



CITY OF TRINIDAD
TRINIDAD, COLORADO

The Regular Meeting of the City Council of the City of Trinidad,
Colorado, will be held on Tuesday, December 16, 2014 at 7:00 P.M.
in City Council Chambers at City Hall

The following items are on file for consideration of Council:

- 1) **ROLL CALL**
- 2) **APPROVAL OF MINUTES**, Regular Meeting of December 2, 2014, Special Meetings of December 2, 2014 and December 9, 2014
- 3) **PUBLIC HEARING** – New Retail Marijuana Store license application filed by Daryl DeMarco and Diane Irwin d/b/a Southern Colorado Therapeutics at 1505 Santa Fe Trail
- 4) **PETITIONS OR COMMUNICATIONS, ORAL OR WRITTEN**
- 5) **COUNCIL REPORTS**
- 6) **REPORTS BY CITY MANAGER AND CITY ATTORNEY**
- 7) **UNFINISHED BUSINESS**
 - a) Public hearing for consideration of an ordinance appropriating certain sums of money out of the revenues of the City of Trinidad, Colorado, to defray and meet the liabilities of the City of Trinidad for the fiscal year beginning January 1, 2015 and ending December 31, 2015; said ordinance being termed the annual appropriation bill for the 2015 fiscal year
 - 1) Second reading of an ordinance appropriating certain sums of money out of the revenues of the City of Trinidad, Colorado, to defray and meet the liabilities of the City of Trinidad for the fiscal year beginning January 1, 2015 and ending December 31, 2015 said ordinance being termed the annual appropriation bill for the 2015 fiscal year
- 8) **MISCELLANEOUS BUSINESS**
 - a) New Retail Marijuana Store license application filed by Canna Company, Inc. d/b/a CannaCo Company at 3019 Toupal Drive
 - b) New Retail Marijuana Cultivation Facility license application filed by Canna Company, Inc. d/b/a CannaCo at 3019 Toupal Drive
 - c) Modification of premises request by Rino's Restaurant, LLC d/b/a Rino's Restaurant at 400 E. Main Street
 - d) Consideration of NPGA Gas Supply Agreement for Total Requirements
 - e) Consideration of a letter to Jay Cimino on behalf of Phil Long Toyota agreeing to prepare and submit an Energy Impact Assistance Fund grant request to the Colorado Department of Local Affairs for the proposed extension of Cedar Street from Commercial to Chestnut Street
 - f) No-Notice Storage and Transportation Delivery Service Agreement and Transportation Service Agreement Rate Schedule
 - g) Resolution approving a grant contract between the City of Trinidad and the Colorado Department of Local Affairs/Division of Housing for the Corazon Square Rental Rehabilitation Project and giving Planning Director Louis Fineberg full signatory authority in regard to all contracts and corresponding documents associated therewith
 - h) Resolution approving Contract with Colorado Department of Transportation for Wayfinding Signage

8) **MISCELLANEOUS BUSINESS (Cont.)**

- i) Consideration of SGM Change Order to the Commercial Street Project for design of the Plum Street Pocket
- j) Consideration of Professional Services Agreement for the Trinidad Historic District Loop right-of-way acquisition services
- k) Consideration of Bill of Charges concerning Planning, Zoning and Variance Commission Member Richard George

9) **BILLS**

10) **PAYROLL**, December 6, 2014 through December 19, 2014

11) **ADJOURNMENT**

The regular meeting of the City Council of the City of Trinidad, Colorado, was held on Tuesday, December 2, 2014, 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:	Acting City Manager	Garrett
	City Attorney	Downs
	Asst. City Clerk	Valencich

The pledge of allegiance was recited.

APPROVAL OF THE MINUTES. Regular Meeting of November 18, 2014 and Special Meeting of November 25, 2014. A motion to approve the minutes as presented was made by Councilmember Miles and seconded by Councilmember Bolton. The motion carried unanimously.

PUBLIC HEARING. New hotel and restaurant liquor license request by Jim and Marsha Royse d/b/a Royse's Black Jack Steakhouse at 225 W. Main Street. Jim Royse, Marsha Royse, Leslie Fisher and Susan Rollins approached Council. Ms. Fisher and Ms. Rollins resumed their seats in the audience at the request of City Attorney Downs. Jim and Marsha Royse testified to City Attorney Downs' line of questioning that they are the two applicants for Royse's Black Jack Steakhouse; they are in partnership, not incorporated. The address of the premises is 225 W. Main Street in Trinidad. The application is for a hotel and restaurant liquor license and that they understand the requirement for food. They further testified that they have submitted to background checks and that Jim Royse's came back clear, however Marsha Royse's background is still pending. Their business plan was described as selling steak and alcohol; they will have a full menu. Although they have not been in the restaurant business before, they own and operate a bed and breakfast. Currently they are in the process of making modifications to the building, primarily having to re-do the front entrance area of the business. Plans were submitted and okayed. Chief Building Official Chris Kelley has given them a list of things to be done in order to get a certificate of occupancy and they have diligently been trying to do those things. The front door once complete will be ADA compliant. It resulted in a major structural modification to the front entrance. There are no other significant structural changes proposed. The rooms that exist above the restaurant that were historically rented will not be used in that way. The liquor license application does not include the upstairs portion of the building; however it does include the basement. The Royse's testified that they understand the requirements of holding a liquor license, for instance that no alcohol can be removed from the premises. They own the building. A copy of the deed of trust which was filed today at 4:00 p.m. was provided at Council's seating places. They have closed on the building and the deed of trust was signed on November 10, 2014. The two of them own the building as a married couple and partners. Regarding the petitions, they testified that they had them circulated with respect to the desires of the neighborhood and everyone was in favor of the license being granted. City Attorney Downs disclosed that he was approached by a circulator and signed the petition as an individual. To additional questioning from City Attorney Downs, the Royses testified that no one opposed them seeking a liquor license for the premises. The two petition circulators collected two to three pages of signatures all in favor of granting the license. Having reviewed their application filed with the City, the Royses testified that it was correct in all material respects. They testified to understanding their obligation with respect to being a liquor license holder and their employees will receive training. They could not provide a specific opening date. City Attorney Downs submitted that the application is complete and if Council was inclined to vote in favor of granting the license they do so conditioned on Marsha Royse passing the background check. Mayor Reorda called upon anyone present who wished to speak against the license request. A motion to approve the new hotel and restaurant liquor license request by Jim and Marsha Royse d/b/a Royse's Black Jack Steakhouse at 225 W. Main Street was made by Councilmember Fletcher and seconded by Councilmember Miles. Upon roll call vote, the motion carried unanimously. Mayor Reorda read the following into the record:

This matter came on for hearing on the application of Jim and Marsha Royse d/b/a Royse's Black Jack Steakhouse at 225 W. Main Street in Trinidad, Colorado, for a Hotel and Restaurant Liquor License, before the City Council of the City of Trinidad, Colorado, acting in its capacity as the local licensing authority on December 2, 2014, in City Council Chambers in City Hall. The City Council having reviewed the application and supporting documents, letters of recommendation, reports of the City Clerk and other City staff, petitions admitted into evidence at the hearing and testimony taken during the hearing, makes the following **FINDINGS**:

1. The neighborhood consists of that area located within the City's corporate limits.
2. Jim and Marsha Royse testified in favor of granting the license. No other persons testified in favor of or in opposition to the granting of the license.
3. The City Clerk's report showed that there are 41 liquor-licensed outlets within the neighborhood. Of these, there are four 3.2% Beer Off-Premises licenses, one 3.2% Beer On-Premises license, one Club license, 14 Hotel and Restaurant licenses, one of which has Optional Premises, eight Liquor Store licenses, and 10 Tavern licenses, one Arts license and two Beer and Wine licenses.
4. The applicant submitted a petition regarding the liquor license application, which was admitted into evidence. A total of 76 signatures appeared on the petition, of which 69 were residents or business owners/managers from within the neighborhood, 21 years of age or older, all favoring issuance of a liquor license at this location. No petitions opposing the issuance of the license were submitted.
5. The applicant through testimony and other evidence, made a prima facie showing that the reasonable requirements of the neighborhood are not being met by existing liquor outlets, and that the adult inhabitants of the neighborhood

favor issuance of the license.

6. Based on the evidence presented at the hearing and the investigative materials provided for the hearing, the City Council finds that the reasonable requirements of the neighborhood are not being met by the existing liquor outlets, that the adult inhabitants of the neighborhood favor issuance of the license to the applicant, and that the applicant officers are of satisfactory moral character.

THEREFORE, the City Council of the City of Trinidad, Colorado, as the local liquor licensing authority, hereby approves the application of Jim and Marsha Royse d/b/a Royse's Black Jack Steakhouse at 225 W. Main Street in Trinidad, Colorado.

PETITIONS OR COMMUNICATIONS, ORAL OR WRITTEN. Mike Cimino addressed Council regarding 3019 Toupal Drive. Mr. Cimino advised Council that for their information regarding 3019 Toupal Drive, they have filed a lawsuit for disclosure on the property for default on a loan to Phil Long for money owed. Phil Long has received a letter and will now be making payments to International Bank because of a second default by Howard Lackey whereby he is not paying his payments to the bank. He commented that the information may be relevant to someone who might want to inhabit that location.

COUNCIL REPORTS. Councilmember Mattie had nothing to report.

Councilmember Fletcher reported on her participation in the Conversations with Council led by Councilmember Miles on small business on November 17th. She also reported on her attendance of the ARPA meeting in La Junta that Thursday. On November 24th she participated in the Conversations with Council where Tim Stroh discussed tax incentives for historic buildings. She continued that the lighting of the tree at City Hall on Friday and parade of lights on Saturday for the Christmas season were delightful. The reception following the parade at JuJo's was fun as well. There was a lot of energy in the crowd that night and she thought a good time was had by all.

Councilmember Bolton thanked all who participated in the Christmas activities last week.

Councilmember Bonato expressed thanks to Mrs. Duran and Ms. Smith of Hometown Holidays for organizing the tree lighting and parade. He thanked the City employees for decorating and getting things looking really nice. The parade of lights was really fantastic, not just because of the soldiers and striker unit, but because of all of the people who participated. They did a wonderful job. Councilmember Bonato said he was able to meet the soldiers at JuJo's after the parade. He concluded that he hoped we could work harder next year with Council and staff to get things going for Labor Day.

Councilmember Torres had nothing to report.

Councilmember Miles reported on her moderating the Conversations with Council and said she was excited about what this can mean. Tara Marshall started the task force with staff a long time ago. It has come a long way. The meeting was very well attended and there were a lot of new faces. The historic preservation tax credits will be starting next July and it could make a difference with the rehabilitation of many downtown buildings. She encouraged people to ask questions and learn more about the tax credits. Concerning the ARPA board meeting she said that they talked about economic development utility rates in the Industrial Park because of the opportunity with it being annexed years ago. The City has an opportunity to compete for the new load. The ARPA board gave an encouraging and she said she hopes that progresses. Finally she reported that she is taking a short hiatus from serving as the Economic Development Board liaison because she finds herself in a conflict.

Councilmember Fletcher reminded that the first column appeared in today's paper, "Notes from City Hall." She said she looks forward to each member of Council producing an article.

REPORTS BY CITY MANAGER. Master Trail Plan. Acting City Manager Garrett told Council that the final Master Trail Plan public meeting will be held at 5:30 p.m. tomorrow evening at the Community Center.

Brownsfield. Council was informed by Acting City Manager Garrett that there will be a public meeting regarding the Brownsfield grant this Thursday at 5:30 p.m. in Council Chambers at City Hall. Council was encouraged to attend.

Urban Renewal Authority. Acting City Manager Garrett pointed out at Council's seating places a list of potential Urban Renewal Authority appointees. Tara Marshall asked that additional names be submitted to her this week so a URA 101 can be scheduled.

Action 22. Acting City Manager Garrett advised that the Action 22 economic development planning follow up meeting from the September meeting will be held on December 17th at 11:30 a.m. She asked Council to RSVP to her so she could RSVP collectively.

Southwest Chief Meeting. Council was reminded that on December 19th at 10:00 a.m. the Southwest Chief Meeting will be held at City Hall.

Financial Reports. Acting City Manager Garrett pointed to Financial Reports for period ended October 31, 2014, at Council's seating places and noted Finance Director Medina's presence for questions.

REPORTS BY CITY ATTORNEY. Marijuana. City Attorney Downs reported that the first marijuana business opened in Trinidad this weekend. Mayor Reorda said if you haven't been there you should go inside and see what's happening. City Attorney Downs identified the business as Trinidad's Higher Calling U.

UNFINISHED BUSINESS. Findings and Decision regarding the Appeal of a decision of the Planning, Zoning and

Variance Commission filed by CannaCo, Application #2014-RMS-24, #2014-RPMF-24, and #2014-RMCF-24, Request for Conditional Use Permit to establish a Retail Marijuana Store, Retail Product Manufacturing Facility, and a Retail Marijuana Cultivation Facility at 2019 Toupal Drive. City Attorney Downs advised that as agreed upon by Council, they all expressed their feelings in writing to him concerning the appeal by November 24th. Councilmember Mattie moved that the decision of the Planning, Zoning and Variance Commission of October 14, 2014, denying the Conditional Use Permits for CannaCo, at 3019 Toupal Drive be reversed, and that the Conditional Use Permits be and hereby are granted, as supported by the following findings:

FINDINGS OF FACT, AND CONCLUSIONS, WITH RESPECT TO THE CANNACO APPEAL FROM THE TRINIDAD PLANNING, ZONING AND VARIANCE COMMISSION MEETING OF OCTOBER 14, 2014

I. PROCEDURAL HISTORY AND FACTUAL BACKGROUND:

1) At a hearing held on October 14, 2014, the Trinidad Planning, Zoning and Variance Commission denied three conditional use permit applications for a retail marijuana establishment at 3019 Toupal Drive, in Trinidad, Colorado. Those conditional use permit applications were numbered and are identified as 2014-RMS-24, 2014 RPMF-24, and 2014 RMCF-24. These applications were brought in the name of CannaCo.

2) After a fairly lengthy hearing, the Trinidad Planning, Zoning and Variance Commission denied the conditional use permit applications. There were five Commission members that made up the Planning, Zoning and Variance Commission as of October 14, 2014, and all were present. The denial of the conditional use permits was by a three to two vote, with Commission Members Davis, Leone and George voting to deny the applications for the conditional use permits.

3) City Staff, in the form of City Planner Louis Fineberg and City Attorney Les Downs were present at the Planning and Zoning Commission hearing in question. Staff advised the Commission both during and at the conclusion of the hearing that the proposed conditional use permits should be granted.

4) The reasons cited by the majority of the Commission for the denial of the applications were: concerns about safety (Commissioner Leone), concerns about overlapping conditional use permits at that premises (Commissioner Davis), and no reasons given by Commissioner George.

5) A timely appeal was filed and perfected by the applicant/appellant pursuant to Trinidad Code of Ordinances section 14-139. Per ordinance, the appeal hearing was scheduled in front of the Trinidad City Council, for November 18th, 2014. Pursuant to section 14-141 of the Trinidad Code of Ordinances, a delayed decision was agreed upon by the Trinidad City Council, with findings and a decision to be tendered by the individual members of City Council to the City Attorney by noon, November 24th, 2014. The vote on the subject appeal was scheduled for the regular meeting of the Trinidad City Council on December 2nd, 2014.

II. THE APPEAL HEARING:

6) An appeal hearing was held in front of the Trinidad City Council on November 18th, 2014. A procedure was agreed upon, where the applicant/appellant, the parties in opposition, and the City Attorney would all be heard from.

7) At the appeal hearing the following parties/witnesses were heard from:

---For the applicant: Mr. Josh Bleem, as the owner operator of CannaCo, and Mr. Howard Lackey as the applicant's landlord;

---For the groups in opposition to the application: Mr. Chris Furia, representing residents in the subject area; Mr. Bill Phillips representing businesses in the subject area, and; Mr. Gary Fentiman, representing the Phil Long Dealership, the existing business at the proposed location for the applicant's place of business;

---Les Downs, as City Attorney for the City of Trinidad.

---Staff members Mike Valentine as the Public Works Director, and Louis Fineberg as the City Planner also answered questions from individual City Council members as the questions arose.

III. FINDINGS OF FACT AND CONCLUSIONS:

8) The applicant has shown that the proposed conditional use permits for 3019 Toupal Drive are for a valid and legal business operation and undertaking, and that the sale of retail marijuana is permitted and allowed by the City of Trinidad. There is no reason why this type of business should not be allowed at this address or at this location.

9) Concerns about safety, or overlapping conditional use permits, are without merit. Such concerns, if they existed at all, were not elaborated upon or adequately expressed. There is no legal or factual reasons why conditional use permits for a retail marijuana operation at this address should not be issued. While medical marijuana conditional use permits did exist for another applicant for this address, that has no bearing on whether or not Cannaco should be issued retail marijuana conditional use permits. Further, safety issues were not sufficiently articulated or expressed, and if such safety issues had been set forth clearly, such concerns could have been dealt with as additional conditions for the conditional use permits being issued.

10) It was, therefore, an abuse of discretion and reversible, actionable error for the Trinidad Planning, Zoning and Variance Commission to deny the conditional use permits for CannaCo, at 3019 Toupal Drive.

11) As was stated by staff, if there were meritorious concerns about this location or any matters associated with it, the Commission could have attached conditions to the granting of the conditional use permits. That wasn't done, nor was it attempted.

For the foregoing reasons, it is the opinion of the majority of City Council that the Planning and Zoning Commission should be reversed, and the conditional use permits for this applicant at this address should be and hereby are, granted. The motion was seconded by Councilmember Bolton and carried by majority vote with all Council members voting aye, except Councilmember Bonato who cast a dissenting vote. Councilmember Miles commented that she thought that City Council, in hearing the license application, should address the issues raised about CDOT and the possible need for an access permit, or a study of the septic system, etc. because they are valid concerns and they should be resolved.

Hotel and restaurant liquor license renewal request by Image Hospitality, Inc. d/b/a Quality Inn at 3125 Toupal Drive. A representative was present. Councilmember Fletcher asked if it is open. Harry Patel on behalf of Image Hospitality, Inc. advised that it is. Councilmember Fletcher moved to renew the license. Councilmember Bolton seconded the motion, which upon roll call vote carried unanimously.

MISCELLANEOUS BUSINESS. Modification of premises request by M & M Distributing, LLC at 422 N. Commercial Street. Councilmember Bolton moved for the approval of the modification of premises request. The motion was seconded by Councilmember Fletcher and carried by a majority vote with all Council members voting yes

with the exception of Councilmember Bonato who voted no.

New Retail Marijuana Store license application filed by M & M Distributing, LLC at 422 N. Commercial Street. Councilmember Fletcher made a motion to set the new retail marijuana store license application for public hearing on January 6, 2015 at 7:00 p.m. Councilmember Mattie seconded the motion. Upon roll call vote the motion carried by majority with all Council members voting aye, excepting Councilmember Bonato who cast a dissenting vote.

New Retail Marijuana Cultivation Facility license application filed by M & M Distributing, LLC at 422 N. Commercial Street. Councilmember Bolton made a motion to set the new retail marijuana cultivation facility license application for public hearing on January 6, 2015 at 7:00 p.m. Councilmember Miles seconded the motion. Upon roll call vote the motion carried by majority with all Council members voting aye, excepting Councilmember Bonato who cast a dissenting vote.

New Retail Liquor Store license request by El Paso Liquor, Inc. d/b/a El Paso Liquor at 1101 E. Main Street. A motion to set the new retail liquor store license request for public hearing at 7:00 p.m. on January 6, 2015 and set the tentative neighborhood boundary as the corporate City limits was made by Councilmember Bolton and seconded by Councilmember Bonato. Roll call was taken on the motion which carried unanimously.

First reading of an ordinance appropriating certain sums of money out of the revenues of the City of Trinidad, Colorado, to defray and meet the liabilities of the City of Trinidad for the fiscal year beginning January 1, 2015 and ending December 31, 2015; said ordinance being termed the annual appropriation bill for the 2015 fiscal year, and setting a hearing date for consideration of said ordinance. The ordinance was introduced by Councilmember Bolton and then read aloud in its entirety. A motion to approve the ordinance on first reading and consider it further at a public hearing at 7:00 p.m. on December 16, 2014 was made by Councilmember Fletcher. Councilmember Bonato seconded the motion which carried unanimously upon roll call vote.

ORDINANCE NO.

AN ORDINANCE APPROPRIATING CERTAIN SUMS OF MONEY OUT OF THE REVENUES OF THE CITY OF TRINIDAD, COLORADO, TO DEFRAY AND MEET THE LIABILITIES OF THE CITY OF TRINIDAD FOR THE FISCAL YEAR BEGINNING JANUARY 1, 2015 AND ENDING DECEMBER 31, 2015; SAID ORDINANCE BEING TERMED THE ANNUAL APPROPRIATION BILL FOR THE 2015 FISCAL YEAR

Resolution authorizing renewal of health insurance benefits for City employees and their dependents through CIGNA Health Care for plan year January 1, 2015 through December 31, 2015. Councilmember Bolton moved for the adoption of the resolution and Councilmember Fletcher seconded the motion. Upon roll call vote the motion carried unanimously.

RESOLUTION NO. 1443

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TRINIDAD, COLORADO, AUTHORIZING RENEWAL OF HEALTH INSURANCE BENEFITS FOR CITY EMPLOYEES AND THEIR DEPENDENTS THROUGH CIGNA HEALTH CARE FOR PLAN YEAR JANUARY 1, 2015 THROUGH DECEMBER 31, 2015

Appointments to the Planning, Zoning and Variance Commission. Acting City Manager Garrett reminded that there are currently two vacancies on the Commission and three applicants, Robert Bruce, Tom Potter and Jim Begano. Two may be selected this evening to fill the vacancies. One term will be a full four-year term and the other will be a two year term. She asked for direction on who will fill which term. Councilmember Mattie commented that since there were originally three vacancies and Carl Goodall was appointed to fill one of those vacancies, it left two. Each applicant came forward to present their position and be interviewed and he asked them six questions relevant to their appointment to the board. He said each of the applicants satisfactorily answered the questions to his thinking. Therefore any one of the three can fill the two vacancies. He suggested out of fairness to Robert Barker and Tom Potter who applied first be appointed and should a new vacancy occur on the Planning Commission, Jim Begano be given priority consideration. Councilmember Bonato argued that Jim Begano turned his letter late because he didn't know about this position and the Chronicle News said it was opened until filled. He opined that Councilmember Mattie's suggestion was unfair. Councilmember Bolton asked Councilmember Mattie if his suggestion was a motion. He confirmed it was. Councilmember Bolton seconded the motion. Upon roll call vote the motion carried by majority with all Council members voting aye except Councilmember Bonato who cast a dissenting vote. Acting City Manager Garrett stated the term would be determined by whoever turned in their letter first or drawn from a hat.

Ratify approval of submission of grant request to Department of Local Affairs for Water Treatment Plant Upgrades (beyond what was approved on November 18, 2014). Councilmember Bolton moved to ratify the submission of the DOLA EIAF grant application for Water Treatment Plant upgrades and Councilmember Miles seconded the motion. Upon roll call vote the motion carried unanimously.

Acquisition of CNG/gasoline trucks from Pioneer Natural Resources. Public Works/Utilities Director Mike Valentine addressed Council. He reminded that as discussed at work session the City has a tremendous opportunity to upgrade the City's fleet with an offer from Pioneer Natural Resources for these vehicles. He pointed to the list and said they have been broken out to show where they can be taken out of the budget. He recommended the City purchase those identified and upgrade the City's fleet. Councilmember Mattie asked if he intends to buy all nine vehicles. Public Works/Utilities Director Valentine clarified that he is suggesting they buy the first eight listed, eliminating the ninth. Councilmember Mattie concurred, noting the first eight are two to three years old and the ninth is two times older, near the

end of its effective life, with 98,000 miles. Also the others are CNG vehicles. Councilmember Fletcher asked if eight vehicles in the City's current fleet will be retired and auctioned. Public Works/Utilities Director answered that some will be and others will be transferred to other departments. He clarified that seven will be auctioned. Councilmember Bonato asked if he could consider buying four of the trucks and putting the extra money toward a loader down payment for the landfill. He said he knows the City needs trucks but thought there was a need for a loader more importantly. Public Works/Utilities Director Valentine answered that it is a possibility. He said he would have to go out to bid for a loader and it couldn't be done by the end of the year. He pointed out that a loader will cost around \$210,000. Councilmember Bolton made a motion to purchase the eight trucks as recommended from Pioneer Natural Resources and Councilmember Mattie seconded the motion. Councilmember Miles mentioned that at work session it was stated that these trucks are available to the City at about 30% of what they would cost new. Public Works/Utilities Director Valentine confirmed that statement and pointed out that these trucks have CNG conversions at an approximate cost of \$8,000 and utility boxes at an additional cost of \$9,000. He reiterated that they are a tremendous deal. Upon roll call vote the motion carried unanimously.

Approval of process to interview applicants and ultimately select the City Manager. Councilmember Miles noted that the proposed procedure should say that while they are in executive session they will nominate, not vote. Then in paragraph three it says the candidate getting two or few votes will be eliminated. Those getting more than three will survive, should say three or more will survive. Also, in the second round they reduce the number of nominations to move forward. It doesn't say how they define the top nominees. It doesn't really say the number that will determine who will be a finalist. She said it could be confusing and questioned if it will be the top three. City Attorney Downs said the more certainty we lend to the process the better. It could be the top three or five. He suggested they not leave anything to argument or unstated. He said he didn't know if they wanted to get an exact number. Councilmember Miles questioned what if four of the seven of them want three and three of the seven want four. She said she's afraid they will end up with five to seven finalists. Mayor Reorda confirmed they had received 25 applications. He said in executive session they will review them and selected the ones to interview. City Attorney Downs said the suggested procedure talks about a third round and Council having fewer votes by each Council member to reduce the number of applicants to get the final number. Councilmember Mattie commented that surprisingly it seems to work itself out. Councilmember Bolton further commented that as they get down to five for instance, what's to say two of the five will not pull their names from consideration or have accepted another position. Councilmember Miles made a motion to approve the procedure as amended and Councilmember Bolton seconded the motion. The motion carried unanimously upon roll call vote. The procedure approved is as follows: While in executive session, Council will, from amongst the pool of candidates who have applied, each nominate six candidates that they, as individual council persons, prefer. Each Councilperson is not only allowed six nominations, but is required to cast and utilize all six of their nominations. From those, the initial "top vote getters" will be the first round of finalists. "Top vote getters," should be comprised of any candidate who receives three or more nominations in the first round of nominations. Any candidate getting two or fewer will be eliminated from the first round of nominations. Any candidate with three or more nominations will survive until the next round of nominations. In the second round, each Councilperson will be allowed four nominations. Each Councilperson must cast four nominations. From those nominations, there will be a number of finalists, or second round "top vote getters." Those finalists will proceed to the third round of nominations. If necessary, there will be a third round of nominations. That will be determined by how many finalists survive the first two rounds of nominations. If there are more than five finalists, then Council will proceed to a third round of nominations. In the third round of nominations, each Councilperson will have two nominations. Each Councilperson must cast both nominations. After the third round of nominations, Council will have the finalists.

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

PAYROLL, November 22, 2014 through December 5, 2014. A motion to approve the payroll was made by Councilmember Fletcher 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 Bolton and seconded by Councilmember Fletcher. The meeting was adjourned by unanimous roll call vote of Council.

ATTEST:

JOSEPH A. REORDA, Mayor

DONA VALENCICH, Asst. City Clerk

The City Council of the City of Trinidad, Colorado met in Special Session on Tuesday, December 9, 2014, following the Work Session at 1:30 p.m. in City Council Chambers at City Hall pursuant to the following call:

CITY OF TRINIDAD
TRINIDAD, COLORADO

SPECIAL MEETING

There will be a Special Meeting of the City Council of the City of Trinidad, Colorado, on Tuesday, December 9, 2014, following the Work Session at 1:30 p.m. in the Council Chambers at City Hall

The following items are on file for consideration of City Council:

- 1) Resolution of the City Council of the City of Trinidad, Colorado, levying general property taxes based upon the 2014 certification of valuation to help defray costs of government for the City of Trinidad, Colorado, for the 2015 budget year
- 2) Executive session – For discussion of a personnel matter under C.R.S. Section 24-6-402(2)(f) and not involving: any specific employees who have requested discussion of the matter in open session; any member of this body or any elected official; the appointment of any person to fill an office of this body or of an elected official; or personnel policies that do not require the discussion of matters personal to particular employees – review of City Manager applications

The meeting was called to order at 3:05 p.m.

Roll call was taken.

There were present:	Mayor	Reorda, presiding
	Councilmembers	Fletcher, Mattie, Miles, Torres
Also present:	Acting City Manager	Garrett
	City Attorney	Downs
Absent:	Councilmembers	Bolton, Bonato

Resolution of the City Council of the City of Trinidad, Colorado, levying general property taxes based upon the 2014 certification of valuation to help defray costs of government for the City of Trinidad, Colorado, for the 2015 budget year. Councilmember Fletcher moved to adopt the resolution and Councilmember Torres seconded the motion. Upon roll call vote the motion carried unanimously.

RESOLUTION NO. 1444

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TRINIDAD, COLORADO,
LEVYING GENERAL PROPERTY TAXES BASED UPON THE 2014 CERTIFICATION
OF VALUATION TO HELP DEFRAY COSTS OF GOVERNMENT FOR THE CITY
OF TRINIDAD, COLORADO, FOR THE 2015 BUDGET YEAR

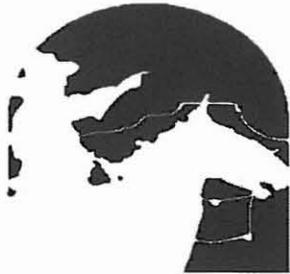
Executive session - For discussion of a personnel matter under C.R.S. Section 24-6-402(2)(f) and not involving: any specific employees who have requested discussion of the matter in open session; any member of this body or any elected official; the appointment of any person to fill an office of this body or of an elected official; or personnel policies that do not require the discussion of matters personal to particular employees – review of City Manager applications. Due to the absence of Councilmembers Bolton and Bonato, Mayor Reorda announced prior to the meeting that this item would be delayed to another meeting.

There being no further business, Councilmember Mattie moved adjourn the meeting. Councilmember Torres seconded the motion and upon a unanimous roll call vote, the special meeting was adjourned.

ATTEST:

JOSEPH A. REORDA, Mayor

AUDRA GARRETT, City Clerk



CITY OF TRINIDAD, COLORADO
1876

COUNCIL COMMUNICATION

CITY COUNCIL MEETING: December 16, 2014
PREPARED BY: Audra Garrett, ACM/City Clerk
DEPT. HEAD SIGNATURE: *Audra Garrett*

3

SUBJECT: PUBLIC HEARING

- a) New Retail Marijuana Store Application filed by Daryl DeMarco and Diane Irwin d/b/a Southern Colorado Therapeutics at 1505 Santa Fe Trail

PRESENTER: Les Downs, City Attorney

RECOMMENDED CITY COUNCIL ACTION: Conduct the public hearing. City Council may take up to 30 days thereafter to render a decision on the application.

SUMMARY STATEMENT: N/A

EXPENDITURE REQUIRED: No

SOURCE OF FUNDS: N/A

POLICY ISSUE: This is an application for new licenses.

ALTERNATIVE: N/A

BACKGROUND INFORMATION:

- This is a quasi-judicial matter and as such Council should only consider evidence and testimony provided during the public hearing.

3



INVESTIGATIVE REPORT

Applicant: Daryl DeMarco & Diane Irwin

Business Name: Southern Colorado Therapeutics

Business Address: 1505 Santa Fe Trail – Community Commercial District

Officers/Owners: Daryl DeMarco, P. O. Box 14, Weston, CO 81091
Diane Irwin, 3737 W. 25th Avenue, Denver, CO 80211

Date of Application: October 30, 2014

Date Application Filed with Local Authority: November 5, 2014

Type of Request: New License

Type of License(s): Retail Marijuana Store

Hearing Date: Tuesday, December 16, 2014, 7:00 p.m.

APPLICATION CONTENTS -

Applicant's Documents: City of Trinidad Retail Marijuana License Application
CUP Approval Letter
Lease Agreement
Verified Consent of Property Owner for the Submission of
an Application for Marijuana Businesses
Statement of Trade Name
Sales Tax License
Diagram of Premises
Individual History Record
Fingerprints
Security Alarm Proposal
Colorado Business Retail Marijuana License Application with

all required attachments
Colorado Retail Marijuana License Bond

City Documents: Notices of Public Hearing
Certificates of Mailing
Proof Publication on 11/21/14
Certificate of Posting
Departmental Reports

LOCAL FEES -

Local Fees Retail Marijuana Store:

Investigation	\$2500.00
License	<u>2500.00</u>
Total	\$5000.00

Local fees have been paid. Applicant has been advised the City's investigation fee is non-refundable and in the event the license is denied, license fees only shall be refunded.

ZONING –

The proposed premise is zoned Community Commercial, one of the appropriate zoning designations for location of a marijuana business pursuant to the Trinidad Municipal Code. A Conditional Use Permit request was heard by the Planning Commission on 10/14/14 and approved subject to four conditions identified within a letter dated 10/15/14 from Louis Fineberg, Planning Director. Abbreviated, the applicant must 1) comply with all state and local laws, rules, regulations relative to the operation of their business; 2) an air filtration plan must be submitted and approved by the Building Inspector; 3) the conditional use permit must be put into effect within one year or it will expire; 4) the applicant must comply with the reasonable requirements of all City officials with respect to establishment and operation of their business.

LEASE AGREEMENT -

The lease agreement is between William Kancilia, landlord, and Southern Colorado Therapeutics, tenant. The term extends from October 1, 2014 through September 30, 2015. A verified consent of property owners for the submission of an application for the marijuana business type being sought with this application was provided as required by the Trinidad Municipal Code.

SALES TAX LICENSE -

Sales Tax License #24454042-0000 was verified.

DIAGRAM OF PREMISES -

The diagram identifies the proposed premises, which is a ground level facility. It identifies a sales area, display counters, and a rear storage area that is restricted, an office and restroom. Initial plans indicate the proposed location of the security cameras, however, based upon final inspection from the Colorado Marijuana Division and the City Building and Fire Departments, those locations are subject to change. The overall footprint of the building is 1,440 square feet. A security alarm system commitment was submitted. Exterior security lighting was mentioned on the diagram. It indicates that lighting will be maintained in the parking lot and all round the outside of the building. Again, location of the lighting will be subject to City and State inspections.

OWNERSHIP INFORMATION/BACKGROUNDS FINGERPRINTING -

Fingerprint cards were submitted to CBI/FBI on 10/24/14 for Daryl DeMarco and Diane Irwin. Results have been received for both and are consistent with the information disclosed on the Individual History Record and the Police Department background check.

RESIDENCY REQUIREMENT -

Daryl DeMarco and Diane Irwin both meet the two-year Colorado residency requirement to hold a marijuana license.

COLORADO MARIJUANA LICENSE DOCUMENTS -

Copies of the entity's Colorado licensing documents were a required submittal with the City's application to obtain complete applicant information without redundancy. Those documents include the license application and license bond.

NOTICES OF HEARING -

Mailed to applicant – 11/17/14.
Published – 11/21/14.
Posted on the premises – 11/21/14.

DEPARTMENTAL REPORTS -

Fire Chief Tim Howard advised on 11/18/14 that a full inspection will be required before opening.

In his reported dated 12/3/14, Building Inspector Chris Kelley noted that the applicant will need plans and a permit for change in occupancy. He further indicated that the license should be withheld until a certificate of occupancy is issued.

Chief Glorioso indicated that the building is under renovation/construction and that an additional inspection must be completed by the Police Department once the renovation is complete.

Periodic inspections will continue throughout the process.

OTHER REVELANT CONCERNS -

SCHOOL DISTANCES –

There is a 1,000-foot limitation from a school for any marijuana business. The nearest school property is the Eckhart Elementary which is 2,140.76 feet away.

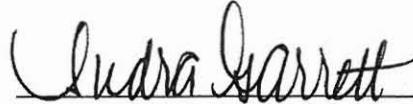
LICENSED OUTLETS WITHIN THE CITY -

The following licenses have been approved to date within the City limits:

M & M Distributing, LLC, 422 N. Commercial Street	Medical Center
M & M Distributing, LLC, 422 N. Commercial Street	Medical Optional Premise Cultivation Operation
T.P. Main Street, LLC, 821 E. Main Street	Medical Center
T.P. Main Street, LLC, 821 E. Main Street	Medical Optional Premise Cultivation Operation
T.P. Main Street, LLC, 821 E. Main Street	Medical Infused-Products Manufacturer
Trinidad's Higher Calling U, LLC, 1000 Independence Rd.	Medical Center
Trinidad's Higher Calling U, LLC, 1000 Independence Rd.	Retail Store
Trinidad's Higher Calling U, LLC, 1000 Independence Rd.	Retail Cultivation Facility
Trinidad's Higher Calling U, LLC, 1000 Independence Rd.	Retail Product Manufacturing Facility
Trinidad's Higher Calling U, LLC, 1000 Independence Rd.	Medical Marijuana Optional Premise Cultivation Operation
Peaceful Herbs, Ltd., LLC, 124 Santa Fe Trail	Retail Marijuana Store

Dated this 3rd day of December, 2014.

CITY OF TRINIDAD, COLORADO

A handwritten signature in cursive script that reads "Audra Garrett". The signature is written in black ink and is positioned above a horizontal line.

Audra Garrett, City Clerk

CERTIFICATE OF MAILING

I hereby certify that on the 3rd day of December, 2014, I mailed a copy of the Investigative Report, by Certified Mail, to:

Daryl DeMarco and Diane Irwin
d/b/a Southern Colorado Therapeutics
P. O. Box 14
Weston, CO 80191
Certified Mail # 7012 3050 0000 2305 4899



Audra Garrett, City Clerk

Original Copy 1/14



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 checked="" type="checkbox"/> Marijuana Store	<input type="checkbox"/> Marijuana Product Manufacturing Facility	
<input type="checkbox"/> Marijuana Cultivation Facility	<input type="checkbox"/> Marijuana Testing Facility	
TYPE OF BUSINESS		
<input type="checkbox"/> Corporation	<input checked="" 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) Daryl DeMarco & Diane Irwin

Applicant (Sole Proprietor) _____

First Name _____ Middle Initial _____ Last Name _____

Trade Name of Establishment (DBA) Southern Colorado Therapeutics

Address of Premise 1505 Santa Fe Trail Drive Trinidad CO 81082

Mailing Address PO Box 14 Weston CO 81091

Telephone 719-868-2468 Email Address anndemarco@peoplepc.com

Contact Person/Manager Daryl DeMarco Title Owner

Telephone 719-868-2468 Email Address anndemarco@peoplepc.com

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)

William Kancilia

R 10/30/14

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

Landlord	Tenant	Expires
William Kancilia	Daryl C DeMarco	10/31/2015

****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: Daryl C DeMarco Title: Owner / Partner
 Address: PO Box 14 Weston CO 81091
 Financial Interest: 50% Partner

2. Name: Diane E Irwin Title: Owner / Partner
 Address: 3737 W. 25th Ave Denver, CO 80211
 Financial Interest: 50% Partner

3. Name: Ann C. DeMarco Title: Bookkeeper
 Address: PO Box 14 Weston CO 81091
 Financial Interest: 0

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: Diane E. Irwin Title: owner/partner
Daryl C. DeMarco Title: Owner/Partner
(Must be signed by individual Owner, Partner, or Officer)

Printed Name: Daryl C. DeMarco Date: 9-16-14
Diane E. Irwin 9-16-14



City of Trinidad
Planning Department
135 N. Animas
Trinidad, CO 81082
Telephone (719)-846-9843 Ext 136
Fax (719)-846-4140
planning@trinidad.co.gov

Daryl C. DeMarco
C/O Daryl DeMarco
P.O. Box 14
Weston, CO 81091

October 15, 2014

RE: CUP Application #2014-RMS-10

Dear Applicant,

On October 14, 2014 the Planning, Zoning and Variance Commission approved your request for a conditional use permit to establish and operate a retail marijuana store 1505 Santa Fe Trail Dr, subject to the following conditions:

1. The applicant must comply with all provisions outlined in Article 12 of Chapter 14 of the City of Trinidad Municipal Code of Ordinances as well as any and all applicable state and local statutes, ordinances, rules, and regulations regarding the operation of medical marijuana centers, and other statutes, ordinances, rules, and regulations for the operation of businesses within the City of Trinidad, including but not limited to City sales tax and the City's sign code.
2. The applicant must provide the City with an air filtration plan describing the filtration system and/or other method or methods to be used to minimize odors associated with the cultivation and sale of medical marijuana. Approval of said air filtration plan is subject to the approval of the City Building Inspector.
3. If the proposed conditional use is not established within one year of its approval, discontinued for at least one year, or replaced by another use of the land, the conditional use permit and all associated conditional use permits shall expire.
4. The applicant must comply with the reasonable requirements of all Trinidad Municipal Officials with respect to the establishment and operation of the proposed facility or facilities.

If you have any questions, please don't hesitate to contact me.

Thank you,

Louis Fineberg

Louis Fineberg
Planning Director

UMG

CC: Chris Kelley, Building Inspector
Les Downs, City Attorney
Audra Garrett, City Manager
File

COPY

LETTER OF INTENT

I, William Kancilia, Owner/Lessor, of the following legally described real estate in the County of Las Animas, James Addition, in Lots 25 and 26, City of Trinidad, Colorado as known as 1505 Santa Fe Trail Drive have full intention to Lease this premises to Daryl C. DeMarco for a Medical and/or Recreational Marijuana Dispensary.

I am fully aware of his intent to sell and/or grow marijuana at this location by awarded Business License and acceptance of this location from the City of Trinidad, Colorado.

William Kancilia

William Kancilia

September 16, 2014

Date



State of Colorado

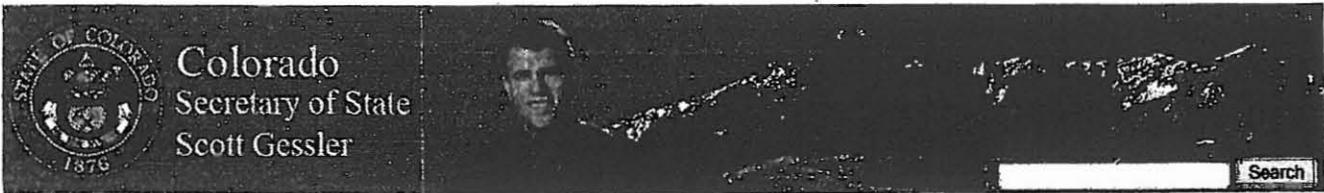
County of Las Animas

Subscribed and sworn to before me Cynthia J. Wold, this 16th day of September, 2014, by William Kancilia.

Cynthia J. Wold
Notary Public

November 14, 2015

My Commission Expires



For this Record...
 Filing history and documents
 File a form
 Subscribe to email notification
 Unsubscribe from email notification

Summary

Business Home
 Business Information
 Business Search

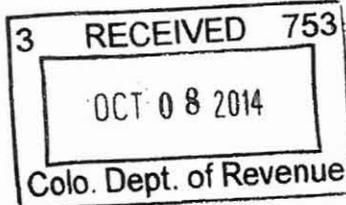
FAQs, Glossary and Information

Details			
Trade name	Southern Colorado Therapeutics		
Registrant name	Daryl C DeMarco		
Status	Effective	Formation Date	10/01/2014
ID number	20141483329	Form	General Partnership
Renewal month	August	Expiration Date	11/01/2015
Primary residence or usual place of business street address	1505 Santa Fe Trail, Trinidad, CO 81082, United States		
Primary residence or usual place of business mailing address	PO Box 14, Weston, CO 81091, United States		

[Filing history and documents](#)
[File a form](#)
[Set up secure business filing](#)
[Subscribe to email notification](#)
[Unsubscribe from email notification](#)

[Back](#)

[Terms and Conditions](#)



Colorado Sales Tax Withholding Account Application

You can now apply online, see page 3 for more information. If applying by paper, read the instructions (on page 4) before completing this form.

A 1. Reason for Filing This Application — Required			
<input type="checkbox"/> Original Application		<input type="checkbox"/> Change of Ownership	
<input checked="" type="checkbox"/> Additional Location			
Do you have a Department of Revenue Account Number?			If Yes, Account Number
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			24454042-0000
2. Indicate Type of Organization. If you are not an individual you must have a FEIN number.			
<input type="checkbox"/> Individual	<input type="checkbox"/> Limited Liability Company (LLC)	<input type="checkbox"/> Corporation/S' Corp.	<input type="checkbox"/> Government
<input checked="" type="checkbox"/> General Partnership	<input type="checkbox"/> Limited Liability Partnership (LLP)	<input type="checkbox"/> Association	<input type="checkbox"/> Joint Venture
<input type="checkbox"/> Limited Partnership	<input type="checkbox"/> Limited Liability Limited Partnership (LLLP)	<input type="checkbox"/> Estate/Trust	<input type="checkbox"/> Non-Profit (Charitable)
B 1a. Last Name or Business Name			
Southern Colorado Therapeutics		First Name	Middle Initial
1b. Proof of Identification (Requirements – See page 4)			
2a. Trade Name/ Doing Business As (If applicable, and for informational purposes only)		2b. FEIN (required)	2c. SSN
		47-1532625	
Physical Place of Business			
3a. Principal Address (A Colorado address is required if a location in the state)		City	State Zip
1505 Santa Fe Trail		Trinidad	CO 81082
3b. County	3c. If business is within limits of a city, what city?		3d. Phone Number
Las Animas	Trinidad		(719) 868-2468
Mailing address — enter mailing address here if different than the physical address			
4a. Last Name or Business Name		First Name	Middle Initial 4b. Phone Number
DeMarco		Daryl	C (719) 868-2468
4c. Mailing Address		City	State Zip
PO Box 14		Weston	CO 81091
5. List specific products (you must list the products you sell) and/or services you provide and Explain In Detail in section 5a. below.			
Do you sell alcohol?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Do you rent out items for 30 days or less?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Do you sell tobacco products?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Do you sell Prepaid Wireless?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is your business in a special taxing district?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Do you sell medical marijuana?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Do you rent motor vehicles for 30 days or less?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Do you sell adult usage marijuana?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
5a. List specific products and/or services you provide and Explain In Detail			
Retail marijuana and related products:			
6a. Owner/Partner/ Corp. Officer Last Name		Owner/Partner/ Corp. Officer First Name	Middle Initial
DeMarco		Daryl	C
6b. Title	6c. FEIN	6d. SSN	6e. Phone Number
President	[REDACTED]	[REDACTED]	(719) 868-2468
6f. Address		City	State Zip
PO Box 14		Weston	CO 81091
7a. Owner/Partner/ Corp. Officer Last Name		Owner/Partner/ Corp. Officer First Name	Middle Initial
Irwin		Diane	E
7b. Title	7c. FEIN	7d. SSN	7e. Phone Number
President	[REDACTED]	[REDACTED]	(303) 590-5333
7f. Address		City	State Zip
3737 W. 25th Ave		Denver	CO 80211

If you acquired the business in whole or in part, complete the following:

8a. Prior Last Name or Business Name: _____ First Name: _____ Middle Initial: _____ 8b. Date of Acquisition (MM/DD/YY): _____

8c. Address: _____ City: _____ State: _____ Zip: _____

C 1. If seasonal, mark each business month: Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec

2a. Filing Frequency: If sales tax is collected:
 \$15.00/ month or less — Annually Under \$300/ month — Quarterly
 Wholesale Only — Annually \$300/ month or more — Monthly

2b. First Day of Sales (MM/DD/YY): 10/01/14

3. Indicate which applies to you: Retail-Sales Wholesaler Charitable Retailers-Use

Revenue Registration Account Number (Dept. Use Only): 24454042 0001

D 1. Filing frequency if wage withholding amount is W2 (Withholding of \$50,000 plus see Section D page 6)
 \$1 – \$6,999/Year — Quarterly \$7,000 – \$49,999/ Year — Monthly \$50,000 +/ Year — Weekly

2. W2 Withholding 1099 Withholding

1a. Filing frequency if wage withholding amount is 1099 (Withholding of \$50,000 plus see Section D page 6)
 \$1 – \$6,999/Year — Quarterly \$7,000 – \$49,999/ Year — Monthly \$50,000 +/ Year — Weekly

2a. Oil/Gas Withholding

3a. First Day of Payroll, if applicable (MM/DD/YY): _____ 3b. Payroll Records Phone Number: () _____

E	Period Covered		Fees (see fees on page 3)			
	From MM/YY	To MM/YY				
			(0020-810)	State Sales Tax Deposit	(355) \$	00
		12/	(0080-750)	Sales Tax License	(999) \$	12 00
		12/	(0100-750)	Wholesale License	(999) \$	00
			(1000-750)	Wage W2 Withholding	(999) \$	00
			(1020-750)	1099 Withholding	(999) \$	00
		12/	(0160-750)	Charitable License	(999) \$	00
Mail to and Make Checks Payable to: Colorado Department of Revenue, PO Box 17087 Denver, CO 80261-0087			Amount Owed \$		12.00	

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.

F I declare under penalty of perjury in the second degree that the statements made in this application are true and complete to the best of my knowledge.

Signature of Owner, Partner, or Corporate Officer Required: *Darryl E. Demaree* Title: President Date (MM/DD/YY): 10/01/14

(See fees and additional information on page 3)



Individual History Record
City of Trinidad, Colorado

CONFIDENTIAL INFORMATION
NOT FOR PUBLIC DISCLOSURE

PLEASE PRINT CLEARLY IN BLACK INK

To be 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.

NOTICE: This individual history record provides basic information which is necessary for the licensing authority investigation. All questions must be answered in their entirety or your application may be delayed or not processed. EVERY answer you give will be checked for its truthfulness. A deliberate falsehood or omission will jeopardize the application as such falsehood within itself constitutes evidence regarding the character of the applicant.

1. Owner/Company Name Daryl C DeMarco / Southern Colorado Therapeutics

2. D/B/A (Doing Business As)

3. Business address 1505 Santa Fe Trail Dr Trinidad, CO 81082

4. Business License #

5. Your Full Name (last, first, middle) DeMarco, Daryl Carl

6. List any other names you have used

7. Mailing address (if different from residence) PO Box 14 Weston CO 81091

8. Phone 719-868-2468

9. List All Other Medical Marijuana Licenses issued to Applicant (Attach separate sheet if necessary) None

Location

10. Identify Medical Marijuana Optional Premise License, license number, and issuer of said license. None

11. List all residence addresses below. Include current and previous addresses for the past five years.

Current STREET AND NUMBER CITY, STATE, ZIP FROM TO
[Redacted] Weston, CO 81091 4/06 current

Previous

12. List all current and former employers or businesses engaged in within the last five years (Attach separate sheet if necessary)

NAME OF EMPLOYER	ADDRESS (STREET, NUMBER, CITY, STATE, ZIP)	POSITION HELD	FROM	TO
None				

13. List the name(s) of relatives working in or holding a financial interest in the Colorado Medical Marijuana Industry.

NAME OF RELATIVE	RELATIONSHIP TO YOU	POSITION HELD	NAME OF LICENSEE
None			

14. Have you ever applied for, held, or had an interest in a State of Colorado Medical Marijuana License, or loaned money, furniture or fixtures, equipment or inventory, to any Medical Marijuana licensee? If yes, answer in detail. YES NO

15. Have you ever received a violation notice suspension or revocation, for a law violation, or have you applied for or been denied a Medical Marijuana License anywhere in the U.S.? If yes, explain in detail. YES NO

16. Have you ever been convicted of a crime or received a suspended sentence, deferred sentence, or forfeited bail for any offense in criminal or military court or do you have any charges pending? Include all arrests. If yes, explain in detail; include date, charge and disposition. YES NO

17. Are you currently under probation (supervised or unsupervised), parole, or completing the requirements of a deferred sentence? If yes, explain in detail. YES NO

18. Have you ever had any STATE issued licenses suspended, revoked, or denied including a drivers license? If yes, explain in detail. YES NO

PERSONAL AND FINANCIAL INFORMATION

19a. Date of Birth [redacted] b. Social Security Number SSN [redacted] c. Place of Birth [redacted] d. U.S. Citizen? YES NO

e. If Naturalized, State where _____ f. When _____ g. Name of District Court _____

h. Naturalization Certificate Number _____ i. Date of Certification _____ j. If an Alien, Give Alien's Registration Card Number _____

k. Permanent Residence Card Number _____

l. Height 5'8" m. Weight 163 n. Hair Color Brown o. Eye Color Blue p. Sex M q. Race White

r. Do you have a current Driver's License? YES NO If so, give State and Number CO 00-165-0457

14. Financial Information

This section is to be 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

20. Give name of bank where business account will be maintained; Account Name and Account Number; and the name or names of persons authorized to draw thereon.

First Nat'l Bank of Trinidad Daryl DeMarco [redacted]

AFFIDAVIT

State of Colorado)
) ss.
County of Las Animas)

I, Daryl C. DeMarco, being first duly sworn, state that I am
Printed Name of Applicant

an applicant for a Medical Marijuana Center for Southern Colorado Therapeutics
Name of Establishment

Located at 1505 Santa Fe Trail Dr., Trinidad, Colorado;
Address of Establishment

and that in connection with said application, 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.

In addition, I hereby state that I have not been convicted of a crime, fined, imprisoned, placed on probation, received a suspended sentence or forfeited bail for any offense in criminal or military court other than what has been reported within my application for said license, except traffic violations which did not result in suspension or revocation of my driver's license or conviction of driving under the influence of alcoholic beverages.

I fully understand that the Trinidad Police Department conducts a background investigation of all applicants (using this application for its beginning point), who are being considered for a Medical Marijuana License. This investigation includes, but is not limited to, an investigation of past employment, financial stability, driving records and character. I hereby waive any and all rights that I may have to examine, review, or inspect any documents or information of whatever kind, form or nature, obtained in the course of the background investigation.

I hereby authorize any person who is contacted by the Trinidad Police Department's personnel to release any information to the Trinidad Police Department pertaining to the background investigation.

I also understand hereby that this application and any and all papers and other exhibits submitted by me or any person, government agency, former employer, private business, or any other individual or group of individuals become, upon submission to the Trinidad Police Department, the property of the City of Trinidad, State of Colorado, and can not and will not be returned to me under any circumstances whatsoever, and will not be disclosed to me.

I authorize the Trinidad Police Department to release any information or documents collected during the application process to any person or entity lawfully empowered to obtain this information or documents.

I further agree to release and hold harmless any person releasing such information to the Trinidad Police Department from any and all liability or claims that I may have against that person arising out of the release of such information.

I further agree to release and hold harmless the City of Trinidad, its elected officials, officers, agents and employees from any and all liability or claims which I may have arising out of the disclosure of such information to the Trinidad Police Department for use by the Trinidad Police Department in the consideration of my application for a Medical Marijuana License, the disclosure or release of any information or documents by the Trinidad Police Department or agents thereof collected during the application process to any person or entity lawfully empowered to obtain such information or documents.

This Affidavit is made for purposes of inducing the Local Medical Marijuana Licensing Authority of the City of Trinidad, Colorado, to approve the aforementioned Medical Marijuana license application. This Affidavit is made with the knowledge and consent by me; and if this Affidavit for any reason proves to be false, the Trinidad Medical Marijuana Authority may revoke the license previously issued to me in reliance upon this Affidavit and said revocation may be accomplished without the necessity of any hearing.

Daryl C. DeMarco
Signature of Applicant

The foregoing Affidavit was subscribed and sworn to before me this 16th day of Sept., 2014 by Daryl C. DeMarco.

Witness my hand and official seal.

My commission expires 11-14-15.



Cynthia Wall
Notary Public

Owner/Manager Approval (Required)

I, Diane E Irwin, Owner/Manager of Southern Colorado Therapeutics
Owner or Manager's Name Printed Here Business Name Printed Here

acknowledge and approve the submittal of an application for Daryl C. DeMarco
Applicant's Printed Name Here



Individual History Record
City of Trinidad, Colorado

CONFIDENTIAL INFORMATION
NOT FOR PUBLIC DISCLOSURE

PLEASE PRINT CLEARLY IN BLACK INK

To be 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.

NOTICE: This individual history record provides basic information which is necessary for the licensing authority investigation. All questions must be answered in their entirety or your application may be delayed or not processed. EVERY answer you give will be checked for its truthfulness. A deliberate falsehood or omission will jeopardize the application as such falsehood within itself constitutes evidence regarding the character of the applicant.

1. Owner/Company Name Diane E Irwin / Southern Colorado Therapeutics

2. D/B/A (Doing Business As) _____

3. Business address 1505 Santa Fe Trail Drive Trinidad CO 81082

4. Business License # _____

5. Your Full Name (last, first, middle) Irwin, Diane E

6. List any other names you have used Bitner, Diane E.

Birdsong, Diane E

7. Mailing address (if different from residence) _____

8. Phone 303-590-5333

9. List All Other Medical Marijuana Licenses issued to Applicant (Attach separate sheet if necessary)

none

Location _____

10. Identify Medical Marijuana Optional Premise License, license number, and issuer of said license.

none

11. List all residence addresses below. Include current and previous addresses for the past five years.

	STREET AND NUMBER	CITY, STATE, ZIP	FROM	TO
Current	<u>[REDACTED]</u>	<u>Denver, CO 80211</u>	<u>1996</u>	<u>current</u>
Previous	_____	_____	_____	_____
	_____	_____	_____	_____

12. List all current and former employers or businesses engaged in within the last five years (Attach separate sheet if necessary)

NAME OF EMPLOYER	ADDRESS (STREET, NUMBER, CITY, STATE, ZIP)	POSITION HELD	FROM	TO
Self employed	[REDACTED]	Beauty Cons	07	present

13. List the name(s) of relatives working in or holding a financial interest in the Colorado Medical Marijuana Industry.

NAME OF RELATIVE	RELATIONSHIP TO YOU	POSITION HELD	NAME OF LICENSEE
None			

14. Have you ever applied for, held, or had an interest in a State of Colorado Medical Marijuana License, or loaned money, furniture or fixtures, equipment or inventory, to any Medical Marijuana licensee? If yes, answer in detail. YES NO

15. Have you ever received a violation notice suspension or revocation, for a law violation, or have you applied for or been denied a Medical Marijuana License anywhere in the U.S.? If yes, explain in detail. YES NO

16. Have you ever been convicted of a crime or received a suspended sentence, deferred sentence, or forfeited bail for any offense in criminal or military court or do you have any charges pending? Include all arrests. If yes, explain in detail; include date, charge and disposition. YES NO

17. Are you currently under probation (supervised or unsupervised), parole, or completing the requirements of a deferred sentence? If yes, explain in detail. YES NO

18. Have you ever had any STATE issued licenses suspended, revoked, or denied including a drivers license? If yes, explain in detail. YES NO

PERSONAL AND FINANCIAL INFORMATION

19a. Date of Birth [redacted] b. Social Security Number SSN [redacted] c. Place of Birth [redacted] d. U.S. Citizen? YES NO

e. If Naturalized, State where _____ f. When _____ g. Name of District Court _____

h. Naturalization Certificate Number _____ i. Date of Certification _____ j. If an Alien, Give Alien's Registration Card Number _____

k. Permanent Residence Card Number _____

l. Height 5'7" m. Weight 125 n. Hair Color Brown o. Eye Color Brown p. Sex F q. Race white

r. Do you have a current Driver's License? YES NO If so, give State and Number 92-110-4809

14. Financial Information

This section is to be 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

20. Give name of bank where business account will be maintained; Account Name and Account Number; and the name or names of persons authorized to draw thereon.

First Nat'l Bank of Trinidad Daryl DeMarco [redacted]

AFFIDAVIT

State of Colorado)
) ss.
County of Las Animas)

I, Diane E. Irwin, being first duly sworn, state that I am
Printed Name of Applicant

an applicant for a Medical Marijuana Center for Southern Colorado Therapeutics,
Name of Establishment

Located at 1505 Santa Fe Trail Dr., Trinidad, Colorado;
Address of Establishment

and that in connection with said application, 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.

In addition, I hereby state that I have not been convicted of a crime, fined, imprisoned, placed on probation, received a suspended sentence or forfeited bail for any offense in criminal or military court other than what has been reported within my application for said license, except traffic violations which did not result in suspension or revocation of my driver's license or conviction of driving under the influence of alcoholic beverages.

I fully understand that the Trinidad Police Department conducts a background investigation of all applicants (using this application for its beginning point), who are being considered for a Medical Marijuana License. This investigation includes, but is not limited to, an investigation of past employment, financial stability, driving records and character. I hereby waive any and all rights that I may have to examine, review, or inspect any documents or information of whatever kind, form or nature, obtained in the course of the background investigation.

I hereby authorize any person who is contacted by the Trinidad Police Department's personnel to release any information to the Trinidad Police Department pertaining to the background investigation.

I also understand hereby that this application and any and all papers and other exhibits submitted by me or any person, government agency, former employer, private business, or any other individual or group of individuals become, upon submission to the Trinidad Police Department, the property of the City of Trinidad, State of Colorado, and can not and will not be returned to me under any circumstances whatsoever, and will not be disclosed to me.

I authorize the Trinidad Police Department to release any information or documents collected during the application process to any person or entity lawfully empowered to obtain this information or documents.

I further agree to release and hold harmless any person releasing such information to the Trinidad Police Department from any and all liability or claims that I may have against that person arising out of the release of such information.

I further agree to release and hold harmless the City of Trinidad, its elected officials, officers, agents and employees from any and all liability or claims which I may have arising out of the disclosure of such information to the Trinidad Police Department for use by the Trinidad Police Department in the consideration of my application for a Medical Marijuana License, the disclosure or release of any information or documents by the Trinidad Police Department or agents thereof collected during the application process to any person or entity lawfully empowered to obtain such information or documents.

This Affidavit is made for purposes of inducing the Local Medical Marijuana Licensing Authority of the City of Trinidad, Colorado, to approve the aforementioned Medical Marijuana license application. This Affidavit is made with the knowledge and consent by me; and if this Affidavit for any reason proves to be false, the Trinidad Medical Marijuana Authority may revoke the license previously issued to me in reliance upon this Affidavit and said revocation may be accomplished without the necessity of any hearing.

Diane E. Irwin
Signature of Applicant

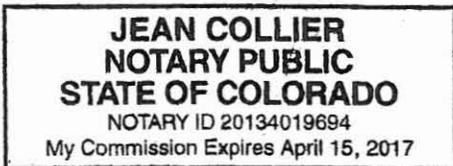
The foregoing Affidavit was subscribed and sworn to before me this 21st day of

July, 2014, by Diane Irwin.

Witness my hand and official seal.

My commission expires April 15, 2017.

Jean Collier
Notary Public



Owner/Manager Approval (Required)

I, Daryl C. DeMarro, Owner/Manager of Southern Colorado Therapeutics
Owner or Manager's Name Printed Here Business Name Printed Here

acknowledge and approve the submittal of an application for Diane E Irwin
Applicant's Printed Name Here

CIVIL APPLICANT RESPONSE

ICN E2014315000000137324

CIDN

OCA CO0360100

DEMARCO, DARYL CARL

W [REDACTED]

MNU

SOC [REDACTED] SEX M

COCBI0000 COLORADO CRIME INFO CTR

DENVER CO

2014/10/28

A SEARCH OF THE FINGERPRINTS ON THE ABOVE
INDIVIDUAL HAS REVEALED NO PRIOR ARREST
DATA.

CJIS DIVISION

2014/11/12

FEDERAL BUREAU OF INVESTIGATION

CO0360100

CHIEF

POLICE DEPARTMENT

2309 E MAIN ST

TRINIDAD, CO 81082-2059

DATE 11/11/2014

PD TRINIDAD
2309 E MAIN ST
TRINIDAD, CO 81082

RE: DEMARCO, DARYL CARL
SOC: XXX-XX-██████

DATE OF BIRTH: ██████████

No Colorado record of arrest has been located based on above name and date of birth or through a search of our fingerprint files.

The Colorado Bureau of Investigation's database contains detailed information of arrest records based upon fingerprints provided by Colorado law enforcement agencies. Arrests which are not supported by fingerprints will not be included in this database. On occasion the Colorado criminal history will contain disposition information provided by the Colorado Judicial system. Additionally, warrant information, sealed records, and juvenile records are not available to the public.

Since a record may be established after the time a report was requested, the data is only valid as of the date issued. Therefore, if there is a subsequent need for the record, it is recommended another check be made.

Falsifying or altering this document with the intent to misrepresent the contents of the record is prohibited by law and may be punishable as a felony when done with intent to injure or defraud any person.

Sincerely,
Ronald C. Sloan, Director
Colorado Bureau of Investigation



Trinidad Police Department

2309 E Main St.

Trinidad, Co 81082

(719) 846-4441 (719) 846-3728 (fax)

To Audra Garrett, City Clerk
From Det Sgt Phil Martin
November 25, 2014

RE: Daryl DeMarco Southern Colorado Therapeutics

To whom it may concern

On this date this agency conducted a check of various data bases available to this agency. NO RECORD WAS FOUND

If additional information is needed, please feel free to contact me

DATE 11/16/2014

PD TRINIDAD
2309 E MAIN ST
TRINIDAD, CO 81082

RE: IRWIN, DIANE E
SOC: XXX-XX-██████████

DATE OF BIRTH: ██████████

No Colorado record of arrest has been located based on above name and date of birth or through a search of our fingerprint files.

The Colorado Bureau of Investigation's database contains detailed information of arrest records based upon fingerprints provided by Colorado law enforcement agencies. Arrests which are not supported by fingerprints will not be included in this database. On occasion the Colorado criminal history will contain disposition information provided by the Colorado Judicial system. Additionally, warrant information, sealed records, and juvenile records are not available to the public.

Since a record may be established after the time a report was requested, the data is only valid as of the date issued. Therefore, if there is a subsequent need for the record, it is recommended another check be made.

Falsifying or altering this document with the intent to misrepresent the contents of the record is prohibited by law and may be punishable as a felony when done with intent to injure or defraud any person.

Sincerely,
Ronald C. Sloan, Director
Colorado Bureau of Investigation

CIVIL APPLICANT RESPONSE

ICN E2014320000000027725

CIDN

OCA CO0360100

IRWIN, DIANE E

W 507 [REDACTED]

MNU

SOC [REDACTED] SEX F

COCBI0000 COLORADO CRIME INFO CTR

DENVER CO

2014/11/03

A SEARCH OF THE FINGERPRINTS ON THE ABOVE
INDIVIDUAL HAS REVEALED NO PRIOR ARREST

DATA.

CJIS DIVISION

2014/11/16

FEDERAL BUREAU OF INVESTIGATION

CO0360100

CHIEF

POLICE DEPARTMENT

2309 E MAIN ST



Trinidad Police Department

2309 E Main St.
Trinidad, Co 81082
(719) 846-4441 (719) 846-3728 (fax)

To Audra Garrett, City Clerk
From Det Sgt Phil Martin
November 25, 2014

A handwritten signature in black ink, appearing to be 'Phil Martin', is written over the text 'From Det Sgt Phil Martin'.

RE: Diane Irwin Southern Colorado Therapeutics

To whom it may concern

On this date I conducted a check of various data bases available to this agency. this agency determined that this applicant had the below listed charge and court disposition. No other info was located

Saguache County Court 2010M111 Child Abuse-negligence no injury. The court record indicates that a certificate of completed parenting plan and completion of parenting program was filed. The District Attorney dismissed this case on 9/30/10.

If additional information is needed, please feel free to contact me

ALARM MONITORING CONTRACT

Agreement dated , by and between Security Grade Protective Services (hereinafter referred to as "SG" or "ALARM COMPANY") and , Southern Colorado Therapeutics (hereinafter referred to as "Subscriber" or "Buyer").
Premises where communication software is installed: 1505 Santa Fe Trail Dr. Trinidad CO 81082

Phone: 7199941593

Subscriber owns an electronic security system and desires central office monitoring service.

The parties agree as follows:

1. COMMUNICATION SOFTWARE REMAINS PERSONAL PROPERTY OF SG: SG shall instruct

Subscriber in the proper use of the security system, install, program and service in the premises of the Subscriber, communication software which shall remain the sole personal property of SG and shall not be considered a fixture or a part of the realty, and Subscriber shall not permit the attachment thereto of any apparatus not furnished by SG. Communication software is part of the instrument panel programmed to transmit a signal Passcode to CPU software remains property of SG. Provided Subscriber performs this agreement for the full term thereof, upon termination SG shall at its option provide to Subscriber the passcode to the CPU software or change the passcode to the manufacturer's default code.

2. DESCRIPTION OF SERVICE AND EQUIPMENT:

Value of installed software is: \$1179

Service(s) provided:

Basic Monitoring (\$ 30.00) Radio or Cellular Backup (+\$25.00)

Open/Close Reports (+\$35.00) Supervised Monitoring (+\$45.00) Total Connect 2.0 Service (+\$8.00)

Approximate date of installation: 10/20/2014

Estimated date for completion: 10/23/2014

3. INSTALLATION AND SERVICE CHARGES: Subscriber agrees to pay SG:

(a) The sum of \$ 400, for the installation and programming of the communication software and transmitter if not already

installed. (b) The sum of \$30 per month, for the monitoring and servicing of the communication software for the term of this agreement commencing on the first day of the month next succeeding the date hereof, and continuing monthly thereafter, all payments being due on the first of the month. The balance of payments for the term of this agreement is due upon execution of this agreement. For the convenience of the parties and so long as there is no default in payments, Subscriber may make the payments as provided herein.

4. TERM OF AGREEMENT: RENEWAL INCREASE: The term of this agreement shall be for a period of thirty-six (36) months and shall automatically renew month to month thereafter under the same terms and conditions, unless either party gives written notice to the other by certified mail, return receipt requested, of their intention not to renew the contract at least 30 days prior to the expiration of any term. SG shall be permitted, from time to time to increase the monitoring charge by an amount not to exceed eight percent each year and Subscriber agrees to pay such increase as invoiced. Buyer agrees to pay an early termination fee of \$250.00 upon receipt of written request for cancellation of service by Buyer to SG prior to the term of this agreement at least 30 days before requested cancellation date.

5. CENTRAL OFFICE MONITORING: Upon receipt of a signal from Subscriber's alarm system, SG or its designee communication center shall make every reasonable effort to notify Subscriber and the appropriate municipal police or fire department. Subscriber acknowledges that signals transmitted from Subscriber's premises directly to municipal police or fire departments are not monitored by personnel of SG or SG's designee communication center and SG does not assume any responsibility for the manner in which such signals are monitored or the response, if any, to such signals. Subscriber acknowledges that signals which are transmitted over telephone lines, wire, air waves, internet, VOIP, or other modes of communication pass through communication networks wholly beyond the control of SG and are not maintained by SG and, therefore, SG shall not be responsible for any failure which prevents transmission signals from reaching the central office monitoring center or damages arising therefrom, or for data corruption, theft or viruses to subscriber's computers if connected to the alarm communication equipment.

Subscriber agrees to furnish SG with a written list of names and telephone numbers of those persons Subscriber wishes to receive notification of alarm signals. All changes and revisions shall be supplied to SG in writing.

Subscriber authorizes SG to access the control panel to input or delete data and programming.

If the equipment contains video or listening devices permitting central office to view cameras or monitor sound then upon receipt of an alarm signal central office shall view cameras and monitor sound for so long as central office in its sole discretion deems appropriate to confirm an alarm condition. If Subscriber requests SG to remotely activate or deactivate the system, change combinations, openings or closings, or re-program system functions, Subscriber shall pay SG \$65.00 for each such service. SG may, without prior notice, suspend or terminate its services, in central office's sole discretion, in event of Subscriber's default in performance of this agreement or in event central office facility or communication network is nonoperational or subscriber's alarm system is sending excessive false alarms. Central office is authorized to record and maintain audio and video transmissions, data and communications, and shall be the exclusive owner of such property.

6. NO WARRANTIES OR REPRESENTATIONS: SUBSCRIBER'S EXCLUSIVE REMEDY: CSA does not represent nor warrant that the security equipment and central office monitoring will prevent any loss, damage or injury to person

or property, by reason of burglary, theft, hold-up, fire or other cause, or that the security equipment will in all cases provide the protection for which it is installed or intended. Subscriber acknowledges that SG is not an insurer, and the Subscriber assumes all risk for loss or damage to Subscriber's premises or its contents. SG has made no representations or warranties, and hereby disclaims any warranty of merchantability or fitness for any particular use.

Subscriber's exclusive remedy for SG'S default hereunder is to require SG to repair or replace, at SG's option, any equipment covered by this agreement which is nonoperational.

SEE REVERSE SIDE FOR ADDITIONAL TERMS AND CONDITIONS OF THIS CONTRACT. READ THEM BEFORE YOU SIGN THIS CONTRACT. BUYER ACKNOWLEDGES RECEIVING A FULLY EXECUTED COPY OF THIS CONTRACT AT TIME OF EXECUTION.

Security Grade Protective Services (SG):

By:

Subscriber Agrees to have its credit card automatically charged for all charges under this contract.

Credit Card #:

Security Code:

Expiration Date:

Mastercard 9 Visa 9 American Express

Cardholder's Name (As it appears on credit card):

Billing Address:

SUBSCRIBER:

Subscriber - BUSINESS NAME

Business Address

(Print Full Name) Tax ID/ Social Security Number

Signature (Name must be printed below)

Residence Address

7. EXCULPATORY CLAUSE: Subscriber agrees that SG is not an insurer and no insurance coverage is offered herein. The security equipment is designed to reduce certain risks of loss, though SG does not guarantee that no loss will occur. SG is not assuming liability, and, therefore shall not be liable to Subscriber for any loss, personal injury or property damage sustained by Subscriber as a result of burglary, theft, hold-up, fire, equipment failure, smoke, or any other cause, whatsoever, regardless of whether or not such loss or damage was caused by or contributed to by SG's negligent performance, failure to perform any obligation or strict products liability. Subscriber releases SG from any claims for contribution, indemnity or subrogation.

8. LIMITATION OF LIABILITY: Subscriber agrees that should there arise any liability on the part of SG as a result of SG's negligent performance to any degree, failure to perform any of SG's obligations, equipment failure or strict products liability, that CSA's liability shall be limited to the sum of six times the monthly payment at time liability is fixed or the sum of \$250.00, whichever is greater. If Subscriber wishes to increase SG's maximum amount of SG's limitation of liability, Subscriber may, as a matter of right, at any time, by entering into a supplemental contract, obtain a higher limit by paying an annual payment consonant with SG's increased liability. This shall not be construed as insurance coverage.

9. LIQUIDATED DAMAGES: The parties agree that in the event Subscriber suffers damages as a result of SG's negligence to any degree or failure to perform any obligation, it would be impractical and extremely difficult to anticipate or fix actual damages. Therefore, Subscriber agrees that should there arise any liability on the part of SG, Subscriber agrees to accept \$250.00, or the amount provided for in paragraph 8, whichever is greater, as liquidated damages in complete satisfaction of such liability and SG is released and discharged from any further liability.

10. CARE OF COMMUNICATION SOFTWARE AND TRANSMITTER: Subscriber agrees not to tamper with, remove or otherwise interfere with the communication software and transmitter which shall remain in the same location as installed and Subscriber agrees to bear the cost of repairs or replacement made necessary as a result of any damage, including but not limited to damage caused by unauthorized intrusion to the premises, lightning or electrical surge, except for ordinary wear and tear, in which event repair or replacement to the software and transmitter (if installed by SG) shall be made by SG without additional charge.

11. ALTERATION OF PREMISES FOR INSTALLATION: SG is authorized to make preparations such as drilling holes, driving nails, making attachments or doing any other thing necessary in SG's sole discretion for the installation and service of the communication software, and SG shall not be responsible for any condition created thereby as a result of such installation, service, or removal of the communication software, and Subscriber represents that the owner of the premises, if other than Subscriber, authorizes the installation of the communication software under the terms of this agreement.

12. **SUBSCRIBER'S DUTY TO SUPPLY ELECTRIC AND COMMUNICATION SERVICE:** Subscriber agrees to furnish, at Subscriber's expense, all 110 Volt AC power, electrical outlets, receptacles, telephone hook-ups, RJ31x Block or equivalent, internet connection, high speed broadband cable or DSL and static IP Address, as deemed necessary by SG in its sole discretion and to notify SG of any change in such service.

13. **TESTING AND SERVICE OF COMMUNICATION SOFTWARE:** Communication software, once installed, is in the exclusive possession and control of the Subscriber, and it is Subscriber's sole responsibility to test the operation of the communication software and to notify SG if it is in need of repair. SG shall not be required to service the communication software unless it has received notice from Subscriber, and upon such notice, SG shall service the communication software to the best of its ability within 36 hours, exclusive of Saturday, Sunday and legal holidays, during the business hours of 9 a.m. and 5 p.m. Any repair or other services provided by SG to Subscriber's alarm or security equipment shall be at SG option on a per call request by Subscriber, and Subscriber shall pay for such labor and material at time such repair or other service is performed. All such repair or other service shall be governed by the terms of this contract. In the event Subscriber complies with the terms of this agreement and SG fails to repair the communication software, Subscriber agrees to send notice in writing by certified or registered mail, return receipt requested and Subscriber shall not be responsible for payments due while the communication software remains inoperable. In any lawsuit between the parties in which the condition or operation of the communication software is in issue, the Subscriber shall be precluded from raising the issue that the communication software was not operating unless Subscriber can produce a post office certified or registered receipt, signed by SG, evidencing that service was requested by Subscriber. Only communication software is covered by service. It shall be Subscriber's sole responsibility to maintain the communication hardware and subscriber's alarm equipment and system in working order.

14. **LEGAL ACTION:** The parties agree that due to the nature of the services to be provided by SG, the payments to be made by the SG Subscriber's default it would be difficult if not impossible to fix SG actual damages. Therefore, in the event Subscriber defaults in the payment of any charges to be paid to SG, Alarm Company shall be permitted to terminate all its services under this agreement and remotely re-program or delete any programming without relieving Subscriber of any obligation herein. In the event of Subscriber's breach of this agreement, SG may at its option either remove its software and equipment or deem same sold to Subscriber for 80% of the amount specified as the value of the software in addition to the liquidated damages provided for herein. Should SG refer this contract to an attorney, Subscriber shall pay SG 's legal fees. The parties waive trial by jury in any action between them. In any action commenced by SG against Subscriber, Subscriber shall not be permitted to interpose any counterclaim. Subscriber submits to the jurisdiction of Colorado and agrees that any litigation between the parties must be commenced and maintained exclusively in the State of Colorado and in the County where SG principal place of business is located. Any action by subscriber against SG must be commenced within thirteen months of the accrual of the cause of action or shall be barred. All actions or proceedings against SG must be based on the provisions of this agreement. Any other action that subscriber may have or bring against SG in respect to other services rendered in connection with this agreement shall be deemed to have merged in and be restricted to the terms and conditions of this agreement. The commencement of any action, proceeding or arbitration and service of legal process or papers in any action, proceeding or arbitration between the parties may be served by prepaid First-Class Mail delivered by the U.S. Post Office or overnight by Federal Express or UPS to the party's address in this agreement or other address provided by a party in writing to other party.

15. **DELAY IN INSTALLATION:** SG shall not be liable for any damage or loss sustained by Subscriber as a result of delay in installation of equipment, equipment failure, or for interruption of service due to electric failure, strikes, walk-outs, war, acts of God, or other causes, including SG's negligence in the performance of this contract. The estimated date work is to be substantially completed is not a definite completion date and time is not of the essence.

16. **INSURANCE:** The Subscriber shall maintain a policy of public liability, property damage, burglary and theft insurance under which SG is named as insured, and under which the insurer agrees to indemnify and hold SG harmless from and against all costs, expenses including attorneys' fees and liability arising out of or based upon any and all claims, injuries and damages arising under this agreement, including, but not limited to, those claims, injuries and damages contributed to by SG negligent performance to any degree or its failure to perform any obligation.

The minimum limits of liability of such insurance shall be one million dollars for any injury or death, and property damage, burglary and theft coverage in an amount necessary to indemnify Subscriber for property on its premises. SG shall not be responsible for any portion of any loss or damage which is recovered or recoverable by the Subscriber from insurance covering such loss or damage or for such loss or damage against which the Subscriber is indemnified or insured.

17. **INDEMNITY/WAIVER OF SUBROGATION RIGHTS/ASSIGNMENTS:** Subscriber agrees to and shall indemnify and hold harmless SG, its employees, agents and subcontractors, from and against all claims, lawsuits, including those brought by third parties or Subscriber, including reasonable attorneys' fees and losses, asserted against and alleged to be caused by SG performance, negligence or failure to perform any obligation under this agreement.

Parties agree that there are no third party beneficiaries of this contract. Subscriber on its behalf and any insurance carrier waives any right of subrogation Subscriber's insurance carrier may otherwise have against SG or SG subcontractors arising out of this agreement or the relation of the parties hereto. Subscriber shall not be permitted to assign this agreement without written consent of SG. SG shall have the right to assign this contract and shall be relieved of any obligations herein upon such assignment.

18. FALSE ALARMS/PERMIT FEES: Subscriber is responsible for all alarm permits and permit fees, agrees to file for and maintain any permits required by applicable law and indemnify or reimburse SG for any fines relating to permits or false alarms. SG shall have no liability for permit fees, false alarms, false alarm fines, police or fire response, any damage to personal or real property or personal injury caused by police or fire department response to alarm, whether false alarm or otherwise, or the refusal of the police or fire department to respond. In the event of termination of police or fire response by the municipal police or fire department this contract shall nevertheless remain in full force and Subscriber shall remain liable for all payments provided for herein. Should SG be required by existing or hereinafter enacted law to perform any service or furnish any material not specifically covered by the terms of this agreement Subscriber agrees to pay SG for such service or material.

19. SG 's RIGHT TO SUBCONTRACT SPECIAL SERVICES: Subscriber agrees that SG is authorized and permitted to subcontract any services to be provided by SG to third parties who may be independent of SG, and that SG shall not be liable for any loss or damage sustained by Subscriber by reason of fire, theft, burglary or any other cause whatsoever caused by the negligence of third parties, and Subscriber SG to such third parties. Subscriber acknowledges that this agreement, and particularly those paragraphs relating to SG's disclaimer of warranties, exemption from liability, even for its negligence, limitation of liability and indemnification, inure to the benefit of and are applicable to any assignee, subcontractors and communication centers of SG.

20. NON-SOLICITATION. Subscriber agrees that it will not solicit for employment for itself, or any other entity, or employ, in any capacity, any employee of SG assigned by SG to perform any service for or on behalf of Subscriber for a period of three years after SG has completed providing service to Subscriber. In the event of Subscriber's violation of this provision, in addition to injunctive relief, SG shall recover from Subscriber an amount equal to such employee's salary based upon the average three months preceding employee's termination of employment with SG, times twelve, together with SG counsel and expert witness fees.

21. FULL AGREEMENT/SEVERABILITY/ CONFLICTING DOCUMENTS. This agreement constitutes the full understanding of the parties and may not be amended or modified or canceled except in writing signed by both parties, except SG's requirements regarding items of protection provided for in this agreement imposed by Authority Having jurisdiction. Should there arise any conflict between this agreement and Subscriber's purchase order or other document, this agreement will govern, whether such purchase order or document is prior to or subsequent to this agreement. Should any provision of this agreement be deemed void, all other provisions will remain in effect.

copy

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.



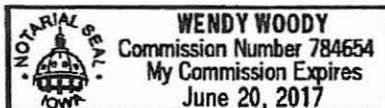
MERCHANTS BONDING COMPANY (MUTUAL)
MERCHANTS NATIONAL BONDING, INC.

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.

Merchants Bonding Company (Mutual)

Dated this 12th day of September, 2014.

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

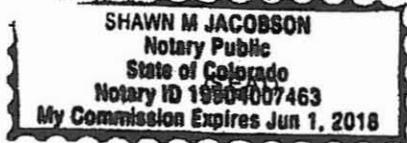
ACKNOWLEDGMENT OF SURETY

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
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.



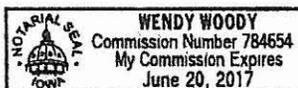
MERCHANTS BONDING COMPANY (MUTUAL)
MERCHANTS NATIONAL BONDING, INC.

By *Larry Taylor*
President

STATE OF IOWA
COUNTY OF POLK ss.

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 12th day of September, 2014.



William Warner Jr.
Secretary

POA 0014 (7/14)



NOTICE OF PUBLIC HEARING

PURSUANT TO THE MARIJUANA LAWS OF COLORADO, Daryl DeMarco and Diane Irwin d/b/a Southern Colorado Therapeutics, 1505 Santa Fe Trail, Trinidad, CO, has requested the licensing officials of the City of Trinidad to grant a new Retail Marijuana Store license at this location.

Hearing on application will be held on Tuesday, December 16, 2014, at 7:00 p.m. in the Council Chambers, City Hall, 135 N. Animas Street, Trinidad, CO.

Date of Application: November 5, 2014

Officers: Daryl DeMarco, P O Box 14, Weston, CO 81091
Diane Irwin, 3737 W. 25th Avenue, Denver, CO 80211

Remonstrances may be filed with the City Clerk's Office, 135 N. Animas, Trinidad, CO.

Dated this 17th day of November, 2014.

By order of the Trinidad City Council.

CITY OF TRINIDAD, COLORADO

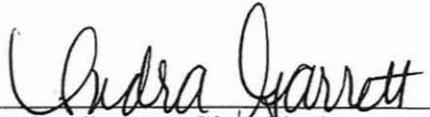


Audra Garrett, City Clerk

CERTIFICATE OF MAILING

I hereby certify that on the 17th day of November, 2014, I mailed the Notice of Public Hearing by first-class mail, postage pre-paid to:

Daryl DeMarco and Diane Irwin
d/b/a Southern Colorado Therapeutics
P O Box 14
Weston, CO 81092


Audra Garrett, City Clerk

PROOF OF PUBLICATION

STATE OF COLORADO
COUNTY OF LAS ANIMAS} SS

Krysta E. Toci, of lawful age, being first duly sworn upon oath, deposes and says that she is the authorized agent of The Chronicle-News, daily newspaper of general circulation which is published and circulated in the City of Trinidad, Las Animas County, Colorado, that said newspaper is a newspaper of general circulation complying with all of the requirements of Articles I to VII, Chapter 130, 1935, Colorado Statutes Annotated, and all other laws of said State, and that said legal / notice has been so published for the period of time prescribed in said newspaper proper and not a supplement.

The attached Notice was published in said newspaper in its issue(s) dated

56068

November 21, 2014



Krysta E. Toci

Subscribed and sworn to before me this
21 day of November,
A. D., 2014.



Allyson L. Sheumaker

My commission expires on August 26, 2015


My Comm. Expires August 26, 2015

NOTICE OF PUBLIC HEARING

PURSUANT TO THE MARIJUANA LAWS OF COLORADO, Daryl DeMarco and Diane Irwin d/b/a Southern Colorado Therapeutics, 1505 Santa Fe Trail Drive, Trinidad, CO, has requested the licensing officials of the City of Trinidad to grant a new Retail Marijuana Store license at this location.

Hearing on application will be held on Tuesday, December 16, 2014, at 7:00 p.m. in the Council Chambers, City Hall, 135 N. Animas Street, Trinidad, CO.

Date of Application: November 5, 2014.

Officers: Daryl DeMarco, P O Box 14, Weston, CO 81091
Diane Irwin, 3737 W. 25th Avenue, Denver, CO 80211

Remonstrances may be filed with the City Clerk's Office, 135 N. Animas, Trinidad, CO.

Dated this 17th day of November, 2014.

By Order of the Trinidad City Council
Audra Garrett, City Clerk

Publish: November 21, 2014 56068

11/14/14

DEPARTMENTAL INSPECTION REPORT
MEDICAL MARIJUANA LICENSE

Applicant: Daryl DeMarco & Diane Irwin

dba: Southern Colorado Therapeutics

Address: 1505 Santa Fe Trail

Type of License: Retail Marijuana Store

Renewal Transfer Change of Location New Modification of Premises

FOR CONSIDERATION AT

COUNCIL MEETING DATE: December 15, 2014, 7:00 p.m.

DEPARTMENT REVIEW

DEPARTMENT: FIRE / INSPECTION / POLICE / HEALTH DEPARTMENT

COMMENTS: inspection needed before opening

11/18/14
Date

[Signature]
Signature

RETURN TO THE CITY CLERK'S OFFICE BEFORE: November 25, 2014

11/14/14

DEPARTMENTAL INSPECTION REPORT
MEDICAL MARIJUANA LICENSE

Applicant: Daryl DeMarco & Diane Irwin

dba: Southern Colorado Therapeutics

Address: 1505 Santa Fe Trail

Type of License: Retail Marijuana Store

Renewal Transfer Change of Location New Modification of Premises

FOR CONSIDERATION AT
COUNCIL MEETING DATE: December 15, 2014, 7:00 p.m.

DEPARTMENT REVIEW

DEPARTMENT: FIRE / INSPECTION / POLICE / HEALTH DEPARTMENT

COMMENTS: will need permit and plans for
change in occupancy
with hold license until CO is issued

12-3-2014
Date

Chris L. Kelley
Signature

RETURN TO THE CITY CLERK'S OFFICE BEFORE: November 25, 2014

11/14/2014

**DEPARTMENTAL INSPECTION REPORT
MEDICAL MARIJUANA LICENSE**

Applicant's Name: Daryl DeMarco & Diane Irwin

DBA: Southern Colorado Therapeutics

Business Address: 1505 Santa Fe Trail

Type of License: Retail Marijuana Store

Renewal Transfer Change of Location New Special Event

FOR CONSIDERATION AT

COUNCIL MEETING DATE: December 15, 2014, 7:00 p.m.

DEPARTMENT REVIEW

DEPARTMENT: FIRE / INSPECTION / POLICE / HEALTH DEPARTMENT

COMMENTS:

This building is under renovation/construction. An additional inspection MUST be completed by this department at the completion of the renovation/construction.

11-25-14
Date


Signature

RETURN TO THE CITY CLERK'S OFFICE BEFORE: November 25, 2014

STATE OF COLORADO)
COUNTY OF LAS ANIMAS) SS
CITY OF TRINIDAD)

CERTIFICATE OF POSTING

I, Audra Garrett, City Clerk of the City of Trinidad, Colorado, do hereby certify that pursuant to the laws of the State of Colorado, Daryl DeMarco & Diane Irwin d/b/a Southern Colorado Therapeutics, 1505 Santa Fe Trail Drive, Trinidad, Colorado, which business has applied for a new Retail Marijuana Store license at said location, was duly posted for not less than ten continuous days, with the first day of posting occurring on the 21st day of November, 2014.

WITNESS, my hand and the official seal of the City of Trinidad, Colorado, this 21st day of November, 2014.

CITY OF TRINIDAD, COLORADO

(SEAL)

Audra Garrett
Audra Garrett, City Clerk

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	
Applicant's Legal Business Name (Please Print) <i>Southern Colorado Therapeutics</i>		Marijuana License Number (Assigned by Division)	
Trade Name (DBA) (Provide Trade Name Registration) <i>Southern Colorado Therapeutics</i>		Website Address	
Physical Address			
Street Address of Marijuana Business <i>1505 Santa Fe Trail Drive</i>			City <i>Trinidad</i>
Business Phone Number <i>719-868-2468</i>			State <i>CO</i>
Business Fax Number <i>719-868-2468</i>		ZIP <i>81082</i>	
Email Address			
Mailing Address (if different from Business Address)			
Address <i>PO Box 14</i>		City <i>Weston</i>	State <i>CO</i>
Primary Contact Person for Business <i>Daryl De Marco</i>		Title <i>President</i>	ZIP <i>81091</i>
Primary Contact Address (city, state ZIP) <i>PO Box 14 Weston, CO 81091</i>		Primary Contact Phone Number <i>719-868-2468</i>	
Primary Contact Fax Number <i>719-868-2468</i>			
Federal Taxpayer ID <i>[REDACTED]</i>	Colorado Sales Tax License # <i>24454042-0000</i>	Email Address <i>[REDACTED]</i>	
Type of Business Structure			
<input type="checkbox"/> Sole Proprietorship	<input checked="" type="checkbox"/> Partnership	<input type="checkbox"/> Limited Partnership	<input type="checkbox"/> Limited Liability Company
<input type="checkbox"/> C Corporation	<input 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 <i>Colorado</i>			Date <i>8-7-14</i>
Date of Qualification to Conduct Business in Colorado (Provide Certificate of Good Standing from the Colorado Secretary of State's Office) <i>10-01-2014</i>			
If a Corporation, List all States Where the Corporation is Authorized to Conduct Business <i>N/A</i>			
List all Trade Names used by the Business Entity (other than above) <i>N/A</i>			
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	Tenant	Expires
William Kancilia	Southern Colorado Therapeutics	10-31-2015

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
Dixon G Schafer	[REDACTED]	[REDACTED]	Lender

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	Address	
City of Trinidad/City Clerk's Office	135 N. Animas St. Trinidad CO	
Local Licensing Authority contact name	Contact Phone	Contact Email
Audra Garrett	719-846-9843	audr.garretta@trinidad.co.gov

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

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

7. Does the Retail Applicant have evidence of a good and sufficient bond in the amount of \$5000.00 in accordance with 12-43.4-303 C.R.S. (Include evidence with application)?

Printed Legal Business Name	Printed Trade Name (DBA)
Southern Colorado Therapeutics	Southern Colorado Therapeutics

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 C. DeMarco		Title President		SSN/FEIN [REDACTED]		DOB [REDACTED]		App submitted? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Address PO Box 14		City Weston		State CO		ZIP 81091		Phone Number 719-868-2468	
Business Associated with (Parent business or sub-entity) N/A				Own. % Business Associated with			Effective Own. % in Applicant 50%		
Name Diane E. Irwin		Title President		SSN/FEIN [REDACTED]		DOB [REDACTED]		App submitted? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Address [REDACTED]		City Denver		State CO		ZIP 80211		Phone Number 303-590-5333	
Business Associated with (Parent business or sub-entity) N/A				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?

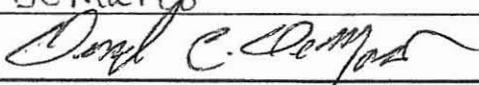
Yes No *If YES, attach list of persons

Printed Legal Business Name <i>Southern Colorado Therapeutics</i>	Printed Trade Name (DBA) <i>Southern Colorado Therapeutics</i>
1. Has the applicant, the applicant's parent company or any other intermediary business entity ever applied for a Marijuana license in this or any other jurisdiction, foreign or domestic, whether or not the license was ever issued? If YES, provide details on a separate sheet, including jurisdiction, type of license, license number, and dates license held or applied for.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
2. Has the applicant, the applicant's parent company or any other intermediary business entity ever been denied a Marijuana license, withdrawn a Marijuana license or had any disciplinary action taken against any Marijuana license that they have held in this or any other jurisdiction, foreign or domestic? If YES, provide details on a separate sheet, including jurisdiction, type of action, and date of action.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Financial History	
1. Is the applicant, the applicant's parent company or any other intermediary business entity delinquent in the payment of any judgments or tax liabilities due to any governmental agency anywhere? If YES, provide details on a separate sheet and attach any documents to prove settlement or resolution of the delinquency.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
2. Has the applicant, the applicant's parent company or any other intermediary business entity filed a bankruptcy petition in the past 5 years, had such a petition filed against it, or had a receiver, fiscal agent, trustee, reorganization trustee or similar person appointed for it? If YES, provide details on a separate sheet and attach any documents from the bankruptcy court.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
3. Is the applicant, the applicant's parent company or any other intermediary business entity currently a party to, or has it ever been a party to, in any capacity, any business trust instrument? If YES, provide details on a separate sheet.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
4. Has a complaint, judgment, consent decree, settlement or other disposition related to a violation of federal, state or similar foreign antitrust, trade or security law or regulation ever been filed or entered against the applicant, the applicant's parent company or any other intermediary business entity? If YES, provide details on a separate sheet and attach any documents to prove the settlement of any of these issues. Include any items currently under formal dispute or legal appeal.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
5. Has the applicant, the applicant's parent company or any other intermediary business entity been a party to a lawsuit in the past 5 years, either as a plaintiff or defendant, complainant or respondent, or in any other fashion, in this or any other country? If YES, provide details on a separate sheet and attach any documents to prove the settlement of any of these issues. Include any items currently under formal dispute or legal appeal.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
6. Has the applicant, the applicant's parent company or any other intermediary business entity filed a business tax return in the past two years?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
7. Has the applicant, the applicant's parent company or any other intermediary business entity completed financial statements, either audited or unaudited, in the past two years? If YES, attach all financial statements completed in the past two years.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
8. Has any interest or share in the profits of the sale of Marijuana been pledged or hypothecated as security for a debt or deposited as a security for the performance of an act or to secure the performance of a contract? If YES, provide details on a separate sheet.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
9. Attach a list detailing the operating and investment accounts for this business, including financial institution name, address, telephone number, and account number for each account.	
10. Attach a list detailing each outstanding loan and financial obligation obtained for use in this business, including creditor name, address, phone number, loan number, loan amount, loan terms, date acquired, and date due.	
Person who maintains Applicant's business records <i>Daryl C. DeMarco</i>	Title <i>President</i>
Address <i>PO Box 14 Weston CO 81091</i>	Phone Number <i>719-868-2468</i>
Person who prepares Applicant's tax returns, government forms & reports <i>Daryl C. DeMarco</i>	Title <i>President</i>
Address <i>PO Box 14 Weston CO 81091</i>	Phone Number <i>719-868-2468</i>
Location of financial books and records for Applicant's business <i>13567 W. Point Rd Weston CO 81091</i>	

Affirmation & Consent

I, Daryl C. DeMarco, as an authorized agent for the applicant, state under penalty for offering a false instrument for recording pursuant to 18-5-114 C.R.S. that the entire Marijuana Business License Application Form, statements, attachments, and supporting schedules are true and correct to the best of my knowledge and belief, and that this statement is executed with the knowledge that misrepresentation or failure to reveal information requested may be deemed sufficient cause for the refusal to issue a Marijuana license by the State Licensing Authority. Further, I am aware that later discovery of an omission or misrepresentation made in the above statements may be grounds for the denial or revocation of the license. I am voluntarily submitting this application to the Colorado Marijuana Licensing Authority under oath with full knowledge that I may be charged with perjury or other crimes for intentional omissions and misrepresentations pursuant to Colorado law or for offering a false instrument for recording pursuant to 18-5-114 C.R.S. I further consent to any background investigation necessary to determine my present and continuing suitability and that this consent continues as long as I hold a Colorado Marijuana License, and for 90 days following the expiration or surrender of such Marijuana license. Note: If your check is rejected due to insufficient or uncollected funds, the Department of Revenue may collect the payment amount directly from your banking account electronically.

Print Full Legal Agent Name clearly below:

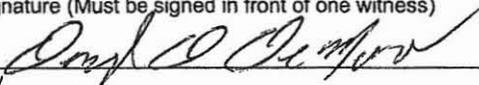
Applicant's Business Name <u>Southern Colorado Therapeutics</u>		Trade Name (DBA) <u>Southern Colorado Therapeutics</u>	
Legal Agent Last Name (Please Print) <u>DeMarco</u>	Legal Agent First Name <u>Daryl</u>	Legal Agent Middle Name <u>Carl</u>	
Signature 		Date	

Investigation Authorization Authorization to Release Information

I, Daryl C. DeMarco, as an authorized agent for the applicant, hereby authorize the Colorado Marijuana Licensing Authority, the Marijuana Enforcement Division, (hereafter, the Investigatory Agencies) to conduct a complete investigation into my personal background, using whatever legal means they deem appropriate. I hereby authorize any person or entity contacted by the Investigatory Agencies to provide any and all such information deemed necessary by the Investigatory Agencies. I hereby waive any rights of confidentiality in this regard. I understand that by signing this authorization, a financial record check may be performed. I authorize any financial institution to surrender to the Investigatory Agencies a complete and accurate record of such transactions that may have occurred with that institution, including, but not limited to, internal banking memoranda, past and present loan applications, financial statements and any other documents relating to my personal or business financial records in whatever form and wherever located. I understand that by signing this authorization, a financial record check of my tax filing and tax obligation status may be performed. I authorize the Colorado Department of Revenue to surrender to the Investigatory Agencies a complete and accurate record of any and all tax information or records relating to me. I authorize the Investigatory Agencies to obtain, receive, review, copy, discuss and use any such tax information or documents relating to me. I authorize the release of this type of information, even though such information may be designated as "confidential" or "nonpublic" under the provisions of state or federal laws. I understand that by signing this authorization, a criminal history check will be performed. I authorize the Investigatory Agencies to obtain and use from any source, any information concerning me contained in any type of criminal history record files, wherever located. I understand that the criminal history record files contain records of arrests which may have resulted in a disposition other than a finding of guilt (i.e., dismissed charges, or charges that resulted in a not guilty finding). I understand that the information may contain listings of charges that resulted in suspended imposition of sentence, even though I successfully completed the conditions of said sentence and was discharged pursuant to law. I authorize the release of this type of information, even though this record may be designated as "confidential" or "nonpublic" under the provisions of state or federal laws.

The Investigatory Agencies reserve the right to investigate all relevant information and facts to their satisfaction. I understand that the Investigatory Agencies may conduct a complete and comprehensive investigation to determine the accuracy of all information gathered. However, the State of Colorado, Investigatory Agencies, and other agents or employees of the State of Colorado shall not be held liable for the receipt, use, or dissemination of inaccurate information. I, on behalf of the applicant, its legal representatives, and assigns, hereby release, waive, discharge, and agree to hold harmless, and otherwise waive liability as to the State of Colorado, Investigatory Agencies, and other agents or employees of the State of Colorado for any damages resulting from any use, disclosure, or publication in any manner, other than a willfully unlawful disclosure or publication, of any material or information acquired during inquiries, investigations, or hearings, and hereby authorize the lawful use, disclosure, or publication of this material or information. Any information contained within my application, contained within any financial or personnel record, or otherwise found, obtained, or maintained by the Investigatory Agencies, shall be accessible to law enforcement agents of this or any other state, the government of the United States, or any foreign country.

Print Full Legal Name of Authorized Agent clearly below:

Applicant's Business Name <u>Southern Colorado Therapeutics</u>		Trade Name (DBA) <u>Southern Colorado Therapeutics</u>	
Legal Agent Last Name (Please Print) <u>DeMarco</u>	Legal Agent First Name <u>Daryl</u>	Legal Agent Middle Name <u>Cari</u>	
Legal Agent Title <u>President</u>	Signature (Must be signed in front of one witness) 		
Date (MM/DD/YY) <u>08/10/14</u>	City <u>Weston</u>	State <u>CO</u>	
Witness 1 Signature <u>Mary J. Rewzee</u>			

Applicant's Request to Release Information

TO: _____ FROM: (Applicant's Printed Name)
Daryl C. DeMarco

1. I/We hereby authorize and request all persons to whom this request is presented having information relating to or concerning the above named applicant to furnish such information to a duly appointed agent of the Marijuana Enforcement Division whether or not such information would otherwise be protected from the disclosure by any constitutional, statutory or common law privilege.
2. I/We hereby authorize and request all persons to whom this request is presented having documents relating to or concerning the above named applicant to permit a duly appointed agent of the Marijuana Enforcement Division to review and copy any such documents, whether or not such documents would otherwise be protected from disclosure by any constitutional, statutory, or common law privilege.
3. I/We hereby authorize and request the Colorado Department of Revenue to permit a duly appointed agent of the Marijuana Enforcement Division to obtain, receive, review, copy, discuss and use any such tax information or documents relating to or concerning the above named applicant, whether or not such information or documents would otherwise be protected from disclosure by any constitutional, statutory, or common law privilege.
4. If the person to whom this request is presented is a brokerage firm, bank, savings and loan, or other financial institution or an officer of the same, I/we hereby authorize and request that a duly appointed agent of the Marijuana Enforcement Division be permitted to review and obtain copies of any and all documents, records or correspondence pertaining to me/us, including but not limited to past loan information, notes co-signed by me/us, checking account records, savings deposit records, safe deposit box records, passbook records, and general ledger folio sheets.
5. I/We do hereby make, constitute, and appoint any duly appointed agent of the Colorado Marijuana Enforcement Division, my/our true and lawful attorney in fact for me/us in my/our name, place, stead, and on my/our behalf and for my/our use and benefit:
 - (a) To request, review, copy sign for, or otherwise act for investigative purposes with respect to documents and information in the possession of the person to whom this request is presented as I/we might;
 - (b) To name the person or entity to whom this request is presented and insert that person's name in the appropriate location in this request;
 - (c) To place the name of the agent presenting this request in the appropriate location on this request.
6. I grant to said attorney in fact full power and authority to do, take, and perform all and every act and thing whatsoever requisite, proper, or necessary to be done, in the exercise of any of the rights and powers herein granted, as fully to all intents and purposes as I/we might or could do if personally present, with full power of substitution or revocation, hereby ratifying and confirming all that said attorney in fact, or his substitute or substitutes, shall lawfully do or cause to be done by virtue of this power of attorney and the rights and powers herein granted.
7. This power of attorney ends twenty-four (24) months from the date of execution.
8. The above named applicant has filed with the Colorado Marijuana Licensing Authority an application for a Marijuana license. Said applicant understands that it is seeking the granting of a privilege and acknowledges that the burden of proving its qualifications for a favorable determination is at all times on the applicant. Said applicant accepts any risk of adverse public notice, embarrassment, criticism, or other action of financial loss, which may result from action with respect to this application.
9. I/We do, for myself/ourselves, my/our heirs, executors, administrators, successors, and assigns, hereby release, remise, and forever discharge the person to whom this request is presented, and his agents and employees from all and all manner or actions, causes of action, suits, debts, judgments, executions, claims, and demands whatsoever, known or unknown, in law or equity, which the applicant ever had, now has, may have, or claims to have against the person to whom this request is being presented or his agents or employees arising out of or by reason of complying with the request.
10. I/We agree to indemnify and hold harmless the person to whom this request is presented and his agents and employees from and against all claims, damages, losses, and expenses, including reasonable attorneys' fees arising out of or by reason of complying with this request.
11. A reproduction of this request by photocopying or similar process shall be for all intents and purposes as valid as the original.

Print Full Legal Name of Authorized Agent clearly below:

Legal Agent Last Name (Please Print) DeMarco	Legal Agent First Name Daryl	Legal Agent Middle Name Carl
Legal Agent Title President	Signature (Must be signed in front of one witness) <i>Daryl C. DeMarco</i>	
Date (MM/DD/YY) 08/10/14	City Weston	State CO
Witness 1 Signature <i>Mary J. Rowzee</i>		
Signature of Marijuana Enforcement Division agent presenting this request		Date

Affirmation & Consent

I, Diane E Irwin, as an authorized agent for the applicant, state under penalty for offering a false instrument for recording pursuant to 18-5-114 C.R.S. that the entire Marijuana Business License Application Form, statements, attachments, and supporting schedules are true and correct to the best of my knowledge and belief, and that this statement is executed with the knowledge that misrepresentation or failure to reveal information requested may be deemed sufficient cause for the refusal to issue a Marijuana license by the State Licensing Authority. Further, I am aware that later discovery of an omission or misrepresentation made in the above statements may be grounds for the denial or revocation of the license. I am voluntarily submitting this application to the Colorado Marijuana Licensing Authority under oath with full knowledge that I may be charged with perjury or other crimes for intentional omissions and misrepresentations pursuant to Colorado law or for offering a false instrument for recording pursuant to 18-5-114 C.R.S. I further consent to any background investigation necessary to determine my present and continuing suitability and that this consent continues as long as I hold a Colorado Marijuana License, and for 90 days following the expiration or surrender of such Marijuana license. Note: If your check is rejected due to insufficient or uncollected funds, the Department of Revenue may collect the payment amount directly from your banking account electronically.

Print Full Legal Agent Name clearly below:

Applicant's Business Name <u>Southern Colorado Therapeutics</u>		Trade Name (DBA) <u>Southern Colorado Therapeutics</u>	
Legal Agent Last Name (Please Print) <u>Irwin</u>	Legal Agent First Name <u>Diane</u>	Legal Agent Middle Name <u>Elaine</u>	
Signature 		Date <u>8/19/14</u>	

Applicant's Request to Release Information

TO:	FROM: (Applicant's Printed Name) <i>Diane E Irwin</i>
-----	--

1. I/We hereby authorize and request all persons to whom this request is presented having information relating to or concerning the above named applicant to furnish such information to a duly appointed agent of the Marijuana Enforcement Division whether or not such information would otherwise be protected from the disclosure by any constitutional, statutory or common law privilege.
2. I/We hereby authorize and request all persons to whom this request is presented having documents relating to or concerning the above named applicant to permit a duly appointed agent of the Marijuana Enforcement Division to review and copy any such documents, whether or not such documents would otherwise be protected from disclosure by any constitutional, statutory, or common law privilege.
3. I/We hereby authorize and request the Colorado Department of Revenue to permit a duly appointed agent of the Marijuana Enforcement Division to obtain, receive, review, copy, discuss and use any such tax information or documents relating to or concerning the above named applicant, whether or not such information or documents would otherwise be protected from disclosure by any constitutional, statutory, or common law privilege.
4. If the person to whom this request is presented is a brokerage firm, bank, savings and loan, or other financial institution or an officer of the same, I/we hereby authorize and request that a duly appointed agent of the Marijuana Enforcement Division be permitted to review and obtain copies of any and all documents, records or correspondence pertaining to me/us, including but not limited to past loan information, notes co-signed by me/us, checking account records, savings deposit records, safe deposit box records, passbook records, and general ledger folio sheets.
5. I/We do hereby make, constitute, and appoint any duly appointed agent of the Colorado Marijuana Enforcement Division, my/our true and lawful attorney in fact for me/us in my/our name, place, stead, and on my/our behalf and for my/our use and benefit:
 - (a) To request, review, copy sign for, or otherwise act for investigative purposes with respect to documents and information in the possession of the person to whom this request is presented as I/we might;
 - (b) To name the person or entity to whom this request is presented and insert that person's name in the appropriate location in this request;
 - (c) To place the name of the agent presenting this request in the appropriate location on this request.
6. I grant to said attorney in fact full power and authority to do, take, and perform all and every act and thing whatsoever requisite, proper, or necessary to be done, in the exercise of any of the rights and powers herein granted, as fully to all intents and purposes as I/we might or could do if personally present, with full power of substitution or revocation, hereby ratifying and confirming all that said attorney in fact, or his substitute or substitutes, shall lawfully do or cause to be done by virtue of this power of attorney and the rights and powers herein granted.
7. This power of attorney ends twenty-four (24) months from the date of execution.
8. The above named applicant has filed with the Colorado Marijuana Licensing Authority an application for a Marijuana license. Said applicant understands that it is seeking the granting of a privilege and acknowledges that the burden of proving its qualifications for a favorable determination is at all times on the applicant. Said applicant accepts any risk of adverse public notice, embarrassment, criticism, or other action of financial loss, which may result from action with respect to this application.
9. I/We do, for myself/ourselves, my/our heirs, executors, administrators, successors, and assigns, hereby release, remise, and forever discharge the person to whom this request is presented, and his agents and employees from all and all manner or actions, causes of action, suits, debts, judgments, executions, claims, and demands whatsoever, known or unknown, in law or equity, which the applicant ever had, now has, may have, or claims to have against the person to whom this request is being presented or his agents or employees arising out of or by reason of complying with the request.
10. I/We agree to indemnify and hold harmless the person to whom this request is presented and his agents and employees from and against all claims, damages, losses, and expenses, including reasonable attorneys' fees arising out of or by reason of complying with this request.
11. A reproduction of this request by photocopying or similar process shall be for all intents and purposes as valid as the original.

Print Full Legal Name of Authorized Agent clearly below:

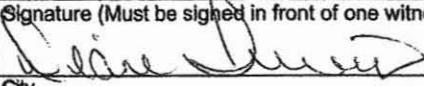
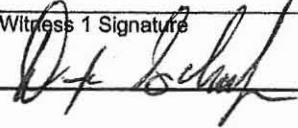
Legal Agent Last Name (Please Print) <i>Irwin</i>	Legal Agent First Name <i>Diane</i>	Legal Agent Middle Name <i>Elaine</i>
Legal Agent Title <i>President</i>	Signature (Must be signed in front of one witness) <i>Diane Irwin</i>	
Date (MM/DD/YYYY) <i>8/19/14</i>	City <i>Denver</i>	State <i>CO</i>
Witness 1 Signature <i>[Signature]</i>		
Signature of Marijuana Enforcement Division agent presenting this request		Date

Investigation Authorization Authorization to Release Information

I, Diane E Irwin, as an authorized agent for the applicant, hereby authorize the Colorado Marijuana Licensing Authority, the Marijuana Enforcement Division, (hereafter, the Investigatory Agencies) to conduct a complete investigation into my personal background, using whatever legal means they deem appropriate. I hereby authorize any person or entity contacted by the Investigatory Agencies to provide any and all such information deemed necessary by the Investigatory Agencies. I hereby waive any rights of confidentiality in this regard. I understand that by signing this authorization, a financial record check may be performed. I authorize any financial institution to surrender to the Investigatory Agencies a complete and accurate record of such transactions that may have occurred with that institution, including, but not limited to, internal banking memoranda, past and present loan applications, financial statements and any other documents relating to my personal or business financial records in whatever form and wherever located. I understand that by signing this authorization, a financial record check of my tax filing and tax obligation status may be performed. I authorize the Colorado Department of Revenue to surrender to the Investigatory Agencies a complete and accurate record of any and all tax information or records relating to me. I authorize the Investigatory Agencies to obtain, receive, review, copy, discuss and use any such tax information or documents relating to me. I authorize the release of this type of information, even though such information may be designated as "confidential" or "nonpublic" under the provisions of state or federal laws. I understand that by signing this authorization, a criminal history check will be performed. I authorize the Investigatory Agencies to obtain and use from any source, any information concerning me contained in any type of criminal history record files, wherever located. I understand that the criminal history record files contain records of arrests which may have resulted in a disposition other than a finding of guilt (i.e., dismissed charges, or charges that resulted in a not guilty finding). I understand that the information may contain listings of charges that resulted in suspended imposition of sentence, even though I successfully completed the conditions of said sentence and was discharged pursuant to law. I authorize the release of this type of information, even though this record may be designated as "confidential" or "nonpublic" under the provisions of state or federal laws.

The Investigatory Agencies reserve the right to investigate all relevant information and facts to their satisfaction. I understand that the Investigatory Agencies may conduct a complete and comprehensive investigation to determine the accuracy of all information gathered. However, the State of Colorado, Investigatory Agencies, and other agents or employees of the State of Colorado shall not be held liable for the receipt, use, or dissemination of inaccurate information. I, on behalf of the applicant, its legal representatives, and assigns, hereby release, waive, discharge, and agree to hold harmless, and otherwise waive liability as to the State of Colorado, Investigatory Agencies, and other agents or employees of the State of Colorado for any damages resulting from any use, disclosure, or publication in any manner, other than a willfully unlawful disclosure or publication, of any material or information acquired during inquiries, investigations, or hearings, and hereby authorize the lawful use, disclosure, or publication of this material or information. Any information contained within my application, contained within any financial or personnel record, or otherwise found, obtained, or maintained by the Investigatory Agencies, shall be accessible to law enforcement agents of this or any other state, the government of the United States, or any foreign country.

Print Full Legal Name of Authorized Agent clearly below:

Applicant's Business Name <u>Southern Colorado Therapeutics</u>		Trade Name (DBA) <u>Southern Colorado Therapeutics</u>	
Legal Agent Last Name (Please Print) <u>Irwin</u>	Legal Agent First Name <u>Diane</u>	Legal Agent Middle Name <u>Elaine</u>	
Legal Agent Title <u>President</u>	Signature (Must be signed in front of one witness) 		
Date (MM/DD/YY) <u>03/19/14</u>	City <u>Denver</u>	State <u>CO</u>	
Witness 1 Signature 			

Document Filed for Southern Colorado Therapeutics - 20141483329

From: Colorado Department of State <entity.subscribe@sos.state.co.us>
To: ANNDEMARCO@PEOPLEPC.COM
Subject: Document Filed for Southern Colorado Therapeutics - 20141483329
Date: Aug 7, 2014 12:00 PM



A Message from the Colorado Secretary of State

This email is notification that the following document has been filed for Southern Colorado Therapeutics : Statement of Trade Name of a Non-Reporting Entity

For more information, please review the record by visiting our website, www.sos.state.co.us. Select "Business Organizations" on the left and then click on "Search". You can search for the record by entering either the record name or ID number.

If the ID number is used to search, the website will immediately display the Summary page for the record. If the name is used to search, the website will display a list of search results. Find the correct record and select the ID number to proceed to the Summary page. From the Summary page, you can choose to view additional information.

Thank you for using the Colorado Secretary of State's online services!

If you would like to share any feedback, please take our [survey](#).

This is an automatically generated email. If you would like to contact our office, please send an email to business@sos.state.co.us or call 303-894-2200 and press 2.

If you would like to unsubscribe from this email notification service, visit our website, www.sos.state.co.us, select "Business Organizations" in the menu on the left, then click on "Email Notifications".



Colorado Secretary of State
 Date and Time: 08/07/2014 12:00 PM
 ID Number: 20141483329
 Document number: 20141483329
 Amount Paid: \$20.00

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.

ABOVE SPACE FOR OFFICE USE ONLY

Statement of Trade Name of a Non-Reporting Entity
 filed pursuant to §7-71-103 and §7-71-107 of the Colorado Revised Statutes (C.R.S)

1. The person delivering this statement is an entity other than a reporting entity ("non-reporting entity").

2. *(Adopt the appropriate statement by marking the box and complete the field.)*
(Caution: Mark only one box.)

Such non-reporting entity is a general partnership.

The true name of at least one general partner of such general partnership is

(if an individual) DeMarco Daryl C
(Last) (First) (Middle) (Suffix)

or

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

or

The non-reporting entity is not a general partnership and the true name of such non-reporting entity is _____

3. For such non-reporting entity delivering this statement, its form of entity and the jurisdiction under the law of which it is formed are

Form of entity General Partnership
 Jurisdiction Colorado

4. The principal address of such non-reporting entity is

Street address 13567 West Point Road
(Street number and name)

Weston CO 81091
(City) (State) (Postal/Zip Code)
United States
(Province - if applicable) (Country - if not US)

Mailing address PO Box 14
(leave blank if same as street address) (Street number and name or Post Office Box information)

Weston CO 81091
(City) (State) (Postal/Zip Code)
United States
(Province - if applicable) (Country - if not US)

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

Southern Colorado Therapeutics

6. 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

Retail Marijuana Store and Grow Operation

7. (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.

8. (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 10/01/2014
(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.

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

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

(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.

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).



Colorado Secretary of State
 Date and Time: 09/28/2014 07:42 PM
 ID Number: 20141483329

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: 20141594273
 Amount Paid: \$10.00

ABOVE SPACE FOR OFFICE USE ONLY

Statement of Correction of Trade Name Information
Correcting the Principal Address
 filed pursuant to § 7-90-305 of the Colorado Revised Statutes (C.R.S.)

1. The entity ID number, if applicable, the trade name ID number, and the name of the person transacting business or conducting activities under the trade name are

Entity ID number _____
(if applicable) (Colorado Secretary of State ID number)

Trade name ID number 20141483329
(Colorado Secretary of State ID number)

Name Daryl C DeMarco

2. The document number of the document that is corrected and the trade name as stated in the statement of trade name are

Document number 20141483329

Trade name Southern Colorado Therapeutics

3. *(If applicable, adopt the following statement by marking the box and enter all corrections.)*

The statement of the street address of such person's principal address in the document identified above is incorrect.

Such street address, as corrected, 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)

4. *(If applicable, adopt the following statement by marking the box. Enter all corrections OR mark the box to remove the mailing address.)*

The statement of the mailing address of such person's principal address in the document identified above is incorrect or is not required.

Such mailing address, as corrected, is

Mailing address _____
(Street number and name or Post Office Box information)

 (City) (State) (Zip/Postal Code)

 (Province – if applicable) (Country)

(If applicable, adopt the following statement by marking the box.)
 The mailing address in the records of the Secretary of State is no longer different than the street address and is no longer required.

5. (If applicable, adopt the following statement by marking the box.)

This document is filed for historical purposes only and does not correct the usual place of business address of registrant currently of record.

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

This document contains additional information as provided by law.

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.

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

DeMarco Daryl

 PO Box 14 (Last) (First) (Middle) (Suffix)

 (Street number and name or Post Office Box information)

 Weston CO 81091

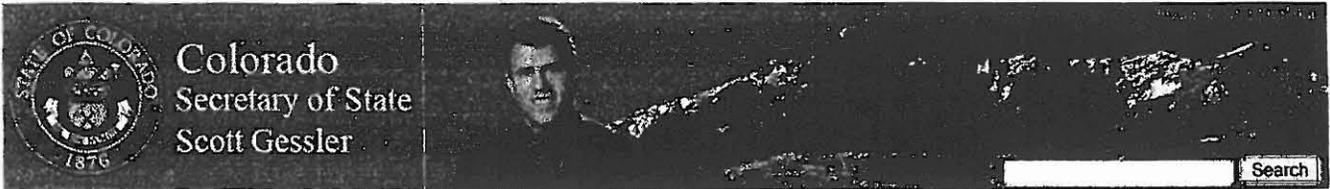
 (City) (State) (Zip/Postal Code)

 (Province – if applicable) (Country)
 United States

(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).



For this Record...

- Filing history and documents
- File a form
- Subscribe to email notification
- Unsubscribe from email notification

- Business Home
- Business Information
- Business Search

- FAQs, Glossary and Information

Summary

Details			
Trade name	Southern Colorado Therapeutics		
Registrant name	Daryl C DeMarco		
Status	Effective	Formation Date	10/01/2014
ID number	20141483329	Form	General Partnership
Renewal month	August	Expiration Date	11/01/2015
Primary residence or usual place of business street address	1505 Santa Fe Trail, Trinidad, CO 81082, United States		
Primary residence or usual place of business mailing address	PO Box 14, Weston, CO 81091, United States		

- [Filing history and documents](#)
- [File a form](#)
- [Set up secure business filing](#)
- [Subscribe to email notification](#)
- [Unsubscribe from email notification](#)

Back

[Terms and Conditions](#)

Partnership Agreement

THIS PARTNERSHIP AGREEMENT is made this 15th day of August, 2014, by and between the following individuals:

Daryl C. DeMarco

Address: [REDACTED]
City/State/ZIP: Weston, CO 81091

Diane E Irwin

Address: [REDACTED]
City/State/ZIP: Denver, CO 80211

1. **Nature of Business.** The partners listed above hereby agree that they shall be considered partners in business for the following purpose:

Growing and selling Retail Recreational Marijuana and related products
and Manufacturing Retail Marijuana products

2. **Name.** The partnership shall be conducted under the name of Southern Colorado Therapeutics and shall maintain offices at 1505 Santa Fe Trail Dr. Trinidad, CO 81082

3. **Day-To-Day Operation.** The partners shall provide their full-time services and best efforts on behalf of the partnership. No partner shall receive a salary for services rendered to the partnership. Each partner shall have equal rights to manage and control the partnership and its business. Should there be differences between the partners concerning ordinary business matters, a decision shall be made by unanimous vote. It is understood that the partners may elect one of the partners to conduct the day-to-day business of the partnership; however, no partner shall be able to bind the partnership by act or contract to any liability exceeding \$500⁰⁰ without the prior written consent of each partner.

4. **Capital Contribution.** The capital contribution of each partner to the partnership shall consist of the following property, services, or cash which each partner agrees to contribute:

Name Of Partner	Capital Contribution	Agreed-Upon Cash	% Share
<u>Daryl C. DeMarco</u>	<u>0</u>	<u>0</u>	<u>50 %</u>
<u>Diane E. Irwin</u>	<u>0</u>	<u>0</u>	<u>50 %</u>

The partnership shall maintain a capital account record for each partner; should any partner's capital account fall below the agreed to amount, then that partner shall (1) have his share of partnership profits then due and payable applied instead to his capital account; and (2) pay any deficiency to the partnership if his share of partnership profits is not yet due and payable or, if it is, his share is insufficient to cancel the deficiency.

5. **Profits and Losses.** The profits and losses of the partnership shall be divided by the partners according to a mutually agreeable schedule and at the end of each calendar year according to the proportions listed above.

6. **Term/Termination.** The term of this Agreement shall be for a period of 10 years, unless the partners mutually agree in writing to a shorter period. Should the partnership be terminated by unanimous vote, the assets and cash of the partnership shall be used to pay all creditors, with the remaining amounts to be distributed to the partners according to their proportionate share.

7. **Disputes.** This Partnership Agreement shall be governed by the laws of the State of CO. Any disputes arising between the partners as a result of this Agreement shall be settled by arbitration in accordance with the rules of the American Arbitration Association and judgment upon the award rendered may be entered in any court having jurisdiction thereof.

8. Withdrawal/Death of Partner. In the event a partner withdraws or retires from the partnership for any reason, including death, the remaining partners may continue to operate the partnership using the same name. A withdrawing partner shall be obligated to give sixty (60) days' prior written notice of his/her intention to withdraw or retire and shall be obligated to sell his/her interest in the partnership. No partner shall transfer interest in the partnership to any other party without the written consent of the remaining partner(s). The remaining partner(s) shall pay the withdrawing or retiring partner, or to the legal representative of the deceased or disabled partner, the value of his interest in the partnership, or (a) the sum of his capital account, (b) any unpaid loans due him, (c) his proportionate share of accrued net profits remaining undistributed in his capital account, and (d) his interest in any prior agreed appreciation in the value of the partnership property over its book value. No value for good will shall be included in determining the value of the partner's interest.

9. Non-Compete Agreement. A partner who retires or withdraws from the partnership shall not directly or indirectly engage in a business which is or which would be competitive with the existing or then anticipated business of the partnership for a period of 1 year, in those Counties of this State where the partnership is currently doing or planning to do business.

IN WITNESS WHEREOF, the partners have duly executed this Agreement on the day and year set forth hereinabove.


Partner


Partner

UNITED STATES BANKRUPTCY COURT
District of Colorado

**Notice of Chapter 13 Bankruptcy Case, Meeting of Creditors, & Deadlines, and
Notice of Hearing on Confirmation of Chapter 13 Plan**

The debtor(s) listed below filed a chapter 13 bankruptcy case on 4/4/11.

You may be a creditor of the debtor. This notice lists important deadlines. You may want to consult an attorney to protect your rights. All documents filed in the case may be inspected at the bankruptcy clerk's office at the address listed below. NOTE: The staff of the bankruptcy clerk's office cannot give legal advice.

Read All Pages of this Document for Important Information and Explanations

Debtor(s) (name(s) used by the debtor(s) in the last 8 years, including married, maiden, trade, and address):

Diane E. Irwin
3737 W. 25th Avenue
Denver, CO 80211

Case Number:
11-17295-HRT

Last four digits of Social Security No./Complete EIN or other
Taxpayer ID No.:

Attorney for Debtor(s) (name and address):

Larry D. Brown
7625 W. 5th Ave.
Ste. 200D
Lakewood, CO 80226
Telephone number: () 303-233-4200

Bankruptcy Trustee (name and address):

Sally Zeman
Chapter 13 Trustee
PO Box 1169
Denver, CO 80201
Telephone number: () 303-830-1971

Meeting of Creditors

Date: May 17, 2011

Time: 02:00 PM

Location: U.S. Trustee 341 Meeting Room, 1999 Broadway, 8th Floor, Suite 830, Room B, Denver, CO 80202

Deadlines:

Papers must be received by the bankruptcy clerk's office by the following deadlines:

Deadline to File a Proof of Claim:

For all creditors (except a governmental unit): 8/15/11

For a governmental unit (except as otherwise provided in Fed.R. Bankr. P. 3002(c)(1)): 180 Days from the *Filing Date*

Creditor with a Foreign Address:

A creditor to whom this notice is sent at a foreign address should read the information under "Claims" on the reverse side.

Deadline to Object to Debtor's Discharge or to Challenge Dischargeability of Certain Debts: 7/18/11

Deadline to Object to Exemptions:

Thirty (30) days after the conclusion of the meeting of creditors.

Filing of Plan, Hearing on Confirmation of Plan, Other Confirmation/Objection Deadlines

The debtor has filed a plan. The plan is enclosed. The debtor is responsible for providing appropriate service under Fed.R.Bankr.P. 7004 and 9014, if applicable. The hearing on confirmation will be held:

Date: 6/9/11, Time: 09:00 AM, Location: Byron Rogers U.S. Courthouse, 1929 Stout St. - Courtroom C203, Denver, CO 80294, Fifth Floor Custom House, 721 19th St., Denver, CO 80202, unless a written objection is filed, the plan may be confirmed as unopposed upon the filing of a Verification of Confirmable Plan pursuant to Local Bankruptcy Rule (L.B.R.) 3015-1.

The last day to file an *objection* to the plan is *three court days* before the date of the first scheduled meeting of creditors, pursuant to Fed.R.Bankr.P. 2002(b) and 9006(c) and L.B.R. 3015-1. Objections to the plan must comply with L.B.R. 3015-1 and shall clearly specify the grounds upon which they are based, including the citation of supporting legal authority, if any. General objections will not be considered by the Court. If objections are filed, objecting parties and the debtor may receive supplemental hearing notice from the Judge assigned to this case regarding whether the hearing on confirmation will be telephonic or conducted in person, if an objecting party and the debtor do not receive additional information, they should appear in person on the hearing date.

Parties objecting to confirmation and the debtor are obligated to meet and confer no later than seven days prior to the hearing on confirmation, pursuant to L.B.R. 3015-1.

Creditors May Not Take Certain Actions:

In most instances, the filing of the bankruptcy case automatically stays certain collection and other actions against the debtor, the debtor's property, and certain codebtors. Under certain circumstances, the stay may be limited to 30 days or not exist at all, although the debtor can request the court to extend or impose a stay. If you attempt to collect a debt or take other action in violation of the Bankruptcy Code, you may be penalized. Consult a lawyer to determine your rights in this case.

United States Bankruptcy Court
District of Colorado

IN RE:

Irwin, Diane E.

Case No. _____

Chapter 13

Debtor(s)

CHAPTER 13 PLAN
INCLUDING VALUATION OF COLLATERAL
AND CLASSIFICATION OF CLAIMS

CHAPTER 13 PLAN: This chapter 13 plan dated April 4, 2011 supersedes all previously filed plans.

NOTICE TO CREDITORS: THIS PLAN MAY MODIFY YOUR RIGHTS. If you oppose any provision of the plan you must file an objection with the bankruptcy court by the deadline fixed by the court. (Applicable deadlines given by separate notice.) If you do not file a timely objection, you will be deemed to have accepted the terms of the plan, which may be confirmed without further notice or hearing.

MOTIONS FOR VALUATION OF COLLATERAL AND DETERMINATION OF SECURED STATUS UNDER 11 U.S.C. § 506 (Check any applicable box(s)):

This plan contains a motion for valuation of *personal property* collateral and determination of secured status under 11 U.S.C. § 506.

The debtor is requesting a valuation of *real property* collateral and determination of secured status under 11 U.S.C. § 506 by separate motion filed contemporaneously with this plan.

or

This plan contains a provision modifying the value of *real property* collateral under 11 U.S.C. § 506 in accordance with a previously filed motion or a prior order of this Court. List the date of any previously filed motions, the status of the motions (granted, objections pending, objections resolved) and any corresponding docket numbers:

SECURED CLAIMS SUBJECT TO VALUATION OF COLLATERAL AND DETERMINATION OF SECURED STATUS UNDER 11 U.S.C. § 506 (additional detail must be provided at Part IV of the plan):

Name of Creditor	Description of Collateral (pursuant to L.B.R. 3012-1)
HSEC Mortgage Services	Property Located at 3737 W. 25th st. Denver, CO. 80211

I. BACKGROUND INFORMATION

A. Prior bankruptcies pending within one year of the petition date for this case:

Case Number & Chapter	Discharge or Dismissal / Conversion	Date
None		

B. The debtor(s): is eligible for a discharge; or
 is not eligible for a discharge and is not seeking a discharge.

C. Prior states of domicile: within 730 days N/A
within 910 days N/A.

The debtor is claiming exemptions available in the state of Colorado or federal exemptions.

D. The debtor owes or anticipates owing a Domestic Support Obligation as defined in 11 U.S.C. § 101(14A). Notice will/should be provided to these parties in interest:

1. Spouse/Parent N/A
2. Government N/A

INSTRUCTION REQUIRED BY 11 U.S.C. § 1328(g)(1).

B. Debtor agrees to make payments under the Plan as follows:

- DIRECT PAYMENT: From Debtor to Trustee
 VOLUNTARY WAGE ASSIGNMENT TO EMPLOYER:

IV. CLASSIFICATION AND TREATMENT OF CLAIMS

CREDITOR RIGHTS MAY BE AFFECTED. A WRITTEN OBJECTION MUST BE FILED IN ORDER TO CONTEST THE TERMS OF THIS PLAN. CREDITORS OTHER THAN THOSE IN CLASS TWO A AND CLASS THREE MUST FILE TIMELY PROOFS OF CLAIM IN ORDER TO RECEIVE THE APPLICABLE PAYMENTS.

A. Class One – Claims entitled to priority under 11 U.S.C. § 507. Unless other provision is made in paragraph V.(C), each creditor in Class One shall be paid in full in deferred cash payments prior to the commencement of distributions to any other class (except that the payments to the Trustee shall be made by deduction from each payment made by the debtor to the Trustee) as follows:

1. Allowed administrative expenses

- (a) Trustee's compensation of (10% of amounts paid by debtor under Plan) \$ 3,000
- (b) Attorney's Fees (estimated and subject to allowance) \$ 4,705
- (c) Attorney's Costs (estimated and subject to allowance) \$ 100

2. Other priority claims to be paid in the order of distribution provided by 11 U.S.C. § 507 (if none, indicate) \$ 0

- a. Domestic Support Obligations: **A proof of claim must be timely filed in order for the Trustee to distribute amounts provided by the plan.**
 - Priority support arrearage: Debtor owes past due support to _____ in the total amount of \$ _____ that will be paid as follows:
 - Distributed by the Trustee pursuant to the terms of the Plan; or
 - Debtor is making monthly payments via a wage order or directly (reflected on Schedule I or J) in the amount of \$ _____ to _____. Of that monthly amount, \$ _____ is for current support payments and \$ _____ is to pay the arrearage.
 - Other: For the duration of the plan, during the anniversary month of confirmation, the debtor shall file with the Court and submit to the Trustee an update of the required information regarding Domestic Support Obligations and the status of required payments.
- b. Federal Taxes \$ 0
- c. State Taxes \$ 0
- d. Other Taxes (describe): None \$ 0
- e. Other Class One Claims (if any) (describe): None \$ 0

B. Class Two – Defaults

1. Class Two A (if none, indicate) – Claims set forth below are secured only by an interest in real property that is the debtor's principal residence located at Property Located at 3737 W. 25th st. Denver, CO. 80211. Defaults shall be cured and regular payments shall be made:

None

Creditor	Total Default Amount to be Cured ¹	Interest Rate	Total Amount to Cure Arrearage	No. of Months to Cure	Regular Payment per month to be Made Directly to Creditor	Date of First Payment
Chase Manhattan Mortgage	22,000	0.00%	22,000	50	1,849	05/01/2011

2. Class Two B (if none, indicate) – Pursuant to 11 U.S.C. § 1322(b)(5), secured (other than claims secured only by an interest in real property that is the debtor's principal residence) or unsecured claims set forth below on which the last payment is due after the date on which the final payment under the Plan is due. Defaults shall be cured and regular payments shall be made:

None

Creditor	Collateral	Total Default	Interest Rate	Total Amount to	No. of Months to	Regular Payment per	Date of First
----------	------------	---------------	---------------	-----------------	------------------	---------------------	---------------

¹ The lesser of this amount or the amount specified in the Proof of Claim

claimant of record respond. Debtor shall serve the Motion and Notice upon the Chapter 13 trustee, the claimant of record and the claimant's counsel.

B. If the claimant of record objects to the Motion to Deem Pre-Petition Arrears Cured, it shall file with its objection a statement of the outstanding pre-petition arrears or an offer payment to be paid through the Chapter 13 Plan, including attorneys' fees and costs with supporting documentation.

C. If the claimant of record does not object, the court shall enter an order that all pre-petition amounts required by the underlying agreement and applicable non-bankruptcy law in connection with the security interest have been paid in accordance with the Chapter 13 Plan and as of the date of the Motion to Deem Pre-Petition Arrears Cured was filed.

8. MOTION TO DEEM LOAN CURRENT

A. Prior to discharge, the debtor may file a Verified Motion to Deem Loan Current and a Notice of Opportunity for Hearing pursuant to L.B.R. 202. The Notice shall provide 30 days, plus three days for mailing, for the claimant of record to respond. Debtor shall serve the Motion and Notice upon the claimant of record, claimants' counsel, last known servicer and the trustee.

B. If the claimant of record or the Trustee, should Trustee, pay post-petition amounts pursuant to the plan, objects to the Motion to Deem Loan Current, it shall file with its objection a statement of past due amounts, including attorney's fees and costs with supporting documentation.

C. If the claimant of record does not object, the court shall enter an order that all post-petition amounts required by the underlying agreement and applicable non-bankruptcy law in connection with the security interest have been paid as of the date of the Verified Motion to Deem Loan Current was filed.

9. COMPLIANCE WITH SECTION 524(i):

A. For purposes of establishing a cause of action under 11 U.S.C. 524(i), confirmation of the plan shall impose a duty on the holders and/or servicers of claims secured by liens on real property to:

1. Apply the payments received from the trustee to the pre-petition arrearages, if any, and only to such arrearages unless the confirmed plan states otherwise;

2. To apply the post-petition mortgage payments, whether paid by the trustee or paid directly by the debtor(s) to the oldest, post-petition month due, whether such payments are immediately applied to the loan or placed into some type of suspense account;

3. To notify the debtor(s) of any changes in the interest rate for an adjustable rate mortgage which result in changes in the monthly payment and the effective date of the adjustment;

4. to notify the debtor(s) of any change that would either increase or reduce the escrow portion of the monthly mortgage payment, the resulting changes in the monthly payment and the effective date of the adjustment.

B. For purposes of bankruptcy accounting and Regulation X of RESPA the pre-petition arrears will be treated as current, subject to and contingent on completion of the plan, so as to preclude imposition of any default-related fees and services based solely on any pre-petition default. This obligation will have no force or effect if the case is dismissed or converted.

10. The Bankruptcy Court shall retain jurisdiction to adjudicate any post-petition charges and/or fees which the holder and/or servicer of the claims secured by the liens on real property avers to have accrued since the filing of Debtor(s) voluntary petition and during the term of the plan, if the property is retained by the Debtor(s).

VI. REVESTMENT OF PROPERTY IN DEBTOR

All Property of the estate shall vest in the debtor at the time of confirmation of this Plan.

VII. INSURANCE

Insurance in an amount to protect liens of creditors holding secured claims is currently in effect and will will not (check one) be obtained and kept in force throughout the period of the Plan.

Applicable policies will be endorsed to provide a clause making the applicable creditor a loss payee of the policy.

VIII. POST-CONFIRMATION MODIFICATION

The debtor must file and serve upon all parties in interest a modified plan which will provide for allowed priority and allowed secured claims which were not filed and/or liquidated at the time of confirmation. The value of property to satisfy 11 U.S.C. § 1325(a)(4) may be increased or reduced with the modification if appropriate. The modification will be filed no later than one year after the petition date. Failure of the debtor to file the modification may be grounds for dismissal.

Dated: April 4, 2011

/s/ Larry D. Brown
Signature of Attorney

Larry D. Brown 17409
L. D. Brown PC

/s/ Diane E. Irwin
Signature of Debtor

Signature of Spouse (if applicable)

Page 6

Financial History

9. Operating Account: First National Bank Trinidad, 100 E. Main St., Trinidad, CO 81082, 719-846-9881, Account Number [REDACTED]

10. Promissory Note from Dixon Schafer, PO Box 13 Weston, CO, 81091, 719-868-0043, no loan number, loan amount \$100,000.00, term 5 years zero interest, acquired 09/01/2014, date due 09/30/2019.

Business Lease

THIS LEASE, made and entered into this 1st day of October, 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 1st day of October, 2014 until the 30th day of September, 2015, 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 October, 2014 and continuing on the first day of each month thereafter during the term of this lease, Lessee shall pay to Lessor the sum of, \$800.00 per month through the 30th day of September, 2015 in advance, for the rental of said leased premises. Lessee shall pay rent, together with all adjustments and other charges hereunder, at TLC Real Estate Services 404 E. Main St, Trinidad, CO 81082. Terms and conditions to be agreed to thereafter, per year.

2. SECURITY DEPOSIT. The security deposit of \$ 800.00 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 actions the individual cost of which exceeds \$200.00) shall be made to the leased premises without the prior approval of the Lessor, which shall not be unreasonably withheld. Upon termination of this lease, for any reason, all improvements constructed or installed by Lessee shall remain a part of the leased premises and the property of Lessor;

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. Lessor 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 there of 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 October 1, 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;

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 of 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. License and Location approval by the City of Trinidad to Lessee. Concurrent with City and State License term.
- 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.



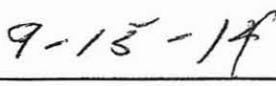
William Kancilia Lessor



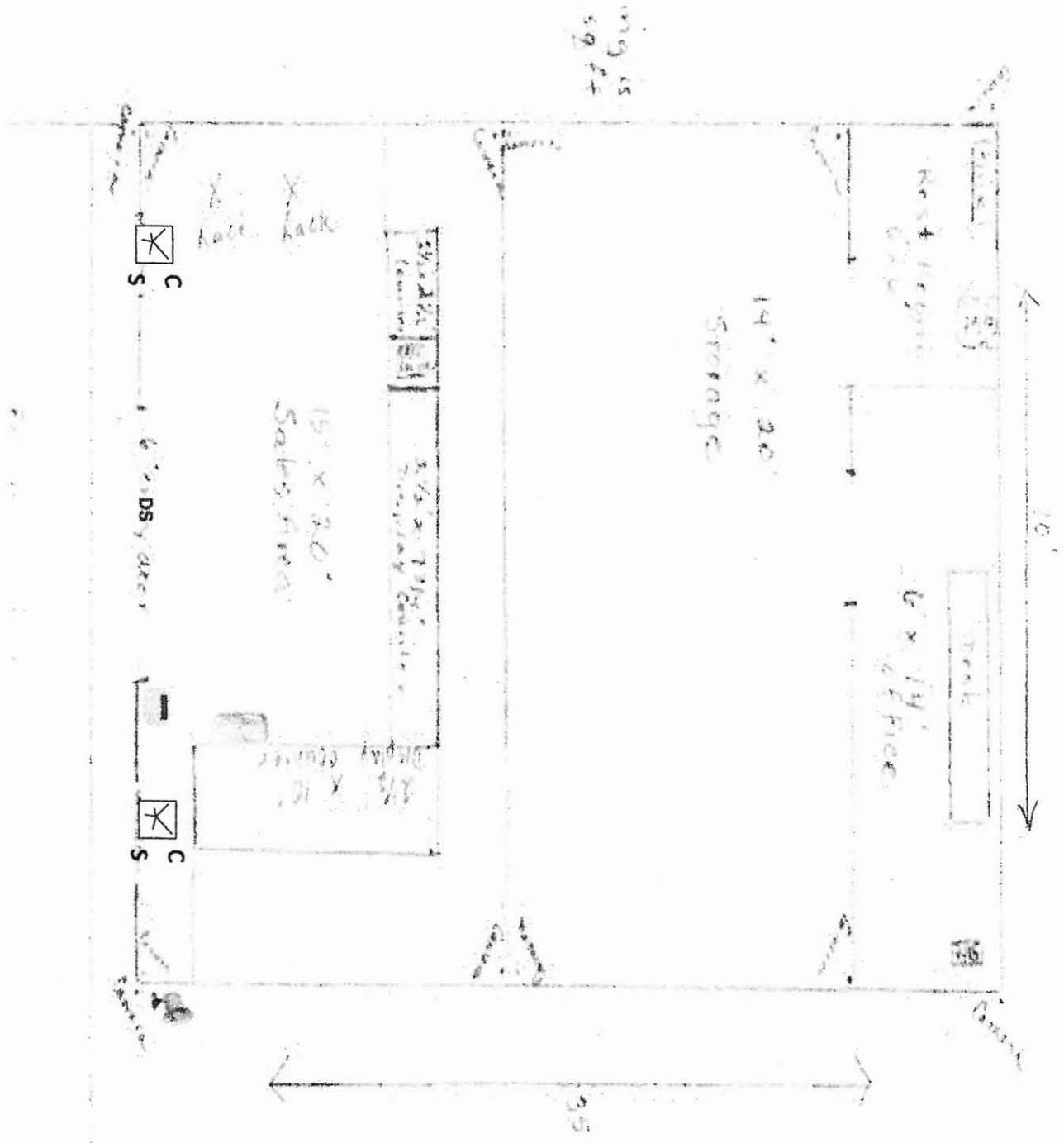
Date

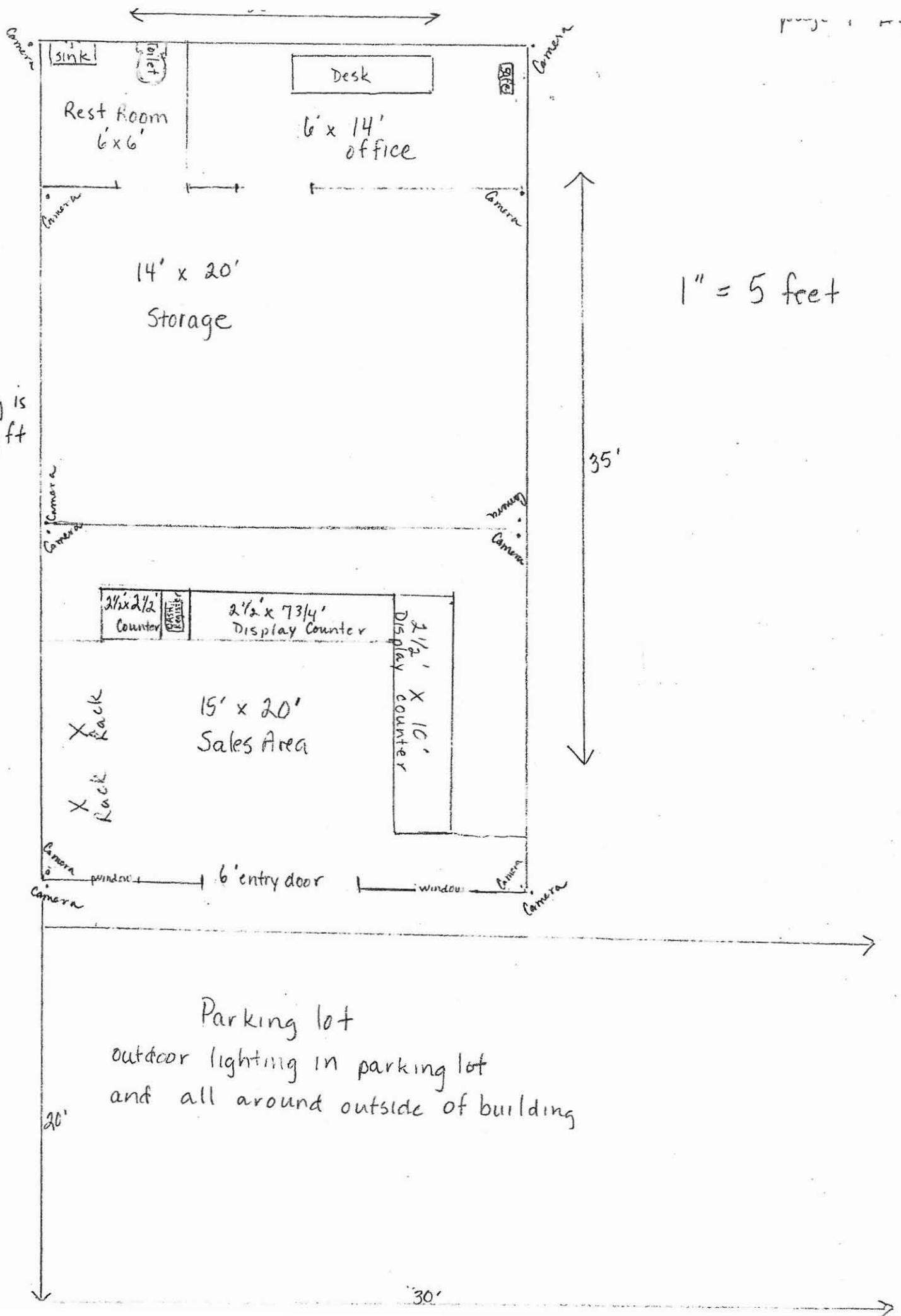


Daryl C. DeMarco Lessee



Date





PROMISSORY NOTE

Borrowers: Daryl DeMarco dba Southern Colorado Therapeutics of 1505 Santa Fe Trail Dr, Trinidad, CO, 81091 and Diane Irwin dba Southern Colorado Therapeutics of 63003 CR CC, Moffet, CO, 81143 (collectively and individually the "Borrower")

Lender: Dixon Schafer of PO Box 13 [REDACTED] Weston, CO, 81091 (the "Lender")

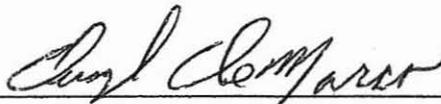
Principal Amount: \$100,000.00 USD

1. FOR VALUE RECEIVED, The Borrower promises to pay to the Lender at such address as may be provided in writing to the Borrower, the principal sum of \$100,000.00 USD, without interest payable on the unpaid principal.
2. This Note will be repaid in full on September 30th, 2019.
3. At any time while not in default under this Note, the Borrower may pay the outstanding balance then owing under this Note to the Lender without further bonus or penalty.
4. Notwithstanding anything to the contrary in this Note, if the Borrower defaults in the performance of any obligation under this Note, then the Lender may declare the principal amount owing and interest due under this Note at that time to be immediately due and payable.
5. All costs, expenses and expenditures including, and without limitation, the complete legal costs incurred by the Lender in enforcing this Note as a result of any default by the Borrower, will be added to the principal then outstanding and will immediately be paid by the Borrower.
6. If any term, covenant, condition or provision of this Note is held by a court of competent jurisdiction to be invalid, void or unenforceable, it is the parties' intent that such provision be reduced in scope by the court only to the extent deemed necessary by that court to render the provision reasonable and enforceable and the remainder of the provisions of this Note will in no way be affected, impaired or invalidated as a result.
7. This Note will be construed in accordance with and governed by the laws of the State of Colorado.

8. This Note will enure to the benefit of and be binding upon the respective heirs, executors, administrators, successors and assigns of the Borrower and the Lender. The Borrower waives presentment for payment, notice of non-payment, protest and notice of protest.

IN WITNESS WHEREOF the parties have duly affixed their signatures under seal on this 1st day of September, 2014.

SIGNED, SEALED, AND DELIVERED
this 1st day of September, 2014.

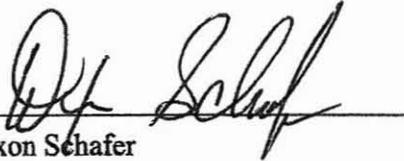


Daryl DeMarco dba Southern Colorado
Therapeutics



Diane Irwin dba Southern Colorado Therapeutics

SIGNED, SEALED, AND DELIVERED
this 1st day of September, 2014.



Dixon Schafer

MERCHANTS
BONDING COMPANY™

MERCHANTS BONDING COMPANY (MUTUAL) • MERCHANTS NATIONAL BONDING, INC.
2100 FLEUR DRIVE • DES MOINES, IOWA 50321-1158 • (800) 678-8171 • (515) 243-3834 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.



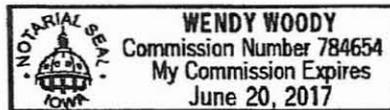
MERCHANTS BONDING COMPANY (MUTUAL)
MERCHANTS NATIONAL BONDING, INC.

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 13 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 13 day of August



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.

Merchants Bonding Company (Mutual)

Dated this 12th day of September, 2014.

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

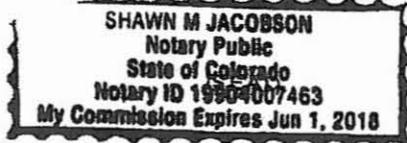
ACKNOWLEDGMENT OF SURETY

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
My commission expires: 6/1/18

MERCHANTS
BONDING COMPANY, INC.
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.



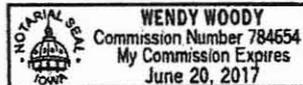
MERCHANTS BONDING COMPANY (MUTUAL)
MERCHANTS NATIONAL BONDING, INC.

By *Larry Taylor*
President

STATE OF IOWA
COUNTY OF POLK ss.

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 12th day of September, 2014.



William Warner Jr.
Secretary

POA 0014 (7/14)

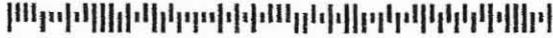
STATE CITY
COLORADO Trinidad

Must collect
taxes for:
**SALES TAX
LICENSE**

USE ACCOUNT NUMBER for all references	LIABILITY INFORMATION				ISSUE DATE			LICENSE VALID TO DECEMBER 31	
	county	city	industry type	liability date	month	day	year		
24454042-0000	05	0102	017	I	100114	Jul	10	14	2015

THIS LICENSE MUST BE POSTED AT THE FOLLOWING LOCATION
IN A CONSPICUOUS PLACE: Southern Colorado Therape
1500 Santa Fe Trl Trinidad CO 81082-3602

**THIS LICENSE IS NOT
TRANSFERABLE**



SOUTHERN COLORADO THERAPEUTICS
ATTN: DARYL DEMARCO
PO BOX 14
WESTON CO 81091-0014

Executive Director
Department of Revenue

▲ Detach Here ▲

Letter Id: L0030422208

Important Verification Process

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

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

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

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

Now click on: **Enter Taxpayer Information**. Click on the down arrow in the Account Type list and select Other. Use the first 8-digits of the account number shown on your license. Complete the rest of the screen.

Next click on: **Enter Login Information** and complete the screen (this is information YOU get to create for the account).

Next click on: **Enter Account Information** and complete the screen.

Your Letter ID is: L0030422208

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

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

Filing Returns

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

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

City Board
attest



confirm for mailing... 1329469184



CITY OF TRINIDAD, COLORADO
1876

COUNCIL COMMUNICATION

CITY COUNCIL MEETING: December 16, 2014
PREPARED BY: Audra Garrett, ACM/City Clerk
DEPT. HEAD SIGNATURE: *Audra Garrett*

7a

SUBJECT: Second reading of an ordinance appropriating certain sums of money out of the revenues of the City of Trinidad, Colorado, to defray and meet the liabilities of the City of Trinidad for the fiscal year beginning January 1, 2015 and ending December 31, 2015; said ordinance being termed the annual appropriation bill for the 2015 fiscal year

PRESENTER: Audra Garrett, ACM/City Clerk

RECOMMENDED CITY COUNCIL ACTION: Approve the ordinance on second reading to formally adopt the budget

SUMMARY STATEMENT: Statutory and Charter requirements being met by setting the budget for the ensuing fiscal year

EXPENDITURE REQUIRED: Yes

SOURCE OF FUNDS: All funds

POLICY ISSUE: Set the annual budget

ALTERNATIVE: N/A

BACKGROUND INFORMATION:

The City has met each requirement set forth in the Charter to prepare the 2015 Annual Budget. Much work and attention has gone into the budget. The budget needs to be set by ordinance.

7a



ORDINANCE NO.

AN ORDINANCE APPROPRIATING CERTAIN SUMS OF MONEY OUT OF THE REVENUES OF THE CITY OF TRINIDAD, COLORADO, TO DEFRAY AND MEET THE LIABILITIES OF THE CITY OF TRINIDAD FOR THE FISCAL YEAR BEGINNING JANUARY 1, 2015 AND ENDING DECEMBER 31, 2015; SAID ORDINANCE BEING TERMED THE ANNUAL APPROPRIATION BILL FOR THE 2015 FISCAL YEAR

WHEREAS, in order to defray all expenses and liabilities for the fiscal year beginning January 1, 2015, and ending December 31, 2015, it is deemed necessary by the City Council of the City of Trinidad to appropriate the sums of money hereinafter set out.

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

Section 1: That the following sums of money be and the same are hereby appropriated out of the revenues of the City of Trinidad, Colorado, for the object and purpose as specified immediately preceding each sum to defray the expenses and meet the liabilities of the City of Trinidad, Colorado, for the fiscal year beginning January 1, 2015 and ending December 31, 2015, in accordance with the budget to be adopted by said Council of the City of Trinidad, Colorado, pursuant to and in compliance with Title 31 of the Colorado Revised Statutes of the State of Colorado:

GENERAL FUND

TOTAL EXPENDITURES \$ 9,695,300

POWER AND LIGHT FUND

TOTAL EXPENDITURES \$ 8,615,000

WATER FUND

TOTAL EXPENDITURES \$ 7,908,600

GAS FUND

TOTAL EXPENDITURES \$ 4,411,100

SEWER FUND

TOTAL EXPENDITURES \$ 2,074,200

CAPITAL PROJECTS FUND

TOTAL EXPENDITURES \$ 6,541,900

LOTTERY FUND

TOTAL EXPENDITURES \$ 168,500

TOURISM FUND

TOTAL EXPENDITURES \$ 190,000

TOTAL OF ALL FUND EXPENDITURES \$39,604,600

INTRODUCED BY COUNCILMEMBER BOLTON, READ AND ORDERED
PUBLISHED this 2nd day of December, 2014.

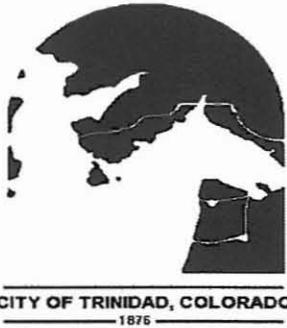
FINALLY PASSED AND APPROVED this 16th day of December, 2014.

EFFECTIVE DATE OF THIS ORDINANCE SHALL BE THE ____ day of December,
2014.

JOSEPH A. REORDA, Mayor

ATTEST:

DONA VALENCICH, Acting City Clerk



COUNCIL COMMUNICATION

Sa

CITY COUNCIL MEETING: December 16, 2014
PREPARED BY: Audra Garrett, ACM/City Clerk
DEPT. HEAD SIGNATURE: *Audra Garrett*

SUBJECT: New Retail Marijuana Store license application filed by Canna Company d/b/a CannaCo at 3019 Toupal Drive

PRESENTER: Les Downs, City Attorney

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 January 20, 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.

Sa



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
[X] New License Application Fee \$2,500.00
[X] License Fee/Renewal Fee \$2,500.00
[] Transfer of Ownership Application Fee \$1,500.00
[] Change of Location \$1,500.00
[] \$1.00 per square foot cultivation fee
[] Expansion of cultivation area @ \$1.00 per square foot charge for that additional area \$
LICENSE TYPE
[X] Marijuana Store
[] Marijuana Product Manufacturing Facility
[] Marijuana Cultivation Facility
[] Marijuana Testing Facility
TYPE OF BUSINESS
[X] Corporation
[] Partnership
[] Individual*
[] Limited Liability Corporation
[] Other
*Sole Proprietorship (Individual) - Verification of Lawful Presence is required per State law (Signed Affidavit and Photo ID)

Applicant (Corporation/LLC) CANNA COMPANY
Applicant (Sole Proprietor)
Trade Name of Establishment (DBA) CANNA CO
Address of Premise 3019 TOUPAL DR TRINIDAD CO 81082
Mailing Address
Telephone 719-680-8087 Email Address JOSH@CANNA.CO.COM
Contact Person/Manager JOSH BLEEM Title GENERAL MANAGER
Telephone 719-680-8087 Email Address JOSH@CANNA.CO.COM

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 [X] Lease [] Other (explain in detail)

R12/5/14

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

Landlord	Tenant	Expires
<u>JOHN HE MARCIA M. LACKEY TRUST</u>	<u>CANNA COMPANY</u>	<u>MAR 15, 2018</u>

**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 *SEE APPENDIX E, STATE APPLICATION*
3. Conditional Use Permit approval *YES - CANNA CO*
4. Copy of alarm system contract *LETTER OF INTENT TO EXECUTE PENDING OCCUPANCY*
5. Copy of state sales tax license *SEE APPENDIX A, STATE APPLICATION*
6. Certificate of Good Standing *SEE APPENDIX A, STATE APPLICATION*
7. Affidavit of Lawful Presence (Sole Proprietors only)
8. Diagram of Premises: *SEE APPENDIX F, STATE APPLICATION*
 - 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 *SEE ATTACHED, SUBMITTED OCT 20, 2014*

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

1. Name: CYNTHIA L. GENOVA Title: CHAIR WOMAN
Address: 500 GARRISON ST LAKEWOOD CO 80226
Financial Interest: 100% OWNERSHIP, COMMON STOCK

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

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: Cynthia L. Genova Title: CHAIR WOMAN
(Must be signed by Individual Owner, Partner, or Officer)

Printed Name: CYNTHIA L. GENOVA Date: 12/4/2014

STORE



City of Trinidad, Colorado
1878

**CITY OF TRINIDAD, COLORADO
OFFICE OF THE CITY CLERK**

**LICENSEE'S STATEMENT REGARDING KNOWLEDGE
OF THE STATE OF COLORADO'S RETAIL MARIJUANA CODES AND
REGULATIONS AND THE CITY OF TRINIDAD'S ORDINANCES AND LOCAL
RULES OF PROCEDURE GOVERNING RETAIL MARIJUANA BUSINESSES**

The Local Licensing Authority, as the enforcement agency for the for the City of Trinidad, expects a Retail Marijuana Business licensee to be knowledgeable of the State of Colorado's and the City of Trinidad's Retail Marijuana laws, codes, regulations and ordinances and to seek further clarification of such information if necessary.

I, CANNA COMPANY, hereby state that I have read Article 43.4 of Title 12, C.R.S., as amended, and the regulations promulgated thereunder, and the City of Trinidad Municipal Code regarding general business licensing and Retail Marijuana business licensing and understand the contents thereof.

CANNA COMPANY
Printed Name of Licensee

Cynthia K. Lewis, Chairwoman
Authorized Signature of Licensee/Title

12/5/14
Date

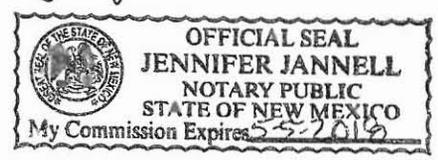
STATE OF New Mexico)
COUNTY OF Colfax)

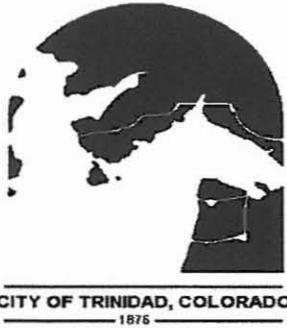
ss.

Subscribed and sworn to before me this 5 day of December, 2014.

Jennifer Jannell
Notary Public Signature

My Commission Expires: 5-5-2019





COUNCIL COMMUNICATION

8b

CITY COUNCIL MEETING: December 16, 2014
PREPARED BY: Audra Garrett, ACM/City Clerk
DEPT. HEAD SIGNATURE: *Audra Garrett*

SUBJECT: New Retail Marijuana Cultivation Facility license application filed by Canna Company d/b/a CannaCo at 3019 Toupal Drive

PRESENTER: Les Downs, City Attorney

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 January 20, 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.

8b



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 checked="" type="checkbox"/> \$1.00 per square foot cultivation fee	<u>5000</u>	Square feet = \$ <u>5000.00</u>
<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 type="checkbox"/> Marijuana Product Manufacturing Facility	
<input checked="" 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 CANNA COMPANY
 (Corporation/LLC)
 Applicant _____
 (Sole Proprietor) First Name Middle Initial Last Name

Trade Name of Establishment (DBA) CANNA Co

Address of Premise 3019 FOUPAL DR TRINIDAD CO 81082

Mailing Address _____

Telephone 719-680-8087 Email Address JOSH @ CANNA.CO.COM

Contact Person/Manager JOSH BLEEM Title GENERAL MANAGER

Telephone 719-680-8087 Email Address JOSH @ CANNA.CO.COM

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)

R 12/5/14

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

Landlord	Tenant	Expires
<u>JOHN & MARCIA M. LACKEY TRUST</u>	<u>CANNA COMPANY</u>	<u>MAR 15, 2018</u>

**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 *SEE APPENDIX E, STATE APPLICATION*
3. Conditional Use Permit approval *YES - CANNA CO*
4. Copy of alarm system contract *LETTER OF INTENT TO EXECUTE PENDING OCCUPANCY*
5. Copy of state sales tax license *SEE APPENDIX A, STATE APPLICATION*
6. Certificate of Good Standing *SEE APPENDIX A, STATE APPLICATION*
7. Affidavit of Lawful Presence (Sole Proprietors only)
8. Diagram of Premises: *SEE APPENDIX F, STATE APPLICATION*
 - 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 *SEE ATTACHED, SUBMITTED OCT 20, 2014*

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

1. Name: CYNTHIA L. GENOVA Title: CHAIR WOMAN
Address: [REDACTED] LAKEWOOD CO 80226
Financial Interest: 100% OWNERSHIP, COMMON STOCK

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

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: Cynthia L. Genova Title: CHAIR WOMAN
(Must be signed by Individual Owner, Partner, or Officer)

Printed Name: CYNTHIA L. GENOVA Date: 12/4/2014



City of Trinidad, Colorado
1871

**CITY OF TRINIDAD, COLORADO
OFFICE OF THE CITY CLERK**

**LICENSEE'S STATEMENT REGARDING KNOWLEDGE
OF THE STATE OF COLORADO'S RETAIL MARIJUANA CODES AND
REGULATIONS AND THE CITY OF TRINIDAD'S ORDINANCES AND LOCAL
RULES OF PROCEDURE GOVERNING RETAIL MARIJUANA BUSINESSES**

The Local Licensing Authority, as the enforcement agency for the for the City of Trinidad, expects a Retail Marijuana Business licensee to be knowledgeable of the State of Colorado's and the City of Trinidad's Retail Marijuana laws, codes, regulations and ordinances and to seek further clarification of such information if necessary.

I, CANNA COMPANY, hereby state that I have read Article 43.4 of Title 12, C.R.S., as amended, and the regulations promulgated thereunder, and the City of Trinidad Municipal Code regarding general business licensing and Retail Marijuana business licensing and understand the contents thereof.

CANNA COMPANY
Printed Name of Licensee

Cynthia Genova, Chairwoman
Authorized Signature of Licensee/Title

12/5/14
Date

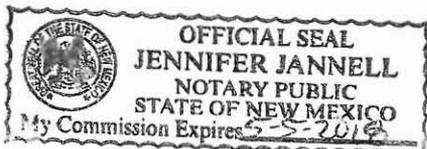
STATE OF New Mexico,
COUNTY OF Colfax)

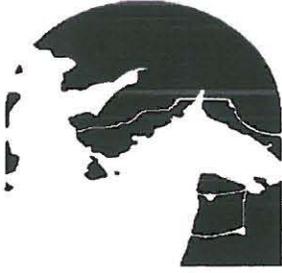
ss.

Subscribed and sworn to before me this 5 day of December, 2014.

Jennifer Jannell
Notary Public Signature

My Commission Expires: 5-5-2018





CITY OF TRINIDAD, COLORADO
1876

COUNCIL COMMUNICATION

CITY COUNCIL MEETING: December 16, 2014
PREPARED BY: Audra Garrett, Acting City Mngr
DEPT. HEAD SIGNATURE: *Audra Garrett*

SUBJECT: Modification of premises request by Rino's Restaurant, LLC d/b/a Rino's Restaurant at 400 E. Main Street

PRESENTER: Rino's Restaurant, LLC representative

RECOMMENDED CITY COUNCIL ACTION: Consider approval of the modification as requested

SUMMARY STATEMENT: N/A

EXPENDITURE REQUIRED: No

SOURCE OF FUNDS: N/A

POLICY ISSUE: N/A

ALTERNATIVE: N/A

BACKGROUND INFORMATION:

- The application is in order. The licensee seeks to add a small bar to the main dining floor.
- The Fire Chief indicates approval.
- The Building Inspector report will be handed out.
- The Police Chief reported no concerns.
- Disclosure statements provided by Council members Miles and Torres are attached.
- Appropriate fee has been paid.

PERMIT APPLICATION AND REPORT OF CHANGES

CURRENT LICENSE NUMBER 2849390000
ALL ANSWERS MUST BE PRINTED IN BLACK INK OR TYPEWRITTEN
LOCAL LICENSE FEE \$ _____
APPLICANT SHOULD OBTAIN A COLORADO LIQUOR & BEER CODE BOOK TO ORDER CALL (303) 370-2165

1. Applicant is a

Corporation Individual

Partnership Limited Liability Company

PRESENT LICENSE NUMBER
2849390000

2. Name of Licensee RINO'S RESTAURANT, LLC 3. Trade Name RINO'S RESTAURANT

4. Location Address
400 E. MAIN ST.

City TRINIDAD, CO. County LAS ANIMAS ZIP 81082

SELECT THE APPROPRIATE SECTION BELOW AND PROCEED TO THE INSTRUCTIONS ON PAGE 2.

Section A - Manager reg/change	Section C
<p>• License Account No. _____</p> <p>1983-750 (999) <input type="checkbox"/> Manager's Registration (Hotel & Restr.)...\$75.00</p> <p>2012-750 (999) <input type="checkbox"/> Manager's Registration (Tavern).....\$75.00</p> <p><input type="checkbox"/> Change of Manager (Other Licenses) NO FEE</p>	<p>2210-100 (999) <input type="checkbox"/> Retail Warehouse Storage Permit (ea) \$100.00</p> <p>2200-100 (999) <input type="checkbox"/> Wholesale Branch House Permit (ea).... 100.00</p> <p>2260-100 (999) <input type="checkbox"/> Change Corp. or Trade Name Permit (ea) .50.00</p> <p>2230-100 (999) <input type="checkbox"/> Change Location Permit (ea)..... 150.00</p> <p>2280-100 (999) <input checked="" type="checkbox"/> Change, Alter or Modify Premises \$150.00 x <u>1</u> Total Fee <u>150.00</u></p> <p>2220-100 (999) <input type="checkbox"/> Addition of Optional Premises to Existing H/R \$100.00 x _____ Total Fee _____</p> <p>1988-100 (999) <input type="checkbox"/> Addition of Related Facility to Resort Complex \$75.00 x _____ Total Fee _____</p>
Section B - Duplicate license	
<p>• Liquor License No. _____</p> <p>2270-100 (999) <input type="checkbox"/> Duplicate License\$50.00</p>	

DO NOT WRITE IN THIS SPACE - FOR DEPARTMENT OF REVENUE USE ONLY

DATE LICENSE ISSUED	LICENSE ACCOUNT NUMBER	PERIOD

-750 (999)	-100 (999)	<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
------------	------------	--	----------------------------------	-----

INSTRUCTION SHEET

FOR ALL SECTIONS, COMPLETE QUESTIONS 1-4 LOCATED ON PAGE 1

Section A

To Register or Change Managers, check the appropriate box in section A and complete question 8 on page 4. Proceed to the Oath of Applicant for signature (Please note: Hotel, Restaurant, and Tavern licensees are required to register their managers).

Section B

For a Duplicate license, be sure to include the liquor license number in section B on page 1 and proceed to page 4 for Oath of Applicant signature.

Section C

Check the appropriate box in section C and proceed below.

- 1) **For a Retail Warehouse Storage Permit**, go to page 3 complete question 5 (be sure to check the appropriate box). Submit the necessary information and proceed to page 4 for Oath of Applicant signature.
- 2) **For a Wholesale Branch House Permit**, go to page 3 and complete question 5 (be sure to check the appropriate box). Submit the necessary information and proceed to page 4 for Oath of Applicant signature.
- 3) **To Change Trade Name or Corporation Name**, go to page 3 and complete question 6 (be sure to check the appropriate box). Submit the necessary information and proceed to page 4 for Oath of Applicant signature.
- 4) **To modify Premise**, go to page 4 and complete question 9. Submit the necessary information and proceed to page 4 for Oath of Applicant signature.
- 5) **For Optional Premises or Related Facilities** go to page 4 and complete question 9. Submit the necessary information and proceed to page 4 for Oath of Applicant signature.
- 6) **To Change Location**, go to page 3 and complete question 7. Submit the necessary information and proceed to page 4 for Oath of Applicant signature.

STORAGE PERMIT	<p>5. Retail Warehouse Storage Permit or a Wholesalers Branch House Permit</p> <p><input type="checkbox"/> Retail Warehouse Permit for:</p> <p style="margin-left: 20px;"><input type="checkbox"/> On-Premises Licensee (Taverns, Restaurants etc.)</p> <p style="margin-left: 20px;"><input type="checkbox"/> Off-Premises Licensee (Liquor stores)</p> <p><input type="checkbox"/> Wholesalers Branch House Permit</p> <p>Address of storage premise: _____</p> <p>City _____, County _____, Zip _____</p> <p>Attach a deed/ lease or rental agreement for the storage premises. Attach a detailed diagram of the storage premises.</p>	
	<p>6. Change of Trade Name or Corporation Name</p> <p><input type="checkbox"/> Change of Trade name / DBA only</p> <p><input type="checkbox"/> Corporate Name Change (Attach the following supporting documents)</p> <p style="margin-left: 20px;">1. Certificate of Amendment filed with the Secretary of State, or</p> <p style="margin-left: 20px;">2. Statement of Change filed with the Secretary of State, <u>and</u></p> <p style="margin-left: 20px;">3. Minutes of Corporate meeting, Limited Liability Members meeting, Partnership agreement.</p>	
	<p>Old Trade Name</p> <p>Old Corporate Name</p>	<p>New Trade Name</p> <p>New Corporate Name</p>
CHANGE TRADE NAME OR CORPORATE NAME	<p>7. Change of Location</p> <p>NOTE TO RETAIL LICENSEES: An application to change location has a local application fee of \$750 payable to your local licensing authority. You may only change location within the same jurisdiction as the original license that was issued. Pursuant to 12-47-311 (1) C.R.S. Your application must be on file with the local authority thirty (30) days before a public hearing can be held.</p> <p>Date filed with Local Authority _____ Date of Hearing _____</p> <p>(a) Address of current premises _____</p> <p style="margin-left: 20px;">City _____ County _____ Zip _____</p> <p>(b) Address of proposed New Premises (Attach copy of the deed or lease that establishes possession of the premises by the licensee)</p> <p style="margin-left: 20px;">Address _____</p> <p style="margin-left: 20px;">City _____ County _____ Zip _____</p> <p>(c) New mailing address if applicable.</p> <p style="margin-left: 20px;">Address _____</p> <p style="margin-left: 20px;">City _____ County _____ State _____ Zip _____</p> <p>(d) Attach detailed diagram of the premises showing where the alcohol beverages will be stored, served, possessed or consumed. Include kitchen area(s) for hotel and restaurants.</p>	
	CHANGE OF LOCATION	

CHANGE OF MANAGER

8. Change of Manager or to Register the Manager of a Tavern or a Hotel and Restaurant liquor license.

(a) Change of Manager (attach Individual History DR 8404-I H/R and Tavern only)

Former manager's name _____

New manager's name _____

(b) Date of Employment _____

Has manager ever managed a liquor licensed establishment?..... Yes No

Does manager have a financial interest in any other liquor licensed establishment?..... Yes No

If yes, give name and location of establishment _____

MODIFY PREMISES OR ADDITION OF OPTIONAL PREMISES OR RELATED FACILITY

9. Modification of Premises, Addition of an Optional Premises, or Addition of Related Facility

NOTE: Licensees may not modify or add to their licensed premises until approved by state and local authorities.

(a) Describe change proposed Remove 3 TABLES INSTALL SMALL BAR
3-Hole-Sink - Beer coolers, Shelves For liquor

(b) If the modification is temporary, when will the proposed change:

Start _____ (mo/day/year) End _____ (mo/day/year)

NOTE: THE TOTAL STATE FEE FOR TEMPORARY MODIFICATION IS \$300.00

(c) Will the proposed change result in the licensed premises now being located within 500 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 and describe any exemptions that apply) Yes No

(d) Is the proposed change in compliance with local building and zoning laws? Yes No

(e) If this modification is for an additional Hotel and Restaurant Optional Premises or Resort Complex Related Facility, has the local authority authorized by resolution or ordinance the issuance of optional premises? Yes No

(f) Attach a diagram of the current licensed premises and a diagram of the proposed changes for the licensed premises.

(g) 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 <i>Frank Cordova</i>	<i>Rino's Restaurant</i>	Title <i>OWNER</i>	Date <i>12-9-14</i>
-----------------------------------	--------------------------	-----------------------	------------------------

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, Articles 46 and 47, 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

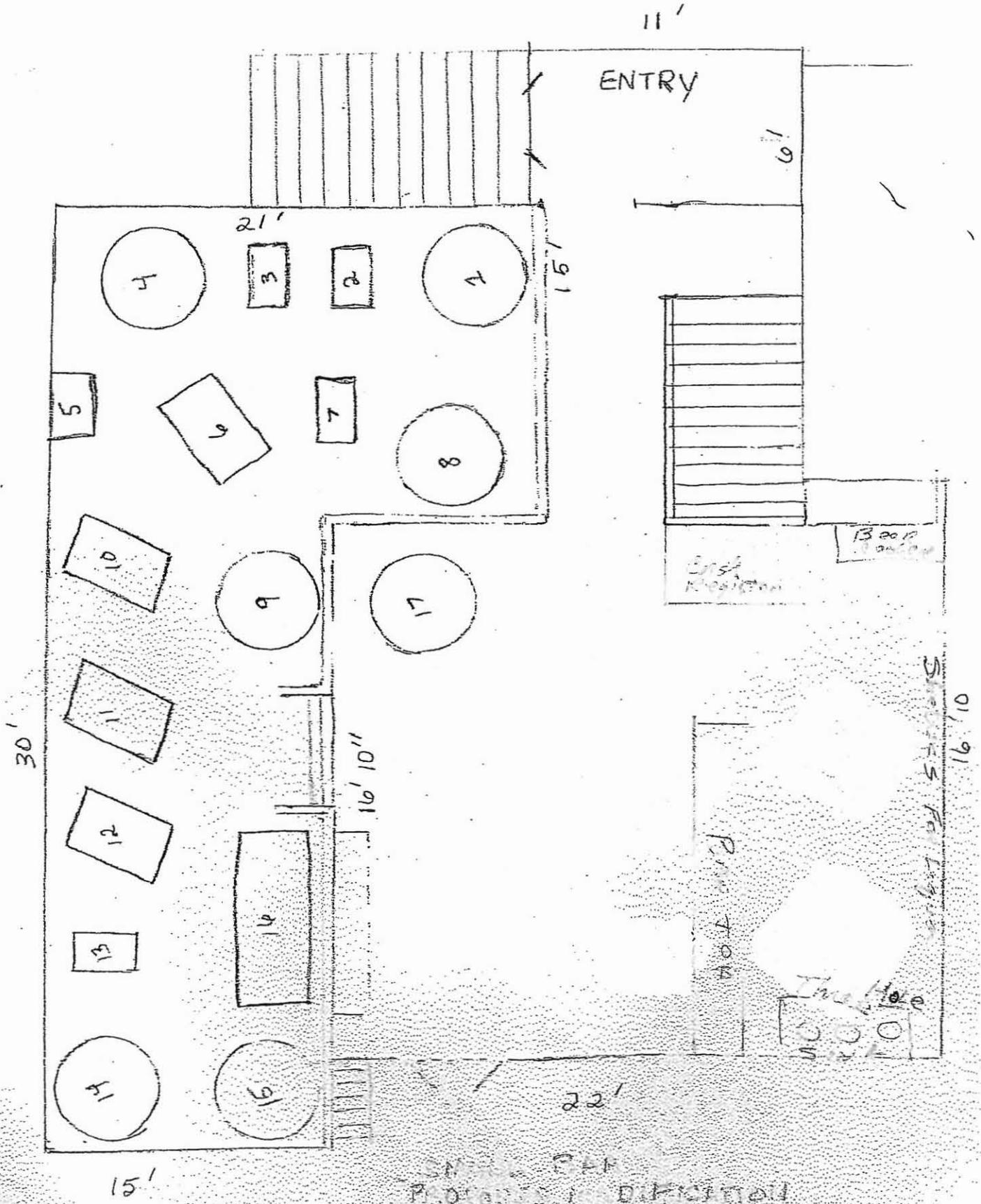
The foregoing has been examined and complies with the filing requirements of Title 12, Article 47, C.R.S., as amended.

Signature	Title	Date
-----------	-------	------

KINUS RESTAURANT

WALNUT AVE

EAST MAIN ST.



SMALL BAR
PROHIBITED DISPOSITION

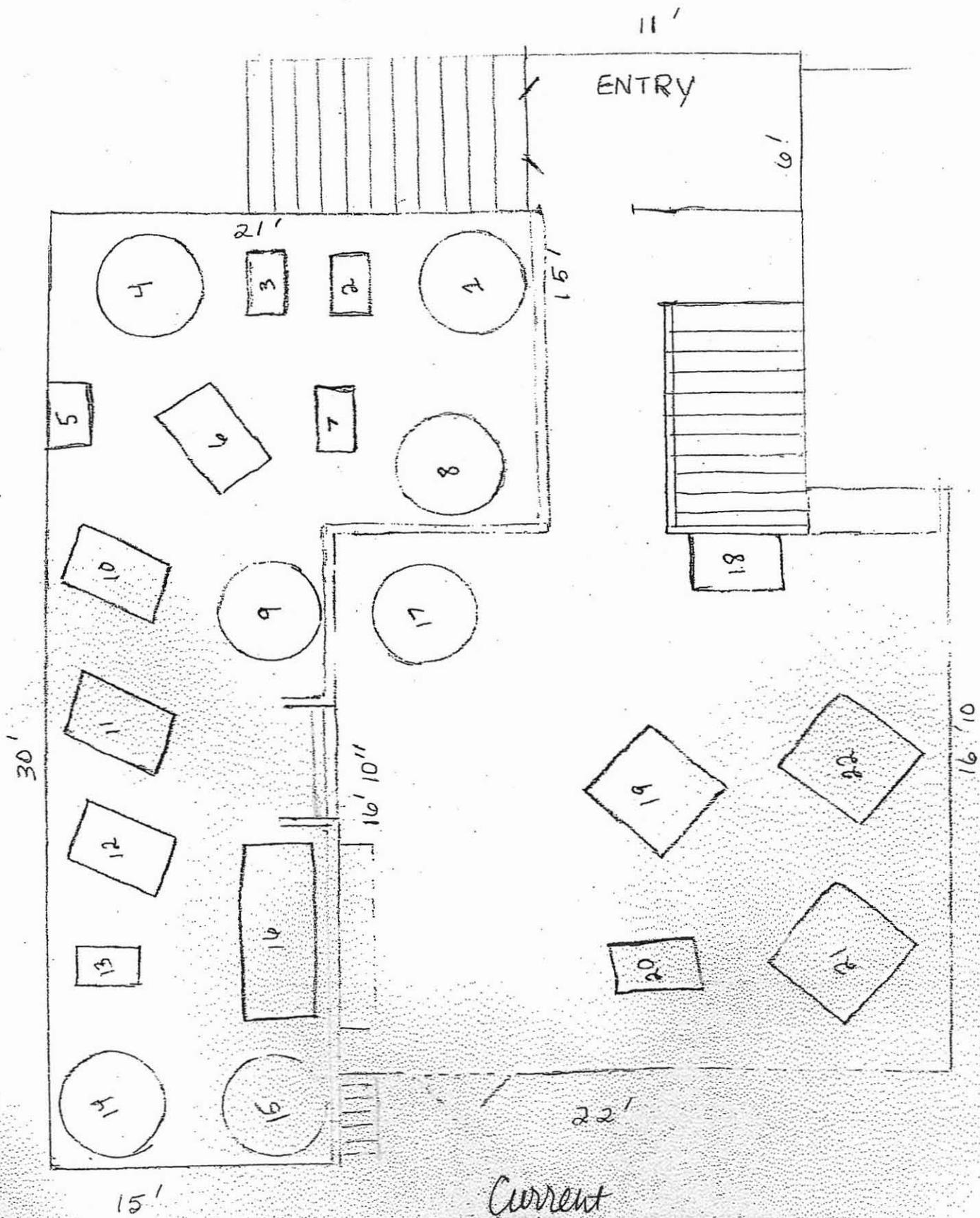
Rino's Restaurant
Licensed Premises

5/16/10
SIGNED BY 5/16/10

KINUS RESTAURANT

WALNUT AVE

EAST MAIN ST.



**Rino's Restaurant
Licensed Premises**

12/9/14

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

Applicant: Rino's Restaurant, LLC

dba: Rino's Restaurant

Address: 400 E. Main Street

Type of License: H&R - Modification of Premises

Renewal Transfer Change of Location New Special Event

FOR CONSIDERATION AT
COUNCIL MEETING DATE: December 16, 2014

DEPARTMENT REVIEW

DEPARTMENT: FIRE / INSPECTION / POLICE / HEALTH DEPARTMENT

COMMENTS: No concerns

12-11-14
Date

Charles J. Harrow
Signature

RETURN TO THE CITY CLERK'S OFFICE BEFORE: December 12, 2014

12/9/14

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

Applicant: Rino's Restaurant, LLC

dba: Rino's Restaurant

Address: 400 E. Main Street

Type of License: H&R – Modification of Premises

Renewal Transfer Change of Location New Special Event

FOR CONSIDERATION AT
COUNCIL MEETING DATE: December 16, 2014

DEPARTMENT REVIEW

DEPARTMENT: FIRE / INSPECTION / POLICE / HEALTH DEPARTMENT

COMMENTS: Approved Modification

12-12-14
Date

[Signature]
Signature

RETURN TO THE CITY CLERK'S OFFICE BEFORE: December 12, 2014

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 Regular Meeting: December 16, 2014

Prepared by: Linda Vigil, December 12, 2014

Dept. Head Signature: *Michael A. Roberts*

of Attachments: 1

Subject: National Public Gas Agency Gas Supply Agreement for Total Requirements

Presenter: Mike Valentine, Public Works/Utilities Director

Recommended City Council Action: Approval of the National Public Gas Agency Gas Supply Agreement for Total Requirements Supply since our current Gas Supply Agreement and Service Schedule agreement expires March 31, 2015.

Summary Statement: In March 2013, the city received advanced notice from NPGA that the Gas Supply Agreement dated March 31, 2009 will be terminated on March 31, 2015. In conjunction with the decision, the NPGA Board of Directors voted to adopt the new standard form agreement for total requirements gas supply for its participants. In addition to the agreement, NPGA is offering to its members either the option to receive a Gas Cost of Service Study or a monthly credit.

Expenditure Required: Yes, monthly purchases of natural gas for Trinidad's Gas Distribution System.

Source of Funds: Gas Budget

Policy Issue:

Alternative:

Background Information: The gas supply agreement provided by NPGA consists of a rolling ten (10) year period to begin on April 1, 2015 thru April 1, 2025 and includes a revised schedule of rates and charges based upon a leveled purchase plan. The purpose of the ten (10) year rolling period contract is to allow NPGA to continuously seek lower gas prices for its pool of gas members to provide equitable sharing of the resulting benefits and costs.

The gas supply agreement includes the transportation charges from Kinder Morgan previously known as Colorado Interstate Gas Company. Finally and in addition to the agreement, NPGA members have the option to participate in a Gas Cost of Service Study or receive a monthly credit. Regardless, NPGA is requesting their members to formally indicate which option they elect to receive.

GAS SUPPLY AGREEMENT FOR TOTAL REQUIREMENTS SUPPLY

between

National Public Gas Agency

and

City of Trinidad, Colorado

THIS GAS SUPPLY AGREEMENT FOR TOTAL REQUIREMENTS SUPPLY ("Agreement") is made and entered into this _____ day of _____, 20____, by and between National Public Gas Agency (formerly Nebraska Public Gas Agency), a public corporation of the State of Nebraska, hereinafter called "NPGA", and the City of Trinidad, Colorado, hereinafter called "Participant".

RECITALS:

1. NPGA has the authority to negotiate for and on behalf of the membership of NPGA or in combination with others for the purchase, distribution, transportation or sale of natural gas and natural gas reserves, or any combination thereof with any entity engaged in the purchase, distribution, transportation or sale of natural gas, whether public or private located within or without the State of Nebraska.

2. Participant owns and operates a distribution system for the distribution and sale of natural gas and for such operations desires a supply of natural gas from NPGA. Participant may operate a gas transportation system.

3. The Parties recognize that it is of the utmost importance to the Participant that its gas distribution facilities be preserved and that the investment in those gas distribution facilities be utilized in the most efficient manner possible in satisfying the Participant's future natural gas needs.

4. The Parties hereto desire to enter into an agreement which will help assure the Participant a supply of firm gas to meet its requirements.

In consideration of the agreements herein contained, the Parties do hereby mutually agree as follows:

ARTICLE I

OBJECTIVES

1.01 The objectives of this Agreement are:

- (a) To provide the means for an adequate natural gas supply for the Participant in conformance with proper standards of reliability.

- (b) To provide the means for optimal use of natural gas distribution and transportation facilities resulting in the efficient use of natural gas resources.
- (c) To attain maximum practicable economy to the Participant and other NPGA participants consistent with proper standards of reliability and to provide for equitable sharing of the resulting benefits and costs.

1.02 In order to attain the objective of this Agreement, the Participant shall observe the applicable provisions of this Agreement in good faith and shall cooperate with all other NPGA participants where possible.

ARTICLE II

TERM OF AGREEMENT

2.01 This Agreement shall be legally binding upon execution by the Parties and approval of the NPGA Board of Directors. Total requirements natural gas service shall begin on April 1, 2015 and will continue in rolling ten (10) year periods as provided below. The term's end date will automatically extend by an additional year on each April 1, beginning April 1, 2016, unless and until terminated as provided in Section 2.02 below (hereinafter, the "Term"). For example, the initial term shall be April 1, 2015 to April 1, 2025, and effective April 1, 2016 an additional year will be added to the term to result in a rollover date of April 1, 2026, subject to termination as provided below.

2.02 Notwithstanding Section 2.01: (i) Participant may terminate this Agreement at any time by three (3) years' written notice to NPGA, which will then send written notice to all other NPGA participants notifying them of the termination. (ii) NPGA may terminate this Agreement at any time by three (3) years' written notice to Participant.

2.03 In the event Participant fails to perform its obligations pursuant to this Agreement or breaches its obligations under the Amended and Restated NPGA Interlocal Agreement or the Bylaws of NPGA, the NPGA Board of Directors may at its option give written notice to the Participant specifying such breach or failure to perform and establishing a reasonable period that Participant shall have to fulfill its obligations pursuant to this Agreement, the Amended and Restated NPGA Interlocal Agreement or the Bylaws of NPGA. If the Participant's failure to perform its obligation is continuing (an "Event of Default"), the NPGA Board of Directors may cease delivering natural gas to Participant and/or immediately terminate this Agreement and exercise any and all rights and remedies at law or in equity, provided that such cessation shall not relieve Participant of any obligation under this Agreement including the obligation to pay amounts for natural gas, transportation, and associated charges, for the three-year period beginning on the date of such cessation, assuming a natural gas requirement equal to Participant's demand for the 12 months preceding such failure, plus all other costs of indemnification provided in Section 12.03 plus interest on unpaid amounts, less any amount received by NPGA from the sale of natural gas or other services it would have otherwise provided; however, that NPGA shall not be under a duty to mitigate the damages it may incur as a result of Participant's default hereunder, but shall undertake such sale as a convenience to and as agent for Participant.

2.04 Termination of this Agreement shall not impair, amend, or change any previous contracts or agreements. Such contracts and agreements shall continue in full force, including

all rates, terms, obligations and conditions, until the expiration of such contracts and agreements, or unless sooner released by the NPGA Board of Directors.

ARTICLE III

DEFINITIONS

For the purposes of this Agreement, the following definitions shall apply:

3.01 "Day" - A period of twenty-four (24) consecutive hours beginning and ending at twelve o'clock noon Central Time or at such other hour as the NPGA Board of Directors may determine.

3.02 "Month" - A period beginning at noon, or such other hour as determined by the NPGA Board of Directors, on the first day of the calendar month and ending at the aforesaid time on the first day of the next month.

3.03 "Point of Delivery" - The point at the connection of the facilities of NPGA or another transporting entity and Participant at which the gas leaves the outlet side of the measuring equipment or main pipeline of NPGA or other transporting entity and enters Participant's distribution or pipeline system or another agreed upon point.

3.04 "Cubic Foot of Gas" - The amount of gas necessary to fill a cubic foot of space when the gas is at a temperature of sixty (60°) degrees Fahrenheit and under an absolute pressure of fourteen and seventy-three hundredths (14.73) pounds per square inch.

3.05 "British thermal unit" (Btu) - The amount of energy required to increase the temperature of one (1) pound of water one degree (1°) Fahrenheit from fifty-eight degrees (58°) to fifty-nine degrees (59°) Fahrenheit.

3.06 "MMbtu" - One million (1,000,000) British Thermal Units.

3.07 "Party" - Shall mean either Participant or NPGA.

3.08 "Participant" ("Party") - An entity which is in good standing as a full member or an associate member with the Nebraska Municipal Power Pool ("NMPP"), and a signatory to this Agreement.

3.09 "NMPP" - The Nebraska Municipal Power Pool, a non-profit corporation of the State of Nebraska.

3.10 "Firm" - Shall mean, with respect to service by NPGA, that NPGA may interrupt its performance without liability only to the extent that such performance is prevented for reasons of Force Majeure.

3.11 "Gas" - any mixture of hydrocarbons and noncombustible gases in a gaseous state consisting primarily of methane.

3.12 "Year" - a period of twelve consecutive months (52 consecutive weeks) beginning on one Day and ending on the same Day the following year.

ARTICLE IV

PARTICIPATION PREREQUISITES

4.01 Participant shall remain a member (either full member or associate member) in good standing of the Nebraska Municipal Power Pool as defined in the Articles of Incorporation and the By-Laws of the Nebraska Municipal Power Pool, or its successor entities.

ARTICLE V

TOTAL REQUIREMENTS PARTICIPATION; SERVICES TO BE PROVIDED

5.01 Participant, located on the gas transportation system of Colorado Interstate Gas Company, L.L.C., hereby contractually commits to NPGA to purchase its total requirements of natural gas from NPGA, except that already under contract with certain other entities as identified in Exhibit A attached to and made a part of this Agreement, for the Term of this Agreement. Participant hereby obligates NPGA to economically schedule all existing and future natural gas resources and to schedule all required natural gas for the Participant's needs in accordance with this Agreement.

5.02 Scheduling of Deliveries. All deliveries of natural gas to and from Participant will be dispatched by NPGA.

5.03 The Delivery Point(s) of natural gas to be delivered hereunder shall be identified on Exhibit B attached to and made a part of this Agreement.

5.04 Schedule of Rates

- (a) The Schedule of Rates and Charges is attached to this Agreement and shall remain effective until modified by the NPGA Board of Directors.
- (b) Participant shall make payments for natural gas supplied to it by NPGA in accordance with Article VIII.
- (c) The rates established herein may be modified from time to time by the NPGA Board of Directors.

5.05 Participant understands and agrees that this Agreement and the operations hereunder are subject to all applicable laws, ordinances, orders, rules and regulations of any governmental entity having or asserting jurisdiction, (such as the Federal Energy Regulatory Commission (FERC)); and the terms and conditions stated herein are subject to modifications resulting from changes in any such laws, ordinances, orders, rules or regulations.

5.06 During the Term of this Agreement, NPGA will serve as agent for Participant's transportation agreement with Colorado Interstate Gas Company, L.L.C., or any successor, to the extent that the transportation service agreement used to serve Participant is held in the Participant's name, and NPGA will control any and all capacity and storage gas for Participant. Accordingly, Participant hereby designates NPGA as Participant's exclusive agent for the Participant for such matters. Participant shall advise the transportation provider, in writing, that NPGA is designated by the Participant, pursuant to this Agreement, as the agent for the Participant's transportation service and for any storage gas, and that the Participant requests

that all communications pertaining to the Participant's transportation service arrangements or storage gas shall be directed to NPGA. NPGA shall have no liability in the event of loss of control of Participant's capacity or storage gas through no fault of NPGA. In the event Participant terminates the agent designation or NPGA's control or if for any reason NPGA loses control of the capacity or storage gas during the Term of this Agreement, NPGA may deem such change in control a material breach of contract and exercise all rights and remedies at law or in equity. Further, Participant must within thirty (30) days either return control of the storage gas to NPGA or pay NPGA an amount equal to NPGA's cost of such storage gas, as determined by NPGA.

5.07 In the event this Agreement expires or is terminated for any reason, Participant must within thirty (30) days of such expiration or termination pay NPGA an amount equal to NPGA's cost of the storage gas remaining as of the date of expiration or termination of this Agreement, as determined by NPGA.

5.08 To the extent that NPGA holds in its name the transportation service agreement used to serve Participant, in the event this Agreement expires or is terminated, Participant must take or pay for such transportation service through the term in which NPGA is contractually obligated with the third party.

5.09 Assignment of Contracts. Participant agrees to assign to NPGA by the effective date of this Agreement, all current natural gas supply and transportation contracts and agreements (excluding transportation agreements for which NPGA serves as agent pursuant to this Agreement), with entities other than NPGA. Said contracts and agreements are listed on Exhibit C hereto and constitute all of Participant's natural gas contracts and agreements. Upon termination of this Agreement, NPGA agrees to assign back to Participant all natural gas supply and transportation contracts and agreements assigned by Participant to NPGA under this Section or such part of any replacement contracts and agreements for natural gas supply and transportation entered into by NPGA insofar as they apply to service in or for Participant.

5.10 NPGA will purchase or provide such natural gas reserve(s), storage, gas purchases, transportation service, and other service(s) as may be necessary for the reliable and economical supply of gas to the Participant.

5.11 In addition, the duties of NPGA will include but are not limited to the following:

- (a) Provide for facilities for the day-to-day scheduling and coordination, in accordance with the directions of the NPGA Board of Directors, of the natural gas supplies, storage, reserves, and transportation facilities for the Participant and such other facilities, materials, supplies, and services as the NPGA Board of Directors may determine are necessary and desirable to carry out the provisions of this Agreement.
- (b) Buy and sell natural gas or provide other services for the Participant according to this Agreement and within the guidelines established by the NPGA Board of Directors.
- (c) Provide for the record-keeping associated with the functions of NPGA.
- (d) Act on behalf of the Participant in carrying out any action properly taken pursuant to the provisions of this Agreement and within the authority granted by the NPGA Board of Directors.

- (e) Execute any contract, lease or other instrument which has been properly authorized by the NPGA Board of Directors pursuant to this Agreement and file, if necessary, with appropriate governmental bodies this Agreement and documents amending or supplementing this Agreement, contracts with non-participants, and related rate schedules and such other documents as may be appropriate.

5.12 NPGA will perform such other services for the Participant as the NPGA Board of Directors may from time to time direct and may contract for services with natural gas suppliers or pipelines which are not parties to this Agreement. The functions of NPGA shall be carried out consistent with the goal of satisfying the natural gas requirements of all NPGA participants at the lowest practical cost.

5.13 All expenses incurred by NPGA in the execution of duties under this Agreement and any similar agreements with other NPGA participants, plus a management fee to be set by the NPGA Board of Directors, shall be paid by Participant and the other NPGA participants according to a formula or formulas developed by the NPGA Board of Directors. The reimbursement of expenses incurred on behalf of the Participant and other NPGA participants shall be made within such period of time as shall be established by NPGA.

5.14 Participant is required to prepare and submit all such reports concerning schedules, loads and capabilities, and transportation facilities, and other information as may be reasonably requested by NPGA.

5.15 Participant is required to maintain continuously available and manned one telephone number for contact by NPGA and response by the Participant to a request for any of the services provided by this Agreement.

5.16 Participant shall retain the sole responsibility for the operation of its system in accordance with the principles set forth in this Agreement, and for the utilization of the information which may be provided by NPGA.

5.17 Covenant as to Rates. Participant covenants and agrees that it will set rates and charges for the services of its municipal gas utility system, and revise the same from time to time, and collect and account for the revenues therefrom, so that such rates and charges will produce revenues and receipts which will at all times be sufficient to enable Participant to pay the amounts payable by it hereunder when and as the same become due, to carry out its other obligations hereunder and to pay all other amounts which are payable from or a charge upon the revenues derived from the operation of its municipal gas utility system, including but not limited to natural gas operating expenses, as and when the same become due.

ARTICLE VI

ADMINISTRATION OF AGREEMENT

6.01 The NPGA Board of Directors shall administer this Agreement so as to accomplish the objectives of this Agreement.

6.02 The duties of the NPGA Board of Directors with respect to this Agreement include but are not limited to the following duties, performance of which is subject to the Amended and Restated NPGA Interlocal Agreement, the Bylaws of NPGA, and other policies and procedures established from time to time by the NPGA Board of Directors:

- (a) Supervise the development of plans and procedures that will result in the attainment of the objectives of this Agreement.
- (b) Specify the duties and authority of various committees and task forces which may be established from time to time by the NPGA Board of Directors in accordance with the Bylaws of NPGA.
- (c) Make such administrative arrangements as may be required pertaining to matters which are pertinent to this Agreement, but which are not specifically covered herein.
- (d) Establish standards with respect to any aspect of arrangements between Participant and any other of the NPGA participants or non-participants which it determines may adversely affect the reliability of NPGA and to review such arrangements to determine compliance with such standards.
- (e) Establish and revise as necessary reliability standards for the gas supply of NPGA. Review and approve planning and operating studies made to show conformance with reliability standards.
- (f) Develop long range plans and establish annually a plan for the ensuing ten years or longer period.
- (g) Review on a continuing basis the gas load forecast of the participant.
- (h) Review plans and procedures relating to the coordination of the gas reserves and transportation facilities and operations with adjoining systems, pools and regional gas coordinating groups.
- (i) Establish and revise rules relating to the effect of abnormal conditions on operating conditions.
- (j) Cause studies to be made as necessary for administration of the aforesaid duties.
- (k) Establish procedures for the use of service agreements with the Participant.
- (l) Coordinate the operation so as to effect optimum reliability and economy of service.
- (m) Establish rates for transactions with the Participant, including without limitation the rates for services under this Agreement. Rates and charges established by the NPGA Board of Directors will be sufficient to reimburse NPGA for expenses incurred on behalf of NPGA participants within such period of time as shall be established by NPGA.
- (n) Determine and periodically review the procedures to be followed by the Participant in restoring service following emergency conditions.

6.03 The NPGA Board of Directors shall at all times adhere to sound engineering principles and prudent utility practice and in particular shall evaluate alternative gas reserve and transportation expansion programs on appropriate uniform assumptions with respect to cost of capital, rates of escalation, carrying charges and other necessary conditions.

ARTICLE VII

GAS SERVICE AGREEMENTS

7.01 As part of this Agreement NPGA shall negotiate, contract for and administer Natural Gas Supply and Transportation Agreements with other entities. Such Agreements shall to the extent possible provide for the uninhibited flow of natural gas over the respective transportation systems in order to provide an adequate, reliable supply of natural gas to the Participant.

ARTICLE VIII

BILLINGS AND PAYMENTS

8.01 For billing purposes, the amount of gas delivered pursuant to this Agreement by NPGA or delivered to the Participant through an intervening gas transportation system during any period, shall be the amount metered at a point or points where the system of the Participant interconnects with the system of the gas transportation entity with which the Participant is interconnected and shall be as determined by such transportation entity. In the event natural gas is supplied to Participant through the transportation system of an intervening agency, all terms and conditions of the applicable transportation schedule of the intervening agency shall apply.

8.02 All bills for services supplied pursuant to this Agreement shall be rendered monthly by NPGA to the Participant not later than thirty (30) days after the end of the period to which such bills are applicable. Unless otherwise agreed upon by the NPGA Board of Directors such periods shall be from 12:01 a.m. of the first day of the month to 12:01 a.m. of the first day of the succeeding month. Bills shall be due and payable within thirty (30) days from the date such bills are rendered and payment shall be made when due and without deduction. Interest on any unpaid amount from the date due until the date upon which payment is made shall accrue at the rate of one percent per month or fraction thereof.

8.03 Both NPGA and Participant shall have the right to examine, at reasonable times, books, records and charts of the other to the extent necessary to verify the accuracy of any statement, charge or computation made under or pursuant to any of the provisions hereof.

8.04 Each month NPGA shall invoice Participant for any penalties which may be applicable which are due to an act or omission of the Participant. Participant shall pay NPGA such charges within 20 days of the invoice date except where otherwise specified in a rate schedule. NPGA may develop operational policies to which the Participant must comply. Such policies will be attached to and made a part of this Agreement.

8.05 Any late charge shall be compounded monthly. If either principal or late charges are due, any payments thereafter received shall first be applied to the late charges due, then to penalties due, then to the previously outstanding principal due, and lastly, to the most current principal due.

8.06 In the event a Participant desires to dispute all or any part of the charges submitted by NPGA it shall nevertheless pay the full amount of the charges when due and give notification in writing within sixty (60) days from the date of the statements stating the specific grounds on which the charges are disputed and the amount in dispute. The Participant will not be entitled to

any adjustment on account of any disputed charges which are not brought to the attention of NPGA within the time and in the manner herein specified. If settlement of the dispute results in a refund to the payee, interest at one percent per month or fraction thereof shall be added to the refund.

ARTICLE IX

UNCONTROLLABLE FORCES AND LIMITATIONS ON OBLIGATIONS

9.01 Force Majeure

- (a) It is expressly agreed that NPGA shall not be liable on any account whatsoever nor shall NPGA be considered to be in default with respect to any obligation hereunder if prevented from fulfilling such obligation to Participant by reason of uncontrollable forces. The term "uncontrollable forces" shall be deemed for the purposes hereof to mean any failure, interruption or diminution in delivery of gas hereunder or any act, omission or circumstance occasioned by or in consequence of accident to or breakage of pipelines, equipment or machinery, explosions, landslides, earthquakes, fires, lightning, floods, washouts, freezing, storms, the elements, natural emergencies, sabotage, the making of repairs, alterations or replacements, strikes, lockouts or other industrial disturbances, riots, insurrections, civil disturbances, pestilence, acts of God or the public enemy, war, terrorism, legal interferences, orders or requirements of any court of competent authority, depletion or destruction of gas wells or fields, diminution or failure of, or interference, partial or entire, with NPGA's natural gas supply, failure of facilities not due to lack of proper care or maintenance, or, and without limitation by the foregoing, any other causes beyond reasonable control of NPGA. With regard to any obligation NPGA is unable to fulfill by reason of uncontrollable forces NPGA will exercise due diligence to remove such disability with reasonable dispatch, but such obligation shall not require the settlement of a labor dispute except in the sole discretion of NPGA.
- (b) Participant shall not be liable to NPGA for any failure to accept natural gas hereunder when occasioned by accident to or breakage of pipelines, equipment or machinery, explosions, fires, lightning, floods, freezing, storms, the elements, natural emergencies, sabotage, riots, insurrections, civil disturbances, pestilence, landslides, washouts, strikes, industrial disturbances, legal interferences, orders or requirements of competent authority, acts of God or the public enemy, war, terrorism, or, and, without limitation by the foregoing, any other cause beyond reasonable control of the Participant. Any such cause or contingency, however, exempting Participant from liability for non-performance (excepting where prevented by valid orders or requirements of Federal, State or other governmental regulatory bodies having jurisdiction in the premises) shall not relieve Participant of its obligation to pay demand charges or reservation charges in accordance with the provisions of the applicable rate schedule. In every case, Participant shall exercise the utmost diligence to remove any such interference with its take of gas and shall resume such take at the earliest practicable time.

9.02 Limitations on Gas Receipts, Transportation and Deliveries

Whenever the capability of NPGA's or other entity's system, due to any cause whatsoever not limited to force majeure, is such that NPGA is unable to receive, transport or

deliver gas to consumers served directly or indirectly by NPGA, the quantity of gas which Participant or the consumers require, including fulfilling NPGA's requirements for injection of gas into its storage facilities, then receipts, firm transportation and deliveries shall be based on priorities established in the appropriate pipeline tariffs or agreements.

ARTICLE X

MEASUREMENT

10.01 The unit of volume for the purpose of measurement and for the determination of total heating value shall be either a cubic foot of gas or million Btu (MMbtu) as defined by the prevailing transporting entity and the applicable agreement. The point of measurement shall be the Point of Delivery identified on Exhibit B.

ARTICLE XI

11.01 Possession of Gas

NPGA shall be in control and possession of the gas delivered hereunder and responsible, as between it and Participant, for any damage or injury caused thereby until the same has been delivered to Participant at the Point of Delivery and thereafter sole responsibility and liability in relation to the gas shall attach to Participant.

11.02 Warranty of Title to Gas

NPGA warrants generally the title to all gas delivered hereunder and the right to sell the same and that such gas shall be free and clear from all liens and adverse claims.

ARTICLE XII

INDEMNIFICATION

12.01 Participant agrees, to the fullest extent permitted by law, to defend, indemnify and hold harmless NPGA and its directors, officers, employees and agents from and against all claims, damages, losses and expenses, direct or indirect, or consequential damages including, but not limited to, attorney's fees arising out of or resulting from the performance of NPGA's services hereunder.

12.02 Further, Participant shall indemnify and save harmless NPGA on account of any and all damages, claims or actions arising out of the maintenance or operation of its property or equipment.

12.03 Further, Participant agrees to indemnify NPGA from and against any and all costs, claims, losses and expenses arising out of an Event of Default (including enforcement of this Agreement). If an Event of Default has occurred, Participant shall upon demand pay to NPGA the amount of any and all such costs, claims, losses and expenses, including without limitation reasonable attorneys' fees and fees of any experts and agents, that NPGA may incur in connection with either or both of: (a) the exercise or enforcement of any of the rights of NPGA hereunder following an Event of Default or under any judgment awarded to NPGA in respect of its rights hereunder (which obligation shall be severable from the remainder of this Agreement and shall survive the entry of any such judgment); and (b) collection efforts by NPGA.

ARTICLE XIII

LIMITATION OF LIABILITY

13.01 Notwithstanding any other provision of this Agreement, NPGA's total liability to Participant for any loss or damage, including, but not limited to, special and/or consequential damages arising out of or in connection with the performance of services or any other cause shall not exceed the compensation for administrative services (excluding costs for natural gas commodity, transportation service and any pass-through costs) received by NPGA from Participant under this Agreement during the twenty-four (24) months preceding the action or omission giving rise to the loss or damage, and Participant hereby releases and will hold harmless NPGA from any liability above such amount.

ARTICLE XIV

NOTICES

14.01 Any formal notice, demand or request required or authorized by this Agreement shall be deemed properly given if mailed postage prepaid to NPGA and to the Participant's Director on the NPGA Board of Directors.

14.02 Any written notice or request of a routine character in connection with delivery of gas or in connection with operation of facilities shall be given in such a manner as the NPGA Board of Directors from time to time shall establish.

ARTICLE XV

SUCCESSORS AND ASSIGNS

15.01 This Agreement may be assigned by either Party hereto only after receipt of written approval by the other Party. The Participant may assign any of its rights under this Agreement to another entity, if permitted by applicable law, but no such assignment shall relieve the Participant of its obligations under this Agreement so long as any bonds of NPGA are outstanding and, in any event, the Participant shall not assign such rights if, in the opinion of counsel of recognized standing in the field of law relating to municipal bonds and taxation selected by NPGA, such assignment would adversely affect the exemption from federal income taxation of the interest on the bonds or NPGA's tax status.

15.02 This Agreement shall be binding upon, and inure to the benefit of, any successor to NPGA. NPGA may assign any or all of its rights hereunder, or pledge any or all of the revenues payable to it under this Agreement, pursuant to such obligations for repayment of outstanding bonds of NPGA and such assignee may enforce the provisions of this Agreement as if it were named as party hereto.

15.03 The several provisions of this Agreement are not intended to and shall not create rights of any character whatsoever in favor of any persons, corporations, or associations other than the Parties to this Agreement, and the obligations herein assumed are solely for the use and benefits of the Parties to this Agreement.

ARTICLE XVI

AMENDMENTS

16.01 This Agreement may be amended only by a written instrument signed by duly authorized representatives of each of the Parties.

ARTICLE XVII

GENERAL

17.01 All production (including ad valorem type production taxes), gathering, delivery, sales, severance, or other excise taxes or assessments upon the gas delivered hereunder by Participant to NPGA which are now or hereafter in existence or authorized for collection by any state or other governmental agency or duly constituted authority, either directly or indirectly, shall be paid or caused to be paid by Participant and Participant shall hold NPGA harmless for the payment thereof.

17.02 If, by an order, opinion, approval of a settlement of any of NPGA's rate cases, or otherwise, any appropriate regulatory body directly or indirectly requires changes in the costs attributable to transportation by NPGA hereunder or requires changes to the rate form in which such costs are recovered, then, as of the effective date of such change in attribution or rate form, the transportation rate hereunder shall be changed to reflect the full recovery from Participant of all costs attributed to the transportation hereunder or to reflect any new rate form.

17.03 The Parties recognize that the rates, terms, and conditions, for service hereunder may require change from time to time. Accordingly, NPGA's rates, terms and conditions, may from time to time be changed. NPGA shall give Participant written notice of any such change prior to its effective date. NPGA shall be entitled to collect such changed rate from Participant commencing with the effective date of such change. Participant shall be obligated to pay the changed rate, made effective in the manner described above, but nothing herein contained shall prejudice the rights of Participant to contest at any time changes to the charges for the services rendered hereunder by NPGA.

17.04 NPGA shall not be required to perform service under this Agreement on behalf of Participant to the extent Participant fails to comply with any and all of the terms and conditions of this Agreement including the applicable rate schedule.

17.05 NPGA shall have no obligation whatsoever to odorize the natural gas delivered, nor to maintain odorant levels in such gas.

17.06 This Agreement and the obligations of Participant hereunder are not general obligations of Participant and are not payable in any manner by taxation, but this Agreement and the obligations of Participant hereunder are payable and enforceable solely and only from the revenues and receipts to be derived by Participant from the operation of its municipal gas utility system. Amounts payable by Participant hereunder, or in carrying out its other obligations hereunder, shall be considered to be operating expenses of the municipal gas utility system of Participant.

17.07 Upon termination of this Agreement and payment by Participant of all amounts owed, Participant shall not be liable for any bonded indebtedness of NPGA, unless Participant

expressly authorizes and assumes such indebtedness by resolution, ordinance or other similar official action of the governing body of Participant.

ARTICLE XVIII

RELATION TO OTHER AGREEMENTS AND OBLIGATIONS

18.01 Participant represents that there are no conditions in Participant's existing agreements, including financing agreements, which will preclude Participant from performance of all obligations hereunder; and, further, Participant agrees not to enter into an agreement which will preclude performance hereunder. The failure by Participant to get approval under any financing agreement for entering into a contract, or amending or terminating any existing agreement, shall not excuse performance hereunder.

18.02 The execution of this Agreement shall not impair, amend or change any previous contracts or agreements, and such contracts and agreements shall continue, including all rates, terms, obligations and conditions until the expiration of such contracts and agreements.

18.03 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original and all of which shall constitute one and the same instrument.

ARTICLE XIX

PRIOR AGREEMENT

19.01 On the effective date hereunder, this Agreement shall supersede, terminate and replace that certain Gas Supply Agreement and Service Schedule BG, Total Gas Supply Agreement, by and between NPGA and Participant.

[SIGNATURE PAGE FOLLOWING.]

IN WITNESS WHEREOF, each of the Parties has caused this Gas Supply Agreement for Total Requirements Supply to be executed by its duly authorized officer as of the day and year shown below.

NATIONAL PUBLIC GAS AGENCY

BY _____

TITLE _____

DATE _____

CITY OF TRINIDAD, COLORADO

BY _____

TITLE _____

DATE _____

Attest:

City Clerk

(SEAL)

Version approved by NPGA Board of Directors on September 13, 2012.

K:\Legal\K\NPGA\Files from Legal Dept\GSA Total Reqts_Trinidad CO.docx

GAS SUPPLY AGREEMENT FOR TOTAL REQUIREMENTS SUPPLY

EXHIBIT "A"

CITY OF TRINIDAD, COLORADO

Contracts for Natural Gas required to be listed pursuant to Article V, Section 5.01 of the Gas Supply Agreement for Total Requirements Supply.

None

GAS SUPPLY AGREEMENT FOR TOTAL REQUIREMENTS SUPPLY

EXHIBIT "B"

CITY OF TRINIDAD, COLORADO

POINT OR POINTS OF DELIVERY

City of Trinidad, Colorado TBS

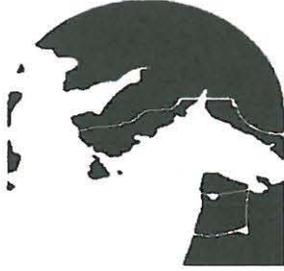
GAS SUPPLY AGREEMENT FOR TOTAL REQUIREMENTS SUPPLY

EXHIBIT "C"

CITY OF TRINIDAD, COLORADO

Natural gas supply and transportation contracts and agreements assigned to NPGA pursuant to Section 5.09 of the Agreement:

None



CITY OF TRINIDAD, COLORADO
1875

COUNCIL COMMUNICATION

CITY COUNCIL MEETING: December 16th, 2014
PREPARED BY: Louis Fineberg
DEPT. HEAD SIGNATURE:

SUBJECT: DOLA EIAF Grant Request for Cedar Street Extension & Utility Relocation

PRESENTER: Louis Fineberg, Planning Director

RECOMMENDED CITY COUNCIL ACTION: Council should consider the request.

SUMMARY STATEMENT:

The total cost of extending Cedar Street and relocating the electrical substation and other utilities located on the property owned by Mr. Cimino is estimated at \$1.3M. The cost estimate for the development of Cedar Street (approximately \$1.1M) is attached and utility relocation is estimated at an additional \$200K. The grant request would be for approximately \$900K - \$1M with a corresponding City match of between \$300K - \$400K. The concept plan showing the extension of Cedar Street from Commercial Street to Chestnut Street is also attached along with a draft letter of support for the project and supporting documentation supplied by Mr. Cimino.

EXPENDITURE REQUIRED: \$300K - \$400K.

SOURCE OF FUNDS: Undecided.

POLICY ISSUE: Should the Council approve the grant request?

ALTERNATIVE: The Council could decide not to approve the grant request.



CITY of TRINIDAD

P. O. Box 880
TRINIDAD, COLORADO 81082
TELEPHONE (719) 846-9843
FAX NO. (719) 846-4140

December 16, 2014

Mr. Jay Cimino
Phil Long Toyota
3019 Toupal Drive
Trinidad, CO 81082

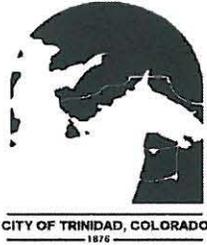
Dear Mr. Cimino,

Thank you for presenting your proposal to City Council on December 9th to relocate the Phil Long Toyota dealership currently located at 3019 Toupal Drive to North Commercial Street. I am writing this letter on behalf of the City Council to express our strong support for the project. We understand how important the dealership is to our community and want to make the location transition as quick and seamless as possible. We also understand that there are significant costs associated with site development and relocation and want you to know that the City is committed to helping defray some of these costs. Should Toyota approve the site for relocation, the City is willing to prepare and submit an Energy Impact Assistance Fund grant request to the Colorado Department of Local Affairs in April 2015 for funding to extend Cedar Street eastward from its current terminus at Commercial Street proximate to the proposed development site all the way through to Chestnut Street. We will also include the relocation of City utilities from the development site in the scope of the grant. We estimate that the cost of this work will be approximately \$1.3 million.

We would like to thank you for all that you do for our City and hope that we can continue to be the home of Phil Long Toyota for years to come. In the mean time, if you have any questions or require any additional information, please do not hesitate to contact me.

Sincerely,

Joseph Reorda
Mayor



Council Communication

City Council Regular Meeting: December 16, 2014

Prepared by: Linda Vigil, December 12, 2014

Dept. Head Signature:

of Attachments: 2

Subject: No-Notice Storage and Transportation Delivery Service Agreement (NNT-2), CIG Agreement No. 31041000E and Transportation Service Agreement Rate Schedule (TF-4)

Presenter: Mike Valentine, Public Works/Utilities Director

Recommended City Council Action: Approval of the No-Notice Storage and Transportation Delivery Service Agreement (NNT-2), CIG Agreement No. 31041000E and Transportation Service Agreement Rate Schedule (TF-4) since the current expires April 30, 2015.

Summary Statement: In November 2014, city personnel were informed that the No-Notice Storage and Transportation Delivery Service Agreement (NNT-2) and Transportation Service Agreement will expire on April 30, 2015. The new agreements are similar to the previous agreements other than a few adjustments in the volume quantities between the agreements so that the agreements are more uniform.

Expenditure Required: Yes, monthly natural gas transportation charges are charged and included in the NPGA monthly invoice for Trinidad's Gas Distribution System.

Source of Funds: Gas Budget

Policy Issue:

Alternative:

Background Information: The No-Notice Storage and Transportation Delivery Service Agreement (NNT-2) and Transportation Service Agreement Rate Schedule (TF-4), with Colorado Interstate Gas Company, L.L.C. a Kinder Morgan Company are necessary to ensure the transportation and delivery of the purchased natural gas to the meters at the Trinidad Station, Department of Corrections and each of the highline taps. The charges related to transportation and delivery are included in the monthly NPGA bills. The above mentioned agreements shall become effective on May 1, 2015 and expire on April 30, 2020.



Colorado Interstate
Gas Company, L.L.C.
a Kinder Morgan company

October 30, 2014

Sent via Email

Mrs. Linda Vigil
City of Trinidad, Colorado
P.O. Box 880
Trinidad, CO 81082

**RE: No-Notice Storage and Transportation Delivery Service Agreement (NNT-2)
CIG Agreement No. 31041000E**

**Transportation Service Agreement (TF-4)
CIG Agreement No. 38009000D
Dated May 1, 2015**

Dear Linda:

- Enclosed please find pdf copies of the above-referenced Agreements for execution by ***an authorized officer or person of your company***. Please have them executed and pdf them back to the email address below for execution on behalf of CIG. Fully executed pdf copies will be returned for your records.
- Enclosed for your records are fully executed pdf copies of the above referenced agreements.

If you have any questions concerning these Agreements or if further assistance is needed, please contact Joshua Genz at (719) 520-4787.

Shannon Dillow
Western Region Contract Administration
Phone: (719) 520-3709
Shannon_Dillow@KinderMorgan.com

Enclosure

cc: Joshua Genz

Colorado Interstate Gas Company, L.L.C.
Two North Nevada Colorado Springs, CO 80903
PO Box 1087 Colorado Springs, CO 80944
Tel. 719.473.2300

No-Notice Storage and Transportation Delivery Service Agreement
Rate Schedule NNT-2

between

Colorado Interstate Gas Company, L.L.C.

and

City of Trinidad, Colorado
(Shipper)

Dated: May 1, 2015

Storage and Transportation Service Agreement

Rate Schedule NNT-2

Dated: May 1, 2015

The Parties identified below, in consideration of their mutual promises, agree as follows:

1. **Transporter:** COLORADO INTERSTATE GAS COMPANY, L.L.C.
2. **Shipper:** CITY OF TRINIDAD, COLORADO
3. **Applicable Tariff:** Transporter's FERC Gas Tariff, Second Revised Volume No. 1, as the same may be amended or superseded from time to time ("the Tariff"). Capitalized terms used in this Agreement and not defined elsewhere have the meanings given to them in the Tariff.
4. **Changes in Rates and Terms:** Transporter shall have the right to propose to the FERC changes in its rates and terms of service and this Agreement shall be deemed to include any changes which are made effective pursuant to FERC Order or regulation or provisions of law, without prejudice to Shipper's right to protest the same.
5. **Transportation Service:** Transportation Service at and between Point of Withdrawal and Primary Point(s) of Delivery shall be on a firm basis.
6. **Delivery:** Transporter agrees to transport and deliver Delivery Quantities to Shipper (or for Shipper's account) at the Primary Point(s) of Delivery identified in the attached Exhibit A. Minimum and maximum delivery pressures, as applicable, are listed on Exhibit A.
7. **Rates and Surcharges:** As set forth in Exhibit B. Transporter and Shipper may also agree to a discount using one of the discount types described in Section 4.16 of the General Terms and Conditions of the Tariff.
8. **For the period May 1, 2015 through April 31, 2020.**
Maximum Delivery Quantity ("MDQ"): 4,897 Dth per Day.
Maximum Available Capacity ("MAC"): 164,097 Dth.
Maximum Daily Injection Quantity ("MDIQ"): 1,614 Dth per Day.
Maximum Daily Withdrawal Quantity ("MDWQ"): 4,897 Dth per Day.

All storage entitlements as stated herein ("MAC", "MDIQ", and "MDWQ") are based on Average Thermal Content of Gas in Storage of 1,000 Btu per cubic foot. The Available Daily Injection Quantity ("ADIQ"), Available Daily Withdrawal Quantity ("ADWQ"), and storage entitlements shall be subject to the General Terms and Conditions of the Tariff and stated on Transporter's Electronic Bulletin Board.

9. **Negotiated Rate:** Yes _____ No X
10. **Term of No-Notice Storage and Transportation Service:** Beginning: October 1, 2001
Ending: April 30, 2020

11. **Notices, Statements, and Bills:**

To Shipper:

Invoices:

City of Trinidad, Colorado
P. O. Box 880
Trinidad, Colorado 81082
Attn: Mike Valentine

All Notices:

City of Trinidad, Colorado
P. O. Box 880
Trinidad, Colorado 81082
Attn: Mike Valentine

To Transporter:

See "Points of Contact" in the Tariff.

- 12. **Effect on prior Agreement:** When this Agreement becomes effective, it shall amend and restate the following agreement between the Parties: The No-Notice Storage and Transportation Delivery Service Agreement between Transporter and Shipper, referred to as Transporter's Agreement No. 31041000D, dated October 1, 2010.
- 13. **Application of Tariff Provision:** N/A.
- 14. **Incorporation by Reference:** This Agreement in all respects shall be subject to the provisions of the Tariff (as it may be amended pursuant to Section 13 of the Agreement.)

IN WITNESS WHEREOF, the Parties have executed this Agreement. This Agreement may be executed by electronic means and an electronic signature shall be treated in all respects as having the same effect as a handwritten signature.

Transporter:

Shipper:

COLORADO INTERSTATE GAS COMPANY, L.L.C.

CITY OF TRINIDAD, COLORADO

By: _____
Will W. Brown
Director of Marketing

By: _____
Name: _____
Title: _____

Accepted and agreed to this
_____ day of _____, 2014.

Accepted and agreed to this
_____ day of _____, 2014.

Exhibit A
to
No-Notice Transportation Service Agreement
Rate Schedule NNT-2
between
Colorado Interstate Gas Company, L.L.C.
and
City of Trinidad, Colorado
(Shipper)

Dated: May 1, 2015

1. Shipper's Maximum Delivery Quantity ("MDQ"): (See ¶8)
2. Shipper's Maximum Available Capacity ("MAC"): (See ¶8)
3. Shipper's Maximum Daily Injection Quantity ("MDIQ"): (See ¶8)
4. Shipper's Maximum Daily Withdrawal Quantity ("MDWQ"): (See ¶8)

<i>Primary Point(s) of Delivery (1)</i>	<i>Effective Dates</i>	<i>Primary Point(s) of Delivery Quantity (Dth per Day) (2)</i>	<i>Minimum Delivery Pressure (p.s.i.g.) (3)</i>	<i>Maximum Delivery Pressure (p.s.i.g.) (3)</i>
Trinidad Group (TRI) DRN: 2464				
Trinidad Reg Station (TRI) J91101	(See ¶8)	3,415	100	1050
Trinidad Highline Taps (TRI) J91474	(See ¶8)	1,420	Transporter's Line Pressure applies at the physical meter location	Transporter's Line Pressure applies at the physical meter location
Trinidad Dept. of Corrections (TRI) J92128	(See ¶8)	62	Transporter's Line Pressure	Transporter's Line Pressure
Trinidad Group (TRI) Total:		4,897		

NOTES:

- (1) Point(s) of Delivery eligible for service are referenced in Section 30 of the General Terms and Conditions of the Tariff.
- (2) The sum of the Delivery Quantities at Point(s) of Delivery shall not be greater than Shipper's MDQ.
- (3) Pressure conditions shall be in accordance with Section 5.4 of the General Terms and Conditions of the Tariff.

Exhibit B
to
No-Notice Transportation Service Agreement
Rate Schedule NNT-2
between
Colorado Interstate Gas Company, L.L.C.
and
City of Trinidad, Colorado
(Shipper)

Dated: May 1, 2015

<i>Primary Point(s) of Delivery</i>	<i>Commodity Delivery Rates</i>	<i>Effective Dates</i>	<i>Fuel Reimbursement</i>	<i>Surcharges</i>
(4)	(1)	(See ¶8)	(2)	(3)

NOTES:

- (1) Unless otherwise agreed by the Parties in writing, the rates for service hereunder shall be Transporter's maximum rates for service under Rate Schedule NNT-2 or other superseding Rate Schedule, as such rates may be changed from time to time.
- (2) Fuel Reimbursement shall be as stated on Transporter's Schedule of Surcharges and Fees in The Tariff, as they may be changed from time to time, unless otherwise agreed between the Parties. Quantities scheduled by Transporter from/to Primary and/or Secondary or Segmented Point(s) on any off-system capacity held by Transporter shall be subject to Transporter's Third Party Charges as described on Transporter's EBB and/or pursuant to Section 4.3 of the General Terms and Conditions of the Tariff.
- (3) Applicable Surcharges:

All applicable surcharges, unless otherwise specified, shall be the maximum surcharge rate as stated in the Schedule of Surcharges and Fees in The Tariff, as such surcharges may be changed from time to time.

Gas Quality Control Surcharge:
The Gas Quality Control Reservation Rate and commodity rate shall be assessed pursuant to Section 17.4 of the General Terms and Conditions set forth in the Tariff.

ACA:
The ACA Surcharge shall be assessed pursuant to Section 17.2 of the General Terms and Conditions as set forth in The Tariff.
- (4) Point(s) of Delivery shall include points referenced in Section 30 of the General Terms and Conditions of the Tariff.

Transportation Service Agreement
Rate Schedule TF-4

between

Colorado Interstate Gas Company, L.L.C.

and

City of Trinidad, Colorado
(Shipper)

Dated: May 1, 2015

Transportation Service Agreement
Rate Schedule TF-4

Dated: May 1, 2015

The Parties identified below, in consideration of their mutual promises, agree as follows:

1. **Transporter:** COLORADO INTERSTATE GAS COMPANY, L.L.C.
2. **Shipper:** CITY OF TRINIDAD, COLORADO
3. **Applicable Tariff:** Transporter's FERC Gas Tariff, Second Revised Volume No. 1, as the same may be amended or superseded from time to time ("the Tariff"). Capitalized terms used in this Agreement and not defined elsewhere have the meanings given to them in the Tariff.
4. **Changes in Rates and Terms.** Transporter shall have the right to propose to the FERC changes in its rates and terms of service and this Agreement shall be deemed to include any changes which are made effective pursuant to FERC Order or regulation or provisions of law, without prejudice to Shipper's right to protest the same.
5. **Transportation Service:** Transportation Service at and between Primary Point(s) of Receipt and Primary Point(s) of Delivery shall be on a firm basis. Receipt and Delivery of quantities at Secondary Point(s) of Receipt and/or Secondary Point(s) of Delivery shall be in accordance with the Tariff.
6. **Points of Receipt and Delivery:** Shipper agrees to Tender Gas for Transportation Service and Transporter agrees to accept Receipt Quantities at the Primary Point(s) of Receipt identified in Exhibit A. Transporter agrees to provide Transportation Service and Deliver Gas to Shipper (or for Shipper's account) at the Primary Point(s) of Delivery identified in Exhibit A. Minimum and maximum receipt and delivery pressures, as applicable, are listed on Exhibit A.
7. **Rates and Surcharges:** As set forth in Exhibit B. Transporter and Shipper may also agree to a discount using one of the discount types described in Section 4.16 of the General Terms and Conditions of the Tariff.
8. **Negotiated Rate:** Yes No
9. **Maximum Delivery Quantity (MDQ):**

MDQ (Dth/day)	Effective
4,131	05/01/15 - 04/30/20
10. **Term of Firm Transportation Service:** Beginning: October 1, 2001
Ending: April 30, 2020

11. **Notices, Statements, and Bills:**

To Shipper:

Invoices:

City of Trinidad, Colorado
P. O. Box 880
Trinidad, Colorado 81082
Attention: Mike Valentine

All Notices:

City of Trinidad, Colorado
P. O. Box 880
Trinidad, Colorado 81082
Attention: Mike Valentine

To Transporter:

See "Points of Contact" in the Tariff.

- 12. **Effect on prior Agreement:** When this Agreement becomes effective, it shall amend and restate the following agreement between the Parties: The Firm Transportation Service Agreement between Transporter and Shipper, referred to as Transporter's Agreement No. 38009000C, dated December 1, 2009.
- 13. **Application of Tariff Provision:** N/A.
- 14. **Incorporation by Reference:** This Agreement in all respects shall be subject to the provisions of the Tariff (as it may be amended pursuant to Section 13 of the Agreement).

IN WITNESS WHEREOF, the Parties have executed this Agreement. This Agreement may be executed by electronic means and an electronic signature shall be treated in all respects as having the same effect as a handwritten signature.

Transporter:

COLORADO INTERSTATE GAS COMPANY, L.L.C.

Shipper:

CITY OF TRINIDAD, COLORADO

By: _____
Will W. Brown
Director of Marketing

By: _____
Name: _____
Title: _____

Accepted and agreed to this
_____ day of _____, 2014.

Accepted and agreed to this
_____ day of _____, 2014.

Exhibit A
to
Transportation Service Agreement
Rate Schedule TF-4
between
Colorado Interstate Gas Company, L.L.C.
and
City of Trinidad, Colorado
(Shipper)

Dated: May 1, 2015

Shipper's Maximum Delivery Quantity (MDQ): (See ¶9)

<i>Primary Point(s) of Receipt (1)</i>	<i>Effective Dates</i>	<i>Primary Point(s) of Receipt Quantity (Dth per Day) (2)</i>	<i>Minimum Receipt Pressure (p.s.i.g) (5).</i>	<i>Maximum Receipt Pressure (p.s.i.g) (5).</i>
Northern System:				
Anabuttes (ANA)	(See ¶9)	350	1,000	1,000
Echo Springs MM (ES2)	(See ¶9)	29	Sufficient pressure to enter Transporter's Facilities	845
Lost Cabin (MADDEN) (LOS)	(See ¶9)	90	Sufficient pressure to enter Transporter's Facilities	1,100
Lost Creek (LCK)	(See ¶9)	51	Sufficient pressure to enter Transporter's Facilities	845
Patrick Draw (PAT)	(See ¶9)	86	Sufficient pressure to enter Transporter's Facilities	850
Spindle (MEW)	(See ¶9)	10	Sufficient pressure to enter Transporter's Facilities	822
Table Rock MM (TAB)	(See ¶9)	88	Sufficient pressure to enter Transporter's Facilities	845

Exhibit A
(cont.)

<i>Primary Point(s) of Receipt (1)</i>	<i>Effective Dates</i>	<i>Primary Point(s) of Receipt Quantity (Dth per Day) (2)</i>	<i>Minimum Receipt Pressure (p.s.i.g) (5).</i>	<i>Maximum Receipt Pressure (p.s.i.g) (5).</i>
Table Rock Residue (Plant) (TRR)	(See ¶9)	46	Sufficient Pressure to Enter Transporter's Facilities	845
Total Northern System		750		
Central System:				
Lakin Master Meter (LAM)	(See ¶9)	550	Sufficient Pressure to Enter Transporter's Facilities	220
Southern System:				
Big Canyon (BIC)	(See ¶9)	1,113	760	955
Mocane (MOC)	(See ¶9)	1,718	65	920
Total Southern System		2,831		
Total		4,131		

Exhibit A
(cont.)

<i>Primary Point(s) of Delivery (1)</i>	<i>Effective Dates</i>	<i>Primary Point(s) of Delivery Quantity (Dth per Day) (3)</i>	<i>Minimum Delivery Pressure (p.s.i.g) (5).</i>	<i>Maximum Delivery Pressure (p.s.i.g) (5).</i>
Trinidad Group (TRI)				
Charles McKnight (TRI)	(See ¶9)	(3)	Transporter's Line Pressure	The MAOP of our pipeline facilities at this point
Charles Mincic (TRI)	(See ¶9)	(3)	Transporter's Line Pressure	The MAOP of our pipeline facilities at this point
Connie Brown (Berry) (TRI)	(See ¶9)	(3)	Transporter's Line Pressure	The MAOP of our pipeline facilities at this point
Elizabeth A. Chelon (TRI)	(See ¶9)	(3)	Transporter's Line Pressure	The MAOP of our pipeline facilities at this point
Larry L. Tortorice (TRI)	(See ¶9)	(3)	Transporter's Line Pressure	The MAOP of our pipeline facilities at this point
Lisa Renee Walton (TRI)	(See ¶9)	(3)	Transporter's Line Pressure	The MAOP of our pipeline facilities at this point
Andy (McCarty) Martinez (TRI)	(See ¶9)	(3)	Transporter's Line Pressure	The MAOP of our pipeline facilities at this point
Oasis (Oxley Farms) (TRI)	(See ¶9)	(3)	Transporter's Line Pressure	The MAOP of our pipeline facilities at this point
Jess Placher (TRI)	(See ¶9)	(3)	Transporter's Line Pressure	The MAOP of our pipeline facilities at this point
Roy F. Morris (TRI)	(See ¶9)	(3)	Transporter's Line Pressure	The MAOP of our pipeline facilities at this point
Kim/Barnes, Diane Waller (TRI)	(See ¶9)	(3)	Transporter's Line Pressure	The MAOP of our pipeline facilities at this point
Alvin Yoder	(See ¶9)	(3)	Transporter's Line Pressure	The MAOP of our pipeline facilities at this point
TOTAL Trinidad Group (TRI)		4,131		

Exhibit A
(cont.)

<i>Primary Point(s) of Delivery Storage Injection (1)</i>	<i>Effective Dates</i>	<i>Primary Point(s) of Delivery Quantity (Dth per Day) (3) (4)</i>	<i>Minimum Delivery Pressure (p.s.i.g) (5)</i>	<i>Maximum Delivery Pressure (p.s.i.g) (5)</i>
Storage Injection	(See ¶9)	1,614	N/A	N/A

NOTES:

- (1) Information regarding Point(s) of Receipt and Point(s) of Delivery, including legal descriptions, measuring Parties, and interconnecting Parties, shall be posted on Transporter's electronic bulletin board. Transporter shall update such information from time to time to include additions, deletions, or any other revisions deemed appropriate by Transporter.
- (2) Each Point of Receipt Quantity may be increased by an amount equal to Transporter's Fuel Reimbursement percentage. Shipper shall be responsible for providing such Fuel Reimbursement at each Point of Receipt on a pro rata basis based on the quantities received on any Day at a Point of Receipt divided by the total quantity Delivered at all Point(s) of Delivery under this Transportation Service Agreement.
- (3) The sum of the Delivery Quantities at Point(s) of Delivery shall be equal to or less than Shipper's MDQ.
- (4) Transporter's obligation to make Deliveries to Transporter's storage injection point under this Agreement and to Transporter's storage injection point under all other Firm Transportation Service Agreements between Transporter and Shipper providing for deliveries to Transporter's storage injection point shall be limited by the provisions of Rate Schedule NNT-2 and Shipper's NNT-2 service agreement(s).
- (5) Pressure conditions shall be in accordance with Section 5.4 of the General Terms and Conditions of the Tariff.
- (6) Aggregate Group Designations are provided pursuant to Section 5.5 of the General Terms and Conditions of the Tariff.

Exhibit B
to
Firm Transportation Service Agreement
Rate Schedule TF-4
between
Colorado Interstate Gas Company, L.L.C.
and
City of Trinidad, Colorado
(Shipper)

Dated: May 1, 2015

<i>Primary Point(s) of Receipt</i>	<i>Primary Point(s) of Delivery</i>	<i>Effective Dates</i>	<i>Commodity Rate</i>	<i>Authorized Overrun Rate</i>	<i>Fuel Reimbursement</i>	<i>Surcharges</i>
As listed on Exhibit A	As listed on Exhibit A	(See ¶9)	(1)	(1)	(2)	(3)

NOTES:

- (1) Unless otherwise agreed by the Parties in writing, the rates for service shall be Transporter's maximum rates for service under Rate Schedule TF-4 or other superseding Rate Schedules, as such rates may be changed from time to time.
- (2) Fuel Reimbursement shall be as stated on Transporter's Schedule of Surcharges and Fees in The Tariff, as they may be changed from time to time, unless otherwise agreed between the Parties. Quantities scheduled by Transporter from/to Primary and/or Secondary or Segmented Point(s) on any off-system capacity held by Transporter shall be subject to Transporter's Third Party Charges as described on Transporter's EBB and/or pursuant to Section 20 of the General Terms and Conditions of the Tariff.
- (3) **Surcharges, If Applicable:**
All applicable surcharges, unless otherwise specified, shall be the maximum surcharge rate as stated in the Schedule of Surcharges and Fees in the Tariff, as such surcharges may be changed from time to time.

Gas Quality Control Surcharge:

The Gas Quality Control Commodity Surcharge shall be assessed pursuant to Section 17.4 of the General Terms and Conditions as set forth in the Tariff.

ACA:

The ACA Surcharge shall be assessed pursuant to Section 17.2 of the General Terms and Conditions as set forth in the Tariff.



COUNCIL COMMUNICATION

CITY COUNCIL MEETING: December 16th, 2014
PREPARED BY: Louis Fineberg
DEPT. HEAD SIGNATURE:

(Handwritten signature of Louis Fineberg)

89

SUBJECT: DOLA Contract Approval on behalf of the Trinidad Housing Authority for upgrades to the Corazon Square Senior Housing Complex

PRESENTER: Louis Fineberg, Planning Director

RECOMMENDED CITY COUNCIL ACTION: Adoption of the resolution

SUMMARY STATEMENT:

The City of Trinidad has agreed to sponsor a DOLA EIAF grant on behalf of the Trinidad Housing Authority for upgrades to the Corazon Square Senior Housing Complex. The amount of the grant request is \$748,500. The grant project includes funds for environmental clearance, architectural services, construction and administration. Administration of the grant would be split between the City of Trinidad and the Trinidad Housing Authority. The City of Trinidad would be entitled to reimbursement for administrative expenses per the terms of the interagency agreement.

EXPENDITURE REQUIRED: No match from the City is required. The grant request will include a line item for administrative expenses in the amount of \$12K. The City of Trinidad would be entitled to reimbursement up to this amount.

SOURCE OF FUNDS: NA.

POLICY ISSUE: Should the City of Trinidad approve the contract?

ALTERNATIVE: The City of Trinidad could decide not to approve the contract.

89



RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TRINIDAD, COLORADO, APPROVING A GRANT CONTRACT BETWEEN THE CITY OF TRINIDAD AND THE COLORADO DEPARTMENT OF LOCAL AFFAIRS/DIVISION OF HOUSING FOR THE CORAZON SQUARE RENTAL REHABILITATION PROJECT AND GIVING PLANNING DIRECTOR LOUIS FINEBERG FULL SIGNATORY AUTHORITY IN REGARD TO ALL CONTRACTS AND CORRESPONDING DOCUMENTS ASSOCIATED THEREWITH

WHEREAS, the City of Trinidad City Council has approved and agrees to sponsor on behalf of the Trinidad Housing Authority an application to the Colorado Department of Local Affairs/ Division of Housing seeking funding for the Corazon Square Rental Rehabilitation Project.

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

1) The City Council of the City of Trinidad hereby grants Planning Director Louis Fineberg full signatory authority in regard to all contracts and corresponding documents associated with agreements entered into by the City of Trinidad related to the Corazon Square Rental Rehabilitation Project.

2) Louis Fineberg, Planning Director, an agent of the City of Trinidad, is further authorized to sign Payment Requests, Quarterly Financial Status Reports, Quarterly Project Performance Reports, and Monitoring Documents.

3) The above designation will commence on the date of this Resolution and will apply for the duration of the contract(s).

INTRODUCED, READ AND ADOPTED this 16th day of December, 2014.

JOSEPH A. REORDA, Mayor

ATTEST:

DONA VALENCICH, Acting City Clerk

Contract Routing #
CFDA # 14.228

CONTRACT

THIS CONTRACT, made by and between the State of Colorado, for the use and benefit of The Department of Local Affairs, 1313 Sherman Street, Denver, CO 80203 hereinafter referred to as the State, and City of Trinidad, 135 North Animas Street, Trinidad, Colorado 81003, hereinafter referred to as the Contractor,

WHEREAS, authority exists in the Law and Funds have been budgeted, appropriated and otherwise made available and a sufficient unencumbered balance thereof remains available for payment in Fund Number _____ Appropriation Code Number _____, Org. Unit _____ GBL _____, Contract Encumbrance Number H5CDB14043 and

WHEREAS, required approval, clearance and coordination has been accomplished from and with appropriate agencies; and

WHEREAS, the United States Government, through the Housing and Community Development Act of 1974 ("the Act"), Pub. L. No. 93-383, as amended, has established a Community Development Block Grant ("CDBG") program and has allowed each state to elect to administer such federal funds for its nonentitlement areas, subject to certain conditions, including a requirement that the state's program give maximum feasible priority to activities which will benefit very low-, low-, and moderate-income families or aid in the prevention or elimination of slums or blight; the state's program may also include activities designed to meet other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community where other financial resources are not available to meet such needs. Additionally, the state's program is subject to a federal requirement that not less than seventy percent (70%) of the aggregate amount of CDBG funds received by the state shall be used for the support of activities that benefit persons of very low-, low-, and moderate-income; and

WHEREAS, the State of Colorado has elected to administer such federal funds for its nonentitlement areas through the Colorado Department of Local Affairs ("Department"), pursuant to C.R.S. 1973, 24-32-106(1) (d), 24-32-304(2) (j) and 24-32-705(1) (i); and

WHEREAS, the Department has received applications from political subdivisions in Colorado for allocations from the federal CDBG funds available to Colorado; and

WHEREAS, the Contractor is one of the eligible political subdivisions to receive CDBG funds; and

WHEREAS, the Department has approved the proposed Project of the Contractor;

NOW, THEREFORE, it is hereby agreed that:

1. **Scope of Services.** In consideration for the monies to be received from the State, the Contractor shall do, perform, and carry out, in a satisfactory and proper manner, as determined by the State, all work elements as indicated in the "Scope of Service", set forth in Exhibit A, which is attached hereto and is incorporated herein by reference, and is hereinafter referred to as the "Project". Work performed prior to the execution of this Contract shall not be considered part of this Project.

2. **Responsible Administrator.** The performance of the services required hereunder shall be under the direct supervision of Louis Fineberg, an employee or agent of Contractor, who is hereby designated as the responsible administrator of this Project. At any time the Contractor wishes to change the responsible administrator, the Contractor shall propose and seek the State's approval of such replacement responsible administrator. The State's approval shall be evidenced through a Contract Amendment to this contract initiated by the State as set forth in paragraph 16.b) of this Contract. Until such time as the State concurs in the replacement responsible administrator, the State may direct that Project work be suspended.

3. **Time of Performance.** This Contract shall become effective upon proper execution of this Contract by the State Controller or designee. The Project contemplated herein shall commence as soon as practicable after the execution of this Contract and shall be undertaken and performed in the sequence set forth in the attached Exhibit A, Scope of Services. The Contractor agrees that time is of the essence in the performance of its obligations under this Contract, and that completion of the Project shall occur not later than the termination date set forth in the Scope of Services.

4. Eligibility and National Objectives. All project activities shall be eligible under Section 105 of the Act, as amended, and all related regulations and requirements. Furthermore, project activities shall meet the following indicated (with a "X") broad national objective(s), as set forth in Section 104(b)(3) of the Act, as amended, and all related regulations and requirements:

- Benefit persons of very low-, low-, and moderate-income;
- Prevent or eliminate slums or blight;
- Meet other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community where other financial resources are not available to meet such needs.

5. Obligation, Expenditure and Disbursement of Funds.

a) Prior Expenses. Expenses incurred by the Contractor in association with said Project prior to execution of this Contract are not eligible CDBG expenditures and shall not be reimbursed by the State.

b) Environmental Review Procedures. Funds shall not be obligated or utilized for any activities requiring a release of funds by the State under the Environmental Review Procedures for the CDBG program at 24 CFR Part 58 until such release is issued in writing. Administrative costs, reasonable engineering and design costs, and costs of other exempt activities identified in 24 CFR 58.34(a)(1) through (8) do not require a release of funds by the State. For categorically excluded activities listed in 58.35(a) determined to be exempt because there are no circumstances which require compliance with any other Federal laws and authorities cited at 58.5, the Contractor must make and document such a determination of exemption prior to incurring costs for such activities.

c) Community Development Plan Requirement. Prior to receiving disbursements of CDBG funds from the State, the Contractor shall identify its community development and housing needs, including the needs of very low-, low-, and moderate-income persons, and the activities to be undertaken to meet such needs.

6. Definition of Very low-, Low- and Moderate-Income Persons. Very low-, low-, and moderate-income persons are defined, for the purposes of this Contract, as:

- Those persons who are members of very low-, low-, and moderate-income families as set forth in Exhibit B, which is attached hereto and incorporated herein by reference, or as subsequently promulgated in writing by the State, or
- Those persons who have been determined by HUD, based upon most recent Census data, to be very low-, low-, and moderate-income persons.
- Those persons belonging to clientele groups who are generally presumed by HUD to be principally very low-, low-, and moderate-income persons.
- Not applicable to this project.

7. Citizen Participation. The Contractor shall provide citizens with reasonable notice of, and opportunity to comment on, any substantial change proposed to be made in the use of CDBG funds from one eligible activity to another by following the same citizen participation procedures required for the preparation and submission of its CDBG application to the State. The Contractor shall also comply with the procedure set forth herein regarding the modification and amendment of this Contract.

Additionally, the Contractor shall have and follow a Citizen Participation Plan (CPP) which includes the six elements specified in Section 104(a)(3) the Act. The CPP must include a provision for at least one public hearing during the course of the Project to allow citizens to review and comment on the Contractor's performance in carrying out the Project.

8. Residential Antidisplacement and Relocation Assistance Plan. The Contractor shall follow a residential antidisplacement and relocation assistance plan which, should displacement occur, provides that:

a) governmental agencies, non- and for-profit organizations, or private developers shall provide within the same community comparable replacement dwellings for the same number of occupants as could have been housed in the occupied and vacant occupiable low- and moderate-income dwelling units demolished or converted to a use other than for housing for low- and moderate-income persons, and provide that such replacement housing may include existing housing assisted with project based assistance provided under Section 8 of the United States Housing Act of 1939;

b) such comparable replacement dwellings shall be designed to remain affordable to persons of low- and moderate-income for ten (10) years from the time of initial occupancy;

c) relocation benefits shall be provided for all low-income persons who occupied housing demolished or converted to a use other than for low- or moderate-income housing, including reimbursement for actual and reasonable moving expenses, security deposits, credit checks, and other moving-related expenses; including any interim living costs; and, in the case of displaced persons of low- and moderate-income, provided either:

i) compensation sufficient to ensure that, for a five-year (5-year) period, the displaced families shall not bear, after relocation, a ratio of shelter costs to income that exceeds thirty percent (30%); or

ii) if elected by a family, a lump-sum payment equal to the capitalized value of the benefits available under subclause (i) to permit the household to secure participation in a housing cooperative or mutual housing association;

d) Persons displaced shall be relocated into comparable replacement housing that is:

i) decent, safe, and sanitary;

ii) adequate in size to accommodate the occupants;

iii) functionally equivalent; and,

iv) in an area not subject to unreasonably adverse environmental conditions.

Persons displaced shall have the right to elect, as an alternative to the benefits under this paragraph, to receive benefits under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, if such persons determine that it is in their best interest to do so; and, where a claim for assistance under subparagraph (d) is denied by the Contractor, the claimant may appeal to the State, and that the decision of the State shall be final unless a court determines the decision was arbitrary and capricious.

The Contractor shall follow the Residential Antidisplacement and Relocation Assistance Plan except that paragraphs a) and b) shall not apply in a case in which the Secretary of the U. S. Department of Housing and Urban Development finds, on the basis of objective data, that there is available in the area an adequate supply of habitable affordable housing for low-, and moderate-income persons. A determination under this paragraph is final and nonreviewable.

9. Affirmatively Furthering Fair Housing. The Contractor shall affirmatively further fair housing in addition to conducting and administering its Project in conformity with the equal opportunity requirements of Title VI of the Civil Rights Act of 1964 and the Fair Housing Act, as required herein.

10. Recovery of Capital Costs of Public Improvements. The Contractor shall not attempt to recover any capital costs of public improvements assisted in whole or part with CDBG funds by assessing any amount against properties owned and occupied by persons of very low-, low-, or moderate-income, including any fee charged or assessment made as a condition of obtaining access to such public improvements, unless;

a) CDBG funds are used to pay the proportion of such fee or assessment that relates to the capital costs of such public improvements that are financed from revenue sources other than the CDBG program, or

b) for the purposes of assessing any amount against properties owned and occupied by persons of moderate income who are not persons of very low- or low-income, it certifies that it lacks sufficient CDBG funds to comply with the requirements of subparagraph (a) hereinabove.

11. Compensation and Method of Payment. The State agrees to pay to the Contractor, in consideration for the work and services to be performed, a total amount not to exceed \$748,468.00. The method and time of payment shall be made in accordance with the "Payment Schedule" set forth herein in EXHIBIT A. Any State funds not required for completion of the Project will be deobligated by the State through the processing of a bilateral amendment. Unless otherwise provided in the Scope of Services:

a) The Contractor shall periodically initiate all reimbursement requests by submitting to the Department a written request using the State-provided form, for reimbursement of actual and proper expenditures of State CDBG funds plus an estimation of funds needed for a reasonable length of time.

b) The State may withhold any payment if the Contractor has failed to comply with the State CDBG program objectives, contractual terms, or reporting requirements.

c) The State may withhold the final payment until the Contractor has submitted and the Department has accepted, all required quarterly Financial Status Report and Performance Report information.

12. Financial Management and Budget. At all times from the effective date of this Contract until completion of this Contract, the Contractor shall comply with the administrative requirements, cost principles and other requirements set forth in the State's Financial Management Guide and the Financial Management Section of the State CDBG Guidebook. Contractor may adjust individual budgeted expenditure amounts without approval of the State provided that no budget transfers to or between administration budget categories are proposed and provided that cumulative budgetary line item changes do not exceed the lesser of fifteen percent of the total budgeted amount or Twenty Thousand Dollars (\$20,000.00), unless otherwise specified in the "Budget" section of Exhibit A. Any budgetary modifications that exceed these limitations must be approved by the State through a Contract Amendment as set forth in Paragraph 16. c).

13. Audit.

a) Discretionary Audit. The State, through the Executive Director of the Department, the State Auditor, or any of their duly authorized representatives, including an independent Certified Public Accountant of the State's choosing, or the federal government or any of its properly delegated or authorized representatives shall have the right to inspect, examine, and audit the Contractor's (and any subcontractor's) records, books, accounts and other relevant documents. Such discretionary audit may be requested at any time and for any reason from the effective date of this Contract until five (5) years after the date final payment for this Project is received by the Contractor, provided that the audit is performed during normal business hours.

b) Mandatory Audit. Whether or not the State calls for a discretionary audit as provided above, the Contractor shall include the Project in its annual audit report as required by the Colorado Local Government Audit Law, C.R.S. 1973, 29-1-601, et seq and the Single Audit Act of 1996, Pub. L. 104-156, and Federal and State implementing rules and regulations. Such audit reports shall be simultaneously submitted to the Department and the State Auditor. Thereafter, the Contractor shall supply the Department with copies of all correspondence from the State Auditor or Federal Agency related to the relevant audit report. If the audit reveals evidence of non-compliance with applicable requirements, the Department reserves the right to institute compliance or other appropriate proceedings notwithstanding any other judicial or administrative actions filed pursuant to C.R.S. 1973, 29-1-607 or 29-1-608.

14. Contract Suspension. If the Contractor fails to comply with any contractual provision, the State may, after notice to the Contractor, suspend the Contract and withhold further payments or prohibit the Contractor from incurring additional obligations of contractual funds, pending corrective action by the Contractor or a decision to terminate in accordance with provisions herein. The State may determine to allow such necessary and proper costs which the Contractor could not reasonably avoid during the period of suspension provided such costs were necessary and reasonable for the conduct of the Project.

15. Contract Termination. This contract may be terminated as follows:

a) Termination Due to Loss of Funding. The parties hereto expressly recognize that the Contractor is to be paid, reimbursed, or otherwise compensated with federal CDBG funds provided to the State for the purpose of contracting for the services provided for herein or with program income, and therefore, the Contractor expressly understands and agrees that all its rights, demands and claims to compensation arising under this Contract are contingent upon receipt of such funds by the State. In the event that such funds or any part thereof are not received by the State, the State may immediately terminate or amend this Contract.

b) Termination for Cause. In accordance with 24 CFR Part 85.44, suspension or termination may occur if the Contractor materially fails to comply with any term of the Contract, or, in the State's discretion, the Contract may be terminated for convenience. If, through any cause, the Contractor shall fail to fulfill in a timely and proper manner its obligations under this Contract, or if the Contractor shall violate any of the covenants, agreements, or stipulations of this Contract, the State shall thereupon have the right to terminate this Contract for cause by giving written notice to the Contractor of such termination and specifying the effective date thereof, at least five (5) days before the effective date of such termination. In that event, all finished or unfinished documents, data, studies, surveys, drawings, maps, models, photographs, and reports or other material prepared by the Contractor under this Contract shall, at the option of the State, become its property, and the Contractor shall be entitled to receive just and equitable compensation for any satisfactory work completed on such documents and other materials.

Notwithstanding the above, the Contractor shall not be relieved of liability to the State for any damages sustained by the State by virtue of any breach of the Contract by the Contractor, and the State may withhold any payments to the Contractor for the purpose of offset until such time as the exact amount of damages due the State from the Contractor is determined.

c) Termination for Convenience. The State may terminate this Contract at any time the State desires. The State shall effect such termination by giving written notice of termination to the Contractor and specifying the effective date thereof, at least twenty (20) days before the effective date of such termination. All finished or unfinished documents and other materials as described in subparagraph 16.b) above shall, at the option of the State, become its property. If the Contract is terminated by the State as provided herein, the Contractor will be paid an amount which bears the same ratio to the total compensation as the services actually performed bear to the total services of the Contractor covered by this Contract, less payments of compensation previously made: Provided, however, that if less than sixty percent (60%) of the services covered by this contract have been performed upon the effective date of such termination, the Contractor shall be reimbursed (in addition to the above payment) for that portion of the actual out-of-pocket expenses (not otherwise reimbursed under this Contract) incurred by the Contractor during the Contract period which are directly attributable to the uncompleted portion of the services covered by this Contract. If this Contract is terminated due to the fault of the Contractor, subparagraph 16.b) hereof relative to termination shall apply.

16. Modification and Amendment.

a) Modification by Operation of Law. This Contract is subject to such modifications as may be required by changes in federal or state law or regulations. Any such required modifications shall be incorporated into and be part of this Contract as if fully set forth herein.

~~b) Unilateral Amendment. The State may unilaterally modify the following portions of this Contract when such modifications are requested by the Contractor or determined by the State to be necessary and appropriate. In such cases, the Amendment is binding upon proper execution by the Executive Director of the Department and State Controller's designee and without the signature of the Contractor.~~

- ~~_____ i) Paragraph 2. of this Contract, "Responsible Administrator";~~
- ~~_____ ii) Paragraph 3. of Exhibit A, Scope of Services "Time of Performance";~~
- ~~_____ iii) Paragraph 4 of Exhibit A, Scope of Services "Remit Address";~~
- ~~_____ iv) Paragraph 5 of Exhibit A, Scope of Services "Payment Schedule".~~

~~Contractor must submit a written request to the Department if modifications are required. Amendments to this Contract for the provisions outlined in this Paragraph 16 b. i) through iv): Responsible Administrator, Time of Performance, Remit Address, or Payment Schedule can be executed by the State (Exhibit C1).~~

~~c) Bilateral Amendment. In the following circumstances, modifications shall be made by an Amendment signed by the Contractor, the Executive Director of the Department and the State Controller's designee. Such Amendments must be executed by the Contractor then the State and are binding upon proper execution by the State Controller's designee.~~

- ~~_____ i) unless otherwise specified in the "Budget" section of Exhibit A, when cumulative budgetary line item changes exceed Twenty Thousand Dollars (\$20,000.00);~~
- ~~_____ ii) unless otherwise specified in the "Budget" section of Exhibit A, when any budget transfers to or between administration budgetary categories are proposed;~~

- ~~_____ iii) when any other material modifications, as determined by the State, are proposed to Exhibit A or any other Exhibits;~~
- ~~_____ iv) when additional or less funding is needed and approved and modifications are required to Paragraph 5 of this Contract, Compensation and Method of Payment as well as to Exhibit A "Budget" and "Payment Schedule";~~
- ~~_____ v) when there are additional federal statutory or regulatory compliance changes in accordance with Paragraph 20 of this Contract.~~

Such Bilateral Amendment may also incorporate any modifications allowed to be made by Unilateral Amendment as set forth in subparagraph 16.b) of this paragraph.

Upon proper execution and approval, such Amendment (Exhibit C2) shall become an amendment to the Contract, effective on the date specified in the amendment. No such amendment shall be valid until approved by the State Controller or such assistant as he may designate. All other modifications to this Contract must be accomplished through amendment to the contract pursuant to fiscal rules and in accordance with subparagraph 16.d).

d) Other Modifications. If either the State or the Contractor desired to modify the terms of this Contract other than as set forth in subparagraphs 16.b) and 16.c) above, written notice of the proposed modification shall be given to the other party. No such modification shall take effect unless agreed to in writing by both parties in an amendment to this Contract properly executed and approved in accordance with applicable law. Any amendment required per this subparagraph will require the approval of other state agencies as appropriate, e.g. Attorney General, State Controller, etc.

Such Amendment may also incorporate any modifications allowed to be made by Unilateral and Bilateral Amendment as set forth in subparagraphs 16.b) or 16.c) of this paragraph.

17. Integration. This Contract, as written, with attachments and references, is intended as the complete integration of all understanding between the parties at this time and no prior or contemporaneous addition, deletion or amendment hereto shall have any force or effect whatsoever, unless embodied in a written authorization or contract amendment incorporating such changes, executed approved pursuant to applicable law.

18. Reports.

a) Financial Reports. The Contractor shall submit to the Department quarterly financial status reports in the manner and method set forth in the Reporting Section of the State CDBG Guidebook.

b) Performance Reports. The Contractor shall submit to the Department quarterly performance reports and a project completion report in a manner and method prescribed by the Department in the Reporting Section and Close-Out Section of the State CDBG Guidebook.

19. Conflict of Interest.

a) In the Case of Procurement. In the procurement of supplies, equipment, construction and services by the Contractor and its subcontractors, no employee, officer or agent of the Contractor or its subcontractors shall participate in the selection or in the award of administration of a contract if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when the employee, officer or agent; any member of his immediate family; his partner; or an organization which employs, or is about to employ, any of the above, has a financial or other interest in the party or firm selected for award. Officers, employees or agents of the Contractor and its subcontractors shall neither solicit nor accept gratuities, favors or anything of monetary value from parties or potential parties to contracts. Unsolicited items provided as gifts are not prohibited if the intrinsic value of such items is nominal.

b) In All Cases Other Than Procurement. In all cases other than procurement (including the provision of housing rehabilitation assistance to individuals, the provision of assistance to businesses, and the acquisition and disposition of real property), no persons described in subparagraph i) below who exercise or have exercised any functions or responsibilities with respect to CDBG activities or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a personal or financial interest or benefit from the activity, or have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds thereunder, either for themselves or those with whom they have family or business ties, during their tenure for one year thereafter.

- i) Persons Covered. The conflict of interest provisions of this subparagraph 19.b) apply to any person who is an employee, agent, consultant, officer, or elected official or appointed official of the Contractor or of any designated public agencies or subcontractors receiving CDBG funds.
- ii) Threshold Requirements for Exceptions. Upon the written request of the Contractor, the State may grant an exception to the provisions of this subparagraph 19.b) when it determines that such an exception will serve to further the purposes of the CDBG program and the effective and efficient administration of the Contractor's Project. An exception may be considered only after the Contractor has provided the following:
- a) A disclosure of the nature of the conflict, accompanied by an assurance that:
 - i. there has been or will be a public disclosure of the conflict and a description of how the public disclosure was or will be made; and
 - ii. the affected person has withdrawn from his or her functions or responsibilities, or the decision-making process with respect to the specific CDBG-assisted activity in question; and
 - b) An opinion of the Contractor's attorney that the interest for which the exception is sought would not violate State or local law; and
 - c) A written statement signed by the chief elected official of the Contractor holding the State harmless from all liability in connection with any exception which may be granted by the State to the provisions of this subparagraph 19.b);
- iii) Factors to be Considered for Exceptions. In determining whether to grant a requested exception after the Contractor has satisfactorily met the requirements of subparagraph 19.b) ii) above, the State shall consider the cumulative effect of the following factors, where applicable:
- a) Whether the exception would provide a significant cost benefit or an essential degree of expertise to the Project which would otherwise not be available;
 - b) Whether an opportunity was provided for open competitive bidding or negotiation;
 - c) Whether the person affected is a member of a group or class of low- or moderate-income persons intended to be beneficiaries of the CDBG-assisted activity, and the exception will permit such person to receive generally the same benefits as are being made available or provided to the group or class;
 - d) Whether the interest or benefit was present before the affected person was in a position as described in this subparagraph 19.b);
 - e) Whether undue hardship will result either to the Contractor or the person affected when weighted against the public interest served by avoiding the prohibited conflict; and
 - f) Any other relevant considerations.

20. Compliance with Applicable Laws. At all times during the performance of this Contract, the Contractor and any subcontractors shall strictly adhere to all applicable Federal and State laws, orders, and all applicable standards, regulations, interpretations or guidelines issued pursuant thereto. The applicable Federal laws and regulations include:

a) National Environmental Policy Act of 1969 (42 USC 4321 et seq.), as amended, and the implementing regulations of HUD (24 CFR Part 58) and of the Council on Environmental Quality (40 CFR Parts 1500-1508) providing for establishment of national policy, goals, and procedures for protecting, restoring and enhancing environmental quality.

b) National Historic Preservation Act of 1966 (16 USC 470 et seq.), as amended, requiring consideration of the effect of a project on any district, site, building, structure or object that is included in or eligible for inclusion in the National Register of Historic Places.

c) Executive Order 11593, Protection and Enhancement of the Cultural Environment, May 13, 1971 (36 FR 8921 et seq.), requiring that federally-funded projects contribute to the preservation and enhancement of sites, structures and objects of historical, architectural or archaeological significance.

d) The Archaeological and Historical Data Preservation Act of 1974, amending the Reservoir Salvage Act of 1960 (16 USC 469 et seq.), providing for the preservation of historic and archaeological data that would be lost due to federally-funded development and construction activities.

e) Executive Order 11988, Floodplain Management, May 24, 1977 (42 FR 26951 et seq.) prohibits undertaking certain activities in floodplains unless it has been determined that there is no practical alternative, in which case notice of the action must be provided and the action must be designed or modified to minimize potential damage.

f) Executive Order 11990, Protection of Wetlands, May 24, 1977 (42 FR 26961 et seq.) requiring review of all actions proposed to be located in or appreciably affecting a wetland. Undertaking or assisting new construction located in wetlands must be avoided unless it is determined that there is no practical alternative to such construction and that the proposed action includes all practical measures to minimize potential damage.

g) Safe Drinking Water Act of 1974 (42 USC 201, 300f et seq., 7401 et seq.), as amended, prohibiting the commitment of federal financial assistance for any project which the Environmental Protection Agency determines may contaminate an aquifer which is the sole or principal drinking water source for an area.

h) The Endangered Species Act of 1973 (16 USC 1531 et seq.), as amended, requiring that actions authorized, funded, or carried out by the federal government do not jeopardize the continued existence of endangered and threatened species or result in the destruction or modification of the habitat of such species which is determined by the Department of the Interior, after consultation with the State, to be critical.

i) The Wild and Scenic Rivers Act of 1968 (16 USC 1271 et seq.), as amended, prohibiting federal assistance in the construction of any water resources project that would have a direct and adverse effect on any river included in or designated for study or inclusion in the National Wild and Scenic Rivers System.

j) The Clean Air Act of 1970 (42 USC 1857 et seq.), as amended, requiring that federal assistance will not be given and that license or permit will not be issued to any activity not conforming to the State implementation plan for national primary and secondary ambient air quality standards.

k) Flood Disaster Protection Act of 1973 (42 USC 4001), placing restrictions on eligibility and acquisition and construction in areas identified as having special flood hazards.

l) HUD Environmental Criteria and Standards (24 CFR Part 51) providing national standards for noise abatement and control, acceptable separation distances from explosive or fire prone substances and suitable land uses for airport runway clear zones.

m) Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 – Title III, Real Property Acquisition (Pub. L. 91-646 and implementing regulations at 24 CFR Part 42), providing for uniform and equitable treatment of persons displaced from their homes, businesses, or farms by federal or federally-assisted programs and establishing uniform and equitable land acquisition policies for federal assisted programs. Requirements include bona fide land appraisals as a basis for land acquisition, specific procedure for selecting contract appraisers and contract negotiations, furnishing to owners of property to be acquired a written summary statement of the acquisition price offer based on the fair market price, and specified procedures connected with condemnation.

n) Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 – Title II, Uniform Relocation Assistance (Pub. L. 91-646 and implementing regulations at 24 CFR Part 42), providing for fair and equitable treatment of all persons displaced as a result of any federal or federally-assisted program. Relocation payments and assistance, last-resort housing replacement of displacing agency, and grievance procedures are covered under the Uniform Act. Payments and assistance will be made pursuant to State or local law, or the grant recipient must adopt a written policy available to the public describing the relocation payments and assistance that will be provided. Moving expenses and up to \$22,500 or more for each qualified homeowner or up to \$5,250 or more for each tenant are potential costs.

o) Section 104(d) of the Housing and Community Development Act of 1974, (42 USC 5301 as amended and implementing regulations at 24 CFR Part 570) providing for the replacement of all low- and moderate-income dwelling units that are demolished or converted to another use as a direct result of the use of CDBG funds, and which provides for relocation assistance for low- and moderate-income households so displaced.

p) Davis-Bacon Fair Labor Standards Act (40 USC 276A -276a-5) requiring that, on all contracts and subcontracts which exceed \$2,000 for federally-assisted construction, alteration or rehabilitation, laborers and mechanics employed by contractors or subcontractors shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor. (This requirement applies to the rehabilitation of residential property only if such property is designed for use of eight or more units.) The requirements set forth in this subparagraph are inapplicable to individuals who volunteer their services under circumstances set forth in 24 CFR Part 70.

Assistance shall not be used directly or indirectly to employ, award contracts to, or otherwise engage the services of, or fund any subcontractor or subrecipient during any period of debarment, suspension, or placement in ineligibility status under the provisions of 24 CFR Part 24.

q) Contract Work Hours and Safety Standards Act of 1962 (40 USC 327 et seq.) requiring that mechanics and laborers employed on federally-assisted contracts which exceed \$2,000 be paid wages of not less than one and one-half times their basic wage rates for all hours worked in excess of forty in a work week.

r) Copeland "Anti-Kickback" Act of 1934 (40 USC 276 (c)) prohibiting and prescribing penalties for "kickbacks" of wages in federally-financed or -assisted construction activities.

s) The Lead-Based Paint Poisoning Prevention Act -- Title IV (42 USC 4831) prohibiting the use of lead-based paint in residential structures constructed or rehabilitated with federal assistance, and requiring notification to purchasers and tenants of such housing of the hazards of lead-based paint and of the symptoms and treatment of lead-based paint poisoning.

t) Unless otherwise provided for in EXHIBIT A, Scope of Services, this contract is subject to the following: Section 3 of the Housing and Community Development Act of 1968 (12 U.S.C. 1701 (u)), as amended.

- i) The work to be performed under this contract is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701 (u) (Section 3). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Section 3, shall, to the greatest extent feasible, be directed to very low- and low-income persons, particularly persons who are recipients of HUD assistance for housing.
- ii) The parties to this contract agree to comply with HUD's regulations in 24 CFR Part 135, which implement Section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the Part 135 regulations.
- iii) The Contractor agrees to send to each labor organization or representative of workers with which the Contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the Contractor's commitments under this Section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the persons) taking applications for each of the positions; and the anticipated date the work shall begin.
- iv) The Contractor agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 CFR Part 135 ((Paragraph 23 t)i) - 23 t)vii) of this contract)), and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR Part 135. The Contractor will not subcontract with any subcontractor where the Contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR Part 135.

- v) The Contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the Contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR Part 135 require employment opportunities to be directed, were not filled to circumvent the Contractor's obligations under 24 CFR Part 135.
- vi) Noncompliance with HUD's regulations in 24 CFR Part 135 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.
- vii) With respect to work performed in connection with Section 3 covered Indian housing assistance, Section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450e) also applies to the work to be performed under this contract. Section 7(b) requires that to the greatest extent feasible (i) preference and opportunities for training and employment shall be given to Indians, and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations, and Indian-owned Economic Enterprises. Parties to this contract that are subject to the provisions of Section 3 and Section 7(b) agree to comply with Section 3 to the maximum extent feasible, but not in derogation of compliance with Section 7(b).
 - u) Section 109 of the Housing and Community Development Act of 1974 (42 USC 5309), as amended, providing that no person shall be excluded from participation (including employment), denied program benefits or subjected to discrimination on the basis of race, color, national origin or sex under any program or activity funded in whole or in part under Title I (Community Development) of the Act.
 - v) Title IV of the Civil Rights Act of 1964 (Pub. L. 88-352; 42 USC 2000 (d)) prohibiting discrimination on the basis of race, color, and incorporates laws prohibiting age or handicap or religious affiliation, or national origin discrimination in any program or activity receiving federal financial assistance.
 - w) The Fair Housing Act (42 USC 3601-20), as amended, prohibiting housing discrimination on the basis of race, color, religion, sex, national origin, handicap and familial status.
 - x) Executive Order 11246 (1965), as amended by Executive Orders 11375 and 12086, prohibiting discrimination on the basis of race, color, religion, sex or national origin in any phase of employment during the performance of federal or federally-assisted contracts in excess of \$2,000.
 - y) Executive Order 11063 (1962), as amended by Executive Order 12259, requiring equal opportunity in housing by prohibiting discrimination on the basis of race, color, religion, sex or national origin in the sale or rental of housing built with federal assistance.
 - z) Section 504 of the Rehabilitation Act of 1973 (29 USC 793), as amended, providing that no otherwise qualified individual shall, solely by reason of a handicap, be excluded for participation (including employment), denied program benefits or subjected to discrimination under any program or activity receiving federal funds.
 - aa) Age Discrimination Act of 1975 (42 USC 6101), as amended, providing that no person shall be excluded from participation, denied program benefits or subjected to discrimination on the basis of age under any program or activity receiving federal funds.
 - ab) Fire Administration Authorization Act of 1992 (P.L. 102-522), prohibiting the use of housing assistance in connection with certain assisted and insured properties, unless various protection and safety standards are met.
 - ac) Excessive Force. In accordance with Section 519 of Public Law 101-144, the HUD Appropriations Act, Section 906 of Cranston-Gonzalez Affordable Housing Act of 1990, the Contractor has adopted and is enforcing a policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and has adopted and is enforcing a policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location which is the subject of such non-violent civil rights demonstration within its jurisdiction.
 - ad) Lobbying. The Contractor assures and certified that:

- i) No federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any federal contract, the making of a federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan or cooperative agreement.
- ii) If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an offer or employee of any agency, a Member of Congress, an officer or employee of congress, or an employee of a Member of Congress in connection with this federally funded contract, grant, loan, or cooperative agreement, it shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying", in accordance with its instructions.
- iii) It shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.
- iv) It understands that this certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, USC. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000.00 and not more than \$100,000.00 for each such failure.

21. Monitoring and Evaluation. The State will monitor and evaluate the Contractor for compliance with the terms of the contract, and the rules, regulations, requirements and guidelines which the State has promulgated or may promulgate, including the State CDBG Guidebook. The Contractor may also be subject to monitoring and evaluation by the U.S. Department of Housing and Urban Development.

22. Severability. To the extent that this Contract may be executed and performance of the obligations of the parties may be accomplished within the intent of the contract, the terms of this Contract are severable, and should any term or provision hereof be declared invalid or become inoperative for any reason, such invalidity or failure shall not affect the validity of any other term or provision hereof. The waiver of any breach of a term hereof shall not be construed as waiver of any other term nor as waiver of a subsequent breach of the same term.

23. Binding on Successors. Except as herein otherwise provided, this agreement shall inure to the benefit of and be binding upon the parties, or any subcontractors hereto, and their respective successors and assigns.

24. Subletting, Assignment or Transfer. Neither party nor any subcontractors hereto may sublet, sell, transfer, assign or otherwise dispose of this Contract or any portion thereof, or of its rights, title, interest or duties therein, without the prior written consent of the other party. No subcontract or transfer of Contract shall in any case release the Contractor of liability under this Contract.

25. Non-Discrimination. The Contractor agrees to comply with the letter and the spirit of all applicable state and federal laws and requirements with respect to discrimination and unfair employment practices.

26. Applicant Statement of Assurances and Certifications. The Contractor has previously signed an "Applicant Statement of Assurances and Certifications" which is hereby incorporated and made a part of this Contract by reference.

27. Survival of Certain Contract Terms. Notwithstanding anything herein to the contrary, the parties understand and agree that all terms and conditions of this Contract and the exhibits and attachments hereto which may require continued performance or compliance beyond the termination date of the Contract shall survive such termination date and shall be enforceable to the State as provided herein in the event of such failure to perform or comply by the Contractor or its subcontractors.

28. Order of Precedence. In the event of conflicts or inconsistencies between this contract and its exhibits or attachments, such conflicts or inconsistencies shall be resolved by reference to the documents in the following order of priority:

- A. FFATA, Exhibit C
- B. Colorado Special Provisions
- C. Contract
- D. Scope of Services, Exhibit A
- E. Income and Rent Chart, Exhibit B
- F. Beneficiary & Rent Use Covenant, Exhibit F
- G. Project Performance Plan, Exhibit D
- H. Legal Residency Affidavit, Exhibit E

29. Insurance. Grantee and its Subgrantees shall obtain and maintain insurance as specified in this section at all times during the term of this Grant: All policies evidencing the insurance coverage required hereunder shall be issued by insurance companies satisfactory to Grantee and the State.

A. Grantee

i. Public Entities

If Grantee is a "public entity" within the meaning of the Colorado Governmental Immunity Act, CRS §24-10-101, et seq., as amended (the "GIA"), then Grantee shall maintain at all times during the term of this Grant such liability insurance, by commercial policy or self-insurance, as is necessary to meet its liabilities under the GIA. Grantee shall show proof of such insurance satisfactory to the State, if requested by the State. Grantee shall require each subgrant with Subgrantees that are public entities, providing Goods or Services hereunder, to include the insurance requirements necessary to meet Subgrantee's liabilities under the GIA.

ii. Non-Public Entities

If Grantee is not a "public entity" within the meaning of the GIA, Grantee shall obtain and maintain during the term of this Grant insurance coverage and policies meeting the same requirements set forth in §13(B) with respect to Subgrantees that are not "public entities".

B. Grantees, Subgrantees and Subcontractors

Grantee shall require each subgrant with Subgrantees and each contract with Subcontractors, other than those that are public entities, providing Goods or Services in connection with this Grant, to include insurance requirements substantially similar to the following:

i. Workers' Compensation

Workers' Compensation Insurance as required by State statute, and Employer's Liability Insurance covering all of Grantee, Subgrantee and Subcontractor employees acting within the course and scope of their employment.

ii. General Liability

Commercial General Liability Insurance written on ISO occurrence form CG 00 01 10/93 or equivalent, covering premises operations, fire damage, independent contractors, products and completed operations, blanket contractual liability, personal injury, and advertising liability with minimum limits as follows: (a) \$1,000,000 each occurrence; (b) \$1,000,000 general aggregate; (c) \$1,000,000 products and completed operations aggregate; and (d) \$50,000 any one fire.

iii. Automobile Liability

Automobile Liability Insurance covering any auto (including owned, hired and non-owned autos) with a minimum limit of \$1,000,000 each accident combined single limit.

iv. Malpractice/Professional Liability Insurance

This section shall | shall not apply to this Grant.

Grantee, Subgrantees and Subcontractors shall maintain in full force and effect a Professional Liability Insurance Policy in the minimum amount of \$1,000,000 per occurrence and \$3,000,000 in the aggregate, written on an occurrence form that provides coverage for its work undertaken pursuant to this Grant. If a policy written on an occurrence form is not commercially available, the claims-made policy shall remain in effect for the duration of this Grant and for at least two years beyond the completion and acceptance of the work under this Grant, or, alternatively, a two year extended reporting period must be purchased. The Grantee, Subgrantee or Subcontractor shall be responsible for all claims, damages, losses or expenses, including attorney's fees, arising out of or resulting from such party's performance of professional services under this Grant, a subcontract or subgrant.

v. Umbrella Liability Insurance

For construction projects exceeding \$10,000,000, Grantee, Subgrantees and Subcontractors shall maintain umbrella/excess liability insurance on an occurrence basis in excess of the underlying insurance described in §13(i)-(iv) above. Coverage shall follow the terms of the underlying insurance, included the additional insured and waiver of subrogation provisions. The amounts of insurance required in subsections above may be satisfied by the Grantee, Subgrantee and Subcontractor purchasing coverage for the limits specified or by any combination of underlying and umbrella limits, so long as the total amount of insurance is not less than the limits specified in each section previously mentioned. The insurance shall have a minimum amount of \$5,000,000 per occurrence and \$5,000,000 in the aggregate.

vi. Property Insurance

This subsection shall apply if Grant Funds are provided for the acquisition, construction, or rehabilitation of real property. Insurance on the buildings and other improvements now existing or hereafter erected on the premises and on the fixtures and personal property included in the Subject Property against loss by fire, other hazards covered by the so called "all risk" form of policy and such other perils as State shall from time to time require with respect to properties of the nature and in the geographical area of the Subject Properties, and to be in an amount at least equal to the replacement cost value of the Subject Property. Grantor will at its sole cost and expense, from time to time and at any time, at the request of State provide State with evidence satisfactory to State of the replacement cost of the Subject Property.

vii. Flood Insurance

If the Subject Property or any part thereof is at any time located in a designated official flood hazard area, flood insurance insuring the buildings and improvements now existing or hereafter erected on the Subject Property and the personal property used in the operation thereof in an amount equal to the lesser of the amount required for property insurance identified in Section vi above or the maximum limit of coverage made available with respect to such buildings and improvements and personal property under applicable federal laws and the regulations issued thereunder.

viii. Builder's Risk Insurance

Grantee, Subgrantee and/or Subcontractor shall purchase and maintain property insurance written on a builder's risk "all-risk" or equivalent policy form in the amount of the initial construction/rehabilitation costs, plus value of subsequent modifications and cost of materials supplied or installed by others, comprising total value for the entire Project at the site on a replacement cost basis without optional deductibles. Such property insurance shall be maintained, unless otherwise agreed in writing by all persons and entities who are beneficiaries of such insurance, until final payment has been made or until no person or entity other than the property owner has an insurable interest in the property.

a) The insurance shall include interests of the property owner, Grantee, Subgrantee, Subcontractors in the Project as named insureds.

b) All associated deductibles shall be the responsibility of the Grantee, Subcontractor and Subgrantee. Such policy may have a deductible clause but not to exceed \$10,000.

c) Property insurance shall be on an "all risk" or equivalent policy form and shall include, without limitation, insurance against the perils of fire (with extended coverage) and physical loss or damage including, without duplication of coverage, theft, vandalism, malicious mischief, collapse, earthquake, flood, windstorm, falsework, testing and startup, temporary buildings and debris removal including demolition occasioned by enforcement of any applicable legal requirements, and shall cover reasonable compensation for Grantee's, Subgrantee's and Subcontractor's services and expenses required as a result of such insured loss.

d) Builders Risk coverage shall include partial use by Grantee and/or property owner.

e) The amount of such insurance shall be increased to include the cost of any additional work to be done on the Project, or materials or equipment to be incorporated in the Project, under other independent contracts let or to be let. In such event, Subgrantee and Subcontractor shall be reimbursed for this cost as his or her share of the insurance in the same ratio as the ratio of the insurance represented by such independent contracts let or to be let to the total insurance carried.

ix. Pollution Liability Insurance

If Grantee and/or its Subgrantee or Subcontractor is providing directly or indirectly work with pollution/environmental hazards, they must provide or cause those conducting the work to provide Pollution Liability Insurance coverage. Pollution Liability policy must include contractual liability coverage. The policy limits shall be in the amount of \$1,000,000 with maximum deductible of \$25,000 to be paid by the Grantee's Subcontractor and/or Subgrantee.

C. Miscellaneous Insurance Provisions

Certificates of Insurance and/or insurance policies required under this Grant shall be subject to the following stipulations and additional requirements:

- i. **Deductible.** Any and all deductibles or self-insured retentions contained in any Insurance policy shall be assumed by and at the sole risk of the Grantee, its Subgrantees or Subcontractors,
- ii. **In Force.** If any of the said policies shall fail at any time to meet the requirements of the Grant as to form or substance, or if a company issuing any such policy shall be or at any time cease to be approved by the Division of Insurance of the State of Colorado, or be or cease to be in compliance with any stricter requirements of the Grant, the Grantee, its Subgrantee and its Subcontractor shall promptly obtain a new policy.
- iii. **Insurer.** All requisite insurance shall be obtained from financially responsible insurance companies, authorized to do business in the State of Colorado and acceptable to Grantee,
- iv. **Additional Insured**
Grantee and the State shall be named as additional insured on the Commercial General Liability and Automobile Liability Insurance policies (leases and construction Grants require additional insured coverage for completed operations on endorsements CG 2010 11/85, CG 2037, or equivalent).
- v. **Primacy of Coverage**
Coverage required of Grantee, Subgrantees and Subcontractors shall be primary over any insurance or self-insurance program carried by Grantee or the State.
- vi. **Cancellation**
The above insurance policies shall include provisions preventing cancellation or non-renewal without at least 45 days prior notice to the Grantee and Grantee shall forward such notice to the State in accordance with §16 (Notices and Representatives) within seven days of Grantee's receipt of such notice.
- vii. **Subrogation Waiver**
All insurance policies in any way related to this Grant and secured and maintained by Grantee or its Subgrantees and Subcontractors as required herein shall include clauses stating that each carrier shall waive all rights of recovery, under subrogation or otherwise, against Grantee or the State, its agencies, institutions, organizations, officers, agents, employees, and volunteers.

D. Certificates

Grantee, Subgrantee and Subcontractor shall provide certificates showing insurance coverage required hereunder to the State within seven business days of the Effective Date of this Grant or of their respective subcontract or subgrant. No later than 15 days prior to the expiration date of any such coverage, Grantee, Subgrantee and Subcontractor shall deliver to the State or Grantee certificates of insurance evidencing renewals thereof. In addition, upon request by the State at any other time during the term of this Grant, subgrant or subcontract, Grantee, Subgrantee and Subcontractor shall, within 10 days of such request, supply to the State evidence satisfactory to the State of compliance with the provisions of this §29.

30. Legal Resident

Contractor must confirm that any individual natural person eighteen years of age or older is lawfully present in the United States pursuant to CRS 24-76.5-101 et seq., when such individual applies for public benefits provided under this Contract by requiring the applicant to:

- (a) Produce:
 - I. A valid Colorado driver's license or a Colorado identification card, issued pursuant to article 2 of title 42, C.R.S.; or
 - II. A United States military card or a military dependent's identification card; or
 - III. A United States Coast Guard Merchant Mariner card; or
 - IV. A Native American tribal document; and
- (b) Execute an affidavit herein attached as Exhibit E, Affidavit of Legal Residency, stating:
 - I. That he or she is a United States citizen or legal permanent resident; or
 - II. That he or she is otherwise lawfully present in the United States pursuant to federal law.

Notwithstanding the foregoing, to the extent that there is any conflict with the provisions above or those set forth in the Affidavit of Legal Residency attached hereto and any provision of federal law, the provisions of federal law shall prevail.

31. Indemnification.

- i. **Intergovernmental Grants**
If this is an intergovernmental Grant, the provisions hereof shall not be construed or interpreted as a waiver, express or implied, of any of the immunities, rights, benefits, protection, or other provisions, of the Colorado Governmental Immunity Act, CRS 24-10-101 et seq., or the Federal Tort Claims Act, 28 U.S.C. 2671 et seq., as applicable, as now or hereafter amended.
- ii. **Non-Intergovernmental Grants**
Grantee shall indemnify, save, and hold harmless the State, its employees and agents, against any and all claims, damages, liability and court awards including costs, expenses, and attorney fees and related costs, incurred as a result of any act or omission by Grantee, or its employees, agents, subcontractors, or assignees pursuant to the terms of this Grant.

32. CORA Disclosure

To the extent not prohibited by federal law, this Grant and the performance measures and standards under CRS §24-103.5-101, if any, are subject to public release through the Colorado Open Records Act, CRS §24-72-101, et seq.

33. Statewide Contract Management System.

[This section shall apply when the State funds provided under this contract is greater than \$100,000.

By entering into this Grant, the Grantee agrees to be governed, and to abide, by the provisions of CRS §24-102-205, §24-102-206, §24-103-601, §24-103.5-101 and §24-105-102 concerning the monitoring of vendor performance on state contracts and inclusion of contract performance information in a statewide contract management system. The Grantee's performance shall be evaluated in accordance with the terms and conditions of this Grant, State law, including CRS §24-103.5-101, and State Fiscal Rules, Policies and Guidance. Evaluation of the Grantee's performance shall be part of the normal contract administration process and the Grantee's performance will be systematically recorded in the statewide Contract Management System. Areas of review shall include, but shall not be limited to quality, cost and timeliness. Collection of information relevant to the performance of Grantee's obligations under this Grant shall be determined by the specific requirements of such obligations and shall include factors tailored to match the requirements of the Statement of Project of this Grant. Such performance information shall be entered into the statewide Contract Management System at intervals established in the Statement of Project and a final review and rating shall be rendered within 30 days of the end of the Grant term. The Grantee shall be notified following each performance and shall address or correct any identified problem in a timely manner and maintain work progress. Should the final performance evaluation determine that the Grantee demonstrated a gross failure to meet the performance measures established under the Statement of Project, the Executive Director of the Colorado Department of Personnel and Administration (Executive Director), upon request by the DOLA, and showing of good cause, may debar the Grantee and prohibit the Grantee from bidding on future contracts. The Grantee may contest the final evaluation and result by: (i) filing rebuttal statements, which may result in either removal or correction of the evaluation (CRS §24-105-102(6)); or (ii) under CRS §24-105-102(6), exercising the debarment protest and appeal rights provided in CRS §§24-109-106, 107, 201 or 202, which may result in the reversal of the debarment and reinstatement of the Grantee, by the Executive Director, upon showing of good cause.

SPECIAL PROVISIONS

These Special Provisions apply to all contracts except where noted in *italics*.

1. **CONTROLLER'S APPROVAL. CRS §24-30-202(1).** This contract shall not be valid until it has been approved by the Colorado State Controller or designee.
2. **FUND AVAILABILITY. CRS §24-30-202(5.5).** Financial obligations of the State payable after the current fiscal year are contingent upon funds for that purpose being appropriated, budgeted, and otherwise made available.
3. **GOVERNMENTAL IMMUNITY.** No term or condition of this contract shall be construed or interpreted as a waiver, express or implied, of any of the immunities, rights, benefits, protections, or other provisions, of the Colorado Governmental Immunity Act, CRS §24-10-101 et seq., or the Federal Tort Claims Act, 28 U.S.C. §§1346(b) and 2671 et seq., as applicable now or hereafter amended.
4. **INDEPENDENT CONTRACTOR.** Contractor shall perform its duties hereunder as an independent contractor and not as an employee. Neither Contractor nor any agent or employee of Contractor shall be deemed to be an agent or employee of the State. Contractor and its employees and agents are not entitled to unemployment insurance or workers compensation benefits through the State and the State shall not pay for or otherwise provide such coverage for Contractor or any of its agents or employees. Unemployment insurance benefits will be available to Contractor and its employees and agents only if such coverage is made available by Contractor or a third party. Contractor shall pay when due all applicable employment taxes and income taxes and local head taxes incurred pursuant to this contract. Contractor shall not have authorization, express or implied, to bind the State to any agreement, liability or understanding, except as expressly set forth herein. Contractor shall (a) provide and keep in force workers' compensation and unemployment compensation insurance in the amounts required by law, (b) provide proof thereof when requested by the State, and (c) be solely responsible for its acts and those of its employees and agents.
5. **COMPLIANCE WITH LAW.** Contractor shall strictly comply with all applicable federal and State laws, rules, and regulations in effect or hereafter established, including, without limitation, laws applicable to discrimination and unfair employment practices.
6. **CHOICE OF LAW.** Colorado law, and rules and regulations issued pursuant thereto, shall be applied in the interpretation, execution, and enforcement of this contract. Any provision included or incorporated herein by reference which conflicts with said laws, rules, and regulations shall be null and void. Any provision incorporated herein by reference which purports to negate this or any other Special Provision in whole or in part shall not be valid or enforceable or available in any action at law, whether by way of complaint, defense, or otherwise. Any provision rendered null and void by the operation of this provision shall not invalidate the remainder of this contract, to the extent capable of execution.
7. **BINDING ARBITRATION PROHIBITED.** The State of Colorado does not agree to binding arbitration by any extra-judicial body or person. Any provision to the contrary in this contract or incorporated herein by reference shall be null and void.
8. **SOFTWARE PIRACY PROHIBITION. Governor's Executive Order D 002 00.** State or other public funds payable under this contract shall not be used for the acquisition, operation, or maintenance of computer software in violation of federal copyright laws or applicable licensing restrictions. Contractor hereby certifies and warrants that, during the term of this contract and any extensions, Contractor has and shall maintain in place appropriate systems and controls to prevent such improper use of public funds. If the State determines that Contractor is in violation of this provision, the State may exercise any remedy available at law or in equity or under this contract, including, without limitation, immediate termination of this contract and any remedy consistent with federal copyright laws or applicable licensing restrictions.
9. **EMPLOYEE FINANCIAL INTEREST/CONFLICT OF INTEREST. CRS §§24-18-201 and 24-50-507.** The signatories aver that to their knowledge, no employee of the State has any personal or beneficial interest whatsoever in the service or property described in this contract. Contractor has no interest and shall not acquire any interest, direct or indirect, that would conflict in any manner or degree with the performance of Contractor's services and Contractor shall not employ any person having such known interests.
10. **VENDOR OFFSET. CRS §§24-30-202 (1) and 24-30-202.4. [Not Applicable to intergovernmental agreements]** Subject to CRS §24-30-202.4 (3.5), the State Controller may withhold payment under the State's vendor offset intercept system for debts owed to State agencies for: (a) unpaid child support debts or child support arrearages; (b) unpaid balances of tax, accrued interest, or other charges specified in CRS §39-21-101, et seq.; (c) unpaid loans due to the Student Loan Division of the Department of Higher Education; (d) amounts required to be paid to the Unemployment Compensation Fund; and (e) other unpaid debts owing to the State as a result of final agency determination or judicial action.
11. **PUBLIC CONTRACTS FOR SERVICES. CRS §8-17.5-101. [Not Applicable to agreements relating to the offer, issuance, or sale of securities, investment advisory services or fund management services, sponsored projects, intergovernmental agreements, or information technology services or products and services]** Contractor certifies, warrants, and agrees that it does not knowingly employ or contract with an illegal alien who will perform work under this contract and will confirm the employment eligibility of all employees who are newly hired for employment in the United States to perform work under this contract, through participation in the E-Verify Program or the Department program established pursuant to CRS §8-17.5-102(5)(c), Contractor shall not knowingly employ or contract with an illegal alien to perform work under this contract or enter into a contract with a subcontractor that fails to certify to Contractor that the subcontractor shall not knowingly employ or contract with an illegal alien to perform work under this contract. Contractor (a) shall not use E-Verify Program or Department program procedures to undertake pre-employment screening of job applicants while this contract is being performed, (b) shall notify the subcontractor and the contracting State agency within three days if Contractor has actual knowledge that a subcontractor is employing or contracting with an illegal alien for work under this contract, (c) shall terminate the subcontract if a subcontractor does not stop employing or contracting with the illegal alien within three days of receiving the notice, and (d) shall comply with reasonable requests made in the course of an investigation, undertaken pursuant to CRS §8-17.5-102(5), by the Colorado Department of Labor and Employment. If Contractor participates in the Department program, Contractor shall deliver to the contracting State agency, Institution of Higher Education or political subdivision a written, notarized affirmation, affirming that Contractor has examined the legal work status of such employee, and shall comply with all of the other requirements of the Department program. If Contractor fails to comply with any requirement of this provision or CRS §8-17.5-101 et seq., the contracting State agency, institution of higher education or political subdivision may terminate this contract for breach and, if so terminated, Contractor shall be liable for damages.
12. **PUBLIC CONTRACTS WITH NATURAL PERSONS. CRS §24-76.5-101.** Contractor, if a natural person eighteen (18) years of age or older, hereby swears and affirms under penalty of perjury that he or she (a) is a citizen or otherwise lawfully present in the United States pursuant to federal law, (b) shall comply with the provisions of CRS §24-76.5-101 et seq., and (c) has produced one form of identification required by CRS §24-76.5-103 prior to the effective date of this contract.

Revised 1-1-09

THE PARTIES HERETO HAVE EXECUTED THIS CONTRACT

*** Persons signing for Contractor hereby swear and affirm that they are authorized to act on Contractor's behalf and acknowledge that the State is relying on their representations to that effect.**

CONTRACTOR City of Trinidad	STATE OF COLORADO John W. Hickenlooper, GOVERNOR DEPARTMENT OF LOCAL AFFAIRS
By: _____ Title: _____ _____ *Signature	By: _____ Reeves Brown, Executive Director
Date: _____	Date: _____
	PRE-APPROVED FORM CONTRACT REVIEWER
	By: _____ Alison A. George, Housing Programs Manager
	Date: _____

ALL CONTRACTS REQUIRE APPROVAL by the STATE CONTROLLER

CRS §24-30-202 requires the State Controller to approve all State Contracts. This Contract is not valid until signed and dated below by the State Controller or delegate. Contractor is not authorized to begin performance until such time. If Contractor begins performing prior thereto, the State of Colorado is not obligated to pay Contractor for such performance or for any goods and/or services provided hereunder.

STATE CONTROLLER Robert Jaros, CPA
By: _____ Barbara M. Casey, Controller Delegate
Date: _____

**EXHIBIT A
SCOPE OF SERVICES**

COLORADO DIVISION OF HOUSING

City of Trinidad - #H5CDB14043

1. PROJECT DESCRIPTION, OBJECTIVES, AND REQUIREMENTS.

- A. **Project Description.** The City of Trinidad on behalf of the Trinidad Housing Authority will receive a CDBG grant to assist with the rehabilitation, architecture & engineering, developer fee and contingency for Corazon Square Senior Apartments located in Trinidad, Colorado. These grant funds will serve households earning up to 50% of the Area Median Income (AMI). The apartments were constructed in 1983 under the HUD Section 8 New Construction program. These funds will be used to upgrade heating, domestic hot water and air conditioning systems, installation of a fire suppression system, modernization of building exterior and upgrades to units and common areas and installation of secondary elevator. The development has 100% project based rental assistance for residents.
- B. **Eligibility.** This project is eligible under the Housing and Community Development Act (HCDA) Section 105 (a)(4).
- C. **Form of Subsidy.** \$748,468.00 in CDBG funds will be used for rehabilitation, architecture & engineering, developer fee and contingency.

2. ADMINISTRATIVE REQUIREMENTS.

- A. **Administrative Requirements.** These funds will be administered by the Contractor, a Unit of General Local Government (UGLG), in accordance with the requirements of this contract, Division of Housing (DOH) Guidelines and the Project Performance Plan (Exhibit D). The Contractor shall comply with the administration requirements set forth in the most recent State Community Development Block Grant (CDBG) Guidebook, or such requirements as may be subsequently issued by the State. The Contractor shall be responsible for administration of the contract but will enter into a contract with Trinidad Housing Authority (Subrecipient) which shall carry out the program or project described above.
- B. **Procurement Standards.** This section shall shall not apply to this Contract. Selection of contractors, consultants, architects, engineers and purchase of materials to accomplish the Project shall follow appropriate procurement standards as outlined in the Financial Management Section of the State's CDBG Guidebook.
- C. **Davis-Bacon Standards.** This section shall shall not apply to this Contract. If 8 or more units funded with CDBG funds, the Contractor shall comply with all the requirements of the Davis-Bacon Act in accordance with the provisions set forth in Paragraph 20.p) in the main body of this contract.
- D. **Uniform Relocation Assistance and Real Property Acquisition Policies Act.** This section shall shall not apply to this Contract. The Contractor shall comply with all the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act in accordance with the provisions set forth in Paragraph 20.m) in the main body of this contract.

- E. **Section 3 of the HUD Act of 1968.** This section shall shall not apply to this Contract. To the greatest extent feasible, the Contractor and Subrecipient (if applicable) will provide opportunities for training and employment that arise from this HUD-financed project, will give preference in the hiring to persons whose income is equal to or less than 50 percent of Area Median Income (AMI), and will give preference in contracting to businesses owned in substantial part by persons, or that substantially employ persons, whose income is equal to or less than 50 percent of AMI in the project area. Compliance requirements are set forth in Paragraph 20.t) in the main body of this Contract.
- F. **The Federal Funding Accountability and Transparency Act of 2006 as Amended 03/20/2013 (FFATA).** The Contractor shall comply with all the requirements of the Federal Funding Accountability and Transparency Act in accordance with the provisions set forth in Exhibit C.
- G. **Bonds.** If Project includes construction or facility improvements, Grantee and/or its contractor (or subcontractors) performing such work shall secure the bonds hereunder from companies holding certificates of authority as acceptable sureties pursuant to 31 CFR Part 223 and are authorized to do business in Colorado.

Bid Bond. A bid guarantee from each bidder equivalent to 5 percent of the bid price. The "bid guarantee" shall consist of a firm commitment such as a bid bond, certified check, or other negotiable instrument accompanying a bid as assurance that the bidder shall, upon acceptance of his bid, execute such contractual documents as may be required within the time specified.

Performance Bond. A performance bond on the part of the contractor for 100 percent of the contract price. A "performance bond" is one executed in connection with a contract to secure fulfillment of all the contractor's obligations under such contract.

Payment Bond. A payment bond on the part of the contractor for 100 percent of the contract price. A "payment bond" is one executed in connection with a contract to assure payment as required by statute of all persons supplying labor and material in the execution of the work provided for in the contract.

Substitution. The bonding requirements may be waived in lieu of an irrevocable letter of credit if the price is less than \$50,000.

3. ELIGIBLE BENEFICIARIES

- A. **Eligible Beneficiaries.** The prospective household must have a gross income that does not exceed 50% of the AMI. A listing of the incomes for all family household sizes is attached as Exhibit B.
- B. **Rents.** To ensure the housing is affordable to low and moderate income persons, rents charged for CDBG-assisted units available to low and moderate income persons shall not exceed the Department of Housing and Urban Development (HUD) published Area Median Income (AMI) Rents periodically established by HUD.
- C. **Rent Restrictions.** To ensure the housing is affordable to low and moderate income persons, the following rents shall apply to this project:

AMI	Number of Units	1-BDR	2-BDRs
≤ 40%	6	\$432	\$519
≤ 50%	44	\$540	\$648

- D. **Affordability Period.** The Contractor agrees to ensure that the 25 CDBG-assisted units will continue to be used to provide housing for families with low and moderate annual income for 30 years after written notification that the project has been closed-out (Project Close-out Date). At the end of the Affordability Period, no State restrictions shall be in effect.
- E. **Affordability Enforcement.** Rent and beneficiary income requirements will be enforced by a covenant running with the land. The Contractor shall record a DOLA Beneficiary and Rent Use Covenant in a form substantially similar to Exhibit F. An original copy of the recorded use covenant must be provided to DOH at the time of recording and is a condition for payment.
- F. **Change in Use.** During a period of five years following the Project Close-out Date, the Contractor may not change the use or planned use of the property unless: 1) the State determines the new use meets one of the national objectives of the CDBG program, and 2) the Contractor provides affected citizens with reasonable notice and an opportunity to comment on any proposed changes. If the Contractor decides, after consultation with affected citizens, that it is appropriate to change the use of the property to a use which the State determines does not qualify in meeting a CDBG national objective, the Contractor must reimburse the State an amount equal to the current fair market value of the property, less any portion of the value attributable to expenditures of non-CDBG funds for acquisition of, and improvements to, the property.
4. **PROPERTY STANDARDS.** The primary purpose of the CDBG funds in rehabilitation of existing structures is to address health, safety, energy conservation, and structural deficiencies. Upon completion, each CDBG-assisted unit, except any on which only emergency repairs are undertaken, will at a minimum meet the HUD Section 8 Housing Quality Standards for Existing Housing contained in 24 CFR 982.405, incorporated by reference, and all applicable local codes, zoning and ordinances at the time of project completion.
5. **NATIONAL OBJECTIVE.** This project meets the national objective of benefit to low and moderate income persons as required in §570.483(b)(3).
6. **TIME OF PERFORMANCE.** The Project shall commence upon the full and proper execution of this Contract and the completion of the appropriate environmental review, and shall be completed on or before October 31, 2015. However, the Project time of performance may be extended by amendment, subject to mutual agreement of the State and Contractor. To initiate this process, a written request shall be submitted to the State by the Contractor at least sixty (60) days prior to October 31, 2015, and shall include a full justification for the extension request.

7. **BUDGET.** Funds from sources other than CDBG shall not be considered matching funds subject to federal audit requirements.

Project Activities	Total Cost	CDBG Funds	Other Funds	Other Fund Source
Rehabilitation	\$652,589.00	\$637,589.00	\$15,000.00	City of Trinidad
Architecture & Engineering	\$39,000.00	\$9,000.00	\$30,000.00	Trinidad Housing Authority
Existing Structure	\$1,635,042.00		\$676,000.00 \$841,541.00 \$117,501.00	CHFA FHA FHA
Developer Fee	\$70,000.00	\$70,000.00		
Contingency	\$31,879.00	\$31,879.00		
Total	\$2,428,510.00	\$748,468.00	\$1,680,042.00	

8. **PAYMENT SCHEDULE.**

\$711,044.00	Payments paid upon receipt and approval of written requests from the Contractor for funds to meet immediate cash needs. Initial Payment
\$36,424.00	Payments paid upon receipt and approval of written requests from the Contractor for funds to meet immediate cash needs and certification of completion.
\$1,000.00	Final Payment is paid upon substantial completion of the Project, provided that the Contractor has submitted, and the Department of Local Affairs - Division of Housing has accepted, all required reports including but not limited to, quarterly Financial Status Reports and project close-out reports.
\$748,468.00	TOTAL

REMITTANCE ADDRESS

City of Trinidad
135 North Animas Street
Trinidad, Colorado 81003

9. **CONTRACT MONITORING.** The Colorado Department of Local Affairs, Division of Housing shall monitor this Contract in accordance with the provisions set forth in Paragraph 21 in the main body of this Contract.

10. **REPORTING SCHEDULE.** The Contractor shall provide the following reports to the Department of Local Affairs, Division of Housing in accordance with the provisions set forth in Paragraph 18 in the main body of this contract:

- A. **Financial Reports.** One copy of the quarterly Financial Status Report shall be submitted within 20 calendar days of the end of the calendar quarter. This report must be submitted on forms provided by the Division of Housing. No requests for payments shall be processed if the Contractor has not submitted this quarterly report.
- B. **Project Performance Reports.** One copy of the quarterly Project Performance Plan shall be submitted within 20 calendar days of the end of the calendar quarter. This report may be submitted on forms provided by the Division of Housing. No requests for payments shall be processed if the Contractor has not submitted this quarterly report.

- C. Project Completion Report. Within 30 days after the completion of the Project or the final draw, whichever is later, the Contractor shall submit 1 copy of the Project Completion Report (with Beneficiary information) and 2 copies of the Final Financial Status Report on forms provided by the Division of Housing.
 - D. Project Photographs. At the time of Project Close Out the contractor shall send before and after photographs of the project.
11. **PROGRAM INCOME.** This project will not generate program income.
12. **INTEREST.** The Contractor or Subrecipient may keep interest earned from federal funds up to \$100 per year for administrative expenses.

EXHIBIT B

HUD Release Date December 18, 2013

**Colorado Division of Housing
Income and Rent Tables for 30% - 120% of
Area Median Income (AMI) for Colorado Counties for 2014**

2014 MAXIMUM RENTS							2014 INCOME LIMITS							
County	AMI	0 BDRM	1 BDRM	2 BDRM	3 BDRM	4 BDRM	1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8 PERSON
Huerfano	100%	1,010	1,081	1,297	1,498	1,672	40,400	46,100	51,900	57,600	62,300	66,900	71,500	76,100
Huerfano	80%	807	865	1,037	1,198	1,337	32,300	36,900	41,500	46,100	49,800	53,500	57,200	60,900
Huerfano	65%	656	702	843	974	1,087	26,260	29,965	33,735	37,440	40,495	43,485	46,475	49,465
Huerfano	60%	606	648	778	899	1,003	24,240	27,660	31,140	34,560	37,380	40,140	42,900	45,660
Huerfano	55%	555	594	713	824	919	22,220	25,355	28,545	31,680	34,265	36,795	39,325	41,855
Huerfano	50%	505	540	648	749	836	20,200	23,050	25,950	28,800	31,150	33,450	35,750	38,050
Huerfano	45%	454	486	583	674	752	18,180	20,745	23,355	25,920	28,035	30,105	32,175	34,245
Huerfano	40%	404	432	519	599	669	16,160	18,440	20,760	23,040	24,920	26,760	28,600	30,440
Huerfano	30%	303	325	390	450	502	12,150	13,850	15,600	17,300	18,700	20,100	21,500	22,850
Adams	30%	402	431	517	598	667	16,100	18,400	20,700	23,000	24,850	26,700	28,550	30,400

Contractor is responsible for complying with annual updated income limits.

EXHIBIT C

**State of Colorado
Supplemental Provisions for
Federally Funded Contracts, Grants, and Purchase Orders
Subject to The Federal Funding Accountability and Transparency Act of 2006 (FFATA),
As Amended
Revised as of 3-20-13**

The contract, grant, or purchase order to which these Supplemental Provisions are attached has been funded, in whole or in part, with an Award of Federal funds. In the event of a conflict between the provisions of these Supplemental Provisions, the Special Provisions, the contract or any attachments or exhibits incorporated into and made a part of the contract, the provisions of these Supplemental Provisions shall control.

1. **Definitions.** For the purposes of these Supplemental Provisions, the following terms shall have the meanings ascribed to them below.
 - 1.1. **"Award"** means an award of Federal financial assistance that a non-Federal Entity receives or administers in the form of:
 - 1.1.1. Grants;
 - 1.1.2. Contracts;
 - 1.1.3. Cooperative agreements, which do not include cooperative research and development agreements (CRDA) pursuant to the Federal Technology Transfer Act of 1986, as amended (15 U.S.C. 3710);
 - 1.1.4. Loans;
 - 1.1.5. Loan Guarantees;
 - 1.1.6. Subsidies;
 - 1.1.7. Insurance;
 - 1.1.8. Food commodities;
 - 1.1.9. Direct appropriations;
 - 1.1.10. Assessed and voluntary contributions; and
 - 1.1.11. Other financial assistance transactions that authorize the expenditure of Federal funds by non-Federal Entities.

Award *does not* include:

 - 1.1.12. Technical assistance, which provides services in lieu of money;
 - 1.1.13. A transfer of title to Federally-owned property provided in lieu of money; even if the award is called a grant;
 - 1.1.14. Any award classified for security purposes; or
 - 1.1.15. Any award funded in whole or in part with Recovery funds, as defined in section 1512 of the American Recovery and Reinvestment Act (ARRA) of 2009 (Public Law 111-5).
 - 1.2. **"Contract"** means the contract to which these Supplemental Provisions are attached and includes all Award types in §1.1.1 through 1.1.11 above.
 - 1.3. **"Contractor"** means the party or parties to a Contract funded, in whole or in part, with Federal financial assistance, other than the Prime Recipient, and includes grantees, subgrantees, Subrecipients, and borrowers. For purposes of Transparency Act reporting, Contractor does not include Vendors.
 - 1.4. **"Data Universal Numbering System (DUNS) Number"** means the nine-digit number established and assigned by Dun and Bradstreet, Inc. to uniquely identify a business entity. Dun and Bradstreet's website may be found at: <http://fedgov.dnb.com/webform>.
 - 1.5. **"Entity"** means all of the following as defined at 2 CFR part 25, subpart C:
 - 1.5.1. A governmental organization, which is a State, local government, or Indian Tribe;
 - 1.5.2. A foreign public entity;
 - 1.5.3. A domestic or foreign non-profit organization;
 - 1.5.4. A domestic or foreign for-profit organization; and
 - 1.5.5. A Federal agency, but only a Subrecipient under an Award or Subaward to a non-Federal entity.

- 1.6. **"Executive"** means an officer, managing partner or any other employee in a management position.
 - 1.7. **"Federal Award Identification Number (FAIN)"** means an Award number assigned by a Federal agency to a Prime Recipient.
 - 1.8. **"FFATA"** means the Federal Funding Accountability and Transparency Act of 2006 (Public Law 109-282), as amended by §6202 of Public Law 110-252. FFATA, as amended, also is referred to as the "Transparency Act."
 - 1.9. **"Prime Recipient"** means a Colorado State agency or institution of higher education that receives an Award.
 - 1.10. **"Subaward"** means a legal instrument pursuant to which a Prime Recipient of Award funds awards all or a portion of such funds to a Subrecipient, in exchange for the Subrecipient's support in the performance of all or any portion of the substantive project or program for which the Award was granted.
 - 1.11. **"Subrecipient"** means a non-Federal Entity (or a Federal agency under an Award or Subaward to a non-Federal Entity) receiving Federal funds through a Prime Recipient to support the performance of the Federal project or program for which the Federal funds were awarded. A Subrecipient is subject to the terms and conditions of the Federal Award to the Prime Recipient, including program compliance requirements. The term "Subrecipient" includes and may be referred to as Subgrantee.
 - 1.12. **"Subrecipient Parent DUNS Number"** means the subrecipient parent organization's 9-digit Data Universal Numbering System (DUNS) number that appears in the subrecipient's System for Award Management (SAM) profile, if applicable.
 - 1.13. **"Supplemental Provisions"** means these Supplemental Provisions for Federally Funded Contracts, Grants, and Purchase Orders subject to the Federal Funding Accountability and Transparency Act of 2006, As Amended, as may be revised pursuant to ongoing guidance from the relevant Federal or State of Colorado agency or institution of higher education.
 - 1.14. **"System for Award Management (SAM)"** means the Federal repository into which an Entity must enter the information required under the Transparency Act, which may be found at <http://www.sam.gov>.
 - 1.15. **"Total Compensation"** means the cash and noncash dollar value earned by an Executive during the Prime Recipient's or Subrecipient's preceding fiscal year and includes the following:
 - 1.15.1. Salary and bonus;
 - 1.15.2. Awards of stock, stock options, and stock appreciation rights, using the dollar amount recognized for financial statement reporting purposes with respect to the fiscal year in accordance with the Statement of Financial Accounting Standards No. 123 (Revised 2005) (FAS 123R), Shared Based Payments;
 - 1.15.3. Earnings for services under non-equity incentive plans, not including group life, health, hospitalization or medical reimbursement plans that do not discriminate in favor of Executives and are available generally to all salaried employees;
 - 1.15.4. Change in present value of defined benefit and actuarial pension plans;
 - 1.15.5. Above-market earnings on deferred compensation which is not tax-qualified;
 - 1.15.6. Other compensation, if the aggregate value of all such other compensation (e.g. severance, termination payments, value of life insurance paid on behalf of the employee, perquisites or property) for the Executive exceeds \$10,000.
 - 1.16. **"Transparency Act"** means the Federal Funding Accountability and Transparency Act of 2006 (Public Law 109-282), as amended by §6202 of Public Law 110-252. The Transparency Act also is referred to as FFATA.
 - 1.17. **"Vendor"** means a dealer, distributor, merchant or other seller providing property or services required for a project or program funded by an Award. A Vendor is not a Prime Recipient or a Subrecipient and is not subject to the terms and conditions of the Federal award. Program compliance requirements do not pass through to a Vendor.
2. **Compliance.** Contractor shall comply with all applicable provisions of the Transparency Act and the regulations issued pursuant thereto, including but not limited to these Supplemental Provisions. Any revisions to such provisions or regulations shall automatically become a part of these Supplemental Provisions, without the necessity of either party executing any further instrument. The State of Colorado may provide written notification to Contractor of such revisions, but such notice shall not be a condition precedent to the effectiveness of such revisions.

3. System for Award Management (SAM) and Data Universal Numbering System (DUNS) Requirements.

3.1. SAM. Contractor shall maintain the currency of its information in SAM until the Contractor submits the final financial report required under the Award or receives final payment, whichever is later. Contractor shall review and update SAM information at least annually after the initial registration, and more frequently if required by changes in its information.

3.2. DUNS. Contractor shall provide its DUNS number to its Prime Recipient, and shall update Contractor's information in Dun & Bradstreet, Inc. at least annually after the initial registration, and more frequently if required by changes in Contractor's information.

4. Total Compensation. Contractor shall include Total Compensation in SAM for each of its five most highly compensated Executives for the preceding fiscal year if:

4.1. The total Federal funding authorized to date under the Award is \$25,000 or more; and

4.2. In the preceding fiscal year, Contractor received:

4.2.1. 80% or more of its annual gross revenues from Federal procurement contracts and subcontracts and/or Federal financial assistance Awards or Subawards subject to the Transparency Act; and

4.2.2. \$25,000,000 or more in annual gross revenues from Federal procurement contracts and subcontracts and/or Federal financial assistance Awards or Subawards subject to the Transparency Act; and

4.3. The public does not have access to information about the compensation of such Executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d) or § 6104 of the Internal Revenue Code of 1986.

5. Reporting. Contractor shall report data elements to SAM and to the Prime Recipient as required in §7 below if Contractor is a Subrecipient for the Award pursuant to the Transparency Act. No direct payment shall be made to Contractor for providing any reports required under these Supplemental Provisions and the cost of producing such reports shall be included in the Contract price. The reporting requirements in §7 below are based on guidance from the US Office of Management and Budget (OMB), and as such are subject to change at any time by OMB. Any such changes shall be automatically incorporated into this Contract and shall become part of Contractor's obligations under this Contract, as provided in §2 above. The Colorado Office of the State Controller will provide summaries of revised OMB reporting requirements at <http://www.colorado.gov/dpa/dfp/sco/FFATA.htm>.

6. Effective Date and Dollar Threshold for Reporting. The effective date of these Supplemental Provisions apply to new Awards as of October 1, 2010. Reporting requirements in §7 below apply to new Awards as of October 1, 2010, if the initial award is \$25,000 or more. If the initial Award is below \$25,000 but subsequent Award modifications result in a total Award of \$25,000 or more, the Award is subject to the reporting requirements as of the date the Award exceeds \$25,000. If the initial Award is \$25,000 or more, but funding is subsequently de-obligated such that the total award amount falls below \$25,000, the Award shall continue to be subject to the reporting requirements.

7. Subrecipient Reporting Requirements. If Contractor is a Subrecipient, Contractor shall report as set forth below.

7.1 ToSAM. A Subrecipient shall register in SAM and report the following data elements in SAM *for each* Federal Award Identification Number no later than the end of the month following the month in which the Subaward was made:

7.1.1 Subrecipient DUNS Number;

7.1.2 Subrecipient DUNS Number + 4 if more than one electronic funds transfer (EFT) account;

7.1.3 Subrecipient Parent DUNS Number;

7.1.4 Subrecipient's address, including: Street Address, City, State, Country, Zip + 4, and Congressional District;

7.1.5 Subrecipient's top 5 most highly compensated Executives if the criteria in §4 above are met; and

7.1.6 Subrecipient's Total Compensation of top 5 most highly compensated Executives if criteria in §4 above met.

7.2 To Prime Recipient. A Subrecipient shall report to its Prime Recipient, upon the effective date of the Contract, the following data elements:

7.2.1 Subrecipient's DUNS Number as registered in SAM.

7.2.2 Primary Place of Performance Information, including: Street Address, City, State, Country, Zip code + 4, and Congressional District.

8. Exemptions.

8.1. These Supplemental Provisions do not apply to an individual who receives an Award as a natural person, unrelated to any business or non-profit organization he or she may own or operate in his or her name.

8.2 A Contractor with gross income from all sources of less than \$300,000 in the previous tax year is exempt from the requirements to report Subawards and the Total Compensation of its most highly compensated Executives.

8.3 Effective October 1, 2010, "Award" currently means a grant, cooperative agreement, or other arrangement as defined in Section 1.1 of these Special Provisions. On future dates "Award" may include other items to be specified by OMB in policy memoranda available at the OMB Web site; Award also will include other types of Awards subject to the Transparency Act.

8.4 There are no Transparency Act reporting requirements for Vendors.

9. Event of Default. Failure to comply with these Supplemental Provisions shall constitute an event of default under the Contract and the State of Colorado may terminate the Contract upon 30 days prior written notice if the default remains uncured five calendar days following the termination of the 30 day notice period. This remedy will be in addition to any other remedy available to the State of Colorado under the Contract, at law or in equity.

PAGE 5 FOR AUTHORIZED SIGNATURE REQUIRED

Federal Funding Accountability and Transparency Act (FFATA) Data Report Form

Reporting is required for initial awards of \$25,000 or more or award modifications that result in a total award of \$25,000 or more.

Information Field	Response
Definitions can be founds in Exhibit C	
1. Agency or Jurisdiction DUNS Number:	
2. Subrecipient Name Receiving Award:	
3. Subrecipient Parent DUNS Number: (Report if different from subrecipient number)	
4. Location of Entity Receiving Award: (Full street address)	
5. Primary Location of Performance of the Award: (City, State and Congressional District)	
	Answer True or False
6. In the preceding fiscal year, Contractor received:	
a. \$25,000,000 or more in annual gross revenues from federal procurement contracts/subcontracts and/or federal financial assistance awards or subawards subject to the Transparency Act.	
b. 80% or more of its annual gross revenues from federal procurement contracts/subcontracts and/or federal financial assistance awards or subawards subject to the Transparency Act.	
c. The public does not have access to information about the compensation of its five most highly compensated Executives through periodic reports filed through the Securities Exchange Act of 1934 or the IRS.	

An answer to question 7 is required ONLY when all answers to questions 6 are true.

7. Names and total compensation of the five (5) most highly compensated Executives for the preceding fiscal year:

Print Name

Compensation Amount

By signing below, I certify the information contained in this report is complete and accurate to the best of my knowledge.

Signature of Responsible Administrator

Date

EXHIBIT D – PROJECT PERFORMANCE PLAN

Quarterly Reports: 1st Jan – March 3rd April – June 3rd July - Sept 4th Oct – Dec

Contract Number: #H5CDB14043	Name of Agency City of Trinidad	Monitoring Level – Frequent
	Name of Project Corazon Square Apartments	

TARGET: Rehabilitation of 50 unit apartment complex.	Explanation of Reasoning: Rehabilitation
---	--

DOH Staff: William Simpson - Developer (719) 544-2466 Kim Snetzinger - Asset Manager(303) 864-7826

MILESTONES – Grantee shall...	CAPACITY	STATE ROLE- DOH shall...	PROGRESS - reported quarterly
Provide documentation of signatory authority prior to or with Grantee executed contracts by: 4th Quarter 2014	Grantee is authorized to enter into a legally binding contract.	Review copy of Documents prior to contract execution.	ACHIEVED: DONE
Grantee has obtained a DUNS number and has provided to DOH. DUNS # is 83-048-8839 4th Quarter 2014	Find information on how to obtain a DUNS number and register at: www.sam.gov .	Ensure the DUNS number is obtained in order for project to be set up in IDIS.	ACHIEVED: DONE
Provide certificates of insurance coverage required by this contract prior to or with Grantee executed contracts by: 4 th Quarter 2014	Grantee has adequate insurance coverage per the terms of the Contract.	Review copy of Documents prior to contract execution.	ACHIEVED: <u>MM/DD/20YY</u>
Provide proof of funding commitments to DOH by: 4th Quarter 2014	Grantee has funding commitments totaling 100% of project cost.	Track funding commitments, and will not release funds before other necessary funds are 100% committed.	ACHIEVED: <u>MM/DD/20YY</u>

Obtain Environmental Release of Funds (ROF) Letter from DOLA by: 4th Quarter 2014	Grantee shall contact Tamra Norton of the Dept. of Local Affairs at 303-864-7734 or Tamra.Norton@state.co.us to complete HUD environmental requirements. Grantee can access CDBG guidebook at http://dola.colorado.gov/dlg/fa/cdbg/cdbg_guidebook.html#section_iv	Release funds (ROF) letter must be provided prior to the contract execution.	ACHIEVED: <u>MM/DD/20YY</u>
Record Beneficiary and Rent Use Covenant against property and submit original to DOH by: 4th Quarter 2014	Grantee understands DOH's term of affordability.	Release funds only after the Use Restriction is recorded or at closing if acquisition.	ACHIEVED: <u>MM/DD/20YY</u>
Close on property and submit settlement by: 4th Quarter 2014	Grantee will coordinate the closing date with the seller, funding sources and the title company.	Review copy of settlement statement and maintain on file.	ACHIEVED: <u>MM/DD/20YY</u>
Receive and review DOH Monitoring Documents by: 4th Quarter 2014	Grantee shall become familiar with DOH reporting requirements.	Provide forms to Grantee within 30 days of contract execution. Respond to a request for training within 10 days.	ACHIEVED: <u>MM/DD/20YY</u>
Develop and submit Relocation Plan per the Uniform Relocation Assistance Act (24 CFR 92.353) if applicable by: 4th Quarter 2014	Grantee shall contact the Developer or Asset Manager for Uniform Relocation Assistance Act requirements. Grantee can access CDBG guidebook at http://dola.colorado.gov/dlg/fa/cdbg/cdbg_guidebook.html#section_vii .	Provide guidance on relocation regulations as needed.	ACHIEVED: <u>MM/DD/20YY</u>
If Davis-Bacon is applicable: Identify Lead Agency: DOH Lock in wage determination by: 4th Quarter 2014	Grantee shall contact the Developer or Asset Manager for Davis-Bacon compliance documents. Grantee can access CDBG guidebook at http://dola.colorado.gov/dlg/fa/cdbg/cdbg_guidebook.html#section_viii .	Document monitoring efforts of lead agency.	ACHIEVED: <u>MM/DD/20YY</u>

<p>Year Property was built: 1952 If Lead Based Paint (LBP) applies have a certifying official certify that LBP prevention and abatement requirements have been met (24 CFR 92.356) by:</p> <p>4th Quarter 2014</p>	<p>Grantee is working with an authorized contractor to encapsulate or abate LBP or if surfaces will remain intact, Grantee will include a LBP disclosure, a Lead-Safe addendum, and a brochure "Protecting Your Family from Lead"</p>	<p>Review for compliance at monitoring visit.</p>	<p>ACHIEVED: <u>MM/DD/20YY</u></p>
<p>Provide a description of what the agency will do to affirmatively market housing assisted with grant funds by:</p> <p>4th Quarter 2014</p>	<p>Grantee is compliant with the spirit and letter of fair housing regulations and seeks to reach out to those underserved in the market.</p>	<p>Approve the plan and ensure its incorporation into the agency's program guidelines prior to project close out.</p>	<p>ACHIEVED: <u>MM/DD/20YY</u></p>
<p>Complete and submit a 504 Self Evaluation by:</p> <p>4th Quarter 2014</p>	<p>Grantee understands that for major rehabilitation Section 504 requires that <i>at least five percent of those units (or at least one, whichever is greater)</i>, be made handicap accessible according to the uniform Federal Accessibility Standards. An <u>additional</u> two percent of the units in such a project shall be accessible for persons with hearing or vision impairments. For minor rehabilitation, Grantee shall submit 504 facility accessibility questionnaire</p>	<p>Supply and review self Evaluation form. Provide technical assistance as needed.</p>	<p>ACHIEVED: <u>MM/DD/20YY</u></p>
<p>Finalize Property Management contract and/or plan by:</p> <p>4th Quarter 2014</p>	<p>Grantee has experienced in-house management staff with an established management plan.</p>	<p>Help Grantee identify property management companies as needed. Review copy of property management plan for project file.</p>	<p>ACHIEVED: <u>MM/DD/20YY</u></p>
<p>Train property management staff on requirements to be compliant with DOH regulations by:</p> <p>4th Quarter 2014</p>	<p>Grantee has assigned staff to ensure property is compliant with DOH regulations.</p>	<p>Respond to a request for training within 10 days.</p>	<p>ACHIEVED: <u>MM/DD/20YY</u></p>

Complete rehabilitation contracts per HUD contracting and procurement guidelines by: 4th Quarter 2014	Grantee shall contact the Developer or Asset Manager for HUD contracting compliance requirements. Grantee can access CDBG guidebook at http://dola.colorado.gov/dlg/fa/cdbg/cdbg_guidebook.html#section_viii .	Review compliance in quarterly reports and on-site monitoring visit.	ACHIEVED: <u>MM/DD/20YY</u>
Begin rehabilitation by: 4th Quarter 2014	Grantee shall monitor rehabilitation work and review status reports to ensure scope of work is on time and on budget.	Monitor construction inspection reports from the Grantee.	ACHIEVED: <u>MM/DD/20YY</u>
Complete rehabilitation by: 4th Quarter 2015	Grantee shall ensure rehabilitation work is complete and property is ready to be leased.	Review in quarterly reports and on-site monitoring and place documentation in project file.	ACHIEVED: <u>MM/DD/20YY</u>
Obtain Certificate of Occupancy by: 3 rd Quarter 2015	Grantee shall ensure property has been properly inspected in order to obtain Certificate of Occupancy.	Review document and place in project file.	ACHIEVED: <u>MM/DD/20YY</u>
Register property with Coloradohousingsearch.com by calling 1-877-428-8844 by: 3 rd Quarter 2015	Grantee has experience marketing & leasing up affordable housing units.	Provide information about the affordable housing website and check it to ensure that the property has been listed.	ACHIEVED: <u>MM/DD/20YY</u>
Lease 50% of units by: 3 rd Quarter 2015	Grantee has experience marketing & leasing up affordable housing units.	Provide information in quarterly reports and rent roll as needed.	ACHIEVED: <u>MM/DD/20YY</u>
Lease 100% of units by: 4 th Quarter 2015	Grantee has experience marketing & leasing up affordable housing units.	Provide information in quarterly reports and rent roll as needed.	ACHIEVED: <u>MM/DD/20YY</u>

<p>Grantee will submit quarterly reports on a timely basis, which includes: Project Performance Plan accomplishments and a Financial Summary Report by: (20 calendar days after each quarter) by:</p> <p>4th Quarter 2014</p> <p>1st Quarter 2015</p> <p>2nd Quarter 2015</p> <p>3rd Quarter 2015</p>	<p>Grantee will monitor work performed under the Scope of the Contract.</p>	<p>Review documents and provide follow up technical assistance as necessary.</p>	<p>ACHIEVED: <u>MM/DD/20YY</u></p> <p>ACHIEVED: <u>MM/DD/20YY</u></p> <p>ACHIEVED: <u>MM/DD/20YY</u></p> <p>ACHIEVED: <u>MM/DD/20YY</u></p>
<p>Submit, on a monthly or quarterly basis pay requests and supporting documentation of expenses by:</p> <p>On-going</p>	<p>Grantee shall ensure that no costs were encumbered prior to contract execution.</p>	<p>Review backup documentation prior to approving pay request.</p>	<p>ACHIEVED: <u>MM/DD/20YY</u></p>
<p>Verify all persons in the household 18 and older are lawfully present in the United States by:</p> <p>On-going</p>	<p>Grantees shall submit Affidavit of Legal Residency and proof of ID for all family members 18 or older upon lease up.</p>	<p>Provide Affidavit of Legal Residency for all CDBG-assisted units and will review Affidavit and proof of ID at time of on-site monitoring.</p>	<p>ACHIEVED: <u>MM/DD/20YY</u></p>
<p>Submit the Project Completion Report (PCR) to DOH 1 month after the contract expires by:</p> <p>4th Quarter 2015</p>	<p>Grantee will report on work performed and demographic information of applicants and beneficiaries served on PCR forms</p>	<p>If needed, respond to a request for training within 10 days. Process the PCR within 30 days of receiving a complete report.</p>	<p>ACHIEVED: <u>MM/DD/20YY</u></p>

QUARTERLY QUESTIONS

List Occupancy for the three months being reported on:	Month _____	Occupancy _____	%
	Month _____	Occupancy _____	%
	Month _____	Occupancy _____	%
Were any units unavailable for lease ("down" due to damage, rehab, etc.) during this quarter? If so, please provide an explanation and the length of time actually unavailable for lease or expected to be unavailable.			
Were there any findings during the last physical inspection?			
Are there any unusual factors influencing the property's performance? Any anticipated concerns or issues?			
How does the leasing agent determine eligibility for your project? Do you foresee any potential problems meeting the contract eligibility requirements?			

DECLARATION OF RESIDENCY (WRA)

In order to be eligible to receive the housing assistance you seek, you, as an applicant or current recipient of housing assistance must be lawfully within the United States. Please read this Declaration carefully. Please feel free to consult with an immigration lawyer or other expert of your choosing.

I, _____, swear or affirm under penalty of perjury that (check one):

I am a United States citizen, or

I am a non-citizen national of the United States, or

I have an immigration status that makes me a "qualified alien"

I hereby agree to provide any documentation which may be required pursuant to Federal law, Interim Guidelines published by the United States Department of Justice (62 FR 61344) or, if applicable, Colorado laws and regulations, if the Colorado laws are not inconsistent with Federal law.

I acknowledge that making a false, fictitious, or fraudulent statement or representation in this Declaration is punishable under the criminal laws of Colorado as perjury in the second degree under Colorado Revised Statute 18-8-503 and shall constitute a separate criminal offense each time a public benefit is fraudulently received.

Signature

Date

Name (please print)

When Recorded Return To:

COLORADO DIVISION OF HOUSING
ATTENTION: *Kim Snetzinger*
1313 SHERMAN STREET, ROOM 500
DENVER, CO 80203

DOH Contract #H5CDB14043

EXHIBIT F

**COLORADO DEPARTMENT OF LOCAL AFFAIRS
BENEFICIARY AND RENT USE COVENANT**

THIS BENEFICIARY AND RENT USE COVENANT ("Covenant") is made this _____ day of _____, 20__ by the Corazon Square Apts for Elderly, a Colorado Non-profit organization ("Owner"), whose address is 128 W. First Street, Trinidad, Colorado 81082-2957, fee simple Owner of certain property further described herein.

WHEREAS, the Owner is the beneficiary of funds through City of Trinidad ("UGLG") and its Contract # H5CDB14043 executed _____ from the State of Colorado, by and through the Department of Local Affairs for the benefit of the Division of Housing ("Grantor") to be used for the rehabilitation of the property located at 201 Raton, Trinidad, Colorado 81082-0000 more specifically described as the following (the "Property"):

O T S BLK-75 – LTS – 3- TO – 8 BLDGNG CONSISTS OF THE FOLLOWING ADDRESSES: 101 TO 112 RATON ST 201 TO 219 RATON ST 301 TO 319 RATON ST

WHEREAS, as a condition to the receipt of the funds, Owner has agreed to record this Covenant to run with the Property to ensure that certain rental and occupancy limitations associated with the CDBG program are met;

NOW, THEREFORE, the following is established as a Covenant running with the Property;

1. **Restriction.** For the term of this Covenant, the Property shall be used primarily to provide housing for Eligible Beneficiaries at Affordable Rents, as defined herein.
2. **Eligible Beneficiaries.** The Owner, its successors, assignees, heirs, grantees, or lessees shall ensure that the assisted units listed below ("CDBG Assisted Units") are affordable to households whose income is equal to or less than the current Area Median Income limits (AMI) in effect at the time each household initially occupies their rental unit. Income eligibility requirements are defined by the Department of Housing and Urban Development (HUD), or if no longer published, by an equivalent index designated by the Grantor.

Type of Units	# of Units	Income of Beneficiaries
<u>CDBG-Assisted Units</u>		
(2) 1BR, (1) 2BR	3	≤ 40% of AMI
(20) 1BR, (2) 2BR	22	≤ 50% of AMI
<u>Other Affordable Units</u>		
(2) 1BR, (1) 2BR	3	≤ 40% of AMI
(20) 1BR, (2) 2BR	22	≤ 50% of AMI
Total Units	50	

3. **Affordable Rents.** The housing must be affordable to low- and moderate-income households, per 24 CFR Part 570.483(b). For the 25 CDBG-assisted units, the rent plus the HUD approved utility allowance must be no greater than 30 percent of adjusted income for households at the Area Median Income limits as shown in the chart in paragraph 2 above, as periodically established by HUD.

If a CDBG-assisted unit receives Federal or State project-based rental subsidy and the household pays no more than 30 percent of their adjusted income toward rent and utilities, then the maximum rent (tenant contribution plus project based rental subsidy) shall be the maximum rent allowable under the Federal or State project-based rental subsidy program. Should the Owner opt out of the project-based subsidy during the period of affordability, the CDBG-assisted units must have rents that are no greater than 30 percent of adjusted income for households at the Area Median Income limits, as stated above.

4. **Affordability Period - HUD.** This Covenant shall encumber the Property, without regard to the term of any mortgage or transfer of ownership, for a period of not less than five (5) years following the date of project close-out (the "HUD Affordability Period"). Repayment shall be required in accordance with 24 CFR Part 570.498(j), during the HUD affordability period if the housing ceases to qualify as affordable housing by HUD.

Affordability Period - Grantor. This Covenant shall encumber the Property, without regard to the term of any mortgage or transfer of ownership, for a period of not less than 25 years following the HUD affordability period (the "Grantor Affordability Period"). During this period of affordability, CDBG funds are repayable if the housing ceases to qualify as affordable housing by Grantor. Repayment of funds provided does not terminate the affordability period. The affordability period will not be modified without the express written consent of the Grantor.

5. **Termination.** This Covenant may terminate upon foreclosure or transfer in lieu of foreclosure, unless the Owner of record, before the foreclosure, or anyone with business or family ties to the Owner, obtains an ownership interest in the property through the foreclosure.
6. **Change in Use.** This property shall be used for housing the above described Beneficiaries, at the above described rents for 30 years following the date of project closeout. The Owner, its successors and assignees, heirs, grantees, or lessees may not change the use of the property unless in accordance with 24 CFR 570.489 (j) during the HUD Affordability Period and unless in accordance with Grantor requirements during the Grantor Affordability Period.
7. **Enforcement.** The Grantor, UGLG and/or HUD, or appropriate representatives thereof may enforce this Covenant.
8. **Release.** Upon satisfaction of the terms of this Covenant, the Grantor will record a release of this Covenant against the Property and the Owner, its successors, assignees, heirs, grantees, and lessees shall no longer be bound by the terms of this Covenant.

CORAZON SQUARE APTS FOR ELDERLY, a Colorado Non-profit organization

By:

Its:

Signature: _____

Name: _____

Title: _____

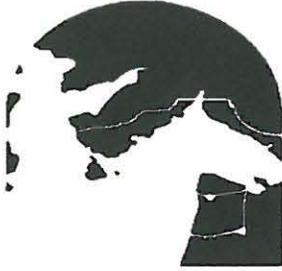
Date: _____

State of Colorado)
) ss.
County of)

The foregoing instrument was subscribed to and acknowledged before me this ____ day of _____, 20__, by
_____ as _____ of _____

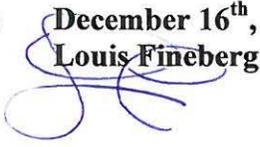
Witness my hand and official seal

My commission expires: _____



CITY OF TRINIDAD, COLORADO
1875

COUNCIL COMMUNICATION

CITY COUNCIL MEETING: December 16th, 2014
PREPARED BY: Louis Fineberg
DEPT. HEAD SIGNATURE: 

Sh

SUBJECT: Resolution for Contract Approval for CDOT Wayfinding Signage Grant

PRESENTER: Louis Fineberg, Planning Director

RECOMMENDED CITY COUNCIL ACTION: Council should approve the contract.

SUMMARY STATEMENT:

Attached is the resolution for the CDOT contract already approved by the CC for the Wayfinding Signage grant. The grant will cover the installation of three (3) computerized information kiosks and eight (8) gateway signs as specified in the Wayfinding Signage Plan. Note that the original grant request was for \$225K with a \$75K City match. The grant amount actually given was \$300K with the same \$75K City match. The extra \$75K will facilitate site preparation for the gateway signs.

EXPENDITURE REQUIRED: \$75K.

SOURCE OF FUNDS: CIP.

POLICY ISSUE: Should the Council approve the resolution?

ALTERNATIVE: The Council could decide not to approve the resolution.

Sh



CITY OF TRINIDAD, COLORADO

RESOLUTION NO.

A RESOLUTION OF THE CITY OF TRINIDAD, COLORADO, APPROVING CONTRACT #19858 BETWEEN THE CITY OF TRINIDAD AND THE COLORADO DEPARTMENT OF TRANSPORTATION – TRANSPORTATION ENHANCEMENT GRANT PROGRAM - FUNDING THE IMPLEMENTATION OF PRIORITY 2 AND PRIORITY 3 OF THE CITY OF TRINIDAD WAYFINDING SIGNAGE PLAN

WHEREAS, the City of Trinidad recognizes the need for a coherent, unified wayfinding signage system; and

WHEREAS the Planning, Zoning and Variance Commission conducted two public workshops on March 8th, 2011 and April 12th, 2011, regarding the development of a wayfinding signage system for Trinidad; and

WHEREAS, the Planning, Zoning and Variance Commission conducted a public hearing on the City of Trinidad Wayfinding Signage Plan on June 14th, 2011 and unanimously recommended approval of said plan to the City Council; and

WHEREAS, the City Council conducted a public hearing and officially adopted the City of Trinidad Wayfinding Signage Plan on July 5th, 2011; and

WHEREAS, the City Council has committed the funds necessary for the completion of Priority 1 in the City of Trinidad Wayfinding Signage Plan during fiscal year 2013; and

WHEREAS, the grant application was approved by Colorado Department of Transportation.

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

Section 1. Approval of Contract #19858 between the City of Trinidad and the Colorado Department of Transportation – Transportation Enhancement Grant Program. The City Council of the City of Trinidad approves the grant contract between the City of Trinidad and the Colorado Department of Transportation – Transportation Enhancement Grant Program - the purpose of funding the implementation of Priority 2 and Priority 3 of the City of Trinidad Wayfinding Signage Plan and committing to provide a cash match for the project in the amount of \$74,812, representing 25% of the total project cost of \$374,062.

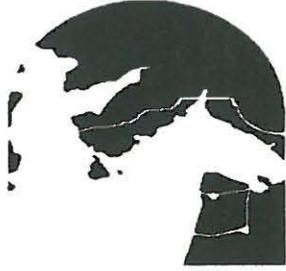
Section 2. Effective Date. This resolution shall be in force and effect from and after the date of its approval and adoption.

APPROVED and ADOPTED this ____ day of December, 2014.

JOSEPH A. REORDA, MAYOR

ATTEST:

AUDRA GARRETT, CITY CLERK



CITY OF TRINIDAD, COLORADO
1876

COUNCIL COMMUNICATION

CITY COUNCIL MEETING: December 16th, 2014
PREPARED BY: Louis Fineberg
DEPT. HEAD SIGNATURE:

SUBJECT: Amendment of Professional Services Agreement with SGM for the Commercial Street Project to include a Landscape Architect to Design the Plum Street Pocket Park

PRESENTER: Louis Fineberg, Planning Director

RECOMMENDED CITY COUNCIL ACTION: Council should approve the request.

SUMMARY STATEMENT:

A request to amend the professional services agreement with SGM for the Commercial Street project to include a landscape architect to design the Plum Street Pocket Park.

EXPENDITURE REQUIRED: \$3,000.

SOURCE OF FUNDS: CIP and will apply to the local grant match requirement.

POLICY ISSUE: Should the Council approve the contract amendment?

ALTERNATIVE: The Council could decide not to approve the contract amendment.

DATE: December 1, 2014
TO: Louis Fineberg – City Planning Director
FROM: Gerald E. Burgess, P.E. *HEB*
SGM Inc.
RE: Commercial Street – Additional Services

Louis,

Per our past conversations, SGM has retained the services of Margaret Loperfido (Sprout Studios) to provide landscape architectural design services. Her work will be limited to conceptual designs for the pocket park at West Plum. Her estimated fee for her services is \$3500.00.

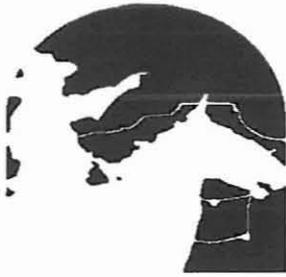
We will add a phase to our current Commercial Street budget for “Landscape Architecture” with a budget of \$3500.

Margaret has been working on the pocket park for the past few weeks and will provide some concepts for our Thursday meeting.

If you have any questions please contact Matt or I.

Thank you,

Jerry



CITY OF TRINIDAD, COLORADO
1876

COUNCIL COMMUNICATION

CITY COUNCIL MEETING: December 16, 2014
PREPARED BY: Audra Garrett, ACM/City Clerk
DEPT. HEAD SIGNATURE: *Audra Garrett*

8j

SUBJECT: Trinidad Historic District Loop right-of-way acquisition Professional Service Agreement

PRESENTER: Louis Fineberg, Planning Director

RECOMMENDED CITY COUNCIL ACTION: Approval

SUMMARY STATEMENT: N/A

EXPENDITURE REQUIRED: Yes

SOURCE OF FUNDS: CIP

POLICY ISSUE: N/A

ALTERNATIVE: Do not accept the proposal

BACKGROUND INFORMATION:

- As discussed at work session, this is an element of the overall project and is a budgeted item for that project work.

8j

PROFESSIONAL SERVICES AGREEMENT

THIS AGREEMENT is entered into as of this _____ day of _____, 2014, by and between the City of Trinidad, Colorado, hereinafter referred to as "City", and Transportation Resource Services, Inc., d/b/a TRS Corp., a Colorado corporation, hereinafter referred to as "Contractor."

WITNESSETH

In consideration of the mutual covenants and obligations herein expressed, it is agreed by and between the parties hereto as follows:

1. SCOPE OF PROFESSIONAL SERVICES

The Contractor agrees to provide services in accordance with the Scope of Professional Services, attached hereto as Exhibit "A". City shall provide or make available any known and relevant information requested by Contractor including prior notices, project data, reports, plans, and correspondence for use by Contractor in the performance of the work.

2. TIME OF COMMENCEMENT AND COMPLETION OF SERVICES

The services to be performed pursuant to this Agreement shall be initiated upon execution of this Agreement and this Agreement shall terminate on _____, 2015 unless extended in writing by the Parties in advance of termination.

3. FEE FOR PROFESSIONAL SERVICES

Compensation shall be paid to the Contractor by the City on an hourly basis, and expenses shall be reimbursed as incurred, with a maximum fee not to exceed based on the fee schedule included in Exhibit "B" attached hereto. Monthly partial payments based upon the Contractor's billings are permissible. The amounts of all such partial payments shall be based upon the Contractor's progress in completing the work described in the attached Scope of Services.

4. PROFESSIONAL RESPONSIBILITY

The Contractor shall be responsible for the professional quality, technical accuracy, timely completion and coordination of services rendered by the Contractor, and shall, without additional compensation, promptly remedy and correct any errors, omissions or other deficiencies.

5. CITY REPRESENTATIVE

The City hereby designates Louis Fineberg, Planning Director, as its representative and authorizes him to make all necessary and proper decisions with reference to this Agreement. All requests for contract interpretations, changes, clarifications or instructions shall be directed to the City's representative.

6. INDEPENDENT CONTRACTOR

The services to be performed by the Contractor are those of an independent contractor and not as an employee of the City.

7. CHANGES

Contractor shall be entitled to compensation for work performed in addition to or beyond the intended level of work contemplated herein as described in the attached Exhibit A (Scope of Work) upon notifying City in writing of such changes in advance and receiving authorization to proceed with the additional work.

8. DEFAULT

Each and every term and condition shall be deemed to be a material element of this Agreement. In the event either party should fail or refuse to perform according to the terms of this Agreement, such party may be declared in default thereof.

9. REMEDIES

In the event a party has been declared in default hereof, such defaulting party shall be allowed a period of five (5) days within which to cure said default. In the event the default remains uncorrected, the non-defaulting party may elect to (a) terminate the Agreement; (b) treat the Agreement as continuing and require specific performance; or (c) avail himself of any other remedy at law or equity.

10. TERMINATION

Both parties may terminate this Agreement for cause or for its convenience upon written notice to the other party. Contractor shall discontinue performance of its work upon receipt of such notice. Upon termination, all outstanding compensation due Contractor shall be immediately due and payable to the Contractor by the City.

11. INSURANCE

Contractor shall maintain the following insurance and limits shown. Contractor shall provide evidence of the following insurance coverage before beginning any work under this Agreement:

- A. Worker's Compensation Insurance as required by State law, but if optional under State law, such insurance must cover all employees;
- B. Employer's Liability Insurance with limits of not less than \$500,000.00 for each occurrence;
- C. Comprehensive General Liability Insurance covering liability, including but not limited to Public Liability, Personal Injury, and Property Damage, with coverage of at least \$1,000,000.00 per occurrence and in the aggregate.

The policy required by Paragraph (B) above shall be endorsed to include the City and its officers and employees as additional insureds.

The Contractor shall be solely responsible for any deductible losses under any policy required above.

12. INDEMNIFICATION

The Contractor shall defend, indemnify, and hold harmless the City from all liability, losses, judgments, awards, claims, demands, and expenses (including reasonable attorneys' fees and defense costs and expenses), which may arise from any negligent act, error, or omissions or failure to perform any obligation hereunder of the Contractor.

13. ENTIRE AGREEMENT

This Agreement is the entire agreement between the City and Contractor. Contractor is not relying upon any representations or statements made by the City outside of this Agreement in assuming full responsibility for its work.

14. SUCCESSORS AND ASSIGNS

City and Contractor each binds itself and its partners, successors, executors, administrators and assigns to the other party of this Agreement and to the partners, successors, executors, administrators and assigns or such other party, in respect to all covenants of this Agreement; except as above, neither City nor Contractor shall assign, sublet or transfer its interest in this Agreement without the written consent of the other. Nothing herein shall be construed as creating any personal liability on the part of any officer or agent of any public body which may be a party thereto, nor shall it be construed as giving any rights or benefits hereunder to anyone other than the City or Contractor.

15. EQUAL EMPLOYMENT OPPORTUNITY

In connection with performance of this Agreement, Contractor shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin, age, marital status, being handicapped, a disadvantaged person, or a disabled Viet Nam era veteran. Contractor shall take affirmative action to insure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, national origin, age, marital status, being handicapped, a disadvantaged person, or a disabled Viet Nam era veteran. Such action shall include, but not be limited to, the following: employment upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

16. MISCELLANEOUS PROVISIONS

This contract and the rights and duties of the parties hereunder shall be interpreted in accordance with the laws of the State of Colorado applicable to contracts made and to be performed entirely within such state and the courts of such state shall have sole and exclusive

jurisdiction of any disputes or litigation arising hereunder. Venue for any and all legal actions arising hereunder shall lie in the District Court for the 4th Judicial District, State of Colorado.

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

CITY OF TRINIDAD,
STATE OF COLORADO

TRANSPORTATION RESOURCE
SERVICES, INC., dba TRS CORP.

By: _____

By: _____

Title: _____

Title: _____

Attachments:

Exhibit A: Scope of Work (Incorporated by Reference)

Exhibit B: Fee and Expense Schedule (Incorporated by Reference)

EXHIBIT "A" - SCOPE OF WORK

CONSULTANT SCOPE OF WORK TO PROVIDE RIGHT OF WAY ACQUISITION SERVICES, VALUE FINDINGS, PAYMENT COORDINATION, AND RIGHT OF WAY CLEARANCE

THE CITY OF TRINIDAD, COLORADO PROJECT M296-010

December 9, 2014

Description of Project

The project area is generally located along Main Street, between Animas Street and Walnut Street within the City of Trinidad, Colorado ("the Project").

To implement the proposed Project improvements, easements are contemplated within the Project area. Based upon a review of the approved right of way plans, there are fourteen (14) property ownerships from which one (1) permanent easement and thirteen (13) temporary easements will be acquired.

Initial cost estimates based upon the right of way plans indicate that all of the easement acquisitions will be less than \$10,000 in total value. Consistent with the Uniform Relocation and Real Property Acquisition Policy act of 1970, as amended ("Uniform Act") and Colorado Department of Transportation ("CDOT") right of way manual, all of the easement acquisitions will be valued under the appraisal waiver provisions of the Uniform Act. Appraisals are not contemplated by this scope.

TRS Corp (*TRS*) shall provide the required notices and negotiate on behalf of the City to acquire the easements for the Project. The scopes of work to value, acquire, and close the property acquisitions needed for this Project are more particularly defined in the following text.

A. PROJECT PLANNING

TRS shall be available for project planning meetings with the City, and the Project Team, to develop and coordinate processes and schedules.

B. DOCUMENT REVIEW AND RESEARCH-TITLE COMMITMENTS

Vesting Deeds for the temporary easements have been provided to *TRS*. Las Animas County Assessor and Clerk and Recorder data will be researched in advance of notices to confirm there have been no changes in ownership. A Commitment for Title insurance was secured by the City from Trinidad Abstract & Title Co. for one (1) permanent easement to be acquired from Cable Holdco Exchange 1 LLC, and will be updated to current in advance of notice to the owner of record.

C. EASEMENT VALUATION/NOTICE OF INTENT TO ACQUIRE

Upon receiving notice to proceed from the City, *TRS* shall initiate contact with the owners of record (Owner) for the properties to which easements will be acquired. *TRS* may initiate contact in person whenever possible, or by telephone, by certified mail, return receipt requested, or by express mail. In conjunction with the initial contact, *TRS* shall deliver to the Owner, either personally or by certified mail,

return receipt requested, a Notice of Intent to Acquire (Notice) for each easement. The Notice shall be accompanied by a legal description(s) of the easement, a copy of the appropriate right of way plan sheet identifying the location of the real property interests to be acquired, and the appropriate contact information for *TRS* in the event the Owner has questions or requires additional information.

TRS shall prepare value findings per Uniform Act appraisal waiver provisions for these non-complex acquisitions, estimated to be less than \$10,000 in value. Value findings will be prepared by *TRS*' right of way agent, based upon local real estate market research, and used as the determination of fair market value and basis for an offer upon approval by the City.

If required to identify the easement limits, the City shall coordinate field staking or surface marking prior to *TRS* inspection of the easement parcels for the value findings. Property staking shall be coordinated between the owners, *TRS* and the City.

D. ACQUISITION SERVICES:

All right of way acquisition services shall be performed by individuals who are included in the active CDOT roster of approved right of way consulting professionals for Local Public Agencies. All right of way acquisition services shall be administered in conformance with applicable Federal and State laws, including, but not limited to, the Uniform Relocation and Real Property Acquisition Policies Act of 1970, as amended, and the CDOT Right of Way Manual. All right of way acquisition services shall follow all internal policies and procedures of the City and CDOT and shall be coordinated with and subject to approval by the City, and in certain instances, CDOT Region ROW staff. Right of Way acquisition services shall include:

1. City Consent to Fair Market Value.

As previously described, *TRS* shall prepare value findings for the easements to be acquired that have an estimated value less than \$10,000. The value findings shall be prepared in accordance with Chapter 4 of the CDOT Right of Way Manual, and authorized and executed by duly authorized City representatives.

TRS shall not commence negotiations with any Owner until City has consented to its estimate of fair market value in writing.

2. Negotiations.

TRS shall assign the parcels to be acquired to the right of way agent upon receipt of the City's signature to the approved value finding. Prior to contacting the Owner to make the offer, *TRS* shall thoroughly review and become familiar with all Project related information furnished by the City including, but not limited to, right of way plans, legal descriptions, project design plans, title information, approved value findings and all available CDOT acquisition and relocation forms and brochures. If the Owner claims to be represented by another party, including an attorney, *TRS* shall obtain from the Owner a letter of representation prior to making the offer to the Owner's representative. If title to property is held by an entity, *TRS* shall secure a Statement of Authority pursuant to C.R.S. 38-30-172.

The fair market value (FMV) established by the value finding shall serve as the basis for the written offer of just compensation to the Owners. *TRS* shall deliver an Offer to Acquire to the Owner or the Owner's representative either personally, by certified mail, or other courier service to which written confirmation of delivery may be obtained. The written offer shall include the following documents:

- A. The offer letter;
- B. Summary Statement;
- C. Memorandum of Agreement or other form of contract from the City;
- D. Temporary Construction Easement Agreement
- E. A ROW Plan Sheet showing the effect of the taking;
- F. Acquisition brochure which explains the City's/CDOT's acquisition program;
- G. Form W-9 taxpayer identification;
- H. Demographic Information Form;
- I. Self-addressed, postage prepaid return envelopes.

The foregoing documents must provide sufficient information so the Owner can make a reasonable judgment concerning the amount of the offer. The following is the minimum information that shall be included in said documents:

- A. The amount established as just compensation, including a written explanation of the basis for the offer and, if applicable, the amount of damages and/or benefits to the remainder. The compensation offered for the real property to be acquired and for damages to the remaining real property shall be separately stated.
- B. A description and location identification of the real property and the interest in the real property being acquired. The description shall include both legal descriptions and an identification which is understandable to the owner.
- C. Identification of buildings, structures, and other improvements (including removable buildings, equipment and trade fixtures) considered to be part of the real property to be acquired. Where appropriate, the statement shall identify any separately held ownership interest in the property, e.g. a tenant-owned improvement, and indicate that such interest is not covered by the offer.

TRS shall review the foregoing documents with the Owner and shall fully explain to the Owner the City's acquisition processes and the scope of the Project as it pertains to the Owner's property.

If the Owner provides information that may dictate a need for a revision to the offer, or if any items appear to be missing from the value finding or right of way plans, TRS shall notify the City.

Upon the Owner's acceptance of the offer, TRS shall prepare and submit to the Owner a settlement package consisting of a Memorandum of Agreement (or similar form of agreement from the City), temporary construction easement agreement, Form W-9 and, for properties encumbered by Deed(s) of Trust to which a permanent interest will be acquired, a Mortgage Authorization Letter, and any other appurtenant documents. After execution the foregoing documents, TRS shall submit the acquisition settlement package to the City for review and approval.

If during the negotiation process the Owner provides a counteroffer, TRS will forward the counteroffer, along with an analysis and recommendation, to the City's designated Project Manager. If an initial offer to the Owner is not accepted, TRS, at the direction of the City, shall deliver a final written offer to the Owner. The final written offer shall be delivered either personally, by certified mail, or other courier service to which written confirmation of delivery may be obtained.

3. Condemnation (if required).

If the Owner refuses to accept the final offer, a condemnation package (including the Real Estate

Specialist's log, updated title information and other related negotiation information) may be prepared and submitted to the City, in accordance with the acquisition schedule provided by the City.

If required, an Agreement for Possession and Use (CDOT Form No. 228) may be obtained from the Owner prior to filing a request for condemnation. The use of this form and process must be discussed and evaluated on a parcel by parcel basis with approval from the City.

Throughout the condemnation process, TRS personnel will be available to assist in any aspect of the condemnation proceeding, including but not limited to: meetings with the client; attendance at City Council meetings; attendance at pre-trial preparation; assistance with mediation or settlement development; and participation in possession hearings.

E. TITLE INSURANCE AND CLOSINGS:

There is one (1) property to which a permanent interest in to be acquired. Upon approval of the settlement package by the City (and CDOT where applicable), TRS will coordinate payment processing and delivery of the agreed upon consideration to the title company (or directly to the Owner if title insurance is not secured by the City). TRS shall assist the City in preparation of the appropriate conveyance instrument(s) and any other closing documents, and coordinate the approval of said documents by the City's legal staff. If applicable, TRS shall coordinate the closing with the assigned title company and secure a signed "Escrow Instruction and Receipt of Warrant". All liens shall be released/satisfied and recorded prior to the disbursement of the payment, unless otherwise directed the City. TRS shall ensure that the real property taxes, due and payable upon the subject property, have been satisfied unless directed otherwise by the City.

TRS shall facilitate and coordinate these services under the direction of the City's Project Manager and/or the City Attorney. The City will determine which closing services will be performed informally by TRS.

The services to be provided by TRS may include:

- a) secure updated title commitment to the time of closing and securing a title policy where requested by the City, which include copies of all supporting documents referenced therein;
- b) prepare escrow instructions on behalf of the City for delivery with the agreed upon consideration to the Title Company;
- c) coordinate and review all closing documents for quality assurance;
- d) if applicable, attend closing at the Title Company and ensure that all documents are executed properly, all liens are satisfied/released, all taxes and assessments are paid prior to the disbursement of the warrant, and all appropriate documents are promptly recorded after closing and returned to the City after recordation.

In cases where the City determines that settlements are within applicable guidelines which permit TRS to close informally and without the need of title insurance, TRS shall update title information as appropriate, conduct the closings and provide copies of recorded documents as requested by the City. TRS shall calculate final settlement amounts, prepare closing statements and perform other closing functions as requested. Services may include, but are not limited to, ensuring all documents are executed properly and all liens are released/satisfied prior to disbursement of the warrant, and ensuring that the appropriate documents are recorded promptly after closing and returned to the City. All closings documents are to be reviewed by the City prior to disbursement of funds, unless this requirement is specifically waived by the City.

F. RELOCATION PLANNING:

No relocation of personal property has been identified for the Project. If personal property is identified at subsequent inspection, the relocation process will be conducted in compliance with the CDOT Right of Way Manual and City Policy.

G. PROJECT MANAGEMENT.

1. Oversight.

TRS's Project activities will be under the direct oversight of a principal of the company, or designee, who will be responsible for coordination with the City's Project Manager. When required by the City, the principal for TRS shall attend Project review meetings, oversee Project field activities, provide status reports of activities, and schedule updates.

2. Coordination.

The City's Project Manager may request that certain parcels be addressed and given priority over others, if deemed necessary. TRS may be required to attend meetings at the City, or other locations as specified and requested by the City.

H. QUALITY ASSURANCE AND RECORDS MANAGEMENT.

TRS shall submit one (1) complete original file for each parcel to the City upon completion of right of way activities. The files shall include any and all documents affecting the parcel including, but not limited to value findings, negotiation records/logs with the agent's certification, letters, memos, memoranda of ownership, title commitments/title policies, closing instructions and statements, recorded deeds, releases/satisfactions, and any other documents. TRS shall retain a duplicate copy of each file. A quality assurance review will be performed by TRS on all parcel files to determine that all documentation is proper and to demonstrate compliance with City and CDOT requirements.

TRS will provide a status reporting form of projected target dates and right of way milestones to the City. The report shall be updated and sent via e-mail to the City's Project Manager bi-weekly, or as otherwise deemed necessary by the City's Project Manager. All files and records will be maintained in a secure location, available for inspection by representatives of the City, CDOT or the Federal Highway Administration.

EXHIBIT "B"

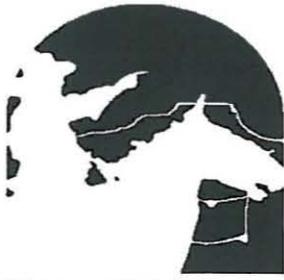
TRS CORP.
 City of Trinidad
 Project M296-010
 ROW Services - December 3, 2014

<i>Employee Classification</i>	<i>Project Manager</i>	<i>Sr. ROW Agent</i>	<i>Administration</i>	<i>TOTALS</i>
<i>Rate</i>	\$140.00	\$100.00	\$57.50	
RIGHT OF WAY TASKS	<i>hours</i>	<i>hours</i>	<i>hours</i>	COMMENTS
A. Planning and Research				
1. Title Review/Plan Review	2	2		
2. Project Records Set-Up		1	1	14 parcels
<i>subtotal hours</i>	2	3	1	6
<i>subtotal fees</i>	\$280.00	\$300.00	\$57.50	\$637.50
B. Property Owner Appraisal Coordination/Value Findings				
1. Read and review final appraisals				NA
2. Secure City Approval/FMV		4	8	Secure City approval of Value Findings
3. Prepare and process value Findings	4	56	4	14 Value Findings
4. NOI Letters to Owners	4	16	16	14 letters
<i>subtotal hours</i>	8	76	28	112
<i>subtotal fees</i>	\$1,120.00	\$7,600.00	\$1,610.00	\$10,330.00
C. Acquisition/Negotiation				
1. Coordination with client	4	8		
2. Preparation of Offers	1	28	48	
3. Negotiations		112		
4. Settlement processing		28	40	
5. Update agent logs/file maintenance		28	0	
<i>subtotal hours</i>	5	204	88	297
<i>subtotal fees</i>	\$700.00	\$20,400.00	\$5,060.00	\$26,160.00
D. Relocation				N/A
1. Relocation Plan				NO RELOCATION
2. Move Cost Determinations				REVISE IF PERSONAL PROPERTY
3. Review/Approval of Determinations				Identified
4. Relocation Advisory Assistance				
5. Appeals				
<i>subtotal hours</i>	0	0		0
<i>subtotal fees</i>	\$0.00	\$0.00		\$0.00

TRS CORP.
City of Trinidad
Project M296-010
ROW Services - December 3, 2014

Employee Classification	Project Manager	Sr. ROW Agent	Administration	TOTALS
Rate	\$140.00	\$100.00	\$57.50	
E. Title/Closing Coordination/File Maintenance				
1. Secure commitments/updates				NA
2. Closing coordination/document review	2	14		
3. Process Pmt/Agency approval/ROW Clearance	4	14	14	
<i>subtotal hours</i>	6	28	14	48
<i>subtotal fees</i>	\$840.00	\$2,800.00	\$805.00	\$4,445.00
F. Project Management/Records Management				
1. Contract Management	2			
2. PM Meeting	4	4		
3. File Management/QA/Status Reports		12	12	
<i>subtotal hours</i>	6	16	12	28
<i>subtotal fees</i>	\$840.00	\$1,600.00	\$690.00	\$3,130.00
hours	27	327	143	491
ROW SUBTOTAL	\$3,780.00	\$32,700.00	\$8,222.50	\$44,702.50
APPRAISAL				<i>Fee</i>
G. Appraisals	<i>Price</i>	<i>QTY</i>		<i>TOTAL</i>
N/A				\$0.00
APPRAISAL SUBTOTAL				\$0.00
DIRECT EXPENSES				
FedEx/Postage/Copies	<i>Qty Files</i>	<i>Cost Per file</i>		
	14	\$ 100.00		\$1,400.00
Mileage	<i>Rate/mi</i>	<i>Miles</i>		
	\$ 0.56	2,200		\$1,232.00
EXPENSE SUBTOTAL				\$2,632.00
PROFESSIONAL SERVICE FEE ESTIMATE			TOTAL	\$47,334.50

Submitted by: Wendy Rodenberg
 Wendy Rodenberg
 President
 TRS Corp.



CITY OF TRINIDAD, COLORADO
1876

COUNCIL COMMUNICATION

SK

CITY COUNCIL MEETING: December 16, 2014
PREPARED BY: Les S. Downs
DEPT. HEAD SIGNATURE:
OF ATTACHMENTS: 2

SUBJECT: The Bill of Charges Regarding Planning, Zoning and Variance Commission Member Richard George

PRESENTER: Les Downs, City Attorney

RECOMMENDED CITY COUNCIL ACTION: At one or more Councilmember's request, this matter is on the agenda to take action with respect to the attached Bill of Charges.

SUMMARY STATEMENT: A Bill of Charges has been prepared at Council's request, and is on the agenda for action by Council

EXPENDITURE REQUIRED: No

SOURCE OF FUNDS: N/A

POLICY ISSUE: Whether Council is desirous of removing Commissioner George

ALTERNATIVE: To not remove Commissioner George

BACKGROUND INFORMATION: Please refer to prior discussions and communications with respect to the retail and medical marijuana conditional use permits sought for 3019 Toupal Drive by Forever Green and Cannaco.

SK



City of Trinidad
P.O. Box 880
Trinidad, Colorado 81082
Telephone (719) 846-9843, #120
Fax (719) 846-4140
www.trinidad.co.gov

December 11, 2014

Mr. Richard George
824 Tillotson
Trinidad, CO 81082

Re: The enclosed Bill of Charges

Dear Mr. George:

Please find enclosed a Bill of Charges, which has been initiated against you by one or more members of City Council. The Bill of Charges seeks your removal from the Planning, Zoning and Variance Commission, and does so for the reasons set forth therein. Please know that the only purpose of this Bill of Charges is to seek your removal from this Commission for the reasons cited.

This complaint against you will be heard by City Council at the regular meeting of City Council on December 16th, 2014, at 7:00 p.m. You are encouraged to attend that meeting and explain your actions with respect to the allegations against you.

If you have any questions, please feel free to contact me at City Hall at the above number.

Sincerely,

Les S. Downs, Esq.
City Attorney

BILL OF CHARGES

This bill of charges is brought against Planning, Zoning and Variance Commissioner Richard George. In pursuing this bill of charges, one or more Council persons seek the removal of Commissioner George for his handling of certain marijuana conditional use permits as a Commissioner of the Planning, Zoning and Variance Commission. More specifically, it is alleged:

1) In a regularly scheduled meeting of the Planning, Zoning and Variance Commission on July 8th, 2014, an applicant for conditional use permits known as Forever Green, LLC, by and through Mr. Terry Sanchez, was granted a hearing on two medical marijuana conditional use permit applications. Those applications were referred to as 2014 MMC 16, and 2014 OPCO16, and were conditional use permit applications for 3019 Toupal Drive, in Trinidad, Colorado.

At the conclusion of that hearing, Commissioner George voted to deny the conditional use permit applications. Commissioner George failed to give any reason for his no vote, despite having been instructed by staff that Commission members should give reasons for voting no. Nonetheless, Commissioner George gave no reasoning for his no vote and therefore failed to provide any basis, let alone a legitimate one, for his actions.

2) In a regularly scheduled meeting of the Planning, Zoning and Variance Commission on October 14th, 2014, an applicant for three retail marijuana conditional use permit applications had his hearing held in support of these applications. The address for this proposed retail marijuana facility was also 3019 Toupal Drive, in Trinidad, Colorado, and said permit applications were known as 2014 RMS 24, 2014 RPMF 24, and 2014 RMCF 24. The applicant's name was CannaCo, and the company was represented by Mr. Josh Bleem.

At the conclusion of that hearing, Commissioner George voted no on those applications as well. Commissioner George was again informed that he should give reasons for voting to deny the applicant their conditional use permits, and he again refused. On this occasion, Commissioner George not only refused to give reasons for his no vote, but also interrupted another Commission member, and said that: "(Commissioner) Leone didn't have to answer to Fineberg" (meaning City Planner Louis Fineberg). So Commissioner George not only refused to give his reasons despite the advice of staff, he encouraged other Commission members to also not identify any reasons and to ignore the lawful and appropriate directions of City Staff.

Commissioner George's actions at the above described hearings were improper for several reasons. First, by refusing to give any basis for the no vote, Commissioner George failed to fully perform his obligations as a Commissioner and his actions either were the result of misconduct or at least create the appearance that Commissioner George abandoned his obligations. Second, Commissioner George's direction to another Commission member to engage in such inappropriate conduct shows an intentional disregard for providing a fair and impartial hearing. Third, Commissioner George's intentional disregard as to the advice and direction of City Staff constitutes a violation of the Commissioner's obligations.

Fourth, had it not been for City Council's actions, Commissioner George's acts and omissions could have generated a claim against the City. As a result, Commissioner George's actions constitute neglect of duty, acts detrimental to the City's interests, and potential malfeasance and therefore just cause exists to remove Commissioner George from his position.

For the foregoing reasons, it is the request of one or more Trinidad City Council Members that the City Council discussion removing Commissioner George from the Trinidad Planning, Zoning and Variance Commission.