upon dissolution.

☐ Information regarding shares as required by section 7-106-101, C.R.S., is included in an attachment.

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

☒ This document contains additional information as provided by law.

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

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

The delayed effective date and, if applicable, time of this document is/are _____

(mm dd/yyyy hour:minute am/pm)

Notice:

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

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

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

Bonin	Jeremy	D	
<small>(Last)</small>	<small>(First)</small>	<small>(Middle)</small>	<small>(Suffix)</small>
PO Box 4442			
<small>(Street number and name or Post Office Box information)</small>			
<hr/>			
Pagosa Springs	CO	81147	
<small>(City)</small>	<small>(State)</small>	<small>(ZIP/Postal Code)</small>	
<hr/>			
	United States		
<small>(Province – if applicable)</small>	<small>(Country)</small>		

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

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

Disclaimer:

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

JWJ Inc.

The following are the initial incorporators of the Corporation and have caused the Article of Incorporation to be filed with the Colorado Secretary of State:

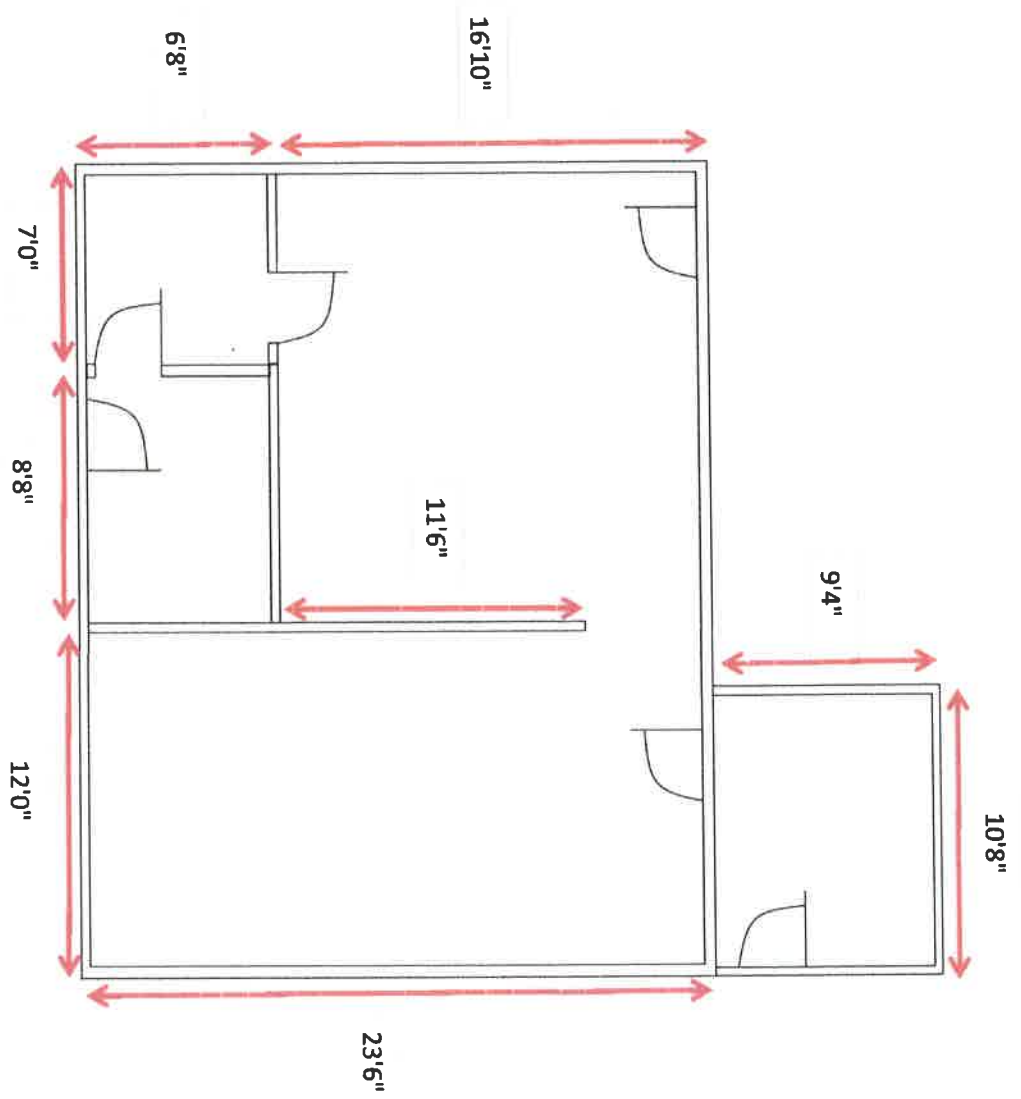
Wally Yoost
505 NW 1st Avenue
Delray Beach, FL 33444

Jeremy D. Bonin
PO Box 4442
Pagosa Springs, CO 81147

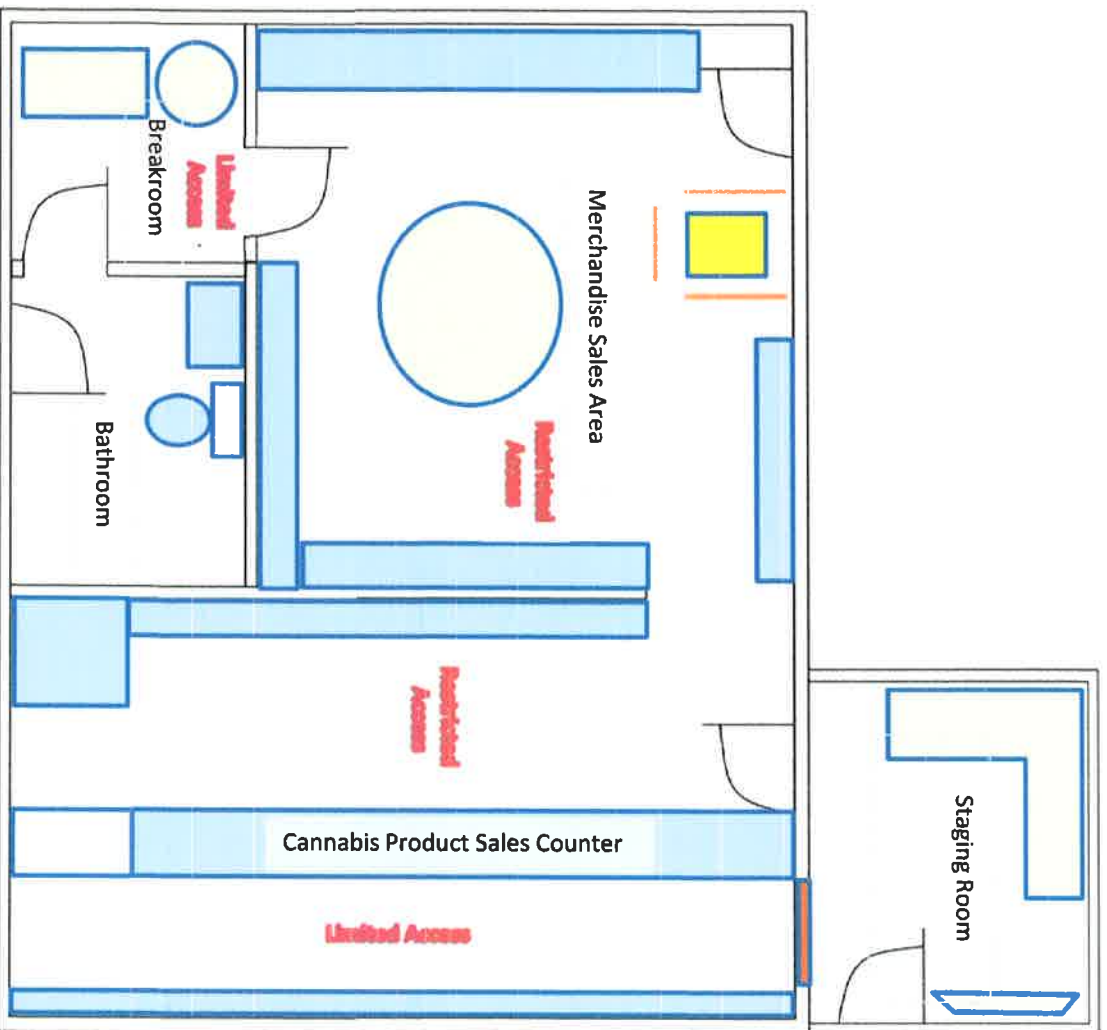
Jason B. Werby
346 Swiss Village Drive
Pagosa Springs, CO 81147

2

JWJ, LLC
Furniture/Space Layout

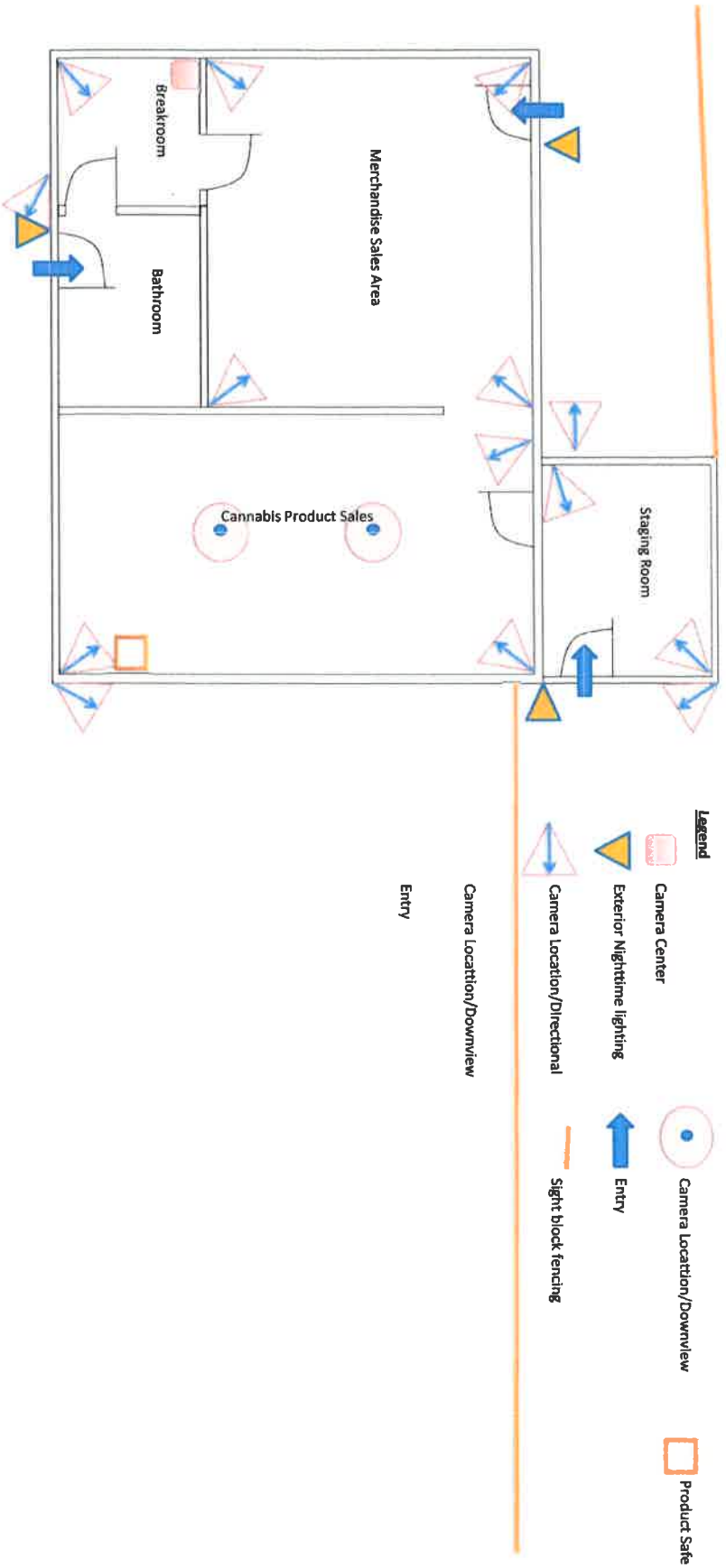


JWJ, LLC
Furniture/Space Layout

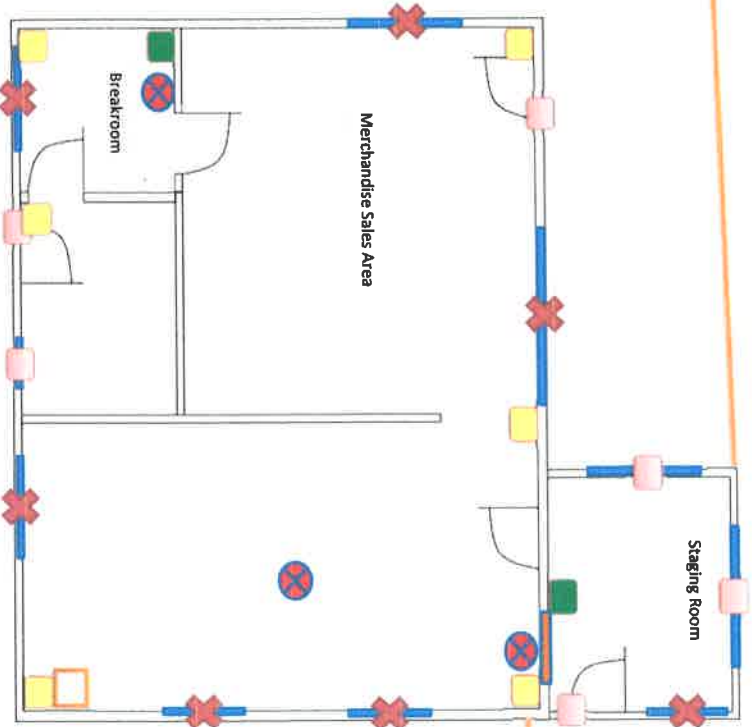


- Legend**
- ID Check Window
 - Furniture
 - Fixtures/Built in displays
 - Woodstove
 - Woodstove barrier

JWJ, LLC
Camera Layout

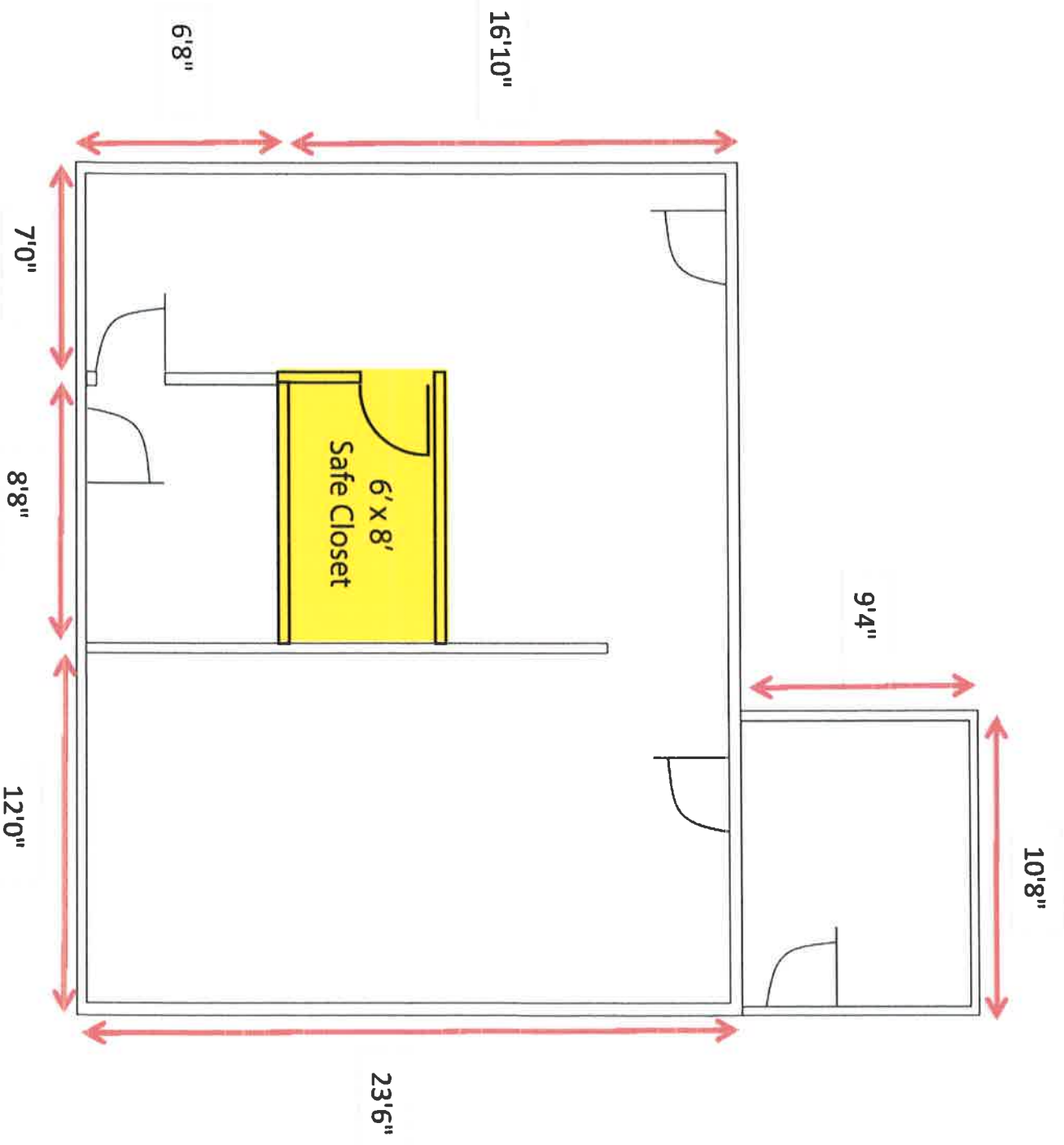


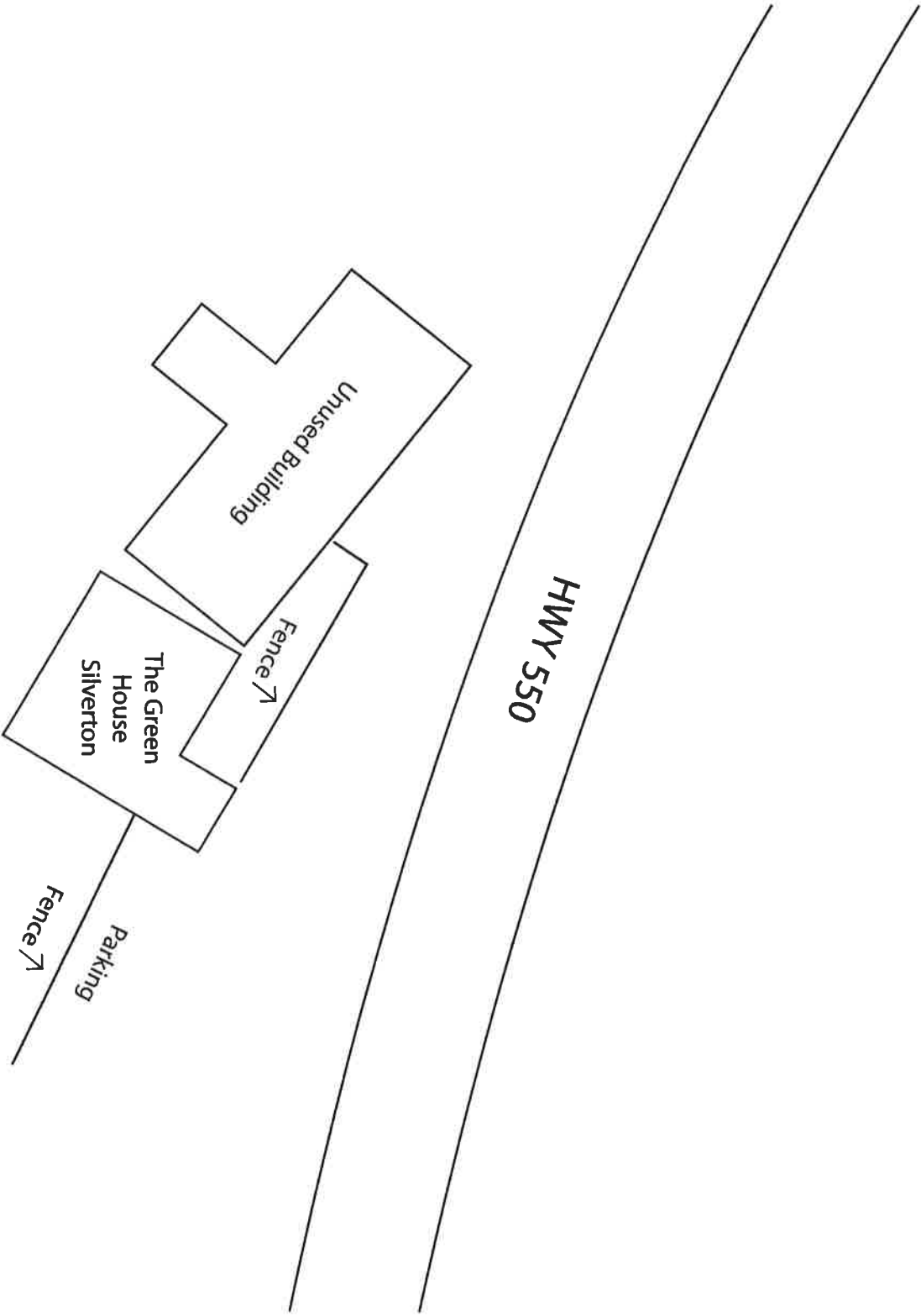
JMJ, LLC
Security System Layout



Legend

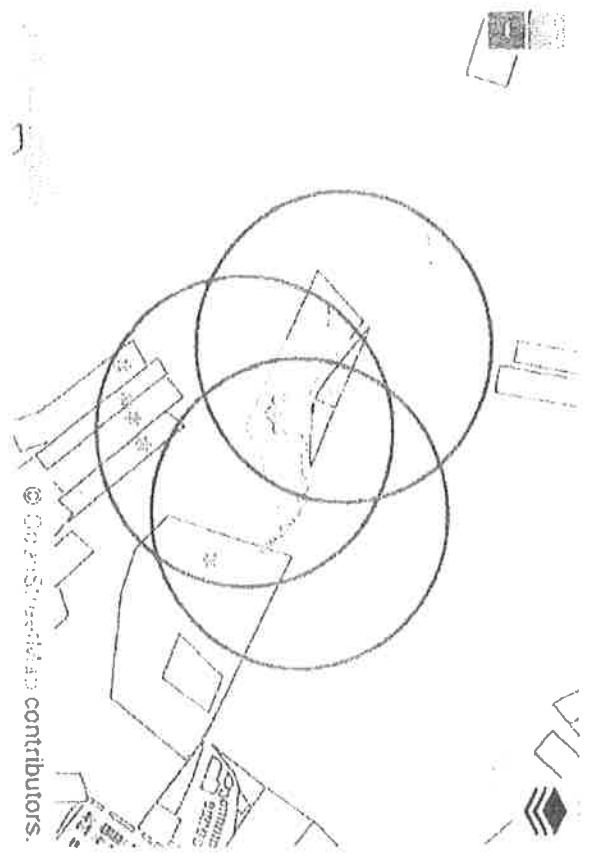
- Door/Window Alarm
- Motion Detector
- Alarm Console
- Window Does Not Open
- Silent Alarm Button
- Sight Block Fencing
- Product Safe



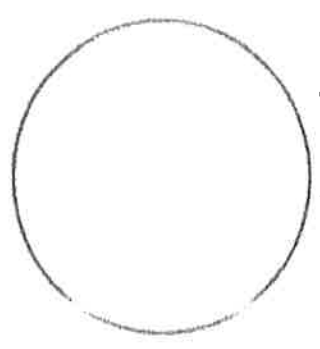


Adjacent Landowners within 1,500 ft

Name	Location	Address
Inga S & Mark L Mcfadden	71450 Hwy 550, Silverton, CO 81433	PO Box 647, Silverton, CO 81433
Sultan Mountain LLC	69715 HWY 550 N, Silverton, CO 81433 Arlington - 1777, Eunice - 8532, North Star #2 -734, Protection - 5048, Wheel Alfred - 5046	PO Box 6435 78466-6435, Corpus Christi TX
Michael Robinson	immediately west of 71450 HWY 550, Silverton, CO 81433	2894 W 111th Way 80234-4681, Wminster, CO
D&RG Railway Historical Foundation	immediately west of subject property	PO Box 1280 81154-1280, S Fork CO



*1,500' Radius from property corners



**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 43.4, Part1) 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 and Medical 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: _____

Jason Werby

By: _____

Authorized Signature of Local Licensee

STATE OF COLORADO }

} ss.

COUNTY OF SAN JUAN }

Acknowledged, subscribed and sworn to before on March 17 2022 by

Jason Werby as authorized signatory of the Local

Licensee _____

My commission expires 3/7/23

Witness my hand and official seal.

ANDREW DWAYNE BAIRD

NOTARY PUBLIC

STATE OF COLORADO

(SEAL) Notary ID 20194009166

My Commission Expires: 03/07/2023

Notary Public

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

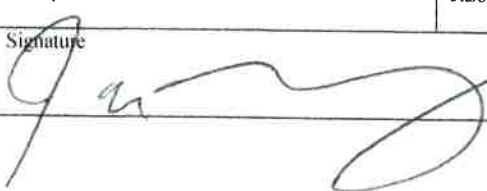
By: _____
Land Use Administrator

Date: _____

Affirmation & Consent

I, Jason Werby _____, 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 JWJ, Inc		Trade Name (DBA) The Green House Silverton	
Legal Agent Last Name (Please Print) Werby	Legal Agent First Name Jason	Legal Agent Middle Name Bryce	
Signature 		Date 3/17/22	

APPLICANT'S REQUEST TO RELEASE INFORMATION

To: _____

From: Jason Werby

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 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 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 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 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 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 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) Werby	Legal Agent First Name Jason	Legal Agent Middle Name Bryce
Legal Agent Title Vice President	Signature (Must be signed in front of one witness)	

Dated this 17 day of March, 2022 at 12 PM (time)

Pagosa Springs, Colorado
(City) (State)

Witness Signature _____

Signature of Retail Marijuana Licensing agent presenting this request 	Date <u>3/17/22</u>
---	------------------------

INVESTIGATION AUTHORIZATION AUTHORIZATION TO RELEASE INFORMATION

I, Jason Werby _____, 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 JWJ Inc.		Trade Name (DBA) The Green House Silverton	
Legal Agent Last Name (Please Print) Werby	Legal Agent First Name Jason	Legal Agent Middle Name Bryce	
Legal Agent Title Vice President		Signature (Must be signed in front of one witness)	
<div style="display: flex; justify-content: space-between;"> <div style="text-align: center;">  </div> <div style="text-align: center;">  </div> </div>			
Dated this <u>17</u> day of <u>March</u> , 20 <u>22</u> at <u>12pm</u> (time)			
<u>Pagosa Springs</u> <u>Colorado</u> (City) (State)			
Witness Signature 			

**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 43.4, Part1) 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 and Medical 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 3/2/22

PRINTED NAME OF LOCAL LICENSEE: Wally Voost

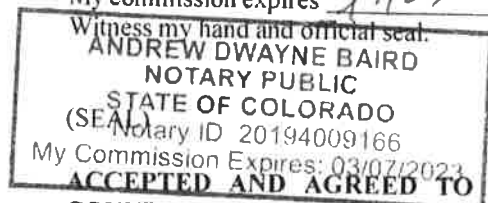
By: [Signature]
Authorized Signature of Local Licensee

STATE OF COLORADO }
COUNTY OF SAN JUAN } ss.
}

Acknowledged, subscribed and sworn to before on 3/2/22 by

Wally Voost, as authorized signatory of the Local
Licensee _____

My commission expires 3/7/23



[Signature]
Notary Public

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

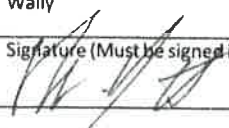
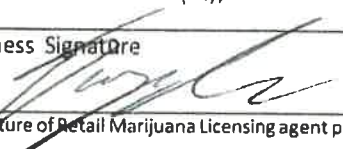
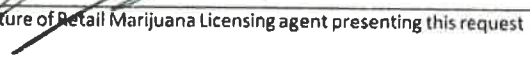
Date: _____

APPLICANT'S REQUEST TO RELEASE INFORMATION

To: _____

From: Wally Yoost

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 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 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 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 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 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 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) Yoost	Legal Agent First Name Wally	Legal Agent Middle Name Tomal
Legal Agent Title Shareholder	Signature (Must be signed in front of one witness) 	
Dated this <u>2</u> day of <u>March</u> , 20 <u>22</u> at <u>5:00pm</u> (time)		
<u>Pagosa Springs</u> , <u>Colorado</u> (City) (State)		
Witness Signature 		
Signature of Retail Marijuana Licensing agent presenting this request 		Date

INVESTIGATION AUTHORIZATION AUTHORIZATION TO RELEASE INFORMATION

I, Wally Yoost, 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
JWJ Inc.

Trade Name (DBA)
The Green House Silverton

Legal Agent Last Name (Please Print)
Yoost

Legal Agent First Name
Wally

Legal Agent Middle Name
Tomal

Legal Agent Title
Shareholder

Signature (Must be signed in front of one witness)

Dated this 2 day of March, 2022 at 5:00 PM (time)

Peepers Springs
(City)

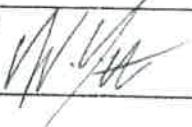
Colorado
(State)

Witness Signature

Affirmation & Consent

I, Wally Yoost _____, 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 JWJ, Inc		Trade Name (DBA) The Green House Silverton
Legal Agent Last Name (Please Print) Yoost	Legal Agent First Name Wally	Legal Agent Middle Name Toral
Signature 		Date 3/2/22

**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 43.4, Part1) 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 and Medical 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 3/10/22

PRINTED NAME OF LOCAL LICENSEE: Jessy Bonin

By: [Signature]
Authorized Signature of Local Licensee

STATE OF COLORADO }
COUNTY OF SAN JUAN } ss.

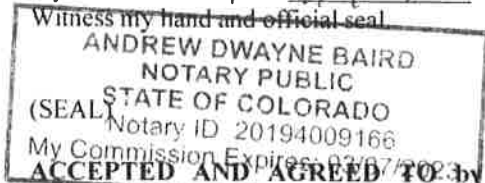
Acknowledged, subscribed and sworn to before on March 17, 2022 by

Tason Werby, as authorized signatory of the Local

Licensee _____

My commission expires 3/7/23

Witness my hand and official seal



[Signature]
Notary Public

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, Jeremy Bonin, 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 JWJ, Inc		Trade Name (DBA) The Green House Silverton	
Legal Agent Last Name (Please Print) Bonin	Legal Agent First Name Jeremy	Legal Agent Middle Name Douglas	
Signature 		Date 3/17/22	

INVESTIGATION AUTHORIZATION AUTHORIZATION TO RELEASE INFORMATION

I, Jeremy Bonin, 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
JWJ Inc.

Trade Name (DBA)
The Green House Silverton

Legal Agent Last Name (Please Print)
Bonin

Legal Agent First Name
Jeremy

Legal Agent Middle Name
Douglas

Legal Agent Title
President

Signature (Must be signed in front of one witness)

Dated this 17 day of March 2022 at 12pm
(time)

Peepa Springs Colorado
(City) (State)

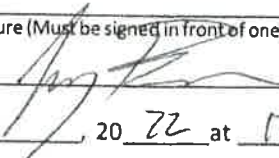
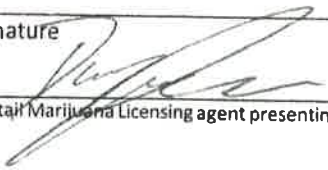

Witness Signature

APPLICANT'S REQUEST TO RELEASE INFORMATION

To: _____

From: Jeremy Bonin

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 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 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 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 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 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 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) Bonin	Legal Agent First Name Jeremy	Legal Agent Middle Name Douglas
Legal Agent Title President		Signature (Must be signed in front of one witness) 
Dated this <u>17</u> day of <u>March</u> , 20 <u>22</u> at <u>12pm</u> (time) <u>Pagosa Springs</u> (City), <u>Colorado</u> (State)		
Witness Signature 		
Signature of Retail Marijuana Licensing agent presenting this request 		Date

RESOLUTION 2022-03

A RESOLUTION OF THE SAN JUAN COUNTY BOARD OF COUNTY COMMISSIONERS IMPLEMENTING AN IMMEDIATE FIRE BAN

WHEREAS, the Board of County Commissioners of San Juan County is empowered under C.R.S. 30-11-107 (1) (e), to provide for the management of the business and concerns of the County; and

WHEREAS, pursuant to C.R.S. 30-15-401 (n.5), the Board of County Commissioners of San Juan County has the power to adopt an ordinance to ban open fires to a degree and in a manner that is deemed necessary to reduce the danger of wildfires; and

WHEREAS, the Board of County Commissioners of San Juan county has received competent evidence that there exists within the unincorporated areas of San Juan County a high danger of forest of grass fires; and

WHEREAS, the criteria for a Stage 1 Fire Restriction is set forth in the "2021 Southwest Annual Operating Plan"; and

WHEREAS, the Board of County Commissioners of San Juan County have received a request from the San Juan County Sheriff acting as the Fire Marshall to impose a county-wide fire ban; and

WHEREAS, the enactment of this Resolution is necessary for the immediate preservation of the public health, safety and welfare.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF SAN JUAN COUNTY, COLORADO;

1. That a fire ban is necessary to reduce the danger of wildfires within all private land in the unincorporated areas of San Juan County.
2. That a fire ban prohibiting open burning within all private land in the unincorporated areas of San Juan County and within all land owned by San Juan County is hereby enacted.
3. That the fire ban is hereby proclaimed to be implemented on May 26, 2021 Stage I Fire Restrictions to prohibit the follow acts:
4. The following acts are prohibited until further notice:
 - A. Building, maintaining, attending, or using a fire, campfire, coal or wood burning stove, any type of charcoal fueled broiler, propane fire ring or open fire of any type in all areas. Propane grills and stoves are allowed.

- B. Smoking, except within an enclosed vehicle or building, in a developed recreation site or while stopped in an area at least 3 feet in diameter that is barren or cleared of all flammable vegetation.
- C. Using explosive material: (i.e.: fireworks, blasting caps or any incendiary device which may result in the ignition of flammable material.)
- D. Welding, or operating acetylene or other similar torch with open flame.
- E. Operating or using any internal combustion engine without a spark arresting device properly installed, maintained and in effective working order meeting either:
 - a. Department of Agriculture, Forest Service Standard 5100-1a; or
 - b. Appropriate Society of Automotive Engineers(SAE) recommended practice J335 (b) and J350

- 5. Commercial, professional and municipal fireworks displays are allowed if specific written approval has been granted by the San Juan County Sheriff.

That the fire ban shall remain in effect until the following occurs:

The Sheriff, acting as Fire Marshall, or the Fire Chiefs of the affected districts shall request in writing that the fire ban be removed from all or part of their various jurisdictions.

READ, PASSED AND ADOPTED this 25th day of May, 2022 by the Board of Commissioners of San Juan County, Colorado.

Scott Fetchenhier, Chairman

Attest:

Austin Lashley

Ladonna L. Jaramillo
Clerk and Recorder

Ernest F. Kuhlman



Willy Tookey <admin@sanjuancolorado.us>

For Immediate Release: Public Land Agencies Offer Friendly Reminder

1 message

Phillips, Kim- FS <Kimberlee.Phillips@usda.gov>

Tue, May 24, 2022 at 10:23 AM

**Montrose Coordinating Group-LMAC****NEWS RELEASE****For Immediate Release****Media Contacts:****DFPC:**Caley Fisher (720) 391-1565 caley.fisher@state.co.us**West Region Wildfire Council:**Jamie Gomez (970) 765-0534 Jamie.Gomez@cowildfire.org**BLM:**Deana Harms (970) 216-3096 deana.harms@blm.gov**NPS:**Lori Rome 970-641-2337 lori_rome@nps.gov**GMUG National Forests:**Kimberlee Phillips (970) 874-6717 kimberlee.phillips@usda.gov**Public Land Agencies Offer Friendly Reminder****Wildfire Safety is Everyone's Responsibility**

Montrose, Colorado, May 24, 2022 – As we celebrate Memorial Day and the start of summer, public land agencies encourage the public to be extra careful with all campfires and combustible materials to prevent human-caused fires.

The Bureau of Land Management (BLM) Gunnison, Uncompahgre and Tres Rios Field Offices; Colorado Division of Fire Prevention and Control (DFPC); National Park Service (NPS), Black Canyon of the Gunnison National Park and Curecanti National Recreation Area, West Region Wildfire Council (WRWC) and the Grand Mesa, Uncompahgre and Gunnison (GMUG) National Forests would like to provide a few helpful tips and reminders for best practices to help prevent an unintentional wildfire while recreating and hunting on public lands this Memorial Day weekend.

To reduce wildfire risk, please consider the following:

- Practicing proper vehicle maintenance; ensuring that tow chains are secured and a vehicle has no dragging parts, check tire pressure and properly maintaining your brakes. Even chains dragging along the ground, such as those on ATVs, can spark fires.
- When target shooting, where allowed, taking a few simple precautions can prevent devastating results: place your target on dirt or gravel, switch to paper targets, avoid incendiary targets and exploding ammunition, bring a shovel and fire extinguisher, and report any fires by calling 911.
- Fireworks are never permitted on public lands.

- If you are camping and build a fire outside a designated fire ring where allowed, make sure you clear the area of debris including grasses and small vegetation. Clear your fire site perimeter approximately 10 feet in diameter and use rocks or a fire pan to contain your fire. Always keep a shovel and water nearby to extinguish the fire.
- Never leave a fire unattended and make sure that you completely put out your campfire before leaving your campsite. Practice the down, stir, feel method when extinguishing your campfire. Use water or dirt to douse the fire, stir the ashes and if necessary, continue to add water or dirt until the fire is smothered.
- When smoking, always dispose of cigarette debris in an ashtray.
- Avoid driving and parking in tall grasses. Exhaust particles and hot exhaust pipes can start grass fires. Park your vehicles/trailers and off-highway vehicles away from dry grass or brush. Off road travel is never allowed in national parks.

Even an accidental fire start can result in the individual being held responsible including fines and/or jail time. Visit One Less Spark (<http://www.readyforwildfire.org/Prevent-Wildfire/>) for more great tips on how to prevent wildfire and be prepared for fire season. To learn more about campfire safety visit

www.smokeybear.com.

Before heading outside, be sure to "Know Before You Go!" Helpful information about planning your trip can be found on the "Know Before You Go" [webpage](#). Regulations vary between land management agencies, learn what is permitted before you use fire.

Adhere to the [Leave No Trace Principles](#) of outdoor ethics to leave your favorite spot ready for the next visitors to enjoy. Keep yourself safe while recreating outdoors by checking the weather before you go, taking the appropriate equipment including maps, carrying enough food and water, letting someone know where you are going and when you plan to be back, and utilizing suggested or required safety equipment. Local fire restriction information can be found online at: <https://www.westslopefireinfo.com/>.

For more information on regulations for DFPC please visit: <https://www.colorado.gov/pacific/dfpc>

<http://www.cowildfire.org/>

For more information on regulations for the BLM-Uncompahgre Field Office please visit:

<https://www.blm.gov/office/uncompahgre-field-office>

For more information on West Region Wildfire Council please visit: <http://www.cowildfire.org/>

For more information on regulations for the BLM-Tres Rios Field Office please visit:

<https://www.blm.gov/office/tres-rios-field-office>

For more information on regulations for the NPS, Black Canyon of the Gunnison National Park please visit: <https://www.nps.gov/blca/index.htm>

For more information on regulations for the Curecanti National Recreation Area please visit:

<https://www.nps.gov/cure/index.htm>

For more information on regulations for the GMUG please visit: <https://www.fs.usda.gov/gmug>



Forest Service
U.S. DEPARTMENT OF AGRICULTURE

San Juan National Forest
www.fs.usda.gov/sanjuan/

Forest Service News Release

Media Contact:

Scott Owen / (970) 422-2671

scott.owen@usda.gov

Stage 1 Fire Restrictions Effective May 20th

San Juan National Forest and partners implement fire restrictions due to critical conditions

Durango, Colo., May 19, 2022— San Juan National Forest Fire Management Staff are implementing Stage I Fire Restrictions on all National Forest System lands within the San Juan National Forest, including wilderness, beginning at 12:01 am on Friday, May 20th. Fire restrictions are designed to protect public safety and our area natural resources. Southwest Colorado is in extreme drought with continued hot, dry weather creating a critical fire environment. The fine for violating campfire restrictions in Stage I has been raised to \$500 in Colorado.

The following are **PROHIBITED** under Stage 1 Fire Restrictions on the San Juan National Forest:

- **Igniting, building, maintaining, or using a fire** (includes fires fueled by charcoal or briquettes) **outside** of a permanent metal or concrete fire pit or grate that the Forest Service has installed and maintained at its developed recreation sites (campgrounds and picnic areas). \$500 fine.
 - **EXCEPT:** The use of a stove or grill solely fueled by liquid petroleum fuels, or a fully enclosed metal stove, grill, or sheep herder type stove with a chimney at least 5' and a mesh screen spark arrestor.
- **Smoking.** Except in an enclosed vehicle or building, a developed recreation site, or while stopped in an area at least 3' in diameter that is barren or cleared of all flammable materials. \$300 fine.
- **Operating a chainsaw without an** effective and properly installed USDA- or Society of Automotive Engineers (SAE)- **approved spark arrestor**, a chemical pressurized **fire extinguisher** (with a minimum 8 oz. capacity and rating of 2A) kept with the operator, and a **round point shovel** with an overall length of at least 35 inches readily available for use. \$300 fine.
- **Blasting, welding, or operating acetylene or other torch with open flame** without being in a cleared area of at least 10 feet in diameter and keeping a chemical pressurized fire extinguisher (with a minimum 8 oz. capacity and rating of 2A) with the operator. \$300 fine.
- **Using an explosive.** This includes but is not limited to fuses, blasting caps, fireworks, rockets, exploding targets, tracers, and incendiary ammunition. \$300. \$500 for exploding targets.

Neighboring federal, state, and local fire managers are also entering fire restrictions. We work closely with our partners in fire prevention to reduce the risk of human-caused wildfires across the landscape. Visit the Rocky Mountain Area Coordination Center [fire restrictions page](#) and know before you go.

Almost 90% of all wildfires on public lands are started by humans. It is every forest visitor's responsibility to [recreate responsibly](#) and follow best practices. To report a fire call 9-1-1.

For information on current fire restrictions, conditions, and recreation opportunities on the San Juan National Forest, call (970) 247-4874, visit the [forest website](#), or follow us on social media ([Twitter](#) and [Facebook](#)).

-USDA-

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FOREST ORDER
USDA FOREST SERVICE
SAN JUAN NATIONAL FOREST

STAGE I FIRE RESTRICTIONS

Pursuant to 16 U.S.C. § 551 and 36 CFR § 261.50 (a) and (b), the following acts are prohibited on all National Forest System (NFS) lands within the San Juan National Forest in the State of Colorado (the “Restricted Area”) and on all roads and trails located within the Restricted Area (the “Restricted Roads and Trails”), as shown on the attached map incorporated into this Order as Exhibit A.

The purpose of this Order is to protect public health, safety, and natural resources by preventing wildfires.

PROHIBITIONS: The following acts are prohibited in the Restricted Area and on the Restricted Roads and Trails:

- 1) Igniting, building, maintaining, attending, or using a fire (including fires fueled by charcoal or briquettes) **outside** of a permanent metal or concrete fire pit or grate that the Forest Service has installed and maintained at its developed recreation sites (campgrounds and picnic areas). 36 CFR § 261.52(a).
- 2) Smoking, except in an enclosed vehicle or building, a developed recreation site, or while stopped in an area at least three feet in diameter that is barren or cleared of all flammable materials. 36 CFR § 261.52(d).
- 3) Operating a chainsaw without an effective and properly installed USDA- or Society of Automotive Engineers (SAE)- approved spark arrestor, a chemical pressurized fire extinguisher (with a minimum 8 oz. capacity and rating of 2A) kept with the operator, and a round point shovel with an overall length of at least 35 inches readily available for use. 36 CFR § 261.52(j).
- 4) Blasting, welding, or operating acetylene or other torch with open flame without being in a cleared area of at least 10 feet in diameter and keeping a chemical pressurized fire extinguisher (with a minimum 8 oz. capacity and rating of 2A) with the operator. 36 CFR § 261.52(i).
- 5) Using an explosive. This includes but is not limited to fuses, blasting caps, fireworks, rockets, exploding targets, tracers, and incendiary ammunition. 36 CFR § 261.52(b).

EXEMPTIONS:

Pursuant to 36 CFR § 261.50(e), the following persons are exempt from the prohibitions specified below:

- 1) Persons with the following authorizations are exempt from Prohibitions #1, #3, #4, and #5: (i) a valid Forest Service permit or contract specifically authorizing Prohibitions #1, #3, #4, and #5 in the Restricted Area or on the Restricted Roads and Trails in their physical possession and (ii) a written exemption with an appropriate mitigation plan authorized in writing by the appropriate Forest Service official.
- 2) Persons using either of the following devices are exempt from Prohibition #1: (i) a stove or grill solely fueled by liquid petroleum fuels; or (ii) a fully enclosed metal stove, grill, or sheep herder type stove with a chimney at least five feet in length and a mesh screen spark arrestor with a screen opening of ¼ inch or less.
- 3) Any federal, state or local officer, or member of an organized rescue or fire fighting force in the performance of an official duty is exempt from Prohibitions #1, #3, #4, and #5.

Notice regarding Exemptions: The persons exempted above are on notice that they are responsible for conducting activities subject to these exemptions in a safe and prudent manner using extra precautions and are electing to proceed at their own risk. An exemption does not absolve an individual or organization from liability or responsibility for damage, injury or loss to the United States for any fire started while undertaking the exempted activity.

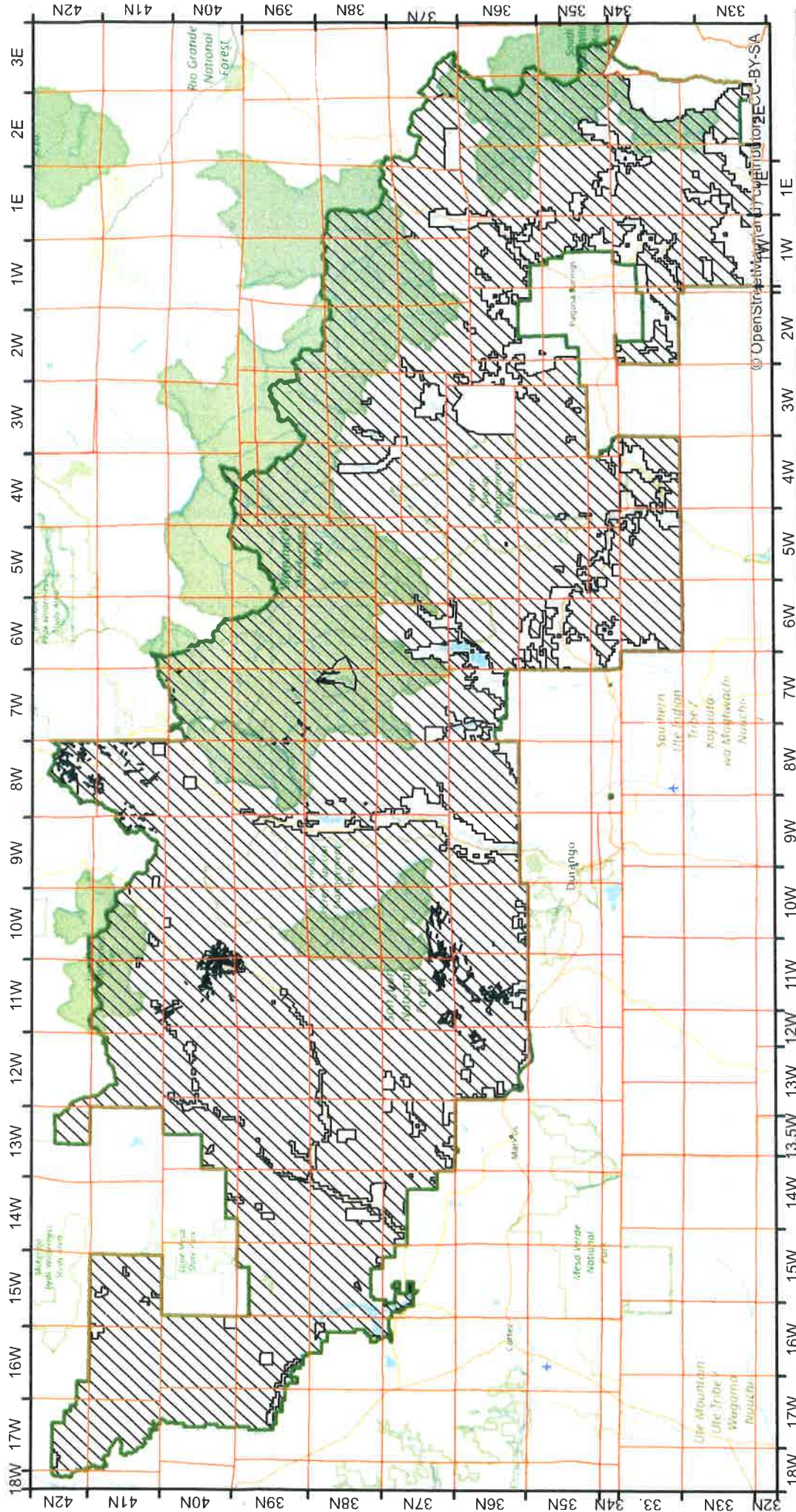
This Order becomes effective at 12:01 a.m. on May 20, 2022 and remains in effect until December 31, 2022 or until rescinded, whichever event occurs first.

Executed in Durango, Colorado on this 20 day of May 2022.

JASON LAWHON Digitally signed by JASON LAWHON
Date: 2022.05.19 12:52:57 -06'00'

Jason Lawhon, Acting For
Kara Chadwick
Forest Supervisor

A violation of the prohibitions in this Order is punishable as a Class B misdemeanor by a fine of not more than \$5,000 for an individual or \$10,000 for an organizations, or imprisonment for more than six months, or both. 16 U.S.C. § 551 and 18 USC §§ 3559 and 3571.



- Forest Boundary
- Wilderness
- Stage 1 Fire Restrictions

San Juan National Forest

Order SJNF-2022-06

Exhibit A

STAGE 1 FIRE RESTRICTIONS



Created Date: 5/18/2022

Map Disclaimer: This map is intended to depict physical features as they generally appear on the ground and may not be used to determine title, ownership, legal boundaries, legal jurisdiction, including jurisdiction over roads or trails, or access restrictions that may be in place on either public or private land. Obtain permission before entering private lands, and check with appropriate government offices for restrictions that may apply to public lands. Lands, roads and trails within the boundaries of the National Forest may be subject to restrictions on motor vehicle use. Obtain a Motor Vehicle Use Map or inquire at the local Forest Service Office for motor vehicle use information. Natural hazards may or may not be depicted on the map, and land users should exercise due caution. This map may not be suitable for navigation. For more information, contact the San Juan, Durango, CO. (970) 247-4874



RESOLUTION NO. 2022-04

A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF SAN JUAN COUNTY, COLORADO REALIGNING SEARCH AND RESCUE AS A COUNTY OPERATION WITH BUDGETARY AND ADMINISTRATIVE OVERSIGHT TO BE PERFORMED BY THE COUNTY OFFICE OF EMERGENCY MANAGEMENT

WHEREAS, consistent with CRS Section 24-33.5-707(10) the sheriff of each county shall:

(a) Be the official responsible for coordination of all search and rescue operations within the sheriff's jurisdiction; and

(b) Make use of the search and rescue capability and resources available within the county and request assistance from the office of emergency management only when and if the sheriff determines such additional assistance is required; and

WHEREAS, subject to the statutory search and rescue operational coordination by the Sheriff, search and rescue organization and administration in the County, is currently conducted by San Juan County Search and Rescue, a Colorado Nonprofit Corporation (SAR), through a 1994 MOU with the County; and

WHEREAS, SAR historically has done business as "Silverton Avalanche School," as part of search and rescue functions; and

WHEREAS, the Silverton Avalanche School operations are being discontinued from County search and rescue operations; and

WHEREAS, San Juan County currently owns certain search and rescue vehicles and equipment; and

WHEREAS, there is currently a group of search and rescue volunteers; and

WHEREAS, due to the extreme topography, weather and backcountry access available, an ongoing efficient and effective search and rescue is crucial to the health, welfare and safety of all persons, both living in and visiting San Juan County; and

WHEREAS, bringing search and rescue operations under the County Office of Emergency Management will provide the oversight and resources to continue the long history of outstanding search and rescue in the County.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF SAN JUAN COUNTY AS FOLLOWS:

1. All search and rescue administrative, budgetary and operational oversight shall hereafter be under the San Juan County Office of Emergency Management.
2. The County Sheriff shall retain all responsibility as set forth in CRS Section 24-33.5-707(10).

3. The San Juan County Office of Emergency Management shall, among other duties, manage all search and rescue volunteers, maintain an inventory of vehicles and equipment necessary for operations, and be responsible for the Department budget, pursuing donation and grant opportunities as those may arise.
4. The Director of Emergency Management is hereby encouraged to explore possible partnerships with other emergency services entities, such as the Silverton-San Juan County Ambulance Association, Inc. and the Silverton Avalanche School, through mutual aid agreements, memorandums of understanding, or intergovernmental agreements, designed to aid in providing efficient and effective search and rescue operations. All such arrangements shall be subject to final approval by the Board of County Commissioners.
5. This resolution shall become effective immediately upon adoption. Any prior resolutions, policies or agreements in conflict herewith, including the 1994 MOU, shall be superceded by this action.
6. The Office of Emergency Management shall, as soon as practical, prepare an inventory of current search and rescue vehicles and equipment, as well as a list of vetted volunteers.

READ, PASSED AND ADOPTED this ____ day of May 2022 by the Board of Commissioners of San Juan County, Colorado.

Scott Fetchenhier, Chair

Attest:

Austin Lashley

Ladonna L. Jaramillo
Clerk and Recorder

Ernest F. Kuhlman

EPA/SJC/TOS
Cooperative Agreement Discussion/Consideration Document
May 24, 2022

San Juan County and the Town of Silverton are approaching our discussion with the Environmental Protection Agency concerning a long-term Cooperative Agreement with the purpose of achieving mutually beneficial goals. The Cooperative Agreement sought is one where the parties implement a collaborative problem- solving model to address our community objectives. Our objectives are generally described as follows:

Environmental objective: To provide a healthy and safe community that is free of air and water pollution caused by mineral extraction activities.

Housing objective: To provide good housing conditions for existing and potential new residents.

Community objective: To provide community amenities and facilities that will serve our residents and those visiting the public lands and protect our historic sites and structures where feasible and practical.

Transportation objective: To enhance the community with improved vehicular and pedestrian access—improving the bicycling and walking conditions in out of transportation corridors

Infrastructure objective: To provide modern services for power, water, sewer, and telecommunications.

Economic objective: To ensure stable economic growth with a sound environment to improve economic conditions for residents and those visiting our public lands.

Implementation objective: To maintain an implementation strategy which ensures the BPMD Superfund activities and actions are congruent with the objectives.

**San Juan County
Cooperative
Agreement**

General Description

Task 1 - Town of Silverton		FTE	Expense
<i>Town Admin Time</i>	Funding is for Town Administrator coordination of BPMD activities and meetings related to managing Town of Silverton department BPMD support activities. (e.g. Planning, Road and Maintenance, Emergency Services, Community Updates, Elected Official Updates and Work Sessions)	0.3	\$23,000
<i>Town of Silverton Road Maintenance</i>	Chip/Seal Maintenance by Contract: High volume truck/trailer and heavy equipment moving through Town and along the Town bypass road to Sites and the Repository.	N/A	\$25,000
<i>TOS Office Equipment and Travel</i>	The purpose for the equipment is to maintain an independent repository for community records which can be publicly accessed. The purpose of travel is to engage with the EPA, U.S. Land Management Agencies and regional entities on the interface between Superfund and the Town of Silverton.	N/A	\$5,000
<i>Town of Silverton Road Maintenance</i>	Road maintenance chip/seal maintenance by contract: High volume truck/trailer and heavy equipment moving through Town and along the Town bypass road to Sites and the Repository.	N/A	\$25,000
Town of Silverton Task 1 - Total		0.3	\$77,000

EPA/SJC/TOS
Cooperative Agreement Discussion/Consideration Document
May 24, 2022

Task 2 - San Juan County		FTE	Expense
<i>County Administrative Assistant</i>	Position supports the County Administrator, County Assessor and County Treasurer with BPMD related support activities. Those activities include	0.3	\$18,000
<i>County Administration Time</i>	Funding is for County Administrator coordination of BPMD activities and meetings related to managing SJC department BPMD support activities. (e.g. Planning, Road and Maintenance, Emergency Services, Community Updates, Elected Official Updates and Work Sessions)	0.3	\$24,000
<i>San Juan County Public Health Coordinator</i>	A substantial amount of time and effort is necessary to understand potential health risks and communicate with the general public in manner not to cause undue concern. The Public Health Department position will enable SJCPH to continue and enhance support for responding to and communicating risks from BPMD activities as it relates to public health inquiries and requests.	0.25	\$15,482
<i>County Road Department Support</i>	The BPMD Superfund has increased the burden for keeping the road maintained and safe. The San Juan County Road Department does not have the funding resources and capacity to continue the maintenance level for San Juan County Roads. More specifically, SJC requires additional personnel for plowing, road grading, gravel and dust control.	0.75	\$48,000
<i>County Planner Support</i>	The continual Superfund activities will interface with private landowners, federal land management agencies and the public. Development activities within the BPMD require planning and administration of county development and strategic projects. These efforts require coordination activities amongst private property owners, federal land management agencies, the EPA and private contractors. This position will be responsible for community development, grant writing, grant administration and project management congruent with supporting EPA activities.	0.5	\$35,000
<i>County Assessor/Clerk Support</i>	The BPMD Superfund increased the demand to view the County Repository for maps, historic records will continue. Equally important, the complexity of clerk of records and assessor activities continues to increase due to the lack of survey and boundary descriptions associated with the Site.	0.5	\$35,000
<i>Cooperative Agreement Manage</i>	Manages the team of professionals in conducting short-term, mid-term, and long-term planning regarding impacts, mitigation, and future planning issues and initiatives. The position interfaces with EPA, Town and County administrators and officials, state and federal entities as well as other organizations involved with all aspects of the Superfund and complimentary environmental activities.	0.3	\$24,600



Willy Tookey <admin@sanjuancolorado.us>

from County Website

1 message

Wade Christensen <wade@canyonquest.com>
To: Willy Tookey <admin@sanjuancolorado.us>

Thu, May 19, 2022 at 7:39 AM

To my county reps,

<https://www.codot.gov/programs/environmental/noise/noise-faqs.html#jake%20brake>

Q: Can anything be done about "Jake Brake" use?

A: Colorado state law now requires that any vehicle equipped with engine compression brake devices (commonly referred to as "Jake Brakes") be equipped with proper mufflers. Failure to do so will result in a \$500 fine. The enforcement of this law is the responsibility of the local authorities.

CDOT has not restricted the use of these devices for safety reasons. However, CDOT has assisted local entities with this issue by installing "Engine Brake Mufflers Required" signs along selected highways.

I'd like to see these signs put up. One by the avalanche gates coming from Ouray and another at the last switchback before town coming from Durango (though I'm sure there are cdot engineers who know best). Cannafarms, Columbine Roadhouse, Whistlestop, Sasquatch Campers, Visitors Center, and everybody living on 5th would be grateful if they didn't have to hear old semis farting down the road at 5am on a Sunday. I believe the signs would help.

Thanks.

--

Wade Christensen
635 W 5th St

Q: Can anything be done about "Jake Brake" use?

A: Colorado state law now requires that any vehicle equipped with engine compression brake devices (commonly referred to as "Jake Brakes") be equipped with proper mufflers. Failure to do so will result in a \$500 fine. The enforcement of this law is the responsibility of the local authorities.

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News [Local News](#) [Nation & World](#) [New Mexico](#) [Education](#)

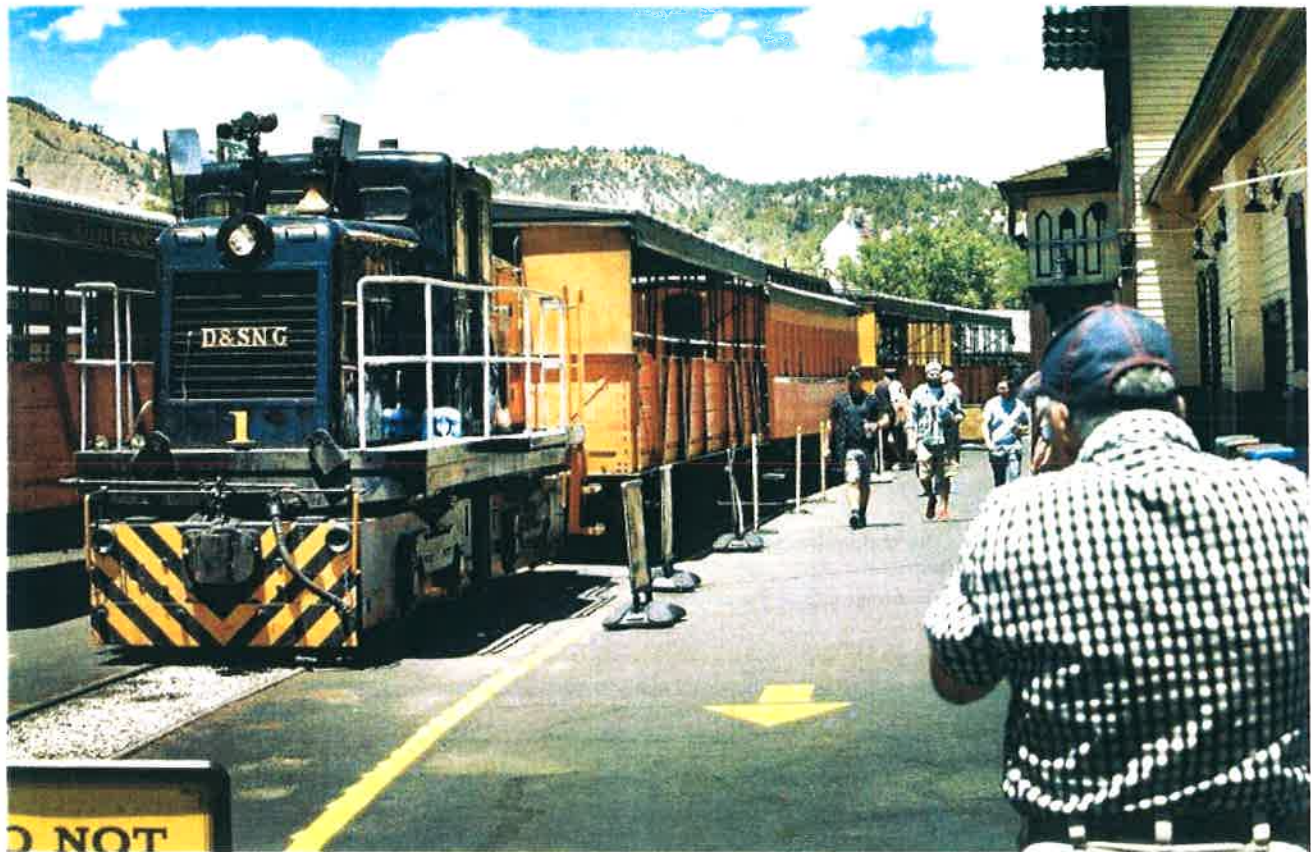
Durango railroad resumes service, clarifies fire precautions



After a three-day pause, rides started again Wednesday

By Aedan Hannon Herald Staff Writer

Wednesday, May 18, 2022 7:12



The Durango & Silverton Narrow Gauge Railroad restarted operations Wednesday after a three-day pause because of fire precautions. Jeff Johnson, general manager for D&SNG, said the railroad does not expect chronic pauses in service this summer. (Jerry McBride/Durango Herald file)



The Durango & Silverton Narrow Gauge Railroad ran trains Wednesday after a three-day hiatus out of an abundance of caution for fire danger.

"We're going to continue to be sensitive to any fire precaution levels for the season, but in the meantime and for the foreseeable future, we're in full-swing operation," said Jeff Johnson, general manager for D&SNG.

Sunday through Tuesday the railroad paused operations because of elevated fire risk identified by the U.S. Forest Service and the Bureau of Land Management. The federal agencies raised their Industrial Fire Precaution Level rating to Level 4, their highest designation, at which time D&SNG paused operations because of its settlement with the federal government earlier this year for the

As part of the settlement, the railroad agreed to comply with the Forest Service's and BLM's Durango Interagency Dispatch Center Industrial Fire Restrictions Plan, which mandates that the train pause operations when the IFPL reaches Level 4.

Johnson said Wednesday that D&SNG had returned to normal operations and there were no precautions that would cause the train to stop in the immediate future.

"At the moment, we don't see (in the forecast) any particular indication that we're going to be in Level 4, but we're just watching it closely," he said.

With summer fast approaching and hot and dry weather settling in, D&SNG does not yet know whether pauses for wildfire danger will be chronic during the tourism season.

There were a total of three Level 4 days in 2021 and 22 in 2020, according to the Durango Interagency Dispatch Center Industrial Fire Restrictions Plan.

From 2010 to 2021, an average of six days per year were rated Level 4.

In its first year using the Industrial Fire Restrictions Plan precautions, D&SNG plans to operate as normal while following any restrictions implemented by the federal agencies, Johnson said.

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BY THE PENNY HOARDER

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"It's not expected to be long term or consistent, but we're prepared for it if it is at any time," he said. "... The way the forecasting and the way the system works, so many different conditions are factored into that level rating."

San Juan National Forest did not respond to requests for comment.

On Wednesday, D&SNG added an additional train to accommodate passengers affected by the pause. Johnson said the railroad will look at alternatives such as scheduling passengers on other days if operations are again forced to pause.

If there are any future interruptions, the train will communicate with passengers, Johnson said.

"Tourism and the guest experience in Durango and on the railroad right now is business as normal and nothing has changed," he said Wednesday.

For the 50th Iron Horse Bicycle Classic, cyclists will still have a chance to race against the train. Both D&SNG's 8:15 and 9 a.m. trains will be running on race day.

"Our expectation is not that this is going to be chronically stressful or last-minute. Going through the first day of a Level 4, we were just not expecting anything that quickly, so we're adapting," Johnson said. "We expect things to roll pretty strong and so far reservations are up in general, and I think reservations across town are still real robust."

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Half Ridge Trail to be rebuilt with drainage to mitigate soil erosion

May 19, 2022



Wildfire near Pagosa Springs slows, but red flag warning issued for Thursday

May 18, 2022



Colorado Department of Agriculture seizes over 100 animals from Montezuma County property

May 18, 2022



Town of
Silverton

PO Box 250
Silverton, CO 81433



SAN JUAN COUNTY

PO Box 466
Silverton, CO 81433

Date: May 22, 2022.

For: May 25 Board of County Commissioners Meeting.

From: Town/County Planning Director.

Regarding: Summary of Recent Town/County Planning Department Work.

- (1) Staff Report/Packets for May 25 Public Hearing, Board of County Commissioners, Proposed Transfer of Ownership and Marijuana Facility License, at the site currently known as Cannafarmer, Highway 550, San Juan County, in Town/County Mutual Overlay District.
- (2) Review draft County regulations for Proposed Boundary Agreements and Boundary Line Adjustments for May 23 Meeting with County Attorney and County Administrator.
- (3) Locate/print adopted and draft County regulations, on building height, sizes, gates, and fences for May 23 Meeting.
- (4) Work on draft County Open Burn Permit, requested by Sheriff and Fire Chief, for May 23 Meeting.
- (5) Contact Town Board of Adjustment Secretary to obtain the handwritten draft Minutes from the April 17 Board of Adjustment Public Hearing; use those draft Minutes to write to the Applicant regarding the exact reasons stated for the recent Variance Application Denial.
- (6) Processing of 3 County Improvement Permit Applications, for proposed structures/improvements at:
 - Proposed Harrell Residence, Twilight Meadow Subdivision, adjacent to Cascade Village,
 - Proposed Robertson Garage/Residential Unit, Know Your Neighbor Subdivision, Lime Creek Road,
 - Proposed Riley Residence and Outbuilding, Lots 2-4, Cole Ranch Subdivision.
- (7) Three residences/public infrastructure projects are currently proposed within the Town Slope Hazard Overlay District, at 8th/Bluff, 8th/Snowden, 12th/Bluff. Those are three Town Use Subject to Review Applications, starting the Planning review process.
- (8) Barger Town Rezoning Application was recently reviewed by the Planning Commission. That application now requires preparation of a Legal Notice, Staff Report, and a Public Hearing packet for a June Town Board meeting. The site may be rezoned to BP-L for the existing car wash, and a proposed mechanic shop/employee housing.
- (9) Assist applicant Joyce with preparation of a proposed Town draft ED-L Rezoning Ordinance for Town Staff/Board review, to formalize the rezoning of his site, for a proposed tiny homes on wheels RV Park.
- (10) Revise draft Town Ordinance for Maximum Building Footprints/Square Footages to only include R1 and R1A, as recently requested by Town Board.
- (11) Assistance for many applicants, who are preparing applications, or have submitted incomplete applications. This includes reviewing what each of them is proposing, what they have submitted, reviewing the applicable Town/County regulations, and then informing them of any required items.
- (12) Returning many phone calls and emails, generally regarding these topics: due diligence type questions of the characteristics/zoning of many specific Town/County sites, evaluating the individual's proposed development concepts, and what type of permit application and regulations apply to their proposal.
- (13) Attended many meetings, with Town/County Staff, Applicants, walk-in visitors, and Public Hearings.

Commissioners/citizens can contact me with any Town/County Planning Department questions at work email address LAdair@silverton.co.us or work cell phone number (970) 946-9408.

SAN JUAN COUNTY ROAD DEPARTMENT

Monthly Road Maintenance Report

APRIL 2022

County road #110 Gladstone, grading, clean ditches, rock removal, snow removal.

1-772G grader/plow, 14 hours.

2-772G grader/plow, 12 hours.

936 loader, 3 hours.

Pickup trucks, 27 hours.

County road #2 to Eureka, snow removal. Grading and spot repairs, rock removal etc.

1-772G grader/plow, 12 hours.

2-772G grader/plow, 10 hours.

936 loader, 7 hours.

Pickups, 26 hours.

60 tons gravel spread with loader.

Backhoe, 1 hour, clean beaver dam plugging culvert.

County road #2 to Animas Forks, Lower Engineer Pass. snow, avalanche and rock removal. Not much snow! Opened to Animas Forks 4/20/22.

D6T tractor, 17 hours to A-Forks.

D6T tractor 14 hours to Denver Lake.

Old Ford pickup, 7 hours.

County road #4-4A Cunningham Gulch, Mine Tour and Loop, Opened 4/4/22. Opened to the Pride Mine and Green Mt. mine 4/8/22 with loader. Lower road very soft this spring the grader sank in in three places. One good slide in the lower road.

D6N tractor, 6 hours.

2-772G grader/plow, 9 hours.

936 loader, 3 hours.

Pickups, 3 hours.

County road #5 Cinnamon Pass, Snow removal, Opened to the top 4/28/22.

D6T tractor, 15 hours.

Pickup trucks, 5 hours.

County road #8 Ophir Pass, snow removal no avalanches road dry on lower parts. Opened to the top 5/3/22.

D6N tractor, 13 hours.

Pickups, 3 hours.

Peterbilt truck, trailer, 2 hours haul tractor.

County road #20-20A, opened road from Arrastra to almost the top got to ICY and tractor slid down the road! Snow and tree removal.

D6N tractor, 8 hours.

County road #7 South Mineral, Snow, rocks and tree removal. Opened road 4/4/22.

1-72G grader/plow, 4 hours.

Pickups, 2 hours,

County road #24 Minnie Gulch, Snow, tree and rock and slough removal to the Caladonia Mill. 4/28/22.

936 loader, 4 hours.

County road #25 Eureka Gulch, snow and rock removal up the Midway intersection.

D6T tractor, 2 hours

Equipment Maintenance and Repairs. 50 hours. Remove snow blades, repair tires, change cutting edges on graders and loader. Oil changes etc.

Pittsburgh Mine, snow removal, Grader 1 hour.

Anvil Mt. snow removal and grading.

1-772G grader, 2 hours.

936 loader, 2 hours.

Mag-chloride application proposal for CR-2 and CR-4-4A from pavement to Eureka and mine tour area and lower Cunningham. Since the costs of dust control has gone up 13 cents per gallon this year to 0.92 per gallon from 0.79 cents per gallon last year. I was thinking of doing spots application in the problem and in front of the residences and sections where people are mor affected by the dust. There would be seven different sections totaling about 4 miles at ½ gallon per sq. yd. and would take around 29,000 gallons and cost \$26,800.00 There will be sections of the road with no dust control. This could let the County do dust control in the problem areas twice during the summer in June and August or as needed? Last year it was around \$49,000 for mag-chloride and the 80/20 blend what is 0.98 cents per gallon this year we will be using the product this year.

1. Section 0.35 miles from pavement to just past the Mayflower, Mill.
2. 0.31 miles before and past the Annie Lode cabins.
3. 0.9 miles from the wide area at Brendal Gulch down the hill and past the Rock Pirates and Pride Mill.
4. 0.6 miles from Double road to almost the Kitty Mack mounds,
5. 0.51 miles from before the Eureka campground to the restroom staging area.
6. 0.5 miles in Cunningham intersection and up the first grade. and the Mine Tour parking lot past the buildings.