

Pot shop property thrown out of bankruptcy court

By Kathryn Reed

The future ownership of the strip of land that houses South Lake Tahoe's lone medical marijuana dispensary is in limbo.

Patty Olson, who owns that retail area in the Bijou Center, had filed bankruptcy earlier this year. Tied to that case was whether Tahoe Wellness Cooperative owner Cody Bass' allegations that he had the first right to buy the property were legally correct.

The bankruptcy judge in Reno this week threw out the case. This is because Olson had received rent payments from Bass for a business that is illegal under federal law. It doesn't matter that medical pot is legal in California. Per federal law that rent money would be deemed illegal cash. Rent was \$10,200/month.

Bass is still operating his business there, and Olson still owns the property. Bass is operating without a valid city permit. He must have the owner's OK to operate. While that had been obtained in the past, it could not be secured last year. That is a separate legal issue tied up in local courts.

Bass can't just rent or buy another place because of the city's pot shop ordinance. It limits the number of such businesses and where they can operate. It would take the City Council's approval to open elsewhere.

The bankruptcy filing occurred after the commercial property and Olson's nearby home were foreclosed on. The bankruptcy halted the foreclosure hearings. (Olson now lives in Sparks.)

The bankruptcy judge put a 60-day stay on the foreclosure

process. This gives Olson time to decide if she would want to appeal the bankruptcy court's decision. If no appeal is filed, the legal wrangling would resume to where it was before bankruptcy court.

Bass believes the agreement he has with Olson to buy the commercial and residential properties for \$4.2 million is still valid. Not true says Olson's lawyers. Bob Hassett, who owns a neighboring apartment complex and operates the Timber Cove Marina, has offered Olson \$2.35 million for the commercial property with the contingency all matters with Bass are resolved and that the property not need more than \$400,000 in repairs. He also wants the residential property.