



# CITY OF LEADVILLE

800 HARRISON AVE.  
LEADVILLE, CO 80461

## REGULAR COUNCIL MEETING AGENDA

Tuesday  
July 18th, 2023

6:00 P.M.

**Council Chambers & Zoom**

<https://leadville-co-gov.zoom.us/j/83526944548?pwd=aEdjdGtpNlEyZmt5YVQ1bDBQbnN4dz09>

**Meeting ID: 835 2694 4548**

**Passcode: 80461**

**Dial by your location**

**+1 719 359 4580 US**

<b>6:00 pm</b>	1.	<b>Call to order of the regular meeting of the City Council</b>
	2.	Roll Call
	3.	Approval of the agenda
	4.	Housekeeping matters
	5.	Public comments about items not on the agenda
		Citizens wishing to speak to the Council on issues <u>not</u> on the agenda are requested to send a message in the chat section or raise their hand in the participant's section of Zoom or in person. Staff will call on the public in order. Comments are limited to three (3) minutes (not including council questions). Action, if required, will be assigned to city staff. For matters <u>on the agenda</u> , public input will be heard prior to a vote being taken on the matter.
<b>6:15 pm</b>	6.	<b>Consent Agenda:</b>
		A. Approval of the July 5th, 2023 Minutes
<b>6:20 pm</b>	7.	<b>Department Reports:</b>
		A. City Administrator's Report
		B. Human Resources Department
		C. Police Department
		D. Fire Department
		E. Streets Department
		F. Animal Shelter
		G. Deputy City Clerk - Licenses Report
		H. Building Department
		I. Planning Department
		J. Sales Tax Comparisons
		K. Financials
		L. Bills

\* These items may not have briefs or may have additional briefs Tuesday before the Council meeting.



7:20 pm	8.	<b>Presentations and Discussions</b>
7:30 pm	9.	<b>Action Items:</b> <ul style="list-style-type: none"> <li>A. Economic Development Corporation Update</li> <li>B. Resolution No. 14, Series of 2023A Resolution Approving a Services Agreement between the City of Leadville and Metcalf Archaeological Consultants, Inc.</li> <li>C. Resolution No. 15, Series of 2023A Resolution Authorizing \$3,605 to the Historic Preservation Commission for expenses related to the Cultural Resource Survey</li> <li>D. RootsRx Change of Ownership Public Hearing</li> <li>E. Ordinance No. 4, Series of 2023: An Ordinance Amending Section 2.40.030 of the Leadville Municipal Code Concerning the Compensation of the Mayor</li> </ul>
8:00 pm	10.	Public Comments
	11.	Public Meetings Planner
	12.	Mayor's Report
	13.	Council Reports
8:20 pm	14.	Adjournment





## CITY OF LEADVILLE

800 HARRISON AVE.  
LEADVILLE, CO 80461

### REGULAR COUNCIL MEETING MINUTES

Wednesday  
July 5, 2023

6:00 P.M.

Council Chambers & Zoom

1. **Call to order** of regular council meeting at 6:01 p.m.

2. **Roll call:**

- a. **Present:** Mayor Labbe, MPT Greene CM Thomas, CM Lauritzen, CM Luna-Leal
- b. **Absent:** CM Hill, CM Grant

**Staff Members Present:** Deputy City Clerk Hannah Scheer, Administrative Assistant Lori Tye, Planning Director Chapin LaChance, City Administrator Laurie Simonson, Interim Chief of Police Ken Chavez

3. **Approval of the agenda:** CM Luna-Leal **moved** to approve the agenda as amended, and MPT Greene **seconded**. All present were in favor.

**Agenda Revisions:**

4. **Housekeeping Matters:**

CM Lauritzen: E. 7th has torn up pavement, will not be fixed for a month - asked if there be some water brought to keep the dust down. Administrative Assistant Lori Tye mentioned it should be done this week.

5. **Public comments for items not on the agenda:**

a. **Steve Prestash**

- i. Said the Pledge of Allegiance - many people in the room joined in
- ii. Concerned about the dual roles several people hold in Leadville - mentioned that the “under God” portion was added to the pledge in 1954.
- iii. Read a Secretary of State quote about China
- iv. Stated that realtors make \$35,000 on each unit sold at the Railyard
- v. Stated that the Railyard homes are selling for \$800,000 and renting for \$5,400 and used \$400,000 in CDOT funds
- vi. Stated this is accelerating gentrification, taxes are double, the situation is burdensome and is profiteering off a vulnerable community.

b. **Chris Cary**

- i. Asked for a correction to the minutes from 6/20/2023. The gun show will go forward, the theatrical gun fight will not.

**6. Consent Agenda:**

CM Lauritzen **moved** to remove the minutes of June 6, 2023 from the consent agenda, CM Luna-Leal **seconded**.

CM Luna-Leal **moved** to approve the minutes of June 6, 2023 with revisions; MPT Greene **seconded**. All present were in favor.

REVISIONS: “Fading West” not “Heading West”

CM Luna-Leal **moved** to remove the minutes of June 20, 2023 from the consent agenda, MPT Greene **seconded**.

CM Luna-Leal **moved** to approve the minutes of June 20, 2023 with revisions; CM Thomas **seconded**. All present were in favor.

REVISIONS: Fix “gun show” verbiage - the theatrical fight is canceled, not the gun show at the gym.  
CM Luna-Leal expressed concern having the show or the theatrical fight in the first place.

**7. Presentations and Discussions:****a. City Administrator’s Report:**

- i. e911 board established - St. Vincent’s is the last to sign. Sheriff Speckman, Chief Dailey, Interim Chief Chavez, Office of Emergency Management Director Claire Skeen, Emergency Medical Services Director Jeremiah Grantham have been added to the board.
- ii. Tory Hoffman wrote a letter to the Mayor and the City Administrator regarding raising money for injured veterans and police officers.
- iii. Interim Chief Chavez gave a summary of the recent events in town:
  1. Mountain Bike 100 - The ride-out was on Saturday, there were no accidents or issues.
  2. Tuesday 7/4 was the Firecracker 5k. Signs were put out in the morning, and had an officer do the lead-out for safety and blocking as they went.
  3. July 4th Parade - officer led. Showed support at the airport event as well.
  4. 7/6 is the first summer concert at Zaits Park - the police department will be there as well.
  5. Commented that there would be less calls about fireworks if there were no firework stands in the City/County. Some homes burned down in Denver this last weekend due to fireworks. Having fireworks in such close proximity to homes and trees could be catastrophic.

**b. Dark Skies Ordinance Discussion**

- i. Luke Finkin
  1. Would like to make Leadville a “dark skies” community

- 2. This would require adapting lighting systems to point down, recommendations for private property owners to inform how not to contribute to light pollution, a potential ordinance for new builds with a clause for existing fixtures to be switched out.
- 3. There would be some monetary transitions involved, suggested fundraising events.
- 4. Can go to darksky.org for more information.
- ii. The question was raised if Xcel participation would be necessary.
- iii. The City Administrator passed a dark skies ordinance in Moab

**c. Colorado Municipal League Conference Take-Aways**

**i. Hannah Scheer**

- 1. Attendees were genuinely interested in what they could do to make their community better for their people.
- 2. The Municipal Court class gave a lot of scenarios with a question and response section to let people think through our processes and how best we can get resources to our community and have better alternatives to excessive fines and jail time.

**ii. Mayor**

- 1. Decision making in municipalities needs to be non-partisan.
- 2. Senate Bill 213 was controversial because it preempted local zoning, it was not passed. There was no partnership involved, no other organizations were asked to participate.
- 3. Assessed values and how to handle them at the legislative level. A ballot issue coming out this November, Initiative 303 - changes residential property values. It will be interesting to see what comes of the assessed values before we have to declare our Mills in December.
- 4. One of the managers of DOLA (Department of Local Affairs) was very concerned that not enough cities and counties were opting in to Proposition 123.
- 5. Attended a class on the Open Meetings Law - important for City Council not to “reply all” or reply at all to emails to avoid the perception of having a serial meeting.
- 6. Social media - be careful of the way you use it.

**8. Action Items:**

**a. Flaming Foliage Relay Temporary Use Permit**

CM Thomas **moved** to approve the **Flaming Foliage Relay Temporary Use Permit**; CM Lauritzen **seconded**.

	YES	NO	Abstain	Absent
CM Lauritzen	*			
CM Luna-Leal	*			
MPT Greene	*			
Mayor Labbe	*			
CM Grant				*

CM Thomas	*			
CM Hill				*

**b. Ordinance No. 2, Series of 2023: Title 17 - Zoning, Definitions/Table of Uses Amendments - 2nd reading**

CM Luna-Leal moved to adopt **Ordinance No. 2, Series of 2023: Title 17 - Zoning, Definitions/Table of Uses Amendments - 2nd reading**; CM Thomas seconded.

	YES	NO	Abstain	Absent
CM Lauritzen	*			
CM Luna-Leal	*			
MPT Greene	*			
Mayor Labbe	*			
CM Grant				*
CM Thomas	*			
CM Hill				*

**c. Ordinance No. 3, Series of 2023: Title 17 - National Historic Landmark (NHL) District Amendments, Demolition, Applicability, Site Visits - 2nd reading**

CM Thomas moved to **Ordinance No. 3, Series of 2023: Title 17 - National Historic Landmark (NHL) District Amendments, Demolition, Applicability, Site Visits - 2nd reading**; CM Lauritzen seconded.

	YES	NO	Abstain	Absent
CM Lauritzen	*			
CM Luna-Leal	*			
MPT Greene	*			
Mayor Labbe	*			
CM Grant				*
CM Thomas	*			
CM Hill				*

**9. Council Reports:**

- a. CM Luna-Leal:
  - i. \$40,000 in grants to mobile home owners to weatherize/modernize home parks
  - ii. C4 is taking the lead
- b. Mayor/Mayor Protem Greene
  - i. The parade was great, it was nice to see the City and County officials participate.

**10. Mayor's Report:**

- a. Music at Zaitz Park on 7/6 at 6:00 p.m.
- b. Attending Central City Opera opening night
- c. 25th Annual Putnam County Spelling Bee at the Tabor Opera House
- d. The Sanitation Board is soliciting for a new member.

**11. Public Meetings Planner:**

- a. The Leadville Urban Renewal Authority meeting has been moved to 7/13 at 5:30 p.m.

**12. Public Comments:****a. Steve Prestash**

- i. Commented on corporations making money
- ii. Thanked CM Grant and MPT Greene for re-adding the public comment at the end of City Council meetings.
- iii. Attended the Planning and Zoning meeting and no members were there in person, they were all on Zoom. He would like to see City and County meetings with members present.

**b. Kenneth Chavez**

- i. As a citizen, he would like to see the City reinitiate starting City Council meetings with the Pledge of Allegiance.
- ii. The Pledge of Allegiance was created to show citizenship, patriotism, and civic duty. Words are not said in jest, it is a pledge to the country.
- iii. We have rights and privileges in this country that others don't have, the words are not hollow.
- iv. It is standard practice for the House of Representatives and Congress to begin their sessions with the Pledge of Allegiance. It is also the same for the State legislature of Colorado.

**Adjournment:** 8:18 p.m.

**APPROVED** this 18th day of July by a vote of [redacted] in favor [redacted] against, [redacted] abstaining, and [redacted] absent.

CITY OF LEADVILLE, COLORADO

ATTEST:

By

\_\_\_\_\_  
Deputy City Clerk

DRAFT

# Leadville Police Department

800 Harrison Avenue  
Leadville, CO 80461  
(719) 486-1365



Kenneth Chavez, Interim Chief of  
Police  
Greg Labbe, Mayor

**TO:** The Honorable Mayor Greg Labbe and Members of Leadville City Council

**FROM:** Chief Ken Chavez

**SUBJECT:** Leadville Police Department: June 2023

- **Staffing:**
  - The Police Department has one opening at this time for a full-time officer and are accepting applications.
- **Highlights:**
  - Team Leadville was happy with the assistance received from The Police Department. "Your Police Department has provided our marathon team a Police Escort--to include Interim Chief Kenneth Chavez last week. I had the privilege to meet he and Perla Flores on Friday. Great individuals! Chief Chavez is also a veteran, making what we do even more applicable. Just wanted to thank both for their hospitality and "bringing us home" last week to the applause of hundreds who witness our Team finish--which is well known by the Leadville Race Series Faithful."

**MONEY RECEIVED FOR THE MONTH:**

\$ 200.00	(7) Parking Tickets
\$332.00	(5) VIN Inspections / 5 <sup>th</sup> Judicial District Checks / (1) Records Requests / (3) Fingerprints/ (3) Sex Offender Registrations / (0) Vehicle Tow Fee
\$30.00	(1) Police Surcharge – (0) VIN Convenience Fee
<b>Total \$562.00</b>	

**ACTIVITY:**

- Registered Sexual Offenders that reside in The City of Leadville: 16
- Sex Offenders registered this month: 3
- Incident Reports: 34
- Citations/Tickets/Summons: 9
  - Municipal Court:3
  - County Court: 6
- Number of Juveniles put into Diversion: 0
- Number of Persons Taken In-Custody: 6
  - Agency Assist :10
  - Warrant: 4
  - DV:6
  - Informational:12

**LEADVILLE POLICE DEPARTMENT OFFICERS AND STAFF:**

**Perla Flores, Administrative Supervisor: Records/Getac/Sexual Offender  
Coordinator/fingerprints/(Certified) VIN Inspections**

**Joanna Lopez, Administrative Assistant: Records/Getac/Sexual Offender  
coordinator/fingerprints/(Certified)VIN Inspections**

**Interim Chief of Police Kenneth Chavez**

**Sergeant John Ortega/FTO**

**Sergeant Daniel Breyer – (Part-Time) Training and Compliance Specialist**

**Officer Daniel Hanson - Part-Time /FTO**

**Officer Maria Porzelt**

**Officer Aaron Barnett**

**Officer Brenda Caraveo**

**Community Service Officer Natalie Lopez**

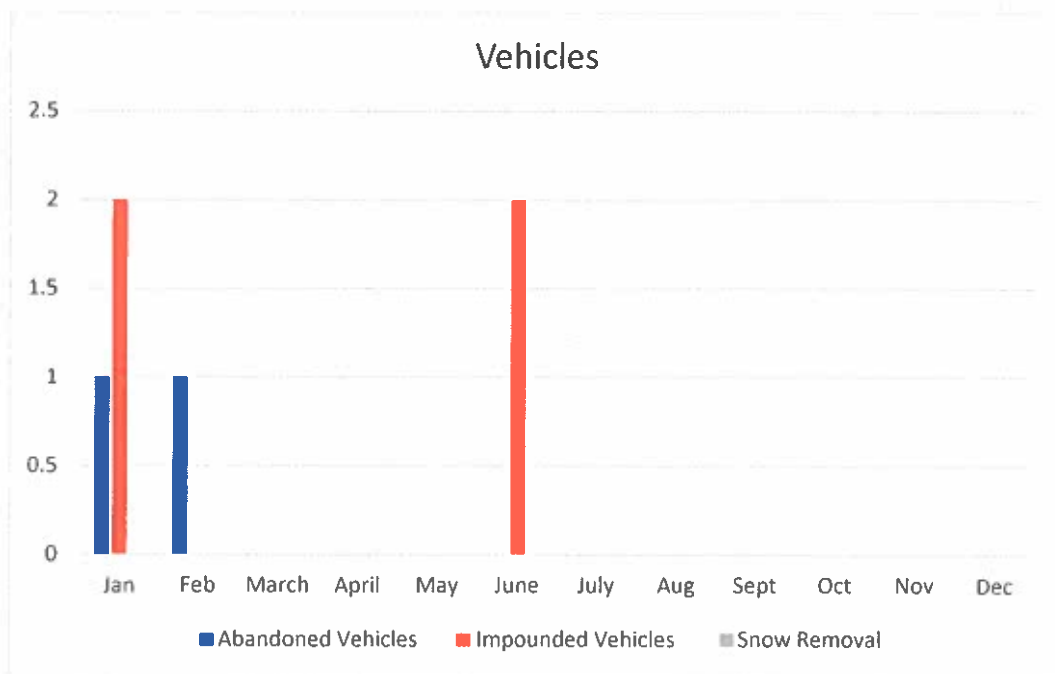
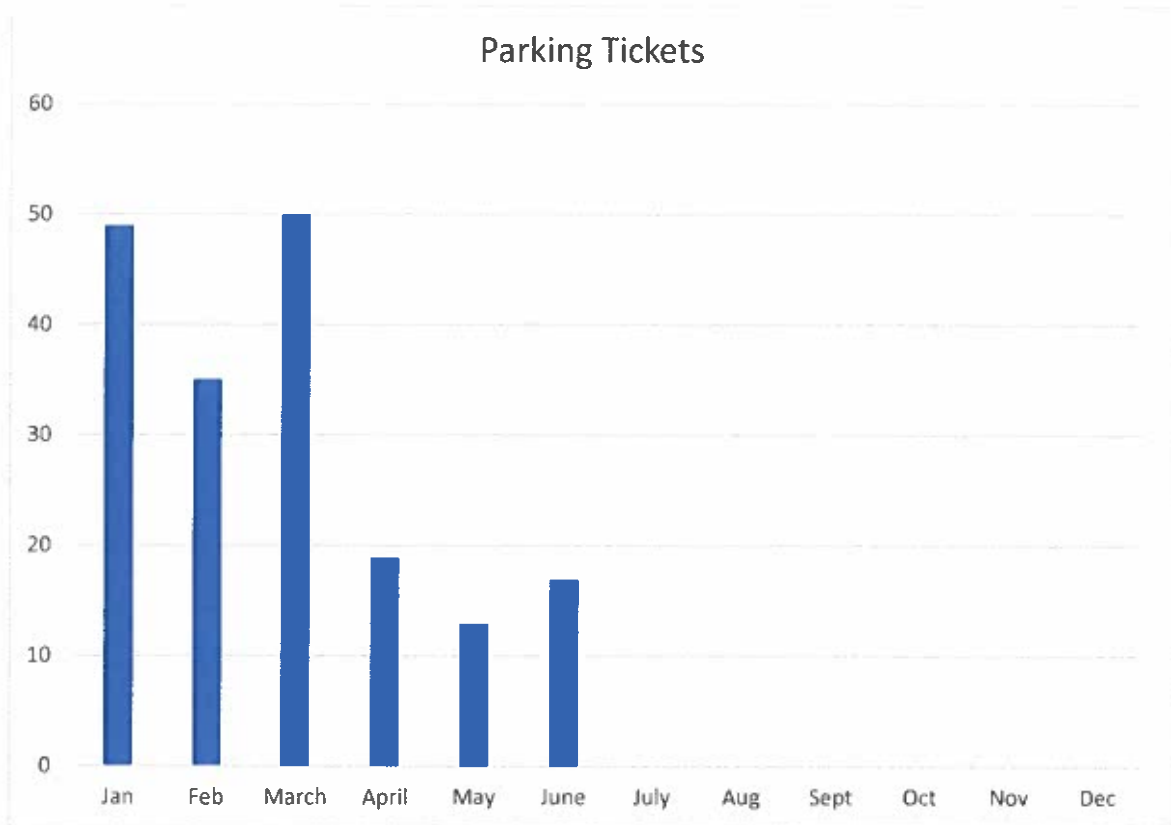
**Community Service Officer Destiny Barraza**

**LPD Fleet**

- (2) 2021 Ford Interceptor- Patrol/ 82-14, 82-15
- (3) 2020 Ford Interceptors- Patrol/ 82-11, 82-12, 82-13
- (3) 2016 Ford Interceptors – Patrol/ 82-1, 82-4, 82-5,
- (2) 2016 Ford Taurus/ 82-16, 82-17
- (1) 2005 Jeep Liberty – CSO / 82-7(inoperable)
- (1) 1999 Trailer – Evidence



# June Monthly CSO Reports









## Leadville Lake County Fire Rescue

816 Harrison Avenue. Leadville, CO 80461  
Phone (719) 486-2990 Fax (719) 486-3113 Emergency – Dial 911  
[www.lakecountycolorado.com/fire](http://www.lakecountycolorado.com/fire) - [www.cityofleadville.colorado.gov](http://www.cityofleadville.colorado.gov)

### Monthly Report June, 2023

#### CALLS FOR SERVICE

- Please see attached statistics for the month of June

#### DEPARTMENT

- Station II (Multi-Use Facility); Finish is being completed. Ordering operational needs with community donation funds. A shift is putting together the gear locker storage area, B shift is assisting with VA furniture and C shift is assembling the gym with flooring
- Headwaters Training Facility, (HTC); Self Contained Breathing Apparatus (SCBA) confidence course container and one burn room, plans being worked on. Working towards a climate-controlled building with Colorado Mountain College (CMC), and plans to finish two sheds donated by CMC to become warming huts or additional training props
- Apparatus; Type I Spartan is set for the end of July for delivery. We will have a ceremony in July.

#### GRANTS

- Awarded \$44,850.00 in February. Assistance to Firefighter Grant, (AFG) grant submitted for a micro grant for 10 sets of Personal Protective Equipment, (PPE), in the amount of \$50,000.00. this grant was submitted on Dec 17<sup>th</sup> 2022 and the 425 financial form was complete for this quarter
- Awarded! Firefighter Safety and Disease Prevention Grant submitted in the amount of \$15,613.00 for an extractor machine for Station II. Reimbursement has been submitted in the amount of \$14,475.00. This has been installed at Station II
- Awarded! House Bill -1194 grant for an additional 5 sets of PPE in the amount of \$14,719.08
- TO DATE; GRANT AND OTHER REVENUE TOTALS FOR 2018, 2022= \$1,748,534.70
- TO DATE; GRANT AND OTHER REVENUE SINCE 2012= \$3,565,110.70
- This revenue does not include minor revenue for services such as the sign program and permits
- Staffing Adequate Fire Emergency Response, (SAFER) grant 425 financial form complete this quarter and \$129,903.87 of the total amount of \$595,027.86 has been requested. This grant for the 4<sup>th</sup> person on the engine company finalizes 02-11-2025.

#### RESIDENT/RESERVE STAFFING

- We currently have 7 Residents with one female in the hiring process and one Reserve
- Total of 5 living at Station II when it is open.

#### PREVENTION/MARSHAL

##### Site Inspections:

STR 1

Rental Shop Highway 24

Old Pizza Hut

##### Meetings:

Building Dept  
Pyrotechnics staff for 4th July display  
LLCFR Officer Meeting  
Planning & Zoning  
Access and Functional Needs  
Leadville 100 Race Series IAP  
RETAC  
DA/ Advocates/ Sheriff  
Lake County Emergency Services Council

**Fire Responses:**

109 E13th Garage Fire  
500 Harrison Fire alarm  
Mountain View East bus stop fire  
Wildfire- Pan Arc area  
300 E3rd backyard fire

**Inspections/ Plans reviews:**

Plan reviews: 28  
Special Events: 22  
Trainings: Friends of Twin Lakes and LLCFR provided free fire extinguisher training to 20 residents.

**OPERATIONS CHIEF/TRAINING/CMC**

- B shift Engine Company performed CPR on a citizen and saved their life
- Extinguished 10 fires in total for the month
- In the process of hiring one female resident/reserve
- The online Fire Academy training system is operational
- Sent the Type III Engine on wildland deployment to the Spring Creek Fire
- Recertified 6 state qualifications
- Earned 2 new state qualifications
- Sent 5 personnel to Gunnison for a world class firefighting training at no expense to the City/County/Department
- Continued work with WiRe on county wildfire mitigation
- Continued work with Forest Health Council on wildfire mitigation

## DD - Monthly Incident Type Report (Summary)

Basic Incident Type Code And Description (FD1.21)	Total Incidents	Total Incidents Percent of Incidents	Total Property Loss	Total Content Loss	Total Loss	Total Loss Percent of Total
<b>Incident Type Category (FD1.21): 1 - Fire</b>						
100 - Fire, other	2	1.82%				
111 - Building fire	1	0.91%	25,000.00	10,000.00	35,000.00	70.00%
112 - Fires in structure other than in a building	1	0.91%	5,000.00	0.00	5,000.00	10.00%
141 - Forest, woods or wildland fire	4	3.64%	5,000.00	5,000.00	10,000.00	20.00%
142 - Brush or brush-and-grass mixture fire	2	1.82%	0.00	0.00	0.00	0.00%
	<b>Total: 10</b>	<b>Total: 9.09%</b>	<b>Total: 35,000.00</b>	<b>Total: 15,000.00</b>	<b>Total: 50,000.00</b>	<b>Total: 100.00%</b>
<b>Incident Type Category (FD1.21): 3 - Rescue &amp; Emergency Medical Service Incident</b>						
300 - Rescue, EMS incident, other	2	1.82%				
311 - Medical assist, assist EMS crew	2	1.82%				
320 - Emergency medical service, other	18	16.36%				
321 - EMS call, excluding vehicle accident with injury	25	22.73%				
324 - Motor vehicle accident with no injuries.	13	11.82%				
	<b>Total: 60</b>	<b>Total: 54.55%</b>	<b>Total: 0.00</b>	<b>Total: 0.00</b>	<b>Total: 0.00</b>	<b>Total: 0.00%</b>
<b>Incident Type Category (FD1.21): 4 - Hazardous Condition (No Fire)</b>						
410 - Combustible/flammable gas/liquid condition, other	1	0.91%				
412 - Gas leak (natural gas or LPG)	2	1.82%				
424 - Carbon monoxide incident	1	0.91%	0.00	0.00	0.00	0.00%
444 - Power line down	1	0.91%				
	<b>Total: 5</b>	<b>Total: 4.55%</b>	<b>Total: 0.00</b>	<b>Total: 0.00</b>	<b>Total: 0.00</b>	<b>Total: 0.00%</b>
<b>Incident Type Category (FD1.21): 5 - Service Call</b>						
511 - Lock-out	5	4.55%				
550 - Public service assistance, other	2	1.82%				
551 - Assist police or other governmental agency	1	0.91%				
	<b>Total: 8</b>	<b>Total: 7.27%</b>	<b>Total: 0.00</b>	<b>Total: 0.00</b>	<b>Total: 0.00</b>	<b>Total: 0.00%</b>
<b>Incident Type Category (FD1.21): 6 - Good Intent Call</b>						
600 - Good intent call, other	3	2.73%				
611 - Dispatched and cancelled en route	7	6.36%				
622 - No incident found on arrival at dispatch address	2	1.82%	0.00	0.00	0.00	0.00%
651 - Smoke scare, odor of smoke	1	0.91%				
653 - Smoke from barbecue, tar kettle	1	0.91%				
671 - HazMat release investigation w/no HazMat	1	0.91%				
	<b>Total: 15</b>	<b>Total: 13.64%</b>	<b>Total: 0.00</b>	<b>Total: 0.00</b>	<b>Total: 0.00</b>	<b>Total: 0.00%</b>
<b>Incident Type Category (FD1.21): 7 - False Alarm &amp; False Call</b>						
700 - False alarm or false call, other	7	6.36%				
743 - Smoke detector activation, no fire - unintentional	2	1.82%				
744 - Detector activation, no fire - unintentional	2	1.82%				
	<b>Total: 11</b>	<b>Total: 10.00%</b>	<b>Total: 0.00</b>	<b>Total: 0.00</b>	<b>Total: 0.00</b>	<b>Total: 0.00%</b>
<b>Incident Type Category (FD1.21): 9 - Special Incident Type</b>						
900 - Special type of incident, other	1	0.91%				
	<b>Total: 1</b>	<b>Total: 0.91%</b>	<b>Total: 0.00</b>	<b>Total: 0.00</b>	<b>Total: 0.00</b>	<b>Total: 0.00%</b>
	<b>Total: 110</b>	<b>Total: 100.00%</b>	<b>Total: 35,000.00</b>	<b>Total: 15,000.00</b>	<b>Total: 50,000.00</b>	<b>Total: 100.00%</b>



## DD - NFIRS Run Data Report - Alarm to Arrival

Response Times	Number of Incidents	Percent of Total
0 - 1.0 Minutes	5	4.81%
1 - 2.0 Minutes	7	6.73%
2 - 3.0 Minutes	13	12.50%
3 - 4.0 Minutes	10	9.62%
4 - 5.0 Minutes	6	5.77%
5 - 6.0 Minutes	5	4.81%
6 - 7.0 Minutes	11	10.58%
7 - 8.0 Minutes	5	4.81%
8 - 9.0 Minutes	4	3.85%
9 - 10.0 Minutes	2	1.92%
10 - 11.0 Minutes	5	4.81%
11 - 12.0 Minutes	2	1.92%
12 - 13.0 Minutes	3	2.88%
13 - 14.0 Minutes	2	1.92%
14 - 15.0 Minutes	1	0.96%
15 - 16.0 Minutes	2	1.92%
16 - 17.0 Minutes	2	1.92%
17 - 18.0 Minutes	2	1.92%
18 - 19.0 Minutes	3	2.88%
19 - 20.0 Minutes	4	3.85%
21 - 22.0 Minutes	1	0.96%
22 - 23.0 Minutes	1	0.96%
24 - 25.0 Minutes	2	1.92%
31 - 32.0 Minutes	2	1.92%
33 - 34.0 Minutes	1	0.96%
35 - 36.0 Minutes	2	1.92%
42 - 43.0 Minutes	1	0.96%
	<b>Total: 104</b>	<b>Total: 100.00%</b>

**Description**

This Report Doesn't Include Times Greater Than 90 Minutes









## Leadville Lake County Animal Shelter June 2023 Department Report

### Quick Stats

4 Adoptions	6 City Impounds	3 Repeat Offenders
2 Surrenders	10 County Impounds	0 Transfers In
1 Adoption Return	6 Unclaimed Strays	1 Transfers Out
8 Holds	0 Bite Quarantine	0 Euthanasias
7 RTOs	4 Rabies Vacs Needed	7 Licenses Needed

To Date (7/14) **133** animals have come through our doors

### Events

- June
  - o 5th Staff training/interview Q&A with ASPCA pros
  - o 8th LPD Court Case, guilty of 10 counts of cruelty to animals
  - o 25th Vaccine Clinic with RezDawgs Rescue **over 50** animals vaccinated!
- July
  - o 8th New partnership and transfer
  - o 12th Art Fundraiser raised over \$1,500
- August
  - o 19th 1:00 - 4:00 pm Yard Sale
  - o TBD Check Your Chip Event



# DEPUTY CITY CLERK

## June 2023 – LICENCES REPORT

### BUSINESS

- No new updates

### LIQUOR

- No new updates
- Vendors can call 303-205-2300 to verify the application is in process if they are unsure about selling to a licensee while their renewal is being processed.

### MARIJUANA

- JEM Dutch Acres LLC dba Earl's has applied to renew their Retail Dispensary License
- RootsRx has applied to renew their Retail Dispensary License and Retail Cultivation license

### SHORT TERM RENTAL

- 4 more people have updated their licenses - doing a manual count to get a hard number of total licenses - some have not paid for the total amount of licenses they had last year, which will increase the total count.
- 22 people on the waiting list

Permit on Internet list	Permit # Retired	Permit Incomplete	Fees/Valuation increased or Decreased
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### City Building Permits

2023

CO / COC	Expiration Date	Account Number	Type of Construction	Submitted Date	Permit Number	Permit Holder Applicant/Owner	Physical Address	Value	County Fee	Payment Type	Receipt Number	CCC Inv #
		R005618	Drywall	1/30/2023	BP2023-01W	All about remodeling/Shipman	715 Elm St.	\$3,000.00	\$186.00	cc	13110972	
						<b>January Totals</b>		<b>\$3,000.00</b>	<b>\$186.00</b>			
		R006674		3/20/2023	BP2023-02W	CO Container Homes	930 Hemlock St	\$193,200.00	\$1,679.00		32913139	
		R006939		3/8/2023	BP2023-03W	Costello West LLC	109 Brooklyn Circle	\$211,190.00	\$2,979.00		31612883	
		R006940		3/8/2023	BP2023-04W	Costello West LLC	113 Brooklyn Circle	\$224,460.00	\$3,132.00		31612883	
		R005940		3/30/2023	BP2023-05W	Mtz Altitude Const/Sustos	301 E. 8th	\$9,670.00	\$253.00		40613327	
						<b>March Totals</b>		<b>\$638,520.00</b>	<b>\$8,043.00</b>			
		R006400		4/4/2023	BP2023-06W	Blackwell/Blackwell	428 E 7th St	\$338,490.00	\$4,449.00		40613327	
						<b>April Totals</b>		<b>\$338,490.00</b>	<b>\$4,449.00</b>			
		R006941	Duplex	5/24/2023	BP2023-08W	Costello West LLC	117 Brooklyn Circle	\$223,680.00	\$1,893.00	3047	52414907	
		R006942	Duplex	5/24/2023	BP2023-09W	Costello West LLC	121 Brooklyn Circle	\$223,680.00	\$1,893.00	106	52414907	
		R006943	Duplex	5/24/2023	BP2023-10W	Costello West LLC	125 Brooklyn Circle	\$220,540.00	\$1,871.00	105	52414907	
		R007110	Basement conversion to ADU	5/9/2023	BP2023-11W	Torre Form/Noe Torre	701 Clarendon	\$225,100.00	\$3,139.00	1098	51614764	
						<b>May Totals</b>		<b>\$893,000.00</b>	<b>\$8,796.00</b>			
		R006252	Foundation Repair	6/12/2023	BP2023-12W	Aspen Foundations/Nab	200 West 6th St	\$90,000.00	\$1,546.00		61215496	
		R005840	Remodel/Repair	6/12/2023	BP2023-13W	KW/Askins	228 E 7th St	\$32,400.00	\$666.00		61215502	
		R005605	Mod Set w/ 2 floors unfinished space	6/16/2023	BP2023-07W	Torre Form/Gonzales	724 Elm	\$469,010.00	\$3,610.00	1093	62215801	
						<b>June Totals</b>		<b>\$591,410.00</b>	<b>\$5,822.00</b>			





## AGENDA ITEM # **9A**

### CITY COUNCIL COMMUNICATION FORM

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MEETING DATE: July 18, 2023

SUBJECT: Resolution No. 14, Series of 2023: A Resolution Approving a Services Agreement between the City of Leadville and Metcalf Archaeological Consultants, Inc.

PRESENTED BY: Laurie Simonson, City Administrator; Lori Tye, Historic Preservation Commission staff

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ORDINANCE  
 RESOLUTION  
 MOTION  
 INFORMATION

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#### I. **REQUEST OR ISSUE:**

Before City Council for consideration is Resolution No. 14, Series of 2023, (the “Resolution”), which approves a contract between the City of Leadville (“City”) and Metcalf Archaeological Consultants, Inc. for professional services. The contract is for professional services, a Cultural Resource Survey of West End Residential area of the City’s National Historic Landmark Overlay District (“NHL District”).

#### II. **BACKGROUND INFORMATION:**

The Historic Preservation Commission (“HPC”) would like to hire Metcalf Archaeological Consultants, Inc. to conduct a reconnaissance level survey of the historic resources in the West End Residential area, along E 8<sup>th</sup> and 9<sup>th</sup> Streets. The survey will provide a better understanding of the integrity and contributing status of buildings within the National Historic Landmark District. The 2015 Comprehensive Plan identified the West End Residential area as a “Priority One Survey project” and recommended completion of a reconnaissance level survey within five years.

The HPC has applied for, and received, the following grants to fund this project:  
Certified Local Government (CLG) subgrant - \$25,000.00, with a local match of \$8,105  
Lake County Community Fund grant - \$3,000.00  
Visit Leadville-Twin Lakes Tourism Panel grant - \$1,500.00

Metcalf Archaeological Consultants, Inc. bid on this project last December, the bid was \$29,357;  
Cost of flyers to alert city residents regarding the START of the project & associated public meetings is \$1,248.94;

Cost of flyers to alert city residents regarding the RESULTS of the project & associated public meetings is \$1,248.94;

Cost of Translation services (English to Spanish) for flyers and for survey report is \$1,250.00

Total estimated cost of this first survey project is \$33,104.88 and we have received \$29,500 in grants, leaving \$3,604.88.

**III. FISCAL IMPACTS:**

While the contract with Metcalf (\$29,357) is fully grant funded, the HPC will be asking for \$3,605 from City Council to reach the total cost of the West End Residential survey project. City to pay consultant, then reimbursed by the CLG grant funds, other funds have been received.

**IV. LEGAL ISSUES:**

N/A

**V. STAFF RECOMMENDATION:**

The HPC is committed to getting the “Priority One” areas surveyed as recommended in the 2015 Comprehensive Plan. They are currently working on other grant opportunities and will be applying for a larger grant from State Historical Fund in October, which requires a 25% match. These surveys will be instrumental in processing Certificate of Appropriateness’ and determining if a structure is historic or non-historic and contributing or non-contributing to our National Historic District. Staff recommends that City Council approve Resolution No. 14, Series of 2023.

**VI. COUNCIL OPTIONS:**

Council may take one of the following actions:

1. Adopt the Resolution.
2. Adopt the Resolution with amendments.
3. Table for further discussion and consideration.

**VII. PROPOSED MOTION:**

“I move to adopt Resolution No. 14, Series of 2023, A Resolution Approving a Services Agreement between the City of Leadville and Metcalf Archaeological Consultants, Inc.”

**VIII. ATTACHMENTS: Resolution No. 14, Series of 2023 and copy of Services Agreement with Metcalf Archaeological Consultants, Inc.**



**CITY OF LEADVILLE, COLORADO  
RESOLUTION NO. 14  
SERIES OF 2023**

**A RESOLUTION APPROVING A SERVICES AGREEMENT BETWEEN THE CITY OF  
LEADVILLE AND METCALF ARCHAEOLOGICAL CONSULTANTS, INC.**

**WHEREAS**, The Historic Preservation Commission would like to hire Metcalf Archaeological Consultant, Inc. to conduct a reconnaissance level cultural resource survey of the west end residential area; and

**WHEREAS**, Metcalf Archaeological Consultants, Inc. has submitted, and been awarded, a bid as a qualified and experienced consulting firm; and

**WHEREAS**, The survey will provide a better understanding of the integrity and contributing status of buildings.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Leadville, Colorado, as follows:

The City Council hereby:

- (a) Authorizes the City Administrator, on behalf of the City of Leadville's Historic Preservation Commission, to enter into a contract for professional services with Metcalf Archaeological Consultants, Inc. in the amount of \$29,357.

This Resolution shall be effective upon its adoption.

**ADOPTED this 18<sup>th</sup> day of July, 2023 by a vote of \_\_\_\_\_ in favor, \_\_\_\_ against,  
\_\_\_\_\_ abstaining, and \_\_\_\_ absent.**

CITY OF LEADVILLE, COLORADO:

\_\_\_\_\_  
Greg Labbe, Mayor

ATTEST:

\_\_\_\_\_  
Deputy City Clerk



**City of Leadville, Colorado  
SERVICES AGREEMENT**

**Service:** Cultural Resource Survey

THIS SERVICES AGREEMENT (“Agreement”) is made and entered into by and between the City of Leadville, a municipal corporation of the State of Colorado, with offices at 800 Harrison Avenue, Leadville, Colorado 80461 (the “City”), and Metcalf Archaeological Consultants, Inc., an independent contractor with offices at 11495 W 8<sup>th</sup> Ave, Suite 104, Lakewood, CO 80215 (“Contractor”) (each individually a “Party” and collectively the “Parties”).

For the consideration set forth in this Agreement, the receipt and sufficiency of which are acknowledged, the Parties agree as follows:

**I. SERVICES**

A. Description. Contractor will provide a Cultural Resource Survey for the west end residential area of the City (“Services”), which services are more fully described in Contractor’s proposal attached to this Agreement as **Exhibit A. Exhibit A** is incorporated into this Agreement by this reference.

B. Term and Termination. This Agreement shall be effective on the date of its mutual execution by the Parties and shall continue until contractor completes the Scope of Services to the satisfaction of the City or until terminated as provided in this Agreement. The Parties may mutually agree to extend the term of this Agreement in writing pursuant to the amendment provisions of this Agreement. Either the City or the Contractor may terminate this Agreement by providing the other party with advance written notice of termination. The notice of termination shall state the date on which the Services shall terminate, which shall be no sooner than thirty (30) days following the date of the notice of termination. Within thirty (30) days of the date of termination, Contractor may submit a final invoice for all unpaid Services completed pursuant to this Agreement prior to the date of termination. The City will pay such final invoice within thirty (30) days of the date of the City’s receipt of the final invoice. The City shall not be obligated to pay any invoice submitted by Contractor more than thirty (30) days after the date of termination.

**II. COMPENSATION**

A. Payment. In consideration for performance of the Services by the Contractor, the City shall pay Contractor an amount not to exceed twenty-nine thousand three hundred fifty-seven dollars (\$29,357) (“Contractor Fee”).

B. Method of Payment. Contractor may invoice the City no more often than twice a month for Services completed. The City shall pay each invoice within thirty (30) days of the City’s receipt of the invoice unless the Parties agree upon another time period in writing. Notwithstanding the foregoing, upon termination of this Agreement by one or both parties, the City shall pay the final invoice pursuant to Section I of this Agreement. All payments under this Agreement shall be by check made payable to Contractor. The City will mail payments via first class United States Mail to the Contractor’s address listed on the first page of this Agreement.

C. Other Expenses. Any fee, cost, charge, or expense incurred by the Contractor not otherwise specifically authorized by this Agreement shall be deemed a non-reimbursable cost that shall be borne by the Contractor and shall not be billed or invoiced to the City and shall not be paid by the City.

### III. INSURANCE

Contractor shall obtain and maintain the types, forms, and coverage(s) of insurance deemed by the Contractor to be sufficient to meet or exceed the Contractor's minimum statutory and legal obligations arising under this Agreement. Such insurance shall name the City as a Certificate Holder. Contractor shall provide the City with a certificate of insurance prior to the commencement of the services under this Agreement, and Contractor shall provide the City a copy of such insurance policy or policies upon request by the City. Contractor understands and agrees that the City's insurance does not provide coverage for Contractor. The Contractor's failure to obtain or maintain Contractor's own policies of insurance for the duration of this Agreement and for any travel or other activities related to the Services shall not limit, prevent, preclude, excuse, or modify any liability, claims, demands, or other obligations of the Contractor arising from performance or non-performance under this Agreement.

### IV. INDEMNIFICATION

Contractor agrees to indemnify, defend, and hold harmless the City and its officers, insurers, volunteers, representatives, agents, employees, heirs and assigns from and against all claims, liability, damages, losses, expenses and demands, including reasonable attorney fees, on account of injury, loss, or damage, including without limitation claims arising from bodily injury, personal injury, sickness, disease, death, property loss or damage, or any other loss of any kind whatsoever, which arise out of or are in any manner connected with this Agreement if such injury, loss, or damage to the extent caused in whole or in part by, the negligent act, omission, error, professional error, mistake, negligence, or other fault of Contractor, or any officer, employee, representative, or agent of Contractor, or which arise out of a worker's compensation claim of any employee of Contractor.

### V. MISCELLANEOUS

A. Independent Contractor. Contractor understands and agrees that Contractor shall perform its obligations under this Agreement as an independent contractor and not as an employee of the City. Contractor acknowledges that it is not on City's payroll or social security or tax withholding rolls. Notwithstanding any other provision of this Agreement, all personnel assigned by Contractor to perform work under the terms of this Agreement shall be, and remain at all times, employees or agents of Contractor for all purposes. Contractor shall make no representation that it is an employee of City for any purposes. The Contractor shall be solely responsible for all compensation, benefits, insurance and employment-related rights of any person providing services under this Agreement during the course of or arising or accruing as a result of any employment, whether past or present, with the Contractor, as well as all legal costs including attorney's fees incurred in the defense of any conflict or legal action resulting from such employment or related to the corporate amenities of such employment.

B. Governing Law and Venue. This Agreement shall be governed by the laws of the State of Colorado, and any legal action concerning the provisions of it shall be brought in Lake County, Colorado.

C. Integration and Modification. This Agreement constitutes the entire agreement between the Parties, superseding all prior oral or written communications. This Agreement may only be modified or amended upon written agreement signed by the Parties.

D. Notice. Unless otherwise provided in this Agreement, any notice under this Agreement shall be in writing, and shall be deemed sufficient when directly presented to a Party or sent via pre-paid, first-class United States Mail, to the Party at the applicable address set forth on the first page of this Agreement.

E. Severability. If any provision of this Agreement is found by a court of competent jurisdiction to be unlawful or unenforceable for any reason, the remaining provisions of this Agreement shall remain in full force and effect.

F. Assignment. Neither this Agreement nor any of the rights or obligations of the Parties, shall be assigned by either Party without the written consent of the other.

G. Rights and Remedies. Any rights and remedies of the City under this Agreement are in addition to any other rights and remedies provided by law. The expiration of this Agreement shall in no way limit the City's legal or equitable remedies, or the period in which such remedies may be asserted.

H. Binding Effect. The Parties agree that this Agreement, by its terms, shall be binding upon the successors, heirs, legal representatives, and assigns; provided that this Section V shall not authorize assignment.

I. No Third-Party Beneficiaries. Nothing contained in this Agreement is intended to or shall create a contractual relationship with, cause of action in favor of, or claim for relief for, any third party, including any agent, sub-consultant or subcontractor of Contractor. Absolutely no third-party beneficiaries are intended by this Agreement. Any third party receiving a benefit from this Agreement is an incidental and unintended beneficiary only.

J. Survival. Any terms and conditions of the Agreement that require continued performance, compliance, or effect beyond the Termination Date of the Agreement shall survive such Termination Date and shall be enforceable in the event of a failure to perform or comply, including but not limited to the following provisions: Sections IV (Indemnification) and V (A) (Independent Contractor), (B) (Governing Law and Venue), (G) (Rights and Remedies) and (K) (Attorneys' Fees).

K. Attorneys' Fees. If the Contractor breaches this Agreement, then it shall pay the City's reasonable costs and attorney's fees incurred in the enforcement of the terms, conditions, and obligations of this Agreement.

L. Annual Appropriation. Consistent with Article X, § 20 of the Colorado Constitution, any financial obligation of the City not performed during the current fiscal year is subject to annual appropriation, and thus any obligations of the City shall extend only to monies currently appropriated and shall not constitute a mandatory charge, requirement, debt or liability beyond the current fiscal year.

M. Agreement Controls. In the event a conflict exists between this Agreement and any term in any exhibit attached or incorporated into this Agreement, the terms in this Agreement shall supersede the terms in such exhibit.

N. Force Majeure. Neither the Contractor nor the City shall be liable for any delay in, or failure of performance of, any covenant or promise contained in this Agreement, nor shall any delay or failure constitute default or give rise to any liability for damages if, and only to extent that, such delay or failure is caused by “force majeure.” As used in this Agreement, “force majeure” means acts of God, acts of the public enemy, acts of terrorism, unusually severe weather, fires, floods, epidemics, quarantines, strikes, labor disputes and freight embargoes, to the extent such events were not the result of, or were not aggravated by, the acts or omissions of the non-performing or delayed party.

O. Protection of Personal Identifying Information. In the event the Services include or require the City to disclose to Contractor any personal identifying information as defined in C.R.S. § 24-73-101, Contractor shall comply with the applicable requirements of C.R.S. §§ 24-73-101, *et seq.*, relating to third-party services providers.

P. Authority. The individuals executing this Agreement represent that they are expressly authorized to enter into this Agreement on behalf of the City of Leadville and the Contractor and bind their respective entities.

Q. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall constitute an original and all of which shall constitute one and the same document. In addition, the Parties specifically acknowledge and agree that electronic signatures shall be effective for all purposes, in accordance with the provisions of the Uniform Electronic Transactions Act, Title 24, Article 71.3 of the Colorado Revised Statutes.

*[signature page follows]*

**THIS AGREEMENT is executed and made effective as provided below.**

**CITY OF LEADVILLE, COLORADO**

**METCALF ARCHAEOLOGICAL  
CONSULTANTS, INC.**

By: \_\_\_\_\_

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date of execution: \_\_\_\_\_

Date of execution: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Deputy City Clerk

\_\_\_\_\_  
STATE OF )  
COUNTY OF ) ss.

The foregoing Services Agreement was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2023, by \_\_\_\_\_ as \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_.

Witness my hand and official seal.

My commission expires: \_\_\_\_\_.

\_\_\_\_\_  
Notary Public  
(Required for all contracts (C.R.S. § 8-40-202(2)(b)(IV)))  
\_\_\_\_\_

## **EXHIBIT A** **SCOPE OF WORK**

### ***Task A—Literature Review and Archival Research***

#### *Subtasks -*

- Request file search through OAHP
- Review existing historic documentation
- Conduct research at City and County offices
- Conduct research at local institutions and repositories

#### *Literature Review and Research*

Prior to beginning fieldwork, Metcalf staff will conduct necessary preliminary research including a review of existing historic documentation in the project area, relevant survey and stabilization reports, and any documentation specific to the City of Leadville. This background research will provide a basic knowledge of the area as well as results of previously conducted work. Metcalf will obtain all available documentation and GIS data from OAHP.

To adequately evaluate the cultural resources within the survey area, staff will consult relevant primary and secondary source materials as well as state developed contexts, web guides, historic photos, and National Register documents. The Leadville Heritage Museum, Colorado Mountain History Collection at the Lake County Public Library, digital Sanborn Fire Insurance maps, and historic newspapers will also be utilized for historic research.

### ***Task B – Fieldwork***

#### *Subtasks -*

- Reconnaissance level survey of 108 properties

#### *Fieldwork*

Metcalf will conduct a survey of 108 identified properties at a reconnaissance level. The inventory will conform to the guidelines contained in *Colorado Cultural Resource Survey Manual: Guidelines for Identification* (OAHP 2007). Work will be conducted by Metcalf Architectural Historian, under the supervision of Principal Investigator, Jennifer Lee. Additional field staff, if utilized, will be directly supervise. Metcalf will record properties using relevant forms available from the Colorado OAHP, as described below. At minimum, on-site documentation will include locational information, written descriptions of each feature, dates of construction, historic associations and/or contexts, and an assessment of each of the seven aspects of integrity. Metcalf will include a preliminary evaluation of eligibility following criteria established in 36 CFR 60 and the guidelines provided in National Register Bulletin 15, *How to Apply the National Register Criteria for Evaluation*. Justification for the eligibility or ineligibility of a location will be discussed in the technical report with reference to the four Criteria for Evaluation (A through D), seven Criteria Considerations (A through G), and seven aspects of integrity.

Each property will be recorded by taking high quality digital images from the public right-of-way. Photographs will clearly show the subject building. If there are secondary structures associated with each site and they are not clearly visible in the image of the main house, additional photographs may be taken. Our Architectural Historian will document physical descriptions, note current property conditions, and make preliminary recommendations regarding the level of historic integrity retained by each property utilizing Metcalf's digital iPad workflow.

### *Task C—Survey Forms and Report Preparation*

#### *Subtasks -*

- Complete 108 reconnaissance survey forms
- Write technical report
- Submit draft forms and report to HPC
- Revise drafts and prepare final forms and report
- Submit final forms and report to HPC

Following the survey, Metcalf will complete 108 reconnaissance survey forms using OAHP templates as noted above. Metcalf has confirmed that OAHP no longer requires a separate form for secondary buildings on properties recorded at the reconnaissance level. Primary buildings will therefore be recorded on a Historical and Architectural Reconnaissance Form and ancillary buildings will be included in a table at the end of the form. Each draft form will be submitted to the HPC and OAHP for review. Metcalf will revise and finalize the forms in response to received feedback.

#### *Historical and Architectural Reconnaissance Form (OAHP Form 1417)*

Metcalf will record each property on a Colorado Cultural Resources Inventory Historical and Architectural Reconnaissance Form (OAHP Form 1417). This form is intended to provide the basic descriptive record of a single building, structure, or site sufficient to make a preliminary assessment of architectural significance and/or identify potential areas of historical significance only and will not result in a formal evaluation of historical significance in reference to the NRHP Criteria. Data collected for each property will include: legal location, street address and parcel information, UTM reference, property name, resource classification, current property owners, description of basic construction features, historic function and date of construction, potential areas of significance, site photographs, maps, and assessment of integrity.

#### *Technical Report*

Following the completion of OAHP Forms, Metcalf will provide a technical report for submission to, and approval by the HPC and OAHP. The report will include a cover page, abstract, table of contents, list of figures, list of tables, introduction, project background, historic context, and site descriptions and evaluations. Completed forms will be included as an appendix to the report, as will a complete set of digital and historical photographs, and maps for each building. Final deliverables will be submitted in an electronic format.

To achieve quality control and assurance at Metcalf, the North and East End Residential Architecture Survey report will go through intensive review by both the project Architectural Historian and the Principal Investigator prior to submittal. Review will ensure the report satisfies the requirements of the OAHP and displays technical competence, is grammatically sound, and is compiled in a manner consistent with the project. If Metcalf receives any comments from the HPC or OAHP on the draft technical report, we will make the necessary edits and submit a final digital copy.



## AGENDA ITEM # **9B**

### CITY COUNCIL COMMUNICATION FORM

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MEETING DATE: July 18, 2023

SUBJECT: Resolution No. 15, Series of 2023: A Resolution Authorizing \$3,605 to the Historic Preservation Commission for expenses related to the Cultural Resource Survey

PRESENTED BY: Laurie Simonson, City Administrator; Lori Tye, Historic Preservation Commission staff

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ORDINANCE  
 RESOLUTION  
 MOTION  
 INFORMATION

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#### I. **REQUEST OR ISSUE:**

Before City Council for consideration is Resolution No. 15, Series of 2023, (the “Resolution”), which approves \$3,605 for additional expenses related to the Cultural Resource Survey of West End Residential area of the City’s National Historic Landmark Overlay District (“NHL District”). The additional expenses include mailers to be sent to the community, as well as public meetings, at the beginning of the survey process and at the conclusion of the project to share the results.

#### II. **BACKGROUND INFORMATION:**

The Historic Preservation Commission (“HPC”) hopes to hire Metcalf Archaeological Consultants, Inc. to conduct a reconnaissance level survey of the historic resources in the West End Residential area, along E 8<sup>th</sup> and 9<sup>th</sup> Streets. Cost of the actual survey is \$29,357.

The additional expenses that go along with the survey include:

Flyers to alert city residents regarding the START of the project & associated public meetings:  
\$1,248.94;

Flyers to alert city residents regarding the RESULTS of the project & associated public meetings:  
\$1,248.94;

Translation services (English to Spanish) for flyers and for final survey report:  
\$1,250.00

Total estimated cost of this first survey project is \$33,104.88 and we have received \$29,500 in grants, leaving \$3,604.88 needed.

#### III. **FISCAL IMPACTS:**

The HPC is asking for \$3,605 from City Council to reach the total cost of the West End Residential survey project.



**IV. LEGAL ISSUES:**

N/A

**V. STAFF RECOMMENDATION:**

The HPC is committed to getting the “Priority One” areas surveyed as recommended in the 2015 Comprehensive Plan. They have received three (3) grants this year and are currently working on other grant opportunities. They will also be applying for a larger grant from State Historical Fund in October, which requires a 25% match. These surveys will be instrumental in processing Certificate of Appropriateness’ and determining if a structure is historic or non-historic and contributing or non-contributing to our National Historic District. Staff recommends that City Council approve Resolution No. 15, Series of 2023.

**VI. COUNCIL OPTIONS:**

Council may take one of the following actions:

1. Adopt the Resolution.
2. Adopt the Resolution with amendments.
3. Table for further discussion and consideration.

**VII. PROPOSED MOTION:**

“I move to adopt Resolution No. 15, Series of 2023, A Resolution Authorizing \$3,605 to the Historic Preservation Commission for expenses related to the Cultural Resource Survey”

**VIII. ATTACHMENTS: Resolution No. 15, Series of 2023**

**CITY OF LEADVILLE, COLORADO  
RESOLUTION NO. 15  
SERIES OF 2023**

**A RESOLUTION Authorizing \$3,605 to the Historic Preservation Commission for additional expenses related to the Cultural Resource Survey of the West End Residential area.**

**WHEREAS**, The Historic Preservation Commission would like to conduct a reconnaissance level cultural resource survey of the west end residential area; and

**WHEREAS**, With a cultural resource survey, there will be additional expenses to inform the public of the survey and hold public community meetings; and

**WHEREAS**, The Historic Preservation Commission has received grant funding for \$4,500 of the \$8,105 needed for the additional expenses.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Leadville, Colorado, as follows:

The City Council hereby:

- (a) Authorizes the expenditure of \$3,605 by the City of Leadville’s Historic Preservation Commission, to inform the public, via mailers and public meetings, of the cultural resources survey and its results.

This Resolution shall be effective upon its adoption.

**ADOPTED this 18<sup>th</sup> day of July, 2023 by a vote of \_\_\_\_\_ in favor, \_\_\_\_ against,  
\_\_\_\_\_ abstaining, and \_\_\_\_ absent.**

CITY OF LEADVILLE, COLORADO:

\_\_\_\_\_  
Greg Labbe, Mayor

ATTEST:

\_\_\_\_\_  
Deputy City Clerk



## AGENDA ITEM #9C

### CITY COUNCIL COMMUNICATION FORM

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**MEETING DATE:** July 18, 2023

**SUBJECT:** Change of Ownership of RootsRx from Robert Holmes, Jr. to Sun Theory SPV II, LLC, Connor Oman

**PRESENTED BY:** Hannah Scheer, Deputy City Clerk

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ORDINANCE  
 RESOLUTION  
 MOTION  
 INFORMATION

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**I. REQUEST OR ISSUE:**

Staff requests that council approve the application for transfer of ownership of a retail medical marijuana license due to a change of ownership of RootsRx from Robert Holmes, Jr. to Sun Theory SPV II, LLC, Connor Oman.

**II. BACKGROUND INFORMATION:**

Robert Holmes, Jr., current owner of RootsRx dispensary, is in the process of selling RootsRX's retail operation to Sun Theory SPV II, LLC, Connor Oman. This sale is a transfer of ownership of RootsRX. This transfer of ownership requires a transfer of the retail dispensary license.

The following are the requirements by the City of Leadville to obtain a retail marijuana license:

- A. An applicant seeking to obtain a license pursuant to this chapter shall file an application by appointment with the city clerk or deputy city clerk at city offices between the hours of 8:00 a.m. to 5:00 p.m. on regular city business days. The application shall be on forms provided by the state and the city, as approved by the city attorney, and shall include all information

required by the Colorado Medical Marijuana Code and any additional information requested by the city clerk if such information, in his or her opinion, is reasonably necessary to complete the investigation and review of the application.

- B. At the time of application, the applicant shall pay a non-refundable application fee, as well as a non-refundable consultant reimbursement (N/A) fee to defray the costs incurred by the city for background investigations, legal review, and any other third-party consultant costs incurred by the city in processing of the application. An applicant shall also submit at the time of application all applicable license fees, which may be refunded if the application is later denied or withdrawn.
  
- C. At the time of application, each applicant shall present a suitable form of identification and the following information, which information may be required for the applicant, the proposed manager of the medical marijuana establishment, and all persons having a financial interest in the business that is the subject of the application or, if applicant is an entity, holding a one percent or more of the issued and outstanding capital stock or other ownership interest of the entity:
  - 1. Name, address, and date of birth of the owner(s) and any managers of the applicant;
  - 2. If the owner is a corporation, partnership, limited liability company, or other business entity, the name(s), social security number(s), and address(es) of any officer or director of the entity and of any person holding any of the issued and outstanding capital stock or other ownership interest of the entity.
  - 3. A completed set of the fingerprints of each person specified in subsections 1 and/or 2 of this [Section 5.44.060\(C\)](#).

**Awaiting Fingerprints**

- 4. A statement of whether or not any person holding any ownership interest in the proposed medical marijuana establishment has:
  - a. Been denied an application for a medical marijuana establishment license or retail marijuana establishment license by the state or any other local jurisdiction in the state, or has had such a license suspended or revoked; and
  - b. Been convicted of a felony or has completed any portion of a sentence due to a felony charge within the preceding five years.
- 5. Proof that the applicant has paid all application and other applicable fees.
- 6. If applicant is a business entity, information regarding the entity, including, without limitation, the name and address of the entity, its legal status, and proof of

registration with, or a certificate of good standing from, the Colorado Secretary of State, as applicable;

7. An acknowledgement and consent that the city may conduct a background investigation, including a criminal history check, and that the city will be entitled to full and complete disclosure of all financial records of the applicant, including records of deposit, withdrawals, balances, and loans;
8. A copy of any deed reflecting the applicant's ownership of, or lease reflecting the right of applicant to possess, the proposed licensed premises;
9. If the applicant is not the owner of the proposed licensed premises, a notarized statement from the owner of such property authorizing the use of the property for a medical marijuana establishment and authorizing the city to enter the property for inspection of the proposed licensed premises on a form approved by the city;
10. Evidence of a valid city and state sales tax license for the business;
11. Proof that the proposed medical marijuana establishment will be located in a location that permits such land use under this chapter and other applicable provisions of this code;
12. An area map, drawn to scale, indicating, within a radius of one-quarter mile from the boundaries of the property upon which the medical marijuana establishment is proposed to be located, the distance between the medical marijuana establishment and any school or youth and family prevention business, measured in feet. If the application seeks licensure for a medical marijuana center, the map shall also indicate, within a radius of one-quarter mile from the boundaries of the property upon which the medical marijuana establishment is proposed to be located, the distance between the proposed medical marijuana center and any other medical marijuana center or retail marijuana store for which a license has been approved or issued, measured in feet.
13. A "to scale" diagram of the proposed licensed premises, no larger than eleven (11) inches by seventeen (17) inches, showing, without limitation, building layout, all interior dimensions of the proposed licensed premises, including all limited access areas, areas of ingress and egress from the proposed licensed premises, loading zones, all areas in which marijuana will be grown, stored, manufactured, processed, tested, and/or sold, and location(s) of all security cameras. Such diagram shall also show the principal uses of the floor area depicted therein, and shall include separate pages for each floor level if applicable.
14. A comprehensive business operation plan for the medical marijuana establishment that shall contain, at a minimum, the following:

- a. A security plan indicating how the applicant intends to comply with the requirements of this chapter, the Colorado Medical Marijuana Code, and any other applicable law, rule or regulation as adopted and amended. The security plan shall include specialized details of security arrangements.
- b. A description of the products and services to be provided and/or sold by the medical marijuana establishment.
- c. A plan for exterior signage that complies with all applicable requirements of this code, including photographs and/or illustrations of proposed signage.

15. Any additional information that the authority reasonably determines to be necessary in connection with the investigation and review of the application.

D. A license issued pursuant to this chapter does not eliminate the need for the licensee to obtain other required city licenses and licenses related to the operation of the approved medical marijuana establishment, including, without limitation:

- 1. Any required land use approval, if applicable; (N/A)
- 2. A city business and sales tax license; and (N/A)
- 3. Any building permits, including mechanical, plumbing license or electrical license.

**III. FISCAL IMPACTS:**

The applicant has paid all the applicable fees. There is no other fiscal impact to the city as a result of this transfer.

**IV. LEGAL ISSUES:**

N/A.

**VI. STAFF RECOMMENDATION:**

Staff recommends that the council move to approve the application for transfer of ownership of RootsRX from Robert Holmes, Jr. to Sun Theory SPV II, LLC, Connor Oman; also known as ST Leadville, LLC dba Sun Theory.

**VII. COUNCIL OPTIONS:**

- 1. Move to approve the application for transfer of ownership.
- 2. Move to deny the application for transfer of ownership.
- 3. Table consideration of the motion and provide direction to staff.

**VIII. PROPOSED MOTION:**

“I move to approve the application for transfer of ownership of RootsRX from Robert Holmes, Jr. to Sun Theory SPV II, LLC, Connor Oman also known as ST Leadville, LLC dba Sun Theory.”

**IX. ATTACHMENTS:**

1. Conditional Approval Letter from the State of Colorado
2. Effective Date of Change of Ownership
3. Retail Marijuana License Application
4. Standard Operating Procedures
5. Marijuana Business License Application Change of Controlling Beneficial Owner (CBO)
6. Sales Tax License
7. Certificate of Good Standing from the Secretary of State
8. Map Layout of Premises
9. Structure Chart
10. Master Acquisition Agreement
11. Asset Purchase Agreement
12. Allocation of Purchase Price
13. Employee Benefit Plans
14. Seller and Buyers Officer’s Certificate
15. Bill of Sale
16. Secured Promissory Note
17. Assignment and Assumption of Lease
18. Lease Agreement
19. Operating Agreement
20. Assignment and Assumption Agreement
21. City of Leadville Business License
22. City of Leadville Payment Receipts for the Following:
  - i. Business License - \$50
  - ii. Transfer of Ownership Fee - \$1000
  - iii. Application Fee for Retail Marijuana Dispensary License - \$2500



**COLORADO**  
**Department of Revenue**  
Marijuana Enforcement Division  
1697 Cole Blvd., Suite 200  
Lakewood, CO 80401

May 12, 2023

RFSCLV LLC  
145 Front Street  
Leadville, CO 80461

RE: Contingent Approval Letter Pursuant to Rule 2-245(D)(2) - Change of Ownership from Robert Holmes, Jr. to Sun Theory SPV II, LLC (OE-000502), Connor Oman

License Type: Retail Marijuana Store  
License # 402R-00362

Dear Robert Holmes, Jr., Sun Theory SPV II, LLC (OE-000502), Connor Oman,

The purpose of this correspondence is to inform you that on May 12, 2023 the Colorado Marijuana Enforcement Division (MED) completed its investigation regarding your Change of Ownership application for the above-named marijuana business(s). Issuance of the State license is **contingent** upon receipt of additional information from the new Controlling Beneficial Owner(s), which must be provided within three hundred and sixty-five (365) days from the date of this correspondence.

**If Your Change is Subject to Local Approval**

The new Controlling Beneficial Owner(s) must submit the following information within three hundred and sixty-five (365) days from the date of this correspondence:

- Confirmation of local approval (e.g. local jurisdiction approval letter); and
- Notification of the date by which the change of ownership will be completed (i.e. your desired effective date), which must be within thirty (30) days from the date the Division receives your notification of intent to close the transaction. Please use **Schedule A**, attached to this correspondence to notify the Division of your intended closing date.

**If Local Approval is Not Required**

The new Controlling Beneficial Owner(s) must submit the following information within three hundred and sixty-five (365) days from the date of this correspondence:

- Information demonstrating local approval is not required (e.g. correspondence from the local jurisdiction or correspondence referencing the applicable local ordinance or regulation); and
- Notification of the date by which the change of ownership will be completed (i.e. your desired effective date), which must be within thirty (30) days from the date the Division receives your notification of intent to close the transaction. Please use **Schedule A**, attached to this correspondence to notify the Division of your intended closing date.



- The effective date of the change of ownership must be agreed upon by all parties involved with the transaction. The effective date reflected on **Schedule A** will be the date all systems, operations, control, METRC account information and access will be transitioned from the current ownership structure to the proposed ownership structure. Notice of the completion of the change of ownership transaction must be dated and received **by the MED at least three days prior to the effective date of change** that is provided by the proposed ownership on the returned **Schedule A**.
- Please note that proposed new Controlling Beneficial Owner(s) cannot operate a Regulated Marijuana Business until it has been found suitable pursuant to the Colorado Marijuana Rules, 1 CCR 212-3.

THE CHANGE OF OWNERSHIP WILL NOT BE EFFECTIVE, AND A NEW LICENSE WILL NOT BE ISSUED UNTIL THE MED RECEIVES A COMPLETED AND EXECUTED **SCHEDULE A**.

THIS CONTINGENT APPROVAL SHALL EXPIRE 365 DAYS FROM THE DATE OF THIS CORRESPONDENCE.

Sincerely,



Dominique Mendiola  
Senior Director

**SCHEDULE A**

**EFFECTIVE DATE OF CHANGE OF OWNERSHIP**

In connection with the Change of Controlling Beneficial Owner Application approved by the Division on **May 12, 2023**, the below signed parties have entered into an agreement to transfer ownership of the license(s) referenced in the Division's Contingent Approval Letter from the Current Ownership Structure to the Proposed Ownership Structure:

**Date of Notice to the MED:** \_\_\_\_\_

**Effective Date of Change:** \_\_\_\_\_

**Seller's Controlling Beneficial Owner:**

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Buyer's Controlling Beneficial Owner:**

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Approval of this Change of Controlling Beneficial Owner Application requires both signatures**

## City of Leadville

800 Harrison Avenue, Leadville, Colorado 80461

Phone: (719) 486-0349 Fax: (719) 486-1040

City Clerk: (719) 486-0349 cityclerk@leadville-co.gov City Treasurer: (719) 486-0349 treasurer@leadville-co.gov

Planning Director (719) 427-0517 planningdirector@leadville-co.gov City Administrator (719) 486-2092 cityadmin@leadville-co.gov

Street Department: (719) 486-1166 Police Department: (719) 486-1365 Fire Department: (719) 486-2990

### Retail Marijuana License Application

#### Ownership Type

<input type="checkbox"/> Individual	<input type="checkbox"/> Partnership	<input checked="" type="checkbox"/> LLC	<input type="checkbox"/> Corporation	<input type="checkbox"/> Other
-------------------------------------	--------------------------------------	---	--------------------------------------	--------------------------------

#### Business Type

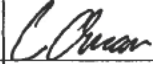
<input checked="" type="checkbox"/> Store	<input type="checkbox"/> Cultivation Facility	<input type="checkbox"/> Products Manufacturing	<input type="checkbox"/> Testing Facility	<input type="checkbox"/> Dual medical marijuana and retail operation
---	---	---	---	--

#### Business Information

Name(s) of Applicant(s):	ST Leadville, LLC		
DBA (doing business as) Trade or Business Name:	Sun Theory		
Physical Address of Business:	145 Front Street, Leadville, CO 80461		
Mailing Address of Business:	[REDACTED]		
Business Phone No.:	[REDACTED]	Fax No.:	
Business Email Address:	[REDACTED]		
Name of Manager (on-site):		Manager's Cell No.:	[REDACTED]

#### The following must be attached as part of the application:

<input checked="" type="checkbox"/> Completed Colorado Marijuana Enforcement Division form DR 8548 (Retail Marijuana Business License Application); or DR 8545 (Change of Ownership) and all items on the associated document checklists. Information provided on these forms need not be duplicated except that all documents must have information identifying the applicants and business.
<input checked="" type="checkbox"/> Proof of ownership or legal possession of the proposed licensed premises (e.g., Copy of deed or lease)
<input checked="" type="checkbox"/> Consent from the landowner if the proposed premises will be leased. If the owner(s) of the proposed retail marijuana establishment is(are) not the owner(s) of the proposed licensed premises, the applicant shall provide written, notarized authorization to use the property as a retail marijuana establishment and authorization to the City from the owner(s) to enter the property for inspection of the proposed licensed premises, on a form approved by the City.
<input checked="" type="checkbox"/> Name(s) and address(es) of the owner(s) of the proposed retail establishment.
<input checked="" type="checkbox"/> If the owner is a corporation, partnership, limited liability company, or other business entity, the name(s), social security number(s), and address(es) of any officer or director of the entity and of any person holding any of the issued and outstanding capital stock or other ownership interest of the business entity.
<input checked="" type="checkbox"/> A completed set of fingerprints of each manager and any person holding any of the issued and outstanding capital stock or other ownership interest of the business entity.
<input checked="" type="checkbox"/> Name(s) and address(es) of all managers of the proposed retail marijuana establishment.

<input checked="" type="checkbox"/>	The following must be attached as part of the application:
<input checked="" type="checkbox"/>	An operating plan for the proposed retail marijuana establishment including the following information:
<input checked="" type="checkbox"/>	A description of the products and services to be provided by the retail marijuana establishment.
<input checked="" type="checkbox"/>	A floor plan showing all interior dimensions of the proposed licensed premises and the layout of the retail marijuana establishment, including all limited access areas, areas of ingress and egress, and location(s) of all security cameras. Such floor plan shall also show the principal uses of the floor area depicted therein (see LMC § 5.48.060.D.13 for additional details).
<input checked="" type="checkbox"/>	A security plan indicating how the applicant intends to comply with the requirements of Chapter 5.48, the Colorado Retail Marijuana Code, and any other applicable law, rule or regulation as adopted and amended.
<input checked="" type="checkbox"/>	A plan for exterior signage that complies with all applicable requirements of the Leadville Municipal Code (see LMC Ch. 17.80).
<input checked="" type="checkbox"/>	An area map, drawn to scale, indicating, within a radius of one-quarter mile from the boundaries of the property upon which the retail marijuana establishment is proposed to be located, and the proximity of the property to any school (see LMC § 5.48.060.D.12 for additional details).
<input checked="" type="checkbox"/>	A statement of whether or not the applicant or any person holding any ownership interest in the proposed retail marijuana establishment has:
<input checked="" type="checkbox"/>	Been denied an application for a medical marijuana establishment license or retail marijuana establishment license by the State or any other local jurisdiction in the State, or has had such a license suspended or revoked; and
<input checked="" type="checkbox"/>	Been convicted of a felony or has completed any portion of a sentence due to a felony charge within the preceding five (5) years.
<input checked="" type="checkbox"/>	Completed City of Leadville Business license application showing that the proposed retail marijuana establishment will be located in a location that permits such land use under the City of Leadville Zoning Code and other applicable provisions of the City of Leadville Municipal Code and as evidenced by written confirmation of the City of Leadville Planning & Zoning Department, City of Leadville Building Department, Leadville Police Department, Leadville Lake County Fire Department, Lake County Health Inspector, Lake County Clerk & Recorder, and any other required approvals.
<input checked="" type="checkbox"/>	Any required building permits, including but not limited to, building, mechanical, plumbing, and electrical.
<input checked="" type="checkbox"/>	Payment of all initial application, licensing, operational, background, and other fees due and payable to properly license and operate a retail marijuana establishment, and as determined by the Leadville Marijuana Licensing Authority.
<b>OATH OF APPLICANT:</b>	
I declare, under penalty of perjury, that the statements in this application, and all attachments to and documents submitted with this application, are true, correct and complete to the best of my knowledge. I understand and acknowledge that any information contained herein or submitted as part of this application that is found to be false or misleading may result in this application being denied, or any license granted pursuant to this application, suspended or revoked, in addition to possible filing of applicable criminal charges. I hereby acknowledge that I am familiar with and will comply with the provisions of Chapter 5.48 of the Municipal Code and the Colorado Retail Marijuana Code.	
Applicant's Signature:	
Title or Position:	Owner
Date:	Apr 14, 2023

# ST Leadville, LLC - Retail Marijuana License Application 2

Final Audit Report


2023-04-14


Created:	2023-03-30
By:	David Wunderlich (████████████████████)
Status:	Signed
Transaction ID:	CBJCHBCAABAAAU2_8Pb9033bjgOPVlb42tIypSUBPo4Z


## "ST Leadville, LLC - Retail Marijuana License Application 2" History


 Document created by David Wunderlich (████████████████████)  
2023-03-30 - 11:39:19 PM GMT

 Document emailed to Connor Oman (████████████████████) for signature  
2023-03-30 - 11:39:39 PM GMT

 Email viewed by Connor Oman (████████████████████)  
2023-04-03 - 9:13:40 PM GMT

 Email viewed by Connor Oman (████████████████████)  
2023-04-14 - 9:43:16 PM GMT

 Document e-signed by Connor Oman (████████████████████)  
Signature Date: 2023-04-14 - 9:43:31 PM GMT - Time Source: server

 Agreement completed.  
2023-04-14 - 9:43:31 PM GMT

Names and email addresses are entered into the Acrobat Sign service by Acrobat Sign users and are unverified unless otherwise noted.

ST LEADVILLE, LLC  
SUPPLEMENTAL INFORMATION FOR RETAIL MARIJUANA LICENSE APPLICATION

Dear Sir or Madam: Please find below responses to questions and information requested on the City of Leadville's Retail Marijuana License Application. For each application question listed in **bold** below, the answers follow immediately thereafter.

- 1. Proof of ownership or legal possession of the proposed licensed premises (e.g., Copy of deed or lease).**

A copy of the lease and the lease assignment is included in Applicant's MED form 8535. For convenience, we have re-attached this information to this application.

- 2. Consent from the landowner if the proposed premises will be leased.**

A copy of the landowner's executed consent to assignment of lease is included in Applicant's MED form 8535. For convenience, we have re-attached this information to this application.

- 3. Names and addresses of the owners of the proposed retail establishment.**

This information is included on page 5 of Applicant's MED form 8535.

- 4. If the owner is a corporation, partnership, limited liability company, or other business entity, the name(s), social security number(s) and address(es) of any officer or director of the entity and of any person holding any of the issued and outstanding capital stock or other ownership of the business entity.**

This information is included on page 5 of Applicant's MED form 8535.

- 5. A completed set of fingerprints of each manager and any person holding any of the issued and outstanding capital stock of other ownership interest of the business entity.**

Fingerprints for all Controlling Beneficial Owners were obtained via Identogo and submitted directly to the MED.

- 6. Name(s) and address(es) of all managers of the proposed retail marijuana establishment**

**An operating plan for the proposed retail marijuana establishment including the following information:**

- 7. Description of the products and services to be provided by the retail marijuana establishment.**



The retail marijuana establishment will sell retail marijuana, retail marijuana infused products including edibles, and retail marijuana concentrates. The establishment will sell products from various brands as the market dictates. As of the time of this application, the establishment proposes to sell the following brands and products.

- 8. A floor plan showing all interior dimensions of the proposed licensed premises and the layout of the retail marijuana establishment, including all limited access areas, areas of ingress and egress, and location(s) of all security cameras. Such floor plan shall also show the principal uses of the floor area depicted therein.**

This information is included with Applicant's MED form 8535. For convenience, we have re-attached this information to this application.

- 9. A security plan indicating how the applicant intends to comply with the requirements of Chapter 5.48, the Colorado Retail Marijuana Code, and any other applicable law, rule or regulation as adopted and amended.**

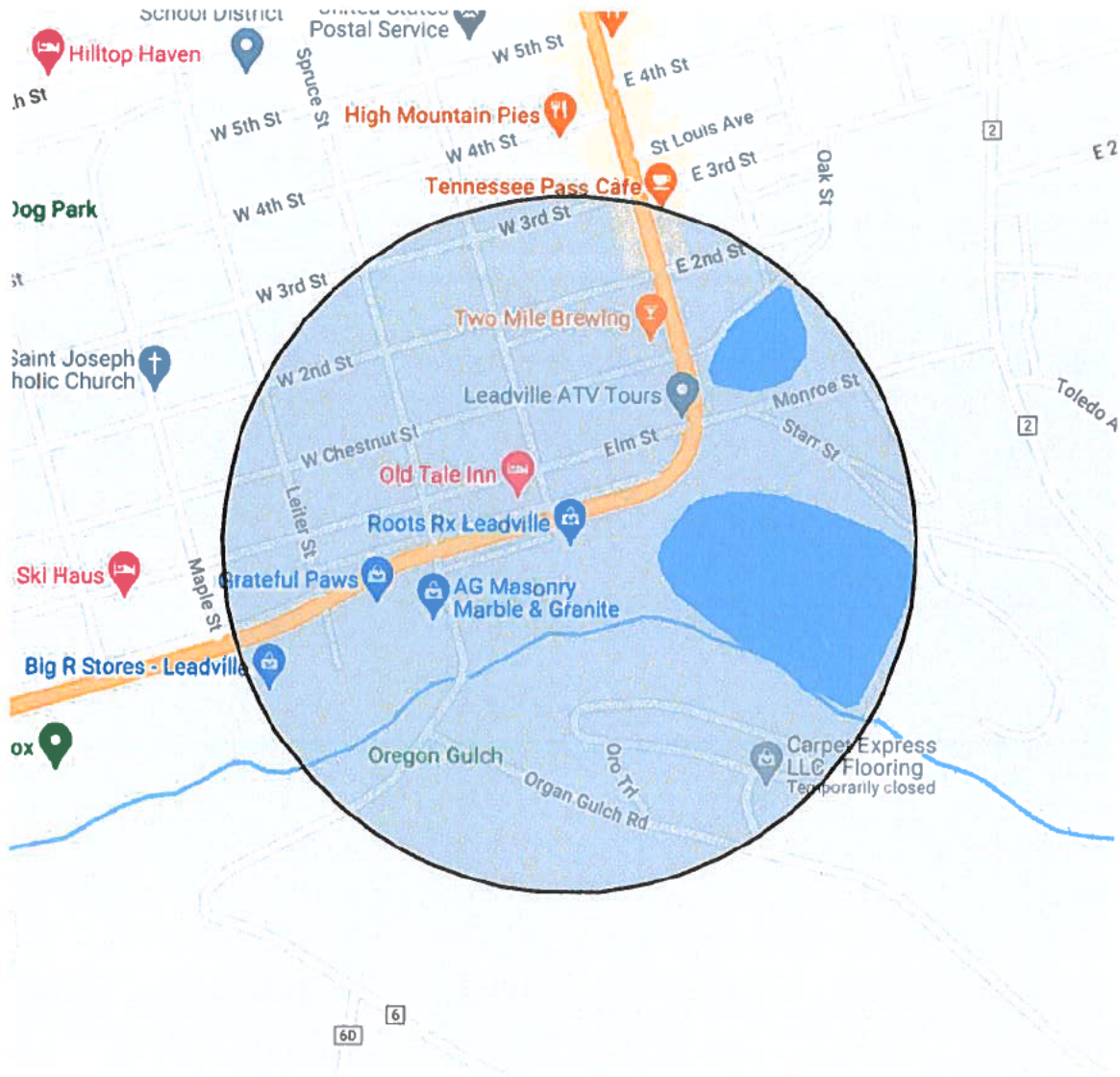
We have attached this information with this application.

- 10. A plan for exterior signage that complies with all applicable requirements of the Leadville Municipal Code (see LMC Ch. 17.80)**

We have attached this information with this application, which reflects the current signage at the Roots RX store. Applicant will be re-branding the store from RootsRX to Sun Theory, but the sign placement and dimensions will remain as before.

- 11. An area map, drawn to scale, indicating, within a radius of one-quarter mile from the boundaries of the property upon which the retail marijuana establishment is proposed to be located, and the proximity of the property to any school (See LMC 5.48.060.D.12 for additional details).**

This map is below. Based on Applicant's inquiry in public records, no school appears within this ¼ mile radius. No schools or youth and family prevention businesses exist within this radius. Based on Google map records, the nearest school to Applicant's proposed facility is Head Start Lake County, located at 315 W 6<sup>th</sup> St., Leadville, CO 80461. This school is located approximately 2,000 feet from the proposed establishment, as the crow flies. Based on Google map records, the nearest youth and family prevention business is Hispanic Counseling Services, 118 W. 6<sup>th</sup> St., Leadville, CO 80461. This business is located approximately 4,650 feet from the proposed establishment, as the crow flies.



**A statement of whether or not the applicant or any person holding any ownership interest in the proposed retail marijuana establishment has:**

- 12. Been denied an application for a medical marijuana establishment license or retail marijuana establishment license by the State or any other local jurisdiction in the State, or has had such a license suspended or revoked; and**

The answer to this inquiry is no.

- 13. Been convicted of a felony or has completed any portion of a sentence due to a felony charge in the preceding five (5) years.**

The answer to this inquiry is no.



## Sun Theory

ST Aspen, LLC, ST Basalt, LLC, ST Edwards, LLC, ST Eagle Vail, LLC, ST Gunnison LLC, ST Leadville, LLC

### Internal Security Controls pursuant to 1 CCR 212-3, Rule 3-905(B)(24)

Sun Theory will implement uniform security controls across all six above-referenced licensees. The SOPs and information responsive to this rule's requirements are attached as noted below in bold.

Pursuant to the above rule, Licensees must establish and maintain a security plan for each Licensed Premises, including at a minimum:

- a. Protocols for the end-of-day handling of Regulated Marijuana and cash; **Sun Theory has attached its Closing SOP.**
- b. Protocols for reporting theft or burglaries when they are discovered to Local Law Enforcement, the Division, and Local Licensing Authority or Local Jurisdiction; **Sun Theory has attached its Emergency Procedure for Robbery and Emergency Procedure for Break Ins.**
- c. Protocols for reconciling inventory after a theft or burglary has been discovered; **Sun Theory has attached its Inventory Management SOP which addresses the use of the "Theft" adjustment in METRC.**
- d. Identification of exterior lighting of the Licensed Premises and any exterior camera angles, and protocols for maintenance of the lighting and cameras; and

**Sun Theory has attached its security diagrams for each proposed Licensed Premises which identifies the location exterior light fixtures, and the location and camera angles for exterior cameras. Sun Theory has further attached its lighting and camera SOPs.**

- e. Identification of ingress and egress routes for the property and identification of any access control measures taken outside of the Licensed Premises.

**Sun Theory has attached its security diagrams for each proposed Licensed Premises which identifies the location of ingress and egress and access controls (i.e., keypads) for each Licensed Premises.**

## **Closing SOP**

When closing the stores, we must follow specific procedures in order to ensure security within in our stores.

Turn off open sign and lock the door at last call, Bring the registers into the office and count the drop and deposit money- Do not count end of day money in the sales floor area- See Drawer closing SOP for more information

**The Money & Debits:** Once your cash is counted for each register, rubberband your drop and all debit receipts as well as any cash outs. This will be placed in a bank bag or weekly Envelope along with an EOD reports and placed in the safe along with the registers.

### **The Products:**

1. Put away ALL THC product. Displays do not count. The standard rule is: If the product is infused it needs to be secure
2. Make sure all products are neatly stored in an upright position. Be careful not to crush any boxes, edibles or packaging in the process of closing.
3. Once products are all put away, lock them in the vault or designated storing space.
4. Lock all fridges and freezers

### **Tips:**

1. Split tips evenly.
2. Record tips on the tip log. This must be done at the end of every shift.

### **Cleaning:**

1. Wipe down countertops, display shelves and working stations.
2. Vacuum Rugs
3. Mop Floors
4. Stock registers with bags and receipt paper for the next day
5. Take out trash and broken down boxes
6. Make sure bathrooms are neat and wiped down for the next morning

### **Before you leave the building:**

Check camera to make sure its safe to exit and no one is still in the building

Make sure all products are put away, cameras are on and running, the store is clean and in order.

Alarms must be set and all doors must be locked!

If you need to reenter the building you must wait 5-10 minutes before reentering.

# **Emergency Procedure for Robbery**

## **Instructions for keeping yourself, employees and guests safe in the event of a robbery:**

- Stay calm.
- Do not resist. Do nothing that will put you or others at risk.
- Do not argue.
- Obey the robber's orders.
- Let the robber know that you intend to obey.
- If you are not sure of what the robber is telling you to do, ask.
- Give the robber the money.
- Do not make any sudden moves.
- If you must reach for something or move, tell the robber what to expect.
- Do nothing that will agitate, threaten, surprise, or startle the robber.
- Do not chase or follow the robber.

### **Focus on remembering details about the individual:**

- Hair color
- Height
- Weight
- Voice
- Age
- Clothing
- Distinguishing marks, i.e., tattoos, scars
- Noticeable traits, i.e., limp, accent, glasses, left- or right-handed
- What did he or she touch, so you can preserve it for fingerprints?
- Do not touch anything that may have fingerprints
- Call the police.
- Do not hang up until they tell you to do so

**Keep police and other emergency numbers on or near the telephone at all times.**

**Set off the alarm.**

## **Emergency Procedures for Break in's**

### **Instructions to keep yourself and others safe:**

- The alarm company will start on the call list to contact someone to alert that we have alarms going off.
- Check the camera remotely and see if you can determine any information to provide to the security company or police before arriving.
- A manager must be present for the police every time they are dispatched to clear the building.
- Let the Security company know how long it will be until you arrive and what type of car you will be in.
- Call Non police non emergency and tell them you have arrived before getting out of the car at the site.

- If you can not get to the shop in a timely manner sometime the police on shift will ask for a door code, this is always acceptable for the police officials only
  - Do not touch anything unless your asked to my police- we want to be mindful of fingerprints and any evidence

**Police Requests:**

- The police will often need footage the night of the crime, managers must stay on shift and provide necessary items to law enforcement.
  - Most of the DVR files will need to ripped onto a USB drive
- In the event of a crime, contact Brittany as soon as possible to notify MED of the necessary info as well as the inventory manager.
  - The building must be secured and armed again before leaving again.

# Inventory Management SOP

## Setup

1. Inventory is best done after sales have been uploaded for the day. Metrc does not reflect real time inventory numbers until the nightly upload is completed. You should verify sales have been uploaded by navigating to the "Sales" tab and selecting "Active". The sales should have the current day's date. \*If you do not see the current date select the "Import Sales" button, then the sales tab and see if the sales were manually uploaded. You will see a .csv file which should reflect that day. If you are unfamiliar with uploading to Metrc, consult with the store manager for training.

The screenshot shows the 'Sales Receipts' page in the Metrc system. It features a table with columns for Receipt ID, Date, Sales, Customer Type, Patient, Packages, Total, and Finalized. The table lists various receipts from 07/26/2019 to 07/29/2019. At the bottom, it indicates 'Page 1 of 12112' and 'Viewing 1 - 24 (42238 total)'.

Receipt ID	Date	Sales	Customer Type	Patient	Packages	Total	Finalized
0036371138	07/26/2019 08:09 pm		Consumer		1	\$24.00	Yes
0036371137	07/26/2019 08:40 pm		Consumer		2	\$30.07	Yes
0036371136	07/26/2019 08:34 pm		Consumer		4	\$70.46	Yes
0036371129	07/26/2019 08:51 pm		Consumer		1	\$24.00	Yes
0036371128	07/26/2019 08:37 pm		Consumer		3	\$27.03	Yes
0036371127	07/26/2019 08:13 pm		Consumer		1	\$24.00	Yes
0036371126	07/26/2019 08:06 pm		Consumer		4	\$75.46	Yes
0036371089	07/26/2019 07:58 pm		Consumer		4	\$75.25	Yes
0036371084	07/26/2019 07:51 pm		Consumer		1	\$24.00	Yes
0036371083	07/26/2019 07:50 pm		Consumer		1	\$24.00	Yes
0036371082	07/26/2019 07:47 pm		Consumer		4	\$194.86	Yes
0036371081	07/26/2019 07:54 pm		Consumer		2	\$36.25	Yes
0036371080	07/26/2019 07:42 pm		Consumer		1	\$7.72	Yes
0036371079	07/26/2019 07:41 pm		Consumer		3	\$86.25	Yes
0036371077	07/26/2019 07:39 pm		Consumer		2	\$74.00	Yes
0036371076	07/26/2019 07:37 pm		Consumer		1	\$3.36	Yes
0036371046	07/26/2019 07:26 pm		Consumer		3	\$84.00	Yes
0036371039	07/26/2019 07:24 pm		Consumer		4	\$18.00	Yes
0036371038	07/26/2019 07:20 pm		Consumer		4	\$33.23	Yes
0036371037	07/26/2019 07:14 pm		Consumer		3	\$5.96	Yes

The screenshot shows the 'Data Import' page in the Metrc system. It includes instructions for uploading CSV files and a table listing recent imports. The table columns are File, Uploaded, Entries, Status, and User. The status of imports varies, with some being 'Successfully imported' and others 'Error - Not imported'.

File	Uploaded	Entries	Status	User
METRC RECEIPTS report Receipts For Aeon 07/29/2019.csv	07/29/2019 12:09 pm	358	Successfully imported	Mark Husted
METRC RECEIPTS report Receipts For Aeon 04/29/2019.csv	04/29/2019 10:58 pm	642	Successfully imported	Michael Chausen
METRC RECEIPTS report Receipts For Aeon 04/29/2019.csv	04/29/2019 10:54 pm	642	Error - Not imported	Michael Chausen
METRC RECEIPTS report Receipts For Aeon 02/27/2019.csv	02/27/2019 09:29 am	282	Successfully imported	Kelli Lench
METRC RECEIPTS report Receipts For Aeon 08/29/2018.csv	08/29/2018 09:15 pm	155	Successfully imported	Michael Chausen
METRC RECEIPTS report Receipts For Aeon 07/29/2018 (1).csv	07/29/2018 07:43 am	145	Successfully imported	Mary Husted
METRC RECEIPTS report Receipts For Aeon 07/29/2018.csv	07/29/2018 07:39 am	148	Error - Not imported	Mark Husted





Tag	Rec. ID	Item	Category	Quantity	P/L No
1A40031268749F000022258	1A40031268749F000022195	WR Carl - Cheesey Jams	Concetrato (Each)	12 ea	
1A40031268749F000022259	1A40031268749F00002195	WR Carl - Cheesey Jams	Concetrato (Each)	12 ea	
1A40031268749F000022213	1A40031268749F00002195	WR Carl - Cheesey Jams	Concetrato (Each)	12 ea	
1A40031268749F000022217	1A40031268749F00002195	WR Carl - Cheesey Jams	Concetrato (Each)	12 ea	
1A40031268749F000022255	1A40031268749F000022254	WR Carl - Back Fire OG	Concetrato (Each)	12 ea	
1A40031268749F000022250	1A40031268749F000022254	WR Carl - Back Fire OG	Concetrato (Each)	12 ea	
1A40031268749F000022260	1A40031268749F000022254	WR Carl - Back Fire OG	Concetrato (Each)	12 ea	
1A40031268749F000022261	1A40031268749F000022254	WR Carl - Back Fire OG	Concetrato (Each)	12 ea	
1A40031268749F000021947	1A40031268749F000022133	Pete's Advice Display	Buds	14 g	
1A40031268749F000021948	1A40031268749F000022133	Pete's Advice 8th	Buds	388.5 g	
1A40031268749F000021949	1A40031268749F000022133	Pete's Advice Orans	Buds	18 g	
1A40031268749F000021943	1A40031268749F000022133	Chen Dang #4 Half Grain Jams	Shake/Trim (by strain)	18.5 g	
1A40031268749F000021944	1A40031268749F000022133	Chen Dang #4 Half Grain Jams	Shake/Trim (by strain)	25 g	
1A40031268749F000021945	1A40031268749F000021942	Daak Oil Caramel Yummy Cakes 120mg	Infused (edible)	24 ea	
1A40031268749F000021946	1A40031268749F000021941	Wangler Buds 20mg	Infused (non-edible)	34 ea	
1A40031268749F000021947	1A40031268749F000021941	Herbics Outback CBD Body Balm 250/250mg	Infused (non-edible)	95 ea	
1A40031268749F000021948	1A40031268749F000021941	CCDA - BAR 100MG THC - CARAMEL & CORN	Infused (edible)	24 ea	
1A40031268749F000021949	1A40031268749F000021941	CCDA - BAR 100MG THC - CREAM & CREAMLE	Infused (edible)	24 ea	
1A40031268749F000021950	1A40031268749F000021941	CCDA - BAR 100MG THC - COFFEE & DOUGHNUTS	Infused (edible)	31 ea	
1A40031268749F000021951	1A40031268749F000021941	CCDA - BAR 100MG THC - FROE & ORANGE	Infused (edible)	12 ea	

Tag	Rec. ID	Item	Category	Quantity	P/L No	Lab Testing	A/L	Date	B/L
1A40031268749F000022258	1A40031268749F000022195	WR Carl - Cheesey Jams	Concetrato (Each)	12 ea		TestPassed	No	07/25/2019	07/26/2019
1A40031268749F000022259	1A40031268749F00002195	WR Carl - Cheesey Jams	Concetrato (Each)	12 ea		TestPassed	No	07/25/2019	07/26/2019
1A40031268749F000022213	1A40031268749F00002195	WR Carl - Cheesey Jams	Concetrato (Each)	12 ea		TestPassed	No	07/25/2019	07/26/2019
1A40031268749F000022217	1A40031268749F00002195	WR Carl - Cheesey Jams	Concetrato (Each)	12 ea		TestPassed	No	07/25/2019	07/26/2019
1A40031268749F000022255	1A40031268749F000022254	WR Carl - Back Fire OG	Concetrato (Each)	12 ea		TestPassed	No	07/25/2019	07/26/2019
1A40031268749F000022250	1A40031268749F000022254	WR Carl - Back Fire OG	Concetrato (Each)	12 ea		TestPassed	No	07/25/2019	07/26/2019
1A40031268749F000022260	1A40031268749F000022254	WR Carl - Back Fire OG	Concetrato (Each)	12 ea		TestPassed	No	07/25/2019	07/26/2019
1A40031268749F000022261	1A40031268749F000022254	WR Carl - Back Fire OG	Concetrato (Each)	12 ea		TestPassed	No	07/25/2019	07/26/2019
1A40031268749F000021947	1A40031268749F000022133	Pete's Advice Display	Buds	14 g		TestPassed	No	07/24/2019	
1A40031268749F000021948	1A40031268749F000022133	Pete's Advice 8th	Buds	388.5 g		TestPassed	No	07/24/2019	
1A40031268749F000021949	1A40031268749F000022133	Pete's Advice Orans	Buds	18 g		TestPassed	No	07/24/2019	
1A40031268749F000021943	1A40031268749F000022133	Chen Dang #4 Half Grain Jams	Shake/Trim (by strain)	18.5 g		TestPassed	No	07/24/2019	07/24/2019
1A40031268749F000021944	1A40031268749F000022133	Chen Dang #4 Half Grain Jams	Shake/Trim (by strain)	25 g		TestPassed	No	07/24/2019	07/24/2019
1A40031268749F000021945	1A40031268749F000021942	Daak Oil Caramel Yummy Cakes 120mg	Infused (edible)	24 ea		NotSubmitted	No	07/24/2019	07/25/2019
1A40031268749F000021946	1A40031268749F000021941	Wangler Buds 20mg	Infused (non-edible)	34 ea		TestPassed	No	07/24/2019	07/25/2019
1A40031268749F000021947	1A40031268749F000021941	Herbics Outback CBD Body Balm 250/250mg	Infused (non-edible)	95 ea		TestPassed	No	07/24/2019	07/25/2019
1A40031268749F000021948	1A40031268749F000021941	CCDA - BAR 100MG THC - CARAMEL & CORN	Infused (edible)	24 ea		NotSubmitted	No	07/24/2019	07/24/2019
1A40031268749F000021949	1A40031268749F000021941	CCDA - BAR 100MG THC - CREAM & CREAMLE	Infused (edible)	24 ea		NotSubmitted	No	07/24/2019	07/24/2019
1A40031268749F000021950	1A40031268749F000021941	CCDA - BAR 100MG THC - COFFEE & DOUGHNUTS	Infused (edible)	31 ea		NotSubmitted	No	07/24/2019	07/24/2019
1A40031268749F000021951	1A40031268749F000021941	CCDA - BAR 100MG THC - FROE & ORANGE	Infused (edible)	12 ea		TestPassed	No	07/24/2019	07/24/2019

- Once you have downloaded the Excel file open it in Excel. In Excel you can sort each column alphabetically, by quantity, Metrc Tag number, etc. You generally do not need any of the columns except for the Metrc "Tag", "Item", "Category", and "Quantity". All other columns can be deleted (Remove columns B, C, F, H, I, J, and K). You can then sort by category, deleting all categories you will not be physically counting. If you are counting multiple categories at a time, you can select all the items in the category, cut them, and create a new spreadsheet for that category. Note: when counting Flower, the category will be named "Buds" and/or "Shake/Trim", so be sure to account for this when removing other categories from your spreadsheet. You can then sort by "Item" name to be more products easier to find or whichever method you prefer. Alphabetically has proven to be the most efficient. You can then print out your list(s).

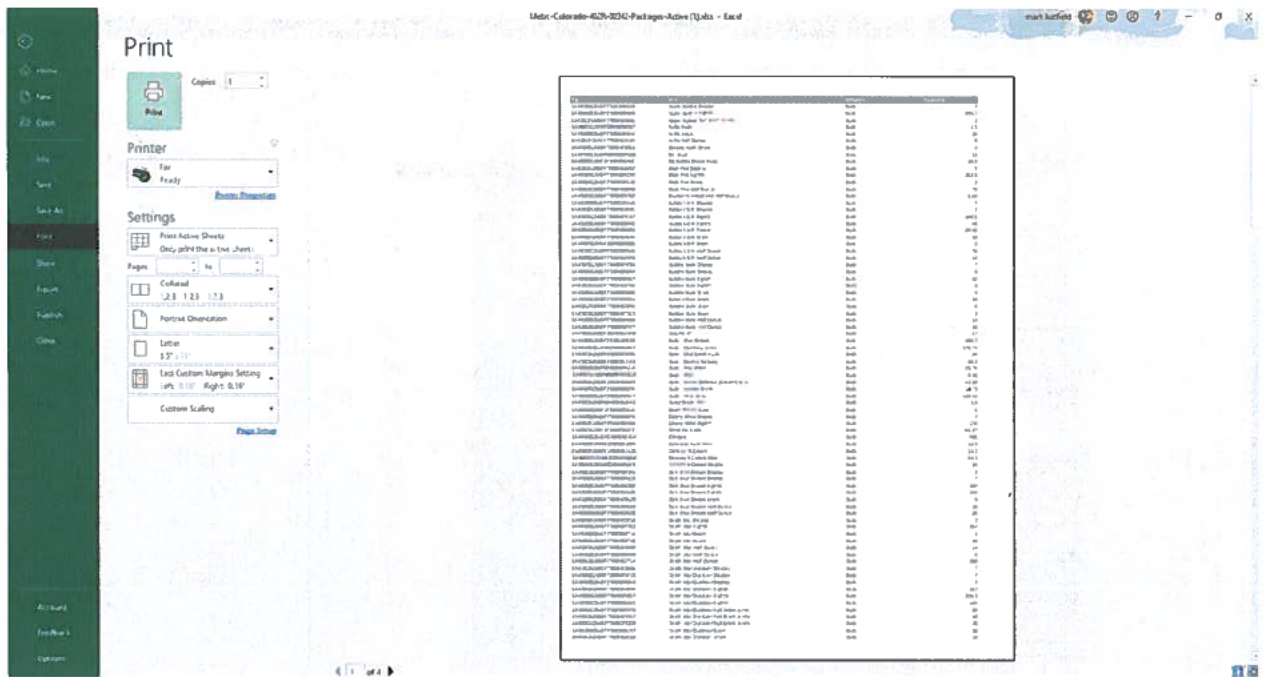






Item	Category	Quantity
1		
2	Durban Poison Full Gram joints	72
3	Durban Poison Full Gram joints	2
4	Bud allocated for extraction	54
5	Buds	188.5
6	Buds	10
7	Buds	453
8	Buds	453
9	Buds	7
10	Purple Urkle Gram	10
11	Purple Urkle Eighth	129
12	Purple Urkle Full Gram joints	81
13	Hash Maze Display	7
14	Hash Maze Gram	10
15	Hash Maze Eighth	399
16	Hash Maze Full Gram joints	31
17	Dark Blue Dream Display	7
18	Dark Blue Dream Eighth	399
19	Dark Blue Dream Half Ounce	28
20	Apple Bubba Display	7
21	Apple Bubba Eighth	395.5
22	Apple Bubba Full Gram joints	2
23	CTGuae	906
24	Wormmelon Zuzkle	453
25	Trap Sants	368
26	W/ Casey Jones 1/8th Flower	17.5
27	Death Star Outdoor Full Gram joints	69
28	Death Star Outdoor Full Gram joints	50
29	Heaven's Devil Display	7
30	Heaven's Devil Gram	7
31	Heaven's Devil Eighth	409.5
32	Heaven's Devil Full Gram joints	0
33	Krishna Kush Display	7
34	Krishna Kush Eighth	206.5
35	Krishna Kush Half Ounce	28
36	Purple Urkle Half Gram joints	8
37	Purple Urkle Half Gram joints	25
38	Grapproot Durban Display	7

Item	Category	Quantity
1		
2	Apple Bubba Display	7
3	Apple Bubba Eighth	395.5
4	Apple Bubba Full Gram joints	2
5	Asilia Buds	1.5
6	Asilia Gram	16
7	Asilia Half Ounce	0
8	Banana Kush Gram	4
9	Blk - Bud	31
10	Big Bubba Diesel Buds	10.5
11	Black Fire Display	7
12	Black Fire Eighth	213.5
13	Black Fire Gram	3
14	Black Fire Half Ounce	30
15	Blueberry Headband Half Ounce	1.68
16	Bubba's Gift Display	7
17	Bubba's Gift Display	7
18	Bubba's Gift Eighth	283.5
19	Bubba's Gift Eighth	49
20	Bubba's Gift Flower	205.63
21	Bubba's Gift Gram	16
22	Bubba's Gift Gram	2
23	Bubba's Gift Half Ounce	70
24	Bubba's Gift Half Ounce	34
25	Bubba's Gift Display	7
26	Bubba's Gift Display	0
27	Bubba's Gift Eighth	42
28	Bubba's Gift Eighth	0
29	Bubba's Gift Gram	9
30	Bubba's Gift Gram	10
31	Bubba's Gift Gram	6
32	Bubba's Gift Gram	3
33	Bubba's Gift Half Ounce	14
34	Bubba's Gift Half Ounce	98
35	Bud 44 47	11
36	Buds - Blue Dream	452.5
37	Buds - Cherry Jones	178.28
38	Buds - Coal Creek Kush	24



## Counting Process

1. You can now begin physically counting your inventory. Organizing all products to be counted into one area, i.e., the sales floor, helps you count efficiently. Be sure to include any display items that contain marijuana as well. **\*IMPORTANT\*** You must check each individual item's sales tag for the Metrc tag number. Unless you are sure every package of that specific product is under the same Metrc tag, this must be done. Some products will have multiple packages under different Metrc tags, so you must verify that when sold they pull from the correct Metrc tag. This is often the source of negative quantities in Metrc.
2. As you count, record the quantities, verifying that they match the quantities on your list. Separate any products that exceed the quantity numbers or that do not appear on your list to be dealt with later.
3. While counting, separate different batches of the same product to prevent mistakenly selling newer batches before old ones, selling items on the wrong Metrc tag, and to help keep things organized for staff and for the next inventory audit.
4. Check for any items to be wasted and record these as well. See "Waste" section for more info on proper procedure for wasting marijuana products and when it is appropriate to do so.
5. Once counting is completed, you can now fix any extra items found. Often, a product will be sold on the wrong Metrc tag resulting in an "Over/Under". For example, you have two identical chocolate bars and the Metrc tag number on each product is the same, ending in

0001. When you check this tag on your list you see that you should only have one for 0001 but you also have the same item, ending 0002, with a quantity of one but did not physically have an item with this tag. You can then add one of the chocolate bars to Flowhub under the tag ending 0002. Once sold, these two items will finish their respective tags. This can also be done with other items of the same category, for example, you physically have an extra chocolate bar and a tag for gummies with no physical inventory. The chocolate bar can be attached to the gummy tag to eliminate that tag. Be sure to record any products you attach to the associated tag numbers on your list before making adjustments in Metrc.

## Adjustments

1. You will now begin to make any of the necessary adjustments in Metrc. You must be sure you have properly counted and accounted for all physical items in the facility before making any adjustments to a tag. This includes products to be wasted, flower to be processed (weighed out/rolled into joints, etc), products that have not been accepted into the facility, etc. Consult with the store manager if you are unsure of any products status before adjusting it's quantity in Metrc. When making adjustments to a tag you must always have a reason for doing so and report that reason to the MED in the "Reason" and "Optional Note" section of the adjustment page.
2. The most common adjustments you will make will be "Over sold"/"Under sold", "Waste", and "Moisture Weight Change".
3. **"Over sold"/"Under sold"** - This is similar to the scenario described above, in the counting section, except you will not have to physically change the tags on the products, you can change their quantities to reflect the physical inventory. For example, you have two different tags of a concentrate; one tag shows 20 items but you have 21 of that item in the facility, the other tag shows 20 but you only have 19 of that item in the facility. You would proceed by one of the packages in Metrc and clicking the "Adjust" button. This will populate the "Package number" field for you as well as the current quantity. Then add a package by clicking the blue "+" on the "Adjust Packages" popup. You will add the Package number of the second package in the second field. Often you can type in the last four digits of the tag to auto populate the "Package Number" field or copy and paste the package number into the field but always verify you are adjusting the correct tag before proceeding. You would then subtract the quantity to be adjusted, -1 in our case, in the "Adj. Quantity" field of the first package and 1 in the "Adj. Quantity" field of the second package. You must also select the Unit of measurement that corresponds with that item, i.e., Grams, Each, Pounds, etc. Metrc will not allow you to adjust a product by the wrong unit of measurement. Once you have input your adjustment numbers, it will show the "New Quantity". If you are adding to the quantity, your reasoning will be that you "Over



sold” this product, so you will select “Over Sold” from the “Reason” drop down on the right hand side. You will do the same for the “Under Sold” product. In the “Optional Note” field, you will explain that the product was “Over/Under sold” on the opposite tag that you are making the adjustment with. You must always have a corresponding quantity of items to which you are making adjustments. Per our example, we are adjusting +1 for -1. You can also make these adjustments across multiple tags. For example, you have a package with three extra physical products for it and three different packages with no physical product and an inventory of one on each. You would use the process above but add each of the three packages, subtracting 1 from each “Under sold” package to add three to your “Over sold” package. You would note each package number you “Under sold” to the “Over sold” note.

The screenshot displays a software interface for adjusting packages. It features two main sections, 'Package # 1' and 'Package # 2', each with a search bar for the package ID, a 'Reason' dropdown menu, a 'Required Note' text field, and an 'Adj. Date' field. Below these are input fields for 'Quantity', 'Adj. Quantity', and 'New Quantity', each with a unit dropdown set to 'Grams'. A status indicator at the bottom of each section shows the current state: 'Adding - new total will be 0 g' for Package # 1 and 'Removing - new total will be 0 g' for Package # 2. A 'Finish Package' checkbox is present in both sections. At the bottom of the interface are 'Adjust Packages' and 'Cancel' buttons. The left sidebar shows a list of package IDs, and the right sidebar shows a list of status indicators like 'TestPassed' and 'NotSubmitted'.

4. **“Waste”** - Waste is any marijuana product that is unusable or otherwise unsellable. This includes stems/seeds, unsatisfactory marijuana, contaminated products (Dropped products, products touched by customers directly, etc), expired products, broken products or items that cannot be properly dosed, leaking items, etc. These packages can be adjusted by selecting the package to be wasted and selecting the adjust button. You will then subtract the requisite amount from the package and select “Waste” in the drop down menu, explaining why you are wasting that portion of the package in the “Optional Note” field. If you are removing the remaining quantity from the package, you will also have the option to “Finish Package”. You can do this by checking the “Finish Package” button and selecting the date the package was finished. Occasionally you will have physically wasted a quantity that exceeds the amount on the package in Metrc. Simply remove the remaining quantity and finish the package. Do not remove more than the remaining

quantity as this will create a negative quantity in Metrc that will need to be adjusted with a positive amount in the future.

The screenshot displays three identical forms for adjusting packages in the Metrc system. Each form is for a different package:

- Package # 2:** Package ID 1A400031266EFDB000006614. Quantity: 2.18 Grams. Adj. Quantity: -2.16 Grams. New Quantity: 0 Grams. Reason: Waste (Unusable Marijuana). Required Note: Stems and other unusable manju. Adj. Date: 07/28/2019. Finish Date: 07/28/2019. Finish Package checkbox is checked.
- Package # 3:** Package ID 1A400031266EF77000005139. Quantity: 8.3 Grams. Adj. Quantity: -3.3 Grams. New Quantity: 0 Grams. Reason: Waste (Unusable Marijuana). Required Note: Stems and other unusable mariju. Adj. Date: 07/28/2019. Finish Date: 07/28/2019. Finish Package checkbox is checked.
- Package # 4:** Package ID 1A400031266EF77000007855. Quantity: 3.5 Grams. Adj. Quantity: -3.5 Grams. New Quantity: 0 Grams. Reason: Waste (Unusable Marijuana). Required Note: Stems and other unusable manju. Adj. Date: 07/28/2019. Finish Date: 07/28/2019. Finish Package checkbox is checked.

Each form includes a 'Removing' status indicator and a note: 'new total will be 0 g'.

5. **Moisture Weight Change** - This is any change in quantity due to the evaporation of moisture resulting in a loss of weight from the original quantity. This generally only applies to "Buds", "Flower", or "Shake/Trim". Most often you will have a small amount of weight remaining on a package that does not have any physical waste associated with it. Input the quantity to be adjusted into the "Adj. Quantity" field and select the corresponding UoM. Select "Moisture Weight Change" from the "Reason" drop down menu. Explain that it is "Weight loss from drying marijuana" in the "Optional Reason" field. Select the adjustment date and finish the package if applicable.
6. **Finish Package** - Finishing a package removes it from your active Metrc inventory. You want to be sure the package is gone from your physical inventory before finishing a package. A package can become active again after being finished if it is still attached to a physical product, sold, and uploaded. This will generally put the package into a negative weight. Packages can only be finished if they have a "0" quantity. By sorting your Metrc inventory by quantity, you can quickly find packages with a "0" quantity. You can select multiple packages at a time by selecting each package while holding "CTRL" or select a range of packages by selecting one and holding "SHIFT" while clicking another package, this will select all packages in between the first and last package selected. Once all the packages are selected you can then press the adjust button and all the packages

highlighted will be populated in the adjustment popup. It is important to remove "0" quantity regularly to keep your Metrc inventory clean and organized.

7. **"Theft"** - This is used in the event of Burglary, robbery or general theft. All Managers, should be notified prior to using this adjustment. Anytime theft is confirmed it must be reported to MED.

## Waste

As explained above, "Waste" is any marijuana product that is unusable or otherwise unsellable. This includes stems/seeds, unsatisfactory marijuana, contaminated products (Dropped products, products touched by customers directly, etc), expired products, broken products or items that cannot be properly dosed, leaking items, etc. These products must be destroyed and disposed of properly.

Per Colorado Department of Public Health & Environment-

"How do I properly dispose of marijuana plant material and marijuana-infused products?"

A marijuana establishment shall dispose of marijuana and marijuana-infused product waste in a secure waste receptacle in possession and control of the marijuana establishment. **The plants and products must be rendered "unusable and unrecognizable."**

**This must be accomplished by grinding and incorporating the marijuana waste with any of the non-consumable, solid wastes listed below and the resulting mixture must be at least 50 percent non-marijuana waste.**

Such wastes include: • **Paper waste, plastic waste, cardboard waste, food waste, grease or other compostable oil waste, bokashi or other compost activators and soil.** (Other wastes may be approved by the Department of Revenue's Marijuana Enforcement Division to render the marijuana and marijuana-infused product waste unusable and unrecognizable as marijuana.)

After the waste is made **unusable and unrecognizable**, the rendered waste shall be: • Disposed of at a solid waste site and disposal facility that has a certificate of designation from the local governing body; • Deposited at a compost facility that has a certificate of designation from the Department of Public Health and Environment; or • Composted on-site at a facility owned by the generator of the waste and operated in compliance with the Regulations Pertaining to Solid Waste Sites and Facilities (6 CCR 1007-2, Part 1) from the Colorado Department of Public Health and Environment.

**Note that the waste must be unusable and unrecognizable prior to leaving the licensed premises of any marijuana establishment.**



**Marijuana wastes are additionally subject to the following inventory tracking requirements:**

Post-harvest marijuana waste materials must be identified, weighed and tracked while on the licensed premises until disposed of in a manner as outlined above. Marijuana waste must be weighed and inventoried before leaving any marijuana establishment using a scale certified in accordance with measurement standards established in Article 14 of Title 35, C.R.S. (See Rule R 309 of the Retail Marijuana Code – Retail Marijuana Establishments: Inventory Tracking Solution.)

- A licensee is required to maintain accurate and comprehensive records regarding waste material that account for, reconcile and evidence all waste activity related to the disposal of marijuana. (See Rule R 901 – Business Records Required.) 1
- A licensee is required to maintain accurate and comprehensive records regarding any marijuana waste material produced through the trimming or pruning of a marijuana plant prior to harvest. Records must include weighing and documenting all wastes. (See Rule R 307 – Inventory Tracking Requirements)”

Most often you will be using a food processor or coffee grinder to pulverize stems and shake into an unusable powder and mixing with shredded paper or any trash that is designated as a THC specific waste receptacle. You must destroy/pulverize all products being wasted so that they cannot be used after being disposed of. This includes crushing/cutting cartridges, mixing concentrates into paper/other trash, destroying edibles so they cannot be used, and pouring liquids into an absorbent material such as paper towel. Do not pour drinks into the sink/toilet. Liquids must be disposed of in the same manner as other THC waste. DO NOT dispose of waste in normal trash as THC waste must be kept separate from the usual trash that is disposed of throughout the day and must be removed from the facility properly. All THC containing waste must be stored in a secure area before and after leaving the licensed facility, this includes remaining in a restricted access area while in the facility and in a locked dumpster that is exclusive to that facility, after leaving the facility.

You can pull an “Expiration Report” in Flowhub to track down any expired products to be destroyed and removed from Metrc

## **Metrc Discrepancy Report**

You can pull a report in Flowhub called the “Metrc Discrepancy Report”. This report displays package tags, items, quantities, Uom, and discrepancies between your active Flowhub and Metrc inventories. Navigate to the “Reports” tab in Flowhub and select the METRC Discrepancy - Inventory report. Select the appropriate license type at the top of the page (Rec), Export the CSV file and open the download in Excel. Under the “Notes” column you will see several different reasons for a discrepancy such as “Active Pkg not in Flowhub”, “Inactive pkg in Metrc Quantity

Discrepancy”, “Quantity Discrepancy”, and “No active pkg in Metrc”. This is a useful tool for narrowing down discrepancies between the inventory systems and for cleaning out inactive products in Flowhub. You can use your physical count list to verify these discrepancies. Most often this is used by finding the “No active pkg in Metrc” rows in the spreadsheet. You can find these products in Flowhub and remove them from inventory as they are no longer active in Metrc and should not be sold. They will result in a negative Metrc quantity if they remain in Flowhub and are sold throughout the day. Some packages will not be active in Flowhub until they are added to the inventory, most often new deliveries of products.

## **Email and Notification**

After all adjustments have been made, typically at the end of the week or when you have done a full store inventory you must report all adjustments made to the MED. Navigate to the “Reports” tab in Metrc and locate the “Adjustments Report”. Select the appropriate date range and download a PDF of all adjustments made for the license you are reporting for. Attach this file to an email to [support@metrc.com](mailto:support@metrc.com). Include in the email the date range and the name and badge number of the person reporting and anyone else who made adjustments in the requisite date range. The PDF will contain the names of anyone who made the specific adjustments. Also CC Sun Theory's Manager Connor Oman (Connor@sun.house) You will receive a receipt

Ticket # for this report from Metrc to be referenced in case of any future inquiry. You must also print a copy of this report and put it in the MED binder in your store. We need to keep comprehensive records of adjustments and waste in the facility for a minimum of two years. These records need to be up to date and able to be accessed easily upon an MED visit, with or without the inventory manager being present.



## Sun Theory

ST Aspen, LLC, ST Basalt, LLC, ST Edwards, LLC, ST Eagle Vail, LLC, ST Gunnison LLC, ST Leadville, LLC

### **LIGHTING AND CAMERA MAINTENANCE SOP**

#### Daily

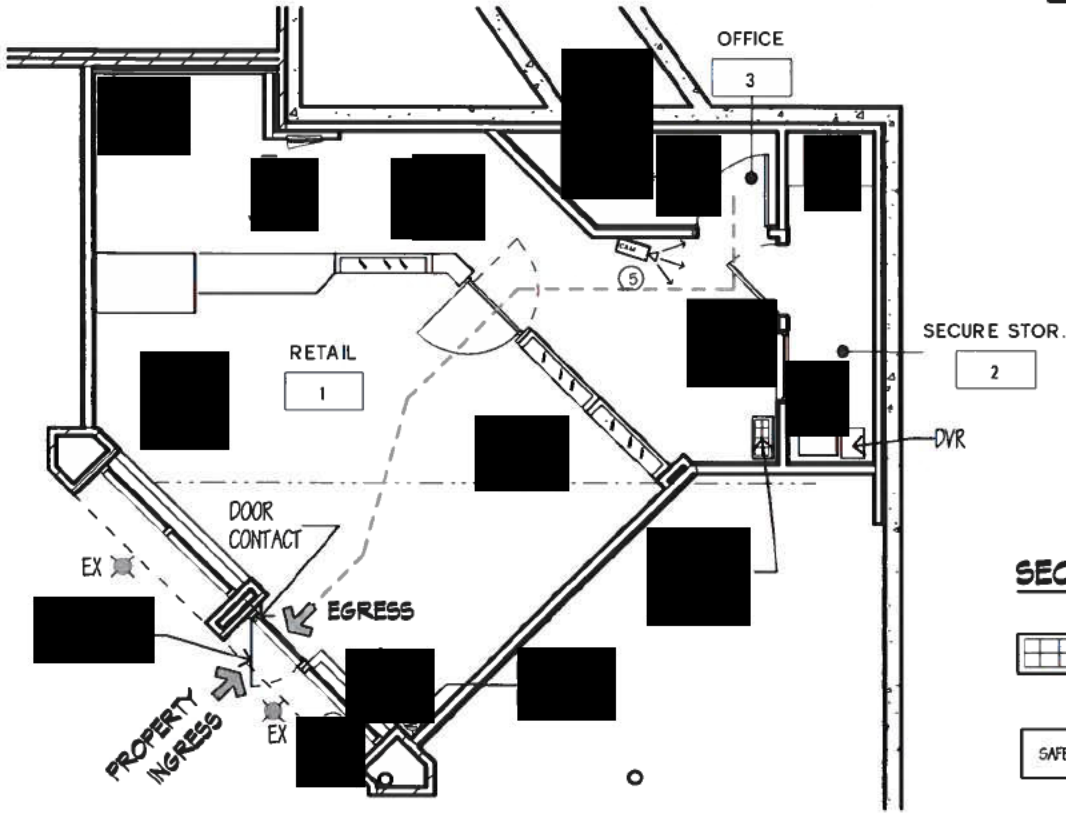
- Each day, store manager must log into DVR portal at store open and confirm that all camera feeds are functional.
- If any camera feed is not functional upon store opening check, reset power to affected camera and re-check for functionality.
- Any interruption of any camera feed must be reported to Sun Theory Manager Connor Oman ([connor@sun.house](mailto:connor@sun.house)).

#### Weekly

- On Wednesday of each week, store manager must walk facility to physically inspect cameras and exterior lighting fixtures.
- Store manager must visually confirm functionality of exterior lighting fixtures (whether motion-sensing or light-sensing).
- Store manager must inspect cameras and lighting fixtures for evidence of physical damage or tampering.
- Any issues to be reported immediately to Sun Theory Manager Connor Oman ([connor@sun.house](mailto:connor@sun.house)).

**CO MED INFORMATION**

STORE NAME: SUN THEORY  
 ADDRESS: 400 E. HYMAN - #102  
 ASPEN, CO  
 MED LIC NO.: 402R-00487



**SECURITY LEGEND**

SECURITY KEYPAD

SECURE SAFE

DVR VIDEO RECORDING DEVICE PER MED REQUIREMENTS

CAMERA NO.  
 ARROWS INDICATE DIRECTIONALITY  
 FIXED SECURITY CAMERA

360 D. VIEW CAMERA  
 CAMERA NO.

PROPERTY EGRESS ROUTE

EXTERIOR LIGHT FIXTURE

1 SECURITY DIAGRAM - MED  
 1/8" = 1'-0"

ST ASPEN, LLC

SUN THEORY - ASPEN

SPACE 102  
 400 EAST HYMAN AVE.  
 ASPEN, CO

Description	Date
M.E.D.	04.2023

SECURITY DIAGRAM  
**SD 1-1**

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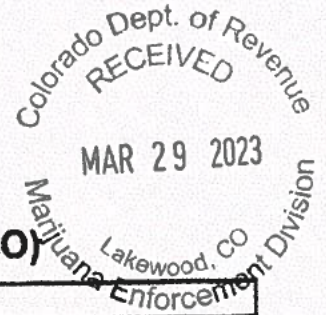
561 East Sixth Street

PO Box 6053

Eagle, CO 81631



DR 8535 (03/18/21)  
COLORADO DEPARTMENT OF REVENUE  
Marijuana Enforcement Division  
Colorado.gov/revenue/med



Colorado Marijuana Licensing Authority  
**Marijuana Business License Application**  
**Change of Controlling Beneficial Owner (CBO)**

<b>License Types</b>					
<input checked="" type="checkbox"/> Retail Marijuana Store	<input type="checkbox"/> Hospitality Business	<input type="checkbox"/> Retail Marijuana Business Transporter			
<input type="checkbox"/> Retail Marijuana Cultivation	<input type="checkbox"/> Mobile Hospitality Business				
<input type="checkbox"/> Retail Marijuana Testing Facility	<input type="checkbox"/> Hospitality & Sales Business				
<input type="checkbox"/> Retail Marijuana Products Manufacturer	<input type="checkbox"/> Retail Marijuana Business Operator				
<input type="checkbox"/> Medical Marijuana Store	<input type="checkbox"/> Marijuana Research & Development Facility	<input type="checkbox"/> Medical Marijuana Business Transporter			
<input type="checkbox"/> Medical Marijuana Products Manufacturer	<input type="checkbox"/> Medical Marijuana Cultivation Facility				
<input type="checkbox"/> Medical Marijuana Testing Facility	<input type="checkbox"/> Medical Marijuana Business Operator				
<b>Seller's Information</b>					
Seller's Legal Business Name (Please Print) RFSCVL LLC				Marijuana License Number 402R-00362	
Registered Trade Name (DBA) RootsRx					
Federal Taxpayer ID [REDACTED]	Colorado Sales Tax License # [REDACTED]	Name of Registered Agent Robert F. Holmes Jr			
<b>Physical Address</b>					
Street Address of Marijuana Business 145 Front Street				Business Phone Number 970 618-6976	
City Leadville	County Lake	State Co	ZIP 80481	Email Address [REDACTED]	
<b>Mailing Address (if different from Physical Address)</b>					
Address [REDACTED]		City [REDACTED]	State/Prov [REDACTED]	ZIP [REDACTED]	
<b>Main Business Contact Person Information</b>					
Primary Contact Person for Business Robert Holmes				Primary Contact Phone Number [REDACTED]	
Primary Contact Email [REDACTED]					
Jurisdiction of Incorporation or Creation of Business Entity Colorado				Date 09/18/2014	
If a Corporation, List all Jurisdictions Where the Corporation is Authorized to Conduct Business					



<b>Buyer (or additional CBO) Questions</b>		Yes	No
1. Is the applicant (including any of the partners, if a partnership; members or manager if a limited liability company; or officers, stockholders or directors if a corporation) under the age of twenty-one years?		<input type="checkbox"/>	<input checked="" type="checkbox"/>
2. Do you have or will you have possession of a licensed premises?		<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. Is the applicant, the applicant's parent company or any other intermediary business entity delinquent in the payment of any judgments, taxes, interest or penalties due to the Department of Revenue, relating to a Medical or Retail Marijuana Business? If YES, provide details on a separate sheet and attach any documents to prove settlement or resolution of the delinquency.		<input type="checkbox"/>	<input checked="" type="checkbox"/>
4. Has a judgment, consent decree, settlement or other disposition related to a violation of federal, state or similar foreign or security law or regulation, ever been filed or entered against the applicant, the applicant's parent company or any other intermediary business entity? If YES, provide details on a separate sheet and attach any applicable documents.		<input type="checkbox"/>	<input checked="" type="checkbox"/>
5. Has the applicant (including any parent companies), been indicted, served with a criminal summons, charged with or convicted of ANY crime or offense in any manner in the last 3 years? Include ALL offenses regardless of class of crime or outcome, even if the charges were dismissed or you were found not guilty. If YES, explain in detail on a separate sheet and attach it to your application. Provide official documentation from the court showing the final disposition for any felony charge or those related to a controlled substance. (Sealed or expunged non-convictions need not be disclosed.)		<input type="checkbox"/>	<input checked="" type="checkbox"/>
6. Are you a Person (Entity) applying for a license at a location that is currently licensed as a retail food establishment? If YES, explain on a separate sheet.		<input type="checkbox"/>	<input checked="" type="checkbox"/>
7. Has the buyer(s) or additional CBO(s) filed all Finding of Suitability applications required by the Division?		<input checked="" type="checkbox"/>	<input type="checkbox"/>

<b>Local Licensing Authority (To be completed by current license holder)</b>			
Local Licensing Authority City Of Leadville		Local Licensing Authority contact name Mayda Silver	
Contact Phone 719 486-0349	Contact Email Cityclerk@leadvilleco.gov		
Date of Application with Local Authority, if required	Date of Approval	Date of Expiration	
Does the local licensing authority permit this type of business in their jurisdiction?			Yes No <input checked="" type="checkbox"/> <input type="checkbox"/>



Current Ownership Structure – Controlling Beneficial Owners with 10% or greater ownership and/or Executive Officers, Managers and any other individual that Controls the RMB.				
Name		SSN/FEIN	DOB	License Number
Robert R. Holmes Jr.		[REDACTED]	[REDACTED]	M18582
Address (Home)		City	State/Prov	ZIP
[REDACTED]		[REDACTED]	[REDACTED]	[REDACTED]
Business Associated with (Parent business or sub-entity)		Own. % Entity		Own. % in Applicant
		100		100
Name		SSN/FEIN	DOB	License Number
[REDACTED]		[REDACTED]	[REDACTED]	[REDACTED]
Address (Home)		City	State/Prov	ZIP
[REDACTED]		[REDACTED]	[REDACTED]	[REDACTED]
Business Associated with (Parent business or sub-entity)		Own. % Entity		Own. % in Applicant
Name		SSN/FEIN	DOB	License Number
[REDACTED]		[REDACTED]	[REDACTED]	[REDACTED]
Address (Home)		City	State/Prov	ZIP
[REDACTED]		[REDACTED]	[REDACTED]	[REDACTED]
Business Associated with (Parent business or sub-entity)		Own. % Entity		Own. % in Applicant
Name		SSN/FEIN	DOB	License Number
[REDACTED]		[REDACTED]	[REDACTED]	[REDACTED]
Address (Home)		City	State/Prov	ZIP
[REDACTED]		[REDACTED]	[REDACTED]	[REDACTED]
Business Associated with (Parent business or sub-entity)		Own. % Entity		Own. % in Applicant
Name		SSN/FEIN	DOB	License Number
[REDACTED]		[REDACTED]	[REDACTED]	[REDACTED]
Address (Home)		City	State/Prov	ZIP
[REDACTED]		[REDACTED]	[REDACTED]	[REDACTED]
Business Associated with (Parent business or sub-entity)		Own. % Entity		Own. % in Applicant
Name		SSN/FEIN	DOB	License Number
[REDACTED]		[REDACTED]	[REDACTED]	[REDACTED]
Address (Home)		City	State/Prov	ZIP
[REDACTED]		[REDACTED]	[REDACTED]	[REDACTED]
Business Associated with (Parent business or sub-entity)		Own. % Entity		Own. % in Applicant
Name		SSN/FEIN	DOB	License Number
[REDACTED]		[REDACTED]	[REDACTED]	[REDACTED]
Address (Home)		City	State/Prov	ZIP
[REDACTED]		[REDACTED]	[REDACTED]	[REDACTED]
Business Associated with (Parent business or sub-entity)		Own. % Entity		Own. % in Applicant
Name		SSN/FEIN	DOB	License Number
[REDACTED]		[REDACTED]	[REDACTED]	[REDACTED]
Address (Home)		City	State/Prov	ZIP
[REDACTED]		[REDACTED]	[REDACTED]	[REDACTED]
Business Associated with (Parent business or sub-entity)		Own. % Entity		Own. % in Applicant



<b>Buyer's Proposed Business information (Not applicable if only adding new CBOs)</b>				
New Legal Business Name <b>ST Leadville, LLC</b>		Trade Name <b>Sun Theory</b>		
Physical Address [REDACTED]				
Mailing Address [REDACTED]				
Federal Taxpayer ID [REDACTED]		Colorado Sales Tax License # [REDACTED]		
<b>Main Business Contact Person (Not applicable if only adding new CBOs)</b>				
Primary Contact Person for Business <b>Connor Oman</b>			Primary Contact Phone Number [REDACTED]	
Primary Contact Email [REDACTED]				
Physical Address of Contact Person [REDACTED]				
City [REDACTED]		State/Prov [REDACTED]	ZIP [REDACTED]	
<b>Proposed Ownership Structure - Controlling Beneficial Owners with 10% or greater ownership and/or Executive Officers, Managers and any other individual that Controls the RMB. (Do not include the licensed entity/RMB on this table.)</b>				
Name <b>Sun Theory SPV II, LLC</b>		SSN/FEIN [REDACTED]	DOB <b>N/A</b>	License Number <b>OE Pending</b>
Address (Home) [REDACTED]		City [REDACTED]	State/Prov [REDACTED]	ZIP [REDACTED]
Business Associated with (Parent business or sub-entity) <b>ST Leadville LLC</b>		Own. % Entity <b>100%</b>		Own. % in Applicant <b>100%</b>
Name <b>Sun Theory Holding Company, LLC</b>		SSN/FEIN [REDACTED]	DOB <b>N/A</b>	License Number <b>OE Pending</b>
Address (Home) [REDACTED]		City [REDACTED]	State/Prov [REDACTED]	ZIP [REDACTED]
Business Associated with (Parent business or sub-entity) <b>Sun Theory SPV II, LLC</b>		Own. % Entity <b>48.7%</b>		Own. % in Applicant <b>48.7%</b>
Name <b>Sun Theory SPV II Consulting, LLC</b>		SSN/FEIN [REDACTED]	DOB <b>N/A</b>	License Number <b>OE Pending</b>
Address (Home) [REDACTED]		City [REDACTED]	State/Prov [REDACTED]	ZIP [REDACTED]
Business Associated with (Parent business or sub-entity) <b>Manager, Sun Theory SPV II, LLC</b>		Own. % Entity <b>0%</b>		Own. % in Applicant <b>0%</b>
Name <b>Connor Oman</b>		SSN/FEIN [REDACTED]	DOB [REDACTED]	License Number <b>M145940</b>
Address (Home) [REDACTED]		City [REDACTED]	State/Prov [REDACTED]	ZIP [REDACTED]
Business Associated with (Parent business or sub-entity) <b>Sun Theory Holding Company, LLC</b>		Own. % Entity <b>33.34%</b>		Own. % in Applicant <b>16.24%</b>
Name <b>Mark Adams</b>		SSN/FEIN [REDACTED]	DOB [REDACTED]	License Number <b>IFIHI-000203</b>
Address (Home) [REDACTED]		City [REDACTED]	State/Prov [REDACTED]	ZIP [REDACTED]
Business Associated with (Parent business or sub-entity) <b>Sun Theory Holding Company, LLC</b>		Own. % Entity <b>33.33%</b>		Own. % in Applicant <b>16.23%</b>
Printed Legal Business Name <b>ST Leadville LLC</b>		Printed Trade Name (DBA) <b>Sun Theory</b>		



<b>Buyer's Proposed Business Information (Not applicable if only adding new CBOs)</b>			
New Legal Business Name See prior page		Trade Name	
Physical Address			
Mailing Address			
Federal Taxpayer ID		Colorado Sales Tax License #	
<b>Main Business Contact Person (Not applicable if only adding new CBOs)</b>			
Primary Contact Person for Business See prior page		Primary Contact Phone Number	
Primary Contact Email			
Physical Address of Contact Person			
City		State/Prov	ZIP
<b>Proposed Ownership Structure - Controlling Beneficial Owners with 10% or greater ownership and/or Executive Officers, Managers and any other individual that Controls the RMB. (Do not include the licensed entity/RMB on this table.)</b>			
Name John Constantine		SSN/FEIN	DOB [REDACTED]
Address (Home)		City	State/Prov ZIP [REDACTED]
Business Associated with (Parent business or sub-entity) Sun Theory Holding Company, LLC		Own. % Entity 33.33%	Own. % in Applicant 16.23%
Name		SSN/FEIN	DOB
Address (Home)		City	State/Prov ZIP [REDACTED]
Business Associated with (Parent business or sub-entity)		Own. % Entity	Own. % in Applicant
Name		SSN/FEIN	DOB
Address (Home)		City	State/Prov ZIP [REDACTED]
Business Associated with (Parent business or sub-entity)		Own. % Entity	Own. % in Applicant
Name		SSN/FEIN	DOB
Address (Home)		City	State/Prov ZIP [REDACTED]
Business Associated with (Parent business or sub-entity)		Own. % Entity	Own. % in Applicant
Name		SSN/FEIN	DOB
Address (Home)		City	State/Prov ZIP [REDACTED]
Business Associated with (Parent business or sub-entity)		Own. % Entity	Own. % in Applicant
Printed Legal Business Name ST Leadville, LLC		Printed Trade Name (DBA) Sun Theory	



Are there any outstanding options, warrants or contracts, that may be exercised into an Owner's Interest in the RMB within the next 60 days that would constitute a CBO?

Yes  No \*If YES, attach list of persons

Are there any other Persons, other than those listed in the Ownership Structure, that can Control the RMB?

Yes  No \*If YES, attach list of persons

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

Name of Interest Holder	Date of Birth	FEIN/SSN
N/A		
Address		
List Types of Interests		
Name of Interest Holder	Date of Birth	FEIN/SSN
Address		
List Types of Interests		
Name of Interest Holder	Date of Birth	FEIN/SSN
Address		
List Types of Interests		
Name of Interest Holder	Date of Birth	FEIN/SSN
Address		
List Types of Interests		



### Affirmation & Consent

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

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

**Print Full Legal Name of Owner clearly below:**

Applicant's Legal Business Name <b>ST Leadville, LLC</b>		Trade Name (DBA) <b>Sun Theory</b>	
Last Name of Owner (Please Print) <b>Oman</b>	First Name of Owner <b>Connor</b>	Middle Name of Owner <b>Oates</b>	
Signature <i>Connor Oman</i>			Date <b>3/17/2023</b>
Last Name of Owner (Please Print) <b>Constantine</b>	First Name of Owner <b>John</b>	Middle Name of Owner <b>Agnew</b>	
Signature <i>John Constantine</i>			Date <b>3/17/2023</b>
Last Name of Owner (Please Print) <b>Adams</b>	First Name of Owner <b>Mark</b>	Middle Name of Owner <b>Ernest</b>	
Signature <i>Mark Adams</i>			Date <b>3/17/2023</b>
Last Name of Owner (Please Print)	First Name of Owner	Middle Name of Owner	
Signature			Date

**Confidential Document:** This document is the property of the Colorado Marijuana State Licensing Authority and the Colorado Marijuana Enforcement Division, and is provided for Official Use Only. This document may not be further reproduced nor its contents disclosed without the written permission of the Division or State Licensing Authority.

**Note:** If there are more than four (4) owners, please use a second Affirmation & Consent page (page 7 of 15).

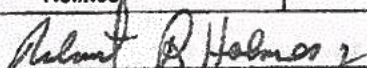


### Affirmation & Consent

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

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

**Print Full Legal Name of Owner clearly below:**

Applicant's Legal Business Name <b>RFSCLV LLC</b>		Trade Name (DBA) <b>RootsRx</b>	
Last Name of Owner (Please Print) <b>Holmes</b>	First Name of Owner <b>Robert</b>	Middle Name of Owner <b>Richard</b>	
Signature 		<b>REQUIRED</b>	Date <b>1/19/23</b>
Last Name of Owner (Please Print)	First Name of Owner	Middle Name of Owner	
Signature			Date
Last Name of Owner (Please Print)	First Name of Owner	Middle Name of Owner	
Signature			Date
Last Name of Owner (Please Print)	First Name of Owner	Middle Name of Owner	
Signature			Date

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**Note:** If there are more than four (4) owners, please use a second Affirmation & Consent page (page 7 of 15).



## Tax Check Authorization and Request To Release Information

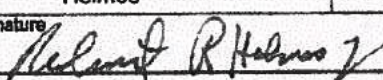
I Robert R. Holmes Jr am signing this waiver on behalf of RFSCLV LLC (the "Applicant/Licensee") to permit the Colorado Department of Revenue and any other state or local taxing authority to release information and documents that would otherwise be confidential. If I am signing this waiver for someone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

The information and documentation obtained pursuant to this waiver will be used in connection with the Applicant/Licensee's application or licensure with the Colorado Marijuana Enforcement Division, which requires proof of compliance with certain tax obligations pursuant to several statutory provisions, including sections 44-10-202(1) and 44-10-307(1)(e) C.R.S. This waiver is made pursuant to section 39-21-113(4), C.R.S.; and any other similar law or ordinance concerning the confidentiality of tax returns and return information. This waiver shall be valid while the application is pending and, if the application is approved, (1) for one year from the date of licensure or; (2) if applying for an employee license under the medical marijuana code, for two years from the date of licensure. If the license is administratively continued pursuant to section 44-10-314, C.R.S., this waiver shall be valid until the state licensing authority takes final action to approve or deny the renewal of the license. Applicant/Licensee agrees to execute a new waiver for each subsequent licensing period in connection with the renewal of any license.

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

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

Applicant/Licensee authorizes the Colorado Department of Revenue and any other state or local taxing authority to release any additional information or documentation necessary to answer the questions above. Applicant/Licensee authorizes the Colorado Marijuana Enforcement Division and its legal representatives to use the information and documentation obtained from the Colorado Department of Revenue and any other state or local taxing authority in any administrative action regarding the application or license. To assist the Colorado Department of Revenue and any other state or local taxing authority locate the tax records, Applicant/Licensee is voluntarily providing the following information (please type or print).

Applicant's Name (Individual/Business) <b>Robert R. Holmes Jr.</b>		Social Security Number/Tax Identification Number [REDACTED]	
Street Address [REDACTED]		City [REDACTED]	State/Prov   ZIP Code [REDACTED]
Home Telephone Number [REDACTED]		Business/Work Telephone Number [REDACTED]	
Legal Last Name (Please Print) <b>Holmes</b>	Legal First Name <b>Robert</b>	Full Middle Name <b>Richard</b>	
Applicant's Signature 		<b>REQUIRED</b>	Date <b>1/19/23</b>



## Tax Check Authorization and Request To Release Information

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

The information and documentation obtained pursuant to this waiver will be used in connection with the Applicant/Licensee's application or licensure with the Colorado Marijuana Enforcement Division, which requires proof of compliance with certain tax obligations pursuant to several statutory provisions, including sections 44-10-202(1) and 44-10-307(1)(e) C.R.S. This waiver is made pursuant to section 39-21-113(4), C.R.S.; and any other similar law or ordinance concerning the confidentiality of tax returns and return information. This waiver shall be valid while the application is pending and, if the application is approved, (1) for one year from the date of licensure or; (2) if applying for an employee license under the medical marijuana code, for two years from the date of licensure. If the license is administratively continued pursuant to section 44-10-314, C.R.S., this waiver shall be valid until the state licensing authority takes final action to approve or deny the renewal of the license. Applicant/Licensee agrees to execute a new waiver for each subsequent licensing period in connection with the renewal of any license.

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

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

Applicant/Licensee authorizes the Colorado Department of Revenue and any other state or local taxing authority to release any additional information or documentation necessary to answer the questions above. Applicant/Licensee authorizes the Colorado Marijuana Enforcement Division and its legal representatives to use the information and documentation obtained from the Colorado Department of Revenue and any other state or local taxing authority in any administrative action regarding the application or license. To assist the Colorado Department of Revenue and any other state or local taxing authority locate the tax records, Applicant/Licensee is voluntarily providing the following information (please type or print).

Applicant's Name (Individual/Business) <b>ST Leadville LLC</b>		Social Security Number/Tax Identification Number [REDACTED]	
Street Address [REDACTED]		City [REDACTED]	State/Prov   ZIP Code [REDACTED]
Home Telephone Number [REDACTED]		Business/Work Telephone Number [REDACTED]	
Legal Last Name (Please Print) <b>Adams</b>	Legal First Name <b>Mark</b>	Full Middle Name <b>Ernest</b>	
Applicant's Signature <i>Mark Adams</i>		Date <b>3/17/2023</b>	



## Tax Check Authorization and Request To Release Information

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

The information and documentation obtained pursuant to this waiver will be used in connection with the Applicant/Licensee's application or licensure with the Colorado Marijuana Enforcement Division, which requires proof of compliance with certain tax obligations pursuant to several statutory provisions, including sections 44-10-202(1) and 44-10-307(1)(e) C.R.S. This waiver is made pursuant to section 39-21-113(4), C.R.S.; and any other similar law or ordinance concerning the confidentiality of tax returns and return information. This waiver shall be valid while the application is pending and, if the application is approved, (1) for one year from the date of licensure or; (2) if applying for an employee license under the medical marijuana code, for two years from the date of licensure. If the license is administratively continued pursuant to section 44-10-314, C.R.S., this waiver shall be valid until the state licensing authority takes final action to approve or deny the renewal of the license. Applicant/Licensee agrees to execute a new waiver for each subsequent licensing period in connection with the renewal of any license.

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

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

Applicant/Licensee authorizes the Colorado Department of Revenue and any other state or local taxing authority to release any additional information or documentation necessary to answer the questions above. Applicant/Licensee authorizes the Colorado Marijuana Enforcement Division and its legal representatives to use the information and documentation obtained from the Colorado Department of Revenue and any other state or local taxing authority in any administrative action regarding the application or license. To assist the Colorado Department of Revenue and any other state or local taxing authority locate the tax records, Applicant/Licensee is voluntarily providing the following information (please type or print).

Applicant's Name (Individual/Business) <b>ST Leadville, LLC</b>		Social Security Number/Tax Identification Number [REDACTED]	
Street Address [REDACTED]		City [REDACTED]	State/Prov. ZIP Code [REDACTED]
Home Telephone Number [REDACTED]		Business/Work Telephone Number [REDACTED]	
Legal Last Name (Please Print) <b>Oman</b>	Legal First Name <b>Connor</b>	Full Middle Name <b>Oates</b>	
Applicant's Signature <i>(Signature)</i>		Date <b>3/17/2023</b>	



## Tax Check Authorization and Request To Release Information

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

The information and documentation obtained pursuant to this waiver will be used in connection with the Applicant/Licensee's application or licensure with the Colorado Marijuana Enforcement Division, which requires proof of compliance with certain tax obligations pursuant to several statutory provisions, including sections 44-10-202(1) and 44-10-307(1)(e) C.R.S. This waiver is made pursuant to section 39-21-113(4), C.R.S.; and any other similar law or ordinance concerning the confidentiality of tax returns and return information. This waiver shall be valid while the application is pending and, if the application is approved, (1) for one year from the date of licensure or; (2) if applying for an employee license under the medical marijuana code, for two years from the date of licensure. If the license is administratively continued pursuant to section 44-10-314, C.R.S., this waiver shall be valid until the state licensing authority takes final action to approve or deny the renewal of the license. Applicant/Licensee agrees to execute a new waiver for each subsequent licensing period in connection with the renewal of any license.

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

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

Applicant/Licensee authorizes the Colorado Department of Revenue and any other state or local taxing authority to release any additional information or documentation necessary to answer the questions above. Applicant/Licensee authorizes the Colorado Marijuana Enforcement Division and its legal representatives to use the information and documentation obtained from the Colorado Department of Revenue and any other state or local taxing authority in any administrative action regarding the application or license. To assist the Colorado Department of Revenue and any other state or local taxing authority locate the tax records, Applicant/Licensee is voluntarily providing the following information (please type or print).

Applicant's Name (Individual/Business) <b>ST Leadville LLC</b>		Social Security Number/Tax Identification Number [REDACTED]	
Street Address [REDACTED]		City [REDACTED]	State/Prov   ZIP Code [REDACTED]
Home Telephone Number [REDACTED]		Business/Work Telephone Number [REDACTED]	
Legal Last Name (Please Print) <b>Constantine</b>	Legal First Name <b>John</b>	Full Middle Name <b>Agnew</b>	
Applicant's Signature <i>John Constantine</i>		Date <b>3/17/2023</b>	



## Investigation Authorization/Authorization to Release Information

I, John Constantine, hereby authorize the Colorado Marijuana Licensing Authority, the Marijuana Enforcement Division, (hereafter, the Investigatory Agencies) to conduct a complete investigation into my personal background, using whatever legal means they deem appropriate. I hereby authorize any person or entity contacted by the Investigatory Agencies to provide any and all such information deemed necessary by the Investigatory Agencies. I hereby waive any rights of confidentiality in this regard. I understand that by signing this authorization, a financial record check may be performed. I authorize any financial institution to surrender to the Investigatory Agencies a complete and accurate record of such transactions that may have occurred with that institution, including, but not limited to, internal banking memoranda, past and present loan applications, financial statements and any other documents relating to my personal or business financial records in whatever form and wherever located. I authorize the release of this type of information, even though such information may be designated as "confidential" or "nonpublic" under the provisions of state or federal laws. I understand that by signing this authorization, a criminal history check will be performed. I authorize the Investigatory Agencies to obtain and use from any source, any information concerning me contained in any type of criminal history record files, wherever located. I understand that the criminal history record files contain records of arrests which may have resulted in a disposition other than a finding of guilt (i.e., dismissed charges, or charges that resulted in a not guilty finding). I understand that the information may contain listings of charges that resulted in suspended imposition of sentence, even though I successfully completed the conditions of said sentence and was discharged pursuant to law. I authorize the release of this type of information, even though this record may be designated as "confidential" or "nonpublic" under the provisions of state or federal laws.

The Investigatory Agencies reserve the right to investigate all relevant information and facts to their satisfaction. I understand that the Investigatory Agencies may conduct a complete and comprehensive investigation to determine the accuracy of all information gathered. However, the State of Colorado, Investigatory Agencies, and other agents or employees of the State of Colorado shall not be held liable for the receipt, use, or dissemination of inaccurate information. I, on behalf of the applicant, its legal representatives, and assigns, hereby release, waive, discharge, and agree to hold harmless, and otherwise waive liability as to the State of Colorado, Investigatory Agencies, and other agents or employees of the State of Colorado for any damages resulting from any use, disclosure, or publication in any manner, other than a willfully unlawful disclosure or publication, of any material or information acquired during inquiries, investigations, or hearings, and hereby authorize the lawful use, disclosure, or publication of this material or information. Any information contained within my application, contained within any financial or personnel record, or otherwise found, obtained, or maintained by the Investigatory Agencies, shall be accessible to law enforcement agents of this or any other state, the government of the United States, or any foreign country.

**Print Full Legal Name of Owner clearly below:**

Applicant's Legal Business Name <b>ST Leadville LLC</b>		Trade Name (DBA) <b>Sun Theory</b>
Last Name of Owner (Please Print) <b>Constantine</b>	First Name of Owner <b>John</b>	Middle Name of Owner <b>Agnew</b>
Signature <i>John Constantine</i>	Date <b>3/17/2023</b>	

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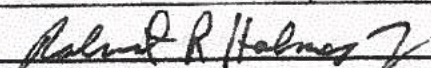


## Investigation Authorization/Authorization to Release Information

I, Robert R. Holmes Jr., hereby authorize the Colorado Marijuana Licensing Authority, the Marijuana Enforcement Division, (hereafter, the Investigatory Agencies) to conduct a complete investigation into my personal background, using whatever legal means they deem appropriate. I hereby authorize any person or entity contacted by the Investigatory Agencies to provide any and all such information deemed necessary by the Investigatory Agencies. I hereby waive any rights of confidentiality in this regard. I understand that by signing this authorization, a financial record check may be performed. I authorize any financial institution to surrender to the Investigatory Agencies a complete and accurate record of such transactions that may have occurred with that institution, including, but not limited to, Internal banking memoranda, past and present loan applications, financial statements and any other documents relating to my personal or business financial records in whatever form and wherever located. I authorize the release of this type of information, even though such information may be designated as "confidential" or "nonpublic" under the provisions of state or federal laws. I understand that by signing this authorization, a criminal history check will be performed. I authorize the Investigatory Agencies to obtain and use from any source, any information concerning me contained in any type of criminal history record files, wherever located. I understand that the criminal history record files contain records of arrests which may have resulted in a disposition other than a finding of guilt (i.e., dismissed charges, or charges that resulted in a not guilty finding). I understand that the information may contain listings of charges that resulted in suspended imposition of sentence, even though I successfully completed the conditions of said sentence and was discharged pursuant to law. I authorize the release of this type of information, even though this record may be designated as "confidential" or "nonpublic" under the provisions of state or federal laws.

The Investigatory Agencies reserve the right to investigate all relevant information and facts to their satisfaction. I understand that the Investigatory Agencies may conduct a complete and comprehensive investigation to determine the accuracy of all information gathered. However, the State of Colorado, Investigatory Agencies, and other agents or employees of the State of Colorado shall not be held liable for the receipt, use, or dissemination of inaccurate information. I, on behalf of the applicant, its legal representatives, and assigns, hereby release, waive, discharge, and agree to hold harmless, and otherwise waive liability as to the State of Colorado, Investigatory Agencies, and other agents or employees of the State of Colorado for any damages resulting from any use, disclosure, or publication in any manner, other than a willfully unlawful disclosure or publication, of any material or information acquired during inquiries, investigations, or hearings, and hereby authorize the lawful use, disclosure, or publication of this material or information. Any information contained within my application, contained within any financial or personnel record, or otherwise found, obtained, or maintained by the Investigatory Agencies, shall be accessible to law enforcement agents of this or any other state, the government of the United States, or any foreign country.

**Print Full Legal Name of Owner clearly below:**

Applicant's Legal Business Name <b>RFSCLV LLC</b>		Trade Name (DBA) <b>RootsRx</b>
Last Name of Owner (Please Print) <b>Holmes</b>	First Name of Owner <b>Robert</b>	Middle Name of Owner <b>Richard</b>
Signature 		Date <b>1/19/23</b>

**Confidential Document:** This document is the property of the Colorado Marijuana State Licensing Authority and the Colorado Marijuana Enforcement Division, and is provided for Official Use Only. This document may not be further reproduced nor its contents disclosed without the written permission of the Division or State Licensing Authority.



## Investigation Authorization/Authorization to Release Information

I, Mark Adams, hereby authorize the Colorado Marijuana Licensing Authority, the Marijuana Enforcement Division, (hereafter, the Investigatory Agencies) to conduct a complete investigation into my personal background, using whatever legal means they deem appropriate. I hereby authorize any person or entity contacted by the Investigatory Agencies to provide any and all such information deemed necessary by the Investigatory Agencies. I hereby waive any rights of confidentiality in this regard. I understand that by signing this authorization, a financial record check may be performed. I authorize any financial institution to surrender to the Investigatory Agencies a complete and accurate record of such transactions that may have occurred with that institution, including, but not limited to, internal banking memoranda, past and present loan applications, financial statements and any other documents relating to my personal or business financial records in whatever form and wherever located. I authorize the release of this type of information, even though such information may be designated as "confidential" or "nonpublic" under the provisions of state or federal laws. I understand that by signing this authorization, a criminal history check will be performed. I authorize the Investigatory Agencies to obtain and use from any source, any information concerning me contained in any type of criminal history record files, wherever located. I understand that the criminal history record files contain records of arrests which may have resulted in a disposition other than a finding of guilt (i.e., dismissed charges, or charges that resulted in a not guilty finding). I understand that the information may contain listings of charges that resulted in suspended imposition of sentence, even though I successfully completed the conditions of said sentence and was discharged pursuant to law. I authorize the release of this type of information, even though this record may be designated as "confidential" or "nonpublic" under the provisions of state or federal laws.

The Investigatory Agencies reserve the right to investigate all relevant information and facts to their satisfaction. I understand that the Investigatory Agencies may conduct a complete and comprehensive investigation to determine the accuracy of all information gathered. However, the State of Colorado, Investigatory Agencies, and other agents or employees of the State of Colorado shall not be held liable for the receipt, use, or dissemination of inaccurate information. I, on behalf of the applicant, its legal representatives, and assigns, hereby release, waive, discharge, and agree to hold harmless, and otherwise waive liability as to the State of Colorado, Investigatory Agencies, and other agents or employees of the State of Colorado for any damages resulting from any use, disclosure, or publication in any manner, other than a willfully unlawful disclosure or publication, of any material or information acquired during inquiries, investigations, or hearings, and hereby authorize the lawful use, disclosure, or publication of this material or information. Any information contained within my application, contained within any financial or personnel record, or otherwise found, obtained, or maintained by the Investigatory Agencies, shall be accessible to law enforcement agents of this or any other state, the government of the United States, or any foreign country.

**Print Full Legal Name of Owner clearly below:**

Applicant's Legal Business Name <b>ST Leadville LLC</b>		Trade Name (DBA) <b>Sun Theory</b>	
Last Name of Owner (Please Print) <b>Adams</b>	First Name of Owner <b>Mark</b>	Middle Name of Owner <b>Ernest</b>	
Signature <i>Mark Adams</i>	Date <b>3/17/2023</b>		

**Confidential Document:** This document is the property of the Colorado Marijuana State Licensing Authority and the Colorado Marijuana Enforcement Division, and is provided for Official Use Only. This document may not be further reproduced nor its contents disclosed without the written permission of the Division or State Licensing Authority.

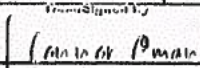


## Investigation Authorization/Authorization to Release Information

I, Connor Oman, hereby authorize the Colorado Marijuana Licensing Authority, the Marijuana Enforcement Division, (hereafter, the Investigatory Agencies) to conduct a complete investigation into my personal background, using whatever legal means they deem appropriate. I hereby authorize any person or entity contacted by the Investigatory Agencies to provide any and all such information deemed necessary by the Investigatory Agencies. I hereby waive any rights of confidentiality in this regard. I understand that by signing this authorization, a financial record check may be performed. I authorize any financial institution to surrender to the Investigatory Agencies a complete and accurate record of such transactions that may have occurred with that institution, including, but not limited to, internal banking memoranda, past and present loan applications, financial statements and any other documents relating to my personal or business financial records in whatever form and wherever located. I authorize the release of this type of information, even though such information may be designated as "confidential" or "nonpublic" under the provisions of state or federal laws. I understand that by signing this authorization, a criminal history check will be performed. I authorize the Investigatory Agencies to obtain and use from any source, any information concerning me contained in any type of criminal history record files, wherever located. I understand that the criminal history record files contain records of arrests which may have resulted in a disposition other than a finding of guilt (i.e., dismissed charges, or charges that resulted in a not guilty finding). I understand that the information may contain listings of charges that resulted in suspended imposition of sentence, even though I successfully completed the conditions of said sentence and was discharged pursuant to law. I authorize the release of this type of information, even though this record may be designated as "confidential" or "nonpublic" under the provisions of state or federal laws.

The Investigatory Agencies reserve the right to investigate all relevant information and facts to their satisfaction. I understand that the Investigatory Agencies may conduct a complete and comprehensive investigation to determine the accuracy of all information gathered. However, the State of Colorado, Investigatory Agencies, and other agents or employees of the State of Colorado shall not be held liable for the receipt, use, or dissemination of inaccurate information. I, on behalf of the applicant, its legal representatives, and assigns, hereby release, waive, discharge, and agree to hold harmless, and otherwise waive liability as to the State of Colorado, Investigatory Agencies, and other agents or employees of the State of Colorado for any damages resulting from any use, disclosure, or publication in any manner, other than a willfully unlawful disclosure or publication, of any material or information acquired during inquiries, investigations, or hearings, and hereby authorize the lawful use, disclosure, or publication of this material or information. Any information contained within my application, contained within any financial or personnel record, or otherwise found, obtained, or maintained by the Investigatory Agencies, shall be accessible to law enforcement agents of this or any other state, the government of the United States, or any foreign country.

**Print Full Legal Name of Owner clearly below:**

Applicant's Legal Business Name <b>ST Leadville, LLC</b>		Trade Name (DBA) <b>Sun Theory</b>	
Last Name of Owner (Please Print) <b>Oman</b>	First Name of Owner <b>Connor</b>	Middle Name of Owner <b>Oates</b>	
Signature 		Date <b>3/17/2023</b>	

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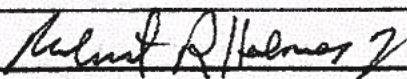


### Applicant's Request to Release Information

TO: (Leave this Blank)	FROM: (Applicant's Printed Name) <b>John Constantine</b>
<ol style="list-style-type: none"> <li>1. I/We hereby authorize and request all persons to whom this request is presented having information relating to or concerning the above named applicant to furnish such information to a duly appointed agent of the Marijuana Enforcement Division whether or not such information would otherwise be protected from the disclosure by any constitutional, statutory or common law privilege.</li> <li>2. I/We hereby authorize and request all persons to whom this request is presented having documents relating to or concerning the above named applicant to permit a duly appointed agent of the Marijuana Enforcement Division to review and copy any such documents, whether or not such documents would otherwise be protected from disclosure by any constitutional, statutory, or common law privilege.</li> <li>3. If the person to whom this request is presented is a brokerage firm, bank, savings and loan, or other financial institution or an officer of the same, I/we hereby authorize and request that a duly appointed agent of the Marijuana Enforcement Division be permitted to review and obtain copies of any and all documents, records or correspondence pertaining to me/us, including but not limited to past loan information, notes co-signed by me/us, checking account records, savings deposit records, safe deposit box records, passbook records, and general ledger folio sheets.</li> <li>4. I/We do hereby make, constitute, and appoint any duly appointed agent of the Colorado Marijuana Enforcement Division, my/our true and lawful attorney in fact for me/us in my/our name, place, stead, and on my/our behalf and for my/our use and benefit:             <ol style="list-style-type: none"> <li>(a) To request, review, copy sign for, or otherwise act for investigative purposes with respect to documents and information in the possession of the person to whom this request is presented as I/we might;</li> <li>(b) To name the person or entity to whom this request is presented and insert that person's name in the appropriate location in this request:</li> <li>(c) To place the name of the agent presenting this request in the appropriate location on this request.</li> </ol> </li> <li>5. I grant to said attorney in fact full power and authority to do, take, and perform all and every act and thing whatsoever requisite, proper, or necessary to be done, in the exercise of any of the rights and powers herein granted, as fully to all intents and purposes as I/we might or could do if personally present, with full power of substitution or revocation, hereby ratifying and confirming all that said attorney in fact, or his substitute or substitutes, shall lawfully do or cause to be done by virtue of this power of attorney and the rights and powers herein granted.</li> <li>6. This power of attorney ends twenty-four (24) months from the date of execution.</li> <li>7. The above named applicant has filed with the Colorado Marijuana Licensing Authority an application for a Marijuana license. Said applicant understands that it is seeking the granting of a privilege and acknowledges that the burden of proving its qualifications for a favorable determination is at all times on the applicant.</li> <li>8. I/We do, for myself/ourselves, my/our heirs, executors, administrators, successors, and assigns, hereby release, remise, and forever discharge the person to whom this request is presented, and his agents and employees from all and all manner or actions, causes of action, suits, debts, judgments, executions, claims, and demands whatsoever, known or unknown, in law or equity, which the applicant ever had, now has, may have, or claims to have against the person to whom this request is being presented or his agents or employees arising out of or by reason of complying with the request.</li> <li>9. A reproduction of this request by photocopying or similar process shall be for all intents and purposes as valid as the original.</li> </ol>	
Applicant's Legal Business Name <b>ST Leadville LLC</b>	
Trade Name (DBA) <b>Sun Theory</b>	
Applicant's Last Name (Please Print) <b>Constantine</b>	First Name <b>John</b>
Full Middle Name <b>Agnew</b>	
Signature <i>John Constantine</i>	Date <b>3/17/2023</b>

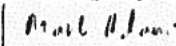


### Applicant's Request to Release Information

TO: (Leave this Blank)	FROM: (Applicant's Printed Name) <b>Robert R. Holmes Jr.</b>
<ol style="list-style-type: none"> <li>1. I/We hereby authorize and request all persons to whom this request is presented having information relating to or concerning the above named applicant to furnish such information to a duly appointed agent of the Marijuana Enforcement Division whether or not such information would otherwise be protected from the disclosure by any constitutional, statutory or common law privilege.</li> <li>2. I/We hereby authorize and request all persons to whom this request is presented having documents relating to or concerning the above named applicant to permit a duly appointed agent of the Marijuana Enforcement Division to review and copy any such documents, whether or not such documents would otherwise be protected from disclosure by any constitutional, statutory, or common law privilege.</li> <li>3. If the person to whom this request is presented is a brokerage firm, bank, savings and loan, or other financial institution or an officer of the same, I/we hereby authorize and request that a duly appointed agent of the Marijuana Enforcement Division be permitted to review and obtain copies of any and all documents, records or correspondence pertaining to me/us, including but not limited to past loan information, notes co-signed by me/us, checking account records, savings deposit records, safe deposit box records, passbook records, and general ledger folio sheets.</li> <li>4. I/We do hereby make, constitute, and appoint any duly appointed agent of the Colorado Marijuana Enforcement Division, my/our true and lawful attorney in fact for me/us in my/our name, place, stead, and on my/our behalf and for my/our use and benefit:             <ol style="list-style-type: none"> <li>(a) To request, review, copy sign for, or otherwise act for investigative purposes with respect to documents and information in the possession of the person to whom this request is presented as I/we might;</li> <li>(b) To name the person or entity to whom this request is presented and insert that person's name in the appropriate location in this request;</li> <li>(c) To place the name of the agent presenting this request in the appropriate location on this request.</li> </ol> </li> <li>5. I grant to said attorney in fact full power and authority to do, take, and perform all and every act and thing whatsoever requisite, proper, or necessary to be done, in the exercise of any of the rights and powers herein granted, as fully to all intents and purposes as I/we might or could do if personally present, with full power of substitution or revocation, hereby ratifying and confirming all that said attorney in fact, or his substitute or substitutes, shall lawfully do or cause to be done by virtue of this power of attorney and the rights and powers herein granted.</li> <li>6. This power of attorney ends twenty-four (24) months from the date of execution.</li> <li>7. The above named applicant has filed with the Colorado Marijuana Licensing Authority an application for a Marijuana license. Said applicant understands that it is seeking the granting of a privilege and acknowledges that the burden of proving its qualifications for a favorable determination is at all times on the applicant.</li> <li>8. I/We do, for myself/ourselves, my/our heirs, executors, administrators, successors, and assigns, hereby release, remise, and forever discharge the person to whom this request is presented, and his agents and employees from all and all manner or actions, causes of action, suits, debts, judgments, executions, claims, and demands whatsoever, known or unknown, in law or equity, which the applicant ever had, now has, may have, or claims to have against the person to whom this request is being presented or his agents or employees arising out of or by reason of complying with the request.</li> <li>9. A reproduction of this request by photocopying or similar process shall be for all intents and purposes as valid as the original.</li> </ol>	
Applicant's Legal Business Name <p style="text-align: center;">RFSCLV LLC</p>	
Trade Name (DBA) <p style="text-align: center;">RootsRx</p>	
Applicant's Last Name (Please Print) <p style="text-align: center;">Holmes</p>	First Name <p style="text-align: center;">Robert</p>
Full Middle Name <p style="text-align: center;">Richard</p>	
Signature 	Date <p style="text-align: center;">1/19/23</p>

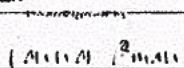


### Applicant's Request to Release Information

TO: (Leave this Blank)	FROM: (Applicant's Printed Name) <b>Mark Adams</b>
<ol style="list-style-type: none"> <li>1. I/We hereby authorize and request all persons to whom this request is presented having information relating to or concerning the above named applicant to furnish such information to a duly appointed agent of the Marijuana Enforcement Division whether or not such information would otherwise be protected from the disclosure by any constitutional, statutory or common law privilege.</li> <li>2. I/We hereby authorize and request all persons to whom this request is presented having documents relating to or concerning the above named applicant to permit a duly appointed agent of the Marijuana Enforcement Division to review and copy any such documents, whether or not such documents would otherwise be protected from disclosure by any constitutional, statutory, or common law privilege.</li> <li>3. If the person to whom this request is presented is a brokerage firm, bank, savings and loan, or other financial institution or an officer of the same, I/we hereby authorize and request that a duly appointed agent of the Marijuana Enforcement Division be permitted to review and obtain copies of any and all documents, records or correspondence pertaining to me/us, including but not limited to past loan information, notes co-signed by me/us, checking account records, savings deposit records, safe deposit box records, passbook records, and general ledger folio sheets.</li> <li>4. I/We do hereby make, constitute, and appoint any duly appointed agent of the Colorado Marijuana Enforcement Division, my/our true and lawful attorney in fact for me/us in my/our name, place, stead, and on my/our behalf and for my/our use and benefit:             <ol style="list-style-type: none"> <li>(a) To request, review, copy sign for, or otherwise act for investigative purposes with respect to documents and information in the possession of the person to whom this request is presented as I/we might;</li> <li>(b) To name the person or entity to whom this request is presented and insert that person's name in the appropriate location in this request:</li> <li>(c) To place the name of the agent presenting this request in the appropriate location on this request.</li> </ol> </li> <li>5. I grant to said attorney in fact full power and authority to do, take, and perform all and every act and thing whatsoever requisite, proper, or necessary to be done, in the exercise of any of the rights and powers herein granted, as fully to all intents and purposes as I/we might or could do if personally present, with full power of substitution or revocation, hereby ratifying and confirming all that said attorney in fact, or his substitute or substitutes, shall lawfully do or cause to be done by virtue of this power of attorney and the rights and powers herein granted.</li> <li>6. This power of attorney ends twenty-four (24) months from the date of execution.</li> <li>7. The above named applicant has filed with the Colorado Marijuana Licensing Authority an application for a Marijuana license. Said applicant understands that it is seeking the granting of a privilege and acknowledges that the burden of proving its qualifications for a favorable determination is at all times on the applicant.</li> <li>8. I/We do, for myself/ourselves, my/our heirs, executors, administrators, successors, and assigns, hereby release, remise, and forever discharge the person to whom this request is presented, and his agents and employees from all and all manner or actions, causes of action, suits, debts, judgments, executions, claims, and demands whatsoever, known or unknown, in law or equity, which the applicant ever had, now has, may have, or claims to have against the person to whom this request is being presented or his agents or employees arising out of or by reason of complying with the request.</li> <li>9. A reproduction of this request by photocopying or similar process shall be for all intents and purposes as valid as the original.</li> </ol>	
Applicant's Legal Business Name <b>ST Leadville LLC</b>	
Trade Name (DBA) <b>Sun Theory</b>	
Applicant's Last Name (Please Print) <b>Adams</b>	First Name <b>Mark</b>
Full Middle Name <b>Ernest</b>	
Signature 	Date <b>3/17/2023</b>



### Applicant's Request to Release Information

TO: (Leave this Blank)	FROM: (Applicant's Printed Name) ST Leadville, LLC
<ol style="list-style-type: none"> <li>1. I/We hereby authorize and request all persons to whom this request is presented having information relating to or concerning the above named applicant to furnish such information to a duly appointed agent of the Marijuana Enforcement Division whether or not such information would otherwise be protected from the disclosure by any constitutional, statutory or common law privilege.</li> <li>2. I/We hereby authorize and request all persons to whom this request is presented having documents relating to or concerning the above named applicant to permit a duly appointed agent of the Marijuana Enforcement Division to review and copy any such documents, whether or not such documents would otherwise be protected from disclosure by any constitutional, statutory, or common law privilege.</li> <li>3. If the person to whom this request is presented is a brokerage firm, bank, savings and loan, or other financial institution or an officer of the same, I/we hereby authorize and request that a duly appointed agent of the Marijuana Enforcement Division be permitted to review and obtain copies of any and all documents, records or correspondence pertaining to me/us, including but not limited to past loan information, notes co-signed by me/us, checking account records, savings deposit records, safe deposit box records, passbook records, and general ledger folio sheets.</li> <li>4. I/We do hereby make, constitute, and appoint any duly appointed agent of the Colorado Marijuana Enforcement Division, my/our true and lawful attorney in fact for me/us in my/our name, place, stead, and on my/our behalf and for my/our use and benefit:             <ol style="list-style-type: none"> <li>(a) To request, review, copy sign for, or otherwise act for investigative purposes with respect to documents and information in the possession of the person to whom this request is presented as I/we might;</li> <li>(b) To name the person or entity to whom this request is presented and insert that person's name in the appropriate location in this request:</li> <li>(c) To place the name of the agent presenting this request in the appropriate location on this request.</li> </ol> </li> <li>5. I grant to said attorney in fact full power and authority to do, take, and perform all and every act and thing whatsoever requisite, proper, or necessary to be done, in the exercise of any of the rights and powers herein granted, as fully to all intents and purposes as I/we might or could do if personally present, with full power of substitution or revocation, hereby ratifying and confirming all that said attorney in fact, or his substitute or substitutes, shall lawfully do or cause to be done by virtue of this power of attorney and the rights and powers herein granted.</li> <li>6. This power of attorney ends twenty-four (24) months from the date of execution.</li> <li>7. The above named applicant has filed with the Colorado Marijuana Licensing Authority an application for a Marijuana license. Said applicant understands that it is seeking the granting of a privilege and acknowledges that the burden of proving its qualifications for a favorable determination is at all times on the applicant.</li> <li>8. I/We do, for myself/ourselves, my/our heirs, executors, administrators, successors, and assigns, hereby release, remise, and forever discharge the person to whom this request is presented, and his agents and employees from all and all manner or actions, causes of action, suits, debts, judgments, executions, claims, and demands whatsoever, known or unknown, in law or equity, which the applicant ever had, now has, may have, or claims to have against the person to whom this request is being presented or his agents or employees arising out of or by reason of complying with the request.</li> <li>9. A reproduction of this request by photocopying or similar process shall be for all intents and purposes as valid as the original.</li> </ol>	
Applicant's Legal Business Name <p style="text-align: center;">ST Leadville, LLC</p>	
Trade Name (DBA) <p style="text-align: center;">Sun Theory</p>	
Applicant's Last Name (Please Print) <p style="text-align: center;">Oman</p>	First Name <p style="text-align: center;">Connor</p>
Signature 	Full Middle Name <p style="text-align: center;">Oates</p>
Date <p style="text-align: right;">3/17/2023</p>	



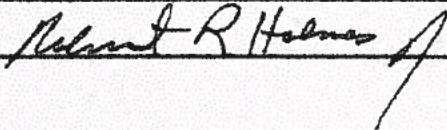
**AFFIRMATION OF REASONABLE CARE – PRIVATE COMPANY**

Pursuant to subsections 44-10-309(4) C.R.S. and Rule 2-230(D), Applicant or Licensee affirms that, prior to submission of this application, it exercised reasonable care to confirm its Passive Beneficial Owners, (including any Qualified Institutional Investors) and Indirect Financial Interest Holders, are not Persons prohibited from being issued or holding a license by section 44-10-307 C.R.S., or otherwise restricted from holding an interest under the Colorado Regulated Marijuana Business Code. An Applicant's or Licensee's failure to exercise reasonable care is a basis for denial, fine, suspension, revocation or other sanction by the State Licensing Authority.

I, Robert R. Holmes Jr, as Controlling Beneficial Owner or Manager for  
Print

RFSCLV LLC, state under penalty of perjury, pursuant to §18-8-503, that the foregoing is true and correct to the best of my knowledge, information and belief.

Signature



Date

1/19/23

**AFFIRMATION OF REASONABLE CARE – PUBLICLY TRADED CORPORATION**

Pursuant to subsections 44-10-309(5) C.R.S. and Rule 2-230(D), Applicant or Licensee affirms that, prior to submission of this application, it exercised reasonable care to confirm its Non-objecting Passive Beneficial Owner, (including any Qualified Institutional Investors) and Indirect Financial Interest Holders, are not Persons prohibited from being issued or holding a license by section 44-10-307 C.R.S., or otherwise restricted from holding an interest under the Colorado Regulated Marijuana Business Code. An Applicant's or Licensee's failure to exercise reasonable care is a basis for denial, fine, suspension, revocation or other sanction by the State Licensing Authority.

I, \_\_\_\_\_, as Controlling Beneficial Owner or Manager for  
Print

\_\_\_\_\_, state under penalty of perjury, pursuant to §18-8-503, that the foregoing is true and correct to the best of my knowledge, information and belief.

Signature

Date



### AFFIRMATION OF REASONABLE CARE – PRIVATE COMPANY

Pursuant to subsections 44-10-309(4) C.R.S. and Rule 2-230(D), Applicant or Licensee affirms that, prior to submission of this application, it exercised reasonable care to confirm its Passive Beneficial Owners, (including any Qualified Institutional Investors) and Indirect Financial Interest Holders, are not Persons prohibited from being issued or holding a license by section 44-10-307 C.R.S., or otherwise restricted from holding an interest under the Colorado Regulated Marijuana Business Code. An Applicant's or Licensee's failure to exercise reasonable care is a basis for denial, fine, suspension, revocation or other sanction by the State Licensing Authority.

I, Connor Oman, as Controlling Beneficial Owner or Manager for  
Print

ST Leadville, LLC, state under penalty of perjury, pursuant to §18-8-503, that the foregoing is true and correct to the best of my knowledge, information and belief.

Signature

DocuSigned by

*CONNOR OMAN*

2023.03.17 10:14:53 A

Date 3/17/2023

### AFFIRMATION OF REASONABLE CARE – PUBLICLY TRADED CORPORATION

Pursuant to subsections 44-10-309(5) C.R.S. and Rule 2-230(D), Applicant or Licensee affirms that, prior to submission of this application, it exercised reasonable care to confirm its Non-objecting Passive Beneficial Owner, (including any Qualified Institutional Investors) and Indirect Financial Interest Holders, are not Persons prohibited from being issued or holding a license by section 44-10-307 C.R.S., or otherwise restricted from holding an interest under the Colorado Regulated Marijuana Business Code. An Applicant's or Licensee's failure to exercise reasonable care is a basis for denial, fine, suspension, revocation or other sanction by the State Licensing Authority.

I, \_\_\_\_\_, as Controlling Beneficial Owner or Manager for  
Print

\_\_\_\_\_, state under penalty of perjury, pursuant to §18-8-503, that the foregoing is true and correct to the best of my knowledge, information and belief.

Signature

Date



## Addendum A - Change of CBO Application

<b>Publicly Traded Company (PTC)</b>		
<b>Please provide:</b>		
Stock Trading Symbol	Name of Exchange(s) Traded On	NAICS/SIC Code
Identify all regulatory agencies with oversight over the PTC's securities		
Reporting agencies required reports submitted on:		
Provide a list of any privileged or professional licenses, with license numbers, you have held within the last three (3) years prior to the submission of the finding of suitability request. List those that were issued by the Colorado Department of Revenue or the Department of Regulatory Agencies, including all marijuana licenses. (Provide on a separate sheet)		
Date of Registration with the Department of Regulatory Agencies (DORA)	Number	
Provide a description of the Publicly Traded Company's business and documents establishing the Publicly Traded Company (PTC) qualifies to hold a RMB license as referenced in 44-10-103(50).		
Description		
Attach a divestiture plan of any CBO that is prohibited by Section 44-10-307 that has had his or her Owner's License revoked or has been found unsuitable.		
Attach the most recent list of Non-Objecting Beneficial owners possessed by the PTC.		
Identify the type of permitted transaction, (i.e. Merger, Investment, or Public Offering) and attach all supporting documentation.		
<b>Questions</b>		
Confirm that the PTC is current with all required filings pursuant to any applicable requirements by any securities regulatory authority including, but not limited to, the United States Securities and Exchange Commission or the Canadian Securities Administrators.		
<input type="checkbox"/> All Current <input type="checkbox"/> Not Current (If not, explain on a separate sheet.)		
Confirm that all mandatory filings for CBO's as required by any securities regulatory authority, including, but not limited to the United States Securities and Exchange Commission or the Canadian Securities Administrators, have been filed and the MED has been provided concurrent notice with the filing. If No, explain on a separate sheet:		
<input type="checkbox"/> YES <input type="checkbox"/> NO		

## Addendum B - Change of CBO Application

### Qualified Private Fund (QPF)

Please provide:

Identify all regulatory agencies with oversight over the QPF's securities

Reporting agencies required reports submitted on:

Provide a list of any privileged or professional licenses, with license numbers, you have held within the last three (3) years prior to the submission of the finding of suitability request. List those that were issued by the Colorado Department of Revenue or the Department of Regulatory Agencies, including all marijuana licenses. (Provide on separate sheet)

Date of Registration with the Department of Regulatory Agencies (DORA)

Number

Provide a description of the QPF's business and documents establishing the QPF's qualifies to hold a RMB license.

Description

### Questions

Confirm that the QPF is current with all required filings pursuant to any applicable requirements by any securities regulatory.

All Current       Not Current    If not, explain on a separate sheet.

Confirm that ALL required findings of suitability, including all QPF managers, investment advisers, investment adviser representatives, any trustee or equivalent, and any other person that controls the investment in, or management or operations of, the RMB, have been obtained PRIOR TO the QPF becoming effective. If No, explain on a separate sheet:

YES       NO

## Addendum C - Change of CBO Application

### Qualified Institutional Investor (QII)

Please provide

Identity(ies) of all Regulators with oversight over the QII's securities

Reporting agencies required reports submitted on

Provide a list of any privileged or professional licenses, with license numbers, you have held within the last three (3) years prior to the submission of the finding of suitability request. List those that were issued by the Colorado Department of Revenue or the Department of Regulatory Agencies, including all marijuana licenses. (Provide on separate sheet)

Date of Registration with the Department of Regulatory Agencies (DORA)	Number
--	--------

Provide a description of the QII's business and documents establishing the QII's qualifies to hold a RMB license.

Attach a divestiture plan of any CBO that is prohibited by Section 44-10-307 that has had his or her Owner's License revoked or has been found unsuitable.

#### Questions

1. Confirm that the QII is current with all required filings pursuant to any applicable requirements by any securities regulatory.

Current

Not Current

If Not Current, explain.

2. Confirm that ALL required findings of suitability including all QII managers, investment advisers, investment adviser representatives, any trustee or equivalent, and any other person that controls the investment in, or management or operations of, the RMB have been obtained PRIOR TO the QII becoming effective

Yes  No



## Addendum D - Change of CBO Application

<b>Mobile Hospitality Business Addendum</b> <b>Identify vehicle used as licensed premises</b> <b>Please provide:</b>		
Vehicle Make	Vehicle Model	Vehicle Year
License Plate Number	VIN	PUC Permit Number
1. Is the mobile premises compliant with all state and local registration and permitting requirements?		<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>Provide the following:</b> <ol style="list-style-type: none"> <li>Documentation that the mobile licensed premises is owned or leased by the Marijuana Hospitality Business.</li> <li>The automatic Vehicle Identification Tag (if applicable).</li> <li>A copy of a valid permit issued by the Public Utilities Commission (PUC) to the licensed hospitality business.</li> </ol>		
<b>By signing below, you affirm that the mobile licensed premises has or will have the following prior to operation:</b> <ol style="list-style-type: none"> <li>A global position system for tracking of the mobile licensed premises.</li> <li>Written standard operating procedures that address the logging of the route(s).</li> <li>Video surveillance inside of the licensed premises, including entry and exit points to the mobile licensed premises and the driver's area of the vehicle.</li> <li>Proper ventilation within the vehicle, which includes, if marijuana is smoked or vaped in the licensed premises, that air is not circulated into the driver's area of the licensed premises.</li> <li>Policies and procedures to ensure that no Regulated Marijuana is possessed or consumed in the area designated to seat the driver and front seat passenger in the licensed premises.</li> <li>Methods to ensure consumption activity is not visible outside the vehicle.</li> <li>Policies, procedures or other measures to ensure that consumers are prohibited from entering the driver's area of the mobile licensed premises.</li> <li>The Marijuana Hospitality Business license is displayed on the dashboard of the mobile licensed premises.</li> </ol>		
Last Name	First Name	Middle Name
Signature		Date



DR 8535 (03/18/21)

### Change of CBO Application Required Disclosures

- Copy of the Local license application, if required by the local jurisdiction.
- Organizational Chart, including the identity and ownership percentage of all CBOs.
- Certificate of Good Standing from jurisdiction where Entity was formed. (Must be U.S. or country that authorizes the sale of marijuana).
- Organizational documents including identity and physical address of the registered agent in Colorado.  
 Organizational Documents (Indicate which document is being provided)  
 Articles of Incorporation     By-Laws     Shareholder agreement     Operating Agreement for LLC     Partnership Agreement for partnership  
 Corporate Governance Documents (Indicate which document is being provided)  
 Required for Publicly Traded Companies     Permitted, but not required for Privately held companies
- Asset Purchase agreement, Merger agreement, sales contract or any other document necessary to effectuate the change of owner.
- Provide a current, executed lease and floor plans.
- Finding of Suitability application for each new proposed owner, unless exempt, or have currently obtained a Finding of Suitability.
- Voluntary Surrender of any individual and/or entity who will not remain a CBO on any licensed RMB, will be required upon approval and issuance of the Change of Controlling Beneficial Owner.
- Copy of State Sales Tax or Wholesale license and any other document necessary to verify tax compliance.

### Addendums (Indicate which, if any, addendum's are being completed)

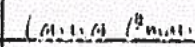
- PTC     QPF     QII     Hospitality Business     No Addendum's - Private Company

### Glossary of Terms:

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

Pursuant to 44-10-305(4) prior to submitting an application for a license, registration or permit, the applicant needs to be aware that having a medical marijuana or retail marijuana license and working in the medical marijuana or retail marijuana industry may have adverse federal immigration consequences.

### Affirmation of complete application

Signature 	Printed Name Connor Oman	Date 3/17/2023
--	-----------------------------	-------------------



**Instructions: Please print this document for your records.**

# MyBizColorado

## COLORADO DEPT OF REVENUE

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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:** 3/16/23

**Name:** ST Leadville, LLC

**Address:** [REDACTED]

**Sales Tax Account Number:** [REDACTED]

**Sales Tax Filing Frequency:** Monthly (\$300 in taxes/month or m

**Wage Withholding Account Number:** N/A

**Wage Withholding Filing Frequency:** N/A

### Websites

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**State of Colorado:** [www.colorado.gov](http://www.colorado.gov)

**Colorado Department of Revenue:** [www.colorado.gov/revenue](http://www.colorado.gov/revenue)

**Colorado Department of Revenue Online Customer Support Site:**  
[revenuestateco.custhelp.com](http://revenuestateco.custhelp.com)

**File and pay your sales tax online:** [www.colorado.gov/RevenueOnline](http://www.colorado.gov/RevenueOnline)

**Register to pay by EFT:** [www.colorado.gov/revenue/eft](http://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.

MyBizColorado PDF Receipt

OFFICE OF THE SECRETARY OF STATE  
OF THE STATE OF COLORADO

**CERTIFICATE OF FACT OF GOOD STANDING**

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

ST Leadville, LLC

is a

Limited Liability Company

formed or registered on 02/20/2023 under the law of Colorado, has complied with all applicable requirements of this office, and is in good standing with this office. This entity has been assigned entity identification number 20231184188 .

This certificate reflects facts established or disclosed by documents delivered to this office on paper through 03/14/2023 that have been posted, and by documents delivered to this office electronically through 03/16/2023 @ 15:27:24 .

I have affixed hereto the Great Seal of the State of Colorado and duly generated, executed, and issued this official certificate at Denver, Colorado on 03/16/2023 @ 15:27:24 in accordance with applicable law. This certificate is assigned Confirmation Number 14788499 .



*Jena Griswold*

Secretary of State of the State of Colorado

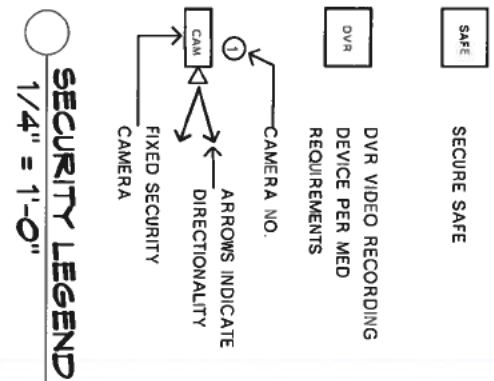
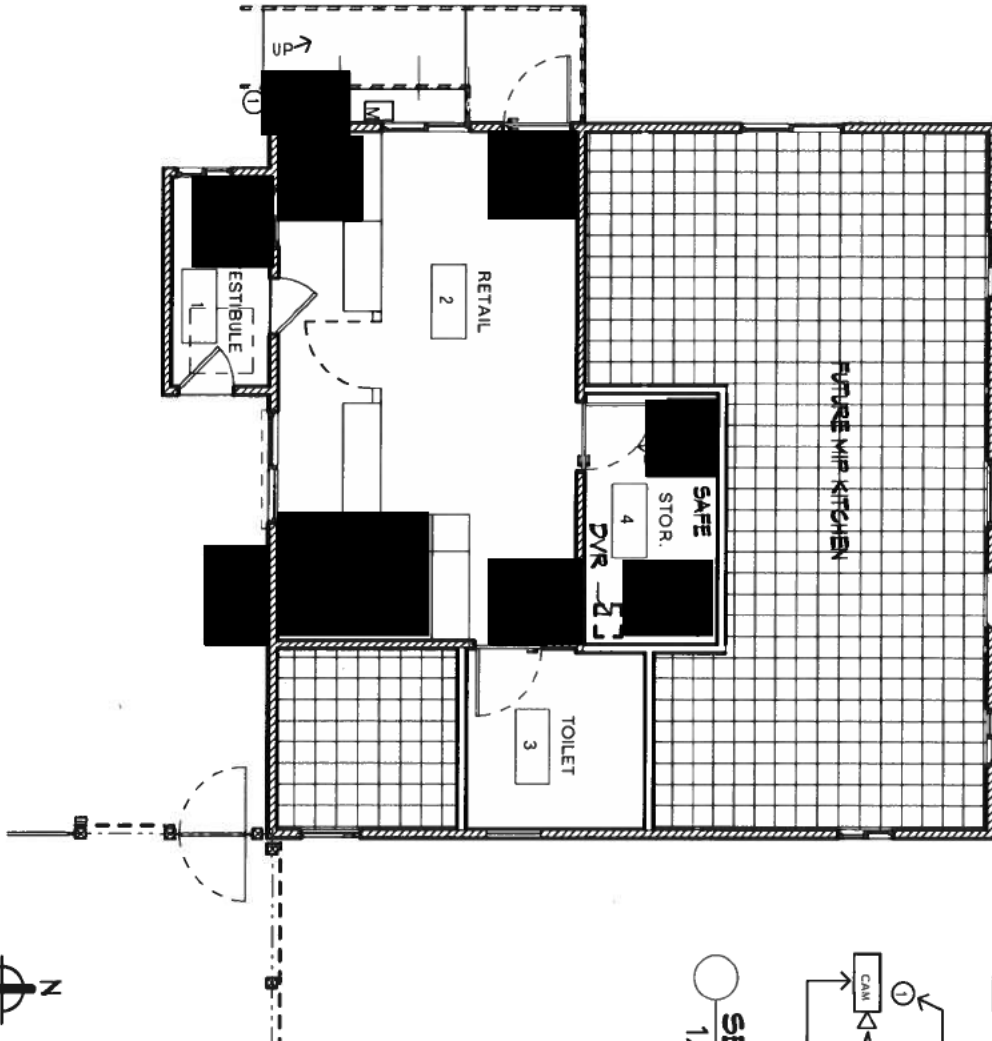
\*\*\*\*\*End of Certificate\*\*\*\*\*  
Notice: A certificate issued electronically from the Colorado Secretary of State's website is fully and immediately valid and effective. However, as an option, the issuance and validity of a certificate obtained electronically may be established by visiting the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





**CO MED INFORMATION**

STORE NAME: SUN THEORY  
 ADDRESS: 145 FRONT STREET  
 LEADVILLE, CO  
 MED LIC NO.: 402R-00362

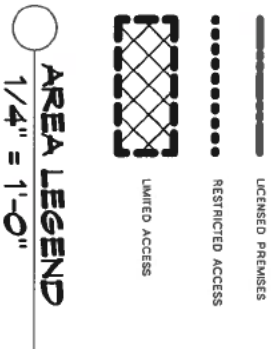
① MAIN LEVEL - RETAIL SECURITY PLAN W-MIP  
 1/8" = 1'-0"



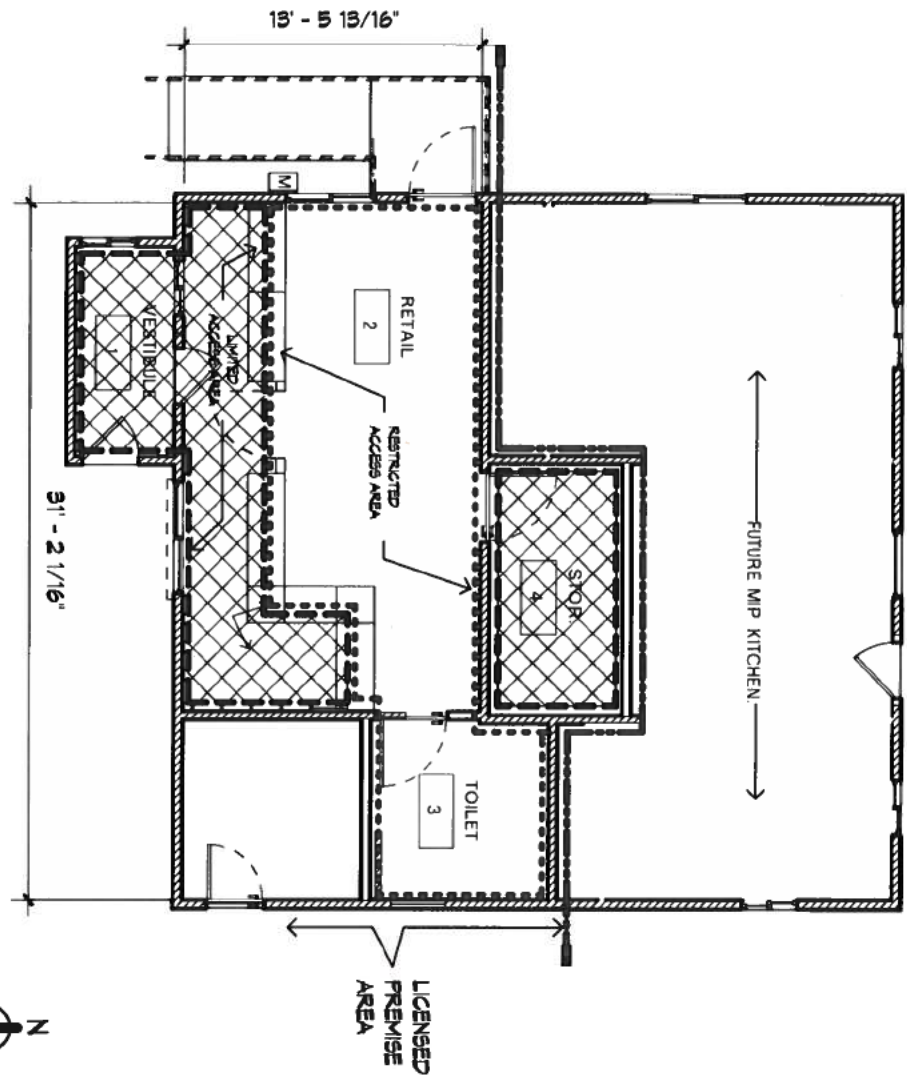
ST LEADVILLE, LLC	DESCRIPTION	DATE	 Architecture   Design   Strategy studio   970   328   9474 agostudios.com PO Box 6053 Eagle, CO 81631
	MED	09.13.17	
SUN THEORY - LEADVILLE	SECURITY DIAGRAM		 © 2017 - AGO STUDIOS, INC - ALL RIGHTS RESERVED
145 FRONT STREET LEADVILLE, CO	SSK-2		

**CO MED INFORMATION**

STORE NAME: SUN THEORY  
 ADDRESS: 145 FRONT STREET  
 LEADVILLE, CO  
 MED LIC NO.: 402R-00362



1 RETAIL - LICENSED PREMISES  
 1/8" = 1'-0"



ST LEADVILLE, LLC  
 SUN THEORY - LEADVILLE  
 145 FRONT STREET LEADVILLE, CO

DESCRIPTION	DATE
MED	09.13.17
LICENSED PREMISES	
<b>SSK-1</b>	

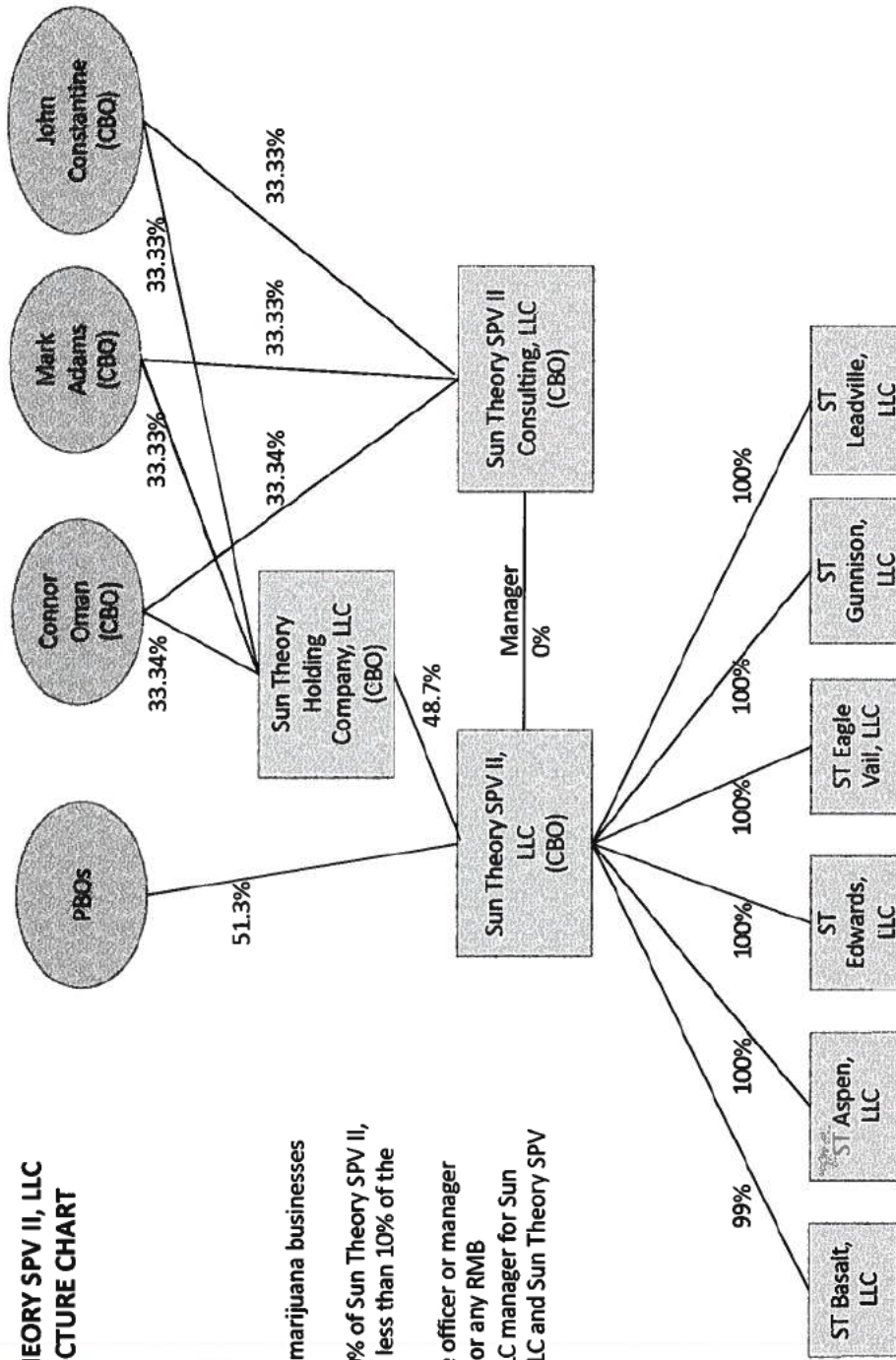
**AGO STUDIOS, INC.** Architecture | Design | Strategy

studio | 970 | 328 | 9474  
 agostudios.com  
 PO Box 6053  
 Eagle, CO 81631

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**SUN THEORY SPV II, LLC  
STRUCTURE CHART**



**Notes**

- Bottom row is all regulated marijuana businesses (RMBs)
- No PBO owns more than 10% of Sun Theory SPV II, LLC, therefore all PBOs own less than 10% of the RMBs, indirectly
- No PBO holds any executive officer or manager position regarding any CBO or any RMB
- Connor Oman acts as the LLC manager for Sun Theory Holding Company, LLC and Sun Theory SPV II Consulting, LLC

**Regulated Marijuana Businesses**

## MASTER ACQUISITION AGREEMENT

This Master Acquisition Agreement (this "Agreement"), dated as of December 16, 2022, is made by and between, on the one hand, RFSCA LLC, a Colorado limited liability company ("RFSCA"), RFSCB LLC, a Colorado limited liability company ("RFSCB"), RFSCED LLC, a Colorado limited liability company ("RFSCED"), RFSCEV LLC, a Colorado limited liability company ("RFSCEV"), RGSCG LLC, a Colorado limited liability company ("RFSCG"), RFSCLV LLC, a Colorado limited liability company ("RFSCLV," and, collectively with RFSCA, RFSCB, RFSCED, RFSCEV, and RFSCG, "Sellers"), Robert Holmes, Jr. ("Owner"), and, on the other hand, Sun Theory SPV I, LLC, a Colorado limited liability company ("Buyer"). Sellers and Owner are each referred to as a "Seller Party". Each of the foregoing parties is referred to as a "Party" and, collectively, as the "Parties".

### RECITALS

A. RFSCA owns and operates a retail marijuana store, licensed by the Colorado Department of Revenue Marijuana Enforcement Division ("MED") as license number 402R-00487, with an associated license from the City of Aspen, Colorado;

B. RFSCB owns and operates a retail marijuana store, licensed by the MED as license number 402R-00246, with an associated license from the Town of Basalt, Colorado;

C. RFSCED owns and operates a retail marijuana store, licensed by the MED as license number 402R-00571, with an associated license from Eagle County, Colorado;

D. RFSCEV owns and operates a retail marijuana store, licensed by the MED as license number 402R-00242, with an associated license from Eagle County, Colorado;

E. RFSCG owns and operates a retail marijuana store, licensed by the MED as license number 402R-00505, with an associated license from the City of Gunnison, Colorado;

F. RFSCLV owns and operates a retail marijuana store, licensed by the MED as license number 402R-00362, with an associated license from City of Leadville, Colorado;

G. Owner is the sole member of each of the Sellers;

H. Buyer, or Buyer's Affiliate, wishes to purchase, and the Seller Parties wish to sell, all tangible and intangible assets of Sellers;

NOW THEREFORE, in consideration of the mutual agreements, covenants, representations, warranties and indemnities contained in this Agreement, the Parties hereby agree as follows:



**1. Definitions.**

For purposes of this Agreement, the following defined terms have the meanings set forth below:

“Affiliate” means any Person that directly or indirectly through one or more intermediaries, controls, is controlled by or is under common control with the Person specified. For purposes of this definition, control of a Person means the power, direct or indirect, to direct or cause the direction of the management and policies of the Person whether through ownership of voting securities or ownership interests, by contract or otherwise, and specifically with respect to a corporation, partnership or limited liability company, means direct or indirect ownership of at least 50% of the voting securities in the corporation or of the voting interest in a partnership or limited liability company.

“Ancillary Documents” means, collectively, each Asset Purchase Agreement entered into by and between, on the one hand, each respective Seller and Owner, and, on the other hand, Buyer or Buyer’s assignee or Affiliate.

“Applicable Law” means all laws, statutes, rules, regulations, ordinances, and other pronouncements having the effect of law of a Governmental Authority, except for any United States federal law, rule or regulation related to marijuana which this Agreement may violate.

“Assets” means 100% of the tangible and intangible assets of each Seller.

“Business Day” means any day that is not a Saturday or Sunday, or a day on which banks are obligated by law to be closed in the state of Colorado.

“Closing” means the closing of the respective transaction set forth in the respective Ancillary Document, which shall take place on a date set forth in the respective Ancillary Document (respectively, the “Closing Date”). For clarification purposes, each Ancillary Document shall have a separate Closing and Closing Date.

“Due Diligence Period” means the period beginning with the date of this Agreement and ending 30 days thereafter.

“Escrow Agent” means 1<sup>st</sup> Security Escrow Company, LLC, a Colorado limited liability company.

“Governmental Authority” means any court, tribunal, arbitrator, authority, agency, commission, official or other instrumentality of the United States or any state, county, or other political subdivision or similar governing entity.

“Inventory” means marijuana infused products, marijuana concentrates, finished goods, raw materials, work in progress, packaging, supplies, parts and other items belonging to Seller, located at the Seller’s premises or the Company’s premises, as the context requires, and related to the Business, but does not include any marijuana infused products, marijuana concentrates, or finished goods with an expiration date of less than fourteen (14) days after Final Approval.

**“Inventory Target”** means the 14-day average wholesale value of a Seller’s inventory during the trailing 90 day period immediately prior to the date of this Agreement.

**“Lease Assignment Period”** means the period beginning with the date of this Agreement and ending on the earlier of (i) 90 days thereafter or (ii) the date on which Buyer or Buyer’s Affiliate, the Seller Parties, and the applicable landlords have executed lease assignments for each Seller’s Licensed Premises (as defined in the Marijuana Code).

**“Lien”** means any mortgage, pledge, assessment, security interest, lien, or other similar encumbrance.

**“Person”** means any natural person, corporation, general partnership, limited partnership, limited liability company, proprietorship, other business organization, trust, union, association, or Governmental Authority.

**2. Consummation of Transactions.** Subject to the terms and conditions of this Agreement, and in reliance on the representations, warranties and agreements set forth in this Agreement, the Parties hereby agree to the following Ancillary Document transactions:

(a) **RFSCA Asset Purchase Agreement.** At Closing, RFSCA shall sell to Buyer or Buyer’s Affiliate the assets of RFSCA, and Buyer or Buyer’s Affiliate shall pay RFSCA, as set forth in the Asset Purchase Agreement attached as **Exhibit A** and hereby incorporated by reference.

(b) **RFSCB Asset Purchase Agreement.** At Closing, RFSCB shall sell to Buyer or Buyer’s Affiliate the assets of RFSCB, and Buyer or Buyer’s Affiliate shall pay RFSCB, as set forth in the Asset Purchase Agreement attached as **Exhibit B** and hereby incorporated by reference.

(c) **RFSCED Asset Purchase Agreement.** At Closing, RFSCED shall sell to Buyer or Buyer’s Affiliate the assets of RFSCED, and Buyer or Buyer’s Affiliate shall pay RFSCED, as set forth in the Asset Purchase Agreement attached as **Exhibit C** and hereby incorporated by reference.

(d) **RFSCFV Asset Purchase Agreement.** At Closing, RFSCFV shall sell to Buyer or Buyer’s Affiliate the assets of RFSCA, and Buyer or Buyer’s Affiliate shall pay RFSCFV, as set forth in the Asset Purchase Agreement attached as **Exhibit D** and hereby incorporated by reference.

(e) **RFSCG Asset Purchase Agreement.** At Closing, RFSCG shall sell to Buyer or Buyer’s Affiliate the assets of RFSCG, and Buyer or Buyer’s Affiliate shall pay RFSCG, as set forth in the Asset Purchase Agreement attached as **Exhibit E** and hereby incorporated by reference.

(f) **RFSCLV Asset Purchase Agreement.** At Closing, RFSCLV shall sell to Buyer or Buyer’s Affiliate the assets of RFSCLV, and Buyer or Buyer’s Affiliate shall pay RFSCLV, as set forth in the Asset Purchase Agreement attached as **Exhibit F** and hereby incorporated by reference.



The Closing of transactions set forth in each asset purchase agreement contemplated in this Section 2 shall be conditioned upon all of the other Ancillary Documents closing on the schedule determined by the Parties set forth in Section 3 below.

3. **Closing.** The Closing of the respective Ancillary Document with each Seller will take place on the respective Closing Date set forth in the respective Ancillary Document. The Parties shall use all reasonable efforts to cause all conditions to each respective Closing to be promptly satisfied in all respects. After the conditions to Closing, other than Final Governmental Approval, for all Ancillary Documents are satisfied, the Parties shall coordinate in good faith to create a staggered schedule for the respective Closing Date for each Seller, provided that the Parties shall only conduct the Closing for no more than three (3) Sellers in any consecutive two (2) week period unless otherwise agreed to by the Parties. After the Parties agree on the Closing Date schedule (the "**Closing Schedule**"), the Parties shall cooperate to submit the MED's Schedule A to the MED's conditional approval letter identifying the respective Closing Date and corresponding date of license transfer, and any local licensing authority documentation required, to effectuate the Closing Schedule. Upon the submission of Schedule A to each MED conditional approval letter to the MED in connection with each Ancillary Document, no Party shall attempt to withdraw and/or rescind such Schedule A.

4. **Purchase Price.** Buyer shall pay, in the aggregate, \$10,500,000 (the "**Purchase Price**") to Sellers for the Assets of the Sellers. The Purchase Price will be payable as follows:

(a) Within three business days after the date of this Agreement, Buyer shall deposit the sum of \$250,000 (the "**Earnest Money**") with Escrow Agent. Upon Closing, Escrow Agent shall disburse the Earnest Money to Sellers as instructed by the Parties pursuant to the Closing schedule developed by the Parties pursuant to Section 3 and the division of the Purchase Price developed by the Parties pursuant to Section 4(e). If this Agreement terminates pursuant to Section 8(a), Escrow Agent shall refund the Earnest Money to Buyer. If this Agreement is terminated by Buyer regarding any Seller pursuant to Section 8(b), Escrow Agent shall refund the Pro-Rata Share of the Earnest Money ascribed to such Seller to Buyer. Otherwise, the Earnest Money shall be non-refundable to Buyer and shall be delivered by Escrow Agent to Sellers as directed by Sellers. In such event, the Earnest Money shall be credited towards the Purchase Price as set forth in the Settlement Statement.

(b) When the Parties have received all conditional approvals from every requisite Governmental Authority for each transaction set forth in the Ancillary Documents, Buyer shall deposit the sum of \$4,750,000 with Escrow Agent (the "**Closing Deposit**"). Upon the First Closing, Escrow Agent shall disburse the Closing Deposit to Sellers, which shall be allocated to the purchase prices under the Ancillary Documents pursuant to Settlement Statement.

(c) \$5,500,000 by way of promissory notes issued to Sellers pursuant to the Ancillary Documents and in accordance with the Settlement Statement, with each respective promissory note secured by the Assets of each respective Seller, with terms as set forth in the respective Ancillary Documents. The Purchase Price will be adjusted by the Post-Closing Adjustment for each Seller as set forth in the respective Ancillary Document.

(d) The Purchase Price received by each Seller will be allocated for tax purposes pursuant to the Ancillary Document for such Seller.

(e) During the Due Diligence Period, the Parties shall cooperate to divide the Purchase Price between each Seller, including (i) the portion of the Earnest Money and Closing Deposit payable to each Seller, and (ii) the nominal principal balance of the promissory note delivered to each Seller, subject to the Post-Closing Adjustment contained in the Ancillary Documents. A written settlement statement (the "Settlement Statement") between the Parties as to the division of the Purchase Price between each Seller as set forth in this Section 4(b) is a condition precedent to Buyer's obligations to conduct the first Closing under an Ancillary Document (the "First Closing").

(f) During the Lease Assignment Period, Sellers shall use commercially reasonable efforts to assignments of Sellers' existing leases for each Seller's Licensed Premises to Buyer (as defined in the Marijuana Code) with terms substantially the same as each Seller's existing lease for each respective Licensed Premises, and Buyer shall use commercially reasonable efforts to obtain a release of any guaranty offered by Owner of Sellers' respective leases, including, if necessary, replacement of Owner with a guarantor suitable to each respective landlord.

## 5. Covenants.

(a) Cooperation. Each Seller Party shall cooperate fully with Buyer, and Buyer shall cooperate fully with each Seller Party, in furnishing any information or performing any action reasonably requested by any other Party, which information or action is necessary to the timely and successful consummation of the transactions contemplated by this Agreement.

(b) Certain Matters Pending Closing. The following Parties make the following covenants:

(i) RFSCA. Except as consented to by Buyer in writing, RFSCA shall not: (1) dispose, liquidate, mortgage, sell, assign, transfer, deliver or solicit any bids for, or enter into any discussions with a prospective purchaser of the RFSCA Assets outside of the ordinary course of business or (2) create or permit to exist any Lien on the RFSCA Assets other than restrictions under federal and state securities laws or Liens arising in the ordinary course of business.

(ii) RFSCB. Except as consented to by Buyer in writing, RFSCA shall not: (1) dispose, liquidate, mortgage, sell, assign, transfer, deliver or solicit any bids for, or enter into any discussions with a prospective purchaser of the RFSCB Assets outside of the ordinary course of business or (2) create or permit to exist any Lien on the RFSCB Assets other than restrictions under federal and state securities laws or Liens arising in the ordinary course of business.

(iii) RFSCED. Except as consented to by Buyer in writing, RFSCED shall not: (1) dispose, liquidate, mortgage, sell, assign, transfer, deliver or solicit any bids for, or enter into any discussions with a prospective purchaser of the



RFSCED Assets outside of the ordinary course of business or (2) create or permit to exist any Lien on the RFSCED Assets other than restrictions under federal and state securities laws or Liens arising in the ordinary course of business.

(iv) RFSCCEV. Except as consented to by Buyer in writing, RFSCCEV shall not: (1) dispose, liquidate, mortgage, sell, assign, transfer, deliver or solicit any bids for, or enter into any discussions with a prospective purchaser of the RFSCCEV Assets outside of the ordinary course of business or (2) create or permit to exist any Lien on the RFSCCEV Assets other than restrictions under federal and state securities laws or Liens arising in the ordinary course of business.

(v) RFSCCG. Except as consented to by Buyer in writing, RFSCD shall not: (1) dispose, liquidate, mortgage, sell, assign, transfer, deliver or solicit any bids for, or enter into any discussions with a prospective purchaser of the RFSCCG Assets outside of the ordinary course of business or (2) create or permit to exist any Lien on the RFSCCG Assets other than restrictions under federal and state securities laws or Liens arising in the ordinary course of business.

(vi) RFSCCLV. Except as consented to by Buyer in writing, RFSCCLV shall not: (1) dispose, liquidate, mortgage, sell, assign, transfer, deliver or solicit any bids for, or enter into any discussions with a prospective purchaser of the RFSCCLV Assets outside of the ordinary course of business or (2) create or permit to exist any Lien on the RFSCCLV Assets other than restrictions under federal and state securities laws or Liens arising in the ordinary course of business.

(vii) All Parties. No Party shall rescind any authorizing action taken in connection with the transactions contemplated by this Agreement, nor shall any Party take any other action materially inconsistent with this Agreement and the Ancillary Documents to which it is a party.

6. Conditions to Obligations of each Party. The obligations of each Party to consummate the transactions contemplated by this Agreement at the respective Closing are subject to the fulfillment of each of the following conditions, and each Party shall use all reasonable efforts to cause each such condition to be timely satisfied:

(a) Approvals. All requisite Governmental Authorities will have issued full and final approval of the transfer of ownership contemplated by the respective Ancillary Document, and all requisite Governmental Authorities will have issued conditional approval of the transfer of ownership contemplated by the other Ancillary Documents.

(b) Closing Schedule. The Closing Schedule shall be entered into by the Parties.

(c) Schedule A. The Parties shall have completed and submitted Schedule A to each MED conditional approval letter in connection with each Ancillary Document.

(d) Representations and Warranties. The representations and warranties of each other Party contained in this Agreement and in the Ancillary Documents will be true

and accurate in all material respects as of the date when made and at and as of the date of the First Closing (the “**First Closing Date**”) as though such representations and warranties were made at and as of the First Closing Date, unless they refer to a specific date, in which case they shall be true and accurate in all material respects at and as of such specific date.

(e) **Performance.** Each other Party shall have performed in all material respects all agreements and obligations and complied with all conditions required by this Agreement to be performed or complied with by such other Party at or prior to the First Closing.

(f) **Legal Proceedings.** No statute, law, rule, regulation, judgment or order of any nature issued by a court of competent jurisdiction or governmental authority restraining, prohibiting or affecting the consummation of the transactions contemplated by this Agreement (other than federal laws as they relate to cannabis) shall be in effect, and no claim, suit, action, investigation, inquiry or other proceeding by any government body or other person shall be pending or threatened against any Party which questions the validity or legality of the transactions contemplated by this Agreement.

(g) **Delivery of Ancillary Documents.** Each Ancillary Document has been executed and delivered by each other Party which is a Party thereto.

(h) **Closing of Ancillary Documents.** The transactions set forth in each Ancillary Document has closed or is set to close pursuant to the Closing Schedule.

7. **Confidentiality.** Without the consent of the applicable Seller Party, Buyer shall not, and without the consent of Buyer, each Seller Party shall not, misappropriate, reproduce, convey, disclose or divulge, directly or indirectly, any information relating to this Agreement, the Ancillary Documents or the transactions contemplated hereby or thereby, including, but not limited to, financial records, business plans, intellectual property, ingredient sources, formulas and product or business research or information, concerning, relating to, or owned or licensed by: (i) a disclosing Party or its business; (ii) investments in which a disclosing Party has invested; (iii) investors in a disclosing Party; and/or (iv) any other information, ideas, techniques, operations, businesses, trade secrets or other information of a confidential, proprietary or secret nature (collectively, the “**Confidential Information**”). Each Party to whom Confidential Information is disclosed (a “**Disclosee**”) acknowledges that Confidential Information is not limited to things that are reduced to writing and includes any information that could reasonably be expected to be confidential or proprietary (whether written or unwritten). Each Disclosee shall carefully restrict access to the Confidential Information to those of its advisors, officers, directors, attorneys and employees who clearly need such access in furtherance of the transactions contemplated by this Agreement and who agree to be bound by the terms of this Agreement as though they were parties hereto. Disclosee further warrants and agrees that it shall advise each of those Persons that they are strictly prohibited from making any use, publishing or otherwise disclosing to others, any Confidential Information. Disclosee shall be liable for the breach by any of its advisors, officers, directors or employees of any term of this Agreement. Disclosee further agrees that all Confidential Information is and shall remain the exclusive property of the disclosing Party, and shall not be copied or modified without the applicable disclosing Party’s express written consent. Disclosee understands and acknowledges that any disclosure or misappropriation of any

Confidential Information in violation of this Agreement may cause the disclosing Parties irreparable harm, the amount of which may be difficult to ascertain, and therefore agrees that the disclosing Parties shall have the right to apply to a court of competent jurisdiction for an order restraining any such further disclosure or misappropriation and for such other relief as the disclosing Parties deem appropriate. Such right of the disclosing Parties is to be in addition to the remedies otherwise available to the disclosing Parties at law or in equity.

**8. Termination.** This Agreement may be terminated prior to the First Closing:

(a) In whole, upon the expiration of the Lease Assignment Period unless earlier waived in writing by Buyer, if the Seller Parties have not procured assignments of leases for each Licensed Premises with terms substantially the same as each Seller's existing lease for each respective Licensed Premises.

(b) Regarding any Seller, by any Party, by written notice to the other Parties if the non-breaching party has terminated an Ancillary Document for the breach of a Party pursuant to Article VIII of each Ancillary Document;

(c) Regarding any Seller, by Buyer by written notice to the Seller Parties if there is damage or destruction or other change occurs with respect to any of the Assets for sale under the Ancillary Documents, their respective regulatory licenses or the operation of the entities that would have a materially adverse effect following the Closing on the Buyer's ownership and control of such assets, their respective regulatory licenses, including but not limited to, any regulatory licensed property becoming a prohibited location for Buyer's intended use of the property pursuant to applicable state or local laws or regulations.

(d) In whole, by any Party by written notice to the other Parties of the adoption of any new policy or practice by federal, state, or local law enforcement agencies with jurisdiction over Buyer or Seller that, as confirmed by a written legal opinion from Buyer's counsel, makes Buyer's use of the assets sold hereunder illegal under Applicable Law.

(e) In whole or regarding any Seller, by any Party by written notice to the other Parties if any Party receives notice from any Governmental Authority with jurisdiction over the Seller that it intends to imminently undertake enforcement of laws, ordinances, or regulations that restrict or prohibit the cultivation or sale of marijuana.

(f) In whole or regarding any Seller, by any Party by written notice to the other Parties if any criminal, civil, or regulatory action by a Governmental Authority is initiated against a Seller Party related in any way to a Seller Party's cultivation or sale of marijuana and such action jeopardizes the Licenses held by the respective Seller.

(g) Regarding any Seller, by any Party by written notice to the other Parties upon adoption or enforcement of any land use restriction applicable to Buyer or a Seller that prohibits the continued sale of marijuana by Buyer after Closing.

(h) This Agreement will automatically terminate regarding any Seller if any Party receives notice from any governmental or quasi-governmental agency with



jurisdiction over a Seller that such agency has declined any application for the consummation of the transactions contemplated hereby.

(i) Following the First Closing, if this Agreement terminates regarding any Seller pursuant to the provisions of this Section 8, Buyer may terminate this Agreement regarding any Seller(s) for which Closing has not yet occurred by written notice to the Seller Parties, but this Agreement will remain in full force and effect regarding any Seller(s) for which Closing has occurred.

**9. General Provisions.**

(a) Breach. In the event that a Party breaches the any Ancillary Document, such Party shall be deemed to be in material breach of this Agreement.

(b) No Third-Party Beneficiaries. The terms and provisions of this Agreement are intended solely for the benefit of the Parties and their respective successors or permitted assigns, and it is not the intention of the Parties to confer third-party beneficiary rights upon any other Person.

(c) Entire Agreement; Amendment. This Agreement supersedes all prior discussions and agreements between the Parties with respect to the subject matter hereof and contains the sole and entire agreement between the Parties and their Affiliates with respect to the subject matter hereof. The Parties may amend any provision of this Agreement only by a written instrument signed by the Parties.

(d) Waiver. Any term or condition of this Agreement may be waived at any time by the Party that is entitled to the benefit thereof, but no such waiver will be effective unless set forth in a written instrument duly executed by or on behalf of the Party waiving the term or condition. No waiver by a Party of any term or condition of this Agreement, in any one or more instances, will be deemed to be or construed as a waiver of the same or any other term or condition of this Agreement on any future occasion. All remedies, either under this Agreement or by Law, are cumulative and not alternative.

(e) Succession and Assignment. This Agreement is binding upon and will inure to the benefit of the Parties and their successors and assigns. Buyer may assign this Agreement, in whole or in part, to any Affiliate of Buyer in Buyer's sole discretion by providing written notice of such assignment to Sellers. This Agreement may not otherwise be assigned by operation of law or otherwise without the written consent of the Parties.

(f) Counterparts; Electronic or Fax Signatures. This Agreement may be executed in counterparts, each of which will be an original and all of which, when taken together, will constitute one instrument notwithstanding that all parties have not executed the same counterpart. Signatures that are transmitted electronically or by fax will be effective as originals.

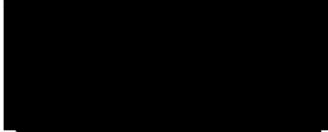
(g) Headings. The headings used in this Agreement have been inserted for convenience of reference only and do not modify, define, or limit any of its terms or provisions.

(h) Notices. Any notice, request, demand, Claim, or other communication hereunder will be in writing and will be deemed delivered: (a) three Business Days after it is sent by U.S. mail, certified mail, return receipt requested, postage prepaid; or (b) one Business Day after it is sent via a reputable nationwide overnight courier or sent via email, in each of the foregoing cases to the intended recipient as set forth below:

If to Buyer

With a copy to:

Hassan + Cables, LLC  
Attn: David Wunderlich



If to Sellers:

With a copy to:

If to Owner:

With a copy to:

A Party may give any notice, request, demand, Claim, or other communication hereunder by personal delivery, electronically via email, or fax, but no such notice, request, demand, Claim, or other communication will be deemed to have been duly given unless and until it is actually received by the Party for whom it is intended. A Party may change the address to which notices, requests, demands, Claims, and other communications hereunder are to be delivered by giving notice to the other Party in the manner herein set forth.

(i) Governing Law. This Agreement is governed by and construed and enforced in accordance with the laws of the State of Colorado, without giving effect to any conflict or choice of law provision that would result in imposition of another state's Law. THE PARTIES TO THIS AGREEMENT ACKNOWLEDGE THAT (A) COLORADO HAS PASSED AMENDMENTS TO THE COLORADO CONSTITUTION AND ENACTED CERTAIN LEGISLATION TO GOVERN THE MARIJUANA INDUSTRY AND (B) THE POSSESSION, SALE, MANUFACTURE, AND CULTIVATION OF MARIJUANA IS ILLEGAL UNDER FEDERAL LAW. THE PARTIES WAIVE ANY DEFENSES BASED UPON INVALIDITY OF CONTRACTS FOR PUBLIC POLICY

REASONS AND/OR THE SUBSTANCE OF THE CONTRACT VIOLATING FEDERAL LAW.

(j) Waiver of Right to Trial by Jury. EACH PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES TO THE FULLEST EXTENT PERMITTED BY LAW TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT AND WITH RESPECT TO ANY COUNTERCLAIM THEREIN.

(k) Attorneys' Fees. If a Party brings an action to enforce the provisions of this Agreement, the substantially prevailing Party will be entitled to recover its reasonable attorneys' fees and expenses incurred in such action from the non-prevailing Party.

(l) Invalid Provisions. If a dispute between the Parties arises out of this Agreement or the subject matter of this Agreement, the Parties would want a court or arbitrator to interpret this Agreement as follows:

(a) with respect to any provision held to be unenforceable, by modifying that provision to the minimum extent necessary to make it enforceable or, if that modification is not permitted by law or public policy, by disregarding the provision;

(b) if an unenforceable provision is modified or disregarded in accordance with this Section, by holding the rest of the Agreement will remain in effect as written;

(c) by holding that any unenforceable provision will remain as written in any circumstances other than those in which the provision is held to be unenforceable; and

(d) if modifying or disregarding the unenforceable provision would result in a failure of an essential purpose of this Agreement, by holding the entire Agreement unenforceable.

Upon the determination that any term or other provision of this Agreement is invalid, illegal or incapable of being enforced, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the extent possible.

(m) Expenses. Except as otherwise provided in this Agreement, whether or not the transactions contemplated hereby are consummated, each Party shall pay its own costs and expenses incurred in anticipation of, relating to and in connection with the negotiation and execution of this Agreement and the transactions contemplated hereby.

(n) Confidentiality and Publicity. This Agreement is confidential and may not be disclosed to any third party (other than the Parties' Affiliates, attorneys, accountants, auditors, or other advisors, or Governmental Authorities) except as required for tax purposes or as required by Law. A Party receiving a request for this Agreement shall



promptly notify the other Party to afford it the opportunity to object or seek a protective order regarding this Agreement or information contained herein. None of the Parties may issue any press release or public announcement of any of the transactions contemplated by this Agreement except as may be agreed to in writing by the Parties.

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

(p) Reformation. This Agreement and the transactions contemplated hereby are subject to review by the MED and various local licensing authorities. If the MED or a local licensing authority determines that this Agreement must be reformed, the Parties shall negotiate in good faith to so reform this Agreement according to such Governmental Authority's requirements while effectuating the original intent of this Agreement as near as possible.

(q) Conflicts. In the event of a conflict between this Agreement and any of the Ancillary Documents, the Ancillary Documents will govern.

[Signature Pages to Follow]

IN WITNESS WHEREOF, the parties have executed this Master Transaction Agreement, acting by their duly authorized agents, as of the date first above written.

**BUYER: SUN THEORY SPV I, LLC**

DocuSigned by:  
*Connor Oman*  
3A9F02FD000445A  
Name: Connor Oman  
Title: Manager

**SELLER: RFSCA LLC**

DocuSigned by:  
*Robert Holmes*  
5C39B5201699408  
Name: Robert Holmes  
Title: Manager

**SELLER: RFSCB LLC**

DocuSigned by:  
*Robert Holmes*  
5C39B5201699408  
Name: Robert Holmes  
Title: Manager

**SELLER: RFSCED LLC**

DocuSigned by:  
*Robert Holmes*  
5C39B5201699408  
Name: Robert Holmes  
Title: Manager

**SELLER: RFSCEV LLC**

DocuSigned by:  
*Robert Holmes*  
5C39B5201699408  
Name: Robert Holmes  
Title: Manager

**SELLER: RFSCG LLC**

DocuSigned by:  
*Robert Holmes*  
5C39B5201699408  
Name: Robert Holmes  
Title: Manager

{00037035 / 1}

**SELLER: RFSCLV LLC**

DocuSigned by:  
*Robert Holmes*  
Name: **Robert Holmes**  
Title: **Manager**

**OWNER: ROBERT HOLMES JR.**

DocuSigned by:  
*Robert Holmes*  
Robert Holmes Jr.



**EXHIBIT A**  
**RFSCA LLC ASSET PURCHASE AGREEMENT**

{00037035 / 1}

**EXHIBIT B**  
**RFSCB LLC ASSET PURCHASE AGREEMENT**

{00037035 / 1}

**EXHIBIT C**  
**RFSCED LLC ASSET PURCHASE AGREEMENT**



**EXHIBIT D**  
**RFSCEV LLC ASSET PURCHASE AGREEMENT**

{00037035 / 1}

**EXHIBIT E**  
**RFSCG LLC ASSET PURCHASE AGREEMENT**

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{00037035 / 1}

**EXHIBIT F**  
**RFSCLV LLC ASSET PURCHASE AGREEMENT**

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**ASSET PURCHASE AGREEMENT**

RFSC LV, LLC  
SEE P. 25

THIS ASSET PURCHASE AGREEMENT (the "Agreement") is entered into on December 16, 2022 (the "Effective Date"), by and between, on the one hand, RFSC LV, LLC, a Colorado limited liability company ("Seller"), Robert Holmes Jr. ("Owner") and, on the other hand, Sun Theory SPV I, LLC, a Colorado limited liability company ("Buyer"). Seller, Owner, and Buyer are sometimes referred to individually as a "Party" and collectively as the "Parties."

**Recitals**

- A. Seller is in the business of operating a retail marijuana store in the city of Leadville, Colorado pursuant to the Marijuana Code.
- B. Buyer desires to purchase the Business from Seller, and Seller desires to sell the Business to Buyer.
- C. The Parties are undertaking this transaction in connection with Buyer's Affiliates' purchase of five (5) other businesses from Seller's Affiliates, as further described in that certain Master Acquisition Agreement of equal date hereto (the "Master Acquisition Agreement") (collectively, the "Related Transactions").

NOW THEREFORE, the Parties agree as follows:

**Terms**

**ARTICLE I  
DEFINITIONS AND CONSTRUCTION**

1.1 **Definitions.** Capitalized terms have the meanings set forth below unless defined elsewhere in this Agreement.

"**Affiliate**" means any Person that directly or indirectly through one or more intermediaries, controls, is controlled by or is under common control with the Person specified. For purposes of this definition, control of a Person means the power, direct or indirect, to direct or cause the direction of the management and policies of the Person whether through ownership of voting securities or ownership interests, by Contract or otherwise, and specifically with respect to a corporation, partnership or limited liability company, means direct or indirect ownership of at least 50% of the voting securities in the corporation or of the voting interest in a partnership or limited liability company.

"**Application Fees**" means all fees payable to Governmental Authorities associated with the Change of Ownership.

"**Assets**" means all assets of Seller, including without limitation Inventory (defined below), equipment, furniture, fixtures, Contracts (defined below), leasehold interests, general intangibles, business goodwill, trade names, trademarks, customer lists, sales records and reports, financial information, and Petty Cash (defined below). Notwithstanding anything in this Agreement to the

contrary, “Assets” excludes cash (other than Petty Cash), bank accounts and accounts receivable.

“Benefit Plans” means any pension, benefit, retirement, compensation, employment, consulting, profit-sharing, deferred compensation, incentive, bonus, performance award, phantom equity, stock or stock-based, change in control, retention, severance, vacation, paid time off, welfare, fringe-benefit and other similar agreement, plan, policy, program or arrangement (and any amendments thereto), in each case whether or not reduced to writing and whether funded or unfunded, whether or not tax-qualified and whether or not subject to ERISA, which is or has been maintained, sponsored, contributed to, or required to be contributed to by Seller for the benefit of any current or former employee, officer, director, retiree, independent contractor or consultant of the Business or any spouse or dependent of such individual, or under which Seller or any of its ERISA Affiliates has or may have any Liability, or with respect to which Buyer or any of its Affiliates would reasonably be expected to have any Liability, contingent or otherwise.

“Business” means the following owned or held by Seller:

- (a) The Licenses; and
- (b) The Assets.

“Business Day” means a day other than Saturday, Sunday, or any day on which banks located in the State of Colorado are authorized or obligated to close.

“Change of Ownership” means the transfer of ownership of the Business from Seller to Buyer pursuant to the Marijuana Code.

“Charter Documents” means with respect to any Person, the articles or certificate of incorporation, formation or organization and by-laws, the limited partnership agreement, the partnership agreement or the limited liability company agreement, or such other organizational documents of the Person, including those that are required to be registered or kept in the place of incorporation, organization or formation of the Person and which establish the legal personality of the Person.

“City” means City of Leadville, Colorado.

“Claim” means any demand, claim, action, investigation, or Proceeding.

“Closing Schedule” has the meaning set forth in the Master Acquisition Agreement.

“Code” means the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder.

“Contract” means any legally binding written contract, lease, license, evidence of indebtedness, mortgage, indenture, purchase order, binding bid, letter of credit, security agreement, or other written and legally binding arrangement.

“Customer Loyalty Accounts” means credits and discounts for future purchases given by

Seller or Seller's Affiliates to customers of Seller or Seller's Affiliates.

**"ERISA"** means the Employee Retirement Income Security Act of 1974, as amended, and the regulations promulgated thereunder.

**"Final Governmental Approval"** means the final decisions by the MED and the City in writing approving the Change of Ownership.

**"First Closing"** has the meaning ascribed to it in the Master Acquisition Agreement.

**"Fundamental Representations"** means Seller's Representations and Warranties in Sections 3.1, 3.2, 3.3, 3.4, 3.5, 3.7, 3.8, 3.9, and 3.16.

**"Governmental Authority"** means any court, tribunal, arbitrator, authority, agency, commission, official or other instrumentality of the United States or any state, county, or other political subdivision or similar governing entity.

**"Gross Revenue"** means all money actually received by the Business, less sales and excise taxes, adjustments, and returns.

**"Interim Period"** means the time period from the Effective Date through and including the Closing.

**"Inventory"** means marijuana infused products, marijuana concentrates, finished goods, raw materials, work in progress, packaging, supplies, parts and other items belonging to Seller, located at the Premises, and related to the Business, but does not include any marijuana infused products, marijuana concentrates, or finished goods with an expiration date of less than fourteen (14) days after Final Governmental Approval.

**"Knowledge"** when used in a particular representation or warranty in this Agreement, means the actual knowledge (as opposed to any constructive or imputed knowledge) of a Party or its owners, without inquiry.

**"Laws"** means all laws, statutes, rules, regulations, ordinances, and other pronouncements having the effect of law of a Governmental Authority, except for any United States federal law, rule or regulation related to marijuana which this Agreement may violate.

**"Lease"** means, that certain Lease for the Premises between Seller as tenant and RFSCVLO, LLC as landlord dated September 20, 2021.

**"Licenses"** means the Colorado state retail marijuana store license numbered 402R-00362 held by Seller and the corresponding City licenses.

**"Lien"** means any mortgage, pledge, assessment, security interest, lien, or other similar encumbrance.



**“Loss”** means any and all judgments, losses, liabilities, amounts paid in settlement, damages, fines, penalties, deficiencies, losses, and expenses (including interest, court costs, reasonable fees of attorneys, accountants and other experts or other reasonable expenses of litigation or other Proceedings or of any Claim, default or assessment), but only to the extent they (a) are not reasonably expected to be covered by a payment from some third party or by insurance or otherwise recoverable from third parties, and (b) are net of any associated benefits arising in connection with the loss, including any associated Tax benefits.

**“Marijuana Code”** means Sections 14 and 16, Article XVIII of the Constitution of the State of Colorado, the Colorado Marijuana Code, §§ 44-10-101, *et seq.*, C.R.S, as the same may be amended and restated from time to time, and regulations and ordinances promulgated thereunder by the MED and the City.

**“Material Adverse Effect”** means any occurrence, condition, change, development, event or effect that is, or could reasonably be expected to become, individually or in the aggregate, materially adverse to the Business, Licenses, and the value of the Licenses, properties, condition (financial or otherwise) results of operations of the Business, or the ability of a Party to consummate the transactions contemplated hereby on a timely basis, taken as a whole; provided, that, a Material Adverse Effect does not include events, occurrences, facts, conditions, or changes arising out of, relating to, or resulting from: (a) changes generally affecting the economy, financial, or securities markets; (b) conditions generally affecting the industry in which the Business operates; (c) any outbreak or escalation of war or any act of terrorism; (d) any epidemic, pandemic or quarantine related to such and affecting business operations; (e) the announcement of the transactions contemplated by this Agreement; (f) either Party’s conduct in breach of this Agreement; or (g) following the First Closing, any change related solely to Seller’s financial performance.

**“MED”** means the State of Colorado Department of Revenue Marijuana Enforcement Division.

**“Permits”** means all licenses (including the Licenses), permits, certificates of authority, authorizations, approvals, registrations, franchises, and similar consents granted by a Governmental Authority related to the transactions contemplated by this Agreement.

**“Person”** means any natural person, corporation, general partnership, limited partnership, limited liability company, proprietorship, other business organization, trust, union, association, or Governmental Authority.

**“Petty Cash”** means Seller’s cash in possession at the Premises as of the date of Closing. Petty Cash does not include Seller’s bank accounts or accounts receivable.

**“Point of Sale”** means Seller’s inventory tracking equipment and computer systems, used at the Premises in the ordinary course of business to track Seller’s inventory, sales, cash on hand, and revenue.

**“Post-Closing Adjustment”** means a deduction for fifty percent (50%) of the value of any

Customer Loyalty accounts, an addition for the value of Petty Cash, a deduction for the total amount of Seller Liabilities incurred or suffered by Buyer, and a deduction or addition for any Inventory Shortfall or Inventory Surplus, as applicable.

**“Pre-Closing Tax Period”** means any taxable period ending on or before the Closing and, with respect to any taxable period beginning before and ending after the Closing, the portion of such taxable period ending on and including the Closing Date.

**“Pro-Rata Share”** means a fraction, the numerator of which is the Business’ Gross Revenue for the trailing 12 month period prior to the First Closing, and the denominator of which is the sum of the Gross Revenue of the Business and all the businesses sold in the Related Transactions, for the trailing 12 months period prior to the First Closing

**“Promissory Note”** means that certain secured promissory note to be executed by Buyer for the benefit of Seller in the form attached hereto as Exhibit D.

**“Pre-Closing Taxes”** means (a) all Taxes (or the non-payment thereof) of each of Seller and Owner for any and all Pre-Closing Tax Periods, (b) any payroll Taxes with respect to compensatory payments paid in connection with the Closing (c) any and all Taxes of any Person imposed on the Seller as a transferee or successor, by contract or pursuant to any Law, rule, or regulation, which Taxes relate to an event or transaction occurring before the Closing, (d) any Taxes resulting from any election by the Seller or Owner under Code §108(i) on or prior to the Closing Date, (e) all Taxes imposed on the Seller or Owner as a result of the provisions of Treasury Regulations Section 1.1502-6 or the analogous provisions of any state, local or foreign law, and (f) all Taxes imposed on Seller or Owner as a result of any transaction contemplated by this Agreement including pursuant to Section 1374 of the Code and any comparable provision of state law. For purposes of the foregoing, any property Taxes for any Straddle Period shall be allocated to the portion of the Straddle Period ending on the Closing Date on a per diem basis, and all other Taxes for any Straddle Period shall be allocated as if such Straddle Period ended on the Closing Date.

**“Premises”** means the premises where the Business is located, 145 Front St, Leadville, CO 80461.

**“Proceeding”** means any complaint, lawsuit, action, suit, or other proceeding at Law or in equity or order or ruling, in each case by or before any Governmental Authority or arbitral tribunal.

**“Seller Liabilities”** means any contractual, equitable, debt, or other obligation of Seller for which Buyer will or could become on or after the Closing.

**“Straddle Period”** means any taxable period that includes (but does not end on) the Closing Date.

**“Submission Date”** means January 15, 2023.

**“Tax” or “Taxes”** means (a) any federal, state, county, local, municipal or foreign income, gross receipts, net proceeds, fuel, excess profits, user, capital stock, profits, escheat, unclaimed property, gain, registration, ad valorem, estimated, license, payroll, employment, excise, severance, stamp, occupation, premium, property or windfall profits taxes, environmental taxes, customs, duties, franchise, employees’ income withholding, foreign or domestic withholding, social security (or similar, including FICA), unemployment, disability, real property, personal property (tangible or intangible), sales, use, transfer, value added, goods and services, alternative or add on minimum or other tax or any kind of any charge of any kind in the nature of taxes, assessments, duties or similar charges, including any interest, penalties or additions to Tax in respect of the foregoing, in each case whether disputed or not, imposed by any Governmental Authority, and (b) any liability for the payment of any amounts of the type described in clause (a) as a result of being a member of an affiliated, consolidated, combined or unitary group, as a result of any tax sharing or tax allocation agreement, arrangement or understanding, or as a result of being liable for another Person’s taxes as a transferee or successor, by contract or otherwise.

**“Tax Return”** means any Tax return, declaration, report, claim for refund, or information return or statement filed or required to be filed by the Seller.

**“Termination Date”** means May 31, 2023, provided that any Party may extend the Termination Date one time by three months by written notice to the other Parties, if the Party extending the Termination Date is not in default of any representation, warranty, or covenant under this Agreement.

## **1.2 Rules of Construction.**

(a) All article, section, subsection, schedules and exhibit references used in this Agreement are to articles, sections, subsections, schedules and exhibits to this Agreement unless otherwise specified. The exhibits and schedules attached to this Agreement constitute a part of this Agreement and are incorporated herein for all purposes.

(b) If a term is defined as one part of speech (such as a noun), it has a corresponding meaning when used as another part of speech (such as a verb). Unless the context of this Agreement clearly requires otherwise, words importing the masculine gender include the feminine and neutral genders and vice versa. The words “includes” or “including” means “including without limitation,” the words “hereof,” “hereby,” “herein,” “hereunder” and similar terms in this Agreement refer to this Agreement as a whole and not any particular section or article in which the words appear, and any reference to a Law includes any rules and regulations promulgated thereunder. Currency amounts referenced herein are in U.S. Dollars. When used herein the singular includes the plural, the plural includes the singular.

(c) Whenever this Agreement refers to a number of days, the number refers to calendar days unless Business Days are specified. Whenever any action must be taken hereunder on or by a day that is not a Business Day, the action may be validly taken on or by the next day that is a Business Day.



(d) Each Party and its respective attorneys have been given an equal opportunity to negotiate the terms and conditions of this Agreement, and any rule of construction to the effect that ambiguities are to be resolved against the drafting Party or any similar rule operating against the drafter of an agreement will not be applicable to the construction or interpretation of this Agreement.

## **ARTICLE II PURCHASE OF BUSINESS, PAYMENT, AND CLOSING**

2.1 **Purchase of Business.** At the Closing, Seller shall sell to Buyer, and Buyer shall purchase from Seller, the Business.

2.2 **Purchase Price; Payments.** The purchase price for the Business and the Related Transactions is \$10,500,000.00 (the "**Purchase Price**"). The Portion of the Purchase Price attributed to the Business will be the Purchase Price multiplied by the Business' Pro Rata Share, expressed as a decimal. Buyer shall pay Seller the Purchase Price as set forth below:

(a) Upon execution of this Agreement, Buyer has made an earnest money deposit with Escrow Agent (the "**Earnest Money**") which shall be refunded or disbursed as set forth in the Master Acquisition Agreement.

(b) Upon the Parties' receipt of written conditional approval from the MED and the City for the Change of Ownership applications, Buyer shall deposit an additional earnest money deposit as set forth in the Master Acquisition Agreement (the "**Closing Deposit**") with Escrow Agent which shall be refunded or disbursed as set forth in the Master Acquisition Agreement.

(c) At Closing, Buyer will deliver the Promissory Note, with the principal amount as set forth in the Settlement Statement (as defined in the Master Acquisition Agreement), adjusted for any Post-Closing Adjustment, duly executed.

2.3 **Inventory Adjustment.** During the Due Diligence Period, Seller shall provide Buyer with documents reasonably requested by Buyer, including Seller's Point of Sale inventory tracking system records, sufficient for Buyer to calculate the 14-day average wholesale value of Seller's inventory during the trailing 90-day period immediately prior to the date of this Agreement (the "**Inventory Target**"). Within three (3) business days prior to the Closing, the Parties shall jointly take a physical count of the Inventory and produce a report of the Inventory and the wholesale value of the Inventory at the time of such inspection. For purposes of this Agreement, the wholesale value of the Inventory at the Closing will be the lesser of (i) the wholesale value of the Inventory determined during such inspection and (ii) the wholesale value of the Inventory shown on Seller's Point of Sale records as of the date of the inspection. If the wholesale value of the Inventory is less than the wholesale value of the Inventory Target by five percent (5%) or more (an "**Inventory Shortfall**"), the Post Closing Adjustment will be increased dollar for dollar by the amount of the Inventory Shortfall. If the dollar value of the Inventory determined during such count exceeds the Inventory Target by five percent or more (an "**Inventory Surplus**"), the Post Closing Adjustment will be decreased dollar for dollar by the amount of the Inventory Surplus, but not to exceed ten percent (10%) of the Inventory Target. For purposes of this Agreement, the wholesale value of

**3.3 Authority.** Seller has full power and authority to execute and deliver this Agreement and the other instruments to be delivered by Seller at the Closing, to perform its obligations hereunder and thereunder, and to consummate the transactions contemplated hereby and thereby, subject to approvals required by the Marijuana Code and the landlord of the Premises. The execution and delivery by Seller of this Agreement and the other instruments to be delivered by Seller at the Closing, and the performance by Seller of its obligations hereunder and thereunder, have been duly and validly authorized by all necessary action. This Agreement has been, and the instruments to be delivered by Seller at the Closing will at the Closing be, duly and validly executed and delivered by Seller and Owner and constitute (or, in the case of instruments to be delivered by Seller or Owner at the Closing, will at the Closing constitute) the legal, valid and binding obligation of Seller and Owner enforceable against each in accordance with its terms, except as the same may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance, arrangement, moratorium or other similar Laws relating to or affecting the rights of creditors generally, or by general equitable principles.

**3.4 No Conflicts; Consents and Approvals.** The execution and delivery by Seller of this Agreement do not, and the performance by Seller of its obligations under this Agreement does not:

(a) Conflict with or result in a violation or result in a breach of, or default under, any provision of the Charter Documents of Seller;

(b) Require the consent, notice or other action by any Person or conflict with, result in a violation or breach of, constitute a default or an event that, with or without notice or lapse of time both, would constitute a default under, result in the acceleration of or create in any party the right to accelerate, terminate, modify or cancel any Contract to which Seller is a party or by which Seller, Owner, or the Business is bound.

(c) (i) conflict with or result in a violation or breach of any Law applicable to Seller, the Business or (ii) require any consent or approval of any Governmental Authority (other than the MED and the City) and under any Law applicable to Seller or Owner.

(d) result in the creation or imposition of any Lien on the Business.

**3.5 Proceedings.** There is no Proceeding of any nature pending, or to Seller's or Owner's Knowledge threatened, against Seller or Owner before or by any Governmental Authority, which seeks a writ, judgment, order or decree restraining, enjoining or otherwise prohibiting or making illegal any of the transactions contemplated by this Agreement or relating to or affecting the Business.

**3.6 Brokers.** Seller has retained the services of Aaron Shaw with Cannabis Capital Advisors ("Broker") in connection with the transaction contemplated in this Agreement. Seller is solely responsible for compensation due to Broker. Other than to Broker, Seller has no obligation to pay commission to any broker, finder, or other Person in connection with the transactions contemplated hereunder.

**3.7 Compliance with Laws and Orders.** Seller has complied, and is now complying, with all applicable Laws and orders applicable to it; provided, however, that this Section 3.7 does not address matters relating to Permits, which are exclusively addressed by Section 3.8.

**3.8 Permits.** Seller possesses all Permits that are required for the ownership and operation of its business in the manner in which it is currently operated. All Permits described in this Section 3.8 are valid and in full force and effect, and Seller is in compliance with each such Permit. All fees and charges with respect to such Permits as of the date hereof have been paid in full. No event has occurred that, with or without notice or lapse of time or both, would reasonably be expected to result in the revocation, suspension, lapse, or limitation of any Permit.

**3.9 Taxes.**

(a) All Tax Returns required to be filed by Seller for any Tax period before Closing have been, or will be, timely filed. To Seller's Knowledge, such Tax Returns are, or will be, true, complete and correct in all respects. All Taxes due and owing by Seller for any Pre-Closing Tax Period (whether or not shown on any Tax Return) have been, or will be, timely paid.

(b) Seller has withheld and paid each Tax required to have been withheld and paid in connection with amounts paid or owing to any Employee, independent contractor, creditor, customer, shareholder or other party, and complied with all information reporting and backup withholding provisions of applicable Law.

(c) No extensions or waivers of statutes of limitations have been given or requested with respect to any Taxes of Seller.

(d) All deficiencies asserted, or assessments made, against Seller as a result of any examinations by any taxing authority have been fully paid.

(e) Except as set forth on Schedule 3.9, Seller is not a party to any Proceeding by any Governmental Authority. There are no pending or threatened Proceedings by any Governmental Authority.

(f) There are no Liens for Taxes upon the Business, or any of the Assets nor is any taxing authority in the process of imposing any Liens for Taxes on any of the above (other than for current Taxes not yet due and payable).

(g) Seller has no Knowledge of any fact, circumstance, or occurrence which could cause any of Seller's statements in this Section 3.9 to become untrue.

**3.10 Seller Liabilities.** Except for the Lease, Seller and the Business have no Seller Liabilities for which Buyer will or could become obligated after the Closing.

**3.11 Employee Benefit Plans.** Except as set forth on Schedule 3.11, Seller does not have any Benefit Plans.

**3.12 Employment Matters.** Seller is and has been in compliance with all applicable Laws pertaining to employment and employment practices to the extent they relate to employees of the Business, including all Laws relating to labor relations, equal employment opportunities, fair employment practices, employment discrimination, harassment, retaliation, reasonable accommodation, disability rights or benefits, immigration, wages, hours, overtime compensation,



child labor, hiring, promotion and termination of employees, working conditions, meal and break periods, privacy, health and safety, workers' compensation, leaves of absence and unemployment insurance. All individuals characterized and treated by Seller as consultants or independent contractors of the Business are properly treated as independent contractors under all applicable Laws. All employees of the Business classified as exempt under the Fair Labor Standards Act and state and local wage and hour laws are properly classified. Except as provided in Schedule 3.12, there are no Proceedings against Seller pending, or to Seller's Knowledge, threatened to be brought or filed, by or with any Governmental Authority or arbitrator in connection with the employment of any current or former applicant, employee, consultant, volunteer, intern or independent contractor of the Business, including, without limitation, any claim relating to unfair labor practices, employment discrimination, harassment, retaliation, equal pay, wages and hours or any other employment related matter arising under applicable Laws.

3.13 **Full Disclosure.** No representation or warranty by Seller in this Agreement or any certificate or other document furnished or to be furnished to Buyer pursuant to this Agreement contains any untrue statement of a material fact, or omits to state a material fact necessary to make the statements contained therein, in light of the circumstances in which they are made, not misleading. Seller has an ongoing duty to update Buyer during the Interim Period of any development which would cause any of Seller's Representations and Warranties to be inaccurate.

3.14 **No Other Agreements.** Seller represents and warrants that neither Seller, Owner, nor any agent or Affiliate of either Seller or Owner has purported to bind Buyer to or stated or implied that Buyer will enter into any employment agreement or other agreement with any third party following Closing.

3.15 **Seller's Member.** Owner is the sole member of Seller.

3.16 **No Assumption of Liability.** Buyer will not assume liability for or pay any Loss arising out of or related to the pre-Closing activities of Seller or any Affiliate of Seller including, but not limited to, any Loss related to any unpaid taxes or legal claim of any nature including, but not limited to, any claim under any federal, state or local tax law or rule, environmental Laws, employment laws, wage laws, the Americans with Disabilities Act or any common law claim.

3.17 **No Other Representations or Warranties.** Except for Buyer's Representations and Warranties set forth in Section 4 below, Buyer has not made any representation or warranty to Seller, express or implied.

#### **ARTICLE IV BUYER'S REPRESENTATIONS AND WARRANTIES**

Buyer states that the following statements are true and correct as of the Effective Date and as of the Closing Date (collectively, "Buyer's Representations and Warranties"):

4.1 **Buyer's Organization.** Buyer represents and warrants that Buyer is a limited liability company, duly formed, validly existing and in good standing under the Laws of the State of Colorado and has all requisite power and authority to conduct its business as it is now being conducted.

4.2 **Authority.** Buyer has all requisite power and authority to execute and deliver this Agreement and the other instruments to be delivered by Buyer at the Closing, to perform its obligations hereunder and thereunder, and to consummate the transactions contemplated hereby and thereby, subject to approvals required by the Marijuana Code. The execution and delivery by Buyer of this Agreement and the other instruments to be delivered by Buyer at the Closing, and the performance by Buyer of its obligations hereunder and thereunder, have been duly and validly authorized by all necessary company action. This Agreement has been, and the instruments to be delivered by Buyer at the Closing will at the Closing be, duly and validly executed and delivered by Buyer and constitutes (or, in the case of instruments to be delivered by Buyer at the Closing, will at the Closing constitute) the legal, valid and binding obligations of Buyer enforceable against Buyer in accordance with their terms, except as the same may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance, arrangement, moratorium or other similar Laws relating to or affecting the rights of creditors generally, or by general equitable principles.

4.3 **No Conflicts.** The execution and delivery by Buyer of this Agreement do not, and the performance by Buyer of its obligations hereunder and the consummation of the transactions contemplated hereby does not:

(a) conflict with or result in a violation or result in a breach of, or default under, any provision of the Charter Documents of Buyer, if applicable, except for any such violation or default that would not reasonably be expected to materially interfere with Buyer's ability to perform its obligations hereunder; or

(b) (i) conflict with or result in a violation or breach of any Law applicable to Buyer, except as would not reasonably be expected to materially interfere with Buyer's ability to perform its obligations hereunder or (ii) require any consent or approval of any Governmental Authority (other than the MED and the City) under any Law applicable to Buyer, other than in each case any such consent or approval which, if not made or obtained, would not reasonably be expected to materially interfere with Buyer's ability to perform its obligations hereunder.

4.4 **Proceedings.** There is no Proceeding pending or, to Buyer's Knowledge threatened, against Buyer before or by any Governmental Authority, which seeks a writ, judgment, order or decree restraining, enjoining or otherwise prohibiting or making illegal any of the transactions contemplated by this Agreement.

4.5 **Brokers.** Buyer has no obligation to pay commission to any broker, finder, or other Person in connection with the transactions contemplated hereunder.

4.6 **Compliance with Laws and Orders.** Buyer is not in material violation of, or in default under, any Law or order applicable to Buyer the effect of which, in the aggregate, would reasonably be expected to hinder, prevent or delay Buyer from performing its obligations hereunder.

4.7 **Full Disclosure.** No representation or warranty by Buyer in this Agreement or any certificate or other document furnished or to be furnished to Seller pursuant to this Agreement contains any untrue statement of a material fact, or omits to state a material fact necessary to make

the statements contained therein, in light of the circumstances in which they are made, not misleading.

4.8 No Other Representations or Warranties. Except for Seller's Representations and Warranties set forth in Section 3 above, Seller has not made any representation or warranty to Buyer, express or implied.

## **ARTICLE V COVENANTS**

### 5.1 Regulatory and Other Approvals. During the Interim Period:

(a) Each Party shall use reasonable efforts to obtain as promptly as practicable all material consents and approvals that either Party or its respective Affiliates are required to obtain in order to consummate the transactions contemplated hereby; provided that for purposes of clarification, and notwithstanding anything to the contrary in this Agreement, the obtaining of the consents and approvals will not be a condition to the Closing except to the extent set forth in Articles VI or VII, as applicable. The Parties shall cooperate to submit the Change of Ownership applications on or before the Submission Date.

(b) Each Party shall (i) make or cause to be made the filings required of the Person or any of its applicable Affiliates under any Laws applicable to it with respect to the transactions contemplated by this Agreement and to pay any fees due of it in connection with the filings, as promptly as is reasonably practicable, provided that for purposes of clarification, and notwithstanding anything to the contrary in this Agreement, the filings and payments will not be conditions to the Closing except to the extent set forth in Articles VI and VII; (ii) cooperate with the other Party and furnish the information that is necessary in connection with the other Party's filings; (iii) use reasonable efforts to cause the expiration of the notice or waiting periods under any Laws applicable to it with respect to the consummation of the transactions contemplated by this Agreement as promptly as is reasonably practicable; (iv) promptly inform the other Party of any communication from or to, and any proposed understanding or agreement with, any Governmental Authority in respect of the filings; (v) reasonably consult and cooperate with the other Party in connection with any analyses, appearances, presentations, memoranda, briefs, arguments, and opinions made or submitted by or on behalf of a Party in connection with all meetings, actions or other Proceedings with Governmental Authorities relating to the filings; (vi) comply, as promptly as is reasonably practicable, with any requests received by a Party under any Laws for additional information, documents or other materials with respect to the filings; (vii) use reasonable efforts to resolve any objections as may be asserted by any Governmental Authority with respect to the transactions contemplated by this Agreement; and (viii) use reasonable efforts to contest and resist any action or other Proceeding instituted (or threatened in writing to be instituted) by any Governmental Authority challenging the transactions contemplated by this Agreement as violative of any Law. If a Party (or any of its applicable Affiliates) intends to participate in any meeting with any Governmental Authority with respect to the filings and if permitted by, or acceptable to, the applicable Governmental Authority, it shall exercise reasonable efforts to give the other Party reasonable prior notice of, and an opportunity to participate in, the meeting.



(c) In connection with any such filings, Buyer shall cooperate in good faith with Governmental Authorities and with Seller and undertake promptly any and all action required to complete lawfully the transactions contemplated by this Agreement.

(d) Each Party shall provide prompt notification to the other when it becomes aware that any such consent or approval referred to in this Section 5.1 is obtained, taken, made, given or denied, as applicable.

(e) In furtherance of the foregoing covenants, each Party shall not, and each Party shall cause its respective Affiliates not to, take any action that could reasonably be expected to adversely affect the approval of any Governmental Authority of any of the filings referred to in this Section 5.1.

(f) Each of the Parties shall prepare (or exercise its reasonable efforts to cause its Affiliates to prepare), as soon as is practicable, all necessary filings with Governmental Authorities applicable to it in connection with the transactions contemplated by this Agreement; provided that, for purposes of clarification, and notwithstanding anything to the contrary in this Agreement, the filings will not be conditions to the Closing except to the extent set forth in Articles VI and VII. Each Party shall submit the filings applicable to it as soon as practicable, but in no event later than fourteen (14) days after the date of this Agreement. Each of the Parties shall promptly furnish the other Party with copies of any notices, correspondence or other written communication received by it from the relevant Governmental Authority, shall promptly make any appropriate or necessary subsequent or supplemental filings required of it, and shall cooperate in the preparation of the filings as is reasonably necessary and appropriate.

(g) If any of the Licenses will expire prior to the Closing, Seller shall renew such Licenses timely and at Seller's sole expense.

5.2 Access of Buyer. During the Interim Period and upon reasonable notice and during normal business hours, Seller shall provide Buyer and its representatives with reasonable access to the Premises and shall allow Buyer and its representatives to perform any inspections Buyer reasonably requests, subject to the Marijuana Code. During the Interim Period, Seller shall provide Buyer with any documents, information, or reports reasonably requested by Buyer related to the Business.

5.3 Certain Restrictions. During the Interim Period, except as permitted or required by the other terms of this Agreement, or consented to in writing by Buyer, which consent or approval will not be unreasonably withheld, conditioned, or delayed, to the extent material to this Agreement, Seller shall: (i) conduct the Business in the ordinary course of business consistent with past practice; and (ii) use reasonable efforts to maintain and preserve intact its current Business organization, operations and to preserve the rights, goodwill and relationships of its employees, customers, lenders, suppliers, regulators and others having relationships with the Business. Without limiting the foregoing, during the Interim Period, Seller shall:

(a) preserve and maintain all Permits required for the ownership and use of the Licenses and conduct of the Business as currently conducted;

(b) pay the debts, taxes and other obligations of the Business when due and payable;

(c) comply in all material respects with all Laws applicable to the conduct of the Business; and

(d) maintain the Inventory in the same quantity as of the date of this Agreement, subject to sales in the ordinary course of business.

5.4 Further Assurances. Subject to the terms and conditions of this Agreement, at any time or from time to time after the Closing, at a Party's request and without further consideration, a Party shall execute and deliver to the other Party such other instruments of sale, transfer, conveyance, assignment and confirmation, provide such materials and information and take such other actions as the Party may reasonably request in order to consummate the transactions contemplated by this Agreement.

5.5 Delay by the MED or the City of Notification of Final Governmental Approval. Notwithstanding anything to the contrary set forth in Section 5.1(d), if Final Governmental Approval occurs, but the MED or the City does not promptly notify a Party of Final Governmental Approval, and such delay causes or might cause one or more of the Parties to violate the Marijuana Code, the Parties shall work in good faith to take all necessary action to ensure that the Parties minimize or eliminate any violations of the Marijuana Code and that the Business continues to operate in the ordinary course and remains in good standing.

5.6 Application Fees. Buyer shall timely pay the Application Fees.

5.7 Public Announcements. The Parties and their Affiliates shall not make any announcement concerning the sale or purchase of the Business or any related or ancillary matter before the Closing.

5.8 Seller's Employees. During the Interim Period, Seller shall provide Buyer with information regarding Seller's employees actively employed at the Premises, including name, hours, and payroll information. Buyer intends to hire Seller's employees at the Closing subject to Buyer's internal hiring practices, but is not obligated to hire all of Seller's employees or any particular employee. Seller shall cooperate in good faith to assist Buyer in its efforts to employ Seller's employees. At the Closing, Seller shall terminate all of Seller's employees that work for Seller at the Premises. Seller shall pay all amounts due to its employees and will promptly provide reasonable evidence to Buyer of the payment of such amounts upon reasonable request from Buyer.

5.9 Sales and Use Tax. Seller shall timely pay all sales and use taxes imposed as a result of the transactions contemplated in this Agreement.

## **ARTICLE VI BUYER'S CONDITIONS TO CLOSING**

The obligation of Buyer to consummate the Closing is subject to the fulfillment of each of the following conditions (except to the extent waived in writing by Buyer in its sole discretion):

6.1 Representations and Warranties. Seller's Representations and Warranties will be true and correct on and as of the date hereof and on and as of the Closing as though made on and as of such date.

6.2 Performance. Seller will have performed and complied in all material respects with the agreements, covenants, conditions and obligations required by this Agreement to be performed or complied with by Seller at or before the Closing; provided, that, with respect to agreements, covenants and conditions that are qualified by materiality, Seller shall have performed such agreements, covenants and conditions, as so qualified, in all respects.

6.3 Seller's Closing Documents. Seller will have delivered to Buyer at the Closing Seller's Closing Documents.

6.4 Orders and Laws. There is no Law or order (except for any such order issued in connection with a Proceeding instituted by Buyer or its Affiliates) restraining, enjoining or otherwise prohibiting or making illegal the consummation of the transactions contemplated by this Agreement.

6.5 Consents and Approvals. All approvals, consents and waivers that are required by this Agreement will have been received, and executed counterparts thereof will have been delivered to Buyer at or prior to the Closing. All terminations or expirations of waiting periods imposed by any Governmental Authority with respect to this Agreement will have occurred; provided, however, that the absence of any appeals and the expiration of any appeal period with respect to any of the foregoing will not constitute a condition to the Closing hereunder.

6.6 No Material Adverse Effect. No Material Adverse Effect will have occurred, nor will any event or events have occurred that, individually or in the aggregate, with or without the lapse of time, could reasonably be expected to result in a Material Adverse Effect.

6.7 Lease. Buyer and the landlord for the Premises will have entered into an assignment of the Lease or a new lease for the Premises, suitable to Buyer in Buyer's reasonable discretion; provided that such condition to Closing is waived upon the First Closing (as defined in the Master Acquisition Agreement).

6.8 Final Governmental Approval. Final Governmental Approval will have occurred.

6.9 Related Transactions. The Related Transactions will have obtained conditional governmental approvals or Final Governmental Approvals as further set forth in the Master Acquisition Agreement, and the Parties will have agreed to the Closing Schedule.

## **ARTICLE VII SELLER'S CONDITIONS TO CLOSING**

The obligation of Seller to consummate the Closing is subject to the fulfillment of each of the following conditions (except to the extent waived in writing by Seller in its sole discretion):

7.1 Representations and Warranties. Buyer's Representations and Warranties will be true and correct on and as of the date hereof and on and as of the Closing as though made on and



as of such date.

7.2 **Performance.** Buyer will have performed and complied in all material respects with the agreements, covenants, conditions and obligations required by this Agreement to be so performed or complied with by Buyer at or before the Closing; *provided, that*, with respect to agreements, covenants and conditions that are qualified by materiality, Buyer shall have performed such agreements, covenants and conditions, as so qualified, in all respects.

7.3 **Buyer's Closing Documents.** Buyer will have delivered to Seller at the Buyer's Closing Documents.

7.4 **Orders and Laws.** There is no Law or order (except for any such order issued in connection with a Proceeding instituted by Seller or its Affiliates) restraining, enjoining or otherwise prohibiting or making illegal the consummation of the transactions contemplated by this Agreement.

7.5 **Final Governmental Approval.** Final Governmental Approval will have occurred.

## **ARTICLE VIII TERMINATION**

8.1 **Termination.**

(a) This Agreement may be terminated for one or more of the following reasons:

(i) at any time before the Closing, by Seller or Buyer, by written notice to the other, if any Law or final non-appealable order restrains, enjoins or otherwise prohibits or makes illegal the sale of the Business as provided in this Agreement;

(ii) at any time before the Closing by Buyer, by written notice to Seller, if Seller has materially breached its representations or obligations under this Agreement and the breach would or does result in the failure of any condition set forth in Article VI. Following the First Closing (as defined in the Master Termination Agreement), Buyer's termination for Seller's material breach of representations under this Section 8(a)(ii) will apply only to a breach of Seller's Fundamental Representations;

(iii) at any time before the Closing, by Seller, by written notice to Buyer, if Buyer has materially breached its representations or obligations under this Agreement and the breach would or does result in the failure of any condition set forth in Article VII; or

(iv) by any Party, by written notice to the other, after the Termination Date; provided, however, that the right to terminate this Agreement under this Section 8.1(a)(vi) will not be available to a Party that has intentionally breached in any material respect any of its obligations under this Agreement and the intentional breach has been the cause of, or resulted in, the failure of the satisfaction of a

condition to the Closing to occur on or before the Termination Date.

(v) At any time prior to the Closing, by Buyer, upon written notice to Seller, if the Master Acquisition Agreement terminates for any reason.

(b) This Agreement will automatically terminate if a Governmental Authority denies the Change of Ownership despite the Parties' good faith efforts to obtain the Change of Ownership, including efforts to remedy any issue with the Change of Ownership application and efforts to reapply for Change of Ownership.

8.2 Effect of Termination. If this Agreement is validly terminated pursuant to Section 8.1, there will be no liability or obligation hereunder on the part of Seller or any of its Affiliates or Buyer or any of its Affiliates, provided, however, that Article I, Sections 8.2, 9.5, and Article X will survive any such termination. Upon termination, all escrow deposits will be disbursed or refunded as set forth in the Master Acquisition Agreement.

## ARTICLE IX INDEMNIFICATION AND ARBITRATION

9.1 Indemnity. From and after the Closing:

(a) Seller shall indemnify, defend, and hold harmless Buyer, its Affiliates and their respective members, managers, officers and employees from and against all Losses incurred or suffered by Buyer resulting from:

(i) any inaccuracy of or breach as of the Closing (as though made on and as of the Closing except to the extent a statement of fact is expressly made as of an earlier date, in which case only as of the earlier date) of Seller's Representations and Warranties or any document to be delivered hereunder; and

(ii) any breach or non-fulfillment of any covenant, obligation or agreement of Seller contained in this Agreement or any document to be delivered hereunder; and

(iii) any other Claim against Buyer that is related to Seller's sale of the Business or pre-closing operating of the Business.

(b) In addition to any other remedies available under this Agreement, Buyer will be entitled to set off any Loss for which it reasonably believes it is entitled to indemnification under this Agreement from principal amounts payable under the Promissory Note, whether or not such amounts are incorporated in the Post-Closing Adjustment.

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

(i) any inaccuracy of or breach as of the Closing (as though made on and as of the Closing except to the extent a statement of fact is expressly made as

of an earlier date, in which case only as of the earlier date) of Buyer's Representations and Warranties or any document to be delivered hereunder;

(ii) any breach or non-fulfillment of any covenant, obligation or agreement of Buyer contained in this Agreement or any document to be delivered hereunder; and

(iii) any other Claim against Seller that is related to Buyer's purchase of the Business or post-Closing operation of the Business.

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

(a) Seller's Representations and Warranties will survive the Closing; provided, however, that no claim for indemnification made in accordance with Section 9.1(a)(i) or Section 9.1(b)(i) may be made later than one (1) year following the Closing; provided, however, any claim for indemnification made in accordance with Section 9.1(a)(i) or Section 9.1(b)(i) based upon or arising out of Responding Party's (as defined below) gross negligence, willful misconduct, or fraud, or under Section 9.1(a)(i) for violations of Seller's Fundamental Representations, will survive for the full period of all applicable statutes of limitations;

(b) Buyer shall give written notice to Seller within a reasonable period of time after becoming aware of any breach by Seller of any representation, warranty, covenant, agreement, or obligation in this Agreement, but in any event no later than 30 days after becoming aware of such breach, and Seller shall have ten (10) days to cure such breach upon receipt of such written notice;

(c) Seller shall give written notice to Buyer within a reasonable period of time after becoming aware of any breach by Buyer of any representation, warranty, covenant, agreement or obligation in this Agreement, but in any event no later than 30 days after becoming aware of such breach, and Buyer shall have ten (10) days to cure such breach upon receipt of such written notice;

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

(e) Notwithstanding anything in this Agreement to the contrary, (i) Neither Party shall be obligated to indemnify the other Party unless the aggregate Losses incurred by the claiming Party that would otherwise be subject to indemnification exceeds the sum of twenty-five thousand dollars (\$25,000.00) (the "Basket Amount"), and (ii) the aggregate liability of a Party to indemnify the other Party hereunder shall be limited to 20% of the Seller's Pro-Rata Share of the Purchase Price.

(f) Section 9.2(e) shall not apply to any breach of any Fundamental Representation as defined herein, or to actions arising from or related to fraud of either Party.



### 9.3 Procedure with Respect to Third-Party Claims.

(a) If a Party becomes subject to a pending or threatened Claim of a third party and such Party (the "Claiming Party") believes it has a Claim against the other Party (the "Responding Party"), pursuant to Section 9.1, as a result, then the Claiming Party shall notify the Responding Party in writing of the basis for the Claim setting forth the nature of the Claim in reasonable detail. The failure of the Claiming Party to so notify the Responding Party will not relieve the Responding Party of liability hereunder except to the extent that the defense of the Claim is prejudiced by the failure to give the notice.

(b) If any Proceeding is brought by a third party against a Claiming Party and the Claiming Party gives notice to the Responding Party pursuant to Section 9.3(a), the Responding Party may participate in the Proceeding and, to the extent that it wishes, assume the defense of the Proceeding, at its sole cost, if (i) the Responding Party provides written notice to the Claiming Party that the Responding Party intends to undertake the defense, (ii) the Responding Party conducts the defense of the third-party Claim actively and diligently with counsel reasonably satisfactory to the Claiming Party, and (iii) the Responding Party is a party to the Proceeding, and the Responding Party or the Claiming Party has not determined in good faith that joint representation would be inappropriate because of a conflict of interest. The Claiming Party may, in its sole discretion, select and employ separate counsel in any such action and to participate in the defense thereof, and the Claiming Party shall pay the fees and expenses of its counsel. The Claiming Party shall cooperate with the Responding Party and its counsel in the defense or compromise of the Claims. If the Responding Party assumes the defense of a Proceeding, no compromise or settlement of the Claims may be effected by the Responding Party without the Claiming Party's consent unless (A) there is no finding or admission of any violation of Law or any violation of the rights of any Person and no effect on any other Claims that may be made against the Claiming Party, and (B) the sole relief provided is monetary damages that the Responding Party pays in full.

(c) If notice is given to the Responding Party of the commencement of any third-party Proceeding and the Responding Party does not, within 14 days after the Claiming Party's notice is given pursuant to Section 9.3(b), give notice to the Claiming Party of its election to assume the defense of the Proceeding, and any of the conditions set forth in clauses (i) through (iii) of Section 9.3(b) become unsatisfied or a Claiming Party determines in good faith that there is a reasonable probability that a Proceeding may adversely affect it other than as a result of monetary damages for which it would be entitled to indemnification from the Responding Party under this Agreement, then the Claiming Party may (upon notice to the Responding Party) undertake the defense, compromise or settlement of the Claim; provided, however, that the Responding Party shall reimburse the Claiming Party for the costs of defending against the third-party Claim (including reasonable attorneys' fees and expenses) and will remain otherwise responsible for any liability with respect to amounts arising from or related to the third-party Claim, in both cases to the extent it is ultimately determined that the Responding Party is liable with respect to the third-party Claim for a breach under this Agreement. The Responding Party may elect to participate in the Proceedings, negotiations, or defense at any time at its own expense.

9.4 **Cumulative Remedies.** The rights and remedies provided in this Article IX are cumulative and are in addition to and not in substitution for any other rights and remedies available at law or in equity or otherwise.

9.5 **Mandatory Binding Arbitration.**

(a) Any dispute, Claim, interpretation, controversy, or issues of public policy arising out of relating to this Agreement, including the determination of the scope or applicability of this Section 9.5, will be determined exclusively by binding arbitration held in the City and County of Denver, Colorado, and will be governed exclusively by the Colorado Revised Uniform Arbitration Act, C.R.S. §§ 13-22-201, et seq. (the “CRUAA”).

(b) The arbitrator will be selected from the roster of arbitrators at Judicial Arbitrator Group, Inc. in Denver, Colorado (“JAG”), unless the Parties agree otherwise. If the Parties do not agree on the selection of a single arbitrator within ten days after a demand for arbitration is made, then the arbitrator will be selected by JAG from among its available professionals. Arbitration of all disputes and the outcome of the arbitration will remain confidential between the Parties except as necessary to obtain a court judgment on the award or other relief or to engage in collection of the judgment.

(c) The Parties irrevocably submit to the exclusive jurisdiction of the state courts located in Denver, Colorado, with respect to this Section 9.5 to compel arbitration, to confirm an arbitration award or order, or to handle court functions permitted under the CRUAA. The Parties irrevocably waive defense of an inconvenient forum to the maintenance of any such action or other proceeding. The Parties may seek recognition and enforcement of any Colorado state court judgment confirming an arbitration award or order in any United States state court or any court outside the United States or its territories having jurisdiction with respect to recognition or enforcement of such judgment.

(d) The Parties waive (i) any right of removal to the United States federal courts and (ii) any right to compel arbitration, to confirm any arbitration award or order, or to seek any aid or assistance of any kind in the United States federal courts.

**ARTICLE X  
MISCELLANEOUS**

10.1 **No Third-Party Beneficiaries.** The terms and provisions of this Agreement are intended solely for the benefit of the Parties and their respective successors or permitted assigns, and it is not the intention of the Parties to confer third-party beneficiary rights upon any other Person.

10.2 **Entire Agreement; Amendment.** This Agreement supersedes all prior discussions and agreements between the Parties with respect to the subject matter hereof and contains the sole and entire agreement between the Parties and their Affiliates with respect to the subject matter hereof. The Parties may amend any provision of this Agreement only by a written instrument signed by the Parties.

10.3 **Waiver.** Any term or condition of this Agreement may be waived at any time by

the Party that is entitled to the benefit thereof, but no such waiver will be effective unless set forth in a written instrument duly executed by or on behalf of the Party waiving the term or condition. No waiver by a Party of any term or condition of this Agreement, in any one or more instances, will be deemed to be or construed as a waiver of the same or any other term or condition of this Agreement on any future occasion. All remedies, either under this Agreement or by Law, are cumulative and not alternative.

10.4 Succession and Assignment. This Agreement is binding upon and will inure to the benefit of the Parties and their successors and assigns. Buyer may assign this Agreement to any party in Buyer's sole discretion by providing written notice of such assignment to Seller. This Agreement may not otherwise be assigned by operation of law or otherwise without the written consent of the Parties.

10.5 Counterparts; Electronic or Fax Signatures. This Agreement may be executed in counterparts, each of which will be an original and all of which, when taken together, will constitute one instrument notwithstanding that all parties have not executed the same counterpart. Signatures that are transmitted electronically or by fax will be effective as originals.

10.6 Headings. The headings used in this Agreement have been inserted for convenience of reference only and do not modify, define, or limit any of its terms or provisions.

10.7 Notices. Any notice, request, demand, Claim, or other communication hereunder will be in writing and will be deemed delivered: (a) three Business Days after it is sent by U.S. mail, certified mail, return receipt requested, postage prepaid; or (b) one Business Day after it is sent via a reputable nationwide overnight courier or sent via email, in each of the foregoing cases to the intended recipient as set forth below:

If to Buyer: Sun Theory SPV I, LLC  
Attn: Connor Oman  


With a copy to: Hassan + Cables, LLC  
Attn: David Wunderlich  


If to Seller: RFSCA, LLC  
Attn: Robert Holmes  


With a copy to: Wysocki Law Group, P.C.  
Attn: Jeremy Wysocki





A Party may give any notice, request, demand, Claim, or other communication hereunder by personal delivery, electronically via email, or fax, but no such notice, request, demand, Claim, or other communication will be deemed to have been duly given unless and until it is actually received by the Party for whom it is intended. A Party may change the address to which notices, requests, demands, Claims, and other communications hereunder are to be delivered by giving notice to the other Party in the manner herein set forth.

10.8 Governing Law. This Agreement is governed by and construed and enforced in accordance with the laws of the State of Colorado, without giving effect to any conflict or choice of law provision that would result in imposition of another state's Law. THE PARTIES TO THIS AGREEMENT ACKNOWLEDGE THAT (A) COLORADO HAS PASSED AMENDMENTS TO THE COLORADO CONSTITUTION AND ENACTED CERTAIN LEGISLATION TO GOVERN THE MARIJUANA INDUSTRY AND (B) THE POSSESSION, SALE, MANUFACTURE, AND CULTIVATION OF MARIJUANA IS ILLEGAL UNDER FEDERAL LAW. THE PARTIES WAIVE ANY DEFENSES BASED UPON INVALIDITY OF CONTRACTS FOR PUBLIC POLICY REASONS AND/OR THE SUBSTANCE OF THE CONTRACT VIOLATING FEDERAL LAW.

10.9 Waiver of Right to Trial by Jury. EACH PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES TO THE FULLEST EXTENT PERMITTED BY LAW TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT AND WITH RESPECT TO ANY COUNTERCLAIM THEREIN.

10.10 Attorneys' Fees. If a Party brings an action to enforce the provisions of this Agreement, the substantially prevailing Party will be entitled to recover its reasonable attorneys' fees and expenses incurred in such action from the non-prevailing Party.

10.11 Invalid Provisions. If a dispute between the Parties arises out of this Agreement or the subject matter of this Agreement, the Parties would want a court or arbitrator to interpret this Agreement as follows:

- (a) with respect to any provision held to be unenforceable, by modifying that provision to the minimum extent necessary to make it enforceable or, if that modification is not permitted by law or public policy, by disregarding the provision;
- (b) if an unenforceable provision is modified or disregarded in accordance with this Section 10.11, by holding the rest of the Agreement will remain in effect as written;
- (c) by holding that any unenforceable provision will remain as written in any circumstances other than those in which the provision is held to be unenforceable; and
- (d) if modifying or disregarding the unenforceable provision would result in a failure of an essential purpose of this Agreement, by holding the entire Agreement unenforceable.

Upon the determination that any term or other provision of this Agreement is invalid, illegal or incapable of being enforced, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the extent possible.

10.12 Expenses. Except as otherwise provided in this Agreement, whether or not the transactions contemplated hereby are consummated, each Party shall pay its own costs and expenses incurred in anticipation of, relating to and in connection with the negotiation and execution of this Agreement and the transactions contemplated hereby.

10.13 Breach. In the event that either Party breaches the Master Acquisition Agreement and/or any Ancillary Document (as defined in the Master Acquisition Agreement), the breaching Party shall be deemed to be in material breach of this Agreement.

10.14 Confidentiality and Publicity. This Agreement is confidential and may not be disclosed to any third party (other than the Parties' Affiliates, attorneys, accountants, auditors, or other advisors, or Governmental Authorities) except as required for tax purposes or as required by Law. A Party receiving a request for this Agreement shall promptly notify the other Party to afford it the opportunity to object or seek a protective order regarding this Agreement or information contained herein. None of the Parties may issue any press release or public announcement of any of the transactions contemplated by this Agreement except as may be agreed to in writing by the Parties.

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

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

*[Remainder of Page Intentionally Left Blank; Signature Page Follows]*

IN WITNESS WHEREOF, this Agreement has been duly executed and delivered by the Parties as of the date first above written.

**SELLER:**

RFSCLV, LLC

DocuSigned by:

By: Robert Holmes

Name: Robert Holmes

Title: Manager

**OWNER:**

DocuSigned by:

By: Robert Holmes

Robert Holmes, Jr.

**BUYER:**

SUN THEORY SPV I, LLC

DocuSigned by:

By: Connor Oman

Connor Oman, Manager



**SCHEDULE 2.5**  
**ALLOCATION OF PURCHASE PRICE**

**RFSCA**

**Purchase Price - \$1,500,000.00**

- (a) Cash: \$1,000
- (b) Equipment: \$5,000
- (c) Licenses and goodwill associated therewith: \$1,465,000
- (d) Inventory: \$29,000
- (e) Personal Property: \$0

**RFSCB**

**Purchase Price - \$2,500,000.00**

- (a) Cash: \$1,000
- (b) Equipment: \$5,000
- (c) Licenses and goodwill associated therewith: \$2,446,000
- (d) Inventory: \$48,000
- (e) Personal Property: \$0

**RFSCED**

**Purchase Price - \$1,000,000.00**

- (a) Cash: \$1,000
- (b) Equipment: \$5,000
- (c) Licenses and goodwill associated therewith: \$975,000
- (d) Inventory: \$19,000
- (e) Personal Property: \$0

**RFSCEV**

**Purchase Price - \$3,000,000.00**

- (a) Cash: \$1,000

- (b) Equipment: \$5,000
- (c) Licenses and goodwill associated therewith: \$2,936,000
- (d) Inventory: \$58,000
- (e) Personal Property: \$0

**RFSCG**

**Purchase Price - \$1,000,000.00**

- (a) Cash: \$1,000
- (b) Equipment: \$5,000
- (c) Licenses and goodwill associated therewith: \$975,000
- (d) Inventory: \$19,000
- (e) Personal Property: \$0

**RFSCLV**

**Purchase Price - \$1,500,000.00**

- (a) Cash: \$1,000
- (b) Equipment: \$5,000
- (c) Licenses and goodwill associated therewith: \$1,465,000
- (d) Inventory: \$29,000
- (e) Personal Property: \$0

**SCHEDULE 3.11**

**EMPLOYEE BENEFIT PLANS**

1. Invesco SIMPLE IRA Plan.
2. See attached Employee Benefits Guide.



**SCHEDULE 3.12**

**Proceedings**

**None**

**EXHIBIT A**

**SELLER'S OFFICER'S CERTIFICATE**

\_\_\_\_\_, 2023

This Officer's Certificate is delivered with respect to that certain Asset Purchase Agreement (the "APA") dated December 16, 2022 by and between RFSCLV, LLC, a Colorado limited liability company ("Seller"), and Sun Theory SPV I, LLC, a Colorado limited liability company. Capitalized terms not defined herein have the respective meanings ascribed to them in the APA.

I, [ \_\_\_\_\_ ], the duly elected, qualified and acting Manager of Seller, on behalf of Seller, hereby certify as follows:

1. Seller's Representations and Warranties are true and correct on and as of the Closing as though made on and as of the Closing.

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

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

RFSCLV, LLC

By: \_\_\_\_\_  
Name:  
Title:

**EXHIBIT B**

**BUYER'S OFFICER'S CERTIFICATE**

\_\_\_\_\_, 2023

This Officer's Certificate is delivered with respect to that certain Asset Purchase Agreement (the "APA") dated December 16, 2022 by and between RFSCLV, LLC, a Colorado limited liability company ("Seller"), and Sun Theory SPV I, LLC, a Colorado limited liability company ("Buyer"). Capitalized terms not defined herein have the respective meanings ascribed to them in the APA..

I, Connor Oman, the duly elected, qualified and acting Manager of Buyer, on behalf of Buyer, hereby certify as follows:

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

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

SUN THEORY SPV I, LLC

By: \_\_\_\_\_  
Connor Oman, Manager



**EXHIBIT C**

**BILL OF SALE**

THIS BILL OF SALE (this "Bill of Sale") is executed on \_\_\_\_\_, 2023, by RFSCLV, LLC, a Colorado limited liability company ("Seller") for the benefit of Sun Theory SPV I, LLC, a Colorado limited liability company ("Buyer").

**Recitals**

A. Seller and Buyer entered into that certain Asset Purchase Agreement dated December 16, 2022 (the "APA"), whereby Buyer agreed to purchase the Business from Seller; and

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

NOW THEREFORE, Seller states as follows:

**Terms**

1. Sale of Licenses. In accordance with the terms and conditions of the APA, Seller hereby sells, transfers, conveys, assigns and delivers unto Buyer the Licenses, free and clear of all Liens.

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

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

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

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

6. Dispute Resolution. If a dispute arises under this Bill of Sale, such dispute will be settled in accordance with the provisions set forth in Section 9.5 of the APA.

7. Electronic or Fax Signatures. Signatures that are transmitted electronically or by fax will be effective as originals.

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

**SELLER:**

RFSCLV, LLC

By: \_\_\_\_\_

Name:

Title:

**EXHIBIT D**

**SECURED PROMISSORY NOTE**

**THIS IS A LEGAL INSTRUMENT. IF NOT UNDERSTOOD, LEGAL, TAX OR OTHER COUNSEL SHOULD BE CONSULTED BEFORE SIGNING.**

U.S. \$

Denver, Colorado  
Date: , 2023

1. **Payment Obligation.** For value received, the undersigned, Sun Theory SPV I, LLC (“**Borrower**”), promises to pay RFSCLV, LLC (“**Holder**”) the principal balance of \$[ ], plus accrued interest and fees, pursuant to this Secured Promissory Note (the “**Note**”).

2. **Interest and Payments.**

(a) Simple interest will accrue at the rate of eight percent (8%) per annum (the “**Note Rate**”) on the principal balance of this Note and will continue to accrue on the outstanding principal until paid in full. Borrower shall pay to Lender monthly installments as follows:

(b) For the first six payments, equal monthly payments in the amount \$[ ] consisting of interest accrued at the Note Rate in the foregoing month;

(c) For the remaining 54 payments, equal monthly payments of \$[ ] consisting of principal and interest calculated at the Note Rate over a four and one half year amortization period.

(d) The first payment shall be due on the first day of the month commencing more than 30 days after the date set forth above and on the same day of each month thereafter. All payments shall be in lawful money of the United States of America and will be paid to Holder by wire transfer, or Automated Clearing House to an address or account specified by Holder in writing. All payments will be applied first to fees, if any, then to accrued interest, and thereafter to principal.

3. **Repayment of Principal and Interest.** All unpaid interest and principal accrued under this Note will be due and payable on that date which is five years from the date set forth above (the “**Maturity Date**”), except as set forth otherwise in this Note.

4. **Prepayment.** Borrower may prepay the principal amount outstanding under this Note, in whole or in part, at any time without penalty. Any partial prepayment shall be applied against the principal amount outstanding and shall not postpone the due date of any subsequent payments or change the amount of such payments.



5. Default and Remedies.

(a) An “Event of Default” means any one of the following events (whatever the reason and whether it is voluntary or involuntary or effected by operation of law or pursuant to any judgment, decree or order of any court, or any order, rule or regulation of any administrative or governmental body):

(i) Any failure by Borrower to pay promptly any amount due on the Note when and as due and payable (whether at maturity or by prepayment, declaration, acceleration, extension or otherwise), and such failure continues uncured thereof after notice to Borrower by Holder for more than 5 days;

(ii) Any failure by Borrower to duly perform, comply with or observe any of the terms, conditions or covenants contained in this Note, and such failure continues uncured for more than 5 days after notice thereof to Borrower by Holder;

(iii) Any representation or warranty made in this Note is false, misleading or incorrect in any material respect;

(iv) Any action in which Borrower: (A) applies for or consents to the appointment of a receiver, trustee or liquidator for it or any of its properties or assets; (B) admits in writing its inability to pay its debts as they mature; (C) makes a general assignment for the benefit of creditors, (D) is adjudicated as bankrupt or insolvent; or (E) files a voluntary petition in bankruptcy, or a petition or an answer seeking reorganization or an arrangement with creditors or invoking the protection or provisions of any bankruptcy, reorganization, insolvency, readjustment of debt, dissolution or liquidation law or statute, whether now or hereafter in effect, or an answer admitting the material allegations of a petition filed against it in any proceeding under any such law or statute or if action is taken by Borrower for the purpose of effecting any of the foregoing;

(v) Borrower permits, causes, or allows a lien to be placed on any of the Collateral without Holder’s prior written consent, with the exception of purchase money security interests incurred in the ordinary course of business; or

(vi) If an order, judgment or decree is entered, without the application, approval or consent of Borrower by any court of competent jurisdiction, approving a petition seeking reorganization of Borrower or of all or a substantial part of the properties or assets of Borrower or appointing a receiver, trustee, or liquidator of Borrower or a receiver or trustee with respect to all or a substantial part of the properties or assets of Borrower and such order, judgment or decree continues unstayed and in effect for any period of at least 30 days.

(b) Upon an Event of Default, Holder shall notify Borrower of the nature of the default (the “Notice”) and Borrower shall have fifteen (15) days from the date of the Notice within which to cure the default. If the cure requires more than fifteen (15) days, Borrower shall not be in default if Borrower immediately initiates steps which Holder deems to be sufficient to cure the default and thereafter continues and completes all reasonable and

necessary steps sufficient to produce compliance as soon as reasonably practical. If Borrower fails to cure the Event of Default, the Note and all other amounts accrued hereunder shall be immediately due and payable, whereupon Holder may immediately, and without expiration of any additional period of grace, enforce payment of all liabilities of Borrower under the Note and applicable law, and may take action to foreclose its security interest in the Collateral as permitted under the UCC.

(c) Upon the occurrence of an uncured Event of Default, interest shall accrue on all unpaid principal under the Note at the rate of 12% per annum until such Event of Default is cured.

7. Security Interest.

(a) Grant of Security Interest. To secure payment of all amounts outstanding under this Note, Borrower grants to Holder a security interest in the following property (collectively, the "Collateral"):

(i) all of Borrower's present and future accounts (as the term is defined in the UCC) and other present and future receivables, including, without limitation, any right to payment under a letter of credit through which any such account or other receivable is to be paid and any promissory note, bill of exchange or other instrument evidencing or issued in place of or in satisfaction of any such account or other receivable or pursuant to which any such account or other such receivable is to be paid;

(ii) any guarantee or collateral securing any of the foregoing;

(iii) any other tangible personal property of Borrower of whatsoever nature and kind and wheresoever situated, whether the property of Borrower now or in the future (including "goods" (including without limitation "inventory" and "equipment"), "chattel paper," "documents," and "instruments" as those terms are defined in the UCC, commercial tort claims, and notes, insurance claims and proceeds, and fixtures);

(iv) The following marijuana licenses owned by Borrower:

(A) MED Retail Marijuana Store license number 402R-00362;

(B) Associated City of Leadville retail marijuana store license;

and

(vi) the proceeds from any of the foregoing, including, without limitation, proceeds from any insurance insuring the same against risk of loss or non-payment.

(b) Perfection of Security Interest. Holder is authorized to file a UCC-1 Financing Statement to perfect its security interest in the Collateral.

(c) **Representations and Warranties of Borrower Concerning Collateral.** So long as any amount remains outstanding under this Note, Borrower represents and warrants to Holder that the following are true and accurate and shall remain true and accurate while indebtedness remains outstanding under this Note:

(i) Borrower is the owner of the Collateral, free and clear of all claims and encumbrances whatsoever and has full power and authority to pledge the Collateral under this Note.

(ii) The pledge of the Collateral under this Note creates a valid, perfected security interest in the Collateral in favor of Holder.

(d) **Holder Acknowledgment.** Holder acknowledges that Holder's right to the Collateral is subject to all required suitability and application requirements of the MED and the Marijuana Code.

9. **Lender/Borrower Relationship Only.** Holder has no participation, express or implied, in any business operations of Borrower's businesses. The relationship between Borrower and Holder is solely that of lender and borrower. Nothing contained in this Note will be deemed to make Holder and Borrower partners, co-owners, joint venturers, or to have any similar business operations.

10. **Notices.** Any notice to Borrower provided for in this Note shall be in writing and shall be given and be effective upon (a) delivery to Borrower or (b) by mailing such notice by first class U.S. mail, addressed to Borrower at Borrower's address stated below, or to such other address as Borrower may designate by notice to Holder. Any notice to Holder shall be in writing and shall be given and be effective upon (a) delivery to Holder or (b) by mailing such notice by first class U.S. mail, to Holder at the address stated in the first paragraph of this Note, or to such other address as Holder may designate by notice to Borrower.

11. **Remedies.** All rights and remedies of Holder are cumulative. No waiver by Holder of any term or condition of this Note, in any one or more instances, will be effective unless made in writing by a duly authorized representative of Holder. No failure or delay in exercising any right or remedy by Holder will preclude Holder from exercising the same or any other right or remedy. No waiver by Holder will be deemed to be or construed as a waiver of the same or any other term or condition of this Note on any future occasion.

12. **Miscellaneous.**

(a) **Interest Rate "Savings Clause".** Notwithstanding anything to the contrary in this Note, (i) all agreements and communications between Borrower and Holder are hereby and shall automatically be limited so that, after taking into account all amounts deemed interest under this Note, the interest contracted for, charged or received by Holder will never exceed the maximum lawful rate or amount, (ii) in calculating whether any interest exceeds the lawful maximum, all such interest will be amortized, prorated, allocated, and spread over the full amount and term of all principal indebtedness of Borrower to Holder, and (iii) if through any contingency or event, Holder receives or is deemed to receive interest in excess of the lawful maximum, any such excess will be



deemed to have been applied toward payment of the principal of any and all then outstanding indebtedness of Borrower to Holder, or if there is no such indebtedness, will immediately be returned to Borrower.

(b) Governing Law; Consent to Forum. This Note is governed by the laws of the State of Colorado without giving effect to any choice of law rules thereof. Borrower consents to the sole and exclusive jurisdiction of any state court located within the City and County of Denver, Colorado (collectively, the "Chosen Forum"). Borrower waives any objection to jurisdiction and venue of any action instituted against it as provided herein and agrees not to assert any defense based on lack of jurisdiction or venue. Notwithstanding anything to the contrary in this Note, Borrower waives any right of removal to the United States federal courts or to seek any aid or assistance of any kind in the United States federal courts. Borrower shall not assert against Holder (except by way of a defense or counterclaim in a proceeding initiated by Holder) any claim or other assertion of liability relating to any of this Note or Holder's actions or inactions in respect of any of the foregoing in any jurisdiction other than the Chosen Forum. Nothing in this Note will affect Holder's right to bring any action or proceeding relating to this Note against Borrower or its properties or assets in courts of other jurisdictions.

(c) Waiver of Jury Trial; Limitation on Damages. To the fullest extent permitted by law, and as separately bargained-for consideration to Holder, Borrower waives any right to trial by jury (which Holder also waives) in any action, suit, proceeding or counterclaim of any kind arising out of or otherwise relating to any of this Note or Holder's actions or inactions in respect of any of the foregoing. To the fullest extent permitted by law, and as separately bargained-for consideration to Holder, Borrower also waives any right it may have at any time to claim or recover in any litigation or other dispute involving Holder, whether the underlying claim or dispute sounds in contract, tort or otherwise, any special, exemplary, punitive or consequential damages or any damages other than, or in addition to, actual damages. Borrower acknowledges that Holder is relying upon and would not enter into the transactions described in this Note on the terms and conditions set forth herein but for Borrower's waivers and agreements under this Section.

(d) General Waivers by Borrower. Except as otherwise expressly provided for in this Note, Borrower waives (i) presentment, protest, demand for payment, notice of dishonor demand and protest and notice of presentment, default, maturity, release, compromise, settlement, extension or renewal of any or all accounts, contract rights, documents, instruments, chattel paper and guaranties at any time held by Holder on which Borrower may in any way be liable and ratifies and confirms whatever Holder may do in this regard; (ii) any bond or security which might be required by any court prior to allowing Holder to exercise any of Holder's remedies; (iii) the benefit of all valuation, appraisal and exemption laws; and (iv) any and all other notices, demands and consents in connection with the delivery, acceptance, performance, default or enforcement of this Note. Borrower also waives any right of setoff, defense, counterclaim, or similar right Borrower may at any time have against Holder as a defense to the payment or performance of Borrower's obligations to Holder under this Note. If Borrower now or hereafter has any claim against Holder giving rise to any such right of setoff or similar right, Borrower may not assert such claim as a defense or right of setoff with respect to Borrower's obligations under this Note,

and to instead assert any such claim, if Borrower so elects to assert such claim, in a separate proceeding against Holder and not as a part of any proceeding or as a defense to any claim initiated by Holder to enforce any of Holder's rights under this Note. Borrower waives the defense of illegality.

(e) **Severability; Section Headings.** Wherever possible, each provision of this Note will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Note is prohibited by or invalid under applicable law, such provision will be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Note. Section headings herein are for convenience only and are not controlling.

(f) **Confidentiality.** This Note is confidential and will not be disclosed to any third party (other than Borrower's and Holder's respective Affiliates, attorneys, accountants, auditors, or other advisors, or governmental authorities) except as required for tax purposes, or as required by law. If Borrower or Holder receives a request for this Note, it shall promptly notify the other party to afford it the opportunity to object or seek a protective order regarding this Note or information contained herein.

(g) **Assignment.** Holder may at any time sell, assign, negotiate, pledge or otherwise hypothecate the Note or any of its rights and security hereunder, and may assign and delegate any or all of its primary supervisory and disbursing functions. In case of such assignment, Borrower shall accord full recognition thereto and hereby agrees that all rights and remedies of Holder in connection with the interest so assigned will be enforceable against Borrower by the assignee thereof. Borrower consents to a sale of participation interests in the Note by Holder to any person or entity of Holder's choosing.

13. **Definitions.** The following terms have the following meanings in this Agreement (capitalized terms defined in this Section 13, or elsewhere in this Agreement, in the singular are to have a corresponding meaning when used in the plural, and vice versa):

(a) **"Business Day"** means a day other than Saturday, Sunday, or any day on which banks located in the State of Colorado are authorized or obligated to close.

(b) **"Marijuana Code"** means the Colorado Marijuana Code §§ 44-10-101, et seq., as amended from time to time, and any applicable promulgated regulations and applicable local laws.

(c) **"MED"** means the Marijuana Enforcement Division of the Colorado Department of Revenue or the "state licensing authority" as that term is defined in the Marijuana Code, as the case may be.

(d) **"UCC"** means the Uniform Commercial Code of Colorado, §§ 4-1-101, et seq., C.R.S., as in effect from time to time.

**BORROWER**

**SUN THEORY SPV I, LLC**

By: \_\_\_\_\_  
Connor Oman, Manager

**ACKNOWLEDGED**

**RFSCLV, LLC**

By: \_\_\_\_\_  
Name:  
Title:



## ASSIGNMENT AND ASSUMPTION OF LEASE

THIS ASSIGNMENT AND ASSUMPTION OF LEASE (the "Assignment") is made and entered into on March 16 2023, by and between RFSCLV, LLC, a Colorado limited liability company ("Assignor"), and ST Leadville, LLC, a Colorado limited liability company ("Assignee"). Assignor and Assignee are referred to individually as a "Party" and collectively as the "Parties."

### RECITALS

A. Assignor leases certain commercial space located at 145 Front St, Leadville, Colorado 80461 (the "Premises") pursuant to the certain Commercial Lease Agreement dated September 20, 2021, between RFSCLV, LLC ("Landlord") and Assignor (the "Lease"). Any capitalized terms not defined herein have the meanings given to such terms in the Lease.

B. The Parties have entered into that certain Asset Purchase Agreement and that certain Master Acquisition Agreement, both dated December 16 2022 (collectively, the "APA"), through which Assignor will sell, and Assignee will purchase, Assignor's licensed marijuana business located at the Premises (the "Business").

C. As provided in the APA, the Parties will submit change of ownership applications to the Colorado Marijuana Enforcement Division and the City of Leadville, Colorado (the "Governmental Authorities") for a change of ownership of the Business (the "Change of Ownership").

D. As a condition to closing in the APA, Assignor must assign its interest in the Lease to Assignee.

NOW THEREFORE, the Parties agree as follows:

1. Assignment and Delivery of the Premises. Assignor hereby assigns to Assignee all of its right, title and interest in and to the Lease including any and all security deposits, prepaids and other rights or entitlements of Assignor under the Lease, subject to all of the terms, covenants, conditions and provisions of the Lease. Notwithstanding anything herein to the contrary, such assignment will be effective upon the Closing, as that term is defined in the APA (the "Effective Date").

2. Assumption and Acceptance of the Premises. Assignee hereby assumes and agrees to perform each and every obligation of Assignor under the Lease arising on and after the Effective Date. On the Effective Date, Assignor will be released from its obligations under the Lease.

3. Assignor's Representations and Warranties. Assignor represents and warrants to Assignee that (a) the Lease is in full force and effect and unmodified; (b) Assignor has full and lawful authority to assign its interest in the Lease; and (c) there is no default by Landlord or Assignor under the Lease, or any circumstances which by lapse of time or after notice would be a default under the Lease.

4. Counterparts. This Assignment may be executed in any number of counterparts, provided each of the Parties executes at least one counterpart; each such counterpart hereof will be deemed to be an original instrument, but all such counterparts together shall constitute but one agreement.

5. Ratification. This Assignment is governed by and subject to the provisions of the Lease. Except as expressly modified herein, all of the other terms and conditions of the Lease will remain in full force and effect.

6. Governing Law. This Assignment is governed by and construed and enforced in accordance with the laws of the State of Colorado, without giving effect to any conflict or choice of law provision that would result in imposition of another state's Law. THE PARTIES ACKNOWLEDGE THAT (A) COLORADO HAS PASSED AMENDMENTS TO THE



COLORADO CONSTITUTION AND ENACTED CERTAIN LEGISLATION TO GOVERN THE MARIJUANA INDUSTRY AND (B) THE POSSESSION, SALE, MANUFACTURE, AND CULTIVATION OF MARIJUANA IS ILLEGAL UNDER FEDERAL LAW. THE PARTIES WAIVE ANY DEFENSES BASED UPON INVALIDITY OF CONTRACTS FOR PUBLIC POLICY REASONS AND/OR THE SUBSTANCE OF THE CONTRACT VIOLATING FEDERAL LAW.

7. Entire Agreement. This Assignment embodies the entire agreement between the Parties and their affiliates with respect to the subject matter herein, and it supersedes any prior agreements between the Parties and their affiliates, with respect to the subject matter herein, whether written or oral. This Assignment may be modified only by a written instrument duly executed by the Parties.

8. Binding Effect. The terms and provisions of this Assignment will inure to the benefit of, and will be binding upon, the successors, assigns, personal representatives, heirs, devisees, and legatees of each Party hereto.

9. Governmental Approval. If a Governmental Authority denies the Change of Ownership for any reason, or the APA is terminated for any reason, this Assignment will be void and of no force and effect.

*[Remainder of Page Intentionally Left Blank; Signature Page Follows]*

IN WITNESS WHEREOF, the Parties have caused this Assignment to be executed as of the date first written above.

**ASSIGNOR**  
RFSCLV, LLC

By:   
Name: Robert Holmes  
Title: Manager

**ASSIGNEE**  
ST Leadville, LLC

By:   
Name: Connor Oman  
Title: Authorized Signatory

**ACKNOWLEDGED AND CONSENTED TO BY:**

**LANDLORD**  
RFSCLV, LLC

By:   
Name: Robert Holmes

3  
Title: Manager

## LEASE

This lease, made and entered into this 23 day of November 2020, is by and between Wendelin Associates ("Landlord") and RFSCA, LLC, a Colorado limited liability company ("Tenant").

### WITNESETH

#### ARTICLE I Leased Premises

The Landlord hereby leases to the Tenant, and Tenant hereby rents from Landlord, the "Leased Premises" described in Section 1 of the Lease: Summary of Business Terms attached hereto as Exhibit A and made a part hereof by this reference.

#### ARTICLE II Term

The term of this Lease is stated in Section 2 of the Lease: Summary of Business Terms.

#### ARTICLE III Rent

The Tenant agrees to pay the Landlord a fixed minimum annual rent for each Lease Year during the term of the Lease. This rent is specified in Section 3 of Exhibit A to the Lease: Summary of Business Terms. All rents in this Lease are due by the first day of each month without prior demand.

#### ARTICLE IV Penalties for Late Payment of Rent & Delivery of Bad Checks

1. If the Tenant fails to pay a monthly rental installment by midnight of the 5<sup>th</sup> day of the month in which it is due, Tenant must add the sum of \$100.00 to that installment of rent if it is paid on the 6<sup>th</sup> day of the month, and the further sum of \$20.00 for each day after the 6<sup>th</sup> up to and including the day of which such installment is actually paid. Such amounts shall be deemed additional rent hereunder, and Tenant's failure to pay the same at the time the base monthly rent is paid shall mean that Tenant is still in default in the payment of the rent for that month. Anything herein to the contrary notwithstanding, Landlord will waive the penalty provisions for the first default period as long as said default period does not exceed twenty (20) days.



2. If the Tenant makes a monthly rental payment with a bad check, i.e. a check which does not clear the bank on which it is drawn the first time it is submitted, (a) the rental for that month shall continue to be deemed unpaid until Tenant delivers to Landlord the amount of such rental (together with any additional rental which may have accrued), in the form of cash, a cashier's check or certified funds, and (b) thereafter, and throughout the remainder of the term of this Lease, a personal check shall be unacceptable method of paying rent hereunder and Landlord shall not be required to accept such form of payment, and all of the Tenant's rental payments must be in the form of cash, a cashier's check or certified funds.

ARTICLE V  
Common Areas & Utilities

1. "Common Areas" are all of the following within or appurtenant to the Building: sidewalks, planting areas, any retaining walls and stairways, trash receptacle areas, interior and exterior mall areas and lighting facilities and any other areas provided for the general use of the Tenants of the Building and their employees, guests, and customers. All Common Areas are under the Landlord's sole management and control, and the Landlord shall be responsible for maintaining and repairing such areas and keeping the same in a clean and presentable manner; provided, that any damages to a Common Area caused by Tenant, or Tenant's employees guests and/or customers, or any debris placed in a Common Area by Tenant, or Tenant's employees, guests and/or customers, shall be repaired at Tenant's expense. The Landlord shall have the right to change the dimensions or arrangements of the Common Areas in its sole discretion, and to make and enforce such reasonable rules and regulations as may be necessary to maintain them properly. Unless otherwise stated in this Lease, the Tenant shall have no right or interest in the Common Areas. All costs and expenses incurred by Landlord in the performance of the foregoing responsibilities shall be deemed Common Area Expenses.
2. Landlord shall provide all water, sewer, gas, electricity and garbage collection services to the Building. All such charges for same shall be deemed Utility Expenses.
3. For each Lease Year, the Tenant shall pay to the Landlord the Tenant's fractional share of the Landlord's Common Area and Utility Expenses described in Paragraphs 1 & 2 above, which share shall be payable in equal monthly installments due on the same day as the monthly rental payments are due. This monthly share shall never be less than the sum specified in Section 4 of the Lease: Summary of Business Terms. As promptly as possible following the end of each Lease Year, Landlord shall compute his total Common Area Expenses for the Building and his total Utility Expenses for the Building for the Lease year just ended, and shall send to Tenant a copy of such computation together with a statement of any deficiency in the total share paid by Tenant during such Lease

Year and of any increase in Tenant's future fractional share which may be necessitated by said computation. In case of a deficiency for the preceding year, Tenant shall reimburse Landlord the full amount of the deficiency within thirty days from the date of mailing of the subject statement by Landlord. In case of an increase in Tenant's fractional, Tenant shall commence paying such increased share on the day the next monthly rental is due hereunder.

4. With regard to all utilities, it is mutually agreed that Landlord shall not be liable in damages or otherwise for any interruption or failure thereof when such interruption or failure is not due to the negligence of Landlord.
5. Tenant further agrees that Tenant will not install any equipment which will exceed or overload the capacity of any utility facilities, and that if any equipment installed by Tenant shall require additional utility facilities, they shall be installed and maintained at Tenant's expense in accordance with plans and specifications which have received prior written approval of the Landlord.
6. All sums payable by Tenant to Landlord under this Article V shall be considered additional monthly rental obligations for all purposes of this Lease.

#### ARTICLE VI General Property Taxes

For each Lease Year, the Tenant shall pay to the Landlord the Tenant's fractional share of the Landlord's general property taxes (as hereinafter defined), which share shall be payable in equal monthly installments due on the same day the monthly rental payments are due. This monthly share shall never be less than the sum specified in Section 5 of the Lease: Summary of Business Terms. The term "general property taxes" as used herein shall mean governmental or quasi-governmental and valor taxes, assessments, levies, and charges, general or special, upon the Building and the land occupied by the Building. Whether or not the Landlord actually takes advantage of any provision for paying a special assessment in installments, he shall be considered to have done so, so that the "general property taxes" will include only current annual installments of taxes and assessments. As promptly as possible following receipt by Landlord of his tax and assessment notice on the subject property for the preceding year, a copy of the same shall be sent to the Tenant, together with a statement of any deficiency in the total share paid by Tenant during the preceding Lease year and of any increase in Tenant's future fractional share which may be necessitated by said tax notice. In case of a deficiency for the preceding year, Tenant shall reimburse Landlord the full amount of the deficiency within thirty days from the date of mailing of the subject statement by Landlord. In case of an increase in Tenant's fractional share, Tenant shall commence paying such increased share on the day the next monthly rental is due hereunder. All sums payable by Tenant to Landlord under this Article VI shall be considered additional monthly rental obligations for all purposes of this Lease.

ARTICLE VII  
Fire Casualty & General  
Public Liability Insurance

1. The Landlord shall insure the Building against fire, normal extended coverage perils, vandalism and malicious mischief. Such insurance shall provide protection to the extent of at least 90% of the insurance replacement cost of the Building. The Landlord shall also provide general public liability insurance coverage for the Building and the Building Common areas.
2. For each Lease Year, the Tenant shall pay to the Landlord the Tenant's fractional share of the premiums for the above described insurance coverage, which share shall be payable in equal monthly installments due on the same day as the monthly rental payments are due. This monthly share shall never be less and the sum specified in Section 6 of the Lease: Summary of Business Terms. As promptly as possible following receipt by Landlord of his annual insurance premium notice of the Building, a copy of the same shall be sent to the Tenant together with a statement of any increase in Tenant's future fractional share which may be necessitated by said premium notice. In case of an increase in Tenant's fractional share, Tenant shall commence paying such increased share on the day the next monthly rental payment is due hereunder. All sums payable by Tenant to Landlord under this Article VII shall be considered additional monthly rental obligations for all purposes of this Lease.
3. Throughout the term of this Lease, the Tenant shall carry and maintain in effect insurance covering his trade fixture, equipment, furnishings, leasehold improvements and plate glass, which insurance shall protect against fire, normal extended coverage perils, vandalism, malicious mischief. Such insurance shall provide coverage to the extent of at least 90% of the insurable replacement cost of the insured property.
4. Both the Landlord and the Tenant waive any right of subrogation which their respective insurers may acquire against either of them. Both of these waivers shall automatically terminate as such time as either party's insurer requires that an additional premium be paid as a consequence of this waiver provision.

ARTICLE VIII  
Landlord's Right to Subordinate  
Lease of Condominium Improvements

This Lease may, at Landlord's option, be subject and subordinate to the lien of any trust deed or deeds, mortgages, or liens resulting from any other method of financing or refinancing here before or hereafter placed upon the Leased Premises, and to all other



amounts advanced there under or consolidations and extensions thereof provided, however, that in the event of any foreclosure or other suit, sale or proceeding there under, Tenant, if not then in default hereunder will not be made a party to any such suit or proceeding, and the same shall not affect the rights of the Tenant under this Lease. Tenant agrees to execute such instruments as may reasonably be requested by any beneficiary or mortgage to evidence and make a record of the fact that this Lease is to be inferior to any such deed or trust or mortgage, as well as any personal financial statements which may be required from time to time by any such beneficiary or mortgage. Landlord reserves the right, without the consent of the Tenant, to execute and record such declarations, restrictive covenants, maps or other documents for the purpose of subdividing the subject property into condominium units and common elements pursuant of the Colorado Condominium Ownership Act, provided, that if any portion of the Leased Premises shall be included in a condominium unit, the Landlord's right as declarant and owner thereof shall be subject and subordinate to the possessor and other rights of the Tenant to the Leased Premises under this Lease.

#### ARTICLE IX Tenant Agrees

1. To pay rent promptly in advance as herein provided, to the address of Landlord shown above or as hereafter designated in writing by Landlord.
2. Tenant acknowledges and agrees that it is currently in possession of the Leased Premises through an assignment of a previous lease, and that Tenant has carefully examined the same, is familiar with the condition thereof, and relying solely on such examination accepts them in their condition at this time. Tenant shall at all times maintain the premises in good condition and state of repair and shall, at the Tenant's own cost and expense, make all necessary repairs thereto, including periodic painting and decorating and at the end or other expiration of the term thereof, shall deliver up the Leased Premises in as good condition and order as at the commencement of possession, wear and tear from reasonable use thereof and damage by the elements not resulting from the neglect or fault of the Tenant excepted.
3. To remain open for business, to operate the business actively and continuously throughout the term of the Lease, and to conduct such operation in a reputable manner, employing an adequate staff and carrying a complete stock of merchandise.
4. To permit no concessionaire or licensee to operate on the Leased Premises without the Landlord's prior written consent.
5. To permit no pets to be kept on the premises, to allow no person to remain overnight on the premises, and to prevent any disorderly conduct, noise or nuisance whatever on or about the premises.

6. To use the Leased Premises only for the purpose stated in Section 8 of the Lease: Summary of Business Terms, and for no other purpose without the Landlord's prior written consent, and not to use such premises or let be used for any purpose contrary to applicable law, ordinance or regulation.
7. To prevent overloading or abuse of floors, walls or structure, to permit neither the storage nor the use on the premises of any gaseous, explosive, or highly flammable material, and to prevent any use of the premises which would render the insurance void or the insurance risk more hazardous. In case of a breach of this covenant, and in addition to all other remedies of Landlord for the breach by Tenant of any of the conditions of covenants of this Lease, Tenant agrees to pay to Landlord as additional rent any and all increases of premiums on insurance carried by Landlord on the Leased Premises or on the Building caused in any way by Tenant's use of the subject premises.
8. To permit Landlord to advertise the premises for rent at a reasonable time before the Lease expires or the tenancy otherwise terminates. Signs or other devices for said purpose may be placed in or about the premises not sooner than 90 days prior to the expiration of the Lease. In addition, to permit the Landlord to show the premises to prospective tenants during said 90-day period.
9. To abide by the reasonable rules and regulations which may be established by the Landlord from time to time with respect to the Common Areas.
10. To give Landlord immediate written notice of any accident, fire or damage occurring within or to the Leased Premises.
11. Not to remove, attempt to remove or manifest an intention to remove Tenant's goods or property from or out of the Leases Premises otherwise than in the ordinary and usual course of business, without having first paid to Landlord any and all rental and other monetary obligations which may become due during the entire term of the Lease.
12. To maintain Workmen's Compensation insurance as required by law.

ARTICLE X  
Additions & Alterations

Tenant shall not make or permit to be made any alterations, additions or changes to the Leased Premises without the Landlord's prior written consent, which consent

shall not be unreasonably withheld. Tenant shall submit all plans and specifications for any proposed alterations, additions or changes to Landlord for approval. Each page of such plans and specifications shall be initialed as and when approved by Landlord, and Landlord shall indicate thereon each and every item which it may

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require Tenant to change, modify or remove at the termination of this Lease, and Tenant shall provide Landlord with a copy of all such approved plans and specifications for its retention. All work with respect to permitted alterations, additions and changes shall be done at Tenant's sole expense in a good and workmanlike manner, and shall be made strictly in accordance with all ordinance and regulations relating thereto.

Upon any termination of this Lease all or any part of such alterations, additions or changes may be considered as improvements which shall not be removable by Tenant, but shall become a part of the Leased Premises, and in such event, Tenant shall not have the right to removed the same. Upon termination of this Lease other than by default of Tenant, Tenant may remove drapes, movable furniture and decorative items of Tenant that are not attached. The provisions of this Article are subject to and subordinate to the provisions of Article XXXIV.

#### ARTICLE XI Landlord Agrees

To deliver to the Tenant the Leased Premises with all sewer and drain connections and lines, plumbing and electrical wiring in good working order and repair. Landlord shall be responsible for and keep those items, the structural members of the Building, the heating plant and the roof in good repair, except where such repairs are necessitated by the act, negligence or omission of Tenant or his employees, agents, guests, or contractors, in which case such repairs shall be promptly made by Tenant at Tenant's sole expense. Provided, however, that Tenant agrees to pay to Landlord the Tenant's fractional share of all of the foregoing costs periodically incurred by Landlord pertaining to the repair and maintenance of the Building utility systems and those external aspects of the Building itself which do not involve the structural integrity thereof (i.e. the foundations, walls, beams, and columns, which share shall be payable in full within 30 days from the date Landlord mails to Tenant a copy of the repair or maintenance bill, together with a statement of Tenant's fractional share thereof.

It is expressly understood and agreed that Landlord shall have no obligation to repair or replace interior walls or additions or alterations made to the premises by the Tenant, or to remedy problems caused by any such additions or alterations except where such repair or replacement is caused by Landlord's negligence or willful acts. It is further understood and agreed that all other obligations of maintenance and repair shall be the Tenant's as hereinbefore provided, including, but not by way of limitation, the replacement of all glass, both interior and exterior, broken or otherwise damaged during the term hereof.



ARTICLE XII  
Assignment & Subleasing

The Tenant shall not sublet, encumber, pledge or use as collateral in any fashion this Lease nor any portion of the Leased Premises without the prior written consent of Landlord. ~~If the Tenant sells more than 50% of the business, the Tenant may assign this Lease without written consent of the Landlord if the assignee or its guarantor has a net worth in excess of \$2,000,000.~~ All other Tenant assignments must receive written approval from the Landlord, such approval not to be unreasonably withheld. Any assignment, sublet, encumbrance, pledge or use as collateral made or given in violation thereof shall be null and void and without force or effect and shall be deemed a breach of this entire Lease. If any consents are given under this Article by Landlord, Tenant hereby agrees to pay the Landlord at the time Landlord executes its written consent a flat fee of \$1000.00 to cover all principals' time and attorneys' fees involved in reviewing the feasibility of the requested assignment, etc., and in preparing the documentation pertaining thereto.

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ARTICLE XIII  
Liability Insurance

The Tenant at his own cost and expense shall provide and keep in full force for the benefit of the Tenant and the Landlord (as names or additional insured) during the term hereof or any extension or renewal period, general public liability insurance, insuring against any and all liability, or claims of liability arising out of, occasioned by or resulting from an accident or otherwise in or about the Leased Premises, for injuries to any person or persons for limits of not less than \$1,000,000 for injuries for one person and \$500,000 for injuries to more than one person, in any one accident or occurrence and for loss or damage to the property of any person or persons, for not less than \$300,000. The policy or policies of insurance (or certificate of insurance therefore), shall be issued by a company or companies authorized to do business in this State and copies thereof shall be delivered to the Landlord together with evidence of the payment of the premiums therefore, prior to the commencement of the term hereof or the date when the Tenant shall enter into possession, whichever occurs later. The Tenant also agrees to and shall save, hold and keep harmless and indemnify the Landlord, from and against any and all payments, expenses, costs, attorneys' fees and from and against any and all claims and liability for losses or damage to property or

injuries to persons occasioned wholly or in part by or resulting from any acts or omissions by the Tenant or the Tenant's agents, employees, guests, licensees, invitees, subtenants, assignees or successors, or for any cause or reason whatsoever arising out of or by reason of the occupancy by the Tenant and the conduct of the Tenant's business.

ARTICLE XIV  
Holding Over

MAO

If the Tenant shall, with the knowledge and consent of the Landlord, continue to occupy the Leased Premises after the expiration of the term of this Lease, the Tenant shall become for such extension period a Tenant from month-to-month on the same terms as herein stipulated for the last month of the term.

ARTICLE XV  
Construction by Landlord

Tenant understands that Landlord may wish to increase the square footage of the Building at some point during the term of this Lease, and agrees to cooperate with Landlord to whatever extent may be necessary to make such improvements possible, provided that Landlord shall have the right to interrupt Tenant's business for the maximum period of six consecutive months except where a longer period is required by forces beyond Landlord's control. Said six month period shall occur only in the spring of the year and shall be deemed to commence on the day construction begins, but in no event later than thirty days after the closing of the ski lifts on Ajax Mountain, weather and snow conditions permitting. The Landlord shall give the Tenant notice of such pending interruption at least 45 days before construction begins. In the event any construction by Landlord under the provision of this Article shall materially interrupt the Tenant's business, Tenant's rent shall be abated for that period of time, provided that no interruption shall be considered to materially interrupt Tenant's business where in fact the Tenant does not close for business. Any period of time that Tenant is actually closed for business pursuant to the foregoing provisions shall be deemed automatically tacked on to the end of the regular term of this lease, at the same rental as was being paid by Tenant for the last regular month hereunder.

ARTICLE XVI  
Landlord's Lien

The parties hereto understand and agree that in order to secure payment of all sums becoming due at any time to Landlord hereunder and to secure the proper performance and fulfillment by Tenant of the Tenant's agreements herein, Landlord hereby has a security interest in and first lien upon all of the personal property and fixtures which Tenant shall hereafter place or permit to be placed in, upon or about the Leased Premises. Tenant hereby agrees to give and does give Landlord a security interest in the subject personal property and fixtures and agrees to execute upon receipt of written request therefore from Landlord at any time during the term hereof, a financial statement evidencing said security interest to be filed with the Secretary of State of the State of Colorado. In the event of default by Tenant under this Lease, the Landlord shall have a right to all of the subject personal property and fixtures as if Landlord were a creditor under the Colorado Uniform Commercial Code. In addition, in the event of default by Tenant under this Lease, the Tenant hereby authorized the Landlord to enter upon the subject premises and to remove and to sell the personal property and fixtures which are the subject of this lien. This action shall not be deemed a breach of the peace. Tenant agrees to pay the reasonable attorneys' fees

incurred by the Landlord in the event the Landlord must foreclose upon the security interest and first lien granted by Tenant herein.

ARTICLE XVII  
Mechanic's Liens

1. Tenant shall not permit any mechanic's materials men's or other lien to stand against the Leased Premises or the Building for work or materials furnished to the Tenant; provided, that Tenant shall have the right to contest the validity of any lien or claim provided Tenant shall first have posted a bond to insure that upon final determination of the validity of such lien or claim, the Tenant shall immediately pay any judgment rendered against it with all proper costs and charges, and shall have such lien released without cost to the Landlord.
2. If Tenant shall be in default in paying any charge for which a mechanic's lien, claim or suit to foreclose a lien has been recorded or filed, and shall not have given Landlord security as aforesaid, Landlord may (but without being required to do so) pay said lien or claim and any costs, and the amounts so paid, together with reasonable attorney's fees incurred in connection therewith, shall be immediately due and owing from Tenant to Landlord with interest at the rate of 12% per annum from the dates of Landlord's payments.
3. Should any claim or lien be filed or recorded against the Leased Premises or Building or any action affecting the title thereto be commenced, Tenant shall give Landlord written notice thereof no later than 5 days after Tenant acquires knowledge thereof.
4. Landlord shall have the right to go upon and inspect the Leased Premises at all reasonable times, and shall have the right to post and keep posted thereon notices such as those provided for by Section 38-22-105 (2), 1973 C.R.S., or which landlord may deem to be proper for the protection of Landlord's interest in the Leased Premises against statutory liens for labor and materials.
5. Landlord shall have the unqualified right to demand lien waivers for all contractors, subcontractors and material men working on or delivering materials to the Leased Premises.

ARTICLE XVIII  
Damage to Leased Premises

1. If the Leased Premises shall be so damaged by fire or other catastrophe (which is not caused by the fault or negligence of the Tenant or imputable to the Tenant) as to render said Leased Premises wholly untenable, and if such damage shall be so great that it cannot be made fit for occupancy within 90 days from the happening thereof, with the exercise of reasonable diligence, then this Lease shall cease and terminate from the date of the occurrence of



such damage (unless the Tenant exercises Tenant's right to make the same fit for occupancy at Tenant's expense, as provided below) and the Tenant thereupon shall surrender to the Landlord said Premises and all interest therein hereunder, and the Landlord may re-enter and take possession of said premises and remove the Tenant there from. The Tenant shall pay rent, duly apportioned, up to the time of such termination of this Lease. If the Landlord shall have prima facie evidence to the foregoing effect (as hereinafter defined), Landlord shall give notice thereof to the Tenant to elect (a) to agree to termination as aforesaid, or (b) to continue the Lease without regard to the foregoing, in which event the Tenant, at Tenant's expense, shall make the Leased Premises fit for occupancy whether or not the same can be accomplished within the said 90 day period; provided, however, that Tenant fails to give notice to Landlord of Tenant's election to proceed in accordance with election (b) above within 30 days of receipt of Landlord's notice to Tenant to so elect, the Lease shall terminate as provided above. If, however, the damage shall be such that said Leased Premises can be made tenable within 90 days from the happening of such damage by fire or other catastrophe, then the Landlord shall repair the damage so done with all reasonable speed, and the rent shall be abated only for the period during which the Tenant shall be deprived of the use of said Premises by reason of such damage and the repair thereof. It shall be prima facie evidence, as the term is utilized above, of the untenability of the premises and of the inability to make the premises fit for occupancy within 90 days if so certified by a competent architect regularly engaged in such profession in Pitkin County. If said premises, without the fault of the Tenant shall be slightly damaged by fire or other catastrophe, but not so as to render the same untenable for any substantial period of time, the Landlord, after receiving notice in writing of the occurrence of the injury, shall cause the same to be repaired with reasonable promptness; and in such event, rent shall be proportionately abated, according to the loss of use, until the premises are substantially restored. But in no event shall Tenant be entitled to compensation for lost profits.

2. If the Leased Premises are damaged by a casualty which is caused by the fault or negligence of the Tenant or imputable to the Tenant, the repairs and restoration shall be promptly accomplished by the Tenant to restore the Leased Premises to their former condition at the Tenant's expense.

#### ARTICLE XIX

##### Tenant's Indemnification of Landlord

The Tenant shall assume all liability for damages which may arise from any accident which occurs in or about the Leased Premises while this Lease is in force except as otherwise provided by this Lease, Incident to Tenant's use of the Premises. The Tenant agrees to make no claim against the Landlord for or on account of any loss of damage by reason of fire or other casualty (including utility breakage or malfunction) except as anticipated by this Lease or as may be caused by a breach of any of the Landlord's

agreements hereof. The Landlord shall not be liable for damage to personal property in or about the leased property except as aforesaid. The tenant shall save the Landlord harmless from any liability or expense arising from personal injury or property damage to others in or about the Leased Premises while this Lease or any renewal or extension hereof is in force. This indemnification clause shall not be construed to create any right of action or basis of claim on behalf of any third party against either party hereto.

ARTICLE XX  
Covenant of Quiet Enjoyment

So long as the Tenant is not in default hereunder during the base term hereof and any renewal or extension hereof, the Landlord covenants that the Tenant shall peaceably and quietly occupy and enjoy the Leased Premises subject to the terms hereof. The Landlord warrants and agrees to defend the title to the Leased Premises, and further warrants that he has full authority to execute this Lease.

ARTICLE XXI  
Waiver

No assent expressed or implied by the Landlord to any breach of any one or more of the covenants or agreements hereof by the Tenant shall be deemed or construed to be a waiver of any succeeding or other breach. Furthermore, it is hereby covenanted and agreed, any usage or custom to the contrary notwithstanding, that Landlord shall have the right at all times to enforce the covenants and provisions of this Lease in strict accordance with the terms hereof, notwithstanding any conduct or custom on the part of the Landlord in refraining from so doing at any time or times; and further, that the failure of Landlord at any time or times to enforce its rights under said covenants and provisions strictly in accordance with the same shall not be construed as having created a custom in any way or manner contrary to the specific terms, provisions and covenants of this Lease or as having in any way or manner modified the same.

ARTICLE XXII  
Eminent Domain

1. In the event that the Building is taken in whole or part by condemnation proceedings or eminent domain, or in the event that Landlord (and Tenant if necessary) shall convey all or a part of said Leased Premises in avoidance or in settlement of such condemnation proceedings, or threat of condemnation proceedings (either of which is referred to hereinafter as "the taking"), Landlord and Tenant herein agree as follows: If the taking is a part of the Leased Premises, then from the time of taking of physical possession by the condemner or proposed condemner, the then rent payable hereunder shall abate in the ratio that the area of the Leased Premises taken bears to the area of the Leased Premises before such taking; provided, however, that in the event a portion of said Leased Premises in excess of one fifth of the area thereof is taken, or if such taking shall render the

remainder of the Leased Premises unsuitable for the use to which it has been put immediately prior to such taking, then at Tenant's option this Lease shall terminate. Whether condemnation be for a part or the whole of the Leased Premises, the award, sale price or amount received in settlement will be apportioned between Landlord and Tenant as follows:

- (a) First, to the Landlord - all amounts attributable to the value of the land and Building taken, with such land and improvements to be valued as if free and clear of all liens and encumbrances, including this Lease, and as if in the same condition as at the time of execution of this Lease.
- (b) Next, to the Tenant - all amounts attributable to the value of any improvements constructed on the Leased Premises by Tenant.
- (c) Finally, to the Landlord - the balance of the award, if any.

Any person or party claiming by through or under Landlord or Tenant respectively shall share in any award, sales proceeds or settlement only out of the portion thereof allocated to the party by through or under which they claim.

2. In the event of the taking of the whole of the Leased Premises, this Lease shall terminate and all obligations of the parties to each other hereunder shall cease upon the taking of physical possession by the condemner or proposed condemner.
3. In the event of the partial taking or condemning of the Leased Premises, hereinabove mentioned, and if in such event Tenant does not pursuant to his rights hereunder, elect to terminate this Lease, the award made to Tenant for such partial taking or condemnation shall be used for the restoration of first, the Leased Premises and second, the Building to the extent necessary to render the same a complete unit as nearly as possible equal in quality and as existed prior to the taking.

#### ARTICLE XXIII Default

1. The occurrence of any of the following shall constitute an event of default:
  - (a) Delinquency by the Tenant in payment of rent under this Lease for a period of 5 days from the date such rent became due and payable.
  - (b) Delinquency by the Tenant in the performance of or compliance with any of the other obligation or covenants of Tenant contained in this Lease, for a period of 20 days after written notice thereof from Landlord to Tenant. Tenant will have an additional 20 days before an event of default occurs pursuant to this paragraph, as long as Tenant is using its best efforts to cure its event of default.



- (c) Filing by or against the Tenant in any court pursuant to any statute either Of the United States or of any state, of a petition in bankruptcy or insolvency, or for reorganization or for the appointment of a receiver or trustee, if within 90 days after the commencement of any such proceeding involving the Tenant such petition shall not have been dismissed.
2. In the event of default in non-payment of rent as defined in Paragraph 1 (a) above, this Lease shall automatically terminate on the date specified in Landlord's three-day notice for payment of rent or surrender of possession of the premises under Section 13-40-104(d) (1973 C.S.R.), if Tenant fails to pay such rent as demanded in said notice. In the event of a default by Tenant under the provisions of Paragraphs 1(b) and 1 (c) above, this Lease shall automatically terminate on the date specified in Landlord's three-day notice thereof under Section 13-40-104(e) (1973 C.R.S.)
  3. Upon the termination of this Lease pursuant to the preceding subparagraph, the Tenant shall peacefully surrender the leased premises to the Landlord and the Landlord upon or at any time after any such termination may without further notice, re-enter the Leased Premises and repossess it by force, summary proceedings, eviction or otherwise, and may dispossess the Tenant and remove the Tenant and all other persons and property from the Leased Premises and may have hold and enjoy the Leased Premises and the right to receive all rental income there from.
  4. At any time after such termination, the Landlord may re-let the Leased Premises or any part thereof, in the name of the Landlord or otherwise for such term (which may be greater or less than the period which would otherwise have constituted the balance of the term of this Lease) and on such conditions as the Landlord, in Landlord's uncontrolled discretion may determine and may collect and receive the rents there from. The Landlord shall in no way be responsible or liable for any failure to collect any rent due upon such re-letting.
  5. No such termination of this Lease shall relieve the Tenant's liability and obligations under this Lease, and such liability and obligations shall survive any such termination. In the event of any such termination, the Tenant shall pay to the Landlord the rent required to be paid by the Tenant up to the time of such termination, and thereafter the Tenant, until the end of what would have been the term of this Lease in the absence of such termination, shall be liable to the Landlord for and shall pay to the Landlord as and for liquidated and agreed damages for the Tenant's default.
    - (a) The equivalent of the amount of the rent which would be payable under this Lease by the Tenant if the Lease were still in effect, less

(b) The net proceeds of any re-letting effected pursuant to the provisions of the preceding subparagraph, after deducting all of the Landlord's expenses in connection with such re-letting, including without limitation, all repossession costs, principals' time, brokerage commissions, legal expenses, attorneys' fees, alteration costs and expenses of preparation for such re-letting.

6. Tenant shall not be entitled to set off any other obligations that Landlord might have to Tenant against the rent due hereunder.
7. In the event of a default, pursuant to the terms of this Lease, all rental obligations for the full term of this Lease shall be immediately due and payable in full upon said default.
8. Landlord's taking possession of Tenant's premises shall not in any way effect the other contractual obligations of this Lease, including but not limited to, Tenant's obligation to make payment in full of all rent pursuant to the terms of this Lease.

#### ARTICLE XXIV

##### Notice

1. All notices to be given with respect to this Lease shall be in writing. Notices may be sent by email, or by registered or certified mail, postage prepaid and return receipt requested, to the party to be notified at the address set forth herein or at such other address as either party may from time to time designate in writing, or may be posted conspicuously on the Leased Premises.
2. Every notice shall be deemed to have been given at the time it shall be emailed, deposited in the United States mail in the manner prescribed herein, or posted. Nothing contained herein shall be construed to preclude personal service of any notice in the manner prescribed for personal service of a summons or other legal process.

#### ARTICLE XXV

##### Expenses of Default; Attorneys' Fees; Jury Waiver

All expenses, including attorneys' fees, caused by a default of a party hereunder, shall be borne by the defaulting party. Should any legal proceedings become necessary with regard to this Lease, the prevailing party shall be entitled to attorneys' fees and costs as part of any judgment recovered therein, but no attorneys' fee awards shall exceed \$20,000.00. The parties waive any right to a jury trial of any issue.

#### ARTICLE XXVI

##### Right of Landlord to Enter Premises

Landlord or its agents or employees may enter upon the Leased Premises at any reasonable times during the term of this Lease with reasonable notice to Tenant or without such notice if it is deemed necessary by Landlord for protection of the premises or of adjoining areas in the Building. Tenant understands that Landlord may from time to time need to enter the premises to make repairs and changes and in so doing may cause an interruption to Tenant's business. Damages for interruptions that materially interfere with Tenant's business shall be restricted to an abatement of rent for such period, provided however, that no interruption shall be construed to be material unless in fact Tenant closes for business. It is understood by Tenant that abatement of rent shall constitute full damages for the interruption. Landlord shall use its best efforts to cause as little interruption to Tenant's business as is possible under the circumstances.

ARTICLE XXVII  
Remedies Cumulative

All of the remedies hereinbefore given to Landlord and all rights and remedies given to Landlord by law or equity shall be deemed cumulative and concurrent.

ARTICLE XXVIII  
Unenforceable Provisions

If any provision of this Lease shall be declared invalid or unenforceable, the remainder of the Lease shall continue in full force and effect.

ARTICLE XXIX  
Genders

Where necessary to carry out the meaning hereof the singular shall mean the plural, the plural the singular, and any gender apply to all genders.

ARTICLE XXX  
Descriptive Headings

The descriptive headings of this Lease are inserted for convenience in reference only and do not in any way limit or amplify the terms and provisions hereof.

ARTICLE XXXI  
Merger Clause

This Lease and the Lease: Summary of Business Terms attached hereto constitute the total understanding of the parties with respect to the subject matter hereof and no modifications thereof may be made except by a writing signed by both of the parties.



ARTICLE XXXII  
Non-Competition

Intentionally deleted

ARTICLE XXXIII  
Landlord Not Liable for Damages

Landlord shall not be liable to Tenant or to any other person whatsoever for any damage occasioned by falling plaster, electricity, plumbing, gas, water, steam, sprinkler or other pipe and sewage system or by the bursting, running or leaking of any tank, washstand, closet or waste to other pipes in or about the Leased Premises, or the building of which they are a part, nor for any damage occasioned by water being upon or coming through the roof, vent or otherwise for any damage arising from any acts or neglect of co-tenants or other occupants of the building or adjacent property, or the public, nor shall Landlord be liable in damages or otherwise for any failure to furnish, or interruption of service of any water, gas, electricity, heated water, steam and/or chilled water, caused by fire, accident, riot, strike, labor disputes, acts of God or the making of any repairs or improvements or other caused beyond the control of Landlord.

ARTICLE XXXIV  
Surrender of Premises: Treatment of  
Tenant's Alterations at Expiration of Lease

All alterations, additions, improvements, partitions, flooring, carpeting or fixtures, including but not limited to light fixtures, electrical fixtures and plumbing fixtures, which may be made or installed by either of the parties hereto upon the Leased Premises and which in any manner are attached to the floors, walls, windows or ceilings are to be the property of the Landlord upon installation of any part thereof without disturbance or injury at the termination of this Lease, unless Landlord shall elect otherwise. Landlord shall make such election by giving notice in writing to Tenant prior to the expiration or other termination of this Lease, or any renewal or extension thereof. In the event the Landlord shall so elect, such alterations, installations, additions or improvements made by Tenant upon the Leased Premises as the Landlord shall so elect shall be removed by the Tenant and the Tenant shall restore the premises to its original condition at the commencement hereof, normal wear and tear excepted, at its own costs and expense prior to the expiration or termination of the term hereof; or if the Tenant fails to do so, Landlord may do so at the Tenant's expense. Also, at the expiration of the Lease term, Tenant shall remove all of his moveable trade fixtures which shall not be the property of the Landlord under the foregoing provisions of this paragraph. The Tenant's obligations to perform the covenants contained in this Paragraph of this Lease shall survive the expiration or other termination of this Lease.

ARTICLE XXV  
Tap Fee & Utility Assessments

Tenant agrees that it shall be responsible for any increases that Landlord must pay for tap fees and/or utility assessments based upon Tenant's usage of the Leased Premises.

ARTICLE XXXVI  
Financial Statements

The Tenant shall furnish to the Landlord personal financial statements for the three-year period prior to the execution of this Lease.

ARTICLE XXXVII  
Attornment Certificate

Tenant shall execute an estoppel's attornment certificate upon the request of Landlord so long as said certificate accurately reflects the status of Tenant's Lease with Landlord. Failure to execute said certificate shall constitute a default of this Lease.

ARTICLE XXXVIII  
Binding Effect

This Lease and all agreements herein contained shall bind the parties hereto and their heirs, personal representatives, successors and assigns.

This Lease shall not be deemed effective until all parties have executed same.

IN WITNESS WHEREOF, the Landlord and Tenant have executed this Lease on the day and year first above written.

LANDLORD: Wendelin Associates

By:

  
Peter A. Goldstein, Partner

TENANT: RFSCA, LLC

By:

  
Robert Holmes, Manager

PERSONAL GUARANTEE

The undersigned Robert Holmes does hereby unconditionally promise and guarantee the performance of all covenants and agreements contained in the Lease and Lease Summary of Business Terms, including but not limited to the payment of rent, and interest, attorneys' fees and costs in connection with any default under the Lease or in connection with the enforcing of this guarantee. It shall not be necessary for Landlord to proceed first against Tenant for the guarantee to be effective and the undersigned guarantor hereby waives any presentments, demands for performance, notice of nonperformance or nonpayment, protests, notice of protest or notice of dishonor. This guarantee shall inure to the benefit of Landlord, his heirs, personal representatives, successors and assigns, and shall be binding upon the guarantor's heirs, personal representatives, successors and assigns.

By: Robert R Holmes  
Robert Holmes

#### EXHIBIT A

#### LEASE: SUMMARY OF BUSINESS TERMS

THIS LEASE SUMMARY, made and entered in this 23<sup>rd</sup> day of November 2020 by and between Wendelin Associates ("Landlord"), c/o Goldstein Management LLC, whose address is 1173 Pittsford Victor Road, Suite 250, Pittsford, NY 14534, and RFSCA, LLC, a Colorado limited liability company, whose address is 400 East Hyman Avenue, Unit A-101, Aspen, CO 81611, ("Tenant").

#### WITNESSETH:

##### Section 1

**LEASED PREMISES:** In consideration of the mutual covenants and agreements set forth herein and in the full Lease to which this Summary of Business Terms is attached, which Lease is made a part hereof of this reference, Landlord does hereby lease to Tenant and Tenant does hereby rent from Landlord the following described Leased premises: Unit A-101 in the Tom Thumb Building, 400 East Hyman Ave, Aspen, CO 81611 (the "Building"), containing approximately 420 square feet. The fractional share of Tenant's expenses referred to in the Lease is the fraction the numerator of which is 420 and the denominator of which is 9337 which denominator represents the approximate total square feet of net rentable space in the building.

##### Section 2



**TERM:** The initial term of this Lease shall commence on November 15, 2020, and expire on October 31, 2023. Wherever specifically used herein, the term "Lease Year" shall mean each full calendar year during the term hereof, and each portion of a calendar year which may exist at the beginning and/or the end of the term hereof.

**POSSESSION:** Tenant has possession of the premises through the assignment of a previous lease.

### Section 3

- (a) **RENT:** Tenant agrees to pay Landlord during each year during the term of the Lease, at Goldstein Management I.I.C. 1173 Pittsford Victor Road, Suite 250, Pittsford, NY 14534 or at such other place as Landlord may from time to time designate in writing to Tenant, a minimum annual rental for the Leased Premises in equal monthly installments and initial payments of minimum rental shall be based on the following schedule:

PERIOD	MONTHLY	ANNUALLY
11/15/2020 – 11/30/2020	\$1,750.00 + NNN/month	Note: ½ month payment
12/01/2020 – 10/31/2021	\$3,500.00 + NNN/month	\$42,000.00 + NNN/year
11/1/2021 – 10/31/2022	\$3,605.00 + NNN/month	\$43,260.00 + NNN/year
11/1/2022 – 10/31/2023	\$3,713.15 + NNN/month	\$44,557.80 + NNN/year

Said monthly installments, plus estimated NNN expenses, shall be due and payable in advance on the first day of each calendar month, commencing on November 15, 2020.

The term of this lease is for one period of three and half (3.5) years term and shall commence November 15, 2020 and expire October 31, 2023 with the option to renew for an additional five (5) year term. Under same conditions as prior years.

**NOTE:** Building directory and signage will be addressed for tenant.

### Section 4

**COMMON AREA AND UTILITY EXPENSES:** Tenant shall pay Tenant's fractional share of Landlord's expenses of managing, repairing and maintaining the Building Common Areas, as well as such share of Landlord's cost of providing utility and other services to the Building, which share will be no less than \$205.00 per month, all as more fully described in Article V of the Lease.

### Section 5

**TAXES:** Tenant shall pay Tenant's fractional share of Landlord's general property taxes, which share will be no less than \$256.00 per month, all as more fully described in Article VI or the Lease.

Section 6

**INSURANCE:** Tenant shall pay Tenant's fractional share of Landlord's fire, casualty and general public liability insurance premiums, which share will be no less than \$46.00 per month, all as more fully described in Article VII of the Lease.

Section 7

**BUILDING MAINTENANCE EXPENSES:** Tenant shall pay Tenant's fractional share of Landlord's periodic costs of repairing and maintaining the Building utility systems and those external aspects of the Building itself which do not involve the structural integrity thereof, which share shall be no less than \$55.00 per month, all as more fully described in Article XII of the Lease.

Section 8

**BUSINESS USE:** tenant shall use the Lease Premises for the purpose of marijuana related businesses.

Section 9

**SECURITY DEPOSIT:** Tenant has deposited with Landlord as security for the faithful performance by Tenant of all the terms of this Lease, the sum of \$3,000.00. This deposit is to be retained by the Landlord until the end of the term of this Lease. The deposit shall be returned by Landlord in accordance with the provision of Section 38-12-101, et. Seq., (1973 C.R.S.) At no time may the Tenant use or apply this deposit in lieu of rent. Landlord shall not pay Tenant interest on said security deposit and Tenant waives any right to claim or contend that interest is due and owing on said deposit. Tenant shall not receive any interest on said security deposit and waives the right to claim same.

Section 10

**CONTINUED OCCUPANCY:** Tenant shall be fully stocked and staffed and open for business on the Leased Premises continuously according to the following schedule:

DATES	DAYS	HOURS
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These are minimum hours. Tenant further agrees to be open for business such additional hours or days as may be established from time to time by a simple three-fourths vote of the retail tenants in the Building.

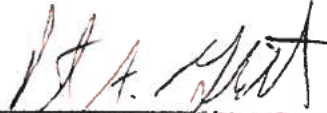
Section 11

**SIGNAGE:** Tenant shall not erect, display, affix or allow any sign, shade, awning, fence, antenna, booth, or any device or structure whatsoever upon or above the exterior of the Leased Premises or upon the Building or the Building Common Elements without, in each instance, first obtaining the written consent of the Landlord, which consent shall not be unreasonably withheld. Tenant shall not make any other alterations in or on the Leased Premises except in accordance with the provision of Article XI of the Lease.

Need to make certain there is working A/C

IN WITNESS WHEREOF, the Landlord and Tenant have executed this Lease:  
Summary of Business Terms on the day and year first above written.

LANDLORD: Wendelin Associates

  
By: Peter A. Goldstein, Partner

TENANT: RFSCA, LLC

  
By: Robert Holmes, Manager and  
Personal Guarantor



## COMMERCIAL LEASE AGREEMENT

This Commercial Lease Agreement (hereinafter "Lease") is entered into this the 20<sup>th</sup> day of September 2021, by and between the Lessor: RFSCLO, LLC, a Colorado limited liability Company and/or assigns, (hereinafter referred to as "Landlord"), and the Lessee: RFSCLV, LLC, a Colorado corporation (hereinafter referred to as "Tenant").

For the valuable consideration described below, the sufficiency of which is hereby acknowledged, Landlord and Tenant do hereby covenant, contract and agree as follows:

1. **GRANT OF LEASE:** Landlord does hereby lease unto Tenant, and Tenant does hereby rent from Landlord, excluding all other uses, that certain property with the address of 145 Front St, Leadville, CO 80461 located in Lake County, Colorado (the "Property").

2. **TERM OF LEASE:** This Lease shall commence on the 20<sup>th</sup> day of September 2021 (the "Effective Date"). The rent to be paid shall be \$3,000 per month, payable upon the terms below recited in within Sections 3 and 4. All obligations herein below on the terms herein below recited shall commence on the Effective Date. The initial term of this lease shall commence September 21, 2021 ("Commencement Date"). The initial term shall expire on September 19<sup>th</sup> 2024 - three (3) years after the Commencement Date. Tenant shall have two (2) additional three (3) options. Tenant shall give written notice of its intent to exercise and option at least ninety (90) days prior to termination of the previous term.

3. **RENT PAYMENTS:** Tenant agrees to pay rent unto the Landlord during the term of this Lease as follows: Rent for the initial term shall be in the total amount of \$36,000, payable in equal monthly installments of \$3,000.00 each. Payment shall be due on the first day of each month and not later than the 5<sup>th</sup> day of each month. Annual cost of living adjustments based on a 3.5% increase shall be revised annually on the day of the initial term year 2 and the first of each year thereafter.

4. **ADDITIONAL PAYMENTS:** In addition to the payment of rent recited, Tenant shall pay for: i) water and electric utility services; ii) all personal property taxes; and iii) all insurance directly associated with its operations.

Rent and all additional payments shall be made payable to: RFSCLO, LLC mailed to the following address: 1375 Red Butte Drive Aspen Co 81611. All notices from Tenant to Landlord under this Lease and applicable Colorado law shall be delivered to the above address. Written notice may also be given via email transmission to the Landlord to the following email address: rholmes@mac.com. All transmission receipts must be retained by the sender in order to constitute sufficient delivery.

If rent and/or additional payments are not paid within five (5) days of when due, Tenant shall be additionally liable to Landlord for \$50 per day for each day following the 5<sup>th</sup> day of such date until such time that rent and/or additional payments are paid in full.

5. **CONSEQUENCES OF BREACH BY TENANT:** If Tenant, by any act or omission, or by the act or omission of any of Tenant's invitees, licensees, and/or guests, violates any of the terms or conditions of this Lease or any other documents made a part hereof by reference or attachment, Tenant shall be considered in breach of this Lease.

In case of such breach, Landlord may deliver a written notice to the Tenant in breach specifying the acts and omissions constituting the breach and that the Lease Agreement will terminate upon a date not less than thirty (30) days after receipt of the notice if the breach is not remedied within a reasonable time not in excess of thirty (30) days; and the Lease Agreement shall terminate and the Tenant shall surrender possession as provided in the notice subject to the following:

If the breach is remediable by repairs, the payment of damages, or otherwise, and the Tenant adequately remedies the breach prior to the date specified in the notice, the Lease Agreement shall not terminate.

If the Lease Agreement is terminated, Landlord shall return all prepaid and unearned rent recoverable by the Tenant.

**6. DELIVERY OF NOTICES:** Any giving of notice under this Lease or applicable Colorado law shall be made by Tenant in writing and delivered to the address noted above for the payment of rent by United States mail. Written notice may also be given via email. All transmission receipts must be retained by the sender in order to constitute sufficient delivery.

Delivery by mail shall be considered complete three (3) days after mailing. Delivery by electronic transmission shall be considered complete on the first business day thereafter providing transmission receipt is retained by the sender.

**7. UTILITIES:** Tenant will pay for water and electric utility services and no others.

**8 NOTICE OF INTENT TO SURRENDER:** Any other provision of this lease to the contrary notwithstanding, at least thirty (30) days prior to the normal expiration of the term of this Lease or any renewal term thereof as noted under the heading TERM OF LEASE above, Tenant shall give written notice to Landlord of Tenant's intention to surrender the Property at the expiration of the Lease term and/or any renewal term thereof. If said written notice is not timely given, the lease shall automatically renew for another like term.

**9. OBLIGATIONS AND DUTIES OF LANDLORD:**

Landlord shall:

(a) Provide Tenant in "as is" condition with all defects and deficits and shall extend no warranties of any kind or nature whether express or implied. Landlord shall pay all property taxes associated with the Property. Landlord shall maintain the Property but shall not be responsible for the maintenance of any improvements upon the Property created by or maintained by Tenant.

**10. OBLIGATIONS AND DUTIES OF TENANT:**

Tenant shall:

(a) Keep the Property as clean and as safe as the condition of the Property permits;

(b) Dispose from the Property all rubbish, garbage, and other waste in a clean and safe manner in compliance with community standards;

(c) Use in a reasonable manner all utilities;

(d) Not destroy, deface, damage, impair or remove any part of the Property or knowingly permit any other person to do so;

(e) Conduct itself, and require other persons on the Property with their consent to conduct themselves in a manner that will not disturb the neighbors' peaceful enjoyment of their Property;

(f) Immediately inform Landlord of any condition of which Tenant has actual knowledge which may cause damage to the Property;

(g) Maintain the Property in substantially the same condition, reasonable wear and tear excepted, and comply with all requirements materially affecting health and safety;

(h) Not engage in any activity not permitted by State law or County regulations upon the leased Property;

(i) Immediately inform Landlord of any damage or disrepair to the Property.

Tenant agrees that any violation of these provisions shall be considered a material breach of this Lease.

**11. CONDITION OF LEASED PROPERTY:** Tenant hereby acknowledges that Tenant has examined the leased Property prior to the signing of this Lease, or knowingly waived said examination. Tenant acknowledges that Tenant has not relied on any representations made by Landlord or Landlord's agents regarding the condition of the leased Property and that Tenant takes Property in its AS-IS condition with no express or implied warranties or representations beyond those contained herein or required by applicable Colorado law. Tenant agrees not to damage the Property through any act or omission, and to be responsible for any damages sustained through the acts or omissions of Tenant, Tenant's invitees, licensees, and/or guests. If such damages are incurred, Tenant is required to pay for any resulting repairs at the same time and in addition to the next rent payment, with consequences for non-payment identical to those for non-payment of rent described herein. At the expiration or termination of the Lease, Tenant shall return the leased Property in as good condition as when taken by Tenant at the commencement of the lease, with only normal wear-and-tear excepted. Tenant shall have the right to remove from the Property Tenant's furnishings placed thereon by Tenant at Tenant's expense, provided, however, that Tenant in effecting removal, shall restore the leased Property to as good, safe, sound, orderly and sightly condition as before the addition of Tenant's furnishings. Failing this, Tenant shall be obligated to pay for repairs as stated above.

**12. ALTERATIONS:** Tenant shall make no alterations, additions, or improvements to the leased Property without first obtaining the consent of Landlord which may be withheld by Landlord at Landlord's sole and absolute discretion. Any of the above-described work shall become part of the Property or, at Landlord's election, removed from the Property at



Tenant's sole expense at the termination of the lease or any renewal terms thereof. In the event Landlord elects to have Tenant remove such work, the Property shall be restored to its original condition. If work of improvement is carried out by independent contractors, said contractors must be approved by Landlord. Tenant shall not contract for work to be done without first placing monies sufficient to satisfy the contract price in an escrow account approved by Landlord. All work shall be done at such times and in such manner as Landlord may designate. If a construction or mechanic's lien is placed on the leased Property as a result of the work, such shall be satisfied (or bonded around in compliance with applicable statutes) by Tenant within ten (10) days thereafter at Tenant's sole expense. Tenant shall be considered in material breach of this Lease upon failure to satisfy said lien (or sufficiently bond around such lien).

**13. NO IMPROPER USE:** Tenant shall not perpetrate, allow, or suffer any acts or omissions contrary to State law or City or County ordinance to be carried on upon the leased Property nor violate or abridge any rule or regulation to which the Property is subject. Upon obtaining actual knowledge of any acts or omissions upon the leased Property in violation of the foregoing provisions, Tenant agrees to immediately inform Landlord. Tenant shall bear responsibility for any and all illegal acts or omissions upon the leased Property and shall be considered in material breach of this Lease upon conviction of Tenant or any of Tenant's, employees, agents, family or invitees, licensees, and/or guests for any illegal act or omission upon the leased Property- whether known or unknown to Tenant.

**14. NOTICE OF INJURIES:** In the event of any significant injury or damage to Tenant, Tenant's invitees, licensees, and/or guests suffered in the leased Property, if any, written notice of same shall be provided by Tenant to Landlord at the address designated for delivery of notices (identical to address for payment of rent) as soon as possible but not later than five (5) days of said injury or damage. Failure to provide such notice shall constitute a material breach of this Lease.

**15. LANDLORD'S RIGHT TO SELL, ASSIGN AND/OR MORTGAGE:** Tenant agrees to accept the Property subject to and subordinate to any existing or future mortgage or other lien, and Landlord reserves the right to subject Property to same. Tenant agrees to, and hereby irrevocably grants Landlord, power of attorney for Tenant for the sole purpose of executing and delivering in the name of the Tenant any document(s) related to the Landlord's right to subject the Property to a mortgage or other lien.

Landlord reserves the right to place the Property for sale at any time during the term of this agreement and/or any renewal term thereof. If Landlord elects to place the Property for sale, Landlord will provide Tenant thirty (30) days prior notice. If an offer to purchase is received, Landlord will give Tenant not less than sixty (60) days prior notice before closing.

Landlord may assign this lease to any entity in which Landlord maintains an interest or to a third-party purchaser. In such event, Tenant shall look solely to the assignee for Landlord's performance under this Agreement and shall, to the fullest extent permissible at law, indemnify and hold Landlord harmless for the same.

**16. LANDLORD'S RIGHT TO TERMINATE LEASE:**

i) **For Breach:** Landlord may terminate this lease agreement at any time for breach by

Tenant of any of Tenant's material obligations hereunder.

ii) **For convenience:** Landlord may, at Landlord's sole and absolute discretion, for any reason, or for no reason whatsoever other than Landlord's convenience, determine not to renew this lease agreement for any renewal term; provided, however, that if Landlord exercises the right to not renew, Landlord shall give Tenant notice of such intent at least thirty (30) days before the expiration of the then-extant lease term.

**17. TENANT'S RIGHT TO TERMINATE LEASE:** In the event Tenant is unable to secure all necessary permits and permissions, as recited in Section 2 hereinabove, and to assure itself of the availability of all necessary water and electric utility services, Tenant may at any time during the Probationary Period, terminate this Lease upon fifteen (15) days prior written notice to the Landlord.

**18. DELAY IN REPAIRS:** Tenant agrees that if any repairs to be made by Landlord, if any, are delayed by reasons beyond Landlord's control, there shall be no effect on the obligations of Tenant under this Lease.

**19. POSSESSION OF PROPERTY:** Tenant shall not be entitled to possession of the Property designated for lease until the first monthly payment is paid in full.

**20. DELAY OF POSSESSION:** Tenant expressly agrees that if by reason of the Property being unready for occupancy or as a result of any other cause whatsoever, Tenant is unable to enter and occupy the Property, Landlord shall not be liable to Tenant in damages, but shall abate the rent for the period in which the Tenant is unable to occupy the Property.

**21. MODIFICATION OF THIS LEASE:** Any modification of this lease shall not be binding upon Landlord unless in writing and signed by Landlord or Landlord's authorized agent. No oral representation shall be effective to modify this Lease. If, as per the terms of this paragraph, any provision of this lease is newly added, modified, or stricken out, the remainder of this Lease shall remain in full force and effect.

**22. REMEDIES NOT EXCLUSIVE:** The remedies and rights contained in and conveyed by this Lease are cumulative, and are not exclusive of other rights, remedies, and benefits allowed by applicable Colorado law.

**23. SEVERABILITY:** If any provision herein, or any portion thereof, is rendered invalid by operation of law, judgment, or court order, the remaining provisions and/or portions of provisions shall remain valid and enforceable and shall be construed to so remain.

**24. NO WAIVER:** The failure of Landlord to insist upon the strict performance of the terms, covenants, and agreements herein shall not be construed as a waiver or relinquishment of Landlord's right thereafter to enforce any such term, covenant, or condition, but the same shall continue in full force and effect. No act or omission of Landlord shall be considered a waiver of any of the terms or conditions of this Lease, nor excuse any conduct contrary to the terms and conditions of this Lease, nor be considered to create a pattern of conduct between the Landlord and Tenant upon which Tenant may rely upon if contrary to the terms and conditions of this Lease.

**25. ATTORNEY FEES:** In the event that Landlord employs an attorney to collect any rents or other charges due hereunder by Tenant or to enforce any of Tenant's covenants herein or to protect the interest of the Landlord hereunder, Tenant agrees to pay all reasonable attorney's fee and all expenses and costs incurred thereby, to the greatest extent allowed by applicable law.

**26. HEIRS AND ASSIGNS:** It is agreed and understood that all covenants of this lease shall succeed to and be binding upon the respective heirs, executors, administrators, successors, and assigns of the parties hereto.

**27. DESTRUCTION OF PROPERTY:** In the event the leased Property shall be destroyed or rendered totally untenable by fire, windstorm, or any other cause beyond the control of Landlord, then this Lease shall cease and terminate as of the date of such destruction, and the rent shall then be accounted for between Landlord and Tenant up to the time of such damage or destruction of said Property is the same as being prorated as of that date. In the event the leased Property are damaged by fire, windstorm, or other cause beyond the control of Landlord so as to render the same partially untenable, but repairable within a reasonable time, then this lease shall remain in force and effect and the Landlord shall, within said reasonable time, restore said Property to substantially the condition the same were in prior to said damage, and there shall be an abatement in rent in proportion to the relationship the damaged portion of the leased Property bears to the whole of said Property. However, if the Property cannot be reasonably rented by Tenant, then the abatement of rent shall be one hundred percent (100%).

**28. EMINENT DOMAIN:** In the event that the leased Property shall be taken by eminent domain, the rent shall be prorated to the date of taking and this Lease shall terminate on that date.

**29. LANDLORD ENTRY AND LIEN:** In addition to the rights provided by applicable Colorado law, Landlord shall have the right to enter the leased Property at all reasonable times for the purpose of inspecting the same and/or showing the same to prospective tenants or purchasers, and to make such reasonable repairs and alterations as may be deemed necessary by Landlord for the preservation of the leased Property or the building and to remove any alterations, additions, fixtures, and any other objects which may be affixed or erected in violation of the terms of this Lease. Landlord shall give reasonable notice of intent to enter Property except in the case of an emergency. Furthermore, Landlord retains a Landlord's Lien on all personal property placed upon the Property to secure the payment of rent and any damages to the leased Property.

**30. GOVERNING LAW:** This Lease is governed by the statutory and case law of the State of Colorado.

**31. ADDITIONAL PROVISIONS:**

**A.** Tenant agrees to hold Landlord harmless and indemnify Landlord in the event of any Tenant breach of this Lease.

**B.** This Lease Agreement may be recorded in the real estate records for Lake County, Colorado but only by Landlord and at Landlord's discretion.



C. In the event legal proceedings are brought to enforce this Lease Agreement, the parties agree that venue is proper in Lake County, State of Colorado.

D. Tenant agrees to keep the Property and all systems thereupon in good working order and Tenant shall pay for any repair or replacement to any such property caused by Tenant's negligence or misuse or by that of Tenant's guests or invitees.

E. Under no circumstances may Tenant withhold any rent payment or portion of rent payment.

F. Landlord's right to enter and inspect the Property, even in the event of an emergency, shall be expressly subject to controlling Colorado law. Furthermore, Landlord's right to lien personal property of the Tenant shall be expressly subject to controlling Colorado law.

WITNESS THE SIGNATURES OF THE PARTIES TO THIS COMMERCIAL LEASE AGREEMENT:

LANDLORD:

RFSCLYO, LLC

Sign: Robert R Holmes  
Robert R. Holmes, Manager

Date: 9/21/21

TENANT:

RFSCLY, LLC

Sign: Robert R Holmes Jr  
Robert R. Holmes Jr., Manager

Date: 9/21/21

**OPERATING AGREEMENT**

**OF**

**ST LEADVILLE, LLC**

**A COLORADO LIMITED LIABILITY COMPANY**

THIS OPERATING AGREEMENT is entered into as of the 16 day of March, 2023, by the Member whose signature appears on the signature page hereof.

**ARTICLE 1.  
DEFINITIONS**

The following terms used in this Operating Agreement have the following meanings (unless otherwise expressly provided herein);

1.1 “Act” means the Colorado Limited Liability Company Act, §§7-80-101 *et seq.*, C.R.S.

1.2 “Articles of Organization” means the Articles of Organization of the Company as filed with the Secretary of State of Colorado, as the same may be amended from time to time.

1.3 “Assignee” means the owner of an Economic Interest who is not a Member.

1.4 “Capital Contribution” means the total amount of cash and the fair market value of any assets contributed (or deemed contributed under Regulation Section 1.704-1(b)(iv)(d) to the Company by a Member, net of liabilities assumed or to which the assets are subject.

1.5 “Code” means the Internal Revenue Code of 1986, as amended from time to time.

1.6 “Company” means ST Leadville, LLC.

1.7 “Distributable Cash” means all cash, revenues and funds received by the Company, less the sum of the following to the extent paid or set aside by the Company: (i) all principal and interest payments on indebtedness of the Company and all other sums paid to lenders; (ii) all cash expenditures incurred incident to the normal operation of the Company’s business; and (iii) such reserves as the Managers deem necessary to the proper operation of the Company’s business.

1.8 “Economic Interest” means an Equity Owner’s share of one or more of the Company’s net profits, net losses and distributions of the Company’s assets pursuant to this Operating Agreement and the Act, but will not include any right to participate in the management or affairs of the Company, including, the right to vote on, consent to or otherwise participate in any decision of the Member or Manager.

1.9 “Equity Owner” means a Member or an Assignee.

1.10 “Manager” means one or more managers. Specifically, “Manager” means Sun Theory SPV II Consulting, LLC or any other Person that succeeds it in that capacity. References to the Manager in the singular or as him, her, it, itself, or other like references are also, where the context so requires, be deemed to include the plural or the masculine or feminine reference, as the case may be.



1.11 “Member” means each of the parties who executes a counterpart of this Operating Agreement as a Member and each of the parties who may hereafter become Members. To the extent a Manager has purchased Membership Interests in the Company, such Manager will have all the rights of a Member with respect to such Membership Interests, and the term “Member” as used herein includes a Manager to the extent such Manager has purchased such Membership Interests in the Company.

1.12 “Membership Interest” means a Member’s entire interest in the Company including such Member’s Economic Interest and such other rights and privileges that the Member may enjoy by being a Member.

1.13 “Operating Agreement” means this Operating Agreement as originally executed and as amended from time to time.

1.14 “Ownership Interest” means:

- a. In the case of a Member, the Member’s Membership Interest; or
- b. In the case of an Assignee, the Assignee’s Economic Interest.

1.15 “Person” means any individual or entity, and the heirs, executors, administrators, legal representatives, successors, and assigns of such “Person” where the context so permits.

1.16 “Regulations” means proposed, temporary and final regulations promulgated under the Code in effect as of the date of filing the Articles of Organization and the corresponding sections of any regulations subsequently issued that amend or supersede such regulations.

## **ARTICLE 2. FORMATION OF COMPANY**

2.1 Formation. The Company was formed on February 20, 2023, in accordance with and pursuant to the Act.

2.2 Name. The name of the Company is ST Leadville, LLC.

2.3 Principal Place of Business. The principal place of business of the Company is 138 1/2 West 1st St., Salida, Colorado 81201. The Company may locate its principal place or places of business at any other place or places as the Manager may from time to time deem advisable.

## **ARTICLE 3.**

3.1 Registered Agent. The Company’s registered agent is Hassan + Cables LLC. The registered agent may be changed from time to time by filing the address of the new registered agent with the Colorado Secretary of State pursuant to the Act.

3.2 Term. The term of the Company is perpetual until dissolved pursuant to Article 11 hereof or pursuant to the Act.

**ARTICLE 4.  
BUSINESS OF COMPANY**

4.1 Permitted Businesses. The business of the Company is to:

a. Accomplish any lawful business whatsoever, or which at any time appears conducive to or expedient for the protection or benefit of the Company and its assets;

b. Exercise all other powers necessary to or reasonably connected with the Company's business which may be legally exercised by limited liability companies under the Act; and

c. Engage in all activities necessary, customary, convenient, or incident to any of the foregoing.

4.2 Marijuana Business Permitted. Notwithstanding anything herein to the contrary, the Company may engage in the sale, manufacture, cultivation, and possession of marijuana and all other directly and indirectly related businesses, notwithstanding that marijuana is illegal under federal law.

**ARTICLE 5.  
NAME AND ADDRESS OF MEMBER**

The name and address of the Member are:

<u>NAME</u>	<u>ADDRESS</u>
Sun Theory SPV II, LLC	138 1/2 West 1st St., Salida, CO 81201, US

**ARTICLE 6.  
RIGHTS AND DUTIES OF MANAGER**

6.1 Management. The business and affairs of the Company are managed by its Manager. Except for situations in which the approval of the Member or by non-waivable provisions of applicable law, the Manager has full and complete authority, power and discretion to manage and control the business, affairs and properties of the Company, to make all decisions regarding those matters and to perform any and all other acts or activities customary or incident to the management of the Company's business.

6.2 Number, Tenure and Qualifications. The Company has one Manager who will hold office until it is removed pursuant to Section 6.9.

**6.3 Certain Powers of Manager.** Without limiting the generality of Section 6.1, and subject to any other limitations contained in this Operating Agreement, the Manager has power and authority, on behalf of the Company to:

- a. Acquire property from any Person as the Managers may determine. The fact that a Manager or an Equity Owner is directly or indirectly affiliated or connected with any such Person will not prohibit the Manager from dealing with that Person;
- b. Borrow money for the Company from banks, other lending institutions or Persons, the Manager, the Member, or affiliates of the Manager or the Member on such terms as the Manager deems appropriate, and in connection therewith, to hypothecate, encumber and grant security interests in the assets of the Company to secure repayment of the borrowed sums;
- c. Purchase liability and other insurance to protect the Company's property and business;
- d. Hold and own any Company real and/or personal properties in the name of the Company;
- e. Invest any Company funds (by way of example but not limitation) in time deposits, short-term governmental obligations, commercial paper or other investments.
- f. Execute on behalf of the Company all instruments and documents, including, without limitation, checks; drafts; notes and other negotiable instruments; mortgages or deeds of trust; security agreements; financing statements; documents providing for the acquisition, mortgage or disposition of the Company's property; assignments; bills of sale; leases; partnership agreements, operating agreements of other limited liability companies; and any other instruments or documents necessary, in the opinion of the Manager, to the business of the Company;
- g. Employ accountants, legal counsel, managing agents or other experts to perform services for the Company and to compensate them from Company funds;
- h. Enter into any and all other agreements on behalf of the Company, with any other Person for any purpose, in such forms as the Manager may approve;
- i. Execute and file such other instruments, documents and certificates which may from time to time be required by applicable laws to effectuate, implement, continue and defend the valid existence of the Company; and
- j. Do and perform all other acts as may be necessary or appropriate to the conduct of the Company's business.



**6.4 Liability for Certain Acts.**

a. The Manager does not, in any way, guarantee the return of the Equity Owners' capital contributions or a profit for them from the operations of the Company.

b. The Manager is not liable to the Company or to any Member for any loss or damage sustained by the Company or any Member (or successor thereto), except to the extent, if any, that the loss or damage is the result of gross negligence, fraud, deceit, or willful misconduct.

**6.5 Manager and Member Have No Exclusive Duty to Company.** The Manager and Member have no exclusive duty to act on behalf of the Company. The Manager and Member may have other business interests and may engage in other activities in addition to those relating to the Company. Neither the Company nor the Manager has any right, by virtue of this Operating Agreement, to share or participate in any other investments or activities of any other Manager or Member. Neither the Manager nor any Equity Owner will incur any liability to the Company or to any of the Equity Owners as a result of engaging in any other business or venture.

**6.6 Bank Accounts.** The Manager may from time to time open bank accounts in the name of the Company, and the Manager will be the sole signatory thereon unless the Manager determines otherwise.

**6.7 Indemnity of the Managers, Employees and Other Agents.**

a. The Company will indemnify the Manager and make advances for expenses to the maximum extent permitted under the Act, except to the extent the claim for which indemnification is sought results from an act or omission for which the Manager may be held liable to the Company or a Member under Section 6.4(b).

b. Expenses (including, but not limited to, legal fees and expenses) incurred by the Manager in defending any claim, demand, action, suit or proceeding subject to subsection (a) above will be paid by the Company in advance of the final disposition of such claim, demand, action, suit or proceeding upon receipt of an undertaking (which need not be secured) by or on behalf of the Manager to repay such amount if it will ultimately be finally determined by a court of competent jurisdiction and not subject to appeal, that the Manager is not entitled to be indemnified by the Company as authorized hereunder.

**6.8 Resignation.** The Manager may resign at any time by giving written notice to the Member. The resignation of any Manager will take effect upon receipt of notice thereof or at such later time as specified in such notice; and, unless otherwise specified therein, the acceptance of such resignation will not be necessary to make it effective. The resignation of a Manager who is also an Equity Owner will not affect the Manager's rights as an Equity Owner.

6.9 **Removal.** The Manager may be removed at any time for gross negligence, fraud, deceit or intentional misconduct which has a material adverse effect on the Company. The removal of a Manager who is also a Member will not affect the Manager's rights as a Member and will not constitute a withdrawal of such Member.

6.10 **Vacancies.** Any vacancy occurring for any reason in the number of Managers will be filled by the affirmative vote of the Member.

6.11 **Compensation, Reimbursement, Organization Expenses.** Unless otherwise agreed to in writing by the Member, no Member will be entitled to compensation from the Company for services rendered to the Company as such. Upon the submission of appropriate documentation each Member will be reimbursed by the Company for reasonable out-of-pocket expenses incurred on behalf, or at the request of, the Company. The Company will pay any costs and expenses (including reasonable legal fees and expenses) incurred as a result of the formation, organization and capitalization of the Company, including the legal fees incurred in connection with drafting this Operating Agreement.

6.12 **Right to Rely on the Manager.** Any Person dealing with the Company may rely (without duty of further inquiry) upon a certificate signed by the Manager as to:

- a. The identity of the Manager or Equity Owner;
- b. The existence or nonexistence of any fact or facts which constitute a condition precedent to acts on behalf of the Company by the Manager or which are in any other manner germane to the affairs of the Company;
- c. The Persons who are authorized to execute and deliver any instrument or document of the Company; or
- d. Any act or failure to act by the Company on any other matter whatsoever involving the Company or any Equity Owner.

## **ARTICLE 7. RIGHTS AND OBLIGATIONS OF EQUITY OWNERS**

7.1 **Limitation of Liability.** Each Equity Owner's liability is limited as set forth in this Operating Agreement, the Act and other applicable law.

7.2 **Company Debt Liability.** An Equity Owner will not be personally liable for any debts or losses of the Company beyond her respective capital contributions and any obligation of the Equity Owner under Sections 9.1 or 9.2 herein to make Capital Contributions, except as otherwise required by law.

**ARTICLE 8.  
MEETINGS OF MEMBER**

The Member has no obligation to conduct annual meetings or to keep minutes thereof.

**ARTICLE 9.  
CONTRIBUTIONS TO THE COMPANY AND CAPITAL ACCOUNTS**

9.1 Members' Capital Contributions. The Member has made and may in the future make contributions to the Company as a capital contribution in accordance with this Article 9.

9.2 Additional Contributions. No Equity Owner is required to make any additional capital contributions. The Member from time to time may make additional capital contributions.

9.3 Capital Accounts.

a. A capital account will be maintained for each Equity Owner. The manner in which capital accounts are to be maintained pursuant to this Section 9.3(a) will comply with the requirements of Section 704(b) of the Code and the Regulations promulgated thereunder.

b. Upon liquidation of the Company, liquidating distributions will be made in accordance with the positive capital account balances of the Equity Owners, as determined after taking into account all capital account adjustments for the Company's taxable year during which the liquidation occurs. Liquidation proceeds will be paid in accordance with Section 11.3.

c. Except as otherwise required in the Act (and subject to Sections 9.1 and 9.2), no Equity Owner will have any liability to restore all or any portion of a deficit balance in such Equity Owner's capital account.

**ARTICLE 10.  
ALLOCATIONS, INCOME TAX, DISTRIBUTIONS,  
ELECTIONS AND REPORTS**

10.1 Allocations of Profits and Losses from Operations. The net profits and net losses of the Company for each fiscal year, if any, will be allocated to the Equity Owners.

10.2 Distributions. Except with respect to distributions made pursuant to Section 9.3(b), all distributions of Distributable Cash will be made to the Equity Owners at such time or times as the Equity Owners determine.

10.3 Accounting Principles. The profits and losses of the Company will be determined in accordance with accounting principles applied on a consistent basis using



the accrual method of accounting or such other method of accounting as the Member determines.

10.4 Interest on and Return of Capital Contributions. No Equity Owner will be entitled to interest on his or her Capital Contribution or to return of any Capital Contribution, except as otherwise specifically provided for herein.

10.5 Loans to Company. Nothing in this Operating Agreement will prevent any Equity Owner from making secured or unsecured loans to the Company by agreement with the Company, subject to the other provisions of this Operating Agreement.

10.6 Accounting Period. The Company's accounting period will be the calendar year.

## **ARTICLE 11. DISSOLUTION AND TERMINATION**

### **11.1 Dissolution.**

a. The Company may be dissolved only by the Member.

b. As soon as possible following the occurrence of the event specified in Section 11.1(a) effecting the dissolution of the Company, the appropriate representative of the Company will execute and file or record all documents required by the Act at the time of dissolution.

11.2 Effect of Dissolution. Upon dissolution, the Company will cease to carry on its business, except insofar as may be necessary for the winding up of its business, but its separate existence will continue until winding up and any distribution is completed.

### **11.3 Winding Up, Liquidation and Distribution of Assets.**

a. Upon dissolution, an accounting will be made by the Manager of the accounts of the Company and of the Company's assets, liabilities and operations. The Manager will immediately proceed to wind up the affairs of the Company.

b. If the Company is dissolved and its affairs are to be wound up, the Manager will:

a. Sell or otherwise liquidate all of the Company's assets as promptly as practicable (except to the extent the Manager may determine to distribute in kind any assets to the Equity Owners).

b. Allocate any profit or loss resulting from such sales to the Equity Owners' capital accounts in accordance with Article 10 hereof.

c. Discharge or make adequate provision for all liabilities of the Company, including liabilities to Equity Owners who are also creditors, to

the extent otherwise permitted by law, other than liabilities to Equity Owners for distributions and the return of capital, and establish such reserves as may be reasonably necessary to provide for contingent liabilities of the Company (for purposes of determining the capital accounts of the Equity Owners, the amounts of such reserves will be deemed to be an expense of the Company).

d. Distribute the remaining assets to the Equity Owners in accordance with their positive capital account balances.

c. If any assets of the Company are to be distributed in kind, the net fair market value of such assets as of the date of dissolution will be determined by independent appraisal or by agreement of the Members. Such assets will be deemed to have been sold as of the date of dissolution for their fair market value, and the capital accounts of the Equity Owners will be adjusted pursuant to the provisions of Article 10 and Section 9.3 of this Operating Agreement to reflect such deemed sale.

d. The positive balance (if any) of each Equity Owner's capital account (as determined after taking into account all capital account adjustments for the Company's taxable year during which the liquidation occurs) will be distributed to the Equity Owners, either in cash or in kind, as determined by the Managers, with any assets distributed in kind being valued for this purpose at their fair market value. Any such distributions to the Equity Owners in respect of their capital accounts will be made in accordance with the time requirements set forth in Section 1.704-1(b)(2)(ii)(b)(2) of the Regulations.

e. Notwithstanding anything to the contrary in this Operating Agreement, upon a liquidation within the meaning of Section 1.704-1(b)(2)(ii)(g) of the Regulations, if any Equity Owner has a negative capital account (after giving effect to all contributions, distributions, allocations and other capital account adjustments for all taxable years, including the year during which such liquidation occurs), such Equity Owner will have no obligation to make any capital contribution, and the negative balance of such Equity Owner's capital account will not be considered a debt owed by such Equity Owner to the Company or to any other Person for any purpose whatsoever.

f. Upon completion of the winding up, liquidation and distribution of the assets, the Company will be deemed terminated.

g. The Manager will comply with any applicable requirements of applicable law pertaining to the winding up of the affairs of the Company and the final distribution of its assets.

**11.4 Filing or Recording Statements.** Upon the conclusion of winding up, the appropriate representative of the Company will execute and file or record all documents required by the Act at the time of completion of winding up.

11.5 Return of Contribution Nonrecourse to Other Equity Owners. Except as provided by law or as expressly provided in this Operating Agreement, upon dissolution, each Equity Owner will look solely to the assets of the Company for the return of his Capital Contribution. If the Company property remaining after the payment or discharge of the debts and liabilities of the Company is insufficient to return the Capital Contribution of one or more Equity Owners, such Equity Owners will have no recourse against any other Equity Owner.

## **ARTICLE 12. MISCELLANEOUS PROVISIONS**

12.1 Notices. Any notice, demand, or communication required or permitted to be given by any provision of this Operating Agreement will be deemed to have been sufficiently given or served for all purposes if delivered personally to the party or to an executive officer of the party to whom the same is directed or, if sent by registered or certified mail, postage and charges prepaid, addressed to the Equity Owner's and/or Company's address, as appropriate, which is set forth in this Operating Agreement. Except as otherwise provided herein, any such notice will be deemed to be given three business days after the date on which the same was deposited in a regularly maintained receptacle for the deposit of United States mail, addressed and sent as aforesaid.

12.2 Amendments. This Operating Agreement may not be amended except by the Member.

12.3 Heirs, Successors and Assigns. Each and all of the covenants, terms, provisions and agreements herein contained will be binding upon and inure to the benefit of the parties hereto and, to the extent permitted by this Operating Agreement, their respective heirs, legal representatives, successors and assigns.

12.4 Creditors. None of the provisions of this Operating Agreement will be for the benefit of or enforceable by any creditors of the Company.

12.5 Governing Law. This Operating Agreement will be governed by the laws of the State of Colorado without regard to its principles regarding conflicts of law.

### **CERTIFICATE**

The undersigned hereby agrees, acknowledges and certifies that the foregoing Operating Agreement constitutes the Operating Agreement of ST Leadville, LLC, adopted by the Member of the Company as of the date first set forth above.

**MEMBER:**  
Sun Theory SPV II, LLC  
By: Sun Theory SPV II Consulting, LLC  
Its: Manager

  
\_\_\_\_\_  
Connor Oman, Manager



## **ASSIGNMENT AND ASSUMPTION AGREEMENT**

This Assignment and Assumption Agreement (the "Agreement") is made this 18<sup>th</sup> day of March, 2023, by and between, on the one hand, Sun Theory SPV I, LLC, a Colorado limited liability company ("Assignor") and, on the other hand, Sun Theory SPV II, LLC, a Colorado limited liability company ("SPV II"), ST Aspen, LLC, a Colorado limited liability company ("ST Aspen"), ST Basalt, LLC, a Colorado limited liability company ("ST Basalt"), ST Eagle Vail, LLC, a Colorado limited liability company ("ST Eagle Vail"), ST Edwards, LLC, a Colorado limited liability company ("ST Edwards"), ST Gunnison, LLC, a Colorado limited liability company ("ST Gunnison"), and ST Leadville, LLC, a Colorado limited liability company ("ST Leadville," and, together with SPV II, ST Aspen, ST Basalt, ST Eagle Vail, ST Edwards, ST Gunnison, and ST Leadville, each, an "Assignee" and together, the "Assignees"). Assignor and each Assignee are referred to in this Agreement as a "Party" and together, as the "Parties."

### **RECITALS**

A. Assignor is a party to the following contracts, all dated December 16, 2022, regarding the acquisition of retail marijuana store businesses operating under the trade name RootsRX and related assets by Assignor:

i. That certain Master Acquisition Agreement by and between, on the one hand, Assignor, and on the other hand, RFSCA, LLC, a Colorado limited liability company ("RFSCA"), RFSCB, LLC, a Colorado limited liability company ("RFSCB"), RFSCEV, LLC, a Colorado limited liability company ("RFSCEV"), RFSCED, LLC, a Colorado limited liability company ("RFSCED"), RFSCG, LLC, a Colorado limited liability company ("RFSCG"), and RFSCLV, LLC, a Colorado limited liability company ("RFSCLV") (the "Master Agreement");

ii. That Certain Asset Purchase Agreement between Assignor and RFSCA (the "RFSCA APA");

iii. That Certain Asset Purchase Agreement between Assignor and RFSCB (the "RFSCB APA");

iv. That Certain Asset Purchase Agreement between Assignor and RFSCEV (the "RFSCEV APA");

v. That Certain Asset Purchase Agreement between Assignor and RFSCED (the "RFSCED APA");

vi. That Certain Asset Purchase Agreement between Assignor and RFSCG (the "RFSCG APA"); and

vii. That Certain Asset Purchase Agreement between Assignor and RFSCLV (the "RFSCLV APA," and, together with the RFSCA APA, RFSCB APA, RFSCEV APA, RFSCED APA, and RFSCG APA, the "APAs");

B. Assignees are each an Affiliate of Assignor as defined in the Master Agreement and the APAs

C. As permitted under Section 9(c) of the Master Agreement, and under Section 10.4 of the APAs, Assignor wishes to assign its rights and obligations under the Master Agreement and the APAs to affiliates of Assignor as set forth herein.

## **TERMS**

The Parties agree as follows:

1. Assignment and Assumption of Master Agreement. Assignor hereby assigns its rights and obligations under the Master Agreement to SPV II. SPV II shall be bound by the Master Agreement and assumes and shall perform all obligations of Assignor under the Master Agreement.

2. Assignment and Assumption of APAs.

a. Assignor hereby assigns its rights and obligations under the RFSCA APA to ST Aspen. ST Aspen shall be bound by the RFSCA APA and shall perform all obligations of Assignor under the RFSCA APA.

b. Assignor hereby assigns its rights and obligations under the RFSCB APA to ST Basalt. ST Basalt shall be bound by the RFSCB APA and assumes and shall perform all obligations of Assignor under the RFSCB APA.

c. Assignor hereby assigns its rights and obligations under the RFSCEV APA to ST Eagle Vail. ST Eagle Vail shall be bound by the RFSCEV APA and assumes and shall perform all obligations of Assignor under the RFSCEV APA.

d. Assignor hereby assigns its rights and obligations under the RFSCED APA to ST Edwards. ST Edwards shall be bound by the RFSCED APA and assumes and shall perform all obligations of Assignor under the RFSCED APA.

e. Assignor hereby assigns its rights and obligations under the RFSCG APA to ST Gunnison. ST Gunnison shall be bound by the RFSCG APA and assumes and shall perform all obligations of Assignor under the RFSCG APA.

f. Assignor hereby assigns its rights and obligations under the RFSCLV APA to ST Leadville. ST Leadville shall be bound by the RFSCLV APA and assumes and shall perform all obligations of Assignor under the RFSCLV APA.

3. Notification to RootsRx. Assignor shall provide notice of this Agreement to RFSCA, RFSCB, RFSCEV, RFSCED, RFSCG, and RFSCLV pursuant to the Master Agreement and the APAs.

[Signatures appear on the following page.]

**SUN THEORY SPV I, LLC**

*Connor Oman*

---

Connor Oman  
Authorized Signatory

**SUN THEORY SPV II, LLC**

*Connor Oman*

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Connor Oman  
Authorized Signatory

**ST ASPEN, LLC**

*Connor Oman*

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Connor Oman  
Authorized Signatory

**ST BASALT, LLC**

*Connor Oman*

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Connor Oman  
Authorized Signatory

**ST EDWARDS, LLC**

*Connor Oman*

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Connor Oman  
Authorized Signatory

**ST EAGLE VAIL, LLC**

*Connor Oman*

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Connor Oman  
Authorized Signatory

**ST GUNNISON, LLC**

*Connor Oman*

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Connor Oman  
Authorized Signatory

**ST LEADVILLE, LLC**

*Connor Oman*

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Connor Oman  
Authorized Signatory





## BUSINESS LICENSE

**CITY OF LEADVILLE**  
800 Harrison Ave, Leadville, CO 80461

IN ACCORDANCE WITH THE PROVISIONS OF THE CITY OF LEADVILLE CODE, THIS LICENSE IS HEREBY GRANTED TO OPERATE THE BUSINESS REFERENCED BELOW.

**LICENSE #:** 746

**DATE ISSUED:** 03/30/2023

**FEE PAID:** \$ 50.00

**EXPIRES:** 12/31/2023

**TYPE OF LICENSE:** Business

**BUSINESS LOCATION:** 145 Front St.  
Leadville CO 80461

**ISSUED TO:** ST Leadville, LLC  
Sun Theory  
138 1/2 W. 1st. St.  
Salida CO 81201

**OWNER:** Connor Oman

Deputy City Clerk

POST IN A CONSPICUOUS PLACE

City of Leadville  
800 Harrison Ave  
Leadville CO 80461

719-486-5329 Treas

Receipt No: 8.002729

Mar 30, 2023

746  
ST Leadville, LLC  
138 1/2 W. 1st. St.  
Salida CO 81201

Business Licenses - Business License Renewals	50.00
<hr/>	
Total:	50.00
<hr/>	
Credit Card	50.00
Payor: ST Leadville, LLC	
Total Applied:	50.00
<hr/>	
Change Tendered:	.00
<hr/>	

Duplicate Copy

07/14/2023 1:59 PM

City of Leadville  
800 Harrison Ave  
Leadville CO 80461

719-486-5329 Treas

Receipt No: 8.002731

May 23, 2023

Sun Theory

Licenses and Permits - Marijuana Transfer of Ownership	1,000.00
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<b>Total:</b>	<b>1,000.00</b>
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Credit Card	1,000.00
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Total Applied:	1,000.00
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Change Tendered:	.00
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Duplicate Copy

07/14/2023 2:39 PM





## AGENDA ITEM #9D

### CITY COUNCIL COMMUNICATION FORM

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MEETING DATE: July 18, 2023

SUBJECT: An Ordinance Amending Section 2.40.030 of the Leadville Municipal Code Concerning the Compensation of the Mayor

PRESENTED BY: Laurie Simonson, City Administrator

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- ORDINANCE  
 RESOLUTION  
 MOTION  
 INFORMATION
- 

I. **REQUEST OR ISSUE:**

Staff requests that council approve Ordinance No. 4, Series of 2023: An Ordinance Amending Section 2.40.030 of the Leadville Municipal Code Concerning the Compensation of the Mayor.

II. **BACKGROUND INFORMATION:**

Pursuant to Colorado Revised Statutes (C.R.S.) § 31-4-109, the mayor shall receive such compensation for his or her services as the City Council, prior to the mayor's election, may fix, and the City Council, at least as early as the last monthly meeting before such regular municipal election, shall fix by ordinance the compensation and fees of members of the City Council, including the compensation of the mayor and councilmembers, for the period for which they will be elected or appointed if any change in said compensation is desirable. Additionally, pursuant to C.R.S. § 31-4-109, the City Council shall neither increase nor diminish the compensation of any councilmember or mayor during his or her term of office.

Currently, pursuant to Leadville Municipal Code section 2.40.030, the mayor's salary is set at \$30,000 annually. The City Council has held multiple discussions within the preceding six months

regarding the amount of the mayor’s salary. The first discussion occurred on May 2, 2023 and the second discussion occurred on June 6, 2023. At the June 6, 2023 discussion, the council directed city staff to prepare an ordinance to increase the mayor’s salary. The amount of the increase is to be determined by the council at the regularly scheduled city council meeting on July 18, 2023. The increase would be effective January 1, 2024.

**III. FISCAL IMPACTS:**

The fiscal impact of this Ordinance is the increase in salary that the council decides is appropriate.

**IV. LEGAL ISSUES:**

N/A.

**VI. STAFF RECOMMENDATION:**

Staff recommends that the council approve Ordinance No. 4, Series of 2023: An Ordinance Amending Section 2.40.030 of the Leadville Municipal Code Concerning the Compensation of the Mayor.

**VII. COUNCIL OPTIONS:**

1. Approve the Ordinance.
2. Deny the Ordinance.
3. Table consideration of the Ordinance and provide direction to staff.

**VIII. PROPOSED MOTION:**

“I move to approve Ordinance No. 4, Series of 2023: An Ordinance Amending Section 2.40.030 of the Leadville Municipal Code Concerning the Compensation of the Mayor.”

**IX. ATTACHMENTS:**

1. Ordinance No. 4, Series of 2023: An Ordinance Amending Section 2.40.030 of the Leadville Municipal Code Concerning the Compensation of the Mayor.

**CITY OF LEADVILLE, COLORADO  
ORDINANCE NO. 4  
SERIES OF 2023**

**AN ORDINANCE AMENDING SECTION 2.40.030 OF THE LEADVILLE MUNICIPAL  
CODE CONCERNING THE COMPENSATION OF THE MAYOR.**

**WHEREAS**, the City of Leadville, Colorado, (the “City”) is a statutory municipality;  
and

**WHEREAS**, according to C.R.S. § 31-4-109, the mayor shall receive such compensation for his or her services as the City Council, prior to the mayor’s election, may fix, and the City Council, at least as early as the last monthly meeting before such regular municipal election, shall fix by ordinance the compensation and fees of members of the City Council, including the compensation of the mayor and councilmembers, for the period for which they will be elected or appointed if any change in said compensation is desirable; and

**WHEREAS**, pursuant to C.R.S. § 31-4-109, the City Council shall neither increase nor diminish the compensation of any councilmember or mayor during his or her term of office; and

**WHEREAS**, pursuant to Leadville Municipal Code section 2.40.030, the mayor’s salary is currently set at \$30,000 annually;

**WHEREAS**, the City Council desires to increase the compensation of the mayor as provided in this Ordinance; and

**WHEREAS**, the City Council desires to increase the salary of the mayor effective as of January 1, 2024.

**NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF CITY OF  
LEADVILLE, COLORADO:**

Section 1. **Recitals Incorporated.** The recitals contained above are incorporated in this Ordinance by reference and are adopted as findings and determinations of the City Council.

Section 2. **Section 2.40.030 Amended.** Section 2.040.030 of the Leadville Municipal Code, titled “Mayor—Power and Duties—Compensation,” is hereby amended as follows with ~~strike through text~~ showing deletions and **bold, underlined text** showing additions:

**2.04.030 – Mayor – Powers and Duties – Compensation.**

\* \* \*

D. The mayor shall receive as compensation for his or her services the annual sum of ~~thirty thousand dollars (\$30,000.00) commencing January 11, 2016~~ ( \$ \_\_\_\_\_ ), **commencing January 1, 2024**, provided, however, that if the city employs a professional city manager, the mayor's compensation shall be the annual sum of four thousand eight hundred dollars (\$4,800.00) in accordance with the restraints imposed by state statute. In addition to such compensation, the mayor may elect to participate in any deferred compensation plan authorized by Section 457 of the United



States Internal Revenue Code under the same terms as city employees and shall receive as compensation that portion of such benefits that the city pays on behalf of employees if he or she elects such participation. He or she shall also be reimbursed for actual expenses incurred by him or her in the performance of his or her official duties as mayor.

Section 3. **Severability.** Should any one or more sections or provisions of this Ordinance be judicially determined invalid or unenforceable, such judgment shall not affect, impair or invalidate the remaining provisions of this Ordinance, the intention being that the various sections and provisions are severable.

Section 4. **Repeal.** Any and all ordinances or codes or parts thereof in conflict or inconsistent with this Ordinance are, to the extent of such conflict or inconsistency, hereby repealed; provided, however, that the repeal of any such ordinance or code or part thereof shall not revive any other section or part of any ordinance or code provision heretofore repealed or superseded and this repeal shall not affect or prevent the prosecution or punishment of any person for any act done or committed in violation of any ordinance or code hereby repealed prior to the taking effect of this ordinance.

Section 5. **Effective Date.** This Ordinance shall become effective thirty (30) days after publication following final passage.

**INTRODUCED, READ, APPROVED AND ORDERED PUBLISHED in full on first reading this \_\_\_\_\_ day of \_\_\_\_\_, 2023.**

CITY OF LEADVILLE, COLORADO:

\_\_\_\_\_  
Greg Labbe, Mayor

ATTEST:

\_\_\_\_\_  
Deputy City Clerk

PUBLISHED in full in The Herald Democrat, a newspaper of general circulation in the City of Leadville, Colorado, on the \_\_\_\_\_ day of \_\_\_\_\_, 2023.

**PASSED AND ADOPTED ON FINAL READING AND ORDERED PUBLISHED, with any amendments, this \_\_\_\_\_ day of \_\_\_\_\_, 2023.**

CITY OF LEADVILLE, COLORADO:

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Greg Labbe, Mayor

ATTEST:

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Deputy City Clerk

PUBLISHED BY TITLE ONLY, with any amendments, in The Herald Democrat, a newspaper of general circulation in the City of Leadville, Colorado, following final reading on this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

# July 2023

Sun	Mon	Tue	Wed	Thu	Fri	Sat
25 7am - LTF Trail 100 Run 9am - Animal Shelter	26	27 4pm - HPC - Regular Mtg	28 6pm - P&Z Meeting @	29	30 7am - LTF MTB Camp of	1 7am - LTF MTB Camp of
2 7am - LTF MTB Camp of	3	4 Independence Day - City 8:30am - Firecracker 5k 10am - 4th of July Parade 11am - BOCC @ 505	5 6pm - Regular CC Mtg	6	7	8
9	10	11 4pm - HPC Meeting @	12 5pm - Sanitation @ 6pm - P&Z Meeting -	13 1pm - Leadville Municipal 5:15pm - Parkville Water 5:30pm - LURA Board	14	15
16	17	18 8:30am - Tourism Panel 11am - BOCC @ 500 6pm - Regular CC Mtg @	19	20	21	22
23	24	25 4pm - HPC - Regular Mtg	26 6pm - P&Z Meeting @	27	28	29
30	31 11am - BOCC @ 505 6pm - Regular CC Mtg	1	2	3 6pm - LURA Board	4	5



# August 2023

Sun	Mon	Tue	Wed	Thu	Fri	Sat
30	31	1 11am - BOCC @ 505 6pm - Regular CC Mtg	2	3 6pm - LURA Board	4	5
6	7	8 4pm - HPC Meeting @	9 5pm - Sanitation @ 6pm - P&Z Meeting @	10 1pm - Leadville Municipal 5:15pm - Parkville Water	11	12
13	14	15 8:30am - Tourism Panel 11am - BOCC @ 500 6pm - Regular CC Mtg @	16	17	18	19
20	21	22 4pm - HPC - Regular Mtg	23 6pm - P&Z Meeting @	24	25	26
27	28	29	30	31	1	2

# September 2023

City Calendar

Sun	Mon	Tue	Wed	Thu	Fri	Sat
27	28	29	30	31	1	2
3	4 Labor Day - City Hall	5 11am - BOCC @ 505 6pm - Regular CC Mtg	6	7 6pm - LURA Board	8	9
10	11	12 4pm - HPC Meeting @	13 5pm - Sanitation @ 6pm - P&Z Meeting @	14 1pm - Leadville Municipal 5:15pm - Parkville Water	15	16
17	18	19 8:30am - Tourism Panel 11am - BOCC @ 500 6pm - Regular CC Mtg @	20	21	22	23
24	25	26 4pm - HPC - Regular Mtg	27 6pm - P&Z Meeting @	28	29	30