



CITY OF TRINIDAD
TRINIDAD, COLORADO

The Regular Meeting of the City Council of the City of Trinidad,
Colorado, will be held on Tuesday, July 1, 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 June 17, 2014 and Special Meeting of June 19, 2014, June 24, 2014, and June 26, 2014
- 3) **PUBLIC HEARING**
 - a) New Medical Marijuana Center application filed by M & M Distributing, LLC at 422 N. Commercial Street
 - b) New Medical Marijuana Optional Premise Cultivation Operation application filed by M & M Distributing, LLC at 422 N. Commercial Street
- 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 repealing and re-enacting Chapter 14 (“Planning and Zoning”), Article 8 (“Wireless Telecommunications Towers and Facilities”), Section 14-153 (“Development of Towers”) of the Code of the City of Trinidad, Colorado, to protect the open zone district and the City’s viewshed, minimizing the impact of man-made structures and grading on the ridges of hills, mesas, mountains, open spaces, and similar natural features, visible from public rights-of-way in the open zone district
 - 1) Second reading of an ordinance repealing and re-enacting Chapter 14 (“Planning and Zoning”), Article 8 (“Wireless Telecommunications Towers and Facilities”), Section 14-153 (“Development of Towers”) of the Code of the City of Trinidad, Colorado, to protect the open zone district and the City’s viewshed, minimizing the impact of man-made structures and grading on the ridges of hills, mesas, mountains, open spaces, and similar natural features, visible from public rights-of-way in the open zone district
- 8) **MISCELLANEOUS BUSINESS**
 - a) Special Events Permit (malt, vinous and spirituous) request by Arthur Roy Mitchell Memorial, Inc. at 150 E. Main Street for July 19, 2014 (Quick Draw Event)
 - b) Retail liquor store license renewal request by Trinidad Beer, Liquor & Wine Depot, LLC d/b/a Trinidad Beer, Liquor & Wine Depot at 111 E. Kansas Avenue
 - c) Temporary modification of premises request by Mt. Carmel Health, Wellness & Community Center at 911 Robinson Avenue
 - d) Resolution determining that an election is required to consider one or more ballot issues and that such election should be held as a coordinated election
 - e) Renewal of Intergovernmental Agreement with Las Animas County for the conduct of the November 4, 2014 Regular Election as a Coordinated Election
 - f) Housing Authority Appointment
- 9) **BILLS**
- 10) **PAYROLL**, June 21, 2014 through July 4, 2014
- 11) **ADJOURNMENT**

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

The regular meeting of the City Council of the City of Trinidad, Colorado, was held on Tuesday, June 17, 2014, at 7:00 p.m. in City Council Chambers at City Hall.

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

The pledge of allegiance was recited.

APPROVAL OF THE MINUTES. Regular Meeting of June 3, 2014 and Special Meeting of June 10, 2014. A motion to approve the minutes as presented was made by Councilmember Bolton and seconded by Councilmember Torres. The motion carried unanimously.

PETITIONS OR COMMUNICATIONS, ORAL OR WRITTEN. Salvador Jimenez addressed Council. He reminded them that he resides at 1504 Grant Avenue and had previously addressed them concerning parking issues. He stated that he is grateful to everyone involved in getting signs installed around his house; however the signs are up and people still keep parking there. They are not respecting the signs. He called the police, went around the corner to be anonymous, and had people come to his door and pull in his driveway. While they were there they were pushing 20 cars out of the way. The police asked him what he wanted them to do. He told them to give the people tickets. People got upset. Mr. Jimenez opined that people have no respect for the City or City Council or the laws, which concerns him. He told Council that this morning he found someone in his yard at 1:30, a known thief. Regarding the parking he said the police didn't have a memo telling them to write tickets. The City needs money and those people are still there parking so they should get tickets. Mr. Jimenez said he is an outsider trying to stand up. He reiterated that he believes the City people don't respect the City's laws. He suggested that with marijuana being lawful it will get worse. He said he was trying to prepare the City to make laws to respect Council and the people of Trinidad. It is especially difficult for an outsider. People are tight in the community and in a lot of instances related. He concluded that if they don't fix it they might as well paint the town.

Tom Murphy addressed Council. He said he received the anonymous letter everyone talked about a couple of weeks ago, that was copied to him, KRDO and the Chronicle News. He told Council that when they had the newspaper his wife Paula had a file for anonymous letters – the trash. He opined that it is a reflection of the person who put it in Council's packets – they didn't know better. When he was hired this was his first time at this job. Secondly Mr. Murphy reminded Council that he had asked for answers to two questions last meeting – what are the legal expenses for ARPA and the financial status of the City. At a meeting in January, Council decided do to nothing economically in hopes that things would get better later - we are there and your City Manager is somewhere else. He asked if the problem the City is dealing with on Main Street is new or old and who is responsible. He also said that to his knowledge there have been no projects completed since Jeff Hill left the City's employment. Mr. Hill got run out of town, saw the writing on the wall and decided he didn't want to deal with this. There is a reason people supported former City Manager Ed Gil de Rubio - because he got things done and he was transparent. The people got behind him. Previous Council members and members of this Council decided that it would be too much turmoil to have him here. He said he believes that Council feels like the more meetings they have and the longer they are, the more they are getting done, but it is not happening. Mr. Murphy concluded that there will be a vote in November to continue the one-cent sales tax and the responsibility will be on this City Council if the community says no more until you start getting it right. Council has put all of their money on a dead horse and continues to do that. The fault will lie with this Council when the voters decide in November.

Stephen Hamer addressed Council. He said that the restrooms in City Hall are not accessible to the disabled. The people involved with Stephen's List felt it is important that they receive equal treatment. Today they do; thanks to many people there is a nice port-a-potty at City Hall. It is a temporary fix, but it is a fix. He said he thinks it needs to be larger, but the important thing is that it is a first step in a large journey toward ADA compliance that will take several years. He told Council that the sidewalk cafes in town are littering, strewing and blocking the sidewalks with chairs and tables. He said he and Stephen's List have been critical of Bella Luna in the past and now The Café and the Corner Café are starting to clutter the sidewalks. He said he'd like the City to study the issue. The disabled have a right to a public thoroughfare without encountering barriers. Next he told Council that the law is very clear and the City has signs up that inform drivers that they must stop for pedestrians. They filmed last week and discovered that people will stop for pedestrians but not for people in wheelchairs. He called upon the City to mention it to Police Chief Glorioso to step up crosswalk law enforcement. The disabled have a right to use the crosswalks with relative safety, but people will not stop. He asked Council to recognize that they have to struggle as it is with lack of curb cut ramps and non-compliant sidewalks. He called on the City to enforce pedestrian rules. Upon inquiry Mr. Hamer clarified that persons in motorized vehicles are considered pedestrians.

Sally Montoya told Council that she is 100% blind and she is unable to cross the street by Safeway. A person just missed hitting her. If it wasn't for her caregiver to pull her back she would have been hit. She said the problem is on the west side of Main Street. She said she'd like to see the City put a walkway there. People don't stop. They fly down from Santa Fe Trail and West Main Street. She also requested if there is money in the budget to allow for it, that a buzzer be installed in the heart of Trinidad where the light is. She said a buzzer has existed in the heart of Denver since 1997. When the buzzer is pressed everything is stopped in all four directions and a person is able to cross. She reiterated that she is blind.

Eva Shehorn reiterated the request for the police to enforce pedestrian crossings; involve the law on the issue.

John Fernandez addressed Council. He told them that he owns property on Heinlen Street near where the Fabecs want a marijuana shop. It is in an isolated area with a dead-end street. He said he doesn't know the reason why they would want one there. He said his property is in a residential area and he had been thinking about building a retirement home on his property. He said he will not follow through with his plans with a pot shop across the fence. The Manginos are all in this area. The Fabec property is surrounded by residential areas on three sides. He concluded that he was before Council to protest the location of this. Mayor Reorda pointed out that the Fabec property is zoned Industrial. Mr. Fernandez said there has never been industry there. The City's ordinance says these businesses can't go up in residential areas. What defines a residential area? Houses and people—people live in houses there. This whole area is surrounded by people. Mr. Fernandez told Council members that they wouldn't want one around their house. Mayor Reorda said if it were zoned for it he wouldn't have any choice. They can't keep him out of there if he's going to do it. It is up to the Planning Commission. Councilmember Bonato commented that he's had several phone calls from people who live down there asking him questions. He said he'd told them they have to come to Council and voice their opinion. He said he was glad to hear Mr. Fernandez's concerns.

COUNCIL REPORTS. Councilmember Mattie had nothing to report.

Councilmember Fletcher reported that the ballot committee met recently for the CIP sales tax initiative. They have made some plans and will invite more members for the committee. They will launch some pretty heavy campaigning as well to get it passed. The City will also have the marijuana tax on the ballot. It will take educating the public to make them understand that there is a very big difference between the marijuana tax and the one-cent tax increase for capital improvement.

Councilmember Bolton had nothing to report.

Councilmember Bonato reported that he attended a luncheon today at Mt. Carmel Health, Wellness and Community Center with some disabled Army veterans. About 13 couples were there. He said he couldn't believe the ages of the men and women serving in our armed forces. They provided a good meal and Leo Bonfadini gave the soldiers and their families a tour of the Mt. Carmel facility. Afterward they all got on a bus headed for Monument Lake for the next three days. Randy Gradishaw asked him to go show them how to fish. Councilmember Bonato wished the soldiers luck and he prayed for their safety.

Councilmember Fletcher clarified that the one-cent CIP tax is a continuation and not a tax increase. Mayor Reorda added that it is a continuation of a tax that has been in place the past eight years.

REPORTS BY CITY MANAGER. Acting City Manager Fineberg had nothing to report.

REPORTS BY CITY ATTORNEY. City Attorney Downs, in response to Tom Murphy's inquiries from the June 3rd meeting, advised that with regard to question #1 – how much money was spent on the Albuquerque law firm with respect to the ARPA litigation – the City has spent \$728,586.07. He further advised that in the Syncora Terms of Proposed Settlement Agreement reached as part of the mediation, contingent upon if it is ultimately agreed to, Syncora would pay \$600,000 of the City of Trinidad's legal fees. Regarding Mr. Murphy's next question – what is the City's financial situation, particularly in terms of furlough days – City Attorney Downs said that answer is beyond his area but anticipated that Finance Director Lonny Medina will be here next week along with City Manager Acre who will be leading the discussion on the City's financial situation and recommendations regarding furlough days. Mayor Reorda asked Finance Director Medina if he had the figures available for the furlough days. Finance Director Medina recalled the projection for the General Fund to save was \$250,000.

City Attorney Downs credited Public Works/Utilities Director for his efforts with getting a port-a-potty. He said he is aware the unit is not big enough and it was not what was requested. Public Works/Utilities Director Valentine is asking that it be replaced with a larger one to be ADA compliant.

UNFINISHED BUSINESS. None.

MISCELLANEOUS BUSINESS. Retail liquor store license renewal request by Robinson Liquor, LLC d/b/a Arizona Liquor Store at 847 Arizona Avenue. Greg Robinson was present on behalf of the applicant. A motion to approve the license renewal was made by Councilmember Bolton and seconded by Councilmember Fletcher. Upon roll call vote the motion carried unanimously.

Tavern liquor license renewal request by Gina Louise Lujan d/b/a El Rancho Restaurant at 1901 Santa Fe Trail Drive. Gina Lujan's presence was acknowledged. Councilmember Mattie moved for the license renewal and the motion was seconded by Councilmember Bonato. Upon roll call vote the motion carried unanimously.

Tavern liquor license renewal request by JuJo's Pub, Inc., d/b/a JuJo's Pub and Dance Hall at 125 N. Chestnut Street. Joe Incitti was present on behalf of JuJo's Pub, Inc. A motion to approve the license renewal was made by Councilmember Fletcher and seconded by Councilmember Bonato. The motion carried unanimously upon roll call vote.

Consideration of contract for the Welcome Center Rehabilitation Project between the City and the Colorado Department of Transportation. Mayor Reorda read from the Council Communication prepared by Tara Marshall "The CDOT will be closing its fiscal year on June 30, 2014. It is the suggestion of staff that we execute this contract prior to this date. This will secure the funding and allow some flexibility in the conversations moving forward as to the future of the Welcome Center location and rehabilitation." Paragraph two, the alternative, he read "Not executing the contract for

rehabilitation of the CWC located at 309 Nevada Avenue.” Mayor Reorda asked for a motion to execute the contract. Councilmember Bolton so moved and the motion was seconded by Councilmember Fletcher. Upon roll call vote the motion carried unanimously.

First reading of an ordinance repealing and re-enacting Chapter 14 (“Planning and Zoning”), Article 8 (“Wireless Telecommunications Towers and Facilities”), Section 14-153 (“Development of Towers”) of the Code of the City of Trinidad, Colorado, to protect the open zone district and the City’s viewshed, minimizing the impact of man-made structures and grading on the ridges of hills, mesas, mountains, open spaces, and similar natural features, visible from public rights-of-way in the open zone district, and setting a hearing date for consideration of said ordinance. The ordinance was introduced by Councilmember Bolton and then read aloud in its entirety. Councilmember Bonato asked what Community Commercial zoning is. Acting City Manager Fineberg answered that it is a zoning designation for certain areas of the City where businesses are located. Councilmember Bonato asked if it is what they looked at on Tower Hill. Acting City Manager Fineberg said that area is zoned Open. Councilmember Bonato asked if they would be able to locate a tower there. Acting City Manager Fineberg said if this ordinance is adopted they would not be able to. Councilmember Mattie asked if this ordinance allows for an exemption through the Planning and Zoning Commission. He said the graphic demonstration they received at their work session is a dramatic effect. However he said he had occasion this weekend to drive to Colorado Springs and on the way home he noticed the various towers along the way near the old rest area south of Pueblo at about mile marker 84, one about eight miles north of Walsenburg, the one just south of the Ludlow exit, and all of the towers on radio tower hill just north of town. None of those were quite as dramatic or imposing as that depicted in the graphic provided to Council earlier. He stated that while he isn’t suggesting they blemish or provide detract from the natural beauties of our community, it is incumbent on Council to bring technology into the 21st century. If by having a discrete radio tower here, as those were and ones can be made, Councilmember Mattie said we enhance cell phone capabilities in our area and can preserve the integrity of the view. Rather than to say no, he suggested there should be an allowance for some exception. Councilmember Bolton said the key word is discrete. Councilmember Mattie added that after having passed those towers a quarter mile they were hardly visible on an open highway. Councilmember Bonato recalled that at the work session, Planning Director Fineberg said there was plenty of room south of here where they can put a tower. Acting City Manager Fineberg commented that he finds it hard to separate himself from being a planner versus being a resident. There are a lot of hilltops, ridges and mesas around. He said his feeling is wireless communication facilities’ burden should be very high if what they propose to do would obstruct the view of Fisher’s Peak. They should have to show that there is no alternate site. The way the ordinance reads now, we would have no choice. Councilmember Mattie said he thought if the City assumes a position of all or none they do a disservice by restricting the growth and development of wireless technology available to us in phone communication and internet access as well. Councilmember Fletcher said the proposed ordinance still leaves room for the Planning Commission to give them one. Councilmember Bolton read “...unless a development permit shall have been issued by the Planning, Zoning and Variance Commission.” Councilmember Bonato said there are open areas on the tower near where he lives. He suggested the City could look at that. Acting City Manager Fineberg clarified that this proposed ordinance states that the towers would not be allowed in the areas zoned Open. It would exclude that site from consideration. He thought however, that telecommunications (federal) law requires that if they demonstrate that to be the only site where they can go, they could push the issue. This ordinance he felt would make them look at every other option first. A motion to approve the ordinance on first reading and consider it further at a public hearing at 7:00 p.m. on July 1, 2014 was made by Councilmember Bolton. The motion was seconded by Councilmember Fletcher and carried unanimously upon roll call vote.

ORDINANCE NO.

AN ORDINANCE REPEALING AND RE-ENACTING CHAPTER 14 (“PLANNING AND ZONING”), ARTICLE 8 (“WIRELESS TELECOMMUNICATIONS TOWERS AND FACILITIES”), SECTION 14-153 (“DEVELOPMENT OF TOWERS”) OF THE CODE OF THE CITY OF TRINIDAD, COLORADO, TO PROTECT THE OPEN ZONE DISTRICT AND THE CITY’S VIEWSHED, MINIMIZING THE IMPACT OF MAN-MADE STRUCTURES AND GRADING ON THE RIDGES OF HILLS, MESAS, MOUNTAINS, OPEN SPACES, AND SIMILAR NATURAL FEATURES, VISIBLE FROM PUBLIC RIGHTS-OF-WAY IN THE OPEN ZONE DISTRICT

Consideration of Contract Amendment between the City and the Colorado Department of Transportation for the Trinidad Historic Loop Project. Councilmember Bolton moved to approve the contract amendment and Councilmember Fletcher seconded the motion. Upon roll call vote the motion carried unanimously.

BILLS. Councilmember Bolton told Finance Director Medina that two weeks ago she made a request to know who made the decision to estimate the utility bills. City Manager Acre said he would have an answer forthcoming or that the Finance Director would be present to explain. Finance Director Medina said he wasn’t prepared to address that this evening. Councilmember Bolton renewed her request. Mayor Reorda said there were a lot of questions that they can’t answer and asked that they get an answer quickly. A motion to approve payment of the bills was made by Councilmember Bolton. The motion was seconded by Councilmember Torres. Roll call was taken on the motion and it carried unanimously.

PAYROLL, June 7, 2014 through June 20, 2014. A motion to approve the payroll was made by Councilmember Bolton and seconded by Councilmember Bonato. Roll call was taken and the motion carried unanimously.

Councilmember Bonato asked when the work on the four-way will start. Acting City Manager Fineberg said he believed the projected start date is in September. Mayor Reorda said they want it after the tourist season. Acting City Manager Fineberg added that ArtoCade organizers requested the City wait until after that event as well. Councilmember Bonato asked if there is an update on the Main Street problem. Public Works/Utilities Director Valentine reminded that City Manager Acre provided them with a letter from him explaining the problem. He said when they excavated they found the arroyo sandstone arch in good shape. The sewer main elevation in Main and Commercial Streets varies. To get to the manhole there’s a ciphon that goes under that arroyo. They found that the old clay 45 tiles were broken. They are now in the process of constructing fittings to repair it. Tomorrow morning they will be in there at 7:00 a.m. repairing it and should

have it backfilled by tomorrow afternoon and the concrete poured the next day. They will use high early concrete because it will take less time to set. The bricks will then have to be re-set. It looks good to be done by Thursday or Friday. Councilmember Bonato commented that the workers were out there at 6:10 a.m. and Councilmember Bolton thanked Public Works/Utilities Director Valentine for his prompt attention to the matter. Public Works/Utilities Director Valentine acknowledged that the situation is tough on the business people but the City is trying to get the work done. Mayor Reorda said he's sure the business owners are happy for his prompt attention as well. He said they've heard enough comments and that it is time to take action on Council, reminding of the July 1st City Manager evaluation. Councilmember Torres questioned with respect to the issues Salvador Jimenez is facing, if cones would help the problem. She said she noticed when she was nearby the games last night all of the cars that were parked there. Mr. Jimenez opined that the police need to give tickets. Mayor Reorda recalled past discussion about speeders and said the street he lives on is terrible. It's happening all over town. These are things Council needs to talk about. He told Mr. Jimenez that there are no newbies but understands his concerns about retaliation. He suggested if there is a police presence they will feel it more. He said those people who get tickets need to get prosecuted when they come to court. Councilmember Bolton said she thinks the larger issue is safety. If a child were to get hurt in a game there would be no way an emergency vehicle would get through in a timely fashion. Mayor Reorda added that it is hard for the residents there. Councilmember Torres said there are areas that need to be addressed. Her son had been hit by a car crossing the street on San Juan to get to the school bus. Mr. Jimenez suggested that maybe the City could buy the vacant lot next to him for parking. Councilmember Torres added that people have been parking like that for years and so it has become matter of fact. Mayor Reorda concluded that something needs to be done.

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 voice vote of Council.

ATTEST:

JOSEPH A. REORDA, Mayor

AUDRA GARRETT, City Clerk

The City Council of the City of Trinidad, Colorado met in Special Session on Thursday, June 19, 2014, at 5:30 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 Thursday, June 19, 2014, at 5:30 p.m. in the Council Chambers at City Hall

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

- 1) Special events permit request (malt, vinous and spirituous) by Trinidad-Las Animas County Hispanic Chamber of Commerce at 206 N. Animas Street for July 12, 2014
- 2) Public hearing for consideration of an ordinance establishing regulations and licensing requirements for retail marijuana businesses
 - a) Second reading of an ordinance establishing regulations and licensing requirements for recreational marijuana businesses

The meeting was called to order at 5:30 p.m.

Roll call was taken.

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

Special events permit request (malt, vinous and spirituous) by Trinidad-Las Animas County Hispanic Chamber of Commerce at 206 N. Animas Street for July 12, 2014. Yolanda Romero was present to represent the application. A motion to approve the special events permit was made by Councilmember Bolton and seconded by Councilmember Fletcher. Upon roll call vote the motion carried unanimously.

Public hearing for consideration of an ordinance establishing regulations and licensing requirements for retail marijuana businesses. Mayor Reorda declared the public hearing open and called for comment for or against the ordinance. Gloria Ahern addressed Council. She said she has read and heard the ordinance read at the previous meeting. She said her concern is where some places may be located. If a company has a medical permit she said she is assuming they may want a retail permit also. Ms. Ahern said that it appears that at least two businesses could be in the same place as her place of business, Healthy Changes, LLC d/b/a Curves at 413 N. Commercial Street. She said they already have parking problems there and she is concerned about the safety of the ladies that come to her business, with 67% of them being 60 years of age or older. She would not want to compromise their safety by the activities in the neighborhood. She said she understands each of these businesses has to have proper security but she is concerned about them not having security one-half and more blocks away. She added that she's not aware of the City having a police force to police it all. Ms. Ahern suggested that her franchise company, Curves International, may not be real happy about that type of business being in their neighborhood. They wouldn't be happy with a bar being in their neighborhood and they could request that she move somewhere else which would leave an empty building. Mayor Reorda pointed out that there is a bar in their neighborhood. Ms. Ahern said that it is not open, Trinidad Lounge. Mayor Reorda said it is not closed; they open occasionally. Councilmember Torres also pointed out that What a Grind is in the neighborhood also. Ms. Ahern responded that What a Grind is a restaurant. She said her other concern is that they need water to grow their plants. She asked if anyone has addressed the amount of water they will use because she hasn't seen that information in the paper and would love to hear the City's water situation. Councilmember Bonato stated that Council has discussed water several times. There being no further comments, the hearing was closed.

Second reading of an ordinance establishing regulations and licensing requirements for recreational marijuana Businesses. The ordinance title was read aloud. A motion to approve the ordinance on second reading was made by Councilmember Miles. The motion was seconded by Councilmember Bolton and carried with all Councilmembers voting aye with the exception of Councilmember Bonato who cast a dissenting vote. The motion carried by majority.

ORDINANCE NO. 1960

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF TRINIDAD, COLORADO,
ESTABLISHING REGULATIONS AND LICENSING REQUIREMENTS FOR RETAIL
MARIJUANA BUSINESSES

Councilmember Bonato said with all due respect to the people who have applied for licenses, the comment made by the Mayor about him being against marijuana prior to the meeting being called to order, is accurate. He added that he is part of this Council and he respects Council and in return all he wants is their respect as well. He said the Mayor's comment was made in bad taste and timing. That stays here. Mayor Reorda said that his comments that preceded the meeting were not meant as a criticism.

There being no further business, Councilmember Bonato moved to adjourn the meeting and Councilmember Miles seconded the motion. Upon a unanimous roll call vote, the meeting was adjourned.

ATTEST:

JOSEPH A. REORDA, Mayor

AUDRA GARRETT, City Clerk

The City Council of the City of Trinidad, Colorado met in Special Session on Tuesday, June 24, 2014, 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, June 24, 2014, at 1:30 p.m. in the Council Chambers at City Hall

The following item is on file for consideration of City Council:

- 1) 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 – Discussion regarding contract letting responsibilities

The meeting was called to order at 1:30 p.m.

Roll call was taken.

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

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 – Discussion regarding contract letting responsibilities. A motion to enter into executive session for the stated purpose was made by Councilmember Mattie. Councilmember Bonato seconded the motion which carried by a unanimous roll call vote. The executive session ensued at 1:32 p.m. City Attorney Downs advised that the discussion would be for the purpose of receiving legal advice on specific legal questions under C.R.S. Section 24-6-402(4)(b). As such, he recommended the recording cease.

I, Les S. Downs, City Attorney for the City of Trinidad, do hereby attest that the executive session held on this 24th day of June, 2014, was permissible under CRS Section 24-6-402 (4)(b).

As City Attorney, it is my opinion that the discussion of the matter announced in the motion to enter into executive session constituted a privileged attorney-client communication. Therefore, it is my recommendation that no further record be kept of this executive session.

Les S. Downs
City Attorney

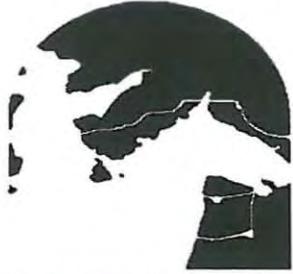
Upon conclusion of executive session at 2:00 p.m., Councilmember Bolton moved to resume the special meeting and Councilmember Torres seconded the motion. The motion carried unanimously upon roll call vote.

There being no further business, the meeting was adjourned.

ATTEST:

JOSEPH A. REORDA, Mayor

AUDRA GARRETT, City Clerk



CITY OF TRINIDAD, COLORADO
1876

COUNCIL COMMUNICATION

3

CITY COUNCIL MEETING: July 1, 2014
PREPARED BY: Audra Garrett, City Clerk
DEPT. HEAD SIGNATURE: *Audra Garrett*
OF ATTACHMENTS: 1

SUBJECT: PUBLIC HEARINGS New Medical Marijuana Center application filed by M & M Distributing, LLC at 422 N. Commercial Street
New Medical Marijuana Optional Premise Cultivation Operation application filed by M & M Distributing, LLC at 422 N. Commercial Street

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

This matter came on for hearing on the application of M & M Distributing, LLC at 422 N. Commercial Street in Trinidad, Colorado, for a Medical Marijuana Center License and a Medical Marijuana Optional Premise Cultivation Operation License, before the City Council of the City of Trinidad, Colorado, acting in its capacity as the local licensing authority on July 1, 2014, in City Council Chambers in City Hall. The City Council having reviewed the application and supporting documents, reports of the City Clerk and other City staff, evidence at the hearing and testimony taken during the hearing, makes the following **FINDINGS**:

1. The application is complete and signed by the applicant, and the applicant has paid the appropriate application and license fee.
2. The application appears to be in substantial compliance with all the requirements of Article 11, of Chapter 14 of the Trinidad Municipal Code. The applicant has testified to their willingness to comply with and any all areas of said Article whereby compliance at this time cannot be fully attained or substantiated.
3. According to the testimony of the applicant, the application does not contain any material misrepresentations.
4. The proposed medical marijuana business complies with applicable zoning regulations. The City Council hereby finds that based upon the testimony of the applicant, the building in which the proposed medical marijuana business will be located will conform to the Trinidad City Codes, including the zoning code and all International Codes adopted by the City.
5. _____ testified in favor of granting the license. (No other persons testified in favor of or in opposition to the granting of the license.)
(_____ testified in opposition.)
6. The applicant through the facts and evidence adduced as a result of the City's investigation and testimony provided, made a prima facie showing the members of the limited liability corporation are of good moral character and any employees of their entity will likewise be of good moral character.
7. The City Clerk's report showed that there are currently no medical marijuana-licensed businesses within the City of Trinidad.
8. Based on the evidence presented at the hearing and the investigative materials provided for the hearing, the City Council finds that the location of the business is appropriate, and that the applicant officers are of satisfactory moral character and there is a willingness by the applicants to fully cooperate with the officials of the City in the operation of this business.

THEREFORE, the City Council of the City of Trinidad, Colorado, as the local marijuana licensing authority, hereby approves and grants a Medical Marijuana Center License and a Medical Marijuana Optional Premise Cultivation Operation License to M & M Distributing, LLC at 422 N. Commercial Street in Trinidad, Colorado. The issuance of said license shall be withheld until a certificate of occupancy is issued by the Chief Building Official and upon his absolute confirmation of compliance with all codes adopted by the City of Trinidad.

MEDICAL MARIJUANA HEARING OUTLINE:

For: M & M Distributing, LLC

I. TYPE OF LICENSES (MEDICAL MARIJUANA CENTER, OPTIONAL PREMISES CULTIVATION)

II. ORGANIZATION OF OWNERSHIP: LLC (M & M Distributing)

---Principals on LLC: John Micheliza, and Geraldine DeAngelis;

---Colorado corporation in good standing?

---NO TRADE NAME YET;

---One existing, keyed employee, at present: Joseph DeAngelis

III. BACKGROUND CHECKS:

---background checks pending? For all principles in corporation/organization? --

---Anticipate showing of good moral character?

---understand that approval conditioned upon background checks being approved, and showing of good moral character;

IV. FINANCIAL BACKING;

---reveal all financial backers in application?

---understand if investors/financial backers in the future you have to let us and the department of revenue know?

V. PROPERTY/PREMISES;

---address of licensed premises; 422 N. Commercial St.

---ownership/lease arrangement (who owns, to whom leasing).

---(landlord permission to have marijuana business: N/A)

---over a thousand feet from any school?

---diagram provided as part of application?

---clearly set forth zoning classification, permissible zoning, granting of CUP by planning and zoning;

VI. APPLICATION:

- all requested documents submitted (checklist);
- you swear and affirm that the information contained in your application is true and correct?
- the application therefore does not contain any material misrepresentations?
- understand the requirements of continued cooperation with:
 - City Council, State Dept. of Revenue;
 - City Clerk's office
 - City Attorney's office
 - planning and zoning, department and commission
 - Chief Building Official, Trinidad Police Dept., Trinidad Fire Depts.

VII. TRAINING, ALL EMPLOYEES;

VIII. FAMILIARITY WITH CITY CODES, DEPT OF REVENUE REGULATIONS, STATE STATUTES.

IX. SECURITY, ADVERTISING, LIGHTING



City of Trinidad, Colorado
1879

CORRECTED 6/26/2014

INVESTIGATIVE REPORT

Applicant: M & M Distributing, LLC

Business Name: M & M Distributing, LLC – No Trade Name Registered

Business Address: 422 N. Commercial Street – *Historic Preservation zoning*

Officers/Owners: John Everett Micheliza, 44910 Co. Rd. 40.0, Trinidad, CO
81082
Geraldine Marie DeAngelis, 209 Estrella Street, Trinidad, CO
81082

Employee Key Licensee: Joseph Angelo DeAngelis, 209 Estrella Street, Trinidad, CO
81082

Date of Application: May 14, 2014

Date Application Filed with Local Authority: May 20, 2014

Type of Request: New License

Type of License(s): Medical Marijuana Center
Medical Marijuana Optional Premises Cultivation Operation

Hearing Date: Tuesday, July 1, 2014, 7:00 p.m.

APPLICATION CONTENTS -

Applicant's Documents: City of Trinidad Medical Marijuana License Application
CUP Approval Letter
Lease Agreement
Verified Consent of Property Owners for the Submission of
an Application for Medical Marijuana Business

Applicant's Documents: (Cont.)

- Articles of Organization
- Certificate of Good Standing
- Member Control Agreement
- Operating Agreement
- Sales Tax License
- Diagram of Premises
- Individual History Records
- Fingerprints
- Security Alarm Proposal
- Exterior Security Lighting Plan
- Colorado Business Medical Marijuana License Application
- Appendix A Optional Premise Cultivation License Application
- Colorado Associated Person & Associated Key Medical Marijuana License Applications
- Colorado Employee Key Marijuana License Application w/fingerprint results
- Colorado Medical Marijuana License Bond

City Documents:

- Notices of Public Hearing
- Certificates of Mailing
- Proof Publication on 6/13/14
- Certificates of Posting
- Departmental Reports

LOCAL FEES -

Local Fees Medical Marijuana Center:

Investigation	\$2500.00
License	<u>1000.00</u>
Total	\$3500.00

Local Fees Medical Marijuana Optional Premise Cultivation Operation:

Investigation	\$2500.00
License	<u>1000.00</u>
Total	\$3500.00
TOTAL	\$7,000.00

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 *Historic Preservation*, one of the appropriate zoning designations for location of a marijuana business pursuant to the Trinidad Municipal

Code. Conditional Use Permit requests were heard by the Planning Commission on 4/22/14 and approved subject to five conditions identified within a letter dated 4/25/14 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; 5) a revised site plan was required to be provided to the Planning Department. This requirement has been met.

LEASE AGREEMENT -

The lease agreement is between John E. Micheliza, Geraldine DeAngelis, Nicholas Reyes, Michael Reyes and Alicia Reyes, Trustees of the Judith A. Reyes, Revocable Trust, U/T/D, landlord, and M & M Distributing, LLC, tenant. The term extends from March 12, 2014 through March 11, 2016. A verified consent of property owners for the submission of an application for a medical marijuana business was provided as required by the Trinidad Municipal Code.

CORPORATE DOCUMENTS –

Dated-stamped Articles of Organization for M & M Distributing, LLC are provided, as well as a Certificate of Good Standing issued by the Colorado Secretary of State. The Member Control Agreement verifies the ownership interest of the limited liability company. The Operating Agreement dictates the operation of the business entity.

SALES TAX LICENSE -

Sales Tax License #27964766-0000 was verified.

DIAGRAM OF PREMISES -

The diagrams identify the proposed premises, which is a ground level facility. It identifies an office (the Center), five grow areas, a recycle area, and garage bulk storage (Optional Premise Cultivation Operation). The Medical Marijuana Center adjoins the

Optional Premise Cultivation Operation all within the confines of 422 N. Commercial

Street. 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 approximately 22,000 square feet. A security alarm system and exterior security lighting plan proposal was submitted pursuant to the City's requirements.

OWNERSHIP INFORMATION/BACKGROUNDS FINGERPRINTING -

Fingerprint cards were submitted to CBI/FBI on 5/30/14. Results have been received for John Micheliza, Geraldine DeAngelis. Results are consistent with the information disclosed on the Individual History Record and the Police Department background check.

RESIDENCY REQUIREMENT -

Both members of M & M Distributing, LLC meet the two-year Colorado residency requirement to hold a marijuana license. The key employee also meets the requirement to be a current resident of Colorado.

COLORADO MEDICAL 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, optional premise cultivation license application, associated person and associated key license application, employee key license application, license bond.

Joseph Angelo DeAngelis, 209 Estrella Street, Trinidad, Colorado, 81082, has applied for an employee key license to work for M & M Distributing, LLC, and has submitted to a background check. Fingerprint results are attached.

NOTICES OF HEARING -

Mailed to applicant - 6/3/14.

Published - 6/13/14.

Posted on the premises - 6/5/14.

DEPARTMENTAL REPORTS -

Fire Chief Tim Howard conducted his inspection on 6/6/2014. Chief Howard indicated

that a fire inspection is needed before opening, however the pre-inspection was completed satisfactorily.

Building Inspector Chris Kelley recommends the license issuance be withheld until a certificate of occupancy is issued by him, if the license applications are approved.

Periodic inspections will continue throughout the process.

OTHER REVELANT CONCERNS -

SCHOOL DISTANCES -

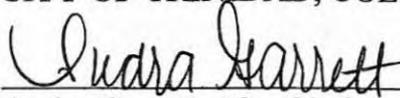
There is a 1,000-foot limitation from a school for any marijuana business. The nearest school property is Goal Academy which is 1,267.27 feet from the nearest point of this property.

LICENSED OUTLETS WITHIN THE CITY -

There are currently no medical marijuana business licenses of any type within the City.

Dated this 26th day of June, 2014.

CITY OF TRINIDAD, COLORADO

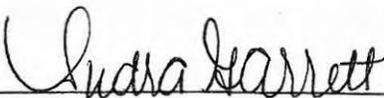


Audra Garrett, City Clerk

CERTIFICATE OF MAILING

I hereby certify that on the 26th day of June, 2014, I mailed a copy of the Investigative Report, by Certified Mail, to:

M & M Distributing, LLC
44910 County Rd. 40
Trinidad, CO 81082
Certified Mail # 7012 3460 0003 6816 1750



Audra Garrett, City Clerk



CITY OF TRINIDAD

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

City of Trinidad
MAY 14 2014
City Clerk's Office

MEDICAL MARIJUANA LICENSE APPLICATION		
<input checked="" type="checkbox"/> New License Application Fee \$2,500.00	<input checked="" type="checkbox"/> License Fee/Renewal Fee \$1,000.00	
<input type="checkbox"/> Transfer of Ownership Application Fee \$1,500.00	<input type="checkbox"/> Change of Location \$1,500.00	
LICENSE TYPE		
<input checked="" type="checkbox"/> Medical Marijuana Center	<input type="checkbox"/> Medical Marijuana Infused-Products Manufacturer	
<input checked="" type="checkbox"/> Medical Marijuana-Optional Premises Cultivation Operation		
TYPE OF BUSINESS		
<input type="checkbox"/> Corporation	<input type="checkbox"/> Partnership	<input type="checkbox"/> Individual*
<input checked="" 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) M + M Distributing, LLC

Applicant (Sole Proprietor) First Name Middle Initial Last Name

Trade Name of Establishment (DBA) m + m Distributing, LLC

Address of Premise 422 N. Commercial ST., Trinidad, CO 81082

Mailing Address 44910 Co. Rd. 40, Trinidad, CO 81082

Telephone [Redacted] Email Address [Redacted]

Contact Person/Manager John Micheliza Title President

Telephone [Redacted] Email Address [Redacted]

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

- Ownership Lease Other (explain in detail)

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

Landlord See attachment Tenant Expires 3/11/16

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

ADDITIONAL DOCUMENTS TO BE SUBMITTED WITH APPLICATION

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

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

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

1. Name: John Micheliza Title: President
Address: 44910 Co Rd 40, Trinidad, CO 81082
Financial Interest: 50 %
2. Name: Geraldine DeAngelis Title: Sec / Treas.
Address: 209 Estrella St., Trinidad, CO 81082
Financial Interest: 50 %
3. Name: _____ Title: _____
Address: _____
Financial Interest: _____

4. Name: _____ Title: _____

Address: _____

Financial Interest: _____

5. Name: _____ Title: _____

Address: _____

Financial Interest: _____

6. Name: _____ Title: _____

Address: _____

Financial Interest: _____

7. Name: _____ Title: _____

Address: _____

Financial Interest: _____

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

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

By accepting a license issued pursuant to this ordinance a licensee, jointly and severally if more than one, agrees to indemnify and defend the City, its officers, elected officials, employees, attorneys, agents, insurers, and self-insurance pool against all liability, claims, and demands, on account of injury, loss, or damage, including without limitation, claims arising from bodily injury, personal injury, sickness, disease, death, property loss or damage, or any other loss of any kind whatsoever, which arise out of or are in any manner connected with the operation of the medical marijuana dispensary that is the subject of the license. The licensee further agrees to investigate, handle, respond to, and to provide defense for and defend against, any such liability, claims, or demands at its expense, and to bear all other costs and expenses related thereto, including court costs and attorney fees.

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

Signed: Geraldine De Angelis Title: Sec / Treas.
(Must be signed by Individual Owner, Partner, or Officer)

Printed Name: Geraldine De Angelis Date: 3/31/2014

Lease

Landlord

John E. Micheliza
Geraldine DeAngelis

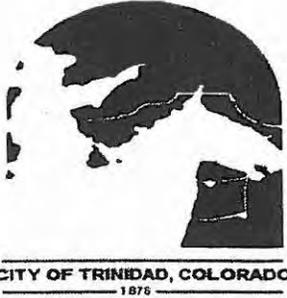
Nicholas Reyes
Michael Reyes
Alicia Reyes
Trustees of the Judith A. Reyes Revocable Trust, U/T/D May 24, 2007

Tenant

M & M Distributing, LLC

Expires

March 11, 2016



City of Trinidad

Planning Department
135 N. Animas
Trinidad, Colorado 81082
Telephone (719) 846-9843 X 130
Fax (719) 846-4140
planning@trinidad.co.gov

M & M Distributing, LLC
c/o John Micheliza
44910 County Rd. 40.0
Trinidad, CO 81082

April 25, 2014

RE: CUP Application #: 2014-MMC-5 and #2014-OPCO-5

Dear Applicant:

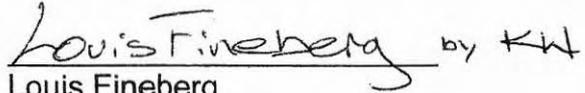
On April 22, 2014 the Planning, Zoning and Variance Commission approved your request for conditional use permits (CUP) to establish and operate a Medical Marijuana Center and an Optional Premise Cultivation Operation at 422 N. Commercial Street subject to the following conditions:

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.
5. The applicant must submit a revised site plan in accordance with the provisions

of Section 14-88.4 of the City of Trinidad Municipal Code.

If you have any questions, please do not hesitate to contact me.

Thank you,

 by KW

Louis Fineberg
Planning Director

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

LEASE AGREEMENT

THIS AGREEMENT OF LEASE is executed this 12th day of March, 2014, by and between John E. Micheliza; Geraldine DeAngelis; Nicholas Reyes, Michael Reyes and Alicia Reyes, Trustees of the Judith A. Reyes Revocable Trust, U/T/D May 24, 2007; hereinafter referred to collectively as the "landlord," and M & M Distributing, LLC, a Colorado limited liability company, hereinafter referred to as the "tenant."

WHEREAS: The parties have agreed upon a lease.

NOW, THEREFORE, it is agreed:

1. FORMATION AND PROPERTY DESCRIPTION:

The landlord hereby leases unto the tenant and the tenant hereby rents from the landlord the following premises and property located in the County of Las Animas, State of Colorado:

The real estate and improvement located at 422 N. Commercial, Trinidad, Colorado 81082 which is specifically described on the legal description attached hereto as **Exhibit A.**

2. COVENANT OF TITLE:

Landlord represents and warrants that landlord has title to the demised premises in fee simple, and that the lease has neither been assigned nor have the rentals payable under the lease been assigned. Landlord further covenants and warrants that landlord has full right and lawful authority to enter into this agreement for the extended term of the lease and that no consents of any nature whatsoever are required for landlord to enter into this agreement. Landlord warrants and represents that there are no liens or encumbrances or exceptions to title of any nature whatsoever.

3. TERM AND RENTAL:

A. The term of this lease shall be for a period of two (2) year commencing on March 12, 2014 and ending on March 11, 2016.

B. The base rental shall be the total sum of \$28,800 and shall be payable at the rate of \$1,200 per month in advance, commencing on March 12, 2014 and on the same day of each month hereafter.

C. Said rental shall be payable at 209 Estrella St., Trinidad, Colorado 81082.

4. PURPOSE AND USE:

A. The said premises are to be used and occupied by the tenant for retail sales, including the cultivation and sales of marijuana.

B. The tenant shall not use the premises during the term hereof for any purpose contrary to the laws of the State of Colorado or municipal ordinances.

C. The parties acknowledge that the cultivation, sale, and possession of marijuana is now unlawful under the laws of the United States of America. The tenant hereby releases landlord, its employees, attorneys, officers, members, and agents from any liability for injuries, damages or liability of any kind that result from any arrests or prosecution of marijuana dispensary owners, operators, employees, clients or customers for a violation of federal laws, rules or regulations. The tenant agrees to indemnify the landlord from all claims, injury, loss, or damage which arise out of, or in connection with the operation of, the marijuana facility. Tenant 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 bear all other costs and expenses related thereto, including court costs and attorney's fees.

5. UTILITIES:

The tenant shall be responsible, assume and pay, for all utilities on the premises, at tenant's own expense, including without limitation, gas, water, electricity, heat, garbage and sewer collection and other utilities.

6. TAXES:

A. The tenant shall be responsible for, and pay all, ad valorem taxes and charges upon the said tenant during the term of this lease. The tenant shall be responsible for all other taxes. In addition thereto, the tenant shall be responsible for all increase in taxes as a direct result of assessments resulting from the placing or holding of additional machinery, equipment, personal property or improvements placed upon the premises by the tenant.

B. The tenant shall be responsible and hold the landlord harmless from all sales, gross receipts, occupation, franchise, or other such excise or business taxes arising out of the use of the said premises.

7. MAINTENANCE AND UPKEEP:

A. The landlord shall be responsible for all major

structure repairs (meaning roofs, walls, floors, foundations, electrical and plumbing systems to the outlets), and the tenant shall be responsible for all other maintenance and repairs to the said premises and property during the term hereof. Landlord's responsibility shall not commence until and unless ten (10) days' written notice thereof shall have been delivered to landlord, specifying the major structure repair needed. The landlord shall not have the right to go upon the premises to make repairs without the express permission of the tenant, and the obligation of the landlord to make such structural repairs shall not be construed to impose upon the landlord any liability for damage or injury arising from the condition giving rise to the necessity of structural repairs until such time as the landlord is given notice, and written permission from the tenant to go upon the premises, to make such repairs pursuant to this paragraph.

B. The responsibility of the landlord to make major structure repairs shall not impose a duty upon the landlord to rebuild the demised improvements or any part thereof in the event of total or substantial destruction by fire, wind, or some similar, unusual or unforeseen occurrence. The duty contemplated to be hereby imposed upon the landlord shall extend only to repair or restoration of the demised premises in the event of fire damage or partial destruction rendering the premises temporarily untenable in landlord's opinion. Any decision of the landlord to carry fire insurance shall not be construed to impose any greater duty upon the landlord than is contained in the foregoing.

C. In the event of damage to the premises, which damage it is the obligation of the landlord to repair hereunder, then and in such event, the rent due to be paid by the tenant shall abate for a period during which he cannot occupy the premises due to the damage and repair. In the event of substantial or total destruction of the premises as hereinabove described, which destruction is not contemplated in landlord's determination to be within the scope of the landlord's duty to repair, then and in such event, this lease shall be automatically terminated and the tenant shall have no further obligation to pay rent beyond the time of such termination.

D. Notwithstanding any specific provisions hereinabove set forth, the tenant shall be responsible for any damage, loss, claim or repair occasioned, or the result of, the act of the tenant, or tenant's agents, employees, business invitees, guests and assigns.

E. The tenant shall not incur, or allow to be incurred or placed upon the premises, any lien or liens, or other encumbrance, and herewith agrees to hold the landlord harmless therefrom.

F. Tenant's Repairs. Tenant agrees to repair all damage to the leased premises caused by tenant's use other than ordinary wear

and tear and that on surrendering possession, it will leave the leased premises in good condition, allowance being made for ordinary wear and tear, damage by fire, the elements or other casualty, or resulting from the acts of persons other than tenant, or from defects therein, being excepted. Tenant may make such repairs, alterations and improvements to the leased premises as tenant deems desirable but tenant agrees not to permit any liens to stand against the leased premises for work done or materials furnished. Tenant may paint the interior of the building on the leased premises in such colors as tenant elects. Tenant shall have the exclusive right to paint, erect or authorize signs in, on or about the building on the leased premises and may, at any time, remove signs and color effects installed by tenant. On surrendering possession, tenant shall not be required to restore the leased premises to their condition at the commencement of the term, and landlord agrees to accept the leased premises with alterations and improvements made by tenant. Any exterior alterations or signs shall be subject to the approval of landlord which shall not be unreasonably withheld.

8. DAMAGE BY CASUALTY:

If the leased premises are damaged by fire, the elements, or other casualty, landlord shall promptly repair all damage and restore the leased premises to their condition just prior to the damage. If landlord is delayed in restoring the leased premises as a direct result of a strike, riot, insurrection, fire or act of God, or operation of law, governmental regulation or order, an extension of one (1) working day will be allowed landlord for each working day lost for such cause; providing, however, that in any and all events if the leased premises are not restored and all damage repaired within one (1) year after the date of damage, tenant may cancel this lease by notice to landlord. If tenant is deprived of the use of any substantial portion of the leased premises, either by reason of said damage or during restoration, the rent shall be abated or proportionately reduced according to the extent to which tenant is deprived of such use. Tenant agrees to keep in effect on the leased premises fire insurance with extended coverage endorsement in an amount not less than 90% or the insurable value of the building improvements thereof. Such insurance that tenant maintains pursuant to this paragraph 8, shall be written by a carrier or carriers acceptable to landlord or by a company or companies rated A, AAA, or Best's Manual. Said policy or policies of insurance to provide the payment for any losses covered under or by said policy or policies of insurance shall be made to landlord and/or tenant and/or mortgage and/or assignee designated by landlord from time to time as their respective interests may appear. If, during the lease term the leased premises are damaged by fire, the elements, or other casualty to the extent of 75% or more of the insurable value thereof, tenant may terminate this lease as of the date of damage by notice to the landlord within thirty (30) days after said date.

9. NON-LIABILITY OF LANDLORD; INDEMNIFICATION; INSURANCE:

A. Tenant accepts exclusive possession and control of the leased premises as of the date of commencement of this lease in the condition in which then found. Landlord shall not be liable thereafter for any injury or damage to any property or to any person on the leased premises caused by fire, bad condition, unsafe condition, or any other circumstance not herein specifically described, or caused by the use, misuse or abuse of the leased premises or any property now or hereafter thereon.

B. Tenant agrees to protect, indemnify, defend, hold and save landlord harmless from and against any and all claims, demands, liability, causes of action, loss or damage of any nature whatsoever on account of property damage, personal injury or wrongful death to any person or property arising directly or indirectly out of or caused by any accident, negligence, or other acts on or in connection with the leased premises or any part thereof, any nuisance made or suffered thereon, any use or occupancy of the leased premises by tenant or any person claiming by, through or under tenant, or any failure of tenant to maintain the leased premises in safe condition and in good order and repair, and tenant shall reimburse landlord for any attorneys' fees or other costs and expenses in connection with the defense of any claim relating thereto.

C. Tenant shall keep in effect during the term of this lease, and deliver a copy thereof to the landlord, a general comprehensive liability policy or policies written by responsible insurance companies authorized to conduct business in Colorado, covering the leased premises in the amount of \$1,000,000 personal injury, with property damage of \$500,000. Tenant shall cause its insurance company during the foregoing policy to provide landlord with an insurance certificate describing the insurance coverage as above set forth. The said insurance certificate hereinabove described shall also contain a statement by the insurer that no cancellation or change of the policy described will be made without at least ten (10) days written notice thereof to the landlord.

10. DEFAULT:

If tenant shall be in default for more than twenty (20) days after receipt of landlord's notice specifying such default, landlord may declare the term ended and re-enter the leased premises with or without process of law. If landlord shall be in default for more than twenty (20) days after receipt of tenant's notice specifying such default, tenant may incur any expense necessary to perform any obligation of landlord specified in such notice and deduct such expense from the rents thereafter to become due. The performance of each and every covenant and agreement by landlord herein contained shall be a condition precedent to lessor's right to collect rents or enforce this lease.

11. TERMINATION:

This agreement shall cease, determine and come to an end at the option of the landlord, thirty (30) days after notice in writing shall be personally served, or mailed, to the tenant, of the happening of any one of the following actions, conditions, failures, or omissions, to-wit:

A. The tenant fails to make the payments when due or omits to perform or violates any of the covenants and conditions of this lease by the tenant to be performed or observed, or if tenant shall fail to make reasonable efforts in the light of the surrounding circumstances to keep substantially all the premises occupied and open.

B. Abandonment of the premises.

C. The filing of execution or occurrence of a petition in bankruptcy by or against the tenant, adjudication as a bankruptcy, or insolvency in the bankruptcy equity sense, and assignment for benefit of creditors, petition or other proceedings for appointment of trustee, receiver, guardian or conservator, or the taking by any person of the leasehold created hereby or any part thereon upon execution, attachment or other process of law or equity.

D. The use of the premises for any purpose but the hereinabove authorized.

E. In addition to the foregoing, should default be made in the payment of rental sums due for a period of not less than ten (10) days, the landlord shall have the option forthwith to terminate this lease and to re-enter the premises and take possession thereof.

F. In any of the events of default or termination as is set forth in this paragraph, the landlord shall have the right and option to terminate the lease, to re-enter the premises and take possession thereof, remove all persons therefrom, with or without process of law, and to distrain for any rent, damages or other sums that may be due hereunder, any property belonging to the tenant and located on the premises. Whereupon the tenant shall quit and surrender peaceably the premises to the landlord and all of tenant's rights herein and to the premises shall be deemed forfeited.

G. A waiver by the landlord of any breach or breaches by the tenant of any one or more of the covenants and conditions hereof shall not constitute a waiver, nor shall the same affect the right of the landlord hereunder for any subsequent breach of or any such other covenants or conditions.

H. Both parties shall, without limitation as above set forth, have the right to any and all other legal remedies allowable by laws of the State of Colorado, together with costs and reasonable attorney's fees in enforcing the terms and provisions of this Lease Agreement or in terminating the same.

12. HOLDING OVER:

Any holding over by the tenant after the expiration of the term of this lease shall be deemed an extension or renewal of this lease for an additional thirty (30)-day period only, and thereafter such holding over shall be construed as a tenancy from month-to-month by extension of this lease under the terms and conditions of the lease.

13. NON-ASSIGNMENT:

The tenant shall not, in whole or in part, assign or sublet the said premises or this lease without having obtained the prior written consent of the landlord.

14. MISCELLANEOUS PROVISIONS:

A. This lease shall be governed by the laws of the State of Colorado.

B. Time is of the essence of each and every one of the conditions and terms of this agreement.

C. All prior negotiations and understandings between the parties are merged into this agreement which contains and defines all of the rights, duties and liabilities of the parties. There are no verbal agreements, or other writings, which in any manner affect or govern the agreement of the parties, and both parties do so state and agree.

D. Whenever the word "tenant" is used in this document, it shall be deemed to mean the named tenant, assignees, invitees, permittees, guests, agents and employees.

E. All damages and payments resulting from a taking, damaging or condemnation of the said premises under the right of eminent domain shall accrue to and belong to the landlord and the tenant shall have no right to any part thereof.

F. The tenant may, upon the written agreement of the landlord, make alterations, additions or improvements in or about the said demised premises. All such improvements which are attached to the walls, floors and premises shall immediately merge and become a permanent part of the realty and shall remain on the premises.

G. The tenant shall, subject to the rights of distraint and default as hereinabove set forth, have the right upon the termination of this lease to remove from the premises all equipment and personal property belonging to the tenant.

H. All notices to be given under this lease shall be deemed to have been properly delivered when personally delivered to either party, or deposited in the United States Mail with sufficient postage, addressed to the landlord at c/o John Micheliza, 44910 Co. Rd. 40, Trinidad, Colorado 81082; or addressed to the tenant at c/o Geraldine M. DeAngelis, 209 Estrella St., Trinidad, Colorado 81082.

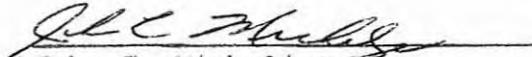
15. BINDING EFFECT:

The terms hereof shall extend to, and be binding upon, the heirs, administrators, executors successors and assigns of the parties.

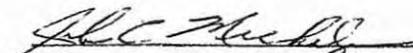
IN WITNESS WHEREOF, the parties have hereunto affixed their signatures the day and year first above written.

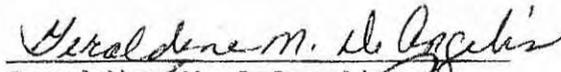
LANDLORD:

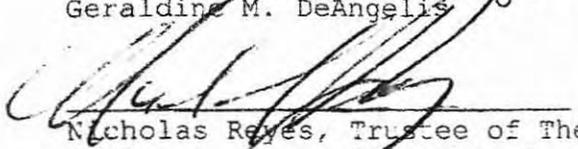
TENANT:


John E. Micheliza

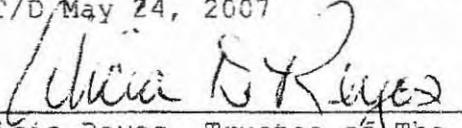
M & M DISTRIBUTING, LLC

By: 
John E. Micheliza, Manager


Geraldine M. DeAngelis


Nicholas Reyes, Trustee of The
Judith A. Reyes Revocable Trust
J/T/D May 24, 2007


Michael Reyes, Trustee of The
Judith A. Reyes Revocable Trust
U/T/D May 24, 2007


Alicia Reyes, Trustee of The
Judith A. Reyes Revocable Trust
U/T/D May 24, 2007

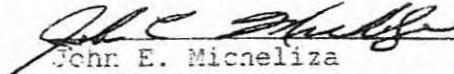
VERIFIED CONSENT OF PROPERTY OWNERS FOR THE SUBMISSION OF
AN APPLICATION FOR MEDICAL MARIJUANA BUSINESS

This consent is made and given by John E. Micheliza; Geraldine DeAngelis; and Nicholas Reyes, Michael Reyes and Alicia Reyes, Trustees of the Judith A. Reyes Revocable Trust U/T/D May 24, 2007; who are the owners of the property located at 422 N. Commercial St., Trinidad, Colorado 81082, which is specifically described on **Exhibit A** attached hereto, (hereinafter referred to collectively as "Property Owners").

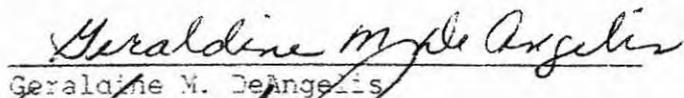
The Undersigned Property Owners understand that M & M Distributing, LLC, a Colorado limited liability company, will be submitting to the City of Trinidad and the State of Colorado application(s) for licensing as a medical marijuana business.

The undersigned Property Owners hereby consent to the submission of such marijuana licensing applications by M & M Distributing, LLC.

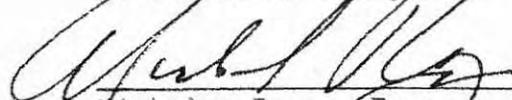
The Property Owners, as landlord, have entered into a Lease Agreement dated March 12, 2014 with M & M Distributing, LLC, as tenant, which acknowledges that the property at 422 N. Commercial St., Trinidad, Colorado, will be used for a medical marijuana business.



John E. Micheliza



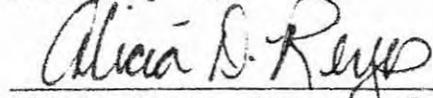
Geraldine M. DeAngelis



Nicholas Reyes, Trustee of the
Judith A. Reyes Revocable Trust,
U/T/D May 24, 2007



Michael Reyes, Trustee of the
Judith A. Reyes Revocable Trust,
U/T/D May 24, 2007



Alicia Reyes, Trustee of the
Judith A. Reyes Revocable Trust,
U/T/D May 24, 2007

STATE OF COLORADO)
) ss
COUNTY OF LAS ANIMAS)

The foregoing instrument was acknowledged before me this 13 day of March, 2014 by John E. Micheliza.



Glenna Zamora
Notary Public
My commission expires: 11-15-14

STATE OF COLORADO)
) ss
COUNTY OF LAS ANIMAS)

The foregoing instrument was acknowledged before me this 13 day of March, 2014 by Geraldine M. DeAngelis.



Glenna Zamora
Notary Public
My commission expires: 11-15-14

California All-Purpose Acknowledgment

State of California

County of Orange

S.S.

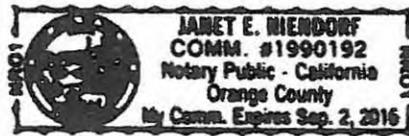
On March 12, 2014 before me, Janet Niendorf, Notary Public

personally appeared Nicholas Reyes

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Janet Niendorf

OPTIONAL INFORMATION

Description of Attached Document

The preceding Certificate of Acknowledgment is attached to a document titled/for the purpose of Verified consent of property owners containing 4 pages, and dated 2-12-14

The signer(s) capacity or authority is/are as:

- Individual(s)
- Attorney-in-fact
- Corporate Officer(s)

- Guardian/Conservator
- Partner - Limited/General
- Trustee(s)
- Other:

representing: _____

Method of Signer Identification

Proved to me on the basis of satisfactory evidence:

form(s) of identification credible witness(es)

Notarial event is detailed in notary journal on:

Page # _____ Entry # _____

Notary contact: _____

Other

Additional Signer Signer(s) Thumbprints(s)

California All-Purpose Acknowledgment

State of California

County of Orange

s.s.

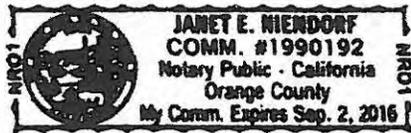
On March 12, 2014 before me, Janet Niendorf, Notary Public

personally appeared Alicia Reyes

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/~~are~~ subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in his/~~her/their~~ authorized capacity(ies), and that by his/~~her/their~~ signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Janet E Niendorf

OPTIONAL INFORMATION

Description of Attached Document

The preceding Certificate of Acknowledgment is attached to a document titled/for the purpose of Verified consent

of property owners
containing 4 pages, and dated 3-12-14

The signer(s) capacity or authority is/are as:

Individual(s)
Attorney-in-fact
Corporate Officer(s) _____

Guardian/Conservator
Partner - Limited/General
Trustee(s)
Other: _____

representing: _____

Method of Signer Identification

Proved to me on the basis of satisfactory evidence:
form(s) of identification credible witness(es)

Notarial event is detailed in notary journal on:

Page # _____ Entry # _____

Notary contact: _____

Other

Additional Signer Signer(s) Thumbprints(s)

California All-Purpose Acknowledgment

State of ~~California~~

S.S.

County of Orange

On March 12, 2014 before me, Janet Niendorf, Notary Public

personally appeared Michael Reyes

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) ~~is/are~~ subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in his/~~her/their~~ authorized capacity(ies); and that by his/~~her/their~~ signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Janet Niendorf

OPTIONAL INFORMATION

Description of Attached Document

The preceding Certificate of Acknowledgment is attached to a document titled/for the purpose of verified consent of property owners containing 4 pages, and dated 3-12-14

The signer(s) capacity or authority is/are as:

- Individual(s)
- Attorney-in-fact
- Corporate Officer(s)
- Guardian/Conservator
- Partner - Limited/General
- Trustee(s)
- Other:

representing: _____

Method of Signer Identification

Proved to me on the basis of satisfactory evidence:
 form(s) of identification credible witness(es)

Notarial event is detailed in notary journal on:

Page # _____ Entry # _____

Notary contact: _____

Other

Additional Signer Signer(s) Thumbprints(s)

Beginning at a point on the easterly line of Commercial Street, said point being 138.9 feet north $18^{\circ}55'$ west of the northeast corner of the intersection of Commercial Street and Cedar Avenue; thence continuing north $18^{\circ}55'$ west, eighty-four (84) feet; thence north $75^{\circ}18'$ east, forty-eight and two-tenths (48.2) feet; thence south $18^{\circ}55'$ east, thirteen (13) feet; thence north $75^{\circ}18'$ east, 133.7 feet; thence south $18^{\circ}55'$ east, twenty-seven (27) feet; thence north $71^{\circ}07'$ east, sixty-seven and five-tenths (67.5) feet; thence south $18^{\circ}55'$ east, twenty-three and seven-tenths (23.7) feet; thence south $71^{\circ}07'$ west 144 feet; thence south $18^{\circ}55'$ east, ten (10) feet; thence south $71^{\circ}07'$ west, 116 feet to the point of beginning, containing 13,880 square feet, more or less;

Beginning at a point on the easterly line of Commercial Street, said point being 138.9 feet North, $18^{\circ}55'$ West of the northeast corner of the intersection of Commercial Street and Cedar Avenue; thence North $71^{\circ}07'$ East, 260 feet; thence North $18^{\circ}55'$ West, thirty-three and seven-tenths (33.7) feet to the true point of beginning; thence continuing North $18^{\circ}55'$ West, six (6) feet, more or less, to a point that is ten (10) feet from the center line of the Railway Company's Track No. 72 when measured at right angles thereto; thence South $84^{\circ}23'$ West, sixty-nine and six-tenths (69.6) feet along a line parallel with and ten (10) feet southerly from the center line of the Railway Company's track to a point; thence South $18^{\circ}55'$ East, twenty-two (22) feet; thence north $71^{\circ}07'$ East, sixty-seven and five-tenths (67.5) feet, more or less, to the true point of beginning, containing 945 square feet, more or less;

Beginning at a point on the easterly line of Commercial Street, said point being 138.9 feet North, $18^{\circ}55'$ West of the northeast corner of the intersection of Commercial Street and Cedar Avenue; thence North $71^{\circ}07'$ East, 116 feet to the true point of beginning; thence continuing North $71^{\circ}07'$ East, 144 feet; thence North $18^{\circ}55'$ West, ten (10) feet; thence South $71^{\circ}07'$ West, 144 feet; thence South $18^{\circ}55'$ East, ten (10) feet, to the true point of beginning, containing 1,440 square feet, more or less;

also known as street and number 422 N. Commercial



Colorado Secretary of State
 Date and Time: 03/05/2014 09:34 AM
 ID Number: 20141152343
 Document number: 20141152343
 Amount Paid: \$50.00

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

Articles of Organization

filed pursuant to § 7-80-203 and § 7-80-204 of the Colorado Revised Statutes (C.R.S.)

1. The domestic entity name of the limited liability company is

M & M Distributing, LLC

(The name of a limited liability company must contain the term or abbreviation "limited liability company", "ltd. liability company", "limited liability co.", "ltd. liability co.", "limited", "l.l.c.", "llc", or "ltd.". See §7-90-601. C.R.S.)

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

2. The principal office address of the limited liability company's initial principal office is

Street address **422 No. Commercial St.**
(Street number and name)

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

United States
(Province - if applicable) (Country)

Mailing address **44910 Co. Rd. 40**
(leave blank if same as street address) (Street number and name or Post Office Box information)

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

United States
(Province - if applicable) (Country)

3. The registered agent name and registered agent address of the limited liability company's initial registered agent are

Name **Micheliza John E.**
(if an individual) (Last) (First) (Middle) (Suffix)

or

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

Street address **44910 Co. Rd 40**
(Street number and name)

Trinidad **CO** **81082**
(City) (State) (ZIP Code)

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

(City) CO _____
(State) (ZIP Code)

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

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

4. The true name and mailing address of the person forming the limited liability company are

Name
(if an individual) Micheliza John E.
(Last) (First) (Middle) (Suffix)
or
(if an entity) _____
(Caution: Do not provide both an individual and an entity name.)
Mailing address 44910 Co. Rd. 40
(Street number and name or Post Office Box information)
Trinidad CO 81082
(City) (State) (ZIP/Postal Code)
United States
(Province – if applicable) (Country)

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

The limited liability company has one or more additional persons forming the limited liability company and the name and mailing address of each such person are stated in an attachment.

5. The management of the limited liability company is vested in

(Mark the applicable box.)

one or more managers.

or

the members.

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

There is at least one member of the limited liability company.

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 is/are _____
(mm/dd/yyyy hour:minute am/pm)

Notice:

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

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

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

McConnell	Steven	L.	
<small>(Last)</small>	<small>(First)</small>	<small>(Middle)</small>	<small>(Suffix)</small>
300 Cook Ave.			
<small>(Street number and name or Post Office Box information)</small>			
P.O. Box 1148			
<small>(Street number and name or Post Office Box information)</small>			
Raton	NM	87740	
<small>(City)</small>	<small>(State)</small>	<small>(ZIP/Postal Code)</small>	
<small>(Province – if applicable)</small>	United States		
	<small>(Country)</small>		

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

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

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).

OFFICE OF THE SECRETARY OF STATE
OF THE STATE OF COLORADO

CERTIFICATE

I, Scott Gessler, as the Secretary of State of the State of Colorado, hereby certify that, according to the records of this office,

M & M Distributing, LLC

is a **Limited Liability Company** formed or registered on 03/05/2014 under the law of Colorado, has complied with all applicable requirements of this office, and is in good standing with this office. This entity has been assigned entity identification number 20141152343.

This certificate reflects facts established or disclosed by documents delivered to this office on paper through 05/13/2014 that have been posted, and by documents delivered to this office electronically through 05/14/2014 @ 12:05:37.

I have affixed hereto the Great Seal of the State of Colorado and duly generated, executed, authenticated, issued, delivered and communicated this official certificate at Denver, Colorado on 05/14/2014 @ 12:05:37 pursuant to and in accordance with applicable law. This certificate is assigned Confirmation Number 8849503.



A handwritten signature in black ink, appearing to read "Scott Gessler".

Secretary of State of the State of Colorado

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

Notice: A certificate issued electronically from the Colorado Secretary of State's Web site is fully and immediately valid and effective. However, as an option, the issuance and validity of a certificate obtained electronically may be established by visiting the Certificate Confirmation Page of the Secretary of State's Web site, <http://www.sos.state.co.us/biz/CertificateSearchCriteria.do> entering the certificate's confirmation number displayed on the certificate, and following the instructions displayed. Confirming the issuance of a certificate is merely optional and is not necessary to the valid and effective issuance of a certificate. For more information, visit our Web site, <http://www.sos.state.co.us/> click Business Center and select "Frequently Asked Questions."

MEMBER CONTROL AGREEMENT

THIS AGREEMENT (the "Agreement") is made as of March 6, 2014, by and among M & M DISTRIBUTING, LLC, a Colorado limited liability company ("Company") and the parties set forth on the attached Schedule A.

RECITALS:

A. The parties to this Agreement other than the Company are all of the members (individually a "Member" and collectively the "Members") of the Company.

B. This Agreement is a Member Control Agreement under Colorado law.

C. The parties are interested in the growth, development, and management of the Company and in the long term economic success of the Company and its business, and mutually desire to make certain agreements relating to the (i) management and control of the Company and its business, (ii) admission and termination of Company members, (iii) allocation of income, losses and distributions among the Members, and (iv) circumstances and terms upon which the Company will redeem the membership interests of the Members.

AGREEMENTS:

NOW, THEREFORE, in consideration of the mutual promises and agreements contained in this Agreement and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. INITIAL AND SUBSEQUENT MEMBERS

1.1 Initial Members:

The Members of the Company listed on Schedule A are all of the Members of the Company as of the date of this Agreement.

1.2 Subsequent Members:

Each person or entity which subsequently becomes a Member of the Company shall, in consideration of becoming a Member, execute a counterpart of this Agreement and shall be listed on Schedule A. No person or entity which has not signed a counterpart of this Agreement shall be admitted as a Member.

1.3 Former Members:

If a Member ceases to be a Member, Schedule A shall be revised to reflect the change in the roster of Members of the Company.

2. RELATION TO ARTICLES OF ORGANIZATION AND OPERATING AGREEMENT

2.1 Conflict With Articles of Organization:

Subject to the provisions of Colorado law, in the event of a conflict between the Articles of Organization and this Agreement, this Agreement shall be controlling.

2.2 Conflict With Operating Agreement:

Subject to the provisions of Colorado law, in the event of a conflict between the Articles of Organization or this Agreement, on the one hand, and the Operating Agreement, on the other, the Articles of Organization or this Agreement, as the case may be, shall be controlling.

3. BUSINESS CONTINUITY

3.1 Voluntary Dissolution:

Notwithstanding the period of existence stated in the Articles of Organization, the Company shall be dissolved, wound up and terminated upon the approval of Members owning a majority of all membership interests. The legal representative of the estate of a deceased Member who has exercised the Estate Option described in Section 11.6 to require the Company to purchase the Member's membership interest shall not be entitled to vote on any proposal to dissolve voluntarily made after exercise of the Estate Option. Following a decision to dissolve voluntarily, the Managers shall proceed with the winding up of the Company as provided by law. The Managers shall have the discretion to transfer the business of the Company to some other organization owned or controlled by one or more of the Members, but in such an event, existing Members who do not continue as owners of the business in the successor organization shall be entitled to receive payment for the fair value of their membership interests in the same manner as applies on the assertion of dissenters' rights, without any offset for damages.

3.2 Business Continuation at End of Term:

At the end of the period of existence specified in the

Articles of Organization, as amended from time to time, the Company shall be dissolved, wound up and terminated. At such time, the business of the Company shall be sold and/or liquidated, as determined by the Managers in their discretion, except that the business shall be continued in a successor limited liability company or some other organization upon the approval of Members owning a majority of all membership interests. If continuation of the Company's business is not approved by the Members, the Managers nevertheless shall have the discretion to transfer the business of the Company to some other organization owned or controlled by one or more of the Members.

3.3 Agreement to Give Dissolution Avoidance Consent:

Each Member shall have the power to give dissolution avoidance consent following any event of dissolution except a voluntary dissolution pursuant to Section 3.1 or dissolution at the end of the period of existence of the Company as provided in Section 3.2, but no agreement to give dissolution avoidance consent made prior to an event of dissolution shall be enforceable.

3.4 Business Continuation Following Dissolution During Stated Term:

The business of the Company shall be continued following any dissolution of the Company, other than a voluntary dissolution as provided in Section 3.1, upon the approval of continuation and the terms and conditions thereof by Members owning a majority of all membership interests. No business continuation agreement made prior to a dissolution shall be enforceable. Each Member hereby waives and agrees to waive all dissenters' rights in connection with continuation of the Company's business pursuant to this Section 3.4 following dissolution of the Company. Any Member who breaches this provision shall be liable to the Company and the other Members for damages to the full extent permitted by law.

3.5 Waiver of Dissenters' Rights and Court Decreed Dissolution:

Colorado law provides for dissenters' rights pursuant to which Members, under certain circumstances, may force the Company to purchase their membership interests at fair market value for cash, and petition to a court to dissolve the Company. The parties agree that irreparable damage would be done to the Members and to the Company and its business if any Member should bring an action in court to dissolve the Company or assert dissenters' rights as provided for in Colorado law. Each Member agrees that this Agreement provides for fair and just payments and payment terms to any Member whose membership in the Company terminates for any

reason. Accordingly, each Member accepts the provisions of this Agreement as the sole entitlement on termination of the Member's membership in the Company. Each Member hereby waives and renounces such Member's rights to seek a court decree of dissolution, seek appointment by a court of a liquidator for the Company, or assert dissenters' rights. Notwithstanding the preceding waiver, however, an assertion of dissenters' rights in breach of this waiver shall be valid in any circumstance in which dissenters' rights are made nonwaivable by law, with valuation of the breaching Member's membership interest and the amounts payable to the breaching Member to be reduced as provided by Colorado statute law.

4. CLASSES OF MEMBERS

4.1 Classes:

The Company shall have one class of Member interests as provided in the Articles of Organization. No change in the class of Member interests established in the Articles of Organization shall be made except by amendment of the Articles of Organization as provided therein.

4.2 Register of Capital Contribution Values:

The Company shall maintain a register of the values accorded by the Managers to every capital contribution to the Company.

4.3 Certificate of Member Interests:

The Company shall maintain a current certificate of member interests which shall reflect the percentage interest of each Member. A new certificate shall be prepared each time there is a contribution to capital, a transfer of a membership interest, or a partial or complete redemption of a membership interest and at other times as deemed appropriate. Distributions shall not affect Members' percentage interests unless such distributions are specifically designated by the Managers to be a partial or complete redemption of the Members' percentage interests or a partial liquidation of the Company. A copy of the initial Certificate of Member Interests for the Company is attached as Schedule B.

5. CAPITAL CONTRIBUTIONS

5.1 Initial Contributions:

Members' initial capital contributions are as set forth on Schedule A.

5.2 No Additional Capital Contributions:

No Member shall be required to make any contribution to the capital of the Company after the Member's initial contribution other than as provided in a contribution agreement or contribution allowance agreement between the Member and the Company.

5.3 No Preemptive Rights:

Members shall not have preemptive rights to make capital contributions for additional membership interest in the Company.

5.4 Capital Contributions Subsequent to Initial Contributions:

If there are capital contributions by existing or new Members, other than pro rata contributions by existing Members, made after the initial contributions at the inception of the Company, the Company shall make the record keeping and accounting adjustments provided for in Sections 5.5 and 5.6 as applicable.

5.5 Effect of Subsequent Contributions on Existing Membership Interests:

Each time the Managers accepts a capital contribution after the Members' initial, organizational capital contributions the percentage interest allocated to such contributor shall be determined by the Managers taking into consideration the fair value of the contributor's capital contribution and the fair value of the outstanding member interests. If the contributor is to receive an immediate percentage interest in capital and the same percentage interest in profits and losses, the membership interests of existing Members shall be revalued as provided by Colorado law. In all other cases, revaluation shall be by a reasonable method determined by the Managers. A new Certificate of Member Interests, reflecting the revaluation and contribution shall be prepared. If the value of existing membership interests is more or less than the value of such interests at the later of (i) the contribution date for such interests or (ii) the most recent adjustment pursuant to this provision, the difference shall constitute revaluation capital appreciation or depreciation and shall affect future tax item allocations as provided in Section 6.4. In addition, the Company may admit as initial members employees who provide services to the Company.

5.6 Contributed Property With Fair Market Value Different Than Basis:

If property contributed to the Company has a fair market

value different than its federal income tax basis to the contributing Member at the time of contribution, tax items subsequently arising with respect to such property shall be allocated in accordance with the requirements of Internal Revenue Code Section 704(c).

5.7 No Right of Withdrawal or Return of Capital.

No Member shall have a right to withdrawal or return of capital.

6. GUARANTEED PAYMENTS AND ALLOCATION OF INCOME AND LOSSES

6.1 Compensation for Services:

Members may perform services for or on behalf of the Company from time to time. Members may be compensated for the performance of services, and such compensation shall not be deemed an allocation of income or distribution of cash to them in their capacities as Members as long as such compensation is authorized by the Managers. Compensation for services pursuant to such authorization shall be a deductible expense of the Company in determining the income or loss allocable among the Members. Such compensation for services may be set without regard to the income or loss of the Company, or it may be fixed in relationship to the results of operations. Members and the Company may enter into contracts relating to the performance of services by Members, provided that such contracts are approved by the Managers and are fair and reasonable to the Company.

6.2 No Interest on Capital Accounts:

No Member shall be entitled to interest on any capital contribution.

6.3 Allocation of Income and Losses Among Members:

Income and losses shall be allocated among Members as provided on Schedule "D" attached hereto and not in proportion to the capital contributions of the members.

6.4 Variations From the General Profit and Loss Allocation Provisions:

Following a contribution of property the accorded value of which at the time of contribution differs from its tax basis to the contributor, the allocation of tax items with respect to that property shall take such difference into account as required by Internal Revenue Code Section 704(c). In the event that the Company

makes an election under Internal Revenue Code Section 754 to adjust the basis of its assets pursuant to either Section 734 or Section 743, allocations of tax items shall be adjusted to the extent required to comply therewith. If revaluation capital appreciation or depreciation is determined in accordance with Section 5.5, thereafter, the allocation of tax items with respect to the property with which the appreciation or depreciation was associated shall be in accordance with Reg. 1.704-1(b)(2)(iv) or a successor provision.

7. DISTRIBUTIONS

7.1 Authorization for Distributions:

Distributions of cash and property shall be made only by authorization of the Managers. Distributions upon the dissolution, termination and winding up of the Company may be in cash or in kind at the discretion of the Managers, but if in kind, in determining entitlement to shares of distributions, gain or loss shall be allocated to Members' capital accounts as if the property distributed in kind had been sold at its fair market value.

7.2 Allocation of Interim Distributions:

No Member shall have any right to interim distributions except as determined by the Managers. All interim distributions shall be in cash, not in kind, except as determined by the Managers.

7.3 Allocation of Termination Distributions:

Distributions upon the dissolution, winding up and termination of the Company shall be made based upon the capital account balances of the Members reflecting capital account maintenance throughout the life of the Company in accordance with Treasury Regulations Section 1.704-1(b)(2)(iv), or a successor provision, after taking into account all gains and losses on taxable dispositions of property in connection with the termination and hypothetical gains and losses on distributions in kind in connection with the termination.

7.4 Guaranteed Payments:

Guaranteed payments pursuant to Section 6.1 are not distributions for purposes of the provisions of this Agreement.

8. GOVERNANCE AND MANAGEMENT

8.1 Members' Governance Rights in General:

Members' governance rights shall be as provided in the Articles of Organization.

8.2 Managers:

The business and affairs of the Company shall be managed by or under the direction of the Managers. Members shall elect the Managers from time to time in the manner provided in the Articles of Organization and Operating Agreement.

8.3 Matters for Membership Approval:

Members shall vote on those matters with respect to which a Member vote is required in the Articles of Organization, or by law.

9. ADMISSION OF MEMBERS

9.1 Procedure and Limitations:

A Member may be admitted to the Company only (i) by majority vote of the Managers upon receipt of a contribution as provided in Section 9.2; (ii) pursuant to a contribution agreement as provided in Section 9.3; or (iii) by transfer of all or a portion of an existing membership interest as provided in Section 10.2. Admission of a Member by the making of a contribution may, but is not required to be, preceded by a contribution agreement or a contribution allowance agreement. No person shall become a Member of the Company without signing a counterpart of this Agreement.

9.2 Admission by Contribution:

The Managers are authorized from time to time to accept contributions of cash, property, and/or services to or for the benefit of the Company for a membership interest in the Company from and with such persons, at such times and upon such terms and conditions as the Managers shall determine, subject only to restrictions expressed in this Member Control Agreement. In its acceptance, the Managers shall describe the contribution, including any terms of future performance, and state the value being accorded to the contribution. Immediately following such acceptance, the fact of contribution and the contribution's accorded value shall be recorded in the required records of the Company, and the Company shall prepare a Certificate of Membership Interests that sets forth the percentage interest in the Company of each member. Following the completion of the foregoing steps and the signing of a counterpart of this Agreement by the contributor, the contributor shall be a Member of the Company.

9.3 Admission by Contribution Agreement:

The Managers are authorized from time to time to authorize and accept contribution agreements to the same extent that it may accept contributions, as provided in Section 9.2. Upon completion of the steps set forth in Section 9.2, the person with whom the contribution agreement is made becomes a Member of the Company, subject, however, to the provisions and limitations of the contribution agreement and Colorado law until the contribution agreement has been performed in full.

9.4 Contribution Allowance Agreements:

The Managers are further authorized from time to time, subject to the restrictions applicable to the direct acceptance of contributions, to enter into contribution allowance agreements under which a prospective contributor has the right but not the obligation to make a contribution in the future and thereby to become a Member of the Company, under such terms, provisions and conditions, as are determined by the Managers at the time of authorization of the contribution allowance agreement.

10. RESTRICTIONS ON TRANSFERS OF MEMBERSHIP INTERESTS

10.1 Financial or Governance Rights Not Separately Transferable:

Members' financial or governance rights shall not be separately transferable except as (i) specifically provided as to financial rights in Article 11 with respect to the effects of events of dissolution, which shall, under the circumstances there described, result in the termination of the terminated Member's governance rights, leaving the former Member or the former Member's successor in interest, in the status of an assignee of financial rights, or (ii) approved by 60% in percentage interest of the Members.

10.2 Restrictions on Transfer of Membership Interests:

No Member's interest in the Company may be transferred, in whole or in part, to any person except (i) upon the consent by 60% in percentage interest of all other Members, or (ii) as provided in Article 11 with respect to financial rights only. Approval by the Members may be obtained either in writing or by vote at a duly called meeting of the Members.

10.3 Security Interests:

Except as permitted under Section 12.5(f), Members may

not grant a security interest in all or any part of their membership interest, or in the financial rights or governance rights comprising it, without first obtaining the approval of 60% by percentage interest of the other Members. Any purported grant of a security interest without such approval shall be null and void. If a court should determine that a security interest was granted notwithstanding failure to obtain such approval, or if such approval is obtained:

(a) If a security interest is granted in all or part of an entire membership interest, whether or not it refers specifically to governance rights and financial rights, the secured party may elect to foreclose only on the financial rights;

(b) If a secured party seeks to foreclose on its security interest, it shall first give notice of such intention to the Company. Such notice shall be in writing, shall specify the interest involved, the amount of consideration offered, shall identify the proposed transferee, and shall be delivered in accordance with Section 13.1. Delivery of such notice shall trigger a Company Option, as provided in Article 12, to purchase the entire membership interest. If the Company fails to exercise its option, the foreclosure may proceed except that the following restriction applies to foreclosures with respect to governance rights or entire interests;

(c) The governance rights may not be transferred upon foreclosure or in any other manner to any person except upon the consent of 60% in percentage interest of all other Members obtained as provided in Section 10.2.

11. TERMINATION OF MEMBERSHIP AND ITS CONSEQUENCES

11.1 General Consequences of Termination:

The specific causes and consequences of termination of membership in the Company are set forth in Sections 11.2 through 11.8.

(a) Any termination of a Member's membership is an event of dissolution of the Company that requires the dissolution, winding up and termination of the Company unless its dissolution is avoided through the granting of dissolution avoidance consent by a majority in interest of the remaining Members within ninety (90) days after the event of dissolution. If dissolution occurs because dissolution avoidance consent is not given following an event of dissolution, the Company will be wound up and liquidated by termination of the Company and the membership of each Member.

(b) Section 3.4 sets forth the circumstances under which the Company's business shall or may be continued following dissolution if dissolution is not avoided through the giving of dissolution avoidance consent.

(c) Following the termination of any Member's membership interest, the remaining Members shall proceed in accordance with Article 3 with respect to dissolution avoidance consent and business continuation.

11.2 Voluntary Assignment of Governance Rights and Financial Rights:

Termination is caused by a Member assigning all of that Member's then remaining governance rights and financial rights. Such a voluntary assignment is not an event of dissolution if made pursuant to the approval of the Members, in compliance with Section 10.2, and there is no need to obtain dissolution avoidance consent separate from the approval of the assignment. Voluntary assignments must be in compliance with Article 10, and have the consequences set forth therein. A purported assignment that does not comply with Article 10 shall be void. An assignment of financial rights alone does not constitute termination. The granting of a security interest in all or part of a membership interest does not constitute termination.

11.3 Resignation; Retirement.

(a) Termination of membership is caused by a Member resigning or retiring from membership in the Company. Resignation or retirement from active participation in or employment with the Company, without an explicit resignation from membership in the Company, is not resignation or retirement from membership in the Company and does not constitute termination. Resignation from membership in the Company is analogous to withdrawal from a partnership.

(b) Although each Member has the power to resign at any time, the parties agree that no Member will resign from membership absent the unanimous prior written consent to such resignation of all remaining Members. Any Member resignation in violation of this Article 11 shall be wrongful.

(c) If dissolution avoidance consent is given following a resignation in violation of Section 11.3(b), the status of the resigning Member shall be that of a holder only of financial rights. The resigning Member shall thereafter have no governance rights, and further shall have no right to demand payment for such Member's financial rights. The Company shall have a continuing

option to purchase the financial rights of such a resigning Member as provided in Article 12. If the option is not exercised, the resigning Member or successors in interest shall be treated as other Members with respect to termination distributions at the time of the dissolution, winding up and termination of the Company.

(d) If the Company dissolves as a result of a Member's resignation and the Company's business is continued as provided in Article 3, the Company shall purchase the resigning Member's membership interest as provided in Article 12.

11.4 Complete Redemption:

Termination of membership is caused by the complete redemption of a Member's membership interest by the Company. The Company may redeem the membership interest of any Member, in whole or in part, upon the approval of the redemption and its terms and conditions by the Managers. In the event of a complete redemption, the Company and the Members shall proceed in accordance with Article 3 with respect to dissolution avoidance consent and business continuation. A complete redemption of a Member's membership interest is not a resignation or retirement by the Member from the Company.

11.5 Bankruptcy:

(a) Termination of membership is caused by the bankruptcy of a Member. A Member's bankruptcy shall be deemed to occur on the date:

(i) The Member makes an assignment for the benefit of creditors; files a voluntary petition in bankruptcy; is the subject of an order for relief; files a petition or answer seeking any reorganization arrangement, composition, readjustment, or similar relief under any statute, law or regulation; files an answer or other pleading admitting or failing to contest the material allegations of a petition filed against the Member in an involuntary bankruptcy case or in any proceeding of this nature; or seeks, consents to, or acquiesces in the appointment of a trustee, receiver, or liquidator of all or any substantial part of the Member's properties; or

(ii) Ninety (90) days after the commencement of any proceeding against the Member seeking an involuntary order for relief in bankruptcy, arrangement, composition, readjustment, or similar relief under any statute, law, or regulation, if the proceeding has not been dismissed; or within ninety (90) days after the appointment of a trustee, receiver, or liquidator of all or any substantial part of the Member's assets without the Member's

consent or acquiescence, if the appointment is not vacated or stayed; or within ninety (90) days after the expiration of any such stay, if the appointment is not vacated.

(b) Upon a Member's bankruptcy, the rights of the Member, the trustee or other successor in interest (hereafter the Member), and of the Company shall be as follows:

(i) If dissolution avoidance consent is given following a Member's bankruptcy, the status of the Member shall be that of a holder of financial rights only. The Member shall have no governance rights and shall have no right to demand payment for the financial rights. The Company shall have a continuing option to purchase the financial rights of the Member as provided in Article 12. If the option is not exercised, the Member shall be treated as other Members with respect to termination distributions at the time of the dissolution, winding up and termination of the Company.

(ii) If the Company dissolves as a result of a Member's bankruptcy and the Company's business is continued as provided in Article 3, the Company shall purchase the bankrupt Member's membership interest as provided in Article 12.

11.6 Death:

(a) Termination of membership is caused by the death of a Member. Following the death of any Member, the legal representative of the deceased Member (the "Legal Representative") shall have an option to require the Company to purchase the membership interest of the deceased Member, and the Company shall have an option to purchase the membership interest of the deceased Member.

(b) The option of the Legal Representative (the "Estate Option") shall commence on the date of the deceased Member's death and continue until the later of ninety (90) days after the date of death or thirty (30) days after appointment of the Legal Representative. The option shall be to require the Company to purchase the membership interest owned by the deceased Member on the date of death as provided in Article 12. The Estate Option shall not be transferable.

(c) The option of the Company (the "Company Option") shall commence on the date that the Company receives notice of the Member's death. The Company Option shall be to purchase the membership interest owned by the deceased Member as provided in Article 12.

(d) If either the Estate Option or the Company Option is exercised, the price and payment terms shall be as provided in Article 12 regardless of whether dissolution is avoided, except that if the Company is dissolved, wound up and terminated as a result of the Member's death the Legal Representative shall only be entitled to receive termination distributions.

(e) If the deceased Member's membership interest is not purchased pursuant to the Estate Option or the Company Option, and the remaining Members give dissolution avoidance consent following the Member's death:

(i) the Estate or the beneficiaries of the Estate may be admitted as Members if 51% in percentage interest of the remaining Members agree;

(ii) If the Members do not consent to the admission of the Estate or the beneficiaries of the Estate as Members, then the Estate or the beneficiaries shall have the status of assignees of financial rights. They shall have no governance rights and no right to demand payment for the financial rights. Upon the dissolution, winding up and termination of the Company, they shall be entitled to receive termination distributions to the extent of their financial rights.

(f) If the deceased Member's membership interest is not purchased pursuant to the Estate Option and the Company Option, the Company dissolves as a result of the Member's death and the Company's business is continued as provided in Article 3, the Company shall purchase the entire remaining membership interest of the deceased Member as provided in Article 12.

11.7 Dissolution of a Member:

(a) Termination of membership is caused by dissolution of any Member that is subject to dissolution.

(b) Although each Member subject to dissolution has the legal power to dissolve at any time, the parties agree that no Member will dissolve during the period of existence specified in the Articles of Organization unless the Members have voted to dissolve the Company pursuant to Section 3.1. Any dissolution in breach of this Agreement shall be wrongful and shall give rise to the consequences set forth in Section 12.9.

(c) If dissolution avoidance consent is given following dissolution of a Member, the status of the dissolved Member and any successor(s) in interest shall be that of an assignee of financial rights. They shall have no governance rights and no right to demand

payment for their financial rights. Commencing on the date that the Company receives notice of the Member's dissolution, the Company shall have a continuing option to purchase the financial rights of the dissolved Member as provided in Article 12, subject to reduction of the price for any damages as provided in Section 12.8. If the option is not exercised, the successors in interest shall be entitled to receive termination distributions to the extent of their financial rights at the time of the dissolution, winding up and termination of the Company.

(d) If the Company dissolves as a result of a Member's dissolution and the Company's business is continued as provided in Article 3, the Company shall purchase the dissolved Member's membership interest as provided in Article 12.

12. PROCEDURE ON OPTIONS AND TERMS FOR PURCHASES OF MEMBERSHIP INTERESTS

12.1 Procedure on Options:

(a) Length of Options: Unless otherwise specified, an option shall run for ninety (90) days from its commencement date. An option labeled a continuing option shall run for as long as the membership interest, or any part thereof, remains outstanding, unless a different expiration is provided.

(b) Manner of Exercise: Options shall be exercised by delivery of written notice of exercise to the Company (in the case of exercise of a Member option) or to the selling Member, the Member's Legal Representative, or the assignee or other holder of the membership interest being purchased (in the case of exercise of a Company option) in accordance with Section 13.1.

(c) Voting to Exercise Company Option: If the question of whether or not the Company should exercise a Company Option to purchase a membership interest hereunder is for any reason submitted to a vote of the Members or the Managers (if the prospective seller of such membership interest is a manager) of the Company, or if any other question relating to an option hereunder is submitted to the Members or the Board of Managers (if the seller of such membership interest is a manager) of the Company, the seller of such membership interest shall vote in the same manner as a majority (in voting power) of all other Members and managers may vote, as the case may be.

(d) Death of Member During Pendency of Option: If a Member, whose membership interest is subject to an option hereunder for any reason other than death, dies during an option period, the option shall immediately lapse and terminate, but such death shall

not terminate or otherwise affect rights or obligations arising out of the exercise, prior to such death, of any option.

(e) Transferability of Company Options: Company Options are transferable to one or more of the remaining members upon the approval of all of the remaining members.

12.2 Definition of Effective Date of Purchase:

The "Effective Date of Purchase" of a Member's interest in the Company shall be the last day of the calendar month during which the event giving rise to the purchase occurs. The event giving rise to the purchase in any situation in which purchase is mandatory occurs on the date of occurrence of the event that makes the purchase mandatory. In the case of dissolution of the Company due to a failure to give dissolution avoidance consent, such event is the passage of ninety (90) days from the event of dissolution without dissolution avoidance consent having been secured. The event giving rise to the purchase in any situation in which purchase is optional occurs on the date of notice of exercise of the option under Section 13.1.

12.3 Determination of Purchase Price of Membership Interests:

The purchase price for any membership interest purchased pursuant to this Agreement shall be the amount that would be payable in a termination distribution to the owner of the membership interest if (i) all of the assets of the Company were sold for cash at fair market value and (ii) all liabilities of the Company were paid off as of the Effective Date of Purchase. In determining the purchase price in the case of a membership interest in which only the financial rights are held and the governance rights no longer exist all of the value shall be placed on the financial rights and no separate value shall be attributed to the governance rights.

12.4 Valuation of Company and Membership Interests:

(a) The fair market value shall be the Stipulated Value of the Company: The Stipulated Value of the Company is the value agreed to in writing by the Managers and not less than eighty percent (80%) in interest of the Members preceding the Effective Date of Purchase. If a Stipulated Value is in effect at the time of an event giving rise to an option or obligation to purchase that Stipulated Value shall govern the particular transaction, unless the membership interest is being purchased as a result of the Member's wrongful act as defined in Section 12.9. It is expected that the parties will periodically reconsider the Stipulated Value.

Subsequent Stipulated Values shall constitute amendments to this Agreement and shall be in a form comparable to the form attached as Schedule C.

(b) Agreed Upon Value: If no Stipulated Value of the Company is in effect, the fair market value of the membership interest shall be the value as then agreed upon by the Company and the holder of the membership interest being sold. If such value is not promptly agreed upon, the value shall be determined pursuant to the following subsection (c). In determining fair market value in the case of any purchase of a membership interest being purchased as a result of the Member's wrongful act as defined in Section 12.8, the agreed upon value shall be in accordance with the provisions of Section 12.9.

(c) Value Determined by Appraisal: If no Stipulated Value of the Company is applicable and if the buyer and seller are unable to agree upon the fair market value of the membership interest to be purchased, and assuming the purchase does not involve a membership being purchased as a result of a Member's wrongful act as defined in Section 12.9, either the buyer or the seller may request an appraisal by written notice delivered to the other (the "Request Date") and the fair market value shall be determined by appraisal as of the Effective Date of Purchase, which appraisal shall be final and binding on both the buyer and seller. The appraisal shall be conducted by an independent appraiser satisfactory to the buyer and seller. If a single independent appraiser cannot be agreed upon within thirty (30) days after the Request Date, the buyer and seller shall each designate one appraiser and shall deliver written notice of such designation to the other within forty-five (45) days after the Request Date, and the two appraisers so designated shall, within ten (10) days after their designation, jointly designate a third appraiser and deliver written notice of such designation to each of the buyer and seller. If a single appraiser cannot be agreed upon within the period provided for herein and if either (i) the two appraisers are unable to agree upon a third appraiser, or (ii) either the buyer or the seller is unable or unwilling to each appoint their respective appraiser within the period contemplated herein, such appraiser or appraisers shall, upon the petition of either the buyer or the seller, be designated by the District Court for Las Animas County, Colorado. All appraisers so designated shall be experienced in accounting, business, or partnership interest appraisal and valuation.

The appraiser or appraisers shall determine such value at a price which a willing buyer, being under no compulsion to buy, would pay for the Company, and which a willing seller, being under no compulsion to sell, would accept for the

Company, except that, in determining fair market value in the case of any purchase of a membership interest being purchased as a result of the Member's wrongful act as defined in Section 12.9, (i) it shall be assumed that each asset being valued must be sold for cash not later than the date on which the first payment for the membership interest must be made, and (ii) value attributable to goodwill or the like shall be separately identified. The value of any life insurance proceeds received by the Company by reason of the death of a Member in excess of the book value thereof shall be excluded. The appraisers shall accomplish their appraisal under such rules and procedures as they may reasonably establish, or if they are unable to agree on rules and procedures, such rules and procedures of the American Arbitration Association then in effect shall control.

The buyer and seller shall cooperate with such appraisers to the fullest extent. If one independent appraiser is agreed upon, the decision of such appraiser shall be rendered in writing within sixty (60) days after such independent appraiser's selection. If three independent appraisers are designated, the decision of the appraisers shall be rendered in writing within seventy-five (75) days after the selection of the third appraiser, and the value shall be the value agreed to by no fewer than two of the three appraisers. The fees and expenses of the appraiser or appraisers shall be shared one-half by the buyer and one-half by the seller.

If the purchase involves a membership interest being purchased as a result of a member's wrongful act, the provisions of Section 12.9 shall apply.

12.5 Payment of Purchase Price by Insurance Proceeds:

If the company shall receive any proceeds of any insurance policy on the life of the decedent member, such proceeds shall be paid by the corporation to the decedent's Legal Representative to the extent of the value of the decedent's membership interest as determined under section 12.4, such payment to be deemed made on account of such purchase. Payment thereof shall be deferred until the expiration of forty (40) days after the decedent's death. Any excess insurance funds shall be paid to the estate of the decedent. The insurance proceeds shall not be a part of the value of the membership interest of the decedent.

12.6 Payment of Purchase Price Where Price Exceeds Insurance Proceeds:

If the purchase price exceeds insurance proceeds there shall be an initial payment and a series of annual payments, with

the long term payment obligation bearing interest, evidenced by a promissory note, and secured by a security interest in the membership interest purchased, as set forth in this Section 12.6.

(a) Initial Payment: The initial payment shall be made on or before the Initial Payment Date in an amount equal to at least ten percent (10%) of the purchase price.

(b) Remaining Balance: Any balance of the purchase price remaining unpaid after the initial payment shall accrue interest on the unpaid balance at the rate described below from the Initial Payment Date until paid, and shall be paid to the extent of insurance payments, with the balance thereof paid in a series of thirty six (36) consecutive monthly installments of principal, plus interest accrued to date, commencing on the first anniversary of the Initial Payment Date.

(c) Interest Rate: The unpaid portion of the purchase price shall bear simple interest from the Initial Payment Date at a rate equal to 1.0% above the Prime Rate (as defined below) on the Initial Payment Date and adjusted on the date of the first installment of the purchase price as hereinabove described and adjusted annually thereafter to a rate equal to the Prime Rate on such adjustment date; provided, such rate (whether the initial rate or the adjusted rate) shall not be more than 8.0% per annum, and, provided further, such rate shall not be less than the minimum rate at which there will be neither original issue discount nor imputed interest for federal income tax purposes unless such minimum rate would exceed 5%. The "Prime Rate" shall be the rate announced by Bank of America in Albuquerque, from time to time, as its prime, reference, base, or index rate.

(d) Initial Payment Date: The "Initial Payment Date" as described herein shall be the 1st day following: 120 days from date of death.

(i) The date of the exercise of the option if the purchase price is based upon the Stipulated Value pursuant to subsection 12.4(a) (provided, if the membership interest being purchased as a result of a single event giving rise to such purchase is being purchased pursuant to the exercise of more than one option, and the value of the entire interest being purchased is based on the Stipulated Value, the Initial Payment Date shall be the 90th day following the date of the exercise of the last option involved in such purchase); or

(ii) The date on which the parties agreed upon a purchase price as determined under subsection 12.4(b); or

(iii) The date on which the written report of the appraiser(s) is delivered if the purchase price is based upon the appraised value as determined under subsection 12.4(c).

(e) Promissory Note: The obligation to pay the unpaid amount of the purchase price, including interest thereon, shall be evidenced by a duly executed promissory note payable to the order of the seller containing the aforesaid terms and such other terms as are customary for such instruments, including the right of prepayment, in whole or in part, without penalty, with partial prepayments to apply against payments due in chronological order.

(f) Security for Payment: The buyer shall pledge the membership interest purchased hereunder pursuant to the terms of a pledge agreement in customary form as security for payment of the obligations described in this Section 12.6. If the buyer is an individual, the Company shall execute a guaranty in customary form in favor of the seller of such membership interest as additional security for the performance of the obligations of the buyer thereof.

12.7 No Other Payments:

The purchase price for a selling Member's membership interest determined and paid pursuant to this Article 12 shall be the only compensation or payment to which such Member shall be entitled for the Member's membership interest.

12.8 Right of Offset:

If the selling Member shall owe the Company any amounts, the Company may make an offsetting credit therefor against the first amounts otherwise due the selling Member hereunder. This right of offset includes, without limitation, offset for any damages due from the selling Member as a result of the Member's wrongful act.

12.9 Member's Wrongful Act and Consequences Thereof:

A Member's wrongful act includes, without limitation, breach of a waiver of dissenters' rights, wrongful resignation or retirement, or wrongful dissolution. The valuation of a Member's membership interest in connection with any purchase of the Member's membership interest triggered directly or indirectly by the Member's wrongful act shall be at the lesser of book value or the fair market value of the interest determined pursuant to Section 12.4 without taking into account any goodwill of the Company. Fair market value shall be determined on the assumption that each asset

must be sold for cash not later than 60 days after the requirement to purchase the interest arose. Any wrongful act shall make the resigning Member liable for damages to the Company and the other Members to the full extent allowed by law. Such damages shall include, without limitation, the Company's expenses incurred in attempting to secure dissolution avoidance consent from other Members, and in determining the amounts, if any, to be paid out to the breaching Member and any other Members; all financing and transaction costs in connection with such payouts; and any discount from fair market value that the Company incurred in liquidating assets to make such payments. The Company shall have the option, at the Managers' discretion, to demand immediate payment of damages, to deduct the damages from future distributions otherwise payable to the breaching Member, and/or to offset such damages against the amounts otherwise distributable to the breaching Member upon the dissolution, winding up and termination of the Company.

13. MISCELLANEOUS

13.1 Notices:

All notices required or permitted to be given or served under the terms of this Agreement shall be in writing and shall be deemed to have been duly given if delivered in person or three days after being deposited in the United States first class or certified mail, postage prepaid, and addressed (i) to a Member at the Member's personal residence or at such other address as a Member shall designate to the other parties in writing; (ii) to the chief manager of the Company at the Company's principal executive office; or (iii) to such other party at the address determined after reasonable investigation or as specified in writing by such other party.

13.2 Amendment:

This Agreement may be amended only upon the agreement of seventy-five percent (75%) in percentage interest of the Members, provided, that without unanimous agreement, such amendment (i) shall not alter the interests in income and capital of the Members not so agreeing except to the extent such alterations are consistently applied to all Members and are as the result of the admission of additional Member(s) or the making of additional capital contributions and which is in either such case in accordance with this Agreement; (ii) shall not alter the terms of this Section; (iii) shall not alter the terms of any Section of this Agreement, which requires approval of a greater fraction in interest of the Members for action under such Section unless at least that greater fraction in interest of the Members agree to the amendment; and (iv) shall not be effective against Members not

joining in the amendment until fifteen(15) days following the mailing to all of them of written notice of such amendment. Any amendment duly adopted pursuant to this Section 13.2 shall be binding upon all Members even though not executed by dissenting Members.

13.3 Scope of Agreement:

This Agreement shall be binding upon and enforceable by the parties hereto and their respective heirs, legal representatives, successors, and assigns who are obligated to take any action which may be necessary or proper to carry out the purpose and intent hereof.

13.4 Counterparts:

This Agreement may be executed in several counterparts and shall be effective when there are attached together execution pages containing the signatures of each of the parties hereto, each of which counterpart shall be deemed to be an original, but all of which shall constitute one and the same instrument.

13.5 Waiver:

No waiver, amendment, or modification of any term, condition, or provision of this Agreement shall be valid or in effect unless made in writing, signed by the parties to be bound, specifying with particularity the nature and extent of such waiver, amendment, or modification. Any waiver by any party or any default of another party hereto shall not affect or impair any right arising from any subsequent default.

13.6 Governing Law:

This Agreement is made in and shall be interpreted and enforced in accordance with the laws of the State of Colorado, and each of the parties hereto irrevocably consents to personal jurisdiction in the State District Courts or the Federal Courts in the State of Colorado.

13.7 Invalid, Unenforceable Provisions:

If any provision of this Agreement shall be finally judicially determined to be unlawful or unenforceable in whole or in part, such provision shall be given force to the fullest extent provided by law and the remainder of this Agreement shall be construed as if such illegal, invalid, unlawful, void, or unenforceable portion was not contained herein and this Agreement shall otherwise remain and continue in full force and effect.

13.8 Arbitration:

Each dispute, claim and controversy (whether arising during or after the term hereof) arising out of our relating to this Agreement or the breach thereof (including but not limited to the validity of the agreement to arbitrate and the arbitrability of any matter) shall be settled, upon demand and written notice by any Member or the Company, by an arbitrator agreed to by the parties. If the parties are unable to agree, the dispute will be settled by three arbitrators, one of whom shall be chosen by the party making such demand, one by the other party, and the third arbitrator by the two so chosen. The party demanding arbitration shall in its demand for arbitration notify the other party of the identity of the arbitrator chosen by it. The other party shall, within fifteen (15) days after its receipt of such written demand for arbitration, likewise select its appointee and give written notice thereof. If the party receiving such demand for arbitration fails to notify the other party in writing of the identity of the arbitrator chosen by it within such 15-day period, or if the two arbitrators so selected are unable to agree on the selection of a third arbitrator within a period of fifteen(15) days after the appointment of the second arbitrator, any party may request that the District Court of Las Animas County, Colorado, appoint such arbitrator(s). The proceedings shall be conducted in accordance with whichever arbitration rules are selected by the arbitrator, or a majority vote of the arbitrators, to the extent such rules are not inconsistent with the provisions of this arbitration provision. The costs of the proceedings shall be shared equally by the parties. Unless otherwise agreed upon, the place of arbitration proceedings shall be in Las Animas County, Colorado. The decision of the arbitrator, or a majority of the three arbitrators, shall be final and binding on all parties.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, effective as of the date first above written.

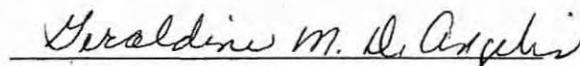
M & M DISTRIBUTING, LLC

By:



John E. Michelza
Its Manager/C.E.O.

March 6, 2014



Geraldine M. DeAngelis
Its Secretary/Treasurer

March 6, 2014

MEMBERS

John E. Micheliza
John E. Micheliza

March 6, 2014

Geraldine M. DeAngelis
Geraldine M. DeAngelis

March 6, 2014

SCHEDULE A
MEMBERS OF
M & M DISTRIBUTING, LLC

Admitted to Membership	Ownership Percentage	Date
John E. Micheliza	50%	March, 2014
Geraldine M. DeAngelis	50%	March, 2014

SCHEDULE B

M & M DISTRIBUTING, LLC

**CERTIFICATE OF MEMBER INTERESTS
At Inception**

Name	Initial Capital Contribution	Interest
John E. Micheliza	\$20,000	50%
Geraldine M. DeAngelis	\$20,000	50%
TOTAL	\$40,000	100%

SCHEDULE C

Stipulated Value of Company

<u>Date</u>	<u>Stipulated Value</u>
March, 2014	\$40,000
March, 2015	\$
March, 2016	\$
March, 2017	\$
March, 2018	\$
March, 2019	\$
March, 2020	\$
March, 2021	\$
March, 2022	\$
March, 2023	\$
March, 2024	\$

The Stipulated Value of the Company was agreed to be as provided above as of the above dates pursuant to Section 12.4(a) of the Member Control Agreement.

The undersigned, Manager/C.E.O. of M & M Distributing, LLC, hereby certifies that the foregoing Stipulated Value of the Company was agreed to as of the foregoing date by a vote of not less than a majority in interest of the Members.

M & M DISTRIBUTING, LLC

John E. Micheliza
John E. Micheliza, Member

John E. Micheliza
Manager/C.E.O.

Geraldine M. DeAngelis
Geraldine M. DeAngelis, Member

Attest:

Geraldine M. DeAngelis
Secretary/Treasurer

SCHEDULE D

M & M DISTRIBUTING, LLC
CERTIFICATE OF INITIAL ALLOCATION
OF INCOME AND LOSSES

Member	Profits and Losses
John E. Micheliza	50%
Geraldine M. DeAngelis	50%

**M & M DISTRIBUTING, LLC
OPERATING AGREEMENT**

1. OFFICES

1.1 The address of the registered office of the company shall be designated in the Articles of Organization, as amended from time to time. The principal executive office of the company shall initially be located at 422 No. Commercial, Trinidad, Colorado 81082, and the company may have offices at such other places within or without the State of Colorado as the managers shall from time to time determine or the business of the company requires.

2. MEETINGS OF MEMBERS

2.1 Regular Meetings:

Regular meetings of the members of the company shall be held on an annual or other less frequent basis as shall be determined by the managers; provided, that if a regular meeting has not been held, members holding forty percent (40%) or more of the voting power of all members entitled to vote may demand a regular meeting of members by written notice of demand given to the managers or the treasurer of the company. At each regular meeting, the members, voting as provided in the Articles of Organization and this Operating Agreement, subject to the provisions of the Member Control Agreement, shall elect qualified successors for managers who serve for an annual term or whose terms have expired or are due to expire within six months after the date of the meeting, and shall transact such other business as shall come before the meeting. No meeting shall be considered a regular meeting unless specifically designated as such in the notice of meeting or unless all the members entitled to vote are present in person or by proxy and none of them objects to such designation.

2.2 Special Meetings:

Special meetings of the members entitled to vote may be called at any time by the managers, the treasurer, or a member or members holding ten percent (10%) or more of the voting power of all members entitled to vote who shall demand such special meeting by giving written notice of demand to the manager or the treasurer specifying the purposes of the meeting.

2.3 Meetings Held Upon Member Demand:

Within thirty (30) days after receipt by the managers or the secretary/treasurer of a demand from any member or members entitled to call a regular or special meeting of members, the

managers shall cause such meeting to be called and held on notice no later than ninety(90) days after receipt of such demand. If the managers fails to cause such a meeting to be called and held, the member or members making the demand may call the meeting by giving notice as provided in Section 2.5 hereof at the expense of the company.

2.4 Place of Meetings:

Meetings of the members shall be held at the principal office of the company or at such other place, within or without the State of Colorado, as is designated by the managers, except that a regular meeting called by or at the demand of one or more members shall be held in the county where the principal executive office of the company is located.

2.5 Notice of Meetings:

Except as otherwise specified in Section 2.6 or required by law, a written notice setting out the place, date and hour of any regular or special meeting shall be given to each member entitled to vote not less than seven(7) days nor more than sixty(60) days prior to the date of the meeting; provided, that notice of a meeting at which there is to be considered a proposal to (i) dispose of all, or substantially all, of the property and assets of the company, (ii) adopt a plan of merger, exchange or consolidation or (iii) dissolve the company shall be given to all members of record, whether or not entitled to vote, at least fourteen(14) days prior thereto. Notice of any special meeting shall state the purpose or purposes of the proposed meeting, and the business transacted at all special meetings shall be confined to the purposes stated in the notice.

2.6 Waiver of Notice:

A member may waive notice of any meeting before, at or after the meeting, in writing, orally or by attendance. Attendance at a meeting by a member is a waiver of notice of that meeting unless the member objects at the beginning of the meeting to the transaction of business because the meeting is not lawfully called or convened, or objects before a vote on an item of business because the item may not be lawfully considered at such meeting, and does not participate in the consideration of the item at such meeting.

2.7 Quorum and Adjourned Meeting:

The holders of a majority of the voting power of the members entitled to vote at a meeting, represented either in person

or by proxy, shall constitute a quorum for the transaction of business at any regular or special meeting of members. If a quorum is present when a duly called or held meeting is convened, the members present may continue to transact business until adjournment, even though the withdrawal of a number of members originally present leaves less than the proportion or number otherwise required for a quorum. In case a quorum is not present at any meeting, those present shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until the requisite number of members entitled to vote shall be represented. At any reconvening of such adjourned meeting, at which the required voting power of members entitled to vote is present, any business may be transacted which might have been transacted at the original meeting.

2.8 Voting:

At each meeting of the members, every member having the right to vote shall be entitled to vote in person or by proxy duly appointed by an instrument in writing subscribed by such member. Each member shall have the number of votes equal to the member's percentage interest in ownership of the company except as may be otherwise provided in the Member Control Agreement. Upon the demand of any member entitled to vote, the vote for managers or the vote upon any question before the meeting shall be by ballot. All elections shall be determined and all questions decided by a majority vote of the voting power of members entitled to vote and represented at any meeting at which there is a quorum except in such cases as shall otherwise be required by statute, the Articles of Organization, this Operating Agreement, or the Member Control Agreement.

2.9 Order of Business:

The suggested order of business at any regular meeting and, to the extent appropriate, at all other meetings of the members shall, unless modified by the presiding chairman, be:

- (a) Call of roll;
- (b) Proof of due notice of meeting or waiver of notice;
- (c) Determination of existence of quorum;
- (d) Reading and disposal of any unapproved minutes;
- (e) Reports of managers and committees;

- (f) Election of managers;
- (g) Unfinished business;
- (h) New business; and
- (i) Adjournment.

3. **MANAGERS**

3.1 General Powers:

Except as authorized by the members pursuant to the Member Control Agreement or unanimous affirmative vote, the business and affairs of the company shall be managed by or under the direction of a manager or managers.

3.2 Number, Term and Qualifications:

Initially there shall be two managers. The authorized number of managers may be increased or decreased by majority agreement of the members entitled to vote at any time. Each manager shall serve for an indefinite term that expires at the next regular meeting of members, and until his successor is elected and qualified, or until his earlier death, resignation, disqualification, or removal as provided by statute. Managers need not be members of the company.

3.3 Vacancies:

Vacancies in the office of manager may be filled by the affirmative vote of a majority of the members.

3.4 Quorum and Voting:

A majority of the managers currently holding office shall constitute a quorum for the transaction of business. In the absence of a quorum, a majority of the managers present may adjourn a meeting from time to time until a quorum is present. If a quorum is present when a duly called or held meeting is convened, the managers present may continue to transact business until adjournment even though the withdrawal of a number of managers originally present leaves less than the proportion or number otherwise required for a quorum. Except as otherwise required by law or the Articles of Organization, the acts of a majority of the managers present at a meeting at which a quorum is present shall be the acts of the manager.

3.5 Board Meetings; Place and Notice:

Meetings of the managers may be held from time to time at any place within or without the State of Colorado that the managers may designate. In the absence of designation by the managers, meetings shall be held at the principal executive office of the company, except as may be otherwise unanimously agreed orally, or in writing, or by attendance. Any manager may call a manager's meeting by giving 48 hours notice to all managers of the date and time of the meeting. The notice need not state the purpose of the meeting, and may be given by mail, telephone, telegram, or in person. If a meeting schedule is adopted by the managers, or if the date and time of a manager's meeting has been announced at a previous meeting, no notice is required.

3.6 Waiver of Notice:

A manager may waive notice of any meeting before, at or after the meeting, in writing, orally or by attendance. Attendance at a meeting by a manager is a waiver of notice of that meeting unless the manager objects at the beginning of the meeting to the transaction of business because the meeting is not lawfully called or convened and does not participate thereafter in the meeting.

3.7 Absent Managers:

A manager may give advance written consent or opposition to a proposal to be acted on at the manager's meeting. If the manager is not present at the meeting, consent or opposition to a proposal does not constitute presence for purposes of determining the existence of a quorum, but consent or opposition shall be counted as a vote in favor of or against the proposal and shall be entered in the minutes of the meeting, if the proposal acted on at the meeting is substantially the same or has substantially the same effect as the proposal to which the manager has consented or objected.

3.8 Compensation:

Managers who are not salaried managers of the company shall receive such fixed sum and expenses per meeting attended or such fixed annual sum or both as shall be determined from time to time by resolution of the managers. Nothing herein contained shall be construed to preclude any manager from serving this company in any other capacity and receiving proper compensation therefore.

3.9 Committees:

The managers may, by resolution approved by affirmative vote of a majority of the managers, establish committees having the authority of the managers in the management of the business of the company only to the extent provided in the resolution. Committees may include a special litigation committee consisting of one or more independent managers or other independent persons to consider legal rights or remedies of the company and whether those rights and remedies should be pursued. Each such committee shall consist of one or more natural persons (who need not be managers) appointed by the affirmative vote of a majority of the managers present, and shall, other than special litigation committees, be subject at all times to the direction and control of the managers. A majority of the members of a committee present at a meeting shall constitute a quorum for the transaction of business.

3.10 Order of Business:

The suggested order of business at any meeting of the managers shall, to the extent appropriate and unless modified by the presiding chairman, be:

- (a) Roll call;
- (b) Proof of due notice of meeting or waiver of notice, or unanimous presence and declaration by presiding chairman;
- (c) Determination of existence of quorum;
- (d) Reports of managers and committees;
- (e) Election of officers;
- (f) Unfinished business;
- (g) New business;
- (h) Adjournment.

4. OFFICERS

4.1 Numbers and Designation:

The company shall have one or more natural persons exercising the functions of the offices of Chief Executive Officer and Secretary/Treasurer. The managers may elect or appoint such

other officers or agents as it deems necessary for the operation and management of the company including, each of whom shall have the powers, rights, duties and responsibilities determined by the managers. Any of the offices or functions of those offices may be held by the same person.

4.2 Election, Term of Office and Qualification:

At the first meeting of the managers following each election of managers, the managers shall elect officers who shall hold office until the next election of officers or until their successors are elected or appointed and qualify; provided, however, that any officer may be removed with or without cause by the affirmative vote of a majority of the managers present (without prejudice, however, to any contract rights of such officer).

4.3 Resignation:

Any officer may resign at any time by giving written notice to the company. The resignation is effective when notice is given to the company, unless a later date is specified in the notice, and acceptance of the resignation shall not be necessary to make it effective.

4.4 Vacancies in Office:

If there be a vacancy in any office of the company, by reason of death, resignation, removal, or otherwise, such vacancy may be filled for the unexpired term by the managers, collectively.

4.5 Chief Executive Officer:

Unless provided otherwise by a resolution adopted by the managers, the Chief Executive Officer (a) shall have general active management of the business of the company; (b) shall exercise general supervision and direction over the more significant matters of policy affecting the affairs of the company, including particularly its financial and fiscal affairs; (c) shall preside at all meetings of the members and managers; (d) shall see that all orders and resolutions of the managers are carried into effect; (e) shall sign and deliver in the name of the company any deeds, mortgages, bonds, contracts, or other instruments pertaining to the business of the company, except in cases in which the authority to sign and deliver is required by law to be exercised by another person or is expressly delegated by the Articles, this Operating Agreement or the managers to some other manager or agent of the company; (f) may maintain records of and certify proceedings of the managers and members; (g) shall perform the duties of the Secretary if there is no Secretary; and (h) shall perform such

other duties as may from time to time be assigned to him by the managers.

4.6 Secretary/Treasurer:

Unless provided otherwise by a resolution adopted by the managers, the Secretary/Treasurer (a) shall keep accurate financial records for the company; (b) shall deposit all monies, drafts, and checks in the name of and to the credit of the company in such banks and depositories as the managers shall designate from time to time; (c) shall endorse for deposit all notes, checks, and drafts received by the company as ordered by the managers, making proper vouchers therefor; (d) shall disburse company funds and drafts in the name of the company, as ordered by the managers; (e) shall render to the Chief Executive Officer and the managers, whenever requested, an account of all of his transactions as Secretary/Treasurer and of the financial condition of the company; and (f) the Treasurer may record the proceedings of such meetings in the minute book of the company and, whenever necessary, certify such proceedings. The Secretary/Treasurer shall maintain or see to the maintenance of the required records and information of the company as provided by law. The Secretary/Treasurer shall give proper notice of meetings of members and shall perform such other duties as may be prescribed by the managers or the Chief Executive Officer from time to time.

4.7 Delegation:

Unless prohibited by a resolution approved by the affirmative vote of a majority of the managers present, an officer elected or appointed by the managers may delegate in writing some or all of the duties and powers of his office to other persons.

5. INDEMNIFICATION

5.1 The corporation shall indemnify members, managers and officers, for such expenses and liabilities, in such manner, under such circumstances, and to such extent, as permitted by C.R.S. §7-80-108, et seq. as now enacted or hereafter amended, or other applicable law.

6. REQUIRED RECORDS AND OWNERSHIP MATTERS

6.1 Required Records Regarding Ownership, Control, Management and Financial Results:

The company shall keep, at its principal executive office, or at another place or places within the United States determined by the manager, all of the records required by Colorado

law, as now enacted or hereafter amended. Such records shall include copies of the acceptances by the managers (or organizers if applicable) of all contributions showing the date of each contribution and of all records maintained in order to account for ownership interests as provided in Article 7 of this Operating Agreement. Each member of the company has an absolute right, upon written demand, to examine and copy any or all of the required records regarding ownership, control, management and financial results at any reasonable time, in person or by a legal representative.

6.2 Other Records:

The company shall also keep such other records in connection with its business as the managers or officers determine are necessary or advisable. Such other records shall be maintained at such place or places as the managers determine. Each member of the company has a right, upon written demand, to examine and copy, in person or by a legal representative, at any reasonable time such records as to which the member demonstrates a purpose reasonably related to the person's ownership interest.

6.3 Evidence of Ownership:

Ownership of membership interests in the company shall be expressed in terms of the relative percentage interests of the members in the capital and income and losses of the company. Individual certificates of membership percentage interests shall not be issued, but the percentage interests of the members shall be reflected on a certificate of member percentage interests which shall be revised subsequent to each change in ownership of member percentage interests. The member in whose name a membership interest is recorded in the company's records shall be deemed the owner thereof for all purposes as regards the company; provided, that when any transfer of a membership interest shall be made as collateral security and not absolutely, such fact, if known to the company, shall be so expressed in the required records; and provided, further, that the managers may establish a procedure whereby a member may certify that all or a portion of the membership interest recorded in the member's name is held for the account of one or more beneficial owners. The Chief Executive Officer shall certify a member's percentage interest in the company at any reasonable time to any third party upon the member's request. A member's request that future requests by a third party be honored, or that a third party be advised of any change in the member's ownership interest in the company, shall be honored.

6.4 Mechanics of Ownership Transfer:

Transfers of ownership of membership interests in the company are accomplished by being recorded in the required records of the company. Transfers of membership interests, or the separate financial rights or governance rights respecting a particular interest, may be initiated only by the member (or current assignee of financial rights), or the member's (or assignee's) legal representative or duly authorized attorney-in-fact.

7. GENERAL PROVISIONS

7.1 Record Dates:

In order to determine the members entitled to notice of and to vote at a meeting, or entitled to receive payment of a distribution, the managers may fix a record date which shall not be more than sixty (60) days preceding the date of such meeting or distribution. In the absence of action by the managers, the record date for determining members entitled to receive a distribution shall be at the close of business on the day on which the managers authorizes such distribution.

7.2 Distributions; Acquisitions of Membership Interests:

Subject to the provisions of law, the Articles of Organization and the Member Control Agreement, the managers may authorize the acquisition of membership interests in the company and distributions whenever and in such amounts as the managers deem advisable.

7.3 Seal:

The company shall have such seal or no seal as the managers determine from time to time.

7.4 Securities of other Organizations:

(a) Voting Securities Held by the Company:

Unless otherwise determined by the managers, the Chief Executive Officer shall have full power and authority on behalf of the company (i) to attend and to vote at any meeting of security holders of other companies in which the company may hold securities; (ii) to execute any proxy for such meeting on behalf of the company; and (iii) to execute a written action in lieu of a meeting of such other company on behalf of this company. At such

meeting, by such proxy or by such writing in lieu of meeting, the Chief Executive Officer shall possess and may exercise any and all rights and powers incident to the ownership of such securities that the company might have possessed and exercised if it had been present. The managers may from time to time confer like powers upon any other persons or persons.

(b) Purchase and Sale of Securities:

Unless otherwise determined by the managers, the Chief Executive Officer shall have full power and authority on behalf of the company to purchase, sell, transfer or encumber securities of any other company owned by the company which represent not more than ten percent (10%) of the outstanding securities of such issuer, and may execute and deliver such documents as may be necessary to effectuate such purchase, sale, transfer or encumbrance. The managers may from time to time confer like powers upon any other person or persons.

7.5 Member Control Agreements:

In the event of any conflict or inconsistency between this Operating Agreement, or any amendment thereto, and any member control agreement, such member control agreement shall govern. The members have executed a Member Control Agreement effective concurrently with the date of adoption of this Operating Agreement.

7.6 Fiscal Year:

The fiscal year of the company shall be a calendar year, ending December.

7.7 "Tax Matters Partner":

The member to serve as "tax matters partner" for federal income tax purposes shall be designated by the managers.

8. **MEETINGS**

8.1 Telephone Meetings and Participation:

A conference among managers by any means of communication through which the managers may simultaneously hear each other during the conference constitutes a manager's meeting, if the same notice is given of the conference as would be required for a meeting, and if the number of managers participating in the conference would be sufficient to constitute a quorum at a meeting. Participation in a conference meeting by that means constitutes

presence in person at the meeting. A manager may participate in a manager's meeting not heretofore described in this paragraph, by any means of communication through which the manager, other managers so participating, and all managers physically present at the meeting may simultaneously hear each other during the meeting. Participation in a meeting by that means constitutes presence in person at the meeting. The provisions of this section shall apply to committees and members of committees to the same extent as they apply to the managers.

8.2 Authorization Without Meeting:

Any action of the members, the managers, or any committee of the company which may be taken at a meeting thereof, may be taken without a meeting if authorized by a writing signed by all of the members who would be entitled to vote on such action, by all of the managers or by all of the members of such committee, as the case may be, except that less than unanimous action is permitted in each case if permitted by the Articles of Organization, or, in the case of committees, if the Articles of Organization are silent but allow such less than unanimous action by the managers.

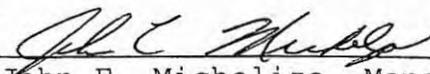
9. **AMENDMENTS OF OPERATING AGREEMENT**

Amendments:

This Operating Agreement may be altered, amended, added to, or repealed by members entitled to vote in accordance with the provisions of the Articles of Organization.

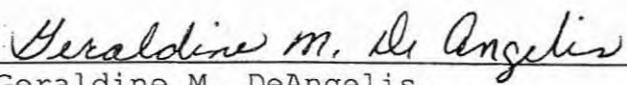
The undersigned, hereby certifies that the foregoing Operating Agreement was duly adopted by its initial Board of Managers as the Operating Agreement of the company by its first manager on the 6th day of March, 2014.

M & M DISTRIBUTING, LLC



John E. Micheliza, Manager/C.E.O.

Attest:



Geraldine M. DeAngelis,
Secretary/Treasurer

DR 0140 (02/16/11)
DEPARTMENT OF REVENUE
DENVER CO 80261-0013

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	
[REDACTED]	05	0102	017	L	031414	Mar	24	14	2015

THIS LICENSE MUST BE POSTED AT THE FOLLOWING LOCATION
IN A CONSPICUOUS PLACE: M & M Distributing, LLC
422 N COMMERCIAL ST TRINIDAD CO 81082-1908

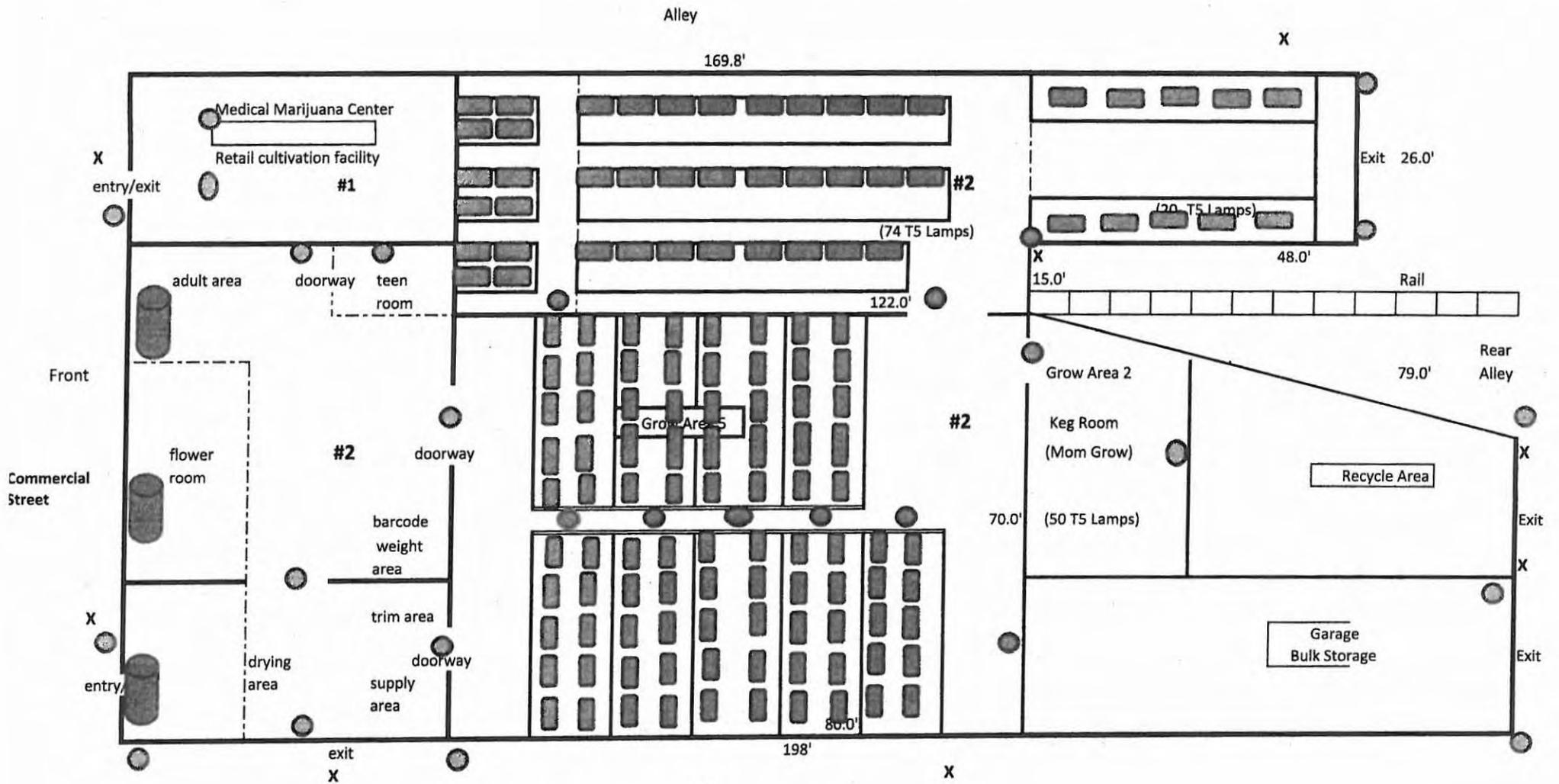
**THIS LICENSE IS NOT
TRANSFERABLE**



M & M DISTRIBUTING, LLC
ATTN: JOHN MICHELIZA
44910 COUNTY ROAD 40
TRINIDAD CO 81082-9609

Handwritten signature of Barbara J. Drake in black ink.

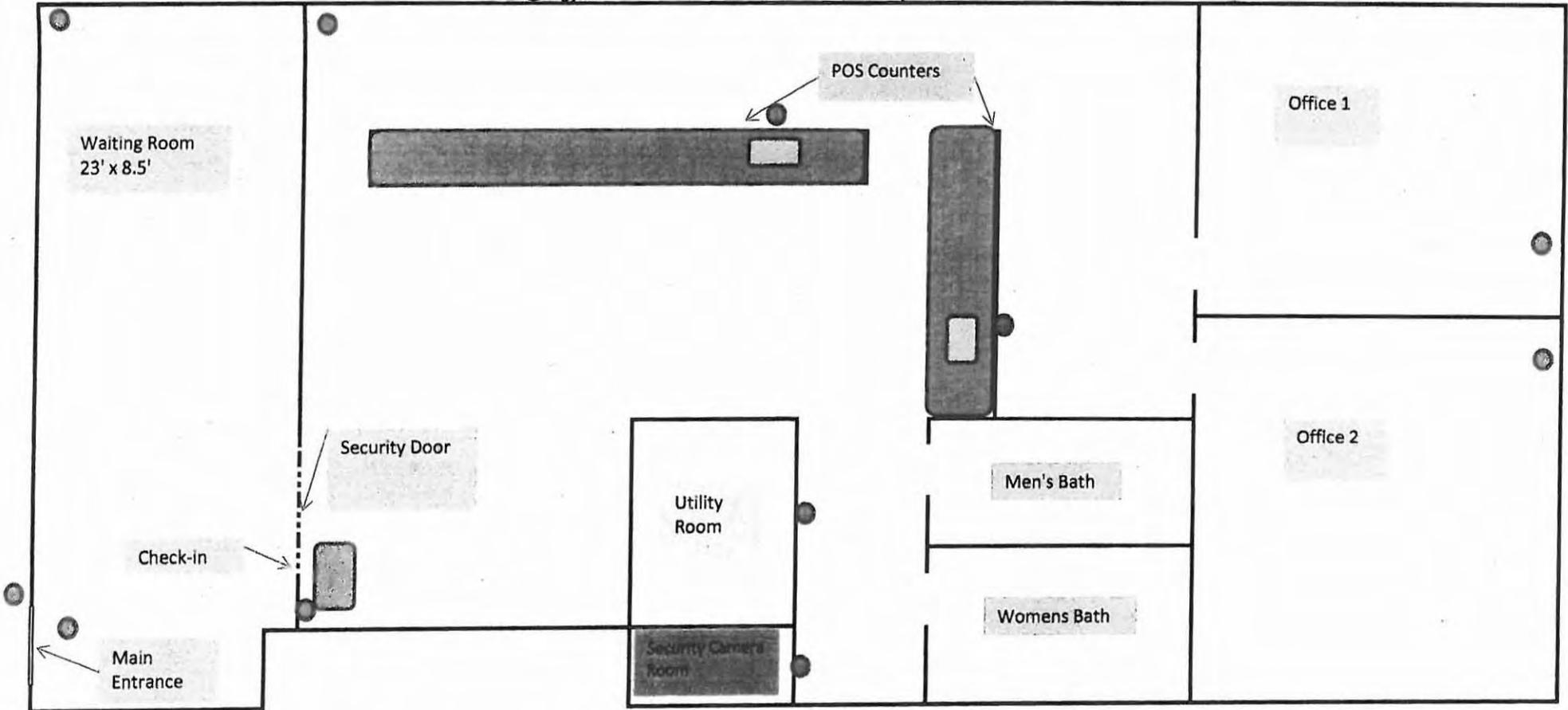
Executive Director
Department of Revenue



- #1 Medical Marijuana Center
Retail cultivation facility
- #2 Optional premise cultivation operation
- X Outside Lighting

M & M DISTRIBUTING LLC
422 N. COMMERCIAL ST

M&M Distributing LLC,
Center Office Diagram - #1



- Legend:
- Video Camera
 - ▭ POS System

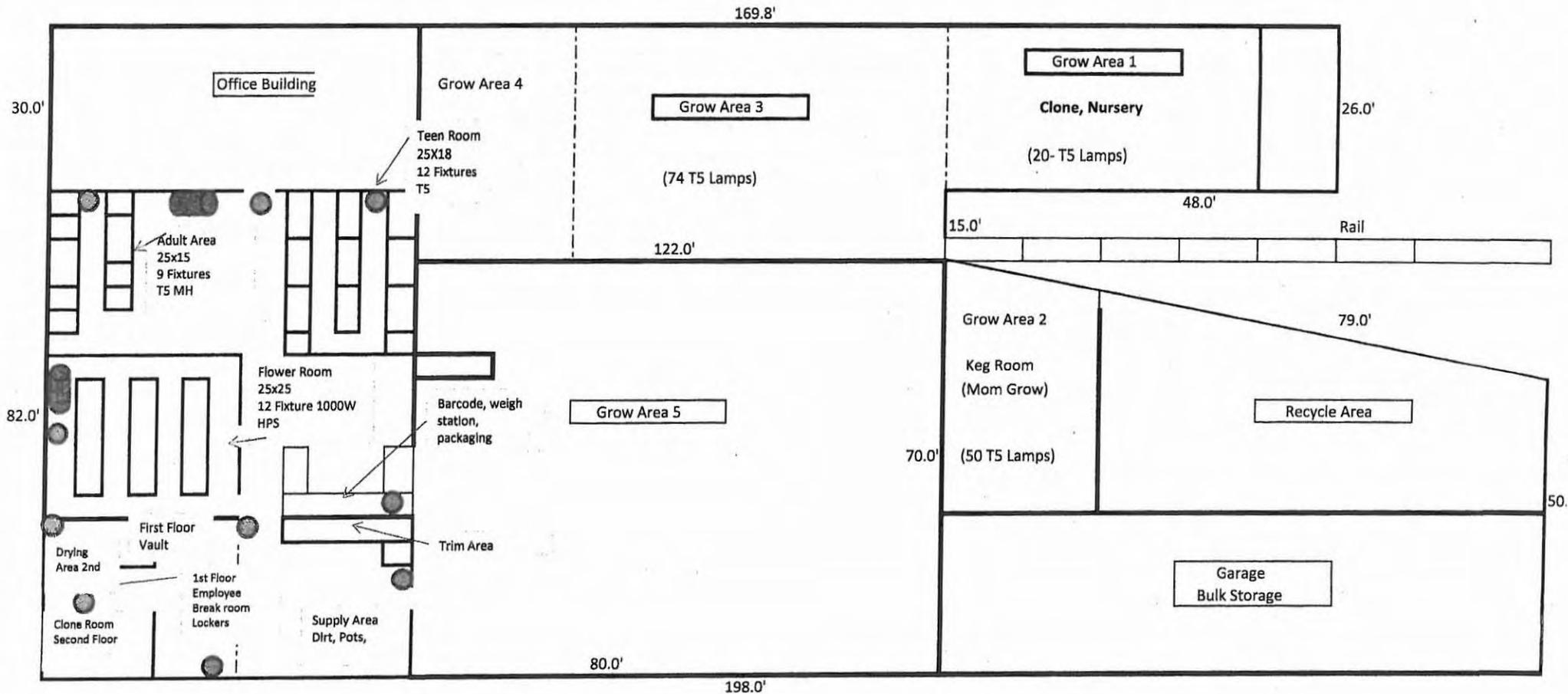
M305 - Security Alarm System and Lock Standards Summary;
 Installed by Alarm Inst. Company
 All Perimeter entry points and perimeter windows
 Continuously monitored, monitoring service ok.
 Schematic of all security Zones

M306 Video Surveillance
 Stored in secure location
 Digital quality, still photo capable, print to color printer
 4hr min., battery back-up
 All limited access areas, point of Sale

Locations:
 All Limited Access
 Point of Sale
 Security Room
 All points of ingress or egress
 to limited access areas
 Display Areas
 All point of ingress or egress
 to exterior.

Entrance and Exits recorded
 from both indoor and outdoor
 24 hrs./dy
 Min 40 days

M&M Distributing, LLC
422 N Commercial, Trinidad CO



Commercial Security Solution Proposal

Prepared for:

M&M Distributing LLC

Contacts: John Micheliza
Contact Phone Number: [REDACTED]
Site Location: 422 N Commercial St Trinidad 81082
Date: March 25, 2014
Email: jgdeangelis@hotmail.com

Prepared by:

Dan Baker

Secure All Solutions, LLC

Cell: 720-877-3291

Tax Information Authorization

OMB No. 1545-1185
For IRS Use Only
 Received by:
 Name _____
 Telephone _____
 Function _____
 Date _____

► Information about Form 8821 and its instructions is at www.irs.gov/form8821.
 ► Do not sign this form unless all applicable lines have been completed.
 ► To request a copy or transcript of your tax return, use Form 4506, 4506-T, or 4506T-EZ.

1 Taxpayer information. Taxpayer must sign and date this form on line 7.

Taxpayer name and address (type or print)	Taxpayer identification number(s)
John Micheliza 44910 CO RD 40 <i>Trinidad CO 81082</i>	[REDACTED]
	Daytime telephone number [REDACTED] Plan number (if applicable)

2 Appointee. If you wish to name more than one appointee, attach a list to this form.

Name and address	CAF No. _____
MEDICAL MARIJUANA ENFORCEMENT 455 SHERMAN ST, STE 390 DENVER, CO 80203	PTIN _____
	Telephone No. <u>303-205-8421</u>
	Fax No. _____
Check if new: Address <input type="checkbox"/> Telephone No. <input type="checkbox"/> Fax No. <input type="checkbox"/>	

3 Tax matters. The appointee is authorized to inspect and/or receive confidential tax information for the tax matters listed on this line. Do not use Form 8821 to request copies of tax returns.

(a) Type of Tax (Income, Employment, Payroll, Excise, Estate, Gift, Civil Penalty, etc.) (see instructions)	(b) Tax Form Number (1040, 941, 720, etc.)	(c) Year(s) or Period(s) (see the instructions for line 3)	(d) Specific Tax Matters (see instr.)
EMPLOYMENT, EXCISE	1040	2010-2012	NOT APPLICABLE
CORPORATE, S-CORP, PARTNERSHIP	1065	2010-2012	NOT APPLICABLE
CIVIL PENALTY	NOT APPLICABLE	2007-2012	NOT APPLICABLE

4 Specific use not recorded on Centralized Authorization File (CAF). If the tax information authorization is for a specific use not recorded on CAF, check this box. See the instructions. If you check this box, skip lines 5 and 6

5 Disclosure of tax information (you must check a box on line 5a or 5b unless the box on line 4 is checked):

a If you want copies of tax information, notices, and other written communications sent to the appointee on an ongoing basis, check this box

Note. Appointees will no longer receive forms, publications and other related materials with the notices.

b If you do not want any copies of notices or communications sent to your appointee, check this box

6 Retention/revocation of tax information authorizations. This tax information authorization automatically revokes all prior authorizations for the same tax matters you listed on line 3 above unless you checked the box on line 4. If you do not want to revoke a prior tax information authorization, you **must** attach a copy of any authorizations you want to remain in effect and check this box

To revoke this tax information authorization, see the instructions.

7 Signature of taxpayer. If signed by a corporate officer, partner, guardian, executor, receiver, administrator, trustee, or party other than the taxpayer, I certify that I have the authority to execute this form with respect to the tax matters and tax periods shown on line 3 above.

► IF NOT SIGNED AND DATED, THIS TAX INFORMATION AUTHORIZATION WILL BE RETURNED.
 ► DO NOT SIGN THIS FORM IF IT IS BLANK OR INCOMPLETE.

John Micheliza _____ | 3-14-14
 Signature Date

John Micheliza _____
 Print Name Title (if applicable)

PIN number for electronic signature



COLORADO ASSOCIATED PERSON & ASSOCIATED KEY MEDICAL MARIJUANA LICENSE APPLICATION

Medical Marijuana Enforcement Division

Medical Marijuana License Number (Leave Blank)

Associated Person & Associated Key License Application Form

License Types (Check only one application type. See Application Checklist for details on license types.)						<input type="checkbox"/> Associated Person <input checked="" type="checkbox"/> Associated Key	
Applicant's Last Name (Please Print) DeAngelis			First Name (Please Print) Geraldine			Middle Name Marie	
Name of Medical Marijuana Licensee Associated With m+m Distributing, LLC		Maiden/Married Names Used (Full Name) (Attach separate sheet if necessary) Geraldine (Gerri) Micheliza		Nicknames, Aliases, Etc. Used (Full Name) (Attach separate sheet if necessary) Gerri			
Sex <input type="checkbox"/> M <input checked="" type="checkbox"/> F	Race [REDACTED]	Date of Birth [REDACTED]	Social Security Number [REDACTED]		Other Social Security Numbers Used <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes attach details.		
Place of Birth: City Trinidad		State CO	Country USA		Drivers License Number and State+ [REDACTED] CO		
Physical Appearance →	Height [REDACTED]	Weight [REDACTED]	Hair Color Brown	Eye Color Green	Scars/Tattoos <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes explain on a separate sheet		
U.S. Citizen <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	CO Resident <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Date of Residency 2/1947	*If "No", include details here: (Attach separate sheet if necessary)			Alien Registration Number	
Physical Address							
Address 209 Estrella ST.			City Trinidad	County Las Animas	State CO	ZIP 81082	
Length of time at this Address: Year(s) 48 Month(s)		Home Phone Number [REDACTED]		Cell Phone Number [REDACTED]		Email Address [REDACTED]	
Mailing Address (if different from Physical Address)							
Address N/A			City	State	ZIP		
List all addresses where you have lived during the last 10 years, not including present address, (attach separate sheet if necessary)							
Street and Number		City/State/ZIP		From	To		
N/A							
Name of licensed Medical Marijuana business where you will be working m+m Distributing, LLC				Work Phone Number [REDACTED]		Job Title Sec/Treas	
Name of present employer, if different from above None N/A				Work Phone Number ()		Occupation or Job Title	
Do you currently possess a Colorado support Medical Marijuana license or are you an associated person in any other type of Colorado Medical Marijuana license? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No *If "Yes", indicate license type and number here: _____							
Have you ever applied before for a Medical Marijuana license in this or any other jurisdiction, domestic or foreign, whether or not the license was ever issued? (Not including a medical marijuana patient card) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No *If "Yes", explain here: _____							
Have you ever been denied a Medical Marijuana license, withdrawn a Medical Marijuana license application or had any disciplinary action taken against any Medical Marijuana license that you have held, either individually or as part of an ownership group, in this or any other jurisdiction? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No *If "Yes", explain here: _____							
Applicant's Signature Geraldine DeAngelis						Date 3/10/14	

Applicant's Last Name (Please Print) <i>DeAngelis</i>	First Name (Please Print) <i>Geraldine</i>	Middle Name <i>Marie</i>
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NOTICE: The Associated Person & Associated Key License Application Form is an official document. If you provide false information on your Medical Marijuana license application and/or do not disclose all information the application asks, your license is subject to denial or revocation, and you may be subject to criminal prosecution. The Medical Marijuana Enforcement Division will conduct a complete background investigation and will check all sources of information.

If you need clarification of any of the following questions, please contact the Investigations Section at any Medical Marijuana Enforcement Division office.

1. Have you ever been convicted of a felony at anytime regarding the possession, distribution, or use of a controlled substance?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
2. Have you served a sentence, including probation or parole, within the past 5 years upon conviction for any felony, even if the conviction occurred more than 5 years ago?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
3. Have you failed to remedy an outstanding delinquency for taxes owed, an outstanding delinquency for judgements owed to a government agency, or an outstanding delinquency for child support?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
4. Are you a licensed Physician making patient recommendations?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
5. Have you had your authority to act as a primary caregiver revoked by the State Health Agency?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
6. Are you under 21 years of age at the time of this application?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
7. Are you the spouse or child living in the household of any person employed by the Colorado Medical Marijuana Enforcement Division?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
8. Are you an officer, reserve police officer, agent, or employee of any law enforcement agency of the State of Colorado?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No



If you answered YES to any of the above questions, by Colorado law you cannot obtain or hold a Colorado Medical Marijuana license.

I have thoroughly read and understand the questions above, and understand that I cannot hold a Colorado Medical Marijuana license if at any time in the future I can ever answer "Yes" to any of the questions above.	
Applicant's Signature <i>Geraldine De Angelis</i>	Date <i>3/10/14</i>

Applicant's Last Name (Please Print) DeAngelis	First Name Geraldine	Middle Name Marie
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Education				
High School Name Trinidad High School		Location Trinidad, CO 81082		
Major College Prep	Dates Attended From 1961	To 1965	Graduate <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Degree Earned
College/Vo-Tech Name (Submit diploma copy) Trinidad St. Jr. College		Location Trinidad, CO 81082		
Major Business	Dates Attended From 1965	To 12/1965	Graduate <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Degree Earned
Other College/School Name (Submit diploma copy)		Location		
Major	Dates Attended From	To	Graduate <input type="checkbox"/> Yes <input type="checkbox"/> No	Degree Earned
Other College/School Name (Submit diploma copy)		Location		
Major	Dates Attended From	To	Graduate <input type="checkbox"/> Yes <input type="checkbox"/> No	Degree Earned

Criminal History	
1. Have you, after turning 18 years of age, ever been arrested, served a criminal summons, charged with, or convicted of ANY crime regarding the possession, distribution, or use of a controlled substance?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
2. In the last 10 years have you ever been arrested, served with a criminal summons, charged with, or convicted of ANY crime or offense in any manner in this or any other country? <ul style="list-style-type: none"> You must include ALL arrests, charges, and convictions in the last 10 years but not prior to the age of 18 regardless of the outcome, even if the charges were dismissed or you were found not guilty. You must include ALL arrests, charges, and convictions regardless of the class of crime (felonies, misdemeanors, and/or petty offenses). You must include ALL serious traffic offenses, including DUI; DWAI; reckless driving; leaving the scene of an accident (hit and run); driving under denial, suspension or revocation; or any other offense which resulted in your being taken into custody. NOTICE: Do not rely upon your understanding that an arrest or charge is "not supposed to be on your record." A criminal record was not cleared, erased, sealed or expunged unless you were given, and have in your possession, a written order from a judge directing that action. If yes, give details below. List all cases without exception, including bankruptcies: <p><i>*If you answered YES, explain in detail on a separate sheet and attach it to your application. For each offense for which you were arrested or charged, YOU MUST OBTAIN OFFICIAL DOCUMENTATION FROM THE COURT WHERE YOU APPEARED, SHOWING THE FINAL DISPOSITION (OUTCOME) OF YOUR CASE. This information will include whether you were found guilty or not guilty; and the penalty (money fine, time in jail or prison, or probation or deferred sentence). If you received a deferred judgment, a deferred sentence, or probation, your documentation must include the date that you were discharged or released from probation or other supervision.</i></p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
3. Have you ever received a pardon or its equivalent for any criminal offense in this or any other country?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
4. Have you, as an individual, as a member of a partnership or other form of domestic or foreign business entity, or as owner, director, or officer of a corporation, ever been a party to a lawsuit (other than divorces), either as a plaintiff or defendant, complainant or respondent, or in any other fashion, in this or any other country?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<i>*If you answered YES to any of the preceding questions, explain in detail on a separate sheet and attach it to your application.</i>	

Applicant's Initials **HD**

Applicant's Last Name (Please Print) <i>DeAngelis</i>	First Name <i>Geraldine</i>	Middle Name <i>Marie</i>
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DR 8521 (06/28/12)
 COLORADO DEPARTMENT OF REVENUE
 MEDICAL MARIJUANA ENFORCEMENT DIVISION

ARREST DISCLOSURE FORM

If, since turning age 18, you have ever been arrested, served a criminal summons, charged with, or convicted of ANY crime regarding the possession, distribution or use of a controlled substance, you must disclose this information to the Medical Marijuana Enforcement Division. If you have been arrested in the past 10 years, given a summons, or been convicted of any offense, you must disclose this information to the Medical Marijuana Enforcement Division.

Any person licensed by the Medical Marijuana Enforcement Division, and any associated person to a licensee, must make written notification to the Division's office of any criminal conviction and/or criminal charge pending against such person within 10 days of such arrest, summons, or conviction. This includes:

- Being taken into custody for any offense, including traffic offenses
- Being issued a summons or citation for any offense except for minor traffic offenses
- Failing to comply with your sentencing requirements
- Failing to appear for a court proceeding and having a bench warrant issued
- Having your driver's license suspended or revoked
- Being alleged to have driven under the influence or impairment of intoxicating liquor or drugs

Failure to disclose an arrest or citation may result in disciplinary action, up to and including the denial of your license application.

Please List Each Offense Separately

1	Date of Offense <i>N/A</i>	Place of Offense
Arresting Agency		
Original Charge		
Disposition Narrative — Must also provide official documentation (except for minor traffic offense).		

2	Date of Offense <i>N/A</i>	Place of Offense
Arresting Agency		
Original Charge		
Disposition Narrative — Must also provide official documentation (except for minor traffic offense).		

Printed Name <i>Geraldine DeAngelis</i>	Medical Marijuana License Number
Signature <i>Geraldine DeAngelis</i>	Date <i>3/10/14</i>

Applicant's Last Name (Please Print) <i>DeAngelis</i>	First Name <i>Geraldine</i>	Middle Name <i>Marie</i>
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DR 8521 (06/28/12)
 COLORADO DEPARTMENT OF REVENUE
 MEDICAL MARIJUANA ENFORCEMENT DIVISION

ARREST DISCLOSURE FORM

(Continued)

Please List Each Offense Separately

3	Date of Offense <i>N/A</i>	Place of Offense
Arresting Agency		
Original Charge		
Disposition Narrative — Must also provide official documentation (except for minor traffic offense).		

4	Date of Offense <i>N/A</i>	Place of Offense
Arresting Agency		
Original Charge		
Disposition Narrative — Must also provide official documentation (except for minor traffic offense).		

Printed Name <i>Geraldine DeAngelis</i>	Medical Marijuana License Number
Signature <i>Geraldine DeAngelis</i>	Date <i>3/10/14</i>

Applicant's Last Name (Please Print) DeAngelis	First Name Geraldine	Middle Name Marie
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Employment and Business Association History

Beginning with your current employment, list all jobs you have held in the past 10 years, but not prior to age 18. Also, list all businesses with which you have been associated, including all corporations, partnerships or any other business ventures with which you have been associated, including as an officer, director, stockholder, partner, limited partner, member, or in any other related capacity.

Employer/Business Name mm Distributing Co. of Trinidad, CO	Dates (from-to) 1973-2000	Title vice pres	Description of Duties	Reason for Leaving Sold Business
Address (include ZIP code) 422 N. Commercial, Trinidad, CO 81082			Supervisor's Name	
Employer/Business Name Standard Sales Pueblo, CO	Dates (from-to) 2000-2002	Title BKPR	Description of Duties Bookwork	Reason for Leaving Company moved
Address (include ZIP code) 422 N. Commercial, Trinidad, CO			Supervisor's Name Dean Doyan	
Employer/Business Name Italico, LLC Trinidad, CO 81082	Dates (from-to) 12/2000-2014	Title CO Mgr/Treasurer	Description of Duties	Reason for Leaving
Address (include ZIP code) 209 Estrella ST. Trinidad, CO 81082			Supervisor's Name	
Employer/Business Name	Dates (from-to)	Title	Description of Duties	Reason for Leaving
Address (include ZIP code)			Supervisor's Name	
Employer/Business Name	Dates (from-to)	Title	Description of Duties	Reason for Leaving
Address (include ZIP code)			Supervisor's Name	
Employer/Business Name	Dates (from-to)	Title	Description of Duties	Reason for Leaving
Address (include ZIP code)			Supervisor's Name	

Character References

List three character references who have known you five or more years. Do not include relatives, present employer, or employees.

1	Last Name DeGarbo	First Name Joe	Middle Name	Residence Phone [REDACTED]
Years Known 14	Address [REDACTED]		City Trinidad	State CO
Employer International Bank			Business Phone (719)846-1600	
Address 320 No. Convent		City Trinidad	State CO	ZIP 81082
2	Last Name Terry	First Name Joe	Middle Name	Residence Phone [REDACTED]
Years Known 40	Address [REDACTED]		City Trinidad	State CO
Employer Teri's Hallmark			Business Phone [REDACTED]	
Address 155 E. Main ST.		City Trinidad	State CO	ZIP 81082
3	Last Name DeBella	First Name Laura	Middle Name	Residence Phone [REDACTED]
Years Known 10	Address [REDACTED]		City Trinidad	State CO
Employer State Farm Ins			Business Phone [REDACTED]	
Address 535 E. Main ST		City Trinidad	State CO	ZIP 81082

Applicant's Last Name (Please Print) <u>DeAngelis</u>	First Name <u>Geraldine</u>	Middle Name <u>Marie</u>
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Financial History		
1.	Are you delinquent in the filing of any tax return with any taxing agency anywhere?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
2.	Are you delinquent in the payment of any taxes, interest, or penalties due to any taxing agency anywhere?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
3.	Are you delinquent in the payment of any judgments due to any governmental agency anywhere?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
4.	Are you delinquent in the repayment of any government-insured student loans?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
5.	Are you delinquent in the payment of any child support?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
6.	Check any of the following privileged or professional licenses you have held individually or as part of an ownership group in this state or any other domestic or foreign jurisdiction: <input checked="" type="checkbox"/> Liquor <input type="checkbox"/> Real Estate Broker/Sales <input type="checkbox"/> Accountant <input type="checkbox"/> Lawyer <input type="checkbox"/> Physician <input type="checkbox"/> Insurance <input type="checkbox"/> Racing <input type="checkbox"/> Lottery <input type="checkbox"/> Securities Dealer <input type="checkbox"/> Other _____	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
7.	Have you ever been denied a privileged or professional license, withdrawn a privileged or professional license application or had any disciplinary action taken against any such license that you have held, either individually or as part of an ownership group?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
8.	Have you, as an individual, principal of any form of business entity, or as an owner, officer or director of a corporation, ever filed a bankruptcy petition, had such a petition filed against you or the business entity or the corporation; or had a receiver, fiscal agent, trustee, reorganization trustee or similar person appointed for you or the business entity or corporation?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
9.	Do you now own, have ever owned, or otherwise derive a benefit from assets held outside the United States, whether held in your own name or another name, on your behalf or for another person or entity, or through other individuals or business entities, or in trust, or in any other fashion or status?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
10.	Are you currently a party, or ever been a party, in any capacity, to any trust instrument?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
11.	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 you or a business entity of which you were a principal or against a corporation for which you were an owner, officer or director.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
*If you answered YES to any of the questions above or checked any boxes above, give details on separate sheet, including license number and dates license held for licenses marked on question 6. Include any items currently under formal dispute or legal appeal. Attach any documents to prove your settlement on any of these issues.		

Applicant's Initials GD

Item #6

1973-1993 Sec/Treas. M & M Distributing Co. of Trinidad

1994-2000 Vice Pres./Sec/Treas. M & M Distributing Co. of Trinidad

Wine and Malt Beverage Distributor

3 Warehouse Locations

Basic Permit Numbers

Trinidad, CO COLO-P-2635 Nov. 3, 1982 - 2000

Alamosa, CO CO-P-2684 Nov. 3, 1982 - 2000

Lamar, CO CO-P-02927 Feb. 28, 1995 - 2000

TRUSTS # 10 (Personal)

Joseph DeAngelis and Geraldine DeAngelis Rev Trust UD May 22, 2007

[REDACTED]

Micheliza Family Inter vivos Trust June 19, 1997

[REDACTED]

Applicant's Last Name (Please Print) <u>DeAngelis</u>	First Name <u>Geraldine</u>	Middle Name <u>Marie</u>
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Personal Financial

1. Annual Income

Salary (Source): _____	\$ _____
Salary (Source): _____	\$ _____
Interest (Source): _____	\$ _____
Interest (Source): <u>HH Bonds</u>	\$ <u>[REDACTED]</u>
Dividends (Source): _____	\$ _____
Dividends (Source): _____	\$ _____
Other (Source): <u>Social Security</u>	\$ <u>[REDACTED]</u>
Other (Source): <u>Annuities</u>	\$ <u>[REDACTED]</u>
TOTAL	\$ <u>[REDACTED]</u>

Please submit all executed agreements or documents that grant you any right to any percent of ownership or percent of income from the Colorado Medical Marijuana business with which you are associated.

2. Amount to be invested in business: _____ \$ 120,000.00

3. Percentage of ownership this amount represents: _____ 50 %

4. Investment will be derived from the following sources:
Personal Finances

5. Has your interest in this Medical Marijuana establishment been assigned, pledged or hypothecated to any person, firm, or corporation, or has any agreement been entered into whereby your interest is to be assigned, pledged or sold, either in part or whole? Yes No

If YES, explain: _____

Applicant's Initials GD



AFFIDAVIT - RESTRICTIONS ON PUBLIC BENEFITS

I, Geraldine M. DeAngelis, swear or affirm under penalty of perjury under the laws of the State of Colorado that (check one):

- I am a United States citizen.
- I am not a United States citizen but I am a Permanent Resident of the United States.
- I am not a United States citizen but I am lawfully present in the United States pursuant to Federal law.
- I am a foreign national not physically present in the United States.

I understand that this sworn statement is required by law because I have applied for a public benefit. I understand that state law requires me to provide proof that I am lawfully present in the United States prior to receipt of this public benefit. I further acknowledge that making a false, fictitious, or fraudulent statement or representation in this sworn affidavit is punishable under the criminal laws of Colorado as perjury in the second degree under Colorado Revised Statute 18-8-503 and it shall constitute a separate criminal offense each time a public benefit is fraudulently received.

Signature

Geraldine M. DeAngelis

Date

3/10/14

Affirmation & Consent

I, Geraldine De Angelis, state under Penalty for offering a false instrument for recording pursuant to 18-5-114 C.R.S. that the entire Associated Person & Associated Key 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 Medical 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 of a temporary Medical Marijuana application or the revocation of the license. I am voluntarily submitting this application to the Colorado Medical 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. 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 Medical Marijuana license, and for 90 days following the expiration or surrender of such Medical 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 your Full Legal Name clearly below:

Legal Last Name (Please Print)	Legal First Name	Legal Middle Name
De Angelis	Geraldine	Marie
Signature	Date	
Geraldine De Angelis	3/10/14	

Investigation Authorization Authorization to Release Information

I, Geraldine DeAngelis, hereby authorize the Colorado Medical Marijuana Licensing Authority, the Medical 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 your Full Legal Name clearly below:

Legal Last Name (Please Print) <u>De Angelis</u>	Legal First Name <u>Geraldine</u>	Legal Middle Name <u>Marie</u>
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Signature (Must be signed in front of a witness)

Geraldine M. De Angelis

Dated this 13th day of March, 2014, at 1:00

(day) (month) (year) (time)

Trinidad, CO

(city) (state)

Witness Signature

Thomas B. [Signature]

Applicant's Request to Release Information

TO: _____
 FROM: (Applicant's Printed Name) Geraldine DeAngelis

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 Medical 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 Medical 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 Medical 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 Medical 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 Medical 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 Medical Marijuana Licensing Authority an application for a Medical 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.

Applicant's Last Name (Please Print) <u>DeAngelis</u>	First Name <u>Geraldine</u>	Middle Name <u>Marie</u>
Signature (Must be signed in front of a witness) <u>Geraldine DeAngelis</u>		
Dated this <u>13th</u> (day) day of <u>March</u> (month), 20 <u>14</u> (year), at <u>1:00 pm</u> (time) <u>Trinidad</u> (city), <u>CO</u> (state)		
Witness Signature <u>Thomas Bluff</u>		
Spouse's Last Name (Please Print) <u>DeAngelis</u>	Spouse's First Name <u>Joseph</u>	Middle Name <u>Angelo</u>
Spouse's Signature (Must be signed in front of a witness) <u>Joseph DeAngelis</u>		
Dated this <u>13th</u> (day) day of <u>March</u> (month), 20 <u>14</u> (year), at <u>1:00 pm</u> (time) <u>Trinidad</u> (city), <u>CO</u> (state)		
Witness Signature <u>Thomas Bluff</u>		
Signature of Medical Marijuana Enforcement Division agent presenting this request		Date

STATE OF COLORADO

DEPARTMENT OF REVENUE
Medical Marijuana Enforcement Division



John W. Hickenlooper
Governor

Barbara J. Brohl
Executive Director

Dear Applicant:

Thank you for your interest in becoming an associated person/key with a licensed business in the Medical Marijuana industry. Before you submit your application, we want to make you aware of a few facts.

The Medical Marijuana industry in Colorado is one of the most scrutinized businesses in the state, because Colorado citizens want the industry and everyone involved in it free from even the hint of any corruption or deceit. That's why we take our regulation of the industry very seriously, including the issuance of licenses.

During the licensing process, we will conduct a thorough check of your background. If you pass our qualifications, you will be found suitable as an associated person/key that will allow you to work in the Medical Marijuana Industry. You should know that a Medical Marijuana license is a privilege, not a right. And one thing you must do to obtain this privilege is be completely honest on your license application.

In particular, we ask you on page 4 of the application: "In the past 10 years, but not prior to age 18 have you been arrested, served with a criminal summons, charged with, or convicted of ANY crime or offense in any manner in this or any other country?" The application goes on to tell you to explain ALL such arrests or charges no matter the final outcome.

Did you list ALL arrests and charges in the past 10 years? Are you clear about what you need to disclose? If not, then ask someone at the front desk to assist you and answer any questions you might have. Here are some of the excuses we have heard from people who have failed to disclose arrests to us:

- My attorney told me I didn't have to disclose.
- I didn't think I was arrested, because I only got a ticket.
- I didn't think the arrest had anything to do with Medical Marijuana.
- I didn't think that was still on my record.

But there is no excuse not to disclose an arrest. You have been informed throughout the application to disclose ALL arrests. And you have just been informed again: You will not necessarily be denied a license if you have ever been arrested, but you will be denied if you fail to disclose any arrest.

I have read and understand this letter.

Signed Geroldine de Angelis Date 3/10/14



Secure All Solutions strives in delivering the highest quality of equipment and technology that the industry has to offer. Our goal to you is service and customer satisfaction today and in the future. Below you will find proposed equipment, specifications for that equipment and pricing.

Objective:

- Provide video coverage of specified areas
- Reduce liability issues that may occur
- Reduce theft and vandalism
- Help protect people and property

Scope of Work:

Secure All Solutions will install and warranty a new DSC intrusion alarm, test all existing devices and train staff.

Burglar Alarm Equipment and Pricing:

Qty	Description	
1	DSC1864 Control Panel	
1	DSC PC5100 Zone Expander	
1	DSC RFK5500 Keypad	
2	Recessed Door Contacts	
1	Wireless Door Contact	
1	3G2060R Cellular Communicator	
400ft	22/4 Shielded Wire	
<u>Total Equipment</u>		<u>\$899.00</u>
<u>Installation, Testing & Training</u>		<u>\$610.00</u>
<u>Total</u>		<u>\$1,509.00</u>

Monthly monitoring will be billed quarterly at \$44.99 per month



Scope of Work:

SAS will install and warranty the equipment listed, ensuring all current MMED requirements are met, program and network the DVRs, and provide training.

Surveillance Equipment and Pricing:

Qty	Description
2	Hikvision960H 16 Channel DVR's, 1TB, H.264 Real Time Recording
10	Interior Dome Cameras, 700TVL, IR LEDs
10	Interior Dome Cameras, 700TVL, Non IR
8	Exterior IR Dome Cameras, 700TVL, IR LEDs, Weather/Vandal Resistant
2	16 Channel Altronix Passive UTP Transceiver Hubs with Integral Camera Power
28	Video Baluns
1	Color Monitor, 22" Flat Screen
1	Battery Backup with Surge Protection
5000ft	Cat5e Wire

SAS will supply all necessary hardware including mounts, conduit, j-boxes, etc. to complete the installation.

<u>Total Equipment</u>	<u>\$16,198.00</u>
<u>Installation, Programming and Networking</u>	<u>\$ 4,950.00</u>
<u>Total</u>	<u>\$21,148.00</u>

***A static IP address must be provided by the customer in order to complete the networking of the DVR.**

SAS offers offsite, 72 hour DVR recording on our server for \$39.99 a month, billed quarterly, based on 36 month agreement.

Exhibit F

Exterior Security Light Plan

The proposed building at 422 N. Commercial St. has been in place since 1966. It has been updated and remodeled to its existing size and condition in 1994. After preliminary inspections of warehouse facility and existing exterior lighting, we believe that no major concerns or conditions exist. The M&M buildings prior business use was an alcohol and liquor distribution business. The warehouse has a highly controlled environment including a secure warehouse with ample exterior lighting necessary to provide visibility to all exterior areas. As necessary further analysis can be scheduled to ensure all City and State regulatory and compliance requirements are met.

As a secure warehouse, the building has limited access, solid block walls and concrete floors. In addition, there are limited widow openings whereby all dispensary and grow areas will not be visible to the public. All perimeter areas are unobstructed and are illuminated to ensure adequate visibility 24/7.

M & M will comply with all city and state guidelines for exterior lighting and safety for the warehouse property. Within our site plan, we have identified the specific location of all exterior lighting and have identified below the specific locations and type of lighting fixture and output.

Exterior Lights & Location

Location

Commercial Street	2 each 150W High Pressure Sodium
Alley (South Side)	2 each 175W Mercury Vapor
Garage (East Side)	1 each 175W Mercury Vapor
Garage (Back Center)	1 each 400W Mercury Vapor
Garage (RR track)	1 each 175W High Pressure Sodium
Alley (North Side)	1 each 250w High Pressure Sodium



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 M + M Distributing LLC

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

3. Business address 422 N. Commercial ST Trinidad, Colo 81082

4. Business License # _____

5. Your Full Name (last, first, middle) Michaliza John Everett

6. List any other names you have used _____

7. Mailing address (if different from residence) 44910 Co. Rd. 40 Trinidad, Colo 81082

8. Phone [REDACTED]

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>44910 Co Rd. 40</u>	<u>TRINIDAD, Colo. 81082</u>	<u>1999</u>	<u>Now</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

None
Italica LLC 209 Estrella, Trinidad, CO Pres 2000-2014
81082

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

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.

John E Micheliza
Signature of Applicant

The foregoing Affidavit was subscribed and sworn to before me this 3 day of April, 2014 by John Micheliza

Witness my hand and official seal.

My commission expires 10/15/2015



Desiree Sakariason
Notary Public

Owner/Manager Approval (Required)

I, *John E Micheliza*, Owner/Manager of *M+M Distributing LLC*
Owner or Manager's Name Printed Here Business Name Printed Here

acknowledge and approve the submittal of an application for *John E Micheliza*
Applicant's Printed Name Here