

Loveland Association of Wellness
December 7, 2010

Dear Mayor Guterrez and Loveland City Council Members.

On behalf of the Loveland Association of Wellness (LAW), we are writing this letter in an effort to ask for your assistance. We have found ourselves in a very precarious position regarding the mandatory closure date for all of the commercial Medical Marijuana interests in Loveland. Specifically, this is regarding the outcome and subsequent ordinance associated to the vote on Loveland's Question 2C. The actual date was decided by the City Council and arbitrarily arrived at trying to balance the actual impact of the vote to the owners and employees, while still enforcing the decision of the voters. At that time a few of the council members were open to the July 1, 2011 date.

As it happens, we have had many discussions of our options with the Department of Revenue and the Medical Marijuana Enforcement Division, namely the head of the MMED Lewis Koski. What we have discovered is that if we are forced to close before the state moratorium is expired (July 1, 2011), we will be forced to re-apply and pay the application and license fees of \$8750 again. As we have all already paid these fees to apply to the state in an effort to remain compliant and legal, we find that it would place undue financial hardship on all of us to do so again.

We cannot move our companies to another municipality due to the state moratorium. As you may not be aware, page 24 of HB 10-1284 point 8 (a) in article 12-43.3-310 outline the operational parameters for licensing and compliance concerning changes to the Medical Marijuana Centers and the constituent components. Simply stated, if we are forced to shut down earlier than July 1, 2011 most of us are going to be unable to afford to move our businesses and suffer additional hardships due to this act. The license and application fees are non-refundable and the state is requiring continuous operation of an MMC to allow for a move after the expiration of the moratorium.

We would very much like to see the Council re-visit the enforcement date for closure to allow us to attempt to move to another locale. We all have invested a great deal financially, trying to meet and comply with all of the new state regulations as well as the LAW association's additional rules; we would like to be afforded the opportunity to re-capture some of that investment as well as to be able to move our companies to new municipalities.

The companies listed below collectively agreed to quietly cease further operations in accordance with the ordinance, regardless of the decision, and not to pursue any form of legal action. It is on their behalf, and theirs alone that we make this request. These companies have consistently made contributions to supporting the goals of the LAW Association and it's intentions.

In our estimation, this is a very reasonable request and one that would not require any additional resources or labor to initiate. Conversely, it would make the city additional money by way of the 3 months of additional sales tax revenue.

Please consider our request and allow us to remain open until July 1, 2011.

Respectfully,
Loveland Association of Wellness (LAW)

MedicalM, LTD

Medical Oasis

Mountain Medical Leaf

New Vision Alternative

Loveland Cannabis Club
(Smithstonian)

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Dear Mayor Guterrez and Loveland City Council Members.

We of the Loveland Association of Wellness (LAW), would like to inform you that it has been decided to dissolve the association. We are in agreement that due to the outcome of the vote regarding Loveland's question 2C, it is not advantageous nor necessary to continue to try to maintain a formal working relationship with each other or the municipality in general.

We are proud of the contributions we have made, such as the sticker patrol, voter registration awareness and public education endeavors; further, we are proud of the intent to bring legitimacy to the industry and value to the city of Loveland while in existence. However, in the end, we are forced to focus on trying to re-capture even a portion of our investments and providing some form of opportunities for our employees and selves.

To that end, we will no longer formally meet or be bound to the original founding documents that precipitated our formation. The last unified act of the Association is attached in the form of a letter of appeal to allow our contributing members to extend the time they may remain open to remain in compliance with the state Department of Revenue and Medical Marijuana Enforcement Division.

Respectfully,

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CITY MANAGER'S OFFICE