



CITY OF TRINIDAD
TRINIDAD, COLORADO

The Regular Meeting of the City Council of the City of Trinidad,
Colorado, will be held on Tuesday, May 19, 2015 at 7:00 P.M.
in City Council Chambers at City Hall

****PROCLAMATION – “EMS WEEK – May 17 –23, 2015”****

The following items are on file for consideration of Council:

- 1) **ROLL CALL**
- 2) **APPROVAL OF MINUTES**, Regular Meeting of May 5, 2015 and Special Meeting of May 8, 2015
Members of the public may comment on matters within the jurisdiction of the City but not on the agenda. The Council's response is limited to responding to criticism, asking staff to review a matter commented upon, or asking that a matter be put on a future agenda.
- 3) **PETITIONS OR COMMUNICATIONS, ORAL OR WRITTEN**
- 4) **UNFINISHED BUSINESS**
- 5) **MISCELLANEOUS BUSINESS**
 - a) Hotel and restaurant liquor license renewal request by RGS Sawaya, LLC d/b/a Café What a Grind at 341 N. Commercial Street
 - b) New Retail Marijuana Product Manufacturing Facility license application filed by Dessimals, Inc. d/b/a Lucky Monkey Buds at 137 W. Cedar Street
 - c) New Medical Marijuana-Optional Premise Cultivation Operation license application filed by Dessimals, Inc. d/b/a Lucky Monkey Buds at 137 W. Cedar Street
 - d) Report of Changes application filed by Daryl DeMarco and Diane Irwin d/b/a Southern Colorado Therapeutics to Southern Colorado Therapeutics, Inc. d/b/a Highland Health at 1505 Santa Fe Trail
 - e) Donating and Receiving Shared Leave Policy
 - f) First reading of an Ordinance Establishing a Historic Preservation Commission through a Certified Local Government, and setting a hearing date for consideration of said ordinance
 - g) Consideration of requests for proposals for the conduct of a pavement condition survey (Pavement Condition Index analysis and plan)
- 6) **COUNCIL REPORTS**
- 7) **REPORTS BY CITY MANAGER AND CITY ATTORNEY**
- 8) **BILLS**
- 9) **PAYROLL**, May 9, 2015 through May 22, 2015
- 10) **ADJOURNMENT**

Individuals with disabilities needing auxiliary aid(s) may request assistance by contacting Audra Garrett, City Clerk, 135 N. Animas Street, Phone (719) 846-9843, or FAX (719) 846-4140. At least a 48 hour advance notice prior to the scheduled meeting would be appreciated so that arrangements can be made to locate the requested auxiliary aid(s).

Office of the Mayor
Trinidad, Colorado
Proclamation



"EMERGENCY MEDICAL SERVICES WEEK"
MAY 17 - 23, 2015

WHEREAS, Emergency Medical Services professionals put their lives on the line every day to save others; and

WHEREAS, the unwavering professionalism and courage of Emergency Medical Services professionals imparts a lasting impression on the public, and the men and women serving as members of this committed group of individuals should be recognized for their dedication to their commitment to provide medical care; and

WHEREAS, members of Emergency Medical Services serve the community twenty-four hours a day, seven days a week, performing an absolute vital public service; and

WHEREAS, members of Emergency Medical Services are committed to providing lifesaving medical care to the residents of Trinidad and Las Animas County, and this week provides an excellent opportunity to promote public recognition of the role emergency medical services play in easing suffering and saving lives; and

WHEREAS, Emergency Medical Services Week is the perfect time to inform the American people about precautions they can take to protect themselves and their families.

NOW, THEREFORE, I, Joseph A. Reorda, Mayor of the City of Trinidad, Colorado, on behalf of the entire Trinidad City Council, do hereby proclaim May 17 through May 23, 2015 as:

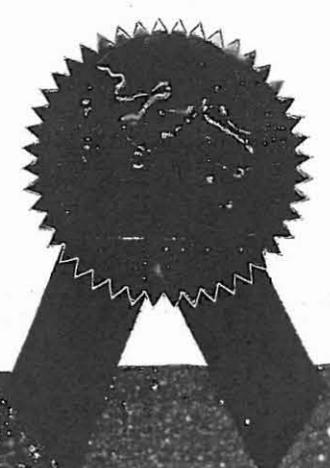
"EMERGENCY MEDICAL SERVICES WEEK"

in the City of Trinidad, and urge all citizens to show their appreciation to our Emergency Medical Services personnel and the role they play in our everyday lives.

*In witness whereof I have hereunto set my hand
and caused the seal of this city to be affixed.*

Mayor _____

Date _____



The regular meeting of the City Council of the City of Trinidad, Colorado, was held on Tuesday, May 5, 2015, at 7:00 p.m. in City Council Chambers at City Hall.

There were present:	Mayor	Reorda, presiding
	Councilmembers	Bolton, Bonato, Fletcher, Mattie, Miles, Torres
Also present:	City Manager	Engeland
	City Attorney	Downs
	Asst. City Clerk	Marquez

The pledge of allegiance was recited.

PROCLAMATION – National Service Recognition Day. Mayor Reorda read aloud the Proclamation designating May 6, 2015, as the local day of service recognition. The Proclamation was signed and presented to Elisa Dawson, local Vista/AmeriCorp volunteer.

APPROVAL OF THE MINUTES. Regular Meeting of April 21, 2015 and Special Meeting of April 28, 2015. A motion to approve the minutes as submitted was made by Councilmember Fletcher and seconded by Councilmember Mattie. The motion carried unanimously, however, with Councilmember Bolton abstaining from the vote on the April 21st minutes due to her absence from that meeting.

PETITIONS OR COMMUNICATIONS, ORAL OR WRITTEN. Phil Rico addressed Council with an update on the Comcast Cares Day held a couple of weeks ago. He thanked Councilmembers Fletcher, Mattie, and Miles and City Manager Engeland for participating. Mr. Rico told Council that according to preliminary reports there were 104 participants/volunteers, many participating in groups. He also thanked the City for allowing the trolley to be used for transportation during the event. He recognized the Parks Department employees who volunteer their time every year to help pick up trash. They are there from start to finish and do a terrific job. Mr. Rico stated they continue to have one concern, that being the area behind Taco Bell and McDonald's. The trash is unbelievable and they are unable to finish cleaning it up. He asked that the City consider writing a letter putting them on notice that they need to be environmentally conscientious. Plastic bags end up in the river. One of the volunteers contacted the County Health Department to report the problem, who then contacted Taco Bell. Mr. Rico said he will be taking it to the Trinidad Community Foundation Board of Directors and if something can't be done they may write to the Taco Bell and McDonald's corporate offices. Their letter would express the need for them to be more environmentally conscientious of our community. In closing, Mr. Rico again thanked the City and said he hoped to see them again next year. Councilmember Bolton said this was the first year she missed but would be there next year. Councilmember Miles thanked Mr. Rico and said it was very well organized. Mayor Reorda recalled having the problem with the restaurants the first year the event was held. They were asked to move their trash receptacles away from the edge of the bank of the river. City Manager Engeland said he and the Fire Chief have followed up with both entities.

UNFINISHED BUSINESS. None.

MISCELLANEOUS BUSINESS. Special event permit request (malt, vinous and spirituous) by Confederacion Mutualista Mexicana e Hispano-Americana for May 30, 2015 (Rocky Mountain Elk Foundation Banquet) at 206 N. Animas Street. A motion to move consideration of this item to the end of the meeting to allow for a representative to be present was made by Councilmember Bonato and seconded by Councilmember Bolton. The motion carried unanimously.

New retail marijuana store application filed by Freedom Road Garden LTD d/b/a Freedom Road at 2600 Freedom Road; New retail marijuana cultivation facility application filed by Freedom Road Garden LTD d/b/a Freedom Road at 2600 Freedom Road; New medical marijuana center application filed by Freedom Road Garden LTD d/b/a Freedom Road at 2600 Freedom Road; New medical marijuana optional premise cultivation operation application filed by Freedom Road Garden LTD d/b/a Freedom Road at 2600 Freedom Road. A motion to set the four license applications for public hearing on June 16, 2015 at 7:00 p.m. was made by Councilmember Bolton and seconded by Councilmember Torres. The motion carried unanimously upon roll call vote.

New retail marijuana store application filed by Colorado Cannabis Associates d/b/a The Spot at 453 N. Commercial Street. City Attorney Downs identified Robert Lucero as being in the audience. He told Council that he met with Mr. Lucero and his lawyer previously. They have resubmitted the application whereby a previous hearing was held and denied for licensure. The fees have also been resubmitted. He asked that the hearing be set. Councilmember Bonato asked if Mr. Lucero still has a business in Pueblo. Mr. Lucero answered that he has four licenses at one location in Pueblo. Councilmember Bolton made a motion to set the license application for public hearing on June 16, 2015 at 7:00 p.m. Councilmember Torres seconded the motion. Upon roll call vote the motion carried with all Councilmembers voting aye with the exception of Councilmember Mattie who cast a dissenting vote.

Consideration of extraterritorial water tap request by Kelly Rivera to serve 37830 County Rd. 32.4 (El Moro Road); and Consideration of extraterritorial water tap request by Trent Mantelli to serve 37811 County Rd. 32.4 (El Moro Road). Public Works/Utilities Director Valentine advised Council that this and the next item are for water taps on El Moro Road. He said he thought he could issue the extraterritorial water taps in his capacity, however, Resolution 1327 requires them to be approved by City Council. He explained that the old Army water line has been abandoned since it was moved down Main Street eight to ten years ago. The line has been activated. Several requests for water taps have been made since the line has been made fully functional recently. Trent Mantelli and Kelly Rivera are two requestors. They are located off the El Moro

exit. The current main runs from the Industrial Park to the old El Moro School location. He credited Water Foreman Marc Vigil for seeing the potential of adding customers by making the line functional. Councilmember Bonato asked the intended use of the water. PWD/Utilities Director Valentine answered that it is household/domestic use. Councilmember Bonato asked if they have houses because the taps are required to be put into use in a year. PWD/Utilities Director Valentine said they do. They both currently haul water. Councilmember Mattie asked what the City's expense will be. PWD/Utilities Director Valentine said the City will not incur any costs. The applicants for the taps will pay Plant Investment Fees, tap fees, etc. The costs are paid by them. Councilmember Miles asked if there was anything unique between the two requests. PWD/Utilities Director Valentine said there was not. Councilmember Miles moved to grant approval of both extraterritorial water tap requests, made by Kelly Rivera and Trent Mantelli. The motion was seconded by Councilmember Fletcher and carried by a unanimous roll call vote.

Consideration of an agreement between Model Land & Irrigation Company and the City of Trinidad for use of the Hoehne and Model Return Flow Structures located on the Purgatoire River. PWD/Utilities Director Valentine told Council that the City has been working with Model Land, Hoehne and Johns Flood Ditch to get agreements in place for the irrigation season. He explained that the previous agreements with Model Land & Irrigation Company have been for one-year terms. This agreement will be for a renewal for a five-year term. He further explained that the City has return flow requirements to the river based on our water rights. Model Land & Irrigation Company has the head gate that the City is able to use through this agreement. Councilmember Bonato asked if this has anything to do with the City's storage at Trinidad Dam. PWD/Utilities Director Valentine answered that the City is leasing 500 acre feet to Model Land & Irrigation for use of the head gate for evaporation of the City's permanent pool. Councilmember Bolton moved to approve the agreement and the motion was seconded by Councilmember Fletcher. Upon roll call vote the motion carried unanimously.

Special event permit request (malt, vinous and spirituous) by Confederacion Mutualista Mexicana e Hispano-Americana for May 30, 2015 (Rocky Mountain Elk Foundation Banquet) at 206 N. Animas Street (heard after Council reports). A representative was present on behalf of the applicant. Councilmember Bolton made a motion to approve the special event permit. The motion was seconded by Councilmember Fletcher. Roll call was taken on the motion and carried unanimously.

COUNCIL REPORTS. Councilmember Mattie told Council that he recently came across an article by Culture Trip addressing Colorado Creative Districts and the towns involved and the best places to live. Trinidad was included among places like Breckenridge, Creede, Crested Butte, Cripple Creek, Estes Park, George Town, Manitou Springs, Ouray and Telluride. He said he is happy we are moving in that direction. Secondly, he stated that from the information released regarding the recent police shooting, although the investigation may not complete, for our officer to respond in what he thought to be a textbook and professional manner to a hostile confrontation, is a credit and inspiration to his department, himself, and represents the City of Trinidad well. Kudos to the officer when he is named.

Councilmember Fletcher reported that Council had a really good breakfast with the Board of County Commissioners on April 27th and felt they got a lot done. She congratulated the Griego family for winning the Chenoweth Award on Saturday night. She also reported on her attendance of the Foundation meeting for the library and announced that plans are underway to refurbish a room downstairs at the library to make it into a community room. It is a joint effort between the City and the Foundation. Finally she advised that again this year there will be an "Ask a Lawyer" event at the courthouse where people can come in and ask a question at no charge regarding a civil matter. The event is slated for May 18th on the third floor of the courthouse.

Councilmember Miles told Council that they recently had an ARPA board meeting and conference call. This was their annual meeting, largely dedicated to strategic planning. She noted that the breakfast meeting with the County Commissioners was well attended. Councilmember Miles asked when they will have an update regarding Certified Local Government. City Manager Engeland answered that historic building designation and Certified Local Government will be discussed next work session. Councilmember Miles said she saw on Facebook a flurry about wood chips for gardeners. City Manager Engeland said he would follow up. Councilmember Mattie said he saw it also. It was in Larimer County and people were able to buy wood chips by the truckloads. City Manager Engeland noted that the City doesn't own a wood chipper but we have a tree pile. He said he would look into it.

Councilmember Bonato asked what the City's taxes were from January to March for marijuana. Finance Director Larry Lochard answered that it was just over \$55,000, from the City 5% and the state tax. Councilmember Bonato said that is good news with the recent job cuts in the oil wells and the UPS transfers.

Councilmembers Bonato, Torres and Bolton had nothing to report.

REPORTS BY CITY MANAGER. City Manager Engeland had nothing to report this evening.

REPORTS BY CITY ATTORNEY. Ask a Lawyer Day. City Attorney Downs informed Council that he will be participating in the Ask a Lawyer Day. He will only be advising on matters concerning divorce and family law.

Chenoweth Awards. City Attorney Downs said the Chenoweth Awards was a very nice event and thanked Councilmembers Mattie and Fletcher as well as Mayor Reorda for attending. He advised that Tara Marshall was presented with a plaque recognizing her two years serving as President of the Chamber of Commerce.

ARPA. City Attorney Downs advised Council that pursuant to a request made by Councilmember Miles, Craig Johnson, ARPA's legal counsel, will participate by phone in an executive session on May 19th.

BILLS. Councilmember Bolton moved to approve the bills and Councilmember Fletcher seconded the motion. The motion carried unanimously upon roll call vote.

PAYROLL, April 25, 2015 through May 8, 2015. A motion to approve the payroll was made by Councilmember

MAY 5, 2015

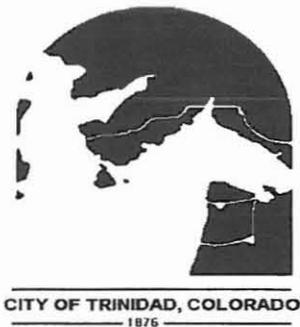
Bolton and seconded by Councilmember Bonato. Roll call was taken and the motion carried unanimously.

ADJOURNMENT. There being no further business to come before Council, a motion to adjourn the regular meeting was made by Councilmember Fletcher and seconded by Councilmember Bolton. The meeting was adjourned by unanimous roll call vote of Council.

ATTEST:

JOSEPH A. REORDA, Mayor

KIM MARQUEZ, Asst. City Clerk



COUNCIL COMMUNICATION

5a

CITY COUNCIL MEETING: May 19, 2015 Regular Meeting
PREPARED BY: Audra Garrett, City Clerk
PRESENTER: Representative - RGS Sawaya, LLC
DEPT. HEAD SIGNATURE: *Audra Garrett*
CITY MANAGER SIGNATURE: *Audra Garrett, ACM*

SUBJECT: Hotel and restaurant liquor license renewal request by RGS Sawaya, LLC
d/b/a Café What a Grind at 341 N. Commercial Street

RECOMMENDED CITY COUNCIL ACTION: Approval of the renewal

SUMMARY STATEMENT: This is the annual renewal application submitted by the licensee.

EXPENDITURE REQUIRED: No.

SOURCE OF FUNDS: N/A

POLICY ISSUE: N/A

ALTERNATIVE: N/A

BACKGROUND INFORMATION:

- The application is in order.
- The Fire Chief reports a satisfactory inspection.
- The departmental report from the Building Inspector completed by the Fire Chief indicates compliance.
- The Police Department had no calls for service.
- The Health Department reported compliance.
- Disclosure statements provided by Councilmembers Miles and Torres are attached.
- Appropriate fees have been paid.

CONTACT FOR INFORMATION:

Audra Garrett, City Clerk
(719) 846-9843, ext. 135
or
Les Downs, City Attorney
(719) 846-9843, ext. 120

5a

**LIQUOR OR 3.2 BEER LICENSE
 RENEWAL APPLICATION**

CAFE WHAT A GRIND
 341 N COMMERCIAL ST
 TRINIDAD CO 81082

Fees Due	
Renewal Fee	\$500.00
Storage Permit \$100 x _____	_____
Optional Premise \$100 x _____	_____
Related Resort \$75 x _____	_____
Amount Due/Paid	500.00

Make check payable to: Colorado Department of Revenue. The State may convert your check to a one-time electronic banking transaction. Your bank account may be debited as early as the same day received by the State. If converted, your check will not be returned. If your check is rejected due to insufficient or uncollected funds, the Department may collect the payment amount directly from your banking account electronically.

PLEASE VERIFY & UPDATE ALL INFORMATION BELOW

RETURN TO CITY OR COUNTY LICENSING AUTHORITY BY DUE DATE

Licensee Name RGS SAWAYA LLC		DBA CAFE WHAT A GRIND		
Liquor License # 4701486	License Type Hotel & Restaurant (city)	Sales Tax License #	Expiration Date 6/18/2015	Due Date 5/4/2015
Street Address 341 N COMMERCIAL ST TRINIDAD CO 81082				Phone Number (719) 846 0505
Mailing Address 341 N COMMERCIAL ST TRINIDAD CO 81082				
Operating Manager KORIN MANUEL	Date of Birth [REDACTED]	Home Address [REDACTED] TRINIDAD, CO 81082	Phone Number [REDACTED]	

- Do you have legal possession of the premises at the street address above? YES NO
 Is the premises owned or rented? Owned Rented* *If rented, expiration date of lease _____
- Since the date of filing of the last annual application, has there been any change in financial interest (new notes, loans, owners, etc.) or organizational structure (addition or deletion of officers, directors, managing members or general partners)? If yes, explain in detail and attach a listing of all liquor businesses in which these new lenders, owners (other than licensed financial institutions), officers, directors, managing members, or general partners are materially interested. YES NO
NOTE TO CORPORATION, LIMITED LIABILITY COMPANY AND PARTNERSHIP APPLICANTS: If you have added or deleted any officers, directors, managing members, general partners or persons with 10% or more interest in your business, you must complete and return immediately to your Local Licensing Authority, Form DR 8177: Corporation, Limited Liability Company or Partnership Report of Changes, along with all supporting documentation and fees.
- Since the date of filing of the last annual application, has the applicant or any of its agents, owners, managers, partners or lenders (other than licensed financial institutions) been convicted of a crime? If yes, attach a detailed explanation. YES NO
- Since the date of filing of the last annual application, has the applicant or any of its agents, owners, managers, partners or lenders (other than licensed financial institutions) been denied an alcohol beverage license, had an alcohol beverage license suspended or revoked, or had interest in any entity that had an alcohol beverage license denied, suspended or revoked? If yes, attach a detailed explanation. YES NO
- Does the applicant or any of its agents, owners, managers, partners or lenders (other than licensed financial institutions) have a direct or indirect interest in any other Colorado liquor license, including loans to or from any licensee or interest in a loan to any licensee? If yes, attach a detailed explanation. YES NO
- SOLE PROPRIETORSHIPS, HUSBAND-WIFE PARTNERSHIPS AND PARTNERS IN GENERAL PARTNERSHIPS:** Each person must complete and sign the DR 4679: Affidavit – Restriction on Public Benefits (available online or by calling 303-205-2300) and attach a copy of their driver's license, state-issued ID or valid passport.

AFFIRMATION & CONSENT

I declare under penalty of perjury in the second degree that this application and all attachments are true, correct and complete to the best of my knowledge.

Type or Print Name of Applicant/Authorized Agent of Business RICHARD SAWAYA	Title OWNER
Signature <i>[Signature]</i>	Date 5-4-2015

REPORT & APPROVAL OF CITY OR COUNTY LICENSING AUTHORITY

The foregoing application has been examined and the premises, business conducted and character of the applicant are satisfactory, and we do hereby report that such license, if granted, will comply with the provisions of Title 12, Articles 46 and 47, C.R.S. **THEREFORE THIS APPLICATION IS APPROVED.**

Local Licensing Authority For Trinidad	Date
Signature	Title Mayor
	Attest

5/5/15

DEPARTMENTAL INSPECTION REPORT
3.2% BEER (FERMENTED MALT BEVERAGE)
OR LIQUOR LICENSE

Applicant: RGS Sawaya, LLC

dba: Café What a Grind

Address: 341 N. Commercial Street

Type of License: Hotel and Restaurant

Renewal Transfer Change of Location New Special Event

FOR CONSIDERATION AT
COUNCIL MEETING DATE: May 19, 2015

DEPARTMENT REVIEW

DEPARTMENT: FIRE / INSPECTION / POLICE / HEALTH DEPARTMENT

COMMENTS: inspected ok

5/8/15
Date

[Signature]
Signature

RETURN TO THE CITY CLERK'S OFFICE BEFORE: May 13, 2015

5/5/15

DEPARTMENTAL INSPECTION REPORT
3.2% BEER (FERMENTED MALT BEVERAGE)
OR LIQUOR LICENSE

Applicant: RGS Sawaya, LLC

dba: Café What a Grind

Address: 341 N. Commercial Street

Type of License: Hotel and Restaurant

Renewal Transfer Change of Location New Special Event

FOR CONSIDERATION AT
COUNCIL MEETING DATE: May 19, 2015

DEPARTMENT REVIEW

DEPARTMENT: FIRE / INSPECTION / POLICE / HEALTH DEPARTMENT

COMMENTS: inspected ok

5/8/15
Date

[Signature]
Signature

RETURN TO THE CITY CLERK'S OFFICE BEFORE: May 13, 2015

5/5/2015

**DEPARTMENTAL INSPECTION REPORT
3.2 % BEER (FERMENTED MALT BEVERAGE)
OR LIQUOR LICENSE**

Applicant's Name: RGS Sawaya, LLC.

DBA: Café What a Grind

Business Address: 341 N. Commercial Street

Type of License: Hotel & Restaurant

Renewal Transfer Change of Location New Special Event

FOR CONSIDERATION AT

COUNCIL MEETING DATE: May 19, 2015

DEPARTMENT REVIEW

DEPARTMENT: FIRE / INSPECTION / POLICE / HEALTH DEPARTMENT

COMMENTS:

No records found

5-11-15
Date

Charles J. Daniels
Signature

RETURN TO THE CITY CLERK'S OFFICE BEFORE: May 13, 2015

Audra Garrett

From: John Martinez [jmartinez@la-h-health.org]
Sent: Wednesday, May 06, 2015 8:13 AM
To: Audra Garrett
Subject: Re: liquor

Hi Audra,
The What a Grind located at 341 N Commercial Street is in compliance with this Office. John Martinez

On 5/5/15, Audra Garrett <audra.garrett@trinidad.co.gov> wrote:

> Hi John,
>
> Please verify compliance with your office for Café What a Grind at 341 N.
> Commercial Street. Thank you.
>
>
> Audra Garrett, Asst. City Manager
>
> City of Trinidad
>
> 135 N. Animas Street
>
> Trinidad, CO 81082
>
> (719) 846-9843 ext. 135
>
> (719) 846-4140 fax
>
> audra.garrett@trinidad.co.gov
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John Martinez Environmental Health
Las Animas/Huerfano Counties District Health Department
719-846-2213 ex 27
jmartinez@la-h-health.org

DISCLOSURE STATEMENT

I, Michelle Miles, hereby state and affirm that I am a member of Opera House Wine & Spirits, LLC, a Colorado limited liability company formed on February 22, 2010, whose principal office address is 601 W. Main Street, Trinidad, Colorado, 81082; that said limited liability company owns and operates Tire Shop Wine & Spirits, a retail liquor store licensed entity, licensed under Title 12, Articles 46 or 47, CRS 1973, as amended of the State of Colorado and under Chapter 3 of the Municipal Code of the City of Trinidad, located at 601 W. Main Street, in the City of Trinidad, County of Las Animas, State of Colorado; that I hold a 99% interest in Opera House Wine & Spirits, LLC; and, that I am able to act independently upon liquor licensing matters that come before the Trinidad City Council, the local liquor licensing authority, of which I am a member.



Michelle Miles
12/4/12

Date

DISCLOSURE STATEMENT

I, Liz Torres, hereby state and affirm that I am a member of Ristras Restaurant and Cantina, LLC, a Colorado limited liability company formed on February 13, 2014, whose principal office address is 516 Elm Street, Trinidad, Colorado, 81082; that said limited liability company owns and operates Ristras Restaurant and Cantina, a hotel and restaurant licensed entity, licensed under Title 12, Articles 46 or 47, CRS 1973, as amended of the State of Colorado and under Chapter 3 of the Municipal Code of the City of Trinidad, located at 516 Elm Street, in the City of Trinidad, County of Las Animas, State of Colorado; that I hold a 34% interest in Ristras Restaurant and Cantina, LLC; and, that I am able to act independently upon liquor licensing matters that come before the Trinidad City Council, the local liquor licensing authority, of which I am a member.



Liz Torres
4.8.14

Date



COUNCIL COMMUNICATION

CITY COUNCIL MEETING: May 19, 2015
PREPARED BY: Audra Garrett, ACM/City Clerk
PRESENTER: Les Downs, City Attorney
DEPT. HEAD SIGNATURE: *Audra Garrett ACM City Clerk*
CITY MANAGER SIGNATURE:

SUBJECT: New Retail Marijuana Product Manufacturing Facility license application filed by Dessimals, Inc. d/b/a Lucky Monkey Buds at 137 W. Cedar Street

RECOMMENDED CITY COUNCIL ACTION: Set the matter for public hearing.

SUMMARY STATEMENT: N/A

EXPENDITURE REQUIRED: No

SOURCE OF FUNDS: N/A

POLICY ISSUE: This is an application for a new license.

ALTERNATIVE: N/A

BACKGROUND INFORMATION:

- The application appears to be in order and will be processed accordingly. A complete application packet will be provided for the hearing.
- City Council may not hold the hearing any earlier than 30 days from today. Therefore, the earliest a hearing may be set is July 7, 2015 at 7:00 p.m., the earliest regular Council meeting date following 30 days.
- Pursuant to TMC 14-204(f), the Local Licensing Authority may request that the state licensing authority conduct a concurrent review of a new license application prior to the local licensing authority's final approval of the license application.
- This is a quasi-judicial matter and as such Council should only consider evidence and testimony provided during the public hearing you set.



CITY OF TRINIDAD

City Clerk's Office
135 N Animas St
P.O. Box 880
Trinidad, Colorado 81082
719-846-9843

RETAIL MARIJUANA LICENSE APPLICATION		
<input checked="" type="checkbox"/> New License Application Fee	\$2,500.00	<input checked="" type="checkbox"/> License Fee/Renewal Fee \$2,500.00
<input type="checkbox"/> Transfer of Ownership Application Fee	\$1,500.00	<input type="checkbox"/> Change of Location \$1,500.00
<input type="checkbox"/> \$1.00 per square foot cultivation fee	_____	Square feet = \$ _____
<input type="checkbox"/> Expansion of cultivation area @ \$1.00 per square foot charge for that additional area	\$ _____	
LICENSE TYPE		
<input type="checkbox"/> Marijuana Store	<input checked="" type="checkbox"/> Marijuana Product Manufacturing Facility	
<input type="checkbox"/> Marijuana Cultivation Facility	<input type="checkbox"/> Marijuana Testing Facility	
TYPE OF BUSINESS		
<input checked="" type="checkbox"/> Corporation	<input type="checkbox"/> Partnership	<input type="checkbox"/> Individual*
<input type="checkbox"/> Limited Liability Corporation	<input type="checkbox"/> Other	
*Sole Proprietorship (Individual) – Verification of Lawful Presence is required per State law (Signed Affidavit and Photo ID)		

Applicant (Corporation/LLC) Dessimals, Inc.

Applicant (Sole Proprietor) Kenneth S. Walker
First Name Middle Initial Last Name

Trade Name of Establishment (DBA) Lucky Monkey Buds

Address of Premise 137 W. Cedar St, Trinidad, CO 81082

Mailing Address 11333 W. Saratoga Pl, Littleton, CO 80127

Telephone 303-972-0483 Email Address kwaller1459@comcast.net

Contact Person/Manager Ken Walker Title President

Telephone 303-972-0483 Email Address kwaller1459@comcast.net

Does the Applicant have legal possession of the premise for at least one (1) year from the date that this license will be issued by virtue of ownership, lease or other arrangement?

Ownership Lease Other (explain in detail)

If leased, list name of landlord and tenant, and date of expiration, EXACTLY as they appear on the lease:**

Landlord	Tenant	Expires
Purgatoire River, LLC	Dessimal's Inc.	6/30/2016

**If premises are leased, attach notarized consent by the owner of the property to the licensing of the premises for a retail marijuana facility.

ADDITIONAL DOCUMENTS TO BE SUBMITTED WITH APPLICATION

✓ Individual History Records attached and completed by each individual applicant, all general partners of a partnership, and limited partners owning 10% (or more) of a partnership; all officers and directors of a corporation, and stockholders of a corporation owning 10% (or more) of the stock of such corporation; all limited liability company *MANAGING* members, and officers or other limited liability company members with a 10% (or more) ownership interest in such company and all managers and employees of a Retail Marijuana License.

1. Fingerprinting by the Trinidad Police Department for:

- all general partners of a partnership and limited partners owning 10% (or more) of a partnership;
- all officers and directors of a corporation, and stockholders of a corporation owning 10% (or more) of the stock of such corporation;
- all limited liability company *MANAGING* members, and officers or other limited liability company members with a 10% (or more) ownership interest in such company; and
- all managers and employees of a Retail Marijuana License with the appropriate fee payable to Colorado Bureau of Investigation (currently \$39.50, March, 2014)

2. Lease or Deed – Evidence of Possession

3. Conditional Use Permit approval

4. Copy of alarm system contract

5. Copy of state sales tax license

6. Certificate of Good Standing

✓ 7. Affidavit of Lawful Presence (Sole Proprietors only)

8. Diagram of Premises:

- A floor plan, drawn to scale on 8-1/2 x 11" paper, showing the layout of the center and the principal uses of the floor area. Floor plan must include location of lighting and cameras required by state rules.

A one-time fee of \$1.00 per square foot of that portion of the licensed premises in which plants are located for cultivation purposes, including greenhouses, shall be due to the City. Any expansion of the licensed premises in which plants are located for cultivation purposes shall result in an additional \$1.00 per square foot charge for that additional area.

9. Copy of State Application with attachments

LIST OF OWNERS, OFFICERS, MANAGERS, EMPLOYEES & OTHERS WITH DIRECT OR INDIRECT FINANCIAL INTEREST

1. Name: KENNETH WALLER Title: President
Address: [REDACTED] Littleton, Co 80127
Financial Interest: Yes 50%

2. Name: Karen Waller Title: Secretary
Address: [REDACTED] Littleton, Co 80127
Financial Interest: Yes 50%

3. Name: _____ Title: _____
Address: _____
Financial Interest: _____

4. Name: _____ Title: _____
Address: _____
Financial Interest: _____

5. Name: _____ Title: _____
Address: _____
Financial Interest: _____

6. Name: _____ Title: _____
Address: _____
Financial Interest: _____

7. Name: _____ Title: _____
Address: _____
Financial Interest: _____

The applicant hereby acknowledges that the applicant and its owners, officers, and employees may be subject to prosecution under federal laws relating to the possession and distribution of controlled substances, that the City of Trinidad accepts no legal liability in connection with the approval and subsequent operation of the retail marijuana business; and that the application and documents submitted for other approvals relating to the retail marijuana business operation are subject to disclosure in accordance with the Colorado Open Records Act.

By accepting a license issued pursuant to this ordinance, a licensee releases the City, its officers, elected officials, appointed officials, employees, attorneys and agents from any liability for injuries, damages or liabilities of any kind that result from any arrest or prosecution of dispensary owners, operators, employees, clients or customers for a violation of state or federal laws, rules or regulations.

By accepting a license issued pursuant to this ordinance a licensee, jointly and severally if more than one, agrees to indemnify and defend the City, its officers, elected officials, employees, attorneys, agents, insurers, and self-insurance pool against all liability, claims, and demands, 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 the operation of the retail marijuana business that is the subject of the license. The licensee further agrees to investigate, handle, respond to, and to provide defense for and defend against, any such liability, claims, or demands at its expense, and to bear all other costs and expenses related thereto, including court costs and attorney fees.

I declare, under penalty of perjury, that this application has been examined by me; that the statements made herein are made in good faith and, to the best of my knowledge and belief, true, correct and complete.

Signed: Kent Walker Title: President
(Must be signed by Individual Owner, Partner, or Officer)

Printed Name: Kenneth Walker Date: 3/5/15



COUNCIL COMMUNICATION

CITY COUNCIL MEETING: May 19, 2015
PREPARED BY: Audra Garrett, ACM/City Clerk
PRESENTER: Les Downs, City Attorney
DEPT. HEAD SIGNATURE: *Audra Garrett, ACM*
CITY MANAGER SIGNATURE:

SUBJECT: New Medical Marijuana-Optional Premise Cultivation Operation license application filed by Dessimals, Inc. d/b/a Lucky Monkey Buds at 137 W. Cedar Street

RECOMMENDED CITY COUNCIL ACTION: Set the matter for public hearing.

SUMMARY STATEMENT: N/A

EXPENDITURE REQUIRED: No

SOURCE OF FUNDS: N/A

POLICY ISSUE: This is an application for a new license.

ALTERNATIVE: N/A

BACKGROUND INFORMATION:

- The application appears to be in order and will be processed accordingly. A complete application packet will be provided for the hearing.
- City Council may not hold the hearing any earlier than 30 days from today. Therefore, the earliest a hearing may be set is July 7, 2015 at 7:00 p.m., the earliest regular Council meeting date following 30 days.
- Pursuant to TMC 14-204(f), the Local Licensing Authority may request that the state licensing authority conduct a concurrent review of a new license application prior to the local licensing authority's final approval of the license application.
- This is a quasi-judicial matter and as such Council should only consider evidence and testimony provided during the public hearing you set.



CITY OF TRINIDAD

City Clerk's Office
135 N Animas St
P.O. Box 880
Trinidad, Colorado 81082
719-846-9843

MEDICAL MARIJUANA LICENSE APPLICATION
New License Application Fee \$2,500.00
Transfer of Ownership Application Fee \$1,500.00
License Fee/Renewal Fee \$1,000.00
Change of Location \$1,500.00
LICENSE TYPE
Medical Marijuana Center
Medical Marijuana Infused-Products Manufacturer
[X] Medical Marijuana-Optional Premises Cultivation Operation
TYPE OF BUSINESS
[X] Corporation
Partnership
Individual*
Limited Liability Corporation
Other

Applicant DESSIMALS INC.
Applicant KENNETH S WALLER
(Sole Proprietor) First Name Middle Initial Last Name

Trade Name of Establishment (DBA) N/A

Address of Premise 137 W. CEDAR ST

Mailing Address

Telephone 303-972-0483 Email Address KWaller1459@Comcast.net

Contact Person/Manager Kenneth Waller Title PRESIDENT

Telephone 303-972-0483 Email Address KWaller1459@Comcast.net

Does the Applicant have legal possession of the premise for at least one (1) year from the date that this license will be issued by virtue of ownership, lease or other arrangement?

[X] Lease
Ownership
Other (explain in detail)

If leased, list name of landlord and tenant, and date of expiration, EXACTLY as they appear on the lease:**

Landlord Purgatoire Tenant Dessimals, Inc Expires 6/30/2016
Rever, LLC

**If premises are leased, attach notarized consent by the owner of the property to the licensing of the premises for a medical marijuana facility.

ADDITIONAL DOCUMENTS TO BE SUBMITTED WITH APPLICATION

Individual History Records attached and completed by each individual applicant, all general partners of a partnership, and limited partners owning 10% (or more) of a partnership; all officers and directors of a corporation, and stockholders of a corporation owning 10% (or more) of the stock of such corporation; all limited liability company MANAGING members, and officers or other limited liability company members with a 10% (or more) ownership interest in such company and all managers and employees of a Medical Marijuana License.

- 1. Fingerprinting by the Trinidad Police Department for:
- all general partners of a partnership and limited partners owning 10% (or more) of a partnership;
- all officers and directors of a corporation, and stockholders of a corporation owning 10% (or more) of the stock of such corporation;
- all limited liability company MANAGING members, and officers or other limited liability company members with a 10% (or more) ownership interest in such company; and
- all managers and employees of a Medical Marijuana License
with the appropriate fee payable to Colorado Bureau of Investigation (currently \$38.50, March, 2014)
2. Lease or Deed - Evidence of Possession
3. Conditional Use Permit approval
4. Copy of alarm system contract
5. Copy of state sales tax license
6. Certificate of Good Standing
7. Affidavit of Lawful Presence (Sole Proprietors only)
8. Diagram of Premises:
- A floor plan, drawn to scale on 8-1/2 x 11" paper, showing the layout of the center and the principal uses of the floor area. Floor plan must include location of lighting and cameras required by state rules.
9. Copy of State Application with attachments

LIST OF OWNERS, OFFICERS, MANAGERS, EMPLOYEES & OTHERS WITH DIRECT OR INDIRECT FINANCIAL INTEREST

- 1. Name: KENNETH S. WALLER Title: PRESIDENT
Address: [REDACTED] LITTLETON, CO, 80127
Financial Interest: YES 50%
2. Name: KAREN L. WALLER Title: SECRETARY
Address: [REDACTED] LITTLETON, CO, 80127
Financial Interest: YES 50%
3. Name: Title:
Address:
Financial Interest:

4. Name: _____ Title: _____

Address: _____

Financial Interest: _____

5. Name: _____ Title: _____

Address: _____

Financial Interest: _____

6. Name: _____ Title: _____

Address: _____

Financial Interest: _____

7. Name: _____ Title: _____

Address: _____

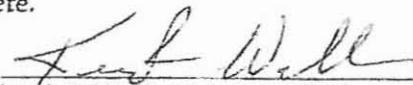
Financial Interest: _____

The applicant hereby acknowledges that the applicant and its owners, officers, and employees may be subject to prosecution under federal laws relating to the possession and distribution of controlled substances, that the City of Trinidad accepts no legal liability in connection with the approval and subsequent operation of the medical marijuana business; and that the application and documents submitted for other approvals relating to the medical marijuana business operation are subject to disclosure in accordance with the Colorado Open Records Act.

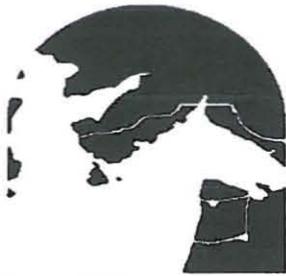
By accepting a license issued pursuant to this ordinance, a licensee releases the City, its officers, elected officials, appointed officials, employees, attorneys and agents from any liability for injuries, damages or liabilities of any kind that result from any arrest or prosecution of dispensary owners, operators, employees, clients or customers for a violation of state or federal laws, rules or regulations.

By accepting a license issued pursuant to this ordinance a licensee, jointly and severally if more than one, agrees to indemnify and defend the City, its officers, elected officials, employees, attorneys, agents, insurers, and self-insurance pool against all liability, claims, and demands, 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 the operation of the medical marijuana dispensary that is the subject of the license. The licensee further agrees to investigate, handle, respond to, and to provide defense for and defend against, any such liability, claims, or demands at its expense, and to bear all other costs and expenses related thereto, including court costs and attorney fees.

I declare, under penalty of perjury, that this application has been examined by me; that the statements made herein are made in good faith and, to the best of my knowledge and belief, true, correct and complete.

Signed:  Title: PRESIDENT
(Must be signed by Individual Owner, Partner, or Officer)

Printed Name: KENNETH WALLER Date: 3/15/15



CITY OF TRINIDAD, COLORADO
1876

COUNCIL COMMUNICATION

5d

CITY COUNCIL MEETING: May 19, 2015 Regular Meeting
PREPARED BY: Audra Garrett, City Clerk
PRESENTER: Representative of Southern Colorado Therapeutics, Inc.

DEPT. HEAD SIGNATURE: *Audra Garrett*
CITY MANAGER SIGNATURE: *Audra Garrett, Asst. Cm*

SUBJECT: Report of Changes application filed by Daryl DeMarco and Diane Irwin d/b/a Southern Colorado Therapeutics to Southern Colorado Therapeutics, Inc. d/b/a Highland Health at 1505 Santa Fe Trail

RECOMMENDED CITY COUNCIL ACTION: Consider the Report of Changes

SUMMARY STATEMENT: A Report of Changes application allows a marijuana licensee to, in this instance, change their corporate or trade name.

EXPENDITURE REQUIRED: No.

SOURCE OF FUNDS: N/A

POLICY ISSUE: N/A

ALTERNATIVE: N/A

BACKGROUND INFORMATION:

The applicant, Southern Colorado Therapeutics, Inc., proposes to change from a partnership (formerly Daryl DeMarco and Diane Irwin d/b/a Southern Colorado Therapeutics) to a corporation with the exact same ownership interests held. They additionally are seeking to change their trade name (Southern Colorado Therapeutics, Inc. d/b/a Highland Health).

CONTACT FOR INFORMATION:

Audra Garrett, City Clerk
(719) 846-9843, ext. 135
or
Les Downs, City Attorney
(719) 846-9843, ext. 120

5d

Marijuana Enforcement Division Report of Changes

Current License Number (All Answers Must Be Printed Legibly or Typewritten) 402R-00372			
1. Name of Business requesting changes or Person requesting duplicate badge Southern Colorado Therapeutics, Inc.			
2. Trade Name Highland Health			
3. Business address or personal address if requesting a duplicate badge 1505 Santa Fe Trail		City Trinidad	State ZIP CO 81082
Select the Appropriate Section Below and Proceed to The Instructions on Page2. (Please refer to fee schedule on the website— www.colorado.gov/revenue/med)			
Section A—Duplicate License		Section B	
<input type="checkbox"/> Duplicate Business License	\$	<input checked="" type="checkbox"/> Change Corp. or Trade Name Permit (ea)	\$
<input type="checkbox"/> Duplicate Badge	\$	<input type="checkbox"/> Change Location Permit – Medical	\$
		<input type="checkbox"/> Change Location Permit – Retail	\$
		<input type="checkbox"/> Change, Alter or Modify Premises	
	\$	x	Total Fee \$
Oath of Applicant (For Duplicate License or Badge Only)			
I declare under penalty of perjury in the second degree that I have read the foregoing application and all attachments thereto, and that all information therein is true, correct, and complete to the best of my knowledge.			
Signature			Date
<small>The State may convert your check to a one time electronic banking transaction. Your bank account may be debited as early as the same day received by the State. If converted, your check will not be returned. If your check is rejected due to insufficient or uncollected funds, the Department of Revenue may collect the payment amount directly from your bank account electronically.</small>			Total Amount Due \$.00

City of Trinidad

MAY 11 2015

City Clerk's Office

Instruction Sheet

For All Sections, Complete Questions 1-3 Located on Page 1
(Please refer to fee schedule on the website—www.colorado.gov/revenue/med)

Section A

For a Duplicate Badge or Business License be sure to include the license number in the upper portion of page 1 and sign at bottom of page 1.

Section B

Check the appropriate box in section C and proceed below.

- 1) **Change Trade Name:** go to page 3 and complete question 1 (be sure to check the appropriate box). Submit the necessary information and proceed to page 4 for Oath of Applicant signature.
- 2) **To Modify Premise:** go to page 4 and complete question 3. Submit the necessary information and proceed to Oath of Applicant signature.
- 3) **To Change Location:** go to page 3 and complete question 2. Submit the necessary information and proceed to page 4 for Oath of Applicant signature.

1. Change Trade Name

Section C

Change of Trade Name / DBA only (Attach the following supporting documents)

1. Copy of Change of Trade Name or Amendment filed with the Colorado Secretary of State
2. Copy of new Trade Name registration

Old Trade Name

Southern Colorado Therapeutics

New Trade Name

Southern Colorado Therapeutics, Inc. dba Highland Health

2. Change of Location

A. Address of current premises

Address

City

County

ZIP

B. Address of proposed new premises (Attach copy of the deed or lease that establishes possession of the premises by the licensee)

Address

City

County

ZIP

C. New Mailing Address if Applicable.

Address

City

County

ZIP

D. Attach detailed diagram of the premises including security equipment locations and proof from local licensing authority that the change has been submitted.

Report and Approval of Local Licensing Authority (City / County)

The foregoing application has been examined and the premises, business conducted and character of the applicant is satisfactory, and we do report that such permit, if granted, will comply with the applicable provisions of Title 12, Article 43.3 or 43.4, C.R.S. , as amended. **Therefore, this application is approved.**

Local Licensing Authority (City or County)

Trinidad

Date Filed With Local Authority

Signature

Title

Date

3. Modification of Premises

(Note: Licensees may not modify their licensed premises until approved by state and local authorities.)

A. Describe Change proposal

B. If the modification is temporary, when will the proposed change:

Start (MM/DD/YY)

End (MM/DD/YY)

C. Will the proposed change result in the licensed premises now being located within 1000 feet of any public or private school that meets compulsory education requirements of Colorado law, or the principal campus of any college, university or seminary?

(If yes, explain in detail, describe any exemptions that apply and provide a copy of the exemption or local ordinance) Yes No

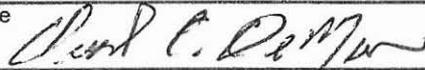
D. Attach a diagram of the current licensed premises and a diagram of the proposed changes for the licensed premises include security equipment locations.

E. Attach any existing lease that is revised due to the modification.

Oath of Applicant

I declare under penalty of perjury in the second degree that I have read the foregoing application and all attachments thereto, and that all information therein is true, correct, and complete to the best of my knowledge.

Signature



Title

President

Date

5/2/14

Report and Approval of Local Licensing Authority (City / County)

The foregoing application has been examined and the premises, business conducted and character of the applicant is satisfactory, and we do report that such permit, if granted, will comply with the applicable provisions of Title 12, Article 43.3 or 43.4, C.R.S. , as amended. **Therefore, this application is approved.**

Local Licensing Authority (City or County)

Date Filed With Local Authority

Signature

Title

Date

Report of State Licensing Authority

The foregoing has been examined and complies with the filing requirements of Title 12, Article or 43.4, C.R.S., as amended.

Signature

Title

Date

(The following statement is adopted by marking the box.)

The person appointed as registered agent above has consented to being so appointed.

4. The true name and mailing address of the incorporator are

Name
(if an individual)

(Last) (First) (Middle) (Suffix)

or

(if an entity)

MyNewCompany.com, Inc

(Caution: Do not provide both an individual and an entity name.)

Mailing address

187 E Warm Springs Rd., Ste. B

(Street number and name or Post Office Box information)

Las Vegas

(City)

NV

(State)

89119

(ZIP/Postal Code)

United States

(Country)

(Province - if applicable)

(If the following statement applies, adopt the statement by marking the box and include an attachment.)

The corporation has one or more additional incorporators and the name and mailing address of each additional incorporator are stated in an attachment.

5. The classes of shares and number of shares of each class that the corporation is authorized to issue are as follows.

The corporation is authorized to issue 100,000 common shares that shall have unlimited voting rights and are entitled to receive the net assets of the corporation upon dissolution.

Information regarding shares as required by section 7-106-101, C.R.S., is included in an attachment.

6. (If the following statement applies, adopt the statement by marking the box and include an attachment.)

This document contains additional information as provided by law.

7. (Caution: Leave blank if the document does not have a delayed effective date. Stating a delayed effective date has significant legal consequences. Read instructions before entering a date.)

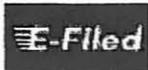
(If the following statement applies, adopt the statement by entering a date and, if applicable, time using the required format.)

The delayed effective date and, if applicable, time of this document is/are _____
(mm/dd/yyyy hour:minute am/pm)

Notice:

Causing this document to be delivered to the Secretary of State for filing shall constitute the affirmation or acknowledgment of each individual causing such delivery, under penalties of perjury, that the document is the individual's act and deed, or that the individual in good faith believes the document is the act and deed of the person on whose behalf the individual is causing the document to be delivered for filing, taken in conformity with the requirements of part 3 of article 90 of title 7, C.R.S., the constituent documents, and the organic statutes, and that the individual in good faith believes the facts stated in the document are true and the document complies with the requirements of that Part, the constituent documents, and the organic statutes.

This perjury notice applies to each individual who causes this document to be delivered to the Secretary of State, whether or not such individual is named in the document as one who has caused it to be delivered.



Colorado Secretary of State
 Date and Time: 05/04/2015 11:12 AM
 ID Number: 20151175979

Document must be filed electronically.
 Paper documents are not accepted.
 Fees & forms are subject to change.
 For more information or to print copies
 of filed documents, visit www.sos.state.co.us.

Document number: 20151305210
 Amount Paid: \$10.00

ABOVE SPACE FOR OFFICE USE ONLY

**Statement of Change
 Changing the Principal Office Address**

filed pursuant to § 7-90-305.5 and § 7-90-705 of the Colorado Revised Statutes (C.R.S.)

1. The entity ID number and the entity name, or, if the entity does not have an entity name, the true name are

Entity ID number 20151175979
(Colorado Secretary of State ID number)

Entity name or True name Southern Colorado Therapeutics Inc

2. The entity's principal office address has changed.

Such address, as changed, is

Street address 1505 Santa Fe Trail
(Street number and name)

Trinidad CO 81082
(City) (State) (ZIP/Postal Code)

United States
(Country)

Mailing address
 (leave blank if same as street address) (Street number and name or Post Office Box information)

(City) (State) (ZIP/Postal Code)
(Province - if applicable) (Country)

3. *(If applicable, adopt the following statement by marking the box and include an attachment.)*

This document contains additional information as provided by law.

4. *(Caution: Leave blank if the document does not have a delayed effective date. Stating a delayed effective date has significant legal consequences. Read instructions before entering a date.)*

(If the following statement applies, adopt the statement by entering a date and, if applicable, time using the required format.)
 The delayed effective date and, if applicable, time of this document are _____
(mm/dd/yyyy hour:minute am/pm)

Notice:

Causing this document to be delivered to the Secretary of State for filing shall constitute the affirmation or acknowledgment of each individual causing such delivery, under penalties of perjury, that such document is such individual's act and deed, or that such individual in good faith believes such document is the act and deed of the person on whose behalf such individual is causing such document to be delivered for filing, taken in

conformity with the requirements of part 3 of article 90 of title 7, C.R.S. and, if applicable, the constituent documents and the organic statutes, and that such individual in good faith believes the facts stated in such document are true and such document complies with the requirements of that Part, the constituent documents, and the organic statutes.

This perjury notice applies to each individual who causes this document to be delivered to the Secretary of State, whether or not such individual is identified in this document as one who has caused it to be delivered.

5. The true name and mailing address of the individual causing this document to be delivered for filing are

Tsuji	Ed		
<small>(Last)</small>	<small>(First)</small>	<small>(Middle)</small>	<small>(Suffix)</small>
187 E. Warm Springs Road			
<small>(Street number and name or Post Office Box information)</small>			
Suite B			
<hr/>			
Las Vegas	NV	89119	
<small>(City)</small>	<small>(State)</small>	<small>(ZIP/Postal Code)</small>	
United States			
<small>(Province - if applicable)</small>	<small>(Country)</small>		

(If applicable, adopt the following statement by marking the box and include an attachment.)

- This document contains the true name and mailing address of one or more additional individuals causing the document to be delivered for filing.

Disclaimer:

This form/cover sheet, and any related instructions, are not intended to provide legal, business or tax advice, and are furnished without representation or warranty. While this form/cover sheet is believed to satisfy minimum legal requirements as of its revision date, compliance with applicable law, as the same may be amended from time to time, remains the responsibility of the user of this form/cover sheet. Questions should be addressed to the user's legal, business or tax advisor(s).

Change of Ownership/Structure

Directions: Submit this form, written documentation of proposed change(s), the change of ownership fee, and any applicable associated key applications for new members of the ownership/control structure of the licensed entity.

Licensed (Legal) Business Name (New Name if Changed) Southern Colorado Therapeutics, <i>inc</i>	DBA Highland Health	License Number 402R-00372	
Physical Address 1505 Santa Fe Trail	City Trinidad	State CO	ZIP 81082
Mailing Address (if different) PO Box 14	City Weston	State CO	ZIP 81091

Check Applicable boxes

- Reallocation of ownership/control among current ownership group
- Distributing ownership to new persons who will have ownership or controlling interest
- Change of business entity name or structure

Questions

Is this ownership change, transfer or change of financial interest being submitted 30 days prior to the transfer or change being completed? Yes No

Has the licensed entity requesting the changes or transfers detailed in this application received local approval for the changes? (Submit proof of local approval with this form) Yes No

Current Ownership Structure Prior to Change*

List all persons and/or entities with ownership interest, and all officers and directors, whether they have ownership interest or not. If an entity (corporation, partnership, LLC, etc.) has interest, list all persons associated with such entity, their ownership in the entity, and their effective ownership in the license. List all parent, holding or other intermediary business interest.

Name Daryl DeMarco	Title President	SSN/FEIN [REDACTED]	DOB [REDACTED]	App submitted? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
-----------------------	--------------------	------------------------	-------------------	---

Address [REDACTED]	City Weston	State CO	ZIP 81091	Phone Number [REDACTED]
-----------------------	----------------	-------------	--------------	----------------------------

Business Associated with (Parent business or sub-entity)	Own. % Business Associated with	Effective Own. % in Applicant 50%
--	---------------------------------	--------------------------------------

Name Diane Irwin	Title President	SSN/FEIN [REDACTED]	DOB [REDACTED]	App submitted? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
---------------------	--------------------	------------------------	-------------------	---

Address [REDACTED]	City Denver	State CO	ZIP 80211	Phone Number [REDACTED]
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Business Associated with (Parent business or sub-entity)	Own. % Business Associated with	Effective Own. % in Applicant 50%
--	---------------------------------	--------------------------------------

Name	Title	SSN/FEIN	DOB	App submitted? <input type="checkbox"/> Yes <input type="checkbox"/> No
------	-------	----------	-----	--

Address	City	State	ZIP	Phone Number ()
---------	------	-------	-----	---------------------

Business Associated with (Parent business or sub-entity)	Own. % Business Associated with	Effective Own. % in Applicant
--	---------------------------------	-------------------------------

Name	Title	SSN/FEIN	DOB	App submitted? <input type="checkbox"/> Yes <input type="checkbox"/> No
------	-------	----------	-----	--

Address	City	State	ZIP	Phone Number ()
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Business Associated with (Parent business or sub-entity)	Own. % Business Associated with	Effective Own. % in Applicant
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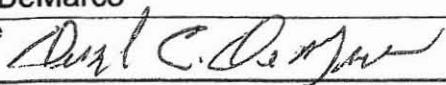
* List all persons and/or entities with ownership interest. If an entity (corporation, partnership, LLC, etc.) has interest, list all persons associated with such entity and their effective ownership in the license. Use additional sheets or attachments if necessary.

Ownership Structure After Change*

Name Daryl DeMarco		Title President		SSN/FEIN [REDACTED]	DOB [REDACTED]	App submitted? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Address [REDACTED]		City Weston	State CO	ZIP 81091	Phone Number [REDACTED]	
Business Associated with (Parent business or sub-entity)		Own. % Business Associated with		Effective Own. % in Applicant 50%		
Name Diane Irwin		Title Vice President		SSN/FEIN [REDACTED]	DOB [REDACTED]	App submitted? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Address [REDACTED]		City Denver	State CO	ZIP 80211	Phone Number [REDACTED]	
Business Associated with (Parent business or sub-entity)		Own. % Business Associated with		Effective Own. % in Applicant 50%		
Name		Title		SSN/FEIN	DOB	App submitted? <input type="checkbox"/> Yes <input type="checkbox"/> No
Address		City	State	ZIP	Phone Number ()	
Business Associated with (Parent business or sub-entity)		Own. % Business Associated with		Effective Own. % in Applicant		
Name		Title		SSN/FEIN	DOB	App submitted? <input type="checkbox"/> Yes <input type="checkbox"/> No
Address		City	State	ZIP	Phone Number ()	
Business Associated with (Parent business or sub-entity)		Own. % Business Associated with		Effective Own. % in Applicant		
Name		Title		SSN/FEIN	DOB	App submitted? <input type="checkbox"/> Yes <input type="checkbox"/> No
Address		City	State	ZIP	Phone Number ()	
Business Associated with (Parent business or sub-entity)		Own. % Business Associated with		Effective Own. % in Applicant		
Name		Title		SSN/FEIN	DOB	App submitted? <input type="checkbox"/> Yes <input type="checkbox"/> No
Address		City	State	ZIP	Phone Number ()	
Business Associated with (Parent business or sub-entity)		Own. % Business Associated with		Effective Own. % in Applicant		

*List all persons and/or entities with ownership interest. If an entity (corporation, partnership, LLC, etc.) has interest, list all persons associated with such entity and their effective ownership in the license. Use additional sheets or attachments if necessary.

I, the undersigned, as authorized agent of the Applicant, do hereby certify that I have not knowingly made a false statement or omitted any material fact on this application or any attachments, which could be cause for denial of the application or termination of any Medical Marijuana license. I authorize the Colorado Marijuana Enforcement Division to investigate matters set forth in this license application. I understand that further information may be requested of me in regard to this application and I agree to supply such information upon request.

Name of Person Completing Form (please print) Daryl DeMarco		Title President
Signature 		Date 05/02/15

1st trial City, Co.

Colorado Marijuana Licensing Authority Retail Business License Application

License Types & Fees (See Application Checklist for details on license types and fees.)			
<input checked="" type="checkbox"/> Retail Marijuana Store <input type="checkbox"/> Retail Marijuana Cultivation <input type="checkbox"/> Retail Marijuana Test Facility	<input type="checkbox"/> Tier 1 = 3600 or fewer plants <input type="checkbox"/> Tier 2 = 3601 – 6000 plants <input type="checkbox"/> Tier 3 = 6001–10200 plants	<input type="checkbox"/> Retail Marijuana Products Manufacturer <input type="checkbox"/> Conversion <input type="checkbox"/> Retail/Medical Marijuana Combined Use <input type="checkbox"/> Affiliated Business	
Applicant's Legal Business Name (Please Print) Southern Colorado Therapeutics, Inc		Marijuana License Number (Assigned by Division) 402R-00372	
Trade Name (DBA) (Provide Trade Name Registration) Highland Health		Website Address	
Physical Address			
Street Address of Marijuana Business 1505 Santa Fe Trail			City Trinidad
Business Phone Number (719) 846-2449			State CO
Business Fax Number (719) 846-2306		ZIP 81082	
Email Address anndemarco@peoplepc.com			
Mailing Address (if different from Business Address)			
Address		City	State
Primary Contact Person for Business Daryl DeMarco		Title President	ZIP
Primary Contact Address (city, state ZIP) PO Box 14, Weston, CO 81091		Primary Contact Phone Number (719) 868-2468	
Primary Contact Address (city, state ZIP) PO Box 14, Weston, CO 81091		Primary Contact Fax Number (719) 846-2306	
Federal Taxpayer ID 47-3403983		Colorado Sales Tax License # 29809258	
Email Address anndemarco@peoplepc.com			
Type of Business Structure			
<input type="checkbox"/> Sole Proprietorship <input type="checkbox"/> Partnership <input type="checkbox"/> Limited Partnership <input type="checkbox"/> Limited Liability Company <input type="checkbox"/> C Corporation <input checked="" type="checkbox"/> S Corporation <input type="checkbox"/> Publicly Traded Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Other _____			
State of Incorporation or Creation of Business Entity March 12, 2015 Colorado			Date 03/12/15
Date of Qualification to Conduct Business in Colorado (Provide Certificate of Good Standing from the Colorado Secretary of State's Office) March 12, 2015			
If a Corporation, List all States Where the Corporation is Authorized to Conduct Business Colorado			
List all Trade Names used by the Business Entity (other than above)			
Attach copies of all articles of incorporation, bylaws, articles of organization, or a true copy of any partnership or trust agreement, including any and all amendments to such.			
If a corporation, attach copies of all annual and bi-annual reports, SEC filings, if any, and all minutes from all corporate meetings for the past 12 months.			

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) or manager under the age of twenty-one years? Yes No

2. Has 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) or manager ever (in Colorado or any other state);
 (a) been denied a privileged license (ie: Liquor, Gaming, Racing and Marijuana)?
 (b) had a privileged license (ie: Liquor, Gaming, Racing and Marijuana) suspended or revoked?
 (c) had interest in another entity that had a privileged (ie: Liquor, Gaming, Racing and Marijuana) license denied, suspended or revoked?
 If you answered yes to 2a, b or c, explain in detail on a separate sheet.

3. Has a Marijuana license ever been issued to 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)?
 If yes, identify the name of the business and list any current or former financial interest in said business including any loans to or from a licensee.

4. Does the applicant have legal possession of the premises by virtue of ownership, lease or other arrangement? Attach all documentation showing legal possession. Deed, Title, sale or lease agreements etc.
 Ownership Lease Other (Explain in Detail) _____
 (a) If leased, list name of landlord and tenant, and date of expiration, EXACTLY as they appear on the lease:

Landlord William Kancilia	Tenant Southern Colorado Therapeutics, Inc.	Expires 12/31/2016
------------------------------	--	-----------------------

Attach a diagram of the premises to be licensed and outline or designate the area (including dimensions) which shows the limited access areas, walls, partitions, entrances, exits and what each room shall be utilized for in this business, including security equipment locations. This diagram should be no larger than 8 1/2" X 11". (It does not have to be to scale)

5. Who, besides the owners listed in this application (including persons, firms, partnerships, corporations, limited liability companies, trusts), will loan or give money, inventory, furniture or equipment to or for use in this business; or who will receive money or profits from this business. Attach a separate sheet if necessary.

Name	Date of Birth	FEIN OR SSN	Interest
None			

Attach copies of all notes and security instruments, and any written agreement, or details of any oral agreement, by which any person (including partnerships, corporations, limited liability companies, etc.) will share in the profit or gross proceeds of this establishment, and any agreement relating to the business which is contingent or conditional in any way by volume, profit, sales, giving of advice or consultation.

Local Licensing Authority (To be filled out by Applicant)

Local Licensing Authority/Department City of Trinidad	Address PO Box 880, Trinidad, CO 81082
Local Licensing Authority contact name Audra Garrett	Contact Phone (719) 846-9843
Contact Email	

6. Has the Applicant filed for a retail marijuana cultivation? Yes No

What City or County? (Fill out a separate and complete application)
Saugache County

7. Does the Retail Applicant have evidence of a good and sufficient bond in the amount of \$5,000.00 in accordance with 12-43.4-303 C.R.S. (Include evidence with application)?

Printed Legal Business Name Southern Colorado Therapeutics, Inc.	Printed Trade Name (DBA) Highland Health
---	---

Ownership Structure

List all persons and/or entities with any ownership interest, and all officers and directors, whether they have ownership interest or not. If an entity (corporation, partnership, LLC, etc.) has interest, list all persons associated with such entity, their ownership in the entity, and their effective ownership in the license. List all parent, holding or other intermediary business interest. An Associated Key License Application form must be submitted for all persons in a privately held company or a publicly traded corporation, and all officers and directors.

Name Daryl DeMarco	Title President	SSN/FEIN [REDACTED]	DOB [REDACTED]	App submitted? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Address [REDACTED]	City Weston	State CO	ZIP 81091	Phone Number [REDACTED]
Business Associated with (Parent business or sub-entity)		Own. % Business Associated with		Effective Own. % in Applicant 50%

Name Diane Irwin	Title Vice President	SSN/FEIN [REDACTED]	DOB [REDACTED]	App submitted? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Address [REDACTED]	City Denver	State CO	ZIP 80211	Phone Number [REDACTED]
Business Associated with (Parent business or sub-entity)		Own. % Business Associated with		Effective Own. % in Applicant 50%

Name	Title	SSN/FEIN	DOB	App submitted? <input type="checkbox"/> Yes <input type="checkbox"/> No
Address	City	State	ZIP	Phone Number
Business Associated with (Parent business or sub-entity)		Own. % Business Associated with		Effective Own. % in Applicant

Name	Title	SSN/FEIN	DOB	App submitted? <input type="checkbox"/> Yes <input type="checkbox"/> No
Address	City	State	ZIP	Phone Number
Business Associated with (Parent business or sub-entity)		Own. % Business Associated with		Effective Own. % in Applicant

Name	Title	SSN/FEIN	DOB	App submitted? <input type="checkbox"/> Yes <input type="checkbox"/> No
Address	City	State	ZIP	Phone Number
Business Associated with (Parent business or sub-entity)		Own. % Business Associated with		Effective Own. % in Applicant

Name	Title	SSN/FEIN	DOB	App submitted? <input type="checkbox"/> Yes <input type="checkbox"/> No
Address	City	State	ZIP	Phone Number
Business Associated with (Parent business or sub-entity)		Own. % Business Associated with		Effective Own. % in Applicant

Name	Title	SSN/FEIN	DOB	App submitted? <input type="checkbox"/> Yes <input type="checkbox"/> No
Address	City	State	ZIP	Phone Number
Business Associated with (Parent business or sub-entity)		Own. % Business Associated with		Effective Own. % in Applicant

Are there any outstanding options and warrants?
 Yes No *If YES, attach list of persons with outstanding options and warrants

Are there any other persons, other than those listed in the Ownership Structure, including but not limited to suppliers, lenders and landlords, who will receive, directly or indirectly, any compensation or rents based upon a percentage or share of gross proceeds or income of the Marijuana business?
 Yes No *If YES, attach list of persons

OFFICE OF THE SECRETARY OF STATE
OF THE STATE OF COLORADO

CERTIFICATE

I, Wayne W. Williams, as the Secretary of State of the State of Colorado, hereby certify that, according to the records of this office,

Southern Colorado Therapeutics Inc

is a **Corporation** formed or registered on 03/12/2015 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 20151175979.

This certificate reflects facts established or disclosed by documents delivered to this office on paper through 04/30/2015 that have been posted, and by documents delivered to this office electronically through 05/02/2015 @ 15:01:12.

I have affixed hereto the Great Seal of the State of Colorado and duly generated, executed, authenticated, issued, delivered and communicated this official certificate at Denver, Colorado on 05/02/2015 @ 15:01:12 pursuant to and in accordance with applicable law. This certificate is assigned Confirmation Number 9176448.

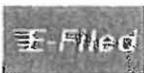


A handwritten signature in cursive script that reads "Wayne W. Williams".

Secretary of State of the State of Colorado

*****End of Certificate*****

Notice: A certificate issued electronically from the Colorado Secretary of State's Web site 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 Certificate Confirmation Page of the Secretary of State's Web site, <http://www.sos.state.co.us/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 Web site, <http://www.sos.state.co.us/> click Business Center and select "Frequently Asked Questions."



Document must be filed electronically.
 Paper documents are not accepted.
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 For more information or to print copies
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Colorado Secretary of State
 Date and Time: 03/12/2015 11:36 AM
 ID Number: 20151175979
 Document number: 20151175979
 Amount Paid: \$50.00

ABOVE SPACE FOR OFFICE USE ONLY

Articles of Incorporation for a Profit Corporation
 filed pursuant to § 7-102-101 and § 7-102-102 of the Colorado Revised Statutes (C.R.S.)

1. The domestic entity name for the corporation is

Southern Colorado Therapeutics Inc

(Caution: The use of certain terms or abbreviations are restricted by law. Read instructions for more information.)

2. The principal office address of the corporation's initial principal office is

Street address 801 Harrison St.
(Street number and name)

Trinidad CO 81082
(City) (State) (ZIP/Postal Code)
United States
(Province - if applicable) (Country)

Mailing address
 (leave blank if same as street address)
(Street number and name or Post Office Box information)

(City) (State) (ZIP/Postal Code)

(Province - if applicable) (Country)

3. The registered agent name and registered agent address of the corporation's initial registered agent are

Name
 (if an individual) _____
(Last) (First) (Middle) (Suffix)

or

(if an entity) InCorp Services, Inc.
(Caution: Do not provide both an individual and an entity name.)

Street address 36 South 18th Avenue, Suite D
(Street number and name)

Brighton CO 80601
(City) (State) (ZIP/Postal Code)

Mailing address
 (leave blank if same as street address)
(Street number and name or Post Office Box information)

CO
(City) (State) (ZIP/Postal Code)

(The following statement is adopted by marking the box.)

The person appointed as registered agent above has consented to being so appointed.

4. The true name and mailing address of the incorporator are

Name
(if an individual)

(Last) (First) (Middle) (Suffix)

or

(if an entity)

MyNewCompany.com, Inc

(Caution: Do not provide both an individual and an entity name.)

Mailing address

187 E Warm Springs Rd., Ste. B

(Street number and name or Post Office Box information)

Las Vegas

(City)

NV

(State)

89119

(ZIP/Postal Code)

United States

(Country)

(Province - if applicable)

(If the following statement applies, adopt the statement by marking the box and include an attachment.)

The corporation has one or more additional incorporators and the name and mailing address of each additional incorporator are stated in an attachment.

5. The classes of shares and number of shares of each class that the corporation is authorized to issue are as follows.

The corporation is authorized to issue 100,000 common shares that shall have unlimited voting rights and are entitled to receive the net assets of the corporation upon dissolution.

Information regarding shares as required by section 7-106-101, C.R.S., is included in an attachment.

6. (If the following statement applies, adopt the statement by marking the box and include an attachment.)

This document contains additional information as provided by law.

7. (Caution: Leave blank if the document does not have a delayed effective date. Stating a delayed effective date has significant legal consequences. Read instructions before entering a date.)

(If the following statement applies, adopt the statement by entering a date and, if applicable, time using the required format.)

The delayed effective date and, if applicable, time of this document is/are _____
(mm/dd/yyyy hour:minute am/pm)

Notice:

Causing this document to be delivered to the Secretary of State for filing shall constitute the affirmation or acknowledgment of each individual causing such delivery, under penalties of perjury, that the document is the individual's act and deed, or that the individual in good faith believes the document is the act and deed of the person on whose behalf the individual is causing the document to be delivered for filing, taken in conformity with the requirements of part 3 of article 90 of title 7, C.R.S., the constituent documents, and the organic statutes, and that the individual in good faith believes the facts stated in the document are true and the document complies with the requirements of that Part, the constituent documents, and the organic statutes.

This perjury notice applies to each individual who causes this document to be delivered to the Secretary of State, whether or not such individual is named in the document as one who has caused it to be delivered.



Colorado Secretary of State
 Date and Time: 05/04/2015 11:12 AM
 ID Number: 20151175979

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Document number: 20151305210
 Amount Paid: \$10.00

ABOVE SPACE FOR OFFICE USE ONLY

**Statement of Change
 Changing the Principal Office Address**

filed pursuant to § 7-90-305.5 and § 7-90-705 of the Colorado Revised Statutes (C.R.S.)

1. The entity ID number and the entity name, or, if the entity does not have an entity name, the true name are

Entity ID number 20151175979
(Colorado Secretary of State ID number)
 Entity name or True name Southern Colorado Therapeutics Inc

2. The entity's principal office address has changed.

Such address, as changed, is

Street address 1505 Santa Fe Trail
(Street number and name)
Trinidad CO 81082
(City) (State) (ZIP/Postal Code)
United States
(Province - if applicable) (Country)

Mailing address
 (leave blank if same as street address) _____
(Street number and name or Post Office Box information)

(City) (State) (ZIP/Postal Code)

(Province - if applicable) (Country)

3. (If applicable, adopt the following statement by marking the box and include an attachment.)

This document contains additional information as provided by law.

4. (Caution: Leave blank if the document does not have a delayed effective date. Stating a delayed effective date has significant legal consequences. Read instructions before entering a date.)

(If the following statement applies, adopt the statement by entering a date and, if applicable, time using the required format.)

The delayed effective date and, if applicable, time of this document are _____
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conformity with the requirements of part 3 of article 90 of title 7, C.R.S. and, if applicable, the constituent documents and the organic statutes, and that such individual in good faith believes the facts stated in such document are true and such document complies with the requirements of that Part, the constituent documents, and the organic statutes.

This perjury notice applies to each individual who causes this document to be delivered to the Secretary of State, whether or not such individual is identified in this document as one who has caused it to be delivered.

5. The true name and mailing address of the individual causing this document to be delivered for filing are

Tsuji	Ed		
<small>(Last)</small>	<small>(First)</small>	<small>(Middle)</small>	<small>(Suffix)</small>
187 E. Warm Springs Road			
<small>(Street number and name or Post Office Box information)</small>			
Suite B			
<small>(Street number and name or Post Office Box information)</small>			
Las Vegas	NV	89119	
<small>(City)</small>	<small>(State)</small>	<small>(ZIP/Postal Code)</small>	
United States			
<small>(Province – if applicable)</small>	<small>(Country)</small>		

(If applicable, adopt the following statement by marking the box and include an attachment.)

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Colorado Secretary of State
 Date and Time: 05/12/2015 06:58 AM
 ID Number: 20151318400
 Document number: 20151318400
 Amount Paid: \$20.00

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 For more information or to print copies
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Statement of Trade Name of a Reporting Entity
 filed pursuant to §7-71-103 and §7-71-107 of the Colorado Revised Statutes (C.R.S)

1. For the reporting entity delivering this statement, its ID number, true name, form of entity and the jurisdiction under the law of which it is formed are

ID Number	<u>20151175979</u> <i>(Colorado Secretary of State ID number)</i>
True name	<u>Southern Colorado Therapeutics Inc</u>
Form of entity	<u>Corporation</u>
Jurisdiction	<u>Colorado</u>

2. The trade name under which such entity transacts business or conducts activities or contemplates transacting business or conducting activities in this state is

Highland Health

3. A brief description of the kind of business transacted or activities conducted or contemplated to be transacted or conducted in this state under such trade name is

Recreational Marijuana and related products sales

4. *(If the following statement applies, adopt the statement by marking the box and include an attachment.)*

This document contains additional information as provided by law.

5. *(Caution: Leave blank if the document does not have a delayed effective date. Stating a delayed effective date has significant legal consequences. Read instructions before entering a date.)*

(If the following statement applies, adopt the statement by entering a date and, if applicable, time using the required format.)

The delayed effective date and, if applicable, time of this document are _____
(mm/dd/yyyy hour:minute am/pm)

Notice:

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This perjury notice applies to each individual who causes this document to be delivered to the Secretary of State, whether or not such individual is identified in this document as one who has caused it to be delivered.

6. The true name and mailing address of the individual causing this document to be delivered for filing are

DeMarco	Ann		
<small>(Last)</small>	<small>(First)</small>	<small>(Middle)</small>	<small>(Suffix)</small>
PO Box 14			
<small>(Street number and name or Post Office Box information)</small>			
<hr/>			
Weston	CO	81091	
<small>(City)</small>	<small>(State)</small>	<small>(Postal/Zip Code)</small>	
	United States		
<small>(Province – if applicable)</small>	<small>(Country – if not US)</small>		

(If the following statement applies, adopt the statement by marking the box and include an attachment.)

- This document contains the true name and mailing address of one or more additional individuals causing the document to be delivered for filing.

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Business Lease

THIS LEASE, made and entered into this 17th day of December, 2014 by and between TLC Real Estate Services, Inc. & Cindy J. Wold, Agent, whose address is 404 E. Main St. Trinidad, CO 81082, hereinafter collectively referred to as Property Manager for William Kancilia, Lessor, and Southern Colorado Therapeutics, Lessee whose address is P.O. Box 14, Weston, CO 81082 hereinafter collectively referred to as "Lessee," WITNESSETH:

FOR AND IN CONSIDERATION of the payment of rent and the keeping and performing of the covenants and agreements by Lessee as hereinafter provided, Lessor hereby leases unto Lessee the following described premises, situate in the City of Trinidad, County of Las Animas, and State of Colorado, to-wit:

1505 Santa Fe Trail Drive, Trinidad, CO 81082. This commercial space collectively referred to as "leased premises". **For the Use of Medical and/or Recreational Marijuana Dispensary**

TO HAVE AND TO HOLD THE SAME unto Lessee, together with all appurtenances, from the 17th day of December 17, 2014 until the 31st day of December, 2016, subject to earlier termination or extension as provided herein.

THE PARTIES HERETO DO FURTHER AGREE AS FOLLOWS:

1. BASIC RENT. Commencing on the 1st day of January, 2015 and continuing on the first day of each month thereafter during the term of this lease, Lessee shall pay to Lessor the sum of, per month through the 31st day of December, 2016 in advance, for the rental of said leased premises. Lessee shall pay rent, together with all adjustments and other charges hereunder to **William Kancilia, 235 Nona, Trinidad, CO 81082**. Terms and conditions to be agreed to thereafter, per year.

2. SECURITY DEPOSIT. The security deposit of \$ shall be retained by TLC Real Estate Services.

3. PROPERTY TAXES. Lessee shall be responsible for, and pay all general real property taxes (including any special assessments) attributable to the leased premises during the term of the lease.

4. CONDITION OF THE PREMISES. Lessee accepts the leased premises in its present condition. Any alteration, change modification, addition, or improvement to the leased premises shall be made and accomplished at the sole cost and expense of Lessee; provided, however, no major improvement, alteration, change addition or modification (being any such

provided, however, that the Lessee shall be permitted to remove all furniture, signs, and personal property and trade fixtures belonging to Lessee, the removal of which can be accomplished without damage to the leased premises. Upon termination of this lease, Lessor shall have the right to require Lessee to remove improvements designated by Lessor and to restore the property to its former condition.

5. MAINTENANCE, REPAIRS, UTILITIES AND MISCELLANEOUS EXPENSES.

Lessee shall be responsible for paying the following utilities on the Premises: Electric Gas Water Sewer Phone Cable/Satellite T.V. Internet Access Refuse Disposal.

Lessee shall maintain, and keep in good condition and repair, the interior of the improvements including front glass situate on the leased premises. Lessee shall maintain and keep in good condition and repair, the exterior of the improvements situate on the leased premises and the physical and structural integrity of such improvements included, without limitation, the roof, walls, floors, doors, wiring, and plumbing, the parking lot and the grounds. At the expiration of this lease, Lessee shall render and deliver up said premises in as good order and condition as when entered upon, loss by fire, inevitable acts, and ordinary wear and depreciation excepted. Lessee shall be responsible for paying all of the monthly utilities.

6. INSURANCE. Lessee shall keep and maintain fire, casualty, and extended coverage insurance on the improvements situate on the leased premises with minimum coverage limits equal to the actual replacement cost of the same, as Lessee shall from time to time determine. Lessee shall provide public liability insurance in connection with the utilization of said premises, and the operation of Lessee's business conducted on the premises, with single limit liability coverage of at least \$1,000,000.00 and shall name the Lessor as an additional insured on said policy or policies. Lessee shall provide Lessor with certifications of all such insurance within ten (10) days from the date of execution hereof. No such policy or policies may be canceled without thirty (30) days prior written notice to Lessor and said certificates shall so provide. Such policy or policies shall also include appropriate loss payable clauses naming such mortgagee or mortgagees, as Lessor may from time to time designate. Such insurance or any part thereof may be procured by Lessor in the event of any lapse in coverage or the failure of Lessee to provide the same, in which event Lessee shall reimburse Lessor for all such costs incurred upon fifteen (15) days prior notice. The liability insurance coverage shall be increased, from time to time, in order to keep pace with inflation and any increases in the cost of living.

7. POSSESSION. Lessee shall have access to and possession of the leased premises on December 17, 2014

8. MISCELLANEOUS OBLIGATIONS OF LESSEE: Lessee agrees as follows:

(a) to pay the rent, all adjustments thereto, and all other sums chargeable to Lessee hereunder, on or before the time the same shall be due;

(b) to use said premises for any lawful business, and for no purpose prohibited by the laws of the United States, the State of Colorado, or local ordinance, and for improper or questionable purposes whatsoever, and to keep said premises in a sanitary condition as required by state or local ordinance, and to maintain the building as a non-smoking building;

(c) to neither commit for suffer and disorderly conduct, noise, or nuisance whatever about said premises having a tendency to annoy or disturb any persons occupying adjacent premises;

(d) to neither permit nor suffer said premises of the walls or floors thereof to be endangered by overloading, nor permit said premises to be used for any purpose which would render the insurance thereon void or the insurance risk more hazardous, nor make any alterations or changes in, upon, or about the said premises without first obtaining the written consent of the Lessor (subject of paragraph 4, above).

(e) to indemnify and hold Lessor harmless from any and all liability to persons or property arising out of Lessee's use of property;

(f) to allow Lessor, or his representative, upon reasonable advance notice, at any reasonable hour of the business day to enter upon and go through and view and/or show said leased premises.

(g) to be responsible for and pay all personal property taxes levied against the personal property of Lessee kept at the leased premises; to pay any and all bills and accounts for labor performed by order of Lessee, supplies and materials furnished, not to allow any claim or lien to be effectively made or served against Lessor or the leased premises, and to pay all federal, state and local income taxes, sales taxes and worker's compensation charges on or before the time the same shall become due, and to indemnify and hold the Lessor harmless from any and all liability for claims in connections therewith, and against any and all claims and demands of whatsoever kind or nature which may be made against the Lessor or against the leased premises for or on account of any debt, expense, transaction or omission of Lessee, or Lessee's agents or employees;

(h) to neither hold, nor attempt to hold, Lessor liable for any injury or damage, either proximate or remote, caused by the negligence or default of any third party, nor liable for any injury or damage occasioned by defective electrical wiring or the breaking or stoppage of plumbing or sewerage upon said premises or upon adjacent premises, nor for any damage occasioned by breakage of water or other utility lines or pipes upon said premises or upon adjacent premises from water being upon or coming from the roof vents; except if such injury or damage shall be caused by the negligence of Lessor; nor for any damage arising from any acts or negligence of other Lessees or occupants or adjacent premises, or any other persons.

9. HOLD OVER, DEFAULT, CASUALTY. Lessor's rights under this paragraph are in addition to any remedy allowed by law. It is mutually agreed by the parties hereto as follows;

(a) that if, after expiration of the lease, Lessee shall remain in possession of said premises and continue to pay rent without written agreement as to such possession, then said Lessee shall be regarded as a tenant from month to month at a rental payable, in advance, equivalent to the last applicable monthly installment payment (including applicable adjustments) set forth herein;

(b) that if Lessee shall fail to pay any monthly rental installment, including any applicable adjustments within three (3) days after the same shall come due, Lessee shall add to that rental installment a late charge in the amount of \$50.00 and in the event that all rent is still not received by 5:00 pm on the 6th day of the month, Lessee further agrees to pay an additional late charge in the amount of \$10.00 for each day the rent is late. Such amount shall be deemed additional rent, and the failure to pay same shall be deemed and considered a further default; in lieu of accepting any such late charges following said three (3) day grace period (and at Lessor's sole option), it shall thereafter be lawful for said Lessor to declare said term ended, up to ten (10) days written notice and opportunity for Lessee to cure; and if default shall be made in any of the other covenants or agreements herein contained to be kept and performed by the Lessee, and such default shall continue for a period of thirty (30) days after written notice thereof shall have been made and provided by Lessor, it shall thereafter be lawful for said Lessor to declare said term ended. In the event the Lessor should declare the term ended as a result of ANY default on the part of the Lessee, then, without releasing Lessee from any of the Lessee's obligations hereunder, Lessor shall have the right to reenter said premises and prepossess said leased property, either with or without the process of law, and in this event, Lessee hereby covenants and agrees to surrender and deliver up said premises peaceably to said Lessor immediately upon such termination, but Lessee shall remain liable, as hereinafter provided;

(c) that in case said premises are left vacant and any part of the rent herein reserved be unpaid, or in case Lessor shall recover possession of said premises by reason of Lessee's default, then the Lessor may, without being obligated to do so and without terminating this lease, retake possession of said premises and rent the same for such rent and upon such conditions as the Lessor may be able to obtain, making such repairs and changes as may be required, giving credit for the amount of the rent so received less all expenses of such repairs and changes, and Lessee shall be liable for the balance of the rent and other sums herein agreed to be paid by the Lessee for the unexpired term of this Lease;

(d) that in the event such premises be destroyed or become untenable as a result of damage by fire or other casualty, the Lessor shall have the obligation of repairing and restoring the premises to their former state and condition within one hundred eighty (180) days from and after the date of such casualty; provided, however, such repairs and restoration can be reasonably so accomplished within said period of time. If the damages are so extensive that such repairs and restoration cannot reasonably be made within said one hundred eighty (180) day period, then this Lease shall be deemed terminated. If the premises are repaired and restored as herein provided, then rent shall abate during the time the premises remain untenable.

If the lease be terminated as herein provided, the Lessee's obligations for the payment of rent shall cease as of the day following such casualty;

(e) that in the event Lessee should, at any time, be in default under the provisions of this Lease, Lessor shall have a lien on all personal property and equipment of the Lessee located on the leased premises, to the extent of any sums due and owing the Lessor, including any attorneys' fees incurred as a result of Lessee's default; and subject the next sentence hereof Lessor may proceed to sell or otherwise dispose of so much of the Lessee's property (at public or private sale) as may be required to liquidate and satisfy the sums owed the Lessor. The Lessor's lien shall be subject and subordinate to valid subsisting liens on Lessee's property, in effect prior to default. The remainder of the property, if any, shall be removed from the leased premises by the Lessee within three (3) days following demand by the Lessor. In the event Lessee should fail to remove said property within three (3) days after demand, or in the event Lessee should fail to remove all personal property of the Lessee upon the expiration or termination of this lease, then all such property left upon the leased premises shall be conclusively deemed abandoned and shall be and become the property of Lessor; PROVIDED, ALWAYS, that Lessee shall be and remain responsible to the Lessor for all costs and expenses incurred by Lessor in removing any such personal property of the Lessee from the premises, or otherwise disposing of the same.

10. EMINENT DOMAIN. If the whole or any part of the leased premises shall be taken by any public authority under the power of eminent domain, then this Lease shall terminate as to the part so taken, as of the date said public authority obtains the right to possession. Lessor shall have the right and option, subject to Lessee's consent and approval, to construct comparable improvements to replace any part of the improvements taken and/or to add additional lands from adjoining properties owned by the Lessor to replace land which has been taken. In such event, there shall be no diminution in the rents, except that rent shall temporarily abate until the improvements and/or land taken are so replaced. If the land and/or improvements taken are not replaced, then rent shall abate thereafter in the same proportion to which the value of that part of the leased premises taken bears to the value of the entire leased premises, prior to the taking. If a dispute should arise regarding the appropriate amount by which the rent should abate, the matter shall be submitted to arbitration. If the parties are unable to agree within thirty (30) days after demand by either party, each party shall appoint an arbiter and notify the other party, in writing, of the arbiter selected. Upon the failure of any party to appoint an arbiter, within ten (10) days after notification of the appointment of the other party, the person appointed as arbiter may appoint an arbiter to represent the party in default. The two arbiters appointed (in either manner) shall then select the third arbiter, and a majority of the arbiters so selected shall determine the amount by which the rent shall abate. If, for any reason, the original two arbiters are unable to agree on a third arbiter, then the Chief Judge of the Third Judicial District of the State of Colorado shall appoint such third arbiter. The Lessor and Lessee shall each pay one-half the expenses and reasonable fees of the arbiters and shall be bound by the decision of the arbiters. The arbiters shall be real estate appraisers or brokers, who shall each have had at least five (5) years' experience in appraising real estate or acting as brokers of real estate in Las Animas County, Colorado.

In the event the portion taken is such as to render the balance of the leased premises unfit for its intended purpose, and in the further event that Lessor does not elect to replace improvements and/or land taken as provided above, then either party hereto shall have the rights to terminate this lease.

No rights or interest in and to any awards or rights in condemnation or payments in lieu thereof shall accrue to Lessee under or by virtue of this agreement; and Lessee shall assign, transfer, and set over to Lessor any and all of Lessee's right, title, and interest in and to any such awards and rights in condemnation or payments in lieu thereof which Lessee may have by virtue of this Lease; except that Lessee shall retain the rights to any awards in connection with costs and expenses of relocating business.

11. BANKRUPTCY. If Lessee is adjudicated a bankrupt, or if Lessee shall file a voluntary petition in bankruptcy, or if Lessee makes an assignment for the benefit of creditors, or if a receiver is appointed over all or any portion of Lessee's assets located upon the leased premises, and such receivership continues for a period of thirty (30) days, then Lessor, at his option, may terminate this lease.

12. SUBORDINATION. This Lease shall be subject and subordinate to all mortgages and deeds of trust which may now or hereafter affect the real property of which the leased premises form a part, and also to all renewals, modifications, consolidations, and replacements of said mortgages and deeds of trust; PROVIDED, HOWEVER, that so long as Lessee is not in default in the payment of rents or other sums due under this lease, or in the performance of any of the other terms, covenants, or conditions to be performed by Lessee, Lessee's possession under this Lease, or under any extensions or renewals thereof, shall not be disturbed by such lender. Although no instrument or act on the part of Lessee shall be necessary to effectuate such subordination Lessee will nevertheless execute and deliver such further instruments required to verify or confirm such subordination, as may be desired by the holders of said mortgages and deeds of trust. Lessee hereby appoints Lessor attorney-in-fact, irrevocably, to execute and deliver any such instrument for Lessee.

13. LANDLORD'S RIGHT TO CURE. If Lessee breaches any covenant or condition of this lease, landlord may cure such breach at the expense of Lessee and the reasonable amount of all expenses, including attorneys' fees, incurred by Lessor in doing so shall be deemed additional rent payable on demand. Landlord's right to cure at Lessee's expense shall be subject to Lessor having given reasonable notice to Lessee specifying in detail the default, and affording Lessee the prior opportunity to cure.

14. COVENANTS OF LESSOR. Lessor covenants that they are the owners of the leased premises and have the power and authority to grant and make the within Lease; that during the term hereof and on condition that Lessee shall discharge all obligations on his part to be performed under any mortgage, deed of trust, or other security instrument to which lessor is a party or shall become a party, to the extent that the same may in any way affect the leased premises or leased personal property.

15. ASSIGNABILITY. As hereinabove provided, the Lessee shall not sublet, assign, encumber, or otherwise transfer any interest in this lease without the express written consent of the Lessor Having been first obtained. Such consent shall not be unreasonably withheld, and shall be granted if Lessee can demonstrate that Lessor's security in receiving rents and performance under the terms and provisions

hereof will not be materially jeopardized by such action. Any sublease, assignment, transfer, or sale of this lease, or any part thereof, by Lessee, without the prior written consent of the Lessor, shall be invalid, null and void and shall be deemed just cause to terminate this lease, without notice, at Lessor's option. It is further understood and agreed, however, that the Lessor shall have the right to freely assign and transfer his interest in and to this agreement and/or the leased premises (subject to the terms hereof), and Lease shall remain bound under the terms of this lease without the necessity of and express attornment to any such assignee or transferee.

16. SEVERABILITY. If any clause or provision of this lease be determined to be illegal, invalid, or unenforceable under present or future laws, then it is the intention of the parties hereto that the other terms and provisions of this lease shall remain in full force and effect.

17. ATTORNEY'S FEES. In the event of a default on the part of either party in any of the terms and conditions of this Lease, the defaulting party agrees to pay any and all attorneys' fees and expenses incurred by the non-defaulting party as a result of such default or breach, including attorneys' fees and expenses incurred in connection with any litigation or negotiations resulting from such default or breach of the terms of this lease.

18. NO IMPLIED WAIVER. No assent, expressed or implied, to any breach of any one or more of the covenants or agreements hereof shall be deemed or taken to be a waiver of any succeeding or other breach.

19. ESTOPPEL CERTIFICATE. Lessee shall, at any time, upon not less than ten (10) days prior written notice from Lessor, execute, acknowledge, and deliver to Lessor a statement in writing certifying that this lease is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this lease, as so modified, is in full force and effect) and the date to which the rent and other charges are paid in advance, if any, and acknowledging that there at not, to Lessee's knowledge, any uncured defaults on the part of Lessor hereunder, or specifying such defaults if any are claimed. Any such statement may be conclusively relied upon by any prospective purchaser or encumbrancer of the premises. Lessee's failure to deliver such statement within such time shall be conclusive upon Lessee that this lease is in full force and effect, without modification, except as may be represented by Lessor, that there are no uncured defaults in Lessor's performance, and that no rent has been paid in advance. If Lessor desires to finance or refinance the building, Lessee hereby agrees to deliver to a lender designated by Lessor such financial statements of Lessee as may be reasonably required by such lender. All such financial statements shall be received by Lessor in confidence and shall be used only for the purposes herein set forth.

20. ADDITIONAL PROVISIONS:. The Lease is expressly contingent on the following:

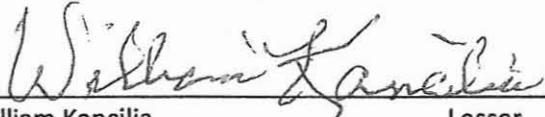
- a. If License is denied for any reason Lease will be null and void.
- b. Security System Agreement Provider and Lessee.
- c. Approval of Sales Tax License by the City of Trinidad to Lessee.
- d. Lawful presence application.

21. NOTICES. Any notice by either party to the other shall be in writing and shall be deemed to be duly given if delivered personally or mailed ordinary mail, postage prepaid, addressed if to Lessee, at P.O. Box 14, Weston, CO 81091 Trinidad, CO 81082, and if to Lessor, at 404 E Main St. Trinidad, CO 81082 or at such other address as either party may hereafter designate, in writing. Notice shall be deemed to have been duly given if personally delivered upon delivery thereof, and if mailed upon one (1) day after the mailing thereof.

22. COMPLETE AGREEMENT. The provisions hereof constitute the entire and complete understanding and agreement of the parties.

23. BINDING EFFECT. This lease agreement shall extend to, be binding upon, and inure to the benefit of the parties and their respective successors and assigns.

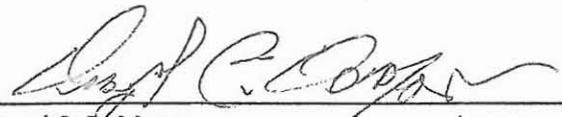
IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year first above written.



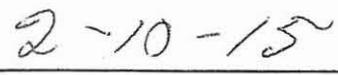
William Kancilia Lessor



Date



Daryl C. DeMarco Lessee



Date



May 4, 2015

Southern Colorado Therapeutics, Inc.
Attn: Daryl C. DeMarco
PO Box 14
Weston, CO 81091

Regarding: Policy Description: Bond # C11065 and CO11731
Insurance Company: Merchants Bonding Company

Dear Ann DeMarco:

Thank you for allowing IGC-A'Hern Agency an opportunity to serve you. The following change has been made to the above noted bonds, endorsements reflecting this change will follow shortly. Please note that your current bonds do not need to be rewritten, this will be a revision only.

Please examine it carefully and notify me if additional changes are required.

Effective: 05/04/2015

Change: **Bonded entity revised to reflect incorporation
Southern Colorado Therapeutics, Inc.**

If you have any questions or we can be of further assistance, please call. We appreciate your business.

Sincerely,

Sue Johns
Account Manager



MERCHANTS
BONDING COMPANY[™]

MERCHANTS BONDING COMPANY (MUTUAL) • MERCHANTS NATIONAL BONDING, INC.
2100 FLEUR DRIVE • DES MOINES, IOWA 50321-1158 • (800) 678-8171 • (515) 243-3854 FAX

ENDORSEMENT

It is hereby understood and agreed that Bond No.: CO 11065

Principal: Southern Colorado Therapeutic

Obligee: State of Colorado

in the Merchants Bonding Company (Mutual), is changing this bond effective October 1, 2014

FROM:

Physical Location: 13567 West Point Road, Weston, CO 81091

TO:

Physical Location: 1505 Santa Fe Trail, Trinidad, CO 81082

All terms and conditions of said bond, except as above changed, to remain the same.

Signed, sealed and dated this 1st day of October, 2014

Merchants Bonding Company (Mutual)

By C Sue Johns
C Sue Johns
Attorney-In-Fact

SUP 0018 (2/12)

MERCHANTS
BONDING COMPANY,™
POWER OF ATTORNEY

Know All Persons By These Presents, that MERCHANTS BONDING COMPANY (MUTUAL) and MERCHANTS NATIONAL BONDING, INC., both being corporations duly organized under the laws of the State of Iowa (herein collectively called the "Companies"), and that the Companies do hereby make, constitute and appoint, individually,

C Sue Johns; Joyce Leiker

of Lakewood and State of Colorado their true and lawful Attorney-in-Fact, with full power and authority hereby conferred in their name, place and stead, to sign, execute, acknowledge and deliver in their behalf as surety any and all bonds, undertakings, recognizances or other written obligations in the nature thereof, subject to the limitation that any such instrument shall not exceed the amount of:

TWO HUNDRED THOUSAND (\$200,000.00) DOLLARS

and to bind the Companies thereby as fully and to the same extent as if such bond or undertaking was signed by the duly authorized officers of the Companies, and all the acts of said Attorney-in-Fact, pursuant to the authority herein given, are hereby ratified and confirmed.

This Power-of-Attorney is made and executed pursuant to and by authority of the following By-Laws adopted by the Board of Directors of the Merchants Bonding Company (Mutual) on April 23, 2011 and adopted by the Board of Directors of Merchants National Bonding, Inc., on October 24, 2011.

"The President, Secretary, Treasurer, or any Assistant Treasurer or any Assistant Secretary or any Vice President shall have power and authority to appoint Attorneys-in-Fact, and to authorize them to execute on behalf of the Company, and attach the seal of the Company thereto, bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof.

The signature of any authorized officer and the seal of the Company may be affixed by facsimile or electronic transmission to any Power of Attorney or Certification thereof authorizing the execution and delivery of any bond, undertaking, recognizance, or other suretyship obligations of the Company, and such signature and seal when so used shall have the same force and effect as though manually fixed."

In Witness Whereof, the Companies have caused this instrument to be signed and sealed this 13th day of August, 2014.



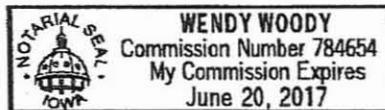
MERCHANTS BONDING COMPANY (MUTUAL)
MERCHANTS NATIONAL BONDING, INC.

By *Larry Taylor*
President

STATE OF IOWA
COUNTY OF POLK ss.

On this 13th day of August, 2014, before me appeared Larry Taylor, to me personally known, who being by me duly sworn did say that he is President of the MERCHANTS BONDING COMPANY (MUTUAL) and MERCHANTS NATIONAL BONDING, INC.; and that the seals affixed to the foregoing instrument is the Corporate Seals of the Companies; and that the said instrument was signed and sealed in behalf of the Companies by authority of their respective Boards of Directors.

In Testimony Whereof, I have hereunto set my hand and affixed my Official Seal at the City of Des Moines, Iowa, the day and year first above written.



Wendy Woody

Notary Public, Polk County, Iowa

STATE OF IOWA
COUNTY OF POLK ss.

I, William Warner, Jr., Secretary of the MERCHANTS BONDING COMPANY (MUTUAL) and MERCHANTS NATIONAL BONDING, INC., do hereby certify that the above and foregoing is a true and correct copy of the POWER-OF-ATTORNEY executed by said Companies, which is still in full force and effect and has not been amended or revoked.

In Witness Whereof, I have hereunto set my hand and affixed the seal of the Companies on this day of



William Warner Jr.
Secretary

POA 0014 (7/14)

Colorado Retail Marijuana License Bond

Name of Bonding Company Merchants Bonding Company (Mutual)

Bond Number CO 11065

KNOW ALL PERSONS BY THESE PRESENTS:

That we, Southern Colorado Therapeutic, Street Address 13567 W Point Rd,
City Weston, County of _____, State of Colorado, as Principal,
and Merchants Bonding Company (Mutual), a surety company qualified and authorized to do surety business in the State of Colorado, as Surety, are held and firmly bound unto the State of Colorado to indemnify the State or local governmental entity for any loss suffered by reasons of violation of the conditions hereinafter contained in the penal sum of FIVE THOUSAND DOLLARS (\$5,000.00), lawful money of the United States, for the payment of which, well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors and assigns jointly, severally, and firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH that whereas the Principal is applying for the issuance or renewal of a license issued pursuant to the Colorado Retail Marijuana Code, Article 43.4 of Title 12 of the Colorado Revised Statutes, which license or license renewal shall be valid, if not suspended or revoked, for a license period ending one year from the last day of the month of issuance of the license or renewal;

NOW, THEREFORE, if the Principal is granted a license by the State pursuant to Article 43.4 of Title 12 of the Colorado Revised Statutes, during the term of said license and any renewal thereof, the Principal shall report and pay all sales and use taxes due the State of Colorado, or due any other entity for which the State is the collector or collecting agent, in a timely manner as provided by law.

IT IS FURTHER PROVIDED that the aggregate liability of the Surety for all breaches of the condition of this bond, regardless of the number of years this bond shall continue in force, the number of claims made against this bond, and the number of premiums which shall be payable or paid shall not exceed the amount of the bond.

IT IS FURTHER PROVIDED that pursuant to Section 12-43.4-303(2), C.R.S., the Surety shall not be required to make payments to the State of Colorado claiming under this bond until a final determination of failure to pay taxes due to the State has been made by the State Licensing Authority or a court of competent jurisdiction.

IT IS FURTHER PROVIDED that the Surety shall have the right to cancel this bond for any reason authorized by statute by filing forty-five (45) days' written notice of such cancellation with the Principal and with the State Licensing Authority. If cancellation is based upon nonpayment of premium, this bond may be cancelled by the Surety upon ten (10) days' written notice to the Principal and the State Licensing Authority.

THIS OBLIGATION may be continued from year to year by the issuance by the Surety of a proper continuation certificate delivered to the State Licensing Authority pursuant to Section 12-43.4-303(3), C.R.S.

Dated this 12th day of September, 2014.

For the Principal: _____ For the Surety: Sue Johns
C Sue Johns Attorney-in-Fact

ACKNOWLEDGMENT OF SURETY

STATE OF COLORADO

COUNTY OF Jefferson ss.

On this 22 day of Sept, 2014 before me, a notary public in and for the above State, personally appeared C Sue Johns, to me personally known and being by me duly sworn, did say that he or she is an authorized corporate officer or the Attorney-in-Fact of Merchants Bonding Company (Mutual), a corporation duly organized and existing under the laws of the State of Colorado, or authorized to do business therein, and that he or she as such officer executed the foregoing instrument for the purposes herein contained on behalf of said corporation, and further acknowledged that the instrument was executed as the free act and deed of said corporation.

IN WITNESS WHEREOF, I hereunto set my name and affixed my official seal on the day and year written above.

SHAWN M JACOBSON
Notary Public
State of Colorado
Notary ID 19804007463
My Commission Expires Jun 1, 2018

Shawn M Jacobson
Notary Public, State of Colorado
My commission expires: 6/1/18

MERCHANTS
BONDING COMPANY
POWER OF ATTORNEY

Bond #: CO 11065

Know All Persons By These Presents, that MERCHANTS BONDING COMPANY (MUTUAL) and MERCHANTS NATIONAL BONDING, INC., both being corporations duly organized under the laws of the State of Iowa (herein collectively called the "Companies"), and that the Companies do hereby make, constitute and appoint, individually,

C Sue Johns

of **Lakewood** and State of **CO** their true and lawful Attorney-in-Fact, with full power and authority hereby conferred in their name, place and stead, to sign, execute, acknowledge and deliver in their behalf as surety any and all bonds, undertakings, recognizances or other written obligations in the nature thereof, subject to the limitation that any such instrument shall not exceed the amount of:

TWO HUNDRED THOUSAND (\$200,000.00) DOLLARS

and to bind the Companies thereby as fully and to the same extent as if such bond or undertaking was signed by the duly authorized officers of the Companies, and all the acts of said Attorney-in-Fact, pursuant to the authority herein given, are hereby ratified and confirmed.

This Power-of-Attorney is made and executed pursuant to and by authority of the following By-Laws adopted by the Board of Directors of the Merchants Bonding Company (Mutual) on April 23, 2011 and adopted by the Board of Directors of Merchants National Bonding, Inc., on October 24, 2011.

"The President, Secretary, Treasurer, or any Assistant Treasurer or any Assistant Secretary or any Vice President shall have power and authority to appoint Attorneys-in-Fact, and to authorize them to execute on behalf of the Company, and attach the seal of the Company thereto, bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof.

The signature of any authorized officer and the seal of the Company may be affixed by facsimile or electronic transmission to any Power of Attorney or Certification thereof authorizing the execution and delivery of any bond, undertaking, recognizance, or other suretyship obligations of the Company, and such signature and seal when so used shall have the same force and effect as though manually fixed."

In Witness Whereof, the Companies have caused this instrument to be signed and sealed this 13th day of August, 2014.



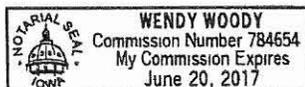
MERCHANTS BONDING COMPANY (MUTUAL)
MERCHANTS NATIONAL BONDING, INC.

By *Larry Taylor*
President

STATE OF IOWA
COUNTY OF POLK ss

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In Testimony Whereof, I have hereunto set my hand and affixed my Official Seal at the City of Des Moines, Iowa, the day and year first above written.



Wendy Woody

Notary Public, Polk County, Iowa

STATE OF IOWA
COUNTY OF POLK ss

I, William Warner, Jr., Secretary of the MERCHANTS BONDING COMPANY (MUTUAL) and MERCHANTS NATIONAL BONDING, INC., do hereby certify that the above and foregoing is a true and correct copy of the POWER-OF-ATTORNEY executed by said Companies, which is still in full force and effect and has not been amended or revoked.

In Witness Whereof, I have hereunto set my hand and affixed the seal of the Companies on this 12th day of September, 2014.



William Warner Jr.
Secretary

POA 0014 (7/14)

Instructions: Please print this document for your records.

COLORADO BUSINESS EXPRESS
COLORADO DEPT OF REVENUE

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: 05/04/2015 15:10

Name: Southern Colorado

Address: 1505 Santa Fe Trl
Trinidad, CO 81082-3601

Sales Tax Account Number: 29809258

Sales Tax Filing Frequency: \$300/month or more (Monthly)

Wage Withholding Account Number: N/A

Wage Withholding Filing Frequency: N/A

Web Sites

State of Colorado: www.colorado.gov

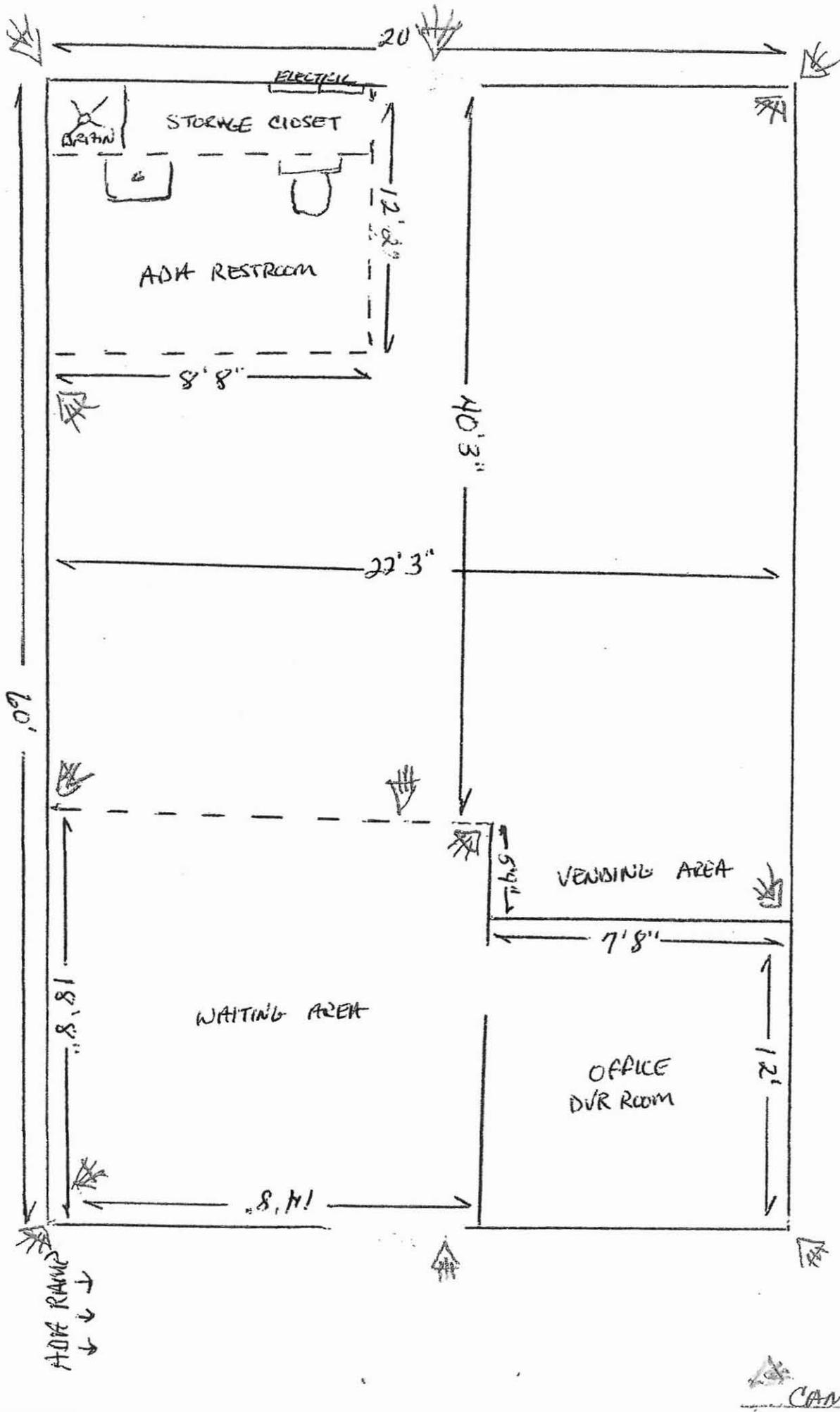
Colorado Department of Revenue: www.colorado.gov/revenue

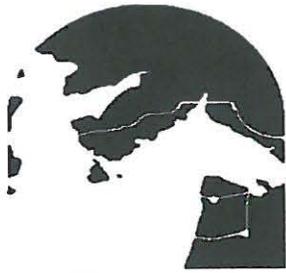
Colorado Department of Revenue Online Customer Support Site:
revenuestateco.custhelp.com

File and pay your sales tax online: www.colorado.gov/RevenueOnline

Register to pay by EFT: 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.





CITY OF TRINIDAD, COLORADO
1876

COUNCIL COMMUNICATION

5e

CITY COUNCIL MEETING: May 19, 2015 Regular Meeting
PREPARED BY: Dona Valencich, HR Director
PRESENTER: Dona Valencich
DEPT. HEAD SIGNATURE: *Dona Valencich*
CITY MANAGER SIGNATURE: *Richard Garrett, Asst. City Mgr*

SUBJECT: Donating and Receiving Shared Leave

RECOMMENDED CITY COUNCIL ACTION: Approval of new policy

SUMMARY STATEMENT: Requesting and receiving shared leave

EXPENDITURE REQUIRED: None

SOURCE OF FUNDS: Not Applicable

POLICY ISSUE: New Policy

ALTERNATIVE:

BACKGROUND INFORMATION: This is a new policy addressing the donating and receiving of shared leave for an employee that is unable to work due to a serious illness or the serious illness of a dependent (as defined in the FML Act). Any hours that are donated will not remain in a "sick bank" but rather will be forfeited by both parties upon the receiving employee's return to work. If the requesting employee's health condition qualifies under FMLA, the employee's paid time off will count towards Family Medical Leave which has a 12 week limitation. Also included are samples of the required forms to be completed by either the requesting employee or the donating employee.

CONTACT FOR INFORMATION: Dona Valencich, HR Director
(719) 846-9843, ext. 110

5e

POLICY # _____

Effective: May 29, 2015

Replaces: New

Definitions:

“Eligible Employee” - an employee who has completed their initial introductory or probationary period. Temporary employees are not eligible for shared leave.

“shared leave” - voluntarily donated vacation/sick leave to an eligible employee who is unable to work due to his/her extended serious illness or injury, or due to the employee’s dependent’s serious illness or injury.

“serious illness or injury” - a serious health condition as defined in the FMLA:

- conditions requiring an overnight stay in a hospital or other medical care facility;
- conditions that incapacitate you or your family member (for example, unable to work or attend school) for more than three consecutive days and require ongoing medical treatment (either multiple appointments with a health care provider, or a single appointment and follow-up care such as prescription medication);
- chronic conditions that cause occasional periods when you or your family member are incapacitated and require treatment by a health care provider at least twice a year; and
- pregnancy (including prenatal medical appointments, incapacity due to morning sickness, and medically required bed rest).

This policy applies whenever an “eligible employee” requests to donate or receive “shared leave.”

An employee donating vacation/sick leave pursuant to this policy relinquishes all rights/benefits derived from such shared leave. An employee receiving shared leave relinquishes all rights, interest or benefits, except paid time off, derived from such shared leave.

Any employee hired on or before January 1, 1998 may donate either vacation or sick leave to another eligible employee. Employees hired after January 1, 1998 may donate vacation leave only to be used as shared leave.

1. ELIGIBLE EMPLOYEES MAY RECEIVE SHARED LEAVE UNDER CERTAIN CONDITIONS

Eligible employees qualify for shared leave if:

- They are unable to work due to “serious illness or injury” which requires hospitalization or extensive medical care;
- It is to be used for an extended serious illness or injury of the employee’s eligible dependents.
- It is taken and used in accordance with all applicable rules regarding sick leave usage;
- They provide doctor certification documents to the Employer prior to the request for shared leave;
- They exhaust all paid time off (sick leave, vacation leave, comp-time); and
- They are not eligible to receive worker’s compensation benefits, unemployment insurance benefits or Disability Insurance payments.

2. ELIGIBLE EMPLOYEES MAY DONATE SHARED LEAVE UNDER CERTAIN CONDITIONS

Eligible employees may donate shared leave if:

- The hours are donated to a recipient who meets the eligibility requirements; and
- The employee has the donated hours accrued at the time of the donation. Leave may not be donated in the same pay period in which it is earned.

3. PARAMETERS WHICH APPLY TO SHARED LEAVE REQUEST

All leave donations will be on an hour-for-hour basis and in one hour increments. No consideration will be given to the dollar value of the leave donated. An employee receiving and using shared leave hours from another employee will be paid for such hours based on the receiving employee's work schedule and at the receiving employee's hourly rate of pay.

The maximum amount of shared leave an employee may receive from all employees, per rolling twelve (12) month period, is 480 hours.

Once the recipient has reached his/her maximum allowable donated leave amount (480) or the employee no longer needs the leave, the leave will be forfeited by both the receiving employee and the donating employee. Under no circumstances will donated leave be banked for future leave. Shared leave is excluded from vacation leave payoff provisions.

An employee who has an accrued annual vacation leave balance of more than forty (40) hours may transfer a specified amount of vacation leave hours to the employee authorized to receive the shared leave. The employee may not transfer an amount that would result in a vacation leave balance of fewer than forty (40) hours.

Employees are prohibited from soliciting, offering, or receiving monetary or any other compensation or benefits in exchange for donating vacation leave hours.

4. PROCESSING OF SHARED LEAVE REQUESTS

Leave must be donated, and all paperwork completed and received by Human Resources, before it is used by the employee. If there is a lapse of time between the request for leave and the approval and processing of the leave, the donated leave will be used retroactively to cover the days between the request approval and the employee's unpaid time off.

Employees receiving and using shared leave will continue eligibility for employment benefits (healthcare, leave accruals) in accordance with the City of Trinidad's Personnel Policy based on the number of leave hours they are paid. If the employee's health condition qualifies under the Family Medical Leave Act (FMLA), the employee's paid time will count as FMLA (maximum FMLA = 12 weeks).

5. SHARED LEAVE TERMINATED UNDER CERTAIN CONDITIONS

Shared leave will terminate if:

- The employee receives the maximum number of donated leave hours (480 hours);
- A physician releases employee to full-time work;
- The employee receives worker's compensation benefits, unemployment insurance benefits or Disability Insurance payments; OR
- The receiving employee terminates employment.

6. CITY OF TRINIDAD WILL NOT RELEASE INFORMATION PERTAINING TO SHARED LEAVE DONATIONS

The amount of leave hours donated by one employee to another employee is considered confidential information and is not subject to disclosure.

Shared Leave Donation Form

To be completed by Employee donating hours

Employee Name (Printed): _____ Date of Hire: _____

I authorize the City of Trinidad, under the outlined conditions, to transfer the following leave to the recipient's donated leave bank.

Conditions:

- *Vacation/sick hours donated cannot reduce my vacation/sick leave balance to less than forty (40) hours.*
- *Hours donated on an hour-for-hour basis in one hour increments.*
- *The hours are donated to a recipient who meets the eligibility requirements.*
- *Unused donated hours are not returned to the donor.*

Donation To: _____
(Name of Recipient)

Number of Hours Donated: _____ Vacation: _____
Sick: _____

Employee Signature _____
Date

*****Return this form to Human Resources*****

Verification of Eligibility
To be completed by Human Resources

Total Vacation/Sick Leave as of Today:	
Total Vacation/Sick Leave after donating hours:	
Total Donated Leave Approved:	

Transfer made for the following pay period: _____

HR Authorization Signature _____
Date

Shared Leave Request Form

To be completed by Employee requesting leave donations

Employee Name (Printed): _____ Date of Hire: _____

To the best of my knowledge, I meet the criteria outlined in the shared Leave Policy for receiving donated leave as outlined below:

Conditions:

- I have completed by initial introductory or probationary period.
- I am unable to work due to a serious health condition, or I need to care for a dependent with a serious health condition. A Certification from a Health Care provider is included with this request.
- I have (or will have) exhausted all my paid time off.
- I am not eligible to receive worker's compensation benefits, unemployment benefits or disability benefits.

Name of Person with serious health condition: _____ (If dependent, please indicate relationship to you)
Explanation of Health Condition: _____ _____ _____
Duration of Leave Expected: _____ _____

Employee Signature _____ Date _____

*****Return this form to Human Resources*****

Verification of Eligibility

To be completed by Human Resources

	Yes	No
Employee has completed probationary period?		
Employee is unable to work due to serious health condition, or needs to care for a dependent with a serious health condition. Employee completed a Certification from a Health Care Provider?		
Employee has exhausted all paid time off?		
Employee is not eligible to receive worker's compensation benefits, unemployment benefits, or disability benefits?		
Employee is entitled to receive shared leave up to 480 hours for this illness or injury?		
This Employee's health condition qualifies under FMLA and this paid time off will count towards the FMLA maximum of 12 weeks of leave (480 hours)?		

HR Authorization Signature _____ Date _____



CITY OF TRINIDAD, COLORADO
1876

COUNCIL COMMUNICATION

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CITY COUNCIL MEETING: May 19, 2015 Regular Meeting
PREPARED BY: Tara Marshall, City Intern
PRESENTER: Tara Marshall, City Intern
DEPT. HEAD SIGNATURE: Tom
CITY MANAGER SIGNATURE: *Andrea Jarrett, Asst. Cm*

SUBJECT: Consideration of an ordinance to establish a Certified Local Government.

RECOMMENDED CITY COUNCIL ACTION: Consider the ordinance on first reading and if acceptable, approve it and set it for further consideration at a public hearing on June 2, 2015 during the regular meeting.

SUMMARY STATEMENT:

In the Fall of 2014 a Citizen Task Force was formed at the behest of the Trinidad City Council to consider the issue of becoming a Certified Local Government. The Task Force met for 6 months and produced this Ordinance for the Council's consideration. During this 6-month period, participants included, Bill Barns, Marilyn Leuszler, Ed Trommeter, Glenn Davis, Wayne Pritchard, Michael Klaus, Michelle Miles, Tara Marshall, Chris Kelley and Tim Stroh (DOLA). The task force considered both the advantages and disadvantages of adopting the Ordinance and the benefits a Certified Local Government would bring to desired Economic Development Activity.

- Benefits of Becoming a Certified Local Government
 - Would make the Historic Preservation Tax Credits offered at the State Level more accessible across a broad spectrum of property owners.
 - The Trinidad CLG Ordinance is written so that the program is entirely voluntary.
 - The Trinidad CLG Ordinance does not prohibit any necessary actions such as actions needed to make the building safe, even if the building has become locally landmarked.
 - The Trinidad CLG Ordinance would give the City access to grant funding from History Colorado to update the Historic Inventory of the National Historic District.
 - The Trinidad CLG Ordinance while voluntary would still work to create a Historic Preservation Ethic on behalf of the City of Trinidad and would serve to raise the City's stature with Preservation Funding Organizations.
 - The Ordinance was written by a cross section of citizen opinions and private property rights were considered extensively in the debate to construct the Ordinance.
 - Becoming a CLG would take the City one step closer to preserving the Historic Character of the Downtown and becoming a Designated Main Street Community.
- Disadvantages of Becoming a Certified Local Government
 - Once a property has been locally landmarked the next owner of the property cannot opt out of the program. Once a building is landmarked, it stays landmarked.
 - This will be an additional quasi-judicial Commission that will need to have five (5) citizen volunteers appointed to it.
 - This Ordinance although voluntary provides more restrictions to private property than currently exist.
 - Becoming a Certified Local Government will require additional staff resources to manage the Historic Preservation Commission and to process the applications for landmarking and the certificates for alteration of the landmarked property.
 - Staff capacity and training will be required not just to administer the program but to tie its efforts into the other City initiatives.

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EXPENDITURE REQUIRED: No specific amounts have been identified. Some training will be required. An appropriate estimate is \$1,500 for travel expenses, although these funds may never become necessary.

SOURCE OF FUNDS: General Fund, Planning Department

POLICY ISSUE: Approval of an Ordinance to become a Certified Local Government therefore increasing the access to tax credits for historic property owners within the City.

ALTERNATIVE: Using the Historic Tax Credits for those buildings that are currently on the National Register and investing other methods of gaining tax credits for the remainder of the properties.

BACKGROUND INFORMATION:
Included in Summary Statement Above.

CONTACT FOR INFORMATION: Tara Marshall, City Intern: (719) 846-9843 ext. 131



CITY OF TRINIDAD, COLORADO

ORDINANCE NO.

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF TRINIDAD, COLORADO, ESTABLISHING A HISTORIC PRESERVATION COMMISSION THROUGH A CERTIFIED LOCAL GOVERNMENT

WHEREAS, the City desires to designate, preserve, protect, enhance and perpetuate those buildings, sites, structures, objects and districts which reflect outstanding elements of the City's cultural, artistic, social, ethnic, economic, political, architectural, historic, technological, institutional or other heritage; and

WHEREAS, the protection and preservation of the City's historic built environment will enhance property values, and help stabilize the City's economy; and

WHEREAS, the City's historic buildings, sites, structures, objects and districts foster civic pride in the beauty and accomplishments of the past; and

WHEREAS, the rehabilitation of the City's historic buildings, homes and neighborhoods will enhance the City's attraction to tourists and visitors, increase the quality of life for our citizens and encourage future economic development; and

WHEREAS, a Certified Local Government will promote historic preservation to private property owners through the renovation of historic sites and structures for economic purposes; and

WHEREAS, the City's goal is to take advantage of economic development through historic preservation by creating a Historic Preservation Commission that will be a resource for national, state and local incentives; and

WHEREAS, the City Council's goal is to establish a method of protecting private property rights and preserving the City's unique historic character through the creation of a Historic Preservation Commission that will act as a quasi-judicial commission of a Certified Local Government.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF TRINIDAD, COLORADO, that:

Section 1. Article 13, Certified Local Government of Chapter 14, of the Code of Ordinances of the City of Trinidad is enacted in its entirety as follows:

ARTICLE 13. CERTIFIED LOCAL GOVERNMENT.

Section 14-245. Historic Preservation Commission

(1) Establishment. There is hereby created a Historic Preservation Commission, hereinafter in this Chapter 14, Article 13 referred to as the *Commission*.

(2) Membership.

(a) The Commission shall consist of five (5) members providing a balanced, community-wide representation, and all shall have an interest in historic preservation. The Commission shall have at least one (1) design professional, (1) licensed real estate broker and (3) members at large. Commission members shall not be members of the Trinidad City Council or a City Council Officer as defined in Section 2-16 of the Code of Ordinances.

(b) A majority of the voting members of the Commission shall be residents of the City of Trinidad for a minimum of one (1) year prior to appointment. The remaining member of the Commission must reside in Las Animas County and must either own property within the City and/or have a licensed business within the City.

(3) Appointments and Terms.

(a) Members of the Commission shall be appointed by the Trinidad City Council and shall serve a three year staggered term from the date of appointment. In order to stagger the initial terms of membership the original membership shall serve as follows:

One (1) appointment shall serve a one-year term
Two (2) appointments shall serve two year terms
Two (2) appointments shall serve three year terms

(b) Members may be reappointed by the City Council to serve successive terms without limitation.

(c) Appointments to fill vacancies on the Commission shall be made by the City Council. Such appointments shall be for the remainder of the vacated term only.

(d) Members of the Commission may be removed by a majority vote of the City Council for just cause, which includes neglect of duty, acts detrimental to the City's interest, malfeasance in office or excessive absences. Absences by members of the commission of three consecutive meetings or three absences in a six month rolling period shall be cause for evaluation by City Council for the purpose of consideration of the member's removal from the Commission. The City Clerk shall advertise vacancies in a newspaper of local circulation requesting that interested individuals submit a letter indicating their interest and qualifications for the position advertised.

(4) Officers and Voting

(a) The Commission shall by majority vote, elect one (1) of its members to serve as chairperson to preside over the Commission's meetings. This shall be done at the first meeting of each calendar year. This term shall be for one (1) year with eligibility for re-election.

(b) A quorum for the Commission shall consist of a majority of the regular membership. A quorum of 3 members is necessary for the Commission to hold a public hearing or to take official actions. A tie vote shall be deemed a denial of the motion or recommended motion.

(5) Meetings and Appearances

(a) The Commission shall hold at least one (1) regular meeting per quarter, with monthly meetings as necessary. It shall adopt rules for transaction of business and shall keep a record of its resolutions, transactions, findings, and determinations, which record shall be a public record. The City shall provide an administrative staff person to assist with this function.

(b) No member of the Commission shall appear on his/her own behalf or on the behalf of any private person before either the Historic Preservation Commission or the City Council in connection with any matter before the Commission.

Section 14-246. Powers, Duties and Authority of the Commission

The Commission shall act in a quasi-judicial manner, and it shall have the following powers, duties and rulemaking authority:

(1) Adopt criteria for review of historic properties and for review of proposals to alter, demolish or relocate designated properties.

(2) Review properties nominated for designation as a local landmark and recommend that the City Council designate by ordinance those properties qualifying for such designation. Nominated properties will only be reviewed once the property owner has given written permission for the designation; Review districts nominated for designation as local historic districts and recommend that the City Council designate by ordinance those districts qualifying for such a designation. Nominated districts will only be reviewed once 100% of the property owners have given written permission for the designation.

(3) Review and make decisions on any application for alterations to a designated historic landmark.

(4) Review and make decisions on any application for moving or demolishing a historic landmark.

- (5) Maintain a list of significant historic properties through the periodic updating of the Trinidad Inventory of Historic Buildings.
- (6) Advise and assist owners of historic properties on physical and financial aspects of preservation, renovation, rehabilitation and reuse, including nomination to the National Register of Historic Places.
- (7) In conjunction with the local historical based organizations, the Commission should seek to develop and assist in public education programs, lectures and conferences.
- (8) Conduct surveys of historic areas for the purpose of defining those of historic significance, and prioritizing the importance of identified historic areas and structures.
- (9) Advise the Planning, Zoning and Variance Commission and the Trinidad City Council on matters related to preserving the historic character of the City.
- (10) Actively pursue financial assistance for preservation-related programs through grants and by other means in partnership and collaboration with other entities as much as possible.
- (11) Recommend removal of properties from the register of local landmarks if the criteria for revocation of designation are met.

Section 14-247. Local Historic Landmark Designation

- (1) Pursuant to the procedures hereinafter set forth in Section 14-246(2), the City Council may, by ordinance designate as a landmark an individual structure or an integrated group of structures on a single lot or site having a special historical or architectural value;
 - (a) Each such designating ordinance shall include a description of the characteristic of the landmark which justifies its designation and a description of the particular features that should be preserved, and shall include a legal description of the location, boundaries of the landmark site and the character defining features that qualify the landmark for designation.
 - (b) Any such designation shall be in furtherance of and in conformance with the purposes and standards of this Section 14-247(3).
 - (c) The property included in any such designation shall be eligible for such incentive programs as may be developed by this Commission and the City Council.
 - (d) No such designating ordinance will be enacted involving a property without written permission from the property owner.

(2) Procedures

(a) A nomination for designation may be made by any property owner desiring to obtain a landmark designation by filing an application with the City of Trinidad Planning Department.

(b) The Commission shall hold at least one (1) public hearing on the proposal no more than forty-five (45) days after the filing of the application. The notice of the time and place of the public hearing shall be made by one (1) publication in a newspaper of local circulation in the City. The Commission shall review the application for conformance of the proposed designation with the established criteria for designation and the standards set forth in Section 14-247(3).

(c) At the conclusion of the public hearing or within not more than forty (40) days after the conclusion of the public hearing, the Commission shall 1) approve or 2) modify and approve or 3) disapprove the proposal by a majority vote.

(d) The Commission shall forward its recommendation and written report to the Trinidad City Council for consideration and final action.

(3) Standards for local landmark designation

The Trinidad Historic Preservation Commission, duly empowered as defined in Section 14-246(2), will evaluate and determine the merit of sites as defined in Section 14-247(3), for local landmark designation. The following historical, architectural or geographic criteria shall be used in this determination:

(A) If it is at least fifty (50) years old; AND

(B) If it has historic importance. Historical importance relates to a building, structure, object and/or site that:

(a) Has character, interest, value and which has affected the development, heritage, or cultural characteristics of the City, the State of Colorado or the Nation; or

(b) Is the site of a historic event that has interest, value and which has affected the development, heritage, or cultural characteristics of the City, the State of Colorado or the Nation; or

(c) Is identified with a person or group of persons who had some influence on the development, heritage and cultural characteristics of the City, the State of Colorado or the Nation; or

(d) Exemplified the cultural, political, economic, social or historical heritage of the community; OR

(C) If it has architectural importance. Architectural importance relates to a building, structure, object and/or site that:

(a) Portrays the environment of a group of people in an era of history; or

(b) Embodies the distinguishing characteristics of a significant or unique architectural type specimen; or

(c) Is the work of an architect or master builder whose individual work has influenced the character of the City, State of Colorado or the Nation; or

(d) Contains elements of design, detail, materials or craftsmanship which represent a significant architectural style; OR

(D) If it has geographic importance. Geographic importance relates to a building, structure, object and/or site that:

(a) Should be preserved based on a consistent historic, cultural or architectural motif; or

(b) Due to its unique location or singular physical characteristics represents an established and familiar visual feature of the city.

(E) Any site listed on the State or National Register of Historic Places shall be deemed to qualify for local designation under this Section 14-247(3), but is not automatically designated as a Local Landmark and must submit an application to receive the designation.

Section 14-248. Local Historic District Designation

(1) Pursuant to the procedures hereinafter set forth in Section 14-246(2), the Trinidad City Council may, by ordinance designate as a district a contiguous area as having a special historical or architectural value;

(a) Each such designating ordinance shall include a description of the characteristic of the district which justifies its designation and a description of the particular features that should be preserved, and shall include a legal description of the location and boundaries of the district area.

(b) The designating ordinance may also indicate alterations which would have a significant impact upon, or be potentially detrimental to, the district area.

(c) Any such designation shall be in furtherance of and in conformance with the purposes and standards of Section 14-248(3).

(d) The district included in any such designation shall be eligible for such incentive programs as may be developed by the Trinidad Historic Preservation Commission and the Trinidad City Council.

(2) Procedures

(a) A nomination for designation may be made by any property owner desiring to obtain a district designation by filing an application with the City of Trinidad Department of Planning.

(b) The Planning Department shall contact every property owner of record within the boundaries of the proposed district outlining the reasons and effects of the designation and, secure the consent of 100% of the ownership within the proposed area before the nomination is accepted as complete for review.

(c) The Commission shall hold at least one (1) public hearing on the proposal no more than forty-five (45) days after the nomination has been accepted for review. The notice of the time and place of the public hearing shall be made by one (1) publication in a newspaper of local circulation in the City. The Commission shall review the nomination for conformance of the proposed designation with the established criteria for designation and the standards set forth in Section 14-248(3).

(d) At the conclusion of the public hearing or within not more than forty (40) days after the conclusion of the public hearing the Commission shall 1) approve, or 2) modify and approve or 3) disapprove the proposal by a majority vote.

(e) The Commission shall forward its recommendation and written report to the Trinidad City Council for consideration and final action.

(3) Standards for local landmark designation

The Trinidad Historic Preservation Commission, duly empowered as defined in Section 14-246(2), will evaluate and determine the merit of sites as defined in Section 14-248(3), for local district designation. The following historical, architectural or geographic criteria shall be used in this determination:

(A) The proposed district has a percentage of structures that are at least (50) years old; AND

(B) The proposed district has historical importance. Historical importance relates to a district and/or area that:

(a) Has character, interest, value and which has affected the development, heritage, or cultural characteristics of the City, the State of Colorado or the Nation; or

(b) Is the site of a historic event that has interest, value and which has affected the development, heritage, or cultural characteristics of the City, the State of Colorado or the Nation; or

(c) Is identified with a person or group of persons who had some influence on the development, heritage and cultural characteristics of the city, the State of Colorado or the Nation; or

(d) Exemplified the cultural, political, economic, social or historical heritage of the community; OR

(C) The proposed district architectural importance. Architectural importance relates to a district and/or area that:

(a) Portrays the environment of a group of people in an era of history; or

(b) Embodies the distinguishing characteristics of a significant or unique architectural type specimen; or

(c) Includes the work of an architect or master builder whose individual work has influenced the character of the City, State of Colorado or the Nation; or

(d) Contains elements of design, detail, materials or craftsmanship which represent a significant architectural style; OR

(D) The proposed district has geographic importance. Geographic importance relates to a district and/or area that:

(a) Should be preserved based on a consistent historic, cultural or architectural motif; or

(b) Due to its unique geography or physical characteristics represents an established and familiar visual feature of the City.

Section 14-249. Revocation of a Designation

(1) Revocation of local historic landmark designation from buildings, structures, objects and/or sites.

(a) If a designated local landmark is lawfully removed, demolished or the victim of a natural disaster, the Trinidad Historic Preservation Commission and/or the property owner may request that the Trinidad City Council take action to revoke the local historic landmark designation.

(b) Trinidad City Council must revoke a designation by ordinance. Revocation of a designation is final.

(2) Revocation of local historic district designation from districts and/or areas.

(a) If a designated local district is significantly depleted of its qualifying historic structures or is the victim of a natural disaster, the Trinidad Historic Preservation Commission may request that the Trinidad City Council take action to revoke the local historic district designation.

(b) Trinidad City Council must revoke a designation by ordinance. Revocation of a designation is final.

Section 14-250. Landmark Alteration Certificates

(1) No person shall carry out or permit to be carried out on a designated landmark property any new construction, alteration, removal or demolition of a building or other designated feature without first obtaining a landmark alteration certificate for the proposed work.

(a) The City of Trinidad Building Department shall be provided a current record of all designated landmark properties and pending designations by the Historic Preservation Committee. The Building Department will refer any requests regarding these properties to the City of Trinidad Planning Department.

(2) Construction on proposed landmark properties.

(a) No person shall receive a permit to construct, alter, remove or demolish any structure or other feature on a proposed landmark property after an application has been filed to landmark the property. Any such permit will be placed on hold until the landmark proceedings have come to a conclusion.

(3) Landmark alteration certificate application and Commission review.

(a) An owner of property which has been designated as a local landmark or a property that is located within a locally designated historic district will be required to apply for a landmark alteration certificate before making any alterations to the exterior appearance of the property.

(b) The City of Trinidad Planning Department will process the landmark alteration certificate application as well as any required design specifications that illustrate the proposed changes to the landmarked property.

(c) The City of Trinidad Planning Department shall make available a detailed list of submittal requirements for the applicant's use.

(A) Administrative Review Process for Minor Alterations.

(I) A streamlined administrative review process shall be made available to applicants proposing minor changes to a landmarked structure.

(II) The Commission shall establish written eligibility and review criteria for the staff to follow. The staff may request that the submitted review be scheduled for formal review by the Commission if there is any uncertainty as to the intent of the criteria as it applies to a specific request.

(III) The administrative process shall be concluded within fifteen (15) days of a complete application submittal. The applicant may appeal any administrative decision to the Commission by

submitting an appeal request in writing to the City Clerk within fifteen (15) days of the administrative ruling.

(B) Meeting and Hearing Requirements.

(I) The Commission shall hold a public meeting on all applications for landmark alteration certificates within forty-five (45) days after an application has been received by the City of Trinidad Planning Department.

(II) The Commission shall hold a noticed public hearing which is required for requests involving demolition or removal of a landmarked structure. Notice of time, date and place of such hearing, and a brief summary of explanation of the subject matter of the hearing, shall be posted on the property in a manner visible from all adjacent public rights-of-way at least fifteen (15) days prior to the hearing. The applicant is responsible for accomplishing the public notice.

(C) Commission Review.

(I) At the conclusion of the public hearing or within not more than forty (40) days after the conclusion of the public hearing the Commission shall determine whether the application meets the established review standards for alterations as outlined in Section 14-251(1)

(II) The Commission shall adopt written findings and conclusions and either approve, or approve with conditions or disapprove the application by a majority vote.

(D) Extension of Review Period.

(I) When reviewing alteration certificate applications involving moving or demolition of a landmarked structure, the Commission may extend the review period up to ninety (90) additional days if the Commission finds the original application does not meet the established review standards for alterations.

(II) The ninety-day extension period shall be used to encourage both the applicant and the Commission to explore acceptable alternative solutions to the original submittal.

(4) Appeal or call-up of disapproved proposals.

(a) A decision of the Commission approving or disapproving an application for alteration or extending the review period on the application is final unless appealed to the Trinidad City Council as provided below:

(A) An applicant may appeal any decision of the Commission to the City Council by filing a written notice of appeal with the Planning Department within fifteen (15) days of the Commission's decision.

(B) Council Meeting and Decision.

(I) Within forty-five (45) days of the date of any decision of the Commission to disapprove or modify an alteration certificate application, the Council shall hold a public meeting on the matter.

(II) Where a decision to move or demolish a landmarked structure is involved, public notice shall be required in accordance with Section 14-250(3)(c)(B)(II).

(III) The Council shall consider the written findings and conclusions of the Commission and the proposal's conformance to adopted alteration certificate criteria as noted in Section 14-251(1) and shall approve, or approve with conditions, or disapprove the proposed application.

(C) Undue Hardship Appeals.

(I) The Council may consider claims of economic or undue hardship in cases where an applicant was denied an alteration certificate by the Commission.

(II) The applicant must provide adequate documentation and/or testimony at the Council meeting to justify such claims. The following includes the type of information, plus any other information the applicant feels is necessary, which must be submitted in order for the Council to consider a hardship appeal:

(1) Estimate of the cost of the alteration proposed under the denied alteration certificate, and an estimate of any additional costs which would be incurred to comply with the alterations recommended by the Commission.

(2) Estimates of the value of the property in its current state, with the denied alterations, and with the alterations proposed by the Commission.

(3) Information regarding the soundness of the structure or structures, and the feasibility for rehabilitation which would preserve the character and qualities of the designation.

(4) In the case of income-producing properties, the annual gross income from the property, the operating and maintenance expenses associated with the property, and the

effect of the proposed alterations and Commission-recommended alterations on these figures.

(5) Any information concerning the mortgage or other financial obligations on the property which are affected by the denial of the proposed alterations.

(6) The appraised value of the property.

(7) Any past listing of the property for sale or lease, the price asked, and any offers received on that property.

(8) Information relating to any nonfinancial hardship resulting from the denial of an alteration certificate.

(III) The Council may refer the information for review by the Commission prior to rendering its final decision on any hardship related appeal. If it is determined that the denial of the certificate of alteration would pose an undue hardship on the applicant, then a certificate of alteration noting the hardship relief shall be issued, and the property owner may make the alterations outlined in the alteration certificate application.

(5) Issuance of a landmark alteration certificate.

(a) The Planning Department shall issue a landmark alteration certificate if an application has been approved by the Commission or appealed and approved by the City Council.

(b) Time Limit.

When approving an application for a landmark alteration certificate, the Commission or City Council may impose a time limit for the applicant to apply for a building permit conforming to the certificate.

(6) Unsafe or dangerous condition exempted.

(a) Nothing in this Chapter 14, Article 13 of the Code of Ordinances shall be construed to prevent any measures of construction, alteration, removal or demolition necessary to correct the unsafe or dangerous condition of any structure, other feature or parts thereof where such condition is declared unsafe or dangerous by the City Building Official or Fire Inspector and where the proposed measures have been declared necessary by the City Manager to correct the condition, as long as only such work that is absolutely necessary to correct the condition is performed. Any temporary measures may be taken without first obtaining a landmark alteration certificate under this Ordinance, but a certificate is required for permanent alteration, removal or demolition.

(7) Property maintenance required.

(a) The City Council intends to preserve from deliberate or inadvertent neglect the exterior portions of designated landmarks and all interior portions thereof whose maintenance is necessary to prevent deterioration of any exterior portion. No owner, lessee or occupant of any landmark shall fail to prevent significant deterioration of the exterior of the structure or special feature beyond the condition of the structure on the effective date of the successful landmark status of the property.

(b) No owner, lessee or occupant of any contributing property within a locally designated historic district shall fail to comply with all applicable provisions of Section 14-250(7)(a) regulating property maintenance.

(c) Nothing in this section shall be construed to prevent the ordinary maintenance and repair of any external architectural feature which does not involve change in design, material, color or outward appearance of a designated landmark.

Section 14-251. Criteria to review alteration certificate

(1) The Commission and City Council shall consider the proposed alteration for conformance with the Secretary of Interior's Standards for Rehabilitation. Conformance to specific alteration criteria for individual properties, structures or districts imposed at the time of initial designation must also follow the Secretary of Interior's Standards for Rehabilitation.

(2) The Commission and City Council may adopt additional criteria or policy design guidelines to aid in the review of alteration certificate applications. Such criteria and policies shall be written and made available to all alteration certificate applicants and the general public.

Section 14-252. Non-locally Landmarked Properties on the National and/or State Historic Register

(1) Public notice and hearing requirement prior to proposed alterations.

(a) Affected Properties. Structures listed on the National Historic Register and/or the State Historic Register which are still standing and which have not been designated by the City as a local historic landmark may be subject to notice and hearing requirements prior to the issuance of a building permit for any proposed building alteration involving a significant change to a building's exterior appearance, building removal or building demolition.

(b) Public Meeting and Hearing Required. Before a building permit can be issued for proposed alterations to such structures as identified in Section 14-252(1)(a), the proposal shall be considered at a public meeting before the Commission no later than forty-five (45) days after the request for building permit has been accepted by the City Building Department.

(c) If the permit involves building removal or demolition, public notice of the meeting shall be required. Notice of time, date and place of such meeting, and a

brief summary of explanation of the subject matter of the hearing, shall be posted on the property in a manner visible from all adjacent public rights-of-way at least ten (10) days prior to the hearing. The City shall be responsible for accomplishing the public notice.

(d) The purpose of the meeting shall be to review the proposed alteration with the applicant and, if warranted, discuss alternative designs, materials and actions with the applicant which would better preserve the historic character of the property.

(e) Within five (5) days following the public meeting, the applicant shall be entitled to be granted a building permit for the proposed alteration, changed or unchanged, assuming that all other City codes and requirements have been met and if no application for landmark designation has been submitted.

Section 14-253. Penalties and Sanctions

(1) Prohibition. No person shall violate or permit to be violated any of the requirements of this Section 14-250 or the terms of a landmark alteration certificate.

(a) Criminal Penalties. The following violations of this Chapter are punishable by a fine of up to one thousand dollars (\$1,000.00):

(A) Moving or demolishing a designated landmark structure without an approved landmark alteration certificate.

(B) Other types of alterations to a designated landmark without an approved landmark alteration certificate.

(C) Moving, demolishing or otherwise altering a structure with a pending application for landmark designation.

(D) Alterations to a defined historically significant structure without having first undergone the required public meeting process.

(b) Council Sanctions. Irrespective of the imposition of the criminal penalties provided above, the City Council may impose the following nonpenal sanctions if, after a due process hearing, it is found that the provisions of Section 14-250 have been violated:

(A) Moving or demolishing a designated landmark structure without an approved landmark alteration certificate. The Council may restrict the issuance of any building permits on the site for a period of up to five (5) years, in addition to any fines imposed through the Municipal Court.

(B) Other types of alterations to a designated landmark without an approved landmark alteration certificate. The Council may require that the structure be returned to its original state or restrict the issuance of any building permit on the site for up to two (2) years, in addition to any fines imposed through the Municipal Court.

(C) Moving, demolishing or otherwise altering a structure with a pending application for landmark designation. The Council may restrict the issuance of any building permit on the site for a period of up to five (5) years, in addition to any fines imposed through the Municipal Court.

(D) Alterations to a defined historically significant structure without having first undergone the required public meeting process. The Council may restrict the issuance of any building permit on the site for a period of up to two (2) years, in addition to any fines imposed through the Municipal Court.

Section 2. Severability. Should any section, paragraph, sentence, clause, or phrase of the Ordinance, or of any of the primary or secondary codes adopted by reference herein, be judicially determined unconstitutional or invalid for any reason, such decision shall not affect the validity or constitutionality of the remaining portions of this Ordinance or codes adopted by reference. The City Council hereby declares that it would have passed this Ordinance and each part or parts hereof irrespective of the fact that any part or parts be declared unconstitutional or invalid.

Section 3. Effective Date. This ordinance shall be published and become effective ten (10) days after final passage, as provided in § 5.5 of the Home Rule Charter for the City of Trinidad, Colorado.

INTRODUCED BY COUNCILMEMBER _____, READ
AND ORDERED PUBLISHED, this ____ day of _____, 2015.

PASSED AND APPROVED this ____ day of _____, 2015.

EFFECTIVE DATE OF THIS ORDINANCE SHALL BE the ____ day of
_____, 2015.

JOSEPH A. REORDA, Mayor

ATTEST:

AUDRA GARRETT, City Clerk



CITY OF TRINIDAD, COLORADO
1876

COUNCIL COMMUNICATION

59

CITY COUNCIL MEETING: May 19th, 2015 Regular Session
PREPARED BY: Tom Beach, Public Works
PRESENTER: Tom Beach, Public Works
DEPT. HEAD SIGNATURE: 
CITY MANAGER SIGNATURE:

SUBJECT: Consideration of the RFP (Request for Proposal) received from Applied Pavement Technology of Urbana, IL, for a Pavement Condition Survey of selected City streets.

RECOMMENDED CITY COUNCIL ACTION: Approve and award the RFP to allow the City to engage in negotiations with Applied Pavement Technology to begin work on a Survey.

SUMMARY STATEMENT: RFP's were solicited and received from two (2) pavement technology firms for the creation of a Pavement Condition Index Plan, a Ground Penetrating Radar Report, Deflection Testing, and GIS integration. The results of these tests will give the City long range planning guides for future paving and repair of minor arterial and major collector roads within the city limits.

EXPENDITURE REQUIRED: Yes, \$54,600.00

SOURCE OF FUNDS: Capital Improvement Funds appropriated in the 2015 City Budget

POLICY ISSUE: N/A

ALTERNATIVE: City council could decide not to complete the Survey of local minor arterials and major collector roads.

BACKGROUND INFORMATION: RFP's were received from two firms, and after consideration by City staff, Applied Pavement Technology was selected based on economy of scale and being the only company able to supply all of the testing requested by the City. Their price was not the lowest, but they stressed that the City could get the testing done for a lesser cost, if Applied could consolidate some of the testing. The City had asked for each portion of the Survey to be quoted individually.

CONTACT FOR INFORMATION:
Tom Beach, Public Works
(719) 846-9843, ext. 126

59