AGENDA
TOWN OF PARACHUTE
BOARD OF TRUSTEES REGULAR MEETING AND
JOINT MEETING WITH
GARFIELD COUNTY COMMISSIONERS
AUGUST 18, 2016
222 GRAND VALLEY WAY, PARACHUTE, CO
6:30 P.M.

The Town of Parachute will make reasonable accommodations for access to Town services, programs, and activities and will make special communication arrangements for persons with disabilities. Please call (970) 285-7630, x-104 for assistance.

(A) CALL TO ORDER AND ROLL CALL

(B) PLEDGE OF ALLEGIANCE

(C) APPROVE AGENDA

(D) CONSENT AGENDA:

(1) MINUTES FROM THE JULY 21, 2016, REGULAR MEETING
(2) EXPENDITURES PAID FROM JULY 14, 2016, TO AUGUST 10, 2016

(E) COMMENTS FROM CITIZENS REGARDING ITEMS NOT ON THE AGENDA

The Board of Trustees welcomes you and thanks you for your time and concerns.
If you wish to address the Board of Trustees, this is the time set on the agenda for you to do so. When you are recognized, please step to the podium, state your name and address then address the Board. Your comments will be limited to **three (3) minutes**. The Board may not respond to your comments this evening, rather they may take your comments and suggestions under advisement and provide direction to the appropriate member of Town Staff for follow-up. Thank you.

PLEASE SILENCE ALL CELL PHONES, PAGERS, AND HAND HELD DEVICES. THANK YOU.
PLEASE NOTE: THIS MEETING IS BEING AUDIO AND VIDEO RECORDED.

(F) DEPARTMENTAL REPORTS:

(1) Mayor and Board of Trustees ..... Mayor and Trustees
(2) Town Manager Monthly Update..... Stuart McArthur, Town Manager
(3) Community Development Report ..... Stuart McArthur, Town Manager
(4) Public Works Department Monthly Update.....Mark King, Public Works Director
(5) Police Department Monthly Update ..... Cary Parmenter, Police Chief

---

(G) TOWN OF PARACHUTE COMPREHENSIVE PLAN AND FUTURE PLANS PRESENTATION.

PRESENTER: STUART McARTHUR, TOWN MANAGER

(H) PUBLIC HEARING BEFORE THE TOWN OF PARACHUTE BOARD OF TRUSTEES TO CONSIDER A DEVELOPMENT REVIEW APPLICATION FROM ZONED PROPERTIES, INC. (ON BEHALF OF PARACHUTE DEVELOPMENT CORPORATION & ZONED COLORADO PROPERTIES, LLC) FOR A SPECIAL REVIEW USE VESTED PROPERTY RIGHTS AND VESTED PROPERTY RIGHTS

AGREEMENT TO DEVELOP A SINGLE BUILDING SITE FOR A RETAIL MARIJUANA CULTIVATION FACILITY AND OTHER POTENTIAL MARIJUANA USES, INCLUDING A MEDICAL MARIJUANA-INFUSED PRODUCTS MANUFACTURER, AN OPTIONAL PREMISES CULTIVATION OPERATION, A MEDICAL MARIJUANA TESTING FACILITY, A RETAIL MARIJUANA STORE, RETAIL MARIJUANA TESTING FACILITY, AND/OR RETAIL MARIJUANA PRODUCT MANUFACTURING FACILITY.

APPLICANT/OWNER:	Zoned Properties, Inc 14300 N Northsight Blvd., Suite 208 Scottsdale, AZ 85260
PROJECT NAME:	Public Hearing for a Special Review Use for a Vested Property Rights Agreement, including a Site Specific Development Plan for multiple Retail Marijuana Facilities.
PROJECT LOCATION:	110 Diamond Loop Parachute, CO 81635
LEGAL DESCRIPTION(S):	Section: 12 Township: 7 Range: 96 Lot: 7 Amended Lots 1-3, 6-10, Block 2 & Lots 1-18 Block 3 REC #784960 County of Garfield

STAFF: STUART McARTHUR, TOWN MANAGER
JEFFREY J. CONKLIN, TOWN ATTORNEY

(I) PUBLIC HEARING BEFORE THE TOWN OF PARACHUTE BOARD OF TRUSTEES IN CONSIDERATION OF APPLICATIONS FOR RETAIL MARIJUANA LICENSES FOR: A RETAIL MARIJUANA STORE; A RETAIL MARIJUANA CULTIVATION FACILITY; AND A RETAIL MARIJUANA PRODUCTS MANUFACTURING FACILITY FROM PARACHUTE UNLIMITED, LLC.

APPLICANT/OWNER:	Parachute Unlimited LLC 225 Eagle Drive 9C Avon, CO 81620
DBA:	American Green
PROJECT NAME:	Application for 3 Retail Marijuana Licenses from the Town of Parachute; a Retail Marijuana Store, a Retail Marijuana Cultivation Facility, and a Retail Marijuana Products Manufacturing Facility
PROJECT LOCATION:	110 Diamond Loop Parachute, CO 81635
LEGAL DESCRIPTION(S):	Section: 12 Township: 7 Range: 96 Lot: 7 Amended Lots 1-3, 6-10, Block 2 & Lots 1-18 Block 3 REC #784960 County of Garfield

STAFF: STUART McARTHUR, TOWN MANAGER
JEFFREY J. CONKLIN, TOWN ATTORNEY

(J) PRESENTATION OF AND BOARD CONSIDERATION OF ACCEPTING THE TOWN OF

PARACHUTE'S 2015 FINANCIAL AUDIT REPORT.

PRESENTER: STEVEN PLUTT, DAZZIO & PLUTT, LLC
STAFF: D. LYNN STROUD, FINANCE DIRECTOR

(K) BOARD CONSIDERATION OF ORDINANCE NO. 706-2016.

AN ORDINANCE OF THE TOWN OF PARACHUTE, COLORADO, SUBMITTING TO THE REGISTERED ELECTORS OF THE TOWN OF PARACHUTE AT THE 2016 COORDINATED. ELECTION A BALLOT QUESTION WHETHER SECTION 2-8 OF THE TOWN CHARTER SHALL BE AMENDED SUCH THAT BOARD OF TRUSTEES TERMS IN OFFICE SHALL BE CONSIDERED CONSECUTIVE UNLESS THEY ARE AT LEAST TWO YEARS APART.

STAFF: STUART McARTHUR, TOWN MANAGER
JEFFREY CONKLIN, TOWN ATTORNEY

(L) BOARD CONSIDERATION OF ORDINANCE NO. 707-2016

AN ORDINANCE OF THE TOWN OF PARACHUTE, COLORADO, SUBMITTING TO THE REGISTERED ELECTORS OF THE TOWN OF PARACHUTE AT THE 2016 COORDINATED ELECTION A BALLOT QUESTION WHETHER SECTION 2-4 OF THE TOWN CHARTER SHALL BE AMENDED TO REQUIRE THE MAYOR TO VOTE IN SAME MANNER AS OTHER TRUSTEES.

STAFF: STUART McARTHUR, TOWN MANAGER
JEFFREY CONKLIN, TOWN ATTORNEY

(M) BOARD CONSIDERATION OF RESOLUTION NO. 2016-17

A RESOLUTION OF THE BOARD OF TRUSTEES OF THE TOWN OF PARACHUTE, COLORADO, ESTABLISHING A REMOTE PARTICIPATION POLICY FOR MEETINGS OF THE BOARD OF TRUSTEES AND OTHER TOWN COMMISSIONS AND BOARDS.

STAFF: STUART McARTHUR, TOWN MANAGER
JEFFREY CONKLIN, TOWN ATTORNEY

(N) BOARD CONSIDERATION OF RESOLUTION NO. 2016-18

RESOLUTION SUPPORTING THE APPLICATION FOR A GRANT FROM THE GARFIELD COUNTY FEDERAL MINERAL LEASE DISTRICT FOR THE ACQUISITION AND INSTALLATION OF DIRECTIONAL AND INFORMATIONAL SIGNAGE TO OFF HIGHWAY VEHICLE AND HIKING TRAILS.

STAFF: STUART McARTHUR, TOWN MANAGER

(O) BOARD CONSIDERATION OF RESOLUTION NO. 2016-19

RESOLUTION SUPPORTING THE APPLICATION FOR A GRANT FROM THE GARFIELD COUNTY FEDERAL MINERAL LEASE DISTRICT (GCFMLD) FOR THE FOR THE CONSTRUCTION OF AN ACCESS RAMP TO THE COLORADO RIVER FOR OUTDOOR RECREATION PURPOSES AT COTTONWOOD PARK.

STAFF: STUART McARTHUR, TOWN MANAGER

(P) BOARD CONSIDERATION OF RESOLUTION NO. 2016-20

RESOLUTION SUPPORTING THE GRANT APPLICATION FOR A GRANT FROM THE COLORADO STATE DEPARTMENT OF LOCAL AFFAIRS (DOLA) FOR THE CONSTRUCTION OF A PARK 'N' RIDE FACILITY.

STAFF: STUART McARTHUR, TOWN MANAGER

(Q) BOARD CONSIDERATION OF AN INTERGOVERNMENTAL AGREEMENT (IGA) WITH THE GARFIELD COUNTY CLERK AND RECORDER CONCERNING A COORDINATED 2016 GENERAL ELECTION AND APPROVE MAYOR TO SIGN.

STAFF: STUART McARTHUR, TOWN MANAGER
JEFFREY CONKLIN, TOWN ATTORNEY

(R) BOARD CONSIDERATION OF AGREEMENT BETWEEN THE TOWN OF PARACHUTE AND BETTER CITY TO PROVIDE PROFESSIONAL SERVICES FOR ECONOMIC DEVELOMENT AND APPROVE MAYOR TO SIGN.

STAFF: STUART McARTHUR, TOWN MANAGER
JEFFREY CONKLIN, TOWN ATTORNEY

(S) BOARD CONSIDERATION OF LICENSE AGREEMENT BETWEEN WILLIAM R. PATTERSON, RODNEY C. POWER, RONALD E. TIPPING, MARIE E. TIPPING AND THE TOWN OF PARACHUTE, FOR EGRESS ACCESS FROM THE COLORADO RIVER AND APPROVE MAYOR TO SIGN.

STAFF: STUART McARTHUR, TOWN MANAGER
JEFFREY CONKLIN, TOWN ATTORNEY

(T) BOARD CONSIDERATION OF NINE (9) PARTY MEMORANDUM OF UNDERSTANDING REGARDING GARFIELD COUNTY SENIOR PROGRAMS FOR 2016 AND APPROVE MAYOR TO SIGN.

STAFF: STUART McARTHUR, TOWN MANAGER
JEFFREY CONKLIN, TOWN ATTORNEY

(U) RATIFICATION OF ACQUISITION OF F350 TWELVE (12) PASSENGER VAN FOR USE WITH RIVER RAFTING OPERATIONS.

STAFF: STUART McARTHUR, TOWN MANAGER

(V) EXECUTIVE SESSION (IF NECESSARY)

(W) MOTION TO ADJOURN

MINUTES
TOWN OF PARACHUTE
BOARD OF TRUSTEES REGULAR MEETING
JULY 21, 2016
6:30 P.M.

Meeting called to order by Mayor Roy B McClung 6:30 pm

(A) CALL TO ORDER AND ROLL CALL

TRUSTEES PRESENT:	John Loschke Fred Andersen Tim Olk Juanita Williams Travis Sproles Tom Rugaard (Arrived late for the meeting at 8:45 pm)
MAYOR:	Roy McClung
STAFF PRESENT:	Town Manager, Stuart McArthur Admin Assistant, Lauralee Patton Public Works Director, Mark King Police Chief, Cary Parmenter

AUDIENCE LIST ATTACHED

(B) PLEDGE OF ALLEGIANCE

(C) APPROVE AGENDA

MOTION 1:
Moved and seconded by Loschke / Olk to approve Agenda with changes. Replacing item G, Dazzio & Plutt, LLC Audit presentation with Intergovernmental Agreement with Garfield County School District 16.
Vocal vote passed unanimously.

(D) CONSENT AGENDA:

(1) MINUTES FROM THE JUNE 23, 2016, REGULAR MEETING
(2) EXPENDITURES PAID FROM JUNE 9, 2016, TO JULY 13, 2016

MOTION 2:
Moved and seconded by Loschke / Olk to approve consent agenda.
Motion passed unanimously with a 5-0 vote.

(E) COMMENTS FROM CITIZENS REGARDING ITEMS NOT ON THE AGENDA

Dave Devaney, 28 Snowridge Place, Parachute CO
Thanked the Town for their contribution, the Mayor for being Grand Marshal of Grand Valley Days, and informed the Board that because of the recent economic situation, Grand Valley Days would only be a one-day event this year.

Judith Hayward, 180 S 2nd Ct, Parachute CO
Informed the Board there would be a Smoked Turkey silent auction, start times and location of the parade, on behalf of the Grand Valley Parks Association. On behalf of the Historical Society, she spoke regarding wanting to do things with the Battlement Reservoirs, helping the Forest Rangers pay for some signage up to the reservoirs with historical pieces of information, and her desire to work with the Town to highlight the trails leading to the Battlements.

Pam Jarret, 182 S 2nd Ct, Parachute CO

Spoke regarding times when citizens may speak during Board Meetings, what information she thought should be included in Minutes, and how the RREDC would be helpful with bringing a grocery store to Town.

Ron Jarrett, 182 S 2nd Ct, Parachute CO
Spoke regarding his concern about the Town Credit Card bill not being as transparent as he would like, because there is no detail as to what payees are being paid with it.

Mike Berry, 135 W 1st, Parachute CO
Spoke regarding his concern about mosquito control after rain, standing water, health issues, and no soft curb for handicapped on bridge.

Mayor McClung and Public Works Director King informed Mr. Berry that the bridge property belonged to CDOT, but that the Town has it in the works to have some work done to the foot bridge.

(F) DEPARTMENTAL REPORTS:

(1) Mayor and Board of Trustees ..... Mayor and Trustees

Trustee Williams asked for ideas to increase public participation in the Neighborhood Watch Program.

(2) Town Manager Monthly Update ..... Stuart McArthur, Town Manager

Town Manager McArthur went over his report and spoke regarding sales tax revenue comparisons between 2015 and 2016. Not in the report, the total taxes from marijuana including the State's portion is $17,600.00.

Mr. McArthur gave status update on the budget being on course for the year. Capital expenditures fund has about a million-dollar savings from expected projects due to inability to get grants. Town Manager McArthur also proposed to the Board that the Town reduce their contribution to the RREDC (Rifle Regional Economic Development Counsel) to mirror what the Town of Silt contributes, which is $1.00 per capita; bringing our proposed contribution total to $1,000. Mr. McArthur stated that he believes the Town needs to have a professional group working specifically for the Town to help drive economic development. While developing the comprehensive plan Better City has already made contacts with restaurants and stores. The Board stated that the RREDC was gearing most of their economic development efforts to Rifle, and to bring back a proposed contract from Better City. Mr. McArthur asked for direction from the Board to work with SGM to reroute Cardinal Way. The Board advised Town Manager McArthur to work with SGM.

(3) Community Development Report ..... Stuart McArthur, Town Manager

Town Manager went over Community Development monthly report. Mr. McArthur and Administrative Assistant Patton spoke regarding Grand Valley Days, Oktoberfest, and the Chase Rice concert.

(4) Public Works Department Monthly Update .....Mark King, Public Works Director

Public Works Director King went over his report. Mr. King spoke on the water leaks in Town, the bids for the 1st Street Water Line Project, extending waterlines for irrigation, and flashing/speed signs for the high school and early learning center.

(5) Police Department Monthly Update ..... Cary Parmenter, Police Chief

Police Chief Parmenter went over his monthly report. He spoke regarding the lack of participation from the community in the neighborhood watch program; the National Day Out in Battlement Mesa; Officer Graham's resignation and new hire; comparison on calls for service from previous years; and Police Department Bike Rodeo.

(G) BOARD CONSIDERATION OF INTERGOVERNMENTAL AGREEMENT (IGA) WITH THE GARFIELD COUNTY SCHOOL DISTRICT 16 REGARDING THE AFTER CONSTRUCTION REPAIR OF CARDINAL WAY AT THE GRAND VALLEY HIGH SCHOOL AND APPROVE MAYOR TO SIGN.

DRAFT

STAFF: STUART McARTHUR, TOWN MANAGER

Board discussion ensued. Mayor stated that more time and engineering was needed to complete this project correctly and efficiently as there were only three weeks left before the beginning of the school year. No action was taken.

(H) PUBLIC HEARING BEFORE THE BOARD OF TRUSTEES TO CONSIDER A DEVELOPMENT REVIEW APPLICATION FROM RACHEL BALERIO FOR A SPECIAL USE REVIEW TO SEEK AUTHORIZATION FROM THE TOWN OF PARACHUTE TO ESTABLISH A LICENSED HOME DAYCARE FACILITY IN A RESIDENTIALLY ZONED AREA.

APPLICANT/OWNER:	Rachel Balerio 003 Aspen Ct Parachute, CO 81635
PROJECT NAME:	PUBLIC HEARING FOR A SPECIAL REVIEW USE TO SEEK AUTHORIZATION FROM THE TOWN OF PARACHUTE TO ESTABLISH A LICENSED HOME DAYCARE FACILITY IN A RESIDENTIALLY ZONED AREA.
PROJECT LOCATION:	003 ASPEN CT PARACHUTE, CO 81635
LEGAL DESCRIPTION(S):	SECTION: 12 TOWNSHIP: 7 RANGE: 96 LOT: 3 COUNTY OF GARFIELD STATE OF COLORADO

STAFF: DAVIS FARRAR, TOWN PLANNER
STUART McARTHUR, TOWN MANAGER

Mayor McClung opened Public Hearing at 8:25 pm.

Applicant Rachel Balerio gave her presentation regarding her home daycare.

Town Manager McArthur recommended approval of application with conditions

1. The facility shall comply with all applicable fire codes.
2. The Record of Decision by the Parachute Board of Trustees for the Balerio Daycare Center Special Review Use shall be recorded in the real estate records of the Garfield County Clerk and Recorder.
3. All representations made in the Applicant's written materials or verbally as reflected in the minutes of the public meetings or hearings where the Applicant was presented to or considered by the Commission and/or Board of Trustees are considered part of the Application and binding on the Applicant.
4. Applicant shall reimburse the Town for any and all fees, including consulting costs, incurred in the review of the application.

Admin Assistant Patton read a letter of support from the Carlson's, residing at 006 Alpine Lane, Parachute CO.
Mayor McClung closed the Public Hearing at 8:35pm.

MOTION 3:
Moved and seconded by Olk / Sproles to approve Application with Conditions.
Motion passed unanimously with a 5-0 vote.

(Hh) BOARD CONSIDERATION OF RESOLUTION NO. 2016-16

A RESOLUTION OF THE BOARD OF TRUSTEES OF THE TOWN OF PARACHUTE, COLORADO, APPROVING A SPECIAL REVIEW USE PERMIT FOR RACHEL BALERIO TO OPERATE A HOME DAY CARE CENTER

STAFF: STUART McARTHUR, TOWN MANAGER

MOTION 4:
Moved and seconded by Loschke / Williams to approve Resolution No. 2016-16
Motion passed unanimously with a 5-0 vote.
A RESOLUTION OF THE BOARD OF TRUSTEES OF THE TOWN OF PARACHUTE, COLORADO, APPROVING A SPECIAL REVIEW USE PERMIT FOR RACHEL BALERIO TO OPERATE A HOME DAY CARE CENTER

(I) PUBLIC HEARING BEFORE THE BOARD OF TRUSTEES TO CONSIDER A DEVELOPMENT REVIEW APPLICATION FROM THE TOWN OF PARACHUTE FOR A TEXT AMENDMENT TO SEEK AUTHORIZATION TO ALLOW ALL ZONING TEMPORARY USES/SPECIAL EVENTS PERMITS.

APPLICANT/OWNER: TOWN OF PARACHUTE
222 GRAND VALLEY WAY
PARACHUTE, CO 81635

PROJECT NAME: PUBLIC HEARING FOR A TEXT AMENDMENT TO SEEK AUTHORIZATION FROM THE TOWN OF PARACHUTE TO ALLOW ALL ZONING TEMPORARY USES/SPECIAL EVENTS PERMITS.

PROJECT LOCATION: N/A

LEGAL DESCRIPTION(S): N/A

STAFF: STUART McARTHUR, TOWN MANAGER
JEFFREY CONKLIN, TOWN ATTORNEY

Mayor McClung opened Public Hearing at 8:25
Town Manager McArthur gave his presentation.
Town Attorney Jeff Conklin gave clarification on the process.
Board discussion ensued.
Public Hearing closed at 8:48pm

MOTION 5:
Moved and seconded by Loschke / Olk to approve application with amendment of all the Zone districts and approve Emergency Ordinance No. 704-2016.
Motion passed unanimously with a 5-0 vote

BOARD CONSIDERATION OF EMERGENCY ORDINANCE NO. 704-2016
AN EMERGENCY ORDINANCE OF THE TOWN OF PARACHUTE, COLORADO, AMENDING SECTION 15.03.215 OF THE PARACHUTE MUNICIPAL CODE CONCERNING THE SCHEDULE OF USES PERMITTED IN ZONE DISTRICTS RELATED TO TEMPORARY USES AND CHAPTERS 15.05 AND 15.06 OF THE PARACHUTE MUNICIPAL CODE CONCERNING REVIEW PROCESS FOR TEMPORARY USES

(J) BOARD CONSIDERATION OF ORDINANCE NO. 705-2016

AN ORDINANCE OF THE TOWN OF PARACHUTE, COLORADO, PUBLISHING THE PARACHUTE MUNICPAL CODE THROUGH CODE PUBLISHING COMPANY AND ADOPTING TECHNICAL CORRECTIONS TO THE CODE.

DRAFT

STAFF: STUART McARTHUR, TOWN MANAGER
JEFFREY CONKLIN, TOWN ATTORNEY

MOTION 6:
Moved and seconded by Loschke / Williams to approve Ordinance No. 705-2016
Motion passed unanimously with a 6-0 vote.
BOARD CONSIDERATION OF ORDINANCE NO. 705-2016
AN ORDINANCE OF THE TOWN OF PARACHUTE, COLORADO, PUBLISHING THE PARACHUTE MUNICPAL CODE THROUGH CODE PUBLISHING COMPANY AND ADOPTING TECHNICAL CORRECTIONS TO THE CODE.

(K) BOARD CONSIDERATION OF ORDINANCE NO. 699-2016

AN ORDINANCE OF THE TOWN OF PARACHUTE, COLORADO, ADDING A NEW CHAPTER 12.03 TO THE PARACHUTE MUNICIPAL CODE AUTHORIZING AND REGULATING THE USE OF OFF-HIGHWAY VEHICLES WITHIN THE TOWN.

STAFF: JEFFREY CONKLIN, TOWN ATTORNEY
STUART McARTHUR, TOWN MANAGER

MOTION 7:
Moved and seconded by Loschke / Olk to approve Ordinance No. 699-2016 in the amended form.
Motion passed unanimously with a 6-0 vote.
BOARD CONSIDERATION OF ORDINANCE NO. 699-2016
AN ORDINANCE OF THE TOWN OF PARACHUTE, COLORADO, ADDING A NEW CHAPTER 12.03 TO THE PARACHUTE MUNICIPAL CODE AUTHORIZING AND REGULATING THE USE OF OFF-HIGHWAY VEHICLES WITHIN THE TOWN.

(L) BOARD CONSIDERATION OF RESOLUTION NO. 2016-15

A RESOLUTION OF THE BOARD OF TRUSTEES OF THE TOWN OF PARACHUTE, COLORADO SETTING AN ELECTION DATE ON THE INITIATED ORDINANCE TO PROHIBIT THE OPERATION OF MARIJUANA CULTIVATION FACILITIES, MARIJUANA PRODUCT MANUFACTURING FACILITIES, MARIJUANA TESTING FACILITIES, AND RETAIL MARIJUANA STORES AND TO SET A BALLOT TITLE.

STAFF: JEFFREY CONKLIN, TOWN ATTORNEY
STUART McARTHUR, TOWN MANAGER

MOTION 8:
Moved and seconded by Loschke / Ruggard to approve Resolution No 2016-15
Motion passed unanimously with a 6-0 vote.
BOARD CONSIDERATION OF RESOLUTION NO. 2016-15
A RESOLUTION OF THE BOARD OF TRUSTEES OF THE TOWN OF PARACHUTE, COLORADO SETTING AN ELECTION DATE ON THE INITIATED ORDINANCE TO PROHIBIT THE OPERATION OF MARIJUANA CULTIVATION FACILITIES, MARIJUANA PRODUCT MANUFACTURING FACILITIES, MARIJUANA TESTING FACILITIES, AND RETAIL MARIJUANA STORES AND TO SET A BALLOT TITLE.

(M) BOARD CONSIDERATION OF AGREEMENT BETWEEN THE TOWN OF PARACHUTE AND MARK CHAIN CONSULTING, LLC TO PROVIDE PROFESSIONAL SERVICES FOR PLANNING AND APPROVE MAYOR TO SIGN.

STAFF: STUART McARTHUR, TOWN MANAGER
JEFFREY CONKLIN, TOWN ATTORNEY

MOTION 9:

Moved and seconded by Rugaard / Williams to approve Agreement with Mark Chain and approve Mayor to sign.
Motion passed unanimously with a 6-0 vote.

(N) BOARD CONSIDERATION OF INTERGOVERNMENTAL AGREEMENT FOR MOSQUITO CONTROL BETWEEN THE TOWN OF PARACHUTE AND THE BOARD OF COUNTY COMMISSIONERS OF GARFIELD COUNTY AND APPROVE MAYOR TO SIGN.

STAFF: STUART McARTHUR, TOWN MANAGER
MARK KING, PUBLIC WORKS DIRECTOR

MOTION 10:
Moved and seconded by Loschke / Olk to approve IGA for Mosquito Control with Garfield County Commissioners.
Motion passed unanimously with a 6-0 vote.

(O) OTHER MATTERS

(1) HISTORICAL SOCIETY THANK YOU

(P) EXECUTIVE SESSION
No executive session was necessary.

(Q) MOTION TO ADJOURN

MOTION 11:
Moved and seconded by Loschke / Olk to
Vocal vote passed unanimously

DRAFT

Report Criteria:
Summary report type printed

Vendor Number	Name	Description	Check Amount	Check Number	Check Issue Date
117	AFLAC	SUPPLEMENTAL INSURANCE	.00	70100160	08/01/2016
		SUPPLEMENTAL INSURANCE	523.64	70100155	08/01/2016
160	AUSTIN CIVIL GROUP, INC.	SIDEWALK IMPROVEMENT PROJECT	6,077.75	20653	07/27/2016
360	360 ELECTRIC, LLC	REPAIR LIFT STATION FLOAT	1,046.22	20636	07/05/2016
		LAWN PUMP AT PARK	968.10	20650	07/27/2016
423	ALLY	QTRLY LEASE PAYMENT	2,162.63	20651	07/27/2016
		QTRLY LEASE PAYMENT	3,081.96	20651	07/27/2016
480	ANNETTE TANNER	PARK REFUND	25.00	20652	07/27/2016
880	BATTLEMENT MESA METROPOLITAN DISTRICT	SEWER SERVICE CONTRACT	12,747.00	20654	07/27/2016
1330	BRUBACHER DESIGN	STREET SIGNS	640.00	20655	07/27/2016
1646	CEBT	HEALTH, LIFE DENTAL & VISION	20,876.50	20657	07/27/2016
1670	CDC JANITORIAL	RAGS & FOLDING TOWELS	138.67	20682	07/27/2016
1730	CENTURY LINK	WATER PLANT PHONE/INTERNET	340.17	20658	07/27/2016
1960	CIRSA	GENERAL LEGAL DEDUCTIBLE	1,000.00	20659	07/27/2016
2040	CITY OF RIFLE	INMATE TRANSPORTATION	237.50	20639	07/05/2016
3350	DEREK WINGFIELD	GJ - IT AND OKTOBERFEST MILEAGE	105.80	20661	07/27/2016
3355	DEPENDABLE WASTE SERVICES	CONTRACTED TRASH REMOVAL	1,097.32	20660	07/27/2016
3490	DISA, Inc.	PRE-EMPLOYMENT DRUG TESTING	112.00	20640	07/05/2016
3750	ELAM CONSTRUCTION, INC.	STREETS	1,491.14	20662	07/27/2016
		ROAD BASE	131.14	20641	07/05/2016
4100	FIKES WEST, INC.	Air FreshENER / URINAL MATS	97.00	20642	07/05/2016
4120	FIRE AND POLICE PENSION ASSOC.	POLICE PENSION & D&D	1,756.99	70100156	07/21/2016
		POLICE PENSION & D&D	1,756.99	70100161	08/01/2016
4240	GARFIELD CO. CLERK & RECORDER	RECORDING FEES - RESOLUTIONS	42.00	20683	07/28/2016
4668	GRAND VALLEY PARK ASSOCIATION	Donation Grand Valley Days	1,000.00	20664	07/27/2016
4947	H&K TRUCKING, LLC	ROAD BASE	299.50	20665	07/27/2016
5878	KANSAS CITY LIFE INS.	DISABILITY INS.	879.01	70100153	08/01/2016
5898	KARP, NEU, HANLON P.C.	GENERAL LEGAL	8,538.95	20666	07/27/2016
5916	KIM WISDOM	CONTRACT COURT SERVICES	273.00	20648	07/27/2016
6219	LIBERTY NATIONAL LIFE INSURANCE CO.	SUPPLEMENTAL LIFE INSURANCE	127.98	70100154	08/01/2016
6230	LUCY CORDOVA	MILEAGE AND MEALS - INSTITUTE	342.16	20668	07/27/2016
7628	ORCHARD TRUST COMPANY, LLC	Retirement & Deferred Comp.	2,717.91	20669	07/27/2016
		RETIREMENT / DEFERRED COMP	2,717.91	20685	08/01/2016
7700	P AND K AUTO BODY	RICKSTREW PW TRUCK DAMAGE	887.20	20670	07/27/2016
7850	PAYLOCITY CORP	NET WAGES - DIRECT DEPOSIT	27,336.80	70100143	07/15/2016
		STATE WITHHOLDING PAYABLE	9,218.48	70100144	07/15/2016
		PAYLOCITY PAYROLL FEE	97.70	70100145	07/15/2016
		QTRLY UNEMPLOYMENT ADD'L	118.72	70100150	07/22/2016
		PAYLOCITY - NET WAGES DIRECT DEPOSIT	38,699.33	70100159	07/29/2016
7906	PAYFLEX SYSTEMS, USA INC.	HRA REIMB	279.81	70100148	07/19/2016
		HRA REIMB	345.03	70100152	07/26/2016
		HRA REIMB	120.26	70100162	08/01/2016
		HRA REIMB	238.58	70100164	08/09/2016
		ADMIN FEE HRA REIMBURSEMENT	300.00	20671	07/27/2016
7908	PLAN TOOLS, LLC	DEVELOPMENT REVIEW	6,417.35	20672	07/27/2016
7944	PROVELOCITY	MONTHLY IT SERVICE AGREEMENT	1,260.00	70100149	07/18/2016
		TOWN WIFI EQUIPMENT	307.98	70100149	07/18/2016
		TOWN WIFI EQUIP / SALES TAX CREDIT	146.14	70100157	07/25/2016
8160	XCEL ENERGY	Street Light & West Interchange	3,440.39	70100142	07/26/2016
		TOWN OF PARACHUTE UTILITY SERVICE	4,714.64	70100141	07/26/2016
8180	R & S SALES & WELDING SERVICE	Oxy - Tank Rental	24.00	20673	07/27/2016
8910	SAFELITE FULFILLMENT, INC.	INSPECTION FEES	1,452.77	20674	07/27/2016
8918	SEXTON & SEXTON INTERIOR DESIG, INC.	REST AREA DESIGN SERVICES	2,000.00	20684	08/03/2016
9281	STUART S. MCARTHUR	EXP REPORT MILEAGE	389.09	20675	07/27/2016

Vendor Number	Name	Description	Check Amount	Check Number	Check Issue Date
9390	SWALLOW OIL COMPANY	CAR WASH	57.05	20676	07/27/2016
9440	TAPCO	SCHOOL SIGNAGE GRANT	2,575.00	20644	07/05/2016
		SIGNAGE GRANT	24,450.00	20677	07/27/2016
9965	UMB - CREDIT CARD	CREDIT CARD PURCHASES	32,961.43	70100158	07/27/2016
10187	U. S. TRACTOR & HARVEST, INC.	JD Z950M ZTRACK	9,000.00	20678	07/27/2016
10196	UNCC	RTL TRANSMISSIONS	28.60	20679	07/27/2016
10398	WELLS FARGO	CITY OF RIFLE - SEWER JET FEE	64.86	20645	07/05/2016
		PETTY CASH - OKTOBERFEST TICKET SALES	200.00	20647	07/14/2016
		CASHIERS - '13 FORD F350	21,000.00	20649	07/27/2016
10493	WESTERN SLOPE CONSULTING, LLC	GENERAL PLANNING	6,949.76	20646	07/05/2016
10603	WILLIAMS	PARK RESERVATION REFUND	25.00	20681	07/27/2016
10610	WEX, INC.	FUEL	2,321.89	70100146	07/15/2016

Report Criteria:
Summary report type printed

STUART S. MCARTHUR
TOWN MANAGER

Integrity • Respect • Teamwork • Pride • Innovation • Diversity

222 GRAND VALLEY WAY • PARACHUTE, CO 81635 • (970) 285-7630

DATE: **August 18, 2016**

TO: **Board of Trustees**

FROM: **Stuart S. McArthur, Town Manager**

SUBJECT: **TOWN MANAGER MONTHLY REPORT – AUGUST 2016**

The purpose of this memo is to report to the Board of Trustees the activities of the Town during the past month and to review issues for upcoming meetings.

1. Sales tax report showing current month (July receipts for May sales) sales tax and comparing the last three years and the 2016 budget is attached to this report. You will note that sales tax YTD is slightly up (.32%) from last year at this time. The sales tax receipts are up by 25.21% for the month compared to 2015 actuals. We are exceeding the 2016 budget by 3.35%.

   Of the $84,792.28 tax receipt figure, $19,241.00 is from the sale of recreation marijuana, representing about 22.7% (20.5% last month) of all sales tax for the month.

   Without the marijuana sales and the related growth in other businesses, total YTD revenue would be down 19.8% from 2015. Sales taxes would be down nearly $94,000 ($402,733 versus $496,535). This conservatively assumes that of the 58.9% growth experienced by the top 18 tax payers, only 50% of it is related to marijuana.

   The State's portion for the marijuana sales tax for the month is $9,254.08. This brings the total sales tax contributed by retail marijuana at $28,495.08 or 33.3% of the total received for May. That percent equaled 23.6% last month.

2. YTD Financial Statements and 2016 Budget status will be provided at the meeting.

3. As of the writing of this report (Thursday, August 11, 2016), the prices for energy commodities are:

   WTI Crude Oil .....$43.60 (July - $45.52) – Down 4.3%
   Natural Gas (Nymex) .....$2.54 (July - $2.74) – Down 20.0%

4. I have met with three landowners and have discussed the potential of annexation. More information to follow, if talks continue.

5. The Town temporarily opened a river tubing/rafting operation at Cottonwood Park. The interest was and continues to be high. We had to stop renting the tubes due to the quality of the tube and unaddressed safety concerns. We are working to get the operation back up before summer's end.

6. On Tuesday, August 2nd, I met with representatives from Garfield County, Ursa Operating Company, COGCC, Garfield County School District 16, and others regarding a potential drilling site near the Grand Valley High School. Many issues were covered and all parties are working together for success.

7. I met with a representative of the Corps of Engineers, the Keys jet boat company, and our engineers. I have subsequently spoken with Scott Hoyer of the Colorado Parks and Wildlife about improving the ramp at Cottonwood Park that would allow boats to be launched. Currently the ramp is at the wrong angle and is not conducive to allowing boats to launch without being swept by the current.

8. I have sought for and received a proposal to perform an appraisal for properties that could be part of the land acquisition for a central park for the Town. The proposal is from Arnie Butler & Company in Grand Junction. I reached out to this firm, because it is the appraisers the fire district is using to value its property. The appraisals will cost $3,500 total. Additional appraisals for other property could cost up to $9,000.

9. Parachute Capital Leasing Corporation (PCLC) – The purpose of a capital leasing corporation is to purchase, lease or otherwise acquire real estate for public purposes involving the construction of improvements and other facilities for the benefit of the residents of the Town. The corporation would not be an organization of the Town, but a non-profit corporation registered with the Colorado State Secretary of State. Nor would the assets of the corporation be owned by the Town, but the Town would lease the real property assets.

   The board of directors and officers of the PCLC would be staff of the Town. Does the Board direct me to bring back Articles of Incorporation and By-laws to be approved by resolution for the establishment of the Parachute Capital Leasing Corporation?

10. **Upcoming Issues:**

    Agenda Items:

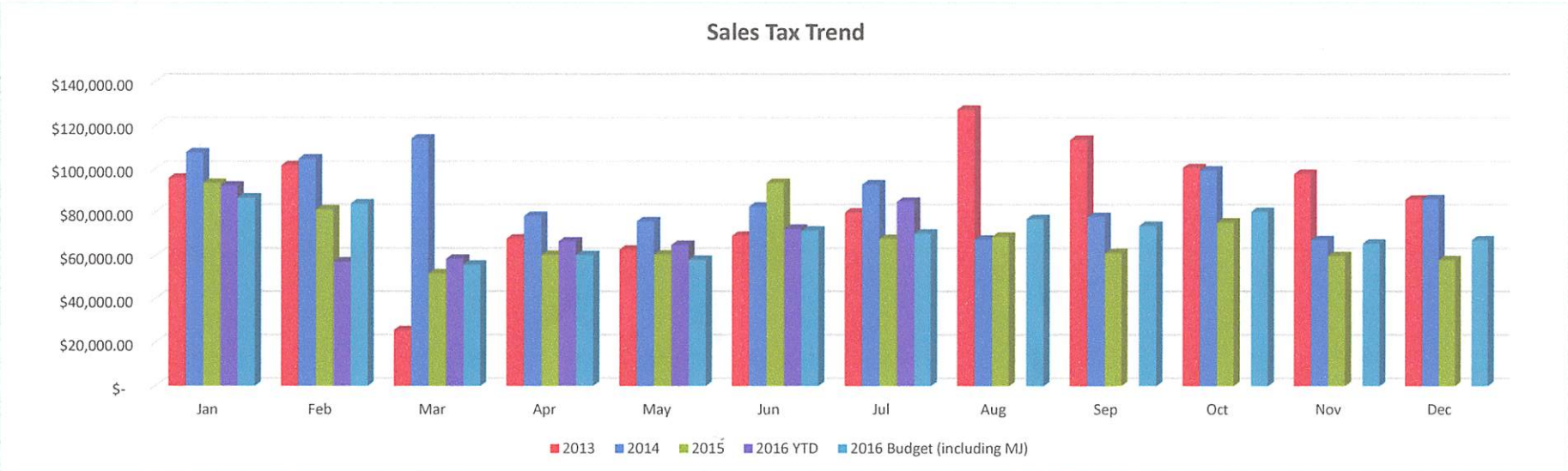
    i. Upcoming retail marijuana license applications.
    ii. Annexation zoning for prior annexations
    iii. Survey and easements for Town water/electric/road facilities within the Battlement Mesa Company property
    iv. Court Fees Revision

If you have questions or concerns, contact me at 970.285.7630 or stuartmc@parachutecolorado.com.

Town of Parachute
Sales Tax Trend Analysis - 2016

Month Received	Month Paid*	Actuals 2013	2014	2015	2015 YTD	2016 YTD	2016 Budget (including MJ)	% Over / -Under Budget	YTD % Compared to 2015	Actual Compared to Budget
Jan	Nov	$ 95,706.59	$ 107,541.87	$ 93,340.02	$ 93,340.02	$ 92,154.37	$ 86,586.24	6.43%	-1.27%	6.43%
Feb	Dec	$ 101,588.06	$ 104,702.30	$ 81,163.74	$ 81,163.74	$ 57,244.56	$ 83,919.54	-31.79%	-29.47%	-31.79%
Mar	Jan	$ 25,564.29	$ 113,904.74	$ 51,821.09	$ 51,821.09	$ 58,553.69	$ 55,845.37	4.85%	12.99%	4.85%
Apr	Feb	$ 67,891.55	$ 78,277.62	$ 60,420.09	$ 60,420.09	$ 66,537.75	$ 60,311.81	10.32%	10.13%	10.32%
May	Mar	$ 62,753.99	$ 75,764.05	$ 60,555.16	$ 60,555.16	$ 64,923.68	$ 58,117.56	11.71%	7.21%	11.71%
Jun	Apr	$ 69,165.79	$ 82,490.46	$ 93,419.42	$ 93,419.42	$ 72,328.49	$ 71,547.56	1.09%	-22.58%	1.09%
Jul	May	$ 79,877.98	$ 92,727.04	$ 67,717.37	$ 67,717.37	$ 84,792.28	$ 70,159.88	20.86%	25.21%	20.86%
Aug	Jun	$ 127,189.55	$ 67,447.53	$ 68,804.28	$ -		$ 76,909.25	0.00%	#DIV/0!	0.00%
Sep	Jul	$ 113,405.91	$ 77,887.19	$ 61,204.69	$ -		$ 73,714.37	0.00%	#DIV/0!	0.00%
Oct	Aug	$ 100,377.26	$ 99,147.71	$ 75,283.71	$ -		$ 80,227.83	0.00%	#DIV/0!	0.00%
Nov	Sep	$ 97,548.24	$ 67,147.25	$ 59,887.91	$ -		$ 65,565.03	0.00%	#DIV/0!	0.00%
Dec	Oct	$ 85,800.99	$ 86,001.23	$ 58,023.81	$ -		$ 67,095.57	0.00%	#DIV/0!	0.00%
Total		**$ 1,026,870.20**	**$ 1,053,038.99**	**$ 831,641.29**	**$ 508,436.89**	**$ 496,534.82**	**$ 850,000.00**		**0.32%**	**3.35%**

* There is a two month delay of when sales tax paid and when received by the Town.



Derek Wingfield
Community Development

Integrity ▪ Respect ▪ Teamwork ▪ Pride ▪ Innovation ▪ Diversity

222 GRAND VALLEY WAY ▪ PARACHUTE, CO 81635 ▪ (970) 285-7630

STAFF REPORT

DATE: August 18, 2016

TO: Board of Trustees

FROM: Derek Wingfield, Community Development

SUBJECT: JULY 2016 MONTHLY UPDATE

July was a very busy month for the Town as several planned projects were changed and executed quickly. As you all hopefully know we began a river float business to develop the Town as an outdoor recreation destination. We searched, ordered, organized the business, and got the doors open during the Grand Valley Days weekend. This was and is still a great opportunity for the Town to drive up our economy while continuing to provide our locals with something to do. The feedback has been enormously positive and daily requests are made for use of the equipment. We were able to identify several aspects which need to improve to get the business going, but hopefully we will reopen before the season forces people off the river.

Touching on Grand Valley Days, it should be noted the Town is not planner for the event; however, we still support the function where we can. Based on feedback, the event could have a stronger presence of the Town in the future. I have heard from numerous individuals the marketing and knowledge of the event was limited and needs to be increased in the future; we will certainly help where we can and where we are asked by the Parks Association with the event in the future.

Oktoberfest was ramped up and deadlines changed. The original plan was to launch the event to the public on July 15th. We were contacted by Chase Rice's management team on July 7th and informed that Nashville has endorsed and wanted the "Everybody We Know Does" tour to be launched on July 11th.

What this meant for us was a great push on a national level. We booked Chase as a solo show as he was not on an endorsed tour. So much like 2015 we were left to market and promote the event on a local level with only the listed date on our artist's personal websites. Chase is now a headlining artist and the tour is being promoted and marketed nationally. We are the only Colorado date on the tour, and because Nashville has endorsed Chase our marketing is much stronger. We scrambled to complete the website, marketing materials, social media and other aspects to make the launch on time. We have had

tickets available now beginning July 15th as scheduled but the release made a splash and we had requests on the 11th to purchase tickets.
This is the final stretch for this event and the whole office staff is working different aspects to make the event successful. We are marketing, booking, planning and promoting and the fruits are showing. While we still have a great deal of ground to cover presales are doing well, and the promotions are going well. We also are receiving great pushes from Chases' social media, and hopefully in the next couple weeks we will be receiving an approved video from Chase personally promoting our concert and festival.

Please check out the website and share the event.

Oktoberfestco.com

Mark King
Public Works Director

Integrity ▪ Respect ▪ Teamwork ▪ Pride ▪ Innovation ▪ Diversity

222 GRAND VALLEY WAY ▪ PARACHUTE, CO 81635 ▪ (970) 285-7630

Date: August 18th, 2016
To: Board of Trustees
From: Mark King, Public Works Director
Subject: August Monthly Report

The purpose of this memo is to provide the Board of Trustees with the Public Works updates for the past month.

Public Works repaired 5 water leaks since the last meeting; all five were service lines that were repaired with minimal inconvenience to the residents of the town. There were also three separate incidents at the spring's water plant that caused pipes to break.
Per Stuart's request I am getting quotes from other contractors to repair the water leaks in town. When I get the quotes I will evaluate them to see if it would be in the Towns best interest to have a contractor repair the leaks to free up my crew and allow us to take on more projects. I will get back to Stuart with my recommendation.

We installed 280 feet of four inch irrigation line on South Railroad that served the lots that had not had irrigation previously. There have been a few issues with low pressure in the irrigation system, due to flushing of the lines and the temporary plug in the drain line blowing out. We will repair the valve that broke in the drain line as soon as we blow out the irrigation system in October.

I have had several conversations with the Garfield County Mosquito Control District about the massive amounts of mosquitoes in town. They sprayed a barrier at Cottonwood Park and fogged both sides of town recently and has made a significant decrease in numbers. The latest copy of the mosquito trap data to review is below:

PR-01	LIGHT	Garfield	Parachute - Cottonwood Park		
		08/02/2016	Aedes (Oc.) melanimon	1	5 %
		08/02/2016	Aedes vexans	5	23 %
		08/02/2016	Culex erythrothorax	3	14 %
		08/02/2016	Culex pipiens	3	14 %
		08/02/2016	Culex salinarius	6	27 %
		08/02/2016	Culex tarsalis	4	18 %
			Trap Total	**22**	

The new school flashing signs are installed and will be functioning by the time school begins.

If you have any questions or concerns you can contact me at 970-986-1821.

CARY PARMENTER
POLICE CHIEF

Integrity • Respect • Teamwork • Pride • Innovation • Diversity

222 GRAND VALLEY WAY • PARACHUTE, CO 81635 • (970) 285-7630

To: Board of Trustees

From: Cary Parmenter, Police Chief

Ref: July report

Date: 08/11/16

July was a busy month for officers, not because we were over run with calls, but the effects of being shorthanded were felt by the three of us that had to work and cover more shifts and take on call.

We have gone through a selection process for an officer. We have hired a strong candidate, Joel Korver, who has three years' of law enforcement experience, and is from the western slope. His father was a school counselor in our school district back in the 1990's.

There were only a few minor incidents during this year's Grand Valley Days celebration. However right after the street dance officers received multiple calls in the North West part of Town resulting in an arrest for Assault, Domestic Violence and Leaving the Scene of an Accident.

This year's Bike Rodeo was another success. We gave away gift cards that were donated to us by Wal-Mart for the purchase of bicycles to several kids, who had to go through the course with an officer before they could sign up for the drawing to win a bike. Also a big thank you to Juanita Williams and family for volunteering time and bicycles for the Bike Rodeo.

Thank you

POLICE ACTIVITY BLOTTER FOR JULY 2016

DATE	SUMMARY
07/02/16	**Traffic / Warrant** An Officer conducted a traffic stop in the 200 block of County Road 215. The driver, Nathaniel Arlington 47, of Parachute was cited for Driving under Revocation and arrested for a warrant.
07/02/16	**Accident** An Officer was called to the 300 block of Pioneer Ave. for a report of a hit & run accident. The suspect still remains at large.
07/03/16	**Traffic Violation** An Officer conducted a traffic stop in the area of mile marker 74 in the westbound lanes of I-70. The driver, Dakota Nicholson 19, of Rifle was summonsed for Speeding 92/75 and for DUR.
07/04/16	**Traffic Violation** An Officer conducted a traffic stop in the area of mile marker 73 in the eastbound lanes of I-70. The driver, John Shoemaker 41, of Garberville, CA was summonsed for driving a defective/unsafe vehicle, NPOI, and DUR.
07/04/16	**Traffic Violation** An Officer conducted a traffic stop in the area of mile marker 73 in the eastbound lanes of I-70. The driver, Kenneth Gelinas 20, of Englewood was summonsed for Speeding and MIP.
07/05/16	**Domestic Violence** Officers were called to the 200 Colorado Ave. on a report of Domestic disturbance. The suspect, Anthony Bouldin 40, of Parachute was arrested and charged with False Imprisonment, Menacing, and Domestic Violence.
07/07/16	**Theft** An officer responded to 200 County Road 215 for a report of a theft of a cell phone. There are no known suspects at this time.
07/07/16	**Domestic Violence / Warrant** An Officer responded to 252 Green Street for a report of Domestic Violence. The suspect, Shanna Olmstead 36 of Parachute, was arrested and charged with Attempted Vehicular Homicide, Reckless Driving, Child Abuse, and Domestic Violence.
07/08/16	**Accident** An officer responded to the intersection of Colorado Avenue and Cardinal Way for a report of an accident. The suspect, Barbara Pence 60 of Parachute, was summonsed for Careless Driving.
07/09/16	**Vicious Dog** An officer responded to 200 Colorado Avenue for a report of a vicious dog. The suspect, Alvin Harbin 41 of Parachute, was summonsed for Vicious Dog.

07/10/16 **DUI**
An Officer conducted a traffic stop in the area mile marker 73 on I-70 for speeding 101/75. Upon contacting the driver, Juan Carlos Salazar 27 of Avon, CO was later arrested for DUI, DUR, Open Container, and NPOI.

07/15/16 **Menacing**
Officers were called to 200 Colorado Ave. on a report of menacing for a man threatening a person with a knife. The suspect, Mark Majors 60 of Parachute, was arrested and charged with Menacing, Obstruction, and Reckless Endangerment.

07/20/16 **Sex Offense**
Officers assisted another agency for a report of Sexual Assault of a Child by a Person in a Position of Trust. The investigation was turned over to the investigating agency.

07/25/16 **Disturbance / Warrant**
An Officer responded to 288 North Railroad Ave. for a report of a disturbance. Upon contacting the suspect, Mindy Garrett 33 Homeless, was arrested for a warrant.

07/25/16 **Theft**
An officer responded to the 400 block of Parachute Avenue for a report of Theft. The suspect, Justin Renfro 24 of Parachute, was summonsed for Tampering with a Utility Meter.

07/25/16 **Harassment**
An Officer responded to 28 Cardinal Way for a report of harassment. The victim reported an unknown male party making obscene phone calls. The case remains open with no known suspects at this time.

07/30/16 **Accident**
An officer responded to 150 Columbine Ct. for a report of an accident. The suspect, Wayne Clark 60 of Parachute, was summonsed for Unsafe Backing.

07/31/16 **Disorderly Conduct**
Officers responded to a disturbance in the area of 200 Colorado Ave. The suspect, Lannis McAlpin 32 of Parachute, was summonsed for Disorderly Conduct.

07/31/16 **Domestic Violence**
Officers responded to the area of 400 Yarrow Cir. for a report of a domestic violence disturbance. The suspect, Michelle Flores 28 of Parachute, was arrested and charged for 3rd Degree Assault, Criminal Mischief, Reckless Driving, Duty to Report Accidents, Duty to Report Upon Striking an Unattended Vehicle, NPOI, and Domestic Violence.

18 Traffic Citations July 2016
21 Case Reports in July 2016
30 Case Reports in July 2015
11 Case Reports in July 2014

TOWN OF PARACHUTE
PO BOX 100
222 GRAND VALLEY WAY
PARACHUTE, CO 81635

LAND USE APPLICATION

Name of Applicant: Zoned Properties, Inc. (on behalf of Parachute Development Corporation & Zoned Colorado Properties, LLC)
(INCLUDE ADDRESS AND TELEPHONE NO.)

Project Name: Zoned Colorado Marijuana Facility

Project Location: See **Exhibit B** attached to this Application

LEGAL DESCRIPTION: See **Exhibit A** attached to this Application

Existing Zoning: Light Industrial

Proposed Zoning: Light Industrial

Type of Application (check all that apply):

SUBDIVISION:

[ ]	MINOR SUBDIVISION		
[ ]	MAJOR SUBDIVISION	[ ] PRELIMINARY	[ ] FINAL
[ ]	RE-SUBDIVISION	[ ] PRELIMINARY	[ ] FINAL
[ ]	P. U. D.	[ ] PRELIMINARY	[ ] FINAL
[ ]	BUILDING DIVISIONS	[ ] PRELIMINARY	[ ] FINAL
[ ]	AMENDED PLAT	[ ] PRELIMINARY	[ ] FINAL

[ ]	REZONING	[ ]	SIGN VARIANCE
[ ]	ZONING VARIANCES	[ ]	FLOOD PLAIN DEVELOPMENT
[X]	SPECIAL REVIEW USE	[ ]	VACATION OF STREET, ALLEY, R.O.W.
[ ]	GEOLOGIC DEVELOPMENT	[ ]	ANNEXATIONS
[ ]	LOT CONSOLIDATION	[ ]	WATERSHED PERMIT

PROPERTY OWNER: Parachute Development Corporation
(INCLUDE NAME, ADDRESS, AND TELEPHONE NO.)

PROJECT ENGINEER/SURVEYOR:
N/A
(INCLUDE NAME, ADDRESS, AND TELEPHONE NO.)

N/A
(INCLUDE NAME, ADDRESS, AND TELEPHONE NO.)

ADJACENT PROPERTY OWNERS: (attach separate sheet if needed)

Name	Address
Please See Attachments	

MINERAL RIGHTS OWNERS & LESSEES OF SUBJECT PROPERTY (attach separate sheet if needed) ***PLEASE NOTE ALL MINERAL RIGHTS OWNERS AND LESSEES MUST BE NOTIFIED 30 DAYS IN ADVANCE TO APPLICATION REVIEW. PLEASE INDICATE ALL MINERAL RIGHTS OWNERS, & LESSEES AS (MR), OR (L)**

Name	Address
Please see Attachments	PARACHUTE DEVELOPMENT CORPORATION
	PO BOX 686
	Glenwood Springs, CO 81602

DESCRIPTION OF PROPOSAL: (INCLUDE PROPOSED USE, ACREAGE, ETC.)

Please see attached Introduction Letter, Project Narrative, and Exhibits

Describe how this Proposed Land Use Application Complies with the Town of Parachute Land Use Regulations and the Town of Parachute Master Plan 2002.

Please see attached Introduction Letter, Project Narrative, and Exhibits

Describe any possible Flood Plain issues:

Describe Traffic Impact Fees Proposal: (Standard Calculation or Individual Traffic Study)

Describe Land Dedication Proposal:

_____

_____

Describe Water Rights Dedication Proposal:

_____

_____

_____

I Certify that the information and exhibits herewith are true and correct to the best of my knowledge, and that in filing this application, I am acting with knowledge and consent of those persons listed above without whose consent the requested action cannot lawfully be accomplished.

Name:(print) Bryan McLaren
Address: 14300 N. Northsight Blvd #208 Scottsdale, AZ 85260
Signature: _____ Date: 06/01/16

INSTRUCTIONS:

1. **Read both sides of application thoroughly.**
2. **Complete all of the requested information.**
3. Descriptions of property and dedication proposals on this form should be general and brief.
4. All applications must include a **CURRENT TITLE POLICY**, indicating ownership and encumbrances.
5. All applications must include **PROOF OF TAXES PAID**.
6. Applicants should review the Town of Parachute Land Use Regulations 15.01, 15.03, 15.04, 15.05, 15.06, and any other sections specified for the proposed request.
7. **All applicants who are not property owners must present a Letter of Representation, signed and notarized by the property owners.**
8. **Applications not signed and lacking any of the requested information will be deemed incomplete and will not be scheduled for a Planning and Zoning Commission review.**

ADMINISTRATIVE PERSONNEL:

APPLICATION FEE: _____

APPLICATION RECEIVED DATE:_____ **COMPLETE DATE:** _____

PLANNING & ZONING HEARING:_____ **BOT HEARING:** _____

MAILINGS DATE: _____ **PUBLICATION DATE:**_____

P&Z APPROVAL DATE: _____ **BOT APPROVAL DATE:**_____

ZONED®
PROPERTIES INC

14300 N. Northsight Blvd #208
Scottsdale, AZ 85260

April 15, 2016

Mr. Bryan McLaren
Chief Executive Officer
Zoned Properties, Inc.
Zoned Colorado Properties, LLC
14300 N. Northsight Blvd #208
Scottsdale, Az 85260

LETTER OF AUTHORIZATION

Dear Mr. McLaren:

Parachute Development Corporation (the "Company") is the owner of the land and properties located at Diamond Loop Parachute, CO 81635 United States (the "Parachute Property"). The Company would like to extend this Authorization Letter in support of the proposed Licensed Marijuana Facilities to be located at the Parachute Property.

We have reviewed the Town of Parachute's application process and understand that this Letter of Authorization is required in order to submit the comprehensive application materials.

Please contact me if you have any questions or comments. We look forward to working collaboratively with your organization on the prospective facility to be developed at our Parachute Property. Please let us know how we can help to work with Town of Parachute Staff, Planning & Zoning Commission and the Board of Trustees to create development strategies, which will serve the interests of the local community and the proposed Marijuana Facilities.

Sincerely,

Hayden Rader
Parachute Development Corporation

STATE OF COLORADO
Garfield County of Colorado } ss.

The foregoing instrument was acknowledged before me this 18th day of April, 2016,
by Hayden C. Rader.
My commission expires: 2-25-2017
Witness my hand and official seal.

Maureen Carew
Notary Public

MAUREEN CAREW
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 19974003500
My Commission Expires February 25, 2017

www.zonedproperties.com

ADJACENT PROPERTY OWNERS

Account Number	ParcelNo	OwnerName	Address 2	City	State	ZipCode	Situs House Number	Street Name	Designation	City	Zip Code
R370524	240912302011	PARACHUTE DEVELOPMENT CORPORATION	PO BOX 686	GLENWOOD SPRINGS	CO	81602	211	DIAMOND	LOOP	PARACHUTE	81635
R370520	240912302007	PARACHUTE DEVELOPMENT CORPORATION	PO BOX 686	GLENWOOD SPRINGS	CO	81602	110	DIAMOND	LOOP	PARACHUTE	81635
R370522	240912302009	C & B LAND HOLDINGS LLC	PO BOX 3045	GRAND JUNCTION	CO	81502	109	DIAMOND	LOOP	PARACHUTE	81635
R370517	240912302004	PARACHUTE DEVELOPMENT CORPORATION	PO BOX 686	GLENWOOD SPRINGS	CO	81602	212	DIAMOND	LOOP	PARACHUTE	81635
R370525	240912302012	TLC PIPELINE CONSTRUCTION INC	213 DIAMOND LOOP	PARACHUTE	CO	81635	213	DIAMOND	LOOP	PARACHUTE	81635
R370521	240912302008	PARACHUTE DEVELOPMENT CORPORATION	PO BOX 686	GLENWOOD SPRINGS	CO	81602	107	DIAMOND	LOOP	PARACHUTE	81635
R370518	240912302005	PARACHUTE DEVELOPMENT CORPORATION	PO BOX 686	GLENWOOD SPRINGS	CO	81602	210	PARACHUTE PARK	BLVD	PARACHUTE	81635
R370523	240912302010	PARACHUTE DEVELOPMENT CORPORATION	PO BOX 686	GLENWOOD SPRINGS	CO	81602	111	DIAMOND	LOOP	PARACHUTE	81635
R370519	240912302006	C & B LAND HOLDINGS LLC	PO BOX 3045	GRAND JUNCTION	CO	81502	100	DIAMOND	LOOP	PARACHUTE	81635

GARFIELD COUNTY TREASURER

Certificate of Taxes Due

Account Number R370520	Certificate Number 2016-00674
Parcel 240912302007	Acres 1.50
	Order Number
Assessed To	Vendor ID 1
PARACHUTE DEVELOPMENT CORPORATION PO BOX 686 GLENWOOD SPRINGS, CO 81602	Compass Mountain Land Use PO Box 86 Glenwood Springs, CO 81602

Legal Description

Situs Address

Section: 12 Township: 7 Range: 96 Subdivision: PARACHUTE PARK P.U.D. Block: 3 Lot: 7
AMENDED LOTS 1-3, 6-10, BLOCK 2 & LOTS 1-18, BLOCK 3 REC #784960

Year	Tax	Interest	Fees	Payments	Balance
Tax Charge					
2015	$1,096.08	$0.00	$0.00	$0.00	$1,096.08
Total Tax Charge					$1,096.08
Lien					
2014 Lien: 2014-024	$2,566.77	$171.12	$0.00	$0.00	$2,737.89
2013 Lien: 2014-024	$2,514.31	$356.19	$0.00	$0.00	$2,870.50
2013	$0.00	$0.00	$7.00	$0.00	$7.00
Total Lien					$5,615.39
GRAND TOTAL					$6,711.47
Grand Total Due as of 03/28/2016					$6,711.47

Tax Billed at 2015 Rates for Tax Area 048 - 16-6(T) - 048

Authority	Mill Levy	Amount
GARFIELD COUNTY	10.9050000	$221.84
GARFIELD COUNTY - R & B	1.5000000	$30.50
GARFIELD COUNTY - DHS FUND	1.2500000	$25.42
TOWN OF PARACHUTE - GENERAL	13.5620000	$275.85
GRAND VALLEY AND RURAL FIRE	3.2670000	$66.45
BLUESTONE WATER CONS	0.0050000*	$0.10
COLO RIVER WATER CONS	0.2430000*	$4.94
GRAND RIVER HOSPITAL	5.5970000*	$113.84
GRAND VALLEY CEMETERY	0.0070000*	$0.14
SCHOOL DIST 16	8.5550000	$174.00
COLORADO MTN COLLEGE	3.9970000	$81.30
PARA/BATTLEMENT PARK& REC	4.0000000	$81.36
GARFIELD COUNTY PUBLIC LIBR	1.0000000	$20.34
Taxes Billed 2015	53.8880000	$1,096.08

* Credit Levy

Values	Actual	Assessed
VACANT COMMERCIAL LOTS	$70,150	$20,340
Total	$70,150	$20,340

All Tax Lien Sale amounts are subject to change due to endorsement of current taxes by the lienholder or to advertising and distraint warrant fees. Changes may occur and the Treasurer's Office will need to be contacted prior to remittance after the following dates: Personal Property and Mobile Homes - September 1, 2016, Real Property - September 1, 2016. TAX LIEN SALE REDEMPTION AMOUNTS MUST BE PAID BY CASH OR CASHIERS CHECK.

Special taxing districts and the boundaries of such districts may be on file with the Board of County Commissioners, the County Clerk, or the County Assessor.

This certificate does not include land or improvements assessed under a separate account number, personal property taxes, transfer tax or misc. tax collected on behalf of other entities, special or local improvement district assessments or mobile homes, unless specifically mentioned.

I, the undersigned, do hereby certify that the entire amount of taxes due upon the above described parcels of real property and all outstanding sales for unpaid taxes as shown by the records in my office from which the same may still be redeemed with the amount required for redemption are as noted herein. In witness whereof, I have hereunto set my hand and seal.

GARFIELD COUNTY TREASURER

Certificate of Taxes Due

Reception#: 833958
04/19/2013 12:09:11 PM Jean Alberico
1 of 1 Rec Fee:$11.00 Doc Fee:0.00 GARFIELD COUNTY CO

RECORDING REQUESTED BY:
WHEN RECORDED RETURN TO:
Garfield & Hecht, P.C.
420 Seventh Street, Suite 100
Glenwood Springs, CO 81601

QUIT CLAIM DEED

This Quit Claim Deed is made this 14th day of March, 2013 between, Parachute Investment Holdings, LLC, a Colorado limited liability company ("Grantor"), and HMC, Ltd., a Colorado limited partnership whose address is P.O. Box 366, Glenwood Springs, CO 81602, of the County of Garfield, State of Colorado ("Grantee").

The Grantor, for ten dollars ($10.00) and other good and valuable consideration, in hand paid, has sold and quitclaimed, and by these presents does hereby sell and quitclaim unto the Grantee, its successors and assigns forever, any and all right, title, interest, claim and demand which the Grantor has in and to the following described property, situate, lying and being in the County of Garfield and State of Colorado, described as follows:

All oil, gas, hydrocarbons, and other minerals and mineral rights, including without limitation the right to lease and develop the same, in and to the premises described as follows:

Lots 1, 2, 3, 8, 9, and 10
Block 2
Lots 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 14, 15, 16, 17, and 18
Block 3
Parachute Park P.U.D.
According to the Amended Final Plat of Lots 1-3, 6-10, Block 2 and Lots 1-18, Block 3, Parachute Park Planned Unit Development

County of Garfield
State of Colorado

Signed this 14th day of March, 2013.

PARACHUTE INVESTMENT HOLDINGS, LLC,
a Colorado limited liability company

By: _____
Hayden Rader, manager

STATE OF COLORADO)
) ss.
COUNTY OF GARFIELD)

The foregoing Quit Claim Deed was acknowledged before me this 14th day of March, 2013 by Hayden Rader as manager of Parachute Investment Holdings, LLC, a Colorado limited liability company.

Witness my hand and official seal.

My commission expires:

Kathy Thissen
Notary Public

KATHY THISSEN
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID #19984030476
My Commission Expires November 2, 2014

939102-2

699935 08/30/2002 04:28P B1382 P768 M ALSDORF
1 of 3 R 16.00 D 0.00 GARFIELD COUNTY CO

ROYALTY DEED

KNOW ALL MEN BY THESE PRESENTS that HMC, Ltd., a Colorado Limited Partnership (hereinafter "Grantor"), for and in consideration of the sum of Ten Dollars, cash in hand paid by each of those parties whose names and addresses are listed below (hereinafter collective referred to as "Grantees" or individually as a "Grantee"), the receipt of which is hereby acknowledged, has granted, sold, conveyed, assigned, and delivered, and by these presents does grant, sell, convey, assign, set over, and deliver unto each Grantee an undivided interest, the amount of which is indicated beside their respective names as follows:

Grantees:

Hayden C. Rader P.O. Box 686 Glenwood Springs, CO 81602	41.50%	Michael Stascavage 617 Night Shade Court New Castle, CO 81647	20.75%
Chalmers L. Morse 307 Sable Oak Drive Vero Beach, FL 32963-3821	20.75%	Bryan Burtes 2245 Blake Street Denver, CO 80205	3.00%
Greya Rader P.O. Box 307 Glenwood Springs, CO 81602	2.00%	Treacy Weiner 4 Bear Hill Lane Windham, NH 03087	1.00%
Charlotte M. Thomas 10091 East Powder Horn Place Tucson, AZ 85749	1.00%	E.A. Schumacher Cedar Crest Ranch 0475 County Road 112 Carbondale, CO 81623	1.00%
Morgan Haynes, Jr. c/o Mr. R. Anderson P.O. Box 100 Tryon, NC 28782	1.00%	Judith Day 335116 County Road 43A Steamboat Springs, CO 80487	1.00%
Larry Green c/o Delaney & Balcomb, P.C. P.O. Drawer 790 Glenwood Springs, CO 81602	1.00%	Raul Gawiys 100 Elk Run Drive, Suite 222 Basalt, CO 81621	1.00%
Walter Brown 1120 Grand Avenue Glenwood Springs, CO 81601	1.00%	Dieter Cantrup 0745 Heather Lane Glenwood Springs, CO 81601	1.00%
David A. Dee 61 Timber Lane Avon, CT 06001	1.00%	Katherine Burchell 4333 Cattle Creek Road Carbondale, CO 81623	.50%
Mark Simon 4333 Cattle Creek Road Carbondale, CO 81623	.50%	Ken Dunham 51241 Hwys 6 & 24, Suite 2 Glenwood Springs, CO 81601	.34%
Patricia Sell P.O. Box 557 New Castle, CO 81647	.33%	Linda Hodges 1124 Westmoor Drive Colorado Springs, CO 80904	.33%

In and to all of the royalty paid on oil, gas, and casinghead gas, casinghead gasoline, and any other minerals of whatsoever kind or nature that may be produced and saved from or attributed to those lands situated in the County of Garfield, State of Colorado which are described on the attached Exhibit "A" (hereinafter the "Property"):

The Property or portions thereof, is now under and subject to an oil and gas lease from HMC, Ltd. to Barrett Resources Corporation, as the same may be amended from time to time, and it is understood and agreed that this conveyance is made subject to the terms of said lease but covers and includes the same interests as first hereinabove named, of all the royalty from oil, gas, casinghead gas, casinghead gasoline, and any other minerals or products, due and to be paid under the terms of said lease, only insofar as it covers the Property.

Return TO

Hayden Rader
PO Box 686
Glenwood Springs, CO 81602

AIB 15

And it is further understood and agreed that Grantor reserves solely unto itself all rights to execute any and all future leases of any kind or nature covering the Property and the rights to receive in its own name and stead all bonuses and rentals payable thereon, and the Grantee does not by these presents acquire any right to participate in the making of future oil and gas or other mineral leases on the Property or on any portion thereof not at this date under lease, nor of participating in the making of future leases, should any existing or future lease for any reason become cancelled or forfeited, nor of participating in any bonus or bonuses which Grantor may receive for any future lease, nor of participating in any rental to be paid for the privilege of deferring the commencement of a well under any lease, now or hereafter. Provided, however, that Grantor shall not execute any future oil and gas lease covering the Property or any portion thereof which provides for a royalty of less than one-eighth (1/8) of the production attributed to the Property or any portion thereof.

TO HAVE AND TO HOLD the above described royalty interest, together with all and singular the rights and appurtenances thereto belonging, unto the said Grantees and each Grantee's heirs, administrators, executors, successors, and assigns forever.

WITNESS 30th hand this 30th day of _____, 2002.

HMC, Ltd., a Colorado Limited Partnership

By: _____
Hayden Rader, General Partner

STATE OF Colorado)
) ss
COUNTY OF Garfield)

ACKNOWLEDGMENT - INDIVIDUAL

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this 30th day of August, 2002, personally appeared Hayden Rader, General Partner of HMC Ltd., a Colorado Limited Partnership, to me known to be the identical person described in and who executed the within and foregoing instrument of writing and acknowledged to me that he duly executed the same as his free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year last above written.

My Commission Expires: 11-14-05

Notary Public

CHRISTY M. SPRINGSTEED
NOTARY PUBLIC
STATE OF COLORADO

ZONED®
PROPERTIES INC

14300 N. Northsight Blvd#208
Scottsdale, AZ85260

Via Email

June 01, 2016

Mr. Stuart S. McArthur
Town Manager
Town of Parachute
222 Grand Valley Way
Parachute, CO 81635

Dear Mr. McArthur:

Zoned Properties, Inc. on behalf of Parachute Development Corporation & Zoned Colorado Properties, LLC ("Property Owners") is pleased to submit to you the attached Project Narrative and Vested Property Rights Agreement ("VPRA"). The submittal includes a Site Plan Rendering that represents the Site Specific Development Plan ("SSDP") in support of our request to the Town of Parachute ("Town") for a Five (05) year Vested Property Rights Agreement with the Town of Parachute Board of Trustees. Material documents are attached herein.

We have reviewed the Town's Fees and understand that the established fee for this type of application may be equated with a standard Land Use Application. Please confirm the application fee amount for this proposal, and we will be happy to submit a check to the Town of Parachute.

It is our understanding that at the February 18th, 2016 Board of Trustees Meeting, the Board discussed and approved a number of proposed changes to the Parachute Ordinance (692.2016) regarding Retail ("RMJ") and Medical Marijuana ("MMJ"). As you are aware, over the past few months our development team has been meeting with town representatives regarding these changes and, more specifically, how a VPRA including an SSDP in the form of a Site Plan can be used to preserve the development and expansion rights of our proposed Licensed Marijuana Facility development in the Town of Parachute. It might be appropriate to include discussion and action of the attached VPRA on the agenda for the upcoming Planning and Zoning meeting on July 14th, 2016 and use the included Land Use Application for a VPRA as an example for analysis and conversation to be formally approved by the Board of Trustees at their meeting on July 21st, 2016. In our opinion, approval of this VPRA by the Board of Trustees will "provide the procedures necessary to implement the provisions of Article 68 of Title 24, Colorado Revised Statutes, which Article establishes a vested property right to undertake and complete development and use of real property under the terms and conditions of a Site Specific Development Plan" (15.01.107(A)).

Thank you for your review of the enclosed materials. Please contact me at (480) 351-8193 or Del Dawson at (970) 250-8400 if you have any questions or comments. We look forward to working collaboratively with Town Staff, the Planning & Zoning Board and the Board of Trustees to create development strategies, which will serve the interests of the local community and the Property Owners.

Sincerely,

Bryan McLaren
Zoned Properties, Inc.

ZONED®
PROPERTIES INC

14300 N. Northsight Blvd#208
Scottsdale, AZ85260

VESTED PROPERTY RIGHTS AGREEMENT
PROJECT NARRATIVE
For Approximately 1.5 ACRES

Parachute Park P.U.D. LOT 7 of BLOCK 3

Submitted on behalf of:
Parachute Development Corporation
&
Zoned Colorado Properties, LLC

Submitted by:
Bryan McLaren
Zoned Properties, Inc.,
14300 N. Northsight Blvd., Suite 208
Scottsdale, AZ 85260
480 351 8193
Bryan@zonedproperties.com

Submitted to:
The Town of Parachute ("Town")
Community Development Department
Planning and Development Division
222 Grand Valley Way
Parachute, CO 81635

Submitted: June 01, 2016

www.zonedproperties.com

Purpose of Request

Zoned Properties, Inc. on behalf of Parachute Development Corporation and Zoned Colorado Properties, LLC ("Property Owners"), is pleased to submit this Project Narrative to the Town of Parachute in support of an application for a Vested Property Rights Agreement ("VPRA") based upon the attached Site Specific Development Plan ("SSDP") shown in **Exhibit B,** which has been submitted in the form of a Special Review Land Use Application. The VPRA includes this Project Narrative and all exhibits described herein. The SSDP includes the property formally known as Lot 7, Block 3 of the Parachute Park P.U.D. ("the Property"). A legal description for the Property is attached as **Exhibit A**.

The Property Owners are submitting this application for a VPRA based upon the attached SSDP consistent with the enabling authority available to the Town as per Title 15 Land Use Regulations 15.01.107 and Colorado Revised Statute CRS 24.68.101 which reads, "It is necessary and desirable, as a matter of public policy, to provide for the establishment of vested property rights in order to ensure reasonable certainty, stability, and fairness in the land use planning process and in order to stimulate economic growth, secure the reasonable investment-backed expectations of landowners, and foster cooperation between the public and private sectors in the area of land use planning."

Description of Proposal

As shown on the Site Specific Development Plan as part of the Vested Property Rights Agreement herein, **Exhibit B** of this narrative, the Property Owners are proposing to develop the existing Property as a single building site including multiple uses within the Property as described below. The SSDP is represented as a general site plan. At a future time, the Property Owners will submit a more detailed site plan in the form of an application for building permits pursuant to municipal code requirements. The detailed site plan will include details as required by municipal code for lighting and landscaping. It is anticipated that the project will be completed by January of 2017. There are currently no proposed open space or recreation spaces on the property. The proposed development uses, described below, may be selected individually or as co-located uses.

The following proposed development uses are included within the SSDP and deemed vested rights within this VPRA: first, the proposed development use of a medical marijuana cultivation facility; second, the proposed development use of a recreational marijuana cultivation facility; third, the proposed development use of a medical marijuana production facility; fourth, the proposed development use of a recreational marijuana production facility; fifth, the proposed development use of a recreational marijuana retail store; and sixth, the proposed development use of a marijuana testing facility. Ancillary commercial development uses traditionally permitted within the Light Industrial and Service Commercial zoning designation may also be proposed.

Each proposed development use included within this VPRA will not be required to be completed prior to an additionally proposed development use commencing. A detailed plan for each proposed development use shall be submitted by the Property Owners for approval by the Town Manager or by Special Use Review prior to the development use commencing in order to obtain construction and development permits; of which such approval shall not be unreasonably withheld.

Relationship to Surrounding Properties and Existing Zoning

The primary project site, Lot 7, is located on the northwest side of Interstate Highway 70, in the center portion of the previously subdivided property between Diamond Loop Road and Parachute Park Blvd. As depicted by the SSDP included in **Exhibit B**, the project site is bound by roadways on four sides, and is surrounded by Light Industrial or Service Commercial properties. There are no residentially zoned properties surrounding the primary project site at Lot 7. The mineral rights associated with Lot 7 are owned by HMC, Ltd.

	Zoning Classification	Use
Project Site	Light Industrial	Licensed Marijuana Facilities
North	Light Industrial	Vacant Development
South	Service Commercial	Commercial Development
East	Service Commercial	Commercial Development
West	Light Industrial	Vacant Development

Development Schedule

The development schedule for the attached SSDP could be materially affected by changes to the rules and regulation under Colorado State Statute. Per CRS 24-68-104 (1)&(2) "A property right which has been vested as provided for in this article shall remain vested for a period of three years;" however, "local governments are hereby authorized to enter into development agreements with landowners providing that property rights shall be vested for a period exceeding three years where warranted in light of all relevant circumstances, including, but not limited to, the size and phasing of the development, economic cycles, and market conditions." The Property Owners propose the adoption of the vested rights to be granted over a period of five (05) years given relevant circumstances and risks inherent to the industry.

Public Utilities and Services

Utilities and services to the development will be provided as follows:

Utility	Provider
Water	Town of Parachute
Wastewater	Town of Parachute
Electricity	EXCL
Gas	EXCL
Trash	Town of Parachute
Police	Parachute Police Department
Fire	Grand Valley Fire Protection District

Development Team

Applicant:	Zoned Properties, Inc. 14300 N. Northsight Blvd., Suite 208 Scottsdale, AZ 85260 Bryan McLaren (480) 351-8193 Bryan@zonedproperties.com
Property Owners:	Parachute Development Corporation Zoned Colorado Properties, LLC c/o Zoned Properties, Inc. 14300 N. Northsight Blvd., Suite 208 Scottsdale, AZ 85260 Bryan McLaren
Real Estate Broker:	Del Dawson RE/MAX Country 175 Columbine Court Parachute, CO. 81635 (970) 250-8400 Deldawson@remax.net

Effective Date

Pursuant to CRS 24-68-103, this Vested Property Rights Agreement will be deemed established and effective upon approval of the attached SSDP "following notice and public hearing, by the local government in which the property is situated." Approval of the attached SSDP by the Town of Parachute Board of Trustees will have taken place as per Board vote at the Board meeting having taken place on July 21, 2016.

Conclusion

Approval of this VPRA based upon the attached SSDP will allow for the continued development of a well-designed commercial enterprise, which includes renewable energy sources, Licensed Medical Marijuana Facilities and Licensed Retail Marijuana Facilities. The Property Owners look forward to working with the Town of Parachute to develop the planning and legal framework, which will implement this economic development vision.

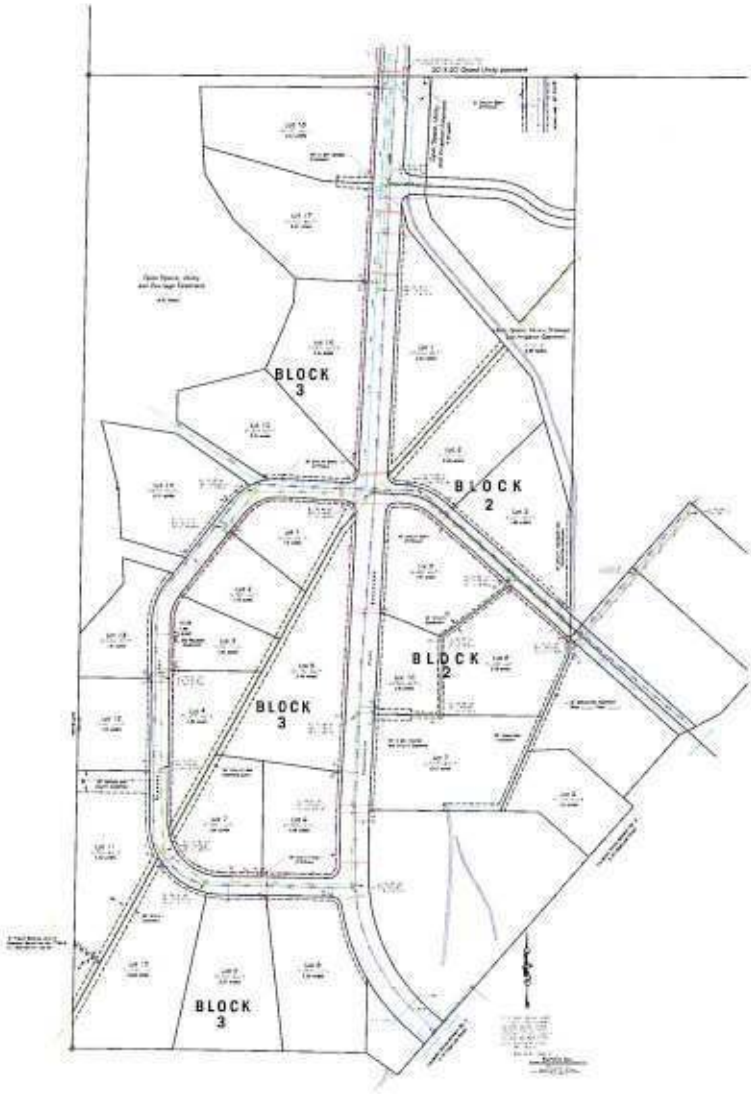
ZONED PROPERTIES INC

14300 N. Northsight Blvd #208
Scottsdale, AZ 85260

EXHIBIT A

LEGAL DESCRIPTION

LOT 7, of BLOCK 3 AMENDED FINAL PLAT Lots 1-3 AND 6-10, BLOCK 2 AND LOTS 1-18, BLOCK 3, PARACHUTE PARK P.U.D. County of Garfield, State of Colorado

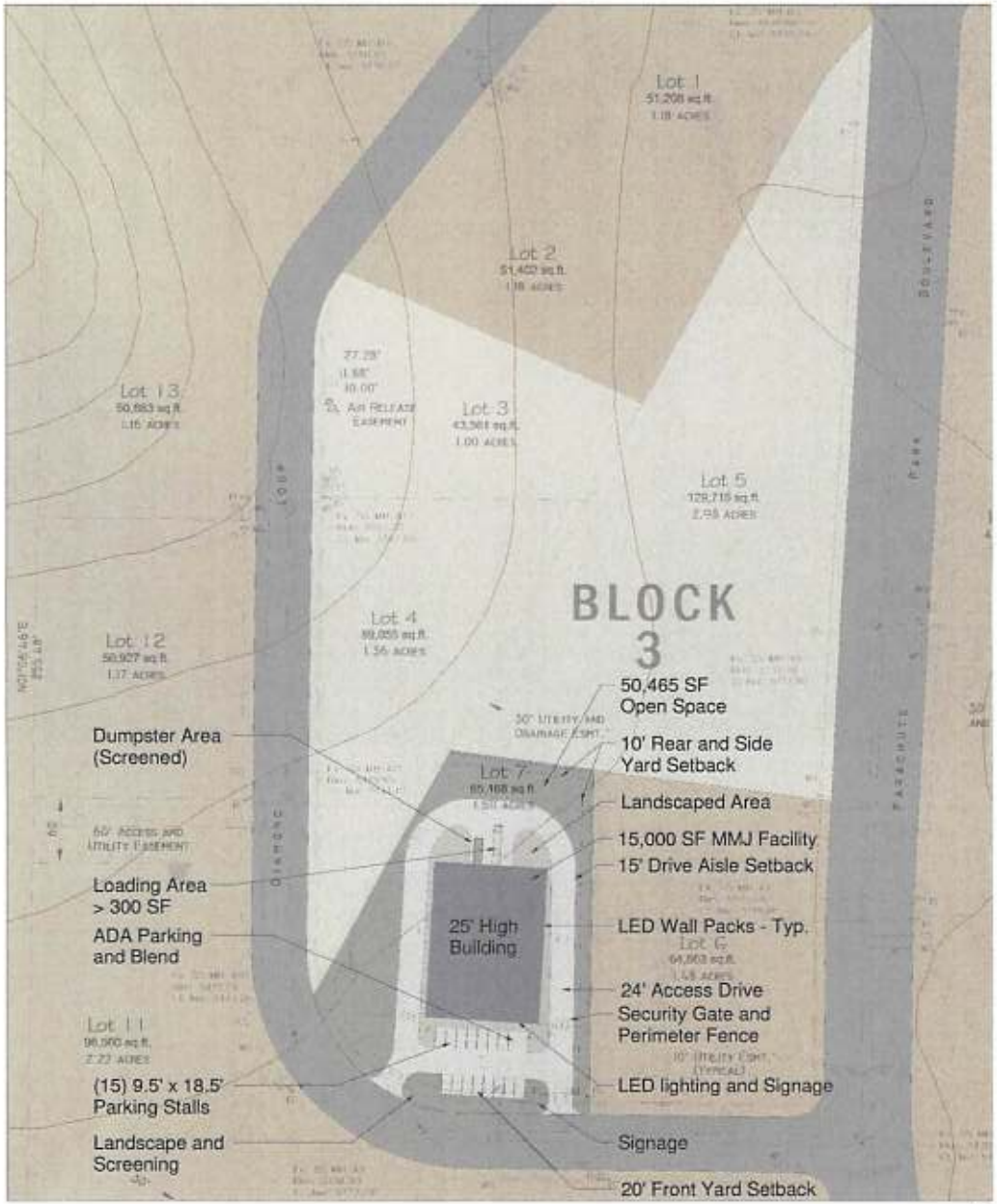


14300 N. Northsight Blvd #208
Scottsdale, AZ 85260

EXHIBIT B

SITE SPECIFIC DEVELOPMENT PLAN

"*Site Specific Development Plan* means a plan that has been submitted to a local government by a landowner or such landowner's representative describing with reasonable certainty the type and intensity of use for a specific parcel or parcels of property. Such plan may be in the form of, but need not be limited to, any of the following plans or approvals: A planned unit development plan, a subdivision plat, a specially planned area, a planned building group, a general submission plan, a preliminary or general development plan, a conditional or special use plan, a development agreement, or any other land use approval designation as may be utilized by a local government" (CRS 24-68-102 (4)(a)).



PROJECT INFORMATION

Parachute Development Corporation & Zoned Colorado Properties, LLC.

Parachute Development Corporation
Zoned Colorado Properties, LLC
c/o
Zoned Properties, Inc.
14300 N. Northsight Blvd.,
Suite 208 Scottsdale, AZ 85260
Bryan McLaren
480-351-8193

Submitted to:
The Town of Parachute Community Development
Department of Planning and Development Division
222 Grand Valley Way Parachute, CO 81635

Property Owner / Parcel Number (Zoning Designation):

Parachute Park P.U.D.Block:
LOT #7 of BLOCK 3

Utility Provider:

Water:	Town of Parachute
Wastewater:	Town of Parachute
Electricity:	EXCL
Gas:	EXCL
Trash:	Town of Parachute
Police:	Parachute Police Department
Fire:	Grand Valley Fire Protection District

Legal Description:

See Exhibits A

General Notes:

Approval of this VPRA based upon the attached SSDP will allow for the continued development of a well-designed commercial enterprise, which includes renewable energy sources, Licensed Medical Marijuana Facilities and Licensed Retail Marijuana Facilities. The Property Owners look forward to working with the Town of Parachute to develop the planning and legal framework, which will implement this economic development vision.

Parachute Development Corporation & Zoned Colorado Properties, LLC

Site Specific Development Plan

Exhibit B

MEMORANDUM

TO: BRYAN MCLAREN

FROM: DAVIS FARRAR - PARACHUTE PLANNER

SUBJECT: ZONED PROPERTIES SPECIAL REVIEW USE AND VESTED RIGHTS APPLICATION COMPLETENESS REVIEW

DATE: 6/6/2015

CC: STUART MCARTHUR - TOWN MANAGER

The Zoned Colorado Marijuana Facility application for Zoned Properties, Inc. on behalf of Parachute Development Corporation Special Review Use and Vested Property Rights was received on June 1, 2016 and additional submittals were made June 3, 2016. The application consisted of the following items:

- ✓ Application form.
- ✓ Application fee.
- ✓ Letter of authorization.
- ✓ Names and addresses of owners of the property within 200 ft.
- ✓ Names and addresses owners or lessees of mineral rights for the property.
- ✓ Statement of Taxes Due.
- ✓ Project narrative.
- ✓ Vested property rights agreement project narrative.
- ✓ Legal description of the property.
- ✓ Proof of Ownership.
- ✓ Owner Authorization for Zoned Properties, Inc. to Process the Application.
- ✓ Vicinity map.
- ✓ Site Plan dated 6/1/16

It is understood that s detailed site plan will be submitted at the time of building permit and will be subject to staff/consultant review and approval prior to issuance of building permit in conformance with the following requirements. "15.07.112 Site Plan Review. Prior to the issuance of a building permit for all uses except single-family residences, a site plan must be submitted as required by Section 15.01.114. In addition to the building permit requirements, the following information shall be submitted for a parking lot or parking area:

A. Delineation of individual parking and loading spaces;
B. Circulation area necessary to serve spaces;
C. Access to streets and property to be served;
D. Curb cuts;
E. Dimensions, continuity, and substance of screening;
F. Grading, drainage, surfacing and subgrade details;
G. Delineation of obstacles to parking and circulation in finished parking area;
H. Specifications as to signs and bumper guards;
I. Location and specifications of shielded lighting for parking areas to be used at night;
J. Location and specifications (e.g., plants and materials) for landscaping of the parking area;
K. Irrigation plan for the landscaped areas; and
L. Other pertinent data.

The Town Administrator shall make the initial determination of whether or not the plans and specifications comply with the provisions of this Chapter. Appeals from the Town Administrator's decision may be taken by any aggrieved party to the Board of Adjustment within fourteen (14) days after such decision."

The application has been deemed **complete** for purposes of processing and hearing notice. The application will be submitted to review agencies for comments. A comprehensive review of the application will be conducted which will include a Planning Commission staff report which will be available to the applicant from the town on or before the Friday the week prior to the Planning Commission meeting date.

I am available to answer questions. I can be reached by e-mail wsconsulting@sopris.net or by telephone 970-963-7172.

Staff Report

Town of Parachute Planning Commission Meeting
Thursday, July 14, 2016
Zoned Properties, Inc. Request for Special Review Use and Vested Property Rights

Report Date - 6/25/2016

PROJECT INFORMATION	
Name of Project:	Zoned Colorado Marijuana Facility
Type of Request:	Special Review Use, Vested Property Rights and Vested Property Rights Agreement to develop a single building site for a Retail Marijuana Cultivation Facility and other potential marijuana uses, including a Medical Marijuana-Infused Products Manufacturer, an Optional Premises Cultivation Operation, a Medical Marijuana Testing Facility, a Retail Marijuana Store, Retail Marijuana Testing Facility, and/or Retail Marijuana Product Manufacturing Facility
Name of Applicant:	Zoned Properties, Inc., on behalf of Parachute Development Corporation & Zoned Colorado Properties, LLC
Address:	14300 N. Northside Blvd., #208, Scottsdale, AZ 85260
Phone:	480-351-8193, Email - Bryan@zonedproperties.com
Applicant Representative:	Bryan McLaren - Zoned Properties Inc.
Representative Address:	Same as above
Property Owner:	Parachute Development Corporation
Property Owner Address/Phone:	PO Box 686, Glenwood Springs, CO 81602, Telephone 970-948-0699, E-mail - hraden@rof.net
Lien Holder:	None Identified
Mineral Owners:	Lot #7 Parachute Park PUD - HNC, Ltd
Site Address & Parcel Number	110 Diamond Loop, Parachute, Colorado, 81635 - LOT 7 of BLOCK 3 PARACHUTE PARK P.U.D, Parcel #2409-123-02-007
Project Engineer	None Identified
Project Surveyor	None Identified
Site Planner	DAC Studios, Ltd., c/o David a Cintron, Jr.
Address	PO Box 0685, Chicago, IL 60690-0685, Telephone: 312-491-9069, E-mail: dac@dacstudios.com
Existing Zoning	PUD Light Industrial
Surrounding Zoning:	***North*** - Light Industrial, ***East*** - Service Commercial, ***South*** - Service Commercial, ***West*** - Light Industrial
Proposed Zoning	No Change
Existing Land Use:	Vacant Land

Existing Lot Size	65,168 ft.^{2} (1.5 acres)
Minimum Lot Size	6,000 square feet
Property Legal Description	LOT 7 of BLOCK 3 AMENDED FINAL PLAT Lots 1-3 AND 6-10, BLOCK 2 AND LOTS 1-18, BLOCK 3, PARACHUTE PARK P.U.D. County of Garfield, State of Colorado

Project Location: North and East of Diamond Loop, East of Parachute Park Boulevard.

I. Description of Application:

The applicant is requesting approval of a special review use application for Retail Marijuana Cultivation Facility on a 65,168-ft.² property described as Lot 7 Block 3 of the Parachute Park PUD. The site is located north and east of Diamond Loop as shown in the image above. In association with the Special Review Use, the applicant is requesting Vested Property Rights (Code Section 15.01.107 - Vested Property Rights) on a Site-Specific Development Plan for a period of five years to preserve the development and expansion rights of their proposed marijuana facility. The applicants are proposing to develop the property with a single building that will include a variety of marijuana related uses. These uses include marijuana cultivation facilities, retail marijuana product manufacturing facility, retail marijuana store and a retail marijuana testing facility. The application description of these uses does not mirror the designations in the Parachute Zoning Use Table, but staff understands that their intent is to pursue the above listed uses. The following language comes directly from their submittal. "First, the proposed development use of a medical marijuana cultivation facility; second, the proposed development use of a recreational marijuana cultivation facility; third, the proposed development use of a medical marijuana production facility; fourth, the proposed development use of a recreational marijuana production facility; fifth, the proposed development use of a recreational marijuana retail store; and sixth, the proposed development use of a marijuana testing facility." The applicant notes that they may also pursue other uses in the Parachute Park PUD in the Service Commercial PUD Zone District. The only identified use that requires a special review use approval is the marijuana cultivation facility. The applicant intends to request approval of separate marijuana licenses, for the marijuana grow facility and the other uses as required by the Parachute Municipal Code. Municipal water and sewer utilities are in place and adjacent to the site.

A general site plan was submitted which shows parking, access, proposed building footprint, parking spaces, landscape, lighting, signage (not specific) and other information. The applicant proposes to submit detailed engineering for drainage, grading and detailed site plan information as part of the site plan review process detailed in Section 15.07.112. This information will be considered in conjunction with a building permit application. The following information is required as part of the Site Plan Review:

A. Delineation of individual parking and loading spaces;

B. Circulation area necessary to serve spaces;

C. Access to streets and property to be served;

D. Curb cuts;

E. Dimensions, continuity, and substance of screening;

F. Grading, drainage, surfacing and subgrade details;

G. Delineation of obstacles to parking and circulation in finished parking areas;

H. Specifications as to signs and bumper guards;

I. Location and specifications of shielded lighting for parking areas to be used at night;

J. Location and specifications (e.g., plants and materials) for landscaping of the parking areas;

K. Irrigation plan for the landscaped areas; and

L. Other pertinent data.

The subject property is in the Parachute Park PUD, which allows light industrial uses and service commercial uses, so compatibility with surrounding properties is not an issue with proper mitigation of odor, lighting impacts etc. Most of the property around Lot 7 remains undeveloped. Future development adjacent to or near the subject property and should not be adversely impacted by the grow facility as long as odor, noise and excessive lighting are mitigated. Development of the property with a the proposed marijuana uses will increase traffic on Diamond Loop and

Parachute Park Boulevard, but these roads are designed to handle industrial and commercial traffic. The applicant did not submit a traffic generation report for the proposed use or a calculation of the proposed number of employees. This information is necessary to assess the traffic generation for the grow facility.

The Commission should be aware that a major concern of Retail Marijuana Cultivation Facility facilities is smell and mitigation thereof. Carbon filtration has been shown to be the most effective method of odor mitigation at other grow operations. The applicant must address environmental impacts, landscaping details, lighting, drainage and other requirements as part of the Site Plan Review process specified in Section 15.07.112 of the land use regulations. The Planning Commission should ask about the applicant's proposal for odor mitigation, lighting and other impacts.

The applicant proposes a single sign on the property to identify the Retail Marijuana Cultivation Facility. Typically, operators of grow facilities do not advertise their facilities for security reasons. A separate sign permit application will be required for site signage.

The applicant does not propose any open space or recreation areas on the property. However, the Municipal Code requires land dedication for commercial development as noted in the following section.

"15.01.111 Land Dedication Requirements.

*A. Land Dedication -- General Requirements. For every annexation, subdivision or residential or **commercial development**, the Board of Trustees shall require the dedication of certain sites for parks and recreation use or fee in lieu of dedication, and may require reservation of sites for school and other public purposes. Land dedicated may include the one-hundred-year floodplain, national and state historical or natural features, and proposed public areas set aside in state, regional, county or city comprehensive plans. Land dedicated shall not include sites for technical, private or public schools, or public agencies, sites for service organizations which are not open to the general public, and sites unsuitable for public use due to steep slopes, rock formations, adverse topography, utility easements, or other features which may be harmful to the health and safety of the citizens."*

"2. In the case of commercial or industrial development, the subdivider or developer shall dedicate and convey to the Town by means of final plat dedication or deed, eight percent (8%) of the total gross lot area to be used as public recreation at locations designated by the Town."

However, the Board of Trustees in their sole discretion may accept cash in lieu of land dedication pursuant to the following section of the regulations.

"E. Cash Payment in Lieu of Dedication.

1. At the option of the Board of Trustees, the subdivider or developer may be required, on or before final passage of the ordinance approving the subdivision, to pay to the Town payment in cash or to transfer other property in lieu of land dedication. The amount of cash payment shall be as determined by this Section for the land fee. If the Board determines to accept other property instead of, or as a partial payment toward the cash payment required hereunder, the Board shall determine the value of the other property."

Project lighting should include full cutoff fixtures in the parking lot lights and on the building. A specific lighting plan must be submitted during the building permit/site plan process.

The applicant must submit a detailed landscaping plan in conjunction with the building permit process that will be subject to review and approval by the town staff. At this time, there is no estimated date for completion of the site improvements.

As noted previously, the site plan review process will occur at a staff level will address all required engineering, site improvements, drainage and other requirements.

Sewer Service – Municipal sewer is located adjacent to the property.

Water - Municipal water is located adjacent to the property.

Electric - No information provided.

Gas - No information provided.

Telephone - No information provided.

II. Applicable Regulations:

A)Relationship to the Comprehensive Plan

The application should be in general compliance with the Parachute Comprehensive Plan. This topic is discussed later in this report.

B)Special Review Uses

15.05.206 Review Criteria and Planning Commission Recommendation (to Trustees).

A. Review Criteria. The Planning Commission shall consider all the evidence presented by the applicant and other interested parties, comments of review agencies, recommendations of the Town Administrator, and comments from the public. At a minimum, the Planning Commission shall also consider the following criteria:

1. Conformance of the proposal with the Town of Parachute Municipal Code;
2. The compatibility of the proposal with the character of the surrounding area including, but not limited to the architectural character of the neighborhood;
3. The desirability for the proposed use in the specific area of the Town;
4. The potential for adverse environmental effects that might result from the proposed use;
5. Compatibility of the proposed use and the site (or subdivision) plan with the Parachute Plan; and
6. Conformance of any plan with the requirements of the Town of Parachute Public Works Improvements Manual.

C)Vested Property Rights

15.1.107 Vested Property Rights.

A. Purpose. The purpose of this Section is to provide the procedures necessary to implement the provisions of Article 68 of Title 24, Colorado Revised Statutes, which Article establishes a vested property right to undertake and complete development and use of real property under the terms and conditions of a site-specific development plan.

B. Definitions. Unless modified in this subsection, the terms used in this Section shall have the same meaning as set forth in Section 24-68-102, C.R.S. As used in this Section, unless the context otherwise requires:

1. "Site specific development plan" means a plan that has been submitted to the Town by a landowner or such landowner's representative describing with reasonable certainty the type and intensity of use for a specific parcel or parcels of property, which plan shall create a vested property right. The following shall be considered site-specific development plans:

DEVELOPMENT REVIEW PROCEDURE	SITE SPECIFIC DEVELOPMENT PLAN
a. Special Use Review pursuant to Section 15.03.165	Special Review Use approval by the Town Board
b. Subdivision Review pursuant to Articles 15.04 and 15.05, including major subdivisions, minor subdivisions, re-subdivisions, and division of property into condominium or townhouse units.	Final Plat, as approved by the Town Board

If not indicated above, a site-specific development plan shall mean the final approval step, irrespective of the name or designation of such approval, which occurs prior to building permit application.

Provided, however, the Town Board may by agreement with the applicant designate an approval step other than those indicated above, or the final approval step, to serve as the site specific development plan approval for a specific project.

The following are specifically excluded from, and shall not constitute, a site specific development plan: variances issued by the Board of Adjustment, sketch plans, preliminary plans, business licenses, floodway or flood plain permits, franchises, temporary use permits, any comprehensive master plan element, creation of improvement districts, zoning or rezoning, final architectural plans, or final construction drawings and related documents specifying materials and methods for construction of improvements.

2. "Vested property right" means the right to undertake and complete development and use of property under the terms and conditions of a site-specific development plan.

III. Requested Actions:

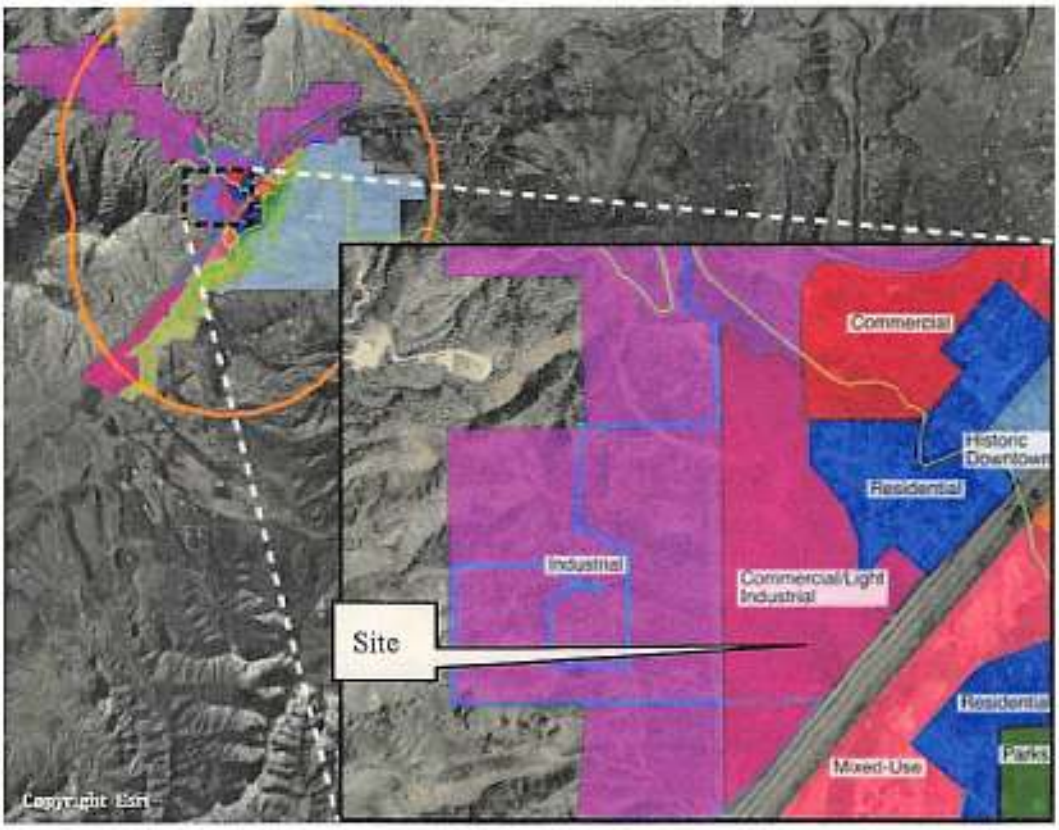
The applicant is requesting approval of a Special Review Use for a Retail Marijuana Cultivation Facility and Vested Property Rights on the Special Review Use.

IV. . Special Review Use Staff Comments:

Conformance with the Town of Parachute Comprehensive Plan.

The following statements relevant to this application come from the recently adopted 2015 Parachute Comprehensive Plan completed by the Better City consultants.

Better City 2016 Parachute Comprehensive Plan - Land-Use Category - Commercial/Light Industrial



The recently adopted 2016 Parachute Comprehensive Plan states, "***Land Use Designations***

The land use zones designated herein are done in accordance with the economic diversification strategy outlined in Chapter 1 of the Comprehensive Plan and is designed to generate the greatest amount of future economic development opportunities. Where possible, the proposed land use designations follow existing property lines so as to avoid the conflict of having a single parcel with dual designations. In some instances, land use designations cross current parcels, and in such cases, it is recommended that the Town begin working with landowners to contemplate lot-line adjustments to prevent dual designation. The proposed designations also take into consideration current land use, and in some cases discusses a transition from the current use into the most appropriate use for future generations. The following land use designations are utilized and anticipated permitted uses for each zone are briefly described.

Commercial/Light Industrial *– The Commercial/Light Industrial is anticipated to allow the same uses permitted within the Commercial category, along with the addition of light industrial uses such as light manufacturing, production, assembly, indoor farms, etc. The Town may consider adding language to the zoning code that permits and further defines light industrial uses based on the anticipated noise and pollution that may be created by a business or entity within the area.*

Industrial *– The Industrial designation is anticipated to allow both light and heavy manufacturing, natural resource collection and refining, and other similarly focused entities. The industrial designation may also be overlaid with an agricultural designation to allow current agricultural activities to continue within the zone."*

West Central

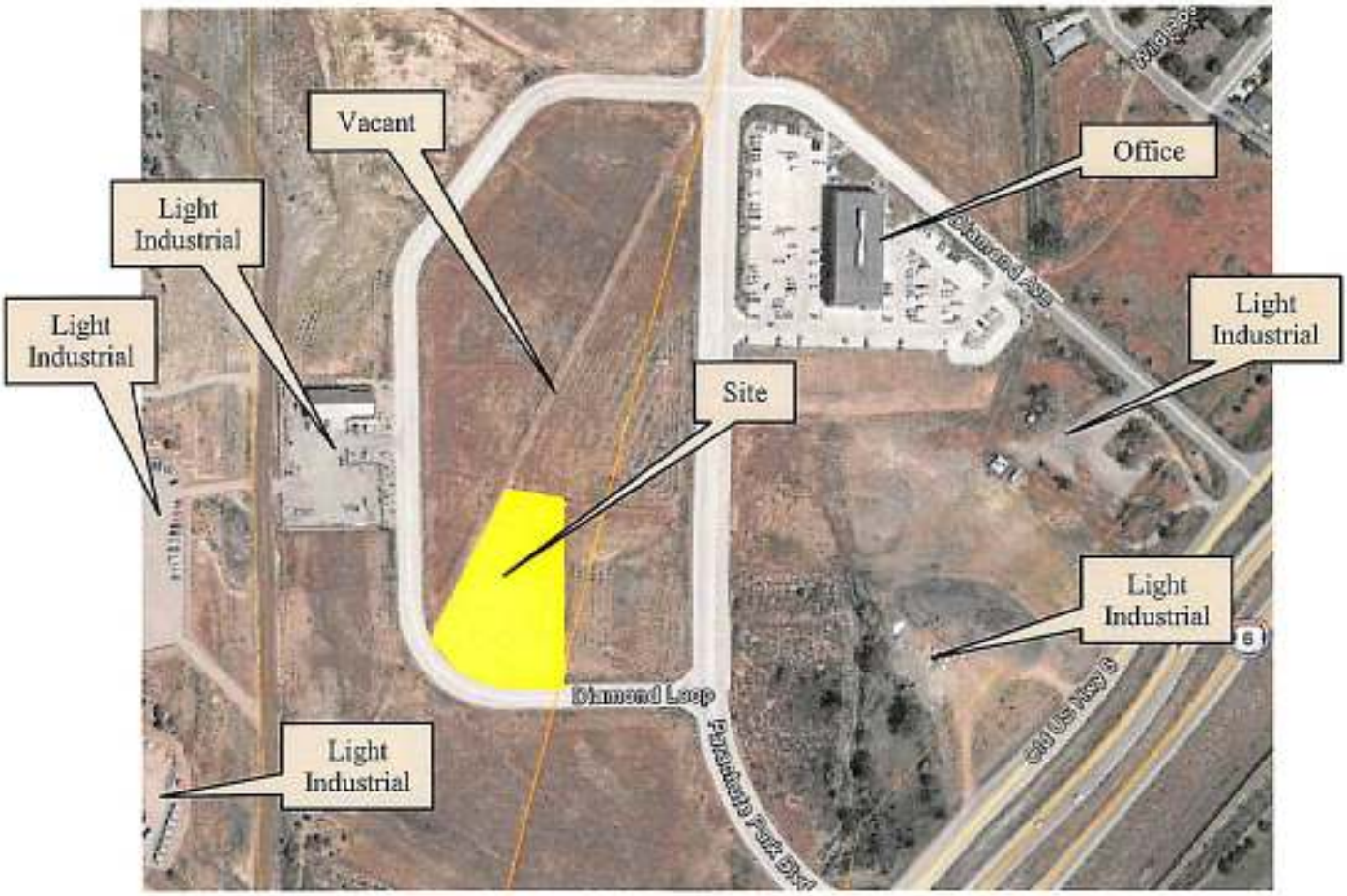
The west central section of Town will serve as the site for future Industrial, Light Industrial, and Commercial development. Convenient access along Parachute Park Blvd. will be a major benefit to new businesses in this region of Town. The Commercial/Light Industrial zone will be most appropriate for light manufacturing, business parks, light industrial parks, and agribusiness related industries. Development of new businesses in the Industrial zone to the west will be difficult due to unfavorable slope.

The Commercial zone located to the north of the Residential zone may take some time before it is fully utilized, but it is anticipated to become a commercial corridor that connects the Historic Downtown with the major businesses up the canyon toward the north.

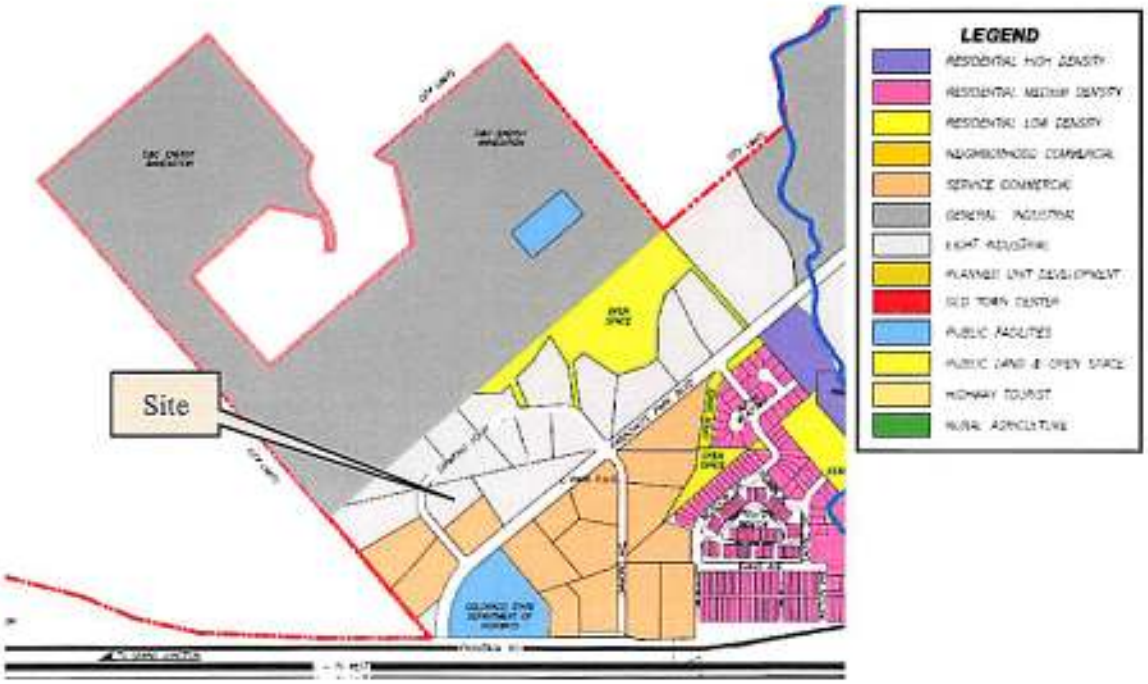
Part of the land within the proposed Industrial and Commercial/Light Industrial zones are currently located outside Town limits. These sections should be considered for future annexation.

Staff Comment. This property is shown in the adopted 2016 Parachute Comprehensive Plan as Commercial Light Industrial and is intended to offer a variety of uses as noted above. The site is located within an existing Planned Unit Development (PUD) that allows the proposed Retail Marijuana Cultivation Facility. The proposed use will be compatible with the PUD Zone District as long as the impacts of size, odor, lighting and traffic are adequately addressed.

The following map shows the existing uses on and around the subject property.



Parachute Zoning Around Proposed Site



Special Review Use Review Requirements:

As noted previously, the town regulations state, "The Planning Commission shall consider all the evidence presented by the applicant and other interested parties, comments of review agencies, recommendations of the Town Clerk, the Town's consultants and comments from the public. At a minimum, the Planning Commission shall also consider the following criteria (listed below)." The land-use regulations state, ***"It is the intent of these Regulations to provide a review of special review uses so that the community is assured that any proposed special review uses are suitable for the proposed location and are compatible with the surrounding land uses."***

1. Conformance of the proposal with the Town of Parachute Municipal Code;

Staff Comment. The proposed use will be required to conform to all applicable provisions in the Parachute Municipal Code. This includes conformance to all of the requirements of the Municipal Code, building/fire codes, electric codes and other applicable regulations. In addition to the issues identified previously in this memorandum, the applicant must address all of the applicable Code sections in more detail in their site plan submittal. The applicant requests that the details of these requirements be addressed during the site plan review process, which takes place at a staff level in conjunction with a request for a building permit. The following items are excerpts from the land-use code that are applicable to the subject property and must be complied with as part of the site plan review process.

Landscaping - 15.03.197 General Requirements for all Business, Commercial and Industrial Uses.

B. All outdoor storage, trash receptacles and activities associated with permitted uses shall be entirely enclosed by building walls or by a solid masonry wall not less than seven feet (7') in height located at the front setback line. On all other property lines said uses shall be enclosed by buildings, solid masonry walls, vine covered chain-link fences, or uniformly compact evergreen hedges, continuously maintained and not less than seven feet (7') in height. Items stored within one hundred feet (100') of a dedicated street or residential zone shall not be stacked higher than six feet (6').

D. All business, commercial and industrial facilities adjacent to residential uses shall be screened from the residential use with landscaping and fencing of a minimum height of six feet (6') subject to review and approval of the Town Administrator. No side or rear yards are required except where adjoining a residential zone, the side and rear yard(s) shall be a minimum of one hundred feet (100'). Said yards may be used for parking, loading, and accessways. A solid masonry wall not less than seven feet (7') in height shall be installed along the property line abutting the residential zone. (Amended Ord. 580 §9, 2008)

G. In all front yards, the equivalent of one (1) tree per thirty (30) lineal feet of interior property line shall be provided; in all rear and side yards, visible from adjacent streets or residential neighborhoods, one (1) tree for each thirty (30) lineal feet of combined rear and side interior property lines shall be planted in either a lineal or grouped manner. In addition, a five-foot (5'), net (clear of curb), interior property line landscaped strip shall be provided. This landscaping shall be continuous along all interior property lines. Landscaping shall be held back from the property line or intersection with driveways or streets so as not to hinder traffic visibility.

H. All yards between the public street curbing and the property line are to be professionally landscaped and maintained with drought tolerant landscaping, incorporating native shrubs and trees.

I. All unpaved or undeveloped areas of a site for which a development application has not been submitted, shall be planted with a ground cover and/or shrub material as a condition of project approval. Undeveloped areas, which are proposed for future expansion, shall be kept in a weed free condition.

K. Parking lot lighting fixtures are to have an overall maximum height that is consistent with the height of the buildings themselves. Walkway lighting fixtures are to have an overall maximum height of fourteen feet (14').

L. Cut-off exterior light fixtures and their location shall be submitted on a plan for review.

M. Security lighting fixtures are not to project above the fascia or parapet of the building and are to be shielded or recessed in the building walls to provide cut-off at the property line.

N. The storage of combustible materials shall be not less than twenty feet (20') from any interior lot line, and a roadway shall be provided, graded, surfaced, and maintained from the street to the rear of the property to permit free access of fire trucks at any time.

O. No materials or wastes shall be deposited upon a subject lot in such form or manner that they may be transferred off the lot by natural causes or forces. All waste materials shall be stored in an enclosed area and shall be accessible to service vehicles.

P. Wastes, which might cause fumes or dust or which constitute a fire hazard or which may be edible by or otherwise be attractive to rodents or insects shall be stored only in closed containers in required enclosures.

Q. Trash enclosure location shall be subject to the approval of the Building and Planning Department. Trash enclosure shall be of masonry construction or approved alternate material.

(Ord. 351, 1994; Amended Ord. 439 §1, 2001; Amended Ord. 501 §1, 2004; Amended Ord. 580 §10, 2008)

15.03.199 Building Exterior Design Standards.

A. Purposes and Intent. The purposes and intent of this Section are to:

1. Provide for the minimum protection and enhancement of the historic character of the Old Town Area of the Town of Parachute as expressed in the external appearance and siting of buildings both present and as previously existed in the community; and

2. Enhance and maintain the appearance and quality of the various newer neighborhoods throughout the Town by limiting the use of certain building materials and designs.

B. Application. In order to comply with the purposes and intent of this Section, the following subsections specify minimum design standards for all buildings constructed in the Town.

C. Standards for Exterior Building Design and Construction Applicable in All Areas of the Town of Parachute. Except as otherwise provided herein, any land surface and any work or improvements upon any real property within the Town of Parachute shall be erected, removed, restored, altered or demolished in such a manner so as to maintain, protect and compliment the historic character and qualities of buildings, structures and properties.

All construction is subject to the requirements of any building code adopted by the Town, the Town of Parachute Land Use Regulations and any other applicable ordinances or provisions of the Town of Parachute Municipal Code.

3. New construction within the Town shall be designed in relation to the historical characteristics of the Town of Parachute, so that the exterior features of such

construction shall blend with the characteristics established herein.

7. Commercial and industrial buildings and associated accessory buildings must have siding material that is made of non-glare and non-reflective material or finish. All exterior siding shall be certified by the manufacturer to withstand deterioration from any atmospheric elements for a minimum of ten (10) years.

8. All roof mounted mechanical equipment and/or ductwork, which projects vertically more than one and one-half feet (1.5') above the roof or roof parapet and is visible from an adjoining street is to be screened by an enclosure, which is detailed consistently with the building.

   a. All roof mounted mechanical equipment and/or ductwork, which projects one and one-half feet (1.5') or more above the roof or roof parapet is to be painted in its entirety consistent with the color scheme of the building in all cases.

   b. No mechanical equipment except for emergency equipment is to be exposed on the wall surface of a building.

   c. Plans for cyclone blowers, bag houses, tanks, etc., shall be reviewed at the time of preliminary plan check to determine design integration with buildings and adjacent area. Furthermore, they shall be painted to match the surface to which attached.

   d. Incinerator vents are to be located on the rear or "hidden" side of the building whenever possible. (Amended Ord. 580 §11, 2008)

As noted previously in this report and as requested in the application submittal, the town requires a site plan review process prior to issuance of a building permit. The following excerpt from the Parachute land-use regulations outlines the information that must be submitted for the site plan review process.

"15.07.112 Site Plan Review. Prior to the issuance of a building permit for all uses except single-family residences, a site plan must be submitted as required by Section 15.01.114. In addition to the building permit requirements, the following information shall be submitted for a parking lot or parking area:

A. Delineation of individual parking and loading spaces;
B. Circulation area necessary to serve spaces;
C. Access to streets and property to be served;
D. Curb cuts;
E. Dimensions, continuity, and substance of screening;
F. Grading, drainage, surfacing and subgrade details;
G. Delineation of obstacles to parking and circulation in finished parking area;
H. Specifications as to signs and bumper guards;
I. Location and specifications of shielded lighting for parking areas to be used at night;
J. Location and specifications (e.g., plants and materials) for landscaping of the parking area;
K. Irrigation plan for the landscaped areas; and
L. Other pertinent data.

The Town Administrator shall make the initial determination of whether or not the plans and specifications comply with the provisions of this Chapter. Appeals from the Town Administrator's decision may be taken by any aggrieved party to the Board of Adjustment within fourteen (14) days after such decision."

Other applicable code sections that apply to this submittal are listed below.

J. Parking Lot Landscaping.

5. Interior Landscaping Requirement. Landscaping is required in the interior of parking lots to direct traffic, to reduce heat and glare and to screen cars from adjacent properties. The interior of all parking lots shall be landscaped as follows:

2. Dual texturing of building facades or a five-foot (5') strip of building perimeter landscaping shall be required, with the exception of rear or side walls abutting other existing buildings.

4. Parking lots shall be landscaped as required by this Section. In cases of hardship or to increase safety, the Board of Trustees may permit a portion of the required landscaping to be relocated or allowed other deviation from the parking landscaping to be relocated or allow other deviation from the parking landscaping requirements.

5. Interior Landscaping Requirement. Landscaping is required in the interior of parking lots to direct traffic, to reduce heat and glare and to screen cars from adjacent properties. The interior of all parking lots shall be landscaped as follows:

7. Parking Lot Perimeter. Landscaping is required around the entire perimeter of a parking lot to assist in the shading of cars, to assist in the abatement of heat and to reduce the amount of glare from glass and metal, and to assist in the screening of cars from adjacent properties.

k. Screening from Residential Lots. All off-street parking areas with six (6) or more spaces shall be adequately screened from any adjoining residential lot by landscaping and opaque six foot (6') fencing. The landscaping and fencing shall be maintained in good condition at all times. (Amended Ord. 580 §§18, 19, 2008)

Staff Comment. The applicants is required to address all of these items as part of the site plan review process unless they request and are approved for a variance to one or more of these items.

Lighting - 15.03.197 General Requirements for all Business, Commercial and Industrial Uses.

K. Parking lot lighting fixtures are to have an overall maximum height that is consistent with the height of the buildings themselves. Walkway lighting fixtures are to have an overall maximum height of fourteen feet (14').

M. Security lighting fixtures are not to project above the fascia or parapet of the building and are to be shielded or recessed in the building walls to provide cut-off at the property line.

15.06.104 Site Plan Requirements. In addition to the requirements of Sections 15.06.102 and 15.06.103, any site plan required in these Regulations shall include:

G. The location and type of outdoor lighting;

Staff Comment. The included site plan generally addresses some but not all of these points. The applicant is required to meet all requirements of the Town of Parachute lighting standards identified above. A complete lighting plan should be submitted for staff review and approval prior to issuance of a building permit.

Parking - ARTICLE 7: STREET PARKING REGULATIONS details the requirements for parking in Parachute.

15.07.106 Parking Requirements for Uses not Listed. For specific uses not listed in Section15.07.102 above, the Town Administrator shall determine the appropriate number of parking spaces required based upon the type of activity, intensity, number of employees and similarity to listed uses.

Staff Comment. The parking requirements for wholesale commercial uses and warehouses are "One (1) space for every one thousand square feet (1,000 sq. ft.) of floor area or one and one-half (1.5) spaces per employee whichever results in more parking spaces." The parking regulations do not list Retail Marijuana Cultivation Facility as a use. Parking should be based on the maximum number of anticipated employees, a loading area with parking for deliveries/pickups and space for facility visitors (inspectors, law enforcement, town personnel or others). The applicant should submit an accurate estimate of maximum employees anticipated at peak employment/operations. The applicant must comply with all parking requirements. This information should be provided to the town staff for review and approval prior to issuance of a building permit.

In addition to the required parking, "A minimum loading area of three hundred square feet (300 sq. ft.) shall be provided for all commercial or industrial uses that have a building area in excess of two thousand square feet (2,000 sq. ft.), with the exception of office and similar uses." Again, the applicant shall be required to demonstrate compliance with this code provision.

Parking and loading areas shall be designed in accordance with all requirements and the requirements of the Town of Parachute Manual of Public Works Improvements. All parking spaces must be surfaced with asphalt or concrete; including the loading area.

Access *- Access to the property is Diamond Loop off Parachute Parkway.*

Staff Comment. All access to the site shall conform to all Town of Parachute requirements. Compliance with access requirements shall be demonstrated prior to initiation of the business operation or issuance of a certificate of occupancy.

Storm Drainage Facilities - Storm drainage should be addressed for the site to ensure proper function. An engineered drainage plan should be submitted to the town engineer for review and approval.

Staff Comment. The application did not include any storm drainage calculations. The town engineer will need the engineered details of site drainage prior to issuance of the building permit.

The compatibility of the proposal with the character of the surrounding area including, but not limited to the architectural character of the neighborhood;

Staff Comment. The property is bordered on the west by light industrial and vacant lots. Existing and future uses could be impacted by odor, light, noise or other activities unless these impacts are properly buffered mitigated in the project design. Properly mitigated, the proposed grow facility will be compatible nearby uses. Because of the undeveloped nature of much of the land surrounding lot 7, the architectural character the neighborhood has not been established. The Encana office building to the northwest sets a standard for an office building. The applicant should present building elevation drawings in conjunction with the site plan review process at the time of building permit application. The Planning Commission may have feedback they wish to offer the applicant before they initiate their building design process.

The desirability of the proposed use in the specific area of the Town;

Staff Comment. The proposed grow operation is compatible with surrounding uses provided adequate mitigation is implemented for the adjacent and future uses. The applicant is processing this request as a Special Review Use consistent with the zoning requirements and the public will have notice of and an opportunity to comment on the proposed request. The proposed use with proper mitigation is in staff's opinion, desirable in this specific area of town.

The potential for adverse environmental effects that might result from the proposed use;

Staff Comment. The applicant is required to effectively mitigate impacts in regards to storm water management, noise, vibration, smoke, dust, odors, heat, glare or other objectionable influences as

required by the Town of Parachute Land Use Regulations Section 15.03.212." The application does not provide any detailed descriptions of environmental mitigation and does not include any specifics on chemicals used, chemical storage, protections to the water/sewer utilities, odor removal, details on lighting fixtures/levels or other potential environmental impactors. Compliance with the applicable Parachute and other regulations to avoid adverse environmental effects will require submittal of more detailed materials addressing each of these topics. Adequate environmental mitigation must be addressed by the applicant at the time of site plan review and subject to review and approval by the staff prior to issuance of a building permit.

Conformance of any plan with appropriate engineering and design standards

Staff Comment. The site is an undeveloped property in Parachute. Site engineering and design work is necessary in order for the staff/consultants to determine if the project conforms to all applicable engineering design standards in the Municipal Code. The Town Engineer and Public Works Department should comment on compliance with applicable town engineering, utility and street access standards.

Additional criteria set forth for rezoning applications in Section 15.03.185.

Staff Comment. This is not a rezoning application and the section is not applicable.

Parkland Dedication

The municipal code requires that "For every annexation, subdivision or residential or **commercial development**, the Board of Trustees shall require the dedication of certain sites for parks and recreation use or fee in lieu of dedication, and may require reservation of sites for school and other public purposes."

Staff Comment. The applicant will have to address this requirement. Eight percent of 1.5 acres is 0.12 acres (5,227.2 ft.^{2}) of parkland dedication. The Trustees in their sole discretion may accept cash in lieu of land based upon the average value of undeveloped residential land in the town limits. "A minimum of 80% of land dedicated shall lend itself to utilization for public recreation purposes which includes, but is not limited to, the following: play fields, tennis courts, picnic sites and boating areas." Staff recommends that the applicant provide cash in lieu of land because of the location and proposed use of this site. The location and use on the property is not compatible with municipal recreation.

VI. Vested Property Rights Review Criteria

When vested property rights are requested, they must be considered in conjunction with a "Site Specific Development Plan". As noted previously in this report, Trustee approval of a special review use qualifies as a site-specific development plan. State statute and the Parachute land-use regulations allow a minimum of three (3) years vested property rights which upon and applicant's request and approval by the Town may be extended for a longer timeframe. Vested property rights afford protection to a developer as a "property right to undertake and complete development and use of real property under the terms and conditions of a site-specific development plan." In other words, a developer would be protected from any changes imposed by the Town to their land-use approval specific to their "development plan" for the timeframe approved by the Town. In this specific case, if the Town of Parachute acts on a land-use application to approve a special review use for a retail marijuana cultivation facility and grants a vested property right for five years, then the applicant would be protected from any land-use action by the Town to eliminate or modify the approval for the five-year timeframe. An exception to this limitation would be an action by the Town of Parachute to approve an ordinance of uniform applicability to the entire community or an ordinance that is necessary to protect public health and safety. An ordinance of that nature would also apply to this application because that action falls outside of the protections afforded under

vested property rights. The Town Attorney should expand upon this explanation if requested by

the Planning Commission or the Parachute Trustees.

A vested property right approval is independent from and does not change or restrict the required licensing procedure for marijuana uses. In other words, a developer may be protected from any changes in the land-use regulations specific to their property for a period of five years, but Parachute would retain the right to approve or deny an annual marijuana license for a facility without adversely affecting vested property rights granted through the land-use process.

This applicant is requesting a vested property right for five (5) years from the date of approval (if granted) by the Board of Trustees.

Staff Comment. Staff supports the request for a five-year vested property right because it provides the applicant protection for a reasonable timeframe during which they will develop their property. In addition, the Town is afforded additional protections through the marijuana licensing process.

VI. Review Agency Comments

Public Works - No comments received.

Town Engineer - No comments received.

Fire Department - No comments received.

Police Department - No comments received.

Utilities Department - No comments received.

VII. Staff Recommendations:

A) ***- Special Review Use Recommendation***

Staff recommends **APPROVAL** of the Zoned Properties Inc. **Retail Marijuana Cultivation Facility Special Review Use** application with the following conditions.

1. The applicant shall conform to the land dedication requirements specified in Section 15.01.111.
2. The applicant shall conform to the landscaping requirements applicable for all businesses, commercial and industrial uses specified in Section 15.03.197, and a detailed plan addressing the items in this section shall be submitted for review and approval by the town prior to issuance of a building permit.
3. The applicant shall conform to Section 15.03.199 - Building Exterior Design Standards and shall submit detailed plans subject to staff review and approval prior to issuance of a building permit.
4. The applicant shall conform to the applicable lighting requirements in Parachute Land Use Code Design Standards in Section 15.06.104 and other applicable sections and shall submit a lighting plan for all exterior lighting, which shall be subject to staff review and approval prior to issuance of a building permit.
5. All parking spaces (including loading areas) shall conform to the Town of Parachute parking requirements and shall be surfaced with asphalt or concrete.
6. As required by the Parachute Municipal Code, the applicant shall submit a detailed site plan subject to review and conformance with Section 15.07.112 Site Plan Review.
7. All access to the site shall conform to all Town of Parachute requirements. Compliance with access requirements shall be demonstrated prior to issuance of a building permit.

8. Applicant shall utilize odor control technology to mitigate marijuana odors to Town staff's satisfaction the odors associated with the Retail Marijuana Cultivation Facility use when smelled at the property line of the parcel.
9. The applicant shall conform to the requirements of the Parachute Sign Code for which, a separate sign permit application is required.
10. Applicant shall submit reports prepared by a qualified Colorado-licensed engineer on water demands, wastewater generation, site drainage, traffic generation, and other related site impacts for review and approval by staff prior to issuance of a building permit.
11. All development on the site shall comply with the adopted fire codes applicable to the Town of Parachute.
12. The Record of Decision by the Parachute Board of Trustees for the Zoned Properties, Inc. Retail Marijuana Cultivation Facility Special Review Use shall be recorded in the real estate records of the Garfield County Clerk and Recorder.
13. All representations made in the Applicant's written materials or verbally as reflected in the minutes of the public meetings or hearings where the Application was presented to or considered by the Commission and/or Board of Trustees are considered part of the Application and binding on the Applicant.
14. Applicant shall reimburse the Town for any and all fees, including consulting costs, incurred in the review of the Application.

B)- ***Five-year Vested Property Right Recommendation***

Staff recommends **APPROVAL** of the Zoned Properties Inc. five-year **Vested Property Right** application based upon the **Special Review Use** for a **Marijuana Cultivation Facility Site-Specific Development Plan**.

VIII. Recommended Planning Commission Motions:

The recommended motion on the **Special Review Use Application**.

FIRST MOTION

*The Planning Commission recommends **APPROVAL by the Board of Trustees** of the Zoned Properties, Inc. application for a a Retail Marijuana Cultivation Facility and other potential marijuana uses, including a Medical Marijuana-Infused Products Manufacturer, an Optional Premises Cultivation Operation, a Medical Marijuana Testing Facility, a Retail Marijuana Store, Retail Marijuana Testing Facility, and/or Retail Marijuana Product Manufacturing Facility Special Review Use with the staff recommended conditions.*

(Any modifications or additional conditions made by the Planning Commission should be added to this motion).

The recommended motion on the **Five-Year Vested Property Rights Application**.

SECOND MOTION

*The Planning Commission recommends **APPROVAL** of the Zoned Properties, Inc. application for a five-year vested property right based upon the Site-Specific Development Plan Special Review Use Application for a Vested Property Rights and Vested Property Rights Agreement to develop a single building site for a Retail Marijuana Cultivation Facility and other potential marijuana uses, including a Medical Marijuana-Infused Products Manufacturer, an Optional Premises Cultivation Operation, a Medical Marijuana Testing Facility, a Retail Marijuana Store, Retail Marijuana Testing Facility, and/or Retail Marijuana Product Manufacturing Facility.*

(Any modifications or additional conditions made by the Planning Commission should be added to these motions).

SITE-SPECIFIC DEVELOPMENT PLAN AND VESTED PROPERTY RIGHTS AGREEMENT

THIS SITE-SPECIFIC DEVELOPMENT PLAN AND VESTED PROPERTY RIGHTS AGREEMENT ("Agreement") is made and entered into by and between the Town of Parachute, Colorado, a home rule municipality whose address is 222 Grand Valley Way, P.O. Box 100, Parachute, Colorado 81635 (the "Town") and Parachute Development Corporation, a Colorado corporation whose address is P.O. Box 686, Glenwood Springs, CO 81602 ("Developer") (individually, a "Party"; collectively, the "Parties").

W I T N E S S E T H:

WHEREAS, Section 15.01.107 of the Parachute Municipal Code (the "Code") provides the procedures necessary to implement the provisions of Article 68 of Title 24, C.R.S., which article establishes a vested property right to undertake and complete development and use of real property under the terms and conditions of a site specific development plan;

WHEREAS, Section 15.01.107.B.1 of the Code defines a "site specific development plan" as "a plan that has been submitted to the Town by a landowner or such landowner's representative describing with reasonable certainty the type and intensity of use for a specific parcel or parcels of property, which plan shall create a vested property right," which includes including applications for "special review use approval by the Town Board";

DRAFT

WHEREAS, Sections 15.01.107.B.1 and 15.01.107.G.1 of the Code establish special review use approvals as a site-specific development plans establishing vested property rights for a period of three years, which may be extended by agreement where warranted in the light of all relevant circumstances;

WHEREAS, Chapter 6.11 of the Code regulates the licensing of "Retail Marijuana Establishments" (Retail Marijuana Store, Retail Marijuana Cultivation Facility, Retail Marijuana Testing Facility, and Retail Marijuana Product Manufacturing Facility) and "Medical Marijuana Establishments" (Medical Marijuana-Infused Products Manufacturer, Optional Premises Cultivation Operation, and Medical Marijuana Testing Facility) in the Town;

WHEREAS, Section 15.03.215 of the Code contains the Schedule of Uses for Zone Districts within the Town, including Retail and Medical Marijuana Establishment uses;

WHEREAS, Developer owns certain real property located in the Town of Parachute, Colorado identified as Lot 7, Block 3 of the Parachute Park P.U.D., according to the Amended Plat thereof, recorded in the public records of Garfield County, Colorado at Reception No. 784960 (the "Property");

WHEREAS, Developer and Zoned Colorado Properties, LLC, a Colorado company whose primary address is located 14300 N. Northsight Blvd., Suite 208, Scottsdale, AZ 85260 filed a Land Use Application for Special Review Use and Vested Property Rights as well as a Vested

Property Rights Agreement Project Narrative (collectively, the "Application") with the Town on June 1, 2016, Exhibit A, attached and incorporated by this reference, seeking to develop the Property with a single building site, as depicted on Exhibit B, for multiple potential marijuana uses, including a Medical Marijuana-Infused Products Manufacturer, an Optional Premises Cultivation Operation, a Medical Marijuana Testing Facility, a Retail Marijuana Store, a Retail Marijuana Cultivation Facility, Retail Marijuana Testing Facility, and/or Retail Marijuana Product Manufacturing Facility (collectively, "Marijuana Uses"), subject to necessary and appropriate licensure and approvals;

WHEREAS, the Planning Commission for the Town of Parachute (the "Planning Commission") reviewed the Application at a public meeting held on August 11, 2016 and the Board of Trustees of the Town of Parachute (the "Board of Trustees") reviewed the Application at a duly-noticed public hearing on August 18, 2016, at which the Board of Trustees approved the Application subject to certain terms and conditions, including entering this Agreement; and

WHEREAS, pursuant to such approval, the Board of Trustees desires to grant to the Developer a vested property right for a site-specific development plan for development of a single building site on the Property, as depicted on Exhibit B, for Marijuana Uses for a period of five years, which property right shall terminate if the Developer fails to obtain any necessary licensure or approval by such time, and subject to the terms and conditions contained herein,

NOW, THEREFORE, for and in consideration of the mutual promises and covenants contained herein, the parties hereto agree as follows:

DRAFT

1. Recitals. The foregoing recitals are incorporated herein as material representations and acknowledgments of the Parties.

2. Purposes and Intent. The Parties desire, by this Agreement, to balance the Town's obligation to protect and promote the public health, safety, welfare, and vitality of the Town of Parachute, its citizens, and visitors, with its desire to facilitate the highest and best use of property in the Town. The purpose of this Agreement is to set forth the terms and conditions to be met by the Developer and approvals granted by the Town. All terms and conditions contained herein are in addition to all requirements of the Parachute Municipal Code, and state statutes, and are not intended to supersede any requirements contained therein, except where specifically provided in this Agreement.

3. Vested Rights. Pursuant to Section 15.01.107 of the Parachute Municipal Code, the Town and the Developer agree that the Board of Trustee's special review use approval to develop a single building site on the Property, as depicted on Exhibit B, for Marijuana Uses constitutes the approval of a "Site Specific Development Plan," subject to the conditions of development set forth herein. Pursuant to the special review use approval for the Property by the Board of Trustees, the Town grants vested property rights for the Property for a period of five (5) years from the effective date of the Town's approval of this Agreement and the special review use for the Property upon the condition that Developer comply with all of the terms and conditions of this Agreement, the special review use approval the Property, and the Application. Such rights shall also be subject to the provisions of Parachute Municipal Code § 15-1-101, *et. seq*. The

Developer shall at its expense publish the vested rights notice required by C.R.S. § 24-68-103(1) and Parachute Municipal Code § 15.01.107.E.

4. Property. The Parties agree that the rights granted through this Agreement extend only to the Property, and to no other real property in the Town.

5. Specific Conditions. The Developer agrees to the following conditions:

a. All representations of the Developer made in the Application and in statements during the public meeting before the Planning Commission and public hearing before Board of Trustees shall be considered conditions of approval with which the Developer shall comply.

b. In addition to all requirements of the Parachute Municipal Code and any requirements imposed by operation of state or local law, no building permits shall be issued for the Property until Developer submits and the Town approves a more detailed site plan in conformance with Sections 15.06.104, 15.06.112, and 15.01.114 of the Code.

c. Prior to placing the Property to any Marijuana Uses, Developer or Developer's operating tenant shall be required to obtain the necessary license for a Retail Marijuana Establishment or Medical Marijuana Establishment, as applicable, under Chapter. 6.11 of the Code.

d. Prior to the commencement of any construction activities or subsequent uses, Developer shall obtain all necessary and required permits and approvals.

e. In addition, any and all conditions of approval of the Application imposed by the Board of Trustees.

6. Cost Reimbursement. In addition to any fees enacted by any ordinance of general applicability in the Town, the Developer hereby agrees to pay the Town the actual costs to the Town for legal, planning, engineering, surveying and other services rendered in connection with the Application, this Agreement, and any future exercise of the rights granted hereunder. Interest shall be imposed at rate of 1.5% per month on all balances not paid within thirty (30) days of the date of the statement provided to the Developer. The Town estimates costs not to exceed $10,000 and shall notify Developer in advance for written approval if costs are expected to exceed $10,000.

7. No Obligation to Use. Notwithstanding anything to the contrary, the Developer is under no obligation to exercise the rights granted by this Agreement.

8. Voluntary Action of Developer. The Developer agrees that all terms and conditions of this Agreement, including specifically the payment of fees, are agreed to and constitute the voluntary actions of the Developer.

DRAFT

9. Breach by Developer; Town's Remedies. In the event of any default or breach by the Developer of any term, condition, covenant, or obligation under this Agreement, the Town Board shall be notified immediately. The Town may take such action as it deems necessary to protect the public health, safety, and welfare; and to protect the citizens of the Town from hardship. The Town's remedies include the Town's refusal to issue to the Developer any special use permit, site-specific development plan approval, or license necessary to the Developer's planned use.

10. Assignment. This Agreement may be assigned to Zoned Properties, Inc., an Arizona corporation whose address is 14300 N. Northsight Blvd., Suite 208, Scottsdale, AZ 85260 or Zoned Colorado Properties, LLC, a Colorado limited liability company, whose address is 14300 N. Northsight Blvd., Suite 208, Scottsdale, AZ 85260 without the prior written consent of the Town. Otherwise, this Agreement may not be assigned by the Developer without the prior written consent of the Town, which consent shall not be unreasonably withheld. In the event the Developer desires to assign its rights and obligations herein, it shall so notify the Town in writing together with the proposed assignee's written agreement to be bound by the terms and conditions contained herein.

11. Indemnification. The Developer agrees to indemnify and hold the Town harmless from any and all claims against or losses of any nature whatsoever incurred by the Town arising under or resulting from development of the Property and this Agreement. This indemnification shall include actual attorneys' fees incurred in the event that any party brings an action against the Town for any of the approvals described herein. The Parties intend not to duplicate any legal services or other costs associated with the defense of any claims against either Party described in this section. Therefore, the Parties agree to cooperate in full to prevent duplicative expenses incurred as a result of the indemnification herein described.

DRAFT

12. Waiver of Defects. In executing this Agreement, the Developer waives all objections it may have concerning defects, if any, in the formalities whereby it is executed, or concerning the power of the Town to impose conditions on the Developer as set forth herein, and concerning the procedure, substance, and form of the ordinances or resolutions adopting this Agreement.

13. Final Agreement. This Agreement supersedes and controls all prior written and oral agreements and representations of the Parties and is the total integrated agreement between the parties.

14. Modifications. This Agreement shall not be amended, except by subsequent written agreement of the Parties.

15. Release of Liability. It is expressly understood that the Town cannot be legally bound by the representations of any of its officers or agents or their designees except in accordance with the Town of Parachute Municipal Code and Ordinances and the laws of the State of Colorado, and that the Developer, when dealing with the Town, acts at its own risk as to any representation or undertaking by the Town officers or agents or their designees which is subsequently held unlawful by a court of law.

16. Captions. The captions in this Agreement are inserted only for the purpose of convenient reference and in no way define, limit, or prescribe the scope or intent of this Agreement or any part thereof.

17. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective heirs, successors, and assigns.

18. Invalid Provision. If any provisions of this Agreement shall be determined to be void by any court of competent jurisdiction, then such determination shall not affect any other provision hereof, all of which other provisions shall remain in full force and effect. It is the intention of the parties hereto that, if any provision of this Agreement is capable of two constructions, one of which would render the provision void, and the other of which would render the provision valid, then the provision shall have the meaning which renders it valid.

19. Governing Law. The laws of the State of Colorado shall govern the validity, performance, and enforcement of this Agreement. Should either Party institute legal suit or action for enforcement of any obligation contained herein, it is agreed that the venue of such suit or action shall be in Garfield County, Colorado.

20. Attorneys' Fees; Survival. Should this Agreement become the subject of litigation, the substantially prevailing Party shall be entitled to, and the failing Party shall pay, all reasonable attorneys' fees, expenses, and court costs. All rights concerning remedies and/or attorneys shall survive any termination of this Agreement.

DRAFT

21. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which, when taken together, shall be deemed one and the same instrument.

22. No Agency, Joint Venture, or Partnership. It is specifically understood and agreed to that the Parties that this Agreement does not create any agency, joint venture, or partnership relationship between the Parties. The Town has no interest in responsibility for, or duty to, third parties concerning any provision of this Agreement.

23. Notice. All notices required under this Agreement shall be in writing and shall be hand-delivered or sent by registered or certified mail, return receipt requested, postage prepaid, to the addresses of the parties herein set forth. All notices so given shall be considered effective seventy-two (72) hours after deposit in the United States mail with the proper address as set forth below. Either Party by notice so given may change the address to which future notices shall be sent.

Notice to Town:	Town of Parachute 222 Grand Valley Way P.O. Box 100 Parachute, CO 81635
With copy to:	Karp Neu Hanlon, P.C.

P. O. Drawer 2030
Glenwood Springs, CO 81602

Notice to Developer:

Zoned Properties, Inc.
Attn.: Bryan McLaren
14300 N. Northsight Blvd, Suite 208
Scottsdale, AZ 85260

WHEREFORE, the Parties hereto have executed duplicate originals of this Agreement on the day and year of the final signature hereto.

TOWN OF PARACHUTE, COLORADO

By: _____
Roy B. McClung, Mayor

ATTEST:

_____
Town Clerk

DRAFT

PARACHUTE DEVELOPMENT CORPORATION

By: _____
Name: _____
As: _____

STATE OF COLORADO)
) ss.
COUNTY OF)

Acknowledged, subscribed, and sworn to before me this ____ day of _____, 20__, by _____ as_____ of Parachute Development Corporation.

WITNESS my hand and official seal.

My Commission expires: _____.

_____
Notary Public

DRAFT

PUBLIC NOTICE

TAKE NOTICE that Zoned Properties, Inc., on behalf of Parachute Development Corporation & Zoned Colorado Properties, LLC, has filed a land use application with the Town of Parachute, State of Colorado, for approval of a Special Review Use, Vested Property Rights and Vested Property Rights Agreement to develop a single building site for a Retail Marijuana Cultivation Facility and other potential marijuana uses, including a Medical Marijuana-Infused Products Manufacturer, an Optional Premises Cultivation Operation, a Medical Marijuana Testing Facility, a Retail Marijuana Store, Retail Marijuana Testing Facility, and/or Retail Marijuana Product Manufacturing Facility to be located on property situated in the Town of Parachute, State of Colorado described as:

> Lot 7, Block 3 of the Parachute Park P.U.D., according to the Amended Plat thereof, recorded in the public records of Garfield County, Colorado at Reception No._____.
>
> Property address: 110 Diamond Loop, Parachute, Colorado 81635.

All persons affected by the proposed land use application are invited to appear and state their views, protests, or support. If you cannot appear personally at such hearing, then you are urged to state your views by letter as the Planning Commission and the Board of Trustees will give consideration to the comments of property owners and the others affected in deciding whether to grant or deny the request.

The proposed development project may be reviewed at the Town of Parachute offices located at 222 Grand Valley Way, Parachute, CO, between the hours of 7:30 a.m. and 5:30 p.m., Monday through Thursday. You may call 970 285 7630, x 106 with questions or concerns.

Public meetings on the proposed land use application have been scheduled for:

> **Planning Commission (Public Meeting) .....August 11, 2016 at 6:30 PM**
> **Board of Trustees (Public Hearing) .....August 18, 2016 at 6:30 PM**

Both hearings will be held in the Town of Parachute Town Hall in the Board of Trustees Room, 222 Grand Valley Way, Parachute, CO.

Zoned Properties, Inc.
Published on _____, in the Post Independent.

Ad Name: 12263348A
Customer: Remax Country/Kandl L. Hinman
Your account number is: 2811506

PROOF OF PUBLICATION

GLENWOOD SPRINGS POST INDEPENDENT

STATE OF COLORADO }
SS.
COUNTY OF GARFIELD }

I, Michael Bennett, do solemnly swear that I am Publisher of the Glenwood Springs Post Independent. That the same Daily newspaper printed, in whole or in part and published in the County of Garfield, State of Colorado, and has a general circulation therein; that said newspaper has been published continuously and uninterruptedly in said County of Garfield for a period of more than fifty-two consecutive weeks next prior to the first publication of the annexed legal notice or advertisement and that said newspaper has published the requested legal notice and advertisement as requested.

The Glenwood Springs Post Independent is an accepted legal advertising medium, only for jurisdictions operating under Colorado's Home Rule provision.

That the annexed legal notice or advertisement was published in the regular and entire issue of every number of said daily newspaper for the period of **1** consecutive insertions; and that the first publication of said notice was in the issue of said newspaper dated **7/25/2016** and that the last publication of said notice was in the issue of said newspaper dated **7/25/2016.**

In witness whereof has here unto set my hand this **08/05/2016**.

Michael Bennett, Publisher

Subscribed and sworn to before me, a notary public in and for the County of Garfield, State of Colorado this **08/05/2016**.

Pamela J. Schultz, Notary Public
My Commission expires**: November 1, 2019**

PAMELA J. SCHULTZ
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID #19994030575
My Commission Expires November 1, 2019

PUBLIC NOTICE

TAKE NOTICE that Zoned Properties, Inc., on behalf of Parachute Development Corporation & Zoned Colorado Properties, LLC, has filed a land use application with the Town of Parachute, State of Colorado, for approval of a Special Review Use, Vested Property Rights and Vested Property Rights Agreement to develop a single building site for a Retail Marijuana Cultivation Facility and other potential marijuana uses, including a Medical Marijuana-Infused Products Manufacturer, an Optional Premises Cultivation Operation, a Medical Marijuana Testing Facility, a Retail Marijuana Store, Retail Marijuana Testing Facility, and/or Retail Marijuana Product Manufacturing Facility to be located on property situated in the Town of Parachute, State of Colorado described as:

Lot 7, Block 3 of the Parachute Park P.U.D., according to the Amended Plat thereof, recorded in the public records of Garfield County, Colorado at Reception No. 784960.

Property address: 110 Diamond Loop, Parachute, Colorado 81635.

All persons affected by the proposed land use application are invited to appear and state their views, protests, or support. If you cannot appear personally at such hearing, then you are urged to state your views by letter as the Planning Commission and the Board of Trustees will give consideration to the comments of property owners and the others affected in deciding whether to grant or deny the request.

The proposed development project may be reviewed at the Town of Parachute offices located at 222 Grand Valley Way, Parachute, CO, between the hours of 7:30 a.m. and 5:30 p.m., Monday through Thursday.You may call 970 285 7630, x 106 with questions or concerns.

Public meetings on the proposed land use application have been scheduled for:

Planning Commission (Public Meeting)August 11, 2016 at 6:30 PM
Board of Trustees (Public Hearing) August 18, 2016 at 6:30 PM

Both hearings will be held in the Town of Parachute Town Hall in the Board of Trustees Room, 222 Grand Valley Way, Parachute, CO.

Zoned Properties, Inc.

Published on July 25, 2016 in the Post Independent. (12263348)

PUBLIC NOTICE OF HEARING
PUBLIC NOTICE OF HEARING
PUBLIC NOTICE OF HEARING
PUBLIC NOTICE

7014 2120 0000 0735 5331

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only
For delivery information, visit our website at www.usps.com®.
GLENWOOD SPRINGS, CO 81602
OFFICIAL USE

Postage	$3.30
Certified Fee	$2.70
Return Receipt Fee (Endorsement Required)	$0.00
Restricted Delivery Fee (Endorsement Required)	$0.00
Total Postage & Fees	$6.47

0583 04
Postmark Here
JUL 22 2016
07/22/2016

Sent To: Parachute Development Corp
Street & Apt. No., or PO Box No.: P.O. Box 1686
City, State, ZIP+4: Glenwood Springs, Co 81602
PS Form 3800, July 2014 See Reverse for Instructions

7014 2120 0000 0735 5386

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only
For delivery information, visit our website at www.usps.com®.
GLENWOOD SPRINGS, CO 81602
OFFICIAL USE

Postage	$3.30
Certified Fee	$2.70
Return Receipt Fee (Endorsement Required)	$0.00
Restricted Delivery Fee (Endorsement Required)	$0.00
Total Postage & Fees	$6.47

0583 04
Postmark Here
JUL 22 2016
07/22/2016

Sent To: HMC LTD
Street & Apt. No., or PO Box No.: P.O. Box 1686
City, State, ZIP+4: Glenwood Springs, Co 81602
PS Form 3800, July 2014 See Reverse for Instructions

7014 2120 0000 0735 5362

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only
For delivery information, visit our website at www.usps.com®.
GLENWOOD SPRINGS, CO 81602
OFFICIAL USE

Postage	$3.30
Certified Fee	$2.70
Return Receipt Fee (Endorsement Required)	$0.00
Restricted Delivery Fee (Endorsement Required)	$0.00
Total Postage & Fees	$6.47

0583 04
Postmark Here
JUL 22 2016
07/22/2016

Sent To: HMC LTD
Street & Apt. No., or PO Box No.: P.O. Box 1686
City, State, ZIP+4: Glenwood Springs, Co 81602
PS Form 3800, July 2014 See Reverse for Instructions

7014 2120 0000 0735 5379

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only
For delivery information, visit our website at www.usps.com®.
GLENWOOD SPRINGS, CO 81602
OFFICIAL USE

Postage	$3.30
Certified Fee	$2.70
Return Receipt Fee (Endorsement Required)	$0.00
Restricted Delivery Fee (Endorsement Required)	$0.00
Total Postage & Fees	$6.47

0583 04
Postmark Here
JUL 22 2016
07/22/2016

Sent To: HMC LTD
Street & Apt. No., or PO Box No.: P.O. Box 1686
City, State, ZIP+4: Glenwood Springs, Co 81602
PS Form 3800, July 2014 See Reverse for Instructions

7014 2120 0000 0735 5430

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only
For delivery information, visit our website at www.usps.com®.
GRAND JUNCTION, CO 81502
OFFICIAL USE

Postage	$3.30
Certified Fee	$2.70
Return Receipt Fee (Endorsement Required)	$0.00
Restricted Delivery Fee (Endorsement Required)	$0.00
Total Postage & Fees	$6.47

0583 04
Postmark Here
JUL 22 2016
07/22/2016

Sent To: C & B Holdings
Street & Apt. No., or PO Box No.: P.O. Box 3045
City, State, ZIP+4: Grand Junction, Co 81502
PS Form 3800, July 2014 See Reverse for Instructions

7014 2120 0000 0735 5447

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only
For delivery information, visit our website at www.usps.com®.
GRAND JUNCTION, CO 81502
OFFICIAL USE

Postage	$3.30
Certified Fee	$2.70
Return Receipt Fee (Endorsement Required)	$0.00
Restricted Delivery Fee (Endorsement Required)	$0.00
Total Postage & Fees	$6.47

0583 04
Postmark Here
JUL 22 2016
07/22/2016

Sent To: C & B Holdings
Street & Apt. No., or PO Box No.: P.O. Box 3045
City, State, ZIP+4: Grand Junction, CO 81502
PS Form 3800, July 2014 See Reverse for Instructions

7014 2120 0000 0735 5461

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only
For delivery information, visit our website at www.usps.com®.
GLENWOOD SPRINGS, CO 81602
OFFICIAL USE

Postage	$3.30
Certified Fee	$2.70
Return Receipt Fee (Endorsement Required)	$0.00
Restricted Delivery Fee (Endorsement Required)	$0.00
Total Postage & Fees	$6.47

0583 04
Postmark Here
JUL 22 2016
07/22/2016

Sent To: Parachute Development Corp
Street & Apt. No., or PO Box No.: P.O. Box 1686
City, State, ZIP+4: Glenwood Springs, CO 81602
PS Form 3800, July 2014 See Reverse for Instructions

7014 2120 0000 0735 5508

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only
For delivery information, visit our website at www.usps.com®.
PARACHUTE, CO 81635
OFFICIAL USE

Postage	$3.30
Certified Fee	$2.70
Return Receipt Fee (Endorsement Required)	$0.00
Restricted Delivery Fee (Endorsement Required)	$0.00
Total Postage & Fees	$6.47

0583 04
Postmark Here
JUL 22 2016
07/22/2016

Sent To: TLC Pipeline Construction
Street & Apt. No., or PO Box No.: 213 Diamond Loop
City, State, ZIP+4: Parachute, Co 81635
PS Form 3800, July 2014 See Reverse for Instructions

7014 2120 0000 0735 5485

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only
For delivery information, visit our website at www.usps.com®.
GLENWOOD SPRINGS, CO 81602
OFFICIAL USE

Postage	$3.30
Certified Fee	$2.70
Return Receipt Fee (Endorsement Required)	$0.00
Restricted Delivery Fee (Endorsement Required)	$0.00
Total Postage & Fees	$6.47

0583 04
Postmark Here
JUL 22 2016
07/22/2016

Sent To: HMC LTD
Street & Apt. No., or PO Box No.: P.O. Box 1686
City, State, ZIP+4: Glenwood Springs, CO 81602
PS Form 3800, July 2014 See Reverse for Instructions

7014 2120 0000 0735 5492

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only
For delivery information, visit our website at www.usps.com®.
GRAND JUNCTION, CO 81502
OFFICIAL USE

Postage	$3.30
Certified Fee	$2.70
Return Receipt Fee (Endorsement Required)	$0.00
Restricted Delivery Fee (Endorsement Required)	$0.00
Total Postage & Fees	$6.47

0583 04
Postmark Here
JUL 22 2016
07/22/2016

Sent To: C & B Holdings
Street & Apt. No., or PO Box No.: P.O. Box 3045
City, State, ZIP+4: Grand Junction, CO 81502
PS Form 3800, July 2014 See Reverse for Instructions

7014 2120 0000 0735 5355

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only
For delivery information, visit our website at www.usps.com®.
GLENWOOD SPRINGS, CO 81602
OFFICIAL USE

Postage	$3.30
Certified Fee	$2.70
Return Receipt Fee (Endorsement Required)	$0.00
Restricted Delivery Fee (Endorsement Required)	$0.00
Total Postage & Fees	$6.47

0583 04
Postmark Here
JUL 22 2016
07/22/2016

Sent To: Parachute Development Corp
Street & Apt. No., or PO Box No.: P.O. Box 1686
City, State, ZIP+4: Glenwood Springs, CO 81602
PS Form 3800, July 2014 See Reverse for Instructions

7014 2120 0000 0735 5348

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only
For delivery information, visit our website at www.usps.com®.
GLENWOOD SPRINGS, CO 81602
OFFICIAL USE

Postage	$3.30
Certified Fee	$2.70
Return Receipt Fee (Endorsement Required)	$0.00
Restricted Delivery Fee (Endorsement Required)	$0.00
Total Postage & Fees	$6.47

0583 04
Postmark Here
JUL 22 2016
07/22/2016

Sent To: Parachute Development Corp
Street & Apt. No., or PO Box No.: P.O. Box 1686
City, State, ZIP+4: Glenwood Springs, CO 81602
PS Form 3800, July 2014 See Reverse for Instructions

7014 2120 0000 0735 5416

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only
For delivery information, visit our website at www.usps.com®.
PARACHUTE, CO 81635
OFFICIAL USE

Postage	$3.30	0583 04
Certified Fee	$2.70	
Return Receipt Fee (Endorsement Required)	$0.00	Postmark Here
Restricted Delivery Fee (Endorsement Required)	$0.00	JUL 22 2016
Total Postage & Fees	$0.47	07/22/2016
	$6.47	

Sent To: TLC Pipeline Construction, Inc
Street & Apt. No., or PO Box No.: 213 Diamond Loop
City, State, ZIP+4: Parachute, CO 81635
PS Form 3800, July 2014 — See Reverse for Instructions

7014 2120 0000 0735 5423

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only
For delivery information, visit our website at www.usps.com®.
GRAND JUNCTION, CO 81502
OFFICIAL USE

Postage	$3.30	0583 04
Certified Fee	$2.70	
Return Receipt Fee (Endorsement Required)	$0.00	Postmark Here
Restricted Delivery Fee (Endorsement Required)	$0.00	JUL 22 2016
Total Postage & Fees	$0.47	07/22/2016
	$6.47	

Sent To: C & B Holdings
Street & Apt. No., or PO Box No.: P.O. Box 3045
City, State, ZIP+4: Grand Junction, CO 81502
PS Form 3800, July 2014 — See Reverse for Instructions

7014 2120 0000 0735 5409

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only
For delivery information, visit our website at www.usps.com®.
PARACHUTE, CO 81635
OFFICIAL USE

Postage	$3.30	0583 04
Certified Fee	$2.70	
Return Receipt Fee (Endorsement Required)	$0.00	Postmark Here
Restricted Delivery Fee (Endorsement Required)	$0.00	JUL 22 2016
Total Postage & Fees	$0.47	07/22/2016
	$6.47	

Sent To: TLC Pipeline Construction, Inc
Street & Apt. No., or PO Box No.: 213 Diamond Loop
City, State, ZIP+4: Parachute, CO 81635
PS Form 3800, July 2014 — See Reverse for Instructions

7014 2120 0000 0735 5393

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only
For delivery information, visit our website at www.usps.com®.
PARACHUTE, CO 81635
OFFICIAL USE

Postage	$3.30	0583 04
Certified Fee	$2.70	
Return Receipt Fee (Endorsement Required)	$0.00	Postmark Here
Restricted Delivery Fee (Endorsement Required)	$0.00	JUL 22 2016
Total Postage & Fees	$0.47	07/22/2016
	$6.47	

Sent To: TLC Pipeline Construction, Inc
Street & Apt. No., or PO Box No.: 213 Diamond Loop
City, State, ZIP+4: Parachute, CO 81635
PS Form 3800, July 2014 — See Reverse for Instructions

Town of Parachute, CO
222 Grand Valley Way
P.O. Box 100
Parachute, CO 81635

Retail Marijuana Establishment Business License Application and Checklist

Application Checklist

☐ **Application Form Fully Completed**
Type or clearly print an answer to every question. If a question does not apply to you, indicate so with an N/A. If the available space is insufficient, continue on a separate sheet and precede each answer by stating the question. **A separate application is required for EACH license type.**

☐ **All Forms Signed & Attached**
The following accompanying forms must be signed by each owner of the Applicant as required by the Town's Retail Marijuana Establishments ordinance and be provided with the Application as a condition of acceptance:
☐ Affirmation & Consent
☐ Investigation Authorization/Authorization to Release

☐ **Copy of Conditional State License or Proof of State License Application Attached**
Proof of state license application shall be submitted when a conditional state license has not been issued. Proof of a state license consists of a copy of the complete State Retail Marijuana License Application and supporting documents, and all Associated Key Marijuana License Applications and supporting documents submitted in connection with the Retail Marijuana License Application. These items may be submitted as a supplement to the other application materials.

☐ **All Requested Information Attached (Other forms may be made available and may be required at time of application)**
The following supporting information requested in the Town of Parachute's Retail Marijuana Establishments ordinance and in this application (as applicable) must be attached:

☐ Proof of ownership, lease, rental agreement, or other arrangement for legal possession of the proposed licensed premises described in this application form.
☐ Operating plan described in the Town's Retail Marijuana Establishments ordinance of the proposed *licensed premises.*
☐ Floor plan described in the Town's Retail Marijuana Establishments ordinance of the proposed licensed premises.
☐ Sign, security and lighting plans indicating how the proposed licensed premises will comply with the requirements of the Colorado Retail Marijuana Code and the Town's Retail Marijuana Establishments ordinance.
☐ An area map of the proposed licensed premises as described in the Town's Retail Marijuana Establishments ordinance. **The area map must clearly show the proximity of the proposed licensed premises to any public or private school located 500 feet or less from the proposed licensed premises, and to any other licensed premises located 150 feet or less from the proposed licensed premises as measured pursuant to the Town's Retail Marijuana Establishments ordinance.**
☐ Proof that the proposed licenses premises will be located in a location that is compliant with the Town's zoning and land use laws, or that the necessary land use application(s) has been made.

Note: The Town of Parachute reserves the right to request additional information and documentation throughout the course of the background investigation.

☐ **Application Fees**
Application fees as required by the Town's Retail Marijuana Establishments ordinance. Application fees are non-refundable and must be paid via a certified check or money order.

Retail Marijuana Establishment Business License Application

New License Application ☐ Annual License Renewal ☐

License Sought - Attach a copy of the conditional State License or proof of application for a State License.

A separate license application must be filed for each type of desired license or proposed licensed premises.

Retail Marijuana Store ☒ Retail Marijuana Testing Facility ☐

Retail Marijuana Cultivation Facility ☐ Retail Marijuana Products Manufacturing Facility ☐

*A Cultivation Facility license requires a public hearing before the Planning and Zoning Commission for Special Review Use approval.

Applicant's Legal Business Name (Please Print): Parachute Unlimited LLC

Trade Name (DBA) (Provide Trade Name Registration): Amercian Green

Website Address:

Location and Contact Information – Proposed Licensed Premises

Street Address and Assessor Parcel No. of Proposed Premises	City	State	ZIP
Lot 7 N Diamond Loop Rd.	Parachute	CO	81635

Business Phone Number	Business Fax Number	Email Address
(970) 331-9047		hojorisen@hotmail.com

Does the applicant have legal possession of the proposed licensed premises by virtue of ownership, lease or other arrangement?

Yes ☐ No ☐ Legal Basis for possession: Ownership ☐ Lease ☐

Other ☒ Explanation: There is a purchase contract ,attached, of the property that will be activated based upon the approval of the Town of Parachute Retail Marijuana Business licenses

Submit all documentation (e.g. deed, title commitment/report, title, sale or lease agreements etc.) showing legal right to possession. If premises are leased, attach written consent by the property owner to licensing of the premises for a retail marijuana establishment.

Is the proposed licensed premises in compliance with applicable zoning and land use laws? Yes ☒ No ☐

If not, has the applicant submitted the necessary land use application? Yes ☐ No ☐ Attach any submitted application.

Applicants' Contact and Related Information

Address	City	State	Zip
[redacted]	[redacted]	CO	[redacted]

Primary Contact Person for Business	Title	Primary Contact Phone Number
Gregory Patrick Honan	Owner	[redacted]

Primary Contact Address (city, state, Zip	Primary Contact Fax Number
[redacted]	

Federal Taxpayer ID	Colorado Sales Tax License #	Email Addres
[redacted]	[redacted]	[redacted]

Business Entity Details

Sole Proprietorship ☐ Partnership ☐ Limited Liability Company ☒ C Corporation (Closely Held) ☐

Trust ☐ Limited Partnership ☐ S Corporation ☐ C Corporation (Publicly Traded) ☐

Other ☐ Explanation: _____

State of Incorporation or Creation of Business Entity	Date of Incorp./Creation
Colorado	6/9/2016

Date Qualified to Conduct Business in Colorado (Provide Certificate of Good Standing from the Colorado Secretary of State's Office): 6/9/2016

If a Corporation, Limited Liability Company, or Limited Partnership, List all States Where the Corporation is Authorized to Conduct Business: Will only be conducting business in Colorado

List all Trade Names used by the Business Entity In Addition to Formal Name: American Green

Has the applicant (including any of the partners, if a partnership; members or manager if a limited liability company; or officers, stockholders or directors if a corporation) or manager ever (in Colorado or any other state);

- Been denied a privileged license (i.e. - Liquor, Gaming, Racing and Marijuana)? Yes ☒ No ☐
- Had a privileged license (i.e. - Liquor, Gaming, Racing and Marijuana) suspended or revoked? Yes ☐ No ☒
- *Had interest in another entity that had a privileged (i.e. - Liquor, Gaming, Racing and Marijuana) license denied, suspended or revoked?* Yes ☐ No ☒

If you answered yes to any of the above questions, explain the denial, suspension, or revocation in detail on a separate sheet.

Ownership Structure

List all persons and/or entities with any ownership interest in the applicant/proposed licensee, and all officers and directors, regardless of whether they have an ownership interest in the applicant/proposed licensee. If an entity (corporation, partnership, LLC, etc.) has an ownership interest the applicant/proposed licensee, list all persons having an ownership interest in such entity, their percentage of ownership of the entity, and their effective ownership of applicant/proposed licensee if ownership in applicant is through ownership of a parent or holding entity (an Ownership Entity). Submit additional sheets if necessary.

Name	Title	SSN/FEIN	Date of Birth
Gregory P Honan	Owner	[redacted]	[redacted]
Address	[redacted]		
Ownership Entity (if applicable)	% Ownership of Ownership Entity	Effective Own. % in Applicant	
Parachute Unlimited LLC	100%	100%	

Name	Title	SSN/FEIN	Date of Birth
Address	City	State / ZIP	Phone Number
Ownership Entity (if applicable)	% Ownership of Ownership Entity	Effective Own. % in Applicant	

Name	Title	SSN/FEIN	Date of Birth
Address	City	State / ZIP	Phone Number
Ownership Entity (if applicable)	% Ownership of Ownership Entity	Effective Own. % in Applicant	

Name	Title	SSN/FEIN	Date of Birth
Address	City	State / ZIP	Phone Number
Ownership Entity (if applicable)	% Ownership of Ownership Entity	Effective Own. % in Applicant	

Name	Title	SSN/FEIN	Date of Birth
Address	City	State / ZIP	Phone Number
Ownership Entity (if applicable)	% Ownership of Ownership Entity	Effective Own. % in Applicant	

Name	Title	SSN/FEIN	Date of Birth
Address	City	State / ZIP	Phone Number
Ownership Entity (if applicable)	% Ownership of Ownership Entity	Effective Own. % in Applicant	

Who, besides the owners of the applicant/proposed licensee listed above (including persons, firms, partnerships, corporations, limited liability companies, trusts), will loan or give money, inventory, furniture or equipment to or for use in this business; or who will receive money or profits from this business. Submit a separate sheet if necessary.

Name	Date of Birth	FEIN OR SSN	Interest
American Green		[redacted]	Loan

Has the applicant or an ownership entity listed above (if applicable) ever applied for a marijuana license (retail or medical) in this or any other jurisdiction, foreign or domestic, whether or not the license was ever issued? If YES, provide details on a separate sheet, including jurisdiction, type of license, license number, and dates license held or applied for.	Yes ☒ No ☐
Has the applicant or an ownership entity listed above ever been denied a marijuana license (retail or medical), withdrawn a marijuana license or had any disciplinary action taken against any marijuana license that they have held in this or any other jurisdiction, Colorado or otherwise? If YES, provide details on a separate sheet, including jurisdiction, type of action, and date of action.	Yes ☒ No ☐
In the last ten years, has the applicant or any partner, member, officer, director, or stockholder of the applicant ever been arrested, charged, or convicted of a crime or offense in a federal, state or other court? If YES, please provide details on a separate sheet, including jurisdiction, the crime or offense arrested for and whether charged with or convicted, and date of action.	Yes ☒ No ☐

Maintenance of Books and Records

Name of Person who maintains Applicant's business records [redacted]	Title [redacted]
Address [redacted]	Phone Number [redacted]
Person who prepares Applicant's tax returns, government forms & reports [redacted]	Title [redacted]
Address [redacted]	Phone Number [redacted]

Location of financial books and records for Applicant's business [redacted]

Managers

Name of Manager of proposed licensed premises. Submit a separate sheet if necessary.	Date of Birth	SSN
Gregory Patrick Honan	[redacted]	[redacted]

Owner's Affirmation & Consent

I, Gregory Patrick Honan, as an owner of and 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 foregoing Retail Marijuana Establishment Business License Application, 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 Local Licensing Authority to refuse to issuance of a the desired retail marijuana establishment license. I am aware that later discovery of an omission or misrepresentation made in the above statements may be grounds for the denial or revocation of the license. I am voluntarily submitting this application to the Local Licensing Authority of the Town of Parachute, Colorado 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 applicant holds a retail marijuana establishment license, and for 90 days following the expiration or surrender of such marijuana license.

Print Full Owner/Legal Agent Name:

Applicant's Name Parachute Unlimited LLC	Trade Name (DBA) American Green	
Owner/Legal Agent Last Name (Please Print) Honan	Owner/Legal Agent First Name Gregory	Owner/Legal Agent Middle Name Patrick
Legal Agent Title Owner	Signature (Must be signed in front of one witness)	
Date (MM/DD/YY) 6/9/2016	City Avon	State CO
Witness 1 Signature		

Owner's Authorization to Investigate and Release Information

I, Gregory Patrick Honan, as an owner of and authorized agent for the applicant, hereby authorize the Town of Parachute, Colorado and any Application review authorities selected by it (hereafter, the Investigatory Agencies) to conduct a complete investigation into this Application, using whatever legal means they deem appropriate. I hereby authorize any person or entity contacted by the Investigatory Agencies to provide any and all such information deemed necessary by the Investigatory Agencies. I hereby waive any rights of confidentiality in this regard. I understand that by signing this authorization, a financial record check may be performed. I authorize any financial institution to surrender to the Town of Parachute, Colorado and Investigatory Agencies a complete and accurate record of such transactions that may have occurred with that institution, including, but not limited to, internal banking memoranda, past and present loan applications, financial statements and any other documents relating to financial records in whatever form and wherever located. I understand that by signing this authorization, a financial record check of the applicant/proposed licensee's tax filing and tax obligation status may be performed. I authorize the Town of Parachute, Colorado to surrender to the Investigatory Agencies a complete and accurate record of any and all tax information or records relating to applicant. I authorize the Investigatory Agencies to obtain, receive, review, copy, discuss and use any such tax information or documents relating to applicant. 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.

The Town of Parachute, Colorado and Investigatory Agencies reserve the right to investigate all relevant information and facts to their satisfaction. I understand that the Investigatory Agencies may conduct a complete and comprehensive investigation to determine the accuracy of all information gathered. However, the Investigatory Agencies, their agents or employees shall not be held liable for the receipt, use, or dissemination of inaccurate information. I, on behalf of the applicant, its legal representatives, and assigns, hereby release, waive, discharge, and agree to hold harmless, and otherwise waive liability as to the Town of Parachute, Colorado, Investigatory Agencies, and any of those entities' agents or employees 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 this Application, any financial or personnel record, or otherwise found, obtained, or maintained by the Town of Parachute, Colorado or Investigatory Agencies, shall be accessible to law enforcement agents of this or any other state, the government of the United States, or any foreign country.

Print Full Owner/Legal Agent Name:

Applicant's Name: Parachute Unlimited LLC	Trade Name (DBA): American Green	
Owner/Legal Agent Last Name (Please Print): Honan	Owner/Legal Agent First Name: Gregory	Owner/Legal Agent Middle Name: Patrick
Signature	Date	
Applicant's Business Name: Parachute Unlimited	Trade Name (DBA): American Green	
Legal Agent Title: Owner	Signature (Must be signed in front of one witness)	
Date (MM/DD/YY): 6/9/2016	City: Avon	State: CO
Witness 1 Signature		

Page 6 of 6

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

E-Filed

Colorado Secretary of State
Date and Time: 06/09/2016 04:47 PM
ID Number: 20161400719

Document number: 20161400719
Amount Paid: $50.00

ABOVE SPACE FOR OFFICE USE ONLY

Articles of Organization

filed pursuant to § 7-80-203 and § 7-80-204 of the Colorado Revised Statutes (C.R.S.)

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

Parachute Unlimited LLC

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

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

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

Street address

Lot 7 N Diamond Loop Rd.
(Street number and name)

Parachute *(City)* CO *(State)* 81635 *(ZIP/Postal Code)*

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

Mailing address
(leave blank if same as street address)

PO Box 2344
(Street number and name or Post Office Box information)

Avon *(City)* CO *(State)* 81620 *(ZIP/Postal Code)*

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

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

Name
(if an individual)

Honan *(Last)* Gregory *(First)* Patrick *(Middle)* *(Suffix)*

or

(if an entity)

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

Street address

225 Eagle Drive
(Street number and name)

Unit 9C

Avon *(City)* CO *(State)* 81620 *(ZIP Code)*

Mailing address
(leave blank if same as street address)

PO Box 2344
(Street number and name or Post Office Box information)

Avon (City) CO (State) 81620 (ZIP Code).

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

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

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

Name
(if an individual) Honan (Last) Gregory (First) Patrick (Middle) (Suffix)

or

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

Mailing address PO Box 2344
(Street number and name or Post Office Box information)

Avon (City) CO (State) 81620 (ZIP/Postal Code)
(Province – if applicable) United States (Country).

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

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

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

☐ one or more managers.

or

☑ the members.

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

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

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

☐ This document contains additional information as provided by law.

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

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

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

Honan (Last) Gregory (First) Patrick (Middle) (Suffix)

PO Box 2344
(Street number and name or Post Office Box information)

Avon (City) CO (State) 81620 (ZIP/Postal Code)

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

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

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

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).

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

E-Filed

Colorado Secretary of State
Date and Time: 06/09/2016 05:02 PM
ID Number: 20161400747

Document number: 20161400747
Amount Paid: $20.00

ABOVE SPACE FOR OFFICE USE ONLY

Statement of Trade Name of a Reporting Entity

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

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

ID Number	20161400719 *(Colorado Secretary of State ID number)*
True name	Parachute Unlimited LLC
Form of entity	Limited Liability Company
Jurisdiction	Colorado

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

American Green

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

Legally Licensed (by the State of Colorado MED Dept of Revenue) activities

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

☐ This document contains additional information as provided by law.

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

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

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

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

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

Honan (Last) Gregory (First) _____ (Middle) _____ (Suffix)

PO Box 2344
(Street number and name or Post Office Box information)

Avon (City) CO (State) 81620 (Postal/Zip Code)

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

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

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

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

IRS DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
CINCINNATI OH 45999-0023

Date of this notice: 06-14-2016

Employer Identification Number:
[redacted]

Form: SS-4

Number of this notice: CP 575 G

PARACHUTE UNLIMITED LLC
AMERICAN GREEN
% GREGORY PATRICK HONAN SOLE MBR
PO BOX 2344
AVON, CO 81620

For assistance you may call us at:
1-800-829-4933

IF YOU WRITE, ATTACH THE
STUB AT THE END OF THIS NOTICE.

WE ASSIGNED YOU AN EMPLOYER IDENTIFICATION NUMBER

[redacted] for applying for an Employer Identification Number (EIN). We assigned you This EIN will identify you, your business accounts, tax returns, and documents, even if you have no employees. Please keep this notice in your permanent records.

When filing tax documents, payments, and related correspondence, it is very important that you use your EIN and complete name and address exactly as shown above. Any variation may cause a delay in processing, result in incorrect information in your account, or even cause you to be assigned more than one EIN. If the information is not correct as shown above, please make the correction using the attached tear off stub and return it to us.

A limited liability company (LLC) may file Form 8832, *Entity Classification Election*, and elect to be classified as an association taxable as a corporation. If the LLC is eligible to be treated as a corporation that meets certain tests and it will be electing S corporation status, it must timely file Form 2553, *Election by a Small Business Corporation*. The LLC will be treated as a corporation as of the effective date of the S corporation election and does not need to file Form 8832.

To obtain tax forms and publications, including those referenced in this notice, visit our Web site at www.irs.gov. If you do not have access to the Internet, call 1-800-829-3676 (TTY/TDD 1-800-829-4059) or visit your local IRS office.

IMPORTANT REMINDERS:

* Keep a copy of this notice in your permanent records. **This notice is issued only one time and the IRS will not be able to generate a duplicate copy for you.** You may give a copy of this document to anyone asking for proof of your EIN.
* Use this EIN and your name exactly as they appear at the top of this notice on all your federal tax forms.
* Refer to this EIN on your tax-related correspondence and documents.

If you have questions about your EIN, you can call us at the phone number or write to us at the address shown at the top of this notice. If you write, please tear off the stub at the bottom of this notice and send it along with your letter. If you do not need to write us, do not complete and return the stub.

Your name control associated with this EIN is PARA. You will need to provide this information, along with your EIN, if you file your returns electronically.

Thank you for your cooperation.

Instructions: Please print this document for your records.

COLORADO BUSINESS EXPRESS

COLORADO DEPT OF REVENUE

Thank you for registering with the Colorado Department of Revenue!
Your electronic application has been received.
You will receive your Sales Tax License and/or Wage Withholding information in the mail in the next 10 business days.

You may use this receipt as a temporary Sales Tax License in the interim.

Filing Information

Your filing information is as follows:

Date: 06/14/2016 16:33

Name: Parachute Unlimited LLC

Address: *Lot 7 N Diamond Loop Rd.*
Parachute, CO 81635

Sales Tax Account Number: 32494559

Sales Tax Filing Frequency: $300/month or more (Monthly)

Wage Withholding Account Number: N/A

Wage Withholding Filing Frequency: N/A

Websites

State of Colorado: www.colorado.gov

Colorado Department of Revenue: www.colorado.gov/revenue

Colorado Department of Revenue Online Customer Support Site:
revenuestateco.custhelp.com

File and pay your sales tax online: www.colorado.gov/RevenueOnline

Register to pay by EFT: *www.colorado.gov/revenue/eft*

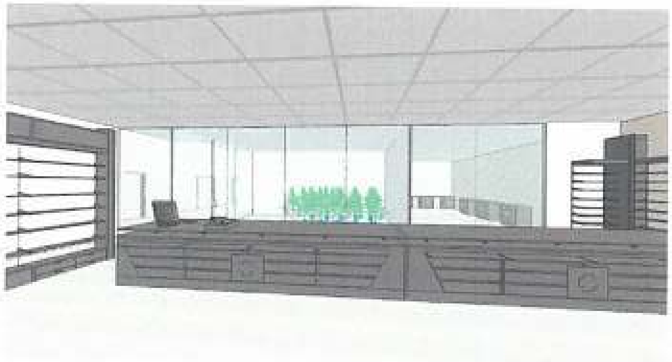
Please wait 2-3 business days while we validate your registration before attempting to access your account in Revenue Online. You will receive your license(s) in the mail within 10 business days. If you do not already have access to Revenue Online, you may use information from that letter to sign-up.

Colorado Business Express PDF Receipt

Floor Plan and General Concept

The general concepts of the project are as follows:

- The Entire complex will be one building containing all three Retail Marijuana Business Establishments:
    - Cultivation
    - Concentrates
    - Store
- The Store shall be oriented in the following manner:
    - Glass walls/windows shall be in between the back of the store and the Cultivation
        - Allows visitor to safely and easily view the cutting edge technology and design of the cultivation and plants while making a purchase
            - Allows viewing, without adding any safety risk
            - Provides a one of a kind Destination tourist attraction for the Town of Parachute
            - No one on the outside of complex will be able to see any marijuana plants, only those legally permitted into the inside of the complex
            - Visitors shall remain in the Store only, no tours of the cultivation
            - The Concentrates Portion of the building will be safely separate from visitors and the Store
            - The Cultivation shall be secure and separate from visitors and the store in order to avoid and outside contamination of the environment for the cultivation location and associated plants
- The outside of the complex shall be approved by the Town of Parachute and agreeable as to its visual impact on the Town and surrounding neighbors
    - Parachute Unlimited shall be fully transparent in the design and construction process and will avoid and surprises or unacceptable designs not authorized by the Town
- The Concentrates portion of the complex:
    - Safety and Security shall be the top priorities



3D View 2

3D View 1

Distance to Nearest School

Room Legend

Airlock	Extraction	Mechanical	Propagation	Trim
Circulation	Flower	Mother	Retail	Veg
Dry / Cure	Kit / Break	Office	Storage	WC

Level 1

ZONED PROPERTIES INC

Room Schedule

Name	Number	Area
Mechanical	1	332 SF
Storage	2	149 SF
Airlock	3	142 SF
Storage	4	149 SF
Mechanical	5	322 SF
Flower	6	1301 SF
Flower	7	1301 SF
Flower	8	1301 SF
Flower	9	1301 SF
Flower	10	1301 SF
Circulation	11	1168 SF
Flower	12	1231 SF
Propagation	13	181 SF
Veg	14	742 SF
Dry / Cure	15	324 SF
Extraction	16	458 SF
Trim	17	561 SF
Mother	18	306 SF
Kit / Break	19	376 SF
Office	20	177 SF
WC	21	118 SF
WC	22	118 SF
Airlock	23	118 SF
Retail	24	1074 SF
Circulation	25	168 SF
Grand total: 25		[illegible] SF

Floor Plan

A1.0

<<2016-08-17>>

Total: 1383.7 ft
447.8 ft
169.4 ft
102.7 ft
96.8 ft
94.9 ft
91.4 ft
128.4 ft
151.3 ft
101.2 ft

All signage will be relating to this Logo and American Green style, of course in high resolution and in approved locations and lighting via the Town

AMERICAN GREEN

Proposed Retail Marijuana Facility

Lot #7 N. Diamond Loop Rd., Parachute, Colorado, 81635

Preliminary Security Evaluation and Plan (based on site plan provided)

The following is compliant in part with the required information as outlined by the City of Parachute Municipal Code 6.11.090.F and is compliant to the requirements as laid out by the Colorado Retail Marijuana Code 1 CCR 212-2. R.301.D, R.305, R.306,

Please understand that as this is a preliminary plan, once the final rendering and constructions are approved, are more accurate and detailed assessment may be given to fully demonstrate adherence to each line item and subsection within the aforementioned sections referenced of the Colorado Retail Marijuana Code.

1CCR212-2

R.301

D. Diagram for Licensed Premises. All Limited Access Areas shall be clearly identified to the Division or relevant local jurisdiction and described in a diagram of the Licensed Premises reflecting walls, partitions, counters and all areas of ingress and egress. The diagram shall also reflect all Propagation, cultivation, manufacturing, and retail sales areas. See Rule R 901 – Business Records Required.

Please note that all areas outside of the "Retail" area as identified on the site plan shall be deemed ***Limited Access Areas*** *and thus shall adhere to all requirements as described and instituted under 1CCR212-2 R.301A,B,C,D,E. All other areas as described in R.301 D, have been clearly identified on the site plan provided.*

R 305 – Security Alarm Systems and Lock Standards

A. Security Alarm Systems – Minimum Requirements. The following Security Alarm Systems and lock standards apply to all Retail Marijuana Establishments.

1. Each Licensed Premises shall have a Security Alarm System, installed by an Alarm Installation Company, on all perimeter entry points and perimeter windows.

2. Each Licensee must ensure that all of its Licensed Premises are continuously monitored. Licensees may engage the services of a Monitoring Company to fulfill this requirement.

3. A Licensee shall maintain up-to-date and current records and existing contracts on the Licensed Premises that describe the location and operation of each Security Alarm System, a schematic of security zones, the name of the Alarm Installation Company, and the name of any Monitoring Company. See Rule R 901 – Business Records Required.

4. Upon request, Licensees shall make available to agents of the Division or relevant local jurisdiction or state or local law enforcement agency, for a purpose authorized by the Retail Code or for any other state or local law enforcement purpose, all information related to Security Alarm Systems, Monitoring, and alarm activity.

5. Any outdoor Retail Marijuana Cultivation Facility, or greenhouse cultivation, is a Limited Access Area and must meet all of the requirements for Security Alarm Systems described in this rule. An outdoor or greenhouse Retail Marijuana Cultivation Facility must provide sufficient security measures to demonstrate that outdoor areas are not readily accessible by unauthorized individuals. This shall include, at a minimum, perimeter fencing designed to prevent the general public from entering the Limited Access Areas. It shall be the responsibility of the Licensee to maintain physical security in a manner similar to a Retail Marijuana Cultivation Facility located in an indoor Licensed Premises so it can be fully secured and alarmed.

B. Lock Standards – Minimum Requirement

1. At all points of ingress and egress, the Licensee shall ensure the use of a commercial-grade, non-residential door locks.

2. Any outdoor Retail Marijuana Cultivation Facility, or greenhouse cultivation, must meet all of the requirements for the lock standards described in this rule

Please note that all requirements as described in this section shall be met, and only State licensed companies with proper alarm permitting will be considered to implement all required items as laid out by 1CCR212-2 R.305.A1,2,3,4,5. License holder shall maintain all documentation and shall provide access to all governing and regulatory bodies upon request in compliance with the previous Code section. All requirements as described in section 1CCR212-2 R.305.B1 and 2, shall be met and included in the final approved site plan in compliance with building inspection officials, and as approved by local public safety officials for use in proposed facility.

R 306 - Video Surveillance

A. Minimum Requirements. The following video surveillance requirements shall apply to all Retail Marijuana Establishments.

1. Prior to exercising the privileges of a Retail Marijuana Establishment, an Applicant must install a fully operational video surveillance and camera recording system. The recording system must record in digital format and meet the requirements outlined in this rule.

2. All video surveillance records and recordings must be stored in a secure area that is only accessible to a Licensee's management staff.

3. Video surveillance records and recordings must be made available upon request to the Division, the relevant local jurisdiction, or any other state or local law enforcement agency for a purpose authorized by the Retail Code or for any other state or local law enforcement purpose.

4. Video surveillance records and recordings of point-of-sale areas shall be held in confidence by all employees and representatives of the Division, except that the Division may provide such records and recordings to the relevant local jurisdiction, or any other state or local law enforcement agency for a purpose authorized by the Retail Code or for any other state or local law enforcement purpose.

B. Video Surveillance Equipment

1. Video surveillance equipment shall, at a minimum, consist of digital or network video recorders, cameras capable of meeting the recording requirements

described in this rule, video monitors, digital archiving devices, and a color printer capable of delivering still photos.

2. All video surveillance systems must be equipped with a failure notification system that provides prompt notification to the Licensee of any prolonged surveillance interruption and/or the complete failure of the surveillance system.

3. Licensees are responsible for ensuring that all surveillance equipment is properly functioning and maintained, so that the playback quality is suitable for viewing and the surveillance equipment is capturing the identity of all individuals and activities in the monitored areas.

4. All video surveillance equipment shall have sufficient battery backup to support a minimum of four hours of recording in the event of a power outage. Licensee must notify the Division of any loss of video surveillance capabilities that extend beyond four hours.

C. Placement of Cameras and Required Camera Coverage

1. Camera coverage is required for all Limited Access Areas, point-of-sale areas, security rooms, all points of ingress and egress to Limited Access Areas, all areas where Retail Marijuana or Retail Marijuana Product is displayed for sale, and all points of ingress and egress to the exterior of the Licensed Premises.

2. Camera placement shall be capable of identifying activity occurring within 20 feet of all points of ingress and egress and shall allow for the clear and certain identification of any individual and activities on the Licensed Premises.

3. At each point-of-sale location, camera coverage must enable recording of the customer(s) and employee(s) facial features with sufficient clarity to determine identity.

4. All entrances and exits to the facility shall be recorded from both indoor and outdoor vantage points.

5. The system shall be capable of recording all pre-determined surveillance areas in any lighting conditions. If the Licensed Premises has a Retail Marijuana

cultivation area, a rotating schedule of lighted conditions and zero-illumination can occur as long as ingress and egress points to Flowering areas remain constantly illuminated for recording purposes.

6. Areas where Retail Marijuana is grown, tested, cured, manufactured, or stored shall have camera placement in the room facing the primary entry door at a height which will provide a clear unobstructed view of activity without sight blockage from lighting hoods, fixtures, or other equipment.

7. Cameras shall also be placed at each location where weighing, packaging, transport preparation, processing, or tagging activities occur.

8. At least one camera must be dedicated to record the access points to the secured surveillance recording area.

9. All outdoor cultivation areas must meet the same video surveillance requirements applicable to any other indoor Limited Access Areas.

D. Location and Maintenance of Surveillance Equipment

1. The surveillance room or surveillance area shall be a Limited Access Area.

2. Surveillance recording equipment must be housed in a designated, locked, and secured room or other enclosure with access limited to authorized employees, agents of the Division and relevant local jurisdiction, state or local law enforcement agencies for a purpose authorized by the Retail Code or for any other state or local law enforcement purpose, and service personnel or contractors.

3. Licensees must keep a current list of all authorized employees and service personnel who have access to the surveillance system and/or room on the Licensed Premises. Licensees must keep a surveillance equipment maintenance activity log on the Licensed Premises to record all service activity including the identity of the individual(s) performing the service, the service date and time and the reason for service to the surveillance system.

4. Off-site Monitoring and video recording storage of the Licensed Premises by the

Licensee or an independent third-party is authorized as long as standards exercised at the remote location meet or exceed all standards for on-site Monitoring.

5. Each Retail Marijuana Licensed Premises located in a common or shared building, or commonly owned Retail Marijuana Establishments located in the same local jurisdiction, must have a separate surveillance room/area that is dedicated to that specific Licensed Premises. Commonly-owned Retail Marijuana Establishments located in the same local jurisdiction may have one central surveillance room located at one of the commonly owned Licensed Premises which simultaneously serves all of the commonly-owned retail facilities. The facility that does not house the central surveillance room is required to have a review station, printer, and map of camera placement on the premises. All minimum requirements for equipment and security standards as set forth in this section apply to the review station.

6. Licensed Premises that combine both a Medical Marijuana Business and a Retail Marijuana Establishment may have one central surveillance room located at the shared Licensed Premises. See Rule R 304 – Medical Marijuana Business and Retail Marijuana Establishment: Shared Licensed Premises and Operational Separation.

E. Video Recording and Retention Requirements

1. All camera views of all Limited Access Areas must be continuously recorded 24 hours a day. The use of motion detection is authorized when a Licensee can demonstrate that monitored activities are adequately recorded.

2. All surveillance recordings must be kept for a minimum of 40 days and be in a format that can be easily accessed for viewing. Video recordings must be archived in a format that ensures authentication of the recording as legitimately captured video and guarantees that no alteration of the recorded image has taken place.

3. The Licensee's surveillance system or equipment must have the capabilities to produce a color still photograph from any camera image, live or recorded, of the Licensed Premises.

4. The date and time must be embedded on all surveillance recordings without significantly obscuring the picture.

5. Time is to be measured in accordance with the official United States time established by the National Institute of Standards and Technology and the U.S. Naval Observatory at: http://www.time.gov/timezone.cgi ?Mountain/d/-7/java

6. After the 40 day surveillance video retention schedule has lapsed, surveillance video recordings must be erased or destroyed prior to: sale or transfer of the facility or business to another Licensee; or being discarded or disposed of for any other purpose. Surveillance video recordings may not be destroyed if the Licensee knows or should have known of a pending criminal, civil or administrative investigation, or any other proceeding for which the recording may contain relevant information.

F. Other Records

1. All records applicable to the surveillance system shall be maintained on the Licensed Premises. At a minimum, Licensees shall maintain a map of the camera locations, direction of coverage, camera numbers, surveillance equipment maintenance activity log, user authorization list, and operating instructions for the surveillance equipment.

2. A chronological point-of-sale transaction log must be made available to be used in conjunction with recorded video of those transactions.

Please note that all requirements as described in this section shall be met, and only State licensed companies with proper video surveillance installation permitting will be considered to implement all required items as laid out by 1CCR212-2 R.306. All video surveillance equipment, and required installation components shall adhere to the requirements as defined in the subsections above and shall meet all Federal Communication Commission requirements for applicable use. A rough example, but not limited to, would include:

(1) Pelco, Digital Network Video Recorder with 20TB storage

(1) Pelco, Digital Network Video Recorder with 12TB storage

(6) Pelco, 2MP Pendant Mount Environmental Day/Night Mini Dome IP Camera with 3 to 9mm Lens

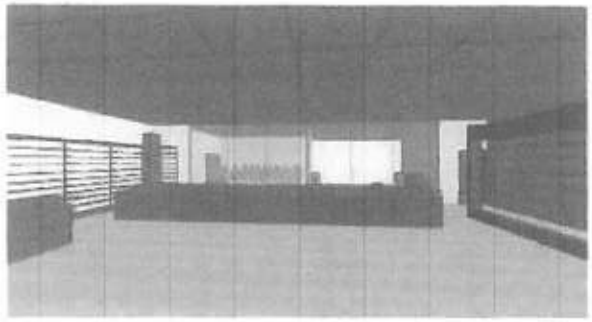
(19) Pelco, 2MP Day/Night Pendant Mount Indoor Mini Dome IP Camera with 3 to 9mm Lens

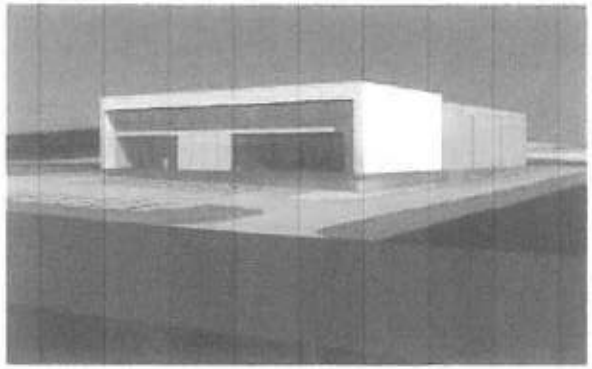
(2) Pelco, 12MP 180° Panoramic Vandal-Resistant IP Dome Camera

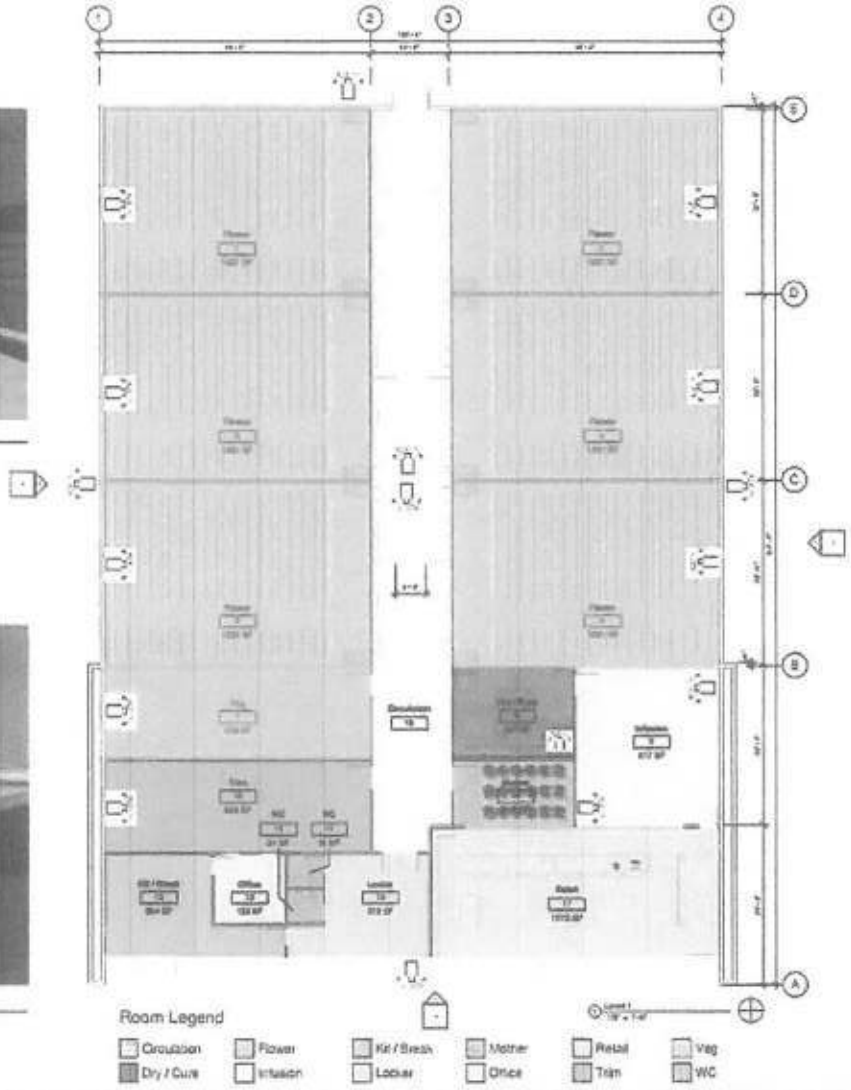
(3) Pelco, Evolution 360° 5 MP Indoor Camera with Fisheye Lens

(29) Pelco, IP Camera licenses

All the above is only an example of equipment and by no means suggest or commit the license holder to the required use or purchase of the items or materials mentioned. Again, an accurate site survey, and detailed security plan may be completed as the final and approved site plan is completed

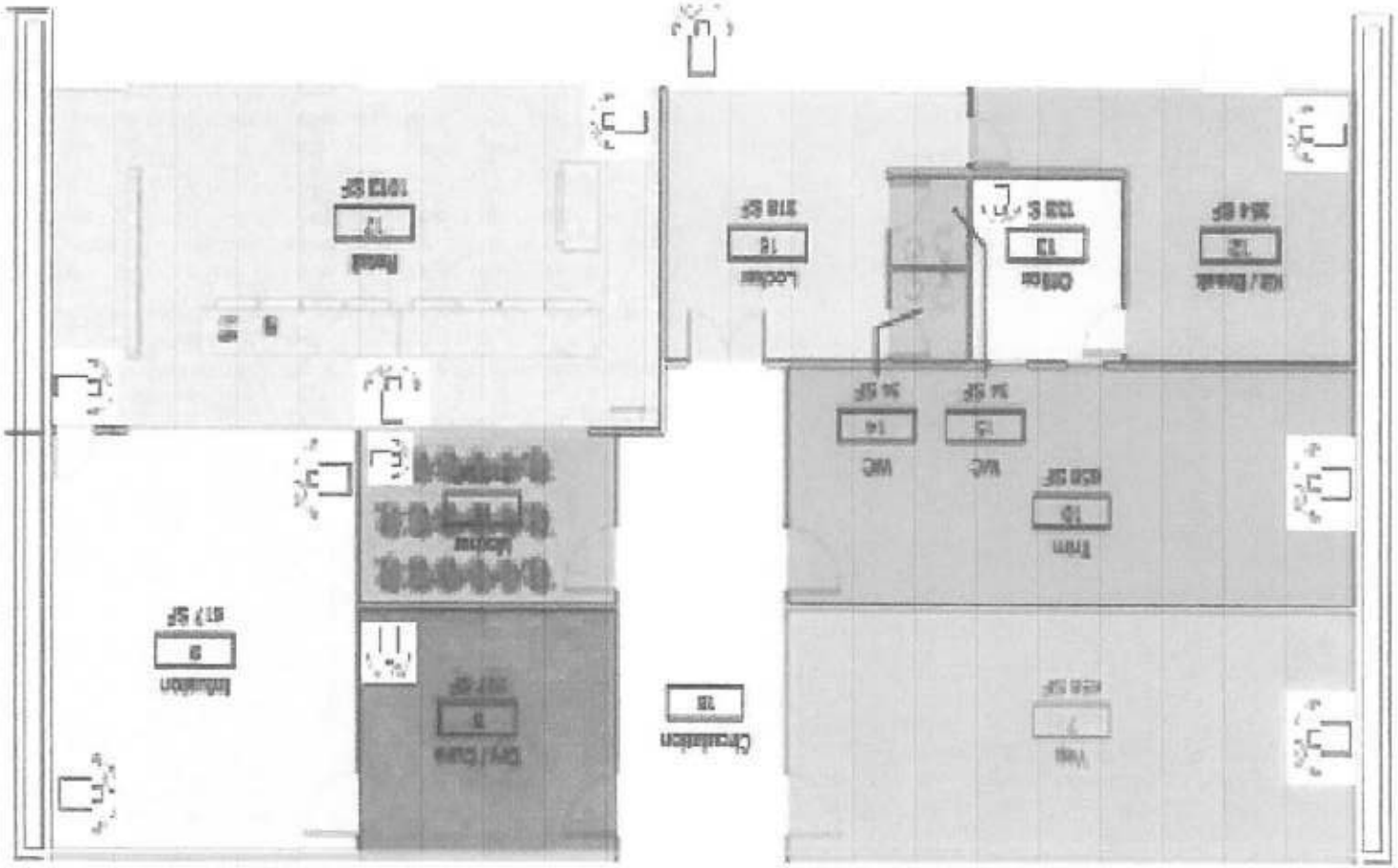






Floor Plan

A1.0


Vestibule
9
617 SF
Dry / Dune
5
Lobby
Circulation
10
Vestibule
7
Bath
15
WC
13
34 SF
WC
14
34 SF
Office
13
Locker
12
Kitchen / Breakfast
12
Retail
17
10123 SF

Town of Parachute Retail Marijuana Establishment Business License Page 4: Has the applicant ever applied for a Marijuana license in this or any other jurisdiction, foreign or domestic, whether or not the license was ever issued? If YES, provide details on a separate sheet, including jurisdiction, type of license, license number, and dates license held or applied for.

Gregory P Honan owns 100% of Herbal Elements LLP. Herbal Elements currently has these licenses:

State of Colorado Department of Revenue Marijuana Enforcement Division:

- Medical Marijuana Center Type 1 License 402-00309 expiration 8/23/16
    - With Associated Eagle County File Number MJM-5287
- Medical Marijuana OPC License 403-00461 expiration 8/23/16
    - With Associated Eagle County File Number MJMG-4823
- Retail Marijuana Products Mfg License 404R-00116 expiration 2/18/2017
    - With Associated Eagle County License File Number MJMF-5935
- Retail Marijuana Cultivation Facility License 403R-00474 expiration 2/18/2017
    - With Associated Eagle County License File Number MJRC-5693

Copies of all licenses are attached

STATE OF COLORADO
DEPARTMENT OF REVENUE

Marijuana Enforcement Division

Medical Marijuana Conditional License

HERBAL ELEMENTS, LLP

HERBAL ELEMENTS

41394 US Highway 6, Units F1 & F2, Avon, CO 81620

Optional Premises - 403-00461

License Valid Through: 08/23/2016

This license is conditioned upon Local Authority approval, pursuant to section 12-43.3-305(2) C.R.S.

This conditional license is issued subject to the laws of the State of Colorado and especially under the provisions of Title 12, Article 43.3, as amended. This conditional license is nontransferable and shall be conspicuously posted in the place above described. This conditional license is only valid through the expiration date shown above. Any questions concerning this conditional license should be addressed to: Colorado Marijuana Enforcement Division, 455 Sherman Street, Suite 390, Denver, CO 80203. In testimony whereof, I have hereunto set my hand.

W. Lewis Koski
Division Director

Barbara J. Brohl, Executive Director

EAGLE COUNTY

July 17, 2015

Herbal Elements LLP
Attn: Gregory P. Honan
P.O. Box 2344
Avon, CO 81620

Via: hojorisen@hotmail.com

RE: Notice of License Renewal - Approval
Eagle County License for Optional Premise Cultivation at 41394 U.S. Hwy. 6, Units F1 & F2
Herbal Elements – File No. MJMG-4823

Greg,

Please accept this letter as verification that the Eagle County Marijuana Business Licensing Authority (the "Authority") has **approved** the annual renewal for **Herbal Elements Optional Premise Cultivation** located at **41394 U.S. Hwy. 6, Building F, Units F1 & F2**, in EagleVail/Avon, Colorado.

Specifically, the renewal of this license is based upon the successful application for renewal within the timeframes outlined within the Licensing Regulations, as well as a demonstration that the above referenced business continues to operate in compliance with State and local regulations and laws.

> **Please note**: The Authority has been made aware of certain violations at the above referenced business/location cited by the State of Colorado Marijuana Enforcement Division and detailed in a report dated May 15, 2015 by Lori Garrison, MED. This information was provided to the Authority by you in your application for annual renewal referenced under Exhibit 'K'.
>
> It is staff's understanding that any violations cited by Ms. Garrison and reported by MED (based on an inspection of the above referenced facility on May 5, 2015) have either been resolved or that you are working with MED on an ongoing basis to resolve and/or rectify such violations. It is with such understanding, in part, that renewal of License No. MJMG-4823 has been approved. It is your responsibility to report any and all State cited violations to the Authority, and to provide verification to the Authority regarding final resolution of any outstanding violations in order to maintain status 'in good standing' with the Authority.

Pursuant to Resolution No. 2013-124, A Resolution Adopting Eagle County Medical and Retail Marijuana Business Licensing Regulations, please be advised of the following general restrictions placed on the issuance of this license renewal:

1. ***Article 5. Licenses, Section (b), State License Requirement.*** Should the Authority approve an application of a local license no such license shall be issued or effective until and unless the State Licensing Authority has approved the issuance of a State License for the proposed licensed premises.

2. ***Article 10. Term of license renewal.*** Any local license issued under these regulations shall be valid for a period of one (1) year from the date of issuance. Applications for renewals shall be processed in the same manner as new licenses under these regulations. **A licensee shall submit a renewal application at least forty-five (45) days before the expiration of the license**. Upon denial or revocation of a State license, any license issued under these regulations shall be null and void. If a court of competent jurisdiction determines that the issuance of local licenses violates any State of federal law, all licenses issued under these regulations shall be deemed immediately revoked by operation of law, with no ground for appeal or redress on behalf of the licensee.

Accordingly, please be advised that final approval for the above referenced license was **effective as of July 18, 2014** and is valid for one-year terms. According to Article 10 (noted above), please be advised that **you will be required to apply for renewal of this license annually, and such applications will be due (annually) 45 days prior to July 18, of each subsequent year.**

Likewise, please forward approved/renewed State License(s) for the current annual term in order for your local license to remain vested and in 'good standing.'

Thank you for your cooperation in completing the local licensing processes and best regards in your business endeavors.

Please contact me at (970) 328-8624 if you have any questions regarding your local license, or if you require additional assistance.

Sincerely,

Scot Hunn, AICP
Senior Planner / Current Planning Manager

xc: MJMG-4823

STATE OF COLORADO
DEPARTMENT OF REVENUE

Marijuana Enforcement Division

Retail Marijuana Conditional License

HERBAL ELEMENTS, LLP

HERBAL ELEMENTS

41394 US Highway 6, Units F1 & F2, Avon, CO 81620

Retail Marijuana Cultivation Facility - 403R-00474

License Valid Through: 02/18/2017

This license is conditioned upon Local Authority approval, pursuant to section 12-43.4-304(1) C.R.S.

This conditional license is issued subject to the laws of the State of Colorado and especially under the provisions of Title 12, Article 43.4, as amended. A licensee shall not exercise any of the rights or privileges of this license until such time as all such Medical Marijuana and Medical Marijuana-Infused Product are fully transferred and declared in the inventory tracking system as Retail Marijuana and Retail Marijuana Product, pursuant to Rule R211 & R309. This conditional license is nontransferable and shall be conspicuously posted in the place above described. This conditional license is only valid through the expiration date shown above. Any questions concerning this conditional license should be addressed to: Colorado Marijuana Enforcement Division, 455 Sherman Street, Suite 390, Denver, CO 80203. In testimony whereof, I have hereunto set my hand.

James Burack
Division Director

Barbara J. Brohl, Executive Director

EAGLE COUNTY

August 25, 2015

Herbal Elements
C/o: Greg Honan
P.O. Box 2344-41184
Avon, CO. 81620

Via: hojorisen@hotmail.com

RE: Eagle County License for a Retail Marijuana Facility at 41394 U.S. Hwy. 6, Building F, Units F1 and F2 in EagleVail / Eagle County File No. MJRC-5693

Mr. Honan,

Please accept this letter as verification that Eagle County Government (hereinafter the "Authority") has granted **final approval for Retail Marijuana Cultivation Facility** for Herbal Elements located at the above referenced address.

Accordingly, and pursuant to Resolution No. 2013-124, A Resolution Adopting Eagle County Medical and Retail Marijuana Business Licensing Regulations, please be advised of the following general restrictions placed on the issuance of this license:

1. ***Article 5. Licenses, Section (b), State License Requirement.*** Should the Authority approve an application of a local license no such license shall be issued or effective until and unless the State Licensing Authority has approved the issuance of a State License for the proposed licensed premises.

2. ***Article 5. Licenses, Section (c), Inspection.*** No such license shall be issued or effective until the building in which the licensed business operations are to be conducted is ready for occupancy with such furniture, fixtures and equipment in place as are necessary to comply with applicable provisions of any State Regulations and Local Regulations and only after the Authority or its designated representative has inspected the proposed licensed premises to determine that the applicant(s) has complied with the drawings and requirements provided herein.

3. ***Article 10. Term of license renewal.*** Any local license issued under these regulations shall be valid for a period of one (1) year from the date of issuance. Applications for renewals shall be processed in the same manner as new licenses under these regulations. A licensee shall submit a renewal application at least forty-five (45) days before the expiration of the license. Upon denial or revocation of a State license, any license issued under these regulations shall be null and void. If a court of competent jurisdiction determines that the issuance of local licenses

violates any State of federal law, all licenses issued under these regulations shall be deemed immediately revoked by operation of law, with no ground for appeal or redress on behalf of the licensee.

Accordingly, please be advised that final approval for this license is **effective as of August 25, 2015** and is valid for one-year terms. According to Article 10 (noted above), please be advised that **you will be required to apply for renewal of this license annually, and such applications will be due (annually) 45 days prior to August 25, of each subsequent year.**

Likewise, please forward approved State License(s) for the current annual term in order for your local license to remain vested and in 'good standing.'

Thank you for your cooperation in this matter. Please contact Scot Hunn at (970) 328-8624 if you have any questions regarding your local license, or if you require additional assistance.

Sincerely,

xc: File

Scot Hunn, AICP
Senior Planner / Current Planning Manager

xc: file

STATE OF COLORADO
DEPARTMENT OF REVENUE

Marijuana Enforcement Division

Medical Marijuana Conditional License

HERBAL ELEMENTS, LLP

HERBAL ELEMENTS

40928 US Highway 6, Unit 2E, Avon, CO 81620

Center - Type 1 - 402-00309

License Valid Through: 08/23/2016

This license is conditioned upon Local Authority approval, pursuant to section 12-43.3-305(2) C.R.S.

This conditional license is issued subject to the laws of the State of Colorado and especially under the provisions of Title 12, Article 43.3, as amended. This conditional license is nontransferable and shall be conspicuously posted in the place above described. This conditional license is only valid through the expiration date shown above. Any questions concerning this conditional license should be addressed to: Colorado Marijuana Enforcement Division, 455 Sherman Street, Suite 390, Denver, CO 80203. In testimony whereof, I have hereunto set my hand.

W. Lewis Koski
Division Director

Barbara J. Brohl, Executive Director

EAGLE COUNTY

November 24, 2015

Herbal Elements LLP
Attn: Gregory P. Honan
P.O. Box 2344
Avon, CO 81620

Via: hojorisen@hotmail.com

RE: Notice of License Renewal - Approval
Eagle County License for Medical Marijuana Center at 40928 U.S. Hwy. 6, Unit 2E
Herbal Elements – File No. MJM-5287

Greg,

Please accept this letter as verification that the Eagle County Marijuana Business Licensing Authority (the "Authority") has **approved** the annual renewal for **Medical Marijuana Center** located at **40928 U.S. Hwy. 6, Unit 2E**, in EagleVail/Avon, Colorado.

Specifically, the renewal of this license is based upon the successful application for renewal within the timeframes outlined within the Licensing Regulations, as well as a demonstration that the above referenced business continues to operate in compliance with State and local regulations and laws.

Pursuant to Resolution No. 2013-124, A Resolution Adopting Eagle County Medical and Retail Marijuana Business Licensing Regulations, please be advised of the following general restrictions placed on the issuance of this license renewal:

1. ***Article 5. Licenses, Section (b), State License Requirement.*** Should the Authority approve an application of a local license no such license shall be issued or effective until and unless the State Licensing Authority has approved the issuance of a State License for the proposed licensed premises.

2. ***Article 10. Term of license renewal.*** Any local license issued under these regulations shall be valid for a period of one (1) year from the date of issuance. Applications for renewals shall be processed in the same manner as new licenses under these regulations. **A licensee shall submit a renewal application at least forty-five (45) days before the expiration of the license.** Upon denial or revocation of a State license, any license issued under these regulations shall be null and void. If a court of competent jurisdiction determines that the issuance of local licenses violates any State of federal law, all licenses issued under these regulations shall be deemed

immediately revoked by operation of law, with no ground for appeal or redress on behalf of the licensee.

Accordingly, please be advised that final approval for the above referenced license was **effective as of January 6, 2014** and is valid for one-year terms. According to Article 10 (noted above), please be advised that **you will be required to apply for renewal of this license annually, and such applications will be due (annually) 45 days prior to January 6th, of each subsequent year.**

Likewise, please forward approved/renewed State License(s) for the current annual term in order for your local license to remain vested and in 'good standing.'

Thank you for your cooperation in completing the local licensing processes and best regards in your business endeavors.

Please contact me at (970) 328-8624 if you have any questions regarding your local license, or if you require additional assistance.

Sincerely,

Scot Hunn, AICP
Senior Planner / Current Planning Manager

xc: MJM-5287

STATE OF COLORADO
DEPARTMENT OF REVENUE

Marijuana Enforcement Division

Retail Marijuana Conditional License

HERBAL ELEMENTS, LLP

HERBAL ELEMENTS

40928 US Highway 6, Unit 2E, Avon, CO 81620

Retail Marijuana Products Mfg - 404R-00116

License Valid Through: 02/18/2017

This license is conditioned upon Local Authority approval, pursuant to section 12-43.4-304(1) C.R.S.

This conditional license is issued subject to the laws of the State of Colorado and especially under the provisions of Title 12, Article 43.4, as amended. A licensee shall not exercise any of the rights or privileges of this license until such time as all such Medical Marijuana and Medical Marijuana-Infused Product are fully transferred and declared in the inventory tracking system as Retail Marijuana and Retail Marijuana Product, pursuant to Rule R211 & R309. This conditional license is nontransferable and shall be conspicuously posted in the place above described. This conditional license is only valid through the expiration date shown above. Any questions concerning this conditional license should be addressed to: Colorado Marijuana Enforcement Division, 455 Sherman Street, Suite 390, Denver, CO 80203. In testimony whereof, I have hereunto set my hand.

James Burack
Division Director

Barbara J. Brohl, Executive Director

EAGLE COUNTY

December 22, 2015

Herbal Elements LLP
Attn: Gregory P. Honan
P.O. Box 2344
Avon, CO 81620

Via: hojorisen@hotmail.com

RE: ***Final Approval - Eagle County License for Retail Marijuana Products Manufacturing***
Herbal Elements – File No. MJMF-5935

Greg,

Please accept this letter as verification that the Eagle County Marijuana Business Licensing Authority (the "Authority") has granted **final approval** the a new license request for **Retail Marijuana Products Manufacturing** located at **40928 U.S. Hwy. 6, Unit 2E**, in EagleVail/Avon, Colorado.

Pursuant to Resolution No. 2013-124, A Resolution Adopting Eagle County Medical and Retail Marijuana Business Licensing Regulations, please be advised of the following general restrictions placed on the issuance of this license renewal:

1. ***Article 5. Licenses, Section (b), State License Requirement.*** Should the Authority approve an application of a local license no such license shall be issued or effective until and unless the State Licensing Authority has approved the issuance of a State License for the proposed licensed premises.

2. ***Article 10. Term of license renewal***. Any local license issued under these regulations shall be valid for a period of one (1) year from the date of issuance. Applications for renewals shall be processed in the same manner as new licenses under these regulations. **A licensee shall submit a renewal application at least forty-five (45) days before the expiration of the license**. Upon denial or revocation of a State license, any license issued under these regulations shall be null and void. If a court of competent jurisdiction determines that the issuance of local licenses violates any State of federal law, all licenses issued under these regulations shall be deemed immediately revoked by operation of law, with no ground for appeal or redress on behalf of the licensee.

Accordingly, please be advised that final approval for the above referenced license is **effective as of December 22, 2015** and is valid for one-year terms. According to Article 10 (noted above), please be

advised that **you will be required to apply for renewal of this license annually, and such applications will be due (annually) 45 days prior to December 22nd, of each subsequent year.**

Thank you for your cooperation in completing the local licensing processes and best regards in your business endeavors.

Please contact me at (970) 328-8624 if you have any questions regarding your local license, or if you require additional assistance.

Sincerely,

Scot Hunn, AICP
Senior Planner / Current Planning Manager

xc: MJMF-5935
Todd Belback
Bryan Treu
Aaron Veldheer

Town Of Parachute – Retail Marijuana Establishment Business License Application

Page 4: Has the Applicant ever been denied a marijuana license? Answer: Yes

As for the answer to the remaining topics in the Question: Has the applicant ever withdrawn a marijuana license or had disciplinary action taken against any marijuana license that they have held in this or any other jurisdiction? Answer: No

Gregory Patrick Honan is the Owner of Herbal Elements LLP and is also the owner of Parachute Unlimited LLC, the current applicant with the Town of Parachute in relation to the associated Retail Marijuana Establishment Business License. Gregory Honan via Herbal Elements currently has four active Colorado Department of Revenue Marijuana Enforcement Division issued marijuana licenses and four active Eagle County, Colorado local jurisdiction Marijuana licenses:

- Medical Marijuana Center, Medical Marijuana Optional Premises Cultivation , Retail Marijuana Cultivation and Retail Marijuana Products Manufacturing

Herbal Elements LLP opened in unincorporated Eagle County, CO August 24th, 2009. The local jurisdiction for Retail Marijuana for Herbal Elements is Eagle County.

As far as the denied license, it was simply a competitive process, which Herbal Elements did not become a finalist in the competition, per the Eagle County, Colorado website:

http://www.eaglecounty.us/Planning/Marijuana_Businesses/Retail/

"On January 2nd, 2014, Eagle County enacted regulatory control over the Retail Marijuana industry within the unincorporated regions of the county. Pursuant to the state statue, Eagle County is authorized to develop and implement retail marijuana business license requirement."

Eagle County, Colorado established a competitive application process for Retail Marijuana Stores for a limited number, six, of Retail Marijuana Licenses to be issued in 2014. A very large number of applicants entered into this limited license competition. Herbal Elements was in the process of moving its current medical marijuana center and had not secured a long term lease agreement for the potential new Retail Marijuana Center aforementioned in the Eagle County regulations. Therefore, Gregory Honan and Herbal Elements did not "win" one of the 6 limited Retail Marijuana Licenses at the time. Eagle County stated via the attached letter:

"Although your application met the majority of local licensing requirements, yours was not chosen as a finalist to receive a Retail Marijuana Store License in unincorporated Eagle County at this time" (letter from Scot Hunn – Senior Planner Eagle County dated May 14th, 2014).

There were no violations or disciplinary actions taken in relation to this competitive licensing process in which the limited license was simply not awarded to the applicant

EAGLE COUNTY

May 15, 2014

Herbal Elements
C/o: Greg Honan
P.O. 2344
Avon, CO. 81620

Via: hojorisen@hotmail.com

RE: Eagle County Retail Marijuana Store License Application Denial
Herbal Elements - File No. MJR-4772

Mr. Honan,

Thank you for your recent application for a new Retail Marijuana Store license for Herbal Elements, proposed to be located at 041184 U.S. Hwy. 6, Unit 190, Colorado.

On behalf of the Eagle County Marijuana Business Licensing Authority (hereinafter the "Authority"), please accept this letter as verification that the Authority has completed its review of your application. Specifically, license applications were evaluated against the standards and requirements enumerated within the Eagle County Medical and Retail Marijuana Business Licensing Regulations (Resolution No. 2013-124).

Although your application met the majority of local licensing requirements, yours was not chosen as a finalist to receive a Retail Marijuana Store license in unincorporated Eagle County at this time.

I sincerely appreciate your cooperation and diligence in working with the Authority during the process of receiving and reviewing your application.

Please contact me at (970) 328-8624 if you have any questions regarding the action taken by the Authority, or if you require additional assistance.

Kindest regards,

Scot Hunn, AICP
Senior Planner

xc: file

Town Of Parachute – Retail Marijuana Establishment Business License Application

Page 3: Has the Applicant ever been denied a privileged license? Answer: Yes, but it was only due to not winning a competitive process, not related to any disciplinary or negative actions.

Gregory Patrick Honan is the Owner of Herbal Elements LLP and is also the owner of Parachute Unlimited LLC, the current applicant with the Town of Parachute in relation to the associated Retail Marijuana Establishment Business License. Gregory Honan via Herbal Elements currently has four active Colorado Department of Revenue Marijuana Enforcement Division issued marijuana licenses and four active Eagle County, Colorado local jurisdiction Marijuana licenses:

- Medical Marijuana Center, Medical Marijuana Optional Premises Cultivation , Retail Marijuana Cultivation and Retail Marijuana Products Manufacturing

Herbal Elements LLP opened in unincorporated Eagle County, CO August 24th, 2009. The local jurisdiction for Retail Marijuana for Herbal Elements is Eagle County.

Per the Eagle County, Colorado website:

http://www.eaglecounty.us/Planning/Marijuana_Businesses/Retail/

"On January 2nd, 2014, Eagle County enacted regulatory control over the Retail Marijuana industry within the unincorporated regions of the county. Pursuant to the state statue, Eagle County is authorized to develop and implement retail marijuana business license requirement."

Eagle County, Colorado established a competitive application process for Retail Marijuana Stores for a limited number, six, of Retail Marijuana Licenses to be issued in 2014. A very large number of applicants entered into this limited license competition. Herbal Elements was in the process of moving its current medical marijuana center and had not secured a long term lease agreement for the potential new Retail Marijuana Center aforementioned in the Eagle County regulations. Therefore, Gregory Honan and Herbal Elements did not "win" one of the 6 limited Retail Marijuana Licenses at the time. Eagle County stated via the attached letter:

"Although your application met the majority of local licensing requirements, yours was not chosen as a finalist to receive a Retail Marijuana Store License in unincorporated Eagle County at this time" (letter from Scot Hunn – Senior Planner Eagle County dated May 14th, 2014).

There were no violations or disciplinary actions taken in relation to this competitive licensing process in which the limited license was simply not awarded to the applicant. Attached is the letter from Eagle County Senior Planner Scot Hunn stating that Herbal Elements was not chosen as a finalist for this license.

EAGLE COUNTY

May 15, 2014

Herbal Elements
C/o: Greg Honan
P.O. 2344
Avon, CO. 81620

Via: hojorisen@hotmail.com

RE: Eagle County Retail Marijuana Store License Application Denial
Herbal Elements - File No. MJR-4772

Mr. Honan,

Thank you for your recent application for a new Retail Marijuana Store license for Herbal Elements, proposed to be located at 041184 U.S. Hwy. 6, Unit 190, Colorado.

On behalf of the Eagle County Marijuana Business Licensing Authority (hereinafter the "Authority"), please accept this letter as verification that the Authority has completed its review of your application. Specifically, license applications were evaluated against the standards and requirements enumerated within the Eagle County Medical and Retail Marijuana Business Licensing Regulations (Resolution No. 2013-124).

Although your application met the majority of local licensing requirements, yours was not chosen as a finalist to receive a Retail Marijuana Store license in unincorporated Eagle County at this time.

I sincerely appreciate your cooperation and diligence in working with the Authority during the process of receiving and reviewing your application.

Please contact me at (970) 328-8624 if you have any questions regarding the action taken by the Authority, or if you require additional assistance.

Kindest regards,

Scot Hunn, AICP
Senior Planner

xc: file

MEMORANDUM

TO: BRYAN MCLAREN

FROM: DAVIS FARRAR - PARACHUTE PLANNER

SUBJECT: ZONED PROPERTIES SPECIAL REVIEW USE AND VESTED RIGHTS APPLICATION COMPLETENESS REVIEW

DATE: 6/6/2015

CC: STUART MCARTHUR - TOWN MANAGER

The Zoned Colorado Marijuana Facility application for Zoned Properties, Inc. on behalf of Parachute Development Corporation Special Review Use and Vested Property Rights was received on June 1, 2016 and additional submittals were made June 3, 2016. The application consisted of the following items:

- ✓ Application form.
- ✓ Application fee.
- ✓ Letter of authorization.
- ✓ Names and addresses of owners of the property within 200 ft.
- ✓ Names and addresses owners or lessees of mineral rights for the property.
- ✓ Statement of Taxes Due.
- ✓ Project narrative.
- ✓ Vested property rights agreement project narrative.
- ✓ Legal description of the property.
- ✓ Proof of Ownership.
- ✓ Owner Authorization for Zoned Properties, Inc. to Process the Application.
- ✓ Vicinity map.
- ✓ Site Plan dated 6/1/16

It is understood that s detailed site plan will be submitted at the time of building permit and will be subject to staff/consultant review and approval prior to issuance of building permit in conformance with the following requirements. "15.07.112 Site Plan Review. Prior to the issuance of a building permit for all uses except single-family residences, a site plan must be submitted as required by Section 15.01.114. In addition to the building permit requirements, the following information shall be submitted for a parking lot or parking area:

EXHIBIT B:
OUTLINE OF THE PREMISES

PARCEL ID: 2409-123-02-007
Section: 12 Township: 7 Range: 96

LEGAL DESCRIPTION: Subdivision:
PARACHUTE PARK P.U.D. Block: 3 Lot: 7
AMENDED LOTS 1-3, 6-10, BLOCK 2 & LOTS 1-18, BLOCK 3 REC #784960

FIRST AMENDMENT TO LETTER OF INTENT

This First Amendment to the Letter of Intent (the "FIRST AMENDMENT") is made this 15th day of June 2016, (the "EFFECTIVE" DATE) by and between Zoned Colorado Properties, LLC, American Green, Inc., Herbal Elements LLP (collectively the "Parties"), and Parachute Unlimited LLP.

WITNESSETH:

WHEREAS, The Parties heretofore entered into a Letter of Intent (the "LOI") executed and effective as of May 17, 2016 for the development and lease on the premises commonly known as Lot #7 N. Diamond Loop Rd, Parachute, Colorado 81635; and

WHEREAS, The Parties hereto desire to enter into this First Amendment in order to add an additional Tenant and an additional Recreational Marijuana License Holder to the LOI; and.

WHEREAS, all defined terms used in the LOI shall have the same meaning herein as therein.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, and for good and valuable consideration, the sufficiency and receipt of which is acknowledged, the Parties agree to amend the LOI as follows:

1. American Green, Inc. & Parachute Unlimited, LLC (the "Tenant" or collectively the "Tenants")

2. Herbal Elements, LLP (the "Medical Marijuana License Holder") & Parachute Unlimited, LLC (the "Recreational Marijuana License Holder")

[Signature Page to Follow]

GPH

Your signature below will indicate that you agree to the terms and conditions as set forth herein dated June 15, 2016:

Zoned Colorado Properties, LLC

By: [signature]

Name: Bryan McLaren

Title: Authorized Agent

American Green, Inc.

By: [signature]

Name: Donald Miller

Title: CEO

Herbal Elements LLP

By: Gregory P Honan

Name: GREGORY P HONAN

Title: OWNER

Parachute Unlimited LLC

By: Gregory P Honan

Name: GREGORY P HONAN

Title: OWNER

ZONED®
PROPERTIES INC

14300 N. Northsight Blvd #208
Scottsdale, AZ 85260

Binding Letter of Intent

Between:
Zoned Colorado Properties, LLC.
("Landlord")

And:
American Green, Corp.
("Tenant")

And:
Herbal Elements, LLC
("Medical Marijuana License Holder")

RE: Lot #7 N. Diamond Loop Rd
Parachute, Colorado 81635

WHEREAS, it is the intent of the parties to enter into this binding Letter of Intent (this "LOI"), which outlines certain essential material terms for the execution of a Commercial Lease Agreement (the "Lease" or "Lease Agreement") for the leasing of approximately 15,000 square feet of space (the "Premises") to Tenant located within the Building (defined in Exhibit B) located at Lot #7 N. Diamond Loop Rd, Parachute, Colorado 81635 ("Property").

Legal Description: The parties agree the legal description of the Property, Building and the Premises is attached as **Exhibit A** and incorporated herein by reference.

Premises: Pursuant to the provisions provided in this LOI and the Lease (defined herein), Landlord shall lease to Tenant, and Tenant shall lease from Landlord, approximately 15,000 square feet of space in the Building, as identified on **Exhibit B** attached to this LOI, which is capable of being operating as a Medical Marijuana Cultivation and Production Facility.

LOI Termination: The parties agree in the event the LOI Requirements described herein this LOI, are not mutually satisfied on or before the date that is ninety (90) days after the Effective Date of this LOI ("LOI Term"), this LOI shall terminate, Escrow Agent (defined herein) shall return the full Deposit to Tenant, minus $100.00, and the parties shall owe no further obligation to one another. In the event despite the parties' reasonable efforts, the satisfaction of the LOI Requirements requires additional time, the parties may mutually agree in writing to extend the term of this LOI. Upon the termination of this LOI, Escrow Agent shall return the Deposit, as described herein, to Tenant, no more than three (3) days following the expiration of the LOI Term.

[redacted] ("Landlord Budget"). In the event Landlord determines its total projected budget (including hard and soft costs, professional fees and costs, costs of permits, and all other related costs, fees and expenses) will likely exceed the Landlord Budget, Landlord shall notify Tenant and acquire Tenant's written approval prior to proceeding with the construction of the tenant improvements, which approval shall not be unreasonably withheld, conditioned or delayed. Except for unforeseen and unanticipated costs, the parties shall mutually agree on all projected costs which will likely exceed the Landlord Budget, including a reasonable amount for contingencies ("Additional Budget Costs"), and which party will be responsible for payment of such Additional Budget Costs, and unforeseen and unanticipated costs. If the parties cannot agree on the Additional Budget Costs or on unforeseen or unanticipated costs, or which party will be responsible for payment thereof, the Lease shall terminate. In no event shall Landlord be obligated to commence construction or development of the Premises until Landlord and Tenant have approved all Additional Budget Costs and a reasonable contingency for unforeseen and unanticipated costs, and which party will be responsible for such Additional Budget Costs and contingency.

Tenant Improvement Costs:

The Parties agree, upon completion of Landlord's development of the Premises and construction of the tenant improvements, Landlord shall provide Tenant with a complete and accurate accounting of all of the actual costs, fees and expenses, including relevant documentation, which Landlord expended and incurred in the development of the Premises and construction of the tenant improvements (collectively the "Improvement Costs"). In the event Landlord exceeds the Landlord Budget without acquiring Tenant's prior written approval, such Additional Budget Costs shall not be included in the Improvements Costs and Tenant shall not be obligated or required to repay the unapproved Additional Budget Costs. The parties agree Landlord shall clearly identify the Improvement Costs in an exhibit to the Lease. The Lease shall contain provisions which stipulate that in the event a change in local or state law, prohibits the development of the Premises and/or completion of any portion of or all of the agreed upon tenant improvements, the Changes in Law Provisions (defined herein) shall apply.

Rent:

The Lease shall contain a Rental Schedule of the type and form attached as **Exhibit D** herein, which shall contain a complete description of the rent (including any additional amounts applied as rent and the Improvement Costs) which shall collectively be referred to herein as the "Total Rent"). In addition to the payment of the Total Rent, Tenant shall also pay to Landlord all use taxes, sales taxes, transaction privilege taxes, excise taxes, and other similar taxes associated with the Lease and the Lease payments to be made to Landlord thereunder. All payments to be made by Tenant to Landlord under

(c) Landlord shall acquire written approval of all due diligence and underwriting matters required by Landlord and/or Landlord's lender;
(d) The parties shall acquire the necessary zoning and land use entitlements as it relates to the Premises and the use described herein this LOI; and
(e) Tenant shall have obtained written approval from MED of the approval to operate the Premises as a Medical or Recreational Marijuana Cultivation and Production Facility on behalf of Medical Marijuana License Holder; and
(f) The parties' mutual approval of the plans, specifications and drawings for the development of the Premises and tenant improvements; and
(g) Landlord having closed on the property acquisition for the Premises.

Tenant Use: Subject to Tenant's compliance with the terms of this LOI, Tenant may use the Premises as a duly licensed Marijuana Cultivation and Processing Facility, to the extent permitted by law, Tenant shall manage and operate on behalf of Medical Marijuana License Holder, pursuant to its Licenses in complete compliance with the Colorado Marijuana Laws and all applicable laws, requirements and restrictions, including approval by MED. Tenant may not use the Premises for any other purpose unless specifically approved by Landlord.

Authority to Operate: Tenant and Guarantor(s) each represent and warrant in conjunction with Medical Marijuana License Holder, they shall use all reasonable and diligent efforts to apply for and acquire renewal from MED, approval to operate the Medical or Recreational Marijuana Cultivation and Production Facility, pursuant to the Colorado Marijuana Laws and all other rules, requirements and restrictions and maintain the Dispensary License in good standing with MED at all times.

Changes in Law: The parties acknowledge and agree the terms and provisions of this LOI as well as the Lease are based upon the details, terms and agreed upon obligations on the Effective Date of this LOI and the Lease. The parties acknowledge and agree in the event a change in state or local law or any rule, requirement or restriction which prohibits completion of the development of the Premises, construction of all the agreed upon tenant improvements, Landlord shall have the right to either: (a) take all actions reasonably necessary to modify the Lease to reflect its inability to develop the Premises and/or construct any portion or all of the agreed upon tenant improvements, or (b) terminate the Lease. In the event such change in state or local law prohibits the operation of the Premises as a Medical or Recreational Marijuana Cultivation and Production Facility, or any change in local zoning and land use entitlements prohibit Tenant from occupying and using the Premises for the use specified in this LOI and in the Lease, the Lease shall terminate or the parties may mutually agree otherwise in writing (the

BAM GPH JH

the Lease, with which Tenant shall review and upon approval of the terms and obligations provided therein, agree to comply.

Attorney's Fees and Costs: The parties shall mutually agree on reasonable default and remedy provisions, which shall be contained in the Lease. In the event of a dispute between the parties during the term of the Lease, the prevailing party in any action or proceeding to enforce the terms of the Lease or Guaranty, in any appeal thereon, or to declare rights thereunder, shall be entitled to reasonable attorneys' fees and costs and costs of collection. Such reasonable costs may be awarded in the same proceeding or recovered in a separate proceeding. (See "Arbitration" paragraph below.)

No Brokers: Landlord and Tenant represent and warrant to each other that neither Landlord, nor Tenant, have been, or will be, represented by any broker in connection with this LOI or the Lease, and no broker commission or finder's fee shall be payable as a result of the Lease.

Assignment/Amendment: Except as described herein and below, Tenant may not change, amend, modify, issue, sell, transfer, convey, encumber, or pledge (or permit to be changed, amended, modified, issued, sold, transferred, conveyed, encumbered, or pledged) any ownership, management, or voting right in or of Tenant, or any interest in this LOI or the Lease, or sublet or license any portion of the Premises, by operation of law or otherwise, without the prior written consent and approval of Landlord. In the event the Lease is assigned, transferred and conveyed for any reason described herein, the parties agree the obligations, rights and requirements of the assigning party shall be assumed, transferred and conveyed to assignee, as a condition precedent to the assignment, without releasing or discharging Tenant. However, Tenant may (upon at least 10 business days prior written notice to Landlord) assign, transfer and convey its interest in this LOI or the Lease to an entity wholly owned or controlled by Tenant, without acquiring the written consent of Landlord, and without releasing or discharging Tenant.

The parties may only amend or modify this LOI or the Lease with the written consent of all the parties.

Sublet/Sublease: Tenant may sublease the premises contemplated in this LOI to the Medical Marijuana License Holder listed in this LOI. The terms of the agreement are to be approved by the Landlord, and such approval by Landlord of the terms will not be unreasonable withheld. Landlord will be absolutely indemnified by sublease parties under the terms of any sublease agreement.

Improvements: Tenant may not make improvements, alterations, additions, or modifications to the Premises without the prior written consent and approval of Landlord, which shall not be unreasonably withheld. Upon completion of the development of the Premises and construction of the tenant improvements, Landlord shall not make any improvements, alterations, additions, or modifications to the Premises without the prior written consent and approval of Tenant, which shall not be unreasonably withheld.

Tenant Indemnity: Tenant agrees to indemnify, defend and hold harmless, Landlord, and Landlord's officers, directors, employees, contractors, representatives, agents, successors and assigns, for, from and against any and all claims, losses, damages, demands, fines, penalties, liens, actions, suits, obligations, liabilities, judgments, costs and expenses, including reasonable attorneys' fees and court costs, arising from, relating to, associated with, in connection with, or resulting in any way from: (a) Tenant's use or occupancy of the Premises, (b) the conduct of Tenant's business activities, including, without limitation, business activities conducted on or at the Premises, (c) any act or omission of Tenant or any of Tenant's employees, agents, contractors, representatives, invitees, customers, guests, and (d) any breach or default by Tenant under or pursuant to the Lease, including any violation of applicable laws. Nothing herein shall be construed to require Tenant to indemnify Landlord, and Landlord's officers, directors, employees, contractors, representatives, agents, successors and assigns, from any intentional, grossly negligent, fraudulent or willful misconduct by Landlord, and Landlord's officers, directors, employees, contractors, representatives, agents, successors and assigns.

Defaults; Remedies: The parties shall mutually agree complete default and remedy provisions shall be clearly defined and articulated in the Lease.

Arbitration: Any controversy or claim arising out of or relating to this LOI, by, between or among the parties, or the breach thereof, shall be settled by mandatory binding arbitration administered by the American Arbitration Association ("AAA"), under its Commercial Arbitration Rules or other applicable governmental regulatory agency. The arbitrator's decision shall be final and legally binding and judgment may be entered thereon. Each party initially shall be responsible for its share of the arbitration fees and costs in accordance with the applicable Rules of Arbitration. Notwithstanding the foregoing, the prevailing party shall be awarded its reasonable attorneys' fees and costs. Furthermore, in the event a party fails to proceed with arbitration, unsuccessfully challenges the arbitrator's award in court, or fails to comply with the arbitrator's award, the other party shall be awarded its reasonable attorneys' fees and costs for having to compel arbitration or defend or enforce the award.

Compliance with Laws: In connection with this LOI, the Lease, the Premises, and the conduct of Tenant's business activities, Tenant shall comply in all respects with The Medical Marijuana Code (**C.R.S. 12-43.3-101 et. seq.**) and the Retail Marijuana Code (**C.R.S. 12-43.4-101 et. seq,**) and all applicable laws, requirements, regulations and restrictions (including, without limitation, laws regulating the environment and hazardous substances and materials).

No Hazardous Materials: Tenant may not use, generate, store, dispose of, release, or bring onto the Premises (or permit to be used, generated, stored, disposed of, released, or brought onto the Premises) any hazardous, substances or materials, or any regulated substances or materials, without the prior written consent and approval of Landlord.

Lease Security Deposit: Upon Tenant's execution of the Lease and delivery of the same to Landlord, Tenant shall pay to Landlord the following sums and amounts: (a) after the application of the Deposit, the remaining amount required as a security

BAM GPH TH

Premises as a percentage of the total square footage of the Building, as determined by Landlord, and as set forth in the Lease. In no event shall Landlord be liable or responsible to Tenant (or subject to any claim by Tenant for damages or abatement of rent or otherwise) for any interruption or cessation in any utility service or other service to the Premises.

Tenant shall maintain, repair and replace all of Tenant's equipment, personal property, inventory, trade fixtures, and improvements in good, safe condition and repair and in accordance with all applicable laws. Tenant shall regularly inspect, maintain, repair and replace, including making capital improvements and capital repairs, the Premises and all aspects, systems, parts, and components of the Premises in good, safe working order condition and repair and in accordance with all applicable laws. Except in case of an emergency (in which event Tenant shall immediately notify Landlord in writing of such emergency), Tenant shall notify Landlord in writing at least fifteen (15) days prior to Tenant undertaking any repair or replacement costing in excess of $5,000.00 per occurrence, and shall provide Landlord with a reasonably detailed description of the repair or replacement to be undertaken by Tenant and the names of Tenant's contractors (who must be approved in writing in advance by Landlord), and any other information regarding such repair or replacement as Landlord may request. Landlord may require Tenant to post a payment and performance bond for any improvements to be made by Tenant and for any repairs or replacements to be made by Tenant.

No Liens: Tenant shall at all times keep and maintain the Premises free and clear of any and all liens (including consensual liens), and all mechanics' and materialmens' liens and notices and claims of liens arising from or relating to any work, repairs or replacements made or to be made by Tenant.

Damage and Destruction: Except in the event such damage or destruction is caused by Tenant or by Tenant's employees, agents, contractors, representatives, invitees, customers, guests (in which event Tenant shall be responsible for repairing and restoring the Premises), and subject to Force Majeure Events, Landlord shall use commercially reasonable efforts to repair and restore the Premises in the event of damage or destruction to the Premises following Landlord's receipt of Landlord's insurance proceeds relating thereto, and only to the extent of such insurance proceeds paid to Landlord, less Landlord's costs in obtaining such insurance proceeds (unless such costs are otherwise reimbursed to Landlord). In no event shall rent or additional rent abate under the Lease as a result of damage or destruction to the Premises. In no event shall Landlord repair or restore any of Tenant's equipment, personal property, inventory, trade fixtures, or improvements. Tenant shall pay to Landlord, as additional rent, Tenant's pro-rata share of all insurance premiums and costs incurred or paid by Landlord to provide and maintain casualty and liability insurance for the Building and surrounding areas, including any deductible amount to be paid by Landlord under such policies. Landlord may terminate the Lease if the Premises or the Building are damaged in any material respect during the last 18 months of the term of the Lease. All other provisions regarding damage and destruction to the Premises shall be governed by the terms of the Lease.

Parking: Tenant may use a *pro rata* share of the onsite parking spaces available for the Building, as designated by Landlord, on a non-exclusive and unreserved basis

BAM GPH TM

Governing Law:	This LOI and the Lease shall be governed by the laws of the State of Colorado (without regard to conflict of laws).
Venue and Jurisdiction:	Venue and exclusive jurisdiction for any action arising out of this LOI and the Lease shall be in Superior Court, Maricopa County, Arizona, and Tenant and Guarantor(s) hereby waive any and all defenses relating to such jurisdiction and venue.
Counterparts:	This LOI may be executed in any number of counterparts, and all such counterparts shall constitute a single document.
Drafter:	Tenant agrees that no provision contained in this LOI or the Lease shall be constructed against Landlord, the drafter of this LOI or the Lease, solely by virtue of Landlord being the drafter.
Binding LOI:	This LOI constitutes a binding and valid agreement on the part of Landlord and Tenant.
Effective Date:	The Effective Date of this LOI shall be the date that is three (3) business days after the mutual execution and delivery of this LOI by Landlord and Tenant.
Expiration:	If this LOI is not executed by Landlord, Tenant and Guarantor(s) on or before 5:00 PM, Arizona Time, on **May 20, 2016**, then this LOI shall terminate and expire and be of no further force or effect.

[Space Intentionally Left Blank. Signatures on the Following Page.]

BAM GPH JM

EXHIBIT A:
LEGAL DESCRIPTION OF PROPERTY, BUILDING AND PREMISES

Parcel ID:	2409-123-02-007
Property Address:	Lot #7 N. Diamond Loop Rd, Parachute, Colorado ZIP.
Building:	Parachute Cultivation Site, building containing approximately 15,000 square feet of space, including warehouse and/or greenhouse.
Premises:	Approximately 15,000 square feet of warehouse and/or greenhouse space to be constructed at Lot #7 of the Parachute Industrial Park. The Licensing for the Cultivation Site will be held by Herbal Elements, LLC.

EXHIBIT C:
ADDITIONAL LEASE TERMS

Lease:	Triple Net (NNN), meaning that all rent to be paid to Landlord shall be absolutely net to Landlord so that the Lease shall yield net to Landlord the rent to be paid each month during the term of the Lease, and Tenant shall pay either directly or as reimbursement to Landlord for all costs, expenses and obligations of every kind or nature whatsoever relating to the Premises which may arise or become due during the term of the Lease, including, without limitation, all costs and expenses of operation, maintenance, ownership, repairs (including capital repairs), replacements (including capital replacements), utilities, insurance and taxes (including real estate taxes and assessments, but excluding Landlord's personal income taxes) relating to the Premises, and Tenant's *pro rata* share of Landlord's costs and expenses relating to any shared or common walls, common areas or common improvements, including the parking areas, the perimeter wall, any monument sign, the exterior landscaping and utility lines and equipment, and other similar costs.
Premises:	15,000 Square Feet within Lot 7.
Lease Term:	Ten (10) years commencing on the Rent Commencement and ending on the last day of the month that is ten (10) years after the occurrence of Rent Commencement.
Renewal Option:	Provided that Tenant is not in breach or default under the Lease, and further provided that Tenant shall give Landlord written notice (at least one (1) year prior to the expiration of the term of the Lease) of Tenant's election to renew the term of the Lease, Tenant may renew or extend the term of the Lease for one (1) period of five (5) years, on the same terms as are provided in the Lease.
Buyout Option:	Provided that Tenant is not in breach or default under the Lease, a Buyout Option will be included in the Lease for the Tenant to acquire the premises and the constructed Tenant Improvements from the Landlord according to an acquisition formula mutually agreeable to both the Tenant and the Landlord within the Lease , and such an acquisition price shall be no less than 1.5 times the sum of the Landlord's acquisition cost of the land plus the cost of the Tenant Improvements.
Rental Schedule:	See **Exhibit D**

BAM GPH JM

2016-05-06_Zoned Properties letter of intent for NNN Lease_Amercian Green and Herbal Elements in Parachute

Adobe Sign Document History 05/17/2016

Created:	05/17/2016
By:	Zoned Admin (info@zonedproperties.com)
Status:	SIGNED
Transaction ID:	CBJCHBCAABAAxJLUQXJ1fkj2QrwEqQXDoQqKK7xm2U6P

"2016-05-06_Zoned Properties letter of intent for NNN Lease_Amercian Green and Herbal Elements in Parachute" History

Document created by Zoned Admin (info@zonedproperties.com)
05/17/2016 - 8:15:47 PDT - IP address: 68.2.113.141

Document emailed to Jonathan Miller (jonathan@americangreen.com) for signature
05/17/2016 - 8:25:37 PDT

Document emailed to Gregory P Honan (hojorisen@hotmail.com) for signature
05/17/2016 - 8:25:37 PDT

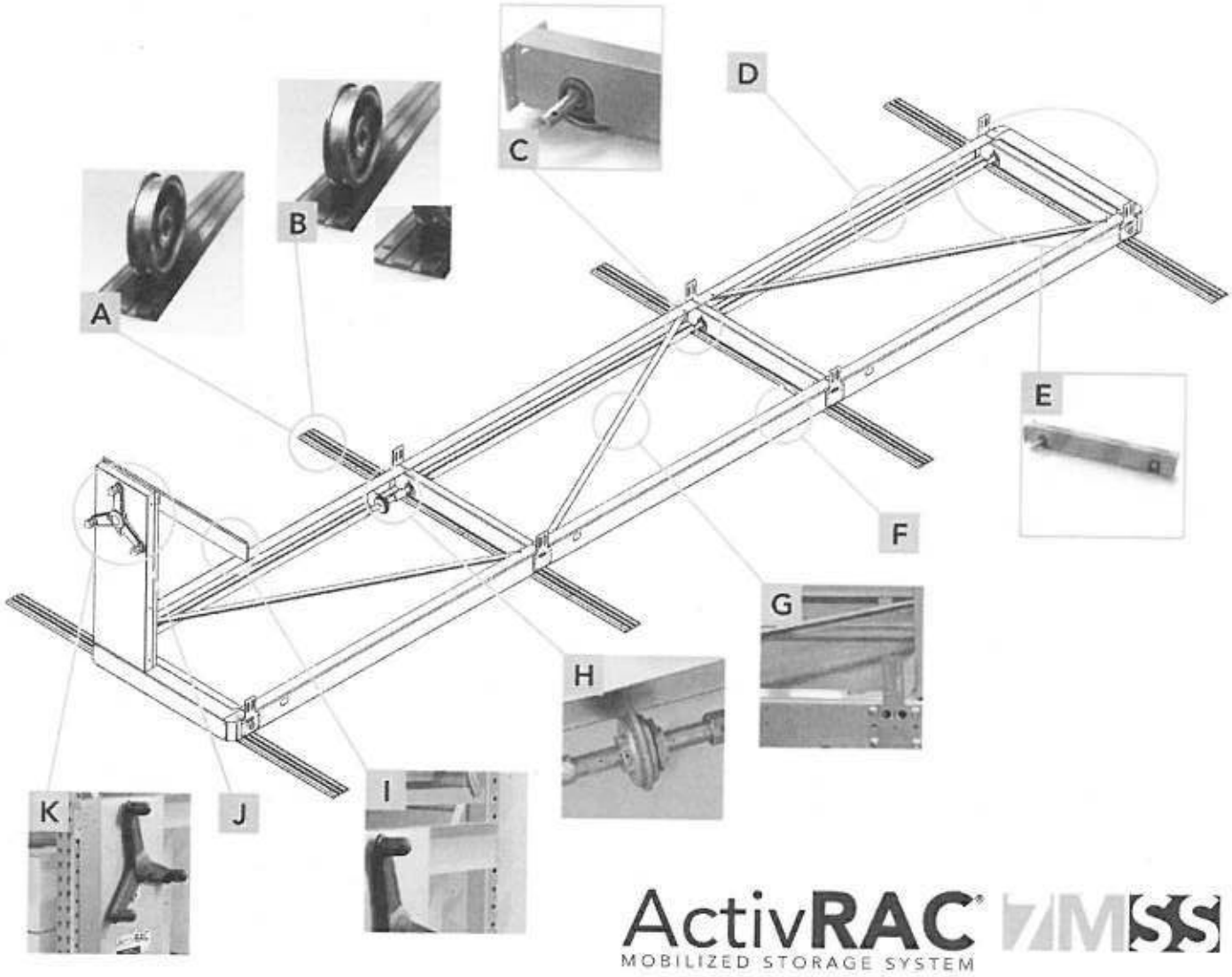
Document emailed to Bryan McLaren (bryan@zonedproperties.com) for signature
05/17/2016 - 8:25:38 PDT

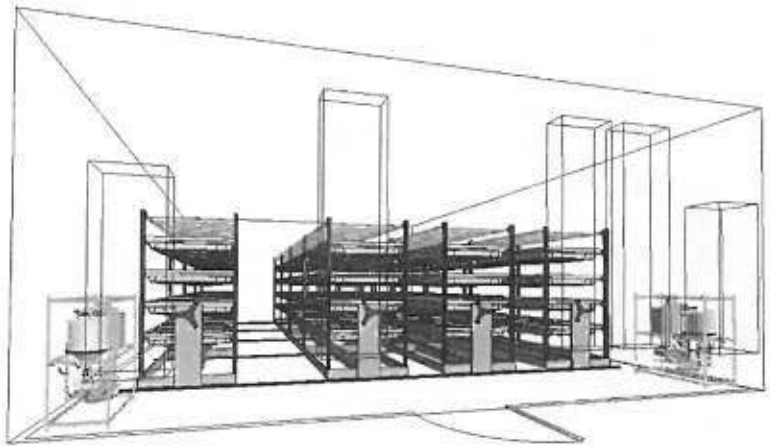
Document viewed by Gregory P Honan (hojorisen@hotmail.com)
05/17/2016 - 8:27:42 PDT - IP address: 174.16.116.239

Document viewed by Jonathan Miller (jonathan@americangreen.com)
05/17/2016 - 12:46:53 PDT - IP address: 66.102.6.78

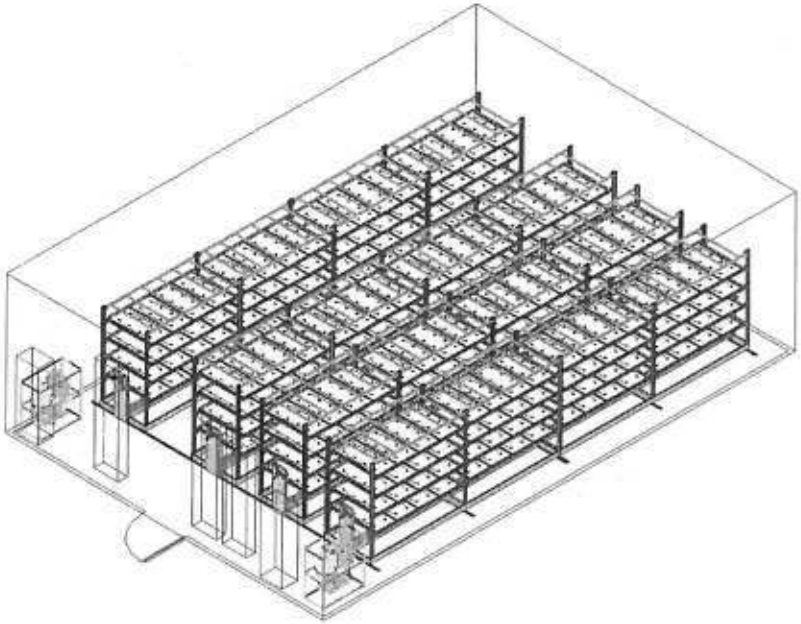
Document viewed by Bryan McLaren (bryan@zonedproperties.com)
05/17/2016 - 2:31:31 PDT - IP address: 68.2.113.141

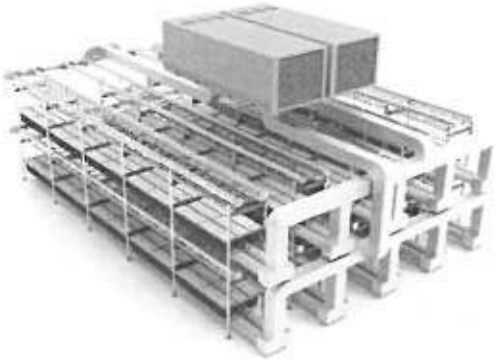
Jonathan Miller (jonathan@americangreen.com) has agreed to the terms of use and to do business electronically with Zoned Properties
05/17/2016 - 2:40:49 PDT - IP address: 24.251.126.94


A
B
C
D
E
F
G
H
I
J
K
ActivRAC
MOBILIZED STORAGE SYSTEM



4096 Plants





Ducted System

256 Plants

2016-04-21_Parachute Purchase Agreement

Adobe Document Cloud Document History 04/21/2016

Created:	04/21/2016
By:	Zoned Admin (info@zonedproperties.com)
Status:	SIGNED
Transaction ID:	CBJCHBCAABAAIng2M5wst9z-dAmedp7_Or18647GH6s3

"2016-04-21_Parachute Purchase Agreement" History

Document created by Zoned Admin (info@zonedproperties.com)
04/21/2016 - 1:04:20 PDT - IP address: 184.176.158.153

Document emailed to Hayden Rader (hrader@rof.net) for signature
04/21/2016 - 1:10:54 PDT

Document emailed to Bryan McLaren (bryan@zonedproperties.com) for signature
04/21/2016 - 1:10:55 PDT

Document viewed by Hayden Rader (hrader@rof.net)
04/21/2016 - 1:13:35 PDT - IP address: 71.34.150.145

Document viewed by Bryan McLaren (bryan@zonedproperties.com)
04/21/2016 - 1:30:45 PDT - IP address: 184.176.158.153

Bryan McLaren (bryan@zonedproperties.com) has agreed to the terms of use and to do business electronically with Zoned Properties
04/21/2016 - 1:37:31 PDT - IP address: 184.176.158.153

Document e-signed by Bryan McLaren (bryan@zonedproperties.com)
Signature Date: 04/21/2016 - 1:37:31 PDT - Time Source: server - IP address: 184.176.158.153

Hayden Rader (hrader@rof.net) has agreed to the terms of use and to do business electronically with Zoned Properties
04/21/2016 - 2:19:46 PDT - IP address: 71.34.150.145

Document e-signed by Hayden Rader (hrader@rof.net)
Signature Date: 04/21/2016 - 2:19:46 PDT - Time Source: server - IP address: 71.34.150.145

2016-02-16_Zoned Properties letter of intent for Parachute Park Final

Adobe Document Cloud Document History 2/17/16

Created:	2/17/16
By:	Zoned Admin (info@zonedproperties.com)
Status:	SIGNED
Transaction ID:	CBJCHBCAABAAx-3DZnEHicdDpKgwDrGfvMihQXdghrD4

"2016-02-16_Zoned Properties letter of intent for Parachute Park Final" History

Document created by Zoned Admin (info@zonedproperties.com)
2/17/16 - 8:36:17 PST - IP address: 184.176.158.153

Document emailed to Hayden Rader (hrader@rof.net) for signature
2/17/16 - 8:37:18 PST

Document emailed to Bryan McLaren (bryan@zonedproperties.com) for signature
2/17/16 - 8:37:19 PST

Document viewed by Bryan McLaren (bryan@zonedproperties.com)
2/17/16 - 8:41:46 PST - IP address: 184.176.158.153

Document viewed by Hayden Rader (hrader@rof.net)
2/17/16 - 8:44:52 PST - IP address: 71.33.168.183

Hayden Rader (hrader@rof.net) has agreed to the terms of use and to do business electronically with Zoned Properties
2/17/16 - 9:12:09 PST - IP address: 71.33.168.183

Document e-signed by Hayden Rader (hrader@rof.net)
Signature Date: 2/17/16 - 9:12:09 PST - Time Source: server - IP address: 71.33.168.183

Bryan McLaren (bryan@zonedproperties.com) has agreed to the terms of use and to do business electronically with Zoned Properties
2/17/16 - 9:15:21 PST - IP address: 184.176.158.153

ZONED®
PROPERTIES INC

14300 N. Northsight Blvd #208
Scottsdale, AZ 85260

EXHIBIT B: TERMS

PURCHASE PRICE:	[redacted]
TERMS:	Buyer to put down 55% of purchase price and Seller to finance 45% of purchase price at an interest rate of 6.5% amortized over a five (5) year period with a balloon payment at the end of year five (5). Payments will be made monthly. No pre-payment penalty will apply.
OPTIONS:	Seller to give Buyer first right of refusal for the option to purchase Lots 3, 4 and 5 in same development known as Parachute Park.

IN WITNESS WHEREOF, THE PARTIES HAVE EXECUTED THIS LOI,

BUYER:

ZONED COLORADO PROPERTIES, a Colorado limited liability company

By: Bryan McLaren

Name: Bryan McLaren

Its: Authorized Agent

Date: Feb 17, 2016, 2016

SELLER:

PARACHUTE DEVELOPMENT CORPORATION.

By: Hayden Rader
Hayden Rader (Feb 17, 2016)

Name: Hayden Rader

Its: President

Date: Feb 17, 2016, 2016

ZONED®
PROPERTIES INC

14300 N. Northsight Blvd #208
Scottsdale, AZ 85260

Binding Letter of Intent

Between:
Zoned Colorado Properties, LLC.
("Buyer")

And:
Parachute Development Corporation
("Seller")

RE: Lot #7 N. Diamond Loop Rd
Parachute, Colorado, 81635

WHEREAS, it is the intent of the parties to enter into this binding Letter of Intent (this "LOI"), which outlines the essential material terms for the execution of a Purchase Agreement for the purchase of Lot #7 N. Diamond Loop Rd, Parachute, Colorado, 81635.

Premises:	**Exhibit A** – Property Site and Description.
Purchase Agreement:	Subject to the terms of this LOI, including the contingencies described below, Buyer and Seller shall execute a purchase agreement consistent with the terms of this LOI, no later than the date that is forty-five (45) business days after execution of LOI.
Purchase Price:	**See Exhibit B – Terms**
Close of Escrow:	Close of Escrow shall be 30 days or less after all contingencies are satisfied.
Earnest Funds:	Upon execution of the Purchase Agreement, Buyer to deliver earnest money in the amount o[redacted] to title company within 2 business days. HR BH
Closing Costs:	Buyer and Seller to pay their normal and customary closing costs.
Prorations:	Taxes, rents, and other income and expenses pertaining to the subject property shall be apportioned and prorated between Buyer and Seller as of Close of Escrow.
Due Diligence Period:	Upon execution of the Purchase Agreement, Buyer shall commence their Due Diligence period. The Due Diligence period shall expire 45 days after execution of Purchase Agreement. During the Due Diligence period the parties shall cooperate in good faith to complete this due diligence. Seller shall provide all applicable Due Diligence items as indicated on Purchase Agreement.

Parachute Development Corporation
By Hayden Rader, President

32. COUNTER; REJECTION. This offer is ☐ Countered ☐ Rejected.
Initials only of party (Buyer or Seller) who countered or rejected offer

_____ _____ _____ _____

END OF CONTRACT TO BUY AND SELL REAL ESTATE

---

33. BROKER'S ACKNOWLEDGMENTS AND COMPENSATION DISCLOSURE.
(To be completed by Broker working with Buyer)

Broker ☐ **Does** ☒ **Does Not** acknowledge receipt of Earnest Money deposit and, while not a party to the Contract, agrees to cooperate upon request with any mediation concluded under § 23. Broker agrees that if Brokerage Firm is the Earnest Money Holder and, except as provided in § 24, if the Earnest Money has not already been returned following receipt of a Notice to Terminate or other written notice of termination, Earnest Money Holder will release the Earnest Money as directed by the written mutual instructions. Such release of Earnest Money will be made within five days of Earnest Money Holder's receipt of the executed written mutual instructions, provided the Earnest Money check has cleared.

Broker is working with Buyer as a ☐ **Buyer's Agent** ☐ **Seller's Agent** ☒ **Transaction-Broker** in this transaction. ☐ This is a **Change of Status.**

Brokerage Firm's compensation or commission is to be paid by ☒ **Listing Brokerage Firm** ☐ **Buyer** ☐ **Other** ***n/a.***

Brokerage Firm's Name: ***RE/MAX Country***

Del Dawson Date: ***4/15/2016***

Broker's Name: ***Del Dawson***
Address: ***175 Columbine Court Parachute, CO 81635***
Ph: ***9702851128*** Fax: ***9702851137*** Email: ***deldawson@remax.net***

---

34. BROKER'S ACKNOWLEDGMENTS AND COMPENSATION DISCLOSURE.
(To be completed by Broker working with Seller)

Broker ☐ **Does** ☒ **Does Not** acknowledge receipt of Earnest Money deposit and, while not a party to the Contract, agrees to cooperate upon request with any mediation concluded under § 23. Broker agrees that if Brokerage Firm is the Earnest Money Holder and, except as provided in § 24, if the Earnest Money has not already been returned following receipt of a Notice to Terminate or other written notice of termination, Earnest Money Holder will release the Earnest Money as directed by the written mutual instructions. Such release of Earnest Money will be made within five days of Earnest Money Holder's receipt of the executed written mutual instructions, provided the Earnest Money check has cleared.

Broker is working with Seller as a ☐ **Seller's Agent** ☐ **Buyer's Agent** ☒ **Transaction-Broker** in this transaction. ☐ This is a **Change of Status.**

23. MEDIATION. If a dispute arises relating to this Contract, (whether prior to or after Closing) and is not resolved, the parties must first proceed, in good faith, to mediation. Mediation is a process in which the parties meet with an impartial person who helps to resolve the dispute informally and confidentially. Mediators cannot impose binding decisions. Before any mediated settlement is binding, the parties to the dispute must agree to the settlement, in writing. The parties will jointly appoint an acceptable mediator and will share equally in the cost of such mediation. The obligation to mediate, unless otherwise agreed, will terminate if the entire dispute is not resolved within thirty days of the date written notice requesting mediation is delivered by one party to the other at that party's last known address (physical or electronic as provided in § 27). Nothing in this Section prohibits either party from filing a lawsuit and recording a *lis pendens* affecting the Property, before or after the date of written notice requesting mediation. This section will not alter any date in this Contract, unless otherwise agreed.

24. EARNEST MONEY DISPUTE. Except as otherwise provided herein, Earnest Money Holder must release the Earnest Money following receipt of written mutual instructions, signed by both Buyer and Seller. In the event of any controversy regarding the Earnest Money, Earnest Money Holder is not required to release the Earnest Money. Earnest Money Holder, in its sole subjective discretion, has several options: (1) wait for any proceeding between Buyer and Seller; (2) interplead all parties and deposit Earnest Money into a court of competent jurisdiction, (Earnest Money Holder is entitled to recover court costs and reasonable attorney and legal fees incurred with such action); or (3) provide notice to Buyer and Seller that unless Earnest Money Holder receives a copy of the Summons and Complaint or Claim (between Buyer and Seller) containing the case number of the lawsuit (Lawsuit) within one hundred twenty days of Earnest Money Holder's notice to the parties, Earnest Money Holder is authorized to return the Earnest Money to Buyer. In the event Earnest Money Holder does receive a copy of the Lawsuit, and has not interpled the monies at the time of any Order, Earnest Money Holder must disburse the Earnest Money pursuant to the Order of the Court. The parties reaffirm the obligation of **Mediation**. This Section will survive cancellation or termination of this Contract.

25. TERMINATION.

25.1. Right to Terminate. If a party has a right to terminate, as provided in this Contract (Right to Terminate), the termination is effective upon the other party's receipt of a written notice to terminate (Notice to Terminate), provided such written notice was received on or before the applicable deadline specified in this Contract. If the Notice to Terminate is not received on or before the specified deadline, the party with the Right to Terminate accepts the specified matter, document or condition as satisfactory and waives the Right to Terminate under such provision.

25.2. Effect of Termination. In the event this Contract is terminated, all Earnest Money received hereunder will be returned and the parties are relieved of all obligations hereunder, subject to §§ 10.4, 22, 23 and 24.

26. ENTIRE AGREEMENT, MODIFICATION, SURVIVAL; SUCCESSORS. This Contract, its exhibits and specified addenda, constitute the entire agreement between the parties relating to the subject hereof, and any prior agreements pertaining thereto, whether oral or written, have been merged and integrated into this Contract. No subsequent modification of any of the terms of this Contract is valid, binding upon the parties, or enforceable unless made in writing and signed by the parties. Any right or obligation in this Contract that, by its terms, exists or is intended to be performed after termination or Closing survives the same. Any successor to a Party receives the predecessor's benefits and obligations of this Contract.

27. NOTICE, DELIVERY, AND CHOICE OF LAW.

27.1. Physical Delivery and Notice. Any document, or notice to Buyer or Seller must be in writing, except as provided in § 27.2, and is effective when physically received by such party, any individual named in this Contract to receive documents or notices for such party, the Broker, or Brokerage Firm of Broker working with such party (except any notice or delivery after Closing must be received by the party, not Broker or Brokerage Firm).

CTMeContracts.com - ©2014 CTM Software Corp.

installed as of the date of Buyer's signature hereon, whether assessed prior to or after Closing, will be the obligation of Seller. Seller represents that the Association Assessments are currently payable at approximately $ ***n/a*** per ***n/a*** and that there are no unpaid regular or special assessments against the Property except the current regular assessments and ***NO association fees are currently assessed.*** . Such assessments are subject to change as provided in the Governing Documents. Seller agrees to promptly request the Association to deliver to Buyer before **Closing Date** a current Status Letter.

16.4. Other Prorations. Water and sewer charges, propane, interest on continuing loan, and ***None***.

16.5. Final Settlement. Unless otherwise agreed in writing, these prorations are final.

17. POSSESSION. Possession of the Property will be delivered to Buyer on **Possession Date** at **Possession Time**, subject to the Leases as set forth in § 10.6.1.7.

If Seller, after Closing, fails to deliver possession as specified, Seller will be subject to eviction and will be additionally liable to Buyer for payment of $ ***n/a*** per day (or any part of a day notwithstanding § 18.1) from **Possession Date** and **Possession Time** until possession is delivered.

GENERAL PROVISIONS

18. DAY; COMPUTATION OF PERIOD OF DAYS, DEADLINE.

18.1. Day. As used in this Contract, the term "day" means the entire day ending at 11:59 p.m., United States Mountain Time (Standard or Daylight Savings as applicable).

18.2. Computation of Period of Days, Deadline. In computing a period of days, when the ending date is not specified, the first day is excluded and the last day is included (e.g., three days after MEC). If any deadline falls on a Saturday, Sunday or federal or Colorado state holiday (Holiday), such deadline ☒ **Will** ☐ **Will Not** be extended to the next day that is not a Saturday, Sunday or Holiday. Should neither box be checked, the deadline will not be extended.

19. CAUSES OF LOSS, INSURANCE; DAMAGE TO INCLUSIONS AND SERVICES; CONDEMNATION; AND WALK-THROUGH. Except as otherwise provided in this Contract, the Property, Inclusions or both will be delivered in the condition existing as of the date of this Contract, ordinary wear and tear excepted.

19.1. Causes of Loss, Insurance. In the event the Property or Inclusions are damaged by fire, other perils or causes of loss prior to Closing in an amount of not more than ten percent of the total Purchase Price (Property Damage), and if the repair of the damage will be paid by insurance (other than the deductible to be paid by Seller), then Seller, upon receipt of the insurance proceeds, will use Seller's reasonable efforts to repair the Property before **Closing Date**. Buyer has the Right to Terminate under § 25.1, on or before **Closing Date** if the Property is not repaired before **Closing Date** or if the damage exceeds such sum. Should Buyer elect to carry out this Contract despite such Property Damage, Buyer is entitled to a credit at Closing for all insurance proceeds that were received by Seller (but not the Association, if any) resulting from damage to the Property and Inclusions, plus the amount of any deductible provided for in the insurance policy. This credit may not exceed the Purchase Price. In the event Seller has not received the insurance proceeds prior to Closing, the parties may agree to extend the **Closing Date** to have the Property repaired prior to Closing or, at the option of Buyer, (1) Seller must assign to Buyer the right to the proceeds at Closing, if acceptable to Seller's insurance company and Buyer's lender; or (2) the parties may enter into a written agreement prepared by the parties or their attorney requiring the Seller to escrow at Closing from Seller's sale proceeds the amount Seller has received and will receive due to such damage, not exceeding the total Purchase Price, plus the amount of any deductible that applies to the insurance claim.

19.2. Damage, Inclusions and Services. Should any Inclusion or service (including utilities and communication services), system, component or fixture of the Property (collectively Service) (e.g., heating or plumbing), fail or be damaged between the date of this Contract and Closing or possession, whichever is earlier, then Seller is liable for the repair or replacement of such Inclusion or Service with a unit of similar size, age and quality, or an equivalent credit, but only to the extent that the maintenance or

CTMeContracts.com - ©2014 CTM Software Corp.

11.1.1. The commencement date of the Lease and scheduled termination date of the Lease;

11.1.2. That said Lease is in full force and effect and that there have been no subsequent modifications or amendments;

11.1.3. The amount of any advance rentals paid, rent concessions given, and deposits paid to Seller;

11.1.4. The amount of monthly (or other applicable period) rental paid to Seller;

11.1.5. That there is no default under the terms of said Lease by landlord or occupant; and

11.1.6. That the Lease to which the Estoppel is attached is a true, correct and complete copy of the Lease demising the premises it describes.

11.2. Tenant Estoppel Statements Objection. Buyer has the Right to Terminate under § 25.1, on or before **Tenant Estoppel Statements Objection Deadline**, based on any unsatisfactory Estoppel Statement, in Buyer's sole subjective discretion, or if Seller fails to deliver the Estoppel Statements on or before **Tenant Estoppel Statements Deadline**. Buyer also has the unilateral right to waive any unsatisfactory Estoppel Statement.

CLOSING PROVISIONS

12. CLOSING DOCUMENTS, INSTRUCTIONS AND CLOSING.

12.1. Closing Documents and Closing Information. Seller and Buyer will cooperate with the Closing Company to enable the Closing Company to prepare and deliver documents required for Closing to Buyer and Seller and their designees. If Buyer is obtaining a new loan to purchase the Property, Buyer acknowledges Buyer's lender is required to provide the Closing Company, in a timely manner, all required loan documents and financial information concerning Buyer's new loan. Buyer and Seller will furnish any additional information and documents required by Closing Company that will be necessary to complete this transaction. Buyer and Seller will sign and complete all customary or reasonably required documents at or before Closing.

12.2. Closing Instructions. Colorado Real Estate Commission's Closing Instructions ☐**Are** ☐**Are Not** executed with this Contract.

12.3. Closing. Delivery of deed from Seller to Buyer will be at closing (Closing). Closing will be on the date specified as the **Closing Date** or by mutual agreement at an earlier date. The hour and place of Closing will be as designated by ***Broker***.

12.4. Disclosure of Settlement Costs. Buyer and Seller acknowledge that costs, quality, and extent of service vary between different settlement service providers (e.g., attorneys, lenders, inspectors and title companies).

13. TRANSFER OF TITLE. Subject to tender of payment at Closing as required herein and compliance by Buyer with the other terms and provisions hereof, Seller must execute and deliver a good and sufficient ***Special Warranty*** deed to Buyer, at Closing, conveying the Property free and clear of all taxes except the general taxes for the year of Closing. Except as provided herein, title will be conveyed free and clear of all liens, including any governmental liens for special improvements installed as of the date of Buyer's signature hereon, whether assessed or not. Title will be conveyed subject to:

13.1. Those specific Exceptions described by reference to recorded documents as reflected in the Title Documents accepted by Buyer in accordance with **Record Title**,

13.2. Distribution utility easements (including cable TV),

13.3. Those specifically described rights of third parties not shown by the public records of which Buyer has actual knowledge and which were accepted by Buyer in accordance with **Off-Record Title** and **New ILC or New Survey**,

13.4. Inclusion of the Property within any special taxing district, and

13.5. Any special assessment if the improvements were not installed as of the date of Buyer's signature hereon, whether assessed prior to or after Closing, and

13.6. Other ***n/a***.

CTMeContracts.com - ©2014 CTM Software Corp.

engineering reports, or other reports performed at Buyer's request (Work) and must pay for any damage that occurs to the Property and Inclusions as a result of such Work. Buyer must not permit claims or liens of any kind against the Property for Work performed on the Property. Buyer agrees to indemnify, protect and hold Seller harmless from and against any liability, damage, cost or expense incurred by Seller and caused by any such Work, claim, or lien. This indemnity includes Seller's right to recover all costs and expenses incurred by Seller to defend against any such liability, damage, cost or expense, or to enforce this section, including Seller's reasonable attorney fees, legal fees and expenses. The provisions of this section survive the termination of this Contract. This § 10.4 does not apply to items performed pursuant to an Inspection Resolution.

10.5. Insurability. Buyer has the right to review and object to the availability, terms and conditions of and premium for property insurance (Property Insurance). Buyer has the Right to Terminate under § 25.1, on or before **Property Insurance Objection Deadline**, based on any unsatisfactory provision of the Property Insurance, in Buyer's sole subjective discretion.

10.6. Due Diligence.

10.6.1. Due Diligence Documents. If the respective box is checked, Seller agrees to deliver copies of the following documents and information pertaining to the Property (Due Diligence Documents) to Buyer on or before **Due Diligence Documents Delivery Deadline**:

☐ **10.6.1.1.** All contracts relating to the operation, maintenance and management of the Property;

☐ **10.6.1.2.** Property tax bills for the last ***na*** years;

☐ **10.6.1.3.** As-built construction plans to the Property and the tenant improvements, including architectural, electrical, mechanical, and structural systems, engineering reports, and permanent Certificates of Occupancy, to the extent now available;

☐ **10.6.1.4.** A list of all Inclusions to be conveyed to Buyer;

☐ **10.6.1.5.** Operating statements for the past ***n/a*** years;

☐ **10.6.1.6.** A rent roll accurate and correct to the date of this Contract;

☐ **10.6.1.7.** All current leases, including any amendments or other occupancy agreements, pertaining to the Property. Those leases or other occupancy agreements pertaining to the Property that survive Closing are as follows (Leases): ***n/a***

☐ **10.6.1.8.** A schedule of any tenant improvement work Seller is obligated to complete but has not yet been completed and capital improvement work either scheduled or in process on the date of this Contract;

☐ **10.6.1.9.** All insurance policies pertaining to the Property and copies of any claims which have been made for the past ***n/a*** years;

☐ **10.6.1.10.** Soils reports, surveys and engineering reports or data pertaining to the Property (if not delivered earlier under § 8.3);

☐ **10.6.1.11.** Any and all existing documentation and reports regarding Phase I and II environmental reports, letters, test results, advisories, and similar documents respective to the existence or nonexistence of asbestos, PCB transformers, or other toxic, hazardous or contaminated substances, and/or underground storage tanks and/or radon gas. If no reports are in Seller's possession or known to Seller, Seller warrants that no such reports are in Seller's possession or known to Seller;

☐ **10.6.1.12.** Any *Americans with Disabilities Act* reports, studies or surveys concerning the compliance of the Property with said Act;

☐ **10.6.1.13.** All permits, licenses and other building or use authorizations issued by any governmental authority with jurisdiction over the Property and written notice of any violation of any such permits, licenses or use authorizations, if any; and

☐ **10.6.1.14.** Other documents and information:

n/a

10.6.2. Due Diligence Documents Review and Objection. Buyer has the right to review and object to Due Diligence Documents. If the Due Diligence Documents are not supplied to Buyer or are unsatisfactory in Buyer's sole subjective discretion, Buyer may, on or before **Due Diligence Documents Objection Deadline**:

CTMeContracts.com - ©2014 CTM Software Corp.

COMMISSIONERS, THE COUNTY CLERK AND RECORDER, OR THE COUNTY ASSESSOR.

Buyer has the Right to Terminate under § 25.1, on or before **Off-Record Title Objection Deadline**, based on any unsatisfactory effect of the Property being located within a special taxing district, in Buyer's sole subjective discretion.

8.6. Right of First Refusal or Contract Approval. If there is a right of first refusal on the Property or a right to approve this Contract, Seller must promptly submit this Contract according to the terms and conditions of such right. If the holder of the right of first refusal exercises such right or the holder of a right to approve disapproves this Contract, this Contract will terminate. If the right of first refusal is waived explicitly or expires, or the Contract is approved, this Contract will remain in full force and effect. Seller must promptly notify Buyer in writing of the foregoing. If expiration or waiver of the right of first refusal or approval of this Contract has not occurred on or before **Right of First Refusal Deadline**, this Contract will then terminate.

8.7. Title Advisory. The Title Documents affect the title, ownership and use of the Property and should be reviewed carefully. Additionally, other matters not reflected in the Title Documents may affect the title, ownership and use of the Property, including, without limitation, boundary lines and encroachments, set-back requirements, area, zoning, building code violations, unrecorded easements and claims of easements, leases and other unrecorded agreements, water on or under the Property, and various laws and governmental regulations concerning land use, development and environmental matters.

8.7.1. OIL, GAS, WATER AND MINERAL DISCLOSURE. THE SURFACE ESTATE OF THE PROPERTY MAY BE OWNED SEPARATELY FROM THE UNDERLYING MINERAL ESTATE, AND TRANSFER OF THE SURFACE ESTATE MAY NOT NECESSARILY INCLUDE TRANSFER OF THE MINERAL ESTATE OR WATER RIGHTS. THIRD PARTIES MAY OWN OR LEASE INTERESTS IN OIL, GAS, OTHER MINERALS, GEOTHERMAL ENERGY OR WATER ON OR UNDER THE SURFACE OF THE PROPERTY, WHICH INTERESTS MAY GIVE THEM RIGHTS TO ENTER AND USE THE SURFACE OF THE PROPERTY TO ACCESS THE MINERAL ESTATE, OIL, GAS OR WATER.

8.7.2. SURFACE USE AGREEMENT. THE USE OF THE SURFACE ESTATE OF THE PROPERTY TO ACCESS THE OIL, GAS OR MINERALS MAY BE GOVERNED BY A SURFACE USE AGREEMENT, A MEMORANDUM OR OTHER NOTICE OF WHICH MAY BE RECORDED WITH THE COUNTY CLERK AND RECORDER.

8.7.3. OIL AND GAS ACTIVITY. OIL AND GAS ACTIVITY THAT MAY OCCUR ON OR ADJACENT TO THE PROPERTY MAY INCLUDE, BUT IS NOT LIMITED TO, SURVEYING, DRILLING, WELL COMPLETION OPERATIONS, STORAGE, OIL AND GAS, OR PRODUCTION FACILITIES, PRODUCING WELLS, REWORKING OF CURRENT WELLS, AND GAS GATHERING AND PROCESSING FACILITIES.

8.7.4. ADDITIONAL INFORMATION. BUYER IS ENCOURAGED TO SEEK ADDITIONAL INFORMATION REGARDING OIL AND GAS ACTIVITY ON OR ADJACENT TO THE PROPERTY, INCLUDING DRILLING PERMIT APPLICATIONS. THIS INFORMATION MAY BE AVAILABLE FROM THE COLORADO OIL AND GAS CONSERVATION COMMISSION.

8.7.5. Title Insurance Exclusions. Matters set forth in this Section, and others, may be excepted, excluded from, or not covered by the owner's title insurance policy.

8.8. Consult an Attorney. Buyer is advised to timely consult legal counsel with respect to all such matters as there are strict time limits provided in this Contract (e.g., **Record Title Objection Deadline** and **Off-Record Title Objection Deadline**).

9. NEW ILC, NEW SURVEY.

9.1. New ILC or New Survey. If the box is checked, a ☐ **New Improvement Location Certificate (New ILC)** ☐ **New Survey** in the form of ***n/a*** is required and the following will apply:

9.1.1. Ordering of New ILC or New Survey. ☐**Seller** ☐**Buyer** will order the New ILC or New Survey. The New ILC or New Survey may also be a previous ILC or survey that is in the above-required form, certified and updated as of a date after the date of this Contract.

9.1.2. Payment for New ILC or New Survey. The cost of the New ILC or New Survey will be paid, on or before Closing, by: ☐**Seller** ☐**Buyer** or: ***n/a***

9.1.3. Delivery of New ILC or New Survey. Buyer, Seller, the issuer of the Title Commitment (or the provider of the opinion of title if an Abstract of Title), and ***n/a*** will receive a New ILC or New Survey on or before **New ILC or New Survey Deadline**.

CTMeContracts.com - ©2014 CTM Software Corp.

Deadline, Buyer, at Buyer's option, has the Right to Terminate under § 25.1 by Buyer's Notice to Terminate received by Seller on or before ten days after Buyer's receipt of the Association Documents. If Buyer does not receive the Association Documents, or if Buyer's Notice to Terminate would otherwise be required to be received by Seller after **Closing Date**, Buyer's Notice to Terminate must be received by Seller on or before Closing. If Seller does not receive Buyer's Notice to Terminate within such time, Buyer accepts the provisions of the Association Documents as satisfactory, and Buyer waives any Right to Terminate under this provision, notwithstanding the provisions of § 8.6 (Right of First Refusal or Contract Approval).

8. TITLE INSURANCE, RECORD TITLE AND OFF-RECORD TITLE.

8.1. Evidence of Record Title.

☒ **8.1.1. Seller Selects Title Insurance Company.** If this box is checked, Seller will select the title insurance company to furnish the owner's title insurance policy at Seller's expense. On or before **Record Title Deadline**, Seller must furnish to Buyer, a current commitment for an owner's title insurance policy (Title Commitment), in an amount equal to the Purchase Price, or if this box is checked, ☐ an **Abstract of Title** certified to a current date. Seller will cause the title insurance policy to be issued and delivered to Buyer as soon as practicable at or after Closing.

☐ **8.1.2. Buyer Selects Title Insurance Company.** If this box is checked, Buyer will select the title insurance company to furnish the owner's title insurance policy at Buyer's expense. On or before **Record Title Deadline**, Buyer must furnish to Seller, a current commitment for owner's title insurance policy (Title Commitment), in an amount equal to the Purchase Price.

If neither box in § 8.1.1 or § 8.1.2 is checked, § 8.1.1 applies.

8.1.3. Owner's Extended Coverage (OEC). The Title Commitment ☒**Will** ☐**Will Not** contain Owner's Extended Coverage (OEC). If the Title Commitment is to contain OEC, it will commit to delete or insure over the standard exceptions which relate to: (1) parties in possession, (2) unrecorded easements, (3) survey matters, (4) unrecorded mechanics' liens, (5) gap period (period between the effective date and time of commitment to the date and time the deed is recorded), and (6) unpaid taxes, assessments and unredeemed tax sales prior to the year of Closing. Any additional premium expense to obtain OEC will be paid by ☐**Buyer** ☒ **Seller** ☐ **One-Half by Buyer and One-Half by Seller** ☐ **Other** ***n/a***.

Regardless of whether the Contract requires OEC, the Title Insurance Commitment may not provide OEC or delete or insure over any or all of the standard exceptions for OEC. The Title Insurance Company may require a New Survey or New ILC, defined below, among other requirements for OEC. If the Title Insurance Commitment is not satisfactory to Buyer, Buyer has a right to object under § 8.4 (Right to Object to Title, Resolution).

8.1.4. Title Documents. Title Documents consist of the following: (1) copies of any plats, declarations, covenants, conditions and restrictions burdening the Property, and (2) copies of any other documents (or, if illegible, summaries of such documents) listed in the schedule of exceptions (Exceptions) in the Title Commitment furnished to Buyer (collectively, Title Documents).

8.1.5. Copies of Title Documents. Buyer must receive, on or before **Record Title Deadline**, copies of all Title Documents. This requirement pertains only to documents as shown of record in the office of the clerk and recorder in the county where the Property is located. The cost of furnishing copies of the documents required in this Section will be at the expense of the party or parties obligated to pay for the owner's title insurance policy.

8.1.6. Existing Abstracts of Title. Seller must deliver to Buyer copies of any abstracts of title covering all or any portion of the Property (Abstract of Title) in Seller's possession on or before **Record Title Deadline**.

8.2. Record Title. Buyer has the right to review and object to the Abstract of Title or Title Commitment and any of the Title Documents as set forth in § 8.4 (Right to Object to Title, Resolution) on or before **Record Title Objection Deadline**. Buyer's objection may be based on any unsatisfactory form or content of Title Commitment or Abstract of Title, notwithstanding § 13, or any other unsatisfactory title condition, in Buyer's sole subjective discretion. If the Abstract of Title, Title Commitment or Title Documents are not received by Buyer on or before the **Record Title Deadline**, or if there is an

CTMeContracts.com - ©2014 CTM Software Corp.

to allow disbursement by Closing Company at Closing **OR SUCH NONPAYING PARTY WILL BE IN DEFAULT**. Buyer represents that Buyer, as of the date of this Contract, ☐ **Does** ☒ **Does Not** have funds that are immediately verifiable and available in an amount not less than the amount stated as Cash at Closing in § 4.1.

4.5. New Loan. (Omitted as inapplicable)

4.6. Assumption. (Omitted as inapplicable)

4.7. Seller or Private Financing.

WARNING: Unless the transaction is exempt, federal and state laws impose licensing, other requirements and restrictions on sellers and private financiers. Contract provisions on financing and financing documents, unless exempt, should be prepared by a licensed Colorado attorney or licensed mortgage loan originator. Brokers should not prepare or advise the parties on the specifics of financing, including whether or not a party is exempt from the law.

4.7.1. Seller Financing. If Buyer is to pay all or any portion of the Purchase Price with Seller financing, ☐ **Buyer** ☒**Seller** will deliver the proposed Seller financing documents to the other party on or before ***20 days prior to Closing*** days before **Seller or Private Financing Deadline**.

4.7.1.1. Seller May Terminate. If Seller is to provide Seller financing, this Contract is conditional upon Seller determining whether such financing is satisfactory to the Seller, including its payments, interest rate, terms, conditions, cost and compliance with the law. Seller has the Right to Terminate under § 25.1, on or before **Seller or Private Financing Deadline**, if such Seller financing is not satisfactory to the Seller, in Seller's sole subjective discretion.

4.7.2. Buyer May Terminate. If Buyer is to pay all or any portion of the Purchase Price with Seller or private financing, this Contract is conditional upon Buyer determining whether such financing is satisfactory to the Buyer, including its availability, payments, interest rate, terms, conditions and cost. Buyer has the Right to Terminate under § 25.1, on or before **Seller or Private Financing Deadline**, if such Seller or private financing is not satisfactory to Buyer, in Buyer's sole subjective discretion.

TRANSACTION PROVISIONS

5. FINANCING CONDITIONS AND OBLIGATIONS. (Omitted as inapplicable)

5.3. Credit Information and Buyer's New Senior Loan. (Omitted as inapplicable)

5.4. Existing Loan Review. (Omitted as inapplicable)

6. APPRAISAL PROVISIONS.

6.1. Appraisal Definition. An "Appraisal" is an opinion of value prepared by a licensed or certified appraiser, engaged on behalf of Buyer or Buyer's lender, to determine the Property's market value (Appraised Value). The Appraisal may also set forth certain lender requirements, replacements, removals or repairs necessary on or to the Property as a condition for the Property to be valued at the Appraised Value.

6.2. Appraisal Condition. The applicable appraisal provision set forth below applies to the respective loan type set forth in § 4.5.3, or if a cash transaction (i.e. no financing), § 6.2.1 applies.

6.2.1. Conventional/Other. Buyer has the right to obtain an Appraisal. If the Appraised Value is less than the Purchase Price, or if the Appraisal is not received by Buyer on or before **Appraisal Deadline** Buyer may, on or before **Appraisal Objection Deadline**, notwithstanding § 8.3 or § 13:

6.2.1.1. Notice to Terminate. Notify Seller in writing that this Contract is terminated; or

6.2.1.2. Appraisal Objection. Deliver to Seller a written objection accompanied by either a copy of the Appraisal or written notice from lender that confirms the Appraisal Value is less than the Purchase Price.

6.2.1.3. Appraisal Resolution. If an Appraisal Objection is received by Seller, on

CTMeContracts.com - ©2014 CTM Software Corp.

11	§5.1	Loan Application Deadline	*n/a*	
12	§5.2	Loan Objection Deadline	*n/a*	
13	§5.3	Buyer's Credit Information Deadline	*n/a*	
14	§5.3	Disapproval of Buyer's Credit Information Deadline	*n/a*	
15	§5.4	Existing Loan Documents Deadline	*n/a*	
16	§5.4	Existing Loan Documents Objection Deadline	*n/a*	
17	§5.4	Loan Transfer Approval Deadline	*n/a*	
18	§4.7	Seller or Private Financing Deadline	***see Additional Provisions***	
		Appraisal		
19	§6.2	Appraisal Deadline	*n/a*	
20	§6.2	Appraisal Objection Deadline	*n/a*	
21	§6.2	Appraisal Resolution Deadline	*n/a*	
		Survey		
22	§9.1	New ILC or New Survey Deadline	*n/a*	
23	§9.3	New ILC or New Survey Objection Deadline	*n/a*	
24	§9.4	New ILC or New Survey Resolution Deadline	*n/a*	
		Inspection and Due Diligence		
25	§10.3	Inspection Objection Deadline	*n/a*	
26	§10.3	Inspection Resolution Deadline	*n/a*	
27	§10.5	Property Insurance Objection Deadline	*n/a*	
28	§10.6	Due Diligence Documents Delivery Deadline	*n/a*	
29	§10.6	Due Diligence Documents Objection Deadline	*n/a*	
30	§10.6	Due Diligence Documents Resolution Deadline	*n/a*	
31	§10.6	Environmental Inspection Objection Deadline	*n/a*	
32	§10.6	ADA Evaluation Objection Deadline	*n/a*	
33	§10.7	Conditional Sale Deadline	*n/a*	
34	§11.1	Tenant Estoppel Statements Deadline	*n/a*	
35	§11.2	Tenant Estoppel Statements Objection Deadline		
		Closing and Possession		
36	§12.3	Closing Date	***See Additional Provisions***	
37	§17	Possession Date	***Date of Closing***	
38	§17	Possession Time	***Time of Closing***	
39	§28	**Acceptance Deadline Date**	***4/26/2016***	Tuesday
40	§28	**Acceptance Deadline Time**	***noon MDT***	
41	*n/a*	*n/a*		
42	*n/a*	*n/a*		

3.1. Applicability of Terms. Any box checked in this Contract means the corresponding provision applies. Any box, blank or line in this Contract left blank or completed with the abbreviation "N/A", or the word "Deleted" means such provision, including any deadline, is not applicable and the corresponding provision of this Contract to which reference is made is deleted. If no box is checked in a provision that contains a selection of "None", such provision means that "None" applies.

The abbreviation "MEC" (mutual execution of this Contract) means the date upon which both parties have

CTMeContracts.com - ©2014 CTM Software Corp.

RE/MAX Country
Del Dawson
Ph: 9702851128 Fax: 9702851137

The printed portions of this form, except differentiated additions, have been approved by the Colorado Real Estate Commission.(CBS3-6-15) (Mandatory 1-16)

THIS FORM HAS IMPORTANT LEGAL CONSEQUENCES AND THE PARTIES SHOULD CONSULT LEGAL AND TAX OR OTHER COUNSEL BEFORE SIGNING.

CONTRACT TO BUY AND SELL REAL ESTATE
(COMMERCIAL)
(☒ Property with No Residences)
(☐ Property with Residences-Residential Addendum Attached)

Date: ***4/15/2016***

AGREEMENT

1. AGREEMENT. Buyer agrees to buy and Seller agrees to sell, the Property described below on the terms and conditions set forth in this contract (Contract).

2. PARTIES AND PROPERTY.

2.1. Buyer. Buyer, ***Zoned Colorado Properties, LLC***, will take title to the Property described below as
☐ **Joint Tenants** ☐ **Tenants In Common** ☒ **Other** ***a Colorado Limited Liability Company***.

2.2. No Assignability. This Contract **Is Not** assignable by Buyer unless otherwise specified in **Additional Provisions**.

2.3. Seller. Seller, ***Parachute Development Corporation***, is the current owner of the Property described below.

2.4. Property. The Property is the following legally described real estate in the County of ***Garfield***, Colorado:
see Exhibit A: THE PREMISES
known as No. ***tbd n/a, n/a, CO n/a***,
together with the interests, easements, rights, benefits, improvements and attached fixtures appurtenant thereto, and all interest of Seller in vacated streets and alleys adjacent thereto, except as herein excluded (Property).

2.5. Inclusions. The Purchase Price includes the following items (Inclusions):

2.5.1. Inclusions - Attached. If attached to the Property on the date of this Contract, the following items are included unless excluded under **Exclusions**: lighting, heating, plumbing, ventilating and air conditioning units, TV antennas, inside telephone, network and coaxial (cable) wiring and connecting blocks/jacks, plants, mirrors, floor coverings, intercom systems, built-in kitchen appliances, sprinkler systems and controls, built-in vacuum systems (including accessories), garage door openers (including ***n/a*** remote controls). If checked, the following are owned by the Seller and included (leased items should be listed under **Due Diligence Documents**): ☐ **None** ☐ **Solar Panels** ☐ **Water Softeners** ☐ **Security Systems** ☐ **Satellite Systems** (including satellite dishes). If any additional items are attached to the Property after the date of this Contract, such additional items are also included in the Purchase Price.

2.5.2. Inclusions - Not Attached. If on the Property, whether attached or not, on the date of this Contract, the following items are included unless excluded under **Exclusions**: storm windows, storm doors, window and porch shades, awnings, blinds, screens, window coverings and treatments, curtain rods, drapery rods, fireplace inserts, fireplace screens, fireplace grates, heating stoves, storage sheds, carbon monoxide alarms, smoke/fire detectors and all keys.

CTMeContracts.com - ©2014 CTM Software Corp.

property that will allow for facilities that could be leased to marijuana operations
Buyer understands that Buyer shall not be liable for Broker's acts or omissions that have not been approved, directed, or ratified by Buyer.

CHECK ONE BOX ONLY:

☒ **Multiple-Person Firm:** Broker, referenced below, is designated by Brokerage Firm to serve as Broker. If more than one individual is so designated, then references in this document to Broker shall include all persons so designated, including substitute or additional brokers. The brokerage relationship exists only with Broker and does not extend to the employing broker, Brokerage Firm or to any other brokers employed or engaged by Brokerage Firm who are not so designated.

☐ **One-Person Firm.** If Broker is a real estate brokerage firm with only one licensed natural person, then any references to Broker or Brokerage Firm mean both the licensed natural person and brokerage firm who shall serve as Broker.

CHECK ONE BOX ONLY:

☐ **Customer.** Broker is the seller's agent and Buyer is a customer. Broker, as seller's agent, intends to perform the following list of tasks: ☐ **Show a property** ☐ **Prepare and Convey** written offers, counteroffers and agreements to amend or extend the contract. Broker is not the agent of Buyer.

☐ **Customer for Broker's Listings - Transaction-Brokerage for Other Properties:** When Broker is the seller's agent, Buyer is a customer. When Broker is not the seller's agent, Broker is a transaction-broker assisting in the transaction. Broker is not the agent of Buyer.

☒ **Transaction-Brokerage Only:** Broker is a transaction-broker assisting in the transaction. Broker is not the agent of Buyer.

Buyer consents to Broker's disclosure of Buyer's confidential information to the supervising broker or designee for the purpose of proper supervision, provided such supervising broker or designee shall not further disclose such information without consent of Buyer, or use such information to the detriment of Buyer.

DISCLOSURE OF SETTLEMENT SERVICE COSTS. Buyer acknowledges that costs, quality and extent of service vary between different settlement service providers (e.g., attorneys, lenders, inspectors and title companies).

THIS IS NOT A CONTRACT.
If this is a residential transaction, the following provision shall apply:

MEGAN'S LAW. If the presence of a registered sex offender is a matter of concern to Buyer, Buyer understands that Buyer must contact local law enforcement officials regarding obtaining such information.

BUYER ACKNOWLEDGEMENT:

The Buyer acknowledges receipt of this document on ***n/a***.

Buyer: Bryan McLaren Date: Apr 21, 2016

Zoned Colorado Properties, LLC
By: Bryan McLaren, Authorized Agent

CTMeContracts.com - ©2014 CTM Software Corp.

And it is further understood and agreed that Grantor reserves solely unto itself all rights to execute any and all future leases of any kind or nature covering the Property and the rights to receive in its own name and stead all bonuses and rentals payable thereon, and the Grantee does not by these presents acquire any right to participate in the making of future oil and gas or other mineral leases on the Property or on any portion thereof not at this date under lease, nor of participating in the making of future leases, should any existing or future lease for any reason become cancelled or forfeited, nor of participating in any bonus or bonuses which Grantor may receive for any future lease, nor of participating in any rental to be paid for the privilege of deferring the commencement of a well under any lease, now or hereafter. Provided, however, that Grantor shall not execute any future oil and gas lease covering the Property or any portion thereof which provides for a royalty of less than one-eighth (1/8) of the production attributed to the Property or any portion thereof.

TO HAVE AND TO HOLD the above described royalty interest, together with all and singular the rights and appurtenances thereto belonging, unto the said Grantees and each Grantee's heirs, administrators, executors, successors, and assigns forever.

WITNESS 30th hand this Aug day of _____, 2002.

HMC, Ltd., a Colorado Limited Partnership

By: _____
Hayden Rader, General Partner

STATE OF Colorado)
) ss. ACKNOWLEDGMENT - INDIVIDUAL
COUNTY OF Garfield)

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this 30th day of August, 2002, personally appeared Hayden Rader, General Partner of HMC Ltd., a Colorado Limited Partnership, to me known to be the identical person described in and who executed the within and foregoing instrument of writing and acknowledged to me that he duly executed the same as his free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year last above written.

My Commission Expires: 11-14-05

Notary Public

KRISTY M. SPRINGSTEEL NOTARY PUBLIC STATE OF COLORADO

Reception#: 833998
04/12/2013 12:00:11 PM Jean Albericio
1 of 1 Rec Fee:$11.00 Doc Fee:0.00 GARFIELD COUNTY CO

RECORDING REQUESTED BY:
WHEN RECORDED RETURN TO:
Garfield & Hecht, P.C.
420 Seventh Street, Suite 100
Glenwood Springs, CO 81601

QUIT CLAIM DEED

This Quit Claim Deed is made this 14th day of March, 2013 between, Parachute Investment Holdings, LLC, a Colorado limited liability company ("Grantor"), and HMC, Ltd., a Colorado limited partnership whose address is P.O. Box 366, Glenwood Springs, CO 81602, of the County of Garfield, State of Colorado ("Grantee").

The Grantor, for ten dollars ($10.00) and other good and valuable consideration, in hand paid, has sold and quitclaimed, and by these presents does hereby sell and quitclaim unto the Grantee, its successors and assigns forever, any and all right, title, interest, claim and demand which the Grantor has in and to the following described property, situate, lying and being in the County of Garfield and State of Colorado, described as follows:

All oil, gas, hydrocarbons, and other minerals and mineral rights, including without limitation the right to lease and develop the same, in and to the premises described as follows:

Lots 1, 2, 3, 8, 9, and 10
Block 2
Lots 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 14, 15, 16, 17, and 18
Block 3
Parachute Park P.U.D.
According to the Amended Final Plat of Lots 1-3, 6-10, Block 2 and Lots 1-18, Block 3, Parachute Park Planned Unit Development

County of Garfield
State of Colorado

Signed this 14th day of March, 2013.

PARACHUTE INVESTMENT HOLDINGS, LLC,
a Colorado limited liability company

By: _____
Hayden Rader, manager

STATE OF COLORADO)
) ss.
COUNTY OF GARFIELD)

The foregoing Quit Claim Deed was acknowledged before me this 14th day of March, 2013 by Hayden Rader as manager of Parachute Investment Holdings, LLC, a Colorado limited liability company.

Witness my hand and official seal.

My commission expires:

Kathy Thissen
Notary Public

KATHY THISSEN
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID #19984030478
My Commission Expires November 2, 2014

939201-2

GARFIELD COUNTY TREASURER

Certificate of Taxes Due

Account Number R370520
Parcel 240912302007

Certificate Number 2016-00674
Acres 1.50
Order Number
Vendor ID 1

Assessed To
PARACHUTE DEVELOPMENT CORPORATION
PO BOX 686
GLENWOOD SPRINGS, CO 81602

Compass Mountain Land Use
PO Box 86
Glenwood Springs, CO 81602

Legal Description
Section: 12 Township: 7 Range: 96 Subdivision: PARACHUTE PARK P.U.D. Block: 3 Lot: 7
AMENDED LOTS 1-3, 6-10, BLOCK 2 & LOTS 1-18, BLOCK 3 REC #784960

Situs Address

Year	Tax	Interest	Fees	Payments	Balance
Tax Charge					
2015	$1,096.08	$0.00	$0.00	$0.00	$1,096.08
Total Tax Charge					$1,096.08
Lien					
2014 Lien: 2014-024	$2,566.77	$171.12	$0.00	$0.00	$2,737.89
2013 Lien: 2014-024	$2,514.31	$356.19	$0.00	$0.00	$2,870.50
2013	$0.00	$0.00	$7.00	$0.00	$7.00
Total Lien					$5,615.39
GRAND TOTAL					$6,711.47
Grand Total Due as of 03/28/2016					$6,711.47

Tax Billed at 2015 Rates for Tax Area 048 - 16-6(T) - 048

Authority	Mill Levy	Amount
GARFIELD COUNTY	10.9050000	$221.84
GARFIELD COUNTY - R & B	1.5000000	$30.50
GARFIELD COUNTY - DHS FUND	1.2500000	$25.42
TOWN OF PARACHUTE - GENERAL	13.5620000	$275.85
GRAND VALLEY AND RURAL FIRE	3.2670000	$66.45
BLUESTONE WATER CONS	0.0050000*	$0.10
COLO RIVER WATER CONS	0.2430000*	$4.94
GRAND RIVER HOSPITAL	5.5970000*	$113.84
GRAND VALLEY CEMETERY	0.0070000*	$0.14
SCHOOL DIST 16	8.5550000	$174.00
COLORADO MTN COLLEGE	3.9970000	$81.30
PARA/BATTLEMENT PARK& REC	4.0000000	$81.36
GARFIELD COUNTY PUBLIC LIBR	1.0000000	$20.34
Taxes Billed 2015	53.8880000	$1,096.08

* Credit Levy

Values	Actual	Assessed
VACANT COMMERCIAL LOTS	$70,150	$20,340
Total	$70,150	$20,340

All Tax Lien Sale amounts are subject to change due to endorsement of current taxes by the lienholder or to advertising and distraint warrant fees. Changes may occur and the Treasurer's Office will need to be contacted prior to remittance after the following dates: Personal Property and Mobile Homes - September 1, 2016, Real Property - September 1, 2016. TAX LIEN SALE REDEMPTION AMOUNTS MUST BE PAID BY CASH OR CASHIERS CHECK.

Special taxing districts and the boundaries of such districts may be on file with the Board of County Commissioners, the County Clerk, or the County Assessor.

This certificate does not include land or improvements assessed under a separate account number, personal property taxes, transfer tax or misc. tax collected on behalf of other entities, special or local improvement district assessments or mobile homes, unless specifically mentioned.

I, the undersigned, do hereby certify that the entire amount of taxes due upon the above described parcels of real property and all outstanding sales for unpaid taxes as shown by the records in my office from which the same may still be redeemed with the amount required for redemption are as noted herein. In witness whereof, I have hereunto set my hand and seal.

ZONED®
PROPERTIES INC

14300 N. Northsight Blvd #208
Scottsdale, AZ 85260

April 15, 2016

Mr. Bryan McLaren
Chief Executive Officer
Zoned Properties, Inc.
Zoned Colorado Properties, LLC
14300 N. Northsight Blvd #208
Scottsdale, Az 85260

LETTER OF AUTHORIZATION

Dear Mr. McLaren:

Parachute Development Corporation (the "Company") is the owner of the land and properties located at Diamond Loop Parachute, CO 81635 United States (the "Parachute Property"). The Company would like to extend this Authorization Letter in support of the proposed Licensed Marijuana Facilities to be located at the Parachute Property.

We have reviewed the Town of Parachute's application process and understand that this Letter of Authorization is required in order to submit the comprehensive application materials.

Please contact me if you have any questions or comments. We look forward to working collaboratively with your organization on the prospective facility to be developed at our Parachute Property. Please let us know how we can help to work with Town of Parachute Staff, Planning & Zoning Commission and the Board of Trustees to create development strategies, which will serve the interests of the local community and the proposed Marijuana Facilities.

Sincerely,

Hayden Rader
Parachute Development Corporation

STATE OF COLORADO
Garfield County of Colorado } ss.

The foregoing instrument was acknowledged before me this 18th day of April, 2016.
by Hayden C. Rader
My commission expires: 2-25-2017
Witness my hand and official seal.

Maureen Carew
Notary Public

MAUREEN CAREW
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID #19974003500
My Commission Expires February 25, 2017

www.zonedproperties.com

ADJACENT PROPERTY OWNERS: (attach separate sheet if needed)

Name	Address
Please See Attachments	

MINERAL RIGHTS OWNERS & LESSEES OF SUBJECT PROPERTY (attach separate sheet if needed) ***PLEASE NOTE ALL MINERAL RIGHTS OWNERS AND LESSEES MUST BE NOTIFIED 30 DAYS IN ADVANCE TO APPLICATION REVIEW. PLEASE INDICATE ALL MINERAL RIGHTS OWNERS, & LESSEES AS (MR), OR (L)**

Name	Address
Please see Attachments	PARACHUTE DEVELOPMENT CORPORATION
	PO BOX 686
	Glenwood Springs, CO 81602

DESCRIPTION OF PROPOSAL: (INCLUDE PROPOSED USE, ACREAGE, ETC.)

Please see attached Introduction Letter, Project Narrative, and Exhibits

Describe how this Proposed Land Use Application Complies with the Town of Parachute Land Use Regulations and the Town of Parachute Master Plan 2002.

Please see attached Introduction Letter, Project Narrative, and Exhibits

Describe any possible Flood Plain issues:

Describe Traffic Impact Fees Proposal: (Standard Calculation or Individual Traffic Study)

Parachute Unlimited LLC Operating Plan

Greg Honan is the owner of Herbal Elements LLP in Avon, Colorado, which was established in August 24th, 2009. Greg Honan is also the owner of Parachute Unlimited LLC.

Herbal Elements has both Medical and Retail Marijuana licenses. Herbal Elements has at least one of each classification of license: cultivation, products manufacturing and store.

Following is the Operational Plan (Marijuana Management Plan) that is currently utilized for Herbal Elements in Avon, Colorado. This plan has evolved over the course of many years and has adapted to new regulations and realities.

Parachute Unlimited LLC is applying for a large facility with many new state of the art pieces of equipment, facilities and techniques. As the full operational plan is implemented in Parachute, the Herbal Elements Marijuana Management plan will be fully evolved into the Parachute Unlimited LLC operational plan. Equipment needs to be purchased, installed and tested. Employees will need to be trained. Regulations will need to be current. Yet, many of the procedures shall remain the same.

As the process evolves, the operational plan shall evolve.

Following is what is currently utilized at the Herbal Elements location in Eagle County, Colorado.

This shall be the foundation of the Operational Plan for Parachute Unlimited and the additions shall be expansive as the construction begins and reality of the project comes to fruition.

EXHIBIT U:

A Copy of a marijuana management plan detailing the training program for employees and staff that shall contain, at a minimum, educational and operational standards on the prevention of sale or distribution of marijuana products to anyone under the age of twenty-one (21) years old for recreational and or eighteen (18) years old for medical or twenty-one (21) for combined use. Such plan should detail any efforts being made or proposed to be made by the applicant to educate the community or otherwise participate in community outreach regarding the topic of underage marijuana use.

Attached please find the Marijuana Management Plan for Herbal Elements

: Exhibit U :
Management, Training, and Community Outreach Plan

Herbal Elements has developed and disseminates to all employees a detailed Employee Manual along with a supplemental document specifically detailing Herbal Elements' measures to prevent sales to under age persons.

Each potential customer is required to present valid government-issued identification before a purchase may be made. Herbal Elements has a strict policy related to confiscating fake IDs when presented and notifies police or other relevant authorities. Herbal Elements continues to ensure a legal, safe, and professional atmosphere for customers and employees.

Herbal Elements also distributes relevant information to customers and employees such as "The Responsible Consumer's Guide to Marijuana in Colorado" to help educate customers. The information addresses age requirements, purchase limits, and other important rules for the consumer to be safe and responsible in the community. Moreover, Herbal Elements plans to help educate the broader community. It is anticipated that Herbal Elements will host community discussions with question and answer panels to address Colorado's marijuana laws, marijuana products that will be sold in the store and the dosages and potency of all products.

Herbal Elements

Employee Manual

TABLE OF CONTENTS

PART 1 – INTRODUCTION

1.1 CHANGING POLICIES
1.2 EQUAL EMPLOYMENT OPPORTUNITY
1.3 NATURE OF EMPLOYMENT
1.4 REQUIRED LICENSING
1.5 RESIDENCY
1.6 EMPLOYMENT INFORMATION

PART 2 – 2.0 EMPLOYMENT CLASSIFICATIONS

PART 3 - 3.0 EMPLOYMENT POLICIES

3.1 PROPRIETARY MATTERS
3.2 NON-DISCLOSURE
3.3 INVENTIONS & PATENTS
3.4 PROBATIONARY PERIOD
3.5 OPEN DOOR COMMUNICATIONS
3.6 HOURS
3.7 LUNCH AND BREAKS
3.8 PERSONNEL DOCUMENTS
3.9 DATA CHANGES
3.10 EMERGENCIES
3.11 OUTSIDE EMPLOYMENT
3.12 CORRECTIVE ACTION
3.13 TERMINATION
3.14 SAFETY & HEALTH
3.15 SECURITY
3.16 PERSONAL PROPERTY
3.17 EXPENDITURES
3.18 PARKING

3.19 VISITORS
3.20 IMMIGRATION

PART 4 - 4.0 STANDARD OF CONDUCT

4.1 ATTENDANCE
4.2 HARASSMENT
4.3 TELEPHONE
4.4 PROFESSIONALISM
4.5 SUBSTANCE ABUSE
4.6 TOBACCO
4.7 INTERNET

PART 5 - 5.0 STANDARDS

5.1 UNLAWFUL ACTS
5.2 OFFENSES
5.3 SALES
5.4 CULTIVATION
5.5 TRANSPORTATION
5.6 LIMITED ACCESS

PART 6 - 6.0 WAGES

6.1 TIMEKEEPING
6.2 OVERTIME
6.3 PAYDAY
6.4 HOLIDAYS
6.5 JURY / MILITARY

PART 7 – 7.0 EMPLOYEE COMMUNICATIONS

7.1 BULLETIN BOARDS
7.2 COMPLAINTS

PART 1 - 1.0 INTRODUCTION

This manual is intended to provide guidance regarding employment with Herbal Elements. Any questions concerning the content of this manual should be addressed to your direct supervisor.

Neither this manual nor Herbal Elements' practices or other communications is intended to create, nor does it create, an expressed or implied contract between you and Herbal Elements for either employment or the provision of any benefit or compensation.

This manual gets you acquainted with Herbal Elements and provides you with information and expectations regarding working conditions, the basic rules and regulations relating to the medical marijuana industry, benefits, and polices affecting your employment.

The information contained in this employee manual applies to all employees of Herbal Elements. Following the policies described in this employee manual is considered a condition of continued employment. The employee manual is a summary of our policies, which are presented here only as a matter of information. However, nothing in this employee manual alters any employee's status. All employees are responsible for reading, understanding, and complying with the details of this manual. Additionally, as an employee of Herbal Elements you are responsible for reading, understanding, and complying with the rules and regulations relating to the medical marijuana industry set forth by the Colorado Department of Revenue and any other relevant Government agencies cited in this manual.

1.1 CHANGING POLICIES

To preserve the ability to meet company needs under changing conditions, Herbal Elements may modify, augment, delete or revoke any and all policies, procedures, practices and statements contained in this manual without notice. Such changes shall be effective immediately upon approval by management and will be communicated to employees as soon as reasonably possible.

This manual supplants all previous manuals that may have been issued on any matter covered in this manual. Since the business and organization are subject to change, we reserve the right to cancel or change with or without notice all or any part of the practices, techniques, policies, and benefits / remunerations covered in this manual at any time. Individual supervisors and managers do not have the authority to change policies. We will notify all employees of these changes. If, at any time, you are unclear about a policy or procedure, or simply have a question please speak with your supervisor. All changes will be effective on the dates determined by Herbal Elements.

1.2 EQUAL EMPLOYMENT OPPORTUNITY

It is the policy of Herbal Elements to provide equal employment opportunities without regard to race, creed, color, sex, age, religion, national origin, disability, veteran status, or any other prohibited status where otherwise qualified. This policy applies in all areas of employment including recruitment, hiring, training and development, promotion, transfer, termination, layoff, compensation and all other conditions and privileges of employment in accordance with applicable federal, state and local laws.

Management is fully committed to the concept of equal employment opportunity and all personnel are expected to support it. Anyone involved in discriminatory practices is subject to discipline up to, and including, termination.

1.3 NATURE OF EMPLOYMENT

As part of your employment with Herbal Elements you are acknowledging that you have entered into employment voluntarily, and understand that you are free to leave / resign at any time and for any reason or no reason. Similarly, Herbal Elements is free to conclude its relationship with any employee at any time for any reason or no reason. Following the probationary period, employees are required to follow the Employment Termination Policy (See Section below).

1.4 REQUIRED LICENSING

The MED (Marijuana Enforcement Division) issues licenses to individuals who work within the Marijuana industry. In order to be employed or to otherwise contractually perform any work, employment, or any work-related task for Herbal Elements, you must maintain a valid license issued by the MED. You must also comply with all the rules and regulations associated with your license. The MED requires you advise it in writing of any change in your mailing address within ten (10) days of any change and provide verification to Herbal Elements within five (5) days. Failing to comply can result in

termination as per the Department of Revenue guidelines. It is your responsibility to ensure that you maintain a valid license with the MED. Managers at Herbal Elements are responsible for ensuring their staff, and any contractors they are working with maintain a valid license with the MED. Failing to comply can result in termination as per the Department of Revenue guidelines.

1.5 RESIDENCY

While affiliated with Herbal Elements, owners, officers, managers, and employees must meet and maintain Colorado residency requirements as per C.R.S. §12-43.3-310,

1.6 EMPLOYMENT INFORMATION

Exclusion from consideration for employment or, termination of employment may occur if any information provided to Herbal Elements and/or MED has been falsified, fabricated, misrepresented, or omitted.

PART 2 - 2.0 EMPLOYMENT CLASSIFICATIONS

Herbal Elements offers the following employment classifications:
Persons who regularly work for Herbal Elements on a wage or salary basis are considered "employees" of Herbal Elements. Employees may include regular full time, regular part time, and temporary persons, exempt, non-exempt, and others contracted / employed by / with Herbal Elements who are subject to the control and direction of Herbal Elements in the performance of their duties.

- **Full time (regular):** Completed probationary period (probationary period details below) and are regularly scheduled to work 40 or more hours per week.
- **Part time (regular):** Completed probationary period (probationary period details below) and are regularly scheduled to work less than 40 hours per week.
- **Full time / part time (Temporary):** Performance is being assessed to determine whether further employment in a specific position or with Herbal Elements is appropriate or hired as interim replacements to assist in the completion of a specific project or for vacation relief. Employment beyond any initially stated period does not in any way imply a change in

employment status. Temporary employees retain that status until they are notified of a change. They are not eligible for any of Herbal Elements' benefit programs.

- **Exempt:** Position meet specific criteria established by the Fair Labor Standards Act (FLSA) and who are exempt from overtime pay requirements.
- **Non-exempt:** Position do not meet FLSA criteria and who are paid one and one-half their regular rate of pay for hours worked in excess of 40 hours per week.
- **Contract:** An individual who is hired to complete a specific task.

PART 3 - 3.0 EMPLOYMENT POLICIES

Herbal Elements cares deeply about each of our team members as well as our customers and partners. We therefore have assembled the following section on Employment policies to better illustrate the kind of environment and atmosphere we aim to deliver each and every day.

3.1 PROPRIETARY MATTERS

It is the responsibility of Herbal Elements' employees to safeguard sensitive company information. It is important to the economic well-being of our company to protect and maintain proprietary company information. Continued employment with Herbal Elements is contingent upon compliance with this policy. Management is responsible for the orientation and training of all employees to ensure enforcement of company confidentiality.

"Sensitive company information" includes, but is not limited to, trade secrets and confidential information relating to products, processes, know-how, customers, designs, drawings, formulas, data, marketing data, accounting, pricing, salary information, business plans and strategies, negotiations and contracts, and inventions.

When such information is transferred from one employee to another, the transferor must do all of the following:

Determine that:

- The transfer is necessary and in the interest of regular company business

• The transferee has a need-to-know the information and has the necessary clearance.

• All cover sheets or markings that identify the information as proprietary, or confidential, are conspicuous.

• The information be given directly to the transferee and the proprietary or classified information is identified as such.

• The information not be given to an un-cleared employee, such as a secretary or officemate, and that the information is not left unattended (for e.g., left on the transferee's desk for him/her to find when he/she returns).

3.2 NON-DISCLOSURE

During your employment with Herbal Elements, you may have access to, and become familiar with, records, various trade secrets, and other sensitive company information, which are owned by Herbal Elements and regularly used in the operation of its business. You should not disclose any of this sensitive company information directly or indirectly to any person or entity, nor use them in any way, either during your employment or at any time thereafter, except as required in the course of your employment with Herbal Elements. All documentation, files, records and similar items relating to the business of Herbal Elements, whether prepared by you or otherwise, coming into your possession, shall remain the exclusive property of Herbal Elements and shall not be removed from the premises under any circumstances whatsoever without the prior written consent of Herbal Elements management. Employees are required to consent to non-disclosure as a condition of employment.

Improper use of or disclose of trade secrets or confidential business information can result in termination of employment and legal action, even if the employee does not benefit from the disclosed information. Except upon request by the state or local medical marijuana licensing authority, as per C.R.S. §18-18-406.3, that the owner, officer, or employee shall release the records or information, any representative of Herbal Elements who discloses releases or makes public customer information or any confidential information that is provided to or by the business without the written authorization from a customer may be guilty of a crime and legal action may result.

3.3 INVENTIONS & PATENTS

Employees may make contributions of value to Herbal Elements. Such contributions shall include all processes, inventions, patents, discoveries, copyrights, and other intangible rights developed or conceived by employees at work or that are work-related. Such contributions conceived at work or that are work-related shall be the sole property of Herbal Elements. Employees are entitled to no other compensation for them other than their normal salary and benefits. Employees are to disclose such contributions promptly to Herbal Elements, to assign them to Herbal Elements, and to assist Herbal Elements in obtaining patent or copyright protection. Work-related contributions conceived or made by employees, or by employees with others, while an individual is employed at Herbal Elements are also the property of Herbal Elements.

3.4 PROBATIONARY PERIOD

From the hiring date, the probationary period for employees may last up to 90 days. Employees have the chance to evaluate Herbal Elements and the Company has a chance to evaluate the employee. During this period Herbal Elements has the right to terminate employment without advance notice. The employee's status will change from temporary to regular upon positive completion of the probationary period. All employees, regardless of classification or length of service, are expected to meet and maintain Company Standards for job performance and behavior as detailed in this manual.

3.5 OPEN DOOR COMMUNICATIONS

Herbal Elements encourages two-way communication to discuss work-related problems and issues. Supervisors / managers are responsible for listening in complete confidence and to respond, if necessary, in a timely fashion. Herbal Elements emphasizes open-door practices whereby employees are encouraged to deal directly with their supervisor and other appropriate members of management regarding complaints or perceived inequitable conditions of employment.

3.6 HOURS

Herbal Elements' operations are open for business from 11:00AM - 7:00PM Monday-Saturday, Sunday 12:00PM - 5:00PM 365 days a year with the exception of Holidays and other authorized days listed in this manual. The standard workweek is 40 hours of work (see overtime section in this manual). In the computation of various employee benefits, the employee workweek is considered to begin on Monday (starting at 12:01AM) through Sunday (ending at 12:00AM) unless a supervisor makes prior other arrangements with the employee.

3.7 LUNCH AND BREAKS

Employees receive an hour for lunch which is considered non-paid time. However, at the discretion of the employee's supervisor, an employee who requests it may be allowed to take only thirty minutes for lunch. The shortened lunch period may not result in overtime unless approved by the employee's supervisor. Employees must clock out during that time. When it is not practical or possible for a duty-free break, staff may consume their meal while working, and should not clock out. However, whenever practical, employees **must** take an unpaid break of 30 minutes. Failure to adhere to the lunch policy will be subject to disciplinary action, including termination. Employees are not to "skip" their meal break in order to leave their shift early.

All employees are permitted a 10-minute paid rest break for each four-hour work period (i.e., one in the morning and one in the afternoon). Breaks are not permitted at either the beginning or end of the workday to offset arrival and departures times. Also, break periods must be taken at one time and may not be split into segments. Employees who voluntarily work through their break periods will not be permitted additional compensation. Supervisors, at their discretion, may coordinate break times for employees who report to them.

3.8 PERSONNEL DOCUMENTS

Herbal Elements may maintain personnel files for employees. The personnel file may include, but is not limited to, the following information: W4, 19, Authorization to Work, job application, job description, résumé, records of participation in training events, salary history, records of disciplinary action and documents related to employee performance reviews, and coaching. The files are the property of Herbal Elements and access to the information is restricted. Management personnel of Herbal Elements who have a legitimate reason to review the file are allowed to do so.

3.9 DATA CHANGES

An employee's personnel data should be accurate and current at all times. It is the responsibility of each employee to promptly notify their supervisor or of any changes in personnel data such as:

- Mailing address information
- Contact information (telephone numbers, email address, etc.)
- Name and number of dependents (if applicable)
- Emergency contact info for ICE (In Case of Emergency) persons

3.10 EMERGENCIES

Emergencies such as inclement weather, fire, or power failure can disrupt company operations. The decision to close the office will be made by the management. When the decision is made to close Herbal Elements, employees will receive notification from their supervisor. Time off from scheduled work due to emergency closings will be unpaid for all nonexempt employees.

3.11 OUTSIDE EMPLOYMENT

Outside jobs in non-related businesses or professions as long as the employee meets the performance standards of their job description with Herbal Elements is acceptable. If the outside job is within the marijuana industry, the employee must notify Herbal Elements, in writing, of the employer – Herbal Elements may or may not allow the employee to be employed by a company in the marijuana industry and this can be cause for termination or non-hiring. Herbal Elements' office space, equipment, materials and intellectual property are never to be used for outside employment or personal use. Unless an alternative work schedule has been approved by Herbal Elements, employees will be subject to Herbal Elements' scheduling requirements.

3.12 CORRECTIVE ACTION

Employees are expected to maintain a certain work standard, follow the rules outlined in this manual, and in general maintain a standard of conduct in line not only with this manual but also in line with a professional work environment. If an employee departs from the expected standards described in this manual, Herbal Elements anticipates the employee's supervisor will take corrective measures that can include termination. However the usual sequence of actions includes an oral warning, a written warning, probation, and finally termination of employment. A supervisor will consider the seriousness of the violation, the circumstances surrounding the issue, and the employee's previous record in determining the best course of action.

If the violation is considered serious, the approach may not be utilized in order the progressive order. Serious infractions include but are not limited to: violation of Colorado Department of Revenue regulations, theft in any form, insubordinate behavior, vandalism or destruction of company property, unauthorized presence on property during non-business hours, conviction of any crime, the use of company equipment and/or company vehicles without prior authorization by executive staff, untruthfulness about personal work history, skills, or training, divulging Company business practices, and misrepresentations of Herbal Elements to a customer, a prospective customer, the general public, or an employee. This is not an exhaustive list and should not be taken as such.

3.13 TERMINATION

- **Termination**: involuntary employment termination initiated by Herbal Elements
- **Resignation**: voluntary employment termination initiated by an employee
- **Layoff:** involuntary employment termination initiated by Herbal Elements for non-disciplinary reasons

At least two (2) weeks written notice must be given when a Non-exempt employee intends to terminate his / her employment with Herbal Elements. At least four (4) weeks written notice must be given when an Exempt employee intends to terminate his / her employment with Herbal Elements. Failure to give stated notice may result in ineligibility for rehire. Any employee who terminates employment with Herbal Elements shall immediately return all files, records, keys, and any other materials that are property of Herbal Elements. No final settlement of an employee's pay will be made until all items are returned in appropriate condition. The cost of replacing non-returned items will be deducted from the employee's final paycheck. Furthermore, any outstanding financial obligations owed to Herbal Elements will also be deducted from the employee's final check.

3.14 SAFETY & HEALTH

Obeying Safety rules and exercising caution and common sense in all work activities is a condition of employment. Unsafe work environments must immediately be reported to supervisors. Employees who violate safety standards, cause hazardous or dangerous situations, or fail to report, or where appropriate, remedy such situations, may be subject to disciplinary action including termination of employment. Employees must alert a supervisor in the event of an accident that results in injury, no matter how small the injury may seem.

Employees who become aware of any significant change in health-related issues should notify their supervisor. A written "permission to work" from the employee's doctor may be required at the time or shortly after notice has been given. The doctor's note should specify whether the employee is able to perform regular duties as outlined in their job description. Leaves of absence are granted on a case-by-case basis. Any employee who, by medical examination or supervisory observation, is shown to have, or appears to have, an illness, open lesion, including boils, sores, or infected wounds, or any other abnormal source of microbial contamination for whom there is a reasonable possibility of contact with preparation surfaces for marijuana or MIPS shall not be able to participate in their regular job duties until the condition is corrected per doctor's instruction. Should there be job duties in which the employee would not have contact with marijuana, the employee may be offered those duties as appropriate. If there is not

available work, the employee will be required to take leave without pay as per the Department of Revenue.

All employees working in direct contact with preparation of marijuana or MIPS shall conform to hygienic practices while on duty including but not limited to:

- Maintaining adequate personal cleanliness
- Washing hands thoroughly in an adequate hand-washing area(s) before starting work and at any other time when the hands may have become soiled or contaminated

- Refraining from having direct contact with preparation of marijuana or MIPS if the person has or may have an illness, open lesion, including boils, sores, or infected wounds, or any other abnormal source of microbial contamination, until such condition is corrected

3.15 SECURITY

Persons who are issued keys, codes, or other access through security to the office are responsible for their safekeeping. The last employee, or a designated employee, who leaves the building at the end of the business day assumes the responsibility of ensuring that all doors are securely locked, the alarm system is armed, thermostats are set on appropriate evening and / or weekend setting, and all appliances and lights are turned off with exception of the lights normally left on for security purposes or other required purposes. Employees are not allowed on Company property after hours without prior authorization from their supervisor.

3.16 PERSONAL PROPERTY

Herbal Elements assumes no risk for any loss or damage to personal property. Employees must secure their own personal insurance policies to cover the loss of anything occasionally left at the office unattended.

3.17 EXPENDITURES

No employee, unless authorized specifically to do so, may make purchases in the name of Herbal Elements. No employee whose regular duties do not include purchasing shall incur any expense on behalf of Herbal Elements or bind Herbal Elements by any

promise or representation without management's written approval. If a manager asks an employee to purchase something using petty cash, failure to bring a receipt matching the spent monies may result in the employee reimbursing the company.

3.18 PARKING

Employees must park their cars in areas indicated and provided for by Herbal Elements.

3.19 VISITORS

In order to maintain the absolute safety and security of employees, customers, and the facilities, no unauthorized visitors are allowed in the workplace. Visitors are not allowed in limited access areas as defined by the Colorado Department of Revenue ("CDOR") unless they receive a visitors badge from a Key employee and are authorized vendors per CDOR rules. If an employee is taking an authorized visitor into the limited access area, he/she is required to give the authorized visitor a visitor badge, have that visitor sign in for the badge, have the visitor sign out the badge when he/she is finished, and collect the badge when the visitor leaves. Failure to do so will result in disciplinary action that can include termination.

3.20 IMMIGRATION

Herbal Elements employs only United States citizens and those non-U.S. citizens authorized to work in the United States in compliance with the Immigration Reform and Control Act of 1986. All new employees, as a condition of employment, must complete Employment Eligibility Verification Form 1-9 and present documentation establishing identity and employment eligibility. Former employees who are rehired must also complete the form if they have not completed a Form 1-9 with Herbal Elements within the past three years or if their previous Form 1-9 is no longer retained or valid.

Part 4 - 4.0 STANDARD OF CONDUCT

All employees must be familiar with and abide by the rules and standards in this manual as well as those of the CDOR (Colorado Department of Revenue) and CDPHE (Colorado Department of Public Health and Education). In addition, employees are expected to follow the rules and standards to the letter in performing their jobs and conducting Herbal Elements' business. Violating these rules and standards can cause corrective action to be taken which can include termination. The following are examples of rule infractions or misconduct that may result in

disciplinary action, including termination of employment this list is not intended as a complete list rather examples:

- Not complying with CDOR rules
- Drug or alcohol use on Company property
- Possession of drug paraphernalia on Company property
- Stealing or inappropriate removal or possession of property
- Distortion of timekeeping records
- Any substance abuse while working (under the influence of alcohol or illegal drugs)
- Possession, distribution, sale, transfer, or use of alcohol or illegal drugs in the workplace
- Fighting or threatening violence in the workplace
- Boisterous or disruptive activity in the workplace
- Negligence or improper conduct leading to damage of company-owned or customer-owned property
- Insubordination or other disrespectful conduct
- Violation of safety or health rules
- Smoking in the workplace
- Sexual or other unlawful or unwelcome harassment
- Excessive absenteeism or any absence without notice
- Unauthorized use of telephones, or other company-owned equipment
- Using company equipment for purposes other than business
- Unauthorized disclosure of business "secrets" or confidential information
- Violation of personnel policies
- The conviction of any crime and;
- Unsatisfactory performance or conduct

4.1 Attendance

Employees are expected to be punctual and in attendance each day. If you are unable to report for work for any reason, notify your supervisor before regular starting time. It is your responsibility to speak directly with your supervisor about the absence. It is not sufficient to leave a message on a supervisor's voice mail, except in an emergency. In the case of leaving a voice-mail message, a follow-up call must be made later that day. It is the responsibility of the employee to find coverage if he/she is unable to work the scheduled time. Once a replacement is found, the employee and his/her replacement must inform the supervisor stating he/she is changing their schedule.

If no absence report is made, it will be assumed after two consecutive days of absence that you have resigned, and you will be removed from the payroll. If you become ill while at work or must leave the office for some other reason before the end of the workday, employees must inform their supervisor.

4.2 HARASSMENT

It is Herbal Elements' policy that all employees should be allowed to work in an environment free of discrimination or harassment on the basis of race, color, sex, age, religion, national origin, disability or other protected status. Accordingly, Herbal Elements prohibits managers or supervisors from making employment decisions (hiring, promotions, pay raises, terminations, etc.) on the basis of an employee's race, color, sex, age, religion, national origin, disability or other protected status. Also, Herbal Elements will not tolerate any conduct that may interfere with the performance of an employee's job or create an intimidating, hostile, or offensive work environment. Such conduct, by whoever committed, is strictly prohibited and will result in prompt and certain disciplinary action up to and including termination.

The following are examples (but is not a comprehensive list) of conduct that is prohibited under this Policy:

- All types of harassment (e.g., sexual, racial, etc.).
- Unwelcome sexual advances, repeated offensive flirtations, requests or demands for sexual favors, degrading or suggestive comments of a sexual nature about an individual or his/her appearance, and physical contact of a sexual nature.
- Conduct that is offensive or adversely affects an employee's work performance such as unwelcome conversations of a particularly personal nature; improper gestures or slurs; profane or vulgar language, jokes or "kidding;" and inappropriate cartoons, pictures, drawings or other graphic materials, even though the conduct may not rise to the level of creating a hostile work environment under the law.
- Fighting, assaulting, or injuring another person.
- Unreasonable and/or inappropriate pranks, practical jokes, or other disorderly conduct.

"Sexual harassment" as used herein does not refer to occasional compliments of a socially acceptable nature. Rather, it refers to behavior that is not welcome, that is personally and objectively offensive, that debilitates morale, and that, therefore, interferes with an individual's work performance.

Managers and supervisors may not date or have a sexual relationship with any employee to whom they assign work, evaluate, or influence employment decisions without both parties promptly advising a senior staff member of the relationship, so that assurances of mutual consent can be obtained and arrangements made to assure no adverse impact on the workplace.

If you ever feel that you have been subjected to any type of harassment or have any knowledge of any kind of prohibited behavior, you are to immediately follow the complaint procedure outlined below. Herbal Elements will not tolerate any type of

retaliation against any employee or other person who, in good faith, complains about or reports harassment.

1. You are encouraged to tell the offending individual(s) that their behavior is offensive and unwelcome, and to stop.
2. Put your complaint in writing and give it to the individuals identified above.

All managers and supervisors are to be alert to the possible presence of harassment in the work place, to take appropriate action to prevent incidents from occurring, and to institute prompt investigatory measures and appropriate remedial action. At a minimum, all allegations of harassment known to a supervisor or staff member are to be reported to the individuals identified above. All allegations of harassment will be treated seriously and in a professional manner. Every reasonable effort will be made to protect confidentiality. This policy applies to all managers, supervisors, employees, vendors, service/sales representatives, and all others doing business with or on Herbal Elements' premises. Under no circumstances should an inappropriate situation be allowed to continue by not reporting it, regardless of the offending party. No one at Herbal Elements is exempt from this Policy.

4.3 Telephone

Personal usage during business hours is discouraged. All personal telephone calls should be kept brief. If an employee is found to be deviating from this policy, disciplinary action may be taken.

4.4 Professionalism

A professional appearance is important anytime that you come in contact with the public. Employees should be well groomed and dressed appropriately for our business and for their position in particular. The following items are considered inappropriate working attire for Herbal Elements:

- Gym clothing
- Wording or depictions that indicate "sex" "alcohol" or "drugs"
- Gang related colors or clothing

While management trusts each employee's common sense and good judgment, in order to maintain a professional work environment, revealing clothing and clothing

displaying profane, insulting, or inappropriate text shall not be worn. If an employee wears clothing that is not in accordance with the dress code, management may either ask the employee to go home without pay and change clothes or tell the employee not to wear the clothing to work in the future. Employees working in the "front of the house" should always dress in clothing appropriate for a retail establishment catering to customers. Employees working in the "back of the house" should dress appropriately for their job responsibilities keeping safety in mind. Consult your supervisor if you have any questions about appropriate business attire.

4.5 SUBSTANCE ABUSE

Herbal Elements recognizes that some individuals, sometimes to an extent that their abilities and senses are impaired, use substances. The position of the company regarding substance abuse is the same whether alcohol, marijuana, illegal drugs, prescription drugs, or controlled substances are involved. This policy is implemented because Herbal Elements believes that the impairment of any employee due to his / her use of substances can result in the risk of injury to other employees, the impaired employee, or to third parties, such as customers or business guests.

Herbal Elements is committed to providing a safe and productive workplace for its employees. The following rules apply during working hours to all employees of Herbal Elements while they are on Company premises or elsewhere on Company business. The manufacture, distribution, possession, sale, or purchase of controlled substances of abuse on Company property is prohibited. This includes the illegal manufacture, distribution, possession, sale, or purchase of marijuana. Being impaired by illegal drugs, alcohol, or substances of abuse on Company property is prohibited. Working while under the influence of prescription or recommended drugs that impair performance is prohibited.
So that there is no question about what these rules signify, please note the following, definitions:

- Company property: All Company owned or leased property used by employees.
- Controlled substance of abuse: Any substance listed in Schedules of Section 202 of the Controlled Substance Act, as amended.
- Drug: Any chemical substance that produces physical, mental, emotional, or behavioral change in the user.
- Drug paraphernalia: Equipment, a product, or material that is used or intended for use in concealing an illegal drug, or otherwise introducing into the human body an illegal drug or controlled substance.

- Illegal drug: Any drug or derivative thereof whose use, possession, sale, transfer, attempted sale or transfer, manufacture, or storage is illegal or regulated under any federal, state, or local law or regulation. Any drug, including but not limited to a prescription or recommended drug, used for any reason other than that prescribed or recommended by a physician.
- Inhalants: Inhalants used illegally.
- Under the influence: A state of not having the normal use of mental or physical faculties resulting from the voluntary introduction into the body of a substance of abuse.

Consistent with the rules listed above, any of the following actions constitutes a violation of Herbal Elements' policy on drugs and may subject an employee to disciplinary action, up to and including immediate termination. Using, selling, purchasing, transferring, manufacturing, or storing an illegal drug or drug paraphernalia, or attempting to or assisting another to do so, while in the course of employment. Working or reporting to work, conducting Company business or being on Company property while under the influence of an illegal drug or alcohol, or in an impaired condition. "Impairment" or "being impaired" means that an employee's normal physical or mental abilities, or faculties, while at work have been detrimentally affected by the use of substances. The employee who begins work while impaired or who becomes impaired while at work is guilty of a major violation of company rules and is subject to severe disciplinary action. Severe disciplinary action can include suspension, termination, or any other penalty appropriate under the circumstances. Likewise, the use, possession, transfer, or sale of any substance on company premises is prohibited, and violations are subject to severe disciplinary action.

4.6 TOBACCO

The use of tobacco products is not permitted anywhere on Herbal Elements' premises, including the parking lot. All employees must dispose of their tobacco properly. Cigarette "butts" should not be disposed of in Herbal Elements trash, nor left outside.

4.7 Internet

Herbal Elements employees are allowed use of the Internet and e-mail to conduct Herbal Elements' business. Employees may use the Internet when appropriate to access information needed to conduct business of Herbal Elements. Employees may use e-mail when appropriate for Company business correspondence. Herbal Elements reserves the right to access and monitor all files and messages on its systems.

PART 5 - 5.0 STANDARDS

This is a business in which the standards for the industry are currently being set. We have the ability as pioneers to make a mark on the future of this industry. It is our goal to aim high and set the bar to a level we think is worth striving for.

5.1 UNLAWFUL ACTS

Colorado Revised Statues §12-43.3-901 defines a number of unlawful acts specific to the medical marijuana industry. The following list highlights a number of rules that Herbal Elements demands their employees strictly adhere to. The following highlights some of the major laws and regulations but is not intended to constitute the entire list of expectations. Employees of Herbal Elements are expected to know, keep current with, and comply with all applicable laws and regulations.

It is unlawful for any person licensed to sell medical marijuana to a person not licensed by the CDPHE or to a person not able to produce a valid patient registry identification card, unless the person has a copy of a current and complete new (not a renewal) application for the medical marijuana registry administered by the department of public health and environment that is documented by a certified mail return receipt as having been submitted to the CDPHE within the preceding thirty-five (35) days and the employee assisting the person has contacted the CDPHE and, as a result, determined the person's application has not been denied. See, C.R.S. §12-43.3-901(4)(d)(I).

A representative of Herbal Elements shall not consume medical marijuana in a licensed medical marijuana facility, and it shall be unlawful for a medical marijuana licensee to allow medical marijuana to be consumed upon its licensed premises. See, C.R.S. §12-43.3-901(1)(a).

Herbal Elements and its employees shall not with knowledge, permit or fail to prevent the use of his or her registry identification by any other person for the unlawful purchasing of medical marijuana. See, C.R.S. §12-43.3-901(1)(b).

A representative of Herbal Elements shall not buy, sell, transfer, give away, or acquire medical marijuana except as allowed pursuant Rules outlined by the Colorado Department of Revenue and The Colorado State constitution. See, C.R.S. §12-43.3-901(2).

A representative of Herbal Elements shall not be within a limited-access area unless the person's license badge is prominently displayed above the waist.

A representative of Herbal Elements shall not provide public premises, or any portion thereof, for the purpose of consumption of medical marijuana in any form. Simply, medical marijuana shall not be consumed on, in or around the Herbal Elements' premises. See, C.R.S. §12-43.3-901(4)(c).

Nor shall a representative of Herbal Elements sell medical marijuana to a person not licensed pursuant to CDPHE and/or CDOR regulations or to a person not able to produce a valid patient registry identification card.

A representative of Herbal Elements less than twenty-one years of age shall not be employed to sell or dispense medical marijuana at a medical marijuana center or grow or cultivate medical marijuana at an optional premises cultivation operation.

If a representative of Herbal Elements has reasonable cause to believe that a person is exhibiting a fraudulent patient registry identification card in an attempt to obtain medical marijuana, the licensee or employee shall be authorized to confiscate the fraudulent patient registry identification card, if possible, and shall, within seventy-two (72) hours after the confiscation, turn it over to the state health department or local law enforcement agency. The failure to confiscate the fraudulent patient registry identification card or to turn it over to the state health department or a state or local law enforcement agency within seventy-two hours after the confiscation shall not constitute a criminal offense. See, C.R.S. §12-43.3-402 (5).

A representative of Herbal Elements shall ensure Herbal Elements does not possess more than six (6) medical marijuana plants and two ounces of medical marijuana for each patient who has registered the center as his or her primary center. A medical marijuana center may have an amount that exceeds the six-plant and two-ounce product per patient limit if the center sells to patients that are authorized to have more than six plants and two ounces of product. In the case of a patient authorized to exceed the six-plant and two-ounce limit, the representative of shall obtain documentation from the patient's physician that the patient needs more than six plants and two ounces of product. See, C.R.S. §12-43.3-402 (3).

A representative of Herbal Elements shall not offer for sale or solicit an order for medical marijuana in person except within the licensed premises and shall not have in possession or upon the licensed premises any medical marijuana, the sale of which is not permitted by the license. A representative of Herbal Elements shall not buy medical marijuana from a person not licensed to sell per CDOR regulations. A representative of Herbal Elements

shall not sell medical marijuana except in the permanent location specifically designated in the license for sale. See, C.R.S. §12-43.3-402 (4)(f)-(i).

A representative of Herbal Elements shall not to have on the licensed premises any medical marijuana or marijuana paraphernalia that shows evidence of the medical marijuana having been consumed or partially consumed. A representative of Herbal Elements shall not deliver medical marijuana to any premises other than the specific licensed premises where the medical marijuana is to be sold. See, C.R.S. §12-43.3-402 (4)(J).

A representative of Herbal Elements shall not sell, serve, or distribute medical marijuana at any time other than between the hours of 8:00AM and 7:00PM Monday through Sunday. See, C.R.S. §12-43.3-402 (4)(l).

It is unlawful for a medical marijuana center, medical, marijuana-infused products manufacturing operation with an optional premises cultivation license, or medical marijuana center with an optional premises cultivation license to sell, deliver, or cause to be delivered to a licensee any medical marijuana not grown upon its licensed premises, or for a licensee or medical marijuana center with an optional premises cultivation license or medical marijuana-infused products manufacturing operation with an optional premises cultivation license to sell, possess, or permit sale of medical marijuana not grown upon its licensed premises. A violation of the provisions of this subsection (5) by a licensee shall be grounds for the immediate revocation of the license granted under this article. See, C.R.S. §12-43.3-402(5).

A Physician who makes patient referrals to a licensed medical marijuana center shall not receive anything of value from the medical marijuana center licensee or its agents, servants, officers, or owners or anyone financially interested in the licensee, and it shall be unlawful for a representative of Herbal Elements to offer anything of value to a physician for making patient referrals to the licensed medical marijuana center. See, C.R.S. §12-43.3-402 (6).

Infractions of these rules are subject to disciplinary action up to and including termination.

5.2 OFFENSES

Any employee, and any associated or key persons to a licensee, must make written notification to the Marijuana Enforcement Division of any criminal conviction and criminal charge pending against such person within five (5) days of such person's arrest, summons, or conviction. This notification requirement shall not apply to non-felony traffic violations unless the violations result in suspension or revocation of a driver's license, the violations are based on allegations of driving under the influence or impairment of intoxicating liquor or drugs, or result in the person being taken into custody. Failure to make proper notification to the MED may be grounds for a disciplinary action up to and including termination. See, CDOR medical marijuana rules 1.1200.

Employees must report within three (3) business days, any criminal actions, licensee rule violations, or other suspicious acts involving the sale, cultivation, distribution or manufacturing of medical marijuana or any medical marijuana infused products by any person to CDOR and shall cooperate in subsequent investigations. If an employee or contractor is discharged for alleged violations of the law or these regulations, the employee will surrender their occupational license. See, CDOR medical marijuana rule 1.120.

5.3 SALES

Every person selling medical marijuana shall sell only medical marijuana grown in a medical marijuana optional premises cultivation licensed facility. In addition to medical marijuana, a medical marijuana center may sell no more than six (6) immature plants to a patient; except that a medical marijuana center may sell more than six (6) immature plants, but may not exceed half the recommended plant count, to a patient who has been recommended an expanded plant count by his or her recommending physician. A medical marijuana center may sell immature plants to a primary caregiver, another medical marijuana center, or a medical marijuana-infused product manufacturer. A representative of Herbal Elements shall sell no more than 2 ounces to a patient in one day. See, C.R.S. §12-43.3-402.

5.4 CULTIVATION

Definition:

"Processed" shall mean the final dried, finished and useable marijuana product having been sifted and sorted to remove plant waste, stems, and/or seeds and other byproducts prepared for final packaging and transport to the licensed center as permitted in law. CDOR medical marijuana rules 1.205

"Immature plant" means a non-flowering medical marijuana plant that is no taller than eight inches and no wider than eight inches produced from a cutting, clipping, or seedling and that is in a growing container that is no larger than two inches wide and two inches tall that is sealed on the sides and bottom. See, C.R.S. §12-43.3-104(1.5).

Approved Handling Procedures

Once harvested, tagged medical marijuana plants shall be combined in batches for tracking through the entire manufacturing process with the tags for each medical marijuana plant accompanying each batch at each stage of manufacture. Each batch will be identified by listing the identifying markers from the individual plants from the designated flowering area and a data collection point will occur in which the batch will be weighed, duly recorded, and clearly identified within sight of a video camera and the "wet" weight of buds, stems, and leaf duly recorded as unprocessed product, wholesale byproduct, and waste. The identifying markers associated with each batch shall be

prominently displayed on drying racks or wires and curing containers throughout the manufacturing process. See, CDOR medical marijuana rules 1.205.

Prior to packaging, the processed medical marijuana plants shall be weighed before transfer to the Medical Marijuana Center ("MMC") or 1:00 PM, and the weight of unfinished product, wholesale byproduct and waste as a data collection point recorded. Processed marijuana shall be immediately packaged, sealed, weighed and stored in an approved secure transportation container for transport to the licensed premises of the MMC. Medical marijuana packaging shall be in sealed containers/packaging with tamper-proof bands. Processed medical marijuana plants shall be packaged in units of one pound or less and tagged with the total weight of the packaged product and securely sealed in a tamper-proof manner. The packages will be transported to the MMC within forty-eight (48) hours and recorded as inventory at the receiving MMC. Packaged medical marijuana shall be weighed, logged out, and transported directly from the Operational Processing Center ("OPC") facility to the MMC's licensed premises in a secure fashion and out of plain sight. See, CDOR medical marijuana rules 1.205.

5.5 TRANSPORTATION

Transportation of medical marijuana or medical marijuana-infused products shall in all instances be accompanied by a manifest that is approved by the MED. The manifest shall be created online on the MED website and a printed copy shall be carried at all times with the products being transported. The manifest must be approved by the -MED prior to any transport of medical marijuana products by Herbal Elements. See, CDOR medical marijuana rules 11.200(d).

Transport will be made by a licensed representative of Herbal Elements. On arrival at the licensed center, all packages containing medical marijuana shall be re-weighed within eight (8) hours in a limited access area of the MMC and monitored by one or more cameras and logged in to the licensed Herbal Elements' on hand inventory. The representative of Herbal Elements shall verify the license status of the other licensee and provide verification of Herbal Elements' license. See, CDOR medical marijuana rules 11.200.

5.6 LIMITED ACCESS

All limited access areas must be identified by the posting of a sign which shall be a minimum of 12inches by 12inches which shall state in the English: "Do Not Enter - Limited Access Area — Access limited to Licensed owners, Employees and contractors only" in lettering no smaller than 1/2 inch in height. See, CDOR medical marijuana rules 10.100.

Representatives of Herbal Elements shall ensure only authorized individuals enter Limited Access Areas. All persons in a limited access area shall be required to hold and properly display a current validated license badge issued by the Colorado Division of Revenue at all times while in any limited access areas. Failure of any person to properly display such a license badge may constitute grounds for discipline. Proper display of the license badge shall consist of wearing the badge plainly visible at or above the waist, with the photo of the licensee readily visible to any observer. The licensee shall not alter, obscure, damage, or deface the badge, including the photographic image of the licensee, and any information contained or represented thereon, in any way. See, CDOR medical marijuana rules 10.105.

A Key Licensee shall ensure all outside vendors, contractors or visitors obtain a visitor identification badge, prior to entering a restricted or secure area, and shall be escorted at all times by that representative of the facility: The visitor identification badge must be visibly displayed at all times while the visitor is in any limited access area. All visitors must be logged in and out, and that log shall be available for inspection by CDOR personnel at all times. A representative of Herbal Elements shall ensure the return of the visitor badge upon the departure of the visitor. See, CDOR medical marijuana rules 10.105.

PART 6 - 6.0 WAGES

Although Herbal Elements' salary ranges and hourly wage schedules will be adjusted on an ongoing basis, Herbal Elements does not grant "cost of living" increases. Performance is the key to wage increases in Herbal Elements.

6.1 TIMEKEEPING

Recording time worked is the responsibility of every non-exempt employee. Time worked is the time actually spent on a job(s) performing assigned duties. Herbal Elements does not pay for extended breaks or time spent on personal matters. The time clock is a legal instrument. Altering, falsifying, tampering with time records, or recording time on another employee's time record will result in disciplinary action, including termination of employment. Authorized personnel will review time records each week. Any changes to an employee's time record must be approved by his / her supervisor. Questions regarding the timekeeping system or time cards should be directed to the supervisor.

Time Cards: Non-exempt employees will be issued a time card on their first day of employment. The employee will be given thorough instructions on usage and instructions on what to do should a problem occur. Exempt employees are responsible for working the hours necessary to meet the responsibilities outlined in their job description and are not eligible for overtime.

6.2 OVERTIME

Overtime compensation is paid to non-exempt employees in accordance with federal and state wage and hour restrictions. Overtime is payable for all hours worked over 40 per week at a rate of one and one-half times the non-exempt employee's regular hourly rate. Time off on personal time, holidays, or any leave of absence will not be considered hours worked when calculating overtime. All overtime work performed by an hourly employee must receive the supervisor's prior authorization. Overtime worked without prior authorization from the supervisor may result in disciplinary action. The supervisor's signature on a timesheet authorizes pay for overtime hours worked.

6.3 PAYDAY

All employees are paid every other Tuesday, 26 pay periods a year. If a regular payday falls during an employee's vacation, the employee's paycheck will be available upon his/her return from vacation. Pay will not, under any circumstances, be given to any person other than the employee without written authorization. Herbal Elements withholds income tax from all employees' earnings and participates in FICA (Social Security), and Medicare withholding and matching programs as required by law.

6.4 HOLIDAYS

Herbal Elements is a 24 hour-day 365 day / year business. There are no observed holidays.

6.5 JURY / MILITARY

Time off for mandatory jury duty or court appearances required as a result of a valid subpoena or court order is excused and paid at full salary or wages for full-time employees, provided that the employee's supervisor verifies proof of duty. The employee is expected to report for work when it does not conflict with court obligations. It is the employee's responsibility to keep management periodically informed about the amount of time required for jury duty or court appearances. A copy of the jury duty summons and all other associated paperwork is required for the personnel file. Employees will be granted time off to serve military leave without pay. However, all regular employees both full-time and part-time will be kept on the active payroll until their civic duties have been completed.

PART 7 – 7.0 EMPLOYEE COMMUNICATIONS

Herbal Elements encourages open communication to between all employees. It is suggested that employees interact with senior managers and staff for a more collaborative and productive environment for everyone.

7.1 BULLETIN BOARDS

Important company information will be displayed on bulletin boards located at highlighted points throughout the store / facility. Employees will be responsible for regularly checking and reading the bulletin board and for following the rules, regulations and instructions posted there.

7.2 COMPLAINTS

Under normal working conditions, employees who have a job-related problem, question or complaint should first discuss it with their immediate supervisor. At this level, employees usually reach the simplest, quickest, and most satisfactory solution. If the employee and supervisor do not solve the problem, Herbal Elements is committed to resolving the issue with another supervisor.

A copy of the State and local rules/regulations is available at:
http://www.colorado.gov/cs/Satellite/Rec/MMLCHOA/[illegible] and

http://library.municode.com/index.aspx?clientId=[illegible]
It is the employees' responsibility to ensure they are aware of the rules as they change.

EMPLOYEE EDUCATION

All employees are expected to stay current in all medical marijuana laws, rules and regulations. In addition, the following shall pertain to all Herbal Elements' employees:

Herbal Elements will conduct monthly employee meetings to ensure all state and local requirements for the sale of medical marijuana is being handled properly and according to state and local regulations and that all legal and professional obligations are properly discharged. These meetings will include the proper sale and handling of medical marijuana. Attendance of all employees is and shall be mandatory.

Herbal Elements will consistently review its procedures regarding the sale of medical marijuana and will make sure all practices are strictly adhered to and enforced. Herbal Elements will periodically update its policies as necessary.

Appropriate signage will be conspicuously posted advising that we will not sell to minors, that we do not permit any use or consumption on the premises. that valid ID's must be presented and will be checked, and that all transactions are video recorded.

In addition to the regular employee meetings, information will be placed in employee paychecks consisting of issues, education and/or articles pertaining to medical marijuana sales, CDOR, CDPHE, MMED, marijuana laws and any other usefully or necessary updates. All employees are expected to read and understand any/all such included materials.

I have read and agree to abide by this Employee Manual.

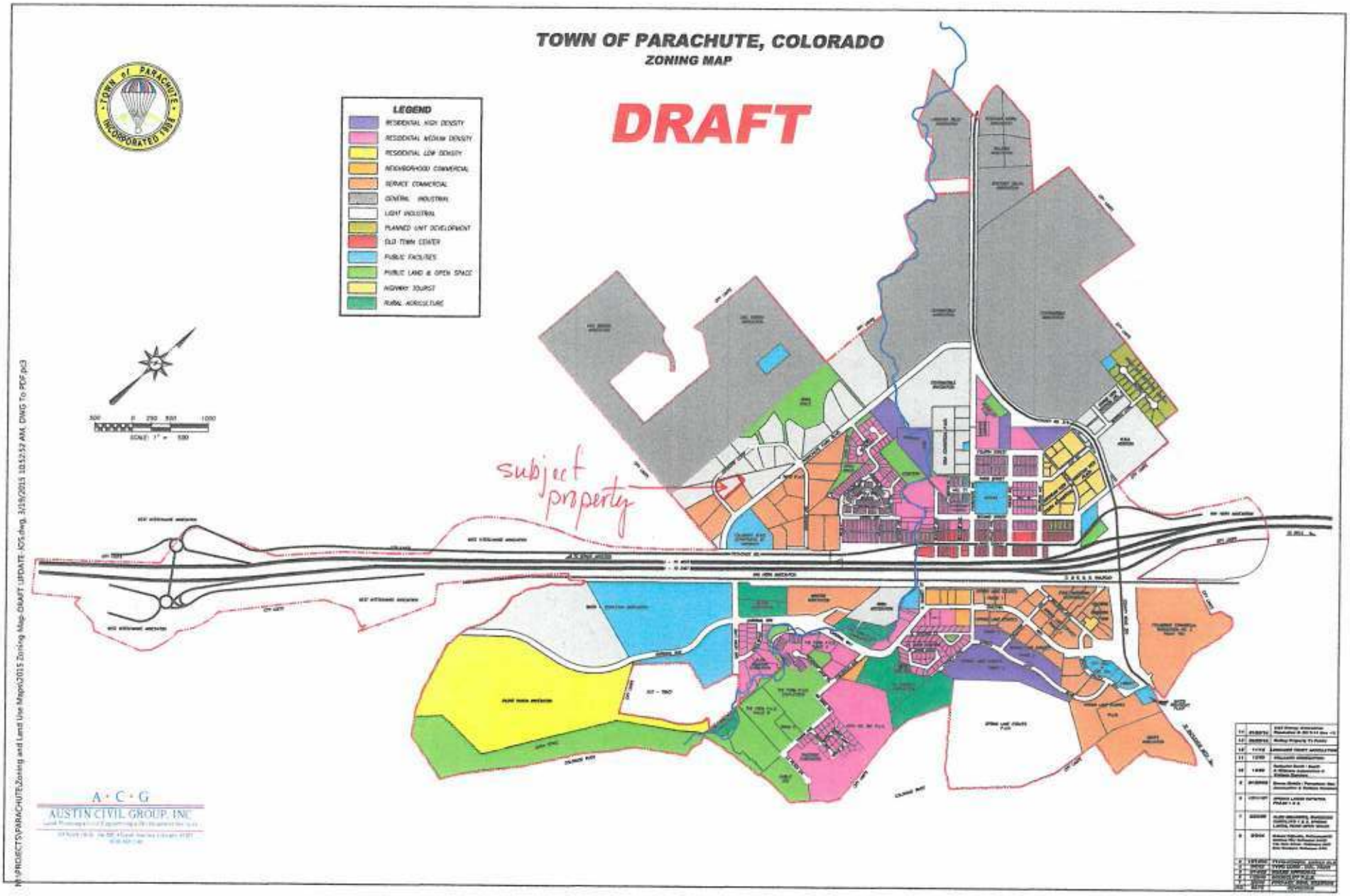
_____

Employee Signature Date

Witnessed by:

_____ _____

Business Representative Date


TOWN OF PARACHUTE, COLORADO
ZONING MAP
DRAFT
LEGEND
RESIDENTIAL HIGH DENSITY
RESIDENTIAL MEDIUM DENSITY
RESIDENTIAL LOW DENSITY
NEIGHBORHOOD COMMERCIAL
SERVICE COMMERCIAL
GENERAL INDUSTRIAL
LIGHT INDUSTRIAL
PLANNED UNIT DEVELOPMENT
OLD TOWN CENTER
PUBLIC FACILITIES
PUBLIC LAND & OPEN SPACE
HIGHWAY TOURIST
RURAL AGRICULTURE
subject property
A · C · G
AUSTIN CIVIL GROUP, INC

Town of Parachute
222 Grand Valley Way
PO Box 100
Parachute CO 81635 970-285-7630

Receipt No: 1.002756 Jun 20, 2016

Parachute Unlimited, LLC

Previous Balance:	.00
Tax / Licenses & Permits Marijuana Licensing - Retail 10-32-140 MARIJUANA LICENSING	5,000.00
Tax / Licenses & Permits Marijuana Licensing - Manufacturing 10-32-140 MARIJUANA LICENSING	5,000.00
Tax / Licenses & Permits Marijuana Licensing - Grow 10-32-140 MARIJUANA LICENSING	5,000.00
Total:	15,000.00
Check / Money Orders	
Check No: 133	15,000.00
Total Applied:	15,000.00
Change Tendered:	.00

Duplicate Copy
06/16/2016 02:09PM

TOWN OF PARACHUTE
SPECIAL FEE AND COST REIMBURSEMENT AGREEMENT

This Special Fee and Cost Reimbursement Agreement is entered into by and between the Town of Parachute, Colorado, a municipal corporation (the "Town") and PARACHUTE UNLIMITED LLC, (hereinafter "Petitioner").

WITNESSETH:

WHEREAS, Petitioner is the owner of that certain real property described in Exhibit A, attached hereto and incorporated herein by this reference, and desires to undertake the projects or activities described in Paragraph 1; and

WHEREAS, the above activity or project will require the Town to provide the special services and incur the costs set forth in Paragraph 2; and

WHEREAS, Title 15 of the Parachute Municipal Code provides that the Town may assess administrative fees related to development review; and

WHEREAS, the special fees and costs paid and collected by virtue of this Agreement shall be used solely to pay for the Town's actual fees and costs for outside professional services, including, but not limited to, engineering and legal review, incurred by the Town in relation to the anticipated project; and

WHEREAS, the Town and Petitioner desire to set forth their agreements and understandings concerning this matter.

NOW, THEREFORE, in consideration of the mutual covenants and promises of the parties, and for other good and valuable consideration, the adequacy and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Petitioner desires to undertake the following projects or activities involving the Town or its utility services:

_____	Annexation
_____	Subdivision
_____	Planned Development
_____	Conditional Use
_____	Variance
_____	Review of Title 32 Special District
_____	Can and Will Serve Letter for Utility Service
X	Other (describe) MARIJUANA LICENSE

2. The activity or project being undertaken by Petitioner will require the Town to provide the following special services or incur the following costs:

_____	Engineering review and advice
X	Legal review and advice
_____	Preparation of plats or plans
_____	Inspections
_____	Recording fees
_____	Filing fees
_____	Publication Costs
_____	Other (describe) _____

3. Petitioner agrees to pay the Town in full for all special services provided or actual costs incurred by the Town in relation to the project or activity described above on receipt of an itemized billing for those services from the Town. All such amounts are due within thirty (30) days of the date of the bill, with interest on any overdue amounts to be assessed at one and one-half percent (1.5%) per month. In the event that such amounts remain unpaid thirty (30) days after the date they are billed, the Town reserves the right to cease review and processing of the Petitioner's land use and development applications. In the event the Town is forced to pursue collection of any amounts due and unpaid under this provision, it shall be entitled to collect attorney's fees, filing, and recording fees incurred in such collection efforts in addition to the unpaid amounts due, plus interest.

4. Petitioner agrees to provide a deposit to the Town in the amount of $ NA at the time of making the initial application for the MARIJUANA LICENSE. The Town shall not commence to provide any of the services desired by the applicant, or advance any costs, until this deposit is received by the Town. Any amount by which the applicant's deposit exceeds the cost assessed under this Paragraph shall be refunded to the applicant within a reasonable time after final action has been taken on the project. Any amount by which the deposit is less than the total costs due to the Town under this Agreement shall be due and payable subject to the provisions of Paragraph 2, above.

5. The Town specifically does not agree to act favorably on the application made by Petitioner in exchange for payment of the special fees set forth above.

6. This Agreement constitutes the entire and complete agreement of the parties on the subject matter herein. No promise or undertaking has been made by any party, and no understanding exists with respect to the transaction contemplated, except as expressly set forth herein. All prior and contemporaneous negotiations and understandings between the parties are embodied and merged into this Agreement.

7. This Agreement may be amended from time to time by amendments made by the parties in written form and executed in the same manner as this Agreement.

8. This Agreement shall be binding upon and inure to the benefit of the parties and their assigns and successors in interest.

9. If any covenant, term, condition, or provision under this Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such covenant, term, condition, or provision shall not affect any other provision contained herein.

10. The parties agree and intend that this Agreement shall run with the land described in Exhibit A, attached hereto, and be a burden upon that property until final payment has been made to the Town of all fees due and payable under this Agreement, or until the earlier termination of this Agreement.

IN WITNESS WHEREOF, the parties have executed this SPECIAL FEE AGREEMENT on the day and year adjacent to their respective signatures.

TOWN OF PARACHUTE, COLORADO

Date: 6/16/16 By _____
Town Administrator

ATTEST

_____
Deputy Town Clerk

PETITIONER:

Gregory P Honan Date: 6-16-16

STATE OF COLORADO)
) ss.
COUNTY OF GARFIELD)

Acknowledged, subscribed, and sworn to before me this 16 day of June, 20 16, by Gregory Honan.

WITNESS my hand and official seal.

My Commission expires: November 20, 2017

_____
Notary Public

DEREK WINGFIELD
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20134072313
MY COMMISSION EXPIRES NOVEMBER 20, 2017

Ad Name: 12263392A
Customer: Remax Country/Kandl L. Hinman
Your account number is: 2811506

PROOF OF PUBLICATION

GLENWOOD SPRINGS POST INDEPENDENT

STATE OF COLORADO }
SS.
COUNTY OF GARFIELD }

I, Michael Bennett, do solemnly swear that I am Publisher of the Glenwood Springs Post Independent. That the same Daily newspaper printed, in whole or in part and published in the County of Garfield, State of Colorado, and has a general circulation therein; that said newspaper has been published continuously and uninterruptedly in said County of Garfield for a period of more than fifty-two consecutive weeks next prior to the first publication of the annexed legal notice or advertisement and that said newspaper has published the requested legal notice and advertisement as requested.

The Glenwood Springs Post Independent is an accepted legal advertising medium, only for jurisdictions operating under Colorado's Home Rule provision.

That the annexed legal notice or advertisement was published in the regular and entire issue of every number of said daily newspaper for the period of **1** consecutive insertions; and that the first publication of said notice was in the issue of said newspaper dated **7/25/2016** and that the last publication of said notice was in the issue of said newspaper dated **7/25/2016.**

In witness whereof has here unto set my hand this **08/05/2016**.

Michael Bennett, Publisher

Subscribed and sworn to before me, a notary public in and for the County of Garfield, State of Colorado this **08/05/2016**.

Pamela J. Schultz, Notary Public
My Commission expires**: November 1, 2019**

PAMELA J. SCHULTZ
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID #19994030675
My Commission Expires November 1, 2019

PUBLIC NOTICE OF HEARING

Pursuant to Chapter 6.11 of the Town of Parachute, Colorado Municipal Code;

NOTICE IS HERBY GIVEN that an application has been made to the Local Licensing Authority of the Town of Parachute, Colorado for a Retail Marijuana Store which permits the sale of retail marijuana products on the premise.

APPLICANT: Parachute Unlimited, LLC
TRADE NAME: American Green

ADDRESS OF APPLICANT: P.O. Box 2344, Avon, CO 81620

ADDRESS OF PROPOSED LICENSED PREMISES: 110 Diamond Loop, Parachute, CO 81635

LEGAL DESCRIPTION OF PROPOSED LICENSED PREMISES
Lot 7. Block 3 of the Parachute Park P.U.D., according to the Amended Plat thereof, recorded in the public records of Garfield County, Colorado at Reception No. 784960.

DATE OF APPLICATION: June 16, 2016

PUBLIC NOTICE IS HEREBY GIVEN that a Public Hearing will be held on this application **Thursday, August 18th, 2016 at 6:30 p.m.** in the Board Room in the Parachute Town Hall, 222 Grand Valley Way, Parachute, CO 81635.

All persons affected by the proposed land use application are invited to appear and state their views, protests, or support. If you cannot appear personally at such hearing, then you are urged to state your views by letter as the Planning & Zoning Commission and the Board of Trustees will give consideration to the comments of property owners and the others affected in deciding whether to grant or deny the request.

The proposed development project may be reviewed at the Town of Parachute offices located at 222 Grand Valley Way, Parachute, CO, between the hours of 7:30 a.m. and 5:30 p.m., Monday through Thursday. You may call 970.285.7630, x 106 with questions or concerns.

BY ORDER OF THE
LOCAL LICENSING AUTHORITY
TOWN OF PARACHUTE -
BOARD OF TRUSTEES
P.O. BOX 100, PARACHUTE, CO 81635-0100
(970) 285-7630

Published in the Post Independent July 25, 2016.
(12263392)

PUBLIC NOTICE OF HEARING
PUBLIC NOTICE OF HEARING
PUBLIC NOTICE OF HEARING
PUBLIC NOTICE

7014 2120 0000 0735 5331

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only
For delivery information, visit our website at www.usps.com®.
GLENWOOD SPRINGS, CO 81602
OFFICIAL USE

Postage	$3.30
Certified Fee	$2.70
Return Receipt Fee (Endorsement Required)	$0.00
Restricted Delivery Fee (Endorsement Required)	$0.00
Total Postage & Fees	$6.47

0583 04
Postmark Here
JUL 22 2016
07/22/2016

Sent To: Parachute Development Corp
Street & Apt. No., or PO Box No.: P.O. Box 1686
City, State, ZIP+4: Glenwood Springs, Co 81602
PS Form 3800, July 2014 See Reverse for Instructions

7014 2120 0000 0735 5386

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only
For delivery information, visit our website at www.usps.com®.
GLENWOOD SPRINGS, CO 81602
OFFICIAL USE

Postage	$3.30
Certified Fee	$2.70
Return Receipt Fee (Endorsement Required)	$0.00
Restricted Delivery Fee (Endorsement Required)	$0.00
Total Postage & Fees	$6.47

0583 04
Postmark Here
JUL 22 2016
07/22/2016

Sent To: HMC LTD
Street & Apt. No., or PO Box No.: P.O. Box 1686
City, State, ZIP+4: Glenwood Springs, Co 81602
PS Form 3800, July 2014 See Reverse for Instructions

7014 2120 0000 0735 5362

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only
For delivery information, visit our website at www.usps.com®.
GLENWOOD SPRINGS, CO 81602
OFFICIAL USE

Postage	$3.30
Certified Fee	$2.70
Return Receipt Fee (Endorsement Required)	$0.00
Restricted Delivery Fee (Endorsement Required)	$0.00
Total Postage & Fees	$6.47

0583 04
Postmark Here
JUL 22 2016
07/22/2016

Sent To: HMC LTD
Street & Apt. No., or PO Box No.: P.O. Box 1686
City, State, ZIP+4: Glenwood Springs, Co 81602
PS Form 3800, July 2014 See Reverse for Instructions

7014 2120 0000 0735 5379

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only
For delivery information, visit our website at www.usps.com®.
GLENWOOD SPRINGS, CO 81602
OFFICIAL USE

Postage	$3.30
Certified Fee	$2.70
Return Receipt Fee (Endorsement Required)	$0.00
Restricted Delivery Fee (Endorsement Required)	$0.00
Total Postage & Fees	$6.47

0583 04
Postmark Here
JUL 22 2016
07/22/2016

Sent To: HMC LTD
Street & Apt. No., or PO Box No.: P.O. Box 1686
City, State, ZIP+4: Glenwood Springs, Co 81602
PS Form 3800, July 2014 See Reverse for Instructions

7014 2120 0000 0735 5430

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only
For delivery information, visit our website at www.usps.com®.
GRAND JUNCTION, CO 81502
OFFICIAL USE

Postage	$3.30
Certified Fee	$2.70
Return Receipt Fee (Endorsement Required)	$0.00
Restricted Delivery Fee (Endorsement Required)	$0.00
Total Postage & Fees	$6.47

0583 04
Postmark Here
JUL 22 2016
07/22/2016

Sent To: C & B Holdings
Street & Apt. No., or PO Box No.: P.O. Box 3045
City, State, ZIP+4: Grand Junction, Co 81502
PS Form 3800, July 2014 See Reverse for Instructions

7014 2120 0000 0735 5447

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only
For delivery information, visit our website at www.usps.com®.
GRAND JUNCTION, CO 81502
OFFICIAL USE

Postage	$3.30
Certified Fee	$2.70
Return Receipt Fee (Endorsement Required)	$0.00
Restricted Delivery Fee (Endorsement Required)	$0.00
Total Postage & Fees	$6.47

0583 04
Postmark Here
JUL 22 2016
07/22/2016

Sent To: C & B Holdings
Street & Apt. No., or PO Box No.: P.O. Box 3045
City, State, ZIP+4: Grand Junction, CO 81502
PS Form 3800, July 2014 See Reverse for Instructions

7014 2120 0000 0735 5461

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only
For delivery information, visit our website at www.usps.com®.
GLENWOOD SPRINGS, CO 81602
OFFICIAL USE

Postage	$3.30
Certified Fee	$2.70
Return Receipt Fee (Endorsement Required)	$0.00
Restricted Delivery Fee (Endorsement Required)	$0.00
	$0.00
	$0.00
Total Postage & Fees	$0.47
	$6.47

0583 04
Postmark Here
JUL 22 2016
07/22/2016

Sent To: Parachute Development Corp
Street & Apt. No., or PO Box No.: P.O. Box 1686
City, State, ZIP+4: Glenwood Springs, CO 81602
PS Form 3800, July 2014 See Reverse for Instructions

7014 2120 0000 0735 5508

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only
For delivery information, visit our website at www.usps.com®.
PARACHUTE, CO 81635
OFFICIAL USE

Postage	$3.30
Certified Fee	$2.70
Return Receipt Fee (Endorsement Required)	$0.00
Restricted Delivery Fee (Endorsement Required)	$0.00
	$0.00
	$0.00
Total Postage & Fees	$0.47
	$6.47

0583 04
Postmark Here
JUL 22 2016
07/22/2016

Sent To: TLC Pipeline Construction
Street & Apt. No., or PO Box No.: 213 Diamond Loop
City, State, ZIP+4: Parachute, Co 81635
PS Form 3800, July 2014 See Reverse for Instructions

7014 2120 0000 0735 5485

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only
For delivery information, visit our website at www.usps.com®.
GLENWOOD SPRINGS, CO 81602
OFFICIAL USE

Postage	$3.30
Certified Fee	$2.70
Return Receipt Fee (Endorsement Required)	$0.00
Restricted Delivery Fee (Endorsement Required)	$0.00
	$0.00
	$0.00
Total Postage & Fees	$0.47
	$6.47

0583 04
Postmark Here
JUL 22 2016
07/22/2016

Sent To: HMC LTD
Street & Apt. No., or PO Box No.: P.O. Box 1686
City, State, ZIP+4: Glenwood Springs, CO 81602
PS Form 3800, July 2014 See Reverse for Instructions

7014 2120 0000 0735 5492

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only
For delivery information, visit our website at www.usps.com®.
GRAND JUNCTION, CO 81502
OFFICIAL USE

Postage	$3.30
Certified Fee	$2.70
Return Receipt Fee (Endorsement Required)	$0.00
Restricted Delivery Fee (Endorsement Required)	$0.00
	$0.00
	$0.00
Total Postage & Fees	$0.47
	$6.47

0583 04
Postmark Here
JUL 22 2016
07/22/2016

Sent To: C & B Holdings
Street & Apt. No., or PO Box No.: P.O. Box 3045
City, State, ZIP+4: Grand Junction, CO 81502
PS Form 3800, July 2014 See Reverse for Instructions

7014 2120 0000 0735 5355

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only
For delivery information, visit our website at www.usps.com®.
GLENWOOD SPRINGS, CO 81602
OFFICIAL USE

Postage	$3.30
Certified Fee	$2.70
Return Receipt Fee (Endorsement Required)	$0.00
Restricted Delivery Fee (Endorsement Required)	$0.00
	$0.00
	$0.00
Total Postage & Fees	$0.47
	$6.47

0583 04
Postmark Here
JUL 22 2016
07/22/2016

Sent To: Parachute Development Corp
Street & Apt. No., or PO Box No.: P.O. Box 1686
City, State, ZIP+4: Glenwood Springs, CO 81602
PS Form 3800, July 2014 See Reverse for Instructions

7014 2120 0000 0735 5348

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only
For delivery information, visit our website at www.usps.com®.
GLENWOOD SPRINGS, CO 81602
OFFICIAL USE

Postage	$3.30
Certified Fee	$2.70
Return Receipt Fee (Endorsement Required)	$0.00
Restricted Delivery Fee (Endorsement Required)	$0.00
	$0.00
	$0.00
Total Postage & Fees	$0.47
	$6.47

0583 04
Postmark Here
JUL 22 2016
07/22/2016

Sent To: Parachute Development Corp
Street & Apt. No., or PO Box No.: P.O. Box 1686
City, State, ZIP+4: Glenwood Springs, CO 81602
PS Form 3800, July 2014 See Reverse for Instructions

7014 2120 0000 0735 5416

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only
For delivery information, visit our website at www.usps.com®.
PARACHUTE, CO 81635
OFFICIAL USE

Postage	$3.30	0583 04
Certified Fee	$2.70	
Return Receipt Fee (Endorsement Required)	$0.00	Postmark Here
Restricted Delivery Fee (Endorsement Required)	$0.00	JUL 22 2016
Total Postage & Fees	$0.47 / $6.47	07/22/2016

Sent To: TLC Pipeline Construction, Inc
Street & Apt. No., or PO Box No.: 213 Diamond Loop
City, State, ZIP+4: Parachute, CO 81635
PS Form 3800, July 2014 — See Reverse for Instructions

7014 2120 0000 0735 5423

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only
For delivery information, visit our website at www.usps.com®.
GRAND JUNCTION, CO 81502
OFFICIAL USE

Postage	$3.30	0583 04
Certified Fee	$2.70	
Return Receipt Fee (Endorsement Required)	$0.00	Postmark Here
Restricted Delivery Fee (Endorsement Required)	$0.00	JUL 22 2016
Total Postage & Fees	$0.47 / $6.47	07/22/2016

Sent To: C & B Holdings
Street & Apt. No., or PO Box No.: P.O. Box 3045
City, State, ZIP+4: Grand Junction, CO 81502
PS Form 3800, July 2014 — See Reverse for Instructions

7014 2120 0000 0735 5409

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only
For delivery information, visit our website at www.usps.com®.
PARACHUTE, CO 81635
OFFICIAL USE

Postage	$3.30	0583 04
Certified Fee	$2.70	
Return Receipt Fee (Endorsement Required)	$0.00	Postmark Here
Restricted Delivery Fee (Endorsement Required)	$0.00	JUL 22 2016
Total Postage & Fees	$0.47 / $6.47	07/22/2016

Sent To: TLC Pipeline Construction, Inc
Street & Apt. No., or PO Box No.: 213 Diamond Loop
City, State, ZIP+4: Parachute, CO 81635
PS Form 3800, July 2014 — See Reverse for Instructions

7014 2120 0000 0735 5393

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only
For delivery information, visit our website at www.usps.com®.
PARACHUTE, CO 81635
OFFICIAL USE

Postage	$3.30	0583 04
Certified Fee	$2.70	
Return Receipt Fee (Endorsement Required)	$0.00	Postmark Here
Restricted Delivery Fee (Endorsement Required)	$0.00	JUL 22 2016
Total Postage & Fees	$0.47 / $6.47	07/22/2016

Sent To: TLC Pipeline Construction, Inc
Street & Apt. No., or PO Box No.: 213 Diamond Loop
City, State, ZIP+4: Parachute, CO 81635
PS Form 3800, July 2014 — See Reverse for Instructions

Town of Parachute, CO
222 Grand Valley Way
P.O. Box 100
Parachute, CO 81635

Retail Marijuana Establishment Business License Application and Checklist

Application Checklist

☐ **Application Form Fully Completed**
Type or clearly print an answer to every question. If a question does not apply to you, indicate so with an N/A. If the available space is insufficient, continue on a separate sheet and precede each answer by stating the question. **A separate application is required for EACH license type.**

☒ **All Forms Signed & Attached**
The following accompanying forms must be signed by each owner of the Applicant as required by the Town's Retail Marijuana Establishments ordinance and be provided with the Application as a condition of acceptance:
☒ Affirmation & Consent
☒ Investigation Authorization/Authorization to Release

☐ **Copy of Conditional State License or Proof of State License Application Attached**
Proof of state license application shall be submitted when a conditional state license has not been issued. Proof of a state license consists of a copy of the complete State Retail Marijuana License Application and supporting documents, and all Associated Key Marijuana License Applications and supporting documents submitted in connection with the Retail Marijuana License Application. These items may be submitted as a supplement to the other application materials.

☐ **All Requested Information Attached (Other forms may be made available and may be required at time of application)**
The following supporting information requested in the Town of Parachute's Retail Marijuana Establishments ordinance and in this application (as applicable) must be attached:

☐ Proof of ownership, lease, rental agreement, or other arrangement for legal possession of the proposed licensed premises described in this application form.
☐ Operating plan described in the Town's Retail Marijuana Establishments ordinance of the proposed licensed premises.
☐ Floor plan described in the Town's Retail Marijuana Establishments ordinance of the proposed licensed premises.
☐ Sign, security and lighting plans indicating how the proposed licensed premises will comply with the requirements of the Colorado Retail Marijuana Code and the Town's Retail Marijuana Establishments ordinance.
☐ An area map of the proposed licensed premises as described in the Town's Retail Marijuana Establishments ordinance. **The area map must clearly show the proximity of the proposed licensed premises to any public or private school located 500 feet or less from the proposed licensed premises, and to any other licensed premises located 150 feet or less from the proposed licensed premises as measured pursuant to the Town's Retail Marijuana Establishments ordinance.**
☐ Proof that the proposed licenses premises will be located in a location that is compliant with the Town's zoning and land use laws, or that the necessary land use application(s) has been made.

Note: The Town of Parachute reserves the right to request additional information and documentation throughout the course of the background investigation.

☐ **Application Fees**
Application fees as required by the Town's Retail Marijuana Establishments ordinance. Application fees are non-refundable and must be paid via a certified check or money order.

Retail Marijuana Establishment Business License Application

New License Application ☐ Annual License Renewal ☐

License Sought - Attach a copy of the conditional State License or proof of application for a State License.

A separate license application must be filed for each type of desired license or proposed licensed premises.

Retail Marijuana Store ☐ Retail Marijuana Testing Facility ☐

Retail Marijuana Cultivation Facility ☒ Retail Marijuana Products Manufacturing Facility ☐

*A Cultivation Facility license requires a public hearing before the Planning and Zoning Commission for Special Review Use approval.

Applicant's Legal Business Name (Please Print): Parachute Unlimited LLC

Trade Name (DBA) (Provide Trade Name Registration): Amercian Green | Website Address:

Location and Contact Information – Proposed Licensed Premises

Street Address and Assessor Parcel No. of Proposed Premises	City	State	ZIP
Lot 7 N Diamond Loop Rd.	Parachute	CO	81635

Business Phone Number	Business Fax Number	Email Address
(970) 331-9047		[redacted]

Does the applicant have legal possession of the proposed licensed premises by virtue of ownership, lease or other arrangement?

Yes ☐ No ☐ Legal Basis for possession: Ownership ☐ Lease ☐

Other ☒ Explanation: There is a purchase contract ,attached, of the property that will be activated based upon the approval of the Town of Parachute Retail Marijuana Business licenses

Submit all documentation (e.g. deed, title commitment/report, title, sale or lease agreements etc.) showing legal right to possession. If premises are leased, attach written consent by the property owner to licensing of the premises for a retail marijuana establishment.

Is the proposed licensed premises in compliance with applicable zoning and land use laws? Yes ☒ No ☐

If not, has the applicant submitted the necessary land use application? Yes ☐ No ☐ Attach any submitted application.

Applicants' Contact and Related Information

Address	City	State	Zip
[redacted]	[redacted]	CO	[redacted]

Primary Contact Person for Business	Title	Primary Contact Phone Number
Gregory Patrick Honan	Owner	(970) 331-9047

Primary Contact Address (city, state, Zip)	Primary Contact Fax Number
[redacted]	

Federal Taxpayer ID	Colorado Sales Tax License #	Email Address
[redacted]	[redacted]	[redacted]

Business Entity Details

Sole Proprietorship ☐ Partnership ☐ Limited Liability Company ☒ C Corporation (Closely Held) ☐

Trust ☐ Limited Partnership ☐ S Corporation ☐ C Corporation (Publicly Traded) ☐

Other ☐ Explanation:

State of Incorporation or Creation of Business Entity: Colorado | Date of Incorp./Creation: 6/9/2016

Date Qualified to Conduct Business in Colorado (Provide Certificate of Good Standing from the Colorado Secretary of State's Office): 6/9/2016

If a Corporation, Limited Liability Company, or Limited Partnership, List all States Where the Corporation is Authorized to Conduct Business: Will only be conducting business in Colorado

List all Trade Names used by the Business Entity in Addition to Formal Name: American Green

Has the applicant (including any of the partners, if a partnership; members or manager if a limited liability company; or officers, stockholders or directors if a corporation) or manager ever (in Colorado or any other state);

- Been denied a privileged license (i.e. - Liquor, Gaming, Racing and Marijuana)? Yes ☒ No ☐
- Had a privileged license (i.e. - Liquor, Gaming, Racing and Marijuana) suspended or revoked? Yes ☐ No ☒
- Had interest in another entity that had a privileged (i.e. - Liquor, Gaming, Racing and Marijuana) license denied, suspended or revoked? Yes ☐ No ☒

If you answered yes to any of the above questions, explain the denial, suspension, or revocation in detail on a separate sheet.

Ownership Structure

List all persons and/or entities with any ownership interest in the applicant/proposed licensee, and all officers and directors, regardless of whether they have an ownership interest in the applicant/proposed licensee. If an entity (corporation, partnership, LLC, etc.) has an ownership interest the applicant/proposed licensee, list all persons having an ownership interest in such entity, their percentage of ownership of the entity, and their effective ownership of applicant/proposed licensee if ownership in applicant is through ownership of a parent or holding entity (an Ownership Entity). Submit additional sheets if necessary.

Name	Title	SSN/FEIN		Date of Birth
Gregory P Honan	Owner	[redacted]		[redacted]
Address [redacted]	City Avon	State CO	ZIP	Phone Number [redacted]

Ownership Entity (if applicable)	% Ownership of Ownership Entity	Effective Own. % in Applicant
Parachute Unlimited LLC	100%	100%

Name	Title	SSN/FEIN		Date of Birth
Address	City	State	ZIP	Phone Number

Ownership Entity (if applicable)	% Ownership of Ownership Entity	Effective Own. % in Applicant

Name	Title	SSN/FEIN		Date of Birth
Address	City	State	ZIP	Phone Number

Ownership Entity (if applicable)	% Ownership of Ownership Entity	Effective Own. % in Applicant

Name	Title	SSN/FEIN		Date of Birth
Address	City	State	ZIP	Phone Number

Ownership Entity (if applicable)	% Ownership of Ownership Entity	Effective Own. % in Applicant

Name	Title	SSN/FEIN		Date of Birth
Address	City	State	ZIP	Phone Number

Ownership Entity (if applicable)	% Ownership of Ownership Entity	Effective Own. % in Applicant

Name	Title	SSN/FEIN		Date of Birth
Address	City	State	ZIP	Phone Number

Ownership Entity (if applicable)	% Ownership of Ownership Entity	Effective Own. % in Applicant

Who, besides the owners of the applicant/proposed licensee listed above (including persons, firms, partnerships, corporations, limited liability companies, trusts), will loan or give money, inventory, furniture or equipment to or for use in this business; or who will receive money or profits from this business. Submit a separate sheet if necessary.

Name	Date of Birth	FEIN OR SSN	Interest
American Green		[redacted]	Loan

Has the applicant or an ownership entity listed above (if applicable) ever applied for a marijuana license (retail or medical) in this or any other jurisdiction, foreign or domestic, whether or not the license was ever issued? If YES, provide details on a separate sheet, including jurisdiction, type of license, license number, and dates license held or applied for.	Yes ☒ No ☐
Has the applicant or an ownership entity listed above ever been denied a marijuana license (retail or medical), withdrawn a marijuana license or had any disciplinary action taken against any marijuana license that they have held in this or any other jurisdiction, Colorado or otherwise? If YES, provide details on a separate sheet, including jurisdiction, type of action, and date of action.	Yes ☒ No ☐
In the last ten years, has the applicant or any partner, member, officer, director, or stockholder of the applicant ever been arrested, charged, or convicted of a crime or offense in a federal, state or other court? If YES, please provide details on a separate sheet, including jurisdiction, the crime or offense arrested for and whether charged with or convicted, and date of action.	Yes ☒ No ☐

Maintenance of Books and Records

Name of [redacted] Applicant's business records	Title [redacted]
Address [redacted]	Phone Number [redacted]
Person [redacted]	Title [redacted]
Address [redacted]	Phone Number [redacted]

Location of financial books and records for Applicant's business [redacted]

Managers

Name of Manager of proposed licensed premises. Submit a separate sheet if necessary.	Date of Birth	SSN
Gregory Patrick Honan	[redacted]	[redacted]

Owner's Affirmation & Consent

I, Gregory Patrick Honan, as an owner of and 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 foregoing Retail Marijuana Establishment Business License Application, 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 Local Licensing Authority to refuse to issuance of a the desired retail marijuana establishment license. I am aware that later discovery of an omission or misrepresentation made in the above statements may be grounds for the denial or revocation of the license. I am voluntarily submitting this application to the Local Licensing Authority of the Town of Parachute, Colorado 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 applicant holds a retail marijuana establishment license, and for 90 days following the expiration or surrender of such marijuana license.

Print Full Owner/Legal Agent Name:		
Applicant's Name Parachute Unlimited LLC	Trade Name (DBA) American Green	
Owner/Legal Agent Last Name (Please Print) Honan	Owner/Legal Agent First Name Gregory	Owner/Legal Agent Middle Name Patrick
Legal Agent Title Owner	Signature (Must be signed in front of one witness)	
Date (MM/DD/YY) 6/9/2016	City Avon	State CO
Witness 1 Signature		

Owner's Authorization to Investigate and Release Information

I, Gregory Patrick Honan, as an owner of and authorized agent for the applicant, hereby authorize the Town of Parachute, Colorado and any Application review authorities selected by it (hereafter, the Investigatory Agencies) to conduct a complete investigation into this Application, using whatever legal means they deem appropriate. I hereby authorize any person or entity contacted by the Investigatory Agencies to provide any and all such information deemed necessary by the Investigatory Agencies. I hereby waive any rights of confidentiality in this regard. I understand that by signing this authorization, a financial record check may be performed. I authorize any financial institution to surrender to the Town of Parachute, Colorado and Investigatory Agencies a complete and accurate record of such transactions that may have occurred with that institution, including, but not limited to, internal banking memoranda, past and present loan applications, financial statements and any other documents relating to financial records in whatever form and wherever located. I understand that by signing this authorization, a financial record check of the applicant/proposed licensee's tax filing and tax obligation status may be performed. I authorize the Town of Parachute, Colorado to surrender to the Investigatory Agencies a complete and accurate record of any and all tax information or records relating to applicant. I authorize the Investigatory Agencies to obtain, receive, review, copy, discuss and use any such tax information or documents relating to applicant. 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.

The Town of Parachute, Colorado and Investigatory Agencies reserve the right to investigate all relevant information and facts to their satisfaction. I understand that the Investigatory Agencies may conduct a complete and comprehensive investigation to determine the accuracy of all information gathered. However, the Investigatory Agencies, their agents or employees shall not be held liable for the receipt, use, or dissemination of inaccurate information. I, on behalf of the applicant, its legal representatives, and assigns, hereby release, waive, discharge, and agree to hold harmless, and otherwise waive liability as to the Town of Parachute, Colorado, Investigatory Agencies, and any of those entities' agents or employees 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 this Application, any financial or personnel record, or otherwise found, obtained, or maintained by the Town of Parachute, Colorado or Investigatory Agencies, shall be accessible to law enforcement agents of this or any other state, the government of the United States, or any foreign country.

Print Full Owner/Legal Agent Name:

Applicant's Name: Parachute Unlimited LLC	Trade Name (DBA): American Green	
Owner/Legal Agent Last Name (Please Print): Honan	Owner/Legal Agent First Name: Gregory	Owner/Legal Agent Middle Name: Patrick
Signature	Date	
Applicant's Business Name: Parachute Unlimited	Trade Name (DBA): American Green	
Legal Agent Title: Owner	Signature (Must be signed in front of one witness)	
Date (MM/DD/YY): 6/9/2016	City: Avon	State: CO
Witness 1 Signature		

E-Filed

Colorado Secretary of State
Date and Time: 06/09/2016 04:47 PM
ID Number: 20161400719

Document number: 20161400719
Amount Paid: $50.00

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

ABOVE SPACE FOR OFFICE USE ONLY

Articles of Organization

filed pursuant to § 7-80-203 and § 7-80-204 of the Colorado Revised Statutes (C.R.S.)

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

Parachute Unlimited LLC.

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

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

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

Street address: Lot 7 N Diamond Loop Rd.
(Street number and name)

Parachute (City) CO (State) 81635 (ZIP/Postal Code)
(Province – if applicable) United States (Country)

Mailing address
(leave blank if same as street address): PO Box 2344
(Street number and name or Post Office Box information)

Avon (City) CO (State) 81620 (ZIP/Postal Code)
(Province – if applicable) United States. (Country)

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

Name
(if an individual): Honan (Last) Gregory (First) Patrick (Middle) (Suffix)

or

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

Street address: 225 Eagle Drive
(Street number and name)
Unit 9C

Avon (City) CO (State) 81620 (ZIP Code)

Mailing address
(leave blank if same as street address): PO Box 2344
(Street number and name or Post Office Box information)

Avon (City) CO (State) 81620 (ZIP Code).

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

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

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

Name
(if an individual) Honan (Last) Gregory (First) Patrick (Middle) _____ (Suffix)

or

(if an entity) _____

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

Mailing address PO Box 2344
(Street number and name or Post Office Box information)

_____

Avon (City) CO (State) 81620 (ZIP/Postal Code)

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

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

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

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

☐ one or more managers.

or

☑ the members.

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

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

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

☐ This document contains additional information as provided by law.

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

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

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.

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

Honan (Last) Gregory (First) Patrick (Middle) _____ (Suffix)

PO Box 2344
(Street number and name or Post Office Box information)

Avon (City) CO (State) 81620 (ZIP/Postal Code)

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

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

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

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).

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

E-Filed

Colorado Secretary of State
Date and Time: 06/09/2016 05:02 PM
ID Number: 20161400747

Document number: 20161400747
Amount Paid: $20.00

ABOVE SPACE FOR OFFICE USE ONLY

Statement of Trade Name of a Reporting Entity

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

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

ID Number	20161400719 *(Colorado Secretary of State ID number)*
True name	Parachute Unlimited LLC
Form of entity	Limited Liability Company
Jurisdiction	Colorado

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

   American Green

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

   Legally Licensed (by the State of Colorado MED Dept of Revenue) activities

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

   ☐ This document contains additional information as provided by law.

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

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

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

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

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

Honan (Last) Gregory (First) _____ (Middle) _____ (Suffix)

PO Box 2344
(Street number and name or Post Office Box information)

_____

Avon (City) CO (State) 81620 (Postal/Zip Code)

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

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

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

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

IRS DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
CINCINNATI OH 45999-0023

Date of this notice: 06-14-2016

Employer Identification Number:
[redacted]

Form: SS-4

Number of this notice: CP 575 G

PARACHUTE UNLIMITED LLC
AMERICAN GREEN
% GREGORY PATRICK HONAN SOLE MBR
PO BOX 2344
AVON, CO 81620

For assistance you may call us at:
1-800-829-4933

IF YOU WRITE, ATTACH THE
STUB AT THE END OF THIS NOTICE.

WE ASSIGNED YOU AN EMPLOYER IDENTIFICATION NUMBER

Thank you for applying for an Employer Identification Number (EIN). We assigned you EIN [redacted] This EIN will identify you, your business accounts, tax returns, and documents, even if you have no employees. Please keep this notice in your permanent records.

When filing tax documents, payments, and related correspondence, it is very important that you use your EIN and complete name and address exactly as shown above. Any variation may cause a delay in processing, result in incorrect information in your account, or even cause you to be assigned more than one EIN. If the information is not correct as shown above, please make the correction using the attached tear off stub and return it to us.

A limited liability company (LLC) may file Form 8832, *Entity Classification Election*, and elect to be classified as an association taxable as a corporation. If the LLC is eligible to be treated as a corporation that meets certain tests and it will be electing S corporation status, it must timely file Form 2553, *Election by a Small Business Corporation*. The LLC will be treated as a corporation as of the effective date of the S corporation election and does not need to file Form 8832.

To obtain tax forms and publications, including those referenced in this notice, visit our Web site at www.irs.gov. If you do not have access to the Internet, call 1-800-829-3676 (TTY/TDD 1-800-829-4059) or visit your local IRS office.

IMPORTANT REMINDERS:

* Keep a copy of this notice in your permanent records. **This notice is issued only one time and the IRS will not be able to generate a duplicate copy for you.** You may give a copy of this document to anyone asking for proof of your EIN.
* Use this EIN and your name exactly as they appear at the top of this notice on all your federal tax forms.
* Refer to this EIN on your tax-related correspondence and documents.

If you have questions about your EIN, you can call us at the phone number or write to us at the address shown at the top of this notice. If you write, please tear off the stub at the bottom of this notice and send it along with your letter. If you do not need to write us, do not complete and return the stub.

Your name control associated with this EIN is PARA. You will need to provide this information, along with your EIN, if you file your returns electronically.

Thank you for your cooperation.

Instructions: Please print this document for your records.

COLORADO BUSINESS EXPRESS

COLORADO DEPT OF REVENUE

Thank you for registering with the Colorado Department of Revenue!
Your electronic application has been received.
You will receive your Sales Tax License and/or Wage Withholding information in the mail in the next 10 business days.

You may use this receipt as a temporary Sales Tax License in the interim.

Filing Information

Your filing information is as follows:

Date: 06/14/2016 16:33

Name: Parachute Unlimited LLC

Address: *Lot 7 N Diamond Loop Rd.*
Parachute, CO 81635

Sales Tax Account Number: 32494559

Sales Tax Filing Frequency: $300/month or more (Monthly)

Wage Withholding Account Number: N/A

Wage Withholding Filing Frequency: N/A

Websites

State of Colorado: www.colorado.gov

Colorado Department of Revenue: www.colorado.gov/revenue

Colorado Department of Revenue Online Customer Support Site:
revenuestateco.custhelp.com

File and pay your sales tax online: www.colorado.gov/RevenueOnline

Register to pay by EFT: *www.colorado.gov/revenue/eft*

Please wait 2-3 business days while we validate your registration before attempting to access your account in Revenue Online. You will receive your license(s) in the mail within 10 business days. If you do not already have access to Revenue Online, you may use information from that letter to sign-up.

Colorado Business Express PDF Receipt

Town of Parachute Retail Marijuana Establishment Business License Page 4: Has the applicant ever applied for a Marijuana license in this or any other jurisdiction, foreign or domestic, whether or not the license was ever issued? If YES, provide details on a separate sheet, including jurisdiction, type of license, license number, and dates license held or applied for.

Gregory P Honan owns 100% of Herbal Elements LLP. Herbal Elements currently has these licenses:

State of Colorado Department of Revenue Marijuana Enforcement Division:

- Medical Marijuana Center Type 1 License 402-00309 expiration 8/23/16
    - With Associated Eagle County File Number MJM-5287
- Medical Marijuana OPC License 403-00461 expiration 8/23/16
    - With Associated Eagle County File Number MJMG-4823
- Retail Marijuana Products Mfg License 404R-00116 expiration 2/18/2017
    - With Associated Eagle County License File Number MJMF-5935
- Retail Marijuana Cultivation Facility License 403R-00474 expiration 2/18/2017
    - With Associated Eagle County License File Number MJRC-5693

Copies of all licenses are attached

STATE OF COLORADO
DEPARTMENT OF REVENUE

Marijuana Enforcement Division

Medical Marijuana Conditional License

HERBAL ELEMENTS, LLP

HERBAL ELEMENTS

41394 US Highway 6, Units F1 & F2, Avon, CO 81620

Optional Premises - 403-00461

License Valid Through: 08/23/2016

This license is conditioned upon Local Authority approval, pursuant to section 12-43.3-305(2) C.R.S.

This conditional license is issued subject to the laws of the State of Colorado and especially under the provisions of Title 12, Article 43.3, as amended. This conditional license is nontransferable and shall be conspicuously posted in the place above described. This conditional license is only valid through the expiration date shown above. Any questions concerning this conditional license should be addressed to: Colorado Marijuana Enforcement Division, 455 Sherman Street, Suite 390, Denver, CO 80203. In testimony whereof, I have hereunto set my hand.

W. Lewis Koski
Division Director

Barbara J. Brohl, Executive Director

EAGLE COUNTY

July 17, 2015

Herbal Elements LLP
Attn: Gregory P. Honan
P.O. Box 2344
Avon, CO 81620

Via: hojorisen@hotmail.com

RE: Notice of License Renewal - Approval
Eagle County License for Optional Premise Cultivation at 41394 U.S. Hwy. 6, Units F1 & F2
Herbal Elements – File No. MJMG-4823

Greg,

Please accept this letter as verification that the Eagle County Marijuana Business Licensing Authority (the "Authority") has **approved** the annual renewal for **Herbal Elements Optional Premise Cultivation** located at **41394 U.S. Hwy. 6, Building F, Units F1 & F2**, in EagleVail/Avon, Colorado.

Specifically, the renewal of this license is based upon the successful application for renewal within the timeframes outlined within the Licensing Regulations, as well as a demonstration that the above referenced business continues to operate in compliance with State and local regulations and laws.

> **Please note**: The Authority has been made aware of certain violations at the above referenced business/location cited by the State of Colorado Marijuana Enforcement Division and detailed in a report dated May 15, 2015 by Lori Garrison, MED. This information was provided to the Authority by you in your application for annual renewal referenced under Exhibit 'K'.
>
> It is staff's understanding that any violations cited by Ms. Garrison and reported by MED (based on an inspection of the above referenced facility on May 5, 2015) have either been resolved or that you are working with MED on an ongoing basis to resolve and/or rectify such violations. It is with such understanding, in part, that renewal of License No. MJMG-4823 has been approved. It is your responsibility to report any and all State cited violations to the Authority, and to provide verification to the Authority regarding final resolution of any outstanding violations in order to maintain status 'in good standing' with the Authority.

Pursuant to Resolution No. 2013-124, A Resolution Adopting Eagle County Medical and Retail Marijuana Business Licensing Regulations, please be advised of the following general restrictions placed on the issuance of this license renewal:

1. ***Article 5. Licenses, Section (b), State License Requirement.*** Should the Authority approve an application of a local license no such license shall be issued or effective until and unless the State Licensing Authority has approved the issuance of a State License for the proposed licensed premises.

2. ***Article 10. Term of license renewal.*** Any local license issued under these regulations shall be valid for a period of one (1) year from the date of issuance. Applications for renewals shall be processed in the same manner as new licenses under these regulations. **A licensee shall submit a renewal application at least forty-five (45) days before the expiration of the license**. Upon denial or revocation of a State license, any license issued under these regulations shall be null and void. If a court of competent jurisdiction determines that the issuance of local licenses violates any State of federal law, all licenses issued under these regulations shall be deemed immediately revoked by operation of law, with no ground for appeal or redress on behalf of the licensee.

Accordingly, please be advised that final approval for the above referenced license was **effective as of July 18, 2014** and is valid for one-year terms. According to Article 10 (noted above), please be advised that **you will be required to apply for renewal of this license annually, and such applications will be due (annually) 45 days prior to July 18, of each subsequent year.**

Likewise, please forward approved/renewed State License(s) for the current annual term in order for your local license to remain vested and in 'good standing.'

Thank you for your cooperation in completing the local licensing processes and best regards in your business endeavors.

Please contact me at (970) 328-8624 if you have any questions regarding your local license, or if you require additional assistance.

Sincerely,

Scot Hunn, AICP
Senior Planner / Current Planning Manager

xc: MJMG-4823

STATE OF COLORADO
DEPARTMENT OF REVENUE

Marijuana Enforcement Division

Retail Marijuana Conditional License

HERBAL ELEMENTS, LLP

HERBAL ELEMENTS

41394 US Highway 6, Units F1 & F2, Avon, CO 81620

Retail Marijuana Cultivation Facility - 403R-00474

License Valid Through: 02/18/2017

This license is conditioned upon Local Authority approval, pursuant to section 12-43.4-304(1) C.R.S.

This conditional license is issued subject to the laws of the State of Colorado and especially under the provisions of Title 12, Article 43.4, as amended. A licensee shall not exercise any of the rights or privileges of this license until such time as all such Medical Marijuana and Medical Marijuana-Infused Product are fully transferred and declared in the inventory tracking system as Retail Marijuana and Retail Marijuana Product, pursuant to Rule R211 & R309. This conditional license is nontransferable and shall be conspicuously posted in the place above described. This conditional license is only valid through the expiration date shown above. Any questions concerning this conditional license should be addressed to: Colorado Marijuana Enforcement Division, 455 Sherman Street, Suite 390, Denver, CO 80203. In testimony whereof, I have hereunto set my hand.

James Burack
Division Director

Barbara J. Brohl, Executive Director

EAGLE COUNTY

August 25, 2015

Herbal Elements
C/o: Greg Honan
P.O. Box 2344-41184
Avon, CO. 81620

Via: hojorisen@hotmail.com

RE: Eagle County License for a Retail Marijuana Facility at 41394 U.S. Hwy. 6, Building F, Units F1 and F2 in EagleVail / Eagle County File No. MJRC-5693

Mr. Honan,

Please accept this letter as verification that Eagle County Government (hereinafter the "Authority") has granted **final approval for Retail Marijuana Cultivation Facility** for Herbal Elements located at the above referenced address.

Accordingly, and pursuant to Resolution No. 2013-124, A Resolution Adopting Eagle County Medical and Retail Marijuana Business Licensing Regulations, please be advised of the following general restrictions placed on the issuance of this license:

1. ***Article 5. Licenses, Section (b), State License Requirement.*** Should the Authority approve an application of a local license no such license shall be issued or effective until and unless the State Licensing Authority has approved the issuance of a State License for the proposed licensed premises.

2. ***Article 5. Licenses, Section (c), Inspection.*** No such license shall be issued or effective until the building in which the licensed business operations are to be conducted is ready for occupancy with such furniture, fixtures and equipment in place as are necessary to comply with applicable provisions of any State Regulations and Local Regulations and only after the Authority or its designated representative has inspected the proposed licensed premises to determine that the applicant(s) has complied with the drawings and requirements provided herein.

3. ***Article 10. Term of license renewal.*** Any local license issued under these regulations shall be valid for a period of one (1) year from the date of issuance. Applications for renewals shall be processed in the same manner as new licenses under these regulations. A licensee shall submit a renewal application at least forty-five (45) days before the expiration of the license. Upon denial or revocation of a State license, any license issued under these regulations shall be null and void. If a court of competent jurisdiction determines that the issuance of local licenses

violates any State of federal law, all licenses issued under these regulations shall be deemed immediately revoked by operation of law, with no ground for appeal or redress on behalf of the licensee.

Accordingly, please be advised that final approval for this license is **effective as of August 25, 2015** and is valid for one-year terms. According to Article 10 (noted above), please be advised that **you will be required to apply for renewal of this license annually, and such applications will be due (annually) 45 days prior to August 25, of each subsequent year.**

Likewise, please forward approved State License(s) for the current annual term in order for your local license to remain vested and in 'good standing.'

Thank you for your cooperation in this matter. Please contact Scot Hunn at (970) 328-8624 if you have any questions regarding your local license, or if you require additional assistance.

Sincerely,

xc: File

Scot Hunn, AICP
Senior Planner / Current Planning Manager

xc: file

STATE OF COLORADO
DEPARTMENT OF REVENUE

Marijuana Enforcement Division

Medical Marijuana Conditional License

HERBAL ELEMENTS, LLP

HERBAL ELEMENTS

40928 US Highway 6, Unit 2E, Avon, CO 81620

Center - Type 1 - 402-00309

License Valid Through: 08/23/2016

This license is conditioned upon Local Authority approval, pursuant to section 12-43.3-305(2) C.R.S.

This conditional license is issued subject to the laws of the State of Colorado and especially under the provisions of Title 12, Article 43.3, as amended. This conditional license is nontransferable and shall be conspicuously posted in the place above described. This conditional license is only valid through the expiration date shown above. Any questions concerning this conditional license should be addressed to: Colorado Marijuana Enforcement Division, 455 Sherman Street, Suite 390, Denver, CO 80203. In testimony whereof, I have hereunto set my hand.

W. Lewis Koski
Division Director

Barbara J. Brohl, Executive Director

EAGLE COUNTY

November 24, 2015

Herbal Elements LLP
Attn: Gregory P. Honan
P.O. Box 2344
Avon, CO 81620

Via: hojorisen@hotmail.com

RE: Notice of License Renewal - Approval
Eagle County License for Medical Marijuana Center at 40928 U.S. Hwy. 6, Unit 2E
Herbal Elements – File No. MJM-5287

Greg,

Please accept this letter as verification that the Eagle County Marijuana Business Licensing Authority (the "Authority") has **approved** the annual renewal for **Medical Marijuana Center** located at **40928 U.S. Hwy. 6, Unit 2E**, in EagleVail/Avon, Colorado.

Specifically, the renewal of this license is based upon the successful application for renewal within the timeframes outlined within the Licensing Regulations, as well as a demonstration that the above referenced business continues to operate in compliance with State and local regulations and laws.

Pursuant to Resolution No. 2013-124, A Resolution Adopting Eagle County Medical and Retail Marijuana Business Licensing Regulations, *please be advised of the following general restrictions placed on the* issuance of this license renewal:

1. ***Article 5. Licenses, Section (b), State License Requirement.*** Should the Authority approve an application of a local license no such license shall be issued or effective until and unless the State Licensing Authority has approved the issuance of a State License for the proposed licensed premises.

2. ***Article 10. Term of license renewal***. Any local license issued under these regulations shall be valid for a period of one (1) year from the date of issuance. Applications for renewals shall be processed in the same manner as new licenses under these regulations. **A licensee shall submit a renewal application at least forty-five (45) days before the expiration of the license**. Upon denial or revocation of a State license, any license issued under these regulations shall be null and void. If a court of competent jurisdiction determines that the issuance of local licenses violates any State of federal law, all licenses issued under these regulations shall be deemed

immediately revoked by operation of law, with no ground for appeal or redress on behalf of the licensee.

Accordingly, please be advised that final approval for the above referenced license was **effective as of January 6, 2014** and is valid for one-year terms. According to Article 10 (noted above), please be advised that **you will be required to apply for renewal of this license annually, and such applications will be due (annually) 45 days prior to January 6th, of each subsequent year.**

Likewise, please forward approved/renewed State License(s) for the current annual term in order for your local license to remain vested and in 'good standing.'

Thank you for your cooperation in completing the local licensing processes and best regards in your business endeavors.

Please contact me at (970) 328-8624 if you have any questions regarding your local license, or if you require additional assistance.

Sincerely,

Scot Hunn, AICP
Senior Planner / Current Planning Manager

xc: MJM-5287

STATE OF COLORADO
DEPARTMENT OF REVENUE

Marijuana Enforcement Division

Retail Marijuana Conditional License

HERBAL ELEMENTS, LLP

HERBAL ELEMENTS

40928 US Highway 6, Unit 2E, Avon, CO 81620

Retail Marijuana Products Mfg - 404R-00116

License Valid Through: 02/18/2017

This license is conditioned upon Local Authority approval, pursuant to section 12-43.4-304(1) C.R.S.

This conditional license is issued subject to the laws of the State of Colorado and especially under the provisions of Title 12, Article 43.4, as amended. A licensee shall not exercise any of the rights or privileges of this license until such time as all such Medical Marijuana and Medical Marijuana-Infused Product are fully transferred and declared in the inventory tracking system as Retail Marijuana and Retail Marijuana Product, pursuant to Rule R211 & R309. This conditional license is nontransferable and shall be conspicuously posted in the place above described. This conditional license is only valid through the expiration date shown above. Any questions concerning this conditional license should be addressed to: Colorado Marijuana Enforcement Division, 455 Sherman Street, Suite 390, Denver, CO 80203. In testimony whereof, I have hereunto set my hand.

James Burack
Division Director

Barbara J. Brohl, Executive Director

EAGLE COUNTY

December 22, 2015

Herbal Elements LLP
Attn: Gregory P. Honan
P.O. Box 2344
Avon, CO 81620

Via: hojorisen@hotmail.com

RE: *Final Approval - Eagle County License for Retail Marijuana Products Manufacturing*
Herbal Elements – File No. MJMF-5935

Greg,

Please accept this letter as verification that the Eagle County Marijuana Business Licensing Authority (the "Authority") has granted **final approval** the a new license request for **Retail Marijuana Products Manufacturing** located at **40928 U.S. Hwy. 6, Unit 2E**, in EagleVail/Avon, Colorado.

Pursuant to Resolution No. 2013-124, A Resolution Adopting Eagle County Medical and Retail Marijuana Business Licensing Regulations, please be advised of the following general restrictions placed on the issuance of this license renewal:

1. ***Article 5. Licenses, Section (b), State License Requirement.*** Should the Authority approve an application of a local license no such license shall be issued or effective until and unless the State Licensing Authority has approved the issuance of a State License for the proposed licensed premises.

2. ***Article 10. Term of license renewal.*** Any local license issued under these regulations shall be valid for a period of one (1) year from the date of issuance. Applications for renewals shall be processed in the same manner as new licenses under these regulations. **A licensee shall submit a renewal application at least forty-five (45) days before the expiration of the license.** Upon denial or revocation of a State license, any license issued under these regulations shall be null and void. If a court of competent jurisdiction determines that the issuance of local licenses violates any State of federal law, all licenses issued under these regulations shall be deemed immediately revoked by operation of law, with no ground for appeal or redress on behalf of the licensee.

Accordingly, please be advised that final approval for the above referenced license is **effective as of December 22, 2015** and is valid for one-year terms. According to Article 10 (noted above), please be

advised that **you will be required to apply for renewal of this license annually, and such applications will be due (annually) 45 days prior to December 22nd, of each subsequent year.**

Thank you for your cooperation in completing the local licensing processes and best regards in your business endeavors.

Please contact me at (970) 328-8624 if you have any questions regarding your local license, or if you require additional assistance.

Sincerely,

Scot Hunn, AICP
Senior Planner / Current Planning Manager

xc: MJMF-5935
Todd Belback
Bryan Treu
Aaron Veldheer

Floor Plan and General Concept

The general concepts of the project are as follows:

- The Entire complex will be one building containing all three Retail Marijuana Business Establishments:
    - Cultivation
    - Concentrates
    - Store
- The Store shall be oriented in the following manner:
    - Glass walls/windows shall be in between the back of the store and the Cultivation
        - Allows visitor to safely and easily view the cutting edge technology and design of the cultivation and plants while making a purchase
            - Allows viewing, without adding any safety risk
            - Provides a one of a kind Destination tourist attraction for the Town of Parachute
            - No one on the outside of complex will be able to see any marijuana plants, only those legally permitted into the inside of the complex
            - Visitors shall remain in the Store only, no tours of the cultivation
            - The Concentrates Portion of the building will be safely separate from visitors and the Store
            - The Cultivation shall be secure and separate from visitors and the store in order to avoid and outside contamination of the environment for the cultivation location and associated plants
- The outside of the complex shall be approved by the Town of Parachute and agreeable as to its visual impact on the Town and surrounding neighbors
    - Parachute Unlimited shall be fully transparent in the design and construction process and will avoid and surprises or unacceptable designs not authorized by the Town
- The Concentrates portion of the complex:
    - Safety and Security shall be the top priorities

ZONED PROPERTIES INC

Room Schedule

Space	Number	Area
Mechanical		332 SF
Storage	2	148 SF
Airlock	3	143 SF
Storage	4	148 SF
Mechanical	5	332 SF
Flower	6	1331 SF
Flower	7	1331 SF
Flower	8	1331 SF
Flower	9	1331 SF
Flower	10	1331 SF
Circulation	11	1899 SF
Flower	12	1331 SF
Propagation	13	163 SF
Veg	14	743 SF
Dry / Cure	15	309 SF
Extraction	16	468 SF
Trim	17	361 SF
Mother	18	336 SF
Kit / Break	19	376 SF
Office	20	177 SF
WC	21	118 SF
WC	22	118 SF
Airlock	23	116 SF
Retail	24	1314 SF
Circulation	25	538 SF
Grand total: 25		16,536 SF

Floor Plan

A1.0

Total: 1383.7 ft
447.8 ft
169.4 ft
102.7 ft
96.8 ft
94.9 ft
91.4 ft
178.4 ft
151.3 ft
101.2 ft

All signage will be relating to this Logo and American Green style, of course in high resolution and in approved locations and lighting via the Town

AMERICAN GREEN

Proposed Retail Marijuana Facility

Lot #7 N. Diamond Loop Rd., Parachute, Colorado, 81635

Preliminary Security Evaluation and Plan (based on site plan provided)

The following is compliant in part with the required information as outlined by the City of Parachute Municipal Code 6.11.090.F and is compliant to the requirements as laid out by the Colorado Retail Marijuana Code 1 CCR 212-2. R.301.D, R.305, R.306,

Please understand that as this is a preliminary plan, once the final rendering and constructions are approved, are more accurate and detailed assessment may be given to fully demonstrate adherence to each line item and subsection within the aforementioned sections referenced of the Colorado Retail Marijuana Code.

1CCR212-2

R.301

D. Diagram for Licensed Premises. All Limited Access Areas shall be clearly identified to the Division or relevant local jurisdiction and described in a diagram of the Licensed Premises reflecting walls, partitions, counters and all areas of ingress and egress. The diagram shall also reflect all Propagation, cultivation, manufacturing, and retail sales areas. See Rule R 901 – Business Records Required.

Please note that all areas outside of the "Retail" area as identified on the site plan shall be deemed ***Limited Access Areas*** *and thus shall adhere to all requirements as described and instituted under 1CCR212-2 R.301A,B,C,D,E. All other areas as described in R.301 D, have been clearly identified on the site plan provided.*

R 305 – Security Alarm Systems and Lock Standards

A. Security Alarm Systems – Minimum Requirements. The following Security Alarm Systems and lock standards apply to all Retail Marijuana Establishments.

1. Each Licensed Premises shall have a Security Alarm System, installed by an Alarm Installation Company, on all perimeter entry points and perimeter windows.

2. Each Licensee must ensure that all of its Licensed Premises are continuously monitored. Licensees may engage the services of a Monitoring Company to fulfill this requirement.

3. A Licensee shall maintain up-to-date and current records and existing contracts on the Licensed Premises that describe the location and operation of each Security Alarm System, a schematic of security zones, the name of the Alarm Installation Company, and the name of any Monitoring Company. See Rule R 901 – Business Records Required.

4. Upon request, Licensees shall make available to agents of the Division or relevant local jurisdiction or state or local law enforcement agency, for a purpose authorized by the Retail Code or for any other state or local law enforcement purpose, all information related to Security Alarm Systems, Monitoring, and alarm activity.

5. Any outdoor Retail Marijuana Cultivation Facility, or greenhouse cultivation, is a Limited Access Area and must meet all of the requirements for Security Alarm Systems described in this rule. An outdoor or greenhouse Retail Marijuana Cultivation Facility must provide sufficient security measures to demonstrate that outdoor areas are not readily accessible by unauthorized individuals. This shall include, at a minimum, perimeter fencing designed to prevent the general public from entering the Limited Access Areas. It shall be the responsibility of the Licensee to maintain physical security in a manner similar to a Retail Marijuana Cultivation Facility located in an indoor Licensed Premises so it can be fully secured and alarmed.

B. Lock Standards – Minimum Requirement

1. At all points of ingress and egress, the Licensee shall ensure the use of a commercial-grade, non-residential door locks.

2. Any outdoor Retail Marijuana Cultivation Facility, or greenhouse cultivation, must meet all of the requirements for the lock standards described in this rule

Please note that all requirements as described in this section shall be met, and only State licensed companies with proper alarm permitting will be considered to implement all required items as laid out by 1CCR212-2 R.305.A1,2,3,4,5. License holder shall maintain all documentation and shall provide access to all governing and regulatory bodies upon request in compliance with the previous Code section. All requirements as described in section 1CCR212-2 R.305.B1 and 2, shall be met and included in the final approved site plan in compliance with building inspection officials, and as approved by local public safety officials for use in proposed facility.

R 306 - Video Surveillance

A. Minimum Requirements. The following video surveillance requirements shall apply to all Retail Marijuana Establishments.

1. Prior to exercising the privileges of a Retail Marijuana Establishment, an Applicant must install a fully operational video surveillance and camera recording system. The recording system must record in digital format and meet the requirements outlined in this rule.

2. All video surveillance records and recordings must be stored in a secure area that is only accessible to a Licensee's management staff.

3. Video surveillance records and recordings must be made available upon request to the Division, the relevant local jurisdiction, or any other state or local law enforcement agency for a purpose authorized by the Retail Code or for any other state or local law enforcement purpose.

4. Video surveillance records and recordings of point-of-sale areas shall be held in confidence by all employees and representatives of the Division, except that the Division may provide such records and recordings to the relevant local jurisdiction, or any other state or local law enforcement agency for a purpose authorized by the Retail Code or for any other state or local law enforcement purpose.

B. Video Surveillance Equipment

1. Video surveillance equipment shall, at a minimum, consist of digital or network video recorders, cameras capable of meeting the recording requirements

described in this rule, video monitors, digital archiving devices, and a color printer capable of delivering still photos.

2. All video surveillance systems must be equipped with a failure notification system that provides prompt notification to the Licensee of any prolonged surveillance interruption and/or the complete failure of the surveillance system.

3. Licensees are responsible for ensuring that all surveillance equipment is properly functioning and maintained, so that the playback quality is suitable for viewing and the surveillance equipment is capturing the identity of all individuals and activities in the monitored areas.

4. All video surveillance equipment shall have sufficient battery backup to support a minimum of four hours of recording in the event of a power outage. Licensee must notify the Division of any loss of video surveillance capabilities that extend beyond four hours.

C. Placement of Cameras and Required Camera Coverage

1. Camera coverage is required for all Limited Access Areas, point-of-sale areas, security rooms, all points of ingress and egress to Limited Access Areas, all areas where Retail Marijuana or Retail Marijuana Product is displayed for sale, and all points of ingress and egress to the exterior of the Licensed Premises.

2. Camera placement shall be capable of identifying activity occurring within 20 feet of all points of ingress and egress and shall allow for the clear and certain identification of any individual and activities on the Licensed Premises.

3. At each point-of-sale location, camera coverage must enable recording of the customer(s) and employee(s) facial features with sufficient clarity to determine identity.

4. All entrances and exits to the facility shall be recorded from both indoor and outdoor vantage points.

5. The system shall be capable of recording all pre-determined surveillance areas in any lighting conditions. If the Licensed Premises has a Retail Marijuana

cultivation area, a rotating schedule of lighted conditions and zero-illumination can occur as long as ingress and egress points to Flowering areas remain constantly illuminated for recording purposes.

6. Areas where Retail Marijuana is grown, tested, cured, manufactured, or stored shall have camera placement in the room facing the primary entry door at a height which will provide a clear unobstructed view of activity without sight blockage from lighting hoods, fixtures, or other equipment.

7. Cameras shall also be placed at each location where weighing, packaging, transport preparation, processing, or tagging activities occur.

8. At least one camera must be dedicated to record the access points to the secured surveillance recording area.

9. All outdoor cultivation areas must meet the same video surveillance requirements applicable to any other indoor Limited Access Areas.

D. Location and Maintenance of Surveillance Equipment

1. The surveillance room or surveillance area shall be a Limited Access Area.

2. Surveillance recording equipment must be housed in a designated, locked, and secured room or other enclosure with access limited to authorized employees, agents of the Division and relevant local jurisdiction, state or local law enforcement agencies for a purpose authorized by the Retail Code or for any other state or local law enforcement purpose, and service personnel or contractors.

3. Licensees must keep a current list of all authorized employees and service personnel who have access to the surveillance system and/or room on the Licensed Premises. Licensees must keep a surveillance equipment maintenance activity log on the Licensed Premises to record all service activity including the identity of the individual(s) performing the service, the service date and time and the reason for service to the surveillance system.

4. Off-site Monitoring and video recording storage of the Licensed Premises by the

Licensee or an independent third-party is authorized as long as standards exercised at the remote location meet or exceed all standards for on-site Monitoring.

5. Each Retail Marijuana Licensed Premises located in a common or shared building, or commonly owned Retail Marijuana Establishments located in the same local jurisdiction, must have a separate surveillance room/area that is dedicated to that specific Licensed Premises. Commonly-owned Retail Marijuana Establishments located in the same local jurisdiction may have one central surveillance room located at one of the commonly owned Licensed Premises which simultaneously serves all of the commonly-owned retail facilities. The facility that does not house the central surveillance room is required to have a review station, printer, and map of camera placement on the premises. All minimum requirements for equipment and security standards as set forth in this section apply to the review station.

6. Licensed Premises that combine both a Medical Marijuana Business and a Retail Marijuana Establishment may have one central surveillance room located at the shared Licensed Premises. See Rule R 304 – Medical Marijuana Business and Retail Marijuana Establishment: Shared Licensed Premises and Operational Separation.

E. Video Recording and Retention Requirements

1. All camera views of all Limited Access Areas must be continuously recorded 24 hours a day. The use of motion detection is authorized when a Licensee can demonstrate that monitored activities are adequately recorded.

2. All surveillance recordings must be kept for a minimum of 40 days and be in a format that can be easily accessed for viewing. Video recordings must be archived in a format that ensures authentication of the recording as legitimately captured video and guarantees that no alteration of the recorded image has taken place.

3. The Licensee's surveillance system or equipment must have the capabilities to produce a color still photograph from any camera image, live or recorded, of the Licensed Premises.

4. The date and time must be embedded on all surveillance recordings without significantly obscuring the picture.

5. Time is to be measured in accordance with the official United States time established by the National Institute of Standards and Technology and the U.S. Naval Observatory at: http://www.time.gov/timezone.cgi ?Mountain/d/-7/java

6. After the 40 day surveillance video retention schedule has lapsed, surveillance video recordings must be erased or destroyed prior to: sale or transfer of the facility or business to another Licensee; or being discarded or disposed of for any other purpose. Surveillance video recordings may not be destroyed if the Licensee knows or should have known of a pending criminal, civil or administrative investigation, or any other proceeding for which the recording may contain relevant information.

F. Other Records

1. All records applicable to the surveillance system shall be maintained on the Licensed Premises. At a minimum, Licensees shall maintain a map of the camera locations, direction of coverage, camera numbers, surveillance equipment maintenance activity log, user authorization list, and operating instructions for the surveillance equipment.

2. A chronological point-of-sale transaction log must be made available to be used in conjunction with recorded video of those transactions.

Please note that all requirements as described in this section shall be met, and only State licensed companies with proper video surveillance installation permitting will be considered to implement all required items as laid out by 1CCR212-2 R.306. All video surveillance equipment, and required installation components shall adhere to the requirements as defined in the subsections above and shall meet all Federal Communication Commission requirements for applicable use. A rough example, but not limited to, would include:

(1) Pelco, Digital Network Video Recorder with 20TB storage

(1) Pelco, Digital Network Video Recorder with 12TB storage

(6) Pelco, 2MP Pendant Mount Environmental Day/Night Mini Dome IP Camera with 3 to 9mm Lens

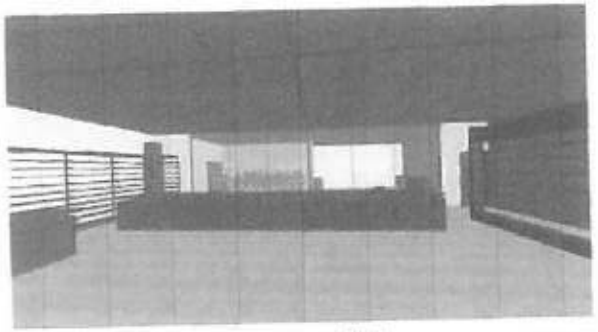
(19) Pelco, 2MP Day/Night Pendant Mount Indoor Mini Dome IP Camera with 3 to 9mm Lens

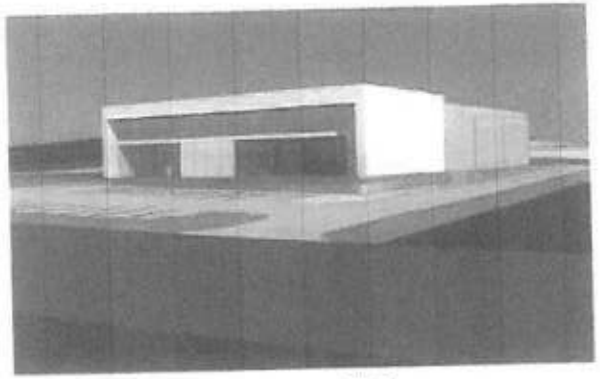
(2) Pelco, 12MP 180° Panoramic Vandal-Resistant IP Dome Camera

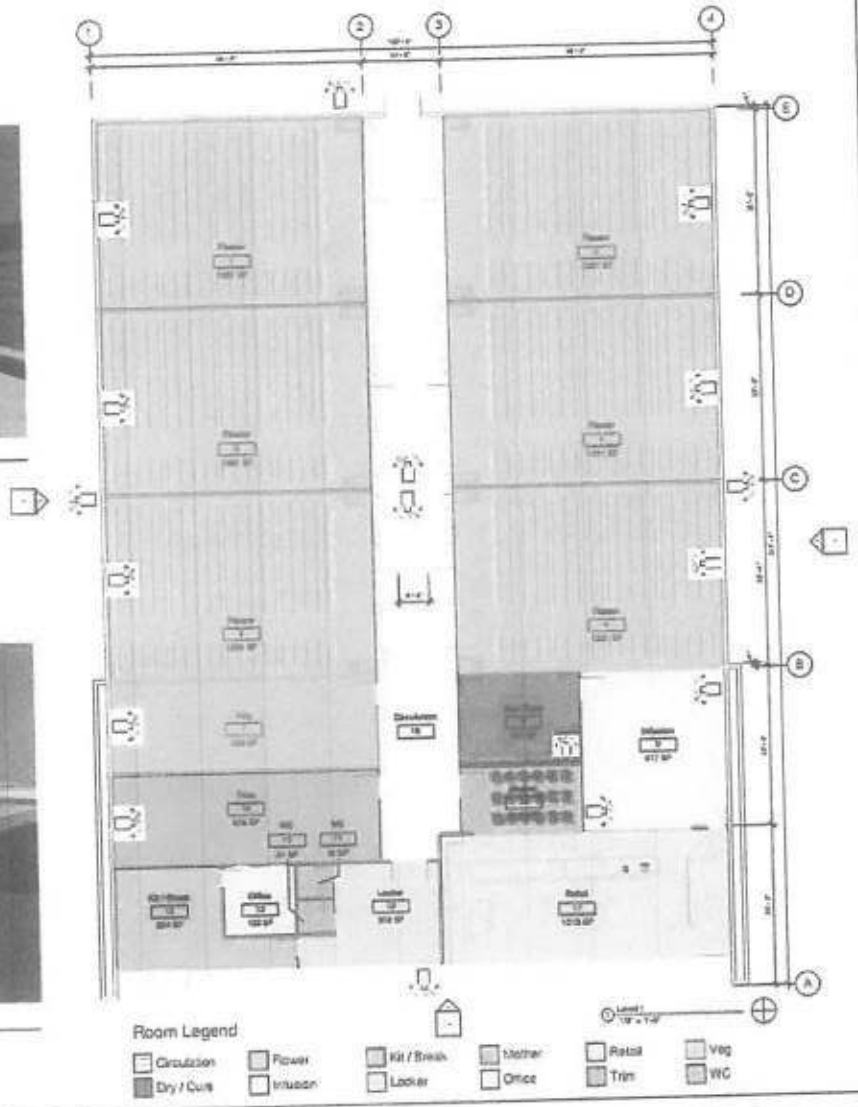
(3) Pelco, Evolution 360° 5 MP Indoor Camera with Fisheye Lens

(29) Pelco, IP Camera licenses

All the above is only an example of equipment and by no means suggest or commit the license holder to the required use or purchase of the items or materials mentioned. Again, an accurate site survey, and detailed security plan may be completed as the final and approved site plan is completed



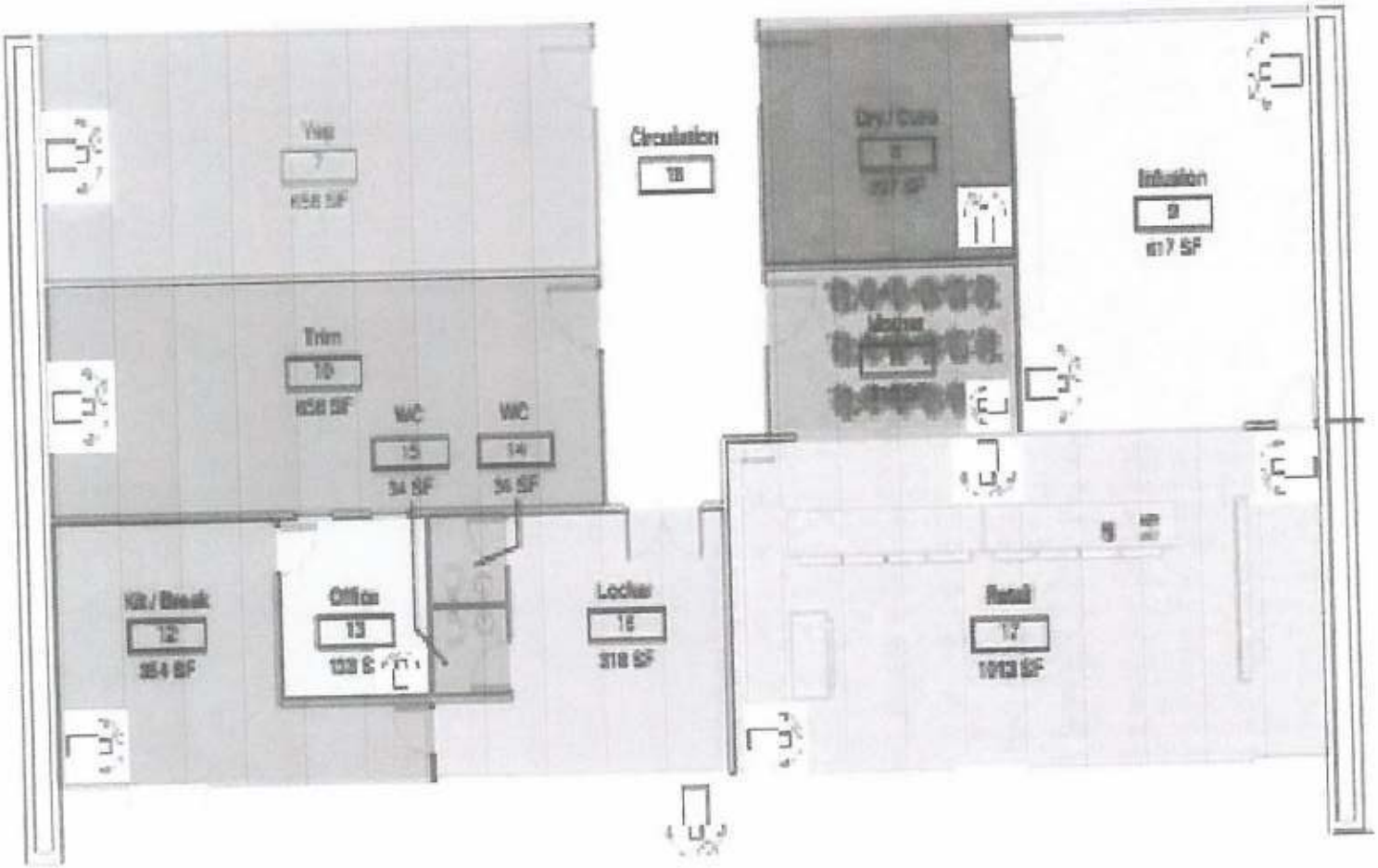




NED PROPERTIES INC

Floor Plan

A1.0


Circulation
18
Trim
10
WC
15
WC
14
Office
13
Locker
16
Retail
17
Infusion
9

Town Of Parachute – Retail Marijuana Establishment Business License Application

Page 4: Has the Applicant ever been denied a marijuana license? Answer: Yes

As for the answer to the remaining topics in the Question: Has the applicant ever withdrawn a marijuana license or had disciplinary action taken against any marijuana license that they have held in this or any other jurisdiction? Answer: No

Gregory Patrick Honan is the Owner of Herbal Elements LLP and is also the owner of Parachute Unlimited LLC, the current applicant with the Town of Parachute in relation to the associated Retail Marijuana Establishment Business License. Gregory Honan via Herbal Elements currently has four active Colorado Department of Revenue Marijuana Enforcement Division issued marijuana licenses and four active Eagle County, Colorado local jurisdiction Marijuana licenses:

- Medical Marijuana Center, Medical Marijuana Optional Premises Cultivation , Retail Marijuana Cultivation and Retail Marijuana Products Manufacturing

Herbal Elements LLP opened in unincorporated Eagle County, CO August 24th, 2009. The local jurisdiction for Retail Marijuana for Herbal Elements is Eagle County.

As far as the denied license, it was simply a competitive process, which Herbal Elements did not become a finalist in the competition, per the Eagle County, Colorado website:

http://www.eaglecounty.us/Planning/Marijuana_Businesses/Retail/

"On January 2nd, 2014, Eagle County enacted regulatory control over the Retail Marijuana industry within the unincorporated regions of the county. Pursuant to the state statue, Eagle County is authorized to develop and implement retail marijuana business license requirement."

Eagle County, Colorado established a competitive application process for Retail Marijuana Stores for a limited number, six, of Retail Marijuana Licenses to be issued in 2014. A very large number of applicants entered into this limited license competition. Herbal Elements was in the process of moving its current medical marijuana center and had not secured a long term lease agreement for the potential new Retail Marijuana Center aforementioned in the Eagle County regulations. Therefore, Gregory Honan and Herbal Elements did not "win" one of the 6 limited Retail Marijuana Licenses at the time. Eagle County stated via the attached letter:

"Although your application met the majority of local licensing requirements, yours was not chosen as a finalist to receive a Retail Marijuana Store License in unincorporated Eagle County at this time" (letter from Scot Hunn – Senior Planner Eagle County dated May 14th, 2014).

There were no violations or disciplinary actions taken in relation to this competitive licensing process in which the limited license was simply not awarded to the applicant

EAGLE COUNTY

May 15, 2014

Herbal Elements
C/o: Greg Honan
P.O. 2344
Avon, CO. 81620

Via: hojorisen@hotmail.com

RE: Eagle County Retail Marijuana Store License Application Denial
Herbal Elements - File No. MJR-4772

Mr. Honan,

Thank you for your recent application for a new Retail Marijuana Store license for Herbal Elements, proposed to be located at 041184 U.S. Hwy. 6, Unit 190, Colorado.

On behalf of the Eagle County Marijuana Business Licensing Authority (hereinafter the "Authority"), please accept this letter as verification that the Authority has completed its review of your application. Specifically, license applications were evaluated against the standards and requirements enumerated within the Eagle County Medical and Retail Marijuana Business Licensing Regulations (Resolution No. 2013-124).

Although your application met the majority of local licensing requirements, yours was not chosen as a finalist to receive a Retail Marijuana Store license in unincorporated Eagle County at this time.

I sincerely appreciate your cooperation and diligence in working with the Authority during the process of receiving and reviewing your application.

Please contact me at (970) 328-8624 if you have any questions regarding the action taken by the Authority, or if you require additional assistance.

Kindest regards,

Scot Hunn, AICP
Senior Planner

xc: file

Town Of Parachute – Retail Marijuana Establishment Business License Application

Page 3: Has the Applicant ever been denied a privileged license? Answer: Yes, but it was only due to not winning a competitive process, not related to any disciplinary or negative actions.

Gregory Patrick Honan is the Owner of Herbal Elements LLP and is also the owner of Parachute Unlimited LLC, the current applicant with the Town of Parachute in relation to the associated Retail Marijuana Establishment Business License. Gregory Honan via Herbal Elements currently has four active Colorado Department of Revenue Marijuana Enforcement Division issued marijuana licenses and four active Eagle County, Colorado local jurisdiction Marijuana licenses:

- Medical Marijuana Center, Medical Marijuana Optional Premises Cultivation , Retail Marijuana Cultivation and Retail Marijuana Products Manufacturing

Herbal Elements LLP opened in unincorporated Eagle County, CO August 24th, 2009. The local jurisdiction for Retail Marijuana for Herbal Elements is Eagle County.

Per the Eagle County, Colorado website:

http://www.eaglecounty.us/Planning/Marijuana_Businesses/Retail/

"On January 2nd, 2014, Eagle County enacted regulatory control over the Retail Marijuana industry within the unincorporated regions of the county. Pursuant to the state statue, Eagle County is authorized to develop and implement retail marijuana business license requirement."

Eagle County, Colorado established a competitive application process for Retail Marijuana Stores for a limited number, six, of Retail Marijuana Licenses to be issued in 2014. A very large number of applicants entered into this limited license competition. Herbal Elements was in the process of moving its current medical marijuana center and had not secured a long term lease agreement for the potential new Retail Marijuana Center aforementioned in the Eagle County regulations. Therefore, Gregory Honan and Herbal Elements did not "win" one of the 6 limited Retail Marijuana Licenses at the time. Eagle County stated via the attached letter:

"Although your application met the majority of local licensing requirements, yours was not chosen as a finalist to receive a Retail Marijuana Store License in unincorporated Eagle County at this time" (letter from Scot Hunn – Senior Planner Eagle County dated May 14th, 2014).

There were no violations or disciplinary actions taken in relation to this competitive licensing process in which the limited license was simply not awarded to the applicant. Attached is the letter from Eagle County Senior Planner Scot Hunn stating that Herbal Elements was not chosen as a finalist for this license.

EAGLE COUNTY

May 15, 2014

Herbal Elements
C/o: Greg Honan
P.O. 2344
Avon, CO. 81620

Via: hojorisen@hotmail.com

RE: **Eagle County Retail Marijuana Store License Application Denial**
Herbal Elements - File No. MJR-4772

Mr. Honan,

Thank you for your recent application for a new Retail Marijuana Store license for Herbal Elements, proposed to be located at 041184 U.S. Hwy. 6, Unit 190, Colorado.

On behalf of the Eagle County Marijuana Business Licensing Authority (hereinafter the "Authority"), please accept this letter as verification that the Authority has completed its review of your application. Specifically, license applications were evaluated against the standards and requirements enumerated within the Eagle County Medical and Retail Marijuana Business Licensing Regulations (Resolution No. 2013-124).

Although your application met the majority of local licensing requirements, yours was not chosen as a finalist to receive a Retail Marijuana Store license in unincorporated Eagle County at this time.

I sincerely appreciate your cooperation and diligence in working with the Authority during the process of receiving and reviewing your application.

Please contact me at (970) 328-8624 if you have any questions regarding the action taken by the Authority, or if you require additional assistance.

Kindest regards,

Scot Hunn, AICP
Senior Planner

xc: file

MEMORANDUM

TO: BRYAN MCLAREN

FROM: DAVIS FARRAR - PARACHUTE PLANNER

SUBJECT: ZONED PROPERTIES SPECIAL REVIEW USE AND VESTED RIGHTS APPLICATION COMPLETENESS REVIEW

DATE: 6/6/2015

CC: STUART MCARTHUR - TOWN MANAGER

The Zoned Colorado Marijuana Facility application for Zoned Properties, Inc. on behalf of Parachute Development Corporation Special Review Use and Vested Property Rights was received on June 1, 2016 and additional submittals were made June 3, 2016. The application consisted of the following items:

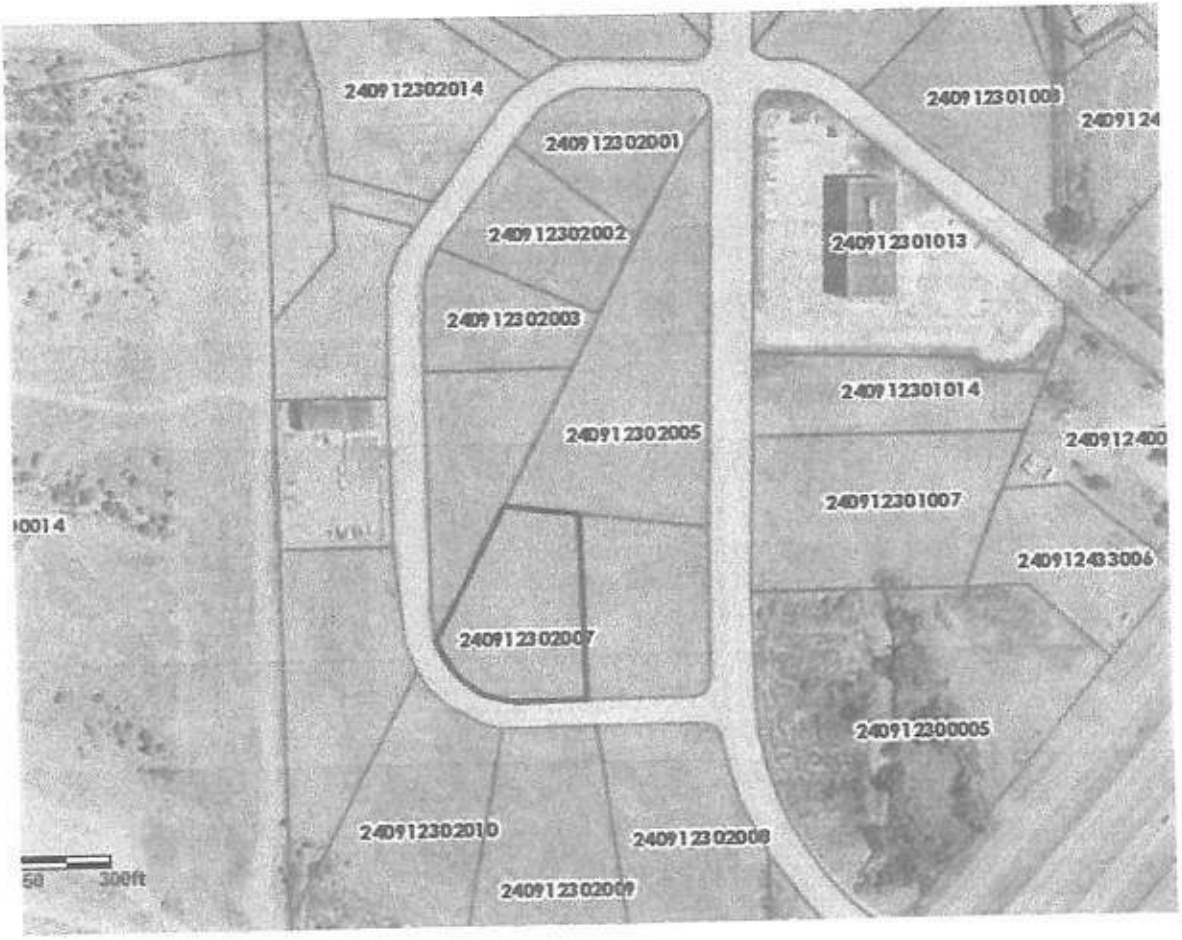
- ✓ Application form.
- ✓ Application fee.
- ✓ Letter of authorization.
- ✓ Names and addresses of owners of the property within 200 ft.
- ✓ Names and addresses owners or lessees of mineral rights for the property.
- ✓ Statement of Taxes Due.
- ✓ Project narrative.
- ✓ Vested property rights agreement project narrative.
- ✓ Legal description of the property.
- ✓ Proof of Ownership.
- ✓ Owner Authorization for Zoned Properties, Inc. to Process the Application.
- ✓ Vicinity map.
- ✓ Site Plan dated 6/1/16

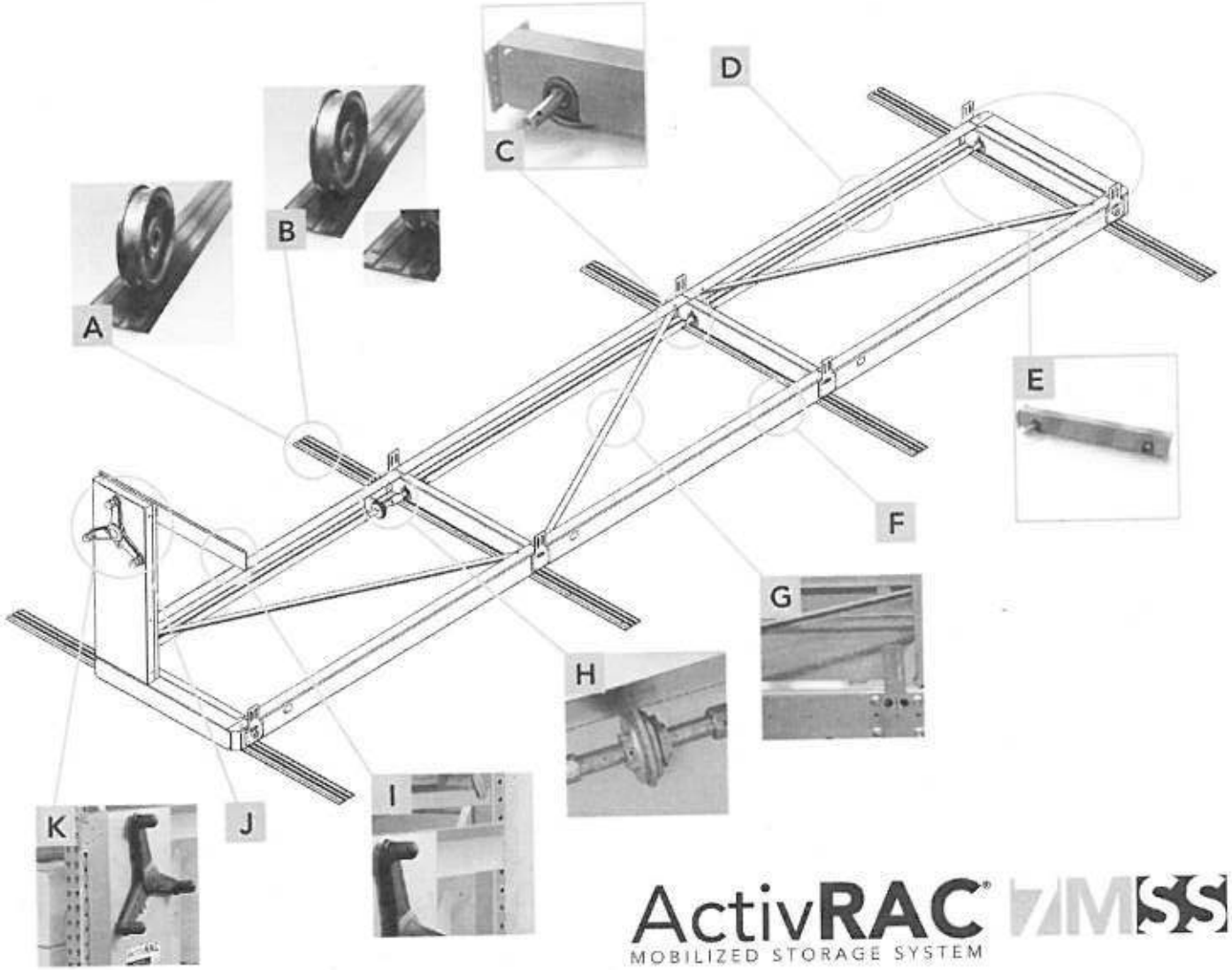
It is understood that s detailed site plan will be submitted at the time of building permit and will be subject to staff/consultant review and approval prior to issuance of building permit in conformance with the following requirements. "15.07.112 Site Plan Review. Prior to the issuance of a building permit for all uses except single-family residences, a site plan must be submitted as required by Section 15.01.114. In addition to the building permit requirements, the following information shall be submitted for a parking lot or parking area:

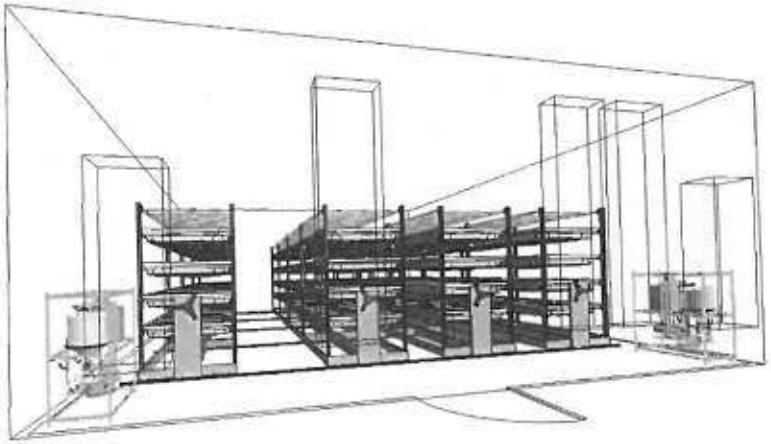
EXHIBIT B:
OUTLINE OF THE PREMISES

PARCEL ID: 2409-123-02-007
Section: 12 Township: 7 Range: 96

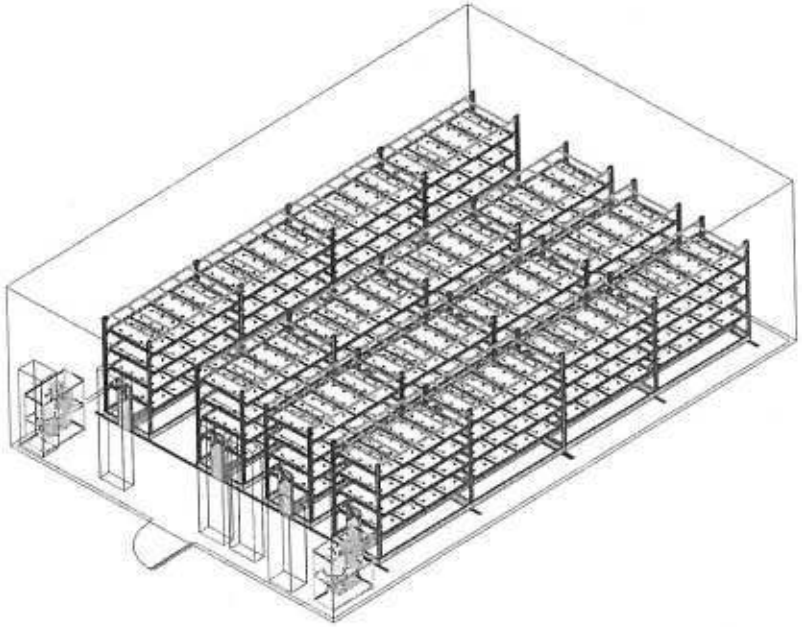
LEGAL DESCRIPTION: Subdivision:
PARACHUTE PARK P.U.D. Block: 3 Lot: 7
AMENDED LOTS 1-3, 6-10, BLOCK 2 & LOTS 1-18, BLOCK 3 REC #784960

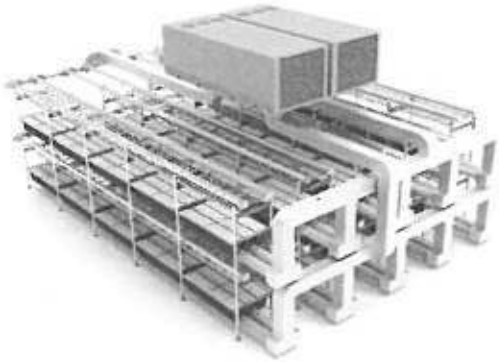



A
B
C
D
E
F
G
H
I
J
K
ActivRAC
MOBILIZED STORAGE SYSTEM



4096 Plants





Ducted System

256 Plants

2016-04-21_Parachute Purchase Agreement

Adobe Document Cloud Document History 04/21/2016

Created:	04/21/2016
By:	Zoned Admin (info@zonedproperties.com)
Status:	SIGNED
Transaction ID:	CBJCHBCAABAAIng2M5wst9z-dAmedp7_Or18647GH6s3

"2016-04-21_Parachute Purchase Agreement" History

Document created by Zoned Admin (info@zonedproperties.com)
04/21/2016 - 1:04:20 PDT - IP address: 184.176.158.153

Document emailed to Hayden Rader (hrader@rof.net) for signature
04/21/2016 - 1:10:54 PDT

Document emailed to Bryan McLaren (bryan@zonedproperties.com) for signature
04/21/2016 - 1:10:55 PDT

Document viewed by Hayden Rader (hrader@rof.net)
04/21/2016 - 1:13:35 PDT - IP address: 71.34.150.145

Document viewed by Bryan McLaren (bryan@zonedproperties.com)
04/21/2016 - 1:30:45 PDT - IP address: 184.176.158.153

Bryan McLaren (bryan@zonedproperties.com) has agreed to the terms of use and to do business electronically with Zoned Properties
04/21/2016 - 1:37:31 PDT - IP address: 184.176.158.153

Document e-signed by Bryan McLaren (bryan@zonedproperties.com)
Signature Date: 04/21/2016 - 1:37:31 PDT - Time Source: server - IP address: 184.176.158.153

Hayden Rader (hrader@rof.net) has agreed to the terms of use and to do business electronically with Zoned Properties
04/21/2016 - 2:19:46 PDT - IP address: 71.34.150.145

Document e-signed by Hayden Rader (hrader@rof.net)
Signature Date: 04/21/2016 - 2:19:46 PDT - Time Source: server - IP address: 71.34.150.145

Signed document emailed to Zoned Admin (info@zonedproperties.com), Hayden Rader (hrader@rof.net) and Bryan McLaren (bryan@zonedproperties.com)

04/21/2016 - 2:19:46 PDT

2016-02-16_Zoned Properties letter of intent for Parachute Park Final

Adobe Document Cloud Document History

2/17/16

Created:	2/17/16
By:	Zoned Admin (info@zonedproperties.com)
Status:	SIGNED
Transaction ID:	CBJCHBCAABAAx-3DZnEHicdDpKgwDrGfvMihQXdghrD4

"2016-02-16_Zoned Properties letter of intent for Parachute Park Final" History

Document created by Zoned Admin (info@zonedproperties.com)
2/17/16 - 8:36:17 PST - IP address: 184.176.158.153

Document emailed to Hayden Rader (hrader@rof.net) for signature
2/17/16 - 8:37:18 PST

Document emailed to Bryan McLaren (bryan@zonedproperties.com) for signature
2/17/16 - 8:37:19 PST

Document viewed by Bryan McLaren (bryan@zonedproperties.com)
2/17/16 - 8:41:46 PST - IP address: 184.176.158.153

Document viewed by Hayden Rader (hrader@rof.net)
2/17/16 - 8:44:52 PST - IP address: 71.33.168.183

Hayden Rader (hrader@rof.net) has agreed to the terms of use and to do business electronically with Zoned Properties
2/17/16 - 9:12:09 PST - IP address: 71.33.168.183

Document e-signed by Hayden Rader (hrader@rof.net)
Signature Date: 2/17/16 - 9:12:09 PST - Time Source: server - IP address: 71.33.168.183

Bryan McLaren (bryan@zonedproperties.com) has agreed to the terms of use and to do business electronically with Zoned Properties
2/17/16 - 9:15:21 PST - IP address: 184.176.158.153

ZONED®
PROPERTIES INC

14300 N. Northsight Blvd #208
Scottsdale, AZ 85260

EXHIBIT B: TERMS

PURCHASE PRICE:	$499,857
TERMS:	Buyer to put down 55% of purchase price and Seller to finance 45% of purchase price at an interest rate of 6.5% amortized over a five (5) year period with a balloon payment at the end of year five (5). Payments will be made monthly. No pre-payment penalty will apply.
OPTIONS:	Seller to give Buyer first right of refusal for the option to purchase Lots 3, 4 and 5 in same development known as Parachute Park.

IN WITNESS WHEREOF, THE PARTIES HAVE EXECUTED THIS LOI,

BUYER:

ZONED COLORADO PROPERTIES, a Colorado limited liability company

By: Bryan McLaren

Name: Bryan McLaren

Its: Authorized Agent

Date: Feb 17, 2016, 2016

SELLER:

PARACHUTE DEVELOPMENT CORPORATION.

By: Hayden Rader
Hayden Rader (Feb 17, 2016)

Name: Hayden Rader

Its: President

Date: Feb 17, 2016, 2016

ZONED®
PROPERTIES INC

14300 N. Northsight Blvd #208
Scottsdale, AZ 85260

Binding Letter of Intent

Between:
Zoned Colorado Properties, LLC.
("Buyer")

And:
Parachute Development Corporation
("Seller")

RE: Lot #7 N. Diamond Loop Rd
Parachute, Colorado, 81635

WHEREAS, it is the intent of the parties to enter into this binding Letter of Intent (this "LOI"), which outlines the essential material terms for the execution of a Purchase Agreement for the purchase of Lot #7 N. Diamond Loop Rd, Parachute, Colorado, 81635.

Premises: Exhibit A – Property Site and Description.

Purchase Agreement: Subject to the terms of this LOI, including the contingencies described below, Buyer and Seller shall execute a purchase agreement consistent with the terms of this LOI, no later than the date that is forty-five (45) business days after execution of LOI.

Purchase Price: See Exhibit B – Terms

Close of Escrow: Close of Escrow shall be 30 days or less after all contingencies are satisfied.

Earnest Funds: Upon execution of the Purchase Agreement, Buyer to deliver earnest money in the amount of ~~$10,000~~ to title company within 2 business days.
$45,000 AK BH

Closing Costs: Buyer and Seller to pay their normal and customary closing costs.

Prorations: Taxes, rents, and other income and expenses pertaining to the subject property shall be apportioned and prorated between Buyer and Seller as of Close of Escrow.

Due Diligence Period: Upon execution of the Purchase Agreement, Buyer shall commence their Due Diligence period. The Due Diligence period shall expire 45 days after execution of Purchase Agreement. During the Due Diligence period the parties shall cooperate in good faith to complete this due diligence. Seller shall provide all applicable Due Diligence items as indicated on Purchase Agreement.

Parachute Development Corporation
By Hayden Rader, President

32. COUNTER; REJECTION. This offer is ☐ Countered ☐ Rejected.
Initials only of party (Buyer or Seller) who countered or rejected offer

_____ _____ _____ _____

END OF CONTRACT TO BUY AND SELL REAL ESTATE

---

33. BROKER'S ACKNOWLEDGMENTS AND COMPENSATION DISCLOSURE.
(To be completed by Broker working with Buyer)

Broker ☐ **Does** ☒ **Does Not** acknowledge receipt of Earnest Money deposit and, while not a party to the Contract, agrees to cooperate upon request with any mediation concluded under § 23. Broker agrees that if Brokerage Firm is the Earnest Money Holder and, except as provided in § 24, if the Earnest Money has not already been returned following receipt of a Notice to Terminate or other written notice of termination, Earnest Money Holder will release the Earnest Money as directed by the written mutual instructions. Such release of Earnest Money will be made within five days of Earnest Money Holder's receipt of the executed written mutual instructions, provided the Earnest Money check has cleared.

Broker is working with Buyer as a ☐ **Buyer's Agent** ☐ **Seller's Agent** ☒ **Transaction-Broker** in this transaction. ☐ This is a **Change of Status.**

Brokerage Firm's compensation or commission is to be paid by ☒ **Listing Brokerage Firm** ☐ **Buyer** ☐ **Other** ***n/a.***

Brokerage Firm's Name: ***RE/MAX Country***

Del Dawson Date: ***4/15/2016***

Broker's Name: ***Del Dawson***
Address: ***175 Columbine Court Parachute, CO 81635***
Ph: ***9702851128*** Fax: ***9702851137*** Email: ***deldawson@remax.net***

---

34. BROKER'S ACKNOWLEDGMENTS AND COMPENSATION DISCLOSURE.
(To be completed by Broker working with Seller)

Broker ☐ **Does** ☒ **Does Not** acknowledge receipt of Earnest Money deposit and, while not a party to the Contract, agrees to cooperate upon request with any mediation concluded under § 23. Broker agrees that if Brokerage Firm is the Earnest Money Holder and, except as provided in § 24, if the Earnest Money has not already been returned following receipt of a Notice to Terminate or other written notice of termination, Earnest Money Holder will release the Earnest Money as directed by the written mutual instructions. Such release of Earnest Money will be made within five days of Earnest Money Holder's receipt of the executed written mutual instructions, provided the Earnest Money check has cleared.

Broker is working with Seller as a ☐ **Seller's Agent** ☐ **Buyer's Agent** ☒ **Transaction-Broker** in this transaction. ☐ This is a **Change of Status.**

23. MEDIATION. If a dispute arises relating to this Contract, (whether prior to or after Closing) and is not resolved, the parties must first proceed, in good faith, to mediation. Mediation is a process in which the parties meet with an impartial person who helps to resolve the dispute informally and confidentially. Mediators cannot impose binding decisions. Before any mediated settlement is binding, the parties to the dispute must agree to the settlement, in writing. The parties will jointly appoint an acceptable mediator and will share equally in the cost of such mediation. The obligation to mediate, unless otherwise agreed, will terminate if the entire dispute is not resolved within thirty days of the date written notice requesting mediation is delivered by one party to the other at that party's last known address (physical or electronic as provided in § 27). Nothing in this Section prohibits either party from filing a lawsuit and recording a *lis pendens* affecting the Property, before or after the date of written notice requesting mediation. This section will not alter any date in this Contract, unless otherwise agreed.

24. EARNEST MONEY DISPUTE. Except as otherwise provided herein, Earnest Money Holder must release the Earnest Money following receipt of written mutual instructions, signed by both Buyer and Seller. In the event of any controversy regarding the Earnest Money, Earnest Money Holder is not required to release the Earnest Money. Earnest Money Holder, in its sole subjective discretion, has several options: (1) wait for any proceeding between Buyer and Seller; (2) interplead all parties and deposit Earnest Money into a court of competent jurisdiction, (Earnest Money Holder is entitled to recover court costs and reasonable attorney and legal fees incurred with such action); or (3) provide notice to Buyer and Seller that unless Earnest Money Holder receives a copy of the Summons and Complaint or Claim (between Buyer and Seller) containing the case number of the lawsuit (Lawsuit) within one hundred twenty days of Earnest Money Holder's notice to the parties, Earnest Money Holder is authorized to return the Earnest Money to Buyer. In the event Earnest Money Holder does receive a copy of the Lawsuit, and has not interpled the monies at the time of any Order, Earnest Money Holder must disburse the Earnest Money pursuant to the Order of the Court. The parties reaffirm the obligation of **Mediation**. This Section will survive cancellation or termination of this Contract.

25. TERMINATION.

25.1. Right to Terminate. If a party has a right to terminate, as provided in this Contract (Right to Terminate), the termination is effective upon the other party's receipt of a written notice to terminate (Notice to Terminate), provided such written notice was received on or before the applicable deadline specified in this Contract. If the Notice to Terminate is not received on or before the specified deadline, the party with the Right to Terminate accepts the specified matter, document or condition as satisfactory and waives the Right to Terminate under such provision.

25.2. Effect of Termination. In the event this Contract is terminated, all Earnest Money received hereunder will be returned and the parties are relieved of all obligations hereunder, subject to §§ 10.4, 22, 23 and 24.

26. ENTIRE AGREEMENT, MODIFICATION, SURVIVAL; SUCCESSORS. This Contract, its exhibits and specified addenda, constitute the entire agreement between the parties relating to the subject hereof, and any prior agreements pertaining thereto, whether oral or written, have been merged and integrated into this Contract. No subsequent modification of any of the terms of this Contract is valid, binding upon the parties, or enforceable unless made in writing and signed by the parties. Any right or obligation in this Contract that, by its terms, exists or is intended to be performed after termination or Closing survives the same. Any successor to a Party receives the predecessor's benefits and obligations of this Contract.

27. NOTICE, DELIVERY, AND CHOICE OF LAW.

27.1. Physical Delivery and Notice. Any document, or notice to Buyer or Seller must be in writing, except as provided in § 27.2, and is effective when physically received by such party, any individual named in this Contract to receive documents or notices for such party, the Broker, or Brokerage Firm of Broker working with such party (except any notice or delivery after Closing must be received by the party, not Broker or Brokerage Firm).

CTMcContracts.com - ©2014 CTM Software Corp.

installed as of the date of Buyer's signature hereon, whether assessed prior to or after Closing, will be the obligation of Seller. Seller represents that the Association Assessments are currently payable at approximately $ ***n/a*** per ***n/a*** and that there are no unpaid regular or special assessments against the Property except the current regular assessments and ***NO association fees are currently assessed.*** . Such assessments are subject to change as provided in the Governing Documents. Seller agrees to promptly request the Association to deliver to Buyer before **Closing Date** a current Status Letter.

16.4. Other Prorations. Water and sewer charges, propane, interest on continuing loan, and ***None***.

16.5. Final Settlement. Unless otherwise agreed in writing, these prorations are final.

17. POSSESSION. Possession of the Property will be delivered to Buyer on **Possession Date** at **Possession Time**, subject to the Leases as set forth in § 10.6.1.7.

If Seller, after Closing, fails to deliver possession as specified, Seller will be subject to eviction and will be additionally liable to Buyer for payment of $ ***n/a*** per day (or any part of a day notwithstanding § 18.1) from **Possession Date** and **Possession Time** until possession is delivered.

GENERAL PROVISIONS

18. DAY; COMPUTATION OF PERIOD OF DAYS, DEADLINE.

18.1. Day. As used in this Contract, the term "day" means the entire day ending at 11:59 p.m., United States Mountain Time (Standard or Daylight Savings as applicable).

18.2. Computation of Period of Days, Deadline. In computing a period of days, when the ending date is not specified, the first day is excluded and the last day is included (e.g., three days after MEC). If any deadline falls on a Saturday, Sunday or federal or Colorado state holiday (Holiday), such deadline ☒ **Will** ☐ **Will Not** be extended to the next day that is not a Saturday, Sunday or Holiday. Should neither box be checked, the deadline will not be extended.

19. CAUSES OF LOSS, INSURANCE; DAMAGE TO INCLUSIONS AND SERVICES; CONDEMNATION; AND WALK-THROUGH. Except as otherwise provided in this Contract, the Property, Inclusions or both will be delivered in the condition existing as of the date of this Contract, ordinary wear and tear excepted.

19.1. Causes of Loss, Insurance. In the event the Property or Inclusions are damaged by fire, other perils or causes of loss prior to Closing in an amount of not more than ten percent of the total Purchase Price (Property Damage), and if the repair of the damage will be paid by insurance (other than the deductible to be paid by Seller), then Seller, upon receipt of the insurance proceeds, will use Seller's reasonable efforts to repair the Property before **Closing Date**. Buyer has the Right to Terminate under § 25.1, on or before **Closing Date** if the Property is not repaired before **Closing Date** or if the damage exceeds such sum. Should Buyer elect to carry out this Contract despite such Property Damage, Buyer is entitled to a credit at Closing for all insurance proceeds that were received by Seller (but not the Association, if any) resulting from damage to the Property and Inclusions, plus the amount of any deductible provided for in the insurance policy. This credit may not exceed the Purchase Price. In the event Seller has not received the insurance proceeds prior to Closing, the parties may agree to extend the **Closing Date** to have the Property repaired prior to Closing or, at the option of Buyer, (1) Seller must assign to Buyer the right to the proceeds at Closing, if acceptable to Seller's insurance company and Buyer's lender; or (2) the parties may enter into a written agreement prepared by the parties or their attorney requiring the Seller to escrow at Closing from Seller's sale proceeds the amount Seller has received and will receive due to such damage, not exceeding the total Purchase Price, plus the amount of any deductible that applies to the insurance claim.

19.2. Damage, Inclusions and Services. Should any Inclusion or service (including utilities and communication services), system, component or fixture of the Property (collectively Service) (e.g., heating or plumbing), fail or be damaged between the date of this Contract and Closing or possession, whichever is earlier, then Seller is liable for the repair or replacement of such Inclusion or Service with a unit of similar size, age and quality, or an equivalent credit, but only to the extent that the maintenance or

CTMeContracts.com - ©2014 CTM Software Corp.

11.1.1. The commencement date of the Lease and scheduled termination date of the Lease;

11.1.2. That said Lease is in full force and effect and that there have been no subsequent modifications or amendments;

11.1.3. The amount of any advance rentals paid, rent concessions given, and deposits paid to Seller;

11.1.4. The amount of monthly (or other applicable period) rental paid to Seller;

11.1.5. That there is no default under the terms of said Lease by landlord or occupant; and

11.1.6. That the Lease to which the Estoppel is attached is a true, correct and complete copy of the Lease demising the premises it describes.

11.2. **Tenant Estoppel Statements Objection**. Buyer has the Right to Terminate under § 25.1, on or before **Tenant Estoppel Statements Objection Deadline**, based on any unsatisfactory Estoppel Statement, in Buyer's sole subjective discretion, or if Seller fails to deliver the Estoppel Statements on or before **Tenant Estoppel Statements Deadline**. Buyer also has the unilateral right to waive any unsatisfactory Estoppel Statement.

CLOSING PROVISIONS

12. CLOSING DOCUMENTS, INSTRUCTIONS AND CLOSING.

12.1. Closing Documents and Closing Information. Seller and Buyer will cooperate with the Closing Company to enable the Closing Company to prepare and deliver documents required for Closing to Buyer and Seller and their designees. If Buyer is obtaining a new loan to purchase the Property, Buyer acknowledges Buyer's lender is required to provide the Closing Company, in a timely manner, all required loan documents and financial information concerning Buyer's new loan. Buyer and Seller will furnish any additional information and documents required by Closing Company that will be necessary to complete this transaction. Buyer and Seller will sign and complete all customary or reasonably required documents at or before Closing.

12.2. Closing Instructions. Colorado Real Estate Commission's Closing Instructions ☐**Are** ☐**Are Not** executed with this Contract.

12.3. Closing. Delivery of deed from Seller to Buyer will be at closing (Closing). Closing will be on the date specified as the **Closing Date** or by mutual agreement at an earlier date. The hour and place of Closing will be as designated by ***Broker***.

12.4. Disclosure of Settlement Costs. Buyer and Seller acknowledge that costs, quality, and extent of service vary between different settlement service providers (e.g., attorneys, lenders, inspectors and title companies).

13. TRANSFER OF TITLE. Subject to tender of payment at Closing as required herein and compliance by Buyer with the other terms and provisions hereof, Seller must execute and deliver a good and sufficient ***Special Warranty*** deed to Buyer, at Closing, conveying the Property free and clear of all taxes except the general taxes for the year of Closing. Except as provided herein, title will be conveyed free and clear of all liens, including any governmental liens for special improvements installed as of the date of Buyer's signature hereon, whether assessed or not. Title will be conveyed subject to:

13.1. Those specific Exceptions described by reference to recorded documents as reflected in the Title Documents accepted by Buyer in accordance with **Record Title**,

13.2. Distribution utility easements (including cable TV),

13.3. Those specifically described rights of third parties not shown by the public records of which Buyer has actual knowledge and which were accepted by Buyer in accordance with **Off-Record Title** and **New ILC or New Survey**,

13.4. Inclusion of the Property within any special taxing district, and

13.5. Any special assessment if the improvements were not installed as of the date of Buyer's signature hereon, whether assessed prior to or after Closing, and

13.6. Other ***n/a***.

CTMcContracts.com - ©2014 CTM Software Corp.

engineering reports, or other reports performed at Buyer's request (Work) and must pay for any damage that occurs to the Property and Inclusions as a result of such Work. Buyer must not permit claims or liens of any kind against the Property for Work performed on the Property. Buyer agrees to indemnify, protect and hold Seller harmless from and against any liability, damage, cost or expense incurred by Seller and caused by any such Work, claim, or lien. This indemnity includes Seller's right to recover all costs and expenses incurred by Seller to defend against any such liability, damage, cost or expense, or to enforce this section, including Seller's reasonable attorney fees, legal fees and expenses. The provisions of this section survive the termination of this Contract. This § 10.4 does not apply to items performed pursuant to an Inspection Resolution.

10.5. Insurability. Buyer has the right to review and object to the availability, terms and conditions of and premium for property insurance (Property Insurance). Buyer has the Right to Terminate under § 25.1, on or before **Property Insurance Objection Deadline**, based on any unsatisfactory provision of the Property Insurance, in Buyer's sole subjective discretion.

10.6. Due Diligence.

10.6.1. Due Diligence Documents. If the respective box is checked, Seller agrees to deliver copies of the following documents and information pertaining to the Property (Due Diligence Documents) to Buyer on or before **Due Diligence Documents Delivery Deadline**:

☐ **10.6.1.1.** All contracts relating to the operation, maintenance and management of the Property;

☐ **10.6.1.2.** Property tax bills for the last ***na*** years;

☐ **10.6.1.3.** As-built construction plans to the Property and the tenant improvements, including architectural, electrical, mechanical, and structural systems, engineering reports, and permanent Certificates of Occupancy, to the extent now available;

☐ **10.6.1.4.** A list of all Inclusions to be conveyed to Buyer;

☐ **10.6.1.5.** Operating statements for the past ***n/a*** years;

☐ **10.6.1.6.** A rent roll accurate and correct to the date of this Contract;

☐ **10.6.1.7.** All current leases, including any amendments or other occupancy agreements, pertaining to the Property. Those leases or other occupancy agreements pertaining to the Property that survive Closing are as follows (Leases): ***n/a***

☐ **10.6.1.8.** A schedule of any tenant improvement work Seller is obligated to complete but has not yet been completed and capital improvement work either scheduled or in process on the date of this Contract;

☐ **10.6.1.9.** All insurance policies pertaining to the Property and copies of any claims which have been made for the past ***n/a*** years;

☐ **10.6.1.10.** Soils reports, surveys and engineering reports or data pertaining to the Property (if not delivered earlier under § 8.3);

☐ **10.6.1.11.** Any and all existing documentation and reports regarding Phase I and II environmental reports, letters, test results, advisories, and similar documents respective to the existence or nonexistence of asbestos, PCB transformers, or other toxic, hazardous or contaminated substances, and/or underground storage tanks and/or radon gas. If no reports are in Seller's possession or known to Seller, Seller warrants that no such reports are in Seller's possession or known to Seller;

☐ **10.6.1.12.** Any *Americans with Disabilities Act* reports, studies or surveys concerning the compliance of the Property with said Act;

☐ **10.6.1.13.** All permits, licenses and other building or use authorizations issued by any governmental authority with jurisdiction over the Property and written notice of any violation of any such permits, licenses or use authorizations, if any; and

☐ **10.6.1.14.** Other documents and information:

n/a

10.6.2. Due Diligence Documents Review and Objection. Buyer has the right to review and object to Due Diligence Documents. If the Due Diligence Documents are not supplied to Buyer or are unsatisfactory in Buyer's sole subjective discretion, Buyer may, on or before **Due Diligence Documents Objection Deadline**:

CTMeContracts.com - ©2014 CTM Software Corp.

COMMISSIONERS, THE COUNTY CLERK AND RECORDER, OR THE COUNTY ASSESSOR.

Buyer has the Right to Terminate under § 25.1, on or before **Off-Record Title Objection Deadline**, based on any unsatisfactory effect of the Property being located within a special taxing district, in Buyer's sole subjective discretion.

8.6. Right of First Refusal or Contract Approval. If there is a right of first refusal on the Property or a right to approve this Contract, Seller must promptly submit this Contract according to the terms and conditions of such right. If the holder of the right of first refusal exercises such right or the holder of a right to approve disapproves this Contract, this Contract will terminate. If the right of first refusal is waived explicitly or expires, or the Contract is approved, this Contract will remain in full force and effect. Seller must promptly notify Buyer in writing of the foregoing. If expiration or waiver of the right of first refusal or approval of this Contract has not occurred on or before **Right of First Refusal Deadline**, this Contract will then terminate.

8.7. Title Advisory. The Title Documents affect the title, ownership and use of the Property and should be reviewed carefully. Additionally, other matters not reflected in the Title Documents may affect the title, ownership and use of the Property, including, without limitation, boundary lines and encroachments, set-back requirements, area, zoning, building code violations, unrecorded easements and claims of easements, leases and other unrecorded agreements, water on or under the Property, and various laws and governmental regulations concerning land use, development and environmental matters.

8.7.1. OIL, GAS, WATER AND MINERAL DISCLOSURE. THE SURFACE ESTATE OF THE PROPERTY MAY BE OWNED SEPARATELY FROM THE UNDERLYING MINERAL ESTATE, AND TRANSFER OF THE SURFACE ESTATE MAY NOT NECESSARILY INCLUDE TRANSFER OF THE MINERAL ESTATE OR WATER RIGHTS. THIRD PARTIES MAY OWN OR LEASE INTERESTS IN OIL, GAS, OTHER MINERALS, GEOTHERMAL ENERGY OR WATER ON OR UNDER THE SURFACE OF THE PROPERTY, WHICH INTERESTS MAY GIVE THEM RIGHTS TO ENTER AND USE THE SURFACE OF THE PROPERTY TO ACCESS THE MINERAL ESTATE, OIL, GAS OR WATER.

8.7.2. SURFACE USE AGREEMENT. THE USE OF THE SURFACE ESTATE OF THE PROPERTY TO ACCESS THE OIL, GAS OR MINERALS MAY BE GOVERNED BY A SURFACE USE AGREEMENT, A MEMORANDUM OR OTHER NOTICE OF WHICH MAY BE RECORDED WITH THE COUNTY CLERK AND RECORDER.

8.7.3. OIL AND GAS ACTIVITY. OIL AND GAS ACTIVITY THAT MAY OCCUR ON OR ADJACENT TO THE PROPERTY MAY INCLUDE, BUT IS NOT LIMITED TO, SURVEYING, DRILLING, WELL COMPLETION OPERATIONS, STORAGE, OIL AND GAS, OR PRODUCTION FACILITIES, PRODUCING WELLS, REWORKING OF CURRENT WELLS, AND GAS GATHERING AND PROCESSING FACILITIES.

8.7.4. ADDITIONAL INFORMATION. BUYER IS ENCOURAGED TO SEEK ADDITIONAL INFORMATION REGARDING OIL AND GAS ACTIVITY ON OR ADJACENT TO THE PROPERTY, INCLUDING DRILLING PERMIT APPLICATIONS. THIS INFORMATION MAY BE AVAILABLE FROM THE COLORADO OIL AND GAS CONSERVATION COMMISSION.

8.7.5. Title Insurance Exclusions. Matters set forth in this Section, and others, may be excepted, excluded from, or not covered by the owner's title insurance policy.

8.8. Consult an Attorney. Buyer is advised to timely consult legal counsel with respect to all such matters as there are strict time limits provided in this Contract (e.g., **Record Title Objection Deadline** and **Off-Record Title Objection Deadline**).

9. NEW ILC, NEW SURVEY.

9.1. New ILC or New Survey. If the box is checked, a ☐ **New Improvement Location Certificate (New ILC)** ☐ **New Survey** in the form of ***n/a*** is required and the following will apply:

9.1.1. Ordering of New ILC or New Survey. ☐**Seller** ☐**Buyer** will order the New ILC or New Survey. The New ILC or New Survey may also be a previous ILC or survey that is in the above-required form, certified and updated as of a date after the date of this Contract.

9.1.2. Payment for New ILC or New Survey. The cost of the New ILC or New Survey will be paid, on or before Closing, by: ☐**Seller** ☐**Buyer** or: ***n/a***

9.1.3. Delivery of New ILC or New Survey. Buyer, Seller, the issuer of the Title Commitment (or the provider of the opinion of title if an Abstract of Title), and ***n/a*** will receive a New ILC or New Survey on or before **New ILC or New Survey Deadline**.

CTMeContracts.com - ©2014 CTM Software Corp.

Deadline, Buyer, at Buyer's option, has the Right to Terminate under § 25.1 by Buyer's Notice to Terminate received by Seller on or before ten days after Buyer's receipt of the Association Documents. If Buyer does not receive the Association Documents, or if Buyer's Notice to Terminate would otherwise be required to be received by Seller after **Closing Date**, Buyer's Notice to Terminate must be received by Seller on or before Closing. If Seller does not receive Buyer's Notice to Terminate within such time, Buyer accepts the provisions of the Association Documents as satisfactory, and Buyer waives any Right to Terminate under this provision, notwithstanding the provisions of § 8.6 (Right of First Refusal or Contract Approval).

8. TITLE INSURANCE, RECORD TITLE AND OFF-RECORD TITLE.

8.1. Evidence of Record Title.

☒ **8.1.1. Seller Selects Title Insurance Company.** If this box is checked, Seller will select the title insurance company to furnish the owner's title insurance policy at Seller's expense. On or before **Record Title Deadline**, Seller must furnish to Buyer, a current commitment for an owner's title insurance policy (Title Commitment), in an amount equal to the Purchase Price, or if this box is checked, ☐ an **Abstract of Title** certified to a current date. Seller will cause the title insurance policy to be issued and delivered to Buyer as soon as practicable at or after Closing.

☐ **8.1.2. Buyer Selects Title Insurance Company.** If this box is checked, Buyer will select the title insurance company to furnish the owner's title insurance policy at Buyer's expense. On or before **Record Title Deadline**, Buyer must furnish to Seller, a current commitment for owner's title insurance policy (Title Commitment), in an amount equal to the Purchase Price.

If neither box in § 8.1.1 or § 8.1.2 is checked, § 8.1.1 applies.

8.1.3. Owner's Extended Coverage (OEC). The Title Commitment ☒**Will** ☐**Will Not** contain Owner's Extended Coverage (OEC). If the Title Commitment is to contain OEC, it will commit to delete or insure over the standard exceptions which relate to: (1) parties in possession, (2) unrecorded easements, (3) survey matters, (4) unrecorded mechanics' liens, (5) gap period (period between the effective date and time of commitment to the date and time the deed is recorded), and (6) unpaid taxes, assessments and unredeemed tax sales prior to the year of Closing. Any additional premium expense to obtain OEC will be paid by ☐**Buyer** ☒ **Seller** ☐ **One-Half by Buyer and One-Half by Seller** ☐ **Other** ***n/a***.

Regardless of whether the Contract requires OEC, the Title Insurance Commitment may not provide OEC or delete or insure over any or all of the standard exceptions for OEC. The Title Insurance Company may require a New Survey or New ILC, defined below, among other requirements for OEC. If the Title Insurance Commitment is not satisfactory to Buyer, Buyer has a right to object under § 8.4 (Right to Object to Title, Resolution).

8.1.4. Title Documents. Title Documents consist of the following: (1) copies of any plats, declarations, covenants, conditions and restrictions burdening the Property, and (2) copies of any other documents (or, if illegible, summaries of such documents) listed in the schedule of exceptions (Exceptions) in the Title Commitment furnished to Buyer (collectively, Title Documents).

8.1.5. Copies of Title Documents. Buyer must receive, on or before **Record Title Deadline**, copies of all Title Documents. This requirement pertains only to documents as shown of record in the office of the clerk and recorder in the county where the Property is located. The cost of furnishing copies of the documents required in this Section will be at the expense of the party or parties obligated to pay for the owner's title insurance policy.

8.1.6. Existing Abstracts of Title. Seller must deliver to Buyer copies of any abstracts of title covering all or any portion of the Property (Abstract of Title) in Seller's possession on or before **Record Title Deadline**.

8.2. Record Title. Buyer has the right to review and object to the Abstract of Title or Title Commitment and any of the Title Documents as set forth in § 8.4 (Right to Object to Title, Resolution) on or before **Record Title Objection Deadline**. Buyer's objection may be based on any unsatisfactory form or content of Title Commitment or Abstract of Title, notwithstanding § 13, or any other unsatisfactory title condition, in Buyer's sole subjective discretion. If the Abstract of Title, Title Commitment or Title Documents are not received by Buyer on or before the **Record Title Deadline**, or if there is an

CTMeContracts.com - ©2014 CTM Software Corp.

to allow disbursement by Closing Company at Closing **OR SUCH NONPAYING PARTY WILL BE IN DEFAULT**. Buyer represents that Buyer, as of the date of this Contract, ☐ **Does** ☒ **Does Not** have funds that are immediately verifiable and available in an amount not less than the amount stated as Cash at Closing in § 4.1.

4.5. New Loan. (Omitted as inapplicable)

4.6. Assumption. (Omitted as inapplicable)

4.7. Seller or Private Financing.

WARNING: Unless the transaction is exempt, federal and state laws impose licensing, other requirements and restrictions on sellers and private financiers. Contract provisions on financing and financing documents, unless exempt, should be prepared by a licensed Colorado attorney or licensed mortgage loan originator. Brokers should not prepare or advise the parties on the specifics of financing, including whether or not a party is exempt from the law.

4.7.1. Seller Financing. If Buyer is to pay all or any portion of the Purchase Price with Seller financing, ☐ **Buyer** ☒**Seller** will deliver the proposed Seller financing documents to the other party on or before ***20 days prior to Closing*** days before **Seller or Private Financing Deadline.**

4.7.1.1. Seller May Terminate. If Seller is to provide Seller financing, this Contract is conditional upon Seller determining whether such financing is satisfactory to the Seller, including its payments, interest rate, terms, conditions, cost and compliance with the law. Seller has the Right to Terminate under § 25.1, on or before **Seller or Private Financing Deadline**, if such Seller financing is not satisfactory to the Seller, in Seller's sole subjective discretion.

4.7.2. Buyer May Terminate. If Buyer is to pay all or any portion of the Purchase Price with Seller or private financing, this Contract is conditional upon Buyer determining whether such financing is satisfactory to the Buyer, including its availability, payments, interest rate, terms, conditions and cost. Buyer has the Right to Terminate under § 25.1, on or before **Seller or Private Financing Deadline**, if such Seller or private financing is not satisfactory to Buyer, in Buyer's sole subjective discretion.

TRANSACTION PROVISIONS

5. FINANCING CONDITIONS AND OBLIGATIONS. (Omitted as inapplicable)

5.3. Credit Information and Buyer's New Senior Loan. (Omitted as inapplicable)

5.4. Existing Loan Review. (Omitted as inapplicable)

6. APPRAISAL PROVISIONS.

6.1. Appraisal Definition. An "Appraisal" is an opinion of value prepared by a licensed or certified appraiser, engaged on behalf of Buyer or Buyer's lender, to determine the Property's market value (Appraised Value). The Appraisal may also set forth certain lender requirements, replacements, removals or repairs necessary on or to the Property as a condition for the Property to be valued at the Appraised Value.

6.2. Appraisal Condition. The applicable appraisal provision set forth below applies to the respective loan type set forth in § 4.5.3, or if a cash transaction (i.e. no financing), § 6.2.1 applies.

6.2.1. Conventional/Other. Buyer has the right to obtain an Appraisal. If the Appraised Value is less than the Purchase Price, or if the Appraisal is not received by Buyer on or before **Appraisal Deadline** Buyer may, on or before **Appraisal Objection Deadline**, notwithstanding § 8.3 or § 13:

6.2.1.1. Notice to Terminate. Notify Seller in writing that this Contract is terminated; or

6.2.1.2. Appraisal Objection. Deliver to Seller a written objection accompanied by either a copy of the Appraisal or written notice from lender that confirms the Appraisal Value is less than the Purchase Price.

6.2.1.3. Appraisal Resolution. If an Appraisal Objection is received by Seller, on

CTMeContracts.com - ©2014 CTM Software Corp.

11	§5.1	Loan Application Deadline	*n/a*	
12	§5.2	Loan Objection Deadline	*n/a*	
13	§5.3	Buyer's Credit Information Deadline	*n/a*	
14	§5.3	Disapproval of Buyer's Credit Information Deadline	*n/a*	
15	§5.4	Existing Loan Documents Deadline	*n/a*	
16	§5.4	Existing Loan Documents Objection Deadline	*n/a*	
17	§5.4	Loan Transfer Approval Deadline	*n/a*	
18	§4.7	Seller or Private Financing Deadline	***see Additional Provisions***	
		Appraisal		
19	§6.2	Appraisal Deadline	*n/a*	
20	§6.2	Appraisal Objection Deadline	*n/a*	
21	§6.2	Appraisal Resolution Deadline	*n/a*	
		Survey		
22	§9.1	New ILC or New Survey Deadline	*n/a*	
23	§9.3	New ILC or New Survey Objection Deadline	*n/a*	
24	§9.4	New ILC or New Survey Resolution Deadline	*n/a*	
		Inspection and Due Diligence		
25	§10.3	Inspection Objection Deadline	*n/a*	
26	§10.3	Inspection Resolution Deadline	*n/a*	
27	§10.5	Property Insurance Objection Deadline	*n/a*	
28	§10.6	Due Diligence Documents Delivery Deadline	*n/a*	
29	§10.6	Due Diligence Documents Objection Deadline	*n/a*	
30	§10.6	Due Diligence Documents Resolution Deadline	*n/a*	
31	§10.6	Environmental Inspection Objection Deadline	*n/a*	
32	§10.6	ADA Evaluation Objection Deadline	*n/a*	
33	§10.7	Conditional Sale Deadline	*n/a*	
34	§11.1	Tenant Estoppel Statements Deadline	*n/a*	
35	§11.2	Tenant Estoppel Statements Objection Deadline		
		Closing and Possession		
36	§12.3	Closing Date	***See Additional Provisions***	
37	§17	Possession Date	***Date of Closing***	
38	§17	Possession Time	***Time of Closing***	
39	§28	**Acceptance Deadline Date**	***4/26/2016***	Tuesday
40	§28	**Acceptance Deadline Time**	***noon MDT***	
41	*n/a*	*n/a*		
42	*n/a*	*n/a*		

3.1. Applicability of Terms. Any box checked in this Contract means the corresponding provision applies. Any box, blank or line in this Contract left blank or completed with the abbreviation "N/A", or the word "Deleted" means such provision, including any deadline, is not applicable and the corresponding provision of this Contract to which reference is made is deleted. If no box is checked in a provision that contains a selection of "None", such provision means that "None" applies.

The abbreviation "MEC" (mutual execution of this Contract) means the date upon which both parties have

CTMeContracts.com - ©2014 CTM Software Corp.

RE/MAX Country
Del Dawson
Ph: 9702851128 Fax: 9702851137

The printed portions of this form, except differentiated additions, have been approved by the Colorado Real Estate Commission.(CBS3-6-15) (Mandatory 1-16)

THIS FORM HAS IMPORTANT LEGAL CONSEQUENCES AND THE PARTIES SHOULD CONSULT LEGAL AND TAX OR OTHER COUNSEL BEFORE SIGNING.

CONTRACT TO BUY AND SELL REAL ESTATE
(COMMERCIAL)
(☒ Property with No Residences)
(☐ Property with Residences-Residential Addendum Attached)

Date: ***4/15/2016***

AGREEMENT

1. AGREEMENT. Buyer agrees to buy and Seller agrees to sell, the Property described below on the terms and conditions set forth in this contract (Contract).

2. PARTIES AND PROPERTY.

2.1. Buyer. Buyer, ***Zoned Colorado Properties, LLC***, will take title to the Property described below as
☐ **Joint Tenants** ☐ **Tenants In Common** ☒ **Other** ***a Colorado Limited Liability Company***.

2.2. No Assignability. This Contract **Is Not** assignable by Buyer unless otherwise specified in **Additional Provisions.**

2.3. Seller. Seller, ***Parachute Development Corporation***, is the current owner of the Property described below.

2.4. Property. The Property is the following legally described real estate in the County of ***Garfield***, Colorado:
see Exhibit A: THE PREMISES
known as No. ***tbd n/a, n/a, CO n/a***,
together with the interests, easements, rights, benefits, improvements and attached fixtures appurtenant thereto, and all interest of Seller in vacated streets and alleys adjacent thereto, except as herein excluded (Property).

2.5. Inclusions. The Purchase Price includes the following items (Inclusions):

2.5.1. Inclusions - Attached. If attached to the Property on the date of this Contract, the following items are included unless excluded under **Exclusions**: lighting, heating, plumbing, ventilating and air conditioning units, TV antennas, inside telephone, network and coaxial (cable) wiring and connecting blocks/jacks, plants, mirrors, floor coverings, intercom systems, built-in kitchen appliances, sprinkler systems and controls, built-in vacuum systems (including accessories), garage door openers (including ***n/a*** remote controls). If checked, the following are owned by the Seller and included (leased items should be listed under **Due Diligence Documents**): ☐ **None** ☐ **Solar Panels** ☐ **Water Softeners** ☐ **Security Systems** ☐ **Satellite Systems** (including satellite dishes). If any additional items are attached to the Property after the date of this Contract, such additional items are also included in the Purchase Price.

2.5.2. Inclusions - Not Attached. If on the Property, whether attached or not, on the date of this Contract, the following items are included unless excluded under **Exclusions**: storm windows, storm doors, window and porch shades, awnings, blinds, screens, window coverings and treatments, curtain rods, drapery rods, fireplace inserts, fireplace screens, fireplace grates, heating stoves, storage sheds, carbon monoxide alarms, smoke/fire detectors and all keys.

CTMeContracts.com - ©2014 CTM Software Corp.

property that will allow for facilities that could be leased to marijuana operations
Buyer understands that Buyer shall not be liable for Broker's acts or omissions that have not been approved, directed, or ratified by Buyer.

CHECK ONE BOX ONLY:

☒ **Multiple-Person Firm:** Broker, referenced below, is designated by Brokerage Firm to serve as Broker. If more than one individual is so designated, then references in this document to Broker shall include all persons so designated, including substitute or additional brokers. The brokerage relationship exists only with Broker and does not extend to the employing broker, Brokerage Firm or to any other brokers employed or engaged by Brokerage Firm who are not so designated.

☐ **One-Person Firm.** If Broker is a real estate brokerage firm with only one licensed natural person, then any references to Broker or Brokerage Firm mean both the licensed natural person and brokerage firm who shall serve as Broker.

CHECK ONE BOX ONLY:

☐ **Customer.** Broker is the seller's agent and Buyer is a customer. Broker, as seller's agent, intends to perform the following list of tasks: ☐ **Show a property** ☐ **Prepare and Convey** written offers, counteroffers and agreements to amend or extend the contract. Broker is not the agent of Buyer.

☐ **Customer for Broker's Listings - Transaction-Brokerage for Other Properties:** When Broker is the seller's agent, Buyer is a customer. When Broker is not the seller's agent, Broker is a transaction-broker assisting in the transaction. Broker is not the agent of Buyer.

☒ **Transaction-Brokerage Only:** Broker is a transaction-broker assisting in the transaction. Broker is not the agent of Buyer.

Buyer consents to Broker's disclosure of Buyer's confidential information to the supervising broker or designee for the purpose of proper supervision, provided such supervising broker or designee shall not further disclose such information without consent of Buyer, or use such information to the detriment of Buyer.

DISCLOSURE OF SETTLEMENT SERVICE COSTS. Buyer acknowledges that costs, quality and extent of service vary between different settlement service providers (e.g., attorneys, lenders, inspectors and title companies).

THIS IS NOT A CONTRACT.
If this is a residential transaction, the following provision shall apply:

MEGAN'S LAW. If the presence of a registered sex offender is a matter of concern to Buyer, Buyer understands that Buyer must contact local law enforcement officials regarding obtaining such information.

BUYER ACKNOWLEDGEMENT:

The Buyer acknowledges receipt of this document on ***n/a***.

Buyer: Bryan McLaren Date: Apr 21, 2016

Zoned Colorado Properties, LLC
By: Bryan McLaren, Authorized Agent

CTMeContracts.com - ©2014 CTM Software Corp.

FIRST AMENDMENT TO LETTER OF INTENT

This First Amendment to the Letter of Intent (the "FIRST AMENDMENT") is made this 15th day of June 2016, (the "EFFECTIVE" DATE) by and between Zoned Colorado Properties, LLC, American Green, Inc., Herbal Elements LLP (collectively the "Parties"), and Parachute Unlimited LLP.

WITNESSETH:

WHEREAS, The Parties heretofore entered into a Letter of Intent (the "LOI") executed and effective as of May 17, 2016 for the development and lease on the premises commonly known as Lot #7 N. Diamond Loop Rd, Parachute, Colorado 81635; and

WHEREAS, The Parties hereto desire to enter into this First Amendment in order to add an additional Tenant and an additional Recreational Marijuana License Holder to the LOI; and.

WHEREAS, all defined terms used in the LOI shall have the same meaning herein as therein.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, and for good and valuable consideration, the sufficiency and receipt of which is acknowledged, the Parties agree to amend the LOI as follows:

1. American Green, Inc. & Parachute Unlimited, LLC (the "Tenant" or collectively the "Tenants")

2. Herbal Elements, LLP (the "Medical Marijuana License Holder") & Parachute Unlimited, LLC (the "Recreational Marijuana License Holder")

[Signature Page to Follow]

GPH

Your signature below will indicate that you agree to the terms and conditions as set forth herein dated June 15, 2016:

Zoned Colorado Properties, LLC

By: [signature]

Name: Bryan McLaren

Title: Authorized Agent

American Green, Inc.

By: [signature]

Name: Donald Miller

Title: CEO

Herbal Elements LLP

By: Gregory P Honan

Name: GREGORY P HONAN

Title: OWNER

Parachute Unlimited LLC

By: Gregory P Honan

Name: GREGORY P HONAN

Title: OWNER

ZONED®
PROPERTIES INC

14300 N. Northsight Blvd #208
Scottsdale, AZ 85260

Binding Letter of Intent

Between:
Zoned Colorado Properties, LLC.
("Landlord")

And:
American Green, Corp.
("Tenant")

And:
Herbal Elements, LLC
("Medical Marijuana License Holder")

RE: Lot #7 N. Diamond Loop Rd
Parachute, Colorado 81635

WHEREAS, it is the intent of the parties to enter into this binding Letter of Intent (this "LOI"), which outlines certain essential material terms for the execution of a Commercial Lease Agreement (the "Lease" or "Lease Agreement") for the leasing of approximately 15,000 square feet of space (the "Premises") to Tenant located within the Building (defined in Exhibit B) located at Lot #7 N. Diamond Loop Rd, Parachute, Colorado 81635 ("Property").

Legal Description: The parties agree the legal description of the Property, Building and the Premises is attached as **Exhibit A** and incorporated herein by reference.

Premises: Pursuant to the provisions provided in this LOI and the Lease (defined herein), Landlord shall lease to Tenant, and Tenant shall lease from Landlord, approximately 15,000 square feet of space in the Building, as identified on **Exhibit B** attached to this LOI, which is capable of being operating as a Medical Marijuana Cultivation and Production Facility.

LOI Termination: The parties agree in the event the LOI Requirements described herein this LOI, are not mutually satisfied on or before the date that is ninety (90) days after the Effective Date of this LOI ("LOI Term"), this LOI shall terminate, Escrow Agent (defined herein) shall return the full Deposit to Tenant, minus $100.00, and the parties shall owe no further obligation to one another. In the event despite the parties' reasonable efforts, the satisfaction of the LOI Requirements requires additional time, the parties may mutually agree in writing to extend the term of this LOI. Upon the termination of this LOI, Escrow Agent shall return the Deposit, as described herein, to Tenant, no more than three (3) days following the expiration of the LOI Term.

[redacted] ("Landlord Budget"). In the event Landlord determines its total projected budget (including hard and soft costs, professional fees and costs, costs of permits, and all other related costs, fees and expenses) will likely exceed the Landlord Budget, Landlord shall notify Tenant and acquire Tenant's written approval prior to proceeding with the construction of the tenant improvements, which approval shall not be unreasonably withheld, conditioned or delayed. Except for unforeseen and unanticipated costs, the parties shall mutually agree on all projected costs which will likely exceed the Landlord Budget, including a reasonable amount for contingencies ("Additional Budget Costs"), and which party will be responsible for payment of such Additional Budget Costs, and unforeseen and unanticipated costs. If the parties cannot agree on the Additional Budget Costs or on unforeseen or unanticipated costs, or which party will be responsible for payment thereof, the Lease shall terminate. In no event shall Landlord be obligated to commence construction or development of the Premises until Landlord and Tenant have approved all Additional Budget Costs and a reasonable contingency for unforeseen and unanticipated costs, and which party will be responsible for such Additional Budget Costs and contingency.

Tenant Improvement Costs:

The Parties agree, upon completion of Landlord's development of the Premises and construction of the tenant improvements, Landlord shall provide Tenant with a complete and accurate accounting of all of the actual costs, fees and expenses, including relevant documentation, which Landlord expended and incurred in the development of the Premises and construction of the tenant improvements (collectively the "Improvement Costs"). In the event Landlord exceeds the Landlord Budget without acquiring Tenant's prior written approval, such Additional Budget Costs shall not be included in the Improvements Costs and Tenant shall not be obligated or required to repay the unapproved Additional Budget Costs. The parties agree Landlord shall clearly identify the Improvement Costs in an exhibit to the Lease. The Lease shall contain provisions which stipulate that in the event a change in local or state law, prohibits the development of the Premises and/or completion of any portion of or all of the agreed upon tenant improvements, the Changes in Law Provisions (defined herein) shall apply.

Rent:

The Lease shall contain a Rental Schedule of the type and form attached as **Exhibit D** herein, which shall contain a complete description of the rent (including any additional amounts applied as rent and the Improvement Costs) which shall collectively be referred to herein as the "Total Rent"). In addition to the payment of the Total Rent, Tenant shall also pay to Landlord all use taxes, sales taxes, transaction privilege taxes, excise taxes, and other similar taxes associated with the Lease and the Lease payments to be made to Landlord thereunder. All payments to be made by Tenant to Landlord under

(c) Landlord shall acquire written approval of all due diligence and underwriting matters required by Landlord and/or Landlord's lender;
(d) The parties shall acquire the necessary zoning and land use entitlements as it relates to the Premises and the use described herein this LOI; and
(e) Tenant shall have obtained written approval from MED of the approval to operate the Premises as a Medical or Recreational Marijuana Cultivation and Production Facility on behalf of Medical Marijuana License Holder; and
(f) The parties' mutual approval of the plans, specifications and drawings for the development of the Premises and tenant improvements; and
(g) Landlord having closed on the property acquisition for the Premises.

Tenant Use: Subject to Tenant's compliance with the terms of this LOI, Tenant may use the Premises as a duly licensed Marijuana Cultivation and Processing Facility, to the extent permitted by law, Tenant shall manage and operate on behalf of Medical Marijuana License Holder, pursuant to its Licenses in complete compliance with the Colorado Marijuana Laws and all applicable laws, requirements and restrictions, including approval by MED. Tenant may not use the Premises for any other purpose unless specifically approved by Landlord.

Authority to Operate: Tenant and Guarantor(s) each represent and warrant in conjunction with Medical Marijuana License Holder, they shall use all reasonable and diligent efforts to apply for and acquire renewal from MED, approval to operate the Medical or Recreational Marijuana Cultivation and Production Facility, pursuant to the Colorado Marijuana Laws and all other rules, requirements and restrictions and maintain the Dispensary License in good standing with MED at all times.

Changes in Law: The parties acknowledge and agree the terms and provisions of this LOI as well as the Lease are based upon the details, terms and agreed upon obligations on the Effective Date of this LOI and the Lease. The parties acknowledge and agree in the event a change in state or local law or any rule, requirement or restriction which prohibits completion of the development of the Premises, construction of all the agreed upon tenant improvements, Landlord shall have the right to either: (a) take all actions reasonably necessary to modify the Lease to reflect its inability to develop the Premises and/or construct any portion or all of the agreed upon tenant improvements, or (b) terminate the Lease. In the event such change in state or local law prohibits the operation of the Premises as a Medical or Recreational Marijuana Cultivation and Production Facility, or any change in local zoning and land use entitlements prohibit Tenant from occupying and using the Premises for the use specified in this LOI and in the Lease, the Lease shall terminate or the parties may mutually agree otherwise in writing (the

the Lease, with which Tenant shall review and upon approval of the terms and obligations provided therein, agree to comply.

Attorney's Fees and Costs: The parties shall mutually agree on reasonable default and remedy provisions, which shall be contained in the Lease. In the event of a dispute between the parties during the term of the Lease, the prevailing party in any action or proceeding to enforce the terms of the Lease or Guaranty, in any appeal thereon, or to declare rights thereunder, shall be entitled to reasonable attorneys' fees and costs and costs of collection. Such reasonable costs may be awarded in the same proceeding or recovered in a separate proceeding. (See "Arbitration" paragraph below.)

No Brokers: Landlord and Tenant represent and warrant to each other that neither Landlord, nor Tenant, have been, or will be, represented by any broker in connection with this LOI or the Lease, and no broker commission or finder's fee shall be payable as a result of the Lease.

Assignment/Amendment: Except as described herein and below, Tenant may not change, amend, modify, issue, sell, transfer, convey, encumber, or pledge (or permit to be changed, amended, modified, issued, sold, transferred, conveyed, encumbered, or pledged) any ownership, management, or voting right in or of Tenant, or any interest in this LOI or the Lease, or sublet or license any portion of the Premises, by operation of law or otherwise, without the prior written consent and approval of Landlord. In the event the Lease is assigned, transferred and conveyed for any reason described herein, the parties agree the obligations, rights and requirements of the assigning party shall be assumed, transferred and conveyed to assignee, as a condition precedent to the assignment, without releasing or discharging Tenant. However, Tenant may (upon at least 10 business days prior written notice to Landlord) assign, transfer and convey its interest in this LOI or the Lease to an entity wholly owned or controlled by Tenant, without acquiring the written consent of Landlord, and without releasing or discharging Tenant.

The parties may only amend or modify this LOI or the Lease with the written consent of all the parties.

Sublet/Sublease: Tenant may sublease the premises contemplated in this LOI to the Medical Marijuana License Holder listed in this LOI. The terms of the agreement are to be approved by the Landlord, and such approval by Landlord of the terms will not be unreasonable withheld. Landlord will be absolutely indemnified by sublease parties under the terms of any sublease agreement.

Improvements: Tenant may not make improvements, alterations, additions, or modifications to the Premises without the prior written consent and approval of Landlord, which shall not be unreasonably withheld. Upon completion of the development of the Premises and construction of the tenant improvements, Landlord shall not make any improvements, alterations, additions, or modifications to the Premises without the prior written consent and approval of Tenant, which shall not be unreasonably withheld.

BAM GPH JM

Tenant Indemnity: Tenant agrees to indemnify, defend and hold harmless, Landlord, and Landlord's officers, directors, employees, contractors, representatives, agents, successors and assigns, for, from and against any and all claims, losses, damages, demands, fines, penalties, liens, actions, suits, obligations, liabilities, judgments, costs and expenses, including reasonable attorneys' fees and court costs, arising from, relating to, associated with, in connection with, or resulting in any way from: (a) Tenant's use or occupancy of the Premises, (b) the conduct of Tenant's business activities, including, without limitation, business activities conducted on or at the Premises, (c) any act or omission of Tenant or any of Tenant's employees, agents, contractors, representatives, invitees, customers, guests, and (d) any breach or default by Tenant under or pursuant to the Lease, including any violation of applicable laws. Nothing herein shall be construed to require Tenant to indemnify Landlord, and Landlord's officers, directors, employees, contractors, representatives, agents, successors and assigns, from any intentional, grossly negligent, fraudulent or willful misconduct by Landlord, and Landlord's officers, directors, employees, contractors, representatives, agents, successors and assigns.

Defaults; Remedies: The parties shall mutually agree complete default and remedy provisions shall be clearly defined and articulated in the Lease.

Arbitration: Any controversy or claim arising out of or relating to this LOI, by, between or among the parties, or the breach thereof, shall be settled by mandatory binding arbitration administered by the American Arbitration Association ("AAA"), under its Commercial Arbitration Rules or other applicable governmental regulatory agency. The arbitrator's decision shall be final and legally binding and judgment may be entered thereon. Each party initially shall be responsible for its share of the arbitration fees and costs in accordance with the applicable Rules of Arbitration. Notwithstanding the foregoing, the prevailing party shall be awarded its reasonable attorneys' fees and costs. Furthermore, in the event a party fails to proceed with arbitration, unsuccessfully challenges the arbitrator's award in court, or fails to comply with the arbitrator's award, the other party shall be awarded its reasonable attorneys' fees and costs for having to compel arbitration or defend or enforce the award.

Compliance with Laws: In connection with this LOI, the Lease, the Premises, and the conduct of Tenant's business activities, Tenant shall comply in all respects with The Medical Marijuana Code **(C.R.S. 12-43.3-101 et. seq.)** and the Retail Marijuana Code **(C.R.S. 12-43.4-101 et. seq,)** and all applicable laws, requirements, regulations and restrictions (including, without limitation, laws regulating the environment and hazardous substances and materials).

No Hazardous Materials: Tenant may not use, generate, store, dispose of, release, or bring onto the Premises (or permit to be used, generated, stored, disposed of, released, or brought onto the Premises) any hazardous, substances or materials, or any regulated substances or materials, without the prior written consent and approval of Landlord.

Lease Security Deposit: Upon Tenant's execution of the Lease and delivery of the same to Landlord, Tenant shall pay to Landlord the following sums and amounts: (a) after the application of the Deposit, the remaining amount required as a security

Premises as a percentage of the total square footage of the Building, as determined by Landlord, and as set forth in the Lease. In no event shall Landlord be liable or responsible to Tenant (or subject to any claim by Tenant for damages or abatement of rent or otherwise) for any interruption or cessation in any utility service or other service to the Premises.

Tenant shall maintain, repair and replace all of Tenant's equipment, personal property, inventory, trade fixtures, and improvements in good, safe condition and repair and in accordance with all applicable laws. Tenant shall regularly inspect, maintain, repair and replace, including making capital improvements and capital repairs, the Premises and all aspects, systems, parts, and components of the Premises in good, safe working order condition and repair and in accordance with all applicable laws. Except in case of an emergency (in which event Tenant shall immediately notify Landlord in writing of such emergency), Tenant shall notify Landlord in writing at least fifteen (15) days prior to Tenant undertaking any repair or replacement costing in excess of $5,000.00 per occurrence, and shall provide Landlord with a reasonably detailed description of the repair or replacement to be undertaken by Tenant and the names of Tenant's contractors (who must be approved in writing in advance by Landlord), and any other information regarding such repair or replacement as Landlord may request. Landlord may require Tenant to post a payment and performance bond for any improvements to be made by Tenant and for any repairs or replacements to be made by Tenant.

No Liens: Tenant shall at all times keep and maintain the Premises free and clear of any and all liens (including consensual liens), and all mechanics' and materialmens' liens and notices and claims of liens arising from or relating to any work, repairs or replacements made or to be made by Tenant.

Damage and Destruction: Except in the event such damage or destruction is caused by Tenant or by Tenant's employees, agents, contractors, representatives, invitees, customers, guests (in which event Tenant shall be responsible for repairing and restoring the Premises), and subject to Force Majeure Events, Landlord shall use commercially reasonable efforts to repair and restore the Premises in the event of damage or destruction to the Premises following Landlord's receipt of Landlord's insurance proceeds relating thereto, and only to the extent of such insurance proceeds paid to Landlord, less Landlord's costs in obtaining such insurance proceeds (unless such costs are otherwise reimbursed to Landlord). In no event shall rent or additional rent abate under the Lease as a result of damage or destruction to the Premises. In no event shall Landlord repair or restore any of Tenant's equipment, personal property, inventory, trade fixtures, or improvements. Tenant shall pay to Landlord, as additional rent, Tenant's pro-rata share of all insurance premiums and costs incurred or paid by Landlord to provide and maintain casualty and liability insurance for the Building and surrounding areas, including any deductible amount to be paid by Landlord under such policies. Landlord may terminate the Lease if the Premises or the Building are damaged in any material respect during the last 18 months of the term of the Lease. All other provisions regarding damage and destruction to the Premises shall be governed by the terms of the Lease.

Parking: Tenant may use a *pro rata* share of the onsite parking spaces available for the Building, as designated by Landlord, on a non-exclusive and unreserved basis

Governing Law:	This LOI and the Lease shall be governed by the laws of the State of Colorado (without regard to conflict of laws).
Venue and Jurisdiction:	Venue and exclusive jurisdiction for any action arising out of this LOI and the Lease shall be in Superior Court, Maricopa County, Arizona, and Tenant and Guarantor(s) hereby waive any and all defenses relating to such jurisdiction and venue.
Counterparts:	This LOI may be executed in any number of counterparts, and all such counterparts shall constitute a single document.
Drafter:	Tenant agrees that no provision contained in this LOI or the Lease shall be constructed against Landlord, the drafter of this LOI or the Lease, solely by virtue of Landlord being the drafter.
Binding LOI:	This LOI constitutes a binding and valid agreement on the part of Landlord and Tenant.
Effective Date:	The Effective Date of this LOI shall be the date that is three (3) business days after the mutual execution and delivery of this LOI by Landlord and Tenant.
Expiration:	If this LOI is not executed by Landlord, Tenant and Guarantor(s) on or before 5:00 PM, Arizona Time, on **May 20, 2016**, then this LOI shall terminate and expire and be of no further force or effect.

[Space Intentionally Left Blank. Signatures on the Following Page.]

BAM GPH JM
BAM GPH JM

EXHIBIT A:

LEGAL DESCRIPTION OF PROPERTY, BUILDING AND PREMISES

Parcel ID:	2409-123-02-007
Property Address:	Lot #7 N. Diamond Loop Rd, Parachute, Colorado ZIP.
Building:	Parachute Cultivation Site, building containing approximately 15,000 square feet of space, including warehouse and/or greenhouse.
Premises:	Approximately 15,000 square feet of warehouse and/or greenhouse space to be constructed at Lot #7 of the Parachute Industrial Park. The Licensing for the Cultivation Site will be held by Herbal Elements, LLC.

EXHIBIT C:
ADDITIONAL LEASE TERMS

Lease:	Triple Net (NNN), meaning that all rent to be paid to Landlord shall be absolutely net to Landlord so that the Lease shall yield net to Landlord the rent to be paid each month during the term of the Lease, and Tenant shall pay either directly or as reimbursement to Landlord for all costs, expenses and obligations of every kind or nature whatsoever relating to the Premises which may arise or become due during the term of the Lease, including, without limitation, all costs and expenses of operation, maintenance, ownership, repairs (including capital repairs), replacements (including capital replacements), utilities, insurance and taxes (including real estate taxes and assessments, but excluding Landlord's personal income taxes) relating to the Premises, and Tenant's *pro rata* share of Landlord's costs and expenses relating to any shared or common walls, common areas or common improvements, including the parking areas, the perimeter wall, any monument sign, the exterior landscaping and utility lines and equipment, and other similar costs.
Premises:	15,000 Square Feet within Lot 7.
Lease Term:	Ten (10) years commencing on the Rent Commencement and ending on the last day of the month that is ten (10) years after the occurrence of Rent Commencement.
Renewal Option:	Provided that Tenant is not in breach or default under the Lease, and further provided that Tenant shall give Landlord written notice (at least one (1) year prior to the expiration of the term of the Lease) of Tenant's election to renew the term of the Lease, Tenant may renew or extend the term of the Lease for one (1) period of five (5) years, on the same terms as are provided in the Lease.
Buyout Option:	Provided that Tenant is not in breach or default under the Lease, a Buyout Option will be included in the Lease for the Tenant to acquire the premises and the constructed Tenant Improvements from the Landlord according to an acquisition formula mutually agreeable to both the Tenant and the Landlord within the Lease , and such an acquisition price shall be no less than 1.5 times the sum of the Landlord's acquisition cost of the land plus the cost of the Tenant Improvements.
Rental Schedule:	See **Exhibit D**

BAM GPH JM

2016-05-06_Zoned Properties letter of intent for NNN Lease_Amercian Green and Herbal Elements in Parachute

Adobe Sign Document History 05/17/2016

Created:	05/17/2016
By:	Zoned Admin (info@zonedproperties.com)
Status:	SIGNED
Transaction ID:	CBJCHBCAABAAxJLUQXJ1fkj2QrwEqQXDoQqKK7xm2U6P

"2016-05-06_Zoned Properties letter of intent for NNN Lease_Amercian Green and Herbal Elements in Parachute" History

Document created by Zoned Admin (info@zonedproperties.com)
05/17/2016 - 8:15:47 PDT - IP address: 68.2.113.141

Document emailed to Jonathan Miller (jonathan@americangreen.com) for signature
05/17/2016 - 8:25:37 PDT

Document emailed to Gregory P Honan (hojorisen@hotmail.com) for signature
05/17/2016 - 8:25:37 PDT

Document emailed to Bryan McLaren (bryan@zonedproperties.com) for signature
05/17/2016 - 8:25:38 PDT

Document viewed by Gregory P Honan (hojorisen@hotmail.com)
05/17/2016 - 8:27:42 PDT - IP address: 174.16.116.239

Document viewed by Jonathan Miller (jonathan@americangreen.com)
05/17/2016 - 12:46:53 PDT - IP address: 66.102.6.78

Document viewed by Bryan McLaren (bryan@zonedproperties.com)
05/17/2016 - 2:31:31 PDT - IP address: 68.2.113.141

Jonathan Miller (jonathan@americangreen.com) has agreed to the terms of use and to do business electronically with Zoned Properties
05/17/2016 - 2:40:49 PDT - IP address: 24.251.126.94

And it is further understood and agreed that Grantor reserves solely unto itself all rights to execute any and all future leases of any kind or nature covering the Property and the rights to receive in its own name and stead all bonuses and rentals payable thereon, and the Grantee does not by these presents acquire any right to participate in the making of future oil and gas or other mineral leases on the Property or on any portion thereof not at this date under lease, nor of participating in the making of future leases, should any existing or future lease for any reason become cancelled or forfeited, nor of participating in any bonus or bonuses which Grantor may receive for any future lease, nor of participating in any rental to be paid for the privilege of deferring the commencement of a well under any lease, now or hereafter. Provided, however, that Grantor shall not execute any future oil and gas lease covering the Property or any portion thereof which provides for a royalty of less than one-eighth (1/8) of the production attributed to the Property or any portion thereof.

TO HAVE AND TO HOLD the above described royalty interest, together with all and singular the rights and appurtenances thereto belonging, unto the said Grantees and each Grantee's heirs, administrators, executors, successors, and assigns forever.

WITNESS 30th hand this Aug day of _____, 2002.

HMC, Ltd., a Colorado Limited Partnership

By: _____
Hayden Rader, General Partner

STATE OF Colorado)
) ss. ACKNOWLEDGMENT - INDIVIDUAL
COUNTY OF Garfield)

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this 30th day of August, 2002, personally appeared Hayden Rader, General Partner of HMC Ltd., a Colorado Limited Partnership, to me known to be the identical person described in and who executed the within and foregoing instrument of writing and acknowledged to me that he duly executed the same as his free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year last above written.

My Commission Expires: 11-14-05

Notary Public

KRISTY M. SPRINGSTEEL NOTARY PUBLIC STATE OF COLORADO

Reception#: 833998
04/12/2013 12:09:11 PM Jean Alberico
1 of 1 Rec Fee:$11.00 Doc Fee:0.00 GARFIELD COUNTY CO

RECORDING REQUESTED BY:
WHEN RECORDED RETURN TO:
Garfield & Hecht, P.C.
420 Seventh Street, Suite 100
Glenwood Springs, CO 81601

QUIT CLAIM DEED

This Quit Claim Deed is made this 14th day of March, 2013 between, Parachute Investment Holdings, LLC, a Colorado limited liability company ("Grantor"), and HMC, Ltd., a Colorado limited partnership whose address is P.O. Box 366, Glenwood Springs, CO 81602, of the County of Garfield, State of Colorado ("Grantee").

The Grantor, for ten dollars ($10.00) and other good and valuable consideration, in hand paid, has sold and quitclaimed, and by these presents does hereby sell and quitclaim unto the Grantee, its successors and assigns forever, any and all right, title, interest, claim and demand which the Grantor has in and to the following described property, situate, lying and being in the County of Garfield and State of Colorado, described as follows:

All oil, gas, hydrocarbons, and other minerals and mineral rights, including without limitation the right to lease and develop the same, in and to the premises described as follows:

Lots 1, 2, 3, 8, 9, and 10
Block 2
Lots 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 14, 15, 16, 17, and 18
Block 3
Parachute Park P.U.D.
According to the Amended Final Plat of Lots 1-3, 6-10, Block 2 and Lots 1-18, Block 3, Parachute Park Planned Unit Development

County of Garfield
State of Colorado

Signed this 14th day of March, 2013.

PARACHUTE INVESTMENT HOLDINGS, LLC,
a Colorado limited liability company

By: _____
Hayden Rader, manager

STATE OF COLORADO)
) ss.
COUNTY OF GARFIELD)

The foregoing Quit Claim Deed was acknowledged before me this 14th day of March, 2013 by Hayden Rader as manager of Parachute Investment Holdings, LLC, a Colorado limited liability company.

Witness my hand and official seal.

My commission expires:

Kathy Thissen
Notary Public

KATHY THISSEN
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID #19984030478
My Commission Expires November 2, 2014

939201-2

GARFIELD COUNTY TREASURER

Certificate of Taxes Due

Account Number R370520
Parcel 240912302007

Certificate Number 2016-00674
Acres 1.50
Order Number
Vendor ID 1

Assessed To
PARACHUTE DEVELOPMENT CORPORATION
PO BOX 686
GLENWOOD SPRINGS, CO 81602

Compass Mountain Land Use
PO Box 86
Glenwood Springs, CO 81602

Legal Description

Situs Address

Section: 12 Township: 7 Range: 96 Subdivision: PARACHUTE PARK P.U.D. Block: 3 Lot: 7
AMENDED LOTS 1-3, 6-10, BLOCK 2 & LOTS 1-18, BLOCK 3 REC #784960

Year	Tax	Interest	Fees	Payments	Balance
Tax Charge					
2015	$1,096.08	$0.00	$0.00	$0.00	$1,096.08
Total Tax Charge					$1,096.08
Lien					
2014 Lien: 2014-024	$2,566.77	$171.12	$0.00	$0.00	$2,737.89
2013 Lien: 2014-024	$2,514.31	$356.19	$0.00	$0.00	$2,870.50
2013	$0.00	$0.00	$7.00	$0.00	$7.00
Total Lien					$5,615.39
GRAND TOTAL					$6,711.47
Grand Total Due as of 03/28/2016					$6,711.47

Tax Billed at 2015 Rates for Tax Area 048 - 16-6(T) - 048

Authority	Mill Levy	Amount
GARFIELD COUNTY	10.9050000	$221.84
GARFIELD COUNTY - R & B	1.5000000	$30.50
GARFIELD COUNTY - DHS FUND	1.2500000	$25.42
TOWN OF PARACHUTE - GENERAL	13.5620000	$275.85
GRAND VALLEY AND RURAL FIRE	3.2670000	$66.45
BLUESTONE WATER CONS	0.0050000*	$0.10
COLO RIVER WATER CONS	0.2430000*	$4.94
GRAND RIVER HOSPITAL	5.5970000*	$113.84
GRAND VALLEY CEMETERY	0.0070000*	$0.14
SCHOOL DIST 16	8.5550000	$174.00
COLORADO MTN COLLEGE	3.9970000	$81.30
PARA/BATTLEMENT PARK& REC	4.0000000	$81.36
GARFIELD COUNTY PUBLIC LIBR	1.0000000	$20.34
Taxes Billed 2015	53.8880000	$1,096.08

* Credit Levy

Values	Actual	Assessed
VACANT COMMERCIAL LOTS	$70,150	$20,340
Total	$70,150	$20,340

All Tax Lien Sale amounts are subject to change due to endorsement of current taxes by the lienholder or to advertising and distraint warrant fees. Changes may occur and the Treasurer's Office will need to be contacted prior to remittance after the following dates: Personal Property and Mobile Homes - September 1, 2016, Real Property - September 1, 2016. TAX LIEN SALE REDEMPTION AMOUNTS MUST BE PAID BY CASH OR CASHIERS CHECK.

Special taxing districts and the boundaries of such districts may be on file with the Board of County Commissioners, the County Clerk, or the County Assessor.

This certificate does not include land or improvements assessed under a separate account number, personal property taxes, transfer tax or misc. tax collected on behalf of other entities, special or local improvement district assessments or mobile homes, unless specifically mentioned.

I, the undersigned, do hereby certify that the entire amount of taxes due upon the above described parcels of real property and all outstanding sales for unpaid taxes as shown by the records in my office from which the same may still be redeemed with the amount required for redemption are as noted herein. In witness whereof, I have hereunto set my hand and seal.

Mar 28, 2016 3:59:48 PM

ZONED®
PROPERTIES INC

14300 N. Northsight Blvd #208
Scottsdale, AZ 85260

April 15, 2016

Mr. Bryan McLaren
Chief Executive Officer
Zoned Properties, Inc.
Zoned Colorado Properties, LLC
14300 N. Northsight Blvd #208
Scottsdale, Az 85260

LETTER OF AUTHORIZATION

Dear Mr. McLaren:

Parachute Development Corporation (the "Company") is the owner of the land and properties located at Diamond Loop Parachute, CO 81635 United States (the "Parachute Property"). The Company would like to extend this Authorization Letter in support of the proposed Licensed Marijuana Facilities to be located at the Parachute Property.

We have reviewed the Town of Parachute's application process and understand that this Letter of Authorization is required in order to submit the comprehensive application materials.

Please contact me if you have any questions or comments. We look forward to working collaboratively with your organization on the prospective facility to be developed at our Parachute Property. Please let us know how we can help to work with Town of Parachute Staff, Planning & Zoning Commission and the Board of Trustees to create development strategies, which will serve the interests of the local community and the proposed Marijuana Facilities.

Sincerely,

Hayden Rader
Parachute Development Corporation

STATE OF COLORADO
Garfield County of Colorado } ss.

The foregoing instrument was acknowledged before me this 18th day of April, 2016,
by Hayden C. Rader
My commission expires: 2-25-2017
Witness my hand and official seal.

Maureen Carew
Notary Public

MAUREEN CAREW
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID #19974003500
My Commission Expires February 25, 2017

www.zonedproperties.com

ADJACENT PROPERTY OWNERS: (attach separate sheet if needed)

Name	Address
Please See Attachments	

MINERAL RIGHTS OWNERS & LESSEES OF SUBJECT PROPERTY (attach separate sheet if needed) ***PLEASE NOTE ALL MINERAL RIGHTS OWNERS AND LESSEES MUST BE NOTIFIED 30 DAYS IN ADVANCE TO APPLICATION REVIEW. PLEASE INDICATE ALL MINERAL RIGHTS OWNERS, & LESSEES AS (MR), OR (L)**

Name	Address
Please see Attachments	PARACHUTE DEVELOPMENT CORPORATION
	PO BOX 686
	Glenwood Springs, CO 81602

DESCRIPTION OF PROPOSAL: (INCLUDE PROPOSED USE, ACREAGE, ETC.)

Please see attached Introduction Letter, Project Narrative, and Exhibits

Describe how this Proposed Land Use Application Complies with the Town of Parachute Land Use Regulations and the Town of Parachute Master Plan 2002.

Please see attached Introduction Letter, Project Narrative, and Exhibits

Describe any possible Flood Plain issues:

Describe Traffic Impact Fees Proposal: (Standard Calculation or Individual Traffic Study)

Parachute Unlimited LLC Operating Plan

Greg Honan is the owner of Herbal Elements LLP in Avon, Colorado, which was established in August 24th, 2009. Greg Honan is also the owner of Parachute Unlimited LLC.

Herbal Elements has both Medical and Retail Marijuana licenses. Herbal Elements has at least one of each classification of license: cultivation, products manufacturing and store.

Following is the Operational Plan (Marijuana Management Plan) that is currently utilized for Herbal Elements in Avon, Colorado. This plan has evolved over the course of many years and has adapted to new regulations and realities.

Parachute Unlimited LLC is applying for a large facility with many new state of the art pieces of equipment, facilities and techniques. As the full operational plan is implemented in Parachute, the Herbal Elements Marijuana Management plan will be fully evolved into the Parachute Unlimited LLC operational plan. Equipment needs to be purchased, installed and tested. Employees will need to be trained. Regulations will need to be current. Yet, many of the procedures shall remain the same.

As the process evolves, the operational plan shall evolve.

Following is what is currently utilized at the Herbal Elements location in Eagle County, Colorado.

This shall be the foundation of the Operational Plan for Parachute Unlimited and the additions shall be expansive as the construction begins and reality of the project comes to fruition.

EXHIBIT U:

A Copy of a marijuana management plan detailing the training program for employees and staff that shall contain, at a minimum, educational and operational standards on the prevention of sale or distribution of marijuana products to anyone under the age of twenty-one (21) years old for recreational and or eighteen (18) years old for medical or twenty-one (21) for combined use. Such plan should detail any efforts being made or proposed to be made by the applicant to educate the community or otherwise participate in community outreach regarding the topic of underage marijuana use.

Attached please find the Marijuana Management Plan for Herbal Elements

: Exhibit U :
Management, Training, and Community Outreach Plan

Herbal Elements has developed and disseminates to all employees a detailed Employee Manual along with a supplemental document specifically detailing Herbal Elements' measures to prevent sales to under age persons.

Each potential customer is required to present valid government-issued identification before a purchase may be made. Herbal Elements has a strict policy related to confiscating fake IDs when presented and notifies police or other relevant authorities. Herbal Elements continues to ensure a legal, safe, and professional atmosphere for customers and employees.

Herbal Elements also distributes relevant information to customers and employees such as "The Responsible Consumer's Guide to Marijuana in Colorado" to help educate customers. The information addresses age requirements, purchase limits, and other important rules for the consumer to be safe and responsible in the community. Moreover, Herbal Elements plans to help educate the broader community. It is anticipated that Herbal Elements will host community discussions with question and answer panels to address Colorado's marijuana laws, marijuana products that will be sold in the store and the dosages and potency of all products.

Herbal Elements

Employee Manual

TABLE OF CONTENTS

PART 1 – INTRODUCTION

1.1 CHANGING POLICIES
1.2 EQUAL EMPLOYMENT OPPORTUNITY
1.3 NATURE OF EMPLOYMENT
1.4 REQUIRED LICENSING
1.5 RESIDENCY
1.6 EMPLOYMENT INFORMATION

PART 2 – 2.0 EMPLOYMENT CLASSIFICATIONS

PART 3 - 3.0 EMPLOYMENT POLICIES

3.1 PROPRIETARY MATTERS
3.2 NON-DISCLOSURE
3.3 INVENTIONS & PATENTS
3.4 PROBATIONARY PERIOD
3.5 OPEN DOOR COMMUNICATIONS
3.6 HOURS
3.7 LUNCH AND BREAKS
3.8 PERSONNEL DOCUMENTS
3.9 DATA CHANGES
3.10 EMERGENCIES
3.11 OUTSIDE EMPLOYMENT
3.12 CORRECTIVE ACTION
3.13 TERMINATION
3.14 SAFETY & HEALTH
3.15 SECURITY
3.16 PERSONAL PROPERTY
3.17 EXPENDITURES
3.18 PARKING

3.19 VISITORS
3.20 IMMIGRATION

PART 4 - 4.0 STANDARD OF CONDUCT
4.1 ATTENDANCE
4.2 HARASSMENT
4.3 TELEPHONE
4.4 PROFESSIONALISM
4.5 SUBSTANCE ABUSE
4.6 TOBACCO
4.7 INTERNET

PART 5 - 5.0 STANDARDS
5.1 UNLAWFUL ACTS
5.2 OFFENSES
5.3 SALES
5.4 CULTIVATION
5.5 TRANSPORTATION
5.6 LIMITED ACCESS

PART 6 - 6.0 WAGES
6.1 TIMEKEEPING
6.2 OVERTIME
6.3 PAYDAY
6.4 HOLIDAYS
6.5 JURY / MILITARY

PART 7 – 7.0 EMPLOYEE COMMUNICATIONS
7.1 BULLETIN BOARDS
7.2 COMPLAINTS

PART 1 - 1.0 INTRODUCTION

This manual is intended to provide guidance regarding employment with Herbal Elements. Any questions concerning the content of this manual should be addressed to your direct supervisor.

Neither this manual nor Herbal Elements' practices or other communications is intended to create, nor does it create, an expressed or implied contract between you and Herbal Elements for either employment or the provision of any benefit or compensation.

This manual gets you acquainted with Herbal Elements and provides you with information and expectations regarding working conditions, the basic rules and regulations relating to the medical marijuana industry, benefits, and polices affecting your employment.

The information contained in this employee manual applies to all employees of Herbal Elements. Following the policies described in this employee manual is considered a condition of continued employment. The employee manual is a summary of our policies, which are presented here only as a matter of information. However, nothing in this employee manual alters any employee's status. All employees are responsible for reading, understanding, and complying with the details of this manual. Additionally, as an employee of Herbal Elements you are responsible for reading, understanding, and complying with the rules and regulations relating to the medical marijuana industry set forth by the Colorado Department of Revenue and any other relevant Government agencies cited in this manual.

1.1 CHANGING POLICIES

To preserve the ability to meet company needs under changing conditions, Herbal Elements may modify, augment, delete or revoke any and all policies, procedures, practices and statements contained in this manual without notice. Such changes shall be effective immediately upon approval by management and will be communicated to employees as soon as reasonably possible.

This manual supplants all previous manuals that may have been issued on any matter covered in this manual. Since the business and organization are subject to change, we reserve the right to cancel or change with or without notice all or any part of the practices, techniques, policies, and benefits / remunerations covered in this manual at any time. Individual supervisors and managers do not have the authority to change policies. We will notify all employees of these changes. If, at any time, you are unclear about a policy or procedure, or simply have a question please speak with your supervisor. All changes will be effective on the dates determined by Herbal Elements.

1.2 EQUAL EMPLOYMENT OPPORTUNITY

It is the policy of Herbal Elements to provide equal employment opportunities without regard to race, creed, color, sex, age, religion, national origin, disability, veteran status, or any other prohibited status where otherwise qualified. This policy applies in all areas of employment including recruitment, hiring, training and development, promotion, transfer, termination, layoff, compensation and all other conditions and privileges of employment in accordance with applicable federal, state and local laws.

Management is fully committed to the concept of equal employment opportunity and all personnel are expected to support it. Anyone involved in discriminatory practices is subject to discipline up to, and including, termination.

1.3 NATURE OF EMPLOYMENT

As part of your employment with Herbal Elements you are acknowledging that you have entered into employment voluntarily, and understand that you are free to leave / resign at any time and for any reason or no reason. Similarly, Herbal Elements is free to conclude its relationship with any employee at any time for any reason or no reason. Following the probationary period, employees are required to follow the Employment Termination Policy (See Section below).

1.4 REQUIRED LICENSING

The MED (Marijuana Enforcement Division) issues licenses to individuals who work within the Marijuana industry. In order to be employed or to otherwise contractually perform any work, employment, or any work-related task for Herbal Elements, you must maintain a valid license issued by the MED. You must also comply with all the rules and regulations associated with your license. The MED requires you advise it in writing of any change in your mailing address within ten (10) days of any change and provide verification to Herbal Elements within five (5) days. Failing to comply can result in

termination as per the Department of Revenue guidelines. It is your responsibility to ensure that you maintain a valid license with the MED. Managers at Herbal Elements are responsible for ensuring their staff, and any contractors they are working with maintain a valid license with the MED. Failing to comply can result in termination as per the Department of Revenue guidelines.

1.5 RESIDENCY

While affiliated with Herbal Elements, owners, officers, managers, and employees must meet and maintain Colorado residency requirements as per C.R.S. §12-43.3-310,

1.6 EMPLOYMENT INFORMATION

Exclusion from consideration for employment or, termination of employment may occur if any information provided to Herbal Elements and/or MED has been falsified, fabricated, misrepresented, or omitted.

PART 2 - 2.0 EMPLOYMENT CLASSIFICATIONS

Herbal Elements offers the following employment classifications:
Persons who regularly work for Herbal Elements on a wage or salary basis are considered "employees" of Herbal Elements. Employees may include regular full time, regular part time, and temporary persons, exempt, non-exempt, and others contracted / employed by / with Herbal Elements who are subject to the control and direction of Herbal Elements in the performance of their duties.

- **Full time (regular):** Completed probationary period (probationary period details below) and are regularly scheduled to work 40 or more hours per week.
- **Part time (regular):** Completed probationary period (probationary period details below) and are regularly scheduled to work less than 40 hours per week.
- **Full time / part time (Temporary):** Performance is being assessed to determine whether further employment in a specific position or with Herbal Elements is appropriate or hired as interim replacements to assist in the completion of a specific project or for vacation relief. Employment beyond any initially stated period does not in any way imply a change in

employment status. Temporary employees retain that status until they are notified of a change. They are not eligible for any of Herbal Elements' benefit programs.

- **Exempt:** Position meet specific criteria established by the Fair Labor Standards Act (FLSA) and who are exempt from overtime pay requirements.
- **Non-exempt:** Position do not meet FLSA criteria and who are paid one and one-half their regular rate of pay for hours worked in excess of 40 hours per week.
- **Contract:** An individual who is hired to complete a specific task.

PART 3 - 3.0 EMPLOYMENT POLICIES

Herbal Elements cares deeply about each of our team members as well as our customers and partners. We therefore have assembled the following section on Employment policies to better illustrate the kind of environment and atmosphere we aim to deliver each and every day.

3.1 PROPRIETARY MATTERS

It is the responsibility of Herbal Elements' employees to safeguard sensitive company information. It is important to the economic well-being of our company to protect and maintain proprietary company information. Continued employment with Herbal Elements is contingent upon compliance with this policy. Management is responsible for the orientation and training of all employees to ensure enforcement of company confidentiality.

"Sensitive company information" includes, but is not limited to, trade secrets and confidential information relating to products, processes, know-how, customers, designs, drawings, formulas, data, marketing data, accounting, pricing, salary information, business plans and strategies, negotiations and contracts, and inventions.

When such information is transferred from one employee to another, the transferor must do all of the following:

Determine that:

- The transfer is necessary and in the interest of regular company business

- The transferee has a need-to-know the information and has the necessary clearance.

- All cover sheets or markings that identify the information as proprietary, or confidential, are conspicuous.

- The information be given directly to the transferee and the proprietary or classified information is identified as such.

- The information not be given to an un-cleared employee, such as a secretary or officemate, and that the information is not left unattended (for e.g., left on the transferee's desk for him/her to find when he/she returns).

3.2 NON-DISCLOSURE

During your employment with Herbal Elements, you may have access to, and become familiar with, records, various trade secrets, and other sensitive company information, which are owned by Herbal Elements and regularly used in the operation of its business. You should not disclose any of this sensitive company information directly or indirectly to any person or entity, nor use them in any way, either during your employment or at any time thereafter, except as required in the course of your employment with Herbal Elements. All documentation, files, records and similar items relating to the business of Herbal Elements, whether prepared by you or otherwise, coming into your possession, shall remain the exclusive property of Herbal Elements and shall not be removed from the premises under any circumstances whatsoever without the prior written consent of Herbal Elements management. Employees are required to consent to non-disclosure as a condition of employment.

Improper use of or disclose of trade secrets or confidential business information can result in termination of employment and legal action, even if the employee does not benefit from the disclosed information. Except upon request by the state or local medical marijuana licensing authority, as per C.R.S. §18-18-406.3, that the owner, officer, or employee shall release the records or information, any representative of Herbal Elements who discloses releases or makes public customer information or any confidential information that is provided to or by the business without the written authorization from a customer may be guilty of a crime and legal action may result.

3.3 INVENTIONS & PATENTS

Employees may make contributions of value to Herbal Elements. Such contributions shall include all processes, inventions, patents, discoveries, copyrights, and other intangible rights developed or conceived by employees at work or that are work-related. Such contributions conceived at work or that are work-related shall be the sole property of Herbal Elements. Employees are entitled to no other compensation for them other than their normal salary and benefits. Employees are to disclose such contributions promptly to Herbal Elements, to assign them to Herbal Elements, and to assist Herbal Elements in obtaining patent or copyright protection. Work-related contributions conceived or made by employees, or by employees with others, while an individual is employed at Herbal Elements are also the property of Herbal Elements.

3.4 PROBATIONARY PERIOD

From the hiring date, the probationary period for employees may last up to 90 days. Employees have the chance to evaluate Herbal Elements and the Company has a chance to evaluate the employee. During this period Herbal Elements has the right to terminate employment without advance notice. The employee's status will change from temporary to regular upon positive completion of the probationary period. All employees, regardless of classification or length of service, are expected to meet and maintain Company Standards for job performance and behavior as detailed in this manual.

3.5 OPEN DOOR COMMUNICATIONS

Herbal Elements encourages two-way communication to discuss work-related problems and issues. Supervisors / managers are responsible for listening in complete confidence and to respond, if necessary, in a timely fashion. Herbal Elements emphasizes open-door practices whereby employees are encouraged to deal directly with their supervisor and other appropriate members of management regarding complaints or perceived inequitable conditions of employment.

3.6 HOURS

Herbal Elements' operations are open for business from 11:00AM - 7:00PM Monday-Saturday, Sunday 12:00PM - 5:00PM 365 days a year with the exception of Holidays and other authorized days listed in this manual. The standard workweek is 40 hours of work (see overtime section in this manual). In the computation of various employee benefits, the employee workweek is considered to begin on Monday (starting at 12:01AM) through Sunday (ending at 12:00AM) unless a supervisor makes prior other arrangements with the employee.

3.7 LUNCH AND BREAKS

Employees receive an hour for lunch which is considered non-paid time. However, at the discretion of the employee's supervisor, an employee who requests it may be allowed to take only thirty minutes for lunch. The shortened lunch period may not result in overtime unless approved by the employee's supervisor. Employees must clock out during that time. When it is not practical or possible for a duty-free break, staff may consume their meal while working, and should not clock out. However, whenever practical, employees **must** take an unpaid break of 30 minutes. Failure to adhere to the lunch policy will be subject to disciplinary action, including termination. Employees are not to "skip" their meal break in order to leave their shift early.

All employees are permitted a 10-minute paid rest break for each four-hour work period (i.e., one in the morning and one in the afternoon). Breaks are not permitted at either the beginning or end of the workday to offset arrival and departures times. Also, break periods must be taken at one time and may not be split into segments. Employees who voluntarily work through their break periods will not be permitted additional compensation. Supervisors, at their discretion, may coordinate break times for employees who report to them.

3.8 PERSONNEL DOCUMENTS

Herbal Elements may maintain personnel files for employees. The personnel file may include, but is not limited to, the following information: W4, 19, Authorization to Work, job application, job description, résumé, records of participation in training events, salary history, records of disciplinary action and documents related to employee performance reviews, and coaching. The files are the property of Herbal Elements and access to the information is restricted. Management personnel of Herbal Elements who have a legitimate reason to review the file are allowed to do so.

3.9 DATA CHANGES

An employee's personnel data should be accurate and current at all times. It is the responsibility of each employee to promptly notify their supervisor or of any changes in personnel data such as:

- Mailing address information
- Contact information (telephone numbers, email address, etc.)
- Name and number of dependents (if applicable)
- Emergency contact info for ICE (In Case of Emergency) persons

3.10 EMERGENCIES

Emergencies such as inclement weather, fire, or power failure can disrupt company operations. The decision to close the office will be made by the management. When the decision is made to close Herbal Elements, employees will receive notification from their supervisor. Time off from scheduled work due to emergency closings will be unpaid for all nonexempt employees.

3.11 OUTSIDE EMPLOYMENT

Outside jobs in non-related businesses or professions as long as the employee meets the performance standards of their job description with Herbal Elements is acceptable. If the outside job is within the marijuana industry, the employee must notify Herbal Elements, in writing, of the employer – Herbal Elements may or may not allow the employee to be employed by a company in the marijuana industry and this can be cause for termination or non-hiring. Herbal Elements' office space, equipment, materials and intellectual property are never to be used for outside employment or personal use. Unless an alternative work schedule has been approved by Herbal Elements, employees will be subject to Herbal Elements' scheduling requirements.

3.12 CORRECTIVE ACTION

Employees are expected to maintain a certain work standard, follow the rules outlined in this manual, and in general maintain a standard of conduct in line not only with this manual but also in line with a professional work environment. If an employee departs from the expected standards described in this manual, Herbal Elements anticipates the employee's supervisor will take corrective measures that can include termination. However the usual sequence of actions includes an oral warning, a written warning, probation, and finally termination of employment. A supervisor will consider the seriousness of the violation, the circumstances surrounding the issue, and the employee's previous record in determining the best course of action.

If the violation is considered serious, the approach may not be utilized in order the progressive order. Serious infractions include but are not limited to: violation of Colorado Department of Revenue regulations, theft in any form, insubordinate behavior, vandalism or destruction of company property, unauthorized presence on property during non-business hours, conviction of any crime, the use of company equipment and/or company vehicles without prior authorization by executive staff, untruthfulness about personal work history, skills, or training, divulging Company business practices, and misrepresentations of Herbal Elements to a customer, a prospective customer, the general public, or an employee. This is not an exhaustive list and should not be taken as such.

3.13 TERMINATION

- **Termination**: involuntary employment termination initiated by Herbal Elements
- **Resignation**: voluntary employment termination initiated by an employee
- **Layoff:** involuntary employment termination initiated by Herbal Elements for non-disciplinary reasons

At least two (2) weeks written notice must be given when a Non-exempt employee intends to terminate his / her employment with Herbal Elements. At least four (4) weeks written notice must be given when an Exempt employee intends to terminate his / her employment with Herbal Elements. Failure to give stated notice may result in ineligibility for rehire. Any employee who terminates employment with Herbal Elements shall immediately return all files, records, keys, and any other materials that are property of Herbal Elements. No final settlement of an employee's pay will be made until all items are returned in appropriate condition. The cost of replacing non-returned items will be deducted from the employee's final paycheck. Furthermore, any outstanding financial obligations owed to Herbal Elements will also be deducted from the employee's final check.

3.14 SAFETY & HEALTH

Obeying Safety rules and exercising caution and common sense in all work activities is a condition of employment. Unsafe work environments must immediately be reported to supervisors. Employees who violate safety standards, cause hazardous or dangerous situations, or fail to report, or where appropriate, remedy such situations, may be subject to disciplinary action including termination of employment. Employees must alert a supervisor in the event of an accident that results in injury, no matter how small the injury may seem.

Employees who become aware of any significant change in health-related issues should notify their supervisor. A written "permission to work" from the employee's doctor may be required at the time or shortly after notice has been given. The doctor's note should specify whether the employee is able to perform regular duties as outlined in their job description. Leaves of absence are granted on a case-by-case basis. Any employee who, by medical examination or supervisory observation, is shown to have, or appears to have, an illness, open lesion, including boils, sores, or infected wounds, or any other abnormal source of microbial contamination for whom there is a reasonable possibility of contact with preparation surfaces for marijuana or MIPS shall not be able to participate in their regular job duties until the condition is corrected per doctor's instruction. Should there be job duties in which the employee would not have contact with marijuana, the employee may be offered those duties as appropriate. If there is not

available work, the employee will be required to take leave without pay as per the Department of Revenue.

All employees working in direct contact with preparation of marijuana or MIPS shall conform to hygienic practices while on duty including but not limited to:

- Maintaining adequate personal cleanliness
- Washing hands thoroughly in an adequate hand-washing area(s) before starting work and at any other time when the hands may have become soiled or contaminated

- Refraining from having direct contact with preparation of marijuana or MIPS if the person has or may have an illness, open lesion, including boils, sores, or infected wounds, or any other abnormal source of microbial contamination, until such condition is corrected

3.15 SECURITY

Persons who are issued keys, codes, or other access through security to the office are responsible for their safekeeping. The last employee, or a designated employee, who leaves the building at the end of the business day assumes the responsibility of ensuring that all doors are securely locked, the alarm system is armed, thermostats are set on appropriate evening and / or weekend setting, and all appliances and lights are turned off with exception of the lights normally left on for security purposes or other required purposes. Employees are not allowed on Company property after hours without prior authorization from their supervisor.

3.16 PERSONAL PROPERTY

Herbal Elements assumes no risk for any loss or damage to personal property. Employees must secure their own personal insurance policies to cover the loss of anything occasionally left at the office unattended.

3.17 EXPENDITURES

No employee, unless authorized specifically to do so, may make purchases in the name of Herbal Elements. No employee whose regular duties do not include purchasing shall incur any expense on behalf of Herbal Elements or bind Herbal Elements by any

promise or representation without management's written approval. If a manager asks an employee to purchase something using petty cash, failure to bring a receipt matching the spent monies may result in the employee reimbursing the company.

3.18 PARKING

Employees must park their cars in areas indicated and provided for by Herbal Elements.

3.19 VISITORS

In order to maintain the absolute safety and security of employees, customers, and the facilities, no unauthorized visitors are allowed in the workplace. Visitors are not allowed in limited access areas as defined by the Colorado Department of Revenue ("CDOR") unless they receive a visitors badge from a Key employee and are authorized vendors per CDOR rules. If an employee is taking an authorized visitor into the limited access area, he/she is required to give the authorized visitor a visitor badge, have that visitor sign in for the badge, have the visitor sign out the badge when he/she is finished, and collect the badge when the visitor leaves. Failure to do so will result in disciplinary action that can include termination.

3.20 IMMIGRATION

Herbal Elements employs only United States citizens and those non-U.S. citizens authorized to work in the United States in compliance with the Immigration Reform and Control Act of 1986. All new employees, as a condition of employment, must complete Employment Eligibility Verification Form 1-9 and present documentation establishing identity and employment eligibility. Former employees who are rehired must also complete the form if they have not completed a Form 1-9 with Herbal Elements within the past three years or if their previous Form 1-9 is no longer retained or valid.

Part 4 - 4.0 STANDARD OF CONDUCT

All employees must be familiar with and abide by the rules and standards in this manual as well as those of the CDOR (Colorado Department of Revenue) and CDPHE (Colorado Department of Public Health and Education). In addition, employees are expected to follow the rules and standards to the letter in performing their jobs and conducting Herbal Elements' business. Violating these rules and standards can cause corrective action to be taken which can include termination. The following are examples of rule infractions or misconduct that may result in

disciplinary action, including termination of employment this list is not intended as a complete list rather examples:

- Not complying with CDOR rules
- Drug or alcohol use on Company property
- Possession of drug paraphernalia on Company property
- Stealing or inappropriate removal or possession of property
- Distortion of timekeeping records
- Any substance abuse while working (under the influence of alcohol or illegal drugs)
- Possession, distribution, sale, transfer, or use of alcohol or illegal drugs in the workplace
- Fighting or threatening violence in the workplace
- Boisterous or disruptive activity in the workplace
- Negligence or improper conduct leading to damage of company-owned or customer-owned property
- Insubordination or other disrespectful conduct
- Violation of safety or health rules
- Smoking in the workplace
- Sexual or other unlawful or unwelcome harassment
- Excessive absenteeism or any absence without notice
- Unauthorized use of telephones, or other company-owned equipment
- Using company equipment for purposes other than business
- Unauthorized disclosure of business "secrets" or confidential information
- Violation of personnel policies
- The conviction of any crime and;
- Unsatisfactory performance or conduct

4.1 Attendance

Employees are expected to be punctual and in attendance each day. If you are unable to report for work for any reason, notify your supervisor before regular starting time. It is your responsibility to speak directly with your supervisor about the absence. It is not sufficient to leave a message on a supervisor's voice mail, except in an emergency. In the case of leaving a voice-mail message, a follow-up call must be made later that day. It is the responsibility of the employee to find coverage if he/she is unable to work the scheduled time. Once a replacement is found, the employee and his/her replacement must inform the supervisor stating he/she is changing their schedule.

If no absence report is made, it will be assumed after two consecutive days of absence that you have resigned, and you will be removed from the payroll. If you become ill while at work or must leave the office for some other reason before the end of the workday, employees must inform their supervisor.

4.2 HARASSMENT

It is Herbal Elements' policy that all employees should be allowed to work in an environment free of discrimination or harassment on the basis of race, color, sex, age, religion, national origin, disability or other protected status. Accordingly, Herbal Elements prohibits managers or supervisors from making employment decisions (hiring, promotions, pay raises, terminations, etc.) on the basis of an employee's race, color, sex, age, religion, national origin, disability or other protected status. Also, Herbal Elements will not tolerate any conduct that may interfere with the performance of an employee's job or create an intimidating, hostile, or offensive work environment. Such conduct, by whoever committed, is strictly prohibited and will result in prompt and certain disciplinary action up to and including termination.

The following are examples (but is not a comprehensive list) of conduct that is prohibited under this Policy:

- All types of harassment (e.g., sexual, racial, etc.).
- Unwelcome sexual advances, repeated offensive flirtations, requests or demands for sexual favors, degrading or suggestive comments of a sexual nature about an individual or his/her appearance, and physical contact of a sexual nature.
- Conduct that is offensive or adversely affects an employee's work performance such as unwelcome conversations of a particularly personal nature; improper gestures or slurs; profane or vulgar language, jokes or "kidding;" and inappropriate cartoons, pictures, drawings or other graphic materials, even though the conduct may not rise to the level of creating a hostile work environment under the law.
- Fighting, assaulting, or injuring another person.
- Unreasonable and/or inappropriate pranks, practical jokes, or other disorderly conduct.

"Sexual harassment" as used herein does not refer to occasional compliments of a socially acceptable nature. Rather, it refers to behavior that is not welcome, that is personally and objectively offensive, that debilitates morale, and that, therefore, interferes with an individual's work performance.

Managers and supervisors may not date or have a sexual relationship with any employee to whom they assign work, evaluate, or influence employment decisions without both parties promptly advising a senior staff member of the relationship, so that assurances of mutual consent can be obtained and arrangements made to assure no adverse impact on the workplace.

If you ever feel that you have been subjected to any type of harassment or have any knowledge of any kind of prohibited behavior, you are to immediately follow the complaint procedure outlined below. Herbal Elements will not tolerate any type of

retaliation against any employee or other person who, in good faith, complains about or reports harassment.

1. You are encouraged to tell the offending individual(s) that their behavior is offensive and unwelcome, and to stop.
2. Put your complaint in writing and give it to the individuals identified above.

All managers and supervisors are to be alert to the possible presence of harassment in the work place, to take appropriate action to prevent incidents from occurring, and to institute prompt investigatory measures and appropriate remedial action. At a minimum, all allegations of harassment known to a supervisor or staff member are to be reported to the individuals identified above. All allegations of harassment will be treated seriously and in a professional manner. Every reasonable effort will be made to protect confidentiality. This policy applies to all managers, supervisors, employees, vendors, service/sales representatives, and all others doing business with or on Herbal Elements' premises. Under no circumstances should an inappropriate situation be allowed to continue by not reporting it, regardless of the offending party. No one at Herbal Elements is exempt from this Policy.

4.3 Telephone

Personal usage during business hours is discouraged. All personal telephone calls should be kept brief. If an employee is found to be deviating from this policy, disciplinary action may be taken.

4.4 Professionalism

A professional appearance is important anytime that you come in contact with the public. Employees should be well groomed and dressed appropriately for our business and for their position in particular. The following items are considered inappropriate working attire for Herbal Elements:

- Gym clothing
- Wording or depictions that indicate "sex" "alcohol" or "drugs"
- Gang related colors or clothing

While management trusts each employee's common sense and good judgment, in order to maintain a professional work environment, revealing clothing and clothing

displaying profane, insulting, or inappropriate text shall not be worn. If an employee wears clothing that is not in accordance with the dress code, management may either ask the employee to go home without pay and change clothes or tell the employee not to wear the clothing to work in the future. Employees working in the "front of the house" should always dress in clothing appropriate for a retail establishment catering to customers. Employees working in the "back of the house" should dress appropriately for their job responsibilities keeping safety in mind. Consult your supervisor if you have any questions about appropriate business attire.

4.5 SUBSTANCE ABUSE

Herbal Elements recognizes that some individuals, sometimes to an extent that their abilities and senses are impaired, use substances. The position of the company regarding substance abuse is the same whether alcohol, marijuana, illegal drugs, prescription drugs, or controlled substances are involved. This policy is implemented because Herbal Elements believes that the impairment of any employee due to his / her use of substances can result in the risk of injury to other employees, the impaired employee, or to third parties, such as customers or business guests.

Herbal Elements is committed to providing a safe and productive workplace for its employees. The following rules apply during working hours to all employees of Herbal Elements while they are on Company premises or elsewhere on Company business. The manufacture, distribution, possession, sale, or purchase of controlled substances of abuse on Company property is prohibited. This includes the illegal manufacture, distribution, possession, sale, or purchase of marijuana. Being impaired by illegal drugs, alcohol, or substances of abuse on Company property is prohibited. Working while under the influence of prescription or recommended drugs that impair performance is prohibited.
So that there is no question about what these rules signify, please note the following, definitions:

- Company property: All Company owned or leased property used by employees.
- Controlled substance of abuse: Any substance listed in Schedules of Section 202 of the Controlled Substance Act, as amended.
- Drug: Any chemical substance that produces physical, mental, emotional, or behavioral change in the user.
- Drug paraphernalia: Equipment, a product, or material that is used or intended for use in concealing an illegal drug, or otherwise introducing into the human body an illegal drug or controlled substance.

- Illegal drug: Any drug or derivative thereof whose use, possession, sale, transfer, attempted sale or transfer, manufacture, or storage is illegal or regulated under any federal, state, or local law or regulation. Any drug, including but not limited to a prescription or recommended drug, used for any reason other than that prescribed or recommended by a physician.
- Inhalants: Inhalants used illegally.
- Under the influence: A state of not having the normal use of mental or physical faculties resulting from the voluntary introduction into the body of a substance of abuse.

Consistent with the rules listed above, any of the following actions constitutes a violation of Herbal Elements' policy on drugs and may subject an employee to disciplinary action, up to and including immediate termination. Using, selling, purchasing, transferring, manufacturing, or storing an illegal drug or drug paraphernalia, or attempting to or assisting another to do so, while in the course of employment. Working or reporting to work, conducting Company business or being on Company property while under the influence of an illegal drug or alcohol, or in an impaired condition. "Impairment" or "being impaired" means that an employee's normal physical or mental abilities, or faculties, while at work have been detrimentally affected by the use of substances. The employee who begins work while impaired or who becomes impaired while at work is guilty of a major violation of company rules and is subject to severe disciplinary action. Severe disciplinary action can include suspension, termination, or any other penalty appropriate under the circumstances. Likewise, the use, possession, transfer, or sale of any substance on company premises is prohibited, and violations are subject to severe disciplinary action.

4.6 TOBACCO

The use of tobacco products is not permitted anywhere on Herbal Elements' premises, including the parking lot. All employees must dispose of their tobacco properly. Cigarette "butts" should not be disposed of in Herbal Elements trash, nor left outside.

4.7 Internet

Herbal Elements employees are allowed use of the Internet and e-mail to conduct Herbal Elements' business. Employees may use the Internet when appropriate to access information needed to conduct business of Herbal Elements. Employees may use e-mail when appropriate for Company business correspondence. Herbal Elements reserves the right to access and monitor all files and messages on its systems.

PART 5 - 5.0 STANDARDS

This is a business in which the standards for the industry are currently being set. We have the ability as pioneers to make a mark on the future of this industry. It is our goal to aim high and set the bar to a level we think is worth striving for.

5.1 UNLAWFUL ACTS

Colorado Revised Statues §12-43.3-901 defines a number of unlawful acts specific to the medical marijuana industry. The following list highlights a number of rules that Herbal Elements demands their employees strictly adhere to. The following highlights some of the major laws and regulations but is not intended to constitute the entire list of expectations. Employees of Herbal Elements are expected to know, keep current with, and comply with all applicable laws and regulations.

It is unlawful for any person licensed to sell medical marijuana to a person not licensed by the CDPHE or to a person not able to produce a valid patient registry identification card, unless the person has a copy of a current and complete new (not a renewal) application for the medical marijuana registry administered by the department of public health and environment that is documented by a certified mail return receipt as having been submitted to the CDPHE within the preceding thirty-five (35) days and the employee assisting the person has contacted the CDPHE and, as a result, determined the person's application has not been denied. See, C.R.S. §12-43.3-901(4)(d)(I).

A representative of Herbal Elements shall not consume medical marijuana in a licensed medical marijuana facility, and it shall be unlawful for a medical marijuana licensee to allow medical marijuana to be consumed upon its licensed premises. See, C.R.S. §12-43.3-901(1)(a).

Herbal Elements and its employees shall not with knowledge, permit or fail to prevent the use of his or her registry identification by any other person for the unlawful purchasing of medical marijuana. See, C.R.S. §12-43.3-901(1)(b).

A representative of Herbal Elements shall not buy, sell, transfer, give away, or acquire medical marijuana except as allowed pursuant Rules outlined by the Colorado Department of Revenue and The Colorado State constitution. See, C.R.S. §12-43.3-901(2).

A representative of Herbal Elements shall not be within a limited-access area unless the person's license badge is prominently displayed above the waist.

A representative of Herbal Elements shall not provide public premises, or any portion thereof, for the purpose of consumption of medical marijuana in any form. Simply, medical marijuana shall not be consumed on, in or around the Herbal Elements' premises. See, C.R.S. §12-43.3-901(4)(c).

Nor shall a representative of Herbal Elements sell medical marijuana to a person not licensed pursuant to CDPHE and/or CDOR regulations or to a person not able to produce a valid patient registry identification card.

A representative of Herbal Elements less than twenty-one years of age shall not be employed to sell or dispense medical marijuana at a medical marijuana center or grow or cultivate medical marijuana at an optional premises cultivation operation.

If a representative of Herbal Elements has reasonable cause to believe that a person is exhibiting a fraudulent patient registry identification card in an attempt to obtain medical marijuana, the licensee or employee shall be authorized to confiscate the fraudulent patient registry identification card, if possible, and shall, within seventy-two (72) hours after the confiscation, turn it over to the state health department or local law enforcement agency. The failure to confiscate the fraudulent patient registry identification card or to turn it over to the state health department or a state or local law enforcement agency within seventy-two hours after the confiscation shall not constitute a criminal offense. See, C.R.S. §12-43.3-402 (5).

A representative of Herbal Elements shall ensure Herbal Elements does not possess more than six (6) medical marijuana plants and two ounces of medical marijuana for each patient who has registered the center as his or her primary center. A medical marijuana center may have an amount that exceeds the six-plant and two-ounce product per patient limit if the center sells to patients that are authorized to have more than six plants and two ounces of product. In the case of a patient authorized to exceed the six-plant and two-ounce limit, the representative of shall obtain documentation from the patient's physician that the patient needs more than six plants and two ounces of product. See, C.R.S. §12-43.3-402 (3).

A representative of Herbal Elements shall not offer for sale or solicit an order for medical marijuana in person except within the licensed premises and shall not have in possession or upon the licensed premises any medical marijuana, the sale of which is not permitted by the license. A representative of Herbal Elements shall not buy medical marijuana from a person not licensed to sell per CDOR regulations. A representative of Herbal Elements

shall not sell medical marijuana except in the permanent location specifically designated in the license for sale. See, C.R.S. §12-43.3-402 (4)(f)-(i).

A representative of Herbal Elements shall not to have on the licensed premises any medical marijuana or marijuana paraphernalia that shows evidence of the medical marijuana having been consumed or partially consumed. A representative of Herbal Elements shall not deliver medical marijuana to any premises other than the specific licensed premises where the medical marijuana is to be sold. See, C.R.S. §12-43.3-402 (4)(J).

A representative of Herbal Elements shall not sell, serve, or distribute medical marijuana at any time other than between the hours of 8:00AM and 7:00PM Monday through Sunday. See, C.R.S. §12-43.3-402 (4)(l).

It is unlawful for a medical marijuana center, medical, marijuana-infused products manufacturing operation with an optional premises cultivation license, or medical marijuana center with an optional premises cultivation license to sell, deliver, or cause to be delivered to a licensee any medical marijuana not grown upon its licensed premises, or for a licensee or medical marijuana center with an optional premises cultivation license or medical marijuana-infused products manufacturing operation with an optional premises cultivation license to sell, possess, or permit sale of medical marijuana not grown upon its licensed premises. A violation of the provisions of this subsection (5) by a licensee shall be grounds for the immediate revocation of the license granted under this article. See, C.R.S. §12-43.3-402(5).

A Physician who makes patient referrals to a licensed medical marijuana center shall not receive anything of value from the medical marijuana center licensee or its agents, servants, officers, or owners or anyone financially interested in the licensee, and it shall be unlawful for a representative of Herbal Elements to offer anything of value to a physician for making patient referrals to the licensed medical marijuana center. See, C.R.S. §12-43.3-402 (6).

Infractions of these rules are subject to disciplinary action up to and including termination.

5.2 OFFENSES

Any employee, and any associated or key persons to a licensee, must make written notification to the Marijuana Enforcement Division of any criminal conviction and criminal charge pending against such person within five (5) days of such person's arrest, summons, or conviction. This notification requirement shall not apply to non-felony traffic violations unless the violations result in suspension or revocation of a driver's license, the violations are based on allegations of driving under the influence or impairment of intoxicating liquor or drugs, or result in the person being taken into custody. Failure to make proper notification to the MED may be grounds for a disciplinary action up to and including termination. See, CDOR medical marijuana rules 1.1200.

Employees must report within three (3) business days, any criminal actions, licensee rule violations, or other suspicious acts involving the sale, cultivation, distribution or manufacturing of medical marijuana or any medical marijuana infused products by any person to CDOR and shall cooperate in subsequent investigations. If an employee or contractor is discharged for alleged violations of the law or these regulations, the employee will surrender their occupational license. See, CDOR medical marijuana rule 1.120.

5.3 SALES

Every person selling medical marijuana shall sell only medical marijuana grown in a medical marijuana optional premises cultivation licensed facility. In addition to medical marijuana, a medical marijuana center may sell no more than six (6) immature plants to a patient; except that a medical marijuana center may sell more than six (6) immature plants, but may not exceed half the recommended plant count, to a patient who has been recommended an expanded plant count by his or her recommending physician. A medical marijuana center may sell immature plants to a primary caregiver, another medical marijuana center, or a medical marijuana-infused product manufacturer. A representative of Herbal Elements shall sell no more than 2 ounces to a patient in one day. See, C.R.S. §12-43.3-402.

5.4 CULTIVATION

Definition:

"Processed" shall mean the final dried, finished and useable marijuana product having been sifted and sorted to remove plant waste, stems, and/or seeds and other byproducts prepared for final packaging and transport to the licensed center as permitted in law. CDOR medical marijuana rules 1.205

"Immature plant" means a non-flowering medical marijuana plant that is no taller than eight inches and no wider than eight inches produced from a cutting, clipping, or seedling and that is in a growing container that is no larger than two inches wide and two inches tall that is sealed on the sides and bottom. See, C.R.S. §12-43.3-104(1.5).

Approved Handling Procedures

Once harvested, tagged medical marijuana plants shall be combined in batches for tracking through the entire manufacturing process with the tags for each medical marijuana plant accompanying each batch at each stage of manufacture. Each batch will be identified by listing the identifying markers from the individual plants from the designated flowering area and a data collection point will occur in which the batch will be weighed, duly recorded, and clearly identified within sight of a video camera and the "wet" weight of buds, stems, and leaf duly recorded as unprocessed product, wholesale byproduct, and waste. The identifying markers associated with each batch shall be

prominently displayed on drying racks or wires and curing containers throughout the manufacturing process. See, CDOR medical marijuana rules 1.205.

Prior to packaging, the processed medical marijuana plants shall be weighed before transfer to the Medical Marijuana Center ("MMC") or 1:00 PM, and the weight of unfinished product, wholesale byproduct and waste as a data collection point recorded. Processed marijuana shall be immediately packaged, sealed, weighed and stored in an approved secure transportation container for transport to the licensed premises of the MMC. Medical marijuana packaging shall be in sealed containers/packaging with tamper-proof bands. Processed medical marijuana plants shall be packaged in units of one pound or less and tagged with the total weight of the packaged product and securely sealed in a tamper-proof manner. The packages will be transported to the MMC within forty-eight (48) hours and recorded as inventory at the receiving MMC. Packaged medical marijuana shall be weighed, logged out, and transported directly from the Operational Processing Center ("OPC") facility to the MMC's licensed premises in a secure fashion and out of plain sight. See, CDOR medical marijuana rules 1.205.

5.5 TRANSPORTATION

Transportation of medical marijuana or medical marijuana-infused products shall in all instances be accompanied by a manifest that is approved by the MED. The manifest shall be created online on the MED website and a printed copy shall be carried at all times with the products being transported. The manifest must be approved by the -MED prior to any transport of medical marijuana products by Herbal Elements. See, CDOR medical marijuana rules 11.200(d).

Transport will be made by a licensed representative of Herbal Elements. On arrival at the licensed center, all packages containing medical marijuana shall be re-weighed within eight (8) hours in a limited access area of the MMC and monitored by one or more cameras and logged in to the licensed Herbal Elements' on hand inventory. The representative of Herbal Elements shall verify the license status of the other licensee and provide verification of Herbal Elements' license. See, CDOR medical marijuana rules 11.200.

5.6 LIMITED ACCESS

All limited access areas must be identified by the posting of a sign which shall be a minimum of 12inches by 12inches which shall state in the English: "Do Not Enter - Limited Access Area — Access limited to Licensed owners, Employees and contractors only" in lettering no smaller than 1/2 inch in height. See, CDOR medical marijuana rules 10.100.

Representatives of Herbal Elements shall ensure only authorized individuals enter Limited Access Areas. All persons in a limited access area shall be required to hold and properly display a current validated license badge issued by the Colorado Division of Revenue at all times while in any limited access areas. Failure of any person to properly display such a license badge may constitute grounds for discipline. Proper display of the license badge shall consist of wearing the badge plainly visible at or above the waist, with the photo of the licensee readily visible to any observer. The licensee shall not alter, obscure, damage, or deface the badge, including the photographic image of the licensee, and any information contained or represented thereon, in any way. See, CDOR medical marijuana rules 10.105.

A Key Licensee shall ensure all outside vendors, contractors or visitors obtain a visitor identification badge, prior to entering a restricted or secure area, and shall be escorted at all times by that representative of the facility. The visitor identification badge must be visibly displayed at all times while the visitor is in any limited access area. All visitors must be logged in and out, and that log shall be available for inspection by CDOR personnel at all times. A representative of Herbal Elements shall ensure the return of the visitor badge upon the departure of the visitor. See, CDOR medical marijuana rules 10.105.

PART 6 - 6.0 WAGES

Although Herbal Elements' salary ranges and hourly wage schedules will be adjusted on an ongoing basis, Herbal Elements does not grant "cost of living" increases. Performance is the key to wage increases in Herbal Elements.

6.1 TIMEKEEPING

Recording time worked is the responsibility of every non-exempt employee. Time worked is the time actually spent on a job(s) performing assigned duties. Herbal Elements does not pay for extended breaks or time spent on personal matters. The time clock is a legal instrument. Altering, falsifying, tampering with time records, or recording time on another employee's time record will result in disciplinary action, including termination of employment. Authorized personnel will review time records each week. Any changes to an employee's time record must be approved by his / her supervisor. Questions regarding the timekeeping system or time cards should be directed to the supervisor.

Time Cards: Non-exempt employees will be issued a time card on their first day of employment. The employee will be given thorough instructions on usage and instructions on what to do should a problem occur. Exempt employees are responsible for working the hours necessary to meet the responsibilities outlined in their job description and are not eligible for overtime.

6.2 OVERTIME

Overtime compensation is paid to non-exempt employees in accordance with federal and state wage and hour restrictions. Overtime is payable for all hours worked over 40 per week at a rate of one and one-half times the non-exempt employee's regular hourly rate. Time off on personal time, holidays, or any leave of absence will not be considered hours worked when calculating overtime. All overtime work performed by an hourly employee must receive the supervisor's prior authorization. Overtime worked without prior authorization from the supervisor may result in disciplinary action. The supervisor's signature on a timesheet authorizes pay for overtime hours worked.

6.3 PAYDAY

All employees are paid every other Tuesday, 26 pay periods a year. If a regular payday falls during an employee's vacation, the employee's paycheck will be available upon his/her return from vacation. Pay will not, under any circumstances, be given to any person other than the employee without written authorization. Herbal Elements withholds income tax from all employees' earnings and participates in FICA (Social Security), and Medicare withholding and matching programs as required by law.

6.4 HOLIDAYS

Herbal Elements is a 24 hour-day 365 day / year business. There are no observed holidays.

6.5 JURY / MILITARY

Time off for mandatory jury duty or court appearances required as a result of a valid subpoena or court order is excused and paid at full salary or wages for full-time employees, provided that the employee's supervisor verifies proof of duty. The employee is expected to report for work when it does not conflict with court obligations. It is the employee's responsibility to keep management periodically informed about the amount of time required for jury duty or court appearances. A copy of the jury duty summons and all other associated paperwork is required for the personnel file. Employees will be granted time off to serve military leave without pay. However, all regular employees both full-time and part-time will be kept on the active payroll until their civic duties have been completed.

PART 7 – 7.0 EMPLOYEE COMMUNICATIONS

Herbal Elements encourages open communication to between all employees. It is suggested that employees interact with senior managers and staff for a more collaborative and productive environment for everyone.

7.1 BULLETIN BOARDS

Important company information will be displayed on bulletin boards located at highlighted points throughout the store / facility. Employees will be responsible for regularly checking and reading the bulletin board and for following the rules, regulations and instructions posted there.

7.2 COMPLAINTS

Under normal working conditions, employees who have a job-related problem, question or complaint should first discuss it with their immediate supervisor. At this level, employees usually reach the simplest, quickest, and most satisfactory solution. If the employee and supervisor do not solve the problem, Herbal Elements is committed to resolving the issue with another supervisor.

A copy of the State and local rules/regulations is available at:
http://www.colorado.gov/cs/Satellite/Rec/ADULT-CDOR/[illegible] and

http://library.municode.com/index.aspx?clientId=[illegible] o
It is the employees' responsibility to ensure they are aware of the rules as they change.

EMPLOYEE EDUCATION

All employees are expected to stay current in all medical marijuana laws, rules and regulations. In addition, the following shall pertain to all Herbal Elements' employees:

Herbal Elements will conduct monthly employee meetings to ensure all state and local requirements for the sale of medical marijuana is being handled properly and according to state and local regulations and that all legal and professional obligations are properly discharged. These meetings will include the proper sale and handling of medical marijuana. Attendance of all employees is and shall be mandatory.

Herbal Elements will consistently review its procedures regarding the sale of medical marijuana and will make sure all practices are strictly adhered to and enforced. Herbal Elements will periodically update its policies as necessary.

Appropriate signage will be conspicuously posted advising that we will not sell to minors, that we do not permit any use or consumption on the premises. that valid ID's must be presented and will be checked, and that all transactions are video recorded.

In addition to the regular employee meetings, information will be placed in employee paychecks consisting of issues, education and/or articles pertaining to medical marijuana sales, CDOR, CDPHE, MMED, marijuana laws and any other usefully or necessary updates. All employees are expected to read and understand any/all such included materials.

I have read and agree to abide by this Employee Manual.

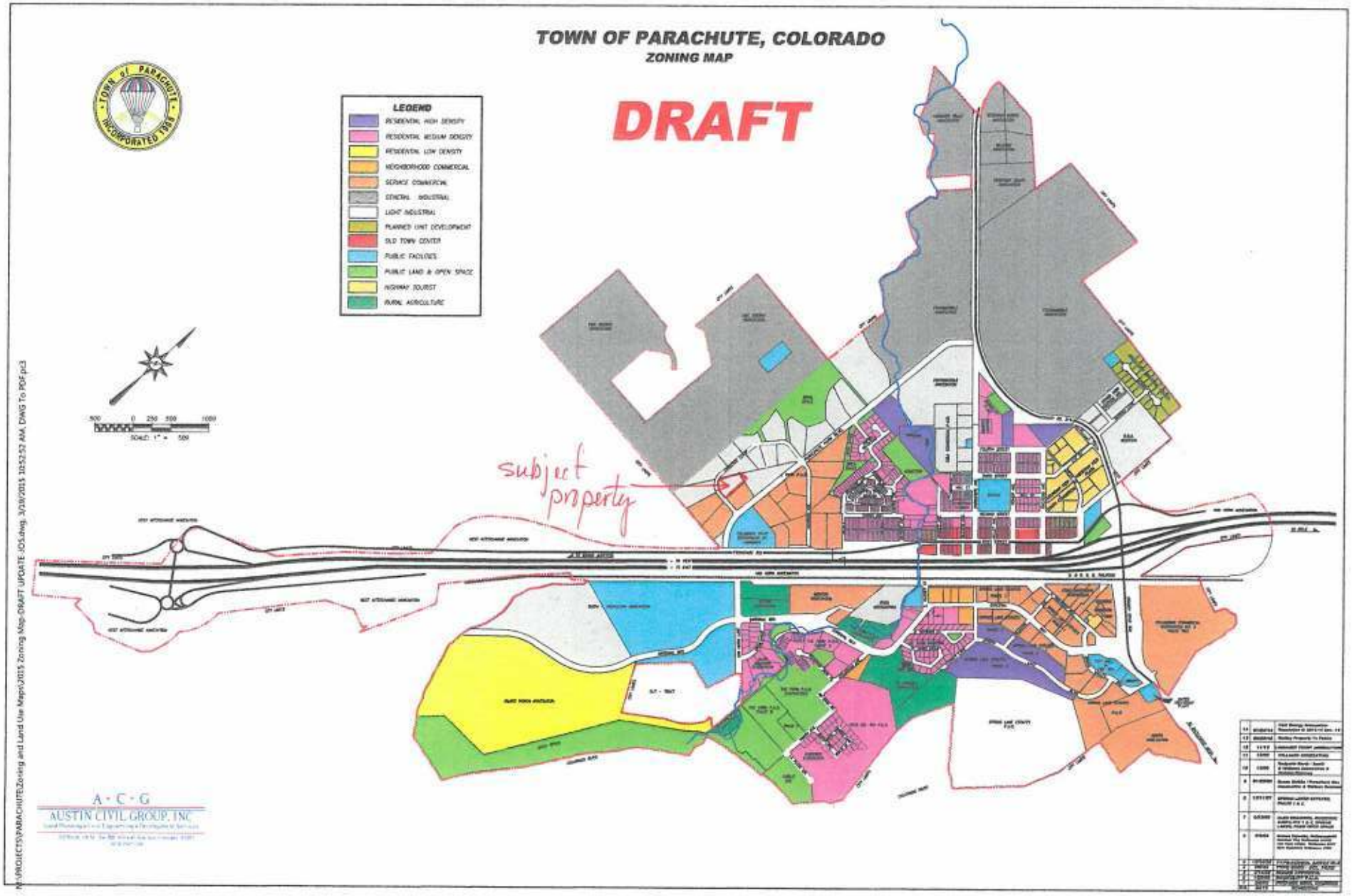
_____

Employee Signature Date

Witnessed by:

_____ _____

Business Representative Date


TOWN OF PARACHUTE, COLORADO
ZONING MAP
DRAFT
LEGEND
RESIDENTIAL HIGH DENSITY
RESIDENTIAL MEDIUM DENSITY
RESIDENTIAL LOW DENSITY
NEIGHBORHOOD COMMERCIAL
SERVICE COMMERCIAL
GENERAL INDUSTRIAL
LIGHT INDUSTRIAL
PLANNED UNIT DEVELOPMENT
OLD TOWN CENTER
PUBLIC FACILITIES
PUBLIC LAND & OPEN SPACE
HIGHWAY TOURIST
RURAL AGRICULTURE
subject property
A · C · G
AUSTIN CIVIL GROUP, INC

Town of Parachute
222 Grand Valley Way
PO Box 100
Parachute CO 81635 970-285-7630

Receipt No: 1.002756 Jun 20, 2016

Parachute Unlimited, LLC

Previous Balance:	.00
Tax / Licenses & Permits	
Marijuana Licensing - Retail	5,000.00
10-32-140 MARIJUANA LICENSING	
Tax / Licenses & Permits	
Marijuana Licensing - Manufacturing	5,000.00
10-32-140 MARIJUANA LICENSING	
Tax / Licenses & Permits	
Marijuana Licensing - Grow	5,000.00
10-32-140 MARIJUANA LICENSING	
Total:	15,000.00
Check / Money Orders	
Check No: 133	15,000.00
Total Applied:	15,000.00
Change Tendered:	.00

Duplicate Copy
06/16/2016 02:09PM

TOWN OF PARACHUTE
SPECIAL FEE AND COST REIMBURSEMENT AGREEMENT

This Special Fee and Cost Reimbursement Agreement is entered into by and between the Town of Parachute, Colorado, a municipal corporation (the "Town") and PARACHUTE UNLIMITED LLC, (hereinafter "Petitioner").

WITNESSETH:

WHEREAS, Petitioner is the owner of that certain real property described in Exhibit A, attached hereto and incorporated herein by this reference, and desires to undertake the projects or activities described in Paragraph 1; and

WHEREAS, the above activity or project will require the Town to provide the special services and incur the costs set forth in Paragraph 2; and

WHEREAS, Title 15 of the Parachute Municipal Code provides that the Town may assess administrative fees related to development review; and

WHEREAS, the special fees and costs paid and collected by virtue of this Agreement shall be used solely to pay for the Town's actual fees and costs for outside professional services, including, but not limited to, engineering and legal review, incurred by the Town in relation to the anticipated project; and

WHEREAS, the Town and Petitioner desire to set forth their agreements and understandings concerning this matter.

NOW, THEREFORE, in consideration of the mutual covenants and promises of the parties, and for other good and valuable consideration, the adequacy and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Petitioner desires to undertake the following projects or activities involving the Town or its utility services:

_____	Annexation
_____	Subdivision
_____	Planned Development
_____	Conditional Use
_____	Variance
_____	Review of Title 32 Special District
_____	Can and Will Serve Letter for Utility Service
X	Other (describe) MARIJUANA LICENSE

2. The activity or project being undertaken by Petitioner will require the Town to provide the following special services or incur the following costs:

_____	Engineering review and advice
X	Legal review and advice
_____	Preparation of plats or plans
_____	Inspections
_____	Recording fees
_____	Filing fees
_____	Publication Costs
_____	Other (describe) _____

3. Petitioner agrees to pay the Town in full for all special services provided or actual costs incurred by the Town in relation to the project or activity described above on receipt of an itemized billing for those services from the Town. All such amounts are due within thirty (30) days of the date of the bill, with interest on any overdue amounts to be assessed at one and one-half percent (1.5%) per month. In the event that such amounts remain unpaid thirty (30) days after the date they are billed, the Town reserves the right to cease review and processing of the Petitioner's land use and development applications. In the event the Town is forced to pursue collection of any amounts due and unpaid under this provision, it shall be entitled to collect attorney's fees, filing, and recording fees incurred in such collection efforts in addition to the unpaid amounts due, plus interest.

4. Petitioner agrees to provide a deposit to the Town in the amount of $ NA at the time of making the initial application for the MARIJUANA LICENSE. The Town shall not commence to provide any of the services desired by the applicant, or advance any costs, until this deposit is received by the Town. Any amount by which the applicant's deposit exceeds the cost assessed under this Paragraph shall be refunded to the applicant within a reasonable time after final action has been taken on the project. Any amount by which the deposit is less than the total costs due to the Town under this Agreement shall be due and payable subject to the provisions of Paragraph 2, above.

5. The Town specifically does not agree to act favorably on the application made by Petitioner in exchange for payment of the special fees set forth above.

6. This Agreement constitutes the entire and complete agreement of the parties on the subject matter herein. No promise or undertaking has been made by any party, and no understanding exists with respect to the transaction contemplated, except as expressly set forth herein. All prior and contemporaneous negotiations and understandings between the parties are embodied and merged into this Agreement.

7. This Agreement may be amended from time to time by amendments made by the parties in written form and executed in the same manner as this Agreement.

8. This Agreement shall be binding upon and inure to the benefit of the parties and their assigns and successors in interest.

9. If any covenant, term, condition, or provision under this Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such covenant, term, condition, or provision shall not affect any other provision contained herein.

10. The parties agree and intend that this Agreement shall run with the land described in Exhibit A, attached hereto, and be a burden upon that property until final payment has been made to the Town of all fees due and payable under this Agreement, or until the earlier termination of this Agreement.

IN WITNESS WHEREOF, the parties have executed this SPECIAL FEE AGREEMENT on the day and year adjacent to their respective signatures.

TOWN OF PARACHUTE, COLORADO

Date: 6/16/16 By _____
Town Administrator

ATTEST

_____
Deputy Town Clerk

PETITIONER:

Gregory P Honan Date: 6-16-16

STATE OF COLORADO)
) ss.
COUNTY OF GARFIELD)

Acknowledged, subscribed, and sworn to before me this 16 day of June, 20 16, by Gregory Honan.

WITNESS my hand and official seal.

My Commission expires: November 20, 2017

DEREK WINGFIELD
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20134072313
MY COMMISSION EXPIRES NOVEMBER 20, 2017

_____
Notary Public

Ad Name: 12263476A
Customer: Remax Country/Kandl L. Hinman
Your account number is: 2811506

PROOF OF PUBLICATION

GLENWOOD SPRINGS POST INDEPENDENT

STATE OF COLORADO }
SS.
COUNTY OF GARFIELD }

I, Michael Bennett, do solemnly swear that I am Publisher of the Glenwood Springs Post Independent. That the same Daily newspaper printed, in whole or in part and published in the County of Garfield, State of Colorado, and has a general circulation therein; that said newspaper has been published continuously and uninterruptedly in said County of Garfield for a period of more than fifty-two consecutive weeks next prior to the first publication of the annexed legal notice or advertisement and that said newspaper has published the requested legal notice and advertisement as requested.

The Glenwood Springs Post Independent is an accepted legal advertising medium, only for jurisdictions operating under Colorado's Home Rule provision.

That the annexed legal notice or advertisement was published in the regular and entire issue of every number of said daily newspaper for the period of **1** consecutive insertions; and that the first publication of said notice was in the issue of said newspaper dated **7/25/2016** and that the last publication of said notice was in the issue of said newspaper dated **7/25/2016.**

In witness whereof has here unto set my hand this **08/05/2016**.

Michael Bennett, Publisher

Subscribed and sworn to before me, a notary public in and for the County of Garfield, State of Colorado this **08/05/2016**.

Pamela J. Schultz, Notary Public
My Commission expires**: November 1, 2019**

PAMELA J. SCHULTZ
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID #19994030675
My Commission Expires November 1, 2019

PUBLIC NOTICE OF HEARING

Pursuant to Chapter 6.11 of the Town of Parachute, Colorado Municipal Code;

NOTICE IS HERBY GIVEN that an application has been made to the Local Licensing Authority of the Town of Parachute, Colorado for a Retail Marijuana Cultivation Facility License

APPLICANT: Parachute Unlimited, LLC
TRADE NAME: American Green

ADDRESS OF APPLICANT: P.O. Box 2344, Avon, CO 81620

ADDRESS OF PROPOSED LICENSED PREMISES: 110 Diamond Loop, Parachute, CO 81635

LEGAL DESCRIPTION OF PROPOSED LICENSED PREMISES
Lot 7. Block 3 of the Parachute Park P.U.D., according to the Amended Plat thereof, recorded in the public records of Garfield County, Colorado at Reception No. 784960.
DATE OF APPLICATION: June 16, 2016

PUBLIC NOTICE IS HEREBY GIVEN that a Public Hearing will be held on this application Thursday, August 18th, 2016 at 6:30 p.m. in the Board Room in the Parachute Town Hall, 222 Grand Valley Way, Parachute, CO 81635.

All persons affected by the proposed land use application are invited to appear and state their views, protests, or support. If you cannot appear personally at such hearing, then you are urged to state your views by letter as the Planning & Zoning Commission and the Board of Trustees will give consideration to the comments of property owners and the others affected in deciding whether to grant or deny the request.

The proposed development project may be reviewed at the Town of Parachute offices located at 222 Grand Valley Way, Parachute, CO, between the hours of 7:30 a.m. and 5:30 p.m., Monday through Thursday. You may call 970.285.7630, x 106 with questions or concerns.

BY ORDER OF THE
LOCAL LICENSING AUTHORITY
TOWN OF PARACHUTE
- BOARD OF TRUSTEES
P.O. BOX 100, PARACHUTE, CO 81635-0100
(970) 285-7630

Published in the Post Independent July 25, 2016
(12263479)

PUBLIC NOTICE OF HEARING
PUBLIC NOTICE OF HEARING
PUBLIC NOTICE OF HEARING
PUBLIC NOTICE

7014 2120 0000 0735 5331

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only
For delivery information, visit our website at www.usps.com®.
GLENWOOD SPRINGS, CO 81602
OFFICIAL USE

Postage	$3.30
Certified Fee	$2.70
Return Receipt Fee (Endorsement Required)	$0.00
Restricted Delivery Fee (Endorsement Required)	$0.00
Total Postage & Fees	$6.47

0583 04
Postmark Here
JUL 22 2016
07/22/2016

Sent To: Parachute Development Corp
Street & Apt. No., or PO Box No.: P.O. Box 1686
City, State, ZIP+4: Glenwood Springs, Co 81602
PS Form 3800, July 2014 See Reverse for Instructions

7014 2120 0000 0735 5386

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only
For delivery information, visit our website at www.usps.com®.
GLENWOOD SPRINGS, CO 81602
OFFICIAL USE

Postage	$3.30
Certified Fee	$2.70
Return Receipt Fee (Endorsement Required)	$0.00
Restricted Delivery Fee (Endorsement Required)	$0.00
Total Postage & Fees	$6.47

0583 04
Postmark Here
JUL 22 2016
07/22/2016

Sent To: HMC LTD
Street & Apt. No., or PO Box No.: P.O. Box 1686
City, State, ZIP+4: Glenwood Springs, Co 81602
PS Form 3800, July 2014 See Reverse for Instructions

7014 2120 0000 0735 5362

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only
For delivery information, visit our website at www.usps.com®.
GLENWOOD SPRINGS, CO 81602
OFFICIAL USE

Postage	$3.30
Certified Fee	$2.70
Return Receipt Fee (Endorsement Required)	$0.00
Restricted Delivery Fee (Endorsement Required)	$0.00
Total Postage & Fees	$6.47

0583 04
Postmark Here
JUL 22 2016
07/22/2016

Sent To: HMC LTD
Street & Apt. No., or PO Box No.: P.O. Box 1686
City, State, ZIP+4: Glenwood Springs, Co 81602
PS Form 3800, July 2014 See Reverse for Instructions

7014 2120 0000 0735 5379

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only
For delivery information, visit our website at www.usps.com®.
GLENWOOD SPRINGS, CO 81602
OFFICIAL USE

Postage	$3.30
Certified Fee	$2.70
Return Receipt Fee (Endorsement Required)	$0.00
Restricted Delivery Fee (Endorsement Required)	$0.00
Total Postage & Fees	$6.47

0583 04
Postmark Here
JUL 22 2016
07/22/2016

Sent To: HMC LTD
Street & Apt. No., or PO Box No.: P.O. Box 1686
City, State, ZIP+4: Glenwood Springs, Co 81602
PS Form 3800, July 2014 See Reverse for Instructions

7014 2120 0000 0735 5430

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only
For delivery information, visit our website at www.usps.com®.
GRAND JUNCTION, CO 81502
OFFICIAL USE

Postage	$3.30
Certified Fee	$2.70
Return Receipt Fee (Endorsement Required)	$0.00
Restricted Delivery Fee (Endorsement Required)	$0.00
Total Postage & Fees	$6.47

0583 04
Postmark Here
JUL 22 2016
07/22/2016

Sent To: C & B Holdings
Street & Apt. No., or PO Box No.: P.O. Box 3045
City, State, ZIP+4: Grand Junction, Co 81502
PS Form 3800, July 2014 See Reverse for Instructions

7014 2120 0000 0735 5447

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only
For delivery information, visit our website at www.usps.com®.
GRAND JUNCTION, CO 81502
OFFICIAL USE

Postage	$3.30
Certified Fee	$2.70
Return Receipt Fee (Endorsement Required)	$0.00
Restricted Delivery Fee (Endorsement Required)	$0.00
Total Postage & Fees	$6.47

0583 04
Postmark Here
JUL 22 2016
07/22/2016

Sent To: C & B Holdings
Street & Apt. No., or PO Box No.: P.O. Box 3045
City, State, ZIP+4: Grand Junction, CO 81502
PS Form 3800, July 2014 See Reverse for Instructions

7014 2120 0000 0735 5461

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only
For delivery information, visit our website at www.usps.com®.
GLENWOOD SPRINGS, CO 81602
OFFICIAL USE

Postage	$3.30	0583 04
Certified Fee	$2.70	
Return Receipt Fee (Endorsement Required)	$0.00	Postmark Here
Restricted Delivery Fee (Endorsement Required)	$0.00	JUL 22 2016
Total Postage & Fees	$0.47 $6.47	07/22/2016

Sent To: Parachute Development Corp
Street & Apt. No., or PO Box No.: P.O. Box 1686
City, State, ZIP+4: Glenwood Springs, CO 81602
PS Form 3800, July 2014 — See Reverse for Instructions

7014 2120 0000 0735 5508

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only
For delivery information, visit our website at www.usps.com®.
PARACHUTE, CO 81635
OFFICIAL USE

Postage	$3.30	0583 04
Certified Fee	$2.70	
Return Receipt Fee (Endorsement Required)	$0.00	Postmark Here
Restricted Delivery Fee (Endorsement Required)	$0.00	JUL 22 2016
Total Postage & Fees	$0.47 $6.47	07/22/2016

Sent To: TLC Pipeline Construction
Street & Apt. No., or PO Box No.: 213 Diamond Loop
City, State, ZIP+4: Parachute, Co 81635
PS Form 3800, July 2014 — See Reverse for Instructions

7014 2120 0000 0735 5485

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only
For delivery information, visit our website at www.usps.com®.
GLENWOOD SPRINGS, CO 81602
OFFICIAL USE

Postage	$3.30	0583 04
Certified Fee	$2.70	
Return Receipt Fee (Endorsement Required)	$0.00	Postmark Here
Restricted Delivery Fee (Endorsement Required)	$0.00	JUL 22 2016
Total Postage & Fees	$0.47 $6.47	07/22/2016

Sent To: HMC LTD
Street & Apt. No., or PO Box No.: P.O. Box 1686
City, State, ZIP+4: Glenwood Springs, CO 81602
PS Form 3800, July 2014 — See Reverse for Instructions

7014 2120 0000 0735 5492

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only
For delivery information, visit our website at www.usps.com®.
GRAND JUNCTION, CO 81502
OFFICIAL USE

Postage	$3.30	0583 04
Certified Fee	$2.70	
Return Receipt Fee (Endorsement Required)	$0.00	Postmark Here
Restricted Delivery Fee (Endorsement Required)	$0.00	JUL 22 2016
Total Postage & Fees	$0.47 $6.47	07/22/2016

Sent To: C & B Holdings
Street & Apt. No., or PO Box No.: P.O. Box 3045
City, State, ZIP+4: Grand Junction, CO 81502
PS Form 3800, July 2014 — See Reverse for Instructions

7014 2120 0000 0735 5355

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only
For delivery information, visit our website at www.usps.com®.
GLENWOOD SPRINGS, CO 81602
OFFICIAL USE

Postage	$3.30	0583 04
Certified Fee	$2.70	
Return Receipt Fee (Endorsement Required)	$0.00	Postmark Here
Restricted Delivery Fee (Endorsement Required)	$0.00	JUL 22 2016
Total Postage & Fees	$0.47 $6.47	07/22/2016

Sent To: Parachute Development Corp
Street & Apt. No., or PO Box No.: P.O. Box 1686
City, State, ZIP+4: Glenwood Springs, CO 81602
PS Form 3800, July 2014 — See Reverse for Instructions

7014 2120 0000 0735 5348

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only
For delivery information, visit our website at www.usps.com®.
GLENWOOD SPRINGS, CO 81602
OFFICIAL USE

Postage	$3.30	0583 04
Certified Fee	$2.70	
Return Receipt Fee (Endorsement Required)	$0.00	Postmark Here
Restricted Delivery Fee (Endorsement Required)	$0.00	JUL 22 2016
Total Postage & Fees	$0.47 $6.47	07/22/2016

Sent To: Parachute Development Corp
Street & Apt. No., or PO Box No.: P.O. Box 1686
City, State, ZIP+4: Glenwood Springs, CO 81602
PS Form 3800, July 2014 — See Reverse for Instructions

7014 2120 0000 0735 5416

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only
For delivery information, visit our website at www.usps.com®.
PARACHUTE, CO 81635
OFFICIAL USE

Postage	$3.30	0583 04
Certified Fee	$2.70	
Return Receipt Fee (Endorsement Required)	$0.00	Postmark Here
Restricted Delivery Fee (Endorsement Required)	$0.00	JUL 22 2016
Total Postage & Fees	$0.47 $6.47	07/22/2016

Sent To: TLC Pipeline Construction, Inc
Street & Apt. No., or PO Box No.: 213 Diamond Loop
City, State, ZIP+4: Parachute, CO 81635
PS Form 3800, July 2014 — See Reverse for Instructions

7014 2120 0000 0735 5423

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only
For delivery information, visit our website at www.usps.com®.
GRAND JUNCTION, CO 81502
OFFICIAL USE

Postage	$3.30	0583 04
Certified Fee	$2.70	
Return Receipt Fee (Endorsement Required)	$0.00	Postmark Here
Restricted Delivery Fee (Endorsement Required)	$0.00	JUL 22 2016
Total Postage & Fees	$0.47 $6.47	07/22/2016

Sent To: C & B Holdings
Street & Apt. No., or PO Box No.: P.O. Box 3045
City, State, ZIP+4: Grand Junction, CO 81502
PS Form 3800, July 2014 — See Reverse for Instructions

7014 2120 0000 0735 5409

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only
For delivery information, visit our website at www.usps.com®.
PARACHUTE, CO 81635
OFFICIAL USE

Postage	$3.30	0583 04
Certified Fee	$2.70	
Return Receipt Fee (Endorsement Required)	$0.00	Postmark Here
Restricted Delivery Fee (Endorsement Required)	$0.00	JUL 22 2016
Total Postage & Fees	$0.47 $6.47	07/22/2016

Sent To: TLC Pipeline Construction, Inc
Street & Apt. No., or PO Box No.: 213 Diamond Loop
City, State, ZIP+4: Parachute, CO 81635
PS Form 3800, July 2014 — See Reverse for Instructions

7014 2120 0000 0735 5393

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only
For delivery information, visit our website at www.usps.com®.
PARACHUTE, CO 81635
OFFICIAL USE

Postage	$3.30	0583 04
Certified Fee	$2.70	
Return Receipt Fee (Endorsement Required)	$0.00	Postmark Here
Restricted Delivery Fee (Endorsement Required)	$0.00	JUL 22 2016
Total Postage & Fees	$0.47 $6.47	07/22/2016

Sent To: TLC Pipeline Construction, Inc
Street & Apt. No., or PO Box No.: 213 Diamond Loop
City, State, ZIP+4: Parachute, CO 81635
PS Form 3800, July 2014 — See Reverse for Instructions

Town of Parachute, CO
222 Grand Valley Way
P.O. Box 100
Parachute, CO 81635

Retail Marijuana Establishment Business License Application and Checklist

Application Checklist

☐ **Application Form Fully Completed**

Type or clearly print an answer to every question. If a question does not apply to you, indicate so with an N/A. If the available space is insufficient, continue on a separate sheet and precede each answer by stating the question. **A separate application is required for EACH license type.**

☐ **All Forms Signed & Attached**

The following accompanying forms must be signed by each owner of the Applicant as required by the Town's Retail Marijuana Establishments ordinance and be provided with the Application as a condition of acceptance:

☐ Affirmation & Consent

☐ Investigation Authorization/Authorization to Release

☐ **Copy of Conditional State License or Proof of State License Application Attached**

Proof of state license application shall be submitted when a conditional state license has not been issued. Proof of a state license consists of a copy of the complete State Retail Marijuana License Application and supporting documents, and all Associated Key Marijuana License Applications and supporting documents submitted in connection with the Retail Marijuana License Application. These items may be submitted as a supplement to the other application materials.

☐ **All Requested Information Attached (Other forms may be made available and may be required at time of application)**

The following supporting information requested in the Town of Parachute's Retail Marijuana Establishments ordinance and in this application (as applicable) must be attached:

☐ Proof of ownership, lease, rental agreement, or other arrangement for legal possession of the proposed licensed premises described in this application form.

☐ Operating plan described in the Town's Retail Marijuana Establishments ordinance of the proposed licensed premises.

☐ Floor plan described in the Town's Retail Marijuana Establishments ordinance of the proposed licensed premises.

☐ Sign, security and lighting plans indicating how the proposed licensed premises will comply with the requirements of the Colorado Retail Marijuana Code and the Town's Retail Marijuana Establishments ordinance.

☐ An area map of the proposed licensed premises as described in the Town's Retail Marijuana Establishments ordinance. **The area map must clearly show the proximity of the proposed licensed premises to any public or private school located 500 feet or less from the proposed licensed premises, and to any other licensed premises located 150 feet or less from the proposed licensed premises as measured pursuant to the Town's Retail Marijuana Establishments ordinance.**

☐ Proof that the proposed licenses premises will be located in a location that is compliant with the Town's zoning and land use laws, or that the necessary land use application(s) has been made.

Note: The Town of Parachute reserves the right to request additional information and documentation throughout the course of the background investigation.

☐ **Application Fees**

Application fees as required by the Town's Retail Marijuana Establishments ordinance. Application fees are non-refundable and must be paid via a certified check or money order.

Retail Marijuana Establishment Business License Application

New License Application ☐ Annual License Renewal ☐

License Sought - Attach a copy of the conditional State License or proof of application for a State License.

A separate license application must be filed for each type of desired license or proposed licensed premises.

Retail Marijuana Store ☐ Retail Marijuana Testing Facility ☐

Retail Marijuana Cultivation Facility ☐ Retail Marijuana Products Manufacturing Facility ☒

*A Cultivation Facility license requires a public hearing before the Planning and Zoning Commission for Special Review Use approval.

Applicant's Legal Business Name (Please Print): Parachute Unlimited LLC

Trade Name (DBA) (Provide Trade Name Registration): Amercian Green

Website Address:

Location and Contact Information – Proposed Licensed Premises

Street Address and Assessor Parcel No. of Proposed Premises: Lot 7 N Diamond Loop Rd.

City: Parachute | State: CO | ZIP: 81635

Business Phone Number: (970) 331-9047

Business Fax Number:

Email Address: [redacted]

Does the applicant have legal possession of the proposed licensed premises by virtue of ownership, lease or other arrangement?

Yes ☐ No ☐ Legal Basis for possession: Ownership ☐ Lease ☐

Other ☒ Explanation: There is a purchase contract ,attached, of the property that will be activated based upon the approval of the Town of Parachute Retail Marijuana Business licenses

Submit all documentation (e.g. deed, title commitment/report, title, sale or lease agreements etc.) showing legal right to possession. If premises are leased, attach written consent by the property owner to licensing of the premises for a retail marijuana establishment.

Is the proposed licensed premises in compliance with applicable zoning and land use laws? Yes ☒ No ☐

If not, has the applicant submitted the necessary land use application? Yes ☐ No ☐ Attach any submitted application.

Applicants' Contact and Related Information

Address: [redacted]

City: [redacted]

State: CO | Zip: [redacted]

Primary Contact Person for Business: Gregory Patrick Honan

Title: Owner

Primary Contact Phone Number: [redacted]

Primary Contact Address (city, state, Zip): [redacted]

Primary Contact Fax Number:

Federal Taxpayer ID: [redacted]

Colorado Sales Tax License #: [redacted]

Email Address: [redacted]

Business Entity Details

Sole Proprietorship ☐ Partnership ☐ Limited Liability Company ☒ C Corporation (Closely Held) ☐

Trust ☐ Limited Partnership ☐ S Corporation ☐ C Corporation (Publicly Traded) ☐

Other ☐ Explanation:

State of Incorporation or Creation of Business Entity: Colorado

Date of Incorp./Creation: 6/9/2016

Date Qualified to Conduct Business in Colorado (Provide Certificate of Good Standing from the Colorado Secretary of State's Office): 6/9/2016

If a Corporation, Limited Liability Company, or Limited Partnership, List all States Where the Corporation is Authorized to Conduct Business: Will only be conducting business in Colorado

List all Trade Names used by the Business Entity In Addition to Formal Name: American Green

Has the applicant (including any of the partners, if a partnership; members or manager if a limited liability company; or officers, stockholders or directors if a corporation) or manager ever (in Colorado or any other state);

- Been denied a privileged license (i.e. - Liquor, Gaming, Racing and Marijuana)? Yes ☒ No ☐
- Had a privileged license (i.e. - Liquor, Gaming, Racing and Marijuana) suspended or revoked? Yes ☐ No ☒
- Had interest in another entity that had a privileged (i.e. - Liquor, Gaming, Racing and Marijuana) license denied, suspended or revoked? Yes ☐ No ☒

If you answered yes to any of the above questions, explain the denial, suspension, or revocation in detail on a separate sheet.

Ownership Structure

List all persons and/or entities with any ownership interest in the applicant/proposed licensee, and all officers and directors, regardless of whether they have an ownership interest in the applicant/proposed licensee. If an entity (corporation, partnership, LLC, etc.) has an ownership interest the applicant/proposed licensee, list all persons having an ownership interest in such entity, their percentage of ownership of the entity, and their effective ownership of applicant/proposed licensee if ownership in applicant is through ownership of a parent or holding entity (an Ownership Entity). Submit additional sheets if necessary.

Name	Title	SSN/FEIN	Date of Birth
Gregory P Honan	Owner	[redacted]	[redacted]
Address	City	State / ZIP	Phone Number
[redacted]	[redacted]	CO	[redacted]
Ownership Entity (if applicable)	% Ownership of Ownership Entity	Effective Own. % in Applicant	
Parachute Unlimited LLC	100%	100%	

Name	Title	SSN/FEIN	Date of Birth
Address	City	State / ZIP	Phone Number
Ownership Entity (if applicable)	% Ownership of Ownership Entity	Effective Own. % in Applicant	

Name	Title	SSN/FEIN	Date of Birth
Address	City	State / ZIP	Phone Number
Ownership Entity (if applicable)	% Ownership of Ownership Entity	Effective Own. % in Applicant	

Name	Title	SSN/FEIN	Date of Birth
Address	City	State / ZIP	Phone Number
Ownership Entity (if applicable)	% Ownership of Ownership Entity	Effective Own. % in Applicant	

Name	Title	SSN/FEIN	Date of Birth
Address	City	State / ZIP	Phone Number
Ownership Entity (if applicable)	% Ownership of Ownership Entity	Effective Own. % in Applicant	

Name	Title	SSN/FEIN	Date of Birth
Address	City	State / ZIP	Phone Number
Ownership Entity (if applicable)	% Ownership of Ownership Entity	Effective Own. % in Applicant	

Who, besides the owners of the applicant/proposed licensee listed above (including persons, firms, partnerships, corporations, limited liability companies, trusts), will loan or give money, inventory, furniture or equipment to or for use in this business; or who will receive money or profits from this business. Submit a separate sheet if necessary.

Name	Date of Birth	FEIN OR SSN	Interest
American Green		[redacted]	Loan

Has the applicant or an ownership entity listed above (if applicable) ever applied for a marijuana license (retail or medical) in this or any other jurisdiction, foreign or domestic, whether or not the license was ever issued? If YES, provide details on a separate sheet, including jurisdiction, type of license, license number, and dates license held or applied for.	Yes ☒ No ☐
Has the applicant or an ownership entity listed above ever been denied a marijuana license (retail or medical), withdrawn a marijuana license or had any disciplinary action taken against any marijuana license that they have held in this or any other jurisdiction, Colorado or otherwise? If YES, provide details on a separate sheet, including jurisdiction, type of action, and date of action.	Yes ☒ No ☐
In the last ten years, has the applicant or any partner, member, officer, director, or stockholder of the applicant ever been arrested, charged, or convicted of a crime or offense in a federal, state or other court? If YES, please provide details on a separate sheet, including jurisdiction, the crime or offense arrested for and whether charged with or convicted, and date of action.	Yes ☒ No ☐

Maintenance of Books and Records

Name of Person who maintains Applicant's business records [redacted]	Title [redacted]
Address [redacted]	Phone Number (970) 376-5306
Person who prepares Applicant's tax returns, government forms & reports [redacted]	Title [redacted]
Address [redacted]	Phone Number [redacted]
[redacted] plicant's business	

Managers

Name of Manager of proposed licensed premises. Submit a separate sheet if necessary.	Date of Birth	SSN
Gregory Patrick Honan	[redacted]	[redacted]

Owner's Affirmation & Consent

I, Gregory Patrick Honan, as an owner of and 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 foregoing Retail Marijuana Establishment Business License Application, 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 Local Licensing Authority to refuse to issuance of a the desired retail marijuana establishment license. I am aware that later discovery of an omission or misrepresentation made in the above statements may be grounds for the denial or revocation of the license. I am voluntarily submitting this application to the Local Licensing Authority of the Town of Parachute, Colorado 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 applicant holds a retail marijuana establishment license, and for 90 days following the expiration or surrender of such marijuana license.

Print Full Owner/Legal Agent Name:

Applicant's Name Parachute Unlimited LLC	Trade Name (DBA) American Green	
Owner/Legal Agent Last Name (Please Print) Honan	Owner/Legal Agent First Name Gregory	Owner/Legal Agent Middle Name Patrick
Legal Agent Title Owner	Signature (Must be signed in front of one witness)	
Date (MM/DD/YY) 6/9/2016	City Avon	State CO
Witness 1 Signature		

Owner's Authorization to Investigate and Release Information

I, Gregory Patrick Honan, as an owner of and authorized agent for the applicant, hereby authorize the Town of Parachute, Colorado and any Application review authorities selected by it (hereafter, the Investigatory Agencies) to conduct a complete investigation into this Application, using whatever legal means they deem appropriate. I hereby authorize any person or entity contacted by the Investigatory Agencies to provide any and all such information deemed necessary by the Investigatory Agencies. I hereby waive any rights of confidentiality in this regard. I understand that by signing this authorization, a financial record check may be performed. I authorize any financial institution to surrender to the Town of Parachute, Colorado and Investigatory Agencies a complete and accurate record of such transactions that may have occurred with that institution, including, but not limited to, internal banking memoranda, past and present loan applications, financial statements and any other documents relating to financial records in whatever form and wherever located. I understand that by signing this authorization, a financial record check of the applicant/proposed licensee's tax filing and tax obligation status may be performed. I authorize the Town of Parachute, Colorado to surrender to the Investigatory Agencies a complete and accurate record of any and all tax information or records relating to applicant. I authorize the Investigatory Agencies to obtain, receive, review, copy, discuss and use any such tax information or documents relating to applicant. 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.

The Town of Parachute, Colorado and Investigatory Agencies reserve the right to investigate all relevant information and facts to their satisfaction. I understand that the Investigatory Agencies may conduct a complete and comprehensive investigation to determine the accuracy of all information gathered. However, the Investigatory Agencies, their agents or employees shall not be held liable for the receipt, use, or dissemination of inaccurate information. I, on behalf of the applicant, its legal representatives, and assigns, hereby release, waive, discharge, and agree to hold harmless, and otherwise waive liability as to the Town of Parachute, Colorado, Investigatory Agencies, and any of those entities' agents or employees 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 this Application, any financial or personnel record, or otherwise found, obtained, or maintained by the Town of Parachute, Colorado or Investigatory Agencies, shall be accessible to law enforcement agents of this or any other state, the government of the United States, or any foreign country.

Print Full Owner/Legal Agent Name:

Applicant's Name: Parachute Unlimited LLC	Trade Name (DBA): American Green	
Owner/Legal Agent Last Name (Please Print): Honan	Owner/Legal Agent First Name: Gregory	Owner/Legal Agent Middle Name: Patrick
Signature	Date	
Applicant's Business Name: Parachute Unlimited	Trade Name (DBA): American Green	
Legal Agent Title: Owner	Signature (Must be signed in front of one witness)	
Date (MM/DD/YY): 6/9/2016	City: Avon	State: CO
Witness 1 Signature		

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

E-Filed

Colorado Secretary of State
Date and Time: 06/09/2016 04:47 PM
ID Number: 20161400719

Document number: 20161400719
Amount Paid: $50.00

ABOVE SPACE FOR OFFICE USE ONLY

Articles of Organization

filed pursuant to § 7-80-203 and § 7-80-204 of the Colorado Revised Statutes (C.R.S.)

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

Parachute Unlimited LLC

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

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

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

Street address

Lot 7 N Diamond Loop Rd.
(Street number and name)

Parachute *(City)* CO *(State)* 81635 *(ZIP/Postal Code)*

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

Mailing address
(leave blank if same as street address)

PO Box 2344
(Street number and name or Post Office Box information)

Avon *(City)* CO *(State)* 81620 *(ZIP/Postal Code)*

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

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

Name
(if an individual)

Honan *(Last)* Gregory *(First)* Patrick *(Middle)* *(Suffix)*

or

(if an entity)

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

Street address

225 Eagle Drive
(Street number and name)

Unit 9C

Avon *(City)* CO *(State)* 81620 *(ZIP Code)*

Mailing address
(leave blank if same as street address)

PO Box 2344
(Street number and name or Post Office Box information)

Avon (City) CO (State) 81620 (ZIP Code).

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

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

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

Name
(if an individual) Honan (Last) Gregory (First) Patrick (Middle) (Suffix)

or

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

Mailing address PO Box 2344
(Street number and name or Post Office Box information)

Avon (City) CO (State) 81620 (ZIP/Postal Code)
(Province – if applicable) United States (Country).

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

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

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

☐ one or more managers.

or

☑ the members.

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

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

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

☐ This document contains additional information as provided by law.

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

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

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

Honan (Last) Gregory (First) Patrick (Middle) (Suffix)

PO Box 2344 (Street number and name or Post Office Box information)

Avon (City) CO (State) 81620 (ZIP/Postal Code)

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

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

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

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).

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

E-Filed

Colorado Secretary of State
Date and Time: 06/09/2016 05:02 PM
ID Number: 20161400747

Document number: 20161400747
Amount Paid: $20.00

ABOVE SPACE FOR OFFICE USE ONLY

Statement of Trade Name of a Reporting Entity

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

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

ID Number	20161400719 *(Colorado Secretary of State ID number)*
True name	Parachute Unlimited LLC
Form of entity	Limited Liability Company
Jurisdiction	Colorado

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

American Green

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

Legally Licensed (by the State of Colorado MED Dept of Revenue) activities

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

☐ This document contains additional information as provided by law.

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

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

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

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

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

Honan (Last) Gregory (First) _____ (Middle) _____ (Suffix)

PO Box 2344
(Street number and name or Post Office Box information)

Avon (City) CO (State) 81620 (Postal/Zip Code)

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

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

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

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

IRS DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
CINCINNATI OH 45999-0023

Date of this notice: 06-14-2016

Employer Identification Number:
[redacted]

Form: SS-4

Number of this notice: CP 575 G

PARACHUTE UNLIMITED LLC
AMERICAN GREEN
% GREGORY PATRICK HONAN SOLE MBR
PO BOX 2344
AVON, CO 81620

For assistance you may call us at:
1-800-829-4933

IF YOU WRITE, ATTACH THE
STUB AT THE END OF THIS NOTICE.

WE ASSIGNED YOU AN EMPLOYER IDENTIFICATION NUMBER

Thank you for applying for an Employer Identification Number (EIN). We assigned you [redacted] This EIN will identify you, your business accounts, tax returns, and documents, even if you have no employees. Please keep this notice in your permanent records.

When filing tax documents, payments, and related correspondence, it is very important that you use your EIN and complete name and address exactly as shown above. Any variation may cause a delay in processing, result in incorrect information in your account, or even cause you to be assigned more than one EIN. If the information is not correct as shown above, please make the correction using the attached tear off stub and return it to us.

A limited liability company (LLC) may file Form 8832, *Entity Classification Election*, and elect to be classified as an association taxable as a corporation. If the LLC is eligible to be treated as a corporation that meets certain tests and it will be electing S corporation status, it must timely file Form 2553, *Election by a Small Business Corporation*. The LLC will be treated as a corporation as of the effective date of the S corporation election and does not need to file Form 8832.

To obtain tax forms and publications, including those referenced in this notice, visit our Web site at www.irs.gov. If you do not have access to the Internet, call 1-800-829-3676 (TTY/TDD 1-800-829-4059) or visit your local IRS office.

IMPORTANT REMINDERS:

* Keep a copy of this notice in your permanent records. **This notice is issued only one time and the IRS will not be able to generate a duplicate copy for you.** You may give a copy of this document to anyone asking for proof of your EIN.

* Use this EIN and your name exactly as they appear at the top of this notice on all your federal tax forms.

* Refer to this EIN on your tax-related correspondence and documents.

If you have questions about your EIN, you can call us at the phone number or write to us at the address shown at the top of this notice. If you write, please tear off the stub at the bottom of this notice and send it along with your letter. If you do not need to write us, do not complete and return the stub.

Your name control associated with this EIN is PARA. You will need to provide this information, along with your EIN, if you file your returns electronically.

Thank you for your cooperation.

Instructions: Please print this document for your records.

COLORADO BUSINESS EXPRESS

COLORADO DEPT OF REVENUE

Thank you for registering with the Colorado Department of Revenue!
Your electronic application has been received.
You will receive your Sales Tax License and/or Wage Withholding information in the mail in the next 10 business days.

You may use this receipt as a temporary Sales Tax License in the interim.

Filing Information

Your filing information is as follows:

Date: 06/14/2016 16:33

Name: Parachute Unlimited LLC

Address: *Lot 7 N Diamond Loop Rd.*
Parachute, CO 81635

Sales Tax Account Number: 32494559

Sales Tax Filing Frequency: $300/month or more (Monthly)

Wage Withholding Account Number: N/A

Wage Withholding Filing Frequency: N/A

Websites

State of Colorado: www.colorado.gov

Colorado Department of Revenue: www.colorado.gov/revenue

Colorado Department of Revenue Online Customer Support Site:
revenuestateco.custhelp.com

File and pay your sales tax online: www.colorado.gov/RevenueOnline

Register to pay by EFT: www.colorado.gov/revenue/eft

Please wait 2-3 business days while we validate your registration before attempting to access your account in Revenue Online. You will receive your license(s) in the mail within 10 business days. If you do not already have access to Revenue Online, you may use information from that letter to sign-up.

Colorado Business Express PDF Receipt

Town of Parachute Retail Marijuana Establishment Business License Page 4: Has the applicant ever applied for a Marijuana license in this or any other jurisdiction, foreign or domestic, whether or not the license was ever issued? If YES, provide details on a separate sheet, including jurisdiction, type of license, license number, and dates license held or applied for.

Gregory P Honan owns 100% of Herbal Elements LLP. Herbal Elements currently has these licenses:

State of Colorado Department of Revenue Marijuana Enforcement Division:

- Medical Marijuana Center Type 1 License 402-00309 expiration 8/23/16
    - With Associated Eagle County File Number MJM-5287
- Medical Marijuana OPC License 403-00461 expiration 8/23/16
    - With Associated Eagle County File Number MJMG-4823
- Retail Marijuana Products Mfg License 404R-00116 expiration 2/18/2017
    - With Associated Eagle County License File Number MJMF-5935
- Retail Marijuana Cultivation Facility License 403R-00474 expiration 2/18/2017
    - With Associated Eagle County License File Number MJRC-5693

Copies of all licenses are attached

STATE OF COLORADO
DEPARTMENT OF REVENUE

Marijuana Enforcement Division

Medical Marijuana Conditional License

HERBAL ELEMENTS, LLP

HERBAL ELEMENTS

41394 US Highway 6, Units F1 & F2, Avon, CO 81620

Optional Premises - 403-00461

License Valid Through: 08/23/2016

This license is conditioned upon Local Authority approval, pursuant to section 12-43.3-305(2) C.R.S.

This conditional license is issued subject to the laws of the State of Colorado and especially under the provisions of Title 12, Article 43.3, as amended. This conditional license is nontransferable and shall be conspicuously posted in the place above described. This conditional license is only valid through the expiration date shown above. Any questions concerning this conditional license should be addressed to: Colorado Marijuana Enforcement Division, 455 Sherman Street, Suite 390, Denver, CO 80203. In testimony whereof, I have hereunto set my hand.

W. Lewis Koski
Division Director

Barbara J. Brohl, Executive Director

EAGLE COUNTY

July 17, 2015

Herbal Elements LLP
Attn: Gregory P. Honan
P.O. Box 2344
Avon, CO 81620

Via: hojorisen@hotmail.com

RE: Notice of License Renewal - Approval
Eagle County License for Optional Premise Cultivation at 41394 U.S. Hwy. 6, Units F1 & F2
Herbal Elements – File No. MJMG-4823

Greg,

Please accept this letter as verification that the Eagle County Marijuana Business Licensing Authority (the "Authority") has **approved** the annual renewal for **Herbal Elements Optional Premise Cultivation** located at **41394 U.S. Hwy. 6, Building F, Units F1 & F2**, in EagleVail/Avon, Colorado.

Specifically, the renewal of this license is based upon the successful application for renewal within the timeframes outlined within the Licensing Regulations, as well as a demonstration that the above referenced business continues to operate in compliance with State and local regulations and laws.

> **Please note**: The Authority has been made aware of certain violations at the above referenced business/location cited by the State of Colorado Marijuana Enforcement Division and detailed in a report dated May 15, 2015 by Lori Garrison, MED. This information was provided to the Authority by you in your application for annual renewal referenced under Exhibit 'K'.
>
> It is staff's understanding that any violations cited by Ms. Garrison and reported by MED (based on an inspection of the above referenced facility on May 5, 2015) have either been resolved or that you are working with MED on an ongoing basis to resolve and/or rectify such violations. It is with such understanding, in part, that renewal of License No. MJMG-4823 has been approved. It is your responsibility to report any and all State cited violations to the Authority, and to provide verification to the Authority regarding final resolution of any outstanding violations in order to maintain status 'in good standing' with the Authority.

Pursuant to Resolution No. 2013-124, A Resolution Adopting Eagle County Medical and Retail Marijuana Business Licensing Regulations, please be advised of the following general restrictions placed on the issuance of this license renewal:

1. ***Article 5. Licenses, Section (b), State License Requirement.*** Should the Authority approve an application of a local license no such license shall be issued or effective until and unless the State Licensing Authority has approved the issuance of a State License for the proposed licensed premises.

2. ***Article 10. Term of license renewal.*** Any local license issued under these regulations shall be valid for a period of one (1) year from the date of issuance. Applications for renewals shall be processed in the same manner as new licenses under these regulations. **A licensee shall submit a renewal application at least forty-five (45) days before the expiration of the license.** Upon denial or revocation of a State license, any license issued under these regulations shall be null and void. If a court of competent jurisdiction determines that the issuance of local licenses violates any State of federal law, all licenses issued under these regulations shall be deemed immediately revoked by operation of law, with no ground for appeal or redress on behalf of the licensee.

Accordingly, please be advised that final approval for the above referenced license was **effective as of July 18, 2014** and is valid for one-year terms. According to Article 10 (noted above), please be advised that **you will be required to apply for renewal of this license annually, and such applications will be due (annually) 45 days prior to July 18, of each subsequent year.**

Likewise, please forward approved/renewed State License(s) for the current annual term in order for your local license to remain vested and in 'good standing.'

Thank you for your cooperation in completing the local licensing processes and best regards in your business endeavors.

Please contact me at (970) 328-8624 if you have any questions regarding your local license, or if you require additional assistance.

Sincerely,

Scot Hunn, AICP
Senior Planner / Current Planning Manager

xc: MJMG-4823

STATE OF COLORADO
DEPARTMENT OF REVENUE

Marijuana Enforcement Division

Retail Marijuana Conditional License

HERBAL ELEMENTS, LLP

HERBAL ELEMENTS

41394 US Highway 6, Units F1 & F2, Avon, CO 81620

Retail Marijuana Cultivation Facility - 403R-00474

License Valid Through: 02/18/2017

This license is conditioned upon Local Authority approval, pursuant to section 12-43.4-304(1) C.R.S.

This conditional license is issued subject to the laws of the State of Colorado and especially under the provisions of Title 12, Article 43.4, as amended. A licensee shall not exercise any of the rights or privileges of this license until such time as all such Medical Marijuana and Medical Marijuana-Infused Product are fully transferred and declared in the inventory tracking system as Retail Marijuana and Retail Marijuana Product, pursuant to Rule R211 & R309. This conditional license is nontransferable and shall be conspicuously posted in the place above described. This conditional license is only valid through the expiration date shown above. Any questions concerning this conditional license should be addressed to: Colorado Marijuana Enforcement Division, 455 Sherman Street, Suite 390, Denver, CO 80203. In testimony whereof, I have hereunto set my hand.

James Burack
Division Director

Barbara J. Brohl, Executive Director

EAGLE COUNTY

August 25, 2015

Herbal Elements
C/o: Greg Honan
P.O. Box 2344-41184
Avon, CO. 81620

Via: hojorisen@hotmail.com

RE: Eagle County License for a Retail Marijuana Facility at 41394 U.S. Hwy. 6, Building F, Units F1 and F2 in EagleVail / Eagle County File No. MJRC-5693

Mr. Honan,

Please accept this letter as verification that Eagle County Government (hereinafter the "Authority") has granted **final approval for Retail Marijuana Cultivation Facility** for Herbal Elements located at the above referenced address.

Accordingly, and pursuant to Resolution No. 2013-124, A Resolution Adopting Eagle County Medical and Retail Marijuana Business Licensing Regulations, please be advised of the following general restrictions placed on the issuance of this license:

1. ***Article 5. Licenses, Section (b), State License Requirement.*** Should the Authority approve an application of a local license no such license shall be issued or effective until and unless the State Licensing Authority has approved the issuance of a State License for the proposed licensed premises.

2. ***Article 5. Licenses, Section (c), Inspection.*** No such license shall be issued or effective until the building in which the licensed business operations are to be conducted is ready for occupancy with such furniture, fixtures and equipment in place as are necessary to comply with applicable provisions of any State Regulations and Local Regulations and only after the Authority or its designated representative has inspected the proposed licensed premises to determine that the applicant(s) has complied with the drawings and requirements provided herein.

3. ***Article 10. Term of license renewal.*** Any local license issued under these regulations shall be valid for a period of one (1) year from the date of issuance. Applications for renewals shall be processed in the same manner as new licenses under these regulations. A licensee shall submit a renewal application at least forty-five (45) days before the expiration of the license. Upon denial or revocation of a State license, any license issued under these regulations shall be null and void. If a court of competent jurisdiction determines that the issuance of local licenses

violates any State of federal law, all licenses issued under these regulations shall be deemed immediately revoked by operation of law, with no ground for appeal or redress on behalf of the licensee.

Accordingly, please be advised that final approval for this license is **effective as of August 25, 2015** and is valid for one-year terms. According to Article 10 (noted above), please be advised that **you will be required to apply for renewal of this license annually, and such applications will be due (annually) 45 days prior to August 25, of each subsequent year.**

Likewise, please forward approved State License(s) for the current annual term in order for your local license to remain vested and in 'good standing.'

Thank you for your cooperation in this matter. Please contact Scot Hunn at (970) 328-8624 if you have any questions regarding your local license, or if you require additional assistance.

Sincerely,

xc: File

Scot Hunn, AICP
Senior Planner / Current Planning Manager

xc: file

STATE OF COLORADO
DEPARTMENT OF REVENUE

Marijuana Enforcement Division

Medical Marijuana Conditional License

HERBAL ELEMENTS, LLP

HERBAL ELEMENTS

40928 US Highway 6, Unit 2E, Avon, CO 81620

Center - Type 1 - 402-00309

License Valid Through: 08/23/2016

This license is conditioned upon Local Authority approval, pursuant to section 12-43.3-305(2) C.R.S.

This conditional license is issued subject to the laws of the State of Colorado and especially under the provisions of Title 12, Article 43.3, as amended. This conditional license is nontransferable and shall be conspicuously posted in the place above described. This conditional license is only valid through the expiration date shown above. Any questions concerning this conditional license should be addressed to: Colorado Marijuana Enforcement Division, 455 Sherman Street, Suite 390, Denver, CO 80203. In testimony whereof, I have hereunto set my hand.

W. Lewis Koski
Division Director

Barbara J. Brohl, Executive Director

EAGLE COUNTY

November 24, 2015

Herbal Elements LLP
Attn: Gregory P. Honan
P.O. Box 2344
Avon, CO 81620

Via: hojorisen@hotmail.com

RE: Notice of License Renewal - Approval
Eagle County License for Medical Marijuana Center at 40928 U.S. Hwy. 6, Unit 2E
Herbal Elements – File No. MJM-5287

Greg,

Please accept this letter as verification that the Eagle County Marijuana Business Licensing Authority (the "Authority") has **approved** the annual renewal for **Medical Marijuana Center** located at **40928 U.S. Hwy. 6, Unit 2E**, in EagleVail/Avon, Colorado.

Specifically, the renewal of this license is based upon the successful application for renewal within the timeframes outlined within the Licensing Regulations, as well as a demonstration that the above referenced business continues to operate in compliance with State and local regulations and laws.

Pursuant to Resolution No. 2013-124, A Resolution Adopting Eagle County Medical and Retail Marijuana Business Licensing Regulations, *please be advised of the following general restrictions placed on the* issuance of this license renewal:

1. ***Article 5. Licenses, Section (b), State License Requirement.*** Should the Authority approve an application of a local license no such license shall be issued or effective until and unless the State Licensing Authority has approved the issuance of a State License for the proposed licensed premises.

2. ***Article 10. Term of license renewal***. Any local license issued under these regulations shall be valid for a period of one (1) year from the date of issuance. Applications for renewals shall be processed in the same manner as new licenses under these regulations. **A licensee shall submit a renewal application at least forty-five (45) days before the expiration of the license**. Upon denial or revocation of a State license, any license issued under these regulations shall be null and void. If a court of competent jurisdiction determines that the issuance of local licenses violates any State of federal law, all licenses issued under these regulations shall be deemed

immediately revoked by operation of law, with no ground for appeal or redress on behalf of the licensee.

Accordingly, please be advised that final approval for the above referenced license was **effective as of January 6, 2014** and is valid for one-year terms. According to Article 10 (noted above), please be advised that **you will be required to apply for renewal of this license annually, and such applications will be due (annually) 45 days prior to January 6th, of each subsequent year.**

Likewise, please forward approved/renewed State License(s) for the current annual term in order for your local license to remain vested and in 'good standing.'

Thank you for your cooperation in completing the local licensing processes and best regards in your business endeavors.

Please contact me at (970) 328-8624 if you have any questions regarding your local license, or if you require additional assistance.

Sincerely,

Scot Hunn, AICP
Senior Planner / Current Planning Manager

xc: *MJM-5287*

STATE OF COLORADO
DEPARTMENT OF REVENUE

Marijuana Enforcement Division

Retail Marijuana Conditional License

HERBAL ELEMENTS, LLP

HERBAL ELEMENTS

40928 US Highway 6, Unit 2E, Avon, CO 81620

Retail Marijuana Products Mfg - 404R-00116

License Valid Through: 02/18/2017

This license is conditioned upon Local Authority approval, pursuant to section 12-43.4-304(1) C.R.S.

This conditional license is issued subject to the laws of the State of Colorado and especially under the provisions of Title 12, Article 43.4, as amended. A licensee shall not exercise any of the rights or privileges of this license until such time as all such Medical Marijuana and Medical Marijuana-Infused Product are fully transferred and declared in the inventory tracking system as Retail Marijuana and Retail Marijuana Product, pursuant to Rule R211 & R309. This conditional license is nontransferable and shall be conspicuously posted in the place above described. This conditional license is only valid through the expiration date shown above. Any questions concerning this conditional license should be addressed to: Colorado Marijuana Enforcement Division, 455 Sherman Street, Suite 390, Denver, CO 80203. In testimony whereof, I have hereunto set my hand.

James Burack
Division Director

Barbara J. Brohl, Executive Director

EAGLE COUNTY

December 22, 2015

Herbal Elements LLP
Attn: Gregory P. Honan
P.O. Box 2344
Avon, CO 81620

Via: hojorisen@hotmail.com

RE: ***Final Approval - Eagle County License for Retail Marijuana Products Manufacturing***
Herbal Elements – File No. MJMF-5935

Greg,

Please accept this letter as verification that the Eagle County Marijuana Business Licensing Authority (the "Authority") has granted **final approval** the a new license request for **Retail Marijuana Products Manufacturing** located at **40928 U.S. Hwy. 6, Unit 2E**, in EagleVail/Avon, Colorado.

Pursuant to Resolution No. 2013-124, A Resolution Adopting Eagle County Medical and Retail Marijuana Business Licensing Regulations, please be advised of the following general restrictions placed on the issuance of this license renewal:

1. ***Article 5. Licenses, Section (b), State License Requirement.*** Should the Authority approve an application of a local license no such license shall be issued or effective until and unless the State Licensing Authority has approved the issuance of a State License for the proposed licensed premises.

2. ***Article 10. Term of license renewal.*** Any local license issued under these regulations shall be valid for a period of one (1) year from the date of issuance. Applications for renewals shall be processed in the same manner as new licenses under these regulations. **A licensee shall submit a renewal application at least forty-five (45) days before the expiration of the license**. Upon denial or revocation of a State license, any license issued under these regulations shall be null and void. If a court of competent jurisdiction determines that the issuance of local licenses violates any State of federal law, all licenses issued under these regulations shall be deemed immediately revoked by operation of law, with no ground for appeal or redress on behalf of the licensee.

Accordingly, please be advised that final approval for the above referenced license is **effective as of December 22, 2015** and is valid for one-year terms. According to Article 10 (noted above), please be

advised that **you will be required to apply for renewal of this license annually, and such applications will be due (annually) 45 days prior to December 22nd, of each subsequent year.**

Thank you for your cooperation in completing the local licensing processes and best regards in your business endeavors.

Please contact me at (970) 328-8624 if you have any questions regarding your local license, or if you require additional assistance.

Sincerely,

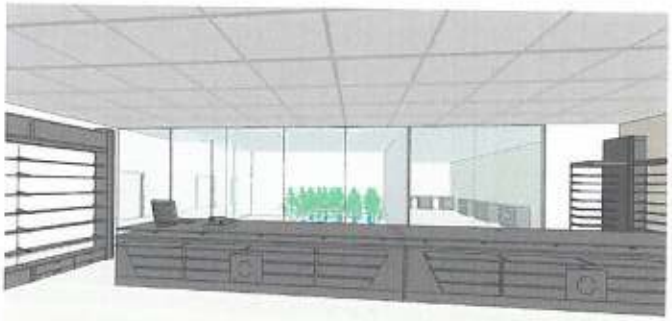
Scot Hunn, AICP
Senior Planner / Current Planning Manager

xc: MJMF-5935
Todd Belback
Bryan Treu
Aaron Veldheer

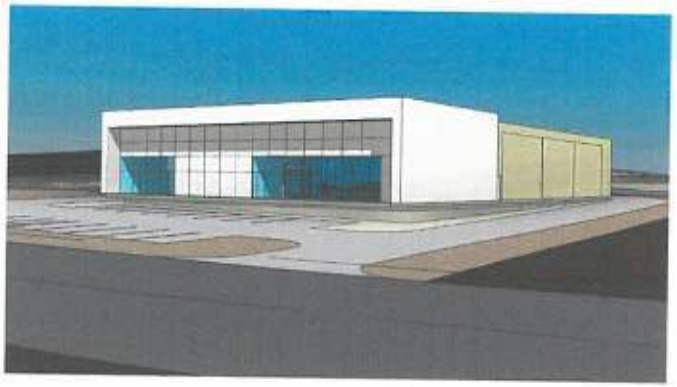
Floor Plan and General Concept

The general concepts of the project are as follows:

- The Entire complex will be one building containing all three Retail Marijuana Business Establishments:
    - Cultivation
    - Concentrates
    - Store
- The Store shall be oriented in the following manner:
    - Glass walls/windows shall be in between the back of the store and the Cultivation
        - Allows visitor to safely and easily view the cutting edge technology and design of the cultivation and plants while making a purchase
            - Allows viewing, without adding any safety risk
            - Provides a one of a kind Destination tourist attraction for the Town of Parachute
            - No one on the outside of complex will be able to see any marijuana plants, only those legally permitted into the inside of the complex
            - Visitors shall remain in the Store only, no tours of the cultivation
            - The Concentrates Portion of the building will be safely separate from visitors and the Store
            - The Cultivation shall be secure and separate from visitors and the store in order to avoid and outside contamination of the environment for the cultivation location and associated plants
- The outside of the complex shall be approved by the Town of Parachute and agreeable as to its visual impact on the Town and surrounding neighbors
    - Parachute Unlimited shall be fully transparent in the design and construction process and will avoid and surprises or unacceptable designs not authorized by the Town
- The Concentrates portion of the complex:
    - Safety and Security shall be the top priorities



4 3D View 2



3 3D View 1

2 Distance to Nearest School
1 1/2" = 1'-0"

1 Level 1
3/32" = 1'-0"

ZONED PROPERTIES INC

Room Schedule

Name	Number	Area
Mechanical	1	202 SF
Storage	2	148 SF
Airlock	3	143 SF
Storage	4	148 SF
Mechanical	5	202 SF
Flower	6	1321 SF
Flower	7	1321 SF
Flower	8	1321 SF
Flower	9	1321 SF
Flower	10	1321 SF
Circulation	11	1368 SF
Flower	12	1321 SF
Propagation	13	481 SF
Veg	14	743 SF
Dry / Cure	15	339 SF
Extraction	16	468 SF
Trim	17	501 SF
Mother	18	301 SF
Kit / Break	19	370 SF
Office	20	177 SF
WC	21	119 SF
WC	22	119 SF
Airlock	23	119 SF
Retail	24	1014 SF
Circulation	25	186 SF
Grand total: 25		15758 SF

No.	Description	Date

Floor Plan

A1.0

Total: 1383.7 ft
447.8 ft
169.4 ft
102.7 ft
96.8 ft
94.9 ft
91.4 ft
128.4 ft
151.3 ft
101.2 ft

All signage will be relating to this Logo and American Green style, of course in high resolution and in approved locations and lighting via the Town

AMERICAN GREEN

Proposed Retail Marijuana Facility

Lot #7 N. Diamond Loop Rd., Parachute, Colorado, 81635

Preliminary Security Evaluation and Plan (based on site plan provided)

The following is compliant in part with the required information as outlined by the City of Parachute Municipal Code 6.11.090.F and is compliant to the requirements as laid out by the Colorado Retail Marijuana Code 1 CCR 212-2. R.301.D, R.305, R.306,

Please understand that as this is a preliminary plan, once the final rendering and constructions are approved, are more accurate and detailed assessment may be given to fully demonstrate adherence to each line item and subsection within the aforementioned sections referenced of the Colorado Retail Marijuana Code.

1CCR212-2

R.301

D. Diagram for Licensed Premises. All Limited Access Areas shall be clearly identified to the Division or relevant local jurisdiction and described in a diagram of the Licensed Premises reflecting walls, partitions, counters and all areas of ingress and egress. The diagram shall also reflect all Propagation, cultivation, manufacturing, and retail sales areas. See Rule R 901 – Business Records Required.

Please note that all areas outside of the "Retail" area as identified on the site plan shall be deemed ***Limited Access Areas*** *and thus shall adhere to all requirements as described and instituted under 1CCR212-2 R.301A,B,C,D,E. All other areas as described in R.301 D, have been clearly identified on the site plan provided.*

R 305 – Security Alarm Systems and Lock Standards

A. Security Alarm Systems – Minimum Requirements. The following Security Alarm Systems and lock standards apply to all Retail Marijuana Establishments.

1. Each Licensed Premises shall have a Security Alarm System, installed by an Alarm Installation Company, on all perimeter entry points and perimeter windows.

2. Each Licensee must ensure that all of its Licensed Premises are continuously monitored. Licensees may engage the services of a Monitoring Company to fulfill this requirement.

3. A Licensee shall maintain up-to-date and current records and existing contracts on the Licensed Premises that describe the location and operation of each Security Alarm System, a schematic of security zones, the name of the Alarm Installation Company, and the name of any Monitoring Company. See Rule R 901 – Business Records Required.

4. Upon request, Licensees shall make available to agents of the Division or relevant local jurisdiction or state or local law enforcement agency, for a purpose authorized by the Retail Code or for any other state or local law enforcement purpose, all information related to Security Alarm Systems, Monitoring, and alarm activity.

5. Any outdoor Retail Marijuana Cultivation Facility, or greenhouse cultivation, is a Limited Access Area and must meet all of the requirements for Security Alarm Systems described in this rule. An outdoor or greenhouse Retail Marijuana Cultivation Facility must provide sufficient security measures to demonstrate that outdoor areas are not readily accessible by unauthorized individuals. This shall include, at a minimum, perimeter fencing designed to prevent the general public from entering the Limited Access Areas. It shall be the responsibility of the Licensee to maintain physical security in a manner similar to a Retail Marijuana Cultivation Facility located in an indoor Licensed Premises so it can be fully secured and alarmed.

B. Lock Standards – Minimum Requirement

1. At all points of ingress and egress, the Licensee shall ensure the use of a commercial-grade, non-residential door locks.

2. Any outdoor Retail Marijuana Cultivation Facility, or greenhouse cultivation, must meet all of the requirements for the lock standards described in this rule

Please note that all requirements as described in this section shall be met, and only State licensed companies with proper alarm permitting will be considered to implement all required items as laid out by 1CCR212-2 R.305.A1,2,3,4,5. License holder shall maintain all documentation and shall provide access to all governing and regulatory bodies upon request in compliance with the previous Code section. All requirements as described in section 1CCR212-2 R.305.B1 and 2, shall be met and included in the final approved site plan in compliance with building inspection officials, and as approved by local public safety officials for use in proposed facility.

R 306 - Video Surveillance

A. Minimum Requirements. The following video surveillance requirements shall apply to all Retail Marijuana Establishments.

1. Prior to exercising the privileges of a Retail Marijuana Establishment, an Applicant must install a fully operational video surveillance and camera recording system. The recording system must record in digital format and meet the requirements outlined in this rule.

2. All video surveillance records and recordings must be stored in a secure area that is only accessible to a Licensee's management staff.

3. Video surveillance records and recordings must be made available upon request to the Division, the relevant local jurisdiction, or any other state or local law enforcement agency for a purpose authorized by the Retail Code or for any other state or local law enforcement purpose.

4. Video surveillance records and recordings of point-of-sale areas shall be held in confidence by all employees and representatives of the Division, except that the Division may provide such records and recordings to the relevant local jurisdiction, or any other state or local law enforcement agency for a purpose authorized by the Retail Code or for any other state or local law enforcement purpose.

B. Video Surveillance Equipment

1. Video surveillance equipment shall, at a minimum, consist of digital or network video recorders, cameras capable of meeting the recording requirements

described in this rule, video monitors, digital archiving devices, and a color printer capable of delivering still photos.

2. All video surveillance systems must be equipped with a failure notification system that provides prompt notification to the Licensee of any prolonged surveillance interruption and/or the complete failure of the surveillance system.

3. Licensees are responsible for ensuring that all surveillance equipment is properly functioning and maintained, so that the playback quality is suitable for viewing and the surveillance equipment is capturing the identity of all individuals and activities in the monitored areas.

4. All video surveillance equipment shall have sufficient battery backup to support a minimum of four hours of recording in the event of a power outage. Licensee must notify the Division of any loss of video surveillance capabilities that extend beyond four hours.

C. Placement of Cameras and Required Camera Coverage

1. Camera coverage is required for all Limited Access Areas, point-of-sale areas, security rooms, all points of ingress and egress to Limited Access Areas, all areas where Retail Marijuana or Retail Marijuana Product is displayed for sale, and all points of ingress and egress to the exterior of the Licensed Premises.

2. Camera placement shall be capable of identifying activity occurring within 20 feet of all points of ingress and egress and shall allow for the clear and certain identification of any individual and activities on the Licensed Premises.

3. At each point-of-sale location, camera coverage must enable recording of the customer(s) and employee(s) facial features with sufficient clarity to determine identity.

4. All entrances and exits to the facility shall be recorded from both indoor and outdoor vantage points.

5. The system shall be capable of recording all pre-determined surveillance areas in any lighting conditions. If the Licensed Premises has a Retail Marijuana

cultivation area, a rotating schedule of lighted conditions and zero-illumination can occur as long as ingress and egress points to Flowering areas remain constantly illuminated for recording purposes.

6. Areas where Retail Marijuana is grown, tested, cured, manufactured, or stored shall have camera placement in the room facing the primary entry door at a height which will provide a clear unobstructed view of activity without sight blockage from lighting hoods, fixtures, or other equipment.

7. Cameras shall also be placed at each location where weighing, packaging, transport preparation, processing, or tagging activities occur.

8. At least one camera must be dedicated to record the access points to the secured surveillance recording area.

9. All outdoor cultivation areas must meet the same video surveillance requirements applicable to any other indoor Limited Access Areas.

D. Location and Maintenance of Surveillance Equipment

1. The surveillance room or surveillance area shall be a Limited Access Area.

2. Surveillance recording equipment must be housed in a designated, locked, and secured room or other enclosure with access limited to authorized employees, agents of the Division and relevant local jurisdiction, state or local law enforcement agencies for a purpose authorized by the Retail Code or for any other state or local law enforcement purpose, and service personnel or contractors.

3. Licensees must keep a current list of all authorized employees and service personnel who have access to the surveillance system and/or room on the Licensed Premises. Licensees must keep a surveillance equipment maintenance activity log on the Licensed Premises to record all service activity including the identity of the individual(s) performing the service, the service date and time and the reason for service to the surveillance system.

4. Off-site Monitoring and video recording storage of the Licensed Premises by the

Licensee or an independent third-party is authorized as long as standards exercised at the remote location meet or exceed all standards for on-site Monitoring.

5. Each Retail Marijuana Licensed Premises located in a common or shared building, or commonly owned Retail Marijuana Establishments located in the same local jurisdiction, must have a separate surveillance room/area that is dedicated to that specific Licensed Premises. Commonly-owned Retail Marijuana Establishments located in the same local jurisdiction may have one central surveillance room located at one of the commonly owned Licensed Premises which simultaneously serves all of the commonly-owned retail facilities. The facility that does not house the central surveillance room is required to have a review station, printer, and map of camera placement on the premises. All minimum requirements for equipment and security standards as set forth in this section apply to the review station.

6. Licensed Premises that combine both a Medical Marijuana Business and a Retail Marijuana Establishment may have one central surveillance room located at the shared Licensed Premises. See Rule R 304 – Medical Marijuana Business and Retail Marijuana Establishment: Shared Licensed Premises and Operational Separation.

E. Video Recording and Retention Requirements

1. All camera views of all Limited Access Areas must be continuously recorded 24 hours a day. The use of motion detection is authorized when a Licensee can demonstrate that monitored activities are adequately recorded.

2. All surveillance recordings must be kept for a minimum of 40 days and be in a format that can be easily accessed for viewing. Video recordings must be archived in a format that ensures authentication of the recording as legitimately captured video and guarantees that no alteration of the recorded image has taken place.

3. The Licensee's surveillance system or equipment must have the capabilities to produce a color still photograph from any camera image, live or recorded, of the Licensed Premises.

4. The date and time must be embedded on all surveillance recordings without significantly obscuring the picture.

5. Time is to be measured in accordance with the official United States time established by the National Institute of Standards and Technology and the U.S. Naval Observatory at: http://www.time.gov/timezone.cgi ?Mountain/d/-7/java

6. After the 40 day surveillance video retention schedule has lapsed, surveillance video recordings must be erased or destroyed prior to: sale or transfer of the facility or business to another Licensee; or being discarded or disposed of for any other purpose. Surveillance video recordings may not be destroyed if the Licensee knows or should have known of a pending criminal, civil or administrative investigation, or any other proceeding for which the recording may contain relevant information.

F. Other Records

1. All records applicable to the surveillance system shall be maintained on the Licensed Premises. At a minimum, Licensees shall maintain a map of the camera locations, direction of coverage, camera numbers, surveillance equipment maintenance activity log, user authorization list, and operating instructions for the surveillance equipment.

2. A chronological point-of-sale transaction log must be made available to be used in conjunction with recorded video of those transactions.

Please note that all requirements as described in this section shall be met, and only State licensed companies with proper video surveillance installation permitting will be considered to implement all required items as laid out by 1CCR212-2 R.306. All video surveillance equipment, and required installation components shall adhere to the requirements as defined in the subsections above and shall meet all Federal Communication Commission requirements for applicable use. A rough example, but not limited to, would include:

(1) Pelco, Digital Network Video Recorder with 20TB storage

(1) Pelco, Digital Network Video Recorder with 12TB storage

(6) Pelco, 2MP Pendant Mount Environmental Day/Night Mini Dome IP Camera with 3 to 9mm Lens

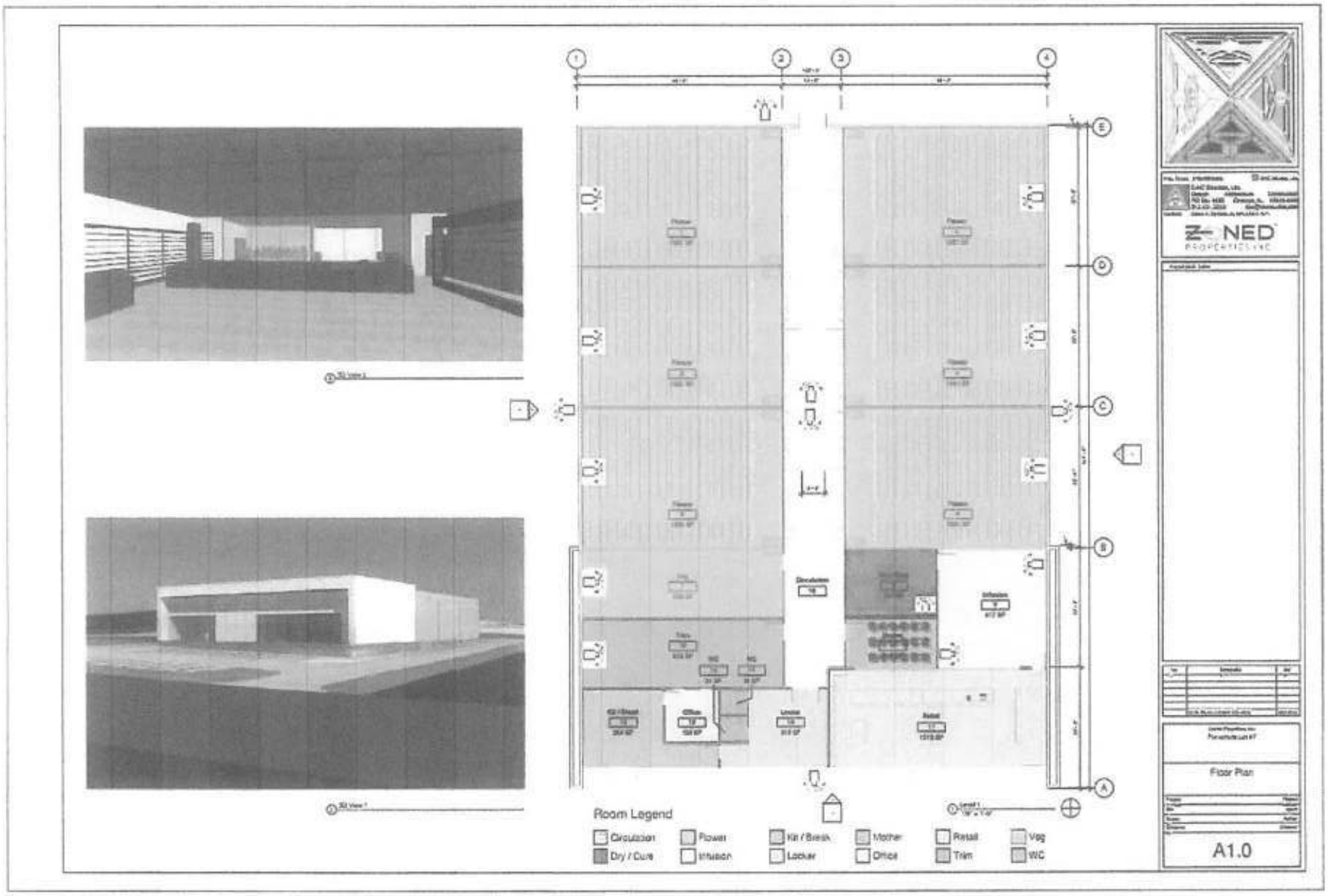
(19) Pelco, 2MP Day/Night Pendant Mount Indoor Mini Dome IP Camera with 3 to 9mm Lens

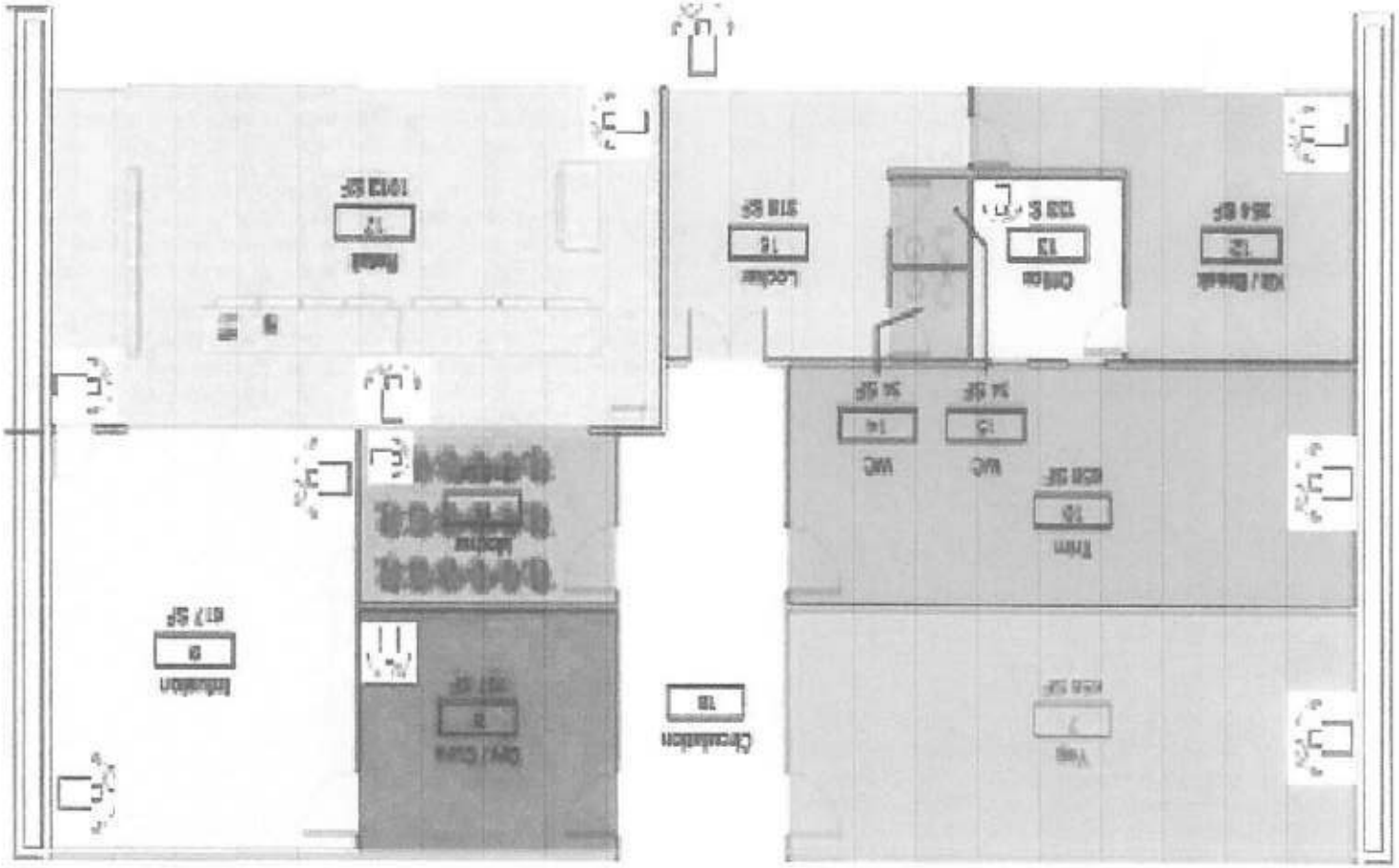
(2) Pelco, 12MP 180° Panoramic Vandal-Resistant IP Dome Camera

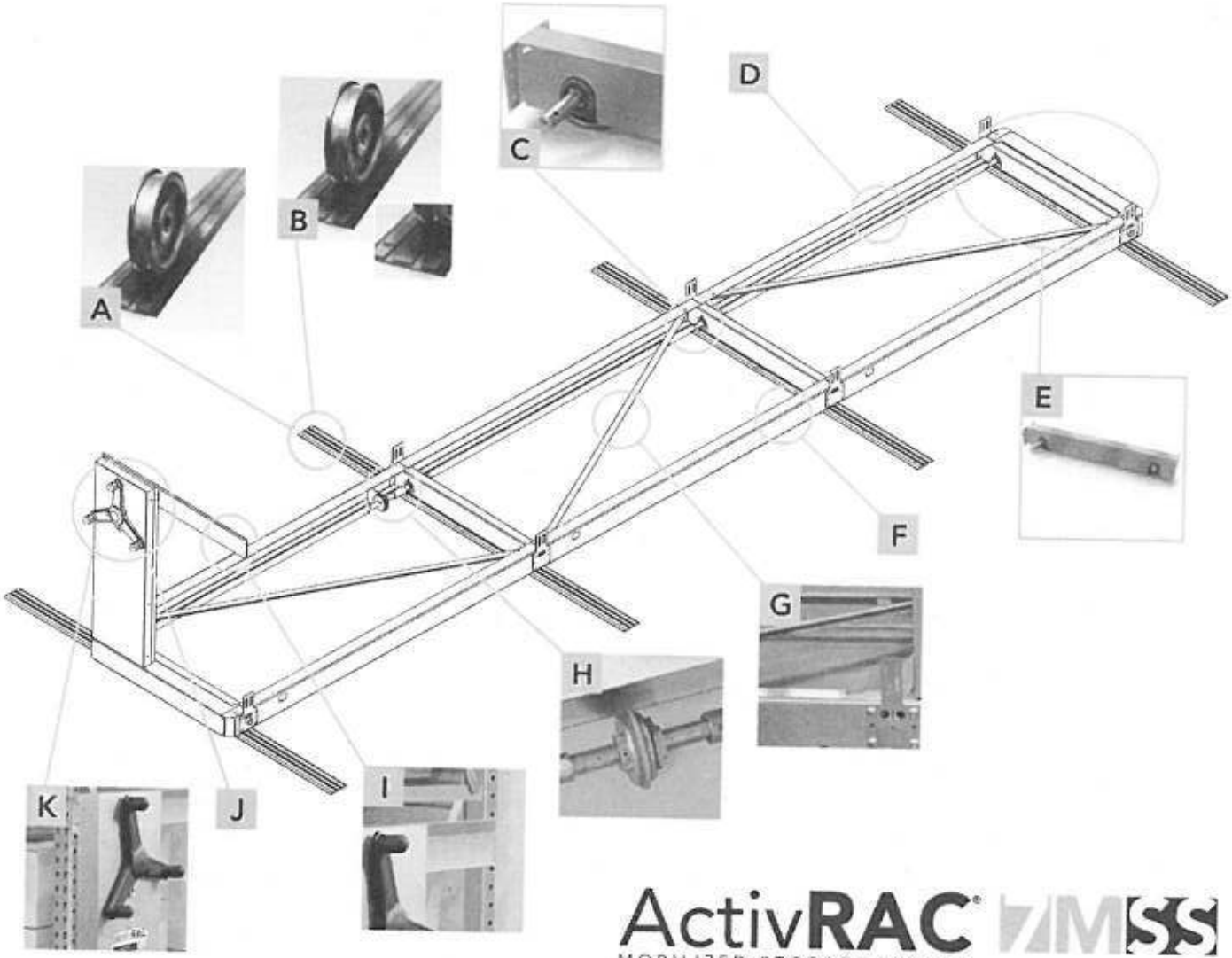
(3) Pelco, Evolution 360° 5 MP Indoor Camera with Fisheye Lens

(29) Pelco, IP Camera licenses

All the above is only an example of equipment and by no means suggest or commit the license holder to the required use or purchase of the items or materials mentioned. Again, an accurate site survey, and detailed security plan may be completed as the final and approved site plan is completed


Room Legend
Circulation
Dry / Cure
Flower
Infusion
Kit / Break
Locker
Mother
Office
Retail
Trim
Veg
WC
NED
Floor Plan
A1.0


Entrance
8
617 SF
Dry / Cure
9
797 SF
Circulation
18
Vine
7
1016 SF
Lobby
16
378 SF
Office
13
723 S
Kit / Break
12
354 SF
Elevator
17
1013 SF
Lounge
10
WC
15
34 SF
WC
14
34 SF



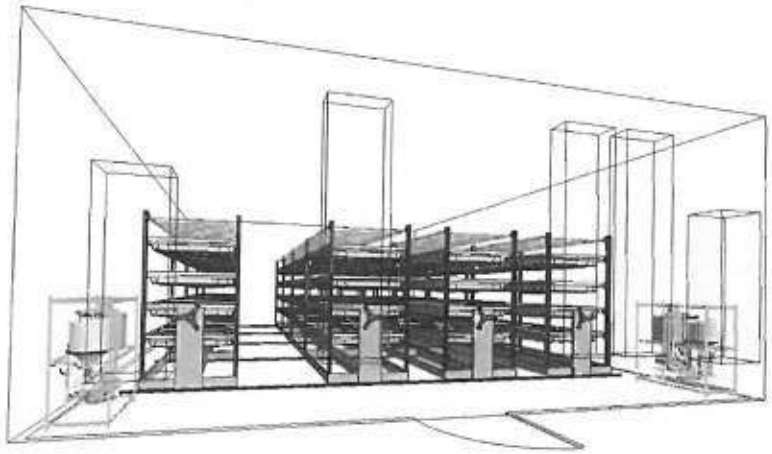
ActivRAC®
MOBILIZED STORAGE SYSTEM

ZONED PROPERTIES, INC

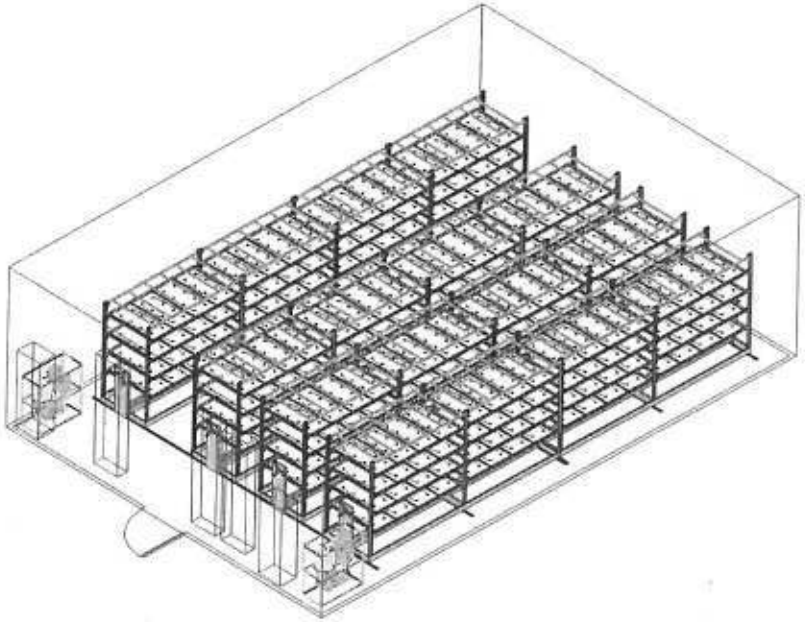
Tempe Indoor Cannabis Grow Facility

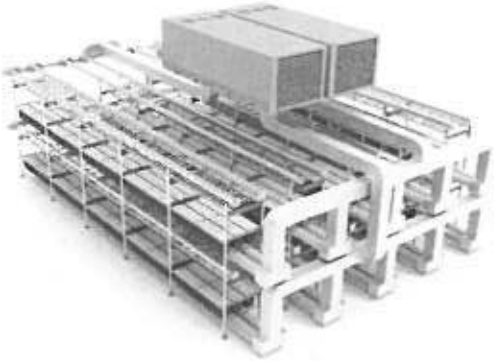
Ideal Harvest - Mobile Flower - Single and Multi-Tier Carridge Design

IH2.2



4096 Plants





Ducted System

256 Plants

Parachute Unlimited LLC Operating Plan

Greg Honan is the owner of Herbal Elements LLP in Avon, Colorado, which was established in August 24th, 2009. Greg Honan is also the owner of Parachute Unlimited LLC.

Herbal Elements has both Medical and Retail Marijuana licenses. Herbal Elements has at least one of each classification of license: cultivation, products manufacturing and store.

Following is the Operational Plan (Marijuana Management Plan) that is currently utilized for Herbal Elements in Avon, Colorado. This plan has evolved over the course of many years and has adapted to new regulations and realities.

Parachute Unlimited LLC is applying for a large facility with many new state of the art pieces of equipment, facilities and techniques. As the full operational plan is implemented in Parachute, the Herbal Elements Marijuana Management plan will be fully evolved into the Parachute Unlimited LLC operational plan. Equipment needs to be purchased, installed and tested. Employees will need to be trained. Regulations will need to be current. Yet, many of the procedures shall remain the same.

As the process evolves, the operational plan shall evolve.

Following is what is currently utilized at the Herbal Elements location in Eagle County, Colorado.

This shall be the foundation of the Operational Plan for Parachute Unlimited and the additions shall be expansive as the construction begins and reality of the project comes to fruition.

EXHIBIT U:

A Copy of a marijuana management plan detailing the training program for employees and staff that shall contain, at a minimum, educational and operational standards on the prevention of sale or distribution of marijuana products to anyone under the age of twenty-one (21) years old for recreational and or eighteen (18) years old for medical or twenty-one (21) for combined use. Such plan should detail any efforts being made or proposed to be made by the applicant to educate the community or otherwise participate in community outreach regarding the topic of underage marijuana use.

Attached please find the Marijuana Management Plan for Herbal Elements

: Exhibit U :
Management, Training, and Community Outreach Plan

Herbal Elements has developed and disseminates to all employees a detailed Employee Manual along with a supplemental document specifically detailing Herbal Elements' measures to prevent sales to under age persons.

Each potential customer is required to present valid government-issued identification before a purchase may be made. Herbal Elements has a strict policy related to confiscating fake IDs when presented and notifies police or other relevant authorities. Herbal Elements continues to ensure a legal, safe, and professional atmosphere for customers and employees.

Herbal Elements also distributes relevant information to customers and employees such as "The Responsible Consumer's Guide to Marijuana in Colorado" to help educate customers. The information addresses age requirements, purchase limits, and other important rules for the consumer to be safe and responsible in the community. Moreover, Herbal Elements plans to help educate the broader community. It is anticipated that Herbal Elements will host community discussions with question and answer panels to address Colorado's marijuana laws, marijuana products that will be sold in the store and the dosages and potency of all products.

Herbal Elements

Employee Manual

TABLE OF CONTENTS

PART 1 – INTRODUCTION

1.1 CHANGING POLICIES
1.2 EQUAL EMPLOYMENT OPPORTUNITY
1.3 NATURE OF EMPLOYMENT
1.4 REQUIRED LICENSING
1.5 RESIDENCY
1.6 EMPLOYMENT INFORMATION

PART 2 – 2.0 EMPLOYMENT CLASSIFICATIONS

PART 3 - 3.0 EMPLOYMENT POLICIES

3.1 PROPRIETARY MATTERS
3.2 NON-DISCLOSURE
3.3 INVENTIONS & PATENTS
3.4 PROBATIONARY PERIOD
3.5 OPEN DOOR COMMUNICATIONS
3.6 HOURS
3.7 LUNCH AND BREAKS
3.8 PERSONNEL DOCUMENTS
3.9 DATA CHANGES
3.10 EMERGENCIES
3.11 OUTSIDE EMPLOYMENT
3.12 CORRECTIVE ACTION
3.13 TERMINATION
3.14 SAFETY & HEALTH
3.15 SECURITY
3.16 PERSONAL PROPERTY
3.17 EXPENDITURES
3.18 PARKING

3.19 VISITORS
3.20 IMMIGRATION

PART 4 - 4.0 STANDARD OF CONDUCT

4.1 ATTENDANCE
4.2 HARASSMENT
4.3 TELEPHONE
4.4 PROFESSIONALISM
4.5 SUBSTANCE ABUSE
4.6 TOBACCO
4.7 INTERNET

PART 5 - 5.0 STANDARDS

5.1 UNLAWFUL ACTS
5.2 OFFENSES
5.3 SALES
5.4 CULTIVATION
5.5 TRANSPORTATION
5.6 LIMITED ACCESS

PART 6 - 6.0 WAGES

6.1 TIMEKEEPING
6.2 OVERTIME
6.3 PAYDAY
6.4 HOLIDAYS
6.5 JURY / MILITARY

PART 7 – 7.0 EMPLOYEE COMMUNICATIONS

7.1 BULLETIN BOARDS
7.2 COMPLAINTS

PART 1 - 1.0 INTRODUCTION

This manual is intended to provide guidance regarding employment with Herbal Elements. Any questions concerning the content of this manual should be addressed to your direct supervisor.

Neither this manual nor Herbal Elements' practices or other communications is intended to create, nor does it create, an expressed or implied contract between you and Herbal Elements for either employment or the provision of any benefit or compensation.

This manual gets you acquainted with Herbal Elements and provides you with information and expectations regarding working conditions, the basic rules and regulations relating to the medical marijuana industry, benefits, and polices affecting your employment.

The information contained in this employee manual applies to all employees of Herbal Elements. Following the policies described in this employee manual is considered a condition of continued employment. The employee manual is a summary of our policies, which are presented here only as a matter of information. However, nothing in this employee manual alters any employee's status. All employees are responsible for reading, understanding, and complying with the details of this manual. Additionally, as an employee of Herbal Elements you are responsible for reading, understanding, and complying with the rules and regulations relating to the medical marijuana industry set forth by the Colorado Department of Revenue and any other relevant Government agencies cited in this manual.

1.1 CHANGING POLICIES

To preserve the ability to meet company needs under changing conditions, Herbal Elements may modify, augment, delete or revoke any and all policies, procedures, practices and statements contained in this manual without notice. Such changes shall be effective immediately upon approval by management and will be communicated to employees as soon as reasonably possible.

This manual supplants all previous manuals that may have been issued on any matter covered in this manual. Since the business and organization are subject to change, we reserve the right to cancel or change with or without notice all or any part of the practices, techniques, policies, and benefits / remunerations covered in this manual at any time. Individual supervisors and managers do not have the authority to change policies. We will notify all employees of these changes. If, at any time, you are unclear about a policy or procedure, or simply have a question please speak with your supervisor. All changes will be effective on the dates determined by Herbal Elements.

1.2 EQUAL EMPLOYMENT OPPORTUNITY

It is the policy of Herbal Elements to provide equal employment opportunities without regard to race, creed, color, sex, age, religion, national origin, disability, veteran status, or any other prohibited status where otherwise qualified. This policy applies in all areas of employment including recruitment, hiring, training and development, promotion, transfer, termination, layoff, compensation and all other conditions and privileges of employment in accordance with applicable federal, state and local laws.

Management is fully committed to the concept of equal employment opportunity and all personnel are expected to support it. Anyone involved in discriminatory practices is subject to discipline up to, and including, termination.

1.3 NATURE OF EMPLOYMENT

As part of your employment with Herbal Elements you are acknowledging that you have entered into employment voluntarily, and understand that you are free to leave / resign at any time and for any reason or no reason. Similarly, Herbal Elements is free to conclude its relationship with any employee at any time for any reason or no reason. Following the probationary period, employees are required to follow the Employment Termination Policy (See Section below).

1.4 REQUIRED LICENSING

The MED (Marijuana Enforcement Division) issues licenses to individuals who work within the Marijuana industry. In order to be employed or to otherwise contractually perform any work, employment, or any work-related task for Herbal Elements, you must maintain a valid license issued by the MED. You must also comply with all the rules and regulations associated with your license. The MED requires you advise it in writing of any change in your mailing address within ten (10) days of any change and provide verification to Herbal Elements within five (5) days. Failing to comply can result in

termination as per the Department of Revenue guidelines. It is your responsibility to ensure that you maintain a valid license with the MED. Managers at Herbal Elements are responsible for ensuring their staff, and any contractors they are working with maintain a valid license with the MED. Failing to comply can result in termination as per the Department of Revenue guidelines.

1.5 RESIDENCY

While affiliated with Herbal Elements, owners, officers, managers, and employees must meet and maintain Colorado residency requirements as per C.R.S. §12-43.3-310,

1.6 EMPLOYMENT INFORMATION

Exclusion from consideration for employment or, termination of employment may occur if any information provided to Herbal Elements and/or MED has been falsified, fabricated, misrepresented, or omitted.

PART 2 - 2.0 EMPLOYMENT CLASSIFICATIONS

Herbal Elements offers the following employment classifications:
Persons who regularly work for Herbal Elements on a wage or salary basis are considered "employees" of Herbal Elements. Employees may include regular full time, regular part time, and temporary persons, exempt, non-exempt, and others contracted / employed by / with Herbal Elements who are subject to the control and direction of Herbal Elements in the performance of their duties.

- **Full time (regular):** Completed probationary period (probationary period details below) and are regularly scheduled to work 40 or more hours per week.
- **Part time (regular):** Completed probationary period (probationary period details below) and are regularly scheduled to work less than 40 hours per week.
- **Full time / part time (Temporary):** Performance is being assessed to determine whether further employment in a specific position or with Herbal Elements is appropriate or hired as interim replacements to assist in the completion of a specific project or for vacation relief. Employment beyond any initially stated period does not in any way imply a change in

employment status. Temporary employees retain that status until they are notified of a change. They are not eligible for any of Herbal Elements' benefit programs.

- **Exempt:** Position meet specific criteria established by the Fair Labor Standards Act (FLSA) and who are exempt from overtime pay requirements.
- **Non-exempt:** Position do not meet FLSA criteria and who are paid one and one-half their regular rate of pay for hours worked in excess of 40 hours per week.
- **Contract:** An individual who is hired to complete a specific task.

PART 3 - 3.0 EMPLOYMENT POLICIES

Herbal Elements cares deeply about each of our team members as well as our customers and partners. We therefore have assembled the following section on Employment policies to better illustrate the kind of environment and atmosphere we aim to deliver each and every day.

3.1 PROPRIETARY MATTERS

It is the responsibility of Herbal Elements' employees to safeguard sensitive company information. It is important to the economic well-being of our company to protect and maintain proprietary company information. Continued employment with Herbal Elements is contingent upon compliance with this policy. Management is responsible for the orientation and training of all employees to ensure enforcement of company confidentiality.

"Sensitive company information" includes, but is not limited to, trade secrets and confidential information relating to products, processes, know-how, customers, designs, drawings, formulas, data, marketing data, accounting, pricing, salary information, business plans and strategies, negotiations and contracts, and inventions.

When such information is transferred from one employee to another, the transferor must do all of the following:

Determine that:

- The transfer is necessary and in the interest of regular company business

• The transferee has a need-to-know the information and has the necessary clearance.

• All cover sheets or markings that identify the information as proprietary, or confidential, are conspicuous.

• The information be given directly to the transferee and the proprietary or classified information is identified as such.

• The information not be given to an un-cleared employee, such as a secretary or officemate, and that the information is not left unattended (for e.g., left on the transferee's desk for him/her to find when he/she returns).

3.2 NON-DISCLOSURE

During your employment with Herbal Elements, you may have access to, and become familiar with, records, various trade secrets, and other sensitive company information, which are owned by Herbal Elements and regularly used in the operation of its business. You should not disclose any of this sensitive company information directly or indirectly to any person or entity, nor use them in any way, either during your employment or at any time thereafter, except as required in the course of your employment with Herbal Elements. All documentation, files, records and similar items relating to the business of Herbal Elements, whether prepared by you or otherwise, coming into your possession, shall remain the exclusive property of Herbal Elements and shall not be removed from the premises under any circumstances whatsoever without the prior written consent of Herbal Elements management. Employees are required to consent to non-disclosure as a condition of employment.

Improper use of or disclose of trade secrets or confidential business information can result in termination of employment and legal action, even if the employee does not benefit from the disclosed information. Except upon request by the state or local medical marijuana licensing authority, as per C.R.S. §18-18-406.3, that the owner, officer, or employee shall release the records or information, any representative of Herbal Elements who discloses releases or makes public customer information or any confidential information that is provided to or by the business without the written authorization from a customer may be guilty of a crime and legal action may result.

3.3 INVENTIONS & PATENTS

Employees may make contributions of value to Herbal Elements. Such contributions shall include all processes, inventions, patents, discoveries, copyrights, and other intangible rights developed or conceived by employees at work or that are work-related. Such contributions conceived at work or that are work-related shall be the sole property of Herbal Elements. Employees are entitled to no other compensation for them other than their normal salary and benefits. Employees are to disclose such contributions promptly to Herbal Elements, to assign them to Herbal Elements, and to assist Herbal Elements in obtaining patent or copyright protection. Work-related contributions conceived or made by employees, or by employees with others, while an individual is employed at Herbal Elements are also the property of Herbal Elements.

3.4 PROBATIONARY PERIOD

From the hiring date, the probationary period for employees may last up to 90 days. Employees have the chance to evaluate Herbal Elements and the Company has a chance to evaluate the employee. During this period Herbal Elements has the right to terminate employment without advance notice. The employee's status will change from temporary to regular upon positive completion of the probationary period. All employees, regardless of classification or length of service, are expected to meet and maintain Company Standards for job performance and behavior as detailed in this manual.

3.5 OPEN DOOR COMMUNICATIONS

Herbal Elements encourages two-way communication to discuss work-related problems and issues. Supervisors / managers are responsible for listening in complete confidence and to respond, if necessary, in a timely fashion. Herbal Elements emphasizes open-door practices whereby employees are encouraged to deal directly with their supervisor and other appropriate members of management regarding complaints or perceived inequitable conditions of employment.

3.6 HOURS

Herbal Elements' operations are open for business from 11:00AM - 7:00PM Monday-Saturday, Sunday 12:00PM - 5:00PM 365 days a year with the exception of Holidays and other authorized days listed in this manual. The standard workweek is 40 hours of work (see overtime section in this manual). In the computation of various employee benefits, the employee workweek is considered to begin on Monday (starting at 12:01AM) through Sunday (ending at 12:00AM) unless a supervisor makes prior other arrangements with the employee.

3.7 LUNCH AND BREAKS

Employees receive an hour for lunch which is considered non-paid time. However, at the discretion of the employee's supervisor, an employee who requests it may be allowed to take only thirty minutes for lunch. The shortened lunch period may not result in overtime unless approved by the employee's supervisor. Employees must clock out during that time. When it is not practical or possible for a duty-free break, staff may consume their meal while working, and should not clock out. However, whenever practical, employees **must** take an unpaid break of 30 minutes. Failure to adhere to the lunch policy will be subject to disciplinary action, including termination. Employees are not to "skip" their meal break in order to leave their shift early.

All employees are permitted a 10-minute paid rest break for each four-hour work period (i.e., one in the morning and one in the afternoon). Breaks are not permitted at either the beginning or end of the workday to offset arrival and departures times. Also, break periods must be taken at one time and may not be split into segments. Employees who voluntarily work through their break periods will not be permitted additional compensation. Supervisors, at their discretion, may coordinate break times for employees who report to them.

3.8 PERSONNEL DOCUMENTS

Herbal Elements may maintain personnel files for employees. The personnel file may include, but is not limited to, the following information: W4, 19, Authorization to Work, job application, job description, résumé, records of participation in training events, salary history, records of disciplinary action and documents related to employee performance reviews, and coaching. The files are the property of Herbal Elements and access to the information is restricted. Management personnel of Herbal Elements who have a legitimate reason to review the file are allowed to do so.

3.9 DATA CHANGES

An employee's personnel data should be accurate and current at all times. It is the responsibility of each employee to promptly notify their supervisor or of any changes in personnel data such as:

- Mailing address information
- Contact information (telephone numbers, email address, etc.)
- Name and number of dependents (if applicable)
- Emergency contact info for ICE (In Case of Emergency) persons

3.10 EMERGENCIES

Emergencies such as inclement weather, fire, or power failure can disrupt company operations. The decision to close the office will be made by the management. When the decision is made to close Herbal Elements, employees will receive notification from their supervisor. Time off from scheduled work due to emergency closings will be unpaid for all nonexempt employees.

3.11 OUTSIDE EMPLOYMENT

Outside jobs in non-related businesses or professions as long as the employee meets the performance standards of their job description with Herbal Elements is acceptable. If the outside job is within the marijuana industry, the employee must notify Herbal Elements, in writing, of the employer – Herbal Elements may or may not allow the employee to be employed by a company in the marijuana industry and this can be cause for termination or non-hiring. Herbal Elements' office space, equipment, materials and intellectual property are never to be used for outside employment or personal use. Unless an alternative work schedule has been approved by Herbal Elements, employees will be subject to Herbal Elements' scheduling requirements.

3.12 CORRECTIVE ACTION

Employees are expected to maintain a certain work standard, follow the rules outlined in this manual, and in general maintain a standard of conduct in line not only with this manual but also in line with a professional work environment. If an employee departs from the expected standards described in this manual, Herbal Elements anticipates the employee's supervisor will take corrective measures that can include termination. However the usual sequence of actions includes an oral warning, a written warning, probation, and finally termination of employment. A supervisor will consider the seriousness of the violation, the circumstances surrounding the issue, and the employee's previous record in determining the best course of action.

If the violation is considered serious, the approach may not be utilized in order the progressive order. Serious infractions include but are not limited to: violation of Colorado Department of Revenue regulations, theft in any form, insubordinate behavior, vandalism or destruction of company property, unauthorized presence on property during non-business hours, conviction of any crime, the use of company equipment and/or company vehicles without prior authorization by executive staff, untruthfulness about personal work history, skills, or training, divulging Company business practices, and misrepresentations of Herbal Elements to a customer, a prospective customer, the general public, or an employee. This is not an exhaustive list and should not be taken as such.

3.13 TERMINATION

- **Termination**: involuntary employment termination initiated by Herbal Elements
- **Resignation**: voluntary employment termination initiated by an employee
- **Layoff:** involuntary employment termination initiated by Herbal Elements for non-disciplinary reasons

At least two (2) weeks written notice must be given when a Non-exempt employee intends to terminate his / her employment with Herbal Elements. At least four (4) weeks written notice must be given when an Exempt employee intends to terminate his / her employment with Herbal Elements. Failure to give stated notice may result in ineligibility for rehire. Any employee who terminates employment with Herbal Elements shall immediately return all files, records, keys, and any other materials that are property of Herbal Elements. No final settlement of an employee's pay will be made until all items are returned in appropriate condition. The cost of replacing non-returned items will be deducted from the employee's final paycheck. Furthermore, any outstanding financial obligations owed to Herbal Elements will also be deducted from the employee's final check.

3.14 SAFETY & HEALTH

Obeying Safety rules and exercising caution and common sense in all work activities is a condition of employment. Unsafe work environments must immediately be reported to supervisors. Employees who violate safety standards, cause hazardous or dangerous situations, or fail to report, or where appropriate, remedy such situations, may be subject to disciplinary action including termination of employment. Employees must alert a supervisor in the event of an accident that results in injury, no matter how small the injury may seem.

Employees who become aware of any significant change in health-related issues should notify their supervisor. A written "permission to work" from the employee's doctor may be required at the time or shortly after notice has been given. The doctor's note should specify whether the employee is able to perform regular duties as outlined in their job description. Leaves of absence are granted on a case-by-case basis. Any employee who, by medical examination or supervisory observation, is shown to have, or appears to have, an illness, open lesion, including boils, sores, or infected wounds, or any other abnormal source of microbial contamination for whom there is a reasonable possibility of contact with preparation surfaces for marijuana or MIPS shall not be able to participate in their regular job duties until the condition is corrected per doctor's instruction. Should there be job duties in which the employee would not have contact with marijuana, the employee may be offered those duties as appropriate. If there is not

available work, the employee will be required to take leave without pay as per the Department of Revenue.

All employees working in direct contact with preparation of marijuana or MIPS shall conform to hygienic practices while on duty including but not limited to:

- Maintaining adequate personal cleanliness
- Washing hands thoroughly in an adequate hand-washing area(s) before starting work and at any other time when the hands may have become soiled or contaminated

- Refraining from having direct contact with preparation of marijuana or MIPS if the person has or may have an illness, open lesion, including boils, sores, or infected wounds, or any other abnormal source of microbial contamination, until such condition is corrected

3.15 SECURITY

Persons who are issued keys, codes, or other access through security to the office are responsible for their safekeeping. The last employee, or a designated employee, who leaves the building at the end of the business day assumes the responsibility of ensuring that all doors are securely locked, the alarm system is armed, thermostats are set on appropriate evening and / or weekend setting, and all appliances and lights are turned off with exception of the lights normally left on for security purposes or other required purposes. Employees are not allowed on Company property after hours without prior authorization from their supervisor.

3.16 PERSONAL PROPERTY

Herbal Elements assumes no risk for any loss or damage to personal property. Employees must secure their own personal insurance policies to cover the loss of anything occasionally left at the office unattended.

3.17 EXPENDITURES

No employee, unless authorized specifically to do so, may make purchases in the name of Herbal Elements. No employee whose regular duties do not include purchasing shall incur any expense on behalf of Herbal Elements or bind Herbal Elements by any

promise or representation without management's written approval. If a manager asks an employee to purchase something using petty cash, failure to bring a receipt matching the spent monies may result in the employee reimbursing the company.

3.18 PARKING

Employees must park their cars in areas indicated and provided for by Herbal Elements.

3.19 VISITORS

In order to maintain the absolute safety and security of employees, customers, and the facilities, no unauthorized visitors are allowed in the workplace. Visitors are not allowed in limited access areas as defined by the Colorado Department of Revenue ("CDOR") unless they receive a visitors badge from a Key employee and are authorized vendors per CDOR rules. If an employee is taking an authorized visitor into the limited access area, he/she is required to give the authorized visitor a visitor badge, have that visitor sign in for the badge, have the visitor sign out the badge when he/she is finished, and collect the badge when the visitor leaves. Failure to do so will result in disciplinary action that can include termination.

3.20 IMMIGRATION

Herbal Elements employs only United States citizens and those non-U.S. citizens authorized to work in the United States in compliance with the Immigration Reform and Control Act of 1986. All new employees, as a condition of employment, must complete Employment Eligibility Verification Form 1-9 and present documentation establishing identity and employment eligibility. Former employees who are rehired must also complete the form if they have not completed a Form 1-9 with Herbal Elements within the past three years or if their previous Form 1-9 is no longer retained or valid.

Part 4 - 4.0 STANDARD OF CONDUCT

All employees must be familiar with and abide by the rules and standards in this manual as well as those of the CDOR (Colorado Department of Revenue) and CDPHE (Colorado Department of Public Health and Education). In addition, employees are expected to follow the rules and standards to the letter in performing their jobs and conducting Herbal Elements' business. Violating these rules and standards can cause corrective action to be taken which can include termination. The following are examples of rule infractions or misconduct that may result in

disciplinary action, including termination of employment this list is not intended as a complete list rather examples:

- Not complying with CDOR rules
- Drug or alcohol use on Company property
- Possession of drug paraphernalia on Company property
- Stealing or inappropriate removal or possession of property
- Distortion of timekeeping records
- Any substance abuse while working (under the influence of alcohol or illegal drugs)
- Possession, distribution, sale, transfer, or use of alcohol or illegal drugs in the workplace
- Fighting or threatening violence in the workplace
- Boisterous or disruptive activity in the workplace
- Negligence or improper conduct leading to damage of company-owned or customer-owned property
- Insubordination or other disrespectful conduct
- Violation of safety or health rules
- Smoking in the workplace
- Sexual or other unlawful or unwelcome harassment
- Excessive absenteeism or any absence without notice
- Unauthorized use of telephones, or other company-owned equipment
- Using company equipment for purposes other than business
- Unauthorized disclosure of business "secrets" or confidential information
- Violation of personnel policies
- The conviction of any crime and;
- Unsatisfactory performance or conduct

4.1 Attendance

Employees are expected to be punctual and in attendance each day. If you are unable to report for work for any reason, notify your supervisor before regular starting time. It is your responsibility to speak directly with your supervisor about the absence. It is not sufficient to leave a message on a supervisor's voice mail, except in an emergency. In the case of leaving a voice-mail message, a follow-up call must be made later that day. It is the responsibility of the employee to find coverage if he/she is unable to work the scheduled time. Once a replacement is found, the employee and his/her replacement must inform the supervisor stating he/she is changing their schedule.

If no absence report is made, it will be assumed after two consecutive days of absence that you have resigned, and you will be removed from the payroll. If you become ill while at work or must leave the office for some other reason before the end of the workday, employees must inform their supervisor.

4.2 HARASSMENT

It is Herbal Elements' policy that all employees should be allowed to work in an environment free of discrimination or harassment on the basis of race, color, sex, age, religion, national origin, disability or other protected status. Accordingly, Herbal Elements prohibits managers or supervisors from making employment decisions (hiring, promotions, pay raises, terminations, etc.) on the basis of an employee's race, color, sex, age, religion, national origin, disability or other protected status. Also, Herbal Elements will not tolerate any conduct that may interfere with the performance of an employee's job or create an intimidating, hostile, or offensive work environment. Such conduct, by whoever committed, is strictly prohibited and will result in prompt and certain disciplinary action up to and including termination.

The following are examples (but is not a comprehensive list) of conduct that is prohibited under this Policy:

- All types of harassment (e.g., sexual, racial, etc.).
- Unwelcome sexual advances, repeated offensive flirtations, requests or demands for sexual favors, degrading or suggestive comments of a sexual nature about an individual or his/her appearance, and physical contact of a sexual nature.
- Conduct that is offensive or adversely affects an employee's work performance such as unwelcome conversations of a particularly personal nature; improper gestures or slurs; profane or vulgar language, jokes or "kidding;" and inappropriate cartoons, pictures, drawings or other graphic materials, even though the conduct may not rise to the level of creating a hostile work environment under the law.
- Fighting, assaulting, or injuring another person.
- Unreasonable and/or inappropriate pranks, practical jokes, or other disorderly conduct.

"Sexual harassment" as used herein does not refer to occasional compliments of a socially acceptable nature. Rather, it refers to behavior that is not welcome, that is personally and objectively offensive, that debilitates morale, and that, therefore, interferes with an individual's work performance.

Managers and supervisors may not date or have a sexual relationship with any employee to whom they assign work, evaluate, or influence employment decisions without both parties promptly advising a senior staff member of the relationship, so that assurances of mutual consent can be obtained and arrangements made to assure no adverse impact on the workplace.

If you ever feel that you have been subjected to any type of harassment or have any knowledge of any kind of prohibited behavior, you are to immediately follow the complaint procedure outlined below. Herbal Elements will not tolerate any type of

retaliation against any employee or other person who, in good faith, complains about or reports harassment.

1. You are encouraged to tell the offending individual(s) that their behavior is offensive and unwelcome, and to stop.
2. Put your complaint in writing and give it to the individuals identified above.

All managers and supervisors are to be alert to the possible presence of harassment in the work place, to take appropriate action to prevent incidents from occurring, and to institute prompt investigatory measures and appropriate remedial action. At a minimum, all allegations of harassment known to a supervisor or staff member are to be reported to the individuals identified above. All allegations of harassment will be treated seriously and in a professional manner. Every reasonable effort will be made to protect confidentiality. This policy applies to all managers, supervisors, employees, vendors, service/sales representatives, and all others doing business with or on Herbal Elements' premises. Under no circumstances should an inappropriate situation be allowed to continue by not reporting it, regardless of the offending party. No one at Herbal Elements is exempt from this Policy.

4.3 Telephone

Personal usage during business hours is discouraged. All personal telephone calls should be kept brief. If an employee is found to be deviating from this policy, disciplinary action may be taken.

4.4 Professionalism

A professional appearance is important anytime that you come in contact with the public. Employees should be well groomed and dressed appropriately for our business and for their position in particular. The following items are considered inappropriate working attire for Herbal Elements:

- Gym clothing
- Wording or depictions that indicate "sex" "alcohol" or "drugs"
- Gang related colors or clothing

While management trusts each employee's common sense and good judgment, in order to maintain a professional work environment, revealing clothing and clothing

displaying profane, insulting, or inappropriate text shall not be worn. If an employee wears clothing that is not in accordance with the dress code, management may either ask the employee to go home without pay and change clothes or tell the employee not to wear the clothing to work in the future. Employees working in the "front of the house" should always dress in clothing appropriate for a retail establishment catering to customers. Employees working in the "back of the house" should dress appropriately for their job responsibilities keeping safety in mind. Consult your supervisor if you have any questions about appropriate business attire.

4.5 SUBSTANCE ABUSE

Herbal Elements recognizes that some individuals, sometimes to an extent that their abilities and senses are impaired, use substances. The position of the company regarding substance abuse is the same whether alcohol, marijuana, illegal drugs, prescription drugs, or controlled substances are involved. This policy is implemented because Herbal Elements believes that the impairment of any employee due to his / her use of substances can result in the risk of injury to other employees, the impaired employee, or to third parties, such as customers or business guests.

Herbal Elements is committed to providing a safe and productive workplace for its employees. The following rules apply during working hours to all employees of Herbal Elements while they are on Company premises or elsewhere on Company business. The manufacture, distribution, possession, sale, or purchase of controlled substances of abuse on Company property is prohibited. This includes the illegal manufacture, distribution, possession, sale, or purchase of marijuana. Being impaired by illegal drugs, alcohol, or substances of abuse on Company property is prohibited. Working while under the influence of prescription or recommended drugs that impair performance is prohibited.
So that there is no question about what these rules signify, please note the following, definitions:

- Company property: All Company owned or leased property used by employees.
- Controlled substance of abuse: Any substance listed in Schedules of Section 202 of the Controlled Substance Act, as amended.
- Drug: Any chemical substance that produces physical, mental, emotional, or behavioral change in the user.
- Drug paraphernalia: Equipment, a product, or material that is used or intended for use in concealing an illegal drug, or otherwise introducing into the human body an illegal drug or controlled substance.

- Illegal drug: Any drug or derivative thereof whose use, possession, sale, transfer, attempted sale or transfer, manufacture, or storage is illegal or regulated under any federal, state, or local law or regulation. Any drug, including but not limited to a prescription or recommended drug, used for any reason other than that prescribed or recommended by a physician.
- Inhalants: Inhalants used illegally.
- Under the influence: A state of not having the normal use of mental or physical faculties resulting from the voluntary introduction into the body of a substance of abuse.

Consistent with the rules listed above, any of the following actions constitutes a violation of Herbal Elements' policy on drugs and may subject an employee to disciplinary action, up to and including immediate termination. Using, selling, purchasing, transferring, manufacturing, or storing an illegal drug or drug paraphernalia, or attempting to or assisting another to do so, while in the course of employment. Working or reporting to work, conducting Company business or being on Company property while under the influence of an illegal drug or alcohol, or in an impaired condition. "Impairment" or "being impaired" means that an employee's normal physical or mental abilities, or faculties, while at work have been detrimentally affected by the use of substances. The employee who begins work while impaired or who becomes impaired while at work is guilty of a major violation of company rules and is subject to severe disciplinary action. Severe disciplinary action can include suspension, termination, or any other penalty appropriate under the circumstances. Likewise, the use, possession, transfer, or sale of any substance on company premises is prohibited, and violations are subject to severe disciplinary action.

4.6 TOBACCO

The use of tobacco products is not permitted anywhere on Herbal Elements' premises, including the parking lot. All employees must dispose of their tobacco properly. Cigarette "butts" should not be disposed of in Herbal Elements trash, nor left outside.

4.7 Internet

Herbal Elements employees are allowed use of the Internet and e-mail to conduct Herbal Elements' business. Employees may use the Internet when appropriate to access information needed to conduct business of Herbal Elements. Employees may use e-mail when appropriate for Company business correspondence. Herbal Elements reserves the right to access and monitor all files and messages on its systems.

PART 5 - 5.0 STANDARDS

This is a business in which the standards for the industry are currently being set. We have the ability as pioneers to make a mark on the future of this industry. It is our goal to aim high and set the bar to a level we think is worth striving for.

5.1 UNLAWFUL ACTS

Colorado Revised Statues §12-43.3-901 defines a number of unlawful acts specific to the medical marijuana industry. The following list highlights a number of rules that Herbal Elements demands their employees strictly adhere to. The following highlights some of the major laws and regulations but is not intended to constitute the entire list of expectations. Employees of Herbal Elements are expected to know, keep current with, and comply with all applicable laws and regulations.

It is unlawful for any person licensed to sell medical marijuana to a person not licensed by the CDPHE or to a person not able to produce a valid patient registry identification card, unless the person has a copy of a current and complete new (not a renewal) application for the medical marijuana registry administered by the department of public health and environment that is documented by a certified mail return receipt as having been submitted to the CDPHE within the preceding thirty-five (35) days and the employee assisting the person has contacted the CDPHE and, as a result, determined the person's application has not been denied. See, C.R.S. §12-43.3-901(4)(d)(I).

A representative of Herbal Elements shall not consume medical marijuana in a licensed medical marijuana facility, and it shall be unlawful for a medical marijuana licensee to allow medical marijuana to be consumed upon its licensed premises. See, C.R.S. §12-43.3-901(1)(a).

Herbal Elements and its employees shall not with knowledge, permit or fail to prevent the use of his or her registry identification by any other person for the unlawful purchasing of medical marijuana. See, C.R.S. §12-43.3-901(1)(b).

A representative of Herbal Elements shall not buy, sell, transfer, give away, or acquire medical marijuana except as allowed pursuant Rules outlined by the Colorado Department of Revenue and The Colorado State constitution. See, C.R.S. §12-43.3-901(2).

A representative of Herbal Elements shall not be within a limited-access area unless the person's license badge is prominently displayed above the waist.

A representative of Herbal Elements shall not provide public premises, or any portion thereof, for the purpose of consumption of medical marijuana in any form. Simply, medical marijuana shall not be consumed on, in or around the Herbal Elements' premises. See, C.R.S. §12-43.3-901(4)(c).

Nor shall a representative of Herbal Elements sell medical marijuana to a person not licensed pursuant to CDPHE and/or CDOR regulations or to a person not able to produce a valid patient registry identification card.

A representative of Herbal Elements less than twenty-one years of age shall not be employed to sell or dispense medical marijuana at a medical marijuana center or grow or cultivate medical marijuana at an optional premises cultivation operation.

If a representative of Herbal Elements has reasonable cause to believe that a person is exhibiting a fraudulent patient registry identification card in an attempt to obtain medical marijuana, the licensee or employee shall be authorized to confiscate the fraudulent patient registry identification card, if possible, and shall, within seventy-two (72) hours after the confiscation, turn it over to the state health department or local law enforcement agency. The failure to confiscate the fraudulent patient registry identification card or to turn it over to the state health department or a state or local law enforcement agency within seventy-two hours after the confiscation shall not constitute a criminal offense. See, C.R.S. §12-43.3-402 (5).

A representative of Herbal Elements shall ensure Herbal Elements does not possess more than six (6) medical marijuana plants and two ounces of medical marijuana for each patient who has registered the center as his or her primary center. A medical marijuana center may have an amount that exceeds the six-plant and two-ounce product per patient limit if the center sells to patients that are authorized to have more than six plants and two ounces of product. In the case of a patient authorized to exceed the six-plant and two-ounce limit, the representative of shall obtain documentation from the patient's physician that the patient needs more than six plants and two ounces of product. See, C.R.S. §12-43.3-402 (3).

A representative of Herbal Elements shall not offer for sale or solicit an order for medical marijuana in person except within the licensed premises and shall not have in possession or upon the licensed premises any medical marijuana, the sale of which is not permitted by the license. A representative of Herbal Elements shall not buy medical marijuana from a person not licensed to sell per CDOR regulations. A representative of Herbal Elements

shall not sell medical marijuana except in the permanent location specifically designated in the license for sale. See, C.R.S. §12-43.3-402 (4)(f)-(i).

A representative of Herbal Elements shall not to have on the licensed premises any medical marijuana or marijuana paraphernalia that shows evidence of the medical marijuana having been consumed or partially consumed. A representative of Herbal Elements shall not deliver medical marijuana to any premises other than the specific licensed premises where the medical marijuana is to be sold. See, C.R.S. §12-43.3-402 (4)(J).

A representative of Herbal Elements shall not sell, serve, or distribute medical marijuana at any time other than between the hours of 8:00AM and 7:00PM Monday through Sunday. See, C.R.S. §12-43.3-402 (4)(l).

It is unlawful for a medical marijuana center, medical, marijuana-infused products manufacturing operation with an optional premises cultivation license, or medical marijuana center with an optional premises cultivation license to sell, deliver, or cause to be delivered to a licensee any medical marijuana not grown upon its licensed premises, or for a licensee or medical marijuana center with an optional premises cultivation license or medical marijuana-infused products manufacturing operation with an optional premises cultivation license to sell, possess, or permit sale of medical marijuana not grown upon its licensed premises. A violation of the provisions of this subsection (5) by a licensee shall be grounds for the immediate revocation of the license granted under this article. See, C.R.S. §12-43.3-402(5).

A Physician who makes patient referrals to a licensed medical marijuana center shall not receive anything of value from the medical marijuana center licensee or its agents, servants, officers, or owners or anyone financially interested in the licensee, and it shall be unlawful for a representative of Herbal Elements to offer anything of value to a physician for making patient referrals to the licensed medical marijuana center. See, C.R.S. §12-43.3-402 (6).

Infractions of these rules are subject to disciplinary action up to and including termination.

5.2 OFFENSES

Any employee, and any associated or key persons to a licensee, must make written notification to the Marijuana Enforcement Division of any criminal conviction and criminal charge pending against such person within five (5) days of such person's arrest, summons, or conviction. This notification requirement shall not apply to non-felony traffic violations unless the violations result in suspension or revocation of a driver's license, the violations are based on allegations of driving under the influence or impairment of intoxicating liquor or drugs, or result in the person being taken into custody. Failure to make proper notification to the MED may be grounds for a disciplinary action up to and including termination. See, CDOR medical marijuana rules 1.1200.

Employees must report within three (3) business days, any criminal actions, licensee rule violations, or other suspicious acts involving the sale, cultivation, distribution or manufacturing of medical marijuana or any medical marijuana infused products by any person to CDOR and shall cooperate in subsequent investigations. If an employee or contractor is discharged for alleged violations of the law or these regulations, the employee will surrender their occupational license. See, CDOR medical marijuana rule 1.120.

5.3 SALES

Every person selling medical marijuana shall sell only medical marijuana grown in a medical marijuana optional premises cultivation licensed facility. In addition to medical marijuana, a medical marijuana center may sell no more than six (6) immature plants to a patient; except that a medical marijuana center may sell more than six (6) immature plants, but may not exceed half the recommended plant count, to a patient who has been recommended an expanded plant count by his or her recommending physician. A medical marijuana center may sell immature plants to a primary caregiver, another medical marijuana center, or a medical marijuana-infused product manufacturer. A representative of Herbal Elements shall sell no more than 2 ounces to a patient in one day. See, C.R.S. §12-43.3-402.

5.4 CULTIVATION

Definition:

"Processed" shall mean the final dried, finished and useable marijuana product having been sifted and sorted to remove plant waste, stems, and/or seeds and other byproducts prepared for final packaging and transport to the licensed center as permitted in law. CDOR medical marijuana rules 1.205

"Immature plant" means a non-flowering medical marijuana plant that is no taller than eight inches and no wider than eight inches produced from a cutting, clipping, or seedling and that is in a growing container that is no larger than two inches wide and two inches tall that is sealed on the sides and bottom. See, C.R.S. §12-43.3-104(1.5).

Approved Handling Procedures

Once harvested, tagged medical marijuana plants shall be combined in batches for tracking through the entire manufacturing process with the tags for each medical marijuana plant accompanying each batch at each stage of manufacture. Each batch will be identified by listing the identifying markers from the individual plants from the designated flowering area and a data collection point will occur in which the batch will be weighed, duly recorded, and clearly identified within sight of a video camera and the "wet" weight of buds, stems, and leaf duly recorded as unprocessed product, wholesale byproduct, and waste. The identifying markers associated with each batch shall be

prominently displayed on drying racks or wires and curing containers throughout the manufacturing process. See, CDOR medical marijuana rules 1.205.

Prior to packaging, the processed medical marijuana plants shall be weighed before transfer to the Medical Marijuana Center ("MMC") or 1:00 PM, and the weight of unfinished product, wholesale byproduct and waste as a data collection point recorded. Processed marijuana shall be immediately packaged, sealed, weighed and stored in an approved secure transportation container for transport to the licensed premises of the MMC. Medical marijuana packaging shall be in sealed containers/packaging with tamper-proof bands. Processed medical marijuana plants shall be packaged in units of one pound or less and tagged with the total weight of the packaged product and securely sealed in a tamper-proof manner. The packages will be transported to the MMC within forty-eight (48) hours and recorded as inventory at the receiving MMC. Packaged medical marijuana shall be weighed, logged out, and transported directly from the Operational Processing Center ("OPC") facility to the MMC's licensed premises in a secure fashion and out of plain sight. See, CDOR medical marijuana rules 1.205.

5.5 TRANSPORTATION

Transportation of medical marijuana or medical marijuana-infused products shall in all instances be accompanied by a manifest that is approved by the MED. The manifest shall be created online on the MED website and a printed copy shall be carried at all times with the products being transported. The manifest must be approved by the -MED prior to any transport of medical marijuana products by Herbal Elements. See, CDOR medical marijuana rules 11.200(d).

Transport will be made by a licensed representative of Herbal Elements. On arrival at the licensed center, all packages containing medical marijuana shall be re-weighed within eight (8) hours in a limited access area of the MMC and monitored by one or more cameras and logged in to the licensed Herbal Elements' on hand inventory. The representative of Herbal Elements shall verify the license status of the other licensee and provide verification of Herbal Elements' license. See, CDOR medical marijuana rules 11.200.

5.6 LIMITED ACCESS

All limited access areas must be identified by the posting of a sign which shall be a minimum of 12inches by 12inches which shall state in the English: "Do Not Enter - Limited Access Area — Access limited to Licensed owners, Employees and contractors only" in lettering no smaller than 1/2 inch in height. See, CDOR medical marijuana rules 10.100.

Representatives of Herbal Elements shall ensure only authorized individuals enter Limited Access Areas. All persons in a limited access area shall be required to hold and properly display a current validated license badge issued by the Colorado Division of Revenue at all times while in any limited access areas. Failure of any person to properly display such a license badge may constitute grounds for discipline. Proper display of the license badge shall consist of wearing the badge plainly visible at or above the waist, with the photo of the licensee readily visible to any observer. The licensee shall not alter, obscure, damage, or deface the badge, including the photographic image of the licensee, and any information contained or represented thereon, in any way. See, CDOR medical marijuana rules 10.105.

A Key Licensee shall ensure all outside vendors, contractors or visitors obtain a visitor identification badge, prior to entering a restricted or secure area, and shall be escorted at all times by that representative of the facility. The visitor identification badge must be visibly displayed at all times while the visitor is in any limited access area. All visitors must be logged in and out, and that log shall be available for inspection by CDOR personnel at all times. A representative of Herbal Elements shall ensure the return of the visitor badge upon the departure of the visitor. See, CDOR medical marijuana rules 10.105.

PART 6 - 6.0 WAGES

Although Herbal Elements' salary ranges and hourly wage schedules will be adjusted on an ongoing basis, Herbal Elements does not grant "cost of living" increases. Performance is the key to wage increases in Herbal Elements.

6.1 TIMEKEEPING

Recording time worked is the responsibility of every non-exempt employee. Time worked is the time actually spent on a job(s) performing assigned duties. Herbal Elements does not pay for extended breaks or time spent on personal matters. The time clock is a legal instrument. Altering, falsifying, tampering with time records, or recording time on another employee's time record will result in disciplinary action, including termination of employment. Authorized personnel will review time records each week. Any changes to an employee's time record must be approved by his / her supervisor. Questions regarding the timekeeping system or time cards should be directed to the supervisor.

Time Cards: Non-exempt employees will be issued a time card on their first day of employment. The employee will be given thorough instructions on usage and instructions on what to do should a problem occur. Exempt employees are responsible for working the hours necessary to meet the responsibilities outlined in their job description and are not eligible for overtime.

6.2 OVERTIME

Overtime compensation is paid to non-exempt employees in accordance with federal and state wage and hour restrictions. Overtime is payable for all hours worked over 40 per week at a rate of one and one-half times the non-exempt employee's regular hourly rate. Time off on personal time, holidays, or any leave of absence will not be considered hours worked when calculating overtime. All overtime work performed by an hourly employee must receive the supervisor's prior authorization. Overtime worked without prior authorization from the supervisor may result in disciplinary action. The supervisor's signature on a timesheet authorizes pay for overtime hours worked.

6.3 PAYDAY

All employees are paid every other Tuesday, 26 pay periods a year. If a regular payday falls during an employee's vacation, the employee's paycheck will be available upon his/her return from vacation. Pay will not, under any circumstances, be given to any person other than the employee without written authorization. Herbal Elements withholds income tax from all employees' earnings and participates in FICA (Social Security), and Medicare withholding and matching programs as required by law.

6.4 HOLIDAYS

Herbal Elements is a 24 hour-day 365 day / year business. There are no observed holidays.

6.5 JURY / MILITARY

Time off for mandatory jury duty or court appearances required as a result of a valid subpoena or court order is excused and paid at full salary or wages for full-time employees, provided that the employee's supervisor verifies proof of duty. The employee is expected to report for work when it does not conflict with court obligations. It is the employee's responsibility to keep management periodically informed about the amount of time required for jury duty or court appearances. A copy of the jury duty summons and all other associated paperwork is required for the personnel file. Employees will be granted time off to serve military leave without pay. However, all regular employees both full-time and part-time will be kept on the active payroll until their civic duties have been completed.

PART 7 – 7.0 EMPLOYEE COMMUNICATIONS

Herbal Elements encourages open communication to between all employees. It is suggested that employees interact with senior managers and staff for a more collaborative and productive environment for everyone.

7.1 BULLETIN BOARDS

Important company information will be displayed on bulletin boards located at highlighted points throughout the store / facility. Employees will be responsible for regularly checking and reading the bulletin board and for following the rules, regulations and instructions posted there.

7.2 COMPLAINTS

Under normal working conditions, employees who have a job-related problem, question or complaint should first discuss it with their immediate supervisor. At this level, employees usually reach the simplest, quickest, and most satisfactory solution. If the employee and supervisor do not solve the problem, Herbal Elements is committed to resolving the issue with another supervisor.

A copy of the State and local rules/regulations is available at:
http://www.colorado.gov/cs/Satellite/Rec/MNLCODES/[illegible] and

http://library.municode.com/index.aspx?clientID=[illegible] o
It is the employees' responsibility to ensure they are aware of the rules as they change.

EMPLOYEE EDUCATION

All employees are expected to stay current in all medical marijuana laws, rules and regulations. In addition, the following shall pertain to all Herbal Elements' employees:

Herbal Elements will conduct monthly employee meetings to ensure all state and local requirements for the sale of medical marijuana is being handled properly and according to state and local regulations and that all legal and professional obligations are properly discharged. These meetings will include the proper sale and handling of medical marijuana. Attendance of all employees is and shall be mandatory.

Herbal Elements will consistently review its procedures regarding the sale of medical marijuana and will make sure all practices are strictly adhered to and enforced. Herbal Elements will periodically update its policies as necessary.

Appropriate signage will be conspicuously posted advising that we will not sell to minors, that we do not permit any use or consumption on the premises. that valid ID's must be presented and will be checked, and that all transactions are video recorded.

In addition to the regular employee meetings, information will be placed in employee paychecks consisting of issues, education and/or articles pertaining to medical marijuana sales, CDOR, CDPHE, MMED, marijuana laws and any other usefully or necessary updates. All employees are expected to read and understand any/all such included materials.

I have read and agree to abide by this Employee Manual.

_____

Employee Signature Date

Witnessed by:

_____ _____

Business Representative Date

FIRST AMENDMENT TO LETTER OF INTENT

This First Amendment to the Letter of Intent (the "FIRST AMENDMENT") is made this 15th day of June 2016, (the "EFFECTIVE" DATE) by and between Zoned Colorado Properties, LLC, American Green, Inc., Herbal Elements LLP (collectively the "Parties"), and Parachute Unlimited LLP.

WITNESSETH:

WHEREAS, The Parties heretofore entered into a Letter of Intent (the "LOI") executed and effective as of May 17, 2016 for the development and lease on the premises commonly known as Lot #7 N. Diamond Loop Rd, Parachute, Colorado 81635; and

WHEREAS, The Parties hereto desire to enter into this First Amendment in order to add an additional Tenant and an additional Recreational Marijuana License Holder to the LOI; and.

WHEREAS, all defined terms used in the LOI shall have the same meaning herein as therein.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, and for good and valuable consideration, the sufficiency and receipt of which is acknowledged, the Parties agree to amend the LOI as follows:

1. American Green, Inc. & Parachute Unlimited, LLC (the "Tenant" or collectively the "Tenants")

2. Herbal Elements, LLP (the "Medical Marijuana License Holder") & Parachute Unlimited, LLC (the "Recreational Marijuana License Holder")

[Signature Page to Follow]

GPH

Your signature below will indicate that you agree to the terms and conditions as set forth herein dated June 15, 2016:

Zoned Colorado Properties, LLC

By:

Name: Bryan McLaren

Title: Authorized Agent

American Green, Inc.

By:

Name: Jonathan Miller

Title: CEO

Herbal Elements LLP

By: Gregory P Honan

Name: GREGORY P HONAN

Title: OWNER

Parachute Unlimited LLC

By: Gregory P Honan

Name: GREGORY P HONAN

Title: OWNER

Town Of Parachute – Retail Marijuana Establishment Business License Application

Page 4: Has the Applicant ever been denied a marijuana license? Answer: Yes (EAGLE COUNTY) (NOT BY THE STATE)

As for the answer to the remaining topics in the Question: Has the applicant ever withdrawn a marijuana license or had disciplinary action taken against any marijuana license that they have held in this or any other jurisdiction? Answer: No

Gregory Patrick Honan is the Owner of Herbal Elements LLP and is also the owner of Parachute Unlimited LLC, the current applicant with the Town of Parachute in relation to the associated Retail Marijuana Establishment Business License. Gregory Honan via Herbal Elements currently has four active Colorado Department of Revenue Marijuana Enforcement Division issued marijuana licenses and four active Eagle County, Colorado local jurisdiction Marijuana licenses:

- Medical Marijuana Center, Medical Marijuana Optional Premises Cultivation , Retail Marijuana Cultivation and Retail Marijuana Products Manufacturing

Herbal Elements LLP opened in unincorporated Eagle County, CO August 24th, 2009. The local jurisdiction for Retail Marijuana for Herbal Elements is Eagle County.

As far as the denied license, it was simply a competitive process, which Herbal Elements did not become a finalist in the competition, per the Eagle County, Colorado website:

http://www.eaglecounty.us/Planning/Marijuana_Businesses/Retail/

"On January 2nd, 2014, Eagle County enacted regulatory control over the Retail Marijuana industry within the unincorporated regions of the county. Pursuant to the state statue, Eagle County is authorized to develop and implement retail marijuana business license requirement."

Eagle County, Colorado established a competitive application process for Retail Marijuana Stores for a limited number, six, of Retail Marijuana Licenses to be issued in 2014. A very large number of applicants entered into this limited license competition. Herbal Elements was in the process of moving its current medical marijuana center and had not secured a long term lease agreement for the potential new Retail Marijuana Center aforementioned in the Eagle County regulations. Therefore, Gregory Honan and Herbal Elements did not "win" one of the 6 limited Retail Marijuana Licenses at the time. Eagle County stated via the attached letter:

"Although your application met the majority of local licensing requirements, yours was not chosen as a finalist to receive a Retail Marijuana Store License in unincorporated Eagle County at this time" (letter from Scot Hunn – Senior Planner Eagle County dated May 14th, 2014).

There were no violations or disciplinary actions taken in relation to this competitive licensing process in which the limited license was simply not awarded to the applicant

EAGLE COUNTY

May 15, 2014

Herbal Elements
C/o: Greg Honan
P.O. 2344
Avon, CO. 81620

Via: hojorisen@hotmail.com

RE: Eagle County Retail Marijuana Store License Application Denial
Herbal Elements - File No. MJR-4772

Mr. Honan,

Thank you for your recent application for a new Retail Marijuana Store license for Herbal Elements, proposed to be located at 041184 U.S. Hwy. 6, Unit 190, Colorado.

On behalf of the Eagle County Marijuana Business Licensing Authority (hereinafter the "Authority"), please accept this letter as verification that the Authority has completed its review of your application. Specifically, license applications were evaluated against the standards and requirements enumerated within the Eagle County Medical and Retail Marijuana Business Licensing Regulations (Resolution No. 2013-124).

Although your application met the majority of local licensing requirements, yours was not chosen as a finalist to receive a Retail Marijuana Store license in unincorporated Eagle County at this time.

I sincerely appreciate your cooperation and diligence in working with the Authority during the process of receiving and reviewing your application.

Please contact me at (970) 328-8624 if you have any questions regarding the action taken by the Authority, or if you require additional assistance.

Kindest regards,

Scot Hunn, AICP
Senior Planner

xc: file

Town Of Parachute – Retail Marijuana Establishment Business License Application

Page 3: Has the Applicant ever been denied a privileged license? Answer: Yes, but it was only due to not winning a competitive process, not related to any disciplinary or negative actions.

Gregory Patrick Honan is the Owner of Herbal Elements LLP and is also the owner of Parachute Unlimited LLC, the current applicant with the Town of Parachute in relation to the associated Retail Marijuana Establishment Business License. Gregory Honan via Herbal Elements currently has four active Colorado Department of Revenue Marijuana Enforcement Division issued marijuana licenses and four active Eagle County, Colorado local jurisdiction Marijuana licenses:

- *Medical Marijuana Center, Medical Marijuana Optional Premises Cultivation* , Retail Marijuana Cultivation and Retail Marijuana Products Manufacturing

Herbal Elements LLP opened in unincorporated Eagle County, CO August 24th, 2009. The local jurisdiction for Retail Marijuana for Herbal Elements is Eagle County.

Per the Eagle County, Colorado website:

http://www.eaglecounty.us/Planning/Marijuana_Businesses/Retail/

"On January 2nd, 2014, Eagle County enacted regulatory control over the Retail Marijuana industry within the unincorporated regions of the county. Pursuant to the state statue, Eagle *County is authorized to develop and implement retail marijuana business license requirement."*

Eagle County, Colorado established a competitive application process for Retail Marijuana Stores for a limited number, six, of Retail Marijuana Licenses to be issued in 2014. A very large number of applicants entered into this limited license competition. Herbal Elements was in the process of moving its current medical marijuana center and had not secured a long term lease agreement for the potential new Retail Marijuana Center aforementioned in the Eagle County regulations. Therefore, Gregory Honan and Herbal Elements did not "win" one of the 6 limited Retail Marijuana Licenses at the time. Eagle County stated via the attached letter:

"Although your application met the majority of local licensing requirements, yours was not chosen as a finalist to receive a Retail Marijuana Store License in unincorporated Eagle County at this time" (letter from Scot Hunn – Senior Planner Eagle County dated May 14th, 2014).

There were no violations or disciplinary actions taken in relation to this competitive licensing process in which the limited license was simply not awarded to the applicant. Attached is the letter from Eagle County Senior Planner Scot Hunn stating that Herbal Elements was not chosen as a finalist for this license.

EAGLE COUNTY

May 15, 2014

Herbal Elements
C/o: Greg Honan
P.O. 2344
Avon, CO. 81620

Via: hojorisen@hotmail.com

RE: **Eagle County Retail Marijuana Store License Application Denial**
Herbal Elements - File No. MJR-4772

Mr. Honan,

Thank you for your recent application for a new Retail Marijuana Store license for Herbal Elements, proposed to be located at 041184 U.S. Hwy. 6, Unit 190, Colorado.

On behalf of the Eagle County Marijuana Business Licensing Authority (hereinafter the "Authority"), please accept this letter as verification that the Authority has completed its review of your application. Specifically, license applications were evaluated against the standards and requirements enumerated within the Eagle County Medical and Retail Marijuana Business Licensing Regulations (Resolution No. 2013-124).

Although your application met the majority of local licensing requirements, yours was not chosen as a finalist to receive a Retail Marijuana Store license in unincorporated Eagle County at this time.

I sincerely appreciate your cooperation and diligence in working with the Authority during the process of receiving and reviewing your application.

Please contact me at (970) 328-8624 if you have any questions regarding the action taken by the Authority, or if you require additional assistance.

Kindest regards,

Scot Hunn, AICP
Senior Planner

xc: file

MEMORANDUM

TO: BRYAN MCLAREN

FROM: DAVIS FARRAR - PARACHUTE PLANNER

SUBJECT: ZONED PROPERTIES SPECIAL REVIEW USE AND VESTED RIGHTS APPLICATION COMPLETENESS REVIEW

DATE: 6/6/2015

CC: STUART MCARTHUR - TOWN MANAGER

The Zoned Colorado Marijuana Facility application for Zoned Properties, Inc. on behalf of Parachute Development Corporation Special Review Use and Vested Property Rights was received on June 1, 2016 and additional submittals were made June 3, 2016. The application consisted of the following items:

- ✓ Application form.
- ✓ Application fee.
- ✓ Letter of authorization.
- ✓ Names and addresses of owners of the property within 200 ft.
- ✓ Names and addresses owners or lessees of mineral rights for the property.
- ✓ Statement of Taxes Due.
- ✓ Project narrative.
- ✓ Vested property rights agreement project narrative.
- ✓ Legal description of the property.
- ✓ Proof of Ownership.
- ✓ Owner Authorization for Zoned Properties, Inc. to Process the Application.
- ✓ Vicinity map.
- ✓ Site Plan dated 6/1/16

It is understood that s detailed site plan will be submitted at the time of building permit and will be subject to staff/consultant review and approval prior to issuance of building permit in conformance with the following requirements. "15.07.112 Site Plan Review. Prior to the issuance of a building permit for all uses except single-family residences, a site plan must be submitted as required by Section 15.01.114. In addition to the building permit requirements, the following information shall be submitted for a parking lot or parking area:

2016-04-21_Parachute Purchase Agreement

Adobe Document Cloud Document History 04/21/2016

Created:	04/21/2016
By:	Zoned Admin (info@zonedproperties.com)
Status:	SIGNED
Transaction ID:	CBJCHBCAABAAIng2M5wst9z-dAmedp7_Or18647GH6s3

"2016-04-21_Parachute Purchase Agreement" History

Document created by Zoned Admin (info@zonedproperties.com)
04/21/2016 - 1:04:20 PDT - IP address: 184.176.158.153

Document emailed to Hayden Rader (hrader@rof.net) for signature
04/21/2016 - 1:10:54 PDT

Document emailed to Bryan McLaren (bryan@zonedproperties.com) for signature
04/21/2016 - 1:10:55 PDT

Document viewed by Hayden Rader (hrader@rof.net)
04/21/2016 - 1:13:35 PDT - IP address: 71.34.150.145

Document viewed by Bryan McLaren (bryan@zonedproperties.com)
04/21/2016 - 1:30:45 PDT - IP address: 184.176.158.153

Bryan McLaren (bryan@zonedproperties.com) has agreed to the terms of use and to do business electronically with Zoned Properties
04/21/2016 - 1:37:31 PDT - IP address: 184.176.158.153

Document e-signed by Bryan McLaren (bryan@zonedproperties.com)
Signature Date: 04/21/2016 - 1:37:31 PDT - Time Source: server - IP address: 184.176.158.153

Hayden Rader (hrader@rof.net) has agreed to the terms of use and to do business electronically with Zoned Properties
04/21/2016 - 2:19:46 PDT - IP address: 71.34.150.145

Document e-signed by Hayden Rader (hrader@rof.net)
Signature Date: 04/21/2016 - 2:19:46 PDT - Time Source: server - IP address: 71.34.150.145

2016-02-16_Zoned Properties letter of intent for Parachute Park Final

Adobe Document Cloud Document History 2/17/16

Created:	2/17/16
By:	Zoned Admin (info@zonedproperties.com)
Status:	SIGNED
Transaction ID:	CBJCHBCAABAAx-3DZnEHicdDpKgwDrGfvMihQXdghrD4

"2016-02-16_Zoned Properties letter of intent for Parachute Park Final" History

Document created by Zoned Admin (info@zonedproperties.com)
2/17/16 - 8:36:17 PST - IP address: 184.176.158.153

Document emailed to Hayden Rader (hrader@rof.net) for signature
2/17/16 - 8:37:18 PST

Document emailed to Bryan McLaren (bryan@zonedproperties.com) for signature
2/17/16 - 8:37:19 PST

Document viewed by Bryan McLaren (bryan@zonedproperties.com)
2/17/16 - 8:41:46 PST - IP address: 184.176.158.153

Document viewed by Hayden Rader (hrader@rof.net)
2/17/16 - 8:44:52 PST - IP address: 71.33.168.183

Hayden Rader (hrader@rof.net) has agreed to the terms of use and to do business electronically with Zoned Properties
2/17/16 - 9:12:09 PST - IP address: 71.33.168.183

Document e-signed by Hayden Rader (hrader@rof.net)
Signature Date: 2/17/16 - 9:12:09 PST - Time Source: server - IP address: 71.33.168.183

Bryan McLaren (bryan@zonedproperties.com) has agreed to the terms of use and to do business electronically with Zoned Properties
2/17/16 - 9:15:21 PST - IP address: 184.176.158.153

ZONED®
PROPERTIES INC

14300 N. Northsight Blvd #208
Scottsdale, AZ 85260

EXHIBIT B: TERMS

PURCHASE PRICE:	$499,857
TERMS:	Buyer to put down 55% of purchase price and Seller to finance 45% of purchase price at an interest rate of 6.5% amortized over a five (5) year period with a balloon payment at the end of year five (5). Payments will be made monthly. No pre-payment penalty will apply.
OPTIONS:	Seller to give Buyer first right of refusal for the option to purchase Lots 3, 4 and 5 in same development known as Parachute Park.

IN WITNESS WHEREOF, THE PARTIES HAVE EXECUTED THIS LOI,

BUYER:

ZONED COLORADO PROPERTIES, a Colorado limited liability company

By: Bryan McLaren

Name: Bryan McLaren

Its: Authorized Agent

Date: Feb 17, 2016, 2016

SELLER:

PARACHUTE DEVELOPMENT CORPORATION.

By: Hayden Rader
Hayden Rader (Feb 17, 2016)

Name: Hayden Rader

Its: President

Date: Feb 17, 2016, 2016

ZONED®
PROPERTIES INC

14300 N. Northsight Blvd #208
Scottsdale, AZ 85260

Binding Letter of Intent

Between:
Zoned Colorado Properties, LLC.
("Buyer")

And:
Parachute Development Corporation
("Seller")

RE: Lot #7 N. Diamond Loop Rd
Parachute, Colorado, 81635

WHEREAS, it is the intent of the parties to enter into this binding Letter of Intent (this "LOI"), which outlines the essential material terms for the execution of a Purchase Agreement for the purchase of Lot #7 N. Diamond Loop Rd, Parachute, Colorado, 81635.

Premises: Exhibit A – Property Site and Description.

Purchase Agreement: Subject to the terms of this LOI, including the contingencies described below, Buyer and Seller shall execute a purchase agreement consistent with the terms of this LOI, no later than the date that is forty-five (45) business days after execution of LOI.

Purchase Price: See Exhibit B – Terms

Close of Escrow: Close of Escrow shall be 30 days or less after all contingencies are satisfied.

Earnest Funds: Upon execution of the Purchase Agreement, Buyer to deliver earnest money in the amount of [redacted] to title company within 2 business days.

HR SAL

Closing Costs: Buyer and Seller to pay their normal and customary closing costs.

Prorations: Taxes, rents, and other income and expenses pertaining to the subject property shall be apportioned and prorated between Buyer and Seller as of Close of Escrow.

Due Diligence Period: Upon execution of the Purchase Agreement, Buyer shall commence their Due Diligence period. The Due Diligence period shall expire 45 days after execution of Purchase Agreement. During the Due Diligence period the parties shall cooperate in good faith to complete this due diligence. Seller shall provide all applicable Due Diligence items as indicated on Purchase Agreement.

Parachute Development Corporation
By Hayden Rader, President

32. COUNTER; REJECTION. This offer is ☐ Countered ☐ Rejected.
Initials only of party (Buyer or Seller) who countered or rejected offer

_____ _____ _____ _____

END OF CONTRACT TO BUY AND SELL REAL ESTATE

---

33. BROKER'S ACKNOWLEDGMENTS AND COMPENSATION DISCLOSURE.
(To be completed by Broker working with Buyer)

Broker ☐ **Does** ☒ **Does Not** acknowledge receipt of Earnest Money deposit and, while not a party to the Contract, agrees to cooperate upon request with any mediation concluded under § 23. Broker agrees that if Brokerage Firm is the Earnest Money Holder and, except as provided in § 24, if the Earnest Money has not already been returned following receipt of a Notice to Terminate or other written notice of termination, Earnest Money Holder will release the Earnest Money as directed by the written mutual instructions. Such release of Earnest Money will be made within five days of Earnest Money Holder's receipt of the executed written mutual instructions, provided the Earnest Money check has cleared.

Broker is working with Buyer as a ☐ **Buyer's Agent** ☐ **Seller's Agent** ☒ **Transaction-Broker** in this transaction. ☐ This is a **Change of Status.**

Brokerage Firm's compensation or commission is to be paid by ☒ **Listing Brokerage Firm** ☐ **Buyer** ☐ **Other *n/a*.**

Brokerage Firm's Name: ***RE/MAX Country***

Del Dawson Date: ***4/15/2016***

Broker's Name: ***Del Dawson***
Address: ***175 Columbine Court Parachute, CO 81635***
Ph: ***9702851128*** Fax: ***9702851137*** Email: ***deldawson@remax.net***

---

34. BROKER'S ACKNOWLEDGMENTS AND COMPENSATION DISCLOSURE.
(To be completed by Broker working with Seller)

Broker ☐ **Does** ☒ **Does Not** acknowledge receipt of Earnest Money deposit and, while not a party to the Contract, agrees to cooperate upon request with any mediation concluded under § 23. Broker agrees that if Brokerage Firm is the Earnest Money Holder and, except as provided in § 24, if the Earnest Money has not already been returned following receipt of a Notice to Terminate or other written notice of termination, Earnest Money Holder will release the Earnest Money as directed by the written mutual instructions. Such release of Earnest Money will be made within five days of Earnest Money Holder's receipt of the executed written mutual instructions, provided the Earnest Money check has cleared.

Broker is working with Seller as a ☐ **Seller's Agent** ☐ **Buyer's Agent** ☒ **Transaction-Broker** in this transaction. ☐ This is a **Change of Status.**

23. MEDIATION. If a dispute arises relating to this Contract, (whether prior to or after Closing) and is not resolved, the parties must first proceed, in good faith, to mediation. Mediation is a process in which the parties meet with an impartial person who helps to resolve the dispute informally and confidentially. Mediators cannot impose binding decisions. Before any mediated settlement is binding, the parties to the dispute must agree to the settlement, in writing. The parties will jointly appoint an acceptable mediator and will share equally in the cost of such mediation. The obligation to mediate, unless otherwise agreed, will terminate if the entire dispute is not resolved within thirty days of the date written notice requesting mediation is delivered by one party to the other at that party's last known address (physical or electronic as provided in § 27). Nothing in this Section prohibits either party from filing a lawsuit and recording a *lis pendens* affecting the Property, before or after the date of written notice requesting mediation. This section will not alter any date in this Contract, unless otherwise agreed.

24. EARNEST MONEY DISPUTE. Except as otherwise provided herein, Earnest Money Holder must release the Earnest Money following receipt of written mutual instructions, signed by both Buyer and Seller. In the event of any controversy regarding the Earnest Money, Earnest Money Holder is not required to release the Earnest Money. Earnest Money Holder, in its sole subjective discretion, has several options: (1) wait for any proceeding between Buyer and Seller; (2) interplead all parties and deposit Earnest Money into a court of competent jurisdiction, (Earnest Money Holder is entitled to recover court costs and reasonable attorney and legal fees incurred with such action); or (3) provide notice to Buyer and Seller that unless Earnest Money Holder receives a copy of the Summons and Complaint or Claim (between Buyer and Seller) containing the case number of the lawsuit (Lawsuit) within one hundred twenty days of Earnest Money Holder's notice to the parties, Earnest Money Holder is authorized to return the Earnest Money to Buyer. In the event Earnest Money Holder does receive a copy of the Lawsuit, and has not interpled the monies at the time of any Order, Earnest Money Holder must disburse the Earnest Money pursuant to the Order of the Court. The parties reaffirm the obligation of **Mediation**. This Section will survive cancellation or termination of this Contract.

25. TERMINATION.

25.1. Right to Terminate. If a party has a right to terminate, as provided in this Contract (Right to Terminate), the termination is effective upon the other party's receipt of a written notice to terminate (Notice to Terminate), provided such written notice was received on or before the applicable deadline specified in this Contract. If the Notice to Terminate is not received on or before the specified deadline, the party with the Right to Terminate accepts the specified matter, document or condition as satisfactory and waives the Right to Terminate under such provision.

25.2. Effect of Termination. In the event this Contract is terminated, all Earnest Money received hereunder will be returned and the parties are relieved of all obligations hereunder, subject to §§ 10.4, 22, 23 and 24.

26. ENTIRE AGREEMENT, MODIFICATION, SURVIVAL; SUCCESSORS. This Contract, its exhibits and specified addenda, constitute the entire agreement between the parties relating to the subject hereof, and any prior agreements pertaining thereto, whether oral or written, have been merged and integrated into this Contract. No subsequent modification of any of the terms of this Contract is valid, binding upon the parties, or enforceable unless made in writing and signed by the parties. Any right or obligation in this Contract that, by its terms, exists or is intended to be performed after termination or Closing survives the same. Any successor to a Party receives the predecessor's benefits and obligations of this Contract.

27. NOTICE, DELIVERY, AND CHOICE OF LAW.

27.1. Physical Delivery and Notice. Any document, or notice to Buyer or Seller must be in writing, except as provided in § 27.2, and is effective when physically received by such party, any individual named in this Contract to receive documents or notices for such party, the Broker, or Brokerage Firm of Broker working with such party (except any notice or delivery after Closing must be received by the party, not Broker or Brokerage Firm).

CTMcContracts.com - ©2014 CTM Software Corp.

installed as of the date of Buyer's signature hereon, whether assessed prior to or after Closing, will be the obligation of Seller. Seller represents that the Association Assessments are currently payable at approximately $ ***n/a*** per ***n/a*** and that there are no unpaid regular or special assessments against the Property except the current regular assessments and ***NO association fees are currently assessed.*** . Such assessments are subject to change as provided in the Governing Documents. Seller agrees to promptly request the Association to deliver to Buyer before **Closing Date** a current Status Letter.

16.4. Other Prorations. Water and sewer charges, propane, interest on continuing loan, and ***None***.

16.5. Final Settlement. Unless otherwise agreed in writing, these prorations are final.

17. POSSESSION. Possession of the Property will be delivered to Buyer on **Possession Date** at **Possession Time**, subject to the Leases as set forth in § 10.6.1.7.

If Seller, after Closing, fails to deliver possession as specified, Seller will be subject to eviction and will be additionally liable to Buyer for payment of $ ***n/a*** per day (or any part of a day notwithstanding § 18.1) from **Possession Date** and **Possession Time** until possession is delivered.

GENERAL PROVISIONS

18. DAY; COMPUTATION OF PERIOD OF DAYS, DEADLINE.

18.1. Day. As used in this Contract, the term "day" means the entire day ending at 11:59 p.m., United States Mountain Time (Standard or Daylight Savings as applicable).

18.2. Computation of Period of Days, Deadline. In computing a period of days, when the ending date is not specified, the first day is excluded and the last day is included (e.g., three days after MEC). If any deadline falls on a Saturday, Sunday or federal or Colorado state holiday (Holiday), such deadline ☒ **Will** ☐ **Will Not** be extended to the next day that is not a Saturday, Sunday or Holiday. Should neither box be checked, the deadline will not be extended.

19. CAUSES OF LOSS, INSURANCE; DAMAGE TO INCLUSIONS AND SERVICES; CONDEMNATION; AND WALK-THROUGH. Except as otherwise provided in this Contract, the Property, Inclusions or both will be delivered in the condition existing as of the date of this Contract, ordinary wear and tear excepted.

19.1. Causes of Loss, Insurance. In the event the Property or Inclusions are damaged by fire, other perils or causes of loss prior to Closing in an amount of not more than ten percent of the total Purchase Price (Property Damage), and if the repair of the damage will be paid by insurance (other than the deductible to be paid by Seller), then Seller, upon receipt of the insurance proceeds, will use Seller's reasonable efforts to repair the Property before **Closing Date**. Buyer has the Right to Terminate under § 25.1, on or before **Closing Date** if the Property is not repaired before **Closing Date** or if the damage exceeds such sum. Should Buyer elect to carry out this Contract despite such Property Damage, Buyer is entitled to a credit at Closing for all insurance proceeds that were received by Seller (but not the Association, if any) resulting from damage to the Property and Inclusions, plus the amount of any deductible provided for in the insurance policy. This credit may not exceed the Purchase Price. In the event Seller has not received the insurance proceeds prior to Closing, the parties may agree to extend the **Closing Date** to have the Property repaired prior to Closing or, at the option of Buyer, (1) Seller must assign to Buyer the right to the proceeds at Closing, if acceptable to Seller's insurance company and Buyer's lender; or (2) the parties may enter into a written agreement prepared by the parties or their attorney requiring the Seller to escrow at Closing from Seller's sale proceeds the amount Seller has received and will receive due to such damage, not exceeding the total Purchase Price, plus the amount of any deductible that applies to the insurance claim.

19.2. Damage, Inclusions and Services. Should any Inclusion or service (including utilities and communication services), system, component or fixture of the Property (collectively Service) (e.g., heating or plumbing), fail or be damaged between the date of this Contract and Closing or possession, whichever is earlier, then Seller is liable for the repair or replacement of such Inclusion or Service with a unit of similar size, age and quality, or an equivalent credit, but only to the extent that the maintenance or

CTMeContracts.com - ©2014 CTM Software Corp.

11.1.1. The commencement date of the Lease and scheduled termination date of the Lease;

11.1.2. That said Lease is in full force and effect and that there have been no subsequent modifications or amendments;

11.1.3. The amount of any advance rentals paid, rent concessions given, and deposits paid to Seller;

11.1.4. The amount of monthly (or other applicable period) rental paid to Seller;

11.1.5. That there is no default under the terms of said Lease by landlord or occupant; and

11.1.6. That the Lease to which the Estoppel is attached is a true, correct and complete copy of the Lease demising the premises it describes.

11.2. **Tenant Estoppel Statements Objection**. Buyer has the Right to Terminate under § 25.1, on or before **Tenant Estoppel Statements Objection Deadline**, based on any unsatisfactory Estoppel Statement, in Buyer's sole subjective discretion, or if Seller fails to deliver the Estoppel Statements on or before **Tenant Estoppel Statements Deadline**. Buyer also has the unilateral right to waive any unsatisfactory Estoppel Statement.

CLOSING PROVISIONS

12. CLOSING DOCUMENTS, INSTRUCTIONS AND CLOSING.

12.1. Closing Documents and Closing Information. Seller and Buyer will cooperate with the Closing Company to enable the Closing Company to prepare and deliver documents required for Closing to Buyer and Seller and their designees. If Buyer is obtaining a new loan to purchase the Property, Buyer acknowledges Buyer's lender is required to provide the Closing Company, in a timely manner, all required loan documents and financial information concerning Buyer's new loan. Buyer and Seller will furnish any additional information and documents required by Closing Company that will be necessary to complete this transaction. Buyer and Seller will sign and complete all customary or reasonably required documents at or before Closing.

12.2. Closing Instructions. Colorado Real Estate Commission's Closing Instructions ☐**Are** ☐**Are Not** executed with this Contract.

12.3. Closing. Delivery of deed from Seller to Buyer will be at closing (Closing). Closing will be on the date specified as the **Closing Date** or by mutual agreement at an earlier date. The hour and place of Closing will be as designated by ***Broker***.

12.4. Disclosure of Settlement Costs. Buyer and Seller acknowledge that costs, quality, and extent of service vary between different settlement service providers (e.g., attorneys, lenders, inspectors and title companies).

13. TRANSFER OF TITLE. Subject to tender of payment at Closing as required herein and compliance by Buyer with the other terms and provisions hereof, Seller must execute and deliver a good and sufficient ***Special Warranty*** deed to Buyer, at Closing, conveying the Property free and clear of all taxes except the general taxes for the year of Closing. Except as provided herein, title will be conveyed free and clear of all liens, including any governmental liens for special improvements installed as of the date of Buyer's signature hereon, whether assessed or not. Title will be conveyed subject to:

13.1. Those specific Exceptions described by reference to recorded documents as reflected in the Title Documents accepted by Buyer in accordance with **Record Title**,

13.2. Distribution utility easements (including cable TV),

13.3. Those specifically described rights of third parties not shown by the public records of which Buyer has actual knowledge and which were accepted by Buyer in accordance with **Off-Record Title** and **New ILC or New Survey**,

13.4. Inclusion of the Property within any special taxing district, and

13.5. Any special assessment if the improvements were not installed as of the date of Buyer's signature hereon, whether assessed prior to or after Closing, and

13.6. Other ***n/a***.

CTMeContracts.com - ©2014 CTM Software Corp.

engineering reports, or other reports performed at Buyer's request (Work) and must pay for any damage that occurs to the Property and Inclusions as a result of such Work. Buyer must not permit claims or liens of any kind against the Property for Work performed on the Property. Buyer agrees to indemnify, protect and hold Seller harmless from and against any liability, damage, cost or expense incurred by Seller and caused by any such Work, claim, or lien. This indemnity includes Seller's right to recover all costs and expenses incurred by Seller to defend against any such liability, damage, cost or expense, or to enforce this section, including Seller's reasonable attorney fees, legal fees and expenses. The provisions of this section survive the termination of this Contract. This § 10.4 does not apply to items performed pursuant to an Inspection Resolution.

10.5. Insurability. Buyer has the right to review and object to the availability, terms and conditions of and premium for property insurance (Property Insurance). Buyer has the Right to Terminate under § 25.1, on or before **Property Insurance Objection Deadline**, based on any unsatisfactory provision of the Property Insurance, in Buyer's sole subjective discretion.

10.6. Due Diligence.

10.6.1. Due Diligence Documents. If the respective box is checked, Seller agrees to deliver copies of the following documents and information pertaining to the Property (Due Diligence Documents) to Buyer on or before **Due Diligence Documents Delivery Deadline**:

☐ **10.6.1.1.** All contracts relating to the operation, maintenance and management of the Property;

☐ **10.6.1.2.** Property tax bills for the last ***na*** years;

☐ **10.6.1.3.** As-built construction plans to the Property and the tenant improvements, including architectural, electrical, mechanical, and structural systems, engineering reports, and permanent Certificates of Occupancy, to the extent now available;

☐ **10.6.1.4.** A list of all Inclusions to be conveyed to Buyer;

☐ **10.6.1.5.** Operating statements for the past ***n/a*** years;

☐ **10.6.1.6.** A rent roll accurate and correct to the date of this Contract;

☐ **10.6.1.7.** All current leases, including any amendments or other occupancy agreements, pertaining to the Property. Those leases or other occupancy agreements pertaining to the Property that survive Closing are as follows (Leases): ***n/a***

☐ **10.6.1.8.** A schedule of any tenant improvement work Seller is obligated to complete but has not yet been completed and capital improvement work either scheduled or in process on the date of this Contract;

☐ **10.6.1.9.** All insurance policies pertaining to the Property and copies of any claims which have been made for the past ***n/a*** years;

☐ **10.6.1.10.** Soils reports, surveys and engineering reports or data pertaining to the Property (if not delivered earlier under § 8.3);

☐ **10.6.1.11.** Any and all existing documentation and reports regarding Phase I and II environmental reports, letters, test results, advisories, and similar documents respective to the existence or nonexistence of asbestos, PCB transformers, or other toxic, hazardous or contaminated substances, and/or underground storage tanks and/or radon gas. If no reports are in Seller's possession or known to Seller, Seller warrants that no such reports are in Seller's possession or known to Seller;

☐ **10.6.1.12.** Any *Americans with Disabilities Act* reports, studies or surveys concerning the compliance of the Property with said Act;

☐ **10.6.1.13.** All permits, licenses and other building or use authorizations issued by any governmental authority with jurisdiction over the Property and written notice of any violation of any such permits, licenses or use authorizations, if any; and

☐ **10.6.1.14.** Other documents and information:

n/a

10.6.2. Due Diligence Documents Review and Objection. Buyer has the right to review and object to Due Diligence Documents. If the Due Diligence Documents are not supplied to Buyer or are unsatisfactory in Buyer's sole subjective discretion, Buyer may, on or before **Due Diligence Documents Objection Deadline**:

CTMcContracts.com - ©2014 CTM Software Corp.

COMMISSIONERS, THE COUNTY CLERK AND RECORDER, OR THE COUNTY ASSESSOR.

Buyer has the Right to Terminate under § 25.1, on or before **Off-Record Title Objection Deadline**, based on any unsatisfactory effect of the Property being located within a special taxing district, in Buyer's sole subjective discretion.

8.6. Right of First Refusal or Contract Approval. If there is a right of first refusal on the Property or a right to approve this Contract, Seller must promptly submit this Contract according to the terms and conditions of such right. If the holder of the right of first refusal exercises such right or the holder of a right to approve disapproves this Contract, this Contract will terminate. If the right of first refusal is waived explicitly or expires, or the Contract is approved, this Contract will remain in full force and effect. Seller must promptly notify Buyer in writing of the foregoing. If expiration or waiver of the right of first refusal or approval of this Contract has not occurred on or before **Right of First Refusal Deadline**, this Contract will then terminate.

8.7. Title Advisory. The Title Documents affect the title, ownership and use of the Property and should be reviewed carefully. Additionally, other matters not reflected in the Title Documents may affect the title, ownership and use of the Property, including, without limitation, boundary lines and encroachments, set-back requirements, area, zoning, building code violations, unrecorded easements and claims of easements, leases and other unrecorded agreements, water on or under the Property, and various laws and governmental regulations concerning land use, development and environmental matters.

8.7.1. OIL, GAS, WATER AND MINERAL DISCLOSURE. THE SURFACE ESTATE OF THE PROPERTY MAY BE OWNED SEPARATELY FROM THE UNDERLYING MINERAL ESTATE, AND TRANSFER OF THE SURFACE ESTATE MAY NOT NECESSARILY INCLUDE TRANSFER OF THE MINERAL ESTATE OR WATER RIGHTS. THIRD PARTIES MAY OWN OR LEASE INTERESTS IN OIL, GAS, OTHER MINERALS, GEOTHERMAL ENERGY OR WATER ON OR UNDER THE SURFACE OF THE PROPERTY, WHICH INTERESTS MAY GIVE THEM RIGHTS TO ENTER AND USE THE SURFACE OF THE PROPERTY TO ACCESS THE MINERAL ESTATE, OIL, GAS OR WATER.

8.7.2. SURFACE USE AGREEMENT. THE USE OF THE SURFACE ESTATE OF THE PROPERTY TO ACCESS THE OIL, GAS OR MINERALS MAY BE GOVERNED BY A SURFACE USE AGREEMENT, A MEMORANDUM OR OTHER NOTICE OF WHICH MAY BE RECORDED WITH THE COUNTY CLERK AND RECORDER.

8.7.3. OIL AND GAS ACTIVITY. OIL AND GAS ACTIVITY THAT MAY OCCUR ON OR ADJACENT TO THE PROPERTY MAY INCLUDE, BUT IS NOT LIMITED TO, SURVEYING, DRILLING, WELL COMPLETION OPERATIONS, STORAGE, OIL AND GAS, OR PRODUCTION FACILITIES, PRODUCING WELLS, REWORKING OF CURRENT WELLS, AND GAS GATHERING AND PROCESSING FACILITIES.

8.7.4. ADDITIONAL INFORMATION. BUYER IS ENCOURAGED TO SEEK ADDITIONAL INFORMATION REGARDING OIL AND GAS ACTIVITY ON OR ADJACENT TO THE PROPERTY, INCLUDING DRILLING PERMIT APPLICATIONS. THIS INFORMATION MAY BE AVAILABLE FROM THE COLORADO OIL AND GAS CONSERVATION COMMISSION.

8.7.5. Title Insurance Exclusions. Matters set forth in this Section, and others, may be excepted, excluded from, or not covered by the owner's title insurance policy.

8.8. Consult an Attorney. Buyer is advised to timely consult legal counsel with respect to all such matters as there are strict time limits provided in this Contract (e.g., **Record Title Objection Deadline** and **Off-Record Title Objection Deadline**).

9. NEW ILC, NEW SURVEY.

9.1. New ILC or New Survey. If the box is checked, a ☐ **New Improvement Location Certificate (New ILC)** ☐ **New Survey** in the form of ***n/a*** is required and the following will apply:

9.1.1. Ordering of New ILC or New Survey. ☐**Seller** ☐**Buyer** will order the New ILC or New Survey. The New ILC or New Survey may also be a previous ILC or survey that is in the above-required form, certified and updated as of a date after the date of this Contract.

9.1.2. Payment for New ILC or New Survey. The cost of the New ILC or New Survey will be paid, on or before Closing, by: ☐**Seller** ☐**Buyer** or: ***n/a***

9.1.3. Delivery of New ILC or New Survey. Buyer, Seller, the issuer of the Title Commitment (or the provider of the opinion of title if an Abstract of Title), and ***n/a*** will receive a New ILC or New Survey on or before **New ILC or New Survey Deadline**.

CTMeContracts.com - ©2014 CTM Software Corp.

Deadline, Buyer, at Buyer's option, has the Right to Terminate under § 25.1 by Buyer's Notice to Terminate received by Seller on or before ten days after Buyer's receipt of the Association Documents. If Buyer does not receive the Association Documents, or if Buyer's Notice to Terminate would otherwise be required to be received by Seller after **Closing Date**, Buyer's Notice to Terminate must be received by Seller on or before Closing. If Seller does not receive Buyer's Notice to Terminate within such time, Buyer accepts the provisions of the Association Documents as satisfactory, and Buyer waives any Right to Terminate under this provision, notwithstanding the provisions of § 8.6 (Right of First Refusal or Contract Approval).

8. TITLE INSURANCE, RECORD TITLE AND OFF-RECORD TITLE.

8.1. Evidence of Record Title.

☒ **8.1.1. Seller Selects Title Insurance Company.** If this box is checked, Seller will select the title insurance company to furnish the owner's title insurance policy at Seller's expense. On or before **Record Title Deadline**, Seller must furnish to Buyer, a current commitment for an owner's title insurance policy (Title Commitment), in an amount equal to the Purchase Price, or if this box is checked, ☐ an **Abstract of Title** certified to a current date. Seller will cause the title insurance policy to be issued and delivered to Buyer as soon as practicable at or after Closing.

☐ **8.1.2. Buyer Selects Title Insurance Company.** If this box is checked, Buyer will select the title insurance company to furnish the owner's title insurance policy at Buyer's expense. On or before **Record Title Deadline**, Buyer must furnish to Seller, a current commitment for owner's title insurance policy (Title Commitment), in an amount equal to the Purchase Price.

If neither box in § 8.1.1 or § 8.1.2 is checked, § 8.1.1 applies.

8.1.3. Owner's Extended Coverage (OEC). The Title Commitment ☒**Will** ☐**Will Not** contain Owner's Extended Coverage (OEC). If the Title Commitment is to contain OEC, it will commit to delete or insure over the standard exceptions which relate to: (1) parties in possession, (2) unrecorded easements, (3) survey matters, (4) unrecorded mechanics' liens, (5) gap period (period between the effective date and time of commitment to the date and time the deed is recorded), and (6) unpaid taxes, assessments and unredeemed tax sales prior to the year of Closing. Any additional premium expense to obtain OEC will be paid by ☐**Buyer** ☒ **Seller** ☐ **One-Half by Buyer and One-Half by Seller** ☐ **Other** ***n/a***.

Regardless of whether the Contract requires OEC, the Title Insurance Commitment may not provide OEC or delete or insure over any or all of the standard exceptions for OEC. The Title Insurance Company may require a New Survey or New ILC, defined below, among other requirements for OEC. If the Title Insurance Commitment is not satisfactory to Buyer, Buyer has a right to object under § 8.4 (Right to Object to Title, Resolution).

8.1.4. Title Documents. Title Documents consist of the following: (1) copies of any plats, declarations, covenants, conditions and restrictions burdening the Property, and (2) copies of any other documents (or, if illegible, summaries of such documents) listed in the schedule of exceptions (Exceptions) in the Title Commitment furnished to Buyer (collectively, Title Documents).

8.1.5. Copies of Title Documents. Buyer must receive, on or before **Record Title Deadline**, copies of all Title Documents. This requirement pertains only to documents as shown of record in the office of the clerk and recorder in the county where the Property is located. The cost of furnishing copies of the documents required in this Section will be at the expense of the party or parties obligated to pay for the owner's title insurance policy.

8.1.6. Existing Abstracts of Title. Seller must deliver to Buyer copies of any abstracts of title covering all or any portion of the Property (Abstract of Title) in Seller's possession on or before **Record Title Deadline**.

8.2. Record Title. Buyer has the right to review and object to the Abstract of Title or Title Commitment and any of the Title Documents as set forth in § 8.4 (Right to Object to Title, Resolution) on or before **Record Title Objection Deadline**. Buyer's objection may be based on any unsatisfactory form or content of Title Commitment or Abstract of Title, notwithstanding § 13, or any other unsatisfactory title condition, in Buyer's sole subjective discretion. If the Abstract of Title, Title Commitment or Title Documents are not received by Buyer on or before the **Record Title Deadline**, or if there is an

CTMeContracts.com - ©2014 CTM Software Corp.

to allow disbursement by Closing Company at Closing **OR SUCH NONPAYING PARTY WILL BE IN DEFAULT**. Buyer represents that Buyer, as of the date of this Contract, ☐ **Does** ☒ **Does Not** have funds that are immediately verifiable and available in an amount not less than the amount stated as Cash at Closing in § 4.1.

4.5. New Loan. (Omitted as inapplicable)

4.6. Assumption. (Omitted as inapplicable)

4.7. Seller or Private Financing.

WARNING: Unless the transaction is exempt, federal and state laws impose licensing, other requirements and restrictions on sellers and private financiers. Contract provisions on financing and financing documents, unless exempt, should be prepared by a licensed Colorado attorney or licensed mortgage loan originator. Brokers should not prepare or advise the parties on the specifics of financing, including whether or not a party is exempt from the law.

4.7.1. Seller Financing. If Buyer is to pay all or any portion of the Purchase Price with Seller financing, ☐ **Buyer** ☒**Seller** will deliver the proposed Seller financing documents to the other party on or before ***20 days prior to Closing*** days before **Seller or Private Financing Deadline**.

4.7.1.1. Seller May Terminate. If Seller is to provide Seller financing, this Contract is conditional upon Seller determining whether such financing is satisfactory to the Seller, including its payments, interest rate, terms, conditions, cost and compliance with the law. Seller has the Right to Terminate under § 25.1, on or before **Seller or Private Financing Deadline**, if such Seller financing is not satisfactory to the Seller, in Seller's sole subjective discretion.

4.7.2. Buyer May Terminate. If Buyer is to pay all or any portion of the Purchase Price with Seller or private financing, this Contract is conditional upon Buyer determining whether such financing is satisfactory to the Buyer, including its availability, payments, interest rate, terms, conditions and cost. Buyer has the Right to Terminate under § 25.1, on or before **Seller or Private Financing Deadline**, if such Seller or private financing is not satisfactory to Buyer, in Buyer's sole subjective discretion.

TRANSACTION PROVISIONS

5. FINANCING CONDITIONS AND OBLIGATIONS. (Omitted as inapplicable)

5.3. Credit Information and Buyer's New Senior Loan. (Omitted as inapplicable)

5.4. Existing Loan Review. (Omitted as inapplicable)

6. APPRAISAL PROVISIONS.

6.1. Appraisal Definition. An "Appraisal" is an opinion of value prepared by a licensed or certified appraiser, engaged on behalf of Buyer or Buyer's lender, to determine the Property's market value (Appraised Value). The Appraisal may also set forth certain lender requirements, replacements, removals or repairs necessary on or to the Property as a condition for the Property to be valued at the Appraised Value.

6.2. Appraisal Condition. The applicable appraisal provision set forth below applies to the respective loan type set forth in § 4.5.3, or if a cash transaction (i.e. no financing), § 6.2.1 applies.

6.2.1. Conventional/Other. Buyer has the right to obtain an Appraisal. If the Appraised Value is less than the Purchase Price, or if the Appraisal is not received by Buyer on or before **Appraisal Deadline** Buyer may, on or before **Appraisal Objection Deadline**, notwithstanding § 8.3 or § 13:

6.2.1.1. Notice to Terminate. Notify Seller in writing that this Contract is terminated; or

6.2.1.2. Appraisal Objection. Deliver to Seller a written objection accompanied by either a copy of the Appraisal or written notice from lender that confirms the Appraisal Value is less than the Purchase Price.

6.2.1.3. Appraisal Resolution. If an Appraisal Objection is received by Seller, on

CTMeContracts.com - ©2014 CTM Software Corp.

11	§5.1	Loan Application Deadline	*n/a*	
12	§5.2	Loan Objection Deadline	*n/a*	
13	§5.3	Buyer's Credit Information Deadline	*n/a*	
14	§5.3	Disapproval of Buyer's Credit Information Deadline	*n/a*	
15	§5.4	Existing Loan Documents Deadline	*n/a*	
16	§5.4	Existing Loan Documents Objection Deadline	*n/a*	
17	§5.4	Loan Transfer Approval Deadline	*n/a*	
18	§4.7	Seller or Private Financing Deadline	***see Additional Provisions***	
		Appraisal		
19	§6.2	Appraisal Deadline	*n/a*	
20	§6.2	Appraisal Objection Deadline	*n/a*	
21	§6.2	Appraisal Resolution Deadline	*n/a*	
		Survey		
22	§9.1	New ILC or New Survey Deadline	*n/a*	
23	§9.3	New ILC or New Survey Objection Deadline	*n/a*	
24	§9.4	New ILC or New Survey Resolution Deadline	*n/a*	
		Inspection and Due Diligence		
25	§10.3	Inspection Objection Deadline	*n/a*	
26	§10.3	Inspection Resolution Deadline	*n/a*	
27	§10.5	Property Insurance Objection Deadline	*n/a*	
28	§10.6	Due Diligence Documents Delivery Deadline	*n/a*	
29	§10.6	Due Diligence Documents Objection Deadline	*n/a*	
30	§10.6	Due Diligence Documents Resolution Deadline	*n/a*	
31	§10.6	Environmental Inspection Objection Deadline	*n/a*	
32	§10.6	ADA Evaluation Objection Deadline	*n/a*	
33	§10.7	Conditional Sale Deadline	*n/a*	
34	§11.1	Tenant Estoppel Statements Deadline	*n/a*	
35	§11.2	Tenant Estoppel Statements Objection Deadline		
		Closing and Possession		
36	§12.3	Closing Date	***See Additional Provisions***	
37	§17	Possession Date	***Date of Closing***	
38	§17	Possession Time	***Time of Closing***	
39	§28	**Acceptance Deadline Date**	***4/26/2016***	Tuesday
40	§28	**Acceptance Deadline Time**	***noon MDT***	
41	*n/a*	*n/a*		
42	*n/a*	*n/a*		

3.1. Applicability of Terms. Any box checked in this Contract means the corresponding provision applies. Any box, blank or line in this Contract left blank or completed with the abbreviation "N/A", or the word "Deleted" means such provision, including any deadline, is not applicable and the corresponding provision of this Contract to which reference is made is deleted. If no box is checked in a provision that contains a selection of "None", such provision means that "None" applies.

The abbreviation "MEC" (mutual execution of this Contract) means the date upon which both parties have

CTMeContracts.com - ©2014 CTM Software Corp.

RE/MAX Country
Del Dawson
Ph: 9702851128 Fax: 9702851137

The printed portions of this form, except differentiated additions, have been approved by the Colorado Real Estate Commission.(CBS3-6-15) (Mandatory 1-16)

THIS FORM HAS IMPORTANT LEGAL CONSEQUENCES AND THE PARTIES SHOULD CONSULT LEGAL AND TAX OR OTHER COUNSEL BEFORE SIGNING.

CONTRACT TO BUY AND SELL REAL ESTATE
(COMMERCIAL)
(☒ Property with No Residences)
(☐ Property with Residences-Residential Addendum Attached)

Date: ***4/15/2016***

AGREEMENT

1. AGREEMENT. Buyer agrees to buy and Seller agrees to sell, the Property described below on the terms and conditions set forth in this contract (Contract).

2. PARTIES AND PROPERTY.

2.1. Buyer. Buyer, ***Zoned Colorado Properties, LLC***, will take title to the Property described below as
☐ **Joint Tenants** ☐ **Tenants In Common** ☒ **Other** ***a Colorado Limited Liability Company***.

2.2. No Assignability. This Contract **Is Not** assignable by Buyer unless otherwise specified in **Additional Provisions.**

2.3. Seller. Seller, ***Parachute Development Corporation***, is the current owner of the Property described below.

2.4. Property. The Property is the following legally described real estate in the County of ***Garfield***, Colorado:
see Exhibit A: THE PREMISES
known as No. ***tbd n/a, n/a, CO n/a***,
together with the interests, easements, rights, benefits, improvements and attached fixtures appurtenant thereto, and all interest of Seller in vacated streets and alleys adjacent thereto, except as herein excluded (Property).

2.5. Inclusions. The Purchase Price includes the following items (Inclusions):

2.5.1. Inclusions - Attached. If attached to the Property on the date of this Contract, the following items are included unless excluded under **Exclusions**: lighting, heating, plumbing, ventilating and air conditioning units, TV antennas, inside telephone, network and coaxial (cable) wiring and connecting blocks/jacks, plants, mirrors, floor coverings, intercom systems, built-in kitchen appliances, sprinkler systems and controls, built-in vacuum systems (including accessories), garage door openers (including ***n/a*** remote controls). If checked, the following are owned by the Seller and included (leased items should be listed under **Due Diligence Documents**): ☐ **None** ☐ **Solar Panels** ☐ **Water Softeners** ☐ **Security Systems** ☐ **Satellite Systems** (including satellite dishes). If any additional items are attached to the Property after the date of this Contract, such additional items are also included in the Purchase Price.

2.5.2. Inclusions - Not Attached. If on the Property, whether attached or not, on the date of this Contract, the following items are included unless excluded under **Exclusions**: storm windows, storm doors, window and porch shades, awnings, blinds, screens, window coverings and treatments, curtain rods, drapery rods, fireplace inserts, fireplace screens, fireplace grates, heating stoves, storage sheds, carbon monoxide alarms, smoke/fire detectors and all keys.

property that will allow for facilities that could be leased to marijuana operations
Buyer understands that Buyer shall not be liable for Broker's acts or omissions that have not been approved, directed, or ratified by Buyer.

CHECK ONE BOX ONLY:

☒ **Multiple-Person Firm:** Broker, referenced below, is designated by Brokerage Firm to serve as Broker. If more than one individual is so designated, then references in this document to Broker shall include all persons so designated, including substitute or additional brokers. The brokerage relationship exists only with Broker and does not extend to the employing broker, Brokerage Firm or to any other brokers employed or engaged by Brokerage Firm who are not so designated.

☐ **One-Person Firm.** If Broker is a real estate brokerage firm with only one licensed natural person, then any references to Broker or Brokerage Firm mean both the licensed natural person and brokerage firm who shall serve as Broker.

CHECK ONE BOX ONLY:

☐ **Customer.** Broker is the seller's agent and Buyer is a customer. Broker, as seller's agent, intends to perform the following list of tasks: ☐ **Show a property** ☐ **Prepare and Convey** written offers, counteroffers and agreements to amend or extend the contract. Broker is not the agent of Buyer.

☐ **Customer for Broker's Listings - Transaction-Brokerage for Other Properties:** When Broker is the seller's agent, Buyer is a customer. When Broker is not the seller's agent, Broker is a transaction-broker assisting in the transaction. Broker is not the agent of Buyer.

☒ **Transaction-Brokerage Only:** Broker is a transaction-broker assisting in the transaction. Broker is not the agent of Buyer.

Buyer consents to Broker's disclosure of Buyer's confidential information to the supervising broker or designee for the purpose of proper supervision, provided such supervising broker or designee shall not further disclose such information without consent of Buyer, or use such information to the detriment of Buyer.

DISCLOSURE OF SETTLEMENT SERVICE COSTS. Buyer acknowledges that costs, quality and extent of service vary between different settlement service providers (e.g., attorneys, lenders, inspectors and title companies).

THIS IS NOT A CONTRACT.
If this is a residential transaction, the following provision shall apply:

MEGAN'S LAW. If the presence of a registered sex offender is a matter of concern to Buyer, Buyer understands that Buyer must contact local law enforcement officials regarding obtaining such information.

BUYER ACKNOWLEDGEMENT:

The Buyer acknowledges receipt of this document on ***n/a***.

Buyer: Bryan McLaren Date: Apr 21, 2016

Zoned Colorado Properties, LLC
By: Bryan McLaren, Authorized Agent

CTMeContracts.com - ©2014 CTM Software Corp.

ZONED®
PROPERTIES INC

14300 N. Northsight Blvd #208
Scottsdale, AZ 85260

Binding Letter of Intent

Between:
Zoned Colorado Properties, LLC.
("Landlord")

And:
American Green, Corp.
("Tenant")

And:
Herbal Elements, LLC
("Medical Marijuana License Holder")

RE: Lot #7 N. Diamond Loop Rd
Parachute, Colorado 81635

WHEREAS, it is the intent of the parties to enter into this binding Letter of Intent (this "LOI"), which outlines certain essential material terms for the execution of a Commercial Lease Agreement (the "Lease" or "Lease Agreement") for the leasing of approximately 15,000 square feet of space (the "Premises") to Tenant located within the Building (defined in Exhibit B) located at Lot #7 N. Diamond Loop Rd, Parachute, Colorado 81635 ("Property").

Legal Description: The parties agree the legal description of the Property, Building and the Premises is attached as **Exhibit A** and incorporated herein by reference.

Premises: Pursuant to the provisions provided in this LOI and the Lease (defined herein), Landlord shall lease to Tenant, and Tenant shall lease from Landlord, approximately 15,000 square feet of space in the Building, as identified on **Exhibit B** attached to this LOI, which is capable of being operating as a Medical Marijuana Cultivation and Production Facility.

LOI Termination: The parties agree in the event the LOI Requirements described herein this LOI, are not mutually satisfied on or before the date that is ninety (90) days after the Effective Date of this LOI ("LOI Term"), this LOI shall terminate, Escrow Agent (defined herein) shall return the full Deposit to Tenant, minus $100.00, and the parties shall owe no further obligation to one another. In the event despite the parties' reasonable efforts, the satisfaction of the LOI Requirements requires additional time, the parties may mutually agree in writing to extend the term of this LOI. Upon the termination of this LOI, Escrow Agent shall return the Deposit, as described herein, to Tenant, no more than three (3) days following the expiration of the LOI Term.

BAM GPH JM

[redacted] ("Landlord Budget"). In the event Landlord determines its total projected budget (including hard and soft costs, professional fees and costs, costs of permits, and all other related costs, fees and expenses) will likely exceed the Landlord Budget, Landlord shall notify Tenant and acquire Tenant's written approval prior to proceeding with the construction of the tenant improvements, which approval shall not be unreasonably withheld, conditioned or delayed. Except for unforeseen and unanticipated costs, the parties shall mutually agree on all projected costs which will likely exceed the Landlord Budget, including a reasonable amount for contingencies ("Additional Budget Costs"), and which party will be responsible for payment of such Additional Budget Costs, and unforeseen and unanticipated costs. If the parties cannot agree on the Additional Budget Costs or on unforeseen or unanticipated costs, or which party will be responsible for payment thereof, the Lease shall terminate. In no event shall Landlord be obligated to commence construction or development of the Premises until Landlord and Tenant have approved all Additional Budget Costs and a reasonable contingency for unforeseen and unanticipated costs, and which party will be responsible for such Additional Budget Costs and contingency.

Tenant Improvement Costs:

The Parties agree, upon completion of Landlord's development of the Premises and construction of the tenant improvements, Landlord shall provide Tenant with a complete and accurate accounting of all of the actual costs, fees and expenses, including relevant documentation, which Landlord expended and incurred in the development of the Premises and construction of the tenant improvements (collectively the "Improvement Costs"). In the event Landlord exceeds the Landlord Budget without acquiring Tenant's prior written approval, such Additional Budget Costs shall not be included in the Improvements Costs and Tenant shall not be obligated or required to repay the unapproved Additional Budget Costs. The parties agree Landlord shall clearly identify the Improvement Costs in an exhibit to the Lease. The Lease shall contain provisions which stipulate that in the event a change in local or state law, prohibits the development of the Premises and/or completion of any portion of or all of the agreed upon tenant improvements, the Changes in Law Provisions (defined herein) shall apply.

Rent:

The Lease shall contain a Rental Schedule of the type and form attached as **Exhibit D** herein, which shall contain a complete description of the rent (including any additional amounts applied as rent and the Improvement Costs) which shall collectively be referred to herein as the "Total Rent"). In addition to the payment of the Total Rent, Tenant shall also pay to Landlord all use taxes, sales taxes, transaction privilege taxes, excise taxes, and other similar taxes associated with the Lease and the Lease payments to be made to Landlord thereunder. All payments to be made by Tenant to Landlord under

BAM GPH JM

(c) Landlord shall acquire written approval of all due diligence and underwriting matters required by Landlord and/or Landlord's lender;
(d) The parties shall acquire the necessary zoning and land use entitlements as it relates to the Premises and the use described herein this LOI; and
(e) Tenant shall have obtained written approval from MED of the approval to operate the Premises as a Medical or Recreational Marijuana Cultivation and Production Facility on behalf of Medical Marijuana License Holder; and
(f) The parties' mutual approval of the plans, specifications and drawings for the development of the Premises and tenant improvements; and
(g) Landlord having closed on the property acquisition for the Premises.

Tenant Use: Subject to Tenant's compliance with the terms of this LOI, Tenant may use the Premises as a duly licensed Marijuana Cultivation and Processing Facility, to the extent permitted by law, Tenant shall manage and operate on behalf of Medical Marijuana License Holder, pursuant to its Licenses in complete compliance with the Colorado Marijuana Laws and all applicable laws, requirements and restrictions, including approval by MED. Tenant may not use the Premises for any other purpose unless specifically approved by Landlord.

Authority to Operate: Tenant and Guarantor(s) each represent and warrant in conjunction with Medical Marijuana License Holder, they shall use all reasonable and diligent efforts to apply for and acquire renewal from MED, approval to operate the Medical or Recreational Marijuana Cultivation and Production Facility, pursuant to the Colorado Marijuana Laws and all other rules, requirements and restrictions and maintain the Dispensary License in good standing with MED at all times.

Changes in Law: The parties acknowledge and agree the terms and provisions of this LOI as well as the Lease are based upon the details, terms and agreed upon obligations on the Effective Date of this LOI and the Lease. The parties acknowledge and agree in the event a change in state or local law or any rule, requirement or restriction which prohibits completion of the development of the Premises, construction of all the agreed upon tenant improvements, Landlord shall have the right to either: (a) take all actions reasonably necessary to modify the Lease to reflect its inability to develop the Premises and/or construct any portion or all of the agreed upon tenant improvements, or (b) terminate the Lease. In the event such change in state or local law prohibits the operation of the Premises as a Medical or Recreational Marijuana Cultivation and Production Facility, or any change in local zoning and land use entitlements prohibit Tenant from occupying and using the Premises for the use specified in this LOI and in the Lease, the Lease shall terminate or the parties may mutually agree otherwise in writing (the

the Lease, with which Tenant shall review and upon approval of the terms and obligations provided therein, agree to comply.

Attorney's Fees and Costs: The parties shall mutually agree on reasonable default and remedy provisions, which shall be contained in the Lease. In the event of a dispute between the parties during the term of the Lease, the prevailing party in any action or proceeding to enforce the terms of the Lease or Guaranty, in any appeal thereon, or to declare rights thereunder, shall be entitled to reasonable attorneys' fees and costs and costs of collection. Such reasonable costs may be awarded in the same proceeding or recovered in a separate proceeding. (See "Arbitration" paragraph below.)

No Brokers: Landlord and Tenant represent and warrant to each other that neither Landlord, nor Tenant, have been, or will be, represented by any broker in connection with this LOI or the Lease, and no broker commission or finder's fee shall be payable as a result of the Lease.

Assignment/Amendment: Except as described herein and below, Tenant may not change, amend, modify, issue, sell, transfer, convey, encumber, or pledge (or permit to be changed, amended, modified, issued, sold, transferred, conveyed, encumbered, or pledged) any ownership, management, or voting right in or of Tenant, or any interest in this LOI or the Lease, or sublet or license any portion of the Premises, by operation of law or otherwise, without the prior written consent and approval of Landlord. In the event the Lease is assigned, transferred and conveyed for any reason described herein, the parties agree the obligations, rights and requirements of the assigning party shall be assumed, transferred and conveyed to assignee, as a condition precedent to the assignment, without releasing or discharging Tenant. However, Tenant may (upon at least 10 business days prior written notice to Landlord) assign, transfer and convey its interest in this LOI or the Lease to an entity wholly owned or controlled by Tenant, without acquiring the written consent of Landlord, and without releasing or discharging Tenant.

The parties may only amend or modify this LOI or the Lease with the written consent of all the parties.

Sublet/Sublease: Tenant may sublease the premises contemplated in this LOI to the Medical Marijuana License Holder listed in this LOI. The terms of the agreement are to be approved by the Landlord, and such approval by Landlord of the terms will not be unreasonable withheld. Landlord will be absolutely indemnified by sublease parties under the terms of any sublease agreement.

Improvements: Tenant may not make improvements, alterations, additions, or modifications to the Premises without the prior written consent and approval of Landlord, which shall not be unreasonably withheld. Upon completion of the development of the Premises and construction of the tenant improvements, Landlord shall not make any improvements, alterations, additions, or modifications to the Premises without the prior written consent and approval of Tenant, which shall not be unreasonably withheld.

Tenant Indemnity: Tenant agrees to indemnify, defend and hold harmless, Landlord, and Landlord's officers, directors, employees, contractors, representatives, agents, successors and assigns, for, from and against any and all claims, losses, damages, demands, fines, penalties, liens, actions, suits, obligations, liabilities, judgments, costs and expenses, including reasonable attorneys' fees and court costs, arising from, relating to, associated with, in connection with, or resulting in any way from: (a) Tenant's use or occupancy of the Premises, (b) the conduct of Tenant's business activities, including, without limitation, business activities conducted on or at the Premises, (c) any act or omission of Tenant or any of Tenant's employees, agents, contractors, representatives, invitees, customers, guests, and (d) any breach or default by Tenant under or pursuant to the Lease, including any violation of applicable laws. Nothing herein shall be construed to require Tenant to indemnify Landlord, and Landlord's officers, directors, employees, contractors, representatives, agents, successors and assigns, from any intentional, grossly negligent, fraudulent or willful misconduct by Landlord, and Landlord's officers, directors, employees, contractors, representatives, agents, successors and assigns.

Defaults; Remedies: The parties shall mutually agree complete default and remedy provisions shall be clearly defined and articulated in the Lease.

Arbitration: Any controversy or claim arising out of or relating to this LOI, by, between or among the parties, or the breach thereof, shall be settled by mandatory binding arbitration administered by the American Arbitration Association ("AAA"), under its Commercial Arbitration Rules or other applicable governmental regulatory agency. The arbitrator's decision shall be final and legally binding and judgment may be entered thereon. Each party initially shall be responsible for its share of the arbitration fees and costs in accordance with the applicable Rules of Arbitration. Notwithstanding the foregoing, the prevailing party shall be awarded its reasonable attorneys' fees and costs. Furthermore, in the event a party fails to proceed with arbitration, unsuccessfully challenges the arbitrator's award in court, or fails to comply with the arbitrator's award, the other party shall be awarded its reasonable attorneys' fees and costs for having to compel arbitration or defend or enforce the award.

Compliance with Laws: In connection with this LOI, the Lease, the Premises, and the conduct of Tenant's business activities, Tenant shall comply in all respects with The Medical Marijuana Code **(C.R.S. 12-43.3-101 et. seq.)** and the Retail Marijuana Code **(C.R.S. 12-43.4-101 et. seq,)** and all applicable laws, requirements, regulations and restrictions (including, without limitation, laws regulating the environment and hazardous substances and materials).

No Hazardous Materials: Tenant may not use, generate, store, dispose of, release, or bring onto the Premises (or permit to be used, generated, stored, disposed of, released, or brought onto the Premises) any hazardous, substances or materials, or any regulated substances or materials, without the prior written consent and approval of Landlord.

Lease Security Deposit: Upon Tenant's execution of the Lease and delivery of the same to Landlord, Tenant shall pay to Landlord the following sums and amounts: (a) after the application of the Deposit, the remaining amount required as a security

Premises as a percentage of the total square footage of the Building, as determined by Landlord, and as set forth in the Lease. In no event shall Landlord be liable or responsible to Tenant (or subject to any claim by Tenant for damages or abatement of rent or otherwise) for any interruption or cessation in any utility service or other service to the Premises.

Tenant shall maintain, repair and replace all of Tenant's equipment, personal property, inventory, trade fixtures, and improvements in good, safe condition and repair and in accordance with all applicable laws. Tenant shall regularly inspect, maintain, repair and replace, including making capital improvements and capital repairs, the Premises and all aspects, systems, parts, and components of the Premises in good, safe working order condition and repair and in accordance with all applicable laws. Except in case of an emergency (in which event Tenant shall immediately notify Landlord in writing of such emergency), Tenant shall notify Landlord in writing at least fifteen (15) days prior to Tenant undertaking any repair or replacement costing in excess of $5,000.00 per occurrence, and shall provide Landlord with a reasonably detailed description of the repair or replacement to be undertaken by Tenant and the names of Tenant's contractors (who must be approved in writing in advance by Landlord), and any other information regarding such repair or replacement as Landlord may request. Landlord may require Tenant to post a payment and performance bond for any improvements to be made by Tenant and for any repairs or replacements to be made by Tenant.

No Liens: Tenant shall at all times keep and maintain the Premises free and clear of any and all liens (including consensual liens), and all mechanics' and materialmens' liens and notices and claims of liens arising from or relating to any work, repairs or replacements made or to be made by Tenant.

Damage and Destruction: Except in the event such damage or destruction is caused by Tenant or by Tenant's employees, agents, contractors, representatives, invitees, customers, guests (in which event Tenant shall be responsible for repairing and restoring the Premises), and subject to Force Majeure Events, Landlord shall use commercially reasonable efforts to repair and restore the Premises in the event of damage or destruction to the Premises following Landlord's receipt of Landlord's insurance proceeds relating thereto, and only to the extent of such insurance proceeds paid to Landlord, less Landlord's costs in obtaining such insurance proceeds (unless such costs are otherwise reimbursed to Landlord). In no event shall rent or additional rent abate under the Lease as a result of damage or destruction to the Premises. In no event shall Landlord repair or restore any of Tenant's equipment, personal property, inventory, trade fixtures, or improvements. Tenant shall pay to Landlord, as additional rent, Tenant's pro-rata share of all insurance premiums and costs incurred or paid by Landlord to provide and maintain casualty and liability insurance for the Building and surrounding areas, including any deductible amount to be paid by Landlord under such policies. Landlord may terminate the Lease if the Premises or the Building are damaged in any material respect during the last 18 months of the term of the Lease. All other provisions regarding damage and destruction to the Premises shall be governed by the terms of the Lease.

Parking: Tenant may use a *pro rata* share of the onsite parking spaces available for the Building, as designated by Landlord, on a non-exclusive and unreserved basis

Governing Law:	This LOI and the Lease shall be governed by the laws of the State of Colorado (without regard to conflict of laws).
Venue and Jurisdiction:	Venue and exclusive jurisdiction for any action arising out of this LOI and the Lease shall be in Superior Court, Maricopa County, Arizona, and Tenant and Guarantor(s) hereby waive any and all defenses relating to such jurisdiction and venue.
Counterparts:	This LOI may be executed in any number of counterparts, and all such counterparts shall constitute a single document.
Drafter:	Tenant agrees that no provision contained in this LOI or the Lease shall be constructed against Landlord, the drafter of this LOI or the Lease, solely by virtue of Landlord being the drafter.
Binding LOI:	This LOI constitutes a binding and valid agreement on the part of Landlord and Tenant.
Effective Date:	The Effective Date of this LOI shall be the date that is three (3) business days after the mutual execution and delivery of this LOI by Landlord and Tenant.
Expiration:	If this LOI is not executed by Landlord, Tenant and Guarantor(s) on or before 5:00 PM, Arizona Time, on **May 20, 2016**, then this LOI shall terminate and expire and be of no further force or effect.

[Space Intentionally Left Blank. Signatures on the Following Page.]

BAM GPH JM

EXHIBIT A:

LEGAL DESCRIPTION OF PROPERTY, BUILDING AND PREMISES

Parcel ID:	2409-123-02-007
Property Address:	Lot #7 N. Diamond Loop Rd, Parachute, Colorado ZIP.
Building:	Parachute Cultivation Site, building containing approximately 15,000 square feet of space, including warehouse and/or greenhouse.
Premises:	Approximately 15,000 square feet of warehouse and/or greenhouse space to be constructed at Lot #7 of the Parachute Industrial Park. The Licensing for the Cultivation Site will be held by Herbal Elements, LLC.

BAM GPH JM

EXHIBIT C:
ADDITIONAL LEASE TERMS

Lease:	Triple Net (NNN), meaning that all rent to be paid to Landlord shall be absolutely net to Landlord so that the Lease shall yield net to Landlord the rent to be paid each month during the term of the Lease, and Tenant shall pay either directly or as reimbursement to Landlord for all costs, expenses and obligations of every kind or nature whatsoever relating to the Premises which may arise or become due during the term of the Lease, including, without limitation, all costs and expenses of operation, maintenance, ownership, repairs (including capital repairs), replacements (including capital replacements), utilities, insurance and taxes (including real estate taxes and assessments, but excluding Landlord's personal income taxes) relating to the Premises, and Tenant's *pro rata* share of Landlord's costs and expenses relating to any shared or common walls, common areas or common improvements, including the parking areas, the perimeter wall, any monument sign, the exterior landscaping and utility lines and equipment, and other similar costs.
Premises:	15,000 Square Feet within Lot 7.
Lease Term:	Ten (10) years commencing on the Rent Commencement and ending on the last day of the month that is ten (10) years after the occurrence of Rent Commencement.
Renewal Option:	Provided that Tenant is not in breach or default under the Lease, and further provided that Tenant shall give Landlord written notice (at least one (1) year prior to the expiration of the term of the Lease) of Tenant's election to renew the term of the Lease, Tenant may renew or extend the term of the Lease for one (1) period of five (5) years, on the same terms as are provided in the Lease.
Buyout Option:	Provided that Tenant is not in breach or default under the Lease, a Buyout Option will be included in the Lease for the Tenant to acquire the premises and the constructed Tenant Improvements from the Landlord according to an acquisition formula mutually agreeable to both the Tenant and the Landlord within the Lease , and such an acquisition price shall be no less than 1.5 times the sum of the Landlord's acquisition cost of the land plus the cost of the Tenant Improvements.
Rental Schedule:	See **Exhibit D**

BAM GPH JM

2016-05-06_Zoned Properties letter of intent for NNN Lease_Amercian Green and Herbal Elements in Parachute

Adobe Sign Document History 05/17/2016

Created:	05/17/2016
By:	Zoned Admin (info@zonedproperties.com)
Status:	SIGNED
Transaction ID:	CBJCHBCAABAAxJLUQXJ1fkj2QrwEqQXDoQqKK7xm2U6P

"2016-05-06_Zoned Properties letter of intent for NNN Lease_Amercian Green and Herbal Elements in Parachute" History

Document created by Zoned Admin (info@zonedproperties.com)
05/17/2016 - 8:15:47 PDT - IP address: 68.2.113.141

Document emailed to Jonathan Miller (jonathan@americangreen.com) for signature
05/17/2016 - 8:25:37 PDT

Document emailed to Gregory P Honan (hojorisen@hotmail.com) for signature
05/17/2016 - 8:25:37 PDT

Document emailed to Bryan McLaren (bryan@zonedproperties.com) for signature
05/17/2016 - 8:25:38 PDT

Document viewed by Gregory P Honan (hojorisen@hotmail.com)
05/17/2016 - 8:27:42 PDT - IP address: 174.16.116.239

Document viewed by Jonathan Miller (jonathan@americangreen.com)
05/17/2016 - 12:46:53 PDT - IP address: 66.102.6.78

Document viewed by Bryan McLaren (bryan@zonedproperties.com)
05/17/2016 - 2:31:31 PDT - IP address: 68.2.113.141

Jonathan Miller (jonathan@americangreen.com) has agreed to the terms of use and to do business electronically with Zoned Properties
05/17/2016 - 2:40:49 PDT - IP address: 24.251.126.94

ZONED PROPERTIES INC | Adobe Sign

And it is further understood and agreed that Grantor reserves solely unto itself all rights to execute any and all future leases of any kind or nature covering the Property and the rights to receive in its own name and stead all bonuses and rentals payable thereon, and the Grantee does not by these presents acquire any right to participate in the making of future oil and gas or other mineral leases on the Property or on any portion thereof not at this date under lease, nor of participating in the making of future leases, should any existing or future lease for any reason become cancelled or forfeited, nor of participating in any bonus or bonuses which Grantor may receive for any future lease, nor of participating in any rental to be paid for the privilege of deferring the commencement of a well under any lease, now or hereafter. Provided, however, that Grantor shall not execute any future oil and gas lease covering the Property or any portion thereof which provides for a royalty of less than one-eighth (1/8) of the production attributed to the Property or any portion thereof.

TO HAVE AND TO HOLD the above described royalty interest, together with all and singular the rights and appurtenances thereto belonging, unto the said Grantees and each Grantee's heirs, administrators, executors, successors, and assigns forever.

WITNESS 30th hand this Aug day of _____, 2002.

HMC, Ltd., a Colorado Limited Partnership

By: _____
Hayden Rader, General Partner

STATE OF Colorado)
)ss ACKNOWLEDGMENT - INDIVIDUAL
COUNTY OF Garfield)

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this 30th day of August, 2002, personally appeared Hayden Rader, General Partner of HMC Ltd., a Colorado Limited Partnership, to me known to be the identical person described in and who executed the within and foregoing instrument of writing and acknowledged to me that he duly executed the same as his free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year last above written.

My Commission Expires: 11-14-05

_____
Notary Public

KRISTY M. SPRINGSTEE
NOTARY PUBLIC
STATE OF COLORADO

Reception#: 833908
04/12/2013 12:09:11 PM, Jean Albericio
1 of 1 Rec Fee:$11.00 Doc Fee:0.00 GARFIELD COUNTY CO

RECORDING REQUESTED BY:
WHEN RECORDED RETURN TO:
Garfield & Hecht, P.C.
420 Seventh Street, Suite 100
Glenwood Springs, CO 81601

QUIT CLAIM DEED

This Quit Claim Deed is made this 14th day of March, 2013 between, Parachute Investment Holdings, LLC, a Colorado limited liability company ("Grantor"), and HMC, Ltd., a Colorado limited partnership whose address is P.O. Box 366, Glenwood Springs, CO 81602, of the County of Garfield, State of Colorado ("Grantee").

The Grantor, for ten dollars ($10.00) and other good and valuable consideration, in hand paid, has sold and quitclaimed, and by these presents does hereby sell and quitclaim unto the Grantee, its successors and assigns forever, any and all right, title, interest, claim and demand which the Grantor has in and to the following described property, situate, lying and being in the County of Garfield and State of Colorado, described as follows:

All oil, gas, hydrocarbons, and other minerals and mineral rights, including without limitation the right to lease and develop the same, in and to the premises described as follows:

Lots 1, 2, 3, 8, 9, and 10
Block 2
Lots 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 14, 15, 16, 17, and 18
Block 3
Parachute Park P.U.D.
According to the Amended Final Plat of Lots 1-3, 6-10, Block 2 and Lots 1-18, Block 3, Parachute Park Planned Unit Development

County of Garfield
State of Colorado

Signed this 14th day of March, 2013.

PARACHUTE INVESTMENT HOLDINGS, LLC,
a Colorado limited liability company

By: _____
Hayden Rader, manager

STATE OF COLORADO)
) ss.
COUNTY OF GARFIELD)

The foregoing Quit Claim Deed was acknowledged before me this 14th day of March, 2013 by Hayden Rader as manager of Parachute Investment Holdings, LLC, a Colorado limited liability company.

Witness my hand and official seal.

My commission expires:

Kathy Thissen
Notary Public

KATHY THISSEN
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID #19984030478
My Commission Expires November 2, 2014

939202-2

GARFIELD COUNTY TREASURER

Certificate of Taxes Due

Account Number R370520
Parcel 240912302007

Certificate Number 2016-00674
Acres 1.50
Order Number
Vendor ID 1

Assessed To
PARACHUTE DEVELOPMENT CORPORATION
PO BOX 686
GLENWOOD SPRINGS, CO 81602

Compass Mountain Land Use
PO Box 86
Glenwood Springs, CO 81602

Legal Description

Situs Address

Section: 12 Township: 7 Range: 96 Subdivision: PARACHUTE PARK P.U.D. Block: 3 Lot: 7
AMENDED LOTS 1-3, 6-10, BLOCK 2 & LOTS 1-18, BLOCK 3 REC #784960

Year	Tax	Interest	Fees	Payments	Balance
Tax Charge					
2015	$1,096.08	$0.00	$0.00	$0.00	$1,096.08
Total Tax Charge					$1,096.08
Lien					
2014 Lien: 2014-024	$2,566.77	$171.12	$0.00	$0.00	$2,737.89
2013 Lien: 2014-024	$2,514.31	$356.19	$0.00	$0.00	$2,870.50
2013	$0.00	$0.00	$7.00	$0.00	$7.00
Total Lien					$5,615.39
GRAND TOTAL					$6,711.47
Grand Total Due as of 03/28/2016					$6,711.47

Tax Billed at 2015 Rates for Tax Area 048 - 16-6(T) - 048

Authority	Mill Levy	Amount
GARFIELD COUNTY	10.9050000	$221.84
GARFIELD COUNTY - R & B	1.5000000	$30.50
GARFIELD COUNTY - DHS FUND	1.2500000	$25.42
TOWN OF PARACHUTE - GENERAL	13.5620000	$275.85
GRAND VALLEY AND RURAL FIRE	3.2670000	$66.45
BLUESTONE WATER CONS	0.0050000*	$0.10
COLO RIVER WATER CONS	0.2430000*	$4.94
GRAND RIVER HOSPITAL	5.5970000*	$113.84
GRAND VALLEY CEMETERY	0.0070000*	$0.14
SCHOOL DIST 16	8.5550000	$174.00
COLORADO MTN COLLEGE	3.9970000	$81.30
PARA/BATTLEMENT PARK& REC	4.0000000	$81.36
GARFIELD COUNTY PUBLIC LIBR	1.0000000	$20.34
Taxes Billed 2015	53.8880000	$1,096.08

* Credit Levy

Values	Actual	Assessed
VACANT COMMERCIAL LOTS	$70,150	$20,340
Total	$70,150	$20,340

All Tax Lien Sale amounts are subject to change due to endorsement of current taxes by the lienholder or to advertising and distraint warrant fees. Changes may occur and the Treasurer's Office will need to be contacted prior to remittance after the following dates: Personal Property and Mobile Homes - September 1, 2016, Real Property - September 1, 2016. TAX LIEN SALE REDEMPTION AMOUNTS MUST BE PAID BY CASH OR CASHIERS CHECK.

Special taxing districts and the boundaries of such districts may be on file with the Board of County Commissioners, the County Clerk, or the County Assessor.

This certificate does not include land or improvements assessed under a separate account number, personal property taxes, transfer tax or misc. tax collected on behalf of other entities, special or local improvement district assessments or mobile homes, unless specifically mentioned.

I, the undersigned, do hereby certify that the entire amount of taxes due upon the above described parcels of real property and all outstanding sales for unpaid taxes as shown by the records in my office from which the same may still be redeemed with the amount required for redemption are as noted herein. In witness whereof, I have hereunto set my hand and seal.

ZONED®
PROPERTIES INC

14300 N. Northsight Blvd #208
Scottsdale, AZ 85260

April 15, 2016

Mr. Bryan McLaren
Chief Executive Officer
Zoned Properties, Inc.
Zoned Colorado Properties, LLC
14300 N. Northsight Blvd #208
Scottsdale, Az 85260

LETTER OF AUTHORIZATION

Dear Mr. McLaren:

Parachute Development Corporation (the "Company") is the owner of the land and properties located at Diamond Loop Parachute, CO 81635 United States (the "Parachute Property"). The Company would like to extend this Authorization Letter in support of the proposed Licensed Marijuana Facilities to be located at the Parachute Property.

We have reviewed the Town of Parachute's application process and understand that this Letter of Authorization is required in order to submit the comprehensive application materials.

Please contact me if you have any questions or comments. We look forward to working collaboratively with your organization on the prospective facility to be developed at our Parachute Property. Please let us know how we can help to work with Town of Parachute Staff, Planning & Zoning Commission and the Board of Trustees to create development strategies, which will serve the interests of the local community and the proposed Marijuana Facilities.

Sincerely,

Hayden Rader
Parachute Development Corporation

STATE OF COLORADO
Garfield County of Colorado } ss.

The foregoing instrument was acknowledged before me this 18th day of April, 2016,
by Hayden C. Rader
My commission expires: 2-25-2017
Witness my hand and official seal.

Maureen Carew
Notary Public

MAUREEN CAREW
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 19974003500
My Commission Expires February 25, 2017

www.zonedproperties.com

ADJACENT PROPERTY OWNERS: (attach separate sheet if needed)

Name	Address
Please See Attachments	

MINERAL RIGHTS OWNERS & LESSEES OF SUBJECT PROPERTY (attach separate sheet if needed) ***PLEASE NOTE ALL MINERAL RIGHTS OWNERS AND LESSEES MUST BE NOTIFIED 30 DAYS IN ADVANCE TO APPLICATION REVIEW. PLEASE INDICATE ALL MINERAL RIGHTS OWNERS, & LESSEES AS (MR), OR (L)**

Name	Address
Please see Attachments	PARACHUTE DEVELOPMENT CORPORATION
	PO BOX 686
	Glenwood Springs, CO 81602

DESCRIPTION OF PROPOSAL: (INCLUDE PROPOSED USE, ACREAGE, ETC.)

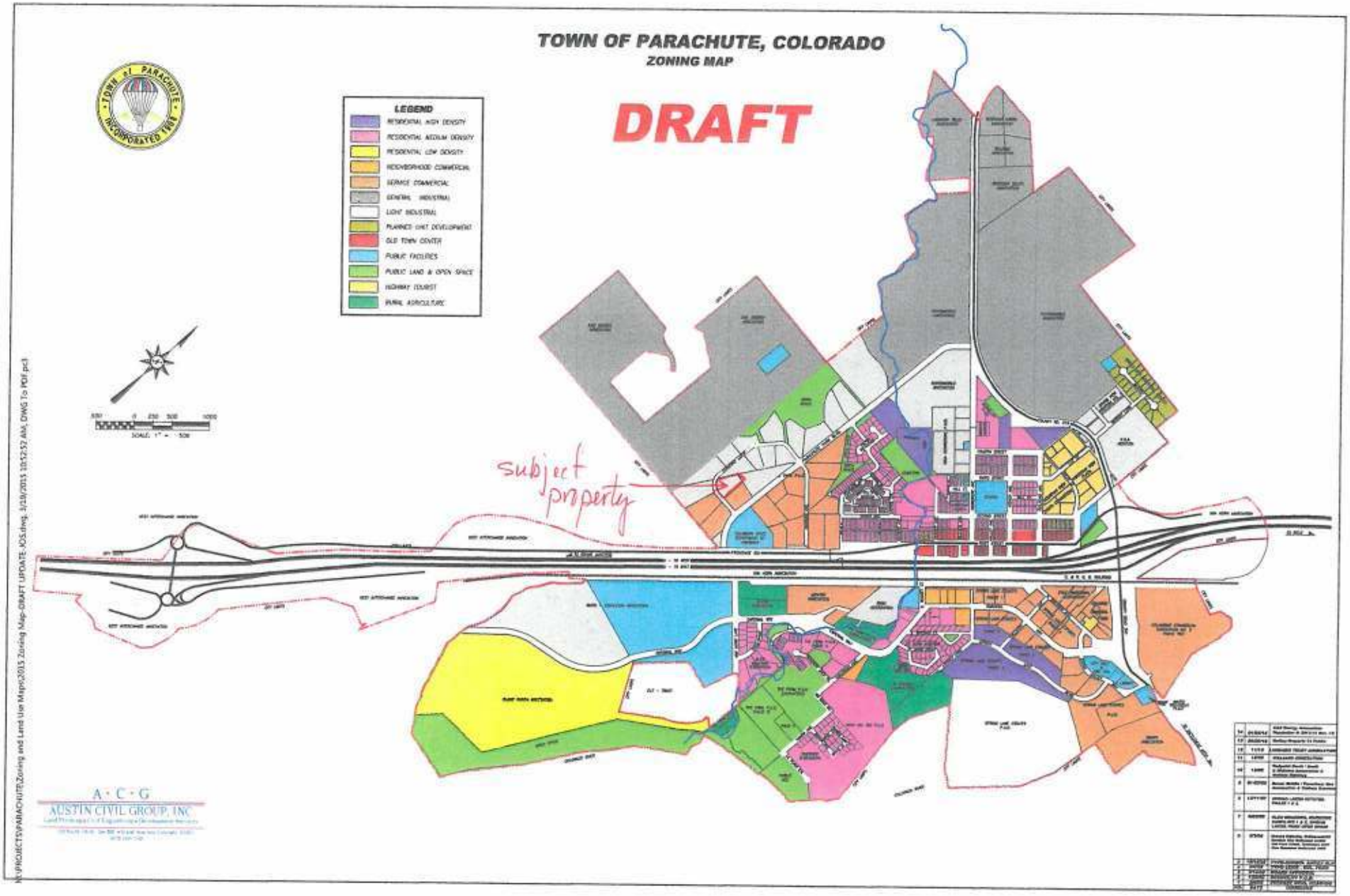
Please see attached Introduction Letter, Project Narrative, and Exhibits

Describe how this Proposed Land Use Application Complies with the Town of Parachute Land Use Regulations and the Town of Parachute Master Plan 2002.

Please see attached Introduction Letter, Project Narrative, and Exhibits

Describe any possible Flood Plain issues:

Describe Traffic Impact Fees Proposal: (Standard Calculation or Individual Traffic Study)


TOWN OF PARACHUTE, COLORADO
ZONING MAP
DRAFT
LEGEND
RESIDENTIAL HIGH DENSITY
RESIDENTIAL MEDIUM DENSITY
RESIDENTIAL LOW DENSITY
NEIGHBORHOOD COMMERCIAL
SERVICE COMMERCIAL
GENERAL INDUSTRIAL
LIGHT INDUSTRIAL
PLANNED UNIT DEVELOPMENT
OLD TOWN CENTER
PUBLIC FACILITIES
PUBLIC LAND & OPEN SPACE
HIGHWAY TOURIST
RURAL AGRICULTURE
subject property
A · C · G
AUSTIN CIVIL GROUP, INC

ZONED PROPERTIES INC
14300 N. Northsight Blvd #208
Scottsdale, AZ 85260

EXHIBIT B:
OUTLINE OF THE PREMISES

PARCEL ID: 2409-123-02-007
Section: 12 Township: 7 Range: 96

LEGAL DESCRIPTION:

Subdivision:
PARACHUTE PARK P.U.D. Block: 3 Lot: 7
AMENDED LOTS 1-3, 6-10, BLOCK 2 & LOTS 1-18, BLOCK 3 REC #784960

Town of Parachute
222 Grand Valley Way
PO Box 100
Parachute CO 81635 970-285-7630

Receipt No: 1.002756 Jun 20, 2016

Parachute Unlimited, LLC

Previous Balance:	.00
Tax / Licenses & Permits Marijuana Licensing - Retail 10-32-140 MARIJUANA LICENSING	5,000.00
Tax / Licenses & Permits Marijuana Licensing - Manufacturing 10-32-140 MARIJUANA LICENSING	5,000.00
Tax / Licenses & Permits Marijuana Licensing - Grow 10-32-140 MARIJUANA LICENSING	5,000.00
Total:	15,000.00
Check / Money Orders	
Check No: 133	15,000.00
Total Applied:	15,000.00
Change Tendered:	.00

Duplicate Copy
06/16/2016 02:09PM

TOWN OF PARACHUTE
SPECIAL FEE AND COST REIMBURSEMENT AGREEMENT

This Special Fee and Cost Reimbursement Agreement is entered into by and between the Town of Parachute, Colorado, a municipal corporation (the "Town") and PARACHUTE UNLIMITED LLC, (hereinafter "Petitioner").

WITNESSETH:

WHEREAS, Petitioner is the owner of that certain real property described in Exhibit A, attached hereto and incorporated herein by this reference, and desires to undertake the projects or activities described in Paragraph 1; and

WHEREAS, the above activity or project will require the Town to provide the special services and incur the costs set forth in Paragraph 2; and

WHEREAS, Title 15 of the Parachute Municipal Code provides that the Town may assess administrative fees related to development review; and

WHEREAS, the special fees and costs paid and collected by virtue of this Agreement shall be used solely to pay for the Town's actual fees and costs for outside professional services, including, but not limited to, engineering and legal review, incurred by the Town in relation to the anticipated project; and

WHEREAS, the Town and Petitioner desire to set forth their agreements and understandings concerning this matter.

NOW, THEREFORE, in consideration of the mutual covenants and promises of the parties, and for other good and valuable consideration, the adequacy and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Petitioner desires to undertake the following projects or activities involving the Town or its utility services:

_____	Annexation
_____	Subdivision
_____	Planned Development
_____	Conditional Use
_____	Variance
_____	Review of Title 32 Special District
_____	Can and Will Serve Letter for Utility Service
X	Other (describe) MARIJUANA LICENSE

2. The activity or project being undertaken by Petitioner will require the Town to provide the following special services or incur the following costs:

_____	Engineering review and advice
X	Legal review and advice
_____	Preparation of plats or plans
_____	Inspections
_____	Recording fees
_____	Filing fees
_____	Publication Costs
_____	Other (describe) _____

3. Petitioner agrees to pay the Town in full for all special services provided or actual costs incurred by the Town in relation to the project or activity described above on receipt of an itemized billing for those services from the Town. All such amounts are due within thirty (30) days of the date of the bill, with interest on any overdue amounts to be assessed at one and one-half percent (1.5%) per month. In the event that such amounts remain unpaid thirty (30) days after the date they are billed, the Town reserves the right to cease review and processing of the Petitioner's land use and development applications. In the event the Town is forced to pursue collection of any amounts due and unpaid under this provision, it shall be entitled to collect attorney's fees, filing, and recording fees incurred in such collection efforts in addition to the unpaid amounts due, plus interest.

4. Petitioner agrees to provide a deposit to the Town in the amount of $ NA at the time of making the initial application for the MARIJUANA LICENSE. The Town shall not commence to provide any of the services desired by the applicant, or advance any costs, until this deposit is received by the Town. Any amount by which the applicant's deposit exceeds the cost assessed under this Paragraph shall be refunded to the applicant within a reasonable time after final action has been taken on the project. Any amount by which the deposit is less than the total costs due to the Town under this Agreement shall be due and payable subject to the provisions of Paragraph 2, above.

5. The Town specifically does not agree to act favorably on the application made by Petitioner in exchange for payment of the special fees set forth above.

6. This Agreement constitutes the entire and complete agreement of the parties on the subject matter herein. No promise or undertaking has been made by any party, and no understanding exists with respect to the transaction contemplated, except as expressly set forth herein. All prior and contemporaneous negotiations and understandings between the parties are embodied and merged into this Agreement.

7. This Agreement may be amended from time to time by amendments made by the parties in written form and executed in the same manner as this Agreement.

8. This Agreement shall be binding upon and inure to the benefit of the parties and their assigns and successors in interest.

9. If any covenant, term, condition, or provision under this Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such covenant, term, condition, or provision shall not affect any other provision contained herein.

10. The parties agree and intend that this Agreement shall run with the land described in Exhibit A, attached hereto, and be a burden upon that property until final payment has been made to the Town of all fees due and payable under this Agreement, or until the earlier termination of this Agreement.

IN WITNESS WHEREOF, the parties have executed this SPECIAL FEE AGREEMENT on the day and year adjacent to their respective signatures.

TOWN OF PARACHUTE, COLORADO

Date: 6/16/16 By _____
Town Administrator

ATTEST

_____
Deputy Town Clerk

PETITIONER:

Gregory P Honan Date: 6-16-16

STATE OF COLORADO)
) ss.
COUNTY OF GARFIELD)

Acknowledged, subscribed, and sworn to before me this 16 day of June, 20 16, by Gregory Honan.

WITNESS my hand and official seal.

My Commission expires: November 20, 2017

_____
Notary Public

DEREK WINGFIELD
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20134072313
MY COMMISSION EXPIRES NOVEMBER 20, 2017

Ad Name: 12263449A
Customer: Remax Country/Kandl L. Hinman
Your account number is: 2811506

PROOF OF PUBLICATION

GLENWOOD SPRINGS POST INDEPENDENT

STATE OF COLORADO }
SS.
COUNTY OF GARFIELD }

I, Michael Bennett, do solemnly swear that I am Publisher of the Glenwood Springs Post Independent. That the same Daily newspaper printed, in whole or in part and published in the County of Garfield, State of Colorado, and has a general circulation therein; that said newspaper has been published continuously and uninterruptedly in said County of Garfield for a period of more than fifty-two consecutive weeks next prior to the first publication of the annexed legal notice or advertisement and that said newspaper has published the requested legal notice and advertisement as requested.

The Glenwood Springs Post Independent is an accepted legal advertising medium, only for jurisdictions operating under Colorado's Home Rule provision.

That the annexed legal notice or advertisement was published in the regular and entire issue of every number of said daily newspaper for the period of **1** consecutive insertions; and that the first publication of said notice was in the issue of said newspaper dated **7/25/2016** and that the last publication of said notice was in the issue of said newspaper dated **7/25/2016.**

In witness whereof has here unto set my hand this **08/05/2016**.

Michael Bennett, Publisher

Subscribed and sworn to before me, a notary public in and for the County of Garfield, State of Colorado this **08/05/2016**.

Pamela J. Schultz, Notary Public
My Commission expires**: November 1, 2019**

PAMELA J. SCHULTZ
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID #19994030675
My Commission Expires November 1, 2019

PUBLIC NOTICE OF HEARING

Pursuant to Chapter 6.11 of the Town of Parachute, Colorado Municipal Code;

NOTICE IS HERBY GIVEN that an application has been made to the Local Licensing Authority of the Town of Parachute, Colorado for a Retail Marijuana Products Manufacturing Facility

APPLICANT: Parachute Unlimited, LLC
TRADE NAME: American Green

ADDRESS OF APPLICANT: P.O. Box 2344, Avon, CO 81620

ADDRESS OF PROPOSED LICENSED PREMISES:
110 Diamond Loop, Parachute, CO 81635

LEGAL DESCRIPTION OF PROPOSED LICENSED PREMISES
Lot 7. Block 3 of the Parachute Park P.U.D., according to the Amended Plat thereof, recorded in the public records of Garfield County, Colorado at Reception No. 784960.

DATE OF APPLICATION: June 16, 2016

PUBLIC NOTICE IS HEREBY GIVEN that a Public Hearing will be held on this application **Thursday, August 18th, 2016 at 6:30 p.m**. in the Board Room in the Parachute Town Hall, 222 Grand Valley Way, Parachute, CO 81635.

All persons affected by the proposed land use application are invited to appear and state their views, protests, or support. If you cannot appear personally at such hearing, then you are urged to state your views by letter as the Planning & Zoning Commission and the Board of Trustees will give consideration to the comments of property owners and the others affected in deciding whether to grant or deny the request.

The proposed development project may be reviewed at the Town of Parachute offices located at 222 Grand Valley Way, Parachute, CO, between the hours of 7:30 a.m. and 5:30 p.m., Monday through Thursday. You may call 970.285.7630, x 106 with questions or concerns.

BY ORDER OF
THE LOCAL LICENSING AUTHORITY
TOWN OF PARACHUTE
- BOARD OF TRUSTEES
P.O. BOX 100, PARACHUTE, CO 81635-0100
(970) 285-7630

Published in the Post Independent July 25, 2016
(12263449)

PUBLIC NOTICE OF HEARING
PUBLIC NOTICE OF HEARING
PUBLIC NOTICE OF HEARING
PUBLIC NOTICE

7014 2120 0000 0735 5331

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only
For delivery information, visit our website at www.usps.com®.
GLENWOOD SPRINGS, CO 81602
OFFICIAL USE

Postage	$3.30
Certified Fee	$2.70
Return Receipt Fee (Endorsement Required)	$0.00
Restricted Delivery Fee (Endorsement Required)	$0.00
Total Postage & Fees	$6.47

0583 04
Postmark Here
JUL 22 2016
07/22/2016

Sent To: Parachute Development Corp
Street & Apt. No., or PO Box No.: P.O. Box 1686
City, State, ZIP+4: Glenwood Springs, Co 81602
PS Form 3800, July 2014 See Reverse for Instructions

7014 2120 0000 0735 5386

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only
For delivery information, visit our website at www.usps.com®.
GLENWOOD SPRINGS, CO 81602
OFFICIAL USE

Postage	$3.30
Certified Fee	$2.70
Return Receipt Fee (Endorsement Required)	$0.00
Restricted Delivery Fee (Endorsement Required)	$0.00
Total Postage & Fees	$6.47

0583 04
Postmark Here
JUL 22 2016
07/22/2016

Sent To: HMC LTD
Street & Apt. No., or PO Box No.: P.O. Box 1686
City, State, ZIP+4: Glenwood Springs, Co 81602
PS Form 3800, July 2014 See Reverse for Instructions

7014 2120 0000 0735 5362

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only
For delivery information, visit our website at www.usps.com®.
GLENWOOD SPRINGS, CO 81602
OFFICIAL USE

Postage	$3.30
Certified Fee	$2.70
Return Receipt Fee (Endorsement Required)	$0.00
Restricted Delivery Fee (Endorsement Required)	$0.00
Total Postage & Fees	$6.47

0583 04
Postmark Here
JUL 22 2016
07/22/2016

Sent To: HMC LTD
Street & Apt. No., or PO Box No.: P.O. Box 1686
City, State, ZIP+4: Glenwood Springs, Co 81602
PS Form 3800, July 2014 See Reverse for Instructions

7014 2120 0000 0735 5379

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only
For delivery information, visit our website at www.usps.com®.
GLENWOOD SPRINGS, CO 81602
OFFICIAL USE

Postage	$3.30
Certified Fee	$2.70
Return Receipt Fee (Endorsement Required)	$0.00
Restricted Delivery Fee (Endorsement Required)	$0.00
Total Postage & Fees	$6.47

0583 04
Postmark Here
JUL 22 2016
07/22/2016

Sent To: HMC LTD
Street & Apt. No., or PO Box No.: P.O. Box 1686
City, State, ZIP+4: Glenwood Springs, Co 81602
PS Form 3800, July 2014 See Reverse for Instructions

7014 2120 0000 0735 5430

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only
For delivery information, visit our website at www.usps.com®.
GRAND JUNCTION, CO 81502
OFFICIAL USE

Postage	$3.30
Certified Fee	$2.70
Return Receipt Fee (Endorsement Required)	$0.00
Restricted Delivery Fee (Endorsement Required)	$0.00
Total Postage & Fees	$6.47

0583 04
Postmark Here
JUL 22 2016
07/22/2016

Sent To: C & B Holdings
Street & Apt. No., or PO Box No.: P.O. Box 3045
City, State, ZIP+4: Grand Junction, Co 81502
PS Form 3800, July 2014 See Reverse for Instructions

7014 2120 0000 0735 5447

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only
For delivery information, visit our website at www.usps.com®.
GRAND JUNCTION, CO 81502
OFFICIAL USE

Postage	$3.30
Certified Fee	$2.70
Return Receipt Fee (Endorsement Required)	$0.00
Restricted Delivery Fee (Endorsement Required)	$0.00
Total Postage & Fees	$6.47

0583 04
Postmark Here
JUL 22 2016
07/22/2016

Sent To: C & B Holdings
Street & Apt. No., or PO Box No.: P.O. Box 3045
City, State, ZIP+4: Grand Junction, CO 81502
PS Form 3800, July 2014 See Reverse for Instructions

7014 2120 0000 0735 5461

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only
For delivery information, visit our website at www.usps.com®.
GLENWOOD SPRINGS, CO 81602
OFFICIAL USE

Postage	$3.30
Certified Fee	$2.70
Return Receipt Fee (Endorsement Required)	$0.00
Restricted Delivery Fee (Endorsement Required)	$0.00
	$0.00
	$0.00
Total Postage & Fees	$0.47
	$6.47

0583 04
Postmark Here
JUL 22 2016
07/22/2016

Sent To: Parachute Development Corp
Street & Apt. No., or PO Box No.: P.O. Box 1686
City, State, ZIP+4: Glenwood Springs, CO 81602
PS Form 3800, July 2014 See Reverse for Instructions

7014 2120 0000 0735 5508

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only
For delivery information, visit our website at www.usps.com®.
PARACHUTE, CO 81635
OFFICIAL USE

Postage	$3.30
Certified Fee	$2.70
Return Receipt Fee (Endorsement Required)	$0.00
Restricted Delivery Fee (Endorsement Required)	$0.00
	$0.00
	$0.00
Total Postage & Fees	$0.47
	$6.47

0583 04
Postmark Here
JUL 22 2016
07/22/2016

Sent To: TLC Pipeline Construction
Street & Apt. No., or PO Box No.: 213 Diamond Loop
City, State, ZIP+4: Parachute, Co 81635
PS Form 3800, July 2014 See Reverse for Instructions

7014 2120 0000 0735 5485

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only
For delivery information, visit our website at www.usps.com®.
GLENWOOD SPRINGS, CO 81602
OFFICIAL USE

Postage	$3.30
Certified Fee	$2.70
Return Receipt Fee (Endorsement Required)	$0.00
Restricted Delivery Fee (Endorsement Required)	$0.00
	$0.00
	$0.00
Total Postage & Fees	$0.47
	$6.47

0583 04
Postmark Here
JUL 22 2016
07/22/2016

Sent To: HMC LTD
Street & Apt. No., or PO Box No.: P.O. Box 1686
City, State, ZIP+4: Glenwood Springs, CO 81602
PS Form 3800, July 2014 See Reverse for Instructions

7014 2120 0000 0735 5492

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only
For delivery information, visit our website at www.usps.com®.
GRAND JUNCTION, CO 81502
OFFICIAL USE

Postage	$3.30
Certified Fee	$2.70
Return Receipt Fee (Endorsement Required)	$0.00
Restricted Delivery Fee (Endorsement Required)	$0.00
	$0.00
	$0.00
Total Postage & Fees	$0.47
	$6.47

0583 04
Postmark Here
JUL 22 2016
07/22/2016

Sent To: C & B Holdings
Street & Apt. No., or PO Box No.: P.O. Box 3045
City, State, ZIP+4: Grand Junction, CO 81502
PS Form 3800, July 2014 See Reverse for Instructions

7014 2120 0000 0735 5355

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only
For delivery information, visit our website at www.usps.com®.
GLENWOOD SPRINGS, CO 81602
OFFICIAL USE

Postage	$3.30
Certified Fee	$2.70
Return Receipt Fee (Endorsement Required)	$0.00
Restricted Delivery Fee (Endorsement Required)	$0.00
	$0.00
	$0.00
Total Postage & Fees	$0.47
	$6.47

0583 04
Postmark Here
JUL 22 2016
07/22/2016

Sent To: Parachute Development Corp
Street & Apt. No., or PO Box No.: P.O. Box 1686
City, State, ZIP+4: Glenwood Springs, CO 81602
PS Form 3800, July 2014 See Reverse for Instructions

7014 2120 0000 0735 5348

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only
For delivery information, visit our website at www.usps.com®.
GLENWOOD SPRINGS, CO 81602
OFFICIAL USE

Postage	$3.30
Certified Fee	$2.70
Return Receipt Fee (Endorsement Required)	$0.00
Restricted Delivery Fee (Endorsement Required)	$0.00
	$0.00
	$0.00
Total Postage & Fees	$0.47
	$6.47

0583 04
Postmark Here
JUL 22 2016
07/22/2016

Sent To: Parachute Development Corp
Street & Apt. No., or PO Box No.: P.O. Box 1686
City, State, ZIP+4: Glenwood Springs, CO 81602
PS Form 3800, July 2014 See Reverse for Instructions

7014 2120 0000 0735 5416

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only
For delivery information, visit our website at www.usps.com®.
PARACHUTE, CO 81635
OFFICIAL USE

Postage	$3.30	0583 04
Certified Fee	$2.70	
Return Receipt Fee (Endorsement Required)	$0.00	Postmark Here
Restricted Delivery Fee (Endorsement Required)	$0.00	JUL 22 2016
Total Postage & Fees	$0.47 / $6.47	07/22/2016

Sent To: TLC Pipeline Construction, Inc
Street & Apt. No., or PO Box No.: 213 Diamond Loop
City, State, ZIP+4: Parachute, CO 81635
PS Form 3800, July 2014 — See Reverse for Instructions

7014 2120 0000 0735 5423

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only
For delivery information, visit our website at www.usps.com®.
GRAND JUNCTION, CO 81502
OFFICIAL USE

Postage	$3.30	0583 04
Certified Fee	$2.70	
Return Receipt Fee (Endorsement Required)	$0.00	Postmark Here
Restricted Delivery Fee (Endorsement Required)	$0.00	JUL 22 2016
Total Postage & Fees	$0.47 / $6.47	07/22/2016

Sent To: C & B Holdings
Street & Apt. No., or PO Box No.: P.O. Box 3045
City, State, ZIP+4: Grand Junction, CO 81502
PS Form 3800, July 2014 — See Reverse for Instructions

7014 2120 0000 0735 5409

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only
For delivery information, visit our website at www.usps.com®.
PARACHUTE, CO 81635
OFFICIAL USE

Postage	$3.30	0583 04
Certified Fee	$2.70	
Return Receipt Fee (Endorsement Required)	$0.00	Postmark Here
Restricted Delivery Fee (Endorsement Required)	$0.00	JUL 22 2016
Total Postage & Fees	$0.47 / $6.47	07/22/2016

Sent To: TLC Pipeline Construction, Inc
Street & Apt. No., or PO Box No.: 213 Diamond Loop
City, State, ZIP+4: Parachute, CO 81635
PS Form 3800, July 2014 — See Reverse for Instructions

7014 2120 0000 0735 5393

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only
For delivery information, visit our website at www.usps.com®.
PARACHUTE, CO 81635
OFFICIAL USE

Postage	$3.30	0583 04
Certified Fee	$2.70	
Return Receipt Fee (Endorsement Required)	$0.00	Postmark Here
Restricted Delivery Fee (Endorsement Required)	$0.00	JUL 22 2016
Total Postage & Fees	$0.47 / $6.47	07/22/2016

Sent To: TLC Pipeline Construction, Inc
Street & Apt. No., or PO Box No.: 213 Diamond Loop
City, State, ZIP+4: Parachute, CO 81635
PS Form 3800, July 2014 — See Reverse for Instructions

TOWN OF PARACHUTE, COLORADO

Financial Statements

December 31, 2015

TOWN OF PARACHUTE, COLORADO

Board of Trustees

Roy McClung	Mayor
Juanita Williams	Mayor Pro-Tem
Norman Feck	Trustee
John Loshke	Trustee
Timothy Olk	Trustee
Tom Rugaard	Trustee
John Yadloski	Trustee

Town Officials

Stuart S. McArthur	Town Manager
S. Denise Chiaretta	Town Clerk
Lynn Stroud	Management Analyst

THIS PAGE INTENTIONALLY LEFT BLANK

TOWN OF PARACHUTE, COLORADO

Table of Contents

Page

Independent Auditor's Report 1

Management's Discussion and Analysis 4

Basic Financial Statements:

Government-Wide Financial Statements:

Statement of Net Position 13

Statement of Activities 14

Fund Financial Statements:

Governmental Funds

Balance Sheet 16

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position 18

Statement of Revenues, Expenditures, and Changes in Fund Balances 19

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of the Governmental Funds to the Statement of Activities 21

Proprietary Funds

Statement of Net Position 22

Statement of Revenues, Expenses and Changes in Net Position 23

Statement of Cash Flows 24

Notes to the Financial Statements 25

Page

Required Supplementary Information

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual

General Fund 50

Streets and Alleys Fund 51

Conservation Trust Fund 52

Reserve Fund 53

Schedule of the Proportionate Share of the Net Pension Liability 54

Schedule of Pension Contributions and Related Ratios 55

Note to Required Supplementary Information 56

Other Supplementary Information

Budgetary Comparison Schedules

Capital Projects Fund 57

Water Fund 58

Wastewater Fund..... 59

Garbage Fund..... 60

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Board of Trustees
Town of Parachute, Colorado

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Town of Parachute, Colorado, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Town of Parachute, Colorado, as of December 31, 2015, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

Change in Accounting Principles

As described in Note 11 to the financial statements the Town adopted Governmental Accounting Standards Board (GASB) Statement Number 68 *Accounting and Financial Reporting For Pensions - An Amendment Of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition For Contributions Made Subsequent To The Measurement Date*. As a result net assets were increased $52,725 for the year ending December 31, 2015. Our opinion is not modified with the implementation of these GASB standards.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 12, budgetary comparison information and the Schedule of the Proportionate Share of the Net Pension Liability and the Schedule of pension Contributions and Related Ratios on pages 50 through 56 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Parachute's financial statements as a whole. The supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements.

The supplementary information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Plutt Rogers & Company PC

July 11, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

In this section of the annual financial report of the Town of Parachute, Colorado (the Town), the Town's management is pleased to provide this narrative discussion and analysis of the financial activities of the Town for the fiscal year ended December 31, 2015. The Town's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

Financial Highlights

- The Town's assets exceeded its liabilities by $16,218,266 (net position) for the fiscal year reported.

- Total net position is comprised of the following:

  Net investment in capital assets in the amount of $11,298,660 include property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of capital assets.

  Net position of $68,974 is restricted for parks and open space and $62,800 is restricted for emergency reserves.

  Net position of $4,787,832, which includes committed funds for capital projects, represents the portion available to maintain the Town's continuing obligations to citizens and creditors.

- The Town's governmental funds (the General, Streets and Alleys, Conservation Trust and Capital Projects Funds) report a total ending fund balance of $4,616,150 this year. This compares to the prior year ending fund balance of $5,866,984, a decrease of $1,250,834 during the current year. Unassigned General Fund balance of $450,000 was assigned to the 2016 budget.

The above financial highlights are explained in more detail in the "financial analysis" section of this document.

Overview of the Financial Statements

This Management Discussion and Analysis document introduces the Town's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The Town also includes in this report additional information to supplement the basic financial statements. Comparative data is presented when available. All applicable tables will present comparative data for fiscal year 2015 versus fiscal year 2014.

Government-wide Financial Statements

The Town's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the Town's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The first of these government-wide statements is the *Statement of Net Position*. This presents information that includes all of the Town's assets and liabilities, with the difference reported as *net position.* Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town as a whole is improving or deteriorating. Evaluation of the overall fiscal health of the Town would extend to other non-financial factors such as diversification of the taxpayer base or the condition of Town infrastructure, in addition to the financial information provided in this report.

The second government-wide statement is the *Statement of Activities*, which reports how the Town's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the Statement of Activities is to show the financial reliance of the Town's distinct activities or functions on revenues provided by the Town's taxpayers.

Both government-wide financial statements distinguish the governmental activities of the Town that are principally supported by property, sales and use taxes from the business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include general government, public safety, public works, parks and recreation, community services, and economic development. Business-type activities include the Water Utility, the Wastewater Utility, and the Garbage trash collection system.

The government-wide financial statements are presented in a later section of this report.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Town uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the Town's most significant funds rather than the Town as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation.

The Town has two types of funds:

Governmental funds are reported in the fund financial statements and encompass the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different, with fund financial statements providing a distinctive view of the Town's governmental funds. These statements report short-term fiscal accountability, focusing on the use of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

The basic governmental fund financial statements are presented in a later section of this report.

Proprietary funds are reported in the fund financial statements and generally report services for which the Town charges customers a fee. The three Town proprietary funds are classified as enterprise funds. The enterprise funds essentially encompass the same functions reported as business-type activities in the government-wide statements. Services are provided to customers external to the governmental activities of the Town as described above.

The basic financial statements for the three enterprise funds are presented in a later section of this report.

Notes to the Basic Financial Statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements are included in a later section of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information (RSI) concerning the Town. The Town adopts an annual appropriated budget for all funds. A budgetary comparison schedule has been provided for the General Fund, Streets and Alleys Fund, Conservation Trust Fund and the Reserve Fund to demonstrate compliance with this budget.

Supplementary Information

Budget to actual comparisons for the Capital Projects Fund and the enterprise funds are presented in the supplementary section of this report.

Financial Analysis of the Town as a Whole

Over time, as year-to-year financial information is accumulated on a consistent basis, changes in net position may be observed and used to discuss the changing financial position of the Town as a whole.

The Town's net position at fiscal year-end is $16,218,266. The following tables provide a summary of the Town's net position for 2015, compared to the 2014 net position of $17,999,467.

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Assets:						
Current Assets	$ 5,083,015	$ 6,895,982	$ 383,781	$ 327,743	$ 5,466,796	$ 7,223,725
Capital Assets	9,515,098	10,010,399	2,040,616	2,144,648	11,555,714	12,155,047
Total Assets	14,598,113	16,906,381	2,424,397	2,472,391	17,022,510	19,378,772
Deferred Outflows of Resources	27,571	72,841	-	-	27,571	72,841
Liabilities:						
Current Liabilities	156,948	681,210	66,965	73,597	223,913	754,807
Noncurrent Liabilities	4,176	33,593	209,656	236,890	213,832	270,483
Total Liabilities	161,124	714,803	276,621	310,487	437,745	1,025,290
Deferred Inflows of Resources	394,070	426,856	-	-	394,070	426,856
Net Position:						
Net Investment in Capital Assets	9,496,213	9,976,806	1,802,447	1,879,451	11,298,660	11,856,257
Restricted	131,774	131,429	-	-	131,774	131,429
Unrestricted	4,442,503	5,729,328	345,329	282,453	4,787,832	6,011,781
Total Net Position	$ 14,070,490	$ 15,837,563	$ 2,147,776	$ 2,161,904	$ 16,218,266	$ 17,999,467

The Town continues to maintain a high current ratio. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio of 24.4:1 is an indicator of a strong financial position.

The Town reported a net position decrease of $1,767,073 for governmental activities and a net position decrease of $14,128 for the enterprise funds.

Note that approximately 60% of the Town's total net position is tied up in capital. The Town's total net position has decreased $1,781,201 or about 9.9% from 2014.

In 2015, revenues in the various funds reflect the following activity compared to 2014.

Governmental Revenues: Taxes decreased $355,369 from 2014; licenses and permits increased $53,848 in 2015, capital grants increased $76,522, intergovernmental decreased $13,318, planning and zoning decreased $1,121, fines and forfeitures increased $1,549 and miscellaneous decreased $47,329.

Water Enterprise: The increase in charge for services was $64,211 or 20.7%.

Wastewater Enterprise: The decrease in charge for services was $2,821 or 1.3%. No tap fees were collected in 2015.

Garbage Enterprise: In 2015 revenues and expenses remained constant with 2014.

The following tables provide a summary of the Town's changes in net position for 2015, with a comparison to 2014.

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues						
Charges for Services	$ 127,543	$ 176,444	$ 712,104	$ 579,983	$ 839,647	$ 756,427
Taxes	1,343,730	1,688,357	-	-	1,343,730	1,688,357
Operating Grants	5,268	5,300	-	-	5,268	5,300
Licenses & Permits	86,589	32,741	-	-	86,589	32,741
Intergovernmental	516,996	464,502	-	-	516,996	464,502
Net Investment Income	5,521	5,464	74	77	5,595	5,541
Other	2,000	-	-	-	2,000	-
Transfers	(57,000)	(26,250)	57,000	26,250	-	-
Total Revenues	2,030,647	2,346,558	769,178	606,310	2,799,825	2,952,868
Expenses						
General Government	2,699,437	1,099,607	-	-	2,699,437	1,099,607
Public Safety	445,052	485,110	-	-	445,052	485,110
Highways and Streets	527,441	564,205	-	-	527,441	564,205
Culture and Recreation	123,847	178,465	-	-	123,847	178,465
Interest	1,943	2,917	-	-	1,943	2,917
Water	-	-	465,081	424,185	465,081	424,185
Wastewater	-	-	264,016	257,178	264,016	257,178
Garbage	-	-	54,209	53,546	54,209	53,546
Total Expenses	3,797,720	2,330,304	783,306	734,909	4,581,026	3,065,213
Increase (Decrease)						
In Net Position	(1,767,073)	16,254	(14,128)	(128,599)	(1,781,201)	(112,345)
Net Position - Beginning	15,837,563	15,821,309	2,161,904	2,290,503	17,999,467	18,111,812
Net Position - Ending	$ 14,070,490	$ 15,837,563	$ 2,147,776	$ 2,161,904	$ 16,218,266	$ 17,999,467

GOVERNMENTAL REVENUES

The Town relies heavily on property, sales and use taxes to support governmental operations. In 2015, taxes equaled 59.7% of total revenues for the Town. Overall, general government operating revenues were down $285,161 or 12.0% when compared with 2014.

GOVERNMENTAL FUNCTIONAL EXPENSES

Overall operating costs increased $377,514 or 13.0% when compared to 2014, mainly evidencing the increase in general government. Public Safety comprises 12.5% of the Town's total governmental expenses, General Government at 30.8%, Highways and Street at 53.8%, Culture and Recreation at 2.8% and Interest at 0.1%.

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

Governmental Funds

Information about the Town's governmental funds begins on page 16. These funds are accounted for using the modified accrual basis of accounting.

As of December 31, 2015, the total fund balances of the Town's governmental funds were $4,616,150. Approximately 4.6 percent of this consists of unassigned fund balance, which is available as working capital and for current spending in accordance with the purposes of the Town. The remainder of fund balance is not available for new spending because it is for the following purposes: (1) a state-Constitution mandated emergency reserve ($62,800), (2) capital reserves ($631,096), (3) reserve for future operations ($3,053,420) and (4) amounts assigned for use in 2016 ($450,000). The Town had Governmental revenues and other financing sources of $2,087,647 and expenditures of $3,281,481.

Proprietary Funds

Information about the Town's proprietary funds begins on page 22. These funds are accounted for using the accrual basis of accounting.

As of December 31, 2015, the total net position of the Town's proprietary funds was $2,147,776. Approximately 16.1 percent or $345,329 consists of unrestricted net position, which is available as working capital and for current spending in accordance with the purposes of the Town. The remainder of net position is invested in capital assets ($1,802,447). The Town had Proprietary operating revenues, non-operating revenues, and contributions of $712,178 and operating expenses and non-operating expenses of $783,306.

Budgetary Highlights

The Towns budget is prepared in accordance with Colorado Revised Statutes.

	Original Appropriation	Amendments	Modified Appropriation	Actual Expenditures
General Fund	$ 2,604,590	$ 62,193	$ 2,666,783	$ 2,342,123
Streets and Alleys Fund	321,900	-	321,900	188,836
Conservation Trust Fund	64,120	-	64,120	-
Reserve Fund	-	-	-	-
Capital Projects Fund	1,464,500	164,320	1,628,820	1,574,552
Water Fund	589,550	(87,000)	502,550	387,521
Waste Water Fund	242,030	-	242,030	237,544
Garbage Fund	56,000	-	56,000	54,209
	$ 5,342,690	$ 139,513	$ 5,482,203	$ 4,784,785

Capital Assets and Debt Administration

Capital Assets

The Town's net investment in capital assets as of December 31, 2015, was $9,515,098 for governmental activities and $2,040,616 for business-type activities. The governmental activities capital assets include infrastructure that was first reported in 2004. The following table provides a summary of capital asset activity.

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	$ 2,739,421	$ -	$ -	$ 2,739,421
Depreciable Capital Assets:				
Buildings	3,282,846	-	-	3,282,846
Improvements/Infrastructure	5,874,536	-	-	5,874,536
Furniture & Equipment	143,073	-	-	143,073
Machinery & Equipment	388,913	-	-	388,913
Vehicles	596,707	-		596,707
Total Depreciable Capital Assets	10,286,075	-	-	10,286,075
Accumulated Depreciation:				
Buildings	(779,946)	(89,810)	-	(869,756)
Improvements/Infrastructure	(1,478,760)	(338,438)	-	(1,817,198)
Furniture & Equipment	(98,967)	(9,852)	-	(108,819)
Machinery & Equipment	(273,872)	(16,014)	-	(289,886)
Vehicles	(383,552)	(41,187)	-	(424,739)
Total Accumulated Depreciation	(3,015,097)	(495,301)	-	(3,510,398)
Net Depreciable Capital Assets	7,270,978	(495,301)	-	6,775,677
Total Net Governmental Activities	$ 10,010,399	$ (495,301)	$ -	$ 9,515,098

	Beginning Balance	Additions	Deletions	Ending Balance
Business-Type Activities:				
Capital Assets Not Being Depreciated:				
Land	$ 5,067	$ -	$ -	$ 5,067
Water Rights	282,101	-	-	282,101
Total Capital Assets Not Being Depreciated	287,168	-	-	287,168
Depreciable Capital Assets:				
Water Utility System	2,196,818	-	-	2,196,818
Wastewater Utility System	836,858	-	-	836,858
Water Storage Tanks	649,105	-	-	649,105
Machinery & Equipment	278,316	-	-	278,316
Vehicles	20,789	-	-	20,789
Total Depreciable Capital Assets	3,981,886	-	-	3,981,886
Accumulated Depreciation:				
Water Utility System	(1,211,316)	(54,799)	-	(1,266,115)
Wastewater System	(593,689)	(20,758)	-	(614,447)
Water Storage Tanks	(119,679)	(12,602)	-	(132,281)
Machinery & Equipment	(189,486)	(11,715)	-	(201,201)
Vehicles	(10,236)	(4,158)	-	(14,394)
Total Accumulated Depreciation	(2,124,406)	(104,032)	-	(2,228,438)
Net Depreciable Capital Assets	1,857,480	(104,032)	-	1,753,448
Total Business-Type Activities	$ 2,144,648	$ (104,032)	$ -	$ 2,040,616

At December 31, 2015, the depreciable capital assets for governmental activities were 34.1% depreciated. As for the Town's business-type activities, 55.9% of the asset values were depreciated at December 31, 2015. Both the governmental and the business-type activities numbers reflect continued, although very slight, aging of the infrastructure compared to 2014.

Additional information on Town's capital assets can be found in Note 4.

Long-term Debt

During the year ended December 31, 2014, the Town did not enter into any new capital leases and paid leases totaling $18,383 resulting in capital leases payable of $25,955 ($18,885 for the General Fund, $3,535 for the Water Fund, and $3,535 for the Wastewater Fund) and notes payable of $231,100 (Water Fund). An additional $23,354 of notes was paid by the Water Fund.

Additional information on Town's debt can be found in Note 5.

Economic Conditions Affecting the Town

The following factors are expected to have a significant effect on the Town's financial position and results of operations and were taken into account in developing the 2016 budget.

General Fund revenues are, at best, remaining flat. Sales taxes are projected to be down from 2015. Assessed values are up, thus the property taxes received will be increased. Sales and property taxes are up from 2014. Taxes continue to be the large majority of the General Fund revenues. Sales taxes represent more than 49.5% of the total. One major Source of Funds identified in the 2015 budget is beginning fund balance. At the beginning of 2015, the General Fund available balance is in excess of $1.0 million. In 2014 the Town assigned $3,041,390 of fund balance to a reserve for future operations. This amount represents two (2) years of operating funds. The remaining available fund balance in the General Fund is $665,242.

Although the fund balance continues to be very healthy for the General Fund. The same is not true for the Water and Wastewater Funds. Fees for both water and wastewater will be evaluated and projected.

Contacting the Town's Financial Management

This financial report is designed to provide a general overview of the Town's finances, comply with finance-related laws and regulations, and demonstrate the Town's commitment to public accountability. If you have questions about this report or would like to request additional information, contact the Town at 222 Grand Valley Way, P.O. Box 100, Parachute, CO 81635.

BASIC FINANCIAL STATEMENTS

TOWN OF PARACHUTE, COLORADO

STATEMENT OF NET POSITION
December 31, 2015

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and Investments	$ 4,660,517	$ 344,528	$ 5,005,045
Cash and Investments - Restricted	-	-	-
Property Taxes Receivable	392,770	-	392,770
Accounts Receivable	22,487	46,494	68,981
Internal Balances	7,241	(7,241)	-
Capital Assets Not Being Depreciated	2,739,421	287,168	3,026,589
Capital Assets, Net of Accumulated Depreciation	6,775,677	1,753,448	8,529,125
Total Assets	14,598,113	2,424,397	17,022,510
Deferred Outflows of Resources			
Deferred Outflows of Resources Related to Pensions	27,571	-	27,571
Liabilities			
Accounts Payable	55,604	18,911	74,515
Accrued Payroll and Related	18,491	-	18,491
Compensated Absences	68,144	19,541	87,685
Noncurrent Liabilities:			
Due Within One Year	14,709	28,513	43,222
Due In More Than One Year	4,176	209,656	213,832
Total Liabilities	161,124	276,621	437,745
Deferred Inflows of Resources			
Unavailable Revenue - Property Taxes	392,770	-	392,770
Deferred Inflows of Resources Related to Pensions	1,300	-	1,300
Total Deferred Inflows of Resources	394,070	-	394,070
Net Position			
Net Investment in Capital Assets	9,496,213	1,802,447	11,298,660
Restricted:			
Parks and Open Space	68,974	-	68,974
Emergency Reserves	62,800	-	62,800
Unrestricted	4,442,503	345,329	4,787,832
Total Net Position	$ 14,070,490	$ 2,147,776	$ 16,218,266

The notes to the financial statements are an integral part of this statement.

TOWN OF PARACHUTE, COLORADO

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2015

Function/Program Activities	Expenses	Program Revenues: Permits, Fees, Fines, and Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Governmental Activities				
General Government	$ 2,699,437	$ 141,776	$ -	$ 10,379
Public Safety	445,052	72,356	-	-
Highway and Streets	527,441	-	-	76,522
Culture and Recreation	123,847	-	5,268	47,147
Interest Expense	1,943	-	-	-
Total Governmental Activities	3,797,720	214,132	5,268	134,048
Business-type Activities				
Water	465,081	445,378	-	-
Wastewater	264,016	207,927	-	-
Garbage	54,209	58,799	-	-
Total Business-type Activities	783,306	712,104	-	-
Total	$ 4,581,026	$ 926,236	$ 5,268	$ 134,048

General Revenues:
- Property Taxes
- Specific Ownership Taxes
- Sales and Use Taxes
- Franchise and Other Taxes
- State Mineral Severance
- State Mineral Lease
- Unrestricted Investment Earnings
- Miscellaneous

Transfers, Net

Total General Revenues

Changes In Net Position

Net Position - Beginning

Prior Period Adjustment

Net Assets - Beginning, as Restated

Net Position - Ending

The notes to the financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
$ (2,547,282)	$ -	$ (2,547,282)
(372,696)	-	(372,696)
(450,919)	-	(450,919)
(71,432)	-	(71,432)
(1,943)	-	(1,943)
(3,444,272)	-	(3,444,272)
-	(19,703)	(19,703)
-	(56,089)	(56,089)
-	4,590	4,590
-	(71,202)	(71,202)
(3,444,272)	(71,202)	(3,515,474)
387,646	-	387,646
21,532	-	21,532
928,937	-	928,937
5,615	-	5,615
166,609	-	166,609
216,339	-	216,339
5,521	74	5,595
2,000	-	2,000
(57,000)	57,000	-
1,677,199	57,074	1,734,273
(1,767,073)	(14,128)	(1,781,201)
15,784,838	2,161,904	17,946,742
52,725	-	52,725
15,837,563	2,161,904	17,999,467
$ 14,070,490	$ 2,147,776	$ 16,218,266

TOWN OF PARACHUTE, COLORADO

BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2015
(With Comparative Totals at December 31, 2014)

	General Fund	Streets and Alleys Fund	Conservation Trust Fund
Assets			
Cash and Cash Equivalents	$ 738,493	139,535	$ 68,974
Property Taxes Receivable	392,770	-	-
Accounts Receivable	22,487	-	-
Due from Other Funds	7,443	-	-
Restricted Cash	-	-	-
Total Assets	$ 1,161,193	$ 139,535	$ 68,974
Liabilities			
Accounts Payable	$ 23,677	$ 2,928	$ -
Accrued Payroll Liabilities	18,491	-	-
Due to Other Funds	202	-	-
Total Liabilities	42,370	2,928	-
Deferred Inflows of Resources			
Unavailable Revenue - Property Taxes	392,770	-	-
Fund Balances			
Restricted for:			
Parks and Open Space	-	-	68,974
Emergency Reserves	62,800	-	-
Assigned to:			
Future Operations	-	-	-
Streets and Alleys	-	136,607	-
Capital Projects	-	-	-
Subsequent Year's Budget	450,000	-	-
Unassigned	213,253	-	-
Total Fund Balances	726,053	136,607	68,974
Total Liabilities and Fund Balances	$ 1,161,193	$ 139,535	$ 68,974

The notes to the financial statements are an integral part of this statement.

Reserve Fund	Capital Projects Fund	2015 Total	2014 Total
$ 3,053,420	$ 660,095	$ 4,660,517	$ 6,239,445
-	-	392,770	406,740
-	-	22,487	236,520
-	-	7,443	7,271
-	-	-	6,036
$ 3,053,420	$ 660,095	$ 5,083,217	$ 6,896,012
$ -	$ 28,999	$ 55,604	604,764
-	-	18,491	17,494
-	-	202	30
-	28,999	74,297	622,288
-	-	392,770	406,740
-	-	68,974	63,629
-	-	62,800	67,800
3,053,420	-	3,053,420	3,041,390
-	-	136,607	44,797
-	631,096	631,096	1,534,126
-	-	450,000	450,000
-	-	213,253	665,242
3,053,420	631,096	4,616,150	5,866,984
$ 3,053,420	$ 660,095	$ 5,083,217	$ 6,896,012

THIS PAGE INTENTIONALLY LEFT BLANK

TOWN OF PARACHUTE, COLORADO

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
December 31, 2015

Total Fund Balances for Governmental Funds		$ 4,616,150
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Capital Assets	$ 13,025,496	
Less Accumulated Depreciation	(3,510,398)	9,515,098
Long-term liabilities applicable to the Town's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. However, all liabilities - both current and long-term - are reported in the statement of net position.		
Balances at December 31, 2014 are:		
Capital Lease	(18,885)	
Compensated Absences	(68,144)	(87,029)
Deferred outflows and inflows or resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.		
Deferred outflows of resources related to pensions	27,571	
Deferred inflows of resources related to pensions	(1,300)	26,271
Net Position of Governmental Activities		$ 14,070,490

The notes to the financial statements are an integral part of this statement.

TOWN OF PARACHUTE, COLORADO

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2015
(With Comparative Totals for the Year Ended December 31, 2014)

	General Fund	Streets and Alleys Fund	Conservation Trust Fund
Revenues			
Taxes	$ 1,225,084	$ 21,532	$ -
Capital Grants	-	-	-
Licenses & Permits	86,589	-	-
Intergovernmental	440,474	97,114	5,268
Planning & Zoning	775	-	-
Fines & Forfeitures	72,356	-	-
Miscellaneous	54,412	2,000	-
Net Investment Income	5,444	-	77
Total Revenues	1,885,134	120,646	5,345
Expenditures			
Current			
Judicial	65,283	-	-
Executive & Legislative	471,467	-	-
Fiscal	50,502	-	-
Legal	48,050	-	-
Election	380	-	-
Building	36,515	-	-
Planning & Zoning	227,424	-	-
Law Enforcement	410,971	-	-
Records Coordination	48,118	-	-
Street & Alley	-	186,238	-
Engineering	4,266	-	-
Parks	93,044	-	-
Contributions	42,939	-	-
Capital Outlay	4,473	608	-
Debt Service			
Principal	12,719	1,990	-
Interest	1,942	-	-
Total Expenditures	1,518,093	188,836	-
Excess Revenues Over (Under) Expenditures	367,041	(68,190)	5,345
Other Financing Sources			
Transfers In	-	160,000	-
Transfers Out	(824,030)	-	-
Total Other Financing Sources	(824,030)	160,000	-
Net Change in Fund Balances	(456,989)	91,810	5,345
Fund Balances - Beginning	1,183,042	44,797	63,629
Fund Balances - Ending	$ 726,053	$ 136,607	$ 68,974

The notes to the financial statements are an integral part of this statement.

Reserve Fund	Capital Projects Fund	2015 Total	2014 Total
$ -	$ -	$ 1,246,616	$ 1,601,985
-	76,522	76,522	-
-	-	86,589	32,741
-	-	542,856	556,174
-	-	775	1,896
-	-	72,356	70,807
-	-	56,412	103,741
-	-	5,521	5,464
-	76,522	2,087,647	2,372,808
-	-	65,283	64,633
-	-	471,467	402,441
-	-	50,502	48,975
-	-	48,050	26,155
-	-	380	1,100
-	-	36,515	48,221
-	-	227,424	85,556
-	-	410,971	451,029
-	-	48,118	45,708
-	-	186,238	223,002
-	-	4,266	11,854
-	-	93,044	146,665
-	-	42,939	17,990
-	1,574,552	1,579,633	1,313,985
-	-	14,709	13,736
-	-	1,942	2,917
-	1,574,552	3,281,481	2,903,967
-	(1,498,030)	(1,193,834)	(531,159)
12,030	595,000	767,030	5,126,390
-	-	(824,030)	(5,152,640)
12,030	595,000	(57,000)	(26,250)
12,030	(903,030)	(1,250,834)	(557,409)
3,041,390	1,534,126	5,866,984	6,424,393
$ 3,053,420	$ 631,096	$ 4,616,150	$ 5,866,984

THIS PAGE INTENTIONALLY LEFT BLANK

TOWN OF PARACHUTE, COLORADO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2015

Net Change in Fund Balances - Governmental Funds		$ (1,250,834)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. In the statement of activities capital outlay is not reported as an expenditure. However, the statement of activities will report as depreciation expense the allocation of the cost of any depreciable asset over the estimated useful life of the asset.		
Depreciation	$ (495,301)	(495,301)
Governmental funds report Town pension contributions as expenditures. However in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense. This is the amount by which costs of benefits earned net of employee contributions exceeded pension contributions from the measurement date (12/31/14) to December 31, 2015	(26,454)	(26,454)
Long-term debt (e.g., issuance of bonds, notes) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		
Principal Payment - Capital Leases	14,708	14,708
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Adjustment to compensated absences liability		(9,192)
Change in Net Position of Governmental Activities		$ (1,767,073)

The notes to the financial statements are an integral part of this statement.

TOWN OF PARACHUTE, COLORADO

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2015
(With Comparative Totals at December 31, 2014)

	Water Fund	Wastewater Fund	Garbage Fund	2015 Total	2014 Total
Assets					
Current Assets					
Cash and Cash Equivalents	$ 285,821	$ 34,636	$ 24,071	$ 344,528	$ 272,318
Accounts Receivable	20,474	19,228	6,792	46,494	53,262
Due From Other Funds	-	2,884	-	2,884	2,163
Total Current Assets	306,295	56,748	30,863	393,906	327,743
Noncurrent Assets					
Capital Assets Not Being Depreciated	286,196	972	-	287,168	287,168
Capital Assets, Net of Accumulated Depreciation	1,513,611	239,837	-	1,753,448	1,857,480
Total Noncurrent Assets	1,799,807	240,809	-	2,040,616	2,144,648
Total Assets	2,106,102	297,557	30,863	2,434,522	2,472,391
Liabilities					
Current Liabilities					
Accounts Payable	8,713	10,198	-	18,911	22,291
Compensated Absences	17,282	2,259	-	19,541	13,595
Due to Other Funds	10,125	-	-	10,125	9,404
Current Portion of Long-term Debt-Leases	1,968	1,968	-	3,936	3,674
Current Portion of Long-term Debt-Notes	24,577	-	-	24,577	24,633
Total Current Liabilities	62,665	14,425	-	77,090	73,597
Noncurrent Liabilities					
Leases Payable	1,567	1,567	-	3,134	7,070
Notes Payable	206,522	-	-	206,522	229,820
Total Noncurrent Liabilities	208,089	1,567	-	209,656	236,890
Total Liabilities	270,754	15,992	-	286,746	310,487
Net Position					
Net Investment in Capital Assets	1,565,173	237,274	-	1,802,447	1,879,451
Unrestricted	270,175	44,291	30,863	345,329	282,453
Total Net Position	$ 1,835,348	$ 281,565	$ 30,863	$ 2,147,776	$ 2,161,904

The notes to the financial statements are an integral part of this statement.

TOWN OF PARACHUTE, COLORADO

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Year Ended December 31, 2015
(With Comparative Totals for the Year Ended December 31, 2014)

	Water Fund	Wastewater Fund	Garbage Fund	2015 Total	2014 Total
Operating Revenues					
Charges for Sales and Services					
Water Sales	$ 375,139	$ -	$ -	$ 375,139	$ 310,928
Wastewater Charges	-	207,927	-	207,927	210,748
Garbage Fees	-	-	58,799	58,799	55,943
Other	70,239	-	-	70,239	2,364
Total Operating Revenues	445,378	207,927	58,799	712,104	579,983
Operating Expenses					
Personnel	176,033	32,722	-	208,755	191,348
Operations	113,426	204,496	54,209	372,131	400,019
Capital Outlay	80,860	-	-	80,860	20,488
Depreciation	77,560	26,472	-	104,032	104,360
Total Operating Expenses	447,879	263,690	54,209	765,778	716,215
Operating Income (Loss)	(2,501)	(55,763)	4,590	(53,674)	(136,232)
Nonoperating Revenues (Expenses)					
Net Investment Income	29	45	-	74	77
Interest Expense	(17,202)	(326)	-	(17,528)	(18,694)
Total Nonoperating Revenues (Expenses)	(17,173)	(281)	-	(17,454)	(18,617)
Income Before Transfers	(19,674)	(56,044)	4,590	(71,128)	(154,849)
Transfers In	35,000	22,000	-	57,000	26,250
Change In Net Position	15,326	(34,044)	4,590	(14,128)	(128,599)
Net Position - Beginning	1,820,022	315,609	26,273	2,161,904	2,290,503
Net Position - Ending	$ 1,835,348	$ 281,565	$ 30,863	$ 2,147,776	$ 2,161,904

The notes to the financial statements are an integral part of this statement.

TOWN OF PARACHUTE, COLORADO

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2015
(With Comparative Totals for the Year Ended December 31, 2014)

	Water Fund	Wastewater Fund	Garbage Fund	2015 Total	2014 Total
Cash Flows from Operating Activities					
Cash Received from Customers	$ 448,896	$ 211,344	$ 58,632	$ 718,872	$ 572,862
Cash Payments for Goods and Services	(190,564)	(207,189)	(58,618)	(456,371)	(413,393)
Cash Payments to Employees for Services	(170,901)	(31,908)	-	(202,809)	(192,559)
Net Cash Provided (Used) by Operating Activities	87,431	(27,753)	14	59,692	(33,090)
Cash Flows from Noncapital Financing Activities (Used for)					
Cash Transferred from General Fund	35,000	22,000	-	57,000	26,250
Net Cash by Noncapital Financing Activities	35,000	22,000	-	57,000	26,250
Cash Flows from Capital and Related Financing Activities					
Principal Paid on Long-Term Debt	(23,354)	(1,715)	-	(25,069)	(25,703)
Interest Paid on Long-Term Debt	(19,039)	(448)	-	(19,487)	(18,694)
Net Cash (Used) by Capital and Related Financing Activities	(42,393)	(2,163)	-	(44,556)	(44,397)
Cash Flows from Investing Activities					
Net Investment Income	29	45	-	74	77
Net Increase (Decrease) In Cash and Cash Equivalents	80,067	(7,871)	14	72,210	(51,160)
Cash and Cash Equivalents - Beginning	205,754	42,507	24,057	272,318	323,478
Cash and Cash Equivalents - Ending	$ 285,821	$ 34,636	$ 24,071	$ 344,528	$ 272,318
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:					
Operating Income (Loss)	$ (2,501)	$ (55,763)	$ 4,590	$ (53,674)	$ (136,232)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities					
Depreciation	77,560	26,472	-	104,032	104,360
Effect of Changes In Operating Assets and Liabilities					
Accounts Receivable	3,518	3,417	(167)	6,768	(7,121)
Due to/from Other Funds	721	(721)	-	-	8,683
Accounts Payable	3,001	(1,972)	(4,409)	(3,380)	(1,569)
Compensated Absences	5,132	814	-	5,946	(1,211)
Total Adjustments	89,932	28,010	(4,576)	113,366	103,142
Net Cash Provided by Operating Activities	$ 87,431	$ (27,753)	$ 14	$ 59,692	$ (33,090)

The notes to the financial statements are an integral part of this statement.

The financial statements of the Town of Parachute, Colorado, (the Town) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and reporting principles. The following notes to the financial statements are an integral part of the Town's financial statements.

NOTE 1 DEFINITION OF REPORTING ENTITY

The Town was incorporated in Garfield County, Colorado and is governed by a seven member elected Board of Trustees. The Town provides public safety, public works (roads and streets), culture and recreation, water utility, wastewater utility, trash collection and general administrative services.

The reporting entity consists of (a) the primary government; i.e., the Town, and (b) organizations for which the Town is financially accountable. The Town is considered financially accountable for legally separate organizations if it is able to appoint a voting majority of an organization's governing body and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Town. Organizations for which the nature and significance of their relationship with the Town are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete are also included in the reporting entity.

Based upon the above criteria, the Town is not financially accountable for any other organization, nor is the Town a component unit of any other primary governmental entity.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all the activities of the Town. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or

privileges provided by given function or segment; fines and forfeitures; and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported in separate columns in the fund financial statements.

B. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental Funds are used to account for the Town's general government activities. Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds.

Property taxes, sales taxes, franchise taxes and interest are susceptible to accrual and so have been recognized as revenues in the current period. All other revenue items are considered to be measurable and available when cash is received by the Town and are recognized as revenue at that time.

Proprietary funds distinguish between operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principle ongoing operations. The principle operating revenues of the Town's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of

sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The accounts of the Town are organized and operated on the basis of funds. A fund is an independent fiscal accounting entity, with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds maintained by the Town is consistent with legal and managerial requirements.

The Town reports the following major governmental funds:

The *General Fund* is the Town's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Streets and Alleys Fund* is a special revenue fund used to account for state highway users trust funds, county road and bridge taxes, and other revenues assigned for the construction and maintenance of roads and bridges.

The *Conservation Trust Fund* is a special revenue fund that accounts for lottery proceeds received from the state and related allowed expenditures of the Town.

The *Reserve Fund* is a special revenue fund used to account for funds set aside by the board for future operations.

The *Capital Projects Fund* accounts for long-term capital construction projects of the Town.

The Town reports the following major enterprise funds:

The W*ater Fund* accounts for revenues and expenses associated with providing water services to Town residents.

The *Wastewater Fund* accounts for revenues and expenses associated with providing wastewater services to Town residents.

The *Garbage Fund* accounts for revenues and expenses associated with providing refuse collection services to Town residents.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the Town's enterprise functions and various other functions of government. Elimination of these charges

would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicant for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all Town levied taxes.

The Town's water fund recognize as capital contributions the entire portion of tap fees, as they are intended to recover the cost of the capital investment in the water distribution system.

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed.

C. Assets, Liabilities and Net Position/Fund Balance

Cash and Investments

Colorado Revised Statutes specify investment instruments meeting defined rating and risk criteria in which the Town may invest which include: obligations of the United States and certain U.S. government agency securities, general obligation and revenue bonds of U.S. local government entities, bankers acceptances of certain banks, commercial paper, written repurchase agreements collateralized by certain authorized securities, certain money market funds, guaranteed investment contracts, and local government investment pools.

Cash and investments are presented on the balance sheet in the basic financial statements at fair value.

For purposes of the statement of cash flows, the Town considers all highly liquid investments with a maturity when purchased of three months or less and all local government investment pools to be cash equivalents.

Property Taxes

Property taxes are levied by the Town's Board of Trustees. The levy is certified in November of the year prior to the year the taxes are collected. Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied during December and are payable either in two installments due the last day of February and June 15th or in full on April 30. The bill becomes delinquent on March 1, May 1, and June 16 and penalties and interest may be assessed by the County. The County Treasurer remits the taxes collected monthly to the Town. Property Taxes

are recorded as a receivable and as a deferred inflow of resources when levied, and subsequently recorded as revenue in the year they are available or collected.

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The Town currently capitalizes expenditures that cost more than $5,000 and have a life of one year or more. Such capital assets are recorded at historical cost or at estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Public domain assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems are examples of infrastructure assets. Infrastructure assets are distinguished from other capital assets because their useful life often extends beyond most other capital assets and are stationary in nature. General infrastructure assets are those associated with or arising from governmental activities. Generally accepted accounting principles requires the Town to report general infrastructure assets obtained subsequent to January 1, 2004 but allows the Town to retroactively capitalize general infrastructure assets obtained prior to that date. The Town elected to not report general infrastructure assets retroactively.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed and depreciated over their remaining useful lives.

Capital assets of the Town are depreciated, using the straight-line method over their estimated useful lives:

Infrastructure	10 - 20 years
Buildings	50 years
Buildings Improvements	10 - 20 years
Water Distribution Systems	5 - 40 years
Wastewater Facilities	50 years
Vehicles, Machinery and Equipment	5 - 10 years

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position/balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position/balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town reports unavailable revenue for property taxes to be collected in the subsequent period. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available.

Compensated Absences

Accumulated unpaid vacation and sick leave amounts are accrued as a liability as the benefits are earned, if the employees' rights to receive compensation are attributable to services already rendered, and it is probable that the employer will compensate employees for the benefits through paid time off or some other means. The total compensated absence liability is reported on the government-wide financial statements. Governmental funds report the compensated liability at the fund reporting level only when due. Proprietary funds report the liability when incurred.

Upon termination, employees with over two years of service are entitled to receive 33% of their accrued sick leave.

Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Issuance costs, even if withheld from the actual new proceeds received, are reported as debt service expenditures.

Net Position and Fund Balances

Net Position

The government-wide financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted.

Net investment in capital assets is intended to reflect the portion of net position that is associated with non-liquid, capital assets less outstanding capital asset related debt.

Restricted net position is subject to restrictions by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provision or enabling legislation.

The Town reports the following restricted net position balances:

Restricted for Parks and Open Space

Represents the balance of funds remaining from the Conservation Trust (State Lottery) Fund proceeds.

Restricted for Emergency Reserves

Emergency reserves have been provided for as required by Article X, Section 20 of the Constitution of the State of Colorado (see Note 9).

Unrestricted net position represents assets that do not have any third party limitations on their use.

Fund Balances

Generally, fund balance represents the difference between the current assets and current liabilities. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

The following classifications describe the relative strength of the spending constraints:

- ***Nonspendable*** fund balance includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact.

The "not in spendable form" criterion includes prepaid items and inventories.

- ***Restricted*** fund balances are reported as restricted when there are constraints placed on their use that are either: a) externally imposed by creditors (such as through debt covenant), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

- ***Committed*** fund balances include amounts that can be used only for the specific purposes determined by a formal action of the Town's highest level of decision-making authority. The Board of Trustees is the highest level of decision-making authority for the Town that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation. No fund balances are committed at year end.

- ***Assigned*** fund balance is the portion of the fund balance that reflects the Town's intended use of resources as determined by the Board of Trustees. These amounts are constrained by the Town's intent to be used for specific purposes, but do not meet the criteria to be classified as committed. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

The following fund balances are assigned:

Future Operations – used to account for the portion of the year-end fund balance that is included to be used for future operations.

Streets and Alleys – used to account for the portion of the year-end fund balance that is included in the Streets and Alleys Fund.

Capital Projects – used to account for the portion of the year-end fund balance that is included in the Capital Projects Fund.

Subsequent Year's Budget – used to account for the portion of the year-end fund balance which is appropriated in the subsequent year's budget.

- ***Unassigned*** – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion.

Flow Assumptions – When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the Town's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the Town's policy to use assigned fund balances before using unassigned fund balances

Use of Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. An example of such an estimate that has been made by management is depreciation expense.

Pensions

The Town participates in the Statewide Defined Benefit Pension Plan, a cost-sharing multiple-employer defined benefit pension fund administered by the Fire and Police Pension Association of Colorado ("FPPA"). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the Statewide Defined Benefit Plan ("SWDB") have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

New Accounting Pronouncement

Governmental Accounting Standards Board (GASB) Statement Number 68 *Accounting and Financial Reporting for Pensions - An Amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, is being implemented for the year ended December 31, 2015. Statement No. 68 requires the Town to recognize a liability (net asset) equal to its proportionate share, as defined in Statement No. 68, of FPPA's unfunded pension liability. This required the Town to restate its beginning net position (see Note 11).

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of December 31, 2015 consist of the following:

	Governmental Activities	Business-type Activities	Total
Unrestricted	$ 4,654,744	$ 344,527	$ 4,999,271
Restricted	6,036	-	6,036
Total	$ 4,660,780	$ 344,527	$ 5,005,307

	Governmental Activities	Business-type Activities	Total
On-hand	$ 200	$ -	$ 200
Deposits	2,532,230	344,527	2,876,757
Investments	2,128,350	-	2,128,350
Total	$ 4,660,780	$ 344,527	$ 5,005,307

A. Cash Deposits

Custodial credit risk

Custodial risk for deposits is the risk that, in the event of a failure of a depository financial institution, the Town will not be able to recover its deposits or will not be able to recover collateral securities that are in possession of an outside party. The Colorado Public Deposit Protection Act (PDPA) governs the investment of public funds. PDPA requires that all units of local government deposit cash in eligible public depositories. State regulators determine eligibility. Amounts on deposit in excess of federal insurance levels ($250,000) must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least equal to 102% of the aggregate uninsured deposits. The institution's internal records identify the collateral by depositor and as such, these deposits are considered to be uninsured but collateralized. The State Regulatory Commissions for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools. At December 31, 2015, the Town's deposits were both insured by federal depository insurance and collateralized with securities held by third parties in the Town's name, and consequently were not exposed to custodial credit risk.

	FDIC	Collateralized	Total
Cash Deposits	$ 500,000	$ 3,902,034	$ 4,402,034

B. Investments

The Town has not adopted a formal investment policy; however, the Town follows state statutes regarding investments. Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Trustees, such actions are generally associated with a debt service reserve or sinking fund requirements.

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

- Obligations of the United States, certain U.S. government agency securities and securities of the World Bank
- General obligation and revenue bonds of US local government entities
- Certain certificates of participation
- Certain securities lending agreements
- Bankers' acceptances of certain banks
- Commercial paper
- Written repurchase agreements and certain reverse repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

Investment credit risk

This is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Debt securities of the U.S. government and obligations of U.S. government agencies that are explicitly guaranteed by the U.S. Government are not considered to have credit risk.

Interest rate risk

Changes in market interest rates could adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market rates.

At December 31, 2015, the Town had the following investments:

Investment Type	S & P Rating	Fair Value	Investment Maturities (In Years) Less Than: 1	1 - 5
COLOTRUST	AAAm	$ 2,128,350	$ 2,128,350	$ -

The Town has investments in the Colorado Local Government Liquid Asset Trust (COLOTRUST), investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing COLOTRUST. COLOTRUST operate similarly to a money market fund and each share is equal in value to $1.00.

NOTE 4 CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2015 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	$ 2,739,421	$ -	$ -	$ 2,739,421
Depreciable Capital Assets:				
Buildings	3,282,846	-	-	3,282,846
Improvements/Infrastructure	5,874,536	-	-	5,874,536
Furniture & Equipment	143,073	-	-	143,073
Machinery & Equipment	388,913	-	-	388,913
Vehicles	596,707	-		596,707
Total Depreciable Capital Assets	10,286,075	-	-	10,286,075
Accumulated Depreciation:				
Buildings	(779,946)	(89,810)	-	(869,756)
Improvements/Infrastructure	(1,478,760)	(338,438)	-	(1,817,198)
Furniture & Equipment	(98,967)	(9,852)	-	(108,819)
Machinery & Equipment	(273,872)	(16,014)	-	(289,886)
Vehicles	(383,552)	(41,187)	-	(424,739)
Total Accumulated Depreciation	(3,015,097)	(495,301)	-	(3,510,398)
Net Depreciable Capital Assets	7,270,978	(495,301)	-	6,775,677
Total Net Governmental Activities	$ 10,010,399	$ (495,301)	$ -	$ 9,515,098

Depreciation expense is allocated to specific departments as follows.

General Government	$ 89,214
Public Safety	34,081
Highway and Streets	341,203
Culture and Recreation	30,803
Total Depreciation Expense	$ 495,301

	Beginning Balance	Additions	Deletions	Ending Balance
Business-Type Activities:				
Capital Assets Not Being Depreciated:				
Land	$ 5,067	$ -	$ -	$ 5,067
Water Rights	282,101	-	-	282,101
Total Capital Assets Not Being Depreciated	287,168	-	-	287,168
Depreciable Capital Assets:				
Water Utility System	2,196,818	-	-	2,196,818
Wastewater Utility System	836,858	-	-	836,858
Water Storage Tanks	649,105	-	-	649,105
Machinery & Equipment	278,316	-	-	278,316
Vehicles	20,789	-	-	20,789
Total Depreciable Capital Assets	3,981,886	-	-	3,981,886
Accumulated Depreciation:				
Water Utility System	(1,211,316)	(54,799)	-	(1,266,115)
Wastewater System	(593,689)	(20,758)	-	(614,447)
Water Storage Tanks	(119,679)	(12,602)	-	(132,281)
Machinery & Equipment	(189,486)	(11,715)	-	(201,201)
Vehicles	(10,236)	(4,158)	-	(14,394)
Total Accumulated Depreciation	(2,124,406)	(104,032)	-	(2,228,438)
Net Depreciable Capital Assets	1,857,480	(104,032)	-	1,753,448
Total Business-Type Activities	$ 2,144,648	$ (104,032)	$ -	$ 2,040,616

Depreciation was charged to functions/programs as follows:

Water Fund	$ 77,560
Wastewater Fund	26,472
Total Depreciation Expense	$ 104,032

NOTE 5 LONG-TERM OBLIGATIONS

The following is an analysis of changes in long-term debt for the year ended December 31, 2015:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
Lease Payable - Ally - 1/2 GMC Sierra	$ 10,744	$ -	$ 3,674	$ 7,070	$ 3,674
Lease Payable - Ally - 2013 Tahoe	22,850	-	11,035	11,815	11,035
Compensated Absences	58,952	46,651	37,459	68,144	68,144
Total	$ 92,546	$ 46,651	$ 52,168	$ 87,029	$ 82,853
Business-type Activities					
Note Payable - CWCB	$ 77,620	$ -	$ 8,724	$ 68,896	$ 8,724
Note Payable - Bureau of Reclamation	15,428	-	3,687	11,741	3,687
Note Payable - Alpine Bank	161,406	-	10,943	150,463	12,166
Lease Payable - Ally - 1/2 GMC Sierra	10,744	-	3,674	7,070	3,936
Compensated Absences	13,595	15,445	9,499	19,541	19,541
Total	$ 278,793	$ 15,445	$ 36,527	$ 257,711	$ 48,054

Capital Leases

The Town entered into a 20 quarter lease with Ally Financial Services for financing the acquisition of a 2013 GMC Sierra truck with an initial cost of $36,913, at an interest rate of 6.94%, in December 2012. The lease is secured by the vehicle acquired.

The Town entered into a 16 quarter lease with Ally Financial Services for financing the acquisition of a 2013 Chevrolet Tahoe with an initial cost of $43,518, at an interest rate of 6.89%, in January 2013. The lease is secured by the vehicle acquired.

The future maximum lease obligations and the net present value of these maximum lease payments as of December 31, 2015, are as follows:

Year ending December 31,	2013 GMC Sierra	2013 Chevrolet Tahoe
2016	8,651	12,328
2017	6,488	-
Total maximum lease payments	15,139	12,328
Less amount representing interest	(999)	(513)
Present value of maximum lease payments	$ 14,140	$ 11,815

Colorado Water Conservancy Board

The Town entered into a loan with the State of Colorado, Colorado Water Conservancy Board (CWCS), for $250,000 for improvements to various water projects in February 1983. Payments are due in annual installments due May 1 of $11,369, which includes interest, principal, and a $250 fee, through 2022 with interest of 3.08%. Security for the loan consists of one acre of land, several hundred feet of water lines, and miscellaneous equipment. In 1983, the Town increased its sales tax levy from 2% to 3% by special election to provide for capital improvement and debt retirement.

Principal and interest requirements for this loan are as follows:

Year	Principal	Interest	Total
2015	$ 8,724	$ 2,394	$ 11,118
2016	8,994	2,125	11,119
2017	9,271	1,848	11,119
2018	9,557	1,562	11,119
2019	9,852	1,267	11,119
2020 - 2022	31,222	1,939	33,161
	$ 77,620	$ 11,135	$ 88,755

Bureau of Reclamation

The Town entered into a contract with the Federal Government to purchase 75 acre feet of water from Ruedi Reservoir in December 2001. The Town incurred a capital cost repayment obligation of $61,104. Payments are due in annual installments due January 1 of $4,157 through 2019 with interest of 3%.

Principal and interest payments are payable from income derived by the Town from operation of the water system. Principal and interest requirements for this loan are as follows:

Year	Principal	Interest	Total
2016	$ 3,687	$ 470	$ 4,157
2017	3,799	358	4,157
2018	3,915	242	4,157
2019	4,027	130	4,157
	$ 15,428	$ 1,200	$ 16,628

Alpine Bank

The Town entered into a note payable with Alpine Bank for $250,000 on November 2005 to be used for the expansion of the water treatment plant. Payments are due in annual installments due April 1 of $17,922 through 2024 with a final payment of $16,591 in 2025 with interest of 1.9%.

Principal and interest payments are payable from income derived by the Town from operation of the water system. Principal and interest requirements for this loan are as follows:

Year	Principal	Interest	Total
2015	$ 12,166	$ 5,756	$ 17,922
2016	12,599	5,323	17,922
2017	13,049	4,873	17,922
2018	13,514	4,408	17,922
2019	13,996	3,926	17,922
2020 - 2024	80,142	7,160	89,610
2025	15,941	650	16,591
	$ 161,407	$ 32,096	$ 195,811

NOTE 6 RISK MANAGEMENT

The Town is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. These risks are financed and funded through participation in the Colorado Intergovernmental Risk Sharing Agency (CIRSA).

CIRSA is a separate legal entity established by member municipalities pursuant to the provisions of Colorado Revised Statutes and the Colorado Constitution.

CIRSA is a joint self-insurance pool created by intergovernmental agreement to provide property, general and automobile liability and public official's coverage to its members. A seven member Board elected by and from its members governs CIRSA.

Coverage is provided through pooling of self-insured losses and the purchase of excess insurance coverage. CIRSA has a legal obligation for claims against its members to the extent that funds are available in its annually established loss fund and those amounts are available from insurance providers under excess specific and aggregate insurance contracts. Losses incurred in excess of loss funds and amounts recoverable from excess insurance are direct liabilities of the participating members. CIRSA has indicated that the amount of any excess

losses would be billed to members in proportion to their contributions in the year such excess occurs, although it is not legally required to do so.

The Town has not been informed of any excess losses that may have been incurred by the pool; there have been no claims in excess of insurance coverage in any of the past three years. There have been no significant changes in insurance coverage from the prior year in any of the major categories of risk.

NOTE 7 DEFINED CONTRIBUTION PLAN

The Town has adopted a defined contribution plan for all salaried employees other than police officers. Participation in the plan is mandatory for covered employees. The fund is named Colorado County Officials and Employees Retirement Association (CCOERA).

Employees vest in the Town's contribution at 20% per year. All salaried employees who have contributed to the plan are entitled to the benefits after completion of one year of service and upon termination. The employee and employer each contribute 4% of earnings. The Town is not liable for amounts over the 4%. All contributions were current. Employer and employee contributions to CCOERA for the years ending December 31, 2015, 2014 and 2013 were $28,189, $25,286, and $24,422, respectively, equal to their required contribution for each year. The Town's total payroll for 2015 is $868,621, of which $608,192, or 70%, is covered under the plan.

NOTE 8 DEFERRED COMPENSATION AND PENSION PLANS

Employee Deferred Compensation Plan

The Town maintains a Deferred Compensation Plan under Internal Revenue Code Section 457. Under the terms of the trust agreement, the Plan assets are held for the exclusive benefit of the participating employee. Neither the Town nor its creditors have access to the employee assets under the Plan.

Under the Plan, the employee defers compensation to a future date. The deferred compensation is not available to the employee until termination, retirement, death or an unforeseen emergency. The Plan is administered by the FPPA. All funds are invested within the FPPA Fire and Police Members' Benefit Investment Fund. The Town is not responsible for losses under the Plan, and has only general discretionary duties.

Employee Benefit and Pension Plans

The Town maintains the following separately administered pension plan:

- Statewide Defined Benefit Plan – a Cost-sharing multiple-employer defined benefit plan

The defined benefit plans are administered by the Fire & Police Pension Association of Colorado ("FPPA"). It is reported in the FPPA comprehensive annual financial report (CAFR). The FPPA issues a publicly available comprehensive annual financial report (CAFR) that can be obtained by contacting FPPA at 5290 DTC parkway, Suite 100, Greenwood Village, Colorado 80111-2721 or on their website at http://www.fppaco.org.

State of Colorado Fire and Police Pension Association - Defined Benefit Plan

Plan Description - The Town contributes to a the Statewide Defined Benefit Plan ("SWDB"), a cost sharing multiple-employer defined benefit pension plan administered by the FPPA for the Town's police staff.

The SWDB provides retirement benefits for member and beneficiaries. Death and disability coverage is provided for plan members through the Statewide Death and Disability Plan, which is also administered by the FPPA. All paid permanent firefighters are members of the Statewide Death and Disability Plan.

Description of Benefits - A member is eligible for a normal retirement pension once the member has completed twenty-five years of credited service and has attained the age of 55.

The annual normal retirement benefit is 2 percent of the average of the member's highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter. The benefit earned prior to January 1, 2007 for members of affiliated Social Security employers will be reduced by the amount of Social Security income payable to the member annually. Effective January 1, 2007, members currently covered under Social Security will receive half the benefit when compared to the Statewide Defined Benefit Plan. Benefits paid to retired members are evaluated and are re-determined every October 1. The amount of any increase is based on the Board's discretion and can range from 0 to the higher of 3 percent or the Consumer Price Index.

A member is eligible for an early retirement at age 50 or after 30 years of service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, an employee may elect to have member contributions, along with 5 percent as interest, returned as a lump sum distribution. Alternatively, a member with at least five years of accredited service may leave contributions with the Plan and remain eligible for a

retirement pension at age 55 equal to 2 percent of the member's average highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter.

Contributions - The Plan sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members. Contribution rates for the SWDB plan are set by state statute. Employer contribution rates can only be amended by state statute. Member contribution rates can be amended by state statute or election of the membership.

Members of the SWDB plan and their employers are contributing at the rate of 8 percent of base salary for a total contribution rate of 16 percent through 2014. In 2014, the members elected to increase the member contribution rate to the SWDB plan beginning in 2015. Member contribution rates will increase 0.5 percent annually through 2022 to a total of 12 percent of base salary. Employer contributions will remain at 8 percent resulting in a combined contribution rate of 20 percent in 2022.

Contributions from members and employers of departments re-entering the system are established by resolution and approve by the FPPA Board of Directors. The re-entry group has a combined contribution rate of 20 percent of base salary through 2014. It is a local decision as to whether the member or employer pays the additional 4 percent contribution. Per the 2014 member election, the re-entry group will also have their required member contribution rate increase 0.5 percent annually beginning in 2015 through 2022 for a total combined member and employer contribution rate of 24 percent in 2022.

The contribution rate for members and employers of affiliated social security employers is 4 percent of base salary for a total contribution rate of 8 percent through 2014. Per the 2014 member election, members of the affiliate social security group will have their required contribution rate increase 0.25 percent annually beginning in 2015 through 2022 to a total of 6 percent of base salary. Employer contributions will remain at 4 percent resulting in a combined contribution rate of 10 percent in 2022.

The Towns contributions were $20,167 for the year ended December 31, 2015.

All Defined Benefit Plans

At December 31, 2015, the Town reported an asset of $52,725, for its proportionate share of the SWDB net pension liability. The net pension liability was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2015. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially

determined. At December 31, 2014, the Town's proportion was 0.055915%, which was a decrease of 0.003049% from its proportion of 0.058964% measured as of December 31, 2013.

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resource. For the year ended December 31, 2015, the Town recognized revenue of $20,116 related to the SWDB. In addition, the Town reported deferred outflows of resources and deferred inflows of resources from the following sources:

Statewide Defined Benefit Plan	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference Between Expected and Actual Experience	$ -	$ 1,300
Change in assumptions	-	-
Net Difference between projected and actual earnings on Plan Investments	4,975	-
Change in proportion and differences between District contributions and proportionate share of contributions	2,480	-
District contributions subsequent to the measurememt date	20,116	-
Total	$ 27,571	$ 1,300

The Town's contributions subsequent to the measurement date, $20,167 for the SWBD plan will be recognized as a reduction of the net pension liability in the year ending December 31, 2016.

Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year Ending December 31,	SWDB
2016	$ 1,108
2017	1,108
2018	1,108
2019	1,108
2020	(136)
Thereafter	(619)
	$ 3,677

Actuarial Assumptions - The significant actuarial assumptions used to measure the total pension liability are as follows:

	SWDB
Measurement Date	December 31, 2014
Actuarial Valuation Date	January 1, 2015
Actuarial Cost Method	Entry age normal
Amortization Method	Level percentage of payroll open
Remaining Amortization Period	30 years
Asset Valuation Method	5 year smoothed market
Inflation	3.0%
Salary Increases	4.0% - 14.0%
Investment Rate of Return	7.5%

For SWDB mortality The RP-2000 Combined Mortality Table with Blue Collar Adjustment, projected with Scale AA, 40% multiplier for off-duty mortality is used in the valuation for off-duty mortality of active members. On-duty related mortality is assumed to be 0.00020 per year for all members. The RP-2000 Combined Mortality Table with Blue Collar Adjustment, projected with Scale AA is used in the projection of post-retirement benefits.

For the SWDB plan, FPPA's Board of Directors, reviews it economic and demographic actuarial assumptions. This last happened in 2011. The assumptions changes were effective for actuarial valuations beginning January 1, 2012. The actuarial assumptions impacted actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used. The date the new actuarial assumptions were effective for benefit purposes was October 1, 2012. Effective for the January 1, 2013 valuations, the Board adopted a five-year smoothing methodology in the determination of the actuarial value of assets.

Beginning in the January 1, 2014 valuations, the married assumption for active members was increased from 80% to 85% to reflect the passage of the Colorado Civil Unions Act.

The long-term expected rate of return on investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are as follows:

Asset Class	Target Allocation	Long-term Expected Rate of Return
Global Equity	40.0%	8.9%
Equity Long/Short	10.0%	7.5%
Illiquid Alternatives	18.0%	10.5%
Fixed Income	15.0%	4.6%
Absolute Return	12.0%	6.5%
Managed Futures	4.0%	5.5%
Cash	1.0%	2.5%
Total	100.0%	

Discount Rate - The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that, where applicable, employer, employee and state contributions will be made at the current contribution rate and will also be made at the current statutorily required or actuarially determined rates.

Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Town's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. - The following presents the Town's net pension liability or the Town's proportionate share of the net pension liability calculated using the discount rate of 7.5%, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.5%) or 1 percentage point higher (8.5%) than the current rate:

	Discount Rate	SWDB
1% Decrease	6.5%	
Current Discount Rate	7.5%	
1% Increase	8.5%	

NOTE 9 TAX SPENDING AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue and debt limitations which apply to the State of Colorado and all local governments.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls or salary or benefit increases.

The Town's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits, may require judicial interpretation.

In November 1998, a majority of the Town's electors approved a ballot issue permitting the Town, without increasing or adding any taxes of any kind, to collect, retain, and expend the full proceeds of the Town's fees, revenues and non-federal grants and to spend such revenue for debt service, municipal operations, capital projects, and any other lawful municipal operations, notwithstanding any state restrictions on fiscal year spending, including, without limitation the restrictions of Article X, Section 20, of the Colorado Constitution from the date of January 1, 1994 and thereafter.

The Town has no authorized but unissued debt subject to the amendment's limitations. Based on fiscal year spending for 2015, $62,800 of the year-end fund balance in the General Fund will be reserved for emergencies.

NOTE 10: NEW PRONOUNCEMENT

Recently Adopted Governmental Accounting Standards Board Pronouncements

In June 2012, GASB issued Statement No. 68, Accounting and Financial Reporting for Pensions - An Amendment to GASB Statement No. 27, effective for periods beginning after June 15, 2014.

This Statement revises existing standards for employer financial statements relating to measuring and reporting pension liabilities for pension plans provided by the Town to its employees. The financial statements report the liability of the net pension liability, which is measured as the total pension liability, less the amount of the pension fiduciary net position. Changes in pension liability are included in pension expense in the period of the change. The adoption of this statement by the primary government increased the Town's government-wide beginning net position by $52,725.

In November 2013, GASB has issued Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date, effective for periods beginning after June 15, 2014 and was applied simultaneously with the provisions of Statement 68. The statement is to address an issue relating to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability regarding application of the transition provisions of Statement 68.

Pending Adopted Governmental Accounting Standards Board Pronouncements

In June 2015, the GASB issued Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. This Statement establishes accounting and financial reporting standards for Other Post-Employment Plans (OPEB) that is administered through trusts or equivalent arrangements which involve contributions from employers and nonemployer contributing entities to the OPEB plan. Similar to reporting for the cost-sharing defined benefit plan, the Town will be required to record an asset or liability for its Town's proportionate share of the OPEB asset or liability. The Statement is effective for fiscal periods beginning after June 15, 2017. The effect of implementation of this statement has not yet been determined.

In June 2015, the GASB issued Statement No. 76, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments, effective for periods beginning after June 15, 2015. The objective of this Statement is to identify - in the context of the current governmental financial reporting environment - the hierarchy of generally accepted accounting principles (GAAP). The adoption of this statement will have no effect of the financial reporting information of the Town.

In August 2015, the GASB issued Statement No. 77, Tax Abatement Disclosures, effective for periods beginning after December 15, 2015. This Statement requires state and local governments to disclose tax abatement agreements entered by other governments and that reduce the reporting government's tax revenues. The reduction in tax revenues can result from an agreement between one or more governments and an individual entity in which one or more governments promise to forgo tax revenues to which they are otherwise entitled. The

individual or entity promises to take specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments. The effect of implementation of this statement has not yet been determined.

NOTE 11: FINANCIAL STATEMENT RESTATEMENT

For the year ended December 31, 2015, the Town has implemented the provisions of GASB No. 68 Accounting And Financial Reporting For Pensions-An Amendment Of GASB Statement No. 27 and GASB Statement No. 71, Pension Transition For Contributions Made Subsequent To The Measurement Date to reflect the recording of net pension assets and liabilities, deferred inflows and deferred outflows, and pension expense as required under the new GASBs. The net change is as follows:

	Net Asset Restatement
Net Position - Governmental Activities - as originally reported December 31, 2014	$ 15,784,838
Adjustment for implementation of new GASB:	
Deferred Outflows of Resources	(20,116)
Net Position	72,841
Net Pension Asset - Statewide Defined Benefit Plan	52,725
Net Position - restated December 31, 2014	$ 15,837,563

THIS PAGE INTENTIONALLY LEFT BLANK

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF PARACHUTE, COLORADO

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2015
(With Comparative Totals for the Year Ended December 31, 2014)

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)	2014 Actual
Revenues					
Property Tax	$ 406,940	$ 406,940	$ 387,646	$ (19,294)	$ 342,437
Sales Tax	1,067,000	1,067,000	680,277	(386,723)	1,097,579
Use Tax	-	-	61,715	61,715	614
Lodging Tax	151,000	151,000	89,831	(61,169)	133,274
Other Tax	6,000	6,000	5,615	(385)	6,654
Fines & Forfeitures	70,000	70,000	72,356	2,356	70,807
Planning & Zoning	2,200	2,200	775	(1,425)	1,896
Licenses & Permits	9,100	9,100	86,589	77,489	32,741
State Mineral Severance	140,000	140,000	166,609	26,609	139,776
State Mineral Lease	175,000	175,000	216,339	41,339	324,726
State Grants	62,500	62,500	57,526	(4,974)	-
Miscellaneous	59,350	59,350	54,412	(4,938)	103,741
Interest	5,500	5,500	5,444	(56)	5,394
Total Revenues	2,154,590	2,154,590	1,885,134	(269,456)	2,259,639
Expenditures					
Judicial	62,140	62,140	65,283	(3,143)	64,633
Executive & Legislative	527,023	527,023	471,467	55,556	402,441
Fiscal	68,500	68,500	50,502	17,998	48,975
Legal	31,100	31,100	48,050	(16,950)	26,155
Election	-	-	380	(380)	1,100
Building	53,210	53,210	36,515	16,695	48,221
Planning & Zoning	284,470	284,470	227,424	57,046	85,556
Law Enforcement	471,190	471,190	410,971	60,219	451,029
Records Coordination	59,030	59,030	48,118	10,912	45,708
Engineering	21,700	21,700	4,266	17,434	11,854
Parks	131,430	131,430	93,044	38,386	146,665
Contributions	22,917	85,110	42,939	42,171	17,990
Capital Outlay	35,500	35,500	4,473	31,027	52,272
Debt Service	12,350	12,350	14,661	(2,311)	16,653
Total Expenditures	1,780,560	1,842,753	1,518,093	324,660	1,419,252
Excess Revenues Over Expenditures	374,030	311,837	367,041	55,204	840,387
Other Financing Sources					
Transfers Out	(824,030)	(824,030)	(824,030)	-	(5,152,640)
Total Other Financing Sources	(824,030)	(824,030)	(824,030)	-	(5,152,640)
Net Change in Fund Balance	(450,000)	(512,193)	(456,989)	55,204	(4,312,253)
Fund Balance - Beginning	1,183,042	1,183,042	1,183,042	-	5,495,295
Fund Balance - Ending	$ 733,042	$ 670,849	$ 726,053	$ 55,204	$ 1,183,042

See the Accompanying Independent Auditor's Report.

TOWN OF PARACHUTE, COLORADO

STREETS AND ALLEYS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2015
(With Comparative Totals for the Year Ended December 31, 2014)

	Original and Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)	2014 Actual
Revenues				
Taxes	$ 30,000	$ 21,532	$ (8,468)	$ 21,427
Intergovernmental	131,900	97,114	(34,786)	86,372
Miscellaneous	-	2,000	2,000	-
Total Revenues	161,900	120,646	(41,254)	107,799
Expenditures				
Street & Alley	318,900	186,238	132,662	223,002
Capital Outlay	-	608	(608)	-
Debt Service	3,000	1,990	1,010	-
Total Expenditures	321,900	188,836	133,064	223,002
Excess Revenues Over (Under) Expenditures	(160,000)	(68,190)	(174,318)	(115,203)
Other Financing Sources				
Transfers In	160,000	160,000	-	160,000
Total Other Financing Sources	160,000	160,000	-	160,000
Net Change in Fund Balance	-	91,810	(174,318)	44,797
Fund Balance - Beginning	44,797	44,797	-	-
Fund Balance - Ending	$ 44,797	$ 136,607	$ (174,318)	$ 44,797

See the Accompanying Independent Auditor's Report.

TOWN OF PARACHUTE, COLORADO

CONSERVATION TRUST FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2015
(With Comparative Totals for the Year Ended December 31, 2014)

	Original and Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)	2014 Actual
Revenues				
Conservation Trust	$ 3,000	$ 5,268	$ 2,268	$ 5,300
Interest	30	77	47	70
Total Revenues	3,030	5,345	2,315	5,370
Expenditures				
Contingency	64,120	-	64,120	-
Total Expenditures	64,120	-	64,120	-
Excess Revenues Over (Under) Expenditures	(61,090)	5,345	66,435	5,370
Fund Balance - Beginning	63,629	63,629	-	58,259
Fund Balance - Ending	$ 2,539	$ 68,974	$ 66,435	$ 63,629

See the Accompanying Independent Auditor's Report.

TOWN OF PARACHUTE, COLORADO

RESERVE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2015
(With Comparative Totals for the Year Ended December 31, 2014)

	Original and Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)	2014 Actual
Revenues				
Total Revenues	$ -	$ -	$ -	$ -
Expenditures				
Total Expenditures	-	-	-	-
Excess Revenues Over (Under) Expenditures	-	-	-	-
Other Financing Sources				
Transfers In	12,030	12,030	-	3,041,390
Total Other Financing Sources	12,030	12,030	-	3,041,390
Net Change in Fund Balance	12,030	12,030	-	3,041,390
Fund Balance - Beginning	3,041,390	3,041,390	-	-
Fund Balance - Ending	$ 3,053,420	$ 3,053,420	$ -	$ 3,041,390

See the Accompanying Independent Auditor's Report.

TOWN OF PARACHUTE

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
STATEWIDE DEFINED BENEFIT PLAN
LAST 10 FISCAL YEARS *

Measurement Period Ending December 31,	2014	2013
District Proporation of the Net Pension Liability (Asset)	0.055915%	0.055915%
District Proporationate Share of the Net Pension Liability (Asset)	$ (63,104)	$ (52,725)
District Covered Employee Payroll	$ 251,447	$ 256,103
Proporation Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	25.10%	20.59%
Calculation of Collective Net Pension Liability:		
Total Pension Liability (Asset)	$1,652,901,084	$1,533,631,141
Plan Fiduciary Net Position	1,765,758,630	1,623,049,809
Net Pension Liability (Asset)	(112,857,546)	(89,418,668)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	106.83%	105.83%

* Fiscal year 2015 was the first year of implementation, therefore only available years are shown.

TOWN OF PARACHUTE

SCHEDULE OF PENSION CONTRIBUTIONS AND RELATED RATIOS
STATEWIDE DEFINED BENEFIT PLAN
LAST 10 FISCAL YEARS *

Reporting Period Ending December 31,	**2014**	**2013**
Contractually Required Contribution	$ 20,116	$ 20,488
Contributions in Relation to the Contractuall Required Contribution	20,116	20,488
Contribution Deficiency (Excess)	$ -	$ -
Covered Employee Payroll	$ 251,447	$ 256,103
Contributions as a Percentage of Covered Employee Payroll	8.00%	8.00%

* Fiscal year 2015 was the first year of implementation, therefore only available years are shown.

NOTE 1 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds. The enterprise funds adopt budgets on the Non-GAAP basis wherein tap fees are recognized as revenue, principal payments on debt and capital expenditures are recognized as expenditures, and depreciation expense is not budgeted. All annual appropriations lapse at fiscal year-end.

Not later than the first regular meeting in September, the Town Manager submits a proposed operating budget for the fiscal year commencing the following January 1 to the Board of Trustees. The operating budget for all budgeted funds includes proposed expenditures and the means of financing.

Public hearings are held at the regular Trustee meetings to obtain taxpayer input. Prior to December 15, the budget is legally enacted through passage of a budget ordinance.

The appropriation can only be modified upon completion of notification and publication requirements. During the year ended December 31, 2015, the Town approved one supplementary appropriation amending the appropriation as follows:

	Original Appropriation	Amendments	Modified Appropriation	Actual Expenditures
General Fund	$ 2,604,590	$ 62,193	$ 2,666,783	$ 2,342,123
Streets and Alleys Fund	321,900	-	321,900	188,836
Conservation Trust Fund	64,120	-	64,120	-
Reserve Fund	-	-	-	-
Capital Projects Fund	1,464,500	164,320	1,628,820	1,574,552
Water Fund	589,550	(87,000)	502,550	387,521
Waste Water Fund	242,030	-	242,030	237,544
Garbage Fund	56,000	-	56,000	54,209
	$ 5,342,690	$ 139,513	$ 5,482,203	$ 4,784,785

OTHER SUPPLEMENTARY INFORMATION

TOWN OF PARACHUTE, COLORADO

CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2015
(With Comparative Totals for the Year Ended December 31, 2014)

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)	2014 Actual
Revenues					
Capital Grants	$ 200,000	$ 200,000	$ 76,522	$ (123,478)	$ -
Transfers In	595,000	595,000	595,000	-	1,925,000
Total Revenues	795,000	795,000	671,522	(123,478)	1,925,000
Expenditures					
Capital Outlay	1,464,500	1,628,820	1,574,552	54,268	1,261,713
Total Expenditures	1,464,500	1,628,820	1,574,552	54,268	1,261,713
Excess Revenues Over (Under) Expenditures	(669,500)	(833,820)	(903,030)	(69,210)	663,287
Fund Balance - Beginning	1,534,126	1,534,126	1,534,126	-	870,839
Fund Balance - Ending	$ 864,626	$ 700,306	$ 631,096	$ (69,210)	$ 1,534,126

See the Accompanying Independent Auditor's Report.

TOWN OF PARACHUTE, COLORADO

WATER FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUNDS AVAILABLE - BUDGET AND ACTUAL (BUDGETARY BASIS)
For the Year Ended December 31, 2015
(With Comparative Totals for the Year Ended December 31, 2014)

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)	2014 Actual
Revenues					
Water Sales	$ 350,000	$ 350,000	$ 375,139	$ 25,139	$ 310,928
Misc Revenues	500	500	70,239	69,739	2,364
Interest Income	50	50	29	(21)	47
Transfers In	35,000	35,000	35,000	-	26,250
Total Revenues	385,550	385,550	480,407	94,857	339,589
Expenditures					
Personnel	179,590	179,590	176,033	3,557	155,143
Office	5,500	5,500	6,940	(1,440)	5,972
Operations Supplies	17,100	17,100	27,117	(10,017)	60,537
Water	23,500	23,500	14,131	9,369	23,803
Repairs & Maintenance	6,000	6,000	409	5,591	2,481
Purchased Services	20,000	20,000	12,290	7,710	15,278
Insurance	15,380	15,380	13,937	1,443	14,833
Utilities	32,000	32,000	27,712	4,288	27,538
Professional Services	6,000	6,000	8,580	(2,580)	398
Other Expenses	7,500	7,500	2,310	5,190	1,908
Debt Service Payment	38,620	38,620	17,202	21,418	18,246
Capital Outlay	204,600	117,600	80,860	36,740	20,488
Contingency	33,760	33,760	-	33,760	-
Total Expenditures	589,550	502,550	387,521	115,029	346,625
Excess Revenues Over (Under) Expenditures	(204,000)	(117,000)	92,886	209,886	(7,036)
Funds Available - Beginning	1,985,953	1,985,953	1,985,953	-	1,992,989
Funds Available - Ending	$ 1,781,953	$ 1,868,953	$ 2,078,839	$ 209,886	1,985,953

See the Accompanying Independent Auditor's Report.

TOWN OF PARACHUTE, COLORADO

WASTEWATER FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUNDS AVAILABLE - BUDGET AND ACTUAL (BUDGETARY BASIS)
For the Year Ended December 31, 2015
(With Comparative Totals for the Year Ended December 31, 2014)

	Original and Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)	2014 Actual
Revenues				
Wastewater Charges	$ 220,000	$ 207,927	$ (12,073)	$ 210,748
Interest Income	30	45	15	30
Transfers In	22,000	22,000	-	-
Total Revenues	242,030	229,972	(12,058)	210,778
Expenditures				
Personnel	39,490	32,722	6,768	36,205
Office	2,550	2,907	(357)	4,270
Operations Supplies	22,000	8,965	13,035	17,507
Treatment	120,000	131,592	(11,592)	143,769
Repairs & Maintenance	18,070	43,259	(25,189)	13,426
Purchased Services	1,500	-	1,500	-
Insurance	7,470	6,431	1,039	4,553
Utilities	11,500	9,969	1,531	10,140
Professional Services	5,900	1,373	4,527	10
Other Expenses	1,350	-	1,350	50
Debt Service-Interest	4,200	326	3,874	448
Capital Outlay	8,000	-	8,000	-
Total Expenditures	242,030	237,544	4,486	230,378
Excess Revenues Over (Under) Expenditures	-	(7,572)	(7,572)	(19,600)
Funds Available - Beginning	392,591	392,591	-	412,191
Funds Available - Ending	$ 392,591	$ 385,019	$ (7,572)	$ 392,591

See the Accompanying Independent Auditor's Report.

TOWN OF PARACHUTE, COLORADO

GARBAGE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUNDS AVAILABLE - BUDGET AND ACTUAL (BUDGETARY BASIS)
For the Year Ended December 31, 2015
(With Comparative Totals for the Year Ended December 31, 2014)

	Original and Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)	2014 Actual
Revenues				
Garbage Fees	$ 56,000	$ 58,799	$ 2,799	$ 55,943
Total Revenues	56,000	58,799	2,799	55,943
Expenditures				
Office	-	904	(904)	-
Contract Hauler	56,000	53,305	2,695	53,546
Total Expenditures	56,000	54,209	1,791	53,546
Excess Revenues Over (Under) Expenditures	-	4,590	4,590	2,397
Funds Available - Beginning	26,273	26,273	-	23,876
Funds Available - Ending	$ 26,273	$ 30,863	$ 4,590	$ 26,273

See the Accompanying Independent Auditor's Report.

THIS PAGE INTENTIONALLY LEFT BLANK

Office of the State Auditor

Dianne E. Ray, CPA
State Auditor

Request for Extension of Time to File Audit

This request must be submitted no later than seven months following the fiscal year end. All requests submitted after this due date will not be considered.
Requests may be submitted via mail, fax or e-mail.

Government Name:	Town of Parachute
Name of Contact:	Stuart McArthur, Town Manager
Address:	222 Grand Valley Way
City/Zip Code	Parachute, CO 81635
Phone Number:	970-285-7630
Fax Number:	
E-mail	StuartMC@parachutecolorado.com
Fiscal Year Ending (mm/dd/yyyy):	12/31/2015
Amount of Time Requested (in days): **Not to exceed 60 days**	60 days
Comments (optional):	

I understand that if the audit is not submitted within the approved extension of time the government named in the extension request will be considered in default without further notice, and the State Auditor shall take further action as prescribed by Section 29-1-606(5)(b), C.R.S.

Must be signed by a member of the governing board.

Signature _____

Printed Name: _____

Title: _____

Date: _____

We Set the Standard for Good Government

Local Government Audit Division • 1525 Sherman Street, 7th Floor • Denver, Colorado 80203-1700
Phone: 303.869.3000 • Fax: 303.869.3061

TOWN OF PARACHUTE
ORDINANCE NO. 706-2016

AN ORDINANCE OF THE TOWN OF PARACHUTE, COLORADO, SUBMITTING TO THE REGISTERED ELECTORS OF THE TOWN OF PARACHUTE AT THE 2016 COORDINATED ELECTION A BALLOT QUESTION WHETHER SECTION 2-8 OF THE TOWN CHARTER SHALL BE AMENDED SUCH THAT BOARD OF TRUSTEES TERMS IN OFFICE SHALL BE CONSIDERED CONSECUTIVE UNLESS THEY ARE AT LEAST TWO YEARS APART.

WHEREAS, the Town of Parachute is a home-rule municipality and has adopted a home-rule Charter;

WHEREAS, Section 1-5 of the Charter, "Amendments to the Charter," states:

> This Charter may be amended at any time in the manner provided in the Colorado Constitution and in Title 31, Article 2 of the Colorado Revised Statutes, as said provisions may be amended from time to time. Proceedings to amend the Charter may be initiated by the filing of a petition meeting the requirements of the Colorado Revised Statutes, or by the adoption of an ordinance by the Board of Trustees submitting the proposed amendment to a vote of the registered electors of the Town. Nothing herein contained shall be construed as preventing the submission to the people of more than one Charter amendment at any one election. If provisions of two or more proposed amendments adopted or approved at the same election conflict, the amendment receiving the highest affirmative vote shall become effective.

WHEREAS, the Board of Trustees (the "Board"), by the adoption of this ordinance, wishes to propose an amendment to the Charter to a vote of the registered electors of the Town;

WHEREAS, under Section 2-8 of the existing Charter, Trustee terms in office are considered consecutive unless they are at least four years apart;

WHEREAS, the Board proposes to amend the Charter to decrease the time from four years to two years for terms in office to be considered consecutive (the "Charter Amendment");

WHEREAS, the Charter and C.R.S. § 31-2-210 requires any Charter amendment to be approved by the registered electors of the Town, and the Board desires to place the proposed Charter Amendment on the ballot for the regular election to be held on November 8, 2016.

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF TRUSTEES OF THE TOWN OF PARACHUTE, COLORADO THAT:

Section 1. The foregoing recitals are incorporated herein as if set forth in full.

Section 2. Ballot Question. The Board of Trustees hereby submits to the registered electors of the Town of Parachute the following ballot question and title for the coordinated election to take place on November 8, 2016:

SHALL SECTION 2-4 OF THE TOWN OF PARACHUTE CHARTER BE AMENDED TO READ AS FOLLOWS WITH THE FOLLOWING ~~STRIKEOUT~~ LANGUAGE DELETED AND UNDERLINED LANGUAGE ADDED?

THE MAYOR AND MEMBERS OF THE BOARD OF TRUSTEES SHALL BE LIMITED TO THREE (3) CONSECUTIVE FOUR (4) YEAR TERMS IN OFFICE. TERMS SHALL BE CONSIDERED CONSECUTIVE UNLESS THEY ARE AT LEAST ~~FOUR~~TWO YEARS APART. IF A VACANCY IN OFFICE OCCURS AFTER A MAYOR OR MEMBER OF THE BOARD OF TRUSTEES HAS BEEN DISQUALIFIED BECAUSE OF THIS LIMITATION, THAT INDIVIDUAL WILL BE ELIGIBLE TO FILL THE VACANCY IF NO OTHER CANDIDATES OR APPLICANTS RUN OR APPLY FOR THE POSITION.

Section 3. Publication. Pursuant to C.R.S. § 31-2-210(4), the Town Clerk shall, within thirty days of the date of adoption of this Ordinance, publish notice of an election upon the amendment, which notice shall contain the full text of the amendment as contained in the Ordinance.

Section 4. Conduct of Election. The officers and employees of the Town are hereby authorized and directed to take all actions necessary or appropriate to effectuate the provisions of this Ordinance.

INTRODUCED, READ, PASSED, ADOPTED, AND ORDERED PUBLISHED BY TITLE ONLY by a vote of ___ to ____ of the Board of Trustees of the Town of Parachute, Colorado at a regular meeting held at Town Hall in the Town of Parachute, Colorado, on the 18th day of August, 2016 and approved by the Mayor on the ____ day of August, 2016**.**

BOARD OF TRUSTEES OF THE TOWN OF PARACHUTE, COLORADO

By: _____
Roy McClung, Mayor

ATTEST:

_____
Town Clerk

PUBLIC NOTICE

Public notice is hereby given that an Ordinance entitled:

AN ORDINANCE OF THE TOWN OF PARACHUTE, COLORADO, SUBMITTING TO THE REGISTERED ELECTORS OF THE TOWN OF PARACHUTE AT THE 2016 COORDINATED ELECTION A BALLOT QUESTION WHETHER SECTION 2-8 OF THE TOWN CHARTER SHALL BE AMENDED SUCH THAT BOARD OF TRUSTEES TERMS IN OFFICE SHALL BE CONSIDERED CONSECUTIVE UNLESS THEY ARE AT LEAST TWO YEARS APART.

was introduced before the Board of Trustees on August 18, 2016; that a copy of said Ordinance is posted at Town Hall; and that the Ordinance was approved at a regular meeting of the Board of Trustees held on August 18, 2016, and approved by the Mayor on _____, 2016.

Copies of the adopted ordinance are available for inspection at the Town Hall, Parachute, Colorado and available on the internet at http://www.parachutecolorado.com.

Dated this _____ day of August, 2016.

TOWN OF PARACHUTE

_____

Town Clerk

TOWN OF PARACHUTE
ORDINANCE NO. 707-2016

AN ORDINANCE OF THE TOWN OF PARACHUTE, COLORADO, SUBMITTING TO THE REGISTERED ELECTORS OF THE TOWN OF PARACHUTE AT THE 2016 COORDINATED ELECTION A BALLOT QUESTION WHETHER SECTION 2-4 OF THE TOWN CHARTER SHALL BE AMENDED TO REQUIRE THE MAYOR TO VOTE IN SAME MANNER AS OTHER TRUSTEES.

WHEREAS, the Town of Parachute is a home-rule municipality and has adopted a home-rule Charter;

WHEREAS, Section 1-5 of the Charter, "Amendments to the Charter," states:

> This Charter may be amended at any time in the manner provided in the Colorado Constitution and in Title 31, Article 2 of the Colorado Revised Statutes, as said provisions may be amended from time to time. Proceedings to amend the Charter may be initiated by the filing of a petition meeting the requirements of the Colorado Revised Statutes, or by the adoption of an ordinance by the Board of Trustees submitting the proposed amendment to a vote of the registered electors of the Town. Nothing herein contained shall be construed as preventing the submission to the people of more than one Charter amendment at any one election. If provisions of two or more proposed amendments adopted or approved at the same election conflict, the amendment receiving the highest affirmative vote shall become effective.

WHEREAS, the Board of Trustees (the "Board"), by the adoption of this ordinance, wishes to propose an amendment to the Charter to a vote of the registered electors of the Town;

WHEREAS, pursuant to Section 2-1 of the Town Charter, the Mayor "shall act as and be considered as a full member of the Board of Trustees.";

WHEREAS, under Section 2-4 of the existing Charter, the Mayor is not entitled to vote except in the case of a tie vote by the other Trustees;

WHEREAS, the Board proposes to amend the Charter to require the Mayor to vote in the same manner as all other Trustees (the "Charter Amendment");

WHEREAS, the Charter and C.R.S. § 31-2-210 requires any Charter amendment to be approved by the registered electors of the Town, and the Board desires to place the proposed Charter Amendment on the ballot for the regular election to be held on November 8, 2016.

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF TRUSTEES OF THE TOWN OF PARACHUTE, COLORADO THAT:

Section 1. The foregoing recitals are incorporated herein as if set forth in full.

Section 2. Ballot Question. The Board of Trustees hereby submits to the registered electors of the Town of Parachute the following ballot question and title for the coordinated election to take place on November 8, 2016:

SHALL SECTION 2-4 OF THE TOWN OF PARACHUTE CHARTER BE AMENDED TO READ AS FOLLOWS WITH THE FOLLOWING ~~STRIKEOUT~~ LANGUAGE DELETED AND UNDERLINED LANGUAGE ADDED?

THE MAYOR SHALL PRESIDE AT ALL REGULAR AND SPECIAL MEETINGS OF THE BOARD OF TRUSTEES. THE MAYOR SHALL ~~NOT BE ENTITLED TO~~ VOTE ON ~~ANY~~ALL MATTERS BEFORE THE BOARD IN THE SAME MANNER AS ALL OTHER TRUSTEES ~~, EXCEPT IN THE CASE OF A TIE VOTE~~.

Section 3. Publication. Pursuant to C.R.S. § 31-2-210(4), the Town Clerk shall, within thirty days of the date of adoption of this Ordinance, publish notice of an election upon the amendment, which notice shall contain the full text of the amendment as contained in the Ordinance.

Section 4. Conduct of Election. The officers and employees of the Town are hereby authorized and directed to take all actions necessary or appropriate to effectuate the provisions of this Ordinance.

INTRODUCED, READ, PASSED, ADOPTED, AND ORDERED PUBLISHED BY TITLE ONLY by a vote of ___ to ____ of the Board of Trustees of the Town of Parachute, Colorado at a regular meeting held at Town Hall in the Town of Parachute, Colorado, on the 18th day of August, 2016 and approved by the Mayor on the ____ day of August, 2016**.**

BOARD OF TRUSTEES OF THE TOWN OF PARACHUTE, COLORADO

By: _____
Roy McClung, Mayor

ATTEST:

_____
Town Clerk

PUBLIC NOTICE

Public notice is hereby given that an Ordinance entitled:

AN ORDINANCE OF THE TOWN OF PARACHUTE, COLORADO, SUBMITTING TO THE REGISTERED ELECTORS OF THE TOWN OF PARACHUTE AT THE 2016 COORDINATED ELECTION A BALLOT QUESTION WHETHER SECTION 2-4 OF THE TOWN CHARTER SHALL BE AMENDED TO REQUIRE THE MAYOR TO VOTE IN SAME MANNER AS OTHER TRUSTEES.

was introduced before the Board of Trustees on August 18, 2016; that a copy of said Ordinance is posted at Town Hall; and that the Ordinance was approved at a regular meeting of the Board of Trustees held on August 18, 2016, and approved by the Mayor on _____, 2016.

Copies of the adopted ordinance are available for inspection at the Town Hall, Parachute, Colorado and available on the internet at http://www.parachutecolorado.com.

Dated this _____ day of August, 2016.

TOWN OF PARACHUTE

_____

Town Clerk

TOWN OF PARACHUTE, COLORADO
RESOLUTION NO. 2016-17

A RESOLUTION OF THE BOARD OF TRUSTEES OF THE TOWN OF PARACHUTE, COLORADO, ESTABLISHING A REMOTE PARTICIPATION POLICY FOR MEETINGS OF THE BOARD OF TRUSTEES AND OTHER TOWN COMMISSIONS AND BOARDS

WHEREAS, the Parachute Board of Trustees desires to specify circumstances under which a member of the Board of Trustees and may participate in regular and special meetings and work sessions by phone, video, or other similar remote means;

WHEREAS, the Board of Trustees finds and believes that the ability to occasionally participate remotely serves a valuable purpose when a Board member is unable to attend a meeting in person;

WHEREAS, remote participation necessarily involves the constraints of current technology, including the efficiency of audio and video transmission and the increased difficulty in viewing presentations and information as well as evaluating non-verbal communications;

WHEREAS, the limitations of remote participation make it inappropriate for quasi-judicial matters and executive session attendance; and

WHEREAS, the Board of Trustees, therefore, desires to adopt the Remote Participation Policy set forth herein.

NOW, THEREFORE, BE IT RESOLVED, BY THE BOARD OF TRUSTEES OF THE TOWN OF PARACHUTE, COLORADO THAT:

Section 1. The foregoing recitals are incorporated herein as if set forth in full.

Section 2. A member of the Board of Trustees may participate in a regular or special meeting or work session of the Board by phone, video, or other similar remote means, pursuant to the following terms:

1. The ability to participate remotely is a privilege and not a right. Therefore, the lack of adequate audio or video equipment or the denial of a Trustee's request to participate remotely shall not give any Trustee any right to participate in any Board meeting or work session in excess of the right she or he has to attend the meeting or work session in person.

2. Remote participation is intended to be an infrequent, occasional alternative to attending in person.

3. A Trustee may not participate or vote remotely in a quasi-judicial public hearing, but may maintain a remote connection and monitor or listen to the hearing.

4. No Trustee may attend or participate in an executive session remotely.

5. By majority vote of those attending in person, the Board of Trustees may discontinue the remote participation by one or more Trustees when the participation results in delays or interference with the meeting, such as when the connection is repeatedly lost, or the quality of the connection in poor.

6. A Trustee may participate remotely pursuant to the following procedures:

a. Request to participate remotely is made to the Town Manager, Mayor, or Town Clerk reasonably sufficient in advance of the scheduled meeting or work session, preferably 48 hours in advance.

b. Approval to attend remotely shall be deemed automatically granted, unless those Trustees attending in person vote to deny the request to attend remotely.

7. This Remote Participation Policy shall also apply to meetings of the Town of Parachute Planning Commission, as well as other boards or commissions.

INTRODUCED, PASSED, ADOPTED, AND APPROVED by a vote of ___ to __ of the Board of Trustees of the Town of Parachute, Colorado at a regular meeting held at Town Hall in the Town of Parachute, Colorado, on the ____ day of _____, 2016 and approved by the Mayor on the ____ day of _____, 2016**.**

BOARD OF TRUSTEES OF THE
TOWN OF PARACHUTE, COLORADO

By _____
Roy B. McClung, Mayor

ATTEST:

_____
Town Clerk

TOWN OF PARACHUTE
RESOLUTION NO. 2016-18

RESOLUTION SUPPORTING THE APPLICATION FOR A GRANT FROM THE GARFIELD COUNTY FEDERAL MINERAL LEASE DISTRICT FOR THE ACQUISITION AND INSTALLATION OF DIRECTIONAL AND INFORMATIONAL SIGNAGE TO OFF HIGHWAY VEHICLE AND HIKING TRAILS

WHEREAS, the Town of Parachute is a political subdivision of the State of Colorado, and therefore an eligible applicant for a grant awarded by the Garfield County Federal Mineral Lease District ("GCFMLD"); and

WHEREAS, the Town of Parachute has submitted a grant application for the acquisition and installation of directional and informational signage to off highway vehicle and hiking trails requesting a total award of $25,000; and

WHEREAS, the Town of Parachute Board of Trustees supports the completion of the project if a grant is awarded by the GCFMLD.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE TOWN OF PARACHUTE, COLORADO THAT:

Section 1. The above recitals are hereby incorporated as findings by the Board of Trustees.

Section 2. The Board of Trustees strongly supports the Grant Application submitted by the Town of Parachute and will appropriate matching funds for a grant with Garfield County Federal Mineral Lease District.

Section 3. If the grant is awarded, the Board of Trustees strongly supports the completion of the project.

Section 4. The Board of Trustees of the Town of Parachute authorizes the expenditure of funds necessary to meet the terms and obligations of any grant awarded pursuant to a Grant Agreement with the GCFMLD.

Section 5. If a grant is awarded, the Board of Trustees hereby authorizes the Town Manager to sign a Grant Agreement with the GCFMLD

INTRODUCED, READ, PASSED, AND ADOPTED as provided by law, by a vote of _____ to _____ of the Board of Trustees of the Town of Parachute, Colorado, at a regular meeting held at the Town of Parachute, Colorado, on the 18th day of August 2016, and approved by the Mayor or the 18th day of August 2016.

BOARD OF TRUSTESS OF THE
TOWN OF PARACHUTE, COLORADO

By: _____
Roy B. McClung
Mayor

ATTEST:

_____
Lucy Cordova
Town Clerk

TOWN OF PARACHUTE
RESOLUTION NO. 2016-19

RESOLUTION SUPPORTING THE APPLICATION FOR A GRANT FROM THE GARFIELD COUNTY FEDERAL MINERAL LEASE DISTRICT (GCFMLD) FOR THE FOR THE CONSTRUCTION OF AN ACCESS RAMP TO THE COLORADO RIVER FOR OUTDOOR RECREATION PURPOSES AT COTTONWOOD PARK

WHEREAS, the Town of Parachute is a political subdivision of the State of Colorado, and therefore an eligible applicant for a grant awarded by the Garfield County Federal Mineral Lease District ("GCFMLD"); and

WHEREAS, the Town of Parachute has submitted a grant application for the construction of an access ramp to the Colorado River for outdoor recreation purposes at Cottonwood Park of up to $500,000; and

WHEREAS, the Town of Parachute Board of Trustees supports the completion of the project if a grant is awarded by the GCFMLD.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE TOWN OF PARACHUTE, COLORADO THAT:

Section 1. The above recitals are hereby incorporated as findings by the Board of Trustees.

Section 2. The Board of Trustees strongly supports the Grant Application submitted by the Town of Parachute and will appropriate matching funds for a grant with Garfield County Federal Mineral Lease District.

Section 3. If the grant is awarded, the Board of Trustees strongly supports the completion of the project.

Section 4. The Board of Trustees of the Town of Parachute authorizes the expenditure of funds necessary to meet the terms and obligations of any grant awarded pursuant to a Grant Agreement with the GCFMLD.

Section 5. If a grant is awarded, the Board of Trustees hereby authorizes the Town Manager to sign a Grant Agreement with the GCFMLD

INTRODUCED, READ, PASSED, AND ADOPTED as provided by law, by a vote of _____ to _____ of the Board of Trustees of the Town of Parachute, Colorado, at a regular meeting held at the Town of Parachute, Colorado, on the 18th day of August 2016, and approved by the Mayor or the 18th day of August 2016.

BOARD OF TRUSTESS OF THE
TOWN OF PARACHUTE, COLORADO

By: _____
Roy B. McClung
Mayor

ATTEST:

_____
Lucy Cordova
Town Clerk

TOWN OF PARACHUTE
RESOLUTION NO. 2016-20

RESOLUTION SUPPORTING THE GRANT APPLICATION FOR A GRANT FROM THE COLORADO STATE DEPARTMENT OF LOCAL AFFAIRS (DOLA) FOR THE CONSTRUCTION OF A PARK 'N' RIDE FACILITY

WHEREAS, the Town of Parachute is a political subdivision of the State of Colorado, and therefore an eligible applicant for a grant awarded by the Colorado State Department of Local Affairs ("DOLA"); and

WHEREAS, the Town of Parachute has submitted a grant application to DOLA for the construction of a park 'n' ride facility on Colorado Department of Transportation property in the Town, requesting a total award of up to $200,000.

WHEREAS, the Town of Parachute Board of Trustees supports the completion of the project if a grant is awarded by DOLA.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE TOWN OF PARACHUTE, COLORADO THAT:

Section 1. The above recitals are hereby incorporated as findings by the Board of Trustees.

Section 2. The Board of Trustees strongly supports the Grant Application submitted by the Town of Parachute and will appropriate matching funds for a grant by Colorado State Department of Local Affairs.

Section 3. If the grant is awarded, the Board of Trustees strongly supports the completion of the project.

Section 4. The Board of Trustees of the Town of Parachute authorizes the expenditure of funds necessary to meet the terms and obligations of any grant awarded pursuant to a Grant Agreement with the DOLA.

Section 5. If a grant is awarded, the Board of Trustees hereby authorizes the Town Manager and/or the Mayor to sign a Grant Agreement with DOLA.

INTRODUCED, READ, PASSED, AND ADOPTED as provided by law, by a vote of _____ to _____ of the Board of Trustees of the Town of Parachute, Colorado, at a regular meeting held at the Town of Parachute, Colorado, on the 18th day of August 2016, and approved by the Mayor or the 18th day of August 2016.

BOARD OF TRUSTESS OF THE
TOWN OF PARACHUTE, COLORADO

By: _____
Roy B. McClung
Mayor

ATTEST:

_____
Lucy Cordova
Town Clerk

INTERGOVERNMENTAL AGREEMENT CONCERNING 2016 GENERAL ELECTION

THIS AGREEMENT is made effective this ____ day of_____, 2016, between the Garfield County Clerk and Recorder (**Clerk**) and _____ (**Political Subdivision**), jointly the Parties.

WHEREAS, Political Subdivision desires to refer one or more candidates, contests, issues or questions on the Garfield County Ballot for the November 8, 2016 General Election (the Election), in accordance with the Uniform Election Code of 1992, as amended from time to time, § 1-1-101 *et seq*., C.R.S.; and

WHEREAS, § 1-7-116(1), C.R.S., as amended, requires Clerk to act as the coordinated election official and conduct the Election on behalf of Political Subdivision and similarly situated participating entities, and;

WHEREAS, § 1-7-116(2), C.R.S., as amended, requires Clerk and Political Subdivision to enter into an agreement concerning the conduct of the Election, which agreement must be signed no later than seventy (70) days prior to the Election; and

WHEREAS, Clerk agrees to perform the services specified below in connection with the Election in consideration of Political Subdivision's timely payment of costs and performance of its other obligations as set forth herein.

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

I. Duties of the Clerk

Clerk shall perform the following duties in connection with the preparation for and conduct of the Election, and such other duties as the parties may hereafter mutually agree in writing:

A. Contact Officer

Jean Alberico, Garfield County Clerk & Recorder (Tel: (970) 384-3700 x1820); Email: jalberico@garfield-county.com, is the Designated Election Official and primary contact with Political Subdivision for all purposes relating to the Election.

B. Preparation for Election

1. Clerk shall manage all voter registration records and correspondence in substantial compliance with the Election Code of 1992, §§ 1-1-101 to 1-13-803, C.R.S., as amended (Election Code); the Election Rules promulgated by the Colorado Secretary of State, as amended; and policy directives of the Colorado Secretary of State, if applicable.

2. Clerk shall supply, deliver and set up all voting equipment and other items necessary to conduct the Election, in substantial compliance with applicable provisions of the Election Code and the Election Rules.

3. Clerk shall appoint eligible electors as election judges, arrange for their compensation and provide any necessary election judge training in advance of the Election, all in substantial compliance with applicable provisions of the Election Code and Election Rules;

4. Clerk shall include on the ballot all content timely certified by Political Subdivision in accordance with law; contract for the printing of ballots, ballot envelopes and other printed materials reasonably necessary to conduct the Election; and arrange for payment to the printing vendor(s).

5. Clerk shall publish notice of a Voter service and polling center election no later than twenty days before the Election, pursuant to § 1-5-205(1), C.R.S., as amended, which notice shall satisfy the publication requirement for all political subdivisions participating in the Election pursuant to § 1-5-205(1.4), C.R.S., as amended.

6. Clerk shall perform all required acceptance testing, hardware diagnostic testing and logic and accuracy testing of Garfield County's voting system and components in substantial compliance with applicable provisions of the Election Code, the Election Rules, and the Conditions for Use applicable to Garfield County's voting system as certified by the Secretary of State.

C. Conduct of Election

1. Clerk shall designate the proper number and locations of Voter service and polling centers, early voting centers, and mail ballot drop offs. All voting locations will be accessible to electors with disabilities, in substantial compliance with applicable provisions of the Election Code and Election Rules.

2. Clerk shall provide for the security and processing of all mail ballots, and for the verification of electors' signatures on the self-affirmation forms printed on the mail ballot return envelopes, in substantial compliance with applicable provisions of the Election Code and Election Rules.

3. Clerk shall issue mail ballots to and accept voted mail ballots from military and overseas voters in substantial compliance with the deadlines and delivery methods mandated by applicable provisions of federal and state law, including the Election Code, the Election Rules and the Uniformed and Overseas Citizens Absentee Voting Act, all as amended.

4. Clerk shall provide for the security and reconciliation of official ballots supplied for or cast during early voting and at the mail ballot processing center and Voter service and polling centers, in substantial compliance with applicable provisions of the Election Code and Election Rules.

5. Clerk shall provide provisional ballots for use by electors eligible for issuance of the same pursuant to § 1-8.5-101, C.R.S., as amended; provide for the security, timely verification and counting of verified provisional ballots; and provide a telephone number or website address for the use of electors casting provisional ballots to determine whether their provisional ballot was counted; all in substantial compliance with applicable provisions of the Election Code and Election Rules.

6. Clerk shall provide properly trained members of election staff to prepare for, conduct and assist with the reconciliation and canvass of the Election in substantial compliance with applicable provisions of the Election Code and Election Rules.

7. Clerk shall conduct any required post-election audit in substantial compliance with applicable provisions of the Election Code and Election Rules.

8. Clerk shall conduct any mandatory or permissive recount in substantial compliance with applicable provisions of the Election Code and the Election Rules.

9. Clerk shall appoint canvass board members, oversee the conduct of the canvass and certify official results of the Election in substantial compliance with applicable provisions of the Election Code and Election Rules.

10. Clerk shall preserve all election records relating to the Election for at least twenty-five months, in substantial compliance with the Election Code and the Election Rules.

D. Election Costs

1. Clerk shall keep accurate accounts of all costs incurred to prepare for and conduct the Election, including but not limited to costs incurred for supplies, printing, ballot insertion and mailing, legal and other notices, temporary labor, compensation of election judges, and other expenses attributable to Clerk's conduct of the Election on behalf of Political Subdivision.

2. Clerk shall charge and allocate to Political Subdivision its pro rata share of the direct costs of the Election, and all direct and indirect costs and expenses that are directly attributable to Political Subdivision's failure or omission to timely perform any of its obligations under this Agreement, without regard to whether Political Subdivision rescinds its intent to participate in the Election, as more particularly set forth in section II.C of this Agreement.

3. In the event an interested party is not liable for payment of costs incurred in connection with a mandatory or permissive recount of, or election contest relating to, one or more candidate contests, ballot issues or ballot questions certified by Political Subdivision, Clerk shall charge any and all direct and indirect costs and expenses reasonably incurred by Clerk to conduct or participate in any such recount or ballot contest. If more than one political subdivision participating in the Election is involved in any such recount or election contest, the costs thereof shall be prorated between Political Subdivision and such other participating entities.

4. Clerk shall submit to Political Subdivision an invoice for Political Subdivision's pro rata share of direct and indirect costs incurred in connection with Political Subdivision's participation in the Election within ninety days after the Election.

E. Ballot Issue Notice

1. Clerk shall prepare and mail a combined ballot issue notice in substantial compliance with Article X, Section 20 of the Colorado Constitution ("TABOR"), applicable provisions of the Election Code and Election Rules, and **Attachment 1** to this Agreement.

II. Duties of the Political Subdivision

The Political Subdivision has designated _____,
whose mailing address is _____,
and whose phone number is _____,
and whose fax number is _____,
and whose email address is _____,
as its Designated Election Official ("**DEO**") for purposes of the Election, pursuant to C.R.S. §1-1-104(8). The DEO shall act as the primary liaison between the Political Subdivision and Clerk.

If the Political Subdivision encompasses territory within other counties, this Agreement shall apply only to that portion of the Political Subdivision situated within Garfield County.

The Political Subdivision shall perform the following duties in connection with the Election:

A. Preparation for Election

1. Except for legal notices that Clerk is required by specific provision of this Agreement to post or publish, or both, Political Subdivision shall be solely responsible for posting or publishing, or both, any other legal notices required of Political Subdivision pursuant to relevant provisions of state law, including without limitation any applicable provisions of the Uniform Election Code of 1992, C.R.S. §§ 1-1-101, *et seq.,* as amended; the Colorado Municipal Code of 1965, §§ 31-10-101, *et seq*., as amended; the Special District Act, C.R.S. §§ -1-101 *et seq.*, as amended; the School District Organization Act of 1992, C.R.S. §§ 22-30-101 *et seq.*, as amended; or the Community College and Occupational Education Act of 1967, C.R.S. §§ 23-60-101, *et seq.*, as amended.

2. The Political Subdivision will review the address library report from the County Clerk's office for completeness and certify to the County Clerk by September 1, 2016 that all addresses currently in that political subdivision are included on the list.

3. Political Subdivision shall be solely responsible for determining whether a ballot issue, ballot question, candidate contest or candidate is eligible or properly certified for the ballot.

4. On or before the 70th day before the election (August 30, 2016) at 4:30 p.m., Political Subdivision shall deliver to Clerk a) a certified copy of the ordinance or resolution enacted or

adopted by its governing board authorizing Political Subdivision to participate in the Election according to the terms and conditions of this Agreement and identifying the person(s) authorized to execute this Agreement on its behalf, and b) a counterpart original of this Agreement, completed and executed by Political Subdivision's authorized representative.

5. If applicable, Political Subdivision shall notify and provide information to owners of property within Political Subdivision who are eligible to vote on ballot issues referred by Political Subdivision that they may apply to Clerk for issuance of a mail ballot specific to Political Subdivision, pursuant to §§ 1-7-104 and 1-8-104(3), C.R.S., as amended. If Political Subdivision allows eligible property owners to vote, Political Subdivision shall acquire the property ownership list referred to in § 1-5-304 C.R.S. as amended from the Assessor. The cost of the list is provided by statute and shall be paid directly to the Assessor by Political Subdivision. Political Subdivision's staff shall be solely responsible for building a list of eligible property owners and provide that list to the Clerk by September 23, 2016. Political Subdivision may contact the Clerk if access to voter registrations records is needed.

6. In accordance with Colorado law, Political Subdivision shall provide a certified copy to Clerk of all ballot content (candidate contests, ballot issues and ballot questions) referred by Political Subdivision for the Election in its exact and final form. Such certified ballot content shall be delivered to Clerk as an email attachment **in Notepad format** to jalberico@garfield-county.com as well as on hard copy (paper)., or in such other manner as the Parties may agree in writing, at the earliest possible time and in no event later than sixty days before the Election, or on or before the 60th day (September 9, 2016) before the election at 4:30 p.m., pursuant to § 1-5-203(3)(a), C.R.S., as amended. Please contact Edna Place at (970) 384-3700 X 1804 or eplace@garfield-county.com with any questions concerning this requirement. If ballot content is submitted in a format other than Notepad, Clerk will charge Political Subdivision in addition to any other costs set forth in this agreement for costs associated with Clerk's election staff to retype in Notepad format. All ballot content certified by Political Subdivision shall utilize the exact language and order as such ballot content is to appear on the printed official and sample ballots for the Election. Political Subdivision's certified ballot content shall be final upon transmission to and receipt by Clerk, and Clerk will not be responsible for making any changes after Political Subdivision's certification of its ballot content. Political Subdivision is encouraged to name a person willing to participate in the logic and accuracy testing required before ballot proofs can be sent to the printer.

7. Political Subdivisions shall designate a representative or agent to proofread and approve ballot content certified by Political Subdivision as it appears on ballot artwork before printing within one business day after receipt of ballot proofs from Clerk. Due to limited printing press availability and time constraints, the representative or agent designated by Political Subdivision must be available from 8:00 a.m. to 5:00 p.m. on weekdays (excluding legal holidays) from the 57th day before the election until 47th day before the election, or until Political Subdivision has submitted to Clerk its final approval of such preliminary ballot artwork and ballot content as well as acceptance of the audio ballot, whichever shall first occur.

   Political Subdivision hereby designates _____,
   whose phone number is _____,

and fax number is _____,
and email address is _____,
as its representative or agent responsible for proofreading and finally approving the preliminary ballot artwork on behalf of the Political Subdivision.

8. If requested by Clerk, Political Subdivision shall designate eligible electors of Garfield County to participate in ballot counting, recounts, testing and auditing of voting equipment used in the Election, and the canvass, and to serve as election judges and on various boards and panels convened to oversee the Election. In the event Clerk does not request the Political Subdivision to designate eligible electors under this section, all election judges, boards and panels will be comprised of registered electors affiliated with the major political parties and nominated by the county chairpersons thereof; provided, however, that Clerk reserves the right to appoint unaffiliated electors or electors affiliated with minor political parties if the county chairpersons of the major political parties are unable or fail to nominate a sufficient number of registered electors affiliated with the major political parties.

9. If a new special district, Political Subdivision shall comply with § 32-1-306, C.R.S., including transmittal to the Clerk and Recorder in each county in which Political Subdivision is wholly or partially situated, certified copies of the findings of fact and conclusions of law, or other judicial decree or order, of the court exercising jurisdiction in the proceedings to organize and establish such special district, within thirty days after entry of the decree or order organizing and establishing such special district.

10. In the event that Political Subdivision cancels the Election or resolves not to participate in the Election, Political Subdivision shall give notice of such cancellation or resolution to Clerk immediately. Political Subdivision shall pay Clerk all amounts due hereunder, including without limitation production and mailing costs, incurred both before and after Clerk's receipt of such notice. The Political Subdivision shall provide notice by publication of the cancellation of its election, and a copy of the notice shall be posted in the office of Clerk, in the office of the Designated Election Official and, if the Political Subdivision is a special district, in the office of the Division of Local Government. Except for initiative, recall and non-coordinated elections, the Political Subdivision shall not cancel its participation in the Election after the twenty-fifth day prior to the election, pursuant to § 1-5-208(2), C.R.S., as amended.

B. Conduct of Election

1. Political Subdivision shall immediately notify Clerk of any election contest that is initiated with respect to any ballot content certified by Political Subdivision for the Election, and shall keep Clerk apprised of the need to retain election records for use in any such election contest.

C. Election Costs

1. Political Subdivision shall pay to Clerk its pro rata share of the direct costs and expenses

actually incurred and paid by Clerk in order to prepare for and conduct the Election, including without limitation post-election activities such as the post-election audit, canvass and certification of official results. Political Subdivision's prorated share of such costs and expenses, and the proportional shares of other participating entities, shall be based on a) the total number of registered electors residing within the Political Subdivision, as reflected by the voter registration records of Clerk as of the voter registration deadline for the Election after all such voter registration data has been processed and the total number of votes cast for candidates or issues certified by the Political Subdivision.

2. In addition, Political Subdivision shall pay to Clerk all direct and indirect costs and expenses incurred by Clerk to remedy, resolve or reconcile Political Subdivision's failure or omission to timely perform one or more of its obligations under this Agreement, including without limitation costs and expenses arising from delays or cancellations caused by the Political Subdivision, and time devoted by Clerk or members of Clerk's staff to resolve or reconcile any deficiencies of or other issues relating to Political Subdivision's ballot content or address library report. For purposes of this subsection, all staff time of Clerk shall be billed at the applicable employee's actual hourly rate, plus the cost of all employee benefits accrued with respect to such work, if any.

3. Political Subdivision represents and warrants that it has sufficient funds available in its approved budget to pay all amounts required by this section II. C.

4. Political Subdivision shall pay to Clerk all amounts required by this section II. C. not later than thirty days after receipt of Clerk's invoice therefor.

D. TABOR Notice

1. Political Subdivision shall provide to the Clerk all required Amendment 1 Notices concerning the Political Subdivision's ballot issues and questions in the manner according to the Election Code, **Attachment 1** to this Agreement, and the requirements of the Colorado Constitution.

2. The Clerk shall produce a mailed Notice of the Ballot issues and/or questions (Amendment 1 Notice) required by the Colorado Constitution, Article X, Section 20 in accordance with **Attachment 1**.

III. Additional Agreements

1. In the event a court of competent jurisdiction finds the Election for the Political Subdivision was void or otherwise fatally defective as the sole result of a failure of Clerk to perform in accordance with this Agreement or laws applicable to the Election, the Political Subdivision shall be entitled to recover expenses or losses caused by such breach or failure up to the maximum amount paid by the Political Subdivision to Clerk under this Agreement. In no event shall Clerk be liable for any expenses, damages or losses in excess of the amounts paid by Political Subdivision under this Agreement. This remedy shall be the sole and exclusive remedy for the breach available to the Political Subdivision under this Agreement.

2. No portion of this Agreement shall be deemed to create a cause of action with respect to anyone not a party to this Agreement, nor is this Agreement intended to waive any privileges or immunities otherwise possessed or enjoyed by the parties to this Agreement, or their officers, agents, representatives or employees, except as otherwise expressly stated in this Agreement.

3. Time is of the essence under this Agreement. The statutory time frames or requirements of the Code, TABOR, and the Rules shall apply to the completion of any duties or tasks required under this Agreement. An Election Calendar with specific dates, which will be considered binding, is attached hereto as **Attachment 2** and incorporated herein by reference.

4. This Agreement shall be effective and binding for the November 8, 2016 General Election and is intended to be effective through December 31, 2016 or to the conclusion of any appeal or contest of the General Election of November 8, 2016, whichever is longer.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement to be effective upon the date first above written.

CLERK AND RECORDER OF
GARFIELD COUNTY, COLORADO

_____

Jean M. Alberico **Date**

POLITICAL SUBDIVISION:

_____

Print or type name of Political Subdivision

By: _____

Date

Title: _____

ATTACHMENT 1

PRODUCTION OF "AMENDMENT 1 NOTICE" (TABOR NOTICE)
FOR 2016 GENERAL ELECTION IGA

WHEREAS, the County Clerk and Recorder of Garfield County, Colorado ("County Clerk") and _____ ("Political Subdivision"), (collectively, the "Parties"), have entered into an intergovernmental agreement to cooperate and contract for the purpose of conducting a coordinated election; and

WHEREAS, Const. Colo. Art. X, Sec. 20 ("TABOR") requires the production of a mailed notice of the ballot issues to be determined for the Political Subdivision that are subject to the requirements of said constitutional section ("TABOR Notice"); and

WHEREAS, the TABOR Notices of several jurisdictions are to be sent as a package where jurisdictions overlap ("TABOR Notice Package"); and

WHEREAS, the need to produce the TABOR Notice Package requires that there be countywide coordination of its production and mailing to effectuate the purposes of said constitutional section; and

WHEREAS, the Parties desire to set forth their respective responsibilities in the production and mailing of the TABOR Notice Package.

NOW THEREFORE, the Parties agree as follows:

1. The County Clerk shall perform the following services and activities for the Political Subdivision's election:

a. Determine the "least cost" method for mailing the TABOR Notice Package and determine the Political Subdivision's proportional share of the total cost.

b. Combine the text of the TABOR Notice produced by the Political Subdivision with those of other districts to produce the TABOR Notice Package.

c. Address the package to "All Registered Voters" at each address of one or more active registered electors residing within the Political Subdivision boundaries or to each postal patron. Nothing herein shall preclude the County Clerk from sending the TABOR Notice of the Political Subdivision to persons other than electors of the Political Subdivision if doing so arises from the County Clerk's efforts to mail the TABOR Notice Package at "least cost".

d. Determine the order in which the TABOR Notice submittal of the Political Subdivision and those of other jurisdictions, if any, shall be placed in the TABOR Notice Package, provided, however, that the materials supplied by the Political Subdivision shall be kept together as a group and in the order supplied by the Political Subdivision.

e. Mail the TABOR Notice Package, addressed as required by law, at least 30 days before the election to registered electors residing within the Political Subdivision boundaries.

f. Provide copies of the TABOR Notice Package to the Political Subdivision to mail to registered electors residing outside of the Political Subdivision who own property within the Political Subdivision boundaries.

g. Refer inquiries, correspondence, and calls concerning the substance of the ballot issues and ballot questions or the operations of the Political Subdivision to such person designated as the Election Officer by the Political Subdivision.

h Write, print, and incorporate any notice to be included in the TABOR Notice Package that may inform the elector of the polling place or that may provide other information as may be required by law.

i. Provide the Political Subdivision an itemized statement of the costs of performing the tasks performed by the County Clerk hereunder.

2. The Political Subdivision shall perform the following services and activities for the Political Subdivision's election:

a. Designate an "Election Officer" to act as liaison between the Political Subdivision and the County Clerk.

b. Determine the ballot issues to be voted upon at the election.

c. Include, within its TABOR Notice, ballot titles in this order of preference: "NOTICE OF ELECTION TO INCREASE TAXES/TO INCREASE DEBT/ON A CITIZEN PETITION/ON A REFERRED MEASURE."

d. Inform the County Clerk of any voter-approved additions to the TABOR Notice for the Political Subdivision and incorporate such additions into the TABOR Notice supplied to the County Clerk.

e. Designate a person ("Election Officer") to be available to respond to inquiries, correspondence, and calls concerning the substance of the ballot issues or the operations of the Political Subdivision. The Political Subdivision shall communicate this designation to the County Clerk at the time of certification of the ballot content. The Election Officer shall be reasonably available to the County Clerk and shall within a reasonable time reply to the originator of all such inquiries, correspondence, and calls.

f. Determine the ballot title and text in accord with TABOR.

g. Prepare the layout of the TABOR Notice for the Political Subdivision in accord with TABOR.

h. Summarize written comments concerning ballot issues following receipt of such comments received from the public and provide summaries for use in the TABOR Notice as required by TABOR.

i. Provide the Political Subdivision's completed TABOR Notice to the County Clerk on or before the 42nd day preceding the election and provide the number of eligible electors outside of the Political Subdivision boundaries.

j. For Title 32 Districts, mail the TABOR Notice by the notice deadline to each address of one or more active registered electors who reside outside of the Political Subdivision.

k. Perform such acts as may be required by law, including circulation, approval, review, and all other activities, relating to any petition that may concern the Political Subdivision. The Election Officer shall interact with any Political Subdivision petition representatives, including but not limited to, working to ensure that the Election Officer receives the summary of written comments for their petition within the time required by law.

l. Pay the costs shown in the itemized statement provided by the County Clerk either directly to the County Clerk or to such vendors or subcontractors as the County Clerk may designate.

IN WITNESS WHEREOF, the Parties hereto have executed this Attachment 1 to be effective the _____ day of _____, 2016

POLITICAL SUBDIVISION:

_____ GARFIELD COUNTY CLERK

_____ _____

Authorized Signature, Title Jean M. Alberico, County Clerk

ATTEST:

_____

Secretary

AGREEMENT BETWEEN THE TOWN OF PARACHUTE
AND BETTER CITY TO PROVIDE PROFESSIONAL SERVICES

DATE: **August 11, 2016**

PARTIES: **TOWN OF PARACHUTE**, a Colorado municipal corporation, 222 Grand Valley Way, Parachute Colorado 81635 (Town).

BETTER CITY, a professional corporation, 1100 County Hills Drive, Suite 100, Ogden, UT 84403 (Consultant).

RECITALS:

Town wishes to engage Consultant to provide legal services as needed and as further set forth in the Scope of Services (which services are hereinafter referred to as the "Services").

TERMS:

Section 1. **Scope of Services.** Consultant shall provide the Services as described in the attached ***Exhibit A***, which is incorporated herein by reference. Town shall not be obligated to use Consultant for any specific project or for any projects at all during the term of this Agreement. Consultant shall bill Town on a monthly basis for professional services actually completed and costs incurred at the time of billing rendered at the rates designated in ***Exhibit A***. Consultant's schedule of fees may be updated from time to time upon approval of the Town Board of Trustees, in which case a revised Exhibit A shall be appended to this Agreement. In its sole discretion, the Town may contract with other consultants to provide the same or similar services during the term of this Agreement.

Section 2. **Term.** The term of this Agreement shall commence upon the signing of this Agreement by the Parties. Either Party shall have the right to terminate this Agreement at any time by providing 30 days written notice of termination. The Town's only obligation in the event of termination shall be payment of fees and expenses incurred up to and including the effective date of termination.

Section 3. **Assignment.** This Agreement shall not be assigned by Consultant without the written consent of the Town.

Section 4. **Notice.** Any notice required or permitted by this Agreement shall be in writing and shall be deemed to have been sufficiently given for all purposes if sent by certified mail or registered mail, postage and fees prepaid, addressed to the party to whom such notice is to be given at the address set forth on the first page of this Agreement, or at such other address as has been previously furnished in writing to the other party or parties. Such notice shall be deemed given when deposited in the United States mail.

Section 5. **Exhibits.** All exhibits referred to in this Agreement are, by reference, incorporated herein for all purposes.

Section 6. **Delays.** Any delays in or failure of performance by any party of his or its obligations under this Agreement shall be excused if such delays or failure are a result of acts of God, fires, floods, strikes, labor disputes, accidents, regulations or orders of civil or military authorities, shortages of labor or materials, or other causes, similar or dissimilar, which are beyond the control of such party.

Section 7. **Additional Documents.** The parties agree to execute any additional documents or take any additional action that is necessary to carry out this Agreement.

Section 8. **Entire Agreement.** This Agreement represents the entire agreement between the parties and there are no oral or collateral agreements or understandings. This Agreement may be amended only by an instrument in writing signed by the parties. If any other provision of this Agreement is held invalid or unenforceable, no other provision shall be affected by such holding, and all of the remaining provisions of this Agreement shall continue in full force and effect.

Section 9. **Time of the Essence.** Time is of the essence. If any payment or any other condition, obligation, or duty is not timely made, tendered or performed by either party, then this Agreement, at the option of the party who is not in default, may be terminated by the non-defaulting party, in which case, the non-defaulting party may recover such damages as may be proper.

Section 10. **Waiver.** A waiver by any party to this Agreement of the breach of any term or provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach by either party.

Section 11. **Governing Law.** This Agreement shall be governed by the laws of the State of Colorado.

Section 12. **Binding Effect.** This Agreement shall inure to the benefit of, and be binding upon, the parties, their respective legal representatives, successors, heirs, and assigns; provided, however, that nothing in this paragraph shall be construed to permit the assignment of this Agreement except as otherwise expressly authorized herein.

Section 13. **Indemnification.** Consultant expressly agrees to indemnify and hold harmless Town or any of its officers or employees from any and all claims, damages, liability, or court awards including attorney's fees that are or may be awarded as a result of any loss, injury or damage sustained or claimed to have been sustained by anyone, including, but not limited to, any person, firm, partnership, or corporation, to the extent caused by the negligent acts, errors or omissions of Consultant or any of their employees or agents in performing work pursuant to this Agreement. In the event that any such suit or action is brought against Town, Town will give notice within ten (10) days thereof to Consultant. Town expressly agrees to indemnify and hold harmless Consultant or any of its officers or employees from any and all claims, damages, liability, or court awards including attorney's fees that are or may be awarded as a result of any

loss, injury or damage sustained or claimed to have been sustained by anyone, including, but not limited to, any person, firm, partnership, or corporation, to the extent caused by the negligent acts, errors or omissions of Town or any of their employees or agents in performing work pursuant to this Agreement. In the event that any such suit or action is brought against Consultant, Consultant will give notice within ten (10) days thereof to Town.

Section 14. **Insurance.** Consultant shall at its own expense keep in full force and effect during the term of this Agreement insurance in the following minimum amounts:

Consultant agrees to secure, at its own expense, a policy or policies of insurance sufficient to insure against the liability assumed by Consultant pursuant to the provisions of this paragraph. Consultant shall provide Town with a certification, by a properly qualified representative of the insurer, which any policy purchased pursuant to this Agreement complies with the conditions required by this Agreement.

Consultant shall not be relieved of any liability assumed pursuant to the foregoing paragraph by reason of its failure to secure insurance as required by this Agreement or by reason of its failure to secure insurance in sufficient amounts of sufficient durations, or sufficient types to cover such liability. The required policy shall meet the following conditions:

a. The policy limits shall be as follows:

   1. The limit for an injury to one person in any single occurrence shall be not less than $150,000 and the limit for an injury to two or more persons in any single occurrence shall be not less than $600,000. Costs of defense shall not be included within such limits. However, if costs of defense are included, the minimum limits shall be $250,000 for injury to one person in any single occurrence and $800,000 for injuries to two or more persons in any single occurrence.

   2. Liability insurance with a limit of not less than $1,000,000.

b. The policy shall include Town as an additional insured on Consultant's general liability and automobile liability insurance policies. The parties hereto understand and agree that Town is relying on and does not waive or intend to waive by this Agreement, any provision hereof, including the provisions of this paragraph, the monetary limitations or any other rights, immunities, and protections provided by the Colorado Governmental Immunity Act, C.R.S. Section 24-10-101, et seq., as from time to time amended, or otherwise available to Town.

c. The insurer shall give Town notification of any cancellation or termination by refusal to renew the policy or any change in coverage of the policy in the manner provided by law. If no such notification is provided by law, the insurer shall give Town at least 30 days prior written notification of any cancellation or termination by refusal to renew the policy or of any material change by endorsement in coverage of the policy.

d. Consultant shall be responsible for any deductible losses under the policy.

e. If the policy is a claims made policy, the Consultant agrees to renew such policy for at least two years after the expiration of this Agreement.

f. If the policy is a claims made policy, the retroactive date of any renewal of such policy shall be not later than the date this Agreement is signed by the parties hereto.

g. If Consultant purchases a subsequent claims made policy in place of any prior policy, the retroactive date of such subsequent policy shall be no later than the date the Agreement is signed by the parties hereto.

Triplicate copies of the policies or certificates of insurance acceptable to Town shall be filed with Town within seven (7) calendar days after the Agreement is signed by the parties hereto. The policies or certificates shall be issued by Consultant and name as the insured Consultant and any of its designated employees or agents.

Section 15. **Worker's Compensation.** Consultant shall at its own expense keep in full force and effect during the term of this Agreement Statutory Worker's Compensation Insurance.

Section 16. **Subcontractors.** Consultant may utilize subcontractors identified in its Qualifications submittal to assist with non-specialized works as necessary to complete projects. Consultant will submit any proposed sub-contractor and the description of their services to the Town for approval. The Town will not work directly with the subcontractors.

Section 17. **Independent Contractor.** Consultant and Town hereby represent that Consultant is an independent contractor for all purposes hereunder. As such, Consultant is not covered by any worker's compensation insurance or any other insurance maintained by Town except as would apply to members of the general public. Consultant shall not create any indebtedness on behalf of the Town.

Section 18. **No Third Party Beneficiaries.** It is expressly understood and agreed that enforcement of the terms and conditions of this Agreement, and all rights of action relating to such enforcement, shall be strictly reserved to Town and Consultant, and nothing contained in this Agreement shall give or allow any such claim or right of action by any other third party on such Agreement. It is the express intention of the parties that any person other than Town or Consultant receiving services or benefits under this Agreement shall be deemed to be an incidental beneficiary only.

Section 19. **Prohibition Against Hiring Illegal Aliens**. Consultant shall not knowingly employ or contract with an illegal alien to perform work under this contract. Consultant shall not enter into a contract with a subcontractor that fails to certify to the Consultant that the subcontractor shall not knowingly employ or contract with an illegal alien to perform work under this contract.

Consultant will participate in either the E-verify program or the Department program, as defined in C.R.S. § § 8-17.5-101(3.3) and 8-17.5-101(3.7), respectively, in order to confirm the employment eligibility of all employees who are newly hired for employment to perform work under the public contract for services. Consultant is prohibited from using the E-verify program or the Department program procedures to undertake pre-employment screening of job applicants while this contract is being performed.

If Consultant obtains actual knowledge that a subcontractor performing work under this contract for services knowingly employs or contracts with an illegal alien, Consultant shall:

a. Notify the subcontractor and the Town within three days that the Consultant has actual knowledge that the subcontractor is employing or contracting with an illegal alien; and

b. Terminate the subcontract with the subcontractor if within three days of receiving the notice required pursuant to this paragraph the subcontractor does not stop employing or contracting with the illegal alien; except that the Consultant shall not terminate the contract with the subcontractor if during such three days the subcontractor provides information to establish that the subcontractor has not knowingly employed or contracted with an illegal alien.

Consultant shall comply with any reasonable request by the Department of Labor and Employment made in the course of an investigation that the Department is undertaking pursuant to the authority established in C.R.S. § 8-17.5-102(5).

If Consultant violates a provision of this Contract required pursuant to C.R.S. § 8-17.5-102, Town may terminate the contract for breach of contract. If the contract is so terminated, the Consultant shall be liable for actual and consequential damages to the Town.

TOWN OF PARACHUTE

_____

Roy B. McClung. Mayor

ATTEST:

_____

S. Denise Chiaretta, Town Clerk

CONSULTANT:

By: _____

Adam Hughes, Chief Executive Officer

STATE OF **)**
) ss.
COUNTY OF **)**

The foregoing instrument was acknowledged before me this _____ day of _____, 2015 by as Chief Executive Officer.

Witness my official hand and seal.

My commission expires: _____.

(S E A L)

_____
Notary Public

Consultant's Pre-Contract Certification
Regarding Employing Illegal Aliens

The undersigned hereby certifies as follows:

That at the time of providing this certification, the undersigned does not knowingly employ or contract with an illegal alien; and that the undersigned will participate in the E-Verify program or the Department program, as defined in C.R.S. §§ 8-17.5-101(3.3) and 8-17.5-101(3.7), respectively, in order to confirm the employment eligibility of all employees who are newly hired for employment to perform under the public contract for services.

Consultant:

By_____ as _____ of _____.

_____ _____
Signature Date

Exhibit "A"

Scope of Work and Fees

Scope of Work Elements:

Addressing Impediments

- Develop a funding strategy and apply for grant assistance to activate the river as a recreational amenity that will be an attractant for businesses looking to locate and expand in the region
- Develop a strategy and apply for grant assistance to develop a trail network that connects the Central Business District and the river to the Battlements
- Review retail and business recruitment goals with Town leadership and staff
- Review viability of an Urban Renewal Authority (URA) and identify potential areas that would be suitable for urban renewal projects
- Create strategy to establish a URA
- Meet with elected officials, Town staff, and taxing entities (via teleconferences and web meetings; in-person if needed and pending reimbursable travel budget) to provide education regarding the value and importance of a URA and Tax Increment Financing (TIF)
- Develop a funding strategy, and apply for grant assistance to extend the Town's utility services (water, sewer) to the contemplated truck stop site and secondarily to Solvay's plant and surrounding land

Business and Retail Recruitment

- Follow up with leads that were previously identified in the 2015 Comprehensive Plan Update
- Identify additional recruitment targets
- Develop and implement a communication strategy to pitch the Town and development opportunities to potential recruitment targets
    - Determine needs, goals, and timing of potential recruitment targets
    - Identify impediments and create a strategy with the City to mitigate impediments
    - Evaluate potential of utilizing the URA and TIF to incentivize businesses that are looking to locate to the Town
    - Structure incentive packages and assist the Town in closing the deals
- Work with the Town staff to recruit developers to invest in, and develop new retail and business development projects
- Develop a strategy to leverage investment and development to create additional capacity for future economic development projects

Timeline

- Work will be conducted during a twelve (12) month period commencing upon receipt of a written notice to proceed.

Measuring Progress and Town Support

Progress will be measured and discussed during regularly scheduled conference calls between Better City and Town personnel. The calls with be scheduled and progress will be reviewed at least monthly. During these update calls, a report will be given to the Town that will include summaries of all the funding sources and recruitment targets that have been contacted during the month, and details regarding their interest in funding a particular project, locating to the Town, and impediments that need to be addressed to close the deals.

Town is expected to provide reasonable support during the project period, including assistance in scheduling interviews and meetings with local stakeholders, taxing entities, etc, and providing access to Town information that is relevant to business recruitment, such as utility information, Town financial statements, etc.

Consulting Fee

Total consulting fee for the project is $58,500. The first $9,000 will be due upon contract signing, and the remaining $49,500 will be paid in twelve (12) equal monthly installments of $4,125. Better City will provide the Town with monthly invoices and progress statements.

Direct expenses, including travel, lodging, and printing materials (if any) are not included in the consulting fee. These expenses will be invoiced separately, after prior approval from the Town.

LICENSE AGREEMENT

THIS LICENSE AGREEMENT (the "Agreement") is entered into and effective this___ day of _____, 2016, by and between WILLIAM R. PATTERSON, RODNEY C. POWER, RONALD E. TIPPING, AND MARIE E. TIPPING (collectively, "Grantor"), and the TOWN OF PARACHUTE, a Colorado home-rule municipality (the "Town" or "Licensee").

RECITALS

This Agreement is made with reference to the following facts:

A. Grantor owns certain real property identified by Garfield County Reception No. 2409-342-11-002, more particularly described as Exemption Lot 2 of the Tipping Subdivision Exemption Plat recorded in the public records of Garfield County on April 23, 2013 at Reception No. 834894, and depicted on Exhibit A attached hereto, which is incorporated herein by this reference (the "Property").

B. Town is a "public body," authorized to acquire interests in real property for purposes of providing or preserving open space land values and recreational opportunities.

C. Town desires to establish a license on the Property for use as an area for persons floating the Colorado River to take out of the River, for a shuttle vehicle to be temporarily parked on the Property, and for persons to cross the Property to access County Road 300 ("West Parachute River Exit").

D. The West Parachute River Exit is a public trail that is of significant interest and value to Town and the general public for its recreational purposes.

E. Town desires to receive a license over and across the Property for use of the West Parachute River Exit thereon and Grantor desires to grant a license for such purpose, pursuant to the terms and conditions of this Agreement.

AGREEMENT

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

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

2. Grant of West Parachute River Exit License. Grantor hereby grants the Town a license over and across the Property in the location depicted on Exhibit B, attached hereto and incorporated herein by this reference, for to use as the West Parachute River Exit (the "West Parachute River Exit License"), subject to the following terms and conditions:

a. This grant of license is expressly limited to use for the West Parachute River Exit by the Town and general public for public use;

b. The Town shall obtain a liability waiver from all persons in the general public that are using any Town-owned property or equipment and will be utilizing the West Parachute River Exit.

c. The Town shall keep the West Parachute River Exit License area in a good, clean and sanitary condition, free from waste or litter and any condition that is offensive to the public health, safety or welfare or that constitutes a nuisance.

d. The license granted herein shall be revocable at Grantor's sole discretion; however, not earlier than October 1, 2016.

e. The Town makes no claim to title of the Property.

3. Governmental Immunity and Indemnification. Grantor acknowledges that use of the West Parachute River Exit License established herein is governed by the Colorado Recreational Use Statute, C.R.S. § 33-41-101, et seq., which limits liability for property owners granting easements for public use. To the extent permitted by law and to the extent that the insurance coverage and statutory protection described herein are insufficient to respond to a claim or suit for damages, Town agrees to indemnify, defend, and hold harmless Grantor and its officers, officials, agents, and employees against loss or expense by reason of any claim or suit for damages because of personal bodily injury or property damage arising from use of the West Parachute River Exit License, except that Town shall not be liable if a claim or suit arises from the negligence and willful acts of Grantor, its officers, agents, employees, successors or assigns. Nothing in this Agreement shall be construed as a waiver of the Colorado Governmental Immunity Act, C.R.S. §24-10-101, et seq., as may be amended.

4. Term. The license shall extend for one (1) year from the date of this Agreement and shall automatically renew annually thereafter, unless terminated by the Association.

5. Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of Colorado. The District Court in and for Garfield County, Colorado, shall be the exclusive venue for any dispute arising hereunder. In the event of such a dispute, the prevailing party shall be entitled to reasonable expenses, including attorney fees.

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

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

8. Counterparts/Recordation: A copy of this Agreement may be executed by each party, separately and electronically, and when each party has executed a copy thereof, such copies taken together shall be deemed to be a full and complete agreement between the parties. Upon full execution of this Agreement and any amendments thereto, the same shall be recorded in the records of the Garfield County Clerk and Recorder.

9. Entire Agreement. This Agreement shall constitute the entire agreement between the owners with respect to the subject matter described herein. No representations or warranties of any nature have been made by any such owner, and no owner has entered into this Agreement in reliance upon any such representations or warranties, except as expressly set forth herein. No variations or modifications of, or amendments to, the terms of this Agreement shall be binding upon the owners unless reduced to writing and signed by the parties hereto.

IN WITNESS WHEREOF, Grantor and Town have caused this Agreement to be executed as of the date first above written.

GRANTORS:

_____
WILLIAM R. PATTERSON

_____
RODNEY C. POWER

_____
RONALD E. TIPPING

_____
MARIE E. TIPPING

STATE OF _____)
) ss.
COUNTY OF _____)

Acknowledged, subscribed, and sworn to before me this ____ day of _____, 2016, by _____, Grantor.

WITNESS my hand and official seal.

My Commission expires: _____.

_____
Notary Public

STATE OF _____)
) ss.
COUNTY OF _____)

Acknowledged, subscribed, and sworn to before me this ____ day of _____, 2016, by _____, Grantor.

WITNESS my hand and official seal.

My Commission expires: _____.

_____
Notary Public

STATE OF _____)
) ss.
COUNTY OF _____)

Acknowledged, subscribed, and sworn to before me this ____ day of _____, 2016, by _____, Grantor.

WITNESS my hand and official seal.

My Commission expires: _____.

_____
Notary Public

STATE OF _____)
) ss.
COUNTY OF _____)

Acknowledged, subscribed, and sworn to before me this ____ day of _____, 2016, by _____, Grantor.

WITNESS my hand and official seal.

My Commission expires: _____.

_____
Notary Public

AGREED AND ACCEPTED BY:
TOWN OF PARACHUTE:

By: _____
Mayor

ATTEST:

_____
Town Clerk

EXHIBIT A

See attached Tipping Exemption Plat.

Garfield County

COUNTY ATTORNEY'S OFFICE
108 8th Street, Suite 219
Glenwood Springs, CO 81601
Tele: (970) 945-9150
Fax: (970) 384-5005

March 29, 2016

Jay Harrington, Town Manager
Town of Carbondale
511 Colorado Avenue
Carbondale, CO 81623

Stuart McArthur, Town Administrator
Town of Parachute
Box 100
Parachute, CO 81635

Pamela Woods, Town Administrator
Town of Silt
Box 70
Silt, CO 81652

Tom Baker, Town Administrator
Town of New Castle
Box 90
New Castle, CO 81647

Dan Blankenship, Chief Exec. Officer
Roaring Fork Transportation Authority
2307 Wulfsohn Road
Glenwood Springs, CO 81601

Andrew Gorgey, Acting City Manager
City of Glenwood Springs
101 West 8th Street
Glenwood Springs, CO 81601

Matt Sturgeon, City Manager
City of Rifle
Box 1908
Rifle, CO 81650

Linn Stickler, Exec. V.P.
Colorado Mtn. College
831 Grand Avenue
Glenwood Springs, CO 81601

Re: 2016 9-Party Memorandum of Understanding Regarding Garfield County Senior Programs

Dear Parties:

Enclosed, please find one (1) full copy and (8) copies of the signature page of the 2016 9-Party MOU regarding Garfield County Senior Programs for your review, consideration and submittal to your Town/City Council or Board for authorization for the appropriate official to execute.

After execution, please return one (1) fully executed IGA and all eight (8) signature pages to the address in the letterhead, "Attention: Mary Lynn Stevens."

Once this office receives signature pages from all entities and after signature by the Chairman of the Board, you will be sent a fully executed original for your files.

If you have any questions, please do not hesitate to contact this office.

Sincerely,

MARY LYNN STEVENS
PARALEGAL / OFFICE MANAGER

MLS
Attachments (IGA & 8 signature pages)

cc: Mary Baydarian, DHS Director
Diane Watkins, DHS Admin
Judy Martin, DHS Sr. Programs Mgr.

9-PARTY MEMORANDUM OF UNDERSTANDING REGARDING GARFIELD COUNTY SENIOR PROGRAMS FOR 2016

This Memorandum of Understanding is entered into between:

The Garfield County Board of County Commissioners, ("BOCC")
The City of Rifle, Colorado,
The City of Glenwood Springs, Colorado,
The Town of Carbondale, Colorado,
The Town of New Castle, Colorado,
The Town of Silt, Colorado,
The Town of Parachute, Colorado,
Colorado Mountain College ("CMC"), and
Roaring Fork Transportation Authority, ("RFTA")

(collectively, the "9-Parties") in order to set forth the terms and conditions of their cooperative provision, administration and funding of a county-wide meal and transportation services for the Garfield County Senior Programs for calendar year 2016 (the "MOU"). This MOU is effective as of January 1, 2016, regardless of the dates on which it is signed.

BACKGROUND

A. Each of the 9-Parties is authorized to make the most efficient and effective use of their governmental powers, responsibilities and monies by cooperating and contracting with other governments. Colo. Const. art. XIV §§ 18(2)(a) and (2)(b); Colorado Revised Statutes § 29-1-201.

B. In 2009, the 9-Parties entered into an Intergovernmental Agreement to set forth the terms and conditions of their cooperative provision, administration and funding of meal and transportation services to senior citizens of Garfield County ("the 9-Party IGA"). This 9-Party IGA is recorded in records of the Garfield County Clerk and Recorder at Reception No. 776142.

C. In accordance with the 9-Party IGA, in 2009 and each consecutive year thereafter, the 9 parties have also entered into a Memorandum of Understanding that sets forth each party's annual commitment to share the administrative and operational costs of the Senior Programs meal and transportation services and determines the methodology by which those costs will be allocated among them (the "MOU").

D. Each of the 9-Parties desires to continue to provide meal and transportation services to eligible Garfield County senior citizens in 2016 in accordance with the 9-Party IGA.

NOW, THEREFORE, for and in consideration of mutual covenants and agreements set forth below, the 9-Parties agree as follows:

AGREEMENT

1. Incorporation of Recitals. The foregoing Recitals are incorporated as if set forth in full.

2. Purpose of this Agreement. The purpose of this IGA is to define the terms and conditions by which the 9-Parties will collectively provide, administer and fund county-wide meal and transportation services for the Garfield County Senior Programs for calendar year 2016.

3. Term of Agreement. This Agreement shall have an Effective Date of January 1, 2016 regardless of the dates signed and shall terminate on December 31, 2016.

4. Senior Services to be Provided. The BOCC, through its Department of Human Services Senior Programs, will organize and administer the congregate meal and transportation services described in this MOU for eligible senior citizens of Garfield County on behalf of Rifle, Glenwood Springs, Carbondale, New Castle, Silt and Parachute (collectively, the "Municipalities"). In exchange, the Municipalities will reimburse the BOCC for their proportionate shares of the cost of such services as calculated in accordance with the Cost Methodologies defined in this Agreement.

5. Congregate Meal Services. The BOCC, CMC and Municipalities agree that Senior Program meals will be provided at seven (7) locations throughout Garfield County on the days and times set forth in **Attachment A** and further agree that the costs to provide such services will be allocated among them as follows:

a. Cost Methodology – Nutrition: The BOCC agrees to pay forty percent (40%) of total budgeted cost to provide Congregate Meal Services in 2016. The Municipalities each agree to pay a proportionate share of the remaining balance, less all anticipated grant and program funding income, based upon the percentage of total meals served between July 2014 and June 2015 to the residents of each Municipality. The BOCC agrees to be responsible for all meals served to residents of unaffiliated Garfield County and Battlement Mesa as well as any shortfall in grant and program funding income.

b. Application of Cost Methodology to the 2016 Budget: As illustrated in **Attachment B**, which is incorporated here for all purposes, the total budgeted cost to provide Congregate Meal Services in 2016 is **$335,084.00**. The BOCC's 40% share of that amount equals **$134,033.60**. Anticipated grant and program funding

income for 2016 is **$194,167.00**. The remaining balance of **$6,883.40** shall be distributed among the Municipalities based upon the portion of the **19,700** meals served to Municipality residents between July 2014 and June 2015 which results in the following amounts due:

Municipality	Number of Meals	Percent of Total	Amount Due
Carbondale	1,395	7.08%	$487.43
Glenwood Springs	4,788	24.30%	$1,672.98
New Castle	898	4.56%	$313.77
Silt	2,020	10.25%	$708.81
Parachute	108	.55%	$37.74
Rifle	10,491	53.25%	$3,665.67
TOTAL	19,700	100%	$6,883.40

c. Payment. The Municipalities agree to pay their respective amounts due upon receipt of an invoice from the BOCC.

6. Transportation Services. The BOCC, RFTA and Municipalities agree that Senior Program transportation services will be provided to Garfield County residents sixty-five (65) years old and older who have difficulty utilizing public transportation ("Seniors") and citizens under the age of sixty-five (65) with a functional disability affecting the ability to use public transportation on the schedule set forth in **Attachment C**. These services will be provided by RFTA's Traveler bus system and will be wheel chair accessible, curb to curb, demand–responsive, driver assisted transportation and will also include the delivery of meals to the meal site locations. The cost to provide these transportation services will be shared by the BOCC, RFTA, and the Municipalities in accordance with the following Cost Methodology:

a. Cost Methodology - Transportation: The BOCC agrees to be responsible for fifty-percent (50%) of the total budgeted cost to provide Senior Transportation Services in 2016. The remaining fifty-percent is paid for by grant and program funding income and allocated payments from the Municipalities based upon the number of rides provided to residents of each Municipality. RFTA agrees to be responsible for the cost of the transportation services provided to the three Municipalities that are current RFTA members: the Town of Carbondale, the Town of Glenwood Springs, and the Town of New Castle. The remaining non-RFTA member Municipalities, the Town of Rifle, the Town of Silt and the Town of Parachute, agree to pay their proportionate share of transportation costs based upon the number of rides provided to the residents of each. The BOCC agrees to be responsible for all rides provided to residents of unaffiliated Garfield County as well as any shortfall in anticipated grant and program funding income.

b. Application of Cost Methodology to 2016 Budget. As illustrated in **Attachment D**, the total budgeted cost to provide Senior Transportation Services in 2016 is **$709,400.00**. This cost represents the costs to the BOCC and to RFTA to provide such services in the amounts of **$513,302.92** and **$166,097.08**, respectively, less the amount of **$30,000** received by RFTA from other sources who utilize the Traveler bus system pursuant to a contractual agreement that is unrelated to this MOU. The BOCC's 50% share of this amount equals **$359,635.50**. Anticipated grant and program funding income for 2016 is **$68,647.00**. The remaining balance of **$291,006.50** is distributed among the Municipalities based upon the portion of total rides provided to residents of each Municipality between July 2014 and June 2015, which results in the following amounts due:

Municipality	Number of Rides	Percent of Total	Amount Due
Carbondale	244	1.85%	$5,385.74
Glenwood Springs	6,164	46.75%	$13,6056.13
New Castle	1,117	8.47%	$24,655.21
Silt	437	3.31%	$9,645.77
Parachute	147	1.11%	$3,244.69
Rifle	5,075	38.49%	$112,018.96
TOTAL	13,184	100%	$291,006.50

c. Payment. The BOCC and RFTA have entered into a separate intergovernmental agreement pursuant to which the BOCC agrees to pay RFTA the total amount of **$513,302.92** in twelve (12) equal monthly payments for Senior Transportation Services (the "Traveler IGA"). This amount represents RFTA's estimated cost to provide such services in 2016 less amounts received by RFTA from other sources and less the cost to provide such services to the RFTA Member Municipalities identified with an asterisk above. The non-RFTA member Municipalities agree to pay the respective amounts set forth above upon receipt of an invoice from the BOCC.

7. Appropriation. This IGA is expressly contingent upon appropriation and budgeting for the costs required herein. If any Municipality, including RFTA on behalf of its member jurisdiction Municipalities, fails to appropriate or have available sufficient funds to pay for the costs of the obligations set forth in this Agreement, services to residents of the failing Municipality shall end.

8. Whole Agreement. This IGA sets forth the whole agreement of the Parties. No representation, either verbal or written, shall be considered binding to the extent it is not set forth herein.

ATTEST:

_____
Town Clerk

TOWN OF NEW CASTLE, COLORADO

By:_____
Bob Gordon, Mayor

Date:_____

ATTEST:

_____
Town Clerk

TOWN OF PARACHUTE, COLORADO

By:_____
Roy B. McClung, Mayor

Date:_____

ATTEST:

_____
Secretary to the Board of Directors

ROARING FORK TRANSPORTATION AUTHORITY

By:_____
_____, Chair

Date:_____

ATTEST:

_____
City Clerk

CITY OF RIFLE, COLORADO

By:_____
Randy Winkler, Mayor

Date:_____

ATTEST:

_____
Town Clerk

TOWN OF SILT, COLORADO

By:_____
Rick Aluise, Mayor

Date:_____

ATTEST:

_____
Town Clerk

TOWN OF NEW CASTLE, COLORADO

By:_____
Bob Gordon, Mayor

Date:_____

ATTEST:

_____
Town Clerk

TOWN OF PARACHUTE, COLORADO

By:_____
Roy B. McClung, Mayor

Date:_____

ATTEST:

_____
Secretary to the Board of Directors

ROARING FORK TRANSPORTATION AUTHORITY

By:_____
_____, Chair

Date:_____

ATTEST:

_____
City Clerk

CITY OF RIFLE, COLORADO

By:_____
Randy Winkler, Mayor

Date:_____

ATTEST:

_____
Town Clerk

TOWN OF SILT, COLORADO

By:_____
Rick Aluise, Mayor

Date:_____

ATTEST:

_____
Town Clerk

TOWN OF NEW CASTLE, COLORADO

By:_____
Bob Gordon, Mayor

Date:_____

ATTEST:

_____
Town Clerk

TOWN OF PARACHUTE, COLORADO

By:_____
Roy B. McClung, Mayor

Date:_____

ATTEST:

_____
Secretary to the Board of Directors

ROARING FORK TRANSPORTATION AUTHORITY

By:_____
_____, Chair

Date:_____

ATTEST:

_____
City Clerk

CITY OF RIFLE, COLORADO

By:_____
Randy Winkler, Mayor

Date:_____

ATTEST:

_____
Town Clerk

TOWN OF SILT, COLORADO

By:_____
Rick Aluise, Mayor

Date:_____

ATTEST:

_____
Town Clerk

TOWN OF NEW CASTLE, COLORADO

By:_____
Bob Gordon, Mayor

Date:_____

ATTEST:

_____
Town Clerk

TOWN OF PARACHUTE, COLORADO

By:_____
Roy B. McClung, Mayor

Date:_____

ATTEST:

_____
Secretary to the Board of Directors

ROARING FORK TRANSPORTATION AUTHORITY

By:_____
_____, Chair

Date:_____

ATTEST:

_____
City Clerk

CITY OF RIFLE, COLORADO

By:_____
Randy Winkler, Mayor

Date:_____

ATTEST:

_____
Town Clerk

TOWN OF SILT, COLORADO

By:_____
Rick Aluise, Mayor

Date:_____

ATTEST:

_____
Town Clerk

TOWN OF NEW CASTLE, COLORADO

By:_____
Bob Gordon, Mayor

Date:_____

ATTEST:

_____
Town Clerk

TOWN OF PARACHUTE, COLORADO

By:_____
Roy B. McClung, Mayor

Date:_____

ATTEST:

_____
Secretary to the Board of Directors

ROARING FORK TRANSPORTATION AUTHORITY

By:_____
_____, Chair

Date:_____

ATTEST:

_____
City Clerk

CITY OF RIFLE, COLORADO

By:_____
Randy Winkler, Mayor

Date:_____

ATTEST:

_____
Town Clerk

TOWN OF SILT, COLORADO

By:_____
Rick Aluise, Mayor

Date:_____

ATTEST:

_____
Town Clerk

TOWN OF NEW CASTLE, COLORADO

By:_____
Bob Gordon, Mayor

Date:_____

ATTEST:

_____
Town Clerk

TOWN OF PARACHUTE, COLORADO

By:_____
Roy B. McClung, Mayor

Date:_____

ATTEST:

_____
Secretary to the Board of Directors

ROARING FORK TRANSPORTATION AUTHORITY

By:_____
_____, Chair

Date:_____

ATTEST:

_____
City Clerk

CITY OF RIFLE, COLORADO

By:_____
Randy Winkler, Mayor

Date:_____

ATTEST:

_____
Town Clerk

TOWN OF SILT, COLORADO

By:_____
Rick Aluise, Mayor

Date:_____

ATTEST:

_____
Town Clerk

TOWN OF NEW CASTLE, COLORADO

By:_____
Bob Gordon, Mayor

Date:_____

ATTEST:

_____
Town Clerk

TOWN OF PARACHUTE, COLORADO

By:_____
Roy B. McClung, Mayor

Date:_____

ATTEST:

_____
Secretary to the Board of Directors

ROARING FORK TRANSPORTATION AUTHORITY

By:_____
_____, Chair

Date:_____

ATTEST:

_____
City Clerk

CITY OF RIFLE, COLORADO

By:_____
Randy Winkler, Mayor

Date:_____

ATTEST:

_____
Town Clerk

TOWN OF SILT, COLORADO

By:_____
Rick Aluise, Mayor

Date:_____

ATTEST:

_____
Town Clerk

TOWN OF NEW CASTLE, COLORADO

By:_____
Bob Gordon, Mayor

Date:_____

ATTEST:

_____
Town Clerk

TOWN OF PARACHUTE, COLORADO

By:_____
Roy B. McClung, Mayor

Date:_____

ATTEST:

_____
Secretary to the Board of Directors

ROARING FORK TRANSPORTATION AUTHORITY

By:_____
_____, Chair

Date:_____

ATTEST:

_____
City Clerk

CITY OF RIFLE, COLORADO

By:_____
Randy Winkler, Mayor

Date:_____

ATTEST:

_____
Town Clerk

TOWN OF SILT, COLORADO

By:_____
Rick Aluise, Mayor

Date:_____

9. Amendment and Assignment. This IGA may be amended, altered, or modified solely through a written agreement executed with equal formality. This IGA may not be assigned by any Party without the written agreement of the all.

10. Facsimiles and Counterparts. This IGA and all documents required for performance may be signed in counterparts. Facsimile signatures may be substituted for originals on such documents.

11. Authority. Each person signing this IGA represents and warrants that said person is fully authorized to enter into and execute this document and bind the Party represented.

12. Governing Law. The laws of the State of Colorado shall govern the validity, performance and enforcement of this IGA. Venue for any action instituted pursuant to this IGA shall lie in Garfield County.

13. Notice. Notices to be provided under this Agreement shall be given in writing either by hand delivery or by certified return receipt requested United States mail, to the following:

Carbondale	Jay Harrington, Town Manager Town of Carbondale 511 Colorado Avenue Carbondale, CO 81623 (970) 963-2733 ext. 1207 jharrington@carbondaleco.net
CMC	Lin Stickler, Executive Vice President Colorado Mountain College 831 Grand Avenue Glenwood Springs, CO 81601 (970) 947-8321 lstickler@coloradomtn.edu
Garfield County	Mary Baydarian, Director Garfield County Department of Human Services 195 West 14th Street Rifle, CO 81650 (970) 625-8282 mbaydarian@garfield-county.com
Glenwood Springs	Andrew Gorgey, Acting County Manager City of Glenwood Springs 101 W. 8th Street Glenwood Springs, CO 81601 (970) 384-6500

New Castle	Tom Baker, Town Administrator New Castle Town Hall 450 West Main Street P O Box 90 New Castle, CO 81647 970) 984-2311 tbaker@newcastlecolorado.org
Parachute	Stuart McArthur, Interim Town Administrator Town of Parachute 222 Grand Valley Way, PO Box 100 Parachute, CO 81635 (970) 285-7630 ParaTA@parachutecolorado.com
RFTA	Dan Blankenship, Chief Executive Officer Roaring Fork Transportation Authority 2307 Wolfshon Road Glenwood Springs, CO 81601 (970) 384-4981 dblankenship@rfta.com
Rifle	Matt Sturgeon, City Manager City of Rifle 202 Railroad Ave P. O. Box 1980 Rifle, CO 81650 (970) 625-6266 msturgeon@rifleco.org
Silt	Pamela Woods, Town Administrator Town of Silt 231 N. 7th Street, PO BOX 70 Silt, CO 81652 970-876-2353, ext. 813 administrator@townofsilt.org

IN WITNESS WHEREOF, the parties have caused this Memorandum of Understanding to be executed effective January 1, 2016.

ATTEST:

_____
Town Clerk

TOWN OF CARBONDALE, COLORADO

by: _____
Stacey Patch Bernot, Mayor

Date:_____

ATTEST:

_____
Secretary

COLORADO MOUNTAIN COLLEGE

By_____

Date:_____

ATTEST:

_____
Clerk to the Board

BOARD OF COUNTY COMMISSIONERS GARFIELD COUNTY, COLORADO and BOARD OF SOCIAL SERVICES

By:_____
John Martin, Chairman

Date:_____

ATTEST:

_____
City Clerk

CITY OF GLENWOOD SPRINGS, COLORADO

By:_____
Michael Gamba, Mayor

Date:_____

ATTEST:

_____
Town Clerk

TOWN OF NEW CASTLE, COLORADO

By:_____
Bob Gordon, Mayor

Date:_____

ATTEST:

_____
Town Clerk

TOWN OF PARACHUTE, COLORADO

By:_____
Roy B. McClung, Mayor

Date:_____

ATTEST:

_____
Secretary to the Board of Directors

ROARING FORK TRANSPORTATION AUTHORITY

By:_____
_____, Chair

Date:_____

ATTEST:

_____
City Clerk

CITY OF RIFLE, COLORADO

By:_____
Randy Winkler, Mayor

Date:_____

ATTEST:

_____
Town Clerk

TOWN OF SILT, COLORADO

By:_____
Rick Aluise, Mayor

Date:_____

ATTACHMENT A

2016 CONGREGATE MEAL SCHEDULE

ATTACHMENT "A" 2016 CONGREGATE MEAL SCHEDULE

MEAL SITE CONTACT	KITCHEN	MEAL DAY	Meal Site Name/location
Jerilyn Nieslanik Crystal Meadows Senior Housing 1250 Hendrick Drive Carbondale, CO 81623	Valley View Hospital	Wednesday	Roaring Fork & Spoon Crystal Meadows Senior Housing 1250 Hendrick Drive In the Romminger Room
Jim Green, Coordinator of Continuing Education Colorado Mountain College (CMC) 802 Grand Avenue Glenwood Springs, CO 81601	Valley View Hospital	Tuesday/Friday	Chat n' Chew 1402 Blake Avenue in Lucy Huntley Senior Center
Marti Duprey, Director Sunnyside Retirement Center 601 21st Street #106 Glenwood Springs, CO 81601	Valley View Hospital	Monday/Thursday	Sunnyside 601 21st Street in the Kitchen
Leslie Means, Property Manager Castle Valley Ranch Senior Housing 201 Castle Valley Blvd New Castle, CO 81647	City of Rifle	Monday	The Gathering 201 Castle Valley Blvd in the Community Room
Bob Campbell, Board President Valley Senior Center PO BOX 932 Parachute, CO 81635-0932	City of Rifle	Wednesday	Valley Senior Center 540 N. Parachute
Colorado River Fire Rescue 1850 Railroad Avenue Rifle, CO 81650 Attention: Mike Morgan	City of Rifle	Wednesday	Meet n' Eat 611 Main Street in Silt
Matt Sturgeon, City Manager City of Rifle Included in the meal contract	City of Rifle	Tuesday, Thursday & Friday	Senior Delight 50 Ute Avenue at Rifle Senior Center

ATTACHMENT B

2016 CONGREGATE MEAL BUDGET AND COST METHODOLOGY

Cost Methodology—2016

Nutrition Budget		Annual
Wages	$	112,436.00
Employee Benefits	$	56,743.00
Professional - Other	$	125,000.00
Technical Services	$	105.00
Rental of Land & Buildings	$	500.00
Communications	$	2,000.00
Printing and Binding	$	600.00
Travel	$	500.00
Professional Affiliations	$	100.00
Training	$	500.00
Office Supplies	$	1,000.00
Operating Supplies	$	7,000.00
Computer Supplies	$	300.00
Freight, postage, Delivery	$	2,800.00
Other Supplies	$	1,200.00
Food - non travel related	$	2,500.00
Machinery and equipment	$	150.00
Motor Pool Charges	$	11,000.00
Copy Machine Usage	$	1,000.00
Computer Equipment	$	500.00
DHS - Destruction of Records	$	150.00
Prof Oth - County Attorney Contr	$	500.00
Capital Equipment	$	8,500.00
Total 12 Month Budget		**$335,084.00**
Less AAA funding	$	145,000.00
Less NSIP Incentives	$	13,167.00
Less Program Income	$	36,000.00
Grant & Program Income Total	**$**	**194,167.00**
40% County Share of Total Expenses	$	134,033.60
Garfield County Share	**$**	**134,033.60**
Projected Income/County Share	$	328,200.60
Income less expenses		$6,883.40
Municipal Budget Share for Distribution		**$6,883.40**

Staff: 75% Manager
75% Case Services Aide
60% Program Coordinator

NUTRITION BREAKDOWN SUMMARY FOR MUNICIPALITIES

2016 Jurisdiction	# of Meals Served	Percent of Total	Municipal Nutrition Contribution	2015 # Meals	2015 Contributions	2014 # Meals	2014 Contributions
Carbondale	1395	7.08%	**$487.43**	1336	$ 2,903.52	1346	$ 1,259.01
Glenwood Springs	4788	24.30%	**$1,672.98**	5162	$ 11,218.55	5211	$ 4,874.23
New Castle	898	4.56%	**$313.77**	926	$ 2,012.47	797	$ 745.49
Silt	2020	10.25%	**$705.81**	1871	$ 4,066.23	1936	$ 1,810.88
Parachute	108	0.55%	**$37.74**	69	$ 149.96	100	$ 93.54
Rifle	10491	53.25%	**$3,665.67**	10280	$ 22,341.47	10289	$ 9,624.05
Municipal Total	***19700***	***100.00%***	***$6,883.40***	19644	$ 42,692.20	19679	$ 18,407.20
Garfield County	***2508***			2506		2665	
Grand Total	***22208***			22150		22344	
Based on July 2014 - June 2015 Usage				Based on July 2013 - June, 2014		Based on July 2012 - June, 2013	

Parachute # is for Parachute residents meals only with the remainder of Battlement Mesa residents included in Garfield County along with the Volunteer Banquet numbers

ATTACHMENT C

2016 SENIOR TRANSPORTATION SERVICES SCHEDULE

Traveler Transportation Schedule - 2016

COMMUNITY	DAY OF WEEK OR MONTH	SERVICE DESCRIPTION	NORMAL HOURS OF OPERATION	NUMBER OF VEHICLES
Glenwood Springs	Monday- Friday	Customer transportation and/or local shopping	8 a.m. – 5 p.m.	2-4
	Tuesday	Meal transportation	11 a.m. – 2 p.m.	1
	2nd Thursday of the month	Customer transportation to/from Grand Junction, picking up customers Carbondale through Battlement Mesa	8 a.m. – 5 p.m.	1
	Thursday	Carbondale to Battlement Mesa with stops in Glenwood, New Castle, Silt, New Castle & Rifle	8 a.m. – 5 p.m.	1
	Friday	Meal transportation	11 a.m. – 2 p.m.	1
Carbondale	Monday – Friday	On call basis for customers	8 a.m. – 5 p.m.	1
	Wednesday	Meal transportation and local shopping	11 a.m. – 4 p.m.	1
	2nd Thursday of the month	Customer transportation to/from Grand Junction, picking up customers Carbondale through Battlement Mesa	8 a.m. – 5 p.m.	1
	Thursday	Carbondale to Battlement Mesa with stops in Glenwood, Silt, New Castle and Rifle	8 a.m. – 5 p.m.	1
	Thursday	Battlement Mesa to Carbondale with stops in Glenwood, Silt, New Castle and Rifle	8 a.m. – 5 p.m.	1
Rifle	Monday	Customer transportation	8 a.m. – 5 p.m.	2
	Tuesday	Customer transportation/Meal transportation	8 a.m. – 5 p.m.	2-3
	Wednesday	Customer transportation/ Shopping	8 a.m. – 5 p.m.	3-4
	Thursday	Customer transportation/Meal transportation	8 a.m. – 5 p.m.	2-3
	2nd Thursday of the month	Customer transportation to/from Grand Junction, picking up customers Carbondale through Battlement Mesa	8 a.m. – 5 p.m.	1
	Thursday	Carbondale to Battlement Mesa with stops in Glenwood, Silt and New Castle	8 a.m. – 5 p.m.	2-3
	Thursday	Battlement Mesa to Carbondale with stops in	8 a.m. – 5 p.m.	1

COMMUNITY	DAY OF WEEK OR MONTH	SERVICE DESCRIPTION	NORMAL HOURS OF OPERATION	NUMBER OF VEHICLES
		Glenwood, Silt, New Castle and Rifle		
	Friday	Customer transportation/Meal transportation	8 a.m. – 5 p.m.	2-3
Parachute & Battlement Mesa	Monday – Friday	On call basis for customers	8 a.m. – 5 p.m.	1
	Tuesday	Shopping day in Rifle	8 a.m. – 5 p.m.	1
	Wednesday	Meal transportation/Local transportation	11 a.m. – 2 p.m.	1
	2nd Thursday of the month	Customer transportation to/from Grand Junction, picking up customers Carbondale through Battlement Mesa	8 a.m. – 5 p.m.	1
	Thursday	Parachute/Battlement Mesa to Carbondale with stops in Rifle, Silt, New Castle, and Glenwood Springs	8 a.m. – 5 p.m.	1
	Thursday	Carbondale to Battlement Mesa	8 a.m. – 5 p.m.	1
Silt	Monday – Friday	On call basis for customers	8 a.m. – 5 p.m.	1
	Wednesday	Meal transportation/shopping	11 a.m. – 4 p.m.	1
	2nd Thursday of the month	Customer transportation to/from Grand Junction, picking up customers Carbondale through Battlement Mesa	8 a.m. – 5 p.m.	1
	Thursday	Parachute/Battlement Mesa to Carbondale with stops in Rifle, Silt, New Castle, Glenwood Springs and Carbondale	8 a.m. – 5 p.m.	1
	Thursday	Carbondale to Battlement Mesa with stops in Rifle and Parachute	8 a.m. – 5 p.m.	1
New Castle	Monday – Friday	On call basis for customers	8 a.m. – 5 p.m.	1
	Monday	Meal transportation/shopping	11 a.m. –4:00 p.m.	1
	2nd Thursday of the month	Customer transportation to/from Grand Junction, picking up customers Carbondale through Battlement Mesa	8 a.m. – 5 p.m.	1
	Thursday	Parachute/Battlement Mesa to Carbondale with stops in Glenwood Springs and Carbondale	8 a.m. – 5 p.m.	1
	Thursday	Carbondale to Battlement Mesa with stops in Silt, Rifle, and Parachute	8 a.m. – 5 p.m.	1

ATTACHMENT D

2016 TRANSPORTATION BUDGET AND COST METHODOLOGY

Cost Methodology—2016

Transportation Budget		Annual	
Wages	$	25,024.00	Staff: 25% Manager
Employee Benefits	$	12,133.00	25% Case Services Aide
Advertising	$	50.00	
Training	$	1,000.00	
Freight, postage, Delivery	$	1,000.00	
Language Translation	$	200.00	
Prof Oth - County Attorney Contr	$	500.00	
Total County Expenses	***$***	***39,907.00***	
RFTA	$	709,400.00	Projected based on RFTA Actual Expenditures
MINUS GWS Paratransit	***$***	***30,000.00***	
Total RFTA Expenses	***$***	***679,400.00***	
Total Expenses	***$***	***719,307.00***	
Less Program Income	$	25,000.00	
Less CSBG	$	43,647.00	
Total G/P Income	***$***	***68,647.00***	
Less 50% County Share	$	359,653.50	
Total County Share	***$***	***359,653.50***	
Total Revenue	***$***	***428,300.50***	
Total Expenses	***$***	***719,307.00***	
Income less expenses	***$***	***291,006.50***	
Municipal Budget Share for Distribution	**$**	**291,006.50**	

TRANSPORTATION BREAKDOWN Based on July 2014 - June 2015 Usage

2016 *Jurisdiction*	*# of Rides Provided*	*Percent of Total*	*Municipal Transportation Contribution*	*2015 # Rides*	*2015 Contributions*	*2014 # Rides*	*2014 Contributions*
Carbondale*	244	1.85%	$5,385.74	462	$8,725.79	387	$6,147.09
Glenwood Springs*	6164	46.75%	$136,056.13	7737	$146,128.59	8081	$128,358.22
New Castle*	1117	8.47%	$24,655.21	477	$9,009.09	340	$5,400.54
Silt	437	3.31%	$9,645.77	591	$11,162.21	647	$10,276.92
Parachute	147	1.11%	$3,244.69	262	$4,948.39	431	$6,845.98
Rifle	5075	38.49%	$112,018.96	5460	$103,122.93	7288	$115,762.25
MUNICIPAL TOTAL	***13,184***	***100.00%***	***$291,006.50***	14,989	$283,097.00	17,174	$272,791.00

** RFTA Members*

Rural Garfield County	2,352	<<2016-08-17>>	2,137	1,567
Total	15,536		17,126	18,741

Traveler Program
Statement of Revenues and Expenditures

2016 Adopted/Amended Budget (as of 03/10/2016)

TRAVELER'S	2016 Adopted Budget	2016 Amended Budget	Notes
REVENUES			
Traveler's Contract	$ 541,000	$ 513,303	*Amended budget per Resolution 2016-04*
City of GWS Discretionary Grant	$ 30,000	$ 30,000	Assumes status quo
Total Traveler's Revenues	**$ 571,000**	**$ 543,303**	
EXPENDITURES			
Compensation			
Administration	$ 39,400	$ 39,400	1 Admin Assistant - assumes wage adj + up to 4% merit increase
Transportation Supervisor	$ 70,500	$ 70,500	1 Supervisor - assumes wage adj + up to 4% merit increase
Relief Supervisor	$ 51,300	$ 51,300	1 Relief Supervisor - assumes wage adj + up to 4% merit increase
Bus Operator 3 (FTYR)	$ 169,600	$ 169,600	4 Full Time Drivers - assumes wage adj + up to 4% merit increase
Bus Operator 2 (PTYR)	$ -	$ -	
Bus Operator-Non CDL(PTYR)	$ 55,000	$ 55,000	1.37 FTE Part Time Drivers
* Mechanics	$ 37,000	$ 37,000	Assumes status quo
Overtime Pay	$ 2,100	$ 2,100	Assumes status quo
Alt Activity	$ 2,800	$ 2,800	Assumes 8 x $350
Bonus Pay	$ -	$ -	
Seperation Pay	$ -	$ -	
Fringe Benefits	$ 52,100	$ 52,100	Increase as a result of merit increase
Health Insurance	$ 80,000	$ 80,000	Assumes 5% decrease in health insurance premiums
Subtotal Traveler's Compensation Expenditures	**$ 559,800**	**$ 559,800**	Assumes ~4% decrease in driving hours (10,021 tot. hrs)
	10%		
Admin Operating Expenditures			
* Admin Overhead	$ 40,000	$ 40,000	Status quo
Vehicle Insurance	$ 22,000	$ 22,000	Estimated
Office Rental	$ 21,000	$ 21,000	1517 Blake - 50% share of costs; 5% increase
Telephone/Communications	$ 9,000	$ 9,000	Based on 2015 projected
Staff Training	$ 200	$ 200	Estimated
Travel	$ 1,600	$ 1,600	Estimated
Office Supplies	$ 1,000	$ 1,000	Estimated
Postage	$ 200	$ 200	Estimated
Subtotal Traveler's Admin Operating Expenditures	**$ 95,000**	**$ 95,000**	
Operating Expenditures			
Repairs-Third pty sevices	$ 30,600	$ 30,600	5% increase
Drug & Alcohol Testing	$ 1,000	$ 1,000	Status quo
DOT Exams	$ 1,000	$ 1,000	Status quo
Unleaded Fuel	$ 22,000	$ 22,000	Estimated
Subtotal Traveler's Operating Expenditures	**$ 54,600**	**$ 54,600**	
Total Traveler's Expenditures	**$ 709,400**	**$ 709,400**	
Traveler's Net Total Before Other Financing Sources	**$ (138,400)**	**$ (166,097)**	
Other Financing Sources			
Transfer from RFTA General Fund	$ 138,400	$ 166,097	*Amended budget per Resolution 2016-04*
Travelers Net Total After Other Financing Sources	**$ (0)**	**$ -**	

STUART S. MCARTHUR
TOWN MANAGER

Integrity • Respect • Teamwork • Pride • Innovation • Diversity

222 GRAND VALLEY WAY • PARACHUTE, CO 81635 • (970) 285-7630

STAFF REPORT

DATE: August 18, 2016

TO: Town of Parachute Board of Trustees

FROM: Stuart S. McArthur, Town Manager

SUBJECT: **RATIFICATION OF ACQUISITION OF FORD 350 TWELVE (12) PASSENGER VAN**

Background

In July 2016, the Town determined to open operations for tubing/rafting on the Colorado River. We ordered rafts, tubes, kayaks, oars, life vests, helmets, etc. for the operation.

As part of the operation, we determined to acquire a passenger shuttle van to transport rafters/tubers from the Una Bridge egress location back to Cottonwood Park, the origination point. Staff researched pricing for the passenger van from local dealerships, individuals, and on the Internet.

Staff Analysis

Staff narrowed the selection down to three (3) vehicles:

Description	Dealer	Price
2013 Ford E350 Econoline Super Duty Passenger Van (CNG Fueled)	A&D Enterprises LLC Spanish Fork, UT	$21,495
2015 Ford Transit-250 Base Cargo Van	Glenwood Springs Ford Glenwood Springs, CO	$23,979
2016 Ford Transit-350 XLT Van	Columbine Ford Rifle, CO	$30,392

Staff evaluated each vehicle and communicated with the dealerships, after which it was determined that the 2013 E350 in Spanish Fork, UT was the best value. We were able to acquire it for $21,000. Staff communicated with the Mayor and Mayor Pro Tem to determine if it would be acceptable to acquire the van prior to the Board's formal approval since we desired to open operations prior to this meeting during Grand Valley Days.

Attorney Review

N/A

Recommendations

Staff requests after-the-fact ratification of the vehicle by the Board of Trustees.

If you have any additional questions or concerns, please contact me at 970-285-7630.

www.gocng.com

A&D Enterprises LLC

Pre-Owned CNG Vehicles +

Electric, & Plug-in Hybrids

1938 North Main Street
Spanish Fork, Utah, 84660

Tel: 801-427-3231
Tel: 801-361-3790
findyourauto@gmail.com

$21,495

>2013 FORD E350 ECONOLINE SUPER DUTY 12 PASSENGER VAN W/ ADVANCE TRAC, FACTORY DEDICATED CNG With a Range Up To 350 Miles! Run's on CNG Only! Only 20k Miles! With **CUSTOM** 12 Passenger Seating & Flooring, Great Family Van or Shuttle Van! Lightly Used! Super Clean! 1 Owner, Clean Title, Clean AutoCheck/CarFax, Keyless Entry, Power Windows & Door Locks, Cruise Control, Front & Rear A/C Controls, & Much More. Must See!

*Up to 350+ Mile Range on CNG!

Engine/Transmission:
5.4L V8 / Automatic

>Free AutoCheck/CarFax Report
>No Dealer/Doc Fees.

Open: 1-6 M-F and 12-4 Saturday
Closed Sunday. Other times by appointment.

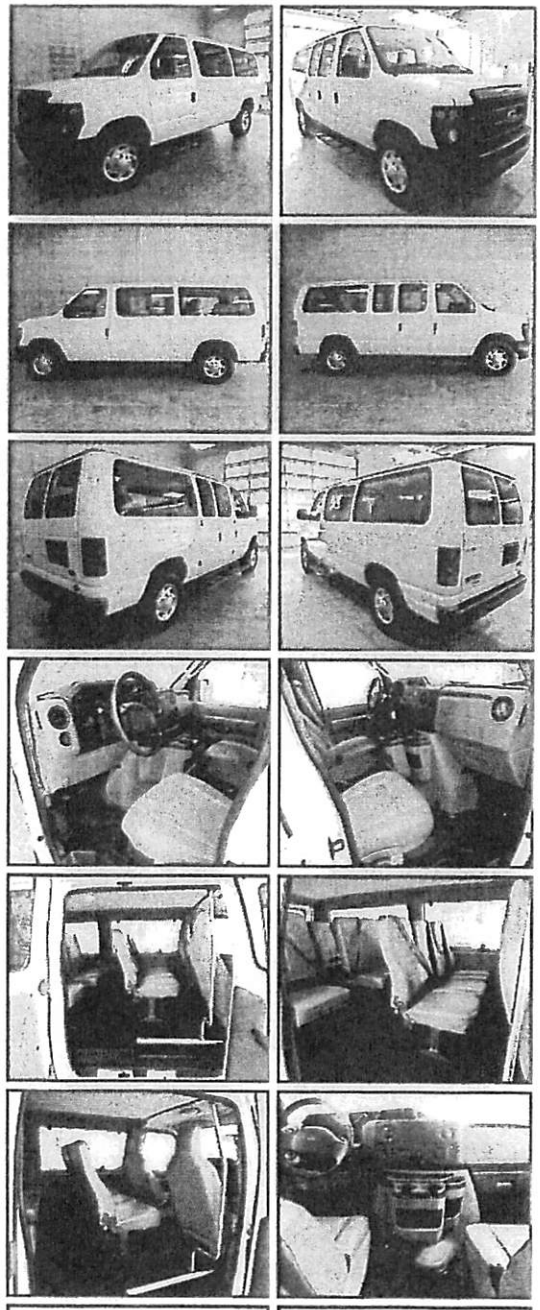
Click here for a map and driving directions.

>Call or text with any questions or to schedule a test drive @ 801-427-3231 or 801-361-3790 or Email @ findyourauto@gmail.com

Miles: 20,000

Vin# 1FTSE3EL1DDA07469

Click on any image to make full screen



Glenwood Springs Ford
55 Storm King Road Glenwood Springs, CO 81601
$766,139

Sales: (888) 476-3241
Service: (888) 476-3241
Parts: (888) 457-3431

Find Your Pre-Owned Vehicle at Glenwood Springs Ford!

4 Vehicles matching: Body Style: Cargo Van

Sort by

Page 1 of 1

2007 Ford E-350SD Commercial Cargo Van Power Stroke V8 DI 3...

Engine: 6L Power Stroke V8 DI 32V OHV Turbodiesel
Transmission: 5-Speed Automatic with Overdrive
Mileage: 103,975 miles
Exterior Color: Silver
Interior Color: Medium Flint
Stock #: G261A
VIN: 1FTSE34P57DA72754

Price $13,452

2012 Ford Transit Connect XLT Cargo Van Duratec I4 DOHC

Engine: 2L Duratec I4 DOHC
Transmission: 4-Speed Automatic with Overdrive
Mileage: 50,879 miles
EPA-Est MPG[6]: 21/27
Exterior Color: Frozen White
Interior Color: Dark Gray
Stock #: U9561A
VIN: NM0LS7BN7CT114876

Price $13,917

2012 Ford Transit Connect XLT Cargo Van Duratec I4 DOHC

Engine: 2L Duratec I4 DOHC
Transmission: 4-Speed Automatic with Overdrive
Mileage: 64,383 miles
EPA-Est MPG[6]: 21/27
Exterior Color: Frozen White
Interior Color: Dark Gray

Price $12,932

Stock #: U9563A
VIN: NM0LS7BN5CT114875

2015 Ford Transit-250 Base Cargo Van V6 Ti-VCT 24V

Engine: 3.7L V6 Ti-VCT 24V
Transmission: 6-Speed Automatic with Overdrive
Mileage: 9,050 miles
Exterior Color: Oxford White
Interior Color: Pewter
Stock #: U9590A
VIN: 1FTNR1ZM3FKA46975

Price $23,979

SHOW ME THE CARFAX

Page 1 of 1

Used vehicles may be subject to Unrepaired Manufacturer Recalls. Please contact manufacturer for recall assistance/questions before purchasing or check the NHTSA website for current recall information: https://vinrcl.safercar.gov/vin/

Although every reasonable effort has been made to ensure the accuracy of the information contained on this site, absolute accuracy cannot be guaranteed. This site, and all information and materials appearing on it, are presented to the user "as is" without warranty of any kind, either express or implied. All vehicles are subject to prior sale. Price does not include applicable tax, title, license, processing and/or documentation fees, and destination charges. ‡Vehicles shown at different locations are not currently in our inventory (Not in Stock) but can be made available to you at our location within a reasonable date from the time of your request, not to exceed one week.

Used vehicles may be subject to Unrepaired Manufacturer Recalls. Please contact manufacturer for recall assistance/questions before purchasing or check the NHTSA website for current recall information: https://vinrcl.safercar.gov/vin/

Copyright © 2016 FordDirect

Columbine Ford

2728 Railroad Avenue Rifle, CO 81650

LIVE CHAT Sales: (970)-625-1680
Service: (970)-625-1680
Parts: (970)-625-1680

2016 DEALER OF THE YEAR
FORD COLORADO

(http://www.faceb
hc_location=strea

Columbine Ford's Used Vehicle Inventory

Small Town Atmosphere - Big City Selection. Come in and see the difference!

PureCars TRADE-IN REPORT
GOT A TRADE-IN?
Discover Its VALUE In One Minute!
GET STARTED

Kelley Blue Book
VALUE YOUR TRADE-IN GO

2016 DEALER OF THE YEAR
FORD COLORADO

3 Vehicles matching: **Make: Ford** **Model: Transit-350**

Sort by

Page **1** of 1

2016 Ford Transit-350 XLT Van V6 24V GDI DOHC Twin Turbo

Engine:	**3.5L V6 24V GDI DOHC Twin Turbo**
Transmission:	**6-Speed Automatic**
Mileage:	**21,434 miles**
Exterior Color:	**Oxford White**
Stock #:	**Z5867**
VIN:	**1FBZX2YG9GKA26664**

Internet Price** **$29,691**
START

(http://www.kb /1FBZX2YG9GKA26664)
(https://www.purecars.com/comparison/70002915/1FBZX2YG

2016 Ford Transit-350 XLT Van V6 24V GDI DOHC Twin Turbo

Engine:	**3.5L V6 24V GDI DOHC Twin Turbo**
Transmission:	**6-Speed Automatic**
Mileage:	**16,799 miles**
Exterior Color:	**Oxford White**
Stock #:	**Z5869**
VIN:	**1FBZX2YG5GKA26662**

Internet Price** **$30,692**
START

(http://www.kb /1FBZX2YG5GKA26662)
(https://www.purecars.com/comparison/70002915/1FBZX2YG

2016 Ford Transit-350 XLT Van V6 24V GDI DOHC Twin Turbo

Engine:	**3.5L V6 24V GDI DOHC Twin Turbo**
Transmission:	**6-Speed Automatic**
Mileage:	**17,763 miles**
Exterior Color:	**Oxford White**
Stock #:	**Z5868**
VIN:	**1FBZX2YG4GKA26670**

Internet Price** **$30,691**
START

(http://www.kb /1FBZX2YG4GKA26670)
(https://www.purecars.com/comparison/70002915/1FBZX2YG

SMS TEXT

Bryce Benson is available to answer your questions!

CLICK TO CH X