

**CONDITIONAL USE PROJECT STATEMENT
615 WOOTEN ROAD, SUITE 110**

The purpose of this application is to request a conditional use variance to allow the processing of hemp in our facility. Below is a summary of the project and also links to the company and information on the benefits of hemp.

The project is composed of the following:

1. Extraction of industrial hemp using solvents, i.e., ethanol.
2. Subsequent purification to create phytocannabinoid-rich hemp oil that is completely devoid of THC.
3. Limited manufacturing of CBD-containing products and ingredients.
4. Quality control, quality assurance, R&D, and product development related to CBD-products.
5. Manufacturing process design and development, leading to an ISO-certified manufacturing plant with cutting edge technology.

The plant will employ approximately 50 individuals, evenly split between skilled and non-skilled workers. Skilled workers will include chemists, engineers and managers with an average salary in excess of \$100,000. The products manufactured at this plant are not recreational, rather sold in supplement, health and wellness, pet health, and personal care markets. The CBD-rich hemp oil is used for pain management, anxiety, sleep disorder, PTSD, cancer treatment, multiple sclerosis, and Alzheimer's. Folium makes the hemp oil that is completely devoid of THC for the medicinal and supplement market and has no presence or interest in the recreational market.

The only hazardous material used in the plant will be ethanol used for extraction. However, the recycle rate is more than 90% with very little solvent disposed of as hazardous waste. All hazardous waste disposal shall be completed meeting all governmental requirements.

Use the link below to see the Company overview/catalog:

<https://www.dropbox.com/s/338g08c66y2zg5n/FOLIUM%202017%20CATALOG-VERSION%203%20PROOF%20%281%29.pdf?dl=0>

Conditional Use Review Criteria

- A. Surrounding Neighborhood: This use is the same as the surrounding neighbors so the neighbors will not be injured but will in fact benefit from this use.
- B. Intent of Zoning Code: This use is consistent with the intent and purpose of the Zoning Code. This is an industrial use in an industrial zone.
- C. Comprehensive Plan: This use is also consistent with the Comprehensive Plan of the City.

Folium Biosciences Product Processing

Folium Biosciences is the largest vertically-integrated producer of phytocannabinoid-rich (PCR) hemp oil in United States. The company is a premier bulk supplier of highly refined PCR hemp oil that can then be used for a multitude of consumer product applications. Folium's proprietary engineering process is capable of isolating any unwanted compounds, while creating the maximum potency level of phytocannabinoids in its hemp oil products. This guarantees our customers a consistent, pure, and premium product.

Folium's location at La Junta, a 60,000 sq ft state of the art facility, and its farms at the same location are dedicated to developing plant genetics, cloning, and cultivation of hemp. The harvested and dried hemp material are transported under refrigeration to the extraction plant at its current location, which it has now outgrown. The company thus intends to expand its manufacturing operations to include a new location at 615 Wooten Road, Colorado Springs, CO. This new facility will be composed of approximately 45,000 sq ft of space composed of refrigerated storage, manufacturing suites, and offices.

At this facility, Folium will manufacture phytocannabinoid-rich hemp oil, water soluble powders, water soluble liquids, softgels, gummy bears, tinctures, and skin lotion. The extraction process will be composed of (1) mixing dried hemp plant material in ethanol, (2) filtering the extract, (3) removing ethanol out of the extract oil by using still and/or reactors, (4) proprietary purification to remove impurities from the hemp oil, and (5) final concentration/dilution to create well-characterized hemp oil or intermediate raw material to be used in retail product manufacturing in other industries.

The machines used at this facilities are:

(1) 1000L, 500L, and 100L reactors that are designed for controlled heating, cooling, and evacuation. These reactors are used for recycling of the solvents used in the extraction process, (2) 20L and 50L rotary evaporators for fine tuning the desolvation process for the final hemp oil, (3) Free-standing 28 cu ft ovens for drying the hemp plant material, (4) freezers for storing the final products, (5) refrigerated chambers for storing the plant material, (6) chromatography machines for testing the quality of the final product, (7) lab accessories for product development and formulation activities, and (8) Nutsche filtration machines for separating plant material from the extract.

These materials are used by Folium's customers to make and market products in health and wellness, supplements, animal health, personal care, and pharmaceutical markets. The Good Manufacturing Practices (GMP) as well as ISO certification will be obtained by enforcing quality and manufacturing standards that will be best-in-class. The manufacturing technology will be composed of an environment-friendly solvent recycling program that aims to re-use 90% of the solvent, thereby minimizing the waste and reducing the cost of the product to its customers. All governmental requirements will be met in the handling of all products and solvents. The products manufactured at this facility will be strictly medicinal in nature with no recreational use since that is not the focus for the company.