



GRAND COUNTY CLERK AND RECORDER

June 1, 2016

Mr. David Salterelli
Mr. David Michel
PO Box 3228
Winter Park, CO 80482

RE: Initial Review - Renewal

Dear Mr. Salterelli and Mr. Michel:

The Public Hearing with the Grand County Board of County Commissioners has been set for 3:00 pm on Tuesday, July 12, 2016.

At the Public Hearing, the Board of County Commissioners will be considering the “reasonable requirements of the neighborhood and the desires of the adult inhabitants as evidenced by petitions, remonstrance, or otherwise.” They will also be reviewing any changes or issues that have occurred in the past year for each of your licenses.

Petitions or letters from residents in the neighborhood have been used in the past to show the desires of the adult inhabitants by other applicants seeking marijuana licenses. The neighborhood is typically set as the two-mile radius around the proposed location. Should you decide to submit letters and/or petitions from the adult inhabitants, we will need those exhibits no later than a week before the public hearing. The physical address and name of each person should be included with the petition or letter and will be verified by our office to determine if the person is within the neighborhood. There is a sample petition template on our website to assist you with this endeavor.

The Notice Pursuant to the Marijuana Laws of Colorado will be posted by the Sheriff’s Department on the premises and must remain posted for at least 10 days prior to the Public Hearing. In addition, a legal notice will run in the local newspaper (Middle Park Times). A courtesy notification will be sent to property owners within the two-mile radius.

We have done our initial review of your renewal applications and modifications of premise and have a list of items we would like to have amended or added:

Exhibit A: Cover Letter

1. The cover letter states fees of \$16,600 were paid. The checks we received were for \$24,000 for the renewals of all six licenses (\$5,000 for each retail license and \$3,000 for each medical license for a total of \$24,000) and \$4,000 for four modifications of premises (\$1,000 each). Please correct your letter.
2. Could you please clarify how Igadl is getting water and the significance of the net water usage of 26,350 gallons. You indicated that you have a contract with the Town of Grand Lake but no copy of the contract was included. Please supply a copy of the contract. Could you also clarify the transport of the water, the quantity of water purchased on a monthly basis, and whether or not the water is treated.
3. In your Waste Management Plan you indicated that your secured waste is removed by a certified waste disposal company, the Trash Company. Please provide proof that the Trash Company is certified as required by R 307 (F) and M 307 (F).
4. Please date and sign the letter.

Exhibit B: Copy of State Renewal Applications

1. On the state renewal applications for the medical marijuana infused products manufacturer license and the medical marijuana center license, you stated that you do not have an approved Optional Premise Cultivation License. Can you clarify? The Retail Cultivation license renewal application and Medical Marijuana Center both have an Optional Premise Cultivation License Renewal Application attached. It is our understanding that the Optional Premise Cultivation License is attached to the Medical Marijuana Center. Can you please clarify this?
2. No Modification of Premise Applications with your initial renewal applications. The modifications of premises were received 5/25/2016 and will be reviewed.

Exhibit C: Trade Name Registration

1. Requirement satisfied. There was a change in the description of business transacted or activities conducted.
2. We are interested in why the trade name registration was changed from "Retail and wholesale sales of natural, homeopathic, and herbal supplements and remedies" to "Retail and wholesale sales."

Exhibit D: Certificate of Fact of Good Standing from Secretary of State

1. Requirement satisfied. Certificate is current and it has been verified on the website.

Exhibit E: Entity Documents

1. Requirement satisfied. No changes since original.

Exhibit F: Documents Demonstrating Legal Possession

1. We received an amendment to the lease but Unit A does not appear to be included in the lease. Square footage is not included either. We will need a new lease or an amendment in order to process the modification of premise.
2. On the lease we have concerns about the following:
 - a. 14d - seems to be in conflict with 6.

- b. 30 - "by a badged representative of the tenant"
- c. 33 – reference to Paragraph 38 does not make sense to us
- d. 45 is in conflict with 30. The landlord cannot have access without being with a badged representative.

Exhibit G: Diagram of Premise

1. Please identify the unit numbers on the diagram.
2. The primary changes include:
 - a. Unit A has been added to the MIPs licenses.
 - b. The packaging and security DVR area were added to the MIPs licenses. The 2nd floor break room and stairwell were added to the MIPs licenses.
 - c. A wall was removed from the cultivation area.
 - d. Additional cameras were added.

Exhibit H: Financial Documents

1. It appears the old notes have been modified (different dates, interest rates, etc).
2. There is a new note for [REDACTED] for \$300,000.
3. It appears there is an error in the \$40,000 note (date and amount).
4. Are the three notes the only funding sources other than the business itself?

Exhibit I: Copies of Inspections/Violations/Resolutions

1. We seem to be missing copy of letter from the building department regarding the "snow fence" and its resolution.
2. Pages of the warning letter and inspection checklist are missing (appears to be a double-sided document that was copied as single-sided). Please submit the document in its entirety.

Exhibit J: Sales/Excise Tax Licenses

1. We need clarification on which sales tax licenses/wholesale sales tax licenses are required for each license type.
2. We do not intend to publish the March figures in the Colorado Retail Sales Tax Returns and Retail Marijuana Excise Tax Returns on our website as part of the Public Hearing File.
3. Why is there a deduction of \$1041?

Exhibit K: Security Plan/Documentation

1. We will redact the passcodes prior to publishing on the website. Please redact these before submitting the forms to us in future.

Exhibit L: Fees to State for County

1. Not applicable for renewals.

Exhibit M: Fees to County

1. Requirement satisfied.

Exhibit N: Grand County Application Forms

1. Could we please get clarification on which license requires which type of sales tax license?
2. We need a copy of David Salterelli's Identification for the Lawful Presence affidavit.
3. Need license numbers on Memorandum of Understanding

Exhibit O: Community Development Review

1. We will need Community Development to sign off for the modification of premises and do an update for the renewals.

Exhibit P: Information on Previous Licenses

1. We will refer to Exhibit I.
2. Please submit a statement from MED or other evidence (can be from you) regarding the current good standing of all licenses.

Exhibit Q: Supplemental Documents Provided to State

1. Requirement satisfied – no supplemental documentation.

Exhibit R: Copy of State Licenses

1. Requirement satisfied.

Exhibit S: Land Uses within 1000 Foot Buffer

1. Requirement satisfied.

Exhibit T: 2-Mile Radius Map

1. Requirement satisfied.

Exhibit U: Assessor's Schedule Number and Property Record

1. Requirement satisfied.

Exhibit V: Proof of Taxes Paid

1. Requirement satisfied – 2015 taxes are paid.

Exhibit W: Marijuana Management Plan

1. Typo "throug" under Tracking (just an FYI for you)
2. Please expand on your staff training. This makes it appear that you only train employees on how to deal with identification. What other training is offered to your employees?
3. Community Outreach – we have an idea for you! Any input from Grand Futures?
4. Please explain your point of sale system in more detail.
5. Waste Management – please provide proof that the Trash Company is certified according to M 307 and R 307.

6. Igadi provided a copy of a Grand Lake Water bill and a Special Warranty Deed and Assignment recorded March 28, 2016 which we moved to Exhibit W. We will need a copy of the contract with the Town of Grand Lake as proof of water. Please indicate the significance of the Deed.

Exhibit X: Occupational/Key License Applications

1. List of employees by name (30? Includes contract employees?)
2. All badges verified through MED License look up process.

Please feel free to call me if you have any questions and/or concerns at 970-725-3113 (direct line).

Sincerely,

Patricia C. Brown
Grand County Chief Deputy Clerk/Recorder