AGENDA ITEM or FINAL CONTRACT REVIEW SUBMITTAL FORM

AgendaTitle:
Public Hearing Concerning a Marijuana Cultivation Facility License; 103 Basin Park Drive, Lease Area 7, Gold Basin Industrial Park, Gunnison, CO; CCCenterSeven, LLC; Louis F. Costello

Action Requested: Motion

Parties to the Agreement:

Term Begins: **Term Ends:** **Grant Contract #:**

Summary:
CCCenterSeven LLC represented by Louis Costello is requesting a Marijuana Facility License for Cultivation in Gold Basin Industrial Park

Fiscal Impact:

Submitted by: Russell Forrest **Submitter's Email Address:** rforrest@gunnisoncounty.org

Finance Review: ○ Required ◉ Not Required

Comments:

Reviewed by: Discharge Date:

County Attorney Review: ◉ Required ○ Not Required

Comments:

Reviewed by: GUNCOUNTY1\atrezise Discharge Date: 10/3/2014 Certificate of Insurance Required Yes ○ No ◉

County Manager Review:

Comments:

Reviewed by: GUNCOUNTY1\mbirnie Discharge Date: 10/3/2014

○ Consent Agenda ◉ Regular Agenda ○ Worksession Time Allotted: 15

Agenda Date: 10/7/2014 Follow Up Agenda Date:

Revised April 2013

Gunnison County
COLORADO

To: Gunnison County Board of County Commissioners/Gunnison County Marijuana Licensing Authority

From: Russell Forrest

Date: October 7, 2014

Subject: Public Hearing for a Marijuana Facility License for Cultivation

Applicant: CCCenterSeven, LLC/Represented by Louis F Costello

Location: 103 Basin Park Drive, Gold Basin Industrial Park

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1. PURPOSE:

The purpose of this hearing is to receive public input regarding a proposed Marijuana Facility License for cultivation located at 103 Basin Park Drive, Gold Basin Industrial Park

The proposed cultivation facility, if approved, would be located in a new building that would be constructed in Gold Basin Industrial Park on Leasehold # 7. The Gunnison County Marijuana Licensing Authority is the Board of County Commissioners (BOCC). The BOCC is requested to receive public input and review the application against the standards mentioned below. A motion is requested to either approve, approve with conditions, or deny the application.

This proposed facility, given its location in Gold Basin Industrial Park (See Section 9-104 of the Land Use Resolution) was reviewed under the Gold Basin Industrial Park's Special Area Regulations. The applicant has met all the procedural requirements for a land use change application for Gold Basin Industrial Park except for receiving approval from the US Department of Energy. Their review and approval is required for new development in Gold Basin Industrial Park. Staff is recommending that as a condition of this approval that the Marijuana License will not be issued until a final approval is granted for a Gold Basin Industrial Park Special Area Permit.

2. PURPOSE AND STANDARDS

On July 1, 2014 the BOCC approved Resolution No. 2014-18 which authorized regulations for marijuana cultivation, manufacturing and testing facilities. The purpose of these regulations are to:

1. To authorize licensing of marijuana cultivation, manufacturing, and testing in unincorporated Gunnison County as provided in §§ 12-43.3-301(2)(a), 12-43.4-104(3) and 12-43.4-301, C.R.S., as amended;
2. To establish specific standards and procedures for local licensing of marijuana-related business and establishments; and
3. To protect the health, safety, and welfare of the residents, consumers and patients in Gunnison County by prescribing the manner in which marijuana businesses can be conducted in the County.

As per Article 5, Standards, of Resolution of **No. 2014-18** the Board must find the following to approve a license:

A. **LACK OF CRIMINAL HISTORY**: The applicant and principal employees of a marijuana facility have no history of criminal activity indicating moral turpitude. Applicants shall provide suitable evidence of a Persons' proof of lawful presence, residence, and good character and reputation that the Board may request. The applicant must also consent to a criminal background check of the applicant and its principal employees.

B. **HARMONIOUS LAND USE**: The use and any associated signage is not identifiable as a Marijuana Facility from adjacent property, nor any arterial road, public trail, or public park. The applicant must demonstrate to the Board's satisfaction that there is no measurable detrimental impact to adjacent property which cannot be mitigated, and the applicant has demonstrated to the Board that the facility will be harmonious with its surrounding uses.

C. **APPLICABLE PROPERTY OWNERS ASSOCIATION APPROVAL:** The applicant must provide written consent for the use from the Property Owners Association if an active association exists for the subject property.

D. **ODOR:** Odors from any marijuana facility shall not be detectable and noticeable at the boundary to adjacent properties. Facilities shall be equipped with proper ventilation systems so that odors are filtered and do not materially interfere with adjoining land uses.

E. **FIRE AND SECURITY EMERGENCY SERVICES:** Applicable Fire Districts and the Sheriff's Department will receive applications for their review and comment. Concerns related to public safety received from emergency services must be avoided or mitigated to the Authority's satisfaction.

F. **PUBLIC SERVICES**: The Applicant shall demonstrate that there are adequate public services to support the proposed use.

The Board may approve or approve with conditions a license that meets all of the standards in Article 5. The Board shall deny an application that does not comply with the licensing requirement in Article 5.

3. STAFF ANALYSIS OF CRITERIA AND PUBLIC INPUT RECEIVED

Staff referred this application to the Gunnison Fire Protection District, Gunnison County Building and Environmental Health Official, Gunnison County Sheriff's Office, and Gunnison County Public Works. In addition, a public notice of this hearing and the land use application was sent to all property owners within 1000 feet of the property, notice placed on the property, and a notice was placed in the paper at least 15 days prior to the public hearing. No public input was received on the application prior to the hearing. Staff has not received any comments from referral agencies or the public that would generate any concern regarding the issuance of a Marijuana Facility License.

Attachment A includes the application, an operational summary, and the applicant responses to the standards for a License. The following is staff's analysis of compliance to the Standards in Article 5.

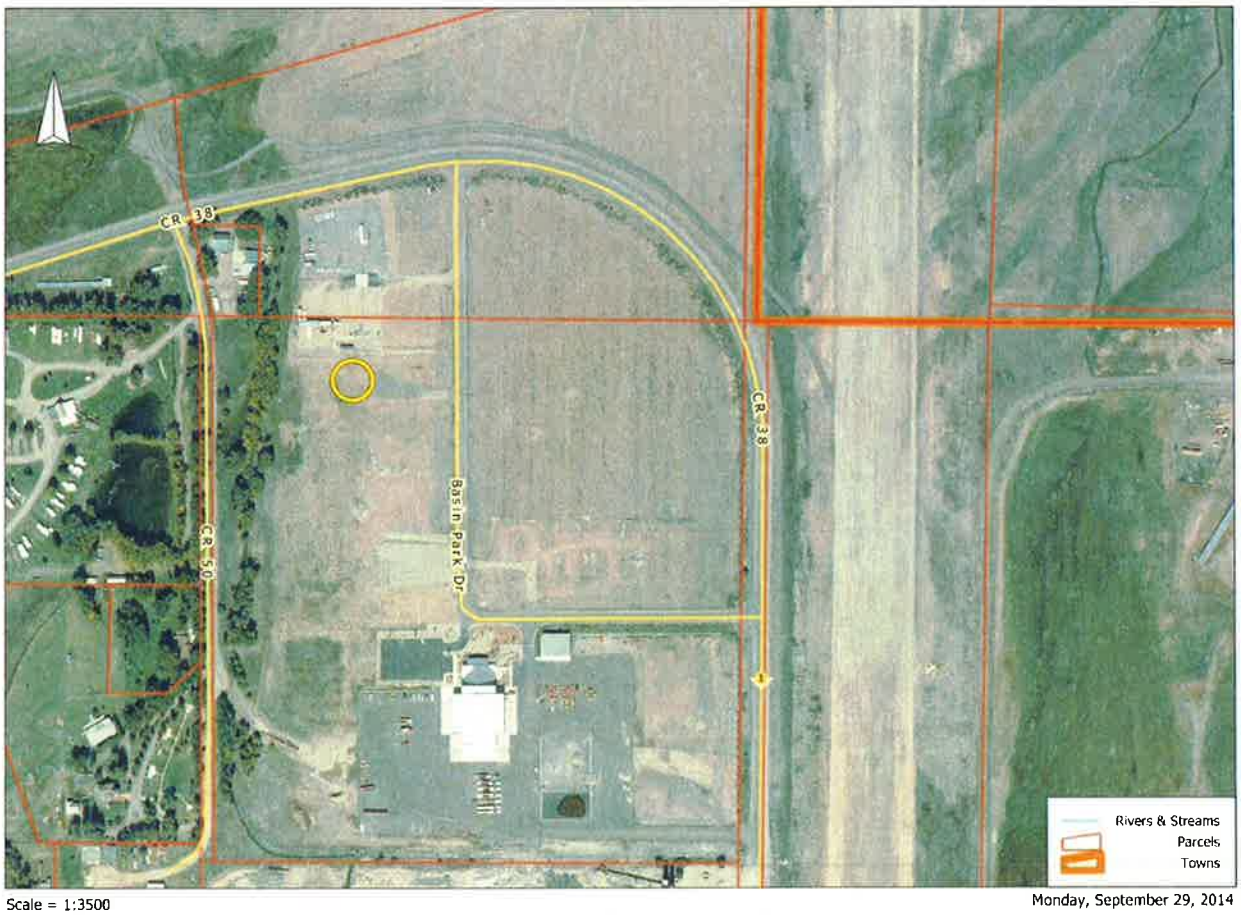
A. **LACK OF CRIMINAL HISTORY**: The applicant and principal employees of a marijuana facility have no history of criminal activity indicating moral turpitude. Applicants shall provide suitable evidence of a Persons' proof of lawful presence, residence, and good character and reputation that the Board may request. The applicant must also consent to a criminal background check of the applicant and its principal employees.

> Staff Response: Staff, in the creation of the licensing requirements, acknowledged that we would utilize the background check process required by the State of Colorado and the State of Colorado Marijuana Enforcement Division (The Division). The Division has provided their completed background check for this applicant to the County. The applicant has also been issued a conditional State License. A condition of State Approval is that the applicant receive a permit from the "local authority." There was no criminal history revealed in the background check. In addition, as mentioned previously, this application was forwarded to the Sheriff's office for their review. Again no input was provided to raise any concern regarding this standard.

B. **HARMONIOUS LAND USE**: The use and any associated signage is not identifiable as a Marijuana Facility from adjacent property, nor any arterial road, public trail, or public park. The applicant must demonstrate to the Board's satisfaction that there is no measurable detrimental impact to adjacent property which cannot be mitigated, and the applicant has demonstrated to the Board that the facility will be harmonious with its surrounding uses.

> Staff Response: It was felt during the development of Marijuana Facility Regulations that a marijuana facility would generally be consistent with the existing uses in the Gold Basin Industrial Park if the applicant demonstrates that they meet the Standards in Section 9-104 along with the other applicable sections of the LUR and the Marijuana Facility Licensing Standards. In reviewing

this specific application, staff believes that this proposal will result in a harmonious land use with the recommended conditions stated below. The following image indicates the location of the proposed business (see white circle) located at Leasehold # 7 at Gold Basin Industrial Park which is 1.98 acres in size.



Scale = 1:3500

Monday, September 29, 2014

C. **APPLICABLE PROPERTY OWNERS ASSOCIATION APPROVAL:** The applicant must provide written consent for the use from the Property Owners Association if an active association exists for the subject property.

Staff Response: The County has approved a lease for this use. The County is the land owner of Gold Basin Industrial Park and the lease fulfills this standard.

D. **ODOR:** Odors from any marijuana facility shall not be detectable and noticeable at the boundary to adjacent properties. Facilities shall be equipped with proper ventilation systems so that odors are filtered and do not materially interfere with adjoining land uses.

Staff Response: The Applicant is proposing activated carbon scrubbers to mitigate odor. This is the most common odor elimination measure used in the industry. Staff has a recommended condition provided below and with that condition, if accepted, staff believes this standard will be met.

E. **FIRE AND SECURITY EMERGENCY SERVICES:** Applicable Fire Districts and the Sheriff's Department will receive applications for their review and comment. Concerns related to public safety received from emergency services must be avoided or mitigated to the Authority's satisfaction.

Staff Response: As mentioned, the application has been referred to the Gunnison Fire Protection District and the Sherriff's Department. In addition, the State has specific security requirements. The applicant has received conditional approval (conditioned upon Gunnison County approval for a license) from the State of Colorado. The applicant will need to secure approvals for a building permit to build the structure in question.

F. **PUBLIC SERVICES**: The Applicant shall demonstrate that there are adequate public services to support the proposed use.

Staff Response: Water and sanitation services for the site are operated by Dos Rios Water and Sanitation District/Gunnison County Public Works Department and the waste water is treated by the City of Gunnison. No concerns were expressed by Gunnison County Public Works. Public Works is also coordinating input from the City of Gunnison. No further input from service providers was available at the time of this memorandum.

4. RECOMMENDATIONS AND NEXT STEPS

Staff finds that the application meets Marijuana Facility License standards recommends approval of the license with the following recommended conditions:

1) This Marijuana Facility License shall not be issued until a Gold Basin Industrial Park Special Area Permit is issued for this use.
2) After the license is issued and the operation has commenced, periodic inspection of the facility by Gunnison County officials shall be allowed by the property owner and applicant with reasonable notice. There shall be no noticeable odors outside of the subject building

detected by inspections. Failure to correct detectible odors outside of the building may result in revocation of the license.

3) The Applicant shall not generate effluent which exceeds the standards of the Sewer Service Provider. Nutrient loading from the cultivation use shall be mitigated so that water effluent does not create a negative impact on the sewer system. The applicant may be required to provide periodic water sampling, at their expense, to ensure water quality effluent from the building is not creating negative impacts to the water treatment system.
4) As mentioned in Resolution of No. 2014-18 the applicant is consenting to inspections. Evidence from inspections or documented complaints regarding the facility in respect to the Standards in Resolution No. 2014-18 or in Section 9-104 of the Land Use Resolution or failure to comply with other applicable local or state regulations may result in enforcement action against the applicant including revocation of the license.
5) This license is approved conditioned upon receiving and maintaining all appropriate licenses with the Colorado Marijuana Licensing Authority. Failure to receive or maintain a valid applicable Colorado Marijuana License will result in the revocation of Gunnison County Marijuana Facility License.

ATTACHMENTS:

Attachment A: Marijuana Facility License Application

Attachment B: HOA Consent

Attachment C: Public Notice

ATTACHMENT A

Marijuana Facility License Application

MJ-14-00144

Gunnison County COLORADO

GUNNISON COUNTY, COLORADO
MARIJUANA FACILITY LICENSE APPLICATION

GUNNISON COUNTY COMMUNITY DEVELOPMENT DEPARTMENT
PLANNING OFFICE
221 N. WISCONSIN ST, STE D., GUNNISON, CO 81230
TELEPHONE: 970-641-0360 FAX: 970-641-8585
Website: http://www.gunnisoncounty.org/planning.html **Email:** planning@gunnisoncounty.org

DATE RECEIVED BY COMMUNITY DEVELOPMENT DEPT..: ____/____/____
APPLICATION FEE PAID : ____/____/____ paid 2000.00

APPLICANT NAME (If the applicant is not the owner of the land, the applicant shall submit a notarized letter signed by the owner consenting to the submittal. Consent of the owner for submittal shall imply consent by the owner for the County to complete the review process.):

CCCenter Seven, LLC

MAILING ADDRESS: 535 RIVER FRONT ROAD

CITY:	STATE:	ZIP:
GUNNISON	CO	81230

PHONE (day):	PHONE (Mobile):
970-641-2396	970-209-9865
FAX:	**E-MAIL ADDRESS:**
NONE	cccenterseven@gmail.com

PROPERTY OWNER (If other than applicant, a notarized letter from the property owner consenting to this application, must be submitted. If the applicant is not the sole owner of the land, the applicant shall submit a notarized letter(s) signed by all other owners, and/or by an association or corporation representing the owners, consenting to, or joining in, the application.):

NAME: GUNNISON COUNTY

MAILING ADDRESS: 195 BASIN PARK DRIVE

CITY:	STATE:	ZIP:
GUNNISON	CO	81230

PHONE (day):	(evening):
970-641-0044	
FAX:	**E-MAIL ADDRESS:**
970-641-8120	

PRIMARY CONTACT PERSON and AUTHORIZED REPRESENTATIVE (The person the Community Development Department should contact regarding scheduling of meetings and information for this application. *A NOTARIZED LETTER from the property owner authorizing the representative must be submitted.)

* SEE NEXT PAGE

NAME: LOUIS F. COSTELLO

received 8-5-14

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c. Gold Basin Industrial Park Special Area Regulation Application (applicable to all Marijuana Facilities proposed in Gold Basin Industrial Park).

5. ___✓___ A copy of all State of Colorado License applications that have been submitted to the State to receive a State license for a marijuana facility. The County will request the results of a criminal background check from the State of Colorado. Submission of this application will provide consent to review and disclose criminal background information in the licensing process. From state

6. ___✓___ A to scale site plan of all buildings on the property where the premises is located, including a floor plan showing how the floor space is or will be used, parking for the premises, total floor area of the building(s), and the nature and location of any existing or proposed exterior lighting and signage; ok

7. ___✓___ A to scale vicinity map showing and describing adjacent uses. ok

8. ___✓___ Provide a physical description which could include architectural elevations, photographs, landscaping, topography and narrative to describe how the proposed facility would be harmonious with adjacent uses. ok

9. NONE A list of all other uses on the property including uses that may share the proposed structure; ok

10. ___✓___ A copy of the state sales tax license for the business, if applicable.

11. ___✓___ A detailed description of the operational plan for the facility including hours of operation, number of employees, anticipated loading and delivery traffic and frequency, and hazardous or flammable material storage and usage.

12. ___✓___ A detailed narrative (i.e a specific plan for B-F) description of how the application complies with the standards for a license that include:

A. **LACK OF CRIMINAL HISTORY**: The applicant and principal employees of a marijuana facility have no history of criminal activity indicating moral turpitude. Applicants shall provide suitable evidence of a Persons' proof of lawful presence, residence, and good character and reputation that the Board may request. The applicant must also consent to a criminal background check of the applicant and its principal employees. state

B. **HARMONIOUS LAND USE**: The use and any associated signage is not identifiable as a Marijuana Facility from adjacent property, nor any arterial road, public trail, or public park. The applicant must demonstrate to the Board's satisfaction that there is no measurable detrimental impact to adjacent property which cannot be mitigated, and the applicant has demonstrated to the Board that the facility will be harmonious with its surrounding uses. OK

C. **APPLICABLE PROPERTY OWNERS ASSOCIATION APPROVAL:** The applicant must provide written consent for the use from the Property Owners Association if an active association exists for the subject property. OK

D. **ODOR:** Odors from any marijuana facility shall not be detectable and noticeable at the boundary to adjacent properties. Facilities shall be equipped with proper ventilation systems so that odors are filtered and do not materially interfere with adjoining land uses. OK

E. **FIRE AND SECURITY EMERGENCY SERVICES:** Applicable Fire Districts and the Sheriff's Department will receive applications for their review and comment. Concerns related to public safety received from emergency services must be avoided or mitigated to the Authority's satisfaction. OK

CCCenterSeven, LLC \

July 28, 2014
Lou Costello
Member Manager

BUSINESS PLAN

CCCenterSeven, LLC a Colorado Limited Liability Company is registered in good standing with the Secretary of State of Colorado.

The Business Purpose of the Company is to operate a retail marijuana cultivation center consistent with the Colorado Retail Marijuana Rules and the licensing regulations of Gunnison County that were recently adopted.

The Business Purpose of the Company allows for manufacturing and testing facilities as well as future retail sales, however, initially the Company will only cultivate marijuana for sale at wholesale to licensed retail stores. Future plans do include testing facilities and retail sales.

The Company has executed a Lease with Gunnison County for Leasehold 7 in the County owned Gold Basin Industrial Park. The Lease is only contingent upon receiving approval of our Retail Marijuana Cultivation License Application from the State of Colorado . Upon approval we will begin construction of our 6,000 square foot cultivation center. The building will be constructed to accommodate the build-out of the second floor should the Company be successful.
Water and Sewer will be provided by the Dos Rios Water and Sanitation District, electricity will be purchased from the City of Gunnison and natural gas by Atmos Energy.

The cultivation process consumes significant electricity and the grow lights generate a lot of heat. We are exploring heat pumps, exchangers, and heat sinks to capture the heat from the lights for other building uses. We will engage REG, Resource Engineering Group, mechanical engineers with offices in Crested Butte, CO and San Luis Obispo, CA to design an efficient system to meet the building's energy needs responsibly. We want to be the leader in responsible marijuana cultivation, which includes reducing our environmental impact on the community as much as possible.

Our building construction will put significant dollars into our community and our operation is expected to employ four to six full time employees and at times up to 20 part time employees. The grow operations are a 24 / 7 process, therefore, employees will be on site seven days a week. The grow rooms can be monitored 24 / 7 remotely via the internet. The Leasehold 7 site is level and allows for significant overflow parking on the days requiring part time employees.

Key employees will be hired at a later date as we near operations. Occupational Licenses will be obtained for all employees as required by State law. We plan to hire an

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17. Clonex Clone Solution 1 gal
18. Superthrive 1 gal
19. Extreme Gardening Azoz 6 oz
20. Extreme Gardening Mykos 1 lb

CO_2 will be used in the grow process and will be purchased from a vendor like Green CO_2 Systems.

All of these products can be found at the waytogrow.net website for complete description of product contents.

Risk Management

We continually monitor and will attempt to mitigate the significant risks currently associated with this fledgling industry. Security, safety, absolute compliance with State law and local jurisdictional rules, prompt and full payment of taxes will be done by diligent monitoring.

The more difficult risks are currently out of our control, the Federal Government position on marijuana and hemp; and the banking dilemma.

Security

Once fully functional the building will be a 24/7 operation. One to six employees will be on site approximately 12 to 15 hours per day. Off-site monitoring of all grow operations will be constantly monitored via an iPonic 600 system that will be accessed over the internet 24 hours a day on a phone or tablet.

The building will have outside motion lights, security cameras on both ends of the building, interior camera, secure doors at the building entrances, and secure interior doors to the Limited Access Area.

We also plan to use Superior Alarm and Fire Prevention services.

Louis F. Costello

July 31, 2014

CCCenterSeven, LLC
Gunnison County, Colorado Marijuana Facility License Application

Question 11

Please refer to the enclosed Business Plan dated July 28, 2014. This facility will not be open to the public and will remain locked even during normal business hours. It will not be identifiable as a cultivation facility and will look similar to many of the metal buildings in the Gunnison area. The only windows will be in the office in the southeast side of the building. The grow rooms inside the building will be monitored 24/7 with systems that can be accessed over the internet. One to six employees will be on site seven days a week approximately 12 – 15 hours per day. Other than employee traffic there will be only minimal delivery traffic, possibly once a day.
A list of nutrients, pesticides, and chemicals anticipated to be on site is contained in the Business Plan.

Question 12

B. Harmonious Land Use.

The cultivation facility is an approved use at the Gold Basin Industrial Park per the Special Area Regulations Section 5 B. Permitted Uses On Leasehold Areas 20. Marijuana Cultivation, Manufacturing and Testing.
The building will be metal sided and metal roof with a color scheme similar to the County's Public Works Building. It will not be identifiable as a cultivation facility and signage on the building will be small with only the Company name and address.

C. Applicable Property Owners Association Approval. None required.

D. Odor. All odors will be controlled via very large (5' tall 18" diameter) carbon filter systems all with a separate fan attached to the top to move air through the filter. Use of three to five carbon filters is anticipated.

E. Fire and Security Emergency Services. Both the Fire Marshall and the Sheriff's Department will be asked to review our plans for their approval.

F. Public Services. There is no issue of adequate public services to support the proposed use. Water and sewer will be provided by the Dos Rios Water and Sanitation District, electricity by the City of Gunnison, and natural gas by Atmos Energy.

Question 13 Facilities Within 1000 feet.

There are no alcohol or drug treatment facilities, licensed child care facilities, parks, public trails, places of worship or educational facilities within 1000 feet of the property.

The County's Public Works Building is in the Industrial Park.

Question 14 Mailing List and Map Attached.

Question 15 State Sales Tax License.

The Company has a Colorado Sales Tax and Withholding Account number 31135665 issued by the State on July 25, 2014.

Question 16 Exterior Signage.

The sign on the building will include only our name and address as follows:

CCCenterSeven, LLC
103 Basin Park Drive

The sign will be no larger than 12" high by 18" wide.

Question 17 Security Measures.

The outside of the building will have security cameras and motion sensor lights on each end of the building and there will be three security doors, one at either end of the building to the limited access areas and one at the front entrance. An alarm system is anticipated to be provided by Superior Alarm & Fire Prevention from Montrose Colorado. Fire extinguishers will be provided as needed and all nutrients and chemicals safely stored.

Question 18. Odors.

Any odors from the facility will be mitigated with the use of carbon filtration systems. The activated carbon attracts and removes the offending odor molecules. The filters remove grow room odors and any airborne pathogens by purifying the air.

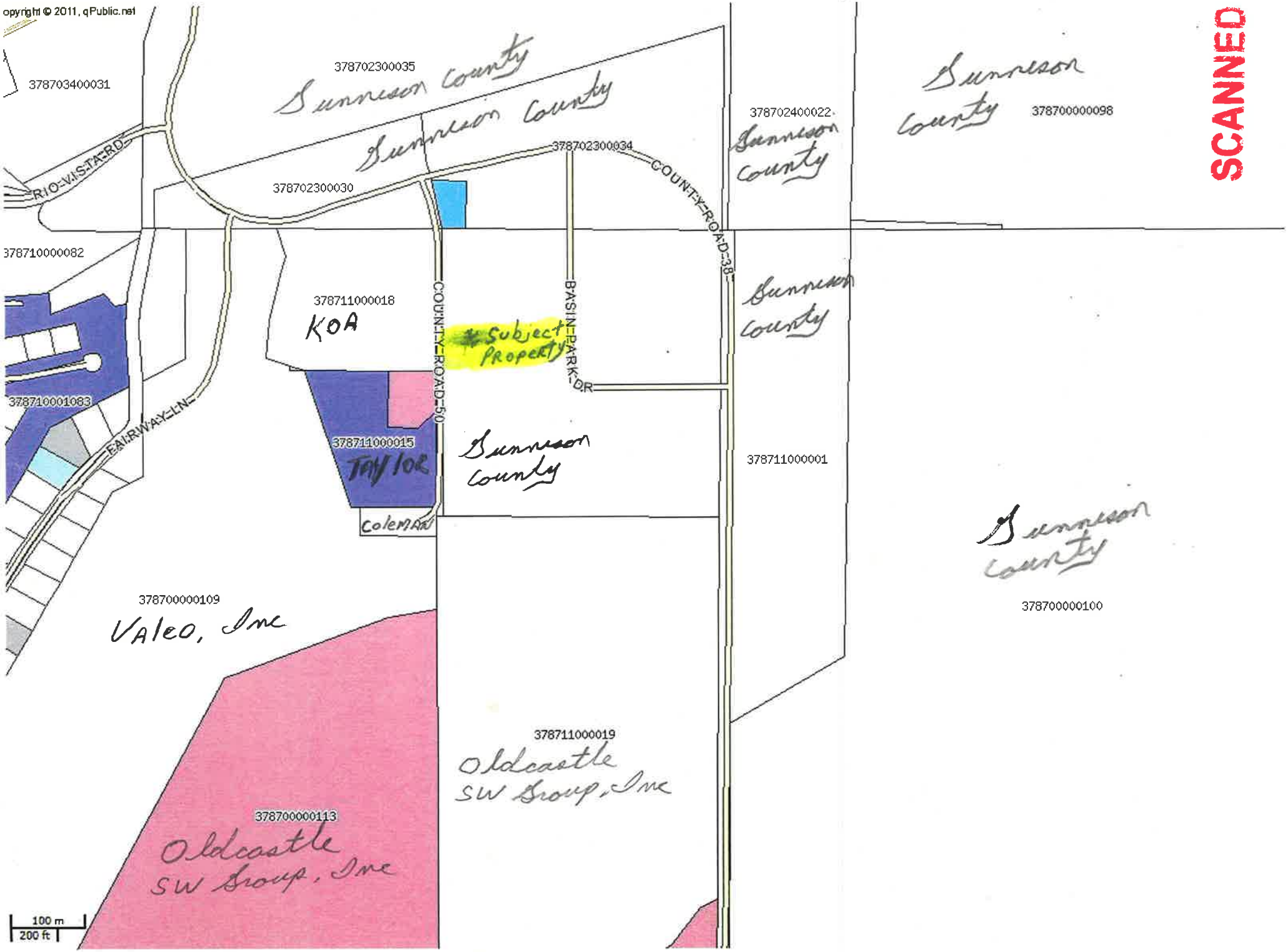
July 31, 2014

CCCenterSeven, LLC
Administrative Review Project subject to Gold Basin Industrial Area Permit Application

Mailing List Affected Landowners:

1. Gunnison County Colorado
2. Gunnison Kampground Partners, LLC
   105 County Road 50
   Gunnison, CO 81230-9233
3. Oldcastle SW Group Inc.
   2273 River Road
   Grand Junction, CO 81505-7179
4. Valco, Inc.
   12760 Stroh Ranch Way Suite 203
   Parker, CO 80134-7507
5. David A. Taylor
   Susan M. Taylor
   9475 Cherryvale Drive
   Highlands Ranch, CO 80126-4922
6. Donald Coleman
   P.O. Box 420
   Gunnison, CO 81230

SCANNED


copyright © 2011, qPublic.net
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Gunnison County
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Gunnison County
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KOA
Subject Property
BASIN PARK DR
Gunnison County
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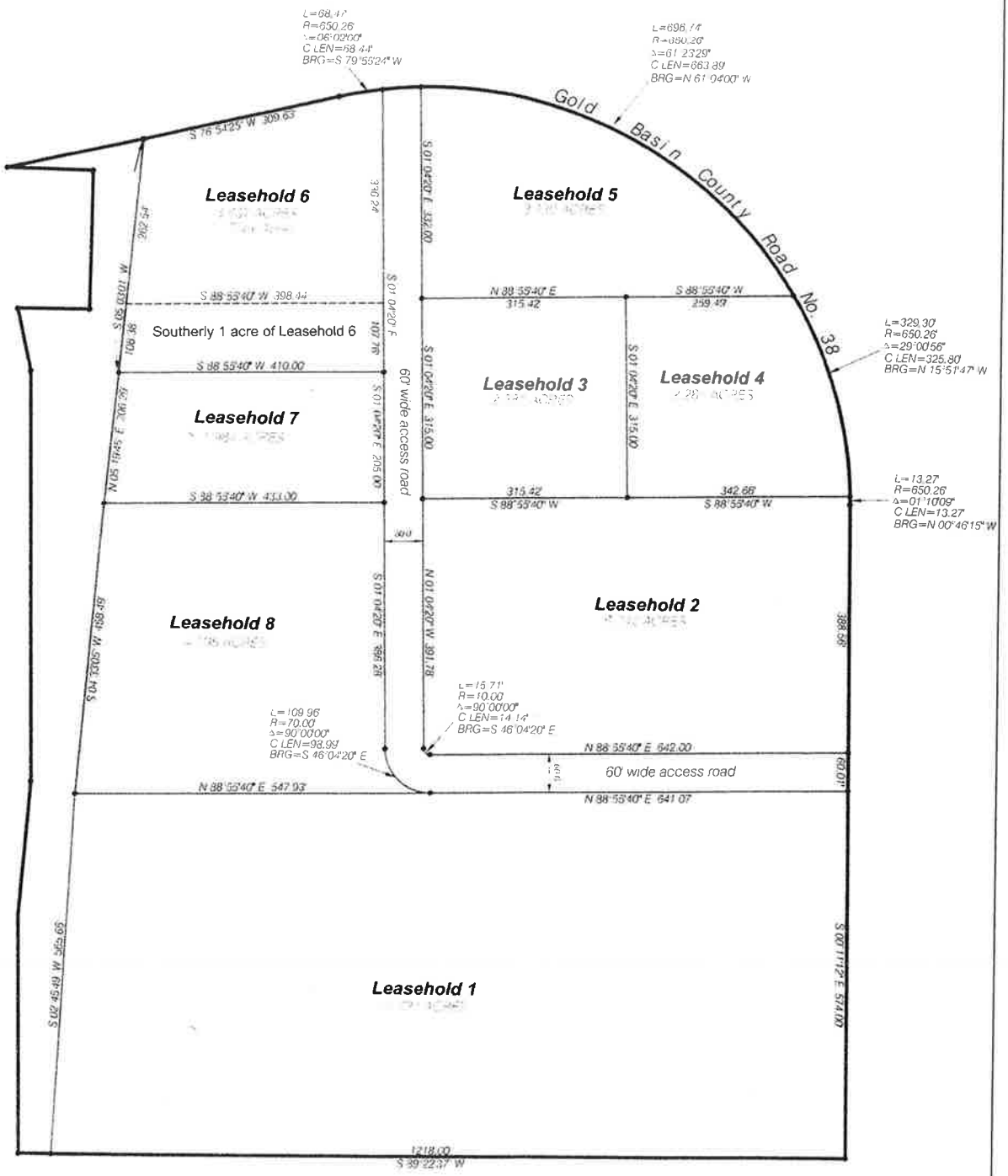
FAIRWAY LN
COUNTY ROAD 50
378711000015
TAYLOR
Gunnison County
378711000001
Coleman Rd
Gunnison County
378700000100
378700000109
Valeo, Inc
378711000019
Oldcastle SW Group, Inc
378700000113
Oldcastle SW Group, Inc
100 m
200 ft

Exhibit B-1



Gold Basin Industrial Park

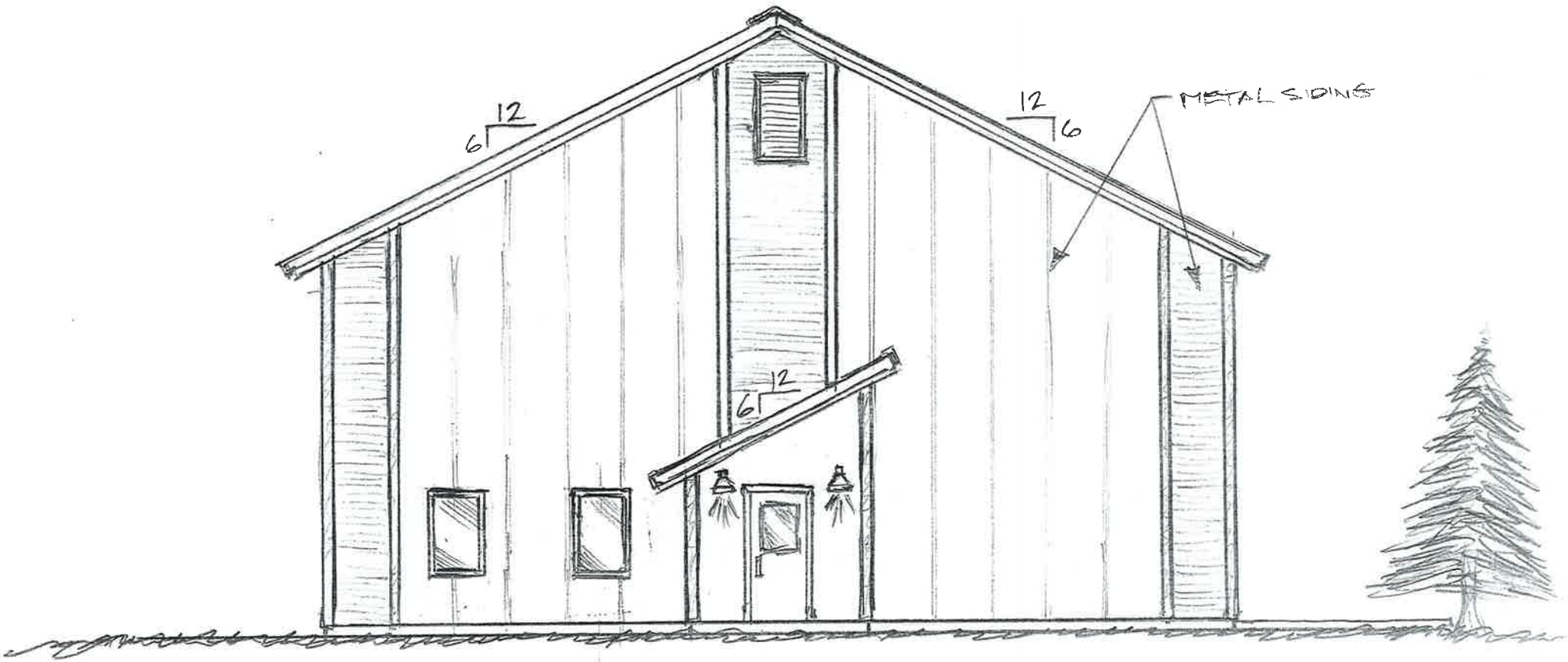
DRAWN	DATE	Lot lease layout as of 8/4/08
SH	8/4/08	
APPROVED	DATE	
SCALE	SHEET	PROJECT NO
Not to Scale	1 of 1	08010

Prepared by:
Alpine Surveying Inc.
PO Box 93
Gunnison, CO 81230
(970) 641-2937

0 160' 320' 480'

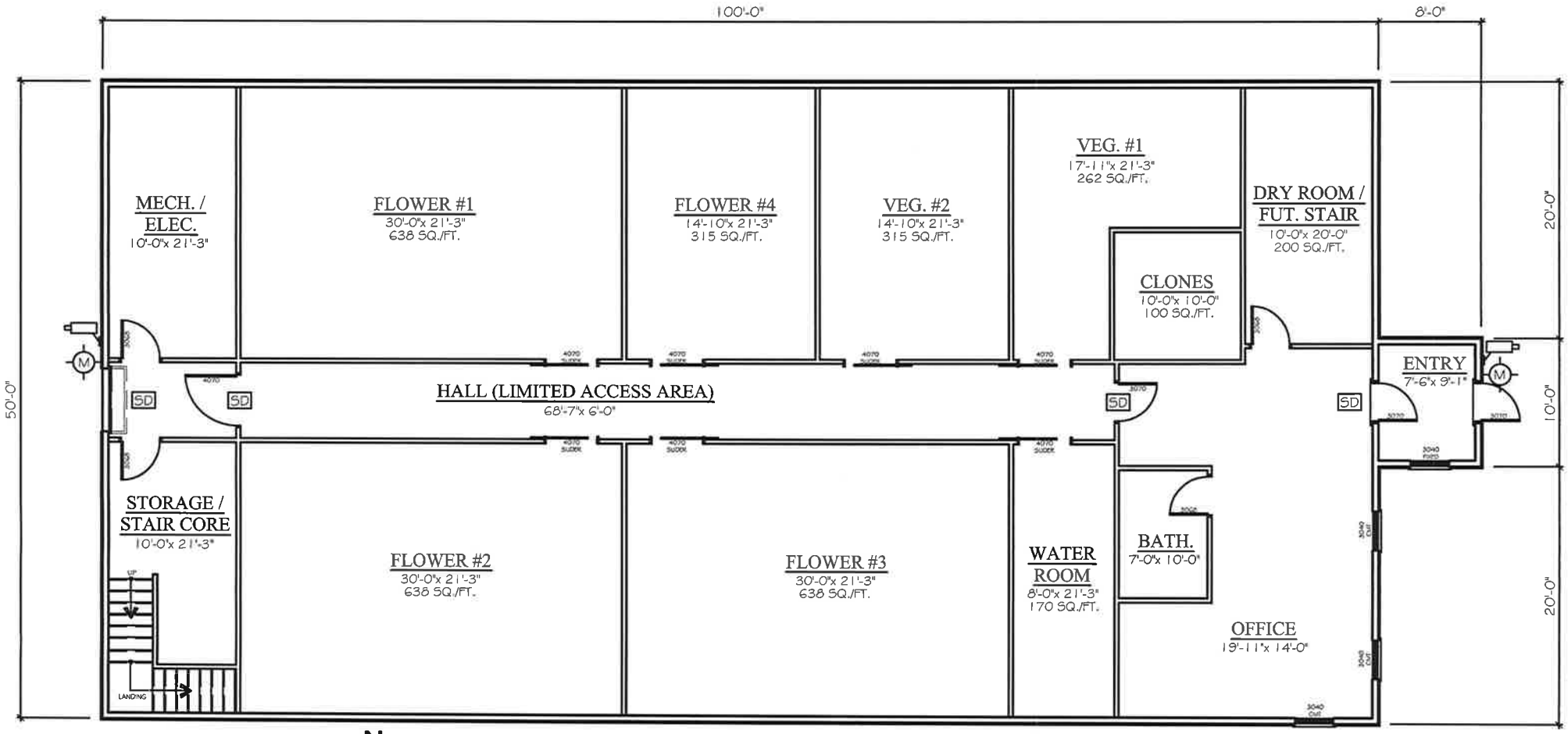
3C7, LLC
103 BASIN PARK DRIVE
GUNNISON COUNTY, COLORADO 81230
DATE: 7-31-14

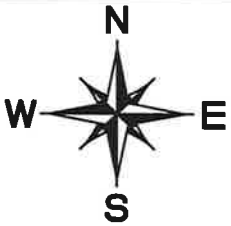
SCANNED



EAST ELEVATION

SCALE: 1/8" = 1'-0"





PROPOSED FLOOR PLAN

SCALE: N.T.S.

LEGEND

- SECURITY CAMERA
- MOTION SENSOR LIGHTS
- SECURITY DOORS

CC CENTER SEVEN, LLC
103 BASIN PARK DRIVE
GUNNISON COUNTY, COLORADO 81230
DATE: 7-23-14
JOB # 2448

WILLIAMS ENGINEERING L.L.C.
80 CAMINO DEL RIO, SUITE #1
GUNNISON COLORADO 81230
PH. (970) 641-2499
EMAIL: wengineer@msn.com

DR 0160 (02/16/11)
COLORADO DEPARTMENT OF REVENUE
DENVER CO 80261-0013

WHOLESALE SALES TAX LICENSE

THIS LICENSE IS NOT TRANSFERABLE

USE ACCOUNT NUMBER for all references	LIABILITY INFORMATION		VALID THROUGH
31135665-0000	40-0206-016	120114	Dec 31 2015

103 BASIN PARK DR GUNNISON CO 81230

CCCENTER7 LLC
535 RIVER FRONT RD
GUNNISON CO 81230-9753

Barbara J. Brohl
Executive Director
Department of Revenue

▲ **Detach Here** ▲

Important Verification Process

If you are new to Colorado sales tax visit: *www.Colorado.gov/revenue/salestaxbasics*

VERIFY that all information on your sales tax license is correct. Modify and update any errors you identify on the Internet through Revenue Online. **Access your tax account, file returns, submit payments, verify sales tax licenses and view sales tax rates through Revenue Online** at *www.Colorado.gov/RevenueOnline*

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

1. Go to ***www.Colorado.gov/RevenueOnline***
2. Click on **Sign Up (Individual or Business)** link on the right.
3. Click on **Continue**.

Now click on: **Enter Taxpayer Information**. Click on the down arrow in the Account Type list and select Other. Use the first 8-digits of the account number shown on your license. Complete the rest of the screen.Next click on: **Enter Login Information** and complete the screen (this is information YOU get to create for the account).Next click on: **Enter Account Information** and complete the screen.

Your Letter ID is: L0988671168

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

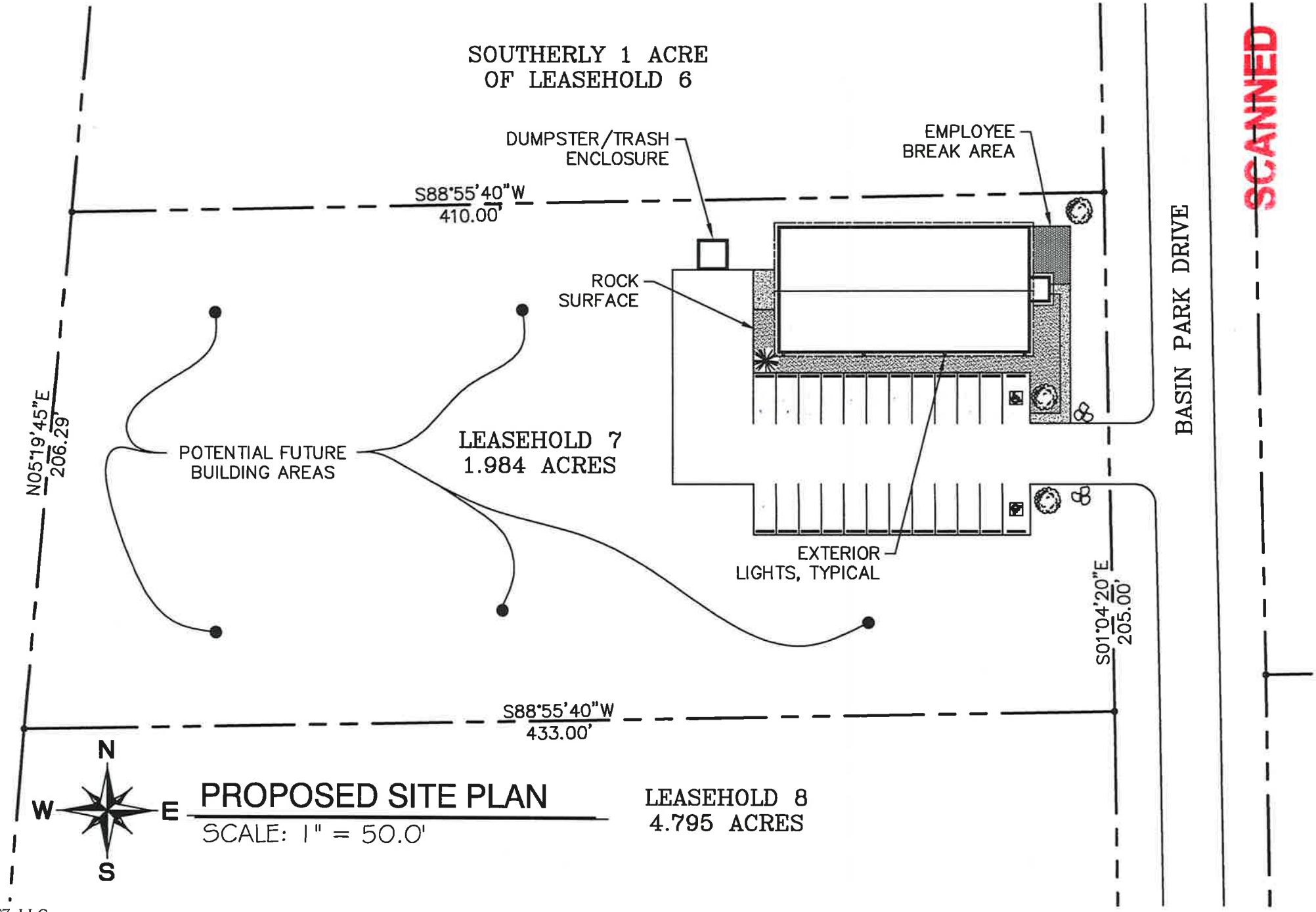
1. Click on the **Login** button.
2. Enter the Authorization Code from your email (first time only).
3. Click Login. You should then be in your account. NOTE: If you have additional tax types registered under the same Account Number, such as withholding, you will be able to view those tax types through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

Filing Returns

To file a return, go to Revenue Online (*www.Colorado.gov/RevenueOnline*). You must file a return for each reporting period. If you have no tax to report, file a "**zero**" return. Tax reporting and payment are your responsibility. To avoid late penalties and interest, file online on or before the due date. If you discontinue sales, you may close your business location through Revenue Online.

Learn more and avoid unnecessary errors by attending our **free sales tax classes!** Sign up at *www.TaxSeminars.state.co.us*

SCANNED received 8-12-14



PROPOSED SITE PLAN

SCALE: 1" = 50.0'

SCANNED

3C7, LLC
103 BASIN PARK DRIVE
GUNNISON COUNTY, COLORADO 81230
DATE: 7-31-14
JOB # 2448

WILLIAMS ENGINEERING L.L.C.
80 CAMINO DEL RIO, SUITE #1
GUNNISON COLORADO 81230
PH. (970) 641-2499
EMAIL: wengineer@msn.com

ATTACHMENT B:

HOA Consent

GROUND LEASE AGREEMENT

THIS GROUND LEASE AGREEMENT (hereinafter "Lease Agreement") is made and entered into effective this 1st day of August, 2014, by and between the Board of County Commissioners of the County of Gunnison, Colorado, whose address is 200 E. Virginia, Gunnison, Colorado 81230 (hereinafter "Lessor"), and CCCenterSeven, LLC whose address is: 535 River Front Road, Gunnison, Colorado 81230 (hereinafter "Lessee").

RECITALS

WHEREAS, Lessor owns and operates the Gold Basin Industrial Park (hereinafter the "Industrial Park") located in the County of Gunnison, State of Colorado and identified on Exhibit A attached hereto and incorporated herein; and

WHEREAS, Lessor desires to lease to Lessee and Lessee desires to lease from Lessor, certain land located at the Industrial Park;

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and agreements contained herein, the parties agree as follows:

1. Grant of Lease. Lessor hereby leases to Lessee that portion of land identified as Leasehold No. 7 located at the Industrial Park and as more particularly described on Exhibit B attached hereto and incorporated herein (hereinafter the "Premises"). This Lease Agreement shall include ONLY the rights EXPRESSLY identified herein. In addition, Lessee shall be required to pay its share of the common expenses and is entitled to use all common areas as identified on Exhibit A, attached hereto and incorporated herein, and as defined in the Gold Basin Industrial Park Special Area Regulations identified on Exhibit C, attached hereto and incorporated herein. The Premises and improvements shall be used and occupied by Lessee exclusively for the conduct of business. The improvements are identified on the site plan attached hereto and incorporated herein as Exhibit D.

2. Lease Term. The Lease, pursuant to this Lease Agreement, shall commence upon the date first set forth above. The Lease shall continue for 20 years (hereinafter the "Lease Term"), unless sooner terminated as provided herein, so long as the Lessee is in full compliance with the terms of this Lease Agreement, and the Lessor has determined in its reasonable discretion that the premises are, and have been, maintained in good repair and in compliance with conditions of the Gold Basin Industrial Park Special Area Regulations.

The Lessee may extend the term of this Lease one time for an additional twenty (20) year period ("Twenty-Year Extension") that will commence, if at all, at the termination of the original Lease Term described above. This Lease will terminate automatically at the end of the original Lease Term or at the end of the Twenty-Year Extension if Lessee exercises that option. If Lessee holds over and remains in possession of the Premises with the consent of Lessor after expiration of the Lease Term or the Twenty-Year Extension, such holding over shall not be construed as a renewal

SCANNED

of the Lease Term or any further extension of the Lessee's right to possession, but instead shall constitute a month to month Lease (hereinafter the "Month-to-Month Holdover") with rent payable to Lessor at 150% of the Lease rate then in effect, otherwise subject to all of the terms and conditions of this Lease Agreement. The Month-to-Month Holdover is revocable by either party by giving notice of termination at least ten days prior to the end of any month.

3. Ground Rent. In consideration of this lease agreement, Lessee shall pay to Lessor ground rent ("Ground Rent") for use of the premises. Ground Rent shall be in the amount of $2,718 per acre per annum, payable in monthly installments. The acreage for Leasehold No. 7 is 1.984 acres, resulting in a present annual Ground Rent of $5,392.51. Payments shall be made by the end of the month following the then current month from invoice or other such notice from the County. Ground rent shall be due and payable, whether or not Lessee receives a bill. This ground rent requirement is not contingent upon receiving prior approval by the Gunnison County Community Development Department of Lessee's application of proposed building or structure (hereinafter the "Improvements" or roadway or utility line(s) (hereinafter the "Infrastructure") to be installed and/or constructed upon the Premises. Ground rent per acre shall be adjusted from time to time by Resolution of the Board of County Commissioners. Ground rent shall be payable to Gunnison County and shall be delivered to the County's Finance Director at the Gunnison County Courthouse, 200 East Virginia Avenue, Gunnison, CO 81230, or other such address as the Lessor may designate in writing from time to time. Ground Rent shall be considered delinquent if not received by the end of the month following when the payment became due. Interest shall accrue on the delinquent payment at the rate of one percent (1%) per month on all material balances that are not reasonably disputed. Failure to timely pay the Ground Rent shall also be deemed a default event.

4. Inconvenience During Construction. Lessee recognizes that from time to time during the term of this Lease Agreement it may be necessary for the Lessor to initiate and carry forward extensive programs of construction, reconstruction, expansion, relocation, maintenance and repair related to development of the Industrial Park or other Lessor purposes which will require accommodation and that such construction, reconstruction, expansion, relocation, maintenance, and repair may inconvenience Lessee in its operation at the Industrial Park. Lessee agrees that no liability shall attach to the Lessor, its commissioners, officers, agents, employees, contractors, subcontractors and representatives by reason of such inconvenience or interruption; provided, however, Lessor agrees to use its best efforts to perform such activities in a manner and at such times that will minimize interference with Lessee's use and enjoyment of the Premises.

5. Certain Obligations of Lessee.

(a) Approval of Plans. Lessee covenants and agrees that prior to the preparation of detailed construction plans, specifications and architectural renderings of any building, structure, roadway, utility line, addition or improvement relative to the Leased Premises, including location of drainage, utilities and roadways, such plans, specifications and architectural renderings shall be submitted to the County Manager or authorized designee for approval.

Lessee's plans shall be compliant with any and all applicable local, state and federal laws and regulations including but not limited to life, fire safety, environmental codes, regulations and minimum standards, the Department of Energy and Colorado Department of Public Health and Environment Regulations, the then current land use development criteria established by Gunnison County, Colorado and the Gold Basin Industrial Park Special Area Regulations, as identified in Exhibit C attached hereto and incorporated herein.

Lessee covenants and agrees that prior to the installation or construction of any Improvements or Infrastructure on the Premises, it shall first submit to the Lessor for approval, final detailed construction plans and specifications and architectural renderings prepared by registered architects and engineers, and that all construction will be in accordance with such plans and specifications.

(b) Construction of the Buildings, Structures or other Improvements. Lessee agrees to begin construction of Improvements and Infrastructure no later than 180 days after the necessary permits have been issued to Lessee and to complete the construction within 180 days after Lessee begins the construction and/or installation of Improvements and Infrastructure. In the event Lessee fails to begin and complete construction within the period specified above, the Lessor shall have the right to terminate this Lease Agreement pursuant to the provisions of paragraph 7.

The Improvements described in Exhibit D attached hereto and incorporated herein, will be built at Lessee's sole expense and in accordance with the specifications described in Exhibit D attached hereto and incorporated herein, and in compliance with any and all applicable local, state and federal laws and regulations including but not limited to life, fire safety, environmental codes, regulations and minimum standards, the Department of Energy and Colorado Department of Public Health and Environment Regulations, the then current land use development criteria established by Gunnison County, Colorado and the Gold Basin Industrial Park Special Area Regulations, as identified in Exhibit C attached hereto and incorporated herein. Any amendment to the construction specifications identified in Exhibit D shall require the prior written consent of Lessor which may be withheld in Lessor's reasonable discretion.

(c) Utilities. Lessee, with Lessor's consent, shall have the right to install underground utilities and related facilities to provide utility services to the site and shall have the right to access all utilities servicing the Industrial Park, at Lessee's sole cost, including connection fees. Lessee shall give Lessor at least thirty days prior written notice of any proposed construction together with a construction plan showing any areas outside of the Improvements that may be affected by such construction. The County Manager or authorized designee shall have ten days to approve or deny the construction plan based on the anticipated disruption to the current or reasonably anticipated use of the Industrial Park, which approval shall not be unreasonably denied. If and when a construction plan is agreed upon between the Lessee and the County Manager or authorized designee, any such construction shall be conducted in a reasonable manner and in compliance with the construction plan so as to minimize the disruption of normal Industrial Park operations. After construction, Lessee shall restore the construction site to its

condition prior to construction excepting the Improvements. In exercising its rights hereunder, Lessee agrees to avoid areas which are paved or otherwise improved, whenever possible. Within 60 days of completion of construction, pavement or ground disturbed in the process shall be returned to its original condition. Lessee shall be responsible for the cost of any and all utilities serving the Premises.

(d) Wastewater Treatment Requirements. Lessee shall comply with any and all necessary pretreatment wastewater requirements deemed necessary by the City of Gunnison which may be imposed pursuant to the Intergovernmental Agreement Concerning Wastewater Treatment for Gold Basin Industrial Park as identified in Exhibit E attached hereto and incorporated herein

(e) As-Built Drawings. Within thirty (30) days following completion of the initial construction and any subsequent additions, alterations or improvements, Lessee shall present to the Lessor a complete set of reproducible drawings including, but not limited to, specifications and shop drawings of the Infrastructure and Improvements constructed on the Premises.

(f) Maintenance of Improvements and Premises. From and after the date construction is completed of the Improvements, Lessee shall maintain the Improvements and Premises, including the roof and structural components of the Improvements, at Lessee's sole expense in a neat, clean and safe condition and in good repair, normal wear and tear excepted. Lessee shall not make structural alterations to the Improvements and/or Premises prior to making application to and receiving approval from the County Manager or authorized designee. All alterations shall be at Lessee's sole expense. In the event Lessee fails to commence any repair or maintenance of the Improvements and/or Premises required pursuant to this Lease Agreement within thirty (30) days after written notice from Lessor requesting the repair or maintenance in question, Lessor may undertake the specified repair or maintenance for the account of Lessee, and Lessee shall promptly reimburse Lessor 125% of Lessor's actual costs and expenses incurred in connection therewith and if there is no prompt reimbursement by Lessee to Lessor, Lessor may have the option of acquiring a lien against Lessee's Improvements. Lessee shall follow and be in compliance with any and all applicable local, state and federal regulations including but not limited to life, fire safety, environmental codes, regulations and minimum standards, the Department of Energy and Colorado Department of Public Health and Environment Regulations, the then current land use development criteria established by Gunnison County, Colorado and the Gold Basin Industrial Park Special Area Regulations, as identified in Exhibit C attached hereto and incorporated herein. Lessee shall notify the Lessor of all construction, reconstruction, repair, or any work whatsoever related to the Improvements and/or Premises and the name of the contractors or subcontractors performing such work. The Lessee will be responsible for snowplowing the leasehold access off of Basin Park Drive and all internal snowplowing. All snow from inside the Premises boundary lines will be stored on the Premises. The Lessee will be responsible for watering all landscaping adjacent to its Premises. Lessee will be required to take necessary steps to protect air quality by minimizing dust created by its activities. Suitable steps include gravel with dust suppressant, paving, planting, etc. The Lessee must pay water and

sewer tap fees based on the size of the water supply line to its Premises. The tap fee is not based on size required for fire suppression, but based on consumptive use.

(g) Use of Premises and Improvements. The Lessee shall use the Improvements and Premises exclusively for the activities as described in the attached Business Plan (Exhibit F). Lessee may NOT store personal vehicles or other miscellaneous personal items owned by the Lessee on the Premises. Lessee shall secure all necessary licenses, permits and other approval required by Gunnison County, the State of Colorado, or the United States of America that may be necessary or associated with the Lessee's business and use of the Premises. Additionally, Lessee shall have a fire extinguisher and any other necessary equipment in the Improvements and on the Premises at all times and in compliance with any and all local, state and federal laws, regulations and rules which may be applicable, including but not limited to life, fire and safety codes.

(h) Laws and Regulations. In using the Improvements and Premises, Lessee shall comply with any and all local, state and federal laws, regulations and rules which may be applicable, including but not limited to, life, fire and safety codes. Lessee shall also fully and promptly comply with the Gold Basin Industrial Park Special Area Regulations.

(i) Insurance for Improvements and Premises. Throughout the term of this Lease Agreement, Lessee shall maintain adequate property insurance covering the Improvements and Lessee's interest in the Premises and shall provide adequate insurance protection from fire and other casualties. Insurance shall be, at Lessee's sole cost, in the amount of the reasonably anticipated replacement costs of the Improvements and Premises. The Lessor shall be named as an additional insured under any insurance policy issued to Lessee. In the event of damage or destruction of the Improvements and/or Premises, the proceeds of such insurance shall be applied to the repairs and/or replacement, and any excess shall be payable to Lessee. In no event shall Lessor be obligated to repair or replace the Improvements after damage or destruction. In any event, Lessee shall be obligated to repair and replace the Improvements and Premises after damage or destruction unless the Lessor agrees otherwise.

(j) Ownership. Lessee shall own the Improvements, except as set forth in paragraph 8 herein. Lessor shall own the Premises and any and all infrastructure.

(k) Construction By Lessor. Lessor reserves the right to install a buried natural gas line running across the Premises to serve Lessee and others.

(l) Encumbrance. Lessor's interest in the Premises may not be encumbered by Lessee and shall not be subject to any mechanic's, material men's or similar liens with respect to Lessee's interest in the Improvements. If any such liens are asserted against Lessor's or Lessee's interest in the Improvements and/or Premises, Lessee shall promptly cause the same to be removed or shall provide Lessor with adequate security as reasonably determined by Lessor. Lessee shall not encumber Lessee's interest in the Premises except in accordance with the

provisions of this Lease Agreement. Any encumbrance of Lessee's interest in the Improvements permitted pursuant to this Lease Agreement shall expressly exclude any interest of Lessor in the Improvements.

(m) Taxes. The Lessee shall pay any and all real and personal property and other taxes that are assessed against the Improvements and/or Premises.

(n) Financing.

(i) Lessee's Right to Finance. Lessee may, at any time or from time to time, mortgage the Improvements so long as Lessee is in compliance with all terms, conditions, and provisions of this Lease Agreement. Such right of Lessee to mortgage the Improvements to the Premises shall be a continuing right and shall not be deemed exhausted by the exercise thereof on one or more occasions. Any such mortgage shall be expressly subject to the provisions of this Lease Agreement, and only with prior written notice to Lessor and only with the consent of the Lessor which Lessor will not unreasonably withhold. No mortgage shall to any extent encumber all or any portion of Lessor's interest in the Premises.

(ii) Mortgagee's General Cure Rights. Lessor, prior to terminating this Lease Agreement or exercising any other right or remedy hereunder for a default by Lessee (as defined below), shall give each holder of a deed of trust or mortgage encumbering the Improvements to the Premises ("Leasehold Mortgagee") written notice of the pertinent default by Lessee and providing thirty (30) days in which to cure the same, or, if the subject default by Lessee is of such a nature that the same cannot reasonably be cured within said thirty (30) day period, then the Leasehold Mortgagee's cure period shall be extended for so long as the Leasehold Mortgagee begins the curative portion within said 30 days and diligently pursues the cure to completion. Furthermore, if such default requires the Leasehold Mortgagee to be in possession to effect a cure, Leasehold Mortgagee's cure period shall be extended to afford Leasehold Mortgagee time to obtain possession of the Premises. In the event this Lease Agreement is terminated in accordance with this Lease Agreement or by provision of law, or in the event Lessor dispossesses Lessee, Lessor shall give each Leasehold Mortgagee written notice thereof within ten (10) days after the termination or dispossession. Lessor and Lessee agree that any mutual termination, cancellation or rescission of this Lease Agreement by Lessor and Lessee shall be effective only if the same is approved in writing by any Leasehold Mortgagee. Provided, however, Leasehold Mortgagee shall be deemed to have approved of any mutual termination, cancellation, or rescission, if Leasehold Mortgagee has failed to approve or disapprove of said termination, cancellation, or rescission within 30 days of receipt of notice of the parties' intent to terminate, cancel, or rescind the Lease Agreement.

(iii) New Lease. If Lessor terminates this Lease Agreement, Lessor agrees to enter into a new lease for the Premises with any Leasehold Mortgagee or its designee, for the remainder of the term of this Lease Agreement, effective as of the date of such termination at the same rent, and otherwise upon the same terms, covenants and conditions contained herein, provided that (i) such Leasehold Mortgagee shall make written request for such new lease within thirty (30) days after the date of such termination, and (ii) such Leasehold Mortgagee will pay or cause to be paid to Lessor within the same period as in (i) above all delinquent sums unpaid which at such time would have been payable under this Lease Agreement but for such termination, and shall cure all defaults of Lessee under this Lease Agreement which remain uncured as of that date to the extent the same can be reasonably cured, all other non-monetary defaults being waived by Lessor, (iii) such Leasehold Mortgagee shall pay or cause to be paid to Lessor on that date all expenses, including reasonable attorneys' fees, court costs, and disbursements reasonably incurred by Lessor in connection with any such default and any termination as well as in connection with the execution and delivery of such new lease, and (iv) such lease shall be made without any warranty to the Leasehold Mortgagee as to rights Lessee may continue to have or assert as to the Premises. If more than one Leasehold Mortgagee shall desire to enter into such new lease under the circumstances outlined hereinabove, the Leasehold Mortgagees in the order of the priority of their mortgages (i.e., first mortgage, second mortgage) shall have the first opportunity to do so. However, irrespective of any other provisions in this Lease Agreement to the contrary, if a Leasehold Mortgagee does not exercise its right to enter into a new lease with Lessor within the time periods and in accordance with the provisions set forth hereinabove, such Leasehold Mortgagee shall not thereafter have any rights whatsoever in this Lease Agreement or in the Premises, all interest therein having reverted to Lessor as a result of the termination of this Lease Agreement.

(iv) Casualty. In case any mortgage made by Lessee shall be in force at the time of any damage to or destruction by fire or otherwise of the Improvements, then the Leasehold Mortgagee is hereby authorized, at its sole expense, to repair or restore the Improvements or to replace the Improvements under the same terms and conditions of this Lease Agreement as would be applicable in the case of a repairing, restoring or replacement by Lessee. The Leasehold Mortgagee so repairing, restoring or replacing any part of said Improvements shall, subject to compliance with all the conditions contained in this section, be subrogated to the rights of Lessee to all the insurance proceeds payable as a result of the damage or destruction, and shall be entitled to have all of said insurance proceeds paid out upon architect's certificates in the same manner in every respect as if said Leasehold Mortgagee were Lessee under this Lease Agreement.

6. Conditions of Use.

(a) Lessee shall not store gasoline, solvents, explosives, flammable paints, other flammables, or other hazardous materials in the Improvements or on the Premises without the prior written approval of the County Manager or authorized designee. However, it is recognized and understood that fuel contained in the fuel tanks of vehicles is permitted. Furthermore, it is recognized and understood that propane properly contained in propane tanks is permitted, as long as Lessee complies with all applicable local, state and federal regulations. The parties understand that the County Manager or authorized designee is authorized by this provision to require use of safety containers, and to require that other safety measures are followed by Lessee as a condition of such approval. Written approval of the County Manager or authorized designee shall not be required for the storage of less than a total of five gallons of engine oil or other engine lubricants, hydraulic fluids, and cleaning fluids necessary and incidental to the normal conduct of business. Pursuant to paragraph 5(d) herein, Lessee shall comply with any and all necessary pretreatment wastewater requirements deemed necessary by the City of Gunnison.

(b) Lessee shall control the conduct and demeanor of its employees, guests, and invitees in and around the Improvements and Premises and shall take all steps necessary to remove persons whom Lessor may, for good and sufficient cause, deem objectionable. Furthermore, there shall be no dogs of any kind allowed in and around the Improvements and/or Premises.

(c) Lessee shall keep the Improvements and Premises clean and free of debris at all times, and Lessee shall not place any trash or debris on the common grounds except in containers provided for trash by the Lessor.

(d) Any modification to existing wiring or the installation of additional outlets or fixtures must be in compliance with current codes. Any device, the use of which requires modification to the capacity of the existing electrical system, shall be required to be high wattage.

(e) Lessee shall not attach any hoisting or holding mechanism to any part of the Improvements or pass any mechanism over the struts or braces therein without the prior written permission of the County Manager or authorized designee, which permission shall only be granted after Lessee provides written evidence from a Colorado licensed Professional Engineer that such activity will cause no damage to the structure. For purposes of this Lease Agreement, a hoisting or holding mechanism shall be deemed to include, but shall not be limited to, a chain-ball, block and tackle, or other hoisting or winching device. Lessee shall be responsible for any and all damage to the Improvements occasioned by such use or conduct.

(f) Lessee shall not paint, remove, deface, modify, bend, drill, cut or otherwise alter or modify any part of the Improvements without the prior written permission of the County Manager or authorized designee, which permission shall only be granted after Lessee provides written evidence from a Colorado licensed Professional Engineer that such activity will cause no damage to the structure.

(g) In utilizing the Improvements and Premises, Lessee agrees to and shall comply with all applicable ordinances, resolutions, rules and regulations established by any federal, state or

local government agency. If there is a conflict between this Lease Agreement and any ordinance, resolution, rule or regulation, the more stringent shall control.

7. Termination. Either party shall have the right to terminate this Lease Agreement in its entirety if the other party breaches any provision of this Lease Agreement or fails to perform any obligation hereunder and such breach or failure continues for a period of thirty (30) days after receipt of notice from the other party specifying the breach or failure to perform in question. In the event of a non-monetary default, if it is not possible to cure the breach within thirty (30) days, the breaching party must commence work to cure the breach within thirty (30) days of receiving notice, and must diligently pursue work to cure the breach. Failure to diligently pursue curing the breach shall be grounds for termination. Notwithstanding the above, if Lessee does not receive approval by the Gunnison County Planning Department of Lessee's application for proposed Improvements and Infrastructure to be installed and/or constructed on the Premises, Lessee shall have the right to terminate this Lease Agreement. Additionally, if Lessee is unable to obtain State of Colorado approval for its business operations by October 31, 2014, Lessee shall have the right to terminate this Lease Agreement.

8. Certain Rights and Obligations on Termination. Upon expiration or termination of this Lease Agreement, Lessor shall be deemed the owner of the Improvements and any and all alterations, additions or fixtures installed in or on the Premises by Lessee, except for those which Lessor requires to be removed at the end of the Lease Term. Lessee shall remove those Improvements and any and all alterations, additions or fixtures installed in or on the Premises by Lessee, which Lessor requires to be removed, by the end of the Lease Term. Lessee shall immediately repair any damage to the Improvements and Premises caused by such removal.

9. Inspection. Lessor's authorized representatives shall be allowed access to the Improvements and/or Premises at all reasonable times, for the purpose of examining and inspecting the Improvements and/or Premises. Except in cases of emergency, no inspection shall be made without reasonable prior notice to the Lessee. At all times, Lessee shall provide and Lessor shall have means of access to the interior of the Improvements (i.e. key, lock combination, etc.).

10. Ingress-Egress. Lessee, its agents and servants, patrons and invitees, and its suppliers of service and furnishers of materials shall have the right of reasonable ingress to and egress from the Improvements or Premises, via the internal access road.

11. Assignment, Subletting, Change of Ownership.

(a) Lessee may, only upon prior written approval of the Lessor, which approval shall not be unreasonably withheld, assign use of Lessee's rights and obligations arising under this Lease Agreement if Lessee transfers its ownership in the Improvements to that same party.

(b) Lessee may sublease all of or a portion of its Improvements; provided, however, the Lessee shall be obligated to first notify the County Manager or authorized designee of any

sublease and of the name of the sublessee. Failure to first notify the County Manager or authorized designee of all subleases, and the name(s) and contact information of the sublessee(s), shall constitute an event of default under this Lease Agreement. The parking of equipment not owned by or leased by Lessee within the Premises shall constitute a sublease. Any transferee, assignee, or sublessee shall be subject to and be bound by all the provisions of this Lease Agreement.

(c) The following events shall be referred to herein as a "Transfer" and require county approval: (i) a transfer or conveyance of title (or any portion thereof, legal or equitable) of the Premises (or any part thereof or interest therein), (ii) the execution of a contract or agreement creating a right to title (or any portion thereof, legal or equitable) in the Premises (or any part thereof or interest therein), (iii) or an agreement granting a possessory right in the Premises (or any portion thereof), in excess of three (3) years, (iv) a sale or transfer of, or in the execution of a contract or agreement creating a right to acquire or receive, more than fifty percent (50%) of the controlling interest or more than fifty percent (50%) of the beneficial interest in the Lease Agreement, or (v) the reorganization, liquidation or dissolution of the Lessee. The Lessor shall not consider a transfer by devise, descent or by operation of the law upon the death of a joint tenant as a Transfer.

12. Nondiscrimination. Lessee agrees that (1) no person shall be excluded from participation in, denied benefits of, or otherwise be subjected to discrimination in the use of the Premises on the grounds of race, color, physical or mental handicap, sexual preference or national origin; (2) in constructing any improvements or furnishing services at the Premises, no person shall be excluded from participation in, denied benefits of, or otherwise be subjected to discrimination on the grounds of race, color, physical or mental handicap, sexual preference or national origin; and (3) Lessee shall use the Premises in compliance with all other requirements imposed by or pursuant to applicable regulations. The failure to remedy any breaches of any of the above non-discrimination covenants shall constitute cause for Lessor to terminate this Lease Agreement under the provisions of paragraph 7.

13. City of Gunnison Public Improvement Fee. Any and all retail sales which are taxable pursuant to Title 39, Article 26, Colorado Revised Statutes, conducted on the Premises shall be subject to and in compliance with the then existing and applicable agreement between the City of Gunnison and Gunnison County for the collection of Public Improvement Fees as identified in Exhibit G attached hereto and incorporated herein. Lessee shall provide Lessor with a monthly report, verified under penalty of perjury, of any and all retail sales conducted on the Premises along with payment of the requisite Public Improvement Fee in full by the 25th day of the following month. Lessor, upon receipt of Lessee's Public Improvement Fee payment, shall then forward Lessee's Public Improvement Fee payment to the City of Gunnison by the last day of the following month.

14. Hold Harmless Clause. Lessee shall defend, indemnify and hold harmless the Lessor, its officials, employees and agents from any claims whatsoever concerning the Improvements and/or Premises and for any liability for damages, injury or death which may arise

from the direct or indirect operations of the Lessee, Lessee's contractors or subcontractors, which relate to the construction and/or installation of Improvements and Infrastructure and maintenance thereof and all facets of Lessee's business operation.

15. Non-Waiver. Failure or delay on the part of either party to complain of any action or non-action on the part of the other shall not be deemed to be a waiver of their respective rights hereunder. The consent or approval by either party to or of any action by the other requiring consent or approval shall not be deemed to waive or render unnecessary the consent or approval to or of any subsequent similar or dissimilar action. All waivers must be in writing and signed by the party against whom such waiver is sought to be enforced.

16. Notices. Notices to Lessor provided for herein shall be deemed received when actually received by the following individuals:

County Manager
Gunnison County
200 E. Virginia
Gunnison, CO 81230

Notices to the Lessee will be deemed received:

(a) if personally received by the individual named below, or
(b) three days after being sent by certified mail, postage prepaid, addressed to:

CCCenterSeven, L.L.C.
535 River Front Road
Gunnison, CO 81230

or to such other address as the Lessee may designate in writing from time to time.

17. Paragraph Headings. The paragraph headings contained herein are for convenience of reference and are not intended to define or limit the scope of any provision of this Lease Agreement.

18. Invalid Provisions. In the event any covenant, condition or provision contained herein is held to be invalid by any court of competent jurisdiction, the invalidity of any such covenant, condition or provision shall in no way affect any other covenant, condition or provision herein contained; provided that the invalidity of such covenant, condition or provision does not materially prejudice either Lessor or Lessee or their respective rights and obligations contained in the valid covenants, conditions or provisions of this Lease Agreement.

19. Attorneys' Fees. In the event of litigation or other proceedings to enforce or interpret this Lease Agreement, Lessee shall pay Lessor any and all fees, costs and expenses, including attorneys' fees incurred by Lessor to enforce or interpret this Lease Agreement.

20. Successors and Assigns. This Lease Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, heirs, legal representatives and assigns.

21. Miscellaneous. In this Lease Agreement, the singular shall include the plural; the singular in reference to one gender shall include the other and the neuter, as appropriate. This Lease Agreement shall be governed by and construed in accordance with the laws of the State of Colorado. Any action concerning this Lease Agreement must be brought in Gunnison County, Colorado.

22. Authority. The undersigned, on behalf of the Lessee, warrants that he is authorized by the Lessee to enter into and be bound by this Lease Agreement.

IN WITNESS WHEREOF, the parties have caused this Lease Agreement to be executed under their respective seals on the day and year first written above.

LESSOR:

BOARD OF COUNTY COMMISSIONERS
OF THE COUNTY OF GUNNISON, COLORADO

By: _____
Matthew Birnie, County Manager

GUNNISON COUNTY SEAL COLORADO

ATTEST
_____
Deputy County Clerk

LESSEE:

CCCenterSeven, L.L.C.

By: _____
Louis F. Costello, Member

CCCenterSeven, L.L.C.

By: Gary L Fabiano
Gary L. Fabiano, Member

EXHIBIT A
(Identification and Legal Description of Industrial Park)

EXHIBIT B
(Legal Description of Leased Parcel)

EXHIBIT C
(Gold Basin Industrial Park Special Area Regulations)

EXHIBIT D
(Lessee's Site Plan Identifying the Improvements to be Constructed)

EXHIBIT E
(Wastewater IGA w/City of Gunnison)

EXHIBIT F
(Business Plan)

ATTACHMENT C:

Public Notice.

NOTICE OF A PUBLIC HEARING
CONCERNING A
MARIJUANA CULTIVATION FACILITY LICENSE
103 BASIN PARK DRIVE
LEASE AREA 7, GOLD BASIN INDUSTRIAL PARK

HEARING DATE, TIME AND LOCATION: The Gunnison County Board of County Commissioners **on Tuesday, October 7, 2014 at 10:00 a.m.** in the Planning Commission Meeting Room, 2nd Floor, Blackstock Government Center, 221 N. Wisconsin St. Gunnison, Colorado, will hold a public hearing to hear public comment concerning a Marijuana Facility License application for a new marijuana cultivation, manufacturing, and testing facility to be located in a new 12,000 square foot building at 103 Basin Park Drive.

APPLICANT: The applicant is CCCenterSeven, LLC, represented by Louis F. Costello.

PARCEL LOCATION: The parcel on which the Marijuana Facility License is proposed is located at 103 Basin Park Drive, Lease Area 7, Gold Basin Industrial Park.

PROPOSAL: The applicant is proposing to locate a Marijuana Cultivation, Testing and Manufacturing Facility in a new building.

PUBLIC PARTICIPATION: The public is invited to submit verbal or written comments at the hearing, or to submit written comments by email: planning@gunnisoncounty.org; fax (970) 641-8585, or letter (Community Development, 221 N. Wisconsin, Suite D, Gunnison, CO 81230), so long as they are received by 5 p.m. the afternoon before the date of the meeting so that they may be submitted for the public record during the hearing. A copy of the application is available in the Community Development Department, 221 N. Wisconsin, Suite D, Gunnison, CO; additional information may be obtained by calling the Community Development Department (970) 641-0360. The application can be viewed at the County's web site at: http://204.132.78.100/citizenaccess. For more information regarding this application please contact Russell Forrest at 970-641-7929.

ADA ACCOMMODATIONS: Anyone needing special accommodations as determined by the *American Disabilities Act* may contact the Planning Department prior to the day of the hearing.

/s/ Russell Forrest
Community Development Director