



**PUBLIC NOTICE
THE ELOY CITY COUNCIL**

Meets

MONDAY, MAY 10, 2021

6:00 PM

ELOY CITY COUNCIL CHAMBERS

595 NORTH C STREET

ELOY, ARIZONA 85131

For a

REGULAR MEETING

AGENDA

I. Call to Order

II. Roll Call

III. Invocation

The invocation shall be voluntarily delivered by an eligible member of a religious/spiritual organization in the incorporated limits of the City of Eloy, Arizona, and shall not exceed three (3) minutes in length. Invocations are not intended to affiliate the City Council with, or express the City Council's preference for, any religious/spiritual organization, or to disparage the religious faith or non-religious view of others. If the selected invocation speaker does not appear at the scheduled meeting, the Mayor may ask for an adult volunteer from the audience to deliver the invocation or call for a moment of silence.

IV. Pledge of Allegiance

V. Public Appearances

Those wishing to ADDRESS THE CITY COUNCIL may do so by signing in on a form provided by the City Clerk, identifying the topic(s) or agenda item(s). **ACTION** taken as a result of public comment regarding non agenda items will be limited to directing staff to study the matter or rescheduling the matter for further consideration and decision at a later date.

SPEAKERS SHALL BE LIMITED TO THREE (3) MINUTES.

A. Scheduled

B. Unscheduled

VI. Reports and Announcements

A. Council Members' Announcements

B. Mayor's Announcements

1. Proclamation - May 9-15, 2021 as National Police Week

2. Proclamation - May 2-8, 2021 as Professional Municipal Clerks Week

C. City Manager's Announcements

1. Quarterly Financial Report - Ending March 31, 2021
2. April Check Register

VII. Consent Agenda

ALL ITEMS LISTED WITH AN ASTERISK(*) ARE CONSIDERED TO BE ROUTINE MATTERS AND WILL BE ENACTED BY ONE MOTION AND ONE ROLL CALL VOTE OF THE COUNCIL. THERE WILL BE NO SEPARATE DISCUSSION OF THESE ITEMS UNLESS A COUNCIL MEMBER SO REQUESTS, IN WHICH EVENT THE ITEM WILL BE REMOVED FROM THE CONSENT AGENDA AND CONSIDERED IN ITS NORMAL SEQUENCE ON THE AGENDA.

*A. Approval of Minutes - 4/26/2021 (regular)

*B. Adoption of Ordinance No. 21-907 approving the rezoning of approximately 0.19 acres of land (Lot No. 321 of the Midway City Subdivision) from R1-12 (Single Family Residential) to I-1 (Light Industrial) as submitted by Ron Stevens on behalf of Louis A. Tsakiris Family Partnership, and the subject property is located at 4440 W. Bosque North Drive, Eloy, Arizona, Pinal County Assessor's Parcel Number: 403-24-321 in a portion of Section 28, Township 7 South, Range 7 East of the Gila & Salt River Base & Meridian, Pinal County, Arizona (Project Name: Midway City Parcel 40324321)

Jon Vlaming

*C. Approval of the Map of Dedication, submitted by Central Line Solar LLC., for the dedication of Rights-of-Way and Public Utility Easements along Cornman Road, Eleven Mile Corner Road, Hanna Road, and Tweedy Road required for completion of road and utility improvements necessary to serve their Solar Farm.

Keith Brown

*D. Resolution No. 21-1496 for the appointment of Brian Wright, Finance Director, as the designated authorizing agent to submit the Annual Expenditure Limitation Report (AELR) as the Chief Fiscal Officer (CFO) for the City of Eloy for Fiscal Year 2021-2022.

Brian Wright

*E. Adoption of Resolution No. 21-1499 approving the Reappointment of Steve Falek and the Appointment of Micah Powell, Andrew Rodriguez, and Paul Rodriguez to serve on the Board of Commissioners of the Eloy Housing Authority effective January 1, 2021 through December 31, 2025.

Harvey Krauss

VIII. Business: Possible Discussion and/or Action on the Following:

A. Conditional Use Permit (CUP) No. 2021-009 submitted by Carolyn Oberholtzer with Bergin, Frakes, Smalley & Oberholtzer, PLLC for a Medical Marijuana Cultivation facility located at 924 N. Tweedy Road, Eloy, Arizona, Pinal County

Jon Vlaming

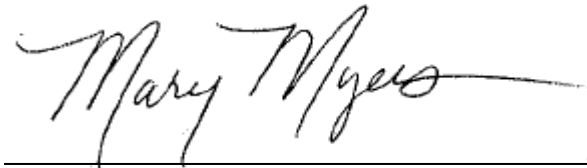
Assessor's Parcel Numbers: 408-02-021 and 408-02-022 in a portion of Section 1, Township 8 South, Range 7 East of the Gila & Salt River Base & Meridian, Pinal County, Arizona (Project Name: New Gen Eloy)

IX. Executive Session

Possible executive session for discussion/consultation for legal advice with the city attorney and/or city staff concerning any of the agenda items, pursuant to A.R.S. §38-431.03 (A) (3) and (4).

X. Adjournment

POSTED BY WEDNESDAY, MAY 5, 2021, BY 5:00 P.M. AT ELOY CITY HALL, ELOY POST OFFICE, TROY THOMAS COMMUNITY CENTER, TOLTEC COMMUNITY/SENIOR CENTER AND CITY WEBSITE: www.elayaz.gov

A handwritten signature in black ink, reading "Mary Myers", with a horizontal line extending to the right.

Mary Myers, CMC, CPM
City Clerk

INDIVIDUALS WITH SPECIAL ACCESSIBILITY NEEDS MAY CONTACT LORENA LaSALDE-RIOS, ADA COORDINATOR FOR THE CITY OF ELOY AT 520-466-9201 OR 520-466-7455 (TDD). IF POSSIBLE, SUCH REQUESTS SHOULD BE MADE 72 HOURS IN ADVANCE. ONE OR MORE MEMBERS OF THE COUNCIL AND/OR STAFF MAY PARTICIPATE BY TELEPHONIC OR VIDEO MEANS.



PROCLAMATION

NATIONAL POLICE WEEK MAY 9-15, 2021

WHEREAS, there are over 800,000 law enforcement officers serving in communities across the United States, including the men and women of the Eloy Police Department; and

WHEREAS, approximately 50,000 assaults against law enforcement officers are reported each year, resulting in approximately 14,000 injuries; and

WHEREAS, since the first recorded death in 1791, more than 21,000 law enforcement officers in the United States have made the ultimate sacrifice and been killed in the line of duty; and

WHEREAS, the names of these dedicated public servants are engraved on the walls of the National Law Enforcement Officers Memorial in Washington D.C.; and

WHEREAS, names of fallen heroes are added to the National Law Enforcement Officers Memorial each spring; and

WHEREAS, the service and sacrifice of all officers killed in the line of duty will be honored in Florence, Arizona at the Pinal County Peace Officers' Memorial Service on the evening of May 4, 2021; and

WHEREAS, the Memorial Service is part of National Police Week, which takes place this year on May 9-15, 2021; and

WHEREAS, May 15 is designated as Peace Officers Memorial Day, in honor of all fallen officers and their families and U.S. flags should be flown at half-staff.

NOW, THEREFORE BE IT RESOLVED that I, Micah Powell, do proclaim the week of May 9-15, 2021 to be National Police Week, to honor the service and sacrifice of those law enforcement officers killed in the line of duty while protecting our communities and safeguarding our democracy, and publicly salutes the service of law enforcement officers in the City of Eloy and in communities across the nation.

Signed this 10th day of May, 2021

Micah Powell, Mayor



PROCLAMATION

PROFESSIONAL MUNICIPAL CLERKS WEEK May 2-8, 2021

Whereas, The Office of the Professional Municipal Clerk, a time honored and vital part of local government exists throughout the world; and

Whereas, The Office of the Professional Municipal Clerk is the oldest among public servants; and

Whereas, The Office of the Professional Municipal Clerk provides the professional link between the citizens, the local governing bodies and agencies of government at other levels; and

Whereas, The Professional Municipal Clerk serves as the information center on functions of local government and community; and

Whereas, Professional Municipal Clerks have pledged to be ever mindful of their neutrality and impartiality, rendering equal service to all; and

Whereas, Professional Municipal Clerks continually strive to improve the administration of the affairs of the Office of the Professional Municipal Clerk through participation in education programs, seminars, workshops and the annual meetings of their state, county, regional and international professional organizations; and

Whereas, It is most appropriate that we recognize the accomplishments of the Office of the Professional Municipal Clerk.

Now, Therefore, I, Micah Powell, Mayor of the City of Eloy, Arizona, do recognize the week of May 2 through May 8, 2021, as Professional Municipal Clerks Week, and further extend appreciation to our own Professional Municipal Clerk, and to all Professional Municipal Clerks for the vital services they perform and their exemplary dedication to the communities they represent.

Signed this 10th day of May, 2021

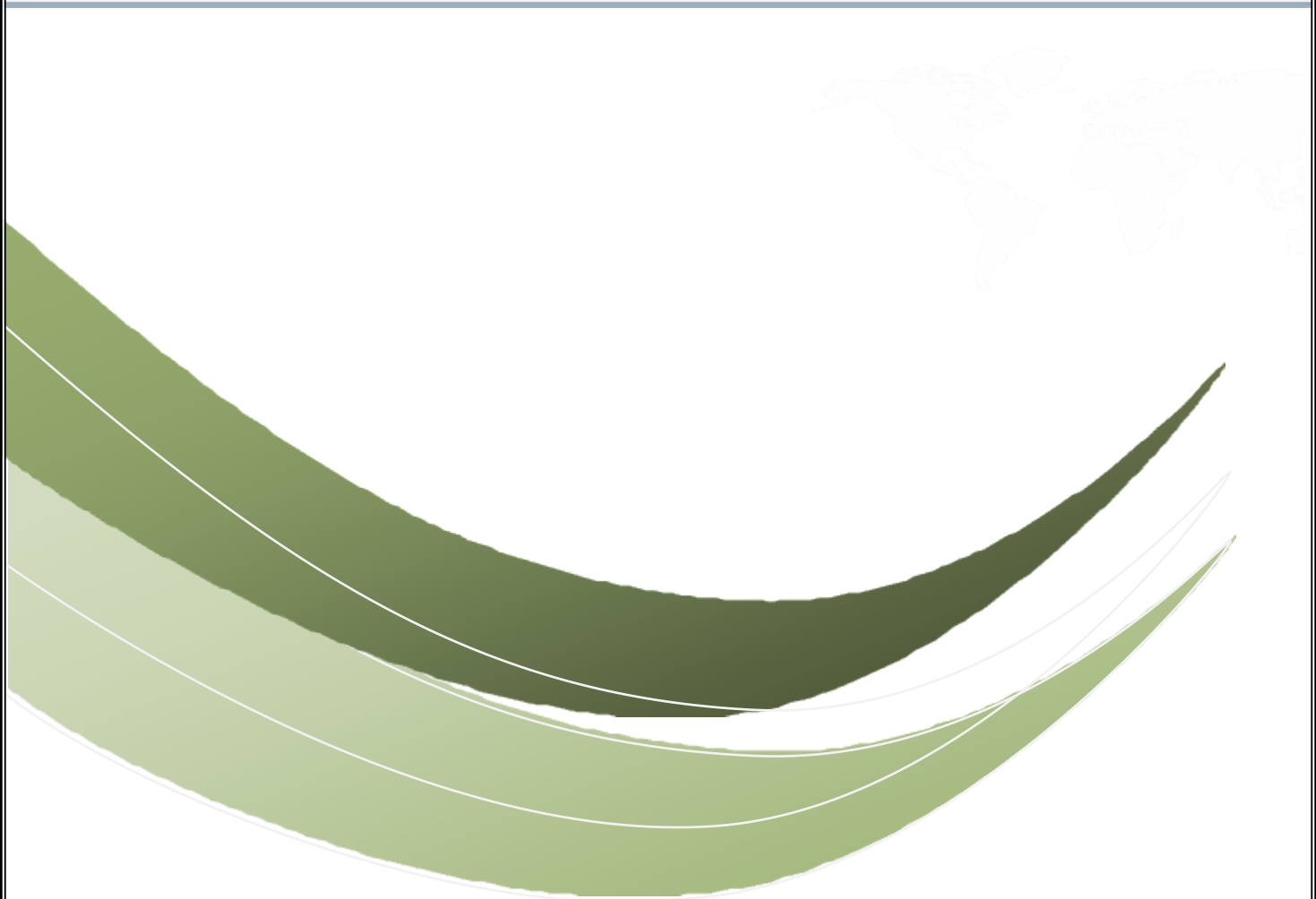
Micah Powell, Mayor



Fiscal Year 2020 - 2021

Second Quarter Financial Report

For the Period Ending March 31, 2021



CITY OF ELOY
FISCAL YEAR 2020 - 2021
ENDING MARCH 31, 2021

INTRODUCTION

The Finance Department has prepared the quarterly financial report as a means of providing the community, Council, and the organization with an overview of financial information and open transparency.

The primary information provided in the quarterly report is a comparison of the annual budget amounts to actual revenues and expenditures for operating departments. Also included are prior-year comparisons in some areas. All financial information is preliminary, unaudited information reported from the municipal financial system as of the report date. Seasonal variations or actual revenues occurrences in municipal operations may affect the proportion of revenues achieved or expenditures incurred to date.

Notable Updates for this quarter include the following:

Personnel -Vacancies

- Public Safety - 5 - Patrol Officers
- Public Works – 1-P.W. Operator Manager, and 1-Chief Utility Plant Operator
- Community Services – Community Service Manager, 5 Rec Leaders, and Library Tech

Quarterly Departmental Statistics

- The Police Department conducted 908 traffic stops, 62 major crime citations, 267 traffic citations, and 4 Municipal citations.
- The Community Services delivered over 650 Senior Meals, had 249 participants for 25 Online classes for seniors, had over 500 views for a Facebook Live story time, held Spring Break in the Park with over 20 participants, over 40 participants for Valentine's Day Kids Bundle, had over 73 participants in Library Programs and had Wildman Phil perform with over 61 attending the program.
- Public Works has conducted the following:
 - Crack sealed 7 ½ miles of road along Frontier from 11MCR – Robson Ranch
 - Pothole repairs on Battaglia, Alsdorf, Selma Hwy, Cornman Road, Sunland Gin Road, Toltec Road, and various roads throughout the city; approximately 40 tons of hot mix used for pothole repairs.
 - Reconstruction of Battaglia Road from Sunshine to La Palma.
 - Pump Station 1 was completed and painted by PCL.
 - Two new 4" Insta valves installed on Washington and 3rd Place and Lincoln and 3rd Place.
 - Coordination for Frontier/Hwy 84 rumble strip construction through ADOT
 - Inspected water and sewer for new residential development in Picacho Heights area (East of Tryon/South of Alsdorf).
 - Installed a new 12" flow meter at Well #3.
- Community Development had processed 71 building permits and had over 321 code violations.
- The Finance Department issued 671 work orders for non-payment, with 107 being turned off for non-payment. The City was awarded a Southwest Border Grant for \$112,551.77 for the Police Department. We have two active housing rehab projects underway. We processed 599 Accounts Payable checks worth \$5,602,144. We worked with the City Auditors to finalize the semi-annual Impact Fee Audit. We continued to work with Willdan on the utility rate study. Started the FY 2021-22 budget process with meetings with department directors on Capital and O & M budgets. Gave a revenue presentation to Council on the anticipated revenue for FY 2021-22.

CITY OF ELOY
FISCAL YEAR 2020 - 2021
ENDING MARCH 31, 2021

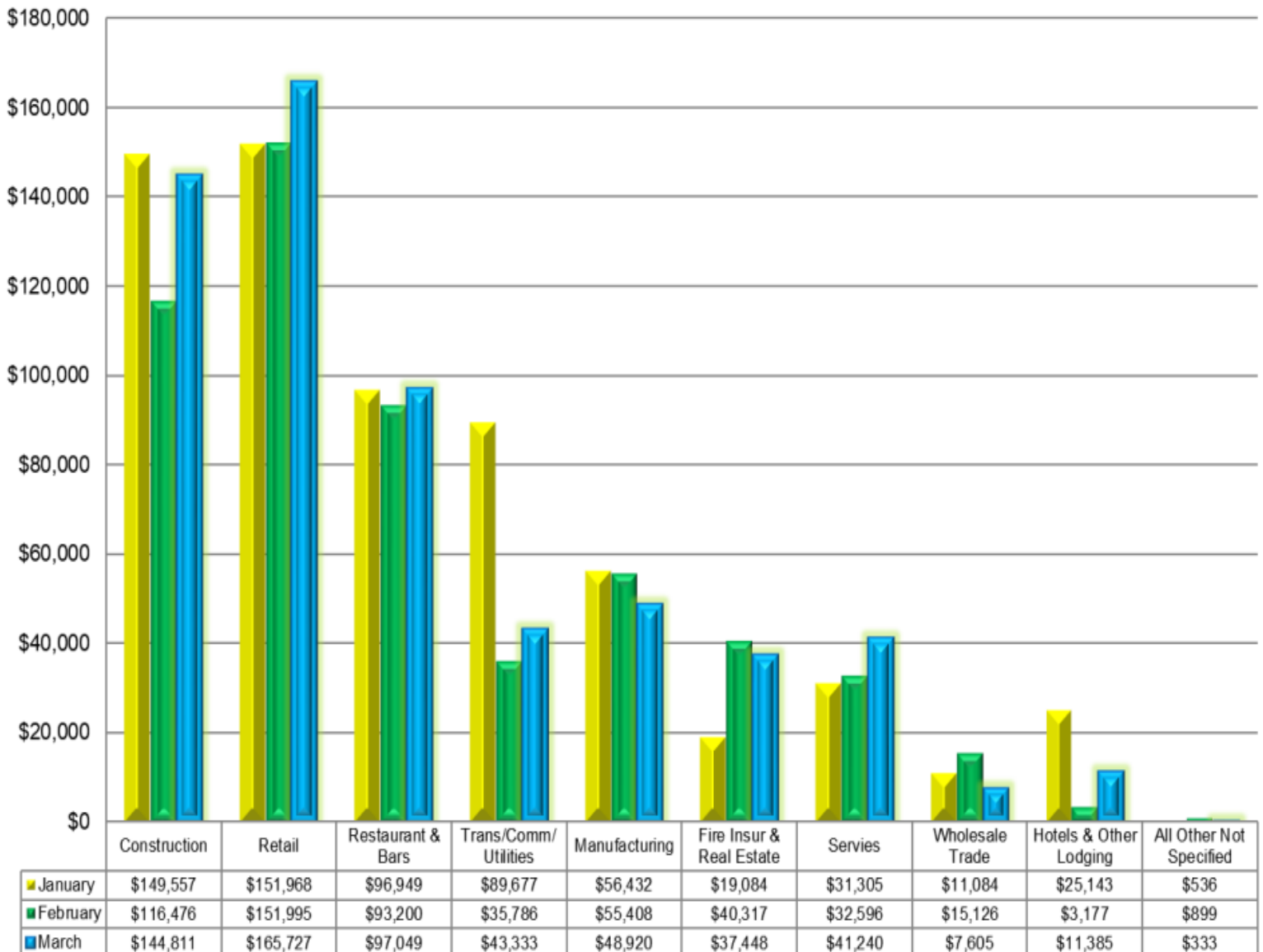
Financial Update

- Through the end of March 31, 2021, the General Fund has collected \$11,309,897. Before recording any transfers out, General Fund expenses were \$6,429,266, thus creating a positive variance of \$4,880,631. This positive variance is primarily due to reallocating salary and benefits for the Police Department as it relates to the CARES ACT. This funding covered \$2.2 million of the Police Department salaries and benefits. In addition, higher than an anticipated collection of City Sales Tax, Permits, and Intergovernmental Revenue has led to this positive variance. After recording all transfers out, which are for the construction of the Police Facility and Capital Projects, the General Fund reports a positive variance of \$2,346,668.
- As of March 31, 2021, the total City Sales Tax collected is \$5,024,353 or \$1,324,137 above budgeted expectations through March. Construction sales tax continues to exceed budget expectations and is \$715,000 above projections. Retail Sales Tax is exceeding budget expectations by approximately 18% or \$225,000. The primary factor to revenue exceeding expectations is that staff was very cautious when projecting revenues for FY 20-21 due to the pandemic.
- State Shared revenues (State Income Tax, State Sales Tax, and Vehicle License Tax) are exceeding budget expectations by 14.51% or \$605,570. The reason for this increase is staff received final budgetary numbers after Council adopted the final budget. State Shared revenues' final budget numbers were higher than what was projected. Staff felt it needed to be very cautious on revenue sharing numbers due to the pandemic.
- Several revenue categories are not meeting budget expectations. Those categories are Investment Income and Pass-Thru Funds for Eloy Detention Facility. Investment Income is below budget expectations by 20% or \$65,000 due to interest rates being at all-time lows. Also, revenue being received by CoreCivic for Pass-Thru Funds for Eloy Detention Facility is below budget expectations by 75% or \$75,000 due to the reduction in the prison inmate population.
- All Special Revenue Funds are operating within the confines of the adopted budget. The Cemetery Fund is exceeding budgetary expectations. As of March 31, 2021, revenues are 81% or \$77,321 above revenue projections for this time of year. This is due to an increase in the number of burials.
- The Enterprise Funds are comprised of the Water, Sewer, and Sanitation Funds. As of the end of March 2021, all enterprise funds report a positive variance. In the Water Fund, water sales for December were \$166,814 compared to \$157,247 in the previous year. In the Sewer Fund, December's sewer fees were \$120,240 compared to \$116,722 in the previous year. The Sanitation Fund's fees were \$100,164 compared to \$96,234 in the previous year.

CITY OF ELOY
FISCAL YEAR 2020 - 2021
ENDING MARCH 31, 2021

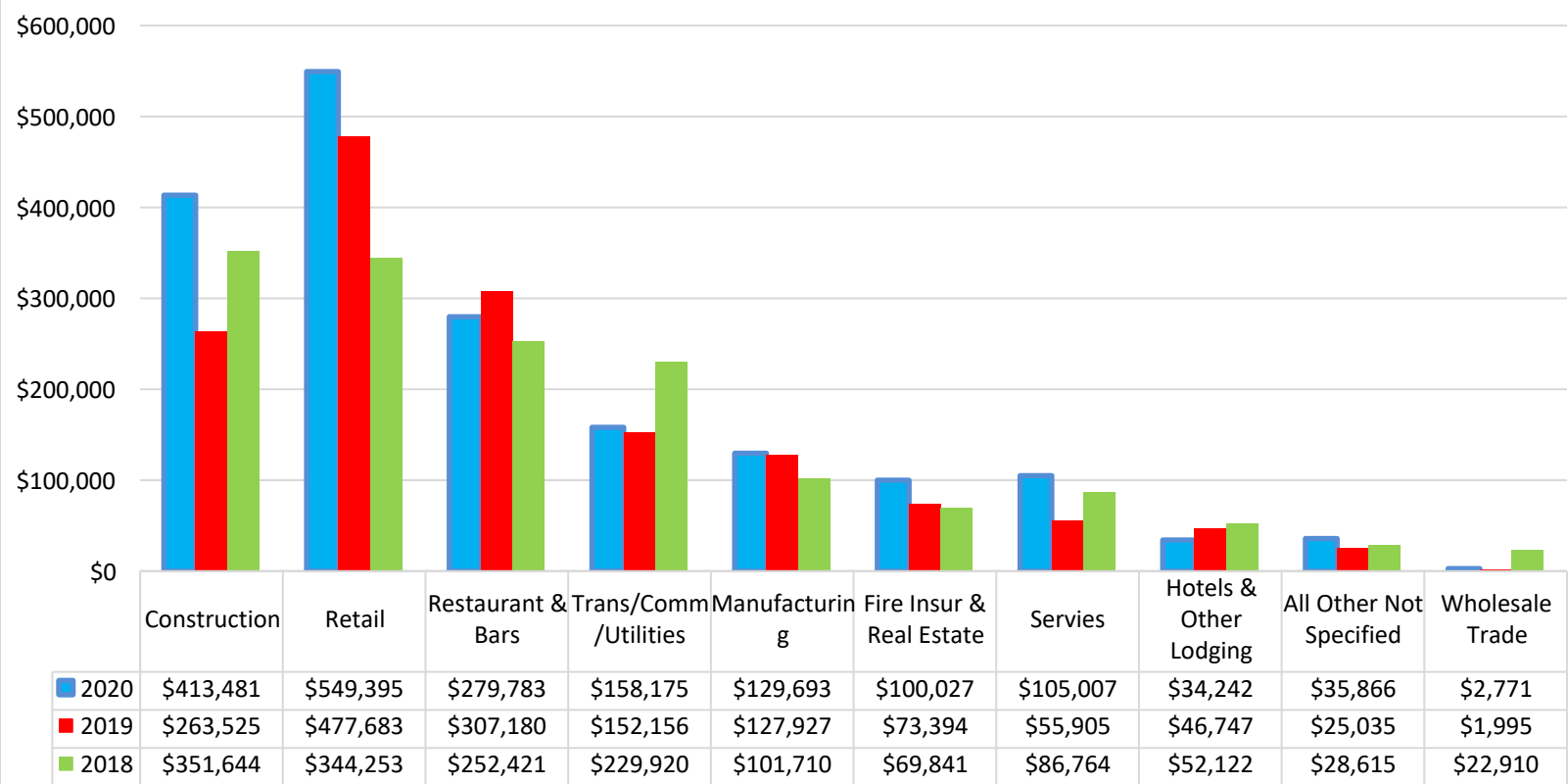
REVENUE	P.Y. 19 - 20 Jan-March	F.Y. 20 - 21 Jan-March	F.Y. 20 - 21 Year to Date	F.Y 20 - 21 Budget	Anticipated Revenue 06/30/2021
10 - General Fund					
Local Sales Tax	\$ 1,531,548	\$ 1,808,439	\$ 4,745,141	\$ 5,004,950	\$ 6,621,127
State Shared Revenues	\$ 1,479,181	\$ 1,565,408	\$ 4,778,394	\$ 5,563,765	\$ 6,667,527
Property Taxes	\$ 179,679	\$ 153,967	\$ 738,029	\$ 1,158,050	\$ 1,148,735
Permits & Fees	\$ 66,300	\$ 168,475	\$ 382,035	\$ 388,500	\$ 509,380
Other Revenues	\$ 208,173	\$ 234,175	\$ 657,797	\$ 1,212,500	\$ 1,052,476

Local Sales Tax By Category
January 2021 through March 2021

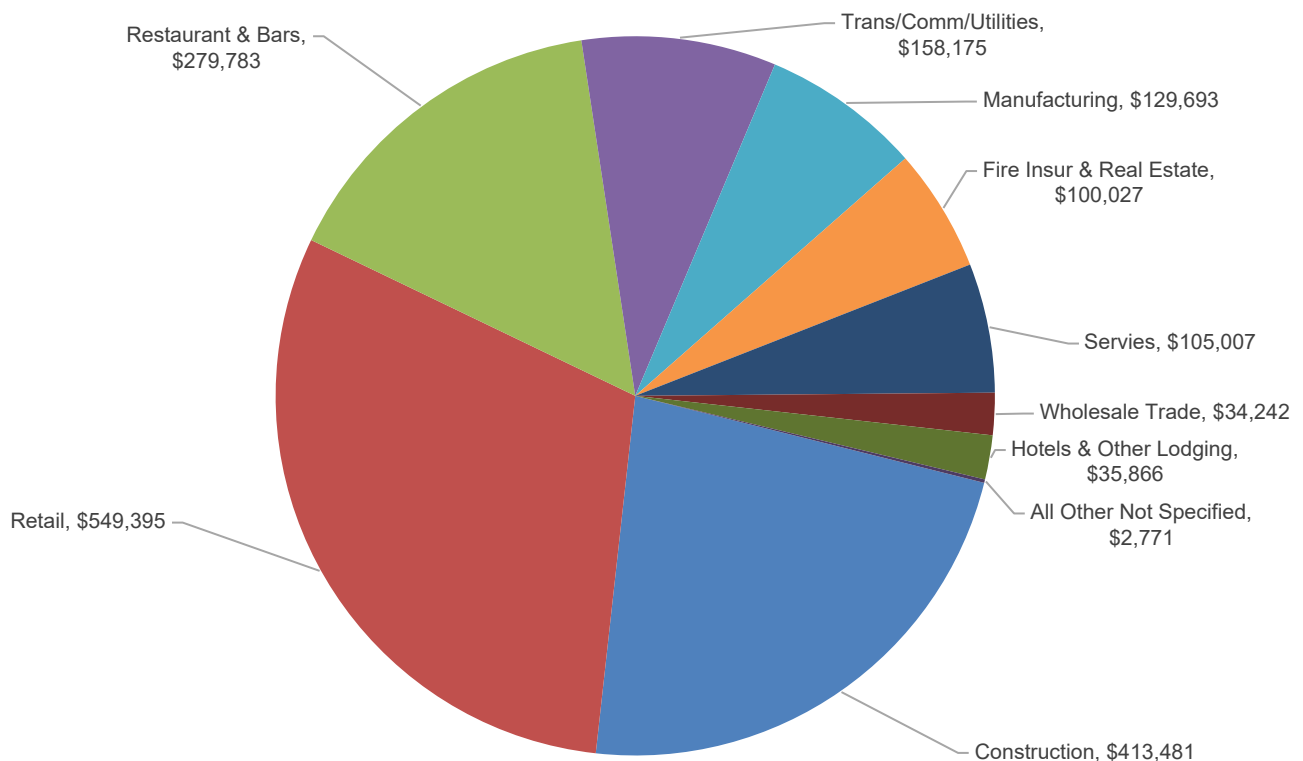


**CITY OF ELOY
FISCAL YEAR 2020 - 2021
ENDING MARCH 31, 2021**

City Sales Tax by Category Comparison by Quarter



City Sales Tax By Category F.Y. 2020 - 2021 (January - March)

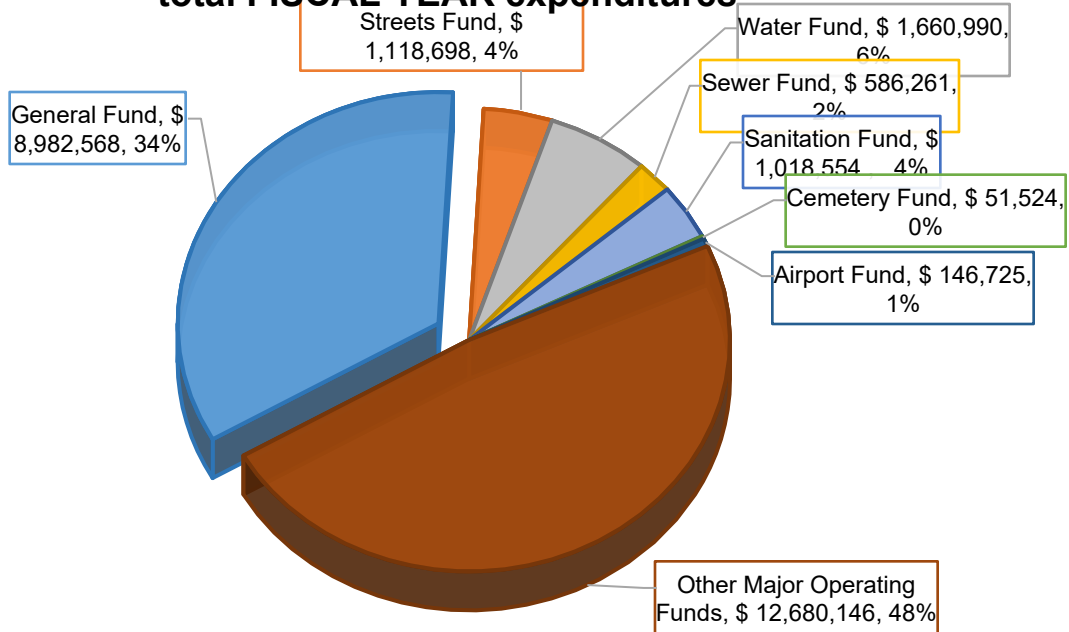


CITY OF ELOY
FISCAL YEAR 2020 - 2021
ENDING MARCH 31, 2021

REVENUE	P.Y. 19 - 20 Jan-March	F.Y. 20 - 21 Jan-March	F.Y. 20 - 21 Year to Date	F.Y 20 - 21 Budget	Anticipated Revenue 06/30/2021
15 - Streets Fund					
HURF	\$ 411,167	\$ 409,341	\$ 1,082,170	\$ 1,293,255	\$ 1,427,037
1/2 Sales Tax-Pinal	\$ 216,101	\$ 280,019	\$ 719,994	\$ 750,000	\$ 949,443
Other Revenue	\$ 6,468	\$ 22,479	\$ 16,431	\$ 28,000	\$ 24,550
16 - Streets One-Time Fund					
Local Taxes	\$ -	\$ -	\$ 140,036	\$ 210,000	\$ 271,037
19 - Economic/Development Fund					
Local Taxes	\$ -	\$ -	\$ 139,176	\$ 200,750	\$ 235,227
(21- 27) - Impact Fee Funds					
Impact Fees	\$ 15,163	\$ 105,447	\$ 205,549	\$ 110,500	\$ 277,144
(28 - 29) - Police Special Funds					
Impound Fees	\$ 1,050	\$ 1,200	\$ 3,000	\$ 20,000	\$ 6,350
Officer Safety Fees	\$ 1,246	\$ 967	\$ 2,837	\$ 3,500	\$ 3,257
33 - Grants Fund					
Police Grants	\$ 237,848	\$ 83,293	\$ 243,299	\$ 569,955	\$ 398,969
Housing Grants	\$ 172,807	\$ 320,077	\$ 320,077	\$ 1,555,000	\$ 416,100
Airport Grants	\$ 111,022	\$ 2,001,843	\$ 3,014,059	\$ 5,665,000	\$ 5,192,917
Cares Act/FEMA Grants	\$ -	\$ -	\$ 2,252,152	\$ -	\$ 2,252,152
Other Grant Revenue	\$ -	\$ 162,784	\$ 164,284	\$ 4,567,915	\$ 325,200
(38 - 39) - Court Funds					
Court Revenue	\$ 32,898	\$ 9,284	\$ 26,705	\$ 36,000	\$ 35,607
50 - Water Fund					
Water Sales	\$ 469,127	\$ 514,616	\$ 1,778,963	\$ 2,215,000	\$ 2,371,950
Water Rights - Surprise	\$ 42,200	\$ 42,600	\$ 321,120	\$ 480,000	\$ 496,250
Other Revenue	\$ 23,577	\$ 39,882	\$ 169,622	\$ 96,915	\$ 186,584
53 - Sewer Fund					
Sewer Revenue	\$ 358,931	\$ 363,751	\$ 1,094,654	\$ 1,398,245	\$ 1,443,500
Other Revenue	\$ 135	\$ 360	\$ 1,550	\$ 17,300	\$ 2,067
56 - Sanitation Fund					
Residential/Commercial Fees	\$ 288,691	\$ 299,859	\$ 888,623	\$ 1,139,810	\$ 1,184,830
Landfill Fees	\$ 26,335	\$ 72,193	\$ 163,776	\$ 89,225	\$ 218,368
Other Revenue	\$ 129,802	\$ 104,573	\$ 350,740	\$ 441,325	\$ 457,487
57 - Cemetery Fund					
Burial Fees	\$ 24,880	\$ 49,055	\$ 113,999	\$ 57,750	\$ 148,694
Other Revenue	\$ 9,897	\$ 26,079	\$ 58,323	\$ 37,250	\$ 73,671
58 - Airport Fund					
Hanger Rental	\$ 36,587	\$ 36,603	\$ 106,785	\$ 141,135	\$ 142,379
Other Revenue	\$ 31,212	\$ 35,304	\$ 35,813	\$ 36,500	\$ 47,751

CITY OF ELOY
FISCAL YEAR 2020 - 2021
ENDING MARCH 31, 2021

total FISCAL YEAR expenditures



GENERAL FUND
As of March 31, 2021

Division/Department	P.Y. 19-20	F.Y. 20-21	FY 20-21 Budget	Forecasted Expenditures thru 6/30/21
City Council	\$ 155,703	\$ 126,472	\$ 236,290	\$ 189,708
Human Resources	\$ 168,061	\$ 179,958	\$ 253,075	\$ 248,217
G.I.S.	\$ 50,508	\$ 97,289	\$ 138,430	\$ 129,719
Animal Control	\$ 98,028	\$ 96,694	\$ 198,920	\$ 154,710
City Clerk	\$ 294,217	\$ 361,357	\$ 525,460	\$ 492,759
Magistrate	\$ 164,290	\$ 286,937	\$ 490,840	\$ 430,406
City Manager	\$ 246,683	\$ 254,561	\$ 367,645	\$ 332,037
Finance	\$ 578,667	\$ 616,031	\$ 892,365	\$ 880,044
Legal	\$ 98,120	\$ 98,640	\$ 154,845	\$ 142,613
Comm. Develop	\$ 562,741	\$ 631,271	\$ 861,220	\$ 841,694
Park Maint	\$ 331,991	\$ 328,752	\$ 497,880	\$ 481,100
Recreation Programs	\$ 380,405	\$ 294,964	\$ 739,790	\$ 448,047
Library	\$ 246,045	\$ 147,359	\$ 306,675	\$ 221,039
Comm. Service Admin	\$ 308,926	\$ 318,804	\$ 443,085	\$ 425,072
Police Admin.	\$ 905,964	\$ 464,525	\$ 1,285,405	\$ 626,326
Field Operations	\$ 2,398,235	\$ 723,595	\$ 3,553,330	\$ 986,720
Vehicle Maint	\$ 189,081	\$ 188,646	\$ 257,635	\$ 254,354
Facility Maint	\$ 242,416	\$ 224,722	\$ 352,870	\$ 317,254
P. W. Admin	\$ 191,545	\$ 179,043	\$ 278,250	\$ 255,776
Transfers	\$ 350,316	\$ 2,533,963	\$ 7,945,000	\$ 2,533,963
Debt	\$ 139,115	\$ 179,626	\$ 461,600	\$ 445,300
Contingency/Robson	\$ 429,027	\$ 649,359	\$ 1,305,000	\$ 1,145,800
Total Expenditures	\$ 8,374,380	\$ 8,982,568	\$ 21,545,610	\$ 11,982,659

CITY OF ELOY
FISCAL YEAR 2020 - 2021
ENDING MARCH 31, 2021
OTHER MAJOR OPERATING FUNDS
As of March 31, 2021

Division/Department	P.Y. 19-20	F.Y. 20-21	FY 20-21 Budget	Forecasted Expenditures thru 6/30/21
Streets Fund	\$ 1,136,808	\$ 1,118,698	\$ 2,654,830	\$ 2,333,997
Streets One-Time Fund	\$ -	\$ 790,572	\$ 1,010,000	\$ 790,572
Economic/Development Fund	\$ 107,811	\$ 488,126	\$ 750,000	\$ 488,126
Capital Projects Fund	\$ 220,303	\$ 199,133	\$ 1,758,000	\$ 724,558
Water Fund	\$ 1,745,791	\$ 1,660,990	\$ 3,106,915	\$ 3,066,443
Sewer Fund	\$ 574,683	\$ 586,261	\$ 1,415,545	\$ 1,279,115
Sanitation Fund	\$ 1,044,877	\$ 1,018,554	\$ 1,670,160	\$ 1,567,005
Cemetery Fund	\$ 45,860	\$ 51,524	\$ 95,000	\$ 88,327
Airport Fund	\$ 15,994	\$ 146,725	\$ 377,635	\$ 251,528
Impact Fees	\$ -	\$ 53,565	\$ 1,974,550	\$ 238,258
RTA	\$ -	\$ -	\$ 600,000	\$ -
Police	\$ 12,919	\$ 12,606	\$ 73,000	\$ 12,585
Grants				
Police	\$ 182,406	\$ 372,815	\$ 170,785	\$ 398,969
Housing	\$ 263,305	\$ 401,101	\$ 425,000	\$ 345,260
Library	\$ (1,924)	\$ -	\$ 12,500	\$ -
Airport	\$ 431,042	\$ 5,002,756	\$ 5,479,750	\$ 5,192,917
Az Care COVID	\$ -	\$ 2,253,079	\$ -	\$ 2,252,152
Miscellaneous	\$ 49,600	\$ 2,678	\$ 4,012,800	\$ 125,053
City Hall Facility	\$ -	\$ 0	\$ -	\$ -
Police Facility	\$ 647,497	\$ 3,078,865	\$ 7,040,000	\$ 4,785,952
WIFA	\$ -	\$ -	\$ -	\$ -
Court	\$ -	\$ 24,849	\$ 116,000	\$ 27,086

Total City-Wide Expenditure Category Breakdown

Expenditure Category	P.Y. 19-20	F.Y. 20-21	F.Y. 20-21 Budget	Amount Unexpended
Salary	\$ 4,811,275	\$ 4,999,434	\$ 7,411,955	\$ 2,412,521
Benefits	\$ 2,645,646	\$ 2,806,511	\$ 4,141,710	\$ 1,335,199
Operating Expenditures	\$ 1,104,360	\$ 1,129,886	\$ 2,364,860	\$ 1,234,974
COVID-19 Expenditures	\$ -	\$ 31,581	\$ -	\$ (31,581)
Utilities	\$ 556,506	\$ 544,631	\$ 938,685	\$ 394,054
Travel and Training	\$ 71,466	\$ 36,303	\$ 146,235	\$ 109,932
Equipment Repair and Maintenance	\$ 309,094	\$ 308,399	\$ 511,980	\$ 203,581
Street Repair and Maintenance	\$ 184,579	\$ 1,021,533	\$ 2,296,500	\$ 1,274,967
Utility System Repair and Maintenance	\$ 243,102	\$ 225,573	\$ 373,930	\$ 148,357
Sanitation Contractual Service	\$ 799,901	\$ 755,367	\$ 1,204,335	\$ 448,968
Contractual Services	\$ 1,051,501	\$ 1,195,686	\$ 1,669,420	\$ 473,734
Community Funding	\$ 60,997	\$ 45,979	\$ 67,200	\$ 21,221
CAP Water Expenditures	\$ 536,971	\$ 562,394	\$ 853,155	\$ 290,761
Debt/Depreciation Expenditures	\$ 321,281	\$ 375,513	\$ 1,514,245	\$ 1,138,732
Transfer to Other Funds	\$ 350,316	\$ 2,533,963	\$ 7,948,150	\$ 5,414,187
Grants	\$ 787,800	\$ 5,545,575	\$ 12,180,915	\$ 6,635,340
Impact Fees Expenditures	\$ -	\$ 53,565	\$ 1,974,550	\$ 1,920,985
Capital Expenditures	\$ 1,217,415	\$ 4,073,574	\$ 11,123,690	\$ 7,050,116
	\$ 15,052,209	\$ 26,245,466	\$ 56,721,515	\$ 30,476,049

**CITY OF ELOY
FISCAL YEAR 2020 - 2021
ENDING MARCH 31, 2021**

Fund Balance as of June 30, 2020

Fund	Unassigned	Assigned	Committed	Restricted	
General	\$ 15,790,059	\$ -	\$ -	\$ -	\$ 15,790,059
Streets	\$ -	\$ -	\$ -	\$ 3,452,554	\$ 3,452,554
Streets One-Time	\$ -	\$ -	\$ 828,747	\$ -	\$ 828,747
Econ/Comm Develop	\$ -	\$ -	\$ 656,519	\$ -	\$ 656,519
Grants	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Projects	\$ -	\$ 2,114,935	\$ -	\$ -	\$ 2,114,935
Impact Fees	\$ -	\$ -	\$ -	\$ 1,115,697	\$ 1,115,697
Police Special	\$ 53,983	\$ -	\$ -	\$ -	\$ 53,983
Court	\$ -	\$ -	\$ -	\$ 145,902	\$ 145,902
Special Revenue	\$ -	\$ -	\$ -	\$ 10,574	\$ 10,574
Water	\$ -	\$ -	\$ -	\$ 33,860	\$ 33,860
Sewer	\$ -	\$ -	\$ -	\$ 406,003	\$ 406,003
Sanitation	\$ -	\$ -	\$ -	\$ -	\$ -
Airport	\$ -	\$ -	\$ 540,050	\$ -	\$ 540,050
Cemetery	\$ -	\$ -	\$ 183,015	\$ -	\$ 183,015
Perpetual Care	\$ -	\$ -	\$ -	\$ 134,347	\$ 134,347
	\$ 15,844,042	\$ 2,114,935	\$ 2,208,331	\$ 5,298,937	\$ 25,466,245

***** Please note these are primarily figures and will change with the closing of the fiscal year *****

Restricted - Is reported when constraints are placed on the use of resources are either externally imposed by creditors, grantors, or laws or regulations of other governments.

Committed - Can only be used for specific purposes pursuant to constraints imposed by formal action of the City Council. A resolution or ordinance are equally binding actions for the City Council for this commitment.

Assigned - Is constrained by the government's intent to be used for a specific purposes, but are neither restricted or committed. The City Manager is authorized to assign amounts to a specific purpose in accordance with policy.

Unassigned - Is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications.

CITY OF ELOY
FISCAL YEAR 2020 - 2021
ENDING MARCH 31, 2021

Public Works Capital Projects List

	Budget	YTD Actual	Project Status
Sunland Gin and Arica Improve	\$ 100,000	\$ 11,478	In Conceptual Design Phase
Pavement Preservation Project	\$ 300,000	\$ 46,091	Will be done throughout Fiscal Year
Toltec Units 8&9 Improvements	\$ 360,000	\$ -	Completed in Spring of 2021
Battaglia Road (HURF Exch)	\$ 792,615	\$ 4,051	Construction in Spring of 2021
Mobile Traffic Message Board	\$ 50,000	\$ 39,621	One message board has been received
Frontier Street Landscape Impr	\$ 33,000	\$ 13,947	SOQ out for design services
Toltec Buttes Rd Bridge Rehab	\$ 30,000	\$ -	City working with CG on project
Toltec Road Double Chip Seal	\$ 800,000	\$ 790,572	Completed
Contingency Reserve-Future Yrs	\$ 210,000	\$ -	No Project has been Identified
Water Tower Improvements	\$ 300,000	\$ 274,393	Completed but not completely billed
Main Street Landscape Enhance	\$ 30,000	\$ 12,930	Deferring project to future year
Street Light Improvements	\$ 100,000	\$ 97,533	Completed
Reservoir Rehab	\$ 315,000	\$ 114,998	Complete at the end of 2020
Airport Master Plan	\$ 50,000	\$ -	No start date yet
Airport Improvements	\$ 615,000	\$ -	Rummel will begin in September
Relocation of Taxiway A	\$ 5,000,000	\$ 3,991,915	Under Construction
Construct Tie Downs & Hangers	\$ 200,000	\$ 118,922	Working on Pricing with contractors
Security Fencing Chainlink	\$ 215,000	\$ -	
	\$ 8,985,615	\$ 5,519,822	

Public Safety Capital Projects List

	Budget	YTD Actual	
Police Facility Renovation	\$ 7,040,000	\$ 3,078,865	Working on Phase 2
Patrol Cars for Police	\$ 35,000	\$ 24,832	Completed
Police Radio Improvements	\$ 80,000	\$ 34,299	Testing radio improvements before finalized
Animal Control Shelter Improve	\$ 40,000	\$ -	Deferred and move costs to FARO
Faro Total Station-Drone	\$ 40,000	\$ 78,904	Completed
TruNarc Narcotics Analyzer	\$ 35,000	\$ -	Funds to move to radio consoles improvements
Forensic Extraction Software	\$ 25,000	\$ -	Waiting to see if funded by a grant
Pragmatica-Software/hardware	\$ 30,000	\$ -	Awarded thru ACJC Grant
	\$ 285,000	\$ 3,103,697	

Community Development Capital Projects List

	Budget	YTD Actual	Project Status
Main Street Landscape Enhance	\$ 30,000	\$ 12,930	SOQ is out for response
Shedd Road Landscape Enhance	\$ 200,000	\$ -	SOQ for out for design
Main Street Facade Improvement	\$ 250,000	\$ 116,201	Façade is Complete
Downtown Master Plan	\$ 35,000	\$ -	Complete by end of March 2021
Dustbowl Implementation Proj	\$ 100,000	\$ 12,400	Complete by end of April 2021
Municipal Airport Bus. Plan	\$ 23,000	\$ 22,000	Completed
Eloy Wayfinding/Directional	\$ 50,000	\$ -	Complete by end of June 2021
	\$ 688,000	\$ 163,531	

Community Services Capital Projects List

	Budget	YTD Actual	
Playground Replacement	\$ 40,000	\$ -	Will be completed by March 2021
Ballfield Light Replacement	\$ 275,000	\$ -	Will be completed by June 2021
Visitor Center/Chamber Remodel	\$ 65,000	\$ -	Will be completed by May 2021
C.S Lawn Mower Replacement	\$ 15,000	\$ 13,768	Will be completed by March 2021
Sand Volleyball Court	\$ 95,000	\$ -	Will be completed by June 2021
	\$ 490,000	\$ 13,768	

Administration Capital Projects List

	Budget	YTD Actual	
Server & Hardware Replacement	\$ 95,000	\$ -	Will be Complete by April 2021
Technology Replacement	\$ 35,000	\$ 24,362	Ongoing
Census Count	\$ 30,000	\$ 1,369	Complete
	\$ 160,000	\$ 25,731	

TOTAL CAPITAL PROJECTS \$ 10,608,615 \$ 8,826,549

Report Criteria:

Report type: Summary
Check.Voided = {<>} Yes

Payee	Secondary Name	Check Number	Amount
GALAVIZ & RODRIGUEZ FAMILY LLC	WESTERN AUTO	559687	2.74
Muth, Lloyd & Jody		559603	4.32
BARBOZA, RICARDO		559658	4.65
A.C. SANITATION SERVICE, LLC		559647	10.00
APS		559650	15.25
Molea, Richard A & Marcia L		559704	17.24
Porter, Craig	Renfro, Charlene	559714	17.31
INTERNATIONAL CODE COUNCIL INC	ATTN: ACCTS RECEIVABLE	559696	20.87
NAGY, JOSEPH		559604	21.70
Stchur, Sallie		559728	22.35
Beaver, Johnnie J		559551	23.37
ARIZONA WATER COMPANY		559526	27.96
Rojas, Maria		559619	31.55
SAFETY-KLEEN SYSTEMS INC.		559721	35.00
SPARKLETTS, INC.		559726	37.49
DANNY'S TIRE SERVICE		559570	40.00
FURTHER- HELLO		559583	41.00
UNITED RENTALS		559736	41.18
Eloy Division For Self Community Improve		559577	41.34
Cornwell, Harvie		559569	42.13
SOUTHWEST GAS CORPORATION		559723	42.13
Az Sec. of State /Bus. Serv. Notary Dept	BUSINESS SERVICES, NOTARY DEPT.	559529	43.00
Az Sec. of State /Bus. Serv. Notary Dept	BUSINESS SERVICES, NOTARY DEPT.	559546	43.00
Az Sec. of State /Bus. Serv. Notary Dept	BUSINESS SERVICES, NOTARY DEPT.	559655	43.00
ADT SECURITY SERVICES		559534	44.51
CENGAGE LEARNING INC /GALE		559688	45.56
BALDENEGRO, ANTHONY		559550	48.00

Payee	Secondary Name	Check Number	Amount
MONTIJO, JESUS		559602	48.00
BALDENEGRO, ANTHONY		559657	48.00
MELLENDEZ, JUAN		559701	48.00
CRANE, DAVID		559670	52.00
CANYON STATE WIRELESS, INC.		559557	52.50
GASTON TRINA		559689	56.35
Az Sec. of State /Bus. Serv. Notary Dept	BUSINESS SERVICES, NOTARY DEPT.	559527	68.00
Az Sec. of State /Bus. Serv. Notary Dept	BUSINESS SERVICES, NOTARY DEPT.	559528	68.00
LANGUAGE LINE SERVICES, INC.		559598	69.03
NORBERG, DARYL		559706	69.76
JOHN DEERE FINANCIAL		559697	73.27
Florez, Sienna R		559582	74.97
APS		559525	77.33
AZTEC EMBROIDERY, SCREENPRINTING	& PROMOTIONAL PRODUCTS	559548	83.69
Whittaker, Jerry		559645	87.33
WATCH SYSTEMS, LLC	OFFENDER WATCH	559642	89.10
AZTEC EMBROIDERY, SCREENPRINTING	& PROMOTIONAL PRODUCTS	559656	90.22
U.S. BANK		559634	91.23
Wrybykowski, Gerald & Marianne		559745	92.71
Scott, William & Claudia		559623	93.49
JOHNSON CONTROLS SECURITY SOLUTIONS LLC		559698	94.84
CASA GRANDE RENT A CAN		559559	98.10
Hernandez, Alejo Gauna	Hernandez Detailing	559591	100.00
Tom, Marty & Marilyn		559733	100.57
SOUTHWEST MOBILE STORAGE INC.		559627	100.80
SOUTHWEST MOBILE STORAGE INC.		559724	100.80
MOBILE MINI, INC.		559703	104.49
FRAZIER SHOWS OF AMERICA		559685	110.27
CenturyLink		559530	111.23
DIRECTV		559674	116.24
Hernandez, Alejo Gauna	Hernandez Detailing	559694	120.00

Payee	Secondary Name	Check Number	Amount
McDonald, Natori		559700	124.83
DIRECTV		559572	125.86
Breckenridge Property Fund 2016 LLC		559552	130.00
SHRED-IT USA		559722	135.85
WIST SUPPLY & EQUIPMENT CO. INC	WIST OFFICE PRODUCTS COMPANY	559646	138.45
C-A-L STORES COMPANIES INC. DBA	C-A-L RANCH STORES	559556	144.10
STENSON, MERVEN		559630	149.00
PINAL COUNTY TREASURER		559612	152.96
Suarez, Juan	Johnny's Auto Repair & Towing	559631	168.00
COAST TO COAST COMPUTER PRODUCTS INC.		559667	174.06
OFFICE DEPOT, INC.		559708	178.84
CENTRAL ARIZONA SUPPLY, INC.		559564	180.71
RWC INTERNATIONAL LTD INC.		559720	187.65
CASA GRANDE PUMPING SERVICE, INC.		559558	190.00
PETTY CASH		559712	191.01
ARROWHEAD SCIENTIFIC, INC.	ARROWHEAD FORENSICS	559544	195.35
C-A-L STORES COMPANIES INC. DBA	C-A-L RANCH STORES	559661	197.60
ADT SECURITY SERVICES		559649	205.25
HASA INC.		559692	212.69
TEE PEE SAND & GRAVEL, LLC		559730	233.31
ADT SECURITY SERVICES		559648	242.63
ARMANDO NARVAIS DBA	MANDOS CUSTOM PAINT & UPHOLSTERY	559542	250.00
BRIAN IANNANTUONO DBA	PRINT&SIGN EXPRESS/PRINT&PACK EXPRESS	559553	256.63
Suarez, Juan	Johnny's Auto Repair & Towing	559729	266.51
ARIZONA CITY SANITARY DISTRICT		559651	275.00
HASA INC.		559590	276.49
VIDAL ELLA		559739	280.00
QUILL CORPORATION		559716	287.14
QUILL CORPORATION		559615	288.08
ORNELAS, MARIA		559607	300.00
FOR ENERGY LLC	FOR ENERGY	559684	300.00

Payee	Secondary Name	Check Number	Amount
CENTRAL ARIZONA IRRIGATION AND	DRAINAGE DISTRICT	559563	320.00
ACE HARDWARE INC.		559533	320.19
HILLYARD/ARIZONA		559592	322.52
MERLE'S AUTOMOTIVE SUPPLY		559702	328.51
LAWSON PRODUCTS, INC.		559599	334.73
TestAmerica Laboratories, Inc.		559731	357.00
SHRED-IT USA		559625	359.56
DT ELECTRIC LLC		559676	360.00
THOMPSON SAFE, LOCK & KEY, INC		559732	361.44
WONDER, CORTNEY		559744	364.00
VULCAN MATERIALS COMPANY, INC.	WESTERN DIVISION	559741	372.92
EDDIE'S TOWING INC.		559573	375.00
BLACK DIAMOND BLADE	CUTTING EDGE	559659	381.36
BROWN'S AUTO BODY		559555	401.23
UNIFIRST CORPORATION		559734	402.08
FUN EXPRESS LLC		559686	405.45
ARIZONA WATERWORKS SUPPLY INC		559540	410.33
OMEGA INDUSTRIAL SUPPLY INC		559709	436.76
STAPLES CREDIT PLAN	DEPT. 11-0004101168	559727	446.68
ROBERT E. MENDOZA DBA	ROBERT SMALL ENGINE	559718	453.53
O'REILLY AUTOMOTIVE STORE, INC.		559606	459.23
JOHN DEERE FINANCIAL		559595	471.18
FAIRBANKS SCALES, INC.		559580	472.89
SPARKLETTS, INC.		559628	498.00
STAPLES INC	STAPLES CONTRACT & COMMERCIAL	559629	504.44
OFFICE DEPOT, INC.		559605	524.35
Empire Southwest, LLC		559578	529.35
Deborah Miller	Debs Dragons	559672	550.00
Kronos Inc		559597	558.88
HANGARTNER CHARLES P DBA CHAS INVEST	CHAS INVESTIGATIONS, LLC	559690	560.00
UNIFIRST FIRST AID CORP	UNIFIRST FIRST AID AND SAFETY	559735	563.49

Payee	Secondary Name	Check Number	Amount
CASA GRANDE RENT A CAN		559663	566.80
AZTEC TIRES, INC.		559549	572.00
HOME DEPOT CREDIT SERVICES		559593	578.96
COMMUNITY ACTION HUMAN RESOURCES	AGENCY	559668	626.46
PURCELL TIRE COMPANY		559614	633.91
FLUORESCO SERVICES LLC		559682	669.73
VERIZON WIRELESS		559639	708.17
DISCOUNTCELL, INC		559675	716.84
PACIFIC CORRUGATED PIPE CO INC		559608	732.44
AZ MUN. RISK RETENTION POOL	P & C	559654	768.71
LENDERMAN ENTERPRISES LLC	NORRIS MANAGEMENT	559600	800.00
Arizona's Best, Inc	Arizona's Best Choice Pest&Termite Servi	559541	820.00
FERTIZONA-CASA GRANDE LLC		559680	878.32
VERIZON WIRELESS		559738	955.14
USA BLUEBOOK		559637	956.30
TestAmerica Laboratories, Inc.		559633	957.90
UNIFIRST CORPORATION		559635	963.23
SYSTEM GRAPHICS, INC.	ADVANCED INFO SYSTEMS	559632	966.83
Haringa Compressor Inc		559589	970.30
AUTO SAFETY HOUSE LLC		559653	978.14
VULCAN MATERIALS COMPANY, INC.	WESTERN DIVISION	559641	989.13
HOME DEPOT CREDIT SERVICES		559695	993.19
ENVIRONMENTAL CONSULTING SERVICES INC		559679	1,015.00
SAN DIEGO POLICE EQUIPMENT CO.,INC.		559622	1,020.62
AZ. DEPT. OF ECONOMIC SECURITY	UNEMPLOYMENT TAX	559547	1,023.23
WAXIE'S ENTERPRISES, INC.		559643	1,072.55
AZ MUN. RISK RETENTION POOL	P & C	559545	1,103.00
VIDAL ELLA		559640	1,140.00
GLENN JONES FORD LINCOLN MERCU, LLLP	JONES AUTO CENTERS LLC	559586	1,142.40
ARNOLD MACHINERY COMPANY INC.		559543	1,192.22
FX TACTICAL LLC		559584	1,235.18

Payee	Secondary Name	Check Number	Amount
PFM ASSET MANAGEMENT LLC		559532	1,250.00
WALMART COMMUNITY/GEGRB		559742	1,255.53
HANK P. LOHR DBA	HANKS LANDSCAPING	559691	1,300.00
IWORQ SYSTEMS, INC.		559594	1,320.00
CANYON STATE WIRELESS, INC.		559662	1,335.22
FERGUSON ENTERPRISES INC.		559581	1,401.81
ARIZONA EMERGENCY PRODUCTS, INC.		559537	1,445.32
AMERICAN FIRE EQUIPMENT SALES AND	SERVICE CORPORATION	559535	1,492.23
Centerline Supply, Inc.		559665	1,619.22
REDBURN TIRE COMPANY		559616	1,632.05
WESTERN WHITE PINE HOLDINGS, LLC		559644	1,737.55
REYMAN, RANDY DBA REYMAN PYROTECHNIQUE	DBA REYMAN PYROTECHNIQUES	559717	2,000.00
PURCELL TIRE COMPANY		559715	2,043.89
CASA GRANDE VALLEY NEWSPAPERS, INC.		559560	2,060.40
MILLER HARDWARE COMPANY		559601	2,387.52
CASELLE INC.	ATTN: TAKE THE PLEDGE CONFERENCE	559561	2,507.00
CASELLE INC.	ATTN: TAKE THE PLEDGE CONFERENCE	559664	3,000.00
Empire Southwest, LLC		559678	3,028.31
CENTURYLINK		559565	3,474.81
FIBAIRE COMMUNICATIONS, LLC DBA AIREBEAM	AIREBEAM	559531	3,500.00
FIBAIRE COMMUNICATIONS, LLC DBA AIREBEAM	AIREBEAM	559681	3,500.00
SKAGGS COMPANIES, INC.	DBA Skaggs Public Safety Uniforms & Equi	559626	3,973.51
HEINFELD, MEECH & CO., P.C.		559693	4,000.00
Northwestern Univ Cen for Public Safety		559707	4,000.00
Focused Technology LLC		559683	4,126.38
ORTEGA, CARLOS	TRULY PAINTING & MORE LLC	559710	4,300.00
ARIZONA LAW ENFORCEMENT RADAR TECHNOLO		559652	4,303.12
Jorden & Alonqi, PLLC	DBA Jorden Hiser & Joy, P.L.C.	559596	4,368.00
Centerline Supply, Inc.		559562	4,532.44
Pinal County Animal Care & Control		559610	4,540.00
ELECTRICAL DISTRICT NO. 4		559575	4,663.80

Payee	Secondary Name	Check Number	Amount
UNITED RENTALS		559636	4,836.72
COMPONENT SERVICES, INC.		559669	4,975.00
RURAL WATER ASSOC. OF AZ		559719	5,050.00
VALLEY AUTO PARTS		559638	5,097.10
BRUCE BRANDON ALTON DBA BBAR ENTERPRISE	BBAR ENTERPRISES LLC	559660	5,250.00
RURAL WATER ASSOC. OF AZ		559621	5,450.00
SOUTHWEST RISK SERVICES		559725	5,668.00
GARRY L. JOHNSON & ASSOCIATES, INC.		559585	6,125.00
KIA'S AIR COND. & HEATING		559699	6,200.00
ELOY CHAMBER OF COMMERCE		559576	6,500.00
WELLS FARGO BANK	WELLS FARGO REMITTANCE CENTER	559743	7,613.84
PINAL-GILA COUNCIL FOR SENIOR CITIZENS		559713	7,795.20
SHI INTERNATIONAL CORP		559624	8,049.26
CITY OF ELOY UTILITY BILLING		559566	10,958.29
BROWN & ASSOCIATES CERTIFIED	INSPECTION SERVICES, INC.	559554	11,131.02
PINAL COUNTY SHERIFF'S OFFICE		559611	11,194.73
Educational Services Inc. C/O Acct Dept		559574	11,389.60
Educational Services Inc. C/O Acct Dept		559677	11,389.61
Multi Service Technology Solutions Inc	Apruve Payments	559705	11,758.34
CYBARWORKS, INC.		559671	12,000.00
COOPER & RUETER, L.L.P.		559567	12,083.33
US BANK VOYAGER FLEET SYSTEMS	US BANK NATIONAL ASSOCIATION	559737	18,191.60
H.M CONSTRUCTION LLC		559587	20,000.00
H.M CONSTRUCTION LLC		559588	20,000.00
ENTERPRISE FM TRUST	Enterprise FM Customer Billing	559579	24,418.79
RICK,COLLAR & WAGONER ENGINEERING INC.	RICK ENGINEERING COMPANY - ARIZONA	559617	26,349.00
PINAL-GILA COUNCIL FOR SENIOR CITIZENS		559613	27,115.20
APS		559536	34,729.67
ARIZONA STATE TREASURER		559538	39,402.56
RUMMEL CONSTRUCTION, INC.		559620	41,389.79
PCL CONSTRUCTION, INC.		559711	44,232.94

Payee	Secondary Name	Check Number	Amount
DELL MARKETING L.P.	C/O DELL USA L.P.	559673	51,508.50
CENTRAL ARIZONA PROJECT	FINANCIAL SERVICES	559666	92,267.50
PCL CONSTRUCTION, INC.		559609	123,385.98
Dibble & Associates Consulting Engineers	Inc. Dba Dibble Engineering	559571	128,477.08
RIGHT AWAY DISPOSAL, INC.		559618	207,788.84
Visus Engineering Construction Inc		559740	527,289.30
CORE CONSTRUCTION INC.		559568	602,868.98
Grand Totals:			2,336,815.65

Report Criteria:
Report type: Summary
Check.Voided = {<>} Yes

**MINUTES OF THE REGULAR MEETING OF
THE ELOY CITY COUNCIL
CITY OF ELOY
595 NORTH C STREET
APRIL 26, 2021
6:00 P.M.**

Staff Present: Harvey Krauss-City Manager; Stephen R. Cooper-City Attorney; Mary Myers-City Clerk; Jon Vlaming-Community Development Director; Brian Wright-Finance Director; Roger Valdez-City Magistrate; Keith Brown-Public Works Director/City Engineer; Christopher Vasquez-Police Chief

I. CALL TO ORDER

Mayor Micah Powell called the meeting to order at approximately 6:00 p.m.

II. ROLL CALL

Council Members Present: Councilmember George Reuter; Councilmember Sara Curtis; Vice Mayor Andrew Rodriguez; Mayor Micah Powell; Councilmember Dan Snyder; Councilmember Jose Garcia; Councilmember Sylvia Guanajuato Rodriguez

Council Members Absent: None

III. INVOCATION

Pastor Ken Blondeaux gave the invocation.

IV. PLEDGE OF ALLEGIANCE

Mayor Powell led the Council and the public in the Pledge of Allegiance.

V. PUBLIC APPEARANCES

A. Scheduled

B. Unscheduled

Marlo Schuh – Mayor Powell asked Ms. Schuh if she preferred to speak now or wait until Council gets to the item on the agenda for discussion.

Ms. Schuh said she would wait until the item comes before Council for discussion.

VI. REPORTS AND ANNOUNCEMENTS

A. Council Members' Announcements

1. Councilmember Guanajuato Rodriguez conveyed that she saw an employee going above and beyond their job duties last Friday. She took a photo of the employee and with the employee's permission, posted the picture on social media. Councilmember Guanajuato Rodriguez said she received over 270 positive comments from the public. She believes it is important for the city to appreciate all of its employees to boost morale. She suggested the city try to recognize an employee monthly or in the quarterly newsletter.

B. Mayor's Announcements

1. Mayor Powell conveyed that the 2020 census numbers were announced today. He said Eloy has a population of 18,666 with a median household income of \$39,835. Pinal County's population is 432,793 with a median household income of \$58,174. Mayor Powell stated that Eloy's poverty rate is at 29.1% and Pinal County is at 13.2%.

Councilmember Snyder asked Mayor Powell what was the population prior to the 2020 census.

Mayor Powell said Eloy's population prior to the 2020 census was around 19,000.

2. Mayor Powell provided the Council and public with the latest COVID-19 data:

Number of cases reported in Pinal County	50,961
Number of deaths reported in Pinal County	865
Number of cases reported in Eloy	3,790
Number of deaths reported in Eloy	43

3. **Proclamation – April 11-17, 2021 National Public Safety Telecommunicators Week**

The city clerk read the proclamation into the record.

Chief Vasquez praised his dispatchers for what they do for the department every day. He said they are sometimes referred to as the "forgotten first responders."

Chief Vasquez said dispatchers are the voices that officers hear, but don't see. They keep officers calm and are the lifelines between the officers and citizens.

Mayor Powell also expressed his gratitude to the department's dispatchers.

Mayor Powell and Vice Mayor Rodriguez presented the proclamation to Chief Vasquez, Lieutenant Byron Gwaltney and two dispatchers who attended tonight's meeting.

C. City Manager's Announcements

1. Check Register for March 2021 - included in the packet for review or questions.
2. Budget work sessions are scheduled for May 17th and 18th starting at 6:00 p.m.
3. The adopt a street cleanup on April 17th was a big success. Over 200 people volunteered for the event. Mr. Krauss said over 170 tons of trash was picked up.

VII. CONSENT AGENDA

- A. Approval of Minutes: 4/12/2021 (regular)
- B. Adoption of Resolution No. 21-1497 appointing Mayor Micah Powell as Chairman of the Board of Commissioners of the Eloy Housing Authority Board, reappointing Steve Falek and appointing Vice Mayor Andrew Rodriguez, and Paul Rodriguez to the Eloy Housing Authority effective January 1, 2021 through December 31, 2025.
- C. Acceptance of a proposal from Motorola Solutions to purchase 18 APX8000 all band portable radios, under Arizona State Contract # CTR046830 at a cost not to exceed \$135,000.00.
- D. Authorize the sale of service weapon Sig Sauer P229, Serial # AM32860, to Officer Darrell Roach upon his retirement from the Eloy Police Department.
- E. Request to approve the purchase and installation of two sand volleyball courts in the amount of \$93,496 by Danson Construction at Shumway Park.
- F. Approval of an Intergovernmental Agreement between the Town of Florence and the City of Eloy for the purpose of providing an Eloy City Magistrate to perform part time Town Magistrate Court services for the Town of Florence.

Motion by Councilmember Garcia, seconded by Councilmember Reuter to approve the Consent Agenda items as presented, passed unanimously by roll call vote.

VIII. BUSINESS

- A. **FORMATION OF A COUNCIL SUBCOMMITTEE FOR THE REVIEW OF APPLICATIONS TO FILL TWO VACANCIES ON THE ELOY CEMETERY COMMITTEE.**

Staff Cover Sheet Report: *Council consider formation of a subcommittee for the review of applicants to fill two vacancies on the Eloy Cemetery Committee.*

The Eloy Cemetery Committee is a seven member committee of which three City Council Members are appointed to serve on the committee as voting members. The committee reviews and set policies, rules and regulations necessary for the proper operation, maintenance and upkeep of the Eloy Memorial Park. Committee members are appointed by the Mayor and Council and serve three year terms. There is currently two vacancies on the Committee. The city received three applications for the two vacancies - Jerrel Tidwell, Ana Maria Valadez, and Mary Lou Martinez. Copies of their applications have been provided to Council.

In lieu of making appointments at this time, the Council may wish to form a subcommittee to review the applications and make recommendations to Council for appointments.

FISCAL IMPACT: *There is no fiscal impact*

Mrs. Myers conveyed that the city received three applications for two vacancies on the Eloy Cemetery Committee. The seven member committee is made of up three Councilmembers and four city residents. She said advertisement for the vacancies were posted at the four city posting locations, city website, and all city social media. Mrs. Myers said because there are more applications than vacancies, it is Council's desire to create a subcommittee who will interview the applicants and make a recommendation to the Council for appointments.

Councilmember Guanajuato Rodriguez and Councilmember Garcia both volunteered to serve on the subcommittee. The Council recommended that Judge Roger Valdez also serve on the subcommittee.

There being no further discussion, Mayor Powell called for a motion.

Motion by Vice Mayor Rodriguez, seconded by Councilmember Snyder to appoint Councilmember Guanajuato Rodriguez, Councilmember Garcia, and Judge Roger Valdez to serve on the Council subcommittee for the review of applications to fill two vacancies on the Eloy Cemetery Committee, passed unanimously by roll call vote.

B. ADOPTION OF RESOLUTION NO. 21-1502 DECLARING AS A PUBLIC RECORD "ORDINANCE NO. 21-908 -AMENDMENTS TO CHAPTER 2 OF THE ELOY CITY CODE PERTAINING TO COMMISSIONS AND BOARDS".

Staff Cover Sheet Report: *Council adopt Resolution No. 21-1502 declaring as a public record "Ordinance No. 21-908-Amendments to Chapter 2 of the Eloy City Code Pertaining to Commissions and Boards".*

At a work session on January 4, 2021, the Mayor and Council discussed the appointment of ex-officio members to serve on boards and commissions for 2021, as well as the purpose, membership and terms of boards and commissions that provide input into the affairs of the City. Based upon discussion at the work session, staff was directed to provide Council with a proposal to restructure the purpose and composition of the Downtown Advisory Commission, Historic Preservation Committee, and Leisure Services Advisory Board. In addition, a dissolution of the Library Board and Utilities Advisory Board were recommended.

Based upon feedback at the Council work session and a review of the relevance of each commission or board, staff has prepared Ordinance No. 21-908 with various amendments to the purpose, membership and terms of boards and commissions for Council consideration. By declaring the City Code amendments as a public record, the City can avoid the costly publication of Ordinance No. 21-908.

FISCAL IMPACT: *The adoption of Resolution 21-1502 declaring the City Code amendments as a public record will enable the City to avoid the cost of publishing the entire ordinance.*

Mr. Krauss conveyed that approval of the resolution would allow the city to publish the resolution as a public record in the newspaper in lieu of publishing the entire ordinance which would be costly. He noted that item VIII-C is related to this item.

Mr. Krauss gave a brief background on why the proposed ordinance is being presented to the Council tonight. He reviewed details of the proposed ordinance which would impose term limits for board members, combine several existing boards, and dissolve boards that are not active. Mr. Krauss said the ordinance would become effective 30 days after approval and that term limits would begin with existing board and commission members who have served for three consecutive three-year terms (9 years).

After giving his overview of the proposed ordinance, the Council posed questions to Mr. Krauss about:

- Increasing a proposed combined board from 5 members to 7 members and including an ex-officio
- Keeping the residency requirements for some boards
- Possibly issuing city email addresses to board/commissions members
- Implementing a transition period for board members with three consecutive terms
- Removal of alternates from the Planning and Zoning Commission

It was at this time that Mayor Powell gave Marlo Schuh the opportunity to comment on the topic.

Marlo Schuh – 6010 W. Houser Road, Casa Grande

Ms. Schuh who is a current member of the Planning and Zoning Commission and Board of Adjustment, said she supports the city bringing in new people to serve on the board. However, she is concerned that experience does not seem as important. Ms. Schuh conveyed the city should have new people on the boards, but not at the expense of experienced people. Ms. Schuh said there is usually no interest from the public to attend the meetings unless the participant has an item on the agenda. She also pointed out that the city does not provide any training for boards and commissions. Ms. Schuh said the thought of bringing new people in and getting rid of long time members immediately would not serve the city well. She said the boards should also have more diversity. More representation from Eloy Proper and Toltec is needed to be part of the thought process.

Vice Mayor Rodriguez wanted to know would Ms. Schuh no longer serve on the board if Council approves the ordinance.

Mr. Krauss said if approved tonight, the ordinance would not take effect until 30 days after passage. Within the next 30 days, Council could reappoint Ms. Schuh to a three year term as a transition, if this is the desire of the Council.

Vice Mayor Rodriguez asked how many people who currently serve on city boards would this affect?

Mr. Krauss conveyed that approximately seven people would be affected by the ordinance.

Councilmember Snyder wanted to know how many of those members have terms that have expired or will expire in the next six months.

Mr. Krauss said there is not that many.

Councilmember Reuter conveyed that it should not be an automatic reappointment for the transition phase. He does not want to wait three more years to get new people. Councilmember Reuter said it should be possible for someone who serves on a board to serve another three years if he/she is the best candidate. He stressed the importance of finding new members and if sitting members want to continue to serve, they would be need to reapply and have that transition phase available. Councilmember Reuter said if the city do not allow long term members to serve on a board or commission and there is no one to replace them, there is the possibility the city will not have anyone or not enough people to serve. He said an extra three year transition should be available, but not automatic.

Mayor Powell believes the city will have qualified citizens apply to serve. He said there is a lot of activity going on in the city and there is a lot of talented, qualified people in the community.

Ms. Schuh conveyed that her term expired in January and have been waiting to find out if she is going to be reappointed. Ms. Schuh said the ordinance should not be retroactive, but instead effective the beginning of 2022.

Mr. Krauss explained that the way the city code reads is that a member's term may have expired, but the member continue to serve as a voting member unless reappointed or replaced by the Council.

Councilmember Reuter asked Mr. Krauss could the Council impose an effective date of September 1, 2021 (or some other date) in the ordinance. He said this would give the city a few months to find people to apply to the boards.

Mr. Krauss thought it was a good idea to set an effective date to give Council more time to find people.

Councilmember Snyder agreed to the suggestion of making the ordinance effective September 1, 2021. In the meantime, Ms. Schuh would continue as a member on the Planning and Zoning Commission since she has not been replaced. He said her application would be reviewed along with other applications for Council appointment by September 1st. Councilmember Snyder said whomever is appointed would start at zero and serve up to three consecutive three year terms.

Mr. Krauss requested tabling the ordinance to give staff time to work through the issues with the city attorney. He said there is no urgency to approve the ordinance and that Ms. Schuh would continue to serve on the board.

Mr. Cooper also recommended tabling the item due to changes suggested by the Council.

Mayor Powell called for a motion to table items B and C for up to 30 days.

Motion by Councilmember Garcia, seconded by Councilmember Guanajuato Rodriguez to table agenda items VIII-B and VIII-C for approximately 30 days, passed unanimously by roll call vote.

Councilmember Snyder suggested to Mr. Krauss that letters of appreciation be sent to members who are serving on boards that are going to be dissolved.

C. ORDINANCE NO. 21-908 AMENDING CHAPTER 2, ARTICLE IV AND CHAPTER 20 OF THE ELOY CITY CODE REGARDING THE PURPOSE, MEMBERSHIP AND TERMS OF COMMISSIONS AND BOARDS SERVING THE CITY.

Staff Cover Sheet Report: *Council consider, for possible adoption, Ordinance No. 21-908 amending Chapter 2, Article IV of the Eloy City Code regarding the purpose, membership, and terms of Commissions and Boards, and incorporating the provisions of Chapter 20 (Historic Preservation) under the purview of the Revitalization Commission.*

At a work session on January 4, 2021, the Mayor and Council discussed the appointment of ex-officio members to serve on boards and commissions for 2021, as well as the purpose, membership and terms of boards and commissions that provide input into the affairs of the City. Based upon discussion at the work session, staff was directed to provide Council with a proposal to restructure the purpose and composition of the Downtown Advisory Commission, Historic Preservation Committee, and Leisure Services Advisory Board. In addition, a dissolution of the Library Board and Utilities Advisory Board were recommended.

Based upon feedback at the Council work session and a review of the relevance of each commission or board, staff has prepared Ordinance No. 21-908 with various amendments to the purpose, membership and terms of boards and commissions for Council consideration. A summary of the major changes are listed below:

- 1. As a way to increase citizen participation in the affairs of the City and expand opportunities for citizens to serve on city boards and commissions, members of boards and commissions shall serve no more than three consecutive, 3-year terms from the date of the member's initial appointment.*
- 2. The Leisure Services Advisory Board and Library Board are combined into one board - the Parks, Recreation and Library Advisory Board. The Board would consist of 5 voting members and one ex-officio member and one voting member being a high school student. This board would be responsible for policies regarding library services, aging population services, parks development, recreational programming, arts, culture, and youth activities.*
- 3. The Utilities Advisory Board would be dissolved.*
- 4. The Historic Preservation Committee would be dissolved and their duties and responsibilities would be incorporated into a restructured Downtown Advisory Commission renamed the Revitalization Commission. Rather than focusing on downtown, the Revitalization Commission would provide recommendations on both potentially historic structures and the revitalization and redevelopment of buildings and structures within the City.*

FISCAL IMPACT: *N/A*

See agenda item VIII-B for motion to table this item.

IX. EXECUTIVE SESSION

No executive session requested by the Council or city staff.

X. ADJOURNMENT

There being no further business, Mayor Powell adjourned the meeting at approximately 7:12p.m.

Micah Powell, Mayor

ATTEST:

Mary Myers, City Clerk

CITY OF ELOY

REQUEST FOR COUNCIL ACTION

Agenda Item: **VII.B.**

Date: **5/10/2021**

Date submitted:
04/22/2021

Action: Formal

Date requested:
5/10/2021

Subject: Adoption of Ordinance No. 21-907 approving the rezoning of approximately 0.19 acres of land (Lot No. 321 of the Midway City Subdivision) from R1-12 (Single Family Residential) to I-1 (Light Industrial) as submitted by Ron Stevens on behalf of Louis A. Tsakiris Family Partnership, and the subject property is located at 4440 W. Bosque North Drive, Eloy, Arizona, Pinal County Assessor's Parcel Number: 403-24-321 in a portion of Section 28, Township 7 South, Range 7 East of the Gila & Salt River Base & Meridian, Pinal County, Arizona (Project Name: Midway City Parcel 40324321)

TO: Mayor and City Council

FROM: Belinda Lopez, Planner

RECOMMENDATION:

Council adopt Ordinance No. 21-907 approving the rezoning of approximately 0.19 acres of land (Lot No. 321 of the Midway City Subdivision) from R1-12 (Single Family Residential) to I-1 (Light Industrial) located at 4440 W. Bosque North Drive, Eloy, Arizona, Pinal County Assessor's Parcel Number: 403-24-321 in a portion of Section 28, Township 7 South, Range 7 East of the Gila & Salt River Base & Meridian, Pinal County, Arizona (Case No.: RZ2020-026).

DISCUSSION:

The proposed rezoning would change the zoning district designation for this single lot in the Midway City Subdivision from R1-12 (Single Family Residential) to I-1 (Light Industrial) in the City of Eloy. The subject property is located at 4440 W. Bosque North Drive, Eloy, Arizona, Pinal County Assessor's Parcel Number: 403-24-321 in a portion of Section 28, Township 7 South, Range 7 East of the Gila & Salt River Base & Meridian, Pinal County, Arizona (Project Name: Midway City Parcel 40321321). If approved, the rezoning of this single lot will allow it to be in conformance with all of the surrounding lots (Light Industrial), as well as allow the owners to move forward with

recording the partial plat abandonment of Midway City Subdivision (which was previously approved by Council on March 8, 2021) as recorded in Book 14 of Maps, Page 26 of the Pinal County Records Assessor' Parcel Numbers 403-24-305 through 403-24-360, inclusive of La Brea Street, Bosque Circle, West Bosque South Drive and West Bosque North Drive.

Notification of the Planning & Zoning public hearing for this rezoning was provided at least fifteen (15) days prior to the public hearing through its publication in the Eloy Enterprise, copy of the notice was sent via regular mail to the property owners within three hundred (300) feet and posting of the Planning and Zoning Commission meeting agenda occurred at the official City posting locations.

If approved, the proposed rezoning will be in conformance with the Eloy General Plan. Approval of this request (RZ2020-026) will not have an adverse effect on the neighborhood, area, or community-at-large.

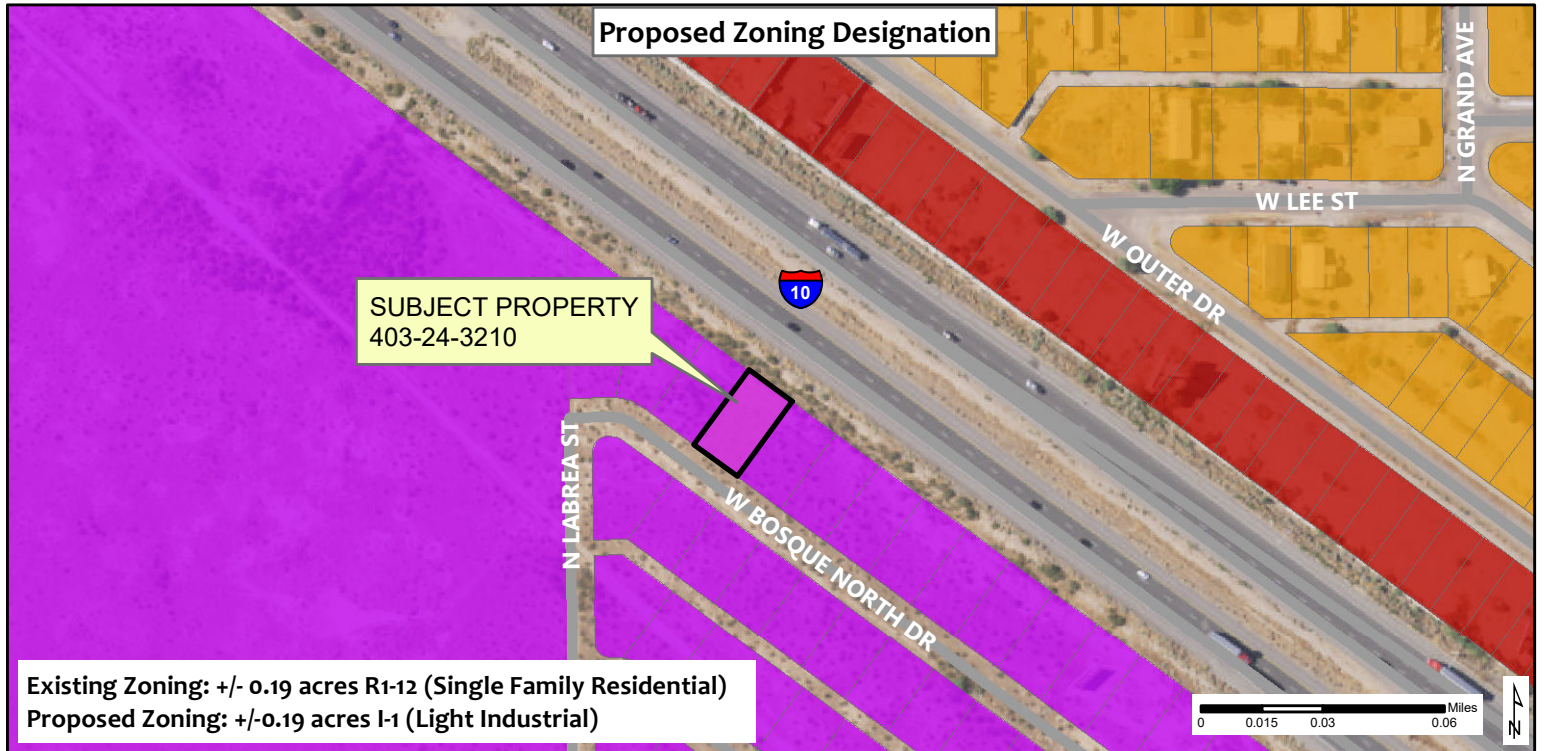
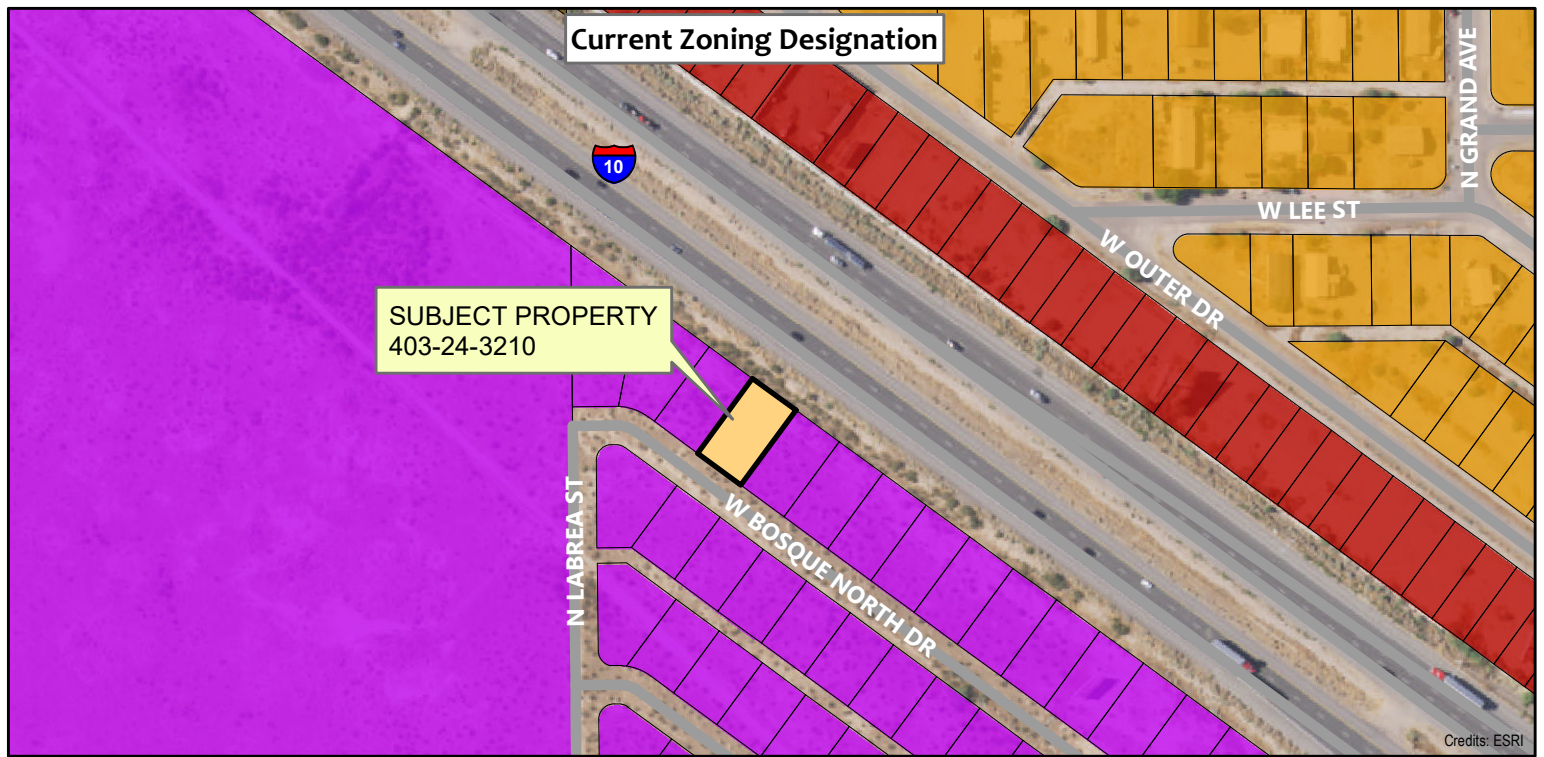
FISCAL IMPACT:

This action will not have a direct fiscal impact on the City.

Approved as to Form:



Stephen R. Cooper, City Attorney



Rezoning Exhibit - Case No: RZ2020-026

Zoning Designations

Single Family

- RR-20 Rural Residential (20 acres/du)
- RR-5 Rural Residential (5 acres/du)
- RR-2.5 Rural Residential (2.5 acres/du)
- R1-54 Estate Residential (1.25 acres/du)
- R1-43 Estate Residential (43,560 sq. ft.)
- R1-12 Single Family Residential (12,000 sq. ft.)
- R1-6 Single Family Residential (6,000 sq. ft.)

Multi-Family

- R-2 Small Lot Residential (6-10 du/acre)
- R-3 Multiple Family Residential (10-24 du/acre)

Commercial

- C-1 Neighborhood Commercial
- C-2 Community Commercial
- MU Mixed Use

Industrial

- BP Business Park
- I-1 Light Industrial
- I-2 General Industrial

Public Facility

- PF Public Facility

Open Space

- OSC Open Space Conservation
- OSR Open Space Recreational



Disclaimer: This map is for reference purposes only and is not suitable for legal, financial, engineering, or surveying purposes or commitments. The City of Eloy assumes no responsibility for errors, omissions, or inaccuracies presented, and shall have neither liability nor responsibility for any direct or indirect loss or damage in connection with, or arising from, the information on this map. Any conclusions derived from this map are the responsibility of the user.

A PARTIAL PLAT OF ABANDONMENT

A PORTION OF MIDWAY CITY RECORDED
BOOK 14 OF MAPS, PAGE 26 PINAL COUNTY RECORDS
A.P.N.'S 403-24-305 THROUGH 403-24-360, INCLUSIVE OF
LA BREA STREET, BOSQUE CIRCLE, BOSQUE DRIVE SOUTH AND BOSQUE DRIVE NORTH
LOCATED IN THE SOUTH HALF SECTION 28, T.7S., R.7E.
GILA AND SALT RIVER BASE AND MERIDIAN, CITY OF ELOY, PINAL COUNTY, ARIZONA

DEDICATION STATEMENT:

STATE OF TEXAS }
COUNTY OF HARRIS } SS

KNOW ALL MEN BY THESE PRESENCE

THAT LOUIS A. TSAKIRIS FAMILY PARTNERSHIP, LTD., A TEXAS LIMITED PARTNERSHIP, AS OWNER, HAS HEREBY ABANDONED
LOTS 305 THROUGH 360, INCLUSIVE AND VACATES THE FOLLOWING ROADWAYS LA BREA STREET, BOSQUE CIRCLE, BOSQUE
DRIVE SOUTH AND BOSQUE DRIVE NORTH, MIDWAY CITY, ACCORDING TO THE PLAT OF RECORD IN THE OFFICE OF THE
COUNTY RECORDER OF PINAL COUNTY, ARIZONA, RECORDED IN BOOK 14 OF MAPS, PAGE 24 AND AMENDMENT IN BOOK 14
OF MAPS, PAGE 26, SECTION 28, TOWNSHIP 7 SOUTH, RANGE 7 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN,
PINAL COUNTY, ARIZONA AS SHOWN PLATTED HEREON, AND HEREBY PUBLISHES THIS PLAT AS THE PARTIAL ABANDONMENT
PLAT OF MIDWAY CITY, AND HEREBY DECLARES A PORTION OF SAID MIDWAY CITY PLAT BE ABANDONED LYING WEST OF THE
CASA GRANDE TO TUCSON HIGHWAY(INTERSTATE 10).

IN WITNESS LOUIS A. TSAKIRIS FAMILY PARTNERSHIP, LTD., A TEXAS LIMITED PARTNERSHIP, AS OWNER, HAS HEREUNTO
CAUSED ITS NAME TO BE SIGNED AND THE SAME TO BE ATTESTED BY THE SIGNATURE OF LOUIS A. TSAKIRIS

BY: _____ DATE: _____
LOUIS A. TSAKIRIS

ACKNOWLEDGEMENT STATEMENT:

STATE OF TEXAS }
COUNTY OF HARRIS } SS

ON THIS, THE _____ DAY _____ OF _____, 2021, BEFORE ME THE UNDERSIGNED
PERSONALLY APPEARED _____ WHO ACKNOWLEDGES THAT HE/SHE EXECUTED THE FOREGOING
INSTRUMENT FOR THE PURPOSES CONTAINED THEREIN.

IN WITNESS WHEREOF, I HERETO SET MY HAND AND OFFICIAL SEAL.

NOTARY PUBLIC

MY COMMISSION EXPIRES _____

APPROVAL BLOCK:

CITY COUNCIL APPROVAL:
APPROVED BY THE CITY COUNCIL OF ELOY, ARIZONA, THIS _____ DAY OF _____, 2021.

BY: _____
MAYOR

ATTEST: _____
CITY CLERK

CITY DEPARTMENT APPROVALS:
THIS PLAT WAS APPROVED BY THE CITY ENGINEER AND THE ZONING ADMINISTRATOR.

BY: _____ DATE: _____
CITY ENGINEER

BY: _____ DATE: _____
ZONING ADMINISTRATOR

ABBREVIATIONS:

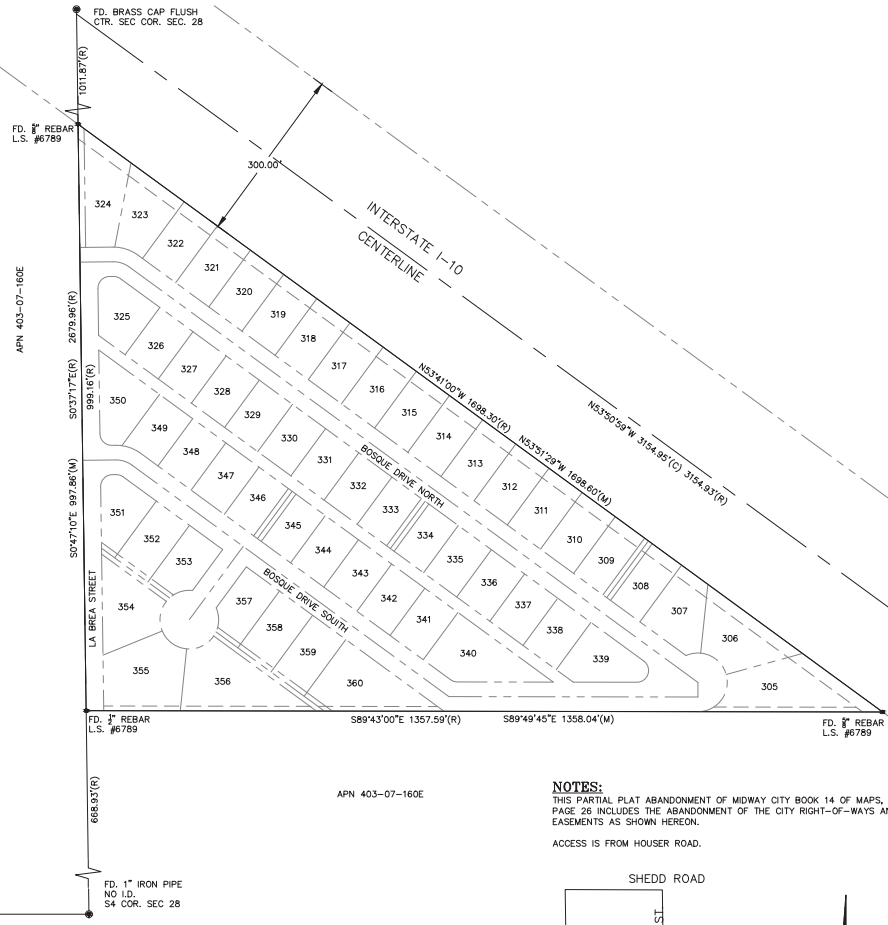
FOUND FD.
CENTER CTR.
SECTION SEC.
CORNER COR.
RECORD PLAT (R)
MEASURED (M)
CALCULATED (C)
EASEMENT ESMT.
PUBLIC UTILITY EASEMENT PUE
NON VEHICULAR EASEMENT NVE
RIGHT-OF-WAY ROW
ASSESSORS PARCEL NUMBER APN
PINAL COUNTY RECORDS PCR
BRASS CAP IN HAND HOLE BCHK
BRASS CAP FLUSH BCF

NOTE: NOT ALL ABBREVIATIONS ARE USED IN THIS DRAWING

LEGEND

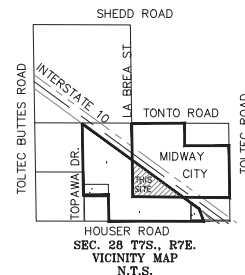
● MONUMENT
● PROPERTY CORNER
— MONUMENT LINE
— PROPERTY LINE
- - - ADJONER'S PROPERTY LINE
- - - EASEMENT LINE

0 100 200 300
SCALE: 1" = 100'



NOTES:

THIS PARTIAL PLAT ABANDONMENT OF MIDWAY CITY BOOK 14 OF MAPS,
PAGE 26 INCLUDES THE ABANDONMENT OF THE CITY RIGHT-OF-WAYS AND
EASEMENTS AS SHOWN HEREON.
ACCESS IS FROM HOUSER ROAD.



LEGAL DESCRIPTION:

ABANDONMENT AREA

LOTS 305 THROUGH 360, INCLUSIVE, MIDWAY CITY, ACCORDING TO THE PLAT OF RECORD IN THE OFFICE OF
THE COUNTY RECORDER OF PINAL COUNTY, ARIZONA, RECORDED IN BOOK 14 OF MAPS, PAGE 24 AND
AMENDMENT IN BOOK 14 OF MAPS, PAGE 26. MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE CENTER OF SECTION 28 T7S., R7E. OF THE GILA AND SALT RIVER BASE AND
MERIDIAN, PINAL COUNTY, ARIZONA, SAID MONUMENT BEING A BRASS CAP FLUSH;

THENCE S03°17'17"E(RECORD), A DISTANCE OF 1011.87 FEET(RECORD) TO THE POINT OF BEGINNING;

THENCE CONTINUING S03°17'17"E(RECORD), A DISTANCE OF 999.16 FEET(RECORD) TO THE SOUTHWEST
CORNER OF SAID MIDWAY CITY PLAT FROM WHENCE THE SOUTH QUARTER OF SAID SECTION 28 BEARS
S00°37'17"E(RECORD), A DISTANCE OF 668.93 FEET(RECORD);

THENCE S89°43'00"E(RECORD), A DISTANCE OF 1357.59 FEET(RECORD) TO A POINT ON THE WEST RIGHT OF
WAY LINE OF CASA GRANDE TO TUCSON HIGHWAY(INTERSTATE 10);

THENCE NORTHWEST ALONG SAID WEST RIGHT OF WAY LINE OF CASA GRANDE TO TUCSON HIGHWAY
(INTERSTATE 10) N53°41'00"W, A DISTANCE OF 1698.30 FEET(RECORD) TO THE POINT OF BEGINNING.

BASIS OF BEARING

THE SOUTH LINE OF SOUTHWEST QUARTER OF SECTION 28, T7S., R7E
ACCORDING TO THE A.D.O.T. RESULTS OF SURVEY OF THE CASA GRANDE
TO TUCSON HIGHWAY SUNLAND GIN ROAD-PICACHO PEAK T.I. 010 PN 200
H7104 DIR STATE OF ARIZONA RIGHT OF WAY MAP: THE LINE WHICH
BEARS SOUTH 89° 55' 27" EAST(RAM)RECORD DISTANCE 2644.62'
MEASURED 2644.46'

AREA TABLE

THE ASSESSORS PARCEL NUMBERS 403-24-305 THROUGH 360; INCLUSIVE
CONTAINS 678,487 SQ. FT. OR 15.58 ACRES.

THE RIGHT-OF-WAY OF LA BREA STREET, BOSQUE CIRCLE, BOSQUE DRIVE
NORTH AND BOSQUE DRIVE SOUTH CONTAINS 93,866.8 SQ. FT. 2.15 OR
ACRES.

TOTAL ABANDONMENT AREA 772,353.8 SQ. FT. OR 17.73 ACRES

FLOOD ZONE

THIS PROPERTY IS LOCATED ON THE FLOOD INSURANCE RATE MAP(FIRM)
ZONE A, COMMUNITY NUMBER 040083 MAP NUMBER AND SUFFIX
04021570F PANEL NUMBER EFFECTIVE DATE OF FIRM MAY 16, 2019.

PARCEL# SITE ADDRESS

ASSESSORS PARCEL NUMBERS: A.P.N.'S 403-24-305 THROUGH 360;
INCLUSIVE

SITE ADDRESS: LA BREA STREET AND BOSQUE DRIVE NORTH

REFERENCE DATA:

- 1.) TITLE REPORT BY FIDELITY NATIONAL TITLE INSURANCE COMPANY
COMMITMENT DATE: MARCH 18, 2020 AT 7:30 A.M. ORDER NO.
55002056-055-KG2-DW. AMENDMENT NO. 3, AMENDMENT DATE: MARCH
27, 2020
- 2.) A.D.O.T. RESULTS OF SURVEY OF THE CASA GRANDE TO TUCSON
HIGHWAY SUNLAND GIN ROAD-PICACHO PEAK T.I. 010 PN 200 H7104 DIR
STATE OF ARIZONA RIGHT OF WAY MAP.
- 3.) FINAL PLAT OF TOLTEC VALLEY UNIT 11 11-56 P.C.R.
- 4.) AMENDED PLAT OF MIDWAY CITY 14-26 P.C.R.

SURVEYOR'S NOTES:

- 1.) THIS RECORD OF SURVEY WAS BASED ON A TITLE REPORT BY FIDELITY
NATIONAL TITLE INSURANCE COMPANY COMMITMENT DATE: MARCH 18, 2020
AT 7:30 A.M. ORDER NO. 55002056-055-KG2-DW. AMENDMENT NO. 3,
AMENDMENT DATE: MARCH 27, 2020
- 2.) THIS PROPERTY IS SUBJECT TO ALL EASEMENTS, RESTRICTIONS AND
RESERVATIONS, CONDITIONS AND OTHER MATTERS OF RECORD AFFECTING
THE SUBJECT PROPERTY THAT ARE NOT DISCLOSED ON THIS SURVEY, IF
ANY.

SURVEYOR'S STATEMENT:

I, MIKE F. JENNINGS, BEING A LICENSED LAND SURVEYOR IN THE STATE OF
ARIZONA HEREBY THAT THIS MAP OR PLAT AND THE SURVEY ON WHICH IT
WAS BASED WAS MADE UNDER MY DIRECT SUPERVISION DURING THE MONTH
OF JUNE, 2020 AND THAT THE SURVEY IS ACCURATE AS SHOWN AND THAT
ALL MONUMENTS SHOWN ACTUALLY EXIST AND THAT THEIR POSITIONS ARE
CORRECTLY SHOWN ARE SUFFICIENT TO ENABLE THE SURVEY TO BE
RETRACED.

MIKE F. JENNINGS R.L.S. #32788

2/23/21
DATED:



EXTREME LAND SURVEYING, INC.

4022 EAST GREENWAY ROAD STE. 11 #208 PHOENIX, ARIZONA 85032
PHONE 602.574.0171 • PHONE 208.558.0463
E-MAIL M3KJENNINGS@GMAIL.COM

SGN: M.J. CDD: M.J. DATE: 6/17/20 SCALE: 1"=100' VERT: N.A.	PARTIAL PLAT ABANDONMENT A PORTION OF THE SOUTH HALF, SECTION 28, T7S., R7E. G.A.S.R.B.A.M. PINAL COUNTY, ARIZONA LA BREA STREET AND BOSQUE DRIVE NORTH	JOB# 3706 PLAT SHEET 1 of 1
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MIDWAY CITY

14-26

A SUBDIVISION OF A PART OF THE SOUTH 1/2 NORTH 1/2 SOUTHEAST 1/4; NORTH 1/2 SOUTH 1/2 S.E. 1/4 AND NORTH 1/2 NORTHWEST 1/4 SOUTHEAST 1/4, SECTION 28, T.7S, R.7E, G. & S.R.B. & M, PINAL COUNTY, ARIZONA

AMENDED PLAT

STATE OF ARIZONA
COUNTY OF PINAL

KNOW ALL MEN BY THESE PRESENTS

THAT CASA GRANDE WEST, AN ARIZONA CORP, OWNER, HAS SUBDIVIDED UNDER THE NAME OF MIDWAY CITY THAT PART OF THE SOUTH 1/2, NORTH 1/2, SOUTHEAST 1/4; NORTH 1/2 SOUTH 1/2, SOUTHEAST 1/4 AND NORTH 1/2, NORTHWEST 1/4, SOUTHEAST 1/4, SECTION 28, T.7S, R.7E, G. & S.R.B. & M, PINAL COUNTY, ARIZONA AS SHOWN HEREON AND HEREBY PUBLISHES THIS PLAT AS AND FOR THE PLAT OF SAID MIDWAY CITY AND HEREBY DECLARES THAT SAID PLAT SETS FORTH THE LOCATION AND GIVES THE MEASUREMENTS AND DIMENSIONS OF THE LOTS AND STREETS CONSTITUTING SAME AND THAT EACH LOT AND STREET SHALL BE KNOWN BY THE NUMBER OR THE NAME THAT IS GIVEN TO EACH RESPECTIVELY ON SAID PLAT AND THAT CASA GRANDE WEST AS SUCH THE STREETS SHOWN ON SAID PLAT AND INCLUDED IN THE ABOVE DESCRIBED PREMISES. EASEMENTS ARE DEDICATED TO THE USE SHOWN.

IN WITNESS WHEREOF
HAS THIS 24th DAY OF FEBRUARY, 1968 HEREUNTO CAUSED ITS CORPORATE NAME TO BE SIGNED AND ITS CORPORATE SEAL TO BE AFFIXED AND THE SAME TO BE ATTESTED BY THE SIGNATURES OF Jack O. Nutter ITS PRESIDENT AND Walter J. Duerksen ITS SECRETARY THEREUNTO DULY AUTHORIZED.

BY Jack O. Nutter PRESIDENT ATTEST Walter J. Duerksen SECRETARY

DEDICATION

ACKNOWLEDGEMENT

ON THIS 24th DAY OF FEBRUARY, 1968, BEFORE US THE UNDER-SIGNED OFFICERS PERSONALLY APPEARED, Jack O. Nutter PRESIDENT AND Walter J. Duerksen SECRETARY WHO ACKNOWLEDGED THEMSELVES TO BE PRESIDENT AND SECRETARY OF CASA GRANDE WEST, AN ARIZONA CORPORATION, AND ACKNOWLEDGED THAT THEY, AS SUCH OFFICERS, RESPECTIVELY, BEING AUTHORIZED SO TO DO, EXECUTED THE FOREGOING INSTRUMENT FOR THE PURPOSE THEREIN CONTAINED BY SIGNING THE NAME OF THE CORPORATION, AS PRESIDENT AND SECRETARY, BY THEMSELVES, AS SUCH OFFICERS, RESPECTIVELY.

IN WITNESS WHEREOF I HEREUNTO SET MY HAND AND OFFICIAL SEAL.

Karlene J. Sedwell
NOTARY PUBLIC

MY COMMISSION EXPIRES 1-30-72

APPROVAL

APPROVED BY THE CITY COUNCIL OF THE CITY OF ELOY, PINAL COUNTY, ARIZONA THIS 24th DAY OF FEBRUARY, 1968.

BY Paul J. Berra MAYOR ATTEST Sandra Berra CLERK

CERTIFICATE

THIS IS TO CERTIFY THAT THE SURVEY AND SUBDIVISION OF THE PREMISES DESCRIBED AND PLOTTED HEREON WERE MADE UNDER MY DIRECTION DURING THE MONTH OF FEBRUARY, 1968.

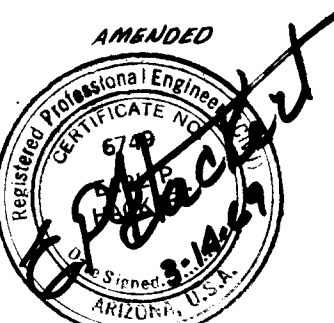
E. P. Hackett
REGISTERED C.E. NO. 6749



STATE OF ARIZONA
County of Pinal
I hereby certify that the within instrument was filed and recorded in the office of the County Recorder on this 14th day of March, 1968, at 4:55 P.M., in MAP BOOK 14, PAGE 26, DRAWER 1, MAP #98.
WITNESS my hand and official seal the day and year aforesaid.
SOPHIE M. SMITH,
County Recorder
By Sandra Berra Deputy Recorder

378409

SCALE 1"=100'
50' 0 100' 200'



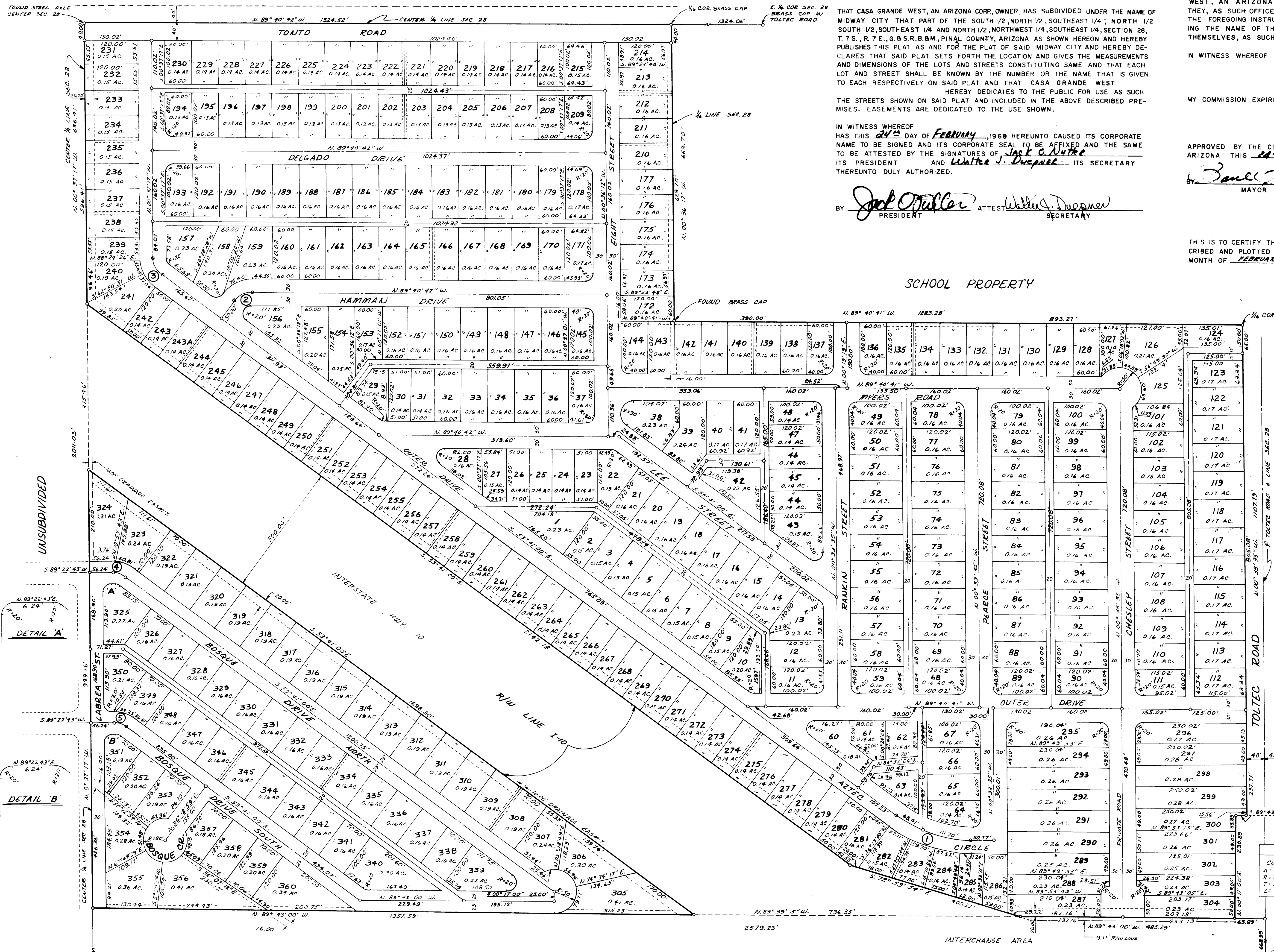
LEGEND
— POINT ON SUBDIVISION BOUNDARY
--- UTILITIES EASMENT
--- DRAINAGE EASMENT

NOTE: ALL UTILITIES EASMENTS ARE 10 WIDE UNLESS OTHERWISE NOTED.

NOTE: THIS AMENDED PLAT SUPERCEDES ORIGINAL PLAT RECORDED IN BOOK 14 OF MAPS, PAGE 24, PINAL COUNTY RECORDERS OFFICE. ALSO SEE AFFIDAVIT OF CORRECTION.

CURVE DATA				
CURVE 1	CURVE 2	CURVE 3	CURVE 4	CURVE 5
$\Delta = 35^\circ 59' 41''$ $R = 288.0750'$ $T = 24.29'$ $L = 180.38'$	$\Delta = 35^\circ 59' 41''$ $R = 50.00'$ $T = 16.29'$ $L = 31.41'$	$\Delta = 53^\circ 03' 43''$ $R = 288.0750'$ $T = 24.29'$ $L = 180.38'$	$\Delta = 36^\circ 56' 17''$ $R = 45.00'$ $T = 15.03'$ $L = 29.01'$	$\Delta = 36^\circ 56' 17''$ $R = 45.00'$ $T = 15.03'$ $L = 29.01'$

L. H. BELL & ASSOCIATES
PHOENIX, ARIZ. SHEET No. 1 of 1
DRAWN BY JD. FEBRUARY 1968



DETAIL 'A'

DETAIL 'B'

UNSUBDIVIDED

ORDINANCE NO.: 21-907
(Midway City Parcel 403-24-321, Case No.: RZ2020-026)

AN ORDINANCE OF THE MAYOR AND CITY COUNCIL OF THE CITY OF ELOY, ARIZONA APPROVING A REZONING REQUEST BY RON STEVENS ON BEHALF OF LOUIS TSAKIRIS FAMILY PARTNERSHIP TO REZONE APPROXIMATELY 0.19 ACRES OF LAND FROM R1-12 (SINGLE FAMILY RESIDENTIAL) TO I-1 (LIGHT INDUSTRIAL). SUBJECT PROPERTY IS LOCATED AT 4440 W. BOSQUE NORTH DRIVE, ELOY, ARIZONA, PINAL COUNTY ASSESSOR'S PARCEL NUMBER: 403-24-321; PROVIDING FOR SEVERABILITY; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, Ron Stevens has submitted an application to the City of Eloy requesting to rezone a parcel (i.e. Assessor Parcel Number (APN) 403-24-321) located in a portion of Section 28, Township 7 South, Range 7 East of the Gila & Salt River Base & Meridian, Pinal County, Arizona from R1-12, Single Family Residential to I-1, Light Industrial; and,

WHEREAS, the change in zoning from R1-12 to I-1 for the subject parcels would not be detrimental to the existing or future uses of the surrounding properties; and,

WHEREAS, the designation of the property on the Eloy General Plan (Light Industrial) is compatible with the intended future zoning (i.e. I-1) of the property; and,

WHEREAS, a "Public Hearing," as required by ARS §9-462.04 and Section 21-31 of the Eloy Zoning Ordinance, was held at a regular meeting of the Eloy Planning and Zoning Commission on April 21, 2021 to hear from persons for or against the proposed rezoning; and,

WHEREAS, notice for this public hearing was given at least 15 days and not more than 30 days prior to the public hearing by publication of the notice in the Eloy Enterprise and posting at the official City posting locations; and,

WHEREAS, the Planning and Zoning Commission has recommended approval of the rezoning of Parcel 403-24-321 as requested by Ron Stevens.

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF ELOY, ARIZONA, AS FOLLOWS:

SECTION I. Rezoning of Parcel 403-24-321.

That the Mayor and City Council of the City of Eloy, Arizona hereby approves a rezoning request submitted by Ron Stevens on behalf of Louis Tsakiris Family Partnership to rezone (Assessor's Parcel Number: 403-24-321 in a portion of Section 28, Township 7 South, Range 7 East of the Gila & Salt River Base & Meridian, Pinal County, Arizona from R1-12, Single Family Residential to I-1, Light Industrial subject to the following stipulations:

1. That the site will be maintained in a natural, debris-free, and weed-free condition; and,
2. That all future development of the Light Industrial site shall undergo subsequent Site Plan review and approval by the City; and
3. That all future signage to be utilized on this site shall comply with Section 21-4-3: Signage of the Eloy Zoning Ordinance; and,
4. That compliance with the Industrial Development Design Guidelines, Additional Design Standards and the Non-Residential Landscaping Requirements of the Eloy Zoning Ordinance and/or the Eloy Subdivision Ordinance, as may be amended from time to time, shall be required; and,
5. That any major changes or modifications to the subject rezoning shall be reviewed and processed in accordance with those procedures outlined for rezoning in Chapter 21 of the Eloy Zoning Ordinance. The Zoning Administrator, or designee, may administratively approve minor changes and will determine the difference between major and minor changes.

SECTION II. SEVERABILITY.

If any section, subdivision, clause, phrase or portion of this Ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent provision and such holding shall not affect the validity of the remaining provisions of the ordinance or parts thereof.

SECTION III. EFFECTIVE DATE.

This Ordinance shall become effective as provided by law.

PASSED AND ADOPTED by the Mayor and City Council of the City of Eloy, Arizona, on this _____ day of _____, 2021.

BY:

Micah Powell, Mayor

ATTEST:

Mary Myers, City Clerk

APPROVED AS TO FORM:

Stephen R. Cooper, City Attorney

CITY OF ELOY

REQUEST FOR COUNCIL ACTION

Agenda Item: **VII.C.**

Date: **5/10/2021**

Date submitted:
04/28/2021

Action: Formal

Date requested:
5/10/2021

Subject: Approval of the Map of Dedication, submitted by Central Line Solar LLC., for the dedication of Rights-of-Way and Public Utility Easements along Cornman Road, Eleven Mile Corner Road, Hanna Road, and Tweedy Road required for completion of road and utility improvements necessary to serve their Solar Farm.

TO: Mayor and City Council

FROM: Keith Brown, Public Works Dir./City Engineer

RECOMMENDATION:

Council approve the Map of Dedication, submitted by Central Line Solar LLC., for the dedication of Rights-of-Way and Public Utility Easements along Cornman Road, Eleven Mile Corner Road, Hanna Road, and Tweedy Road required for completion of road and utility improvements necessary to serve their Solar Farm.

DISCUSSION:

Central Line Solar LLC. is currently developing a Solar Farm at the northwest and southwest corner of Eleven Mile Corner Road and Cornman Road. The parcel owner, HA Golden Compass Central LLC., is dedicating the south 55 feet of Cornman Road, the west 65 feet of Eleven Mile Corner Road, the north 55 feet of Hanna Road, and the east 55 feet of Tweedy Road as Public Rights-of-Way, in addition to an 8 foot Public Utility Easement along the dedicated roadways indicated above.

The Central Line Solar LLC. project will be constructing roadway improvements on Cornman Road along its frontage for a two lane roadway.

FISCAL IMPACT:

The City is responsible for road maintenance costs, regulatory signage, and traffic control along the public rights-of-way dedicated with these documents.

Approved as to Form:



Stephen R. Cooper, City Attorney

MAP OF DEDICATION - CENTRAL LINE SOLAR
ROADWAY DEDICATION FOR
CORNMAN ROAD
ELEVEN MILE CORNER ROAD
TWEEDY ROAD
HANNA ROAD

PORTIONS OF SECTIONS 1 & 12, TOWNSHIP 7 SOUTH, RANGE 7 EAST,
OF THE GILA AND SALT RIVER BASE & MERIDIAN, CITY OF ELOY, PINAL COUNTY, ARIZONA

2nd Review
4/27/2021 TVP

NOTES:

- CONSTRUCTION WITHIN PUBLIC EASEMENTS, EXCEPT BY PUBLIC AGENCIES AND UTILITY COMPANIES, SHALL BE LIMITED TO UTILITIES AND WOOD, WIRE OR REMOVABLE SECTION TYPE FENCING, UNLESS APPROVED BY THE CITY OF ELOY.
- NO TREES ARE PERMITTED WITHIN THE RIGHT-OF-WAY SIGHT VISIBILITY TRIANGLE EASEMENTS AND NO TEMPORARY OR PERMANENT OBJECT, STRUCTURE OR LANDSCAPING SHALL EXCEED TWENTY-FOUR INCHES IN HEIGHT WITHIN THE RIGHT-OF-WAY SIGHT VISIBILITY TRIANGLE EASEMENTS.
- ALL NEW OR RELOCATED UTILITIES SHALL BE PLACED UNDERGROUND.
- ALL WORK WITHIN PUBLIC RIGHT-OF-WAYS REQUIRE PERMITS FROM AND INSPECTIONS BY THE CITY OF ELOY.
- ALL TRENCH WORK WITHIN PUBLIC UTILITY EASEMENTS REQUIRE PERMITS FROM AND INSPECTIONS BY THE CITY OF ELOY.

REFERENCE DOCUMENTS:

PCR, RECORD OF SURVEY, FEE NO. 2018-036189
PCR, DOCKET 375, PAGE 572
PCR, DOCKET 740, PAGE 542 & FEE NO. 2004-042571
PCR, BOOK 85 OF DEEDS, PAGE 590 & 591
PCR, BOOK 86 OF DEEDS, PAGE 176
PCR, DOCKET 1485, PAGE 411
PCR, DOCKET 39, PAGE 452 & DOCKET 30, PAGE 445
PCR, DOCKET 1612, PAGE 174
PCR, BOOK 62 OF DEEDS, PAGE 316 & 317
PCR, FEE NO. 2020-051949
PCR, DOCKET 33, PAGE 98
PCR, FEE NO. 2006-003297

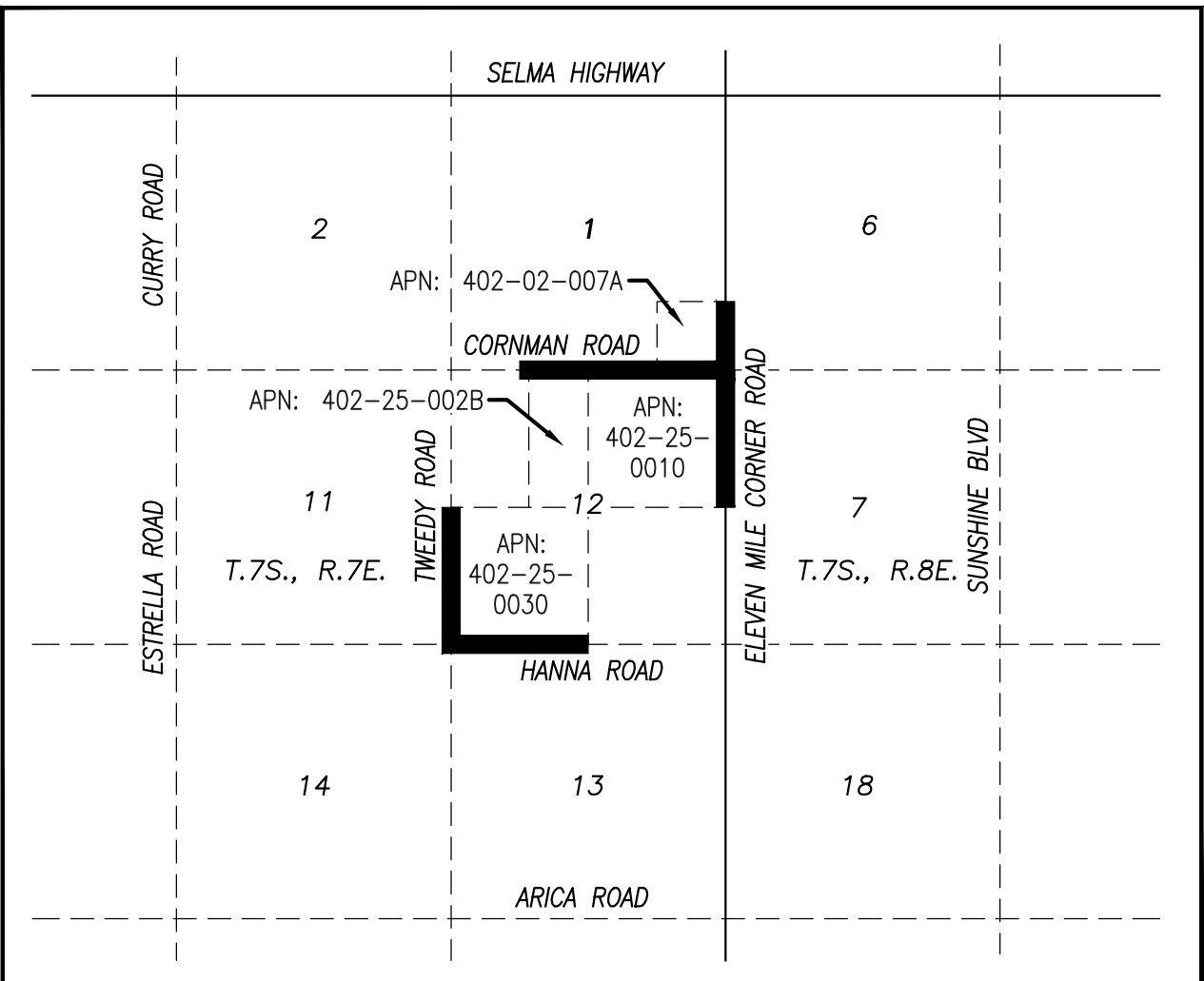
BASIS OF BEARING

BASIS OF BEARING IS N00°14'18"E ALONG THE EAST LINE OF THE NORTHEAST QUARTER OF SECTION 12, TOWNSHIP 7 SOUTH, RANGE 7 EAST, PER THE RECORD OF SURVEY BY SUPERIOR SURVEYING SERVICES, DATED 2/27/18 AND RECORDED IN 2018-036189, RECORD OF PINAL COUNTY.

FLOOD ZONE

THE SUBJECT PARCEL IS IN "X" (UNSHADED), "AREAS DETERMINED TO BE OUTSIDE THE 0.2% ANNUAL CHANCE FLOODPLAIN", PER THE FLOOD INSURANCE RATE MAP (FIRM).

MAP NO. 04021C1600E, MAP REVISION DATE OF DEC. 4, 2007



VICINITY MAP
N.T.S.

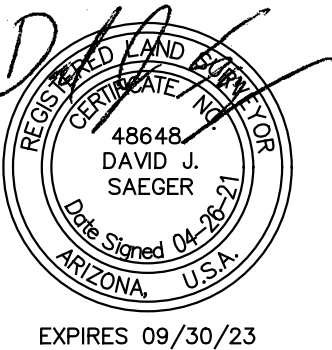
ASSURANCE STATEMENT:

ASSURANCE IN THE FORM OF A BOND, ISSUED FROM _____ IN THE AMOUNT OF \$ _____ HAS BEEN PROVIDED TO THE CITY ENGINEER. THE BOND SHALL BE IN AN AMOUNT TO GUARANTEE PHASE 1 (CENTRAL LINE SOLAR) CONSTRUCTION OF CORNMAN ROAD AND SURFACE TREATMENT OF EXISTING TWEEDY ROAD FROM HANNA ROAD TO ½ MILE NORTH AND HANNA ROAD FROM TWEEDY ROAD TO ½ MILE EAST (ADJACENT PROPERTY). THE BOND WILL BE FOR 3 YEARS BEGINNING AT PERMIT ISSUANCE.

LAND SURVEYOR'S CERTIFICATION:

I HEREBY CERTIFY THAT THE SURVEY OF THE PREMISES DESCRIBED AND PLATTED HEREIN WERE MADE UNDER MY DIRECTION DURING THE MONTH OF NOVEMBER, 2020, AND THIS PLAT REPRESENTS THE SURVEY MADE. I FURTHER CERTIFY ALL EXTERIOR BOUNDARY MONUMENTS SHOWN HEREON ACTUALLY EXIST AND THEIR LOCATION, SIZE AND MATERIAL ARE ACCURATELY SHOWN AND ARE SUFFICIENT TO ENABLE THE SURVEY TO BE RETRACED.

DAVID J. SAEGER
RLS #48648
UNITED ENGINEERING GROUP, LLC
3205 W. RAY ROAD, CHANDLER, AZ 85226
PHONE: (480) 705-5372



OWNER/DEVELOPER

HA GOLDEN COMPASS CENTRAL, LLC
2180 S. 1300, STE 600
SALT LAKE CITY, UTAH 84106

ENGINEER

UNITED ENGINEERING GROUP
3205 W. RAY ROAD, SUITE #1
CHANDLER, ARIZONA 85226
PHONE: (480) 705-5372
FAX: (480) 705-5376
CONTACT: DAVID J. SAEGER, R.L.S.

DECLARATION, TITLE WARRANTY, AND DEDICATION:

STATE OF UTAH)
COUNTY OF SALT LAKE) S.S.

KNOWN ALL MEN BY THESE PRESENTS:

HA GOLDEN COMPASS CENTRAL, LLC, A DELAWARE LIMITED LIABILITY COMPANY, IS THE OWNER OF FEE TITLE IN: (A) THE PROPERTY BEING DEDICATED ON THIS PLAT TO THE PUBLIC FOR ROADWAY PURPOSES AND ALL INCIDENTALS THERETO; AND (B) THE PROPERTY UPON OR ACROSS WHICH EASEMENTS ARE BEING DEDICATED ON THIS PLAT TO THE PUBLIC. HA GOLDEN COMPASS CENTRAL, LLC, HEREBY WARRANTS TO THE CITY OF ELOY, A POLITICAL SUBDIVISION OF THE STATE OF ARIZONA, THE TITLE TO SUCH PROPERTY AGAINST ALL PERSONS, SUBJECT TO ALL MATTERS OF RECORD.

STREETS SHOWN ON THIS PLAT ARE DEDICATED TO THE PUBLIC FOR ROADWAY PURPOSES INCLUDING, BUT NOT LIMITED TO ACCESS, DRAINAGE, TELECOMMUNICATIONS AND PUBLIC UTILITIES. MAINTENANCE OF THE LANDSCAPE AREAS SUBJECT TO SUCH RIGHT-OF-WAY ARE THE RESPONSIBILITY OF THE ADJACENT PROPERTY OWNER.

PUBLIC UTILITY EASEMENTS ARE HEREBY DEDICATED TO THE PUBLIC UPON, OVER, UNDER, ACROSS AND THROUGH THOSE AREAS DESIGNATED AS SUCH HEREON FOR THE INSTALLATION, MAINTENANCE, REPAIR, AND REMOVAL OF UNDERGROUND UTILITIES, INCLUDING, BUT NOT LIMITED TO WATER, SEWER, GAS, ELECTRIC, AND TELECOMMUNICATIONS. MAINTENANCE OF THE LANDSCAPE AREAS SUBJECT TO SUCH PUBLIC UTILITY EASEMENTS SHALL BE THE RESPONSIBILITY OF THE ADJACENT PROPERTY OWNER.

HA GOLDEN COMPASS CENTRAL, L.L.C., A DELAWARE LIMITED LIABILITY COMPANY.

BY: _____

ITS: _____

ACKNOWLEDGEMENT

STATE OF UTAH)
COUNTY OF SALT LAKE) S.S.

ON THIS ____ DAY OF _____, _____, BEFORE ME, THE UNDERSIGNED PERSONALLY APPEARED _____, WHO ACKNOWLEDGED HIMSELF/HERSELF TO BE _____ OF, HA GOLDEN COMPASS CENTRAL, LLC, A DELAWARE LIMITED LIABILITY COMPANY, AND BEING AUTHORIZED TO DO SO ON BEHALF OF SAID ENTITY, EXECUTED THIS PLAT FOR THE PURPOSES THEREIN CONTAINED.

NOTARY PUBLIC MY COMMISSION EXPIRES

CITY APPROVALS:

APPROVED BY THE CITY COUNCIL OF ELOY, ARIZONA, THIS ____ DAY OF _____, 2021.

BY: _____ ATTEST: _____
MAYOR CITY CLERK

BY: _____
KEITH BROWN, PUBLIC WORKS DIRECTOR/CITY ENGINEER

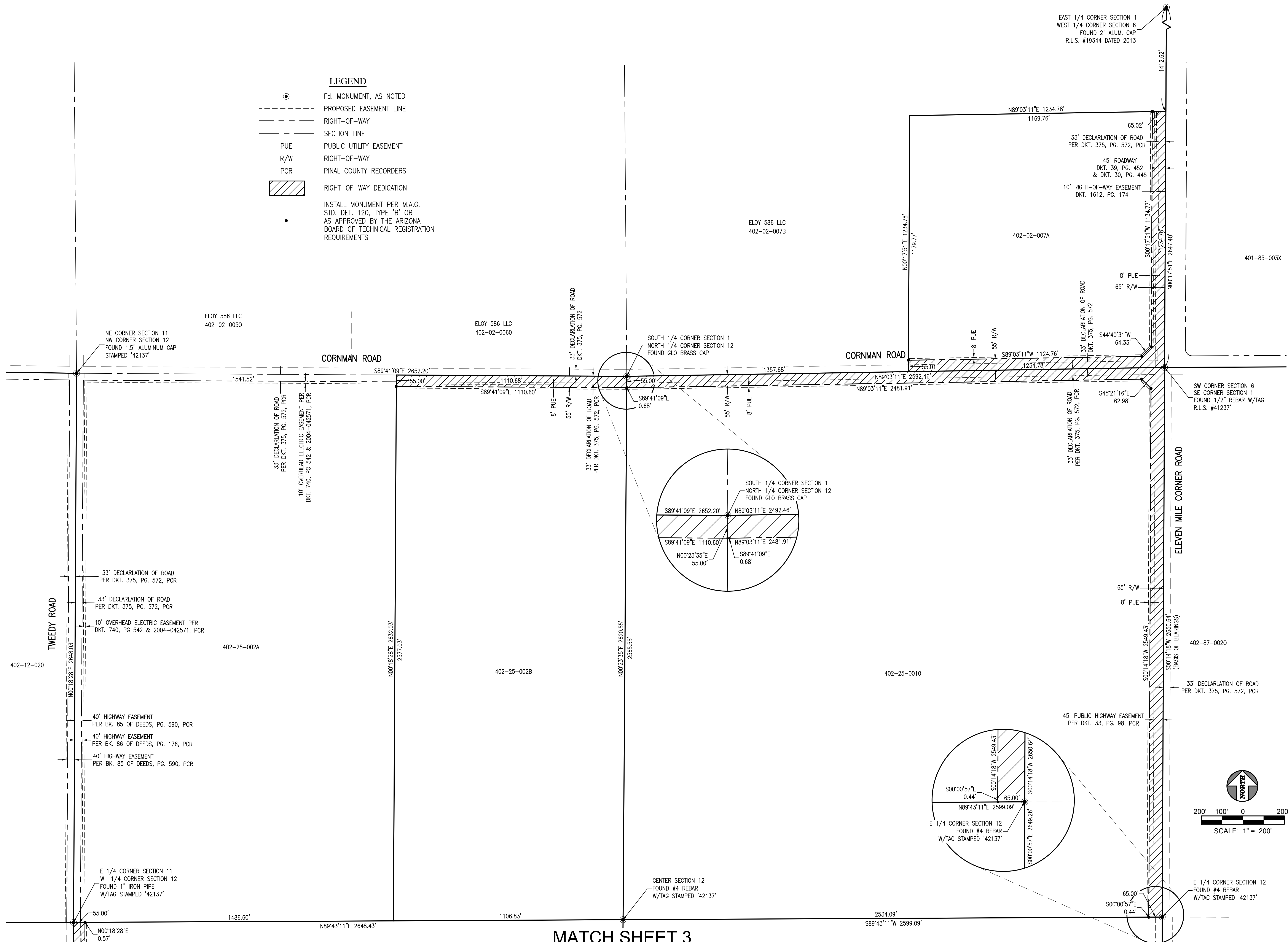


NO.	REVISIONS	DESCRIPTION	DATE

MAP OF DEDICATION
PORTIONS OF SECTIONS 1 & 12, T.7S., R.7E. OF THE GILA AND
SALT RIVER BASE & MERIDIAN, PINAL COUNTY, ARIZONA

SUBMITTALS:	
DESIGNED BY:	
DRAWN BY:	BLM
CHECKED BY:	DJM





Chandler, AZ 85226
Phone: 480.705.5372
Fax: 480.705.5376
www.unitedeng.com



United engineering group

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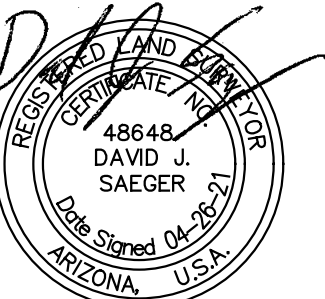
MAP OF DEDICATION
PORTIONS OF SECTIONS 1 & 12, T.7S., R.7E. OF THE GILA AND
SALT RIVER BASE & MERIDIAN, PINAL COUNTY, ARIZONA

SUBMITTALS:

SIGNED BY:

AWN BY:	BLM
CHECKED BY:	DJM

RED LAND



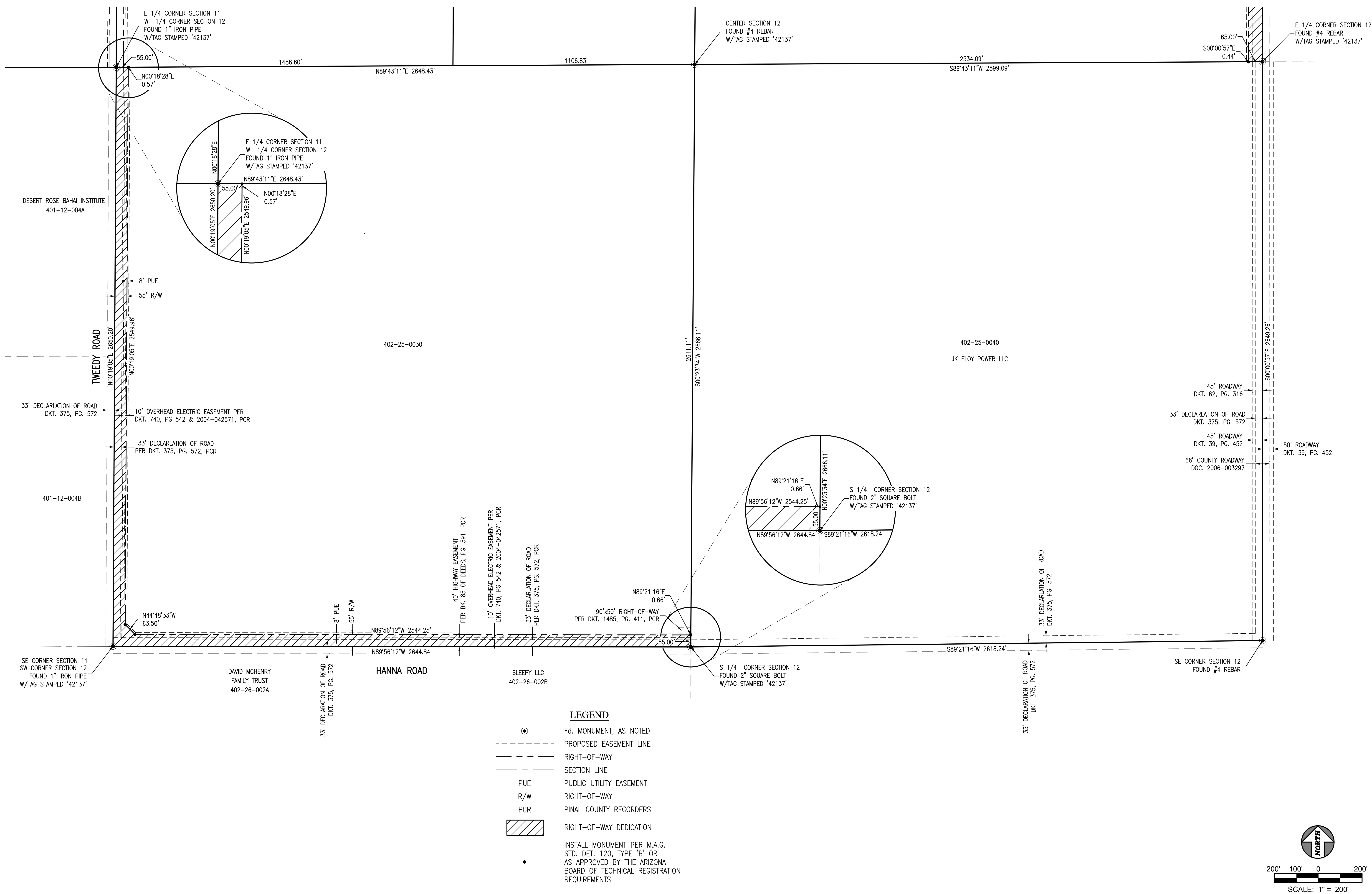
EXPIRES 09/30/23

SHEET 2 OF 3

PROJECT NUMBER

8105

MATCH SHEET 2

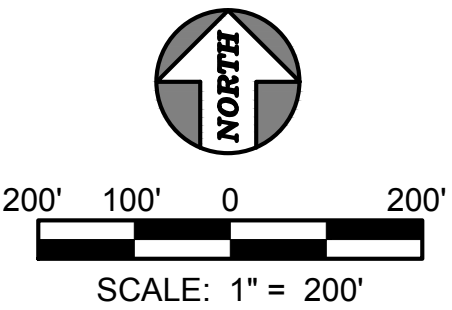
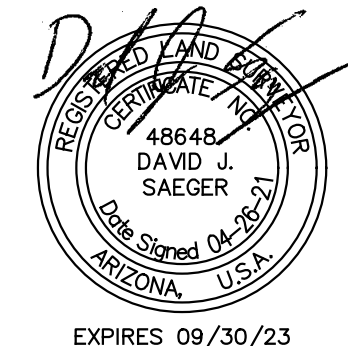


REVISIONS		DATE
NO.	DESCRIPTION	

MAP OF DEDICATION
PORTIONS OF SECTIONS 1 & 12, T.7S., R.7E. OF THE GILA AND
SALT RIVER BASE & MERIDIAN, PINAL COUNTY, ARIZONA

SUBMITTALS:

DESIGNED BY:	
DRAWN BY:	BLM
CHECKED BY:	DJM



3205 W. Ray Road
Chandler, AZ 85226
Phone: 480.705.5372
Fax: 480.705.5376
www.unitedeng.com

united engineering group

CITY OF ELOY

REQUEST FOR COUNCIL ACTION

Agenda Item: **VII.D.**

Date: **5/10/2021**

Date submitted:
05/03/2021

Action: Resolution

Subject: Resolution No. 21-1496 for the appointment of Brian Wright, Finance Director, as the designated authorizing agent to submit the Annual Expenditure Limitation Report (AELR) as the Chief Fiscal Officer (CFO) for the City of Eloy for Fiscal Year 2021-2022.

Date requested:
5/10/2021

TO: Mayor and City Council

FROM: Brian Wright, Finance Director

RECOMMENDATION:

Council adopt Resolution No. 21-1496 appointing Brian Wright, Finance Director, as the designated authorizing individual to submit the Annual Expenditure Limitation Report (AELR) as the Chief Fiscal Officer (CFO) for the City of Eloy for Fiscal Year 2021-2022.

DISCUSSION:

Arizona Revised Statutes §41-1279.07(E) requires each county, city, town, and community college district to annually provide the Auditor General by July 31 the name of the Chief Fiscal Officer (CFO) of the governing body (i.e., board of supervisors, town council, or governing board) designated to officially submit the current year's annual expenditure limitation report (AELR). The current year is the fiscal year the entity is operating in on July 31st. The governing body may not delegate the responsibility of designating the CFO. Councils must present and act upon the Resolution annually at a council meeting and submit the signed Resolution to the office of the Auditor General along with the electronic CFO designation form.

FISCAL IMPACT:

None

Approved as to Form:



Stephen R. Cooper, City Attorney

RESOLUTION NO: 21-1496

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF ELOY, ARIZONA DESIGNATING THE CHIEF FISCAL OFFICER FOR OFFICIALLY SUBMITTING THE FISCAL YEAR 2021-2022 EXPENDITURE LIMITATION REPORT TO THE ARIZONA AUDITOR GENERAL.

WHEREAS, A.R.S. §41-1279.07(E) requires each county, city, town, and community college district to annually provide to the Auditor General by July 31 the name of the Chief Fiscal Officer the governing body designated to officially submit the current year's annual expenditure limitation report (AELR) on the governing body's behalf; and,

WHEREAS, the City of Eloy Mayor and Council desires to designate Brian M. Wright, as the City's Chief Fiscal Officer, and,

WHEREAS, entities must submit an updated form and documentation for any changes in the individuals designated to file the AELR.

NOW, THEREFORE, BE IT RESOLVED THAT by the City of Eloy Mayor and Council as follows:

SECTION 1. The recitals above are hereby incorporated as if fully set forth herein.

SECTION 2. Brian M. Wright is hereby designated as the City's Chief Fiscal Officer for purposes of submitting the Fiscal Year 2021 - 2022 AELR to the Arizona Auditor General's Office on the governing body's behalf.

PASSED AND ADOPTED by the Mayor and Council of the City of Eloy this 10th day of May, 2021.

BY:

Micah Powell, Mayor

ATTEST:

Mary Myers, City Clerk

APPROVED AS TO FORM:

Stephen Cooper, City Attorney

CITY OF ELOY

REQUEST FOR COUNCIL ACTION

Agenda Item: **VII.E.**

Date: **5/10/2021**

Date submitted:
05/05/2021

Action: Resolution

Subject: Adoption of Resolution No. 21-1499 approving the Reappointment of Steve Falek and the Appointment of Micah Powell, Andrew Rodriguez, and Paul Rodriguez to serve on the Board of Commissioners of the Eloy Housing Authority effective January 1, 2021 through December 31, 2025.

TO: Mayor and City Council

FROM: Harvey Krauss, City Manager

RECOMMENDATION:

Council adopt Resolution No. 21-1499 reappointing Steve Falek and appointing Micah Powell, Andrew Rodriguez, and Paul Rodriguez to serve on the Board of Commissioners of the Eloy Housing Authority effective January 1, 2021 through December 31, 2025.

DISCUSSION:

Resolution No. 21-1497 approving the appointment of Board members to the Eloy Housing Authority was adopted by the City Council at the April 26, 2021 regular meeting. There was an understanding that Mayor Powell assumed the role of chairman of the Board when he took office; however, that is not the case according to the Housing Authority bylaws. A new resolution with the appointment of Mayor Powell to the Board of Commissioners needs to be approved at this time.

The Board of Commissioners of the Eloy Housing Authority consist of five members, who provide oversight and policy guidance on the operations of the Housing Authority. The terms of Steve Falek, Joel Belloc, Mary Duarte, and Kim Dixon have expired. It is recommended that Steve Falek be reappointed, and that Mayor Micah Powell, Vice Mayor Andrew Rodriguez, and Paul Rodriguez be appointed as new Commissioners. Commission terms are for four years ending on December 31, 2025.

FISCAL IMPACT:

None.

Approved as to Form:

A handwritten signature in blue ink, reading "Stephen R. Cooper". The signature is fluid and cursive, with the first name "Stephen" and last name "Cooper" clearly legible. The middle initial "R." is smaller and less distinct. The signature is positioned above a solid black horizontal line.

Stephen R. Cooper, City Attorney

RESOLUTION NO. 21-1499

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF ELOY, ARIZONA, APPROVING THE REAPPOINTMENT OF STEVE FALEK AND APPOINTMENT OF MICAH POWELL, ANDREW RODRIGUEZ AND PAUL RODRIGUEZ TO SERVE ON THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF ELOY EFFECTIVE JANUARY 1, 2021 THROUGH DECEMBER 31, 2025.

WHEREAS, the U.S. Department of Housing and Urban Development (HUD) requires the Housing Authority of the City of Eloy to establish and maintain a Board of Commissioners to provide oversight and policy guidance on the operations of the Housing Authority; and,

WHEREAS, the Board of Commissioners consists of five members – Joel Belloc, Manuel Medina, Mary Duarte, Kim Dixon and Steve Falek; and,

WHEREAS, the terms of Joel Belloc, Steve Falek, Mary Duarte and Kim Dixon on the Eloy Housing Authority Board of Commissioners have expired; and,

WHEREAS, Mayor Powell wishes to reappoint Steve Falek, and appoint Micah Powell, Andrew Rodriguez and Paul Rodriguez to the serve on the Board of Commissioners.

NOW THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF ELOY, ARIZONA, THAT:

Section 1. Pursuant to HUD requirements, Steve Falek is hereby reappointed as a Citizen Commissioner of the Housing Authority of the City of Eloy for a 4-year term ending on December 31, 2025.

Section 2. Pursuant to HUD requirements, Micah Powell, Andrew Rodriguez and Paul Rodriguez are hereby appointed as Citizen Commissioners of the Housing Authority of the City of Eloy for 4-year terms ending on December 31, 2025.

Section 3. Commissioners appointed to the Board of the Housing Authority of the City of Eloy must attend a formal HUD Commissioner training course within twelve months of appointment; and, failure to attend the HUD required training shall result in removal from the Board of Commissioners.

PASSED AND ADOPTED on the 10th day of May 2021.

Micah Powell, Mayor
City of Eloy, Arizona

ATTEST:

APPROVED AS TO FORM:

Mary Myers, City Clerk

Stephen R. Cooper, City Attorney

CITY OF ELOY **REQUEST FOR COUNCIL ACTION**

Agenda Item: **VIII.A.**

Date: **5/10/2021**

Date submitted:
04/22/2021

Action: Formal

Subject: Conditional Use Permit (CUP) No. 2021-009 submitted by Carolyn Oberholtzer with Bergin, Frakes, Smalley & Oberholtzer, PLLC for a Medical Marijuana Cultivation facility located at 924 N. Tweedy Road, Eloy, Arizona, Pinal County Assessor's Parcel Numbers: 408-02-021 and 408-02-022 in a portion of Section 1, Township 8 South, Range 7 East of the Gila & Salt River Base & Meridian, Pinal County, Arizona (Project Name: New Gen Eloy)

Date requested:
5/10/2021

TO: Mayor and City Council

FROM: Jon Vlaming, Community Development Director

RECOMMENDATION:

City Council approve a request by Bergin, Frakes, Smalley & Oberholtzer, PLLC for a Conditional Use Permit (CUP) for a Medical Marijuana Cultivation facility at 924 N. Tweedy Road, Eloy, Arizona, Pinal County Assessor's Parcel Numbers: 408-02-021 and 408-02-022 in a portion of Section 1, Township 8 South, Range 7 East of the Gila & Salt River Base & Meridian, Pinal County, Arizona, subject to the stipulations listed below.

The Property Owner shall:

Combine the Pinal County Assessor's Parcel Numbers: 408-02-021 and 408--02-022 through a Lot Combination Application;
Adhere to the Medical Marijuana Dispensary Off-Site Operating Procedures (attached);
Adhere to the Medical Marijuana Dispensary Off-Site Security Plan (attached);
Adhere to the Medical Marijuana Dispensary Off-Site Cultivation Waste Disposal Plan (attached);
Adhere to the Medical Marijuana Dispensary Off-Site Cultivation Odor Control Concept Plan (attached);

Maintain and remain in good standing with all applicable application/license fees as required by any and all state, county, and local governmental jurisdictions.
Not conduct any activities or processing on the premises which, directly or indirectly, is engaged in any form of cannabis extraction.
Submit and receive approval for any amendments to the Conditional Use Permit in the same manner as the original application, except that the Zoning Administrator may authorize minor amendments.

DISCUSSION:

The subject property includes a vacant warehouse building of approximately 71,000 square feet that was constructed in 2008 on two parcels of land comprising approximately 15.19 acres. This request is for a Conditional Use Permit (CUP) to facilitate the reuse of the vacant building (Elrus Aggregate Extraction Equipment) as a Medical Marijuana Cultivation location to support a growing Phoenix Medical Marijuana dispensary that requires a larger cultivation operation to meet the demands of their patients.

Section 21-2.5.1 of the Eloy Zoning Ordinance permits Medical Marijuana Cultivation with an approved CUP in Business Park (BP), Light Industrial (I-1) and General Industrial (I-2) Zoning Districts. However, the zoning code limits the size of the cultivation facility to 2,000 square feet. The CUP will facilitate the continued utilization of the properties for an industrial purpose, which is the cultivation of Medical Marijuana within an entirely enclosed building, as well as its use that exceeds the 2,000 square foot space limitation.

The Eloy General Plan identifies the subject property as General Industrial. If approved, this request would be in conformance with the Eloy General Plan and the Eloy Zoning Ordinance. The entire surrounding area of this property is also designated as General Industrial on the Eloy General Plan, from Interstate 10 to Frontier Street. The property to the west and south is currently vacant; the property to the north is the vacant Owens Corning Building and the property to the east is Otto Industries.

The existing south face of the Elrus building is located 1,307 feet directly north of residential zoning (R1-43). This zoning district is also located south of Interstate 10. The Eloy Zoning Ordinance identifies that a minimum distance of 1,320 feet is required, so a variance of 13 feet will be requested by the applicant at the Eloy Board of Adjustment meeting to be held on May 20, 2021.

Notification of the Planning & Zoning Commission public hearing for the requested CUP was provided at least fifteen (15) days prior to the public hearing through its publication in the Eloy Enterprise. A copy of the notice has been sent, via regular mail, to the property owners within three hundred (300) feet and posting of the Planning and Zoning Commission meeting agenda has occurred at the official City posting locations. There were not any members of the public who spoke out for or against this request at the public hearing. The applicant also conducted a virtual "Community Meeting" through their notification of the property owners within 300' of this property. There were not any attendees at this virtual meeting. City Staff has received one comment from the

adjacent property owner to the south and west (Jerry Ivy Separate Property Revocable Trust), who indicated their objection and request for Council denial of this application as it would adversely affect their property values.

FISCAL IMPACT:

The approval of this request will re-purpose an existing 71,000 square foot industrial building, generating approximately 30 full time jobs. The majority of those positions will earn salaries above \$40,000, contributing to an annual payroll of over \$2,000,000. Such investment will enhance and diversify Eloy's local job base, as well as increase property taxes and indirectly, sales tax collections for the City.

Approved as to Form:

A handwritten signature in blue ink, appearing to read "Stephen R. Cooper", is written over a solid black horizontal line.

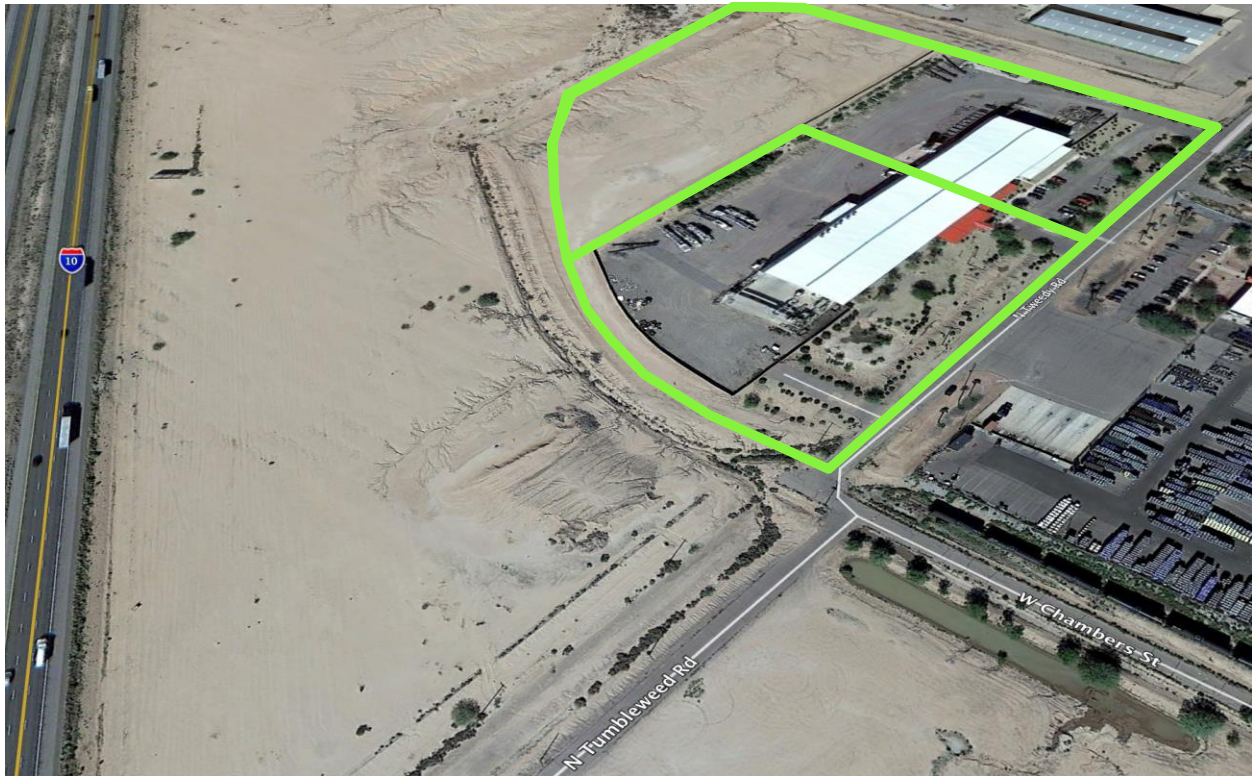
Stephen R. Cooper, City Attorney

New Gen Eloy

Medical Marijuana
Cultivation Location

Case No. : CUP 2021-009

924 N. Tweedy Road
APN 408-02-021 & 408-02-022



Development Team

Developer

New Gen Real Estate, LLC

4152 N 39th Ave.

Phoenix, AZ 85019

Zoning/Entitlements



Bergin, Frakes, Smalley & Oberholtzer, PLLC

4343 E. Camelback Road, Suite 210

Phoenix, Arizona 85018

Phone: 602.888.7860

Email: coberholtzer@bfsolaw.com

I. DESCRIPTION OF REQUEST

New Gen Real Estate, LLC has opened escrow on 924 N. Tweedy Road in Eloy, AZ, which includes a vacant warehouse building of approximately 71,000 sq. ft. on two adjacent parcels comprising approximately 15.19 acres (collectively referred to as the “**Properties**”). This request is for a Conditional Use Permit (“**CUP**”) to facilitate the reuse of the vacant building as a Medical Marijuana Cultivation location (the “**Project**”) to support a growing Phoenix Medical Marijuana dispensary that requires a larger cultivation operation to meet the demands of their patients. A companion lot combination will follow the CUP approval as the existing building straddles both parcels.

II. CURRENT GENERAL PLAN DESIGNATION AND ZONING DISTRICT

A. General Plan

The City of Eloy General Plan (“**General Plan**”) designates the Properties, and all those that surround them, as General Industrial (See Figure A) and describes this use designation as follows:

“Uses allowed within this designation include the most intense industrial employment uses and generally consist of wholesale and storage warehouses, external storage yards (including utility centers), fabrication, manufacturing, processing, repairing, and packaging of goods.” General Plan, Page 7.

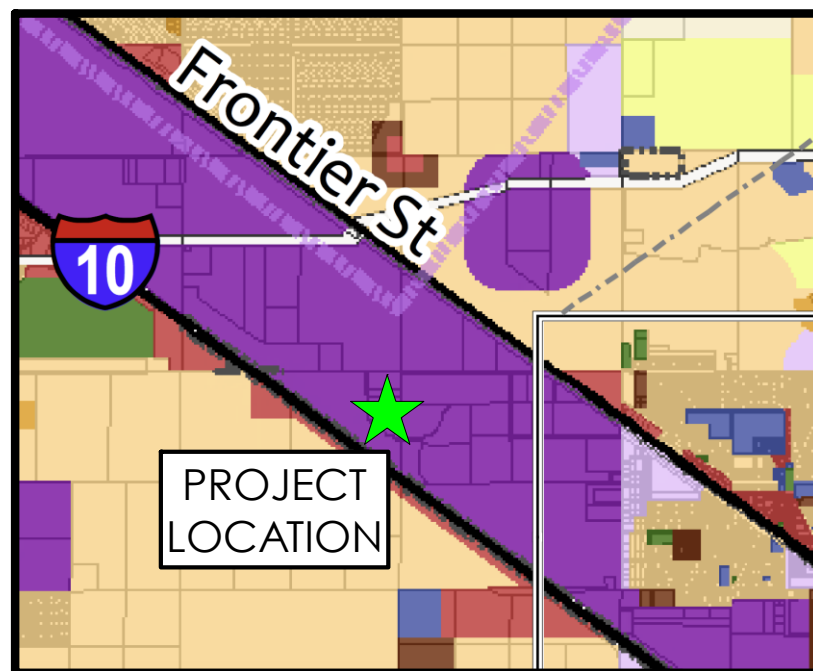


FIGURE A – Project Location on General Plan Map LU-3

In addition, the Properties are within the Sun Corridor Growth Area (See Figure B), which is a designated growth area where the focus is “both revitalization and new development in targeted areas.” See General Plan § 3.3.5. The General Plan further states “[i]t is important for the City to encourage development within the growth areas in order to enhance their economic viability, create compact development areas, integrate active and passive open space, preserve natural resources, and accommodate integrated compatible land uses (commercial, office, residential, tourism, and industrial) to ensure sustainability.” *Id.*

The proposed Project is ideal for the General Plan’s designated growth area as it executes the intention of both the General Plan and the Sun Corridor. The Project will revitalize an unused warehouse to create economic stability for Eloy by introducing a use that will produce employment and opportunities for Eloy’s growing population.

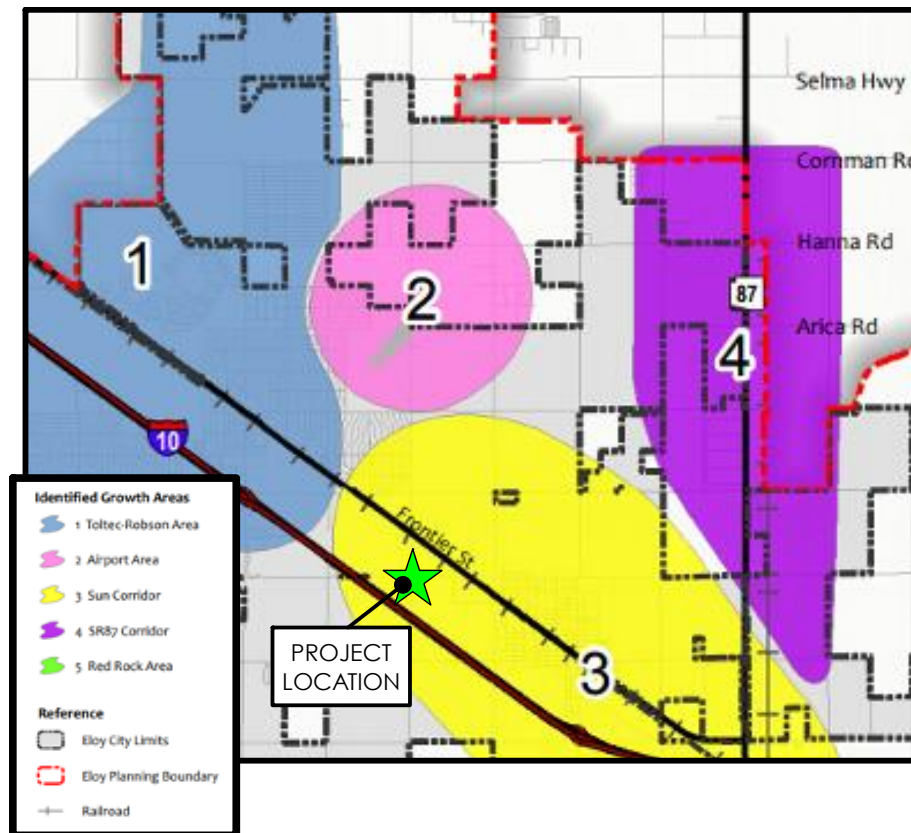


Figure B – Project Location in Sun Corridor Growth Area

B. Current Zoning

The Properties are currently zoned “Light Industrial” (I-1) and are within an Industrial corridor north of the Interstate 10 Freeway, and all the adjacent properties have like zoning as demonstrated in the following table:

Direction	Surrounding Use	Zoning	General Plan Category
North	Adjacent: Owens Corning Insulating Systems, LLC (APN#408-26-027D & #408-26-027B & #408-26-026)	I-1	General Industrial
	Sky Cast Properties, LLC (APN #408-02-021)	I-1	General Industrial
East	Across N. Tweedy Road: Shuff Steel Co. (APN #408-02-008L)	I-2	General Industrial
	OTTO Real Estate Arizona, LLC (APN #408-02-008K)	I-2	General Industrial
South	Adjacent: Vacant Lot/Ivy Jerry Separate Property Rev. Trust (APN #408-26-027C)	I-1	General Industrial
West	Adjacent: Vacant Lot / Ivy Jerry Separate Property Rev. Trust (APN #408-26-027C)	I-1	General Industrial
	Sky Cast Properties, LLC (APN #408-02-021)	I-1	

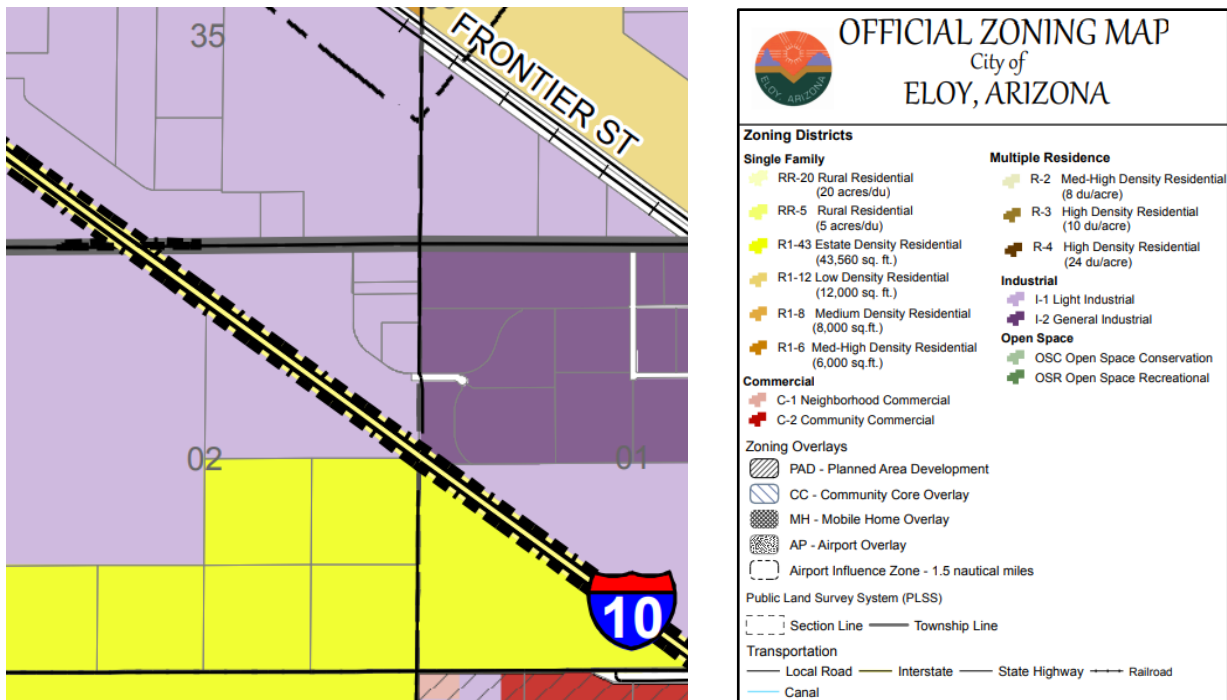


Figure C –Official Zoning Map of City of Eloy, Arizona

Section 21-2.5.1 of the Eloy Zoning Ordinance permits Medical Marijuana Cultivation with a CUP in Light Industrial (I-1) and General Industrial (I-2) Zoning Districts. The CUP will facilitate the continued utilization of the Properties for an industrial purpose, which is the cultivation of Medical Marijuana within an entirely enclosed building.

The supplemental use standards identify that Medical Marijuana Cultivation is permitted with a maximum area not to exceed 2,000 square feet unless a Conditional Use Permit is approved, per §21-3.1.24(G.):

“The cultivation location must be a permanent building (not a habitable trailer, cargo container or motor vehicle) with a maximum area not to exceed two thousand (2,000) square feet unless otherwise shown by the applicant and approved through the conditional use permit process that additional area is needed to provide necessary medical marijuana to the identified dispensary.”

The additional square footage is necessary to meet the increasing demand of the Herbal Wellness Center, Inc. (“Herbal Wellness”) dispensary’s patients, located at 4126 W. Indian School Road in the City of Phoenix, Arizona. Herbal Wellness has been open since 2013

and serves more than 6,000 patients monthly and is currently served by a 12,000 sq. ft. of grow space within their Phoenix cultivation facility. This only meets the demand of approximately 75% of the dispensary's existing patients. The remaining product is purchased from other licensed cultivators if available. To accommodate the full demand of current Herbal Wellness patients, they would need at least 16,000 sq. ft. of grow space, which does not include non-growing space that is consumed by hallways, mechanical equipment (fertigation systems), trimming, drying, security and other support rooms for the facility.

In the coming months, Herbal Wellness will be applying for expansion to increase the dispensary by a factor of 2.5, as the City of Phoenix has recently increased the area permitted for dispensaries from a maximum square footage of 2,000 sq. ft. to 5,000 sq. ft. With the upcoming expansion and given historical supply rates, there is now a projected need for a total of 40,000 sq. ft. of grow space ($2.5 \times 16,000 \text{ sq. ft.} = 40,000 \text{ sq. ft.}$).

An analysis of the existing building shows that its 70,000 sq. ft. facility area will provide the needed 40,000 sq. ft. of grow space. Approval of the CUP for cultivation, beyond the 2,000 sq. ft. maximum, would enable the dispensary to meet 100% of its current patient demand. If limited to a facility of 2,000 sq. ft, less than 3% of the current cultivation need would be met.

III. PROPOSED USE

A. Description of Proposed Use

The Project will use the existing warehouse to grow, harvest, cure, trim and package medical marijuana in accordance with State regulations. There will not be any cannabis extraction activities taking place anywhere on the Properties. The product will then be transported to the Dispensary. As is demonstrated in the accompanying operating procedures, the site will be secured and monitored 24 hours a day, seven days a week and never open to the public. Access is restricted to employees, related consultants and service providers. At opening, the Project will employ 25 full time employees, with just over 30 full-time employees expected by the end of the first year.

B. Conformance with Goals and Policies of General Plan

The current zoning is less intensive than many uses possible with the existing General Plan General Industrial designation. In addition, the Project also advances the following goals of the General Plan:

Land Use Element Goal:

- 1. Provide a range of residential, employment and supportive land uses to encourage and maintain a sustainable community.*

This Project will return an employment use to the Properties that has already been permitted, designed, constructed as General Industrial use. Approval of the CUP will replace an employment land use to facilitate a sustainable community.

Growth Areas Element Goals:

- 1. Encourage orderly development within Growth Areas.*

The Properties have already been orderly developed with a relatively new warehouse, constructed from 2007-2008, that faces N. Tweedy Road with indirect access to Interstate 10 via Sunshine Blvd. and N. Toltec Road, and ample parking. Wet and dry infrastructure exists and has already been extended to the building. Water use will be from the existing 8" and 6" main service lines, connected to the City of Eloy 12" water main. Sewer service will use the existing 4" connection to the City of Eloy's 8" sewer stub to the property. Arizona Public Service is the electric provider.

- 3. Promote commercial, employment and industrial development at identified Growth Area nodes.*

The Project is located within a designated industrial Growth Area, with readily available transportation and supportive adjoining land uses. Capital investment in the existing building to re-establish a use will support the continued growth in this area and will help to encourage future development on vacant, adjacent industrial property.

Economic Prosperity Element Goals:

1. Create the opportunity for, and successfully attract, quality employers with a focus on diversity and multiple salary levels.

The Project will employ between 25 and 30 full time employees at an average annual salary well above \$40,000 for non-management positions and going up from there with an annual payroll of over \$2,000,000.

This Project also complies with the Purpose and Development Guidelines of the General Plan as applicable to all Industrially designated land:

- *Generally, all such uses should be located along the interstate and/or state highway corridors, as well as, in and around the Eloy Municipal Airport.*

This Project is ideally located in a major industrial district, between Interstate 10, Frontier Street, and the Union Pacific Railroad. The Eloy Municipal Airport is directly north, a distance of 2.6 miles.

- *Industrial related uses should not be located adjacent to single family residential uses without adequate buffers.*

There are no adjacent or proximate single family uses. The nearest residential use is approximately a quarter mile away to the South, across the Union Pacific Railroad and Frontier Street, and as a result, no buffering is required. (See Figure D)

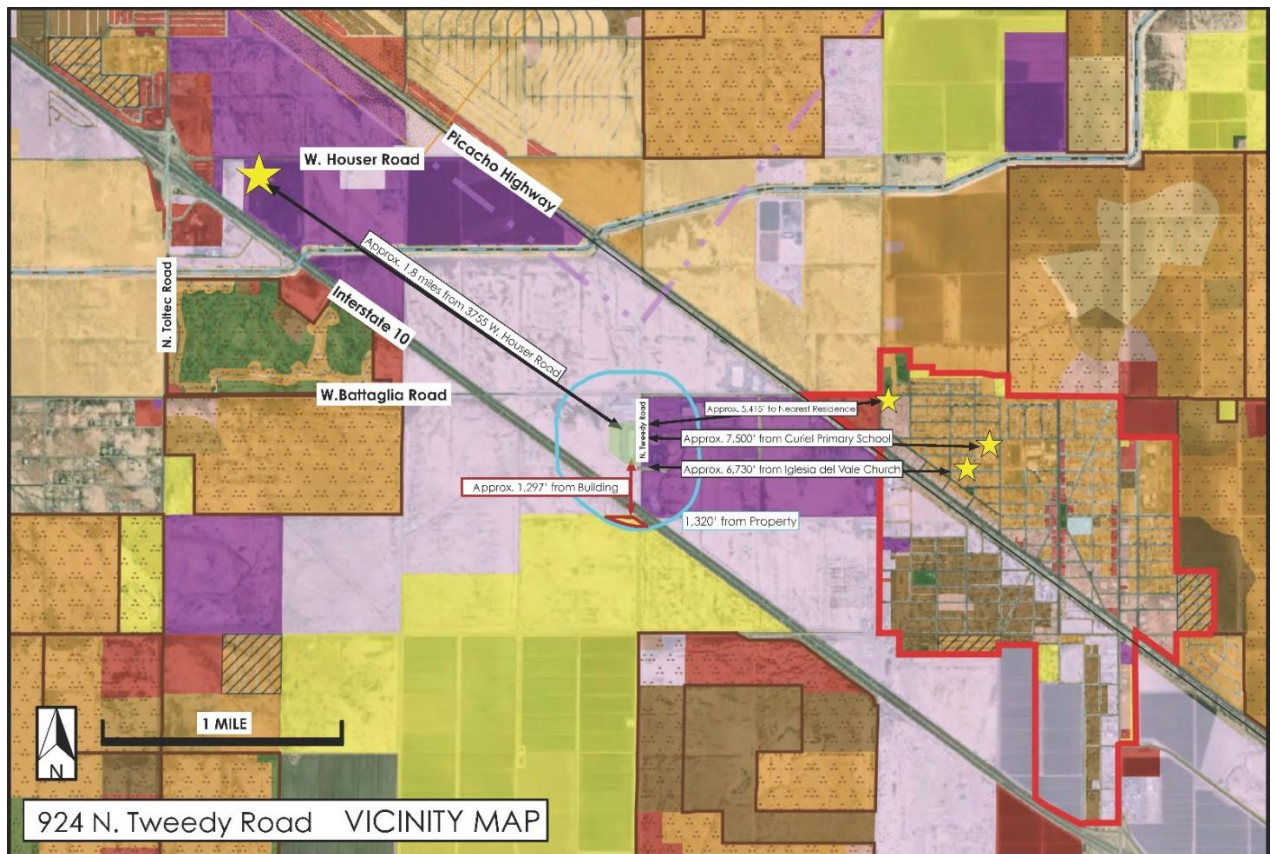


Figure D: Vicinity Map and Setbacks from Properties

- *Industrial uses may be required to submit, for review and approval, a traffic impact study as part of the site planning process to determine number and location of median and curb cuts for optimal traffic flow and adequate site ingress/egress.*

The Project is returning approximately 25-30 employees to a previously active employment site with 124 parking spaces; as such, the Project will have more than enough parking spaces to accommodate the use. The site is gated and roadway access, ingress/egress, exists for the proposed use, and no alteration to the access is proposed. Ingress and egress is oriented to the East, with indirect access to Interstate 10 via Sunshine Blvd. and N. Toltec Road. The facility will operate primarily Monday-Friday, 7:30 am to 4:00 pm, with a reduced employee presence on weekends and holidays. Deliveries to and from the facility are limited and generally do not exceed 10 per month, including building maintenance and uniform services. Waste pickup will average twice weekly.

- *Building front and street side architecture should be significantly articulated using wall undulation, varied rooflines and changes in materials to help create visual interest and minimize negative impacts created from large building massing (both vertically and horizontally).*

The existing building was completed in 2008, and features a central reception area with generous windows, use of color and varying rooflines to create visual interest and break up the massing of the long warehouse building. There is significant front yard and parking area landscaping, and will be well maintained. (See Figure E) Further, there is over 1,950 feet of block wall surrounding the warehouse building, and electronically gated, a significant upgrade from the chain link fences in wide use in the surrounding area.



Figure E: View of Property at Entry

- *Landscaping should be drought tolerant, yet green and healthy.*

Existing drought-tolerant landscaping covers the area throughout the 145 feet from the East side of N. Tweedy Road to the warehouse building.

- *Screening techniques (i.e. landscaping, distance, berming, and fencing) should be used to shield and buffer adjacent residential uses from noise, visual impact, glare, and delivery truck traffic.*

The existing building has a deep front setback of over 145 feet and side setbacks in excess of 200 feet, with a masonry exterior wall that provides additional screening from adjacent properties. However, as stated above, there are no adjacent residential properties.

C. Suitability Within the Existing Zoning District

The Properties and the proposed Project are an ideal fit for the existing industrial zoning district. The existing warehouse and grounds were strategically designed and constructed with two driveways from N. Tweedy Road, with an ample employee parking area, consisting of 124 parking spaces including 5 accessible spaces, between the building and roadway, and service access further south. The layout of the property ensures the use is compatible with surrounding properties in all directions. The deep setbacks and perimeter wall around the warehouse minimize potential disturbances while also serving to provide a high level of security and screen the public from the proposed use. Reuse of the vacant facility proposes no alterations to the building exterior and grounds. The Properties were historically utilized for large equipment painting. This CUP request for this use, as well as additional grow area, is ideally located in a suitable and permitted zoning district.

D. Impact to Surrounding Uses and Properties and Mitigation Measures

The Properties are surrounded on three sides by vacant Light Industrial zoned land, and by developed General Industrial zoned land to the east. With the re-occupancy of the building, there will be no impact to the surrounding properties. Further, the cultivation activities will be conducted within the permanent building, entirely enclosed and ventilated, with appropriate measures taken to ensure odor mitigation (as discussed further in Section IV. (A.)(G.) below).

IV. PROJECT CONFORMS WITH CUP REQUIRED FINDINGS

A. Project Meets Conditional Use Permit Requirements, §21-6-7.4(A)-(I)

A. The proposed use will not be detrimental to the health, safety, or general welfare of persons living or working in the vicinity, to adjacent property, to the neighborhood, or to the public in general:

State law requires security and operation measures to ensure that all licensed Medical Marijuana facilities are secure and safe and the cultivation use will not be

detrimental to anyone working in the area or the public in general. The Project will be secured and operated in conformance to applicable state and county regulations, through the implementation of the following:

- Enhanced security measures, including a third-party security system monitoring company that will operate 24 hours a day, 7 days a week.
- Installed cameras throughout the facility, able to clearly record images in low light conditions.
- Emergency power backup for added resilience to all systems.
- Onsite management will work with local law enforcement officials to maintain correct protocols before, during, and after any security breaches.

B. The proposed use conforms with the purposes, intent, and policies of the adopted Eloy General Plan (“General Plan”) and its policies and any applicable area, neighborhood, or other plan officially adopted by the City Council;

As detailed above in Section II and III, the Project closely aligns with the General Plan’s purpose for the Industrial designation and Growth Areas and the Project further directly supports four major goals in three General Plan Elements: Land Use, Growth Areas, and Economic Prosperity Elements.

C. The proposed use conforms with the conditions, requirements, or standards prescribed by this chapter and any other applicable local, State, or Federal requirements; and

As demonstrated in **Figure C**, the proposed use will comply with all of the applicable City of Eloy, State, and Federal requirements. Further, with one exception, the location of the Properties exceeds all of the applicable distances in **§21-6-7.4**. The Applicant has submitted a separate variance (Case No. VA 2021-010) request to reduce the 1,320’ setback requirement from a residential zoning district to 1,307’ to permit the entire building to be used for medical marijuana cultivation despite a vacant R1-43 zoned parcel located on the south side of the I-10 freeway. If the variance is not approved, the southerly 13’ of the building within 1,320’ of the residential district will be limited to non-cultivation uses.

D. The proposed conditional use shall conform to the character of the neighborhood, within the same zoning district, in which it is located. In making such a determination, consideration shall include the location, type and height of the buildings or structures and the type and extent of landscaping and screening on the site.

This Project will repurpose the existing building and grounds without any exterior changes, other than the addition of required security systems. The interior of the building will be reconfigured and entirely enclosed to create a clean room environment for cultivation. The facility not only conforms to the character of the neighborhood, but enhances it with: deep setbacks; generous and well maintained building and parking-area landscaping; and over 1,950 feet of well-maintained masonry block walls surrounding the warehouse building to the north, west, and south.

E. Adequate utilities, access roads, drainage, fire protection, and other necessary facilities shall be provided.

The Project will utilize existing utilities and infrastructure. Water use will be from the existing 8" and 6" main service lines, connected to the City of Eloy 12" water main. Sewer service will use the existing 4" connection to the City of Eloy's 8" sewer stub to the property. Arizona Public Service is the electric provider. Access is convenient and more than adequate for the intended use. Maintained retention areas have and will continue to manage stormwater runoff as designed and permitted. The existing building is sprinklered and designed to a non-hazardous F1 occupancy. The proposed use shares this occupancy rating. All fire protection systems will conform to applicable standards.

F. Adequate measures shall provide ingress and egress so designed as to minimize traffic hazards and traffic congestion on the public roads.

The site was originally designed to minimize traffic hazards and with abundant parking, so there should be no offsite impacts. The roads in this industrial business park are designed to handle the nature of the business uses in the area and with the size of the building, this Project will be on the lower scale of intensity of uses in terms of daily activity. As stated above, the primary traffic will be approximately 25 employee vehicles during weekdays - there will be no retail traffic or public access. The facility will operate primarily Monday-Friday, 7:30 am to 4:00 pm, with a reduced employee presence weekends and holidays. The deliveries to and from the site are also quite limited, with a monthly average of 10 or fewer.

G. The proposed use shall not be noxious or offensive by reason of vibration, noise, odor, dust, smoke, or gas.

Vibration, noise, odor, dust, smoke and gasses will be minimized with this use. Odor within the building will be contained within the work area through space pressurization. The work area is always kept at neutral space pressure and adjacent corridors are always kept on positive pressure. The pressure differential between the two spaces shall contain any odors to the work area. Should workers desire masks, they are provided but not necessary. Additionally, the Odor Control Concept Plan, included with the Operation Procedures, includes the use of inline recirculating fans with plasma filters located throughout the facility that provide complete air exchange, typically within an hour. The air exchange will be calculated as the mechanical improvement plans are developed. Recirculating fans will be located at the sources of origin and ducted to plasma filters.

In addition to enhanced security measures and active controls for odor generation, the Project use will also have active controls for refuse collection. In order to dispose of any marijuana remnants or byproducts (“Marijuana Waste”), the applicant will adhere to the following procedures, as described in the attached Waste Disposal Plan:

- For Marijuana Waste consisting of cannabis plants and flower, the process includes grinding the waste into a sealed container and incorporating bleach or an alternative product that renders the disposed cannabis unusable into the mixture.
- All packaging, containers, and labels will be shredded and mixed with other Marijuana Waste.
- All processes will take place in a limited access, secured area of the facility. The Marijuana Waste will be stored in a secure area, not accessible by any unauthorized persons until it is ready for pickup.
- The Marijuana Waste will be picked up and disposed of by a third-party professional waste disposal company at a frequency of twice weekly.

- The Marijuana Waste will be documented pursuant to Arizona Department of Health Services guidelines. Such documentation will include the: description of and reason for disposal; date of disposal; method of disposal; and identity of the individual responsible for the disposal.

H. The proposed use shall not be injurious to the use and enjoyment of the property in the immediate vicinity for the purposes already permitted, nor substantially diminishes or impair the property values within the neighborhood.

Reuse of the existing building will be returning industrial activity to a previously permitted and occupied facility for employment use. The existing building has been designed, constructed, and maintained to reflect a high level of investment in the surrounding area. This use will support the General Plan and overall success of the Sun Corridor Growth Area by revitalizing these Properties and encouraging development that will provide long term sustainable economic and employment growth opportunities.

I. The establishment of the proposed use shall not impede the orderly development and improvement of surrounding property for uses permitted within the zoning district.

The re-establishment of employment use with an owner-occupied user will keep eyes on the street and facilitate the addition of a very successful business to the Eloy economy. With the re-utilization of the existing building and limitations on the use and operations required by the State, this Project will improve the area and surrounding uses by increasing security and safety, attracting new capital investment.

B. Project Meets Supplemental Use Standards for Medical Marijuana Cultivation, §21-3-1.24 (A)-(I)

This proposed Project satisfies the Supplemental Use requirements for Medical Marijuana Cultivation per Eloy Zoning Ordinance §21-3-1.24, as detailed below:

A. Medical marijuana cultivation is subject to the following conditions and limitations:

1. Applicant shall provide:

a. The name(s) and location(s) of the offsite medical marijuana dispensary associated with the cultivation operation.

The offsite medical marijuana dispensary associated with the cultivation operation is located at Herbal Wellness Center, Inc., 4126 W. Indian School Road Phoenix, AZ, 85019.

b. A copy of the operating procedures adopted in compliance with Arizona Revised Statutes, Section 36-2804(9) (1) (c).

See included Operating Procedures in compliance with Arizona Revised Statutes, Section 36-2804(9) (1) (c).

c. A survey sealed by a registrant of the state of Arizona showing the location of the nearest medical marijuana dispensary or cultivation location if within five thousand two hundred eighty feet (5,280').

A sealed survey is not included as there are no nearby marijuana dispensaries and the nearest Medical Marijuana Cultivation site is over 1.8 miles away. See the Vicinity Map included with this application. A sealed survey from Helix engineering, dated April 9, 2021, has been included which verifies the separation distance from the exterior wall of the south face of the existing building to the property line of the R1-43 zoned parcel south of the I-10 freeway.

B. Retail sales of medical marijuana is prohibited.

This Project is not open to the public and no retail sales will be permitted.

C. Shall not be located within one thousand three hundred twenty feet (1,320') of the same type of use or a medical marijuana dispensary. This distance shall be measured from the exterior walls of the building or portion thereof in which the businesses are conducted or proposed to be conducted.

The nearest same type of use is a medical marijuana cultivation site over 1.8 miles away (9,504 ft. away) to the northwest. See the Vicinity Map included with this application.

D. Shall not be located within one thousand three hundred twenty feet (1,320') of a residentially zoned property. This distance shall be measured from the exterior walls of the building or portion thereof in which the cultivation business is conducted or proposed to be conducted to the property boundary line of the residentially zoned property. (Option: Measuring distance from lot line to lot line.)

The nearest residentially zoned property is a vacant parcel of R1-43 land located on the south side of the Interstate I-10 freeway as depicted in Figure F below (the “I-10 Residential Property”). The measurement from the exterior wall of the south face of the building to the R1-43 property line is approximately 1307’. However, the “residential” property is encumbered by 33’ right-of way easements on the north side and within an area designated for freeway expansion- consequently, there is no possibility of a residential use to be located on this property within the 1320’ once easements and setbacks are applied. For this reason, a companion variance has been submitted to the City. Should that variance not be granted, the use within the building would be limited to only the portion that meets the 1320’ separation.

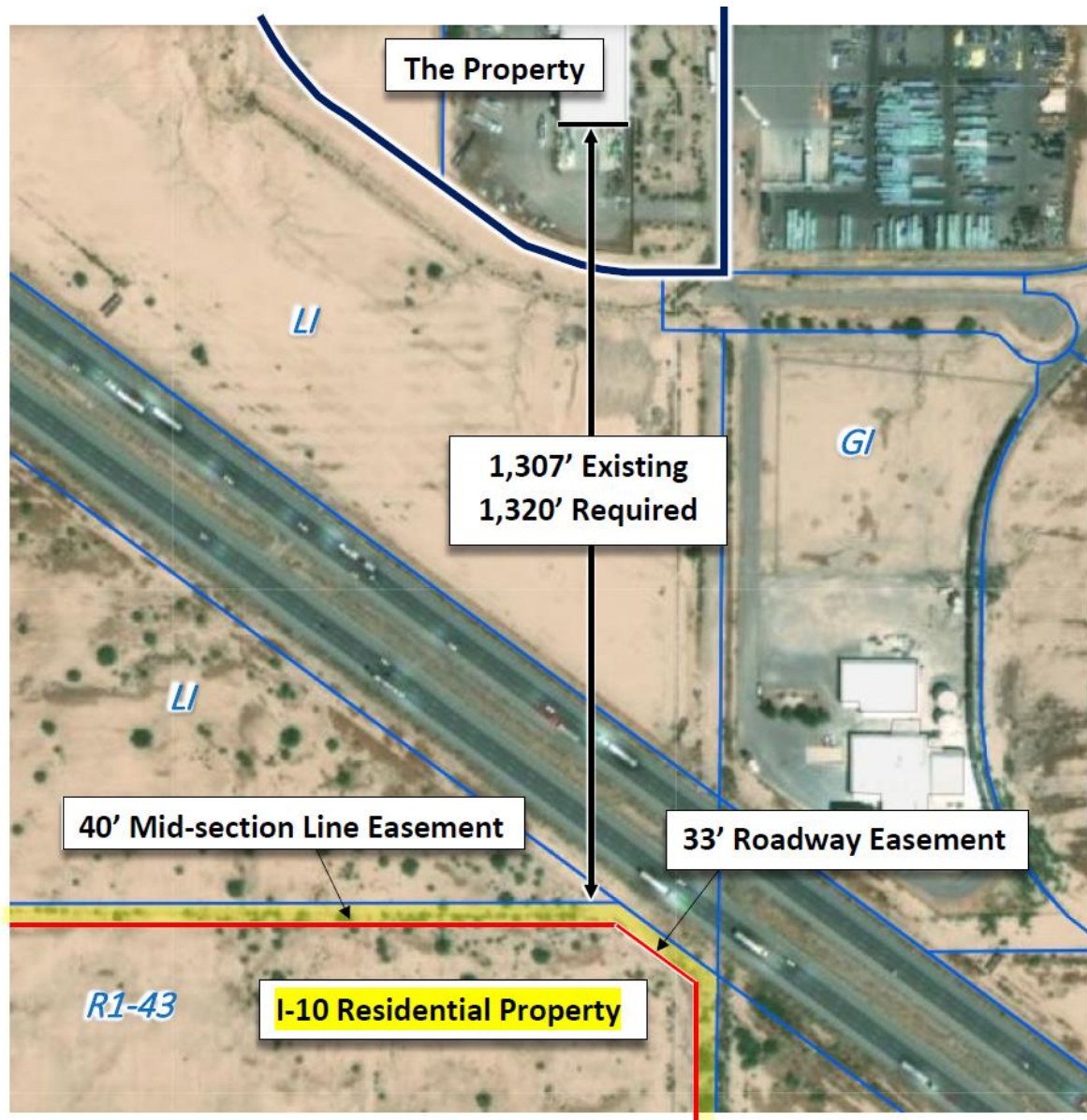


Figure F: Relationship Between the Property and the I-10 Residential Property

E. Shall not be located within one thousand three hundred twenty feet (1,320') of a preschool, kindergarten, elementary, secondary or high school, place of worship, public park or community center. This distance shall be measured from the exterior walls of the building or portion thereof in which the cultivation business is conducted or proposed to be conducted to the property line of the protected use.

The Project site exceeds the distance standard as it is not located within one thousand three hundred twenty feet (1,320') of a preschool, kindergarten, elementary, secondary or high school, place of worship, public park or community center. There is a distance of approximately 7,500 feet to the nearest school, and approximately 6,730 feet to the nearest place of worship. (See Figure C and the Vicinity Map included with this application).

F. With regard to a Medical Marijuana Cultivation location, applicants seeking a Conditional Use Permit shall provide the name and location of the off-site dispensary, a copy of operating procedures adopted in compliance with ARS §36- 2804(B) (1) (c), procedures for proper disposal of marijuana remnants or by- products (not to be the facility's exterior refuse container), a security plan, and a plan to prohibit the emission of odors from the facility into the environment.

The name and location of the off-site dispensary is Herbal Wellness Center, Inc., located 4126 W. Indian School Road, Phoenix, AZ, 85019. The following procedures and plans are included with this application: The Operating Procedures adopted in compliance with ARS §36- 2804(B)(1)(c); the Security Plan; the Waste Disposal Plan; and the Odor Control Concept Plan.

G. The cultivation location must be a permanent building (not a habitable trailer, cargo container or motor vehicle) with a maximum area not to exceed two thousand (2,000) sq. ft. unless otherwise shown by the applicant and approved through the conditional use permit process that additional area is needed to provide necessary medical marijuana to the identified dispensary.

This application seeks to expand the maximum area to include the full square footage of the existing permanent building. The additional square footage is necessary to meet the increasing demand of the Herbal Wellness Center, Inc. ("Herbal Wellness") dispensary's patients, located at 4126 W. Indian School Road in the City of Phoenix, Arizona. Herbal Wellness has been open since 2013 and serves more than 6,000 patients monthly and is currently served by 12,000 sq. ft. of cultivation which only meets the demand of approximately 75% of the dispensary's existing patients. The remaining product is purchased from other licensed cultivators if available. The existing cultivation facility would

need to provide 16,000 sq. ft. of cultivation to produce enough supply to meet current demand.

In the coming months, Herbal Wellness will also be applying for expansion that will increase the dispensary by a factor of 2.5, as the City of Phoenix has recently increased the area limitation of dispensaries from a maximum square footage of 2,000 sq. ft. to 5,000 sq. ft. With the upcoming expansion and given historical supply rates, there is now a projected need for a total of 40,000 sq. ft. of cultivation ($2.5 \times 16,000 \text{ sq. ft.} = 40,000 \text{ sq. ft.}$). With 12,000 sq. ft. of existing cultivation, Herbal Wellness requires approximately 28,000 sq. ft. of new cultivation to meet current demand.

Within all cultivation facilities, there will be non-growing space that is consumed by hallways, mechanical equipment (fertigation systems), trimming, drying, security and other support rooms for the facility. An analysis of the existing building shows that its 70,000 sq. ft. area will net approximately 32,000 sq. ft. of cultivation.

Approval of the CUP for cultivation, beyond the 2,000 sq. ft. maximum, would enable the dispensary to meet 100% of its current patient demand. If limited to a facility of 2,000 sq. ft, only 3.9% of the current cultivation need would be met.

H. The cultivation location shall not be open to the public.

The cultivation location is not open to the public and all activities will be conducted in an enclosed, permanent building that is accessible only to employees with proper identification.

I. Marijuana shall not be consumed on the premises, including any accessory structures, parking lot or parking areas.

On premise marijuana consumption will be prohibited, including in any accessory structures, parking lot or parking areas.

V. CONFORMANCE WITH REVIEW CRITERIA

As is clearly established in this narrative, the Project is entirely compliant with the applicable review criteria set forth in the CUP application.

The proposed conditional use shall be in compliance with all regulations of the applicable zoning district, design standards, or general provision requirements of this chapter.

As stated in Section IV, the proposed use will generally exceed all applicable local codes, regulations and standards regarding this Zoning District and those regarding Medical Marijuana Cultivation. Further, with one exception, the location of the Properties exceeds all of the applicable distances in §21-6-7.4. The 1320' setback from residential will either be met by restricting the use within the building to an area that is 1320' north of the I-10 Residential Property or by the granting of the companion variance. In either scenario, the use will be compliant with all applicable standards and requirements.

The establishment, maintenance, or operation of the proposed use shall not be detrimental to the health, safety, and general welfare of occupants of surrounding land nor be noxious or offensive by reason of vibration, noise, odor, dust, smoke or gas.

As stated in Section IV, vibration, noise, odor, dust, smoke and gasses are minimized with this use. Any offsite impacts will be minimal and mitigation measures will be implemented. The Project will design and construct an odor control system for the existing building. State law requires security and operation measures to ensure that all licensed Medical Marijuana facilities are secure and safe and the cultivation use will not be detrimental to anyone working in the area or the public in general. The Project will be secured and operated in conformance to the Arizona Medical Marijuana Act and applicable state and county regulations.

The proposed use shall not be materially injurious to properties or improvements nor diminish or impair property values in the immediate vicinity.

As stated in Section IV, this use will enhance area values by supporting the General Plan and overall success of the Sun Corridor Growth Area by revitalizing these well-developed Properties and encouraging development that will provide long term sustainable economic and employment growth opportunities to the immediate and surrounding area.

The proposed use will be served by ingress and egress routes that minimize traffic congestion, shall not burden the existing and anticipated traffic conditions including parking facilities on adjacent streets and land, and will be served by adequate public utilities.

The Project will be served by existing routes and has more than adequate parking facilities to accommodate the anticipated 25 employees. With a fluctuation between 25 and 30 employees arriving to the site for a typical 7:30-4:30 workday, and there being no public access authorized on the site, there will be very few trips per day as the primary traffic will be employee vehicles. Roadway access, ingress/egress, and parking capacity already exist for the employment use. Ingress and egress is oriented to the East, with indirect access to Interstate 10 via Sunshine Blvd. and N. Toltec Road. The layout of the property ensures the use is compatible with surrounding properties in all directions. Wet and dry infrastructure exists and has already been extended to the building. Water use will be from the existing 8" and 6" main service lines, connected to the City of Eloy 12" water main. Sewer service will use the existing 4" connection to the City of Eloy's 8" sewer stub to the property. Arizona Public Service is the electric provider.

The proposed use shall not impede the normal and orderly development and improvement of surrounding property for uses permitted in the underlying zoning district and shall be in compliance with the Eloy General Plan adopted by the city.

The proposed use is a reuse of an existing, well-developed, vacant building and will encourage continued orderly development and improvement of the area. With the re-utilization of the existing building and limitations on the use and operations required by the State, this development will improve the area and surrounding uses. The proposed Project is ideal for the General Plan's designated growth area as it executes the intention of both the General Plan and the Sun Corridor.

The proposed use is necessary or desirable or provides a service or facility that contributes to the general well-being of the area.

The proposed use provides a facility that will invest new capital into a vacant building and brings new economic activity and new employment to the area for a use that is very clean and creates new employment and opportunities for Eloy's growing population with an average annual salary well above \$40,000 for non-management positions and an average annual payroll

of over \$2,000,000. The availability of new cultivation jobs will add to the job types currently available in Eloy.

The proposed use shall not create more adverse impacts on existing uses in the surrounding areas than those which reasonably might result from development of the site with a use that is permitted by right in the underlying zoning district.

The proposed use is a relatively low-impact type of industrial use than other types of Light Industrial uses that could re-occupy this site such as Light Manufacturing, Light Assembly, and Building Material Sales. The cultivation use does not generate noise, vibrations, or particulates. The odors that are generated represent the main potential source of adverse impact to existing uses in the surrounding area, and these are actively mitigated by systems as detailed above in Section IV and in the attached Odor Control Plan. This Project will improve the area and surrounding uses by increasing security and safety and ensuring the property is professionally managed and maintained.

VI. CONCLUSION

The location and existing zoning (I-1) of the Properties provide an ideal siting for this Project that will revitalize a vacant building and return jobs and economic activity to Eloy's Sun Corridor Growth Area. Approval of this CUP will provide capacity to meet the demand of the Herbal Wellness Dispensary while creating new jobs with an annual payroll of over \$2,000,000.

- UNSUBDIVIDED -

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DESIGN HOLLON
ARCHITECTS
5801 S. MCCLINTOCK DR. SUITE 104
TEMPE, ARIZONA 85283
480-997-7145
FAX 480-997-7105

MASTER SITE PLAN

MANUFACTURING FACILITY for
SKY CAST
824 N. TWEEDY ROAD
ELY, ARIZONA

JOB: 0707
DATE: 6/07

SHEET
A1.1

PARKING REQUIRED
Vehicle Parking:
Office: 2,758 s.f./300 = 9 spaces
Manufacturing: 68,950 s.f./600 = 115 spaces
Total vehicle parking required: 124 spaces including 5 accessible spaces
Motorcycle Parking:
Office: 9 vehicle spaces/10 = 1 space
Manufacturing: 114 vehicle spaces/20 = 6 spaces
Total motorcycle parking required: 7 spaces

PARKING PROVIDED
The maximum number of employees working on the production floor is 20 per shift rather than the 678 occupants allowable. Because this amount is so much less, the Owner has agreed with the Planning Department to provide 40 public accessible vehicle parking spaces and 1 motorcycle space at the front of the building. Area for additional future parking has been allocated behind the screen wall for enough parking spaces to meet the requirements of the Zoning Ordinance. Additional (Phase 1) parking spaces will be constructed as needed or as determined by the Zoning Administrator.

Vehicle Parking:
Front Parking Lot: 40 vehicle spaces including 2 accessible spaces
Future Parking: 84 vehicle spaces including 3 accessible spaces
Total Parking: 124 vehicle spaces including 5 accessible spaces

Motorcycle Parking:
Front Parking Lot: 1 motorcycle space
Future Parking: 6 motorcycle spaces
Total Parking: 7 motorcycle spaces

NOTE
No bicycle parking is required or provided.

NOTE:
FUTURE 1/2 STREET IMPROVEMENTS
REQUIRED ALONG CHAMBERS ROAD
AT TIME PHASE 2 DEVELOPS.

NOTE:
THERE IS NO WORK IN THIS
AREA OF THE SITE. (PHASE 2)
SITE TO REMAIN UNDISTURBED.

NOTE:
DEVELOPMENT OF PHASE 2
SHALL REQUIRE SEPARATE SITE
PLAN REVIEW / APPROVAL.

NOTE:
SIGNAGE UNDER
SEPARATE PERMIT.

05 15 30 60 120
1"=60'-0"

ISSUED
OCT 28 2007
FOR CONSTRUCTION



1 MASTER SITE PLAN

KEYNOTES

DIVISION 1 - GENERAL REQUIREMENTS

- 01.001 **NEW METAL BUILDING:** Provide foundation, floor slab, and all finish work, mechanical and plumbing work, electrical work, landscaping and site work for new metal building. Metal building is to be provided by the Metal Building Contractor.
- 01.002 **CONCRETE BATCH PLANT:** Provide foundations and concrete work for batch plant supports and aggregate bins. Aggregate hoppers, conveyors, mixer, cement silo, and controls are to be provided by Others.

- 01.003 **TRAVELING CRANE:** Provide foundations for traveling crane system. Steel supports and crane rail to be provided by the Metal Building Contractor. Traveling cranes are to be provided by Others.
- 01.101 Property line, typical.
- 01.102 Existing property easement.
- 01.103 Line of existing road.
- 01.105 Existing underground water line.
- 01.106 Existing water shut off valves.

- 01.109 Existing overhead electric line.
- 01.110 Existing underground natural gas line.
- 01.144 20' x 20' drainage easement.
- 01.145 20' x 20' easement for monument sign.
- 01.189 Refuse dumpster location.
- DIVISION 2 - SITE WORK/DEMOLITION**
- 02.001 Remove existing concrete ditch lining entire length of property.



Company Policy and Procedures Handbook

Revised 03/23/2021

FOREWORD

Whether you have just joined our staff or have been at Herbal Wellness Center and Organica Patient Group, Inc. for a while, we are confident that you will find our company a dynamic and rewarding place in which to work, and we look forward to a productive and successful association. We consider the employees of Herbal Wellness Center and Organica Patient Group, Inc. to be one of its most valuable resources. This handbook has been written to serve as the guide for the employer/employee relationship.

There are several things to keep in mind about this handbook. First, it contains only general information and guidelines. It is not intended to be comprehensive or to address all the possible applications of, or exceptions to, the general policies and procedures described. For that reason, if you have any questions concerning eligibility for a particular benefit or the applicability of a policy or practice to you, you should address your specific questions to the Human Resource department. Neither this handbook nor any other company document confers any contractual right, either express or implied, to remain in the company's employ. Nor does it guarantee any fixed terms and conditions of your employment. Your employment is not for any specific time and may be terminated at will with or without cause and without prior notice by the company, or you may resign for any reason at any time. No supervisor or other representative of the company (except the president) has the authority to enter into any agreement for employment for any specified period of time or to make any agreement contrary to the above.

The procedures, practices, policies and benefits described here may be modified or discontinued from time to time. We will try to inform you of any changes as they occur.

This handbook and the information in it should be treated as confidential. No portion of this handbook should be disclosed to others, except Herbal Wellness Center and Organica Patient Group, Inc. employees and others affiliated with Herbal Wellness Center and Organica Patient Group, Inc. whose knowledge of the information is required in the normal course of business.

Some subjects described in this handbook are covered in detail in official policy documents. Refer to these documents for specific information because the handbook only briefly summarizes those guidelines and benefits. Please note that the terms of the written insurance policies are controlling and override any statements made in this or other documents.

Sincerely,

Herbal Wellness Center and Organica Patient Group, Inc. Management

HERBAL WELLNESS CENTER AND ORGANICA PATIENT GROUP COMPANY POLICY

Statement of Equal Opportunity

Herbal Wellness Center and Organica Patient Group, Inc is an equal opportunity employer and will not discriminate in recruiting, hiring, training, promotion, transfer, discharge, compensation or any other term or condition of employment on the basis of race, religion, color, age (over age 39), sex, national origin, or on the basis of disability if the employee can perform the essential functions of the job, with a reasonable accommodation if necessary. Any employee who is aware of discriminatory conduct or who has any concern about a possible violation of this policy should immediately report the conduct or concern to his or her supervisor, designated human resource personnel or any corporate officer.

Immigration Law Compliance

Herbal Wellness Center and Organica Patient Group, Inc is required by federal immigration laws to verify the identity and work authorization of all new employees. In keeping with the obligation, documentation that shows each person's identity and legal authority to work must be inspected. Each new employee must also attest to his/her identity and legal authority to work on an I-9 Form provided by the federal government. This verification must be completed as soon as possible after an offer of employment is made and in no event more than three (3) business days after an individual is hired and before the individual begins work. A copy of this form will be provided to you for your completion. All offers of employment with Herbal Wellness Center and Organica Patient Group, Inc are conditioned upon furnishing evidence of identity and legal authority to work in the United States in compliance with the federal law. Providing falsified documents of identity and eligibility to work in the United States will result in cancellation of your consideration for employment or dismissal if employed. Every rehired employee must also satisfy this requirement. It is the employee's responsibility to ensure that the work authorization on file is current. The Department of Homeland Security recommendation is to apply for renewed authorization a minimum of ninety (90) days in advance of expiration. Inability to provide renewed authorization on or prior to the expiration date of the original document will result in the employee's immediate termination.

Health Requirements

All employees shall be of sufficient good health to properly discharge their duties. Employees who have an infectious disease shall not be permitted to work for the duration of communicability. If an employee becomes ill or injured while on duty, it is his/her responsibility to report such illness or injury to his/her supervisor immediately. Failure to do so may result in a loss of potential benefits for that illness or injury. If an employee has excessive absences from work due to illness, his/her physical condition may be reviewed to determine the ability to continue in that position, and a physician's release that he/she is able to work may be required.

Smoking

Smoking is only permitted in those places and at those times designated by Herbal Wellness Center and Organica Patient Group, Inc. Do not smoke near any area where flammable or combustible materials, such as solvents, are used or stored. Other rules regarding smoking may apply depending on your work location. If you have any questions, ask your supervisor.

Confidentiality of Information

Confidential information of Herbal Wellness Center and Organica Patient Group, Inc, of any nature and in any form whatsoever, including, but not limited to, all data or information that is competitively sensitive or is not generally known or available to the public, client lists and files, and personnel records and data, shall be kept confidential and private and shall not be removed from Herbal Wellness Center and Organica Patient Group, Inc premises without the prior written authorization of Herbal Wellness Center and Organica Patient Group, Inc. Such confidential information shall only be used for the benefit of Herbal Wellness Center and Organica Patient Group, Inc and its interests. Employees will be required to sign a confidentiality agreement, non-solicitation agreement and/or agreement not to compete containing such provisions as Herbal Wellness Center and Organica Patient Group, Inc deems appropriate.

Employee Investigations

Herbal Wellness Center and Organica Patient Group, Inc recognizes the importance of employees who are honest, trustworthy, qualified, and reliable. For purposes of furthering these concerns and interests, before hiring an individual, Herbal Wellness Center and Organica Patient Group, Inc reserves the right to investigate the individual's prior employment history, personal and/or business references, educational background, and or other relevant information that is reasonably available. In hiring for certain positions, Herbal Wellness Center and Organica Patient Group, Inc may review an applicant's credit report and criminal background, if any. Consistent with these practices, all job applicants will be asked to sign a Release of Information Authorization, which will include a release of liability for disclosure of information by a third party. To the extent permitted by law, Herbal Wellness Center and Organica Patient Group, Inc reserves the right to exclude any applicant from consideration for employment, where the applicant refuses to sign the Release of Information Authorization form as requested.

In addition, Herbal Wellness Center and Organica Patient Group, Inc may find it necessary from time-to-time to investigate current employees, where behavior or other relevant circumstances raise legitimate questions concerning work performance, reliability, honesty, trustworthiness, or potential threat to the safety of co-employees or others. Where appropriate, these investigations may include credit reports and criminal records, including appropriate inquiries about any criminal investigation or arrest that is pending further proceedings. Employees subject to such investigations are required to reasonably cooperate with Herbal Wellness Center and Organica Patient Group, Inc to obtain relevant information, and may be subject to disciplinary action, up to and including termination, for failure to do so.

All employees are strongly encouraged to immediately report any incidents of potentially threatening, harmful, or criminal behavior of co-employees, supervisors, customers, clients, vendors, or visitors.

Safety Policy

Herbal Wellness Center and Organica Patient Group, Inc wants every employee to enjoy a safe workplace. Employees must comply with all safety rules and policies (and rules and policies of clients when on client premises) and all requirements of OSHA- the Occupational Safety and Health Act.

In accordance with applicable law, Herbal Wellness Center and Organica Patient Group, Inc has established a safety committee to constitute and have such duties as defined by applicable state law. Employee members of the safety committee will be paid for their time while attending committee meetings or while otherwise engaged in committee duties. Employees must comply with the injury prevention program adopted by the safety committee.

Please observe Herbal Wellness Center and Organica Patient Group, Inc safety rules in every phase of your work, with emphasis on proper lifting techniques when handling heavy objects. You are required to participate in the safety effort of Herbal Wellness Center and Organica Patient Group, Inc by working safely and attending safety sessions when offered. Incidents involving personnel are reviewed on a regular basis to identify safety hazards. If you should have an incident or injury or observe an unsafe condition, report it to your supervisor immediately, no matter how insignificant it may seem. Your job requirements may include additional specific safety guidelines, which you are required to observe and practice with no exceptions. You will not be subject to reprisal or retaliation for reporting unsafe conditions to management or outside enforcement authorities.

The following guidelines have been established as a part of Herbal Wellness Center and Organica Patient Group, Inc's safety policy:

- The safe way is the right way to do each job. Shortcuts are not the way.
- Know your job procedures. If in doubt, ask your supervisor.
- Operate equipment only as authorized and with all safety guards in place.
- Report unsafe acts to your supervisor before someone is injured.
- Report unsafe conditions immediately to your supervisor.
- Report unsafe equipment to your supervisor right away. Do not attempt repairs no matter how skilled you feel you are.
- Report any incident right away **(even if no injury)** to your supervisor.
- At the scene of an incident, be helpful, courteous, and avoid argument or discussion of the situation. Get your supervisor immediately (documenting conditions helps us help you).
- Get medical aid even for small injuries. Delay can make it worse.
- Arrive at work rested, clean, and in good health. Be able to give full attention to your job.

- Report infections to your supervisor (which can be evidenced by conditions such as: skin eruption, boil, sore throat, vomiting, fever, etc.).
- If you feel ill at work, report to your supervisor. Get medical aid to protect yourself and others. Keep health tests up to date.
- Follow guidelines for health in the prevention of communicable diseases. These guidelines are for your health and safety and those with whom you work.
- Warning signs help you prevent incidents. Obey them! Remind others, too.
- If using chemicals, read labels carefully to follow safety warnings, mixing instructions, etc.
- Horseplay is NOT allowed. Practical jokes can cause serious injury.
- You are required to observe all safety notices posted and any specific safety requirements for your job.
- Violent acts in the workplace, including threats and intimidation are NOT allowed. This includes all threats, verbal or physical. Any such occurrences should be immediately reported to management.

Reporting Injuries

To ensure that proper attention is given, and appropriate action taken when an injury occurs within the workplace, please follow these procedures:

1. Report the injury to your on-site supervisor immediately. If your supervisor is not immediately available, report to the manager or other authorized person. Seek or obtain medical attention if required.
2. Report the injury to your Herbal Wellness Center and Organica Patient Group, Inc supervisor and/or designated human resources representative within 24 hours, or as soon as practical. Worker's Compensation laws require the processing of claims within reasonable time frames. All injuries/accidents MUST be reported promptly for claim submission.
3. If you are involved in or are a witness to an incident, you should provide information for the appropriate report to be completed. Please be aware of the importance of immediate action in recording all details of the incident.

Incident Reports

An incident report must be filled out and signed by any employees who witness an incident or injury immediately following the occurrence. Failure to do so may result in disciplinary action. This policy is important to the safety and well being of all our employees.

Hazardous Chemicals

Introduction

OSHA developed the hazard communication standard with the goal of reducing the chance of chemically caused illnesses and injuries to workers by providing you, as an employee, with information regarding the hazards or chemicals you may be exposed to in your work. The standard requires that we have a written hazard communication program, which includes information on

container labeling, Safety Data Sheets (SDS), and an employee-training program.

Although the standard uses the word "Hazardous" to describe the chemicals in question, it also includes items we use every day that many of you would not consider hazardous such as: motor oil, coolants, paint, solvents, and glues. These items are commonly used, sometimes daily, and rarely with any problems. However, they should be treated as hazardous chemicals. Knowing more about chemicals we use will make you aware of potential problems and help reduce or eliminate health and safety problems when you use these chemicals.

There are three areas you should be familiar with about chemical products to which you may be exposed:

- Container Labeling
- Listing of Chemical Products in Use
- Material Safety Data Sheets (MSDS)

Container Labeling

Chemical containers cannot be shipped from the manufacturers or distributors unless they are properly labeled with the identity of the chemical. The label should tell you what chemical is in the container, what hazard that chemical may present and name and address of the manufacturer. Labels should not be defaced or removed, and no chemical shipments should be accepted, even on a trial basis, without the proper label and SDS.

When transferring chemicals from large containers to a smaller container a label should be applied to the new container, unless the product is to be immediately and completely used by the person who transferred the chemical, and he or she knows the new container's content and that the transfer to the new container is appropriate.

The basic purpose of labeling requirements is to give an immediate warning of the chemical inside the container and to remind you that more detailed information is available from Material Safety Data Sheets. If a chemical container has no label, immediately inform your supervisor so that the contents can be labeled appropriately. Do not use the contents of any container that does not have a label.

Chemical Product List

Each jobsite and office location have a list of chemical products used in our company's operation. This list is alphabetized by product name and by manufacturer's name. Should you have questions on any of the chemicals on this list, you can request a copy of the Material Data Safety Sheet for your information. Make your request through your supervisor.

Material Safety Data Sheets (MSDS)

These are technical bulletins prepared by companies who make chemicals. They should contain the following information:

- The identity of the chemical, including the chemical and common names.
- Physical and chemical characteristics of the chemical.
- Known acute and chronic health effects and related health information on the chemical.

- Exposure limit.
- Whether chemical is considered carcinogenic.
- Precaution measures to take when using the product.
- Name and address of the person who prepared the information.
- Emergency and first aid procedures.

The safe use of chemicals depends on:

- Recognizing the hazard: Know the product you are using, read the MSDS, become familiar with precautions to be taken, and heed warnings by the manufacturer. Use only in accordance with label instructions.
- Evaluating your use: Look at yourself and what you are trying to accomplish with the chemical.
- Controlling your exposure: Personal protection should be used as recommended, proper ventilation is required, and follow appropriate storage requirements.

Always consider these three elements when working with any chemicals.

Chemical Exposure

The MSDS should provide information on chemical exposure threshold limits and routes of entry, as these terms are described below.

Threshold limits - How much of a product you can be exposed to without it being hazardous. Example: fumes from solvents, adhesives, welding, etc. A small number of fumes inhaled over a short period of time may or may not affect you. A small amount breathed continually for 8 hours a day or a 40-hour week will increase the overall dose and could have ill effects. On the other hand, many fumes for a few minutes may be irritating and may or may not have lasting effects.

Routes of entry - How chemicals get into our system: inhalation (breathing fumes or vapors), absorption (through skin pores after handling or getting on clothing), ingestion (swallowing or eating). Though you would not think of eating a chemical product, if you eat lunch, a snack at break time, or smoke a cigarette without washing your hands, you may be eating the chemical that is on your hands.

Types of Chemicals - Some examples and how they can affect us:

- Corrosives - Such as battery acid and sulfuric acid, corrode or eat away at metals and steel and can do the same to your hands and face.
- Irritants – Such as solvents, do as they say, they irritate the skin or membranes and can cause a rash or dermatitis.
- Sensitizers – Such as epoxy and lacquers, affect the nervous system, coordination, muscle control, and thinking (brain).
- Toxins – Such as carbon monoxide, enter the blood stream and are carried to the brain and nervous system. In excessive amounts, will shut them down.
- Carcinogens – Such as asbestos fibers, are proven cancer causing to lungs and cell tissue.

Conclusion

Hazard communication is common sense thinking about what you are doing, informing yourself, preparing for the task, and taking the necessary precautions. What you do not know **CAN HURT YOU**. By knowing, checking the SDS, evaluating your use, and controlling your exposure you can make chemical products work for you successfully and safely.

During Work Activities

You must observe and comply with the following:

1. Use **CAUTION** when lifting any item. A two-person team must handle packaged or heavy items. Lifting heavy items requires a two-person lift. Remember, lift with your legs, not your back! Use assistive equipment, such as a dolly, when transporting heavy objects. If in doubt, consult your supervisor.
2. Do not use any existing or new equipment that you have not been trained to use.
3. Observe all safety precautions and/or manufacturer's specifications prescribed for use of equipment. Always consult your supervisor if in doubt.
4. All material handling will be in accordance with manufacturer's specifications for loading, unloading, and moving. Materials stacking shall not exceed authorized heights as prescribed by management, and no un-banded or non-interlocking materials may be stacked higher than can be safely reached while standing on the ground.
5. No off-duty employee may perform any activities, of any nature, on the employer's premises or with the employer's equipment or goods.

Fire Emergency Procedures

The most frequent causes of fires are chemicals, grease, and careless smoking. In these conditions, a major fire can be only three minutes away from the "flashover" It is vital that you utilize the three major tactics: **RESCUE, CONFINE, AND ALERT!**

- First, **RESCUE** anyone in the immediate path of a fire.
- Second, **CONFINE** the fire. Shut doors and/or windows in the room or area where the fire is erupting. This will keep it from spreading into other areas, etc.
- Third, **ALERT**. Utilize your fire alarm system to tell the fire department about the fire.

After you have completed the above steps, only then can you consider fighting the fire. Make sure you use the correct extinguisher for the type of fire that you are fighting. Do not place your safety in jeopardy. If you cannot **RESCUE, CONFINE** or **ALERT** without unreasonable danger or risk, then don't!

EMPLOYEE RESPONSIBILITIES

Hours of Work Schedule

The hours of your scheduled work shift will largely be determined by the operational needs of the department in which you are assigned. Some departments will have regular schedules, which rarely change from week to week, and other departments will have schedules that vary to meet the needs of the department or Herbal Wellness Center and Organica Patient Group, Inc. If an employee has a specific schedule request, efforts may be made to accommodate that request, considering the operational needs of the department or Herbal Wellness Center and Organica Patient Group, Inc as a whole. However, in all events, work schedule and schedule changes are determined at the sole discretion of the Herbal Wellness Center and Organica Patient Group, Inc.

Every employee is responsible for knowing and following his or her work schedule, including, but not limited to, reading the schedule and schedule updates or changes, knowing start and end times or workdays, shifts, and breaks, complying with such times, and knowing when meetings are and attending such meetings on time. It is your responsibility to, if applicable, clock in and out at the designated times on your schedule. Any desired schedule changes must receive prior approval from your supervisor.

Attendance and Punctuality

When you accept a position with Herbal Wellness Center and Organica Patient Group, Inc you assume obligations. One of those obligations is to perform the duties of your position during the times specified. You are expected to be punctual and keep absences to a minimum. Failure to report, unjustified or excessive absence or tardiness may result in discipline, up to and including discharge from employment. Additionally, punctuality and attendance are factors that may be considered when determining promotions, salary increases and qualification for other benefits.

Every employee is expected to attend work regularly and report to work on time.

If you are unable to report to work on time for any reason, telephone your supervisor as far in advance as possible. If you do not call in an absence in advance, it will be considered unexcused.

Absenteeism

Definition of Absence: Absence is any time (other than tardiness described below) that you are scheduled to work and you fail to be present at the designated work location for all of the scheduled time or shift or if you fail to report to your workstation more than thirty (30) minutes late. It includes time off for sickness but does not include pre-approved time off for vacation, or leaves of absence, or for designated holidays when you are not scheduled to work.

Reporting Procedure: In case of an absence, you must first notify your supervisor, department manager or facility manager. Notification must be given each day you do not report to work at least one (1) hour prior to the beginning of your scheduled shift. If you must be absent after you report to work, notification must be given when you first learn that you must leave work, but (except in an emergency) no later than one hour before you must leave work. It is your responsibility to personally make the contact unless you are physically unable to do so, in which case, you should have someone else make the contact for you. You must give the reason for your absence and the expected date of your return.

One or more unreported or unjustified absences within any 12-month period may result in disciplinary action, (up to and including termination of employment). If you are absent for 2 consecutive days without reporting to work or contacting your supervisor, you will be considered to have voluntarily resigned without notice at the end of the third day and your position may be filled.

Note: If you can provide an acceptable explanation, this policy may not apply. Such explanation may require substantiation and/or verification from sources other than you.

Excessive Absenteeism: Even if an absence is reported, you may be subject to disciplinary action (up to and including termination of employment) if you miss work too often. Examples of excessive absenteeism include, but are not limited to:

- a. Twelve full or partial days absent, consecutive or not, in any 12-month period.
- b. Three full or partial days absent, consecutive or not, in a 30-day period.
- c. Five full or partial days absent, consecutive or not, in any 6-month period.

Herbal Wellness Center and Organica Patient Group, Inc, in its sole discretion, will determine excessive absenteeism. Unless determined by Herbal Wellness Center and Organica Patient Group, Inc to be an abuse, time off for medical/dental appointments, school activities (for you or your children), or other personal business will not be counted as excessive absenteeism if your supervisor approves it at least three business days in advance. However, this time off will be documented as an absence.

Tardiness

Definition of Tardiness: You are tardy any time you arrive at your workstation, or are not appropriately groomed, dressed and ready to work, at the beginning of your scheduled shift. Tardiness also includes returning late from breaks or meal periods. If you are more than Fifteen minutes late, it will be considered an absence.

Reporting Procedure: If you must be late for work, it is your responsibility to personally contact your supervisor at least one (1) hour prior to the beginning of your scheduled work shift unless you are physically unable to do so. If you cannot call, have someone call for you. Failure to report your tardiness will count toward excessive absenteeism or excessive tardiness.

Excessive Tardiness: Even if tardiness is reported, excessive tardiness will result in disciplinary action, up to and including termination.

Time Clock Policy (with whom it is applicable)

Where applicable, all employees designated to do so are required to use the time clock system at their assigned workplace to record their hours worked. The time clock records will be used to track attendance for exempt employees.

If there is a problem with the time clock, employees should notify their supervisor, and the supervisor will direct the employee to the next appropriate procedure.

Employees whom are to utilize the time clock are to clock in no sooner than their shift's formally designated start time. If employees forget to clock in, although actually starting work before they recall not doing so, it is that employee's responsibility to notify their supervisor as soon as possible—likewise if they forget to clock out

after their shift ends. Their supervisor will go in and manually enter the correct in/out times on the employee's behalf. However, employees who continually have these issues will be subject to disciplinary action.

Conduct

The maintenance of extremely high standards of honesty, integrity, performance and conduct is essential to the proper performance of our business, the satisfaction of our clients and the maintenance of our clients' trust. Herbal Wellness Center and Organica Patient Group, Inc expects its employees to have careful regard for our standards and avoid even the appearance of dishonesty or misconduct. Our employees are expected to conduct themselves at all times in a professional and courteous manner, to exercise good judgment in the discharge of their responsibilities, and to conduct themselves in a manner that can be supported by management.

Any misconduct or violation of the policies in this manual or otherwise of Herbal Wellness Center and Organica Patient Group, Inc may result in disciplinary action up to and including termination of employment. Following are examples of conduct that may result in such disciplinary action:

1. Unsatisfactory or careless performance or neglect of duties.
2. Failure to use or maintain Herbal Wellness Center and Organica Patient Group, Inc or client property in a proper manner.
3. Altering, removing or destroying Herbal Wellness Center and Organica Patient Group, Inc or client records and/or property.
4. Deliberate or careless damage to Herbal Wellness Center and Organica Patient Group, Inc or client property.
5. Inappropriate, malicious, disparaging or derogatory oral or written statements concerning Herbal Wellness Center and Organica Patient Group, Inc, or any of its clients, employees or representatives.
6. Falsifying personal, client or Herbal Wellness Center and Organica Patient Group, Inc records, including any employment application or other employment information, or any other records or documents related to the Herbal Wellness Center and Organica Patient Group, Inc, its business or any of its clients, employees or representatives.
7. Excessive tardiness, absenteeism or abuse of any paid time off policy.
8. Failure to give proper notice of an expected absence.
9. Dishonesty of any kind, including theft or misappropriation of property of Herbal Wellness Center and Organica Patient Group, Inc, its employees, or past, current or prospective clients or representatives.
10. Possession, use or display of any weapon on Herbal Wellness Center and Organica Patient Group, Inc premises or while on Herbal Wellness Center and Organica Patient Group, Inc business.
11. Possession use or being under the influence of drugs or alcohol on the premises or while on Herbal Wellness Center and Organica Patient Group, Inc business.
12. Any conduct endangering, or any verbal or nonverbal threat to endanger, property, life, safety or health.
13. Disrespect for management, or any supervisor or employee or client of Herbal Wellness Center and Organica Patient Group, Inc, including insubordination, failure to perform any reasonable assignment, or obscene or abusive language or behavior.
14. Willful violation of HIPAA privacy laws.
15. Violations of Herbal Wellness Center and Organica Patient Group, Inc harassment policy or any other form of unlawful or unethical conduct, harassment or discrimination.
16. Off-duty or pre-employment conduct that reflects or may adversely reflect on Herbal Wellness Center and Organica Patient Group, Inc if the employee were to remain employed.

These examples are not all-inclusive, but merely illustrate the kind of conduct that may be detrimental to Herbal Wellness Center and Organica Patient Group, Inc, its clients or employees. Employees may be discharged or disciplined for conduct not specifically mentioned in this manual, as determined in the sole discretion of the Herbal Wellness Center and Organica Patient Group, Inc.

Customer Relations

As an employee, you make a major contribution to our business growth. Your honesty, integrity, and competence in performing your job are necessary for customer satisfaction. Your ability to develop positive customer relations is essential to our job performance. If your duties include a support role, other employees should be treated as customers.

Dress Code / Grooming / Proper Hygiene

A neat professional appearance and properly tended personal hygiene is a requirement at Herbal Wellness Center and Organica Patient Group, Inc. It is expected that all employees will exercise good judgment and dress appropriately, groom professionally and ensure proper hygiene for their jobs. Any employee not dressed or kept appropriately will be subject to discipline. Criteria for compliance:

- Neatly pressed Herbal Wellness Center and Organica Patient Group branded polo shirts and jeans and/or slacks are required 90% of the time. No uniform will result in being sent home.
- Employee new-hires still in training are required to wear an all black neatly pressed shirt during training.
- Low cut tops or low V-Neck shirts will NOT be permitted while employees are at work.
- Employees' pants are to hold properly at the waste via wear adequately sized pants or a reliable belt.
- Employees may not wear sweatpants while at work. Black sweaters with very few or no graphics may be permitted.
- No high heels are to be worn while at work.
- Piercings, if any, shall be presented conservatively in placement, fashion and amount.
- Only Herbal Wellness Center and Organica Patient Group baring hats or beanies may be allowed while at work. The bill of the hat must face forward, or the employee may be asked to remove it.
- Dispensary Agent cards will be issued by the Arizona Department of Health Services must be worn at all times while at work.
- Maintaining the highest standards relating to personal hygiene, including regular bathing and use of deodorant, brushing of teeth and using mouthwash as necessary, maintaining clean hands and fingernails always and the moderate use of cosmetics.

Appearance

Your personal appearance is an important part of the way you represent Herbal Wellness Center and Organica Patient Group, Inc to the public. Customers form an opinion of Herbal Wellness Center and Organica Patient Group, Inc from your appearance and attitude. Neat and conservative attire creates a favorable impression. Please refrain from eating, smoking, or chewing gum in the presence of customers. Such actions may be offensive to customers and portray an unacceptable image.

These are the factors you should consider:

1. The nature of the work.
2. Employees may change their hair color so long as the new hue is of a natural or professionally acceptable appearance. Exotic colors such as pink, green, orange, rainbow, etc. that are not typically of a natural human head are not permitted while at work unless otherwise permitted via written management approval.
3. Safety considerations, such as necessary precautions when working near machinery.
4. The nature of the employee's public contact, if any, and the normal expectations of outside parties with whom the employee will work.
5. The prevailing practices of other workers in similar jobs.
6. The requirement of the Herbal Wellness Center and Organica Patient Group, Inc's management that all employees are expected to exercise good judgment and dress appropriately for their jobs.
7. Any bandage worn must be kept clean and changed as often as necessary or appropriate. An employee with an open sore or wound is not permitted to handle any food products and may be restricted from other activities, especially in the health care area.

Please note: Your job may include more specific requirements, which will be provided by your supervisor.

Work Area

Herbal Wellness Center and Organica Patient Group, Inc strives to make your working conditions as pleasant as possible. We ask your cooperation in keeping your work area neat and company equipment in good working order. The need for repairs or adjustments to mechanical equipment should be reported immediately to your supervisor. Secure confidential work papers and computer files away before leaving your office or work area for the day.

Telephone Courtesy and Usage

A large portion of Herbal Wellness Center and Organica Patient Group, Inc business is conducted over the telephone. All telephone calls, whether from customers, fellow employees, or outside business associates should be handled promptly and courteously.

You may make necessary local personal telephone calls during the workday if they do not interfere with daily business or your performance of your work. Personal calls must be short in duration and very limited in number. Personal long-distance telephone calls generally are not permitted. Your supervisor must approve long distance

telephone calls in advance and payment arrangements must be made prior to placing the call.

Please make note that all telephone calls are subject to monitoring for training, or other Herbal Wellness Center and Organica Patient Group, Inc purposes.

Use of Herbal Wellness Center and Organica Patient Group, Inc. Equipment

Equipment and resources such as copier, fax, computers, laptops, smart phones, postage machines, e-mail, internet access, telephone, pagers, and voice mail systems are in place to facilitate effective day-to-day business operations. Employees may not use Herbal Wellness Center and Organica Patient Group, Inc equipment or resources for personal use or benefit without prior supervisor approval.

Desks, Lockers, and File Cabinets

The Herbal Wellness Center and Organica Patient Group, Inc or its clients may from time to time provide office space, desks, computers or file cabinets for employee use in the performance of employment responsibilities, or locker space for employee use while at work. Herbal Wellness Center and Organica Patient Group, Inc does not guarantee the security of any locker and employees are responsible for furnishing their own locks. Any lock will be voluntarily and immediately removed at the direction of Herbal Wellness Center and Organica Patient Group, Inc. Herbal Wellness Center and Organica Patient Group, Inc is not responsible for any article or item placed in any office space, locker, desk, file cabinet or computer, or otherwise brought on Herbal Wellness Center and Organica Patient Group, Inc or client premises or on Herbal Wellness Center and Organica Patient Group, Inc business, that is lost, damaged, stolen or destroyed. Weapons, explosives, alcohol and drugs are prohibited on Herbal Wellness Center and Organica Patient Group, Inc premises, client premises or Herbal Wellness Center and Organica Patient Group, Inc business and may not be placed in any office space, locker, desk or file cabinet. Employees have no privacy rights in any office space, locker, desk, file cabinet or computer (or their contents) on Herbal Wellness Center and Organica Patient Group, Inc or client property, or provided by the Herbal Wellness Center and Organica Patient Group, Inc or a client of the Herbal Wellness Center and Organica Patient Group, Inc, for or on Herbal Wellness Center and Organica Patient Group, Inc business. The Herbal Wellness Center and Organica Patient Group, Inc reserves the right to inspect any such office space, locker, desk, file cabinet, computer, and their contents, and any other place or item on Herbal Wellness Center and Organica Patient Group, Inc or client property, with or without advance notice or consent of any employee. Any person designated by the company or client may conduct such an inspection. Any employee who, upon request, fails or refuses to cooperate with any such inspection may be subject to disciplinary action, up to and including termination of employment.

Personal Property

All employees are cautioned not to bring valuables or large amounts of cash to work. Purses and wallets should always be kept with you or stored in a locked place. Herbal Wellness Center and Organica Patient Group, Inc is not responsible for personal property that is lost, stolen, damaged, or destroyed; this includes your personal vehicle or other means of transportation. If you ride a bicycle to work, be sure to securely lock it in the designated space. Employees are responsible for providing their own locking devices.

Packages

Supervisors, department managers, administrative officers, and security personnel have the authority to request that any employee open for inspection any package or other container brought, carried, in possession or found on, or taken from, Herbal Wellness Center and Organica Patient Group, Inc premises. Any employee who refuses

to comply with a request for inspection will be subject to discipline up to and including termination of employment.

Gifts

To avoid a conflict of interest between what's good for our customers and what might be personally advantageous for an employee, we have set the following policy on accepting gifts:

1. Samples, T-shirts, hats, and desk accessories may be accepted, up to a total estimated value of all gifts from a customer or vendor at one time of \$15.00 without prior approval of your supervisor. You must report all such gifts to your supervisor.
2. All other vendor or customer gifts, including activities, travel, merchandise, and contests, must be approved by your supervisor through use of a special form provided by him or her. Oral pre-approval is acceptable for meals only.
3. Solicitation of vendors or customers for any gift or money is not allowed.

Acceptance of any non-approved or non-qualifying vendor or customer gift may result in disciplinary action, up to and including immediate termination of employment.

Outside Employment

Subject to other policies, including Conflict of Interest below, Herbal Wellness Center and Organica Patient Group, Inc has no objection to an employee holding another job (in addition to his or her employment with Herbal Wellness Center and Organica Patient Group, Inc) as long as he or she can effectively meet the performance standards for his or her position with Herbal Wellness Center and Organica Patient Group, Inc. However, we ask employees to think seriously about the effects that another job may have on their endurance, personal health and well being, performance, and effectiveness with Herbal Wellness Center and Organica Patient Group, Inc. Employees holding another job must remember that Herbal Wellness Center and Organica Patient Group, Inc is the primary employer and is entitled to the loyalty and primary efforts of the employee while employed with Herbal Wellness Center and Organica Patient Group, Inc.

All employees will be held to the same scheduling demands and standards of performance. We cannot make exceptions for those who also hold outside jobs. If an outside position interferes with the employee's ability to work for this Herbal Wellness Center and Organica Patient Group, Inc, that employee will be subject to disciplinary action for tardiness and unsatisfactory attendance or work performance in accordance with normal disciplinary policy.

Conflict of Interest

During your employment with Herbal Wellness Center and Organica Patient Group, Inc, you are prohibited from directly or indirectly competing with Herbal Wellness Center and Organica Patient Group, Inc, including, but not limited to, providing, owning an interest in, or assisting any other person or entity that is in competition with Herbal Wellness Center and Organica Patient Group, Inc or that provides any product, service or offering of a type that is the same or similar to that provided by Herbal Wellness Center and Organica Patient Group, Inc from time to time. Additionally, during your employment with Herbal Wellness Center and Organica Patient Group, Inc, you are prohibited from at any time directly or indirectly working for, assisting or owning an interest in any business or venture that constitutes a conflict of interest. Herbal Wellness Center and Organica Patient Group,

Inc will determine in its sole discretion whether any work or interest constitutes a violation of this policy. Before you begin to directly or indirectly work for, assist or own an interest in any other business or venture other than Herbal Wellness Center and Organica Patient Group, Inc, you must notify your supervisor.

Supervisors

Questions about your job, pay, benefits, and relations with your co-worker, policies and procedures or Herbal Wellness Center and Organica Patient Group, Inc in general should be directed to your supervisor. Look to your supervisor for guidance and seek his/her assistance when you encounter difficulties. Cooperation and communication with your supervisor will promote a mutually beneficial work environment.

Each employee must follow the directions of his/her supervisor. Your supervisor is responsible for directing your work throughout your shift; evaluating your performance, providing instruction and guidance in your job, and taking any disciplinary action that may be necessary; though others at Herbal Wellness Center and Organica Patient Group, Inc from time to time also may exercise one or more of these responsibilities. Disrespect of management or a supervisor, or disregard of the authority of either, will not be tolerated and may result in disciplinary action, up to and including termination of employment.

You may contact HR Representative with any issues you are not able to resolve with your supervisor.

GENERAL PAYROLL INFORMATION

Change of Personal Status

Notify your supervisor or Client Support Department of any changes in your name, address, telephone number, or marital status. This ensures your benefit and employment records are current.

Confidentiality Policy

Information that pertains to Herbal Wellness Center and Organica Patient Group, Inc.'s business, including all nonpublic information concerning the Company, its vendors, suppliers, employees, clients, etc. is strictly confidential and must not be given to people who are not employed by Herbal Wellness Center and Organica Patient Group, Inc.

Please help protect confidential information - which may include, for example, trade secrets, customer lists and company financial information - by taking the following precautionary measures:

- 1 Discuss work matters only with other Herbal Wellness Center and Organica Patient Group, Inc. employees who have a specific business reason to know or have access to such information.
- 2 Do not discuss work matters in public places.
- 3 Monitor and supervise visitors to Herbal Wellness Center and Organica Patient Group, Inc. to ensure that they do not have access to company information.
- 4 Destroy hard copies of documents containing confidential information that is not filed or archived.
- 5 Secure confidential information in desk drawers and cabinets at the end of every business day.

Your cooperation is particularly important because of our obligation to protect the security of our clients' and our own confidential information. Use your own sound judgment and good common sense, but if at any time

you are uncertain as to whether you can properly divulge information or answer questions, please consult a Herbal Wellness Center and Organica Patient Group, Inc. officer.

Conflict of Interest

Employees must avoid any interest, influence or relationship which might conflict or appear to conflict with the best interests of Herbal Wellness Center and Organica Patient Group, Inc. You must avoid any situation in which your loyalty may be divided and promptly disclose any situation where an actual or potential conflict may exist.

Examples of potential conflict situations include:

- 1 Having a financial interest in any business transaction with
- 2 Owning or having a significant financial interest in, or other relationship with, a Herbal Wellness Center and Organica Patient Group, Inc. competitor, customer or supplier, and
- 3 Accepting gifts, entertainment or other benefit of more than a nominal value from a Herbal Wellness Center and Organica Patient Group, Inc. competitor, customer or supplier.

Anyone with a conflict of interest must disclose it to management and remove themselves from negotiations, deliberations or votes involving the conflict. You may, however, state your position and answer questions when your knowledge may be of assistance to Herbal Wellness Center and Organica Patient Group, Inc.

Compensation Confidentiality

Employees shall avoid any conversations with other employees about any terms related to their compensation from the company. Also, any employees who happen to be authorized to file, manage, maintain, view or otherwise contemplate other employee's terms of compensation may not under any circumstances discuss those terms with any other person's who are not authorized in the same way or have any legitimate reason to know at a given moment.

Anti Discrimination & Harassment

Policy Prohibiting Harassment and Discrimination

This policy applies to all phases of employment, including but not limited to recruiting, testing, hiring, promoting, demoting, transferring, laying off, terminating, paying, granting benefits and training.

Objective

Herbal Wellness Center and Organica Patient Group, Inc. strives to create and maintain a work environment in which people are treated with dignity, decency and respect. The environment of the company should be characterized by mutual trust and the absence of intimidation, oppression and exploitation. Herbal Wellness Center and Organica Patient Group, Inc. strives to maintain an environment free from discrimination and harassment, where employees treat each other with respect, dignity and courtesy.

Employees should be able to work and learn in a safe yet stimulating atmosphere. The accomplishment of this goal is essential to the mission of the company. For that reason, Herbal Wellness Center and Organica Patient Group, Inc. will not tolerate unlawful discrimination, harassment, bullying, wanton aggression or belittling of

any kind. Through enforcement of this policy and by education of employees, the company will seek to prevent, correct and discipline behavior that violates this policy.

All employees, regardless of their positions, are covered by and are expected to comply with this policy and to take appropriate measures to ensure that prohibited conduct does not occur. Appropriate disciplinary action will be taken against any employee who violates this policy. Based on the seriousness of the offense, disciplinary action may include verbal or written reprimand, suspension or termination of employment.

Prohibited Conduct Under This Policy

Herbal Wellness Center and Organica Patient Group, Inc., in compliance with all applicable federal, state and local anti-discrimination and harassment laws and regulations, enforces this policy in accordance with the following definitions and guidelines:

Discrimination

It is a violation of Herbal Wellness Center and Organica Patient Group, Inc.'s policy to discriminate in the provision of employment opportunities, benefits or privileges; to create discriminatory work conditions; or to use discriminatory evaluative standards in employment if the basis of that discriminatory treatment is, in whole or in part, the person's race, color, national origin, age, religion, disability status, gender, sexual orientation, gender identity, genetic information or marital status.

Discrimination of this kind may also be strictly prohibited by a variety of federal, state and local laws, including Title VII of the Civil Rights Act 1964, the Age Discrimination Act of 1975, and the Americans with Disabilities Act of 1990. This policy is intended to comply with the prohibitions stated in these anti-discrimination laws.

Discrimination in violation of this policy will be subject to disciplinary measures up to and including termination.

Harassment

Herbal Wellness Center and Organica Patient Group, Inc. prohibits harassment, including sexual harassment, of any kind, and will take appropriate and immediate action in response to complaints or knowledge of violations of this policy. For purposes of this policy, harassment is any verbal or physical conduct designed to threaten, intimidate or coerce an employee, co-worker or any person working for or on behalf of Herbal Wellness Center and Organica Patient Group, Inc. Verbal taunting (including racial and ethnic slurs) that, in the employee's opinion, impairs his or her ability to perform his or her job is included in the definition of harassment.

The following examples of harassment are intended to be guidelines and are not exclusive when determining whether there has been a violation of this policy:

- Verbal harassment includes comments that are offensive or unwelcome regarding a person's nationality, origin, race, color, religion, gender, sexual orientation, age, body, disability or appearance, including epithets, slurs and negative stereotyping.
- Nonverbal harassment includes distribution, display or discussion of any written or graphic material that ridicules, denigrates, insults, belittles or shows hostility, aversion or disrespect toward an individual or group because of national origin, race, color, religion, age, gender, sexual orientation, pregnancy, appearance, disability, sexual identity, marital or other protected status.

Sexual harassment

Sexual harassment is a form of unlawful employment discrimination under Title VII of the Civil Rights Act of 1964 and is prohibited under Herbal Wellness Center and Organica Patient Group, Inc.'s anti-harassment policy. According to the Equal Employment Opportunity Commission (EEOC), sexual harassment is defined as "unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature . . . when . . . submission to or rejection of such conduct is used as the basis for employment decisions . . . or such conduct has the purpose or effect of . . . creating an intimidating, hostile or offensive working environment.

There are two types of sexual harassment:

- "Quid pro quo" harassment, where submission to harassment is used as the basis for employment decisions. Employee benefits such as raises, promotions and better working hours are directly linked to compliance with sexual advances. Therefore, only someone in a supervisory capacity (with the authority to grant such benefits) can engage in quid pro quo harassment. Examples: A supervisor promising an employee a raise if she goes on a date with him; a manager telling an employee she will fire him if he does not have sex with her.
- "Hostile work environment," where the harassment creates an offensive and unpleasant working environment. A hostile work environment can be created by anyone in the work environment, whether it be supervisors, other employees or customers. Hostile environment harassment consists of verbiage of a sexual nature, unwelcome sexual materials or even unwelcome physical contact as a regular part of the work environment. Texts, e-mails, cartoons or posters of a sexual nature; vulgar or lewd comments or jokes; or unwanted touching or fondling all fall into this category.

Sexual harassment occurs when unsolicited and unwelcome sexual advances, requests for sexual favors, or other verbal or physical conduct of a sexual nature:

- Is made explicitly or implicitly a term or condition of employment.
- Is used as a basis for an employment decision.
- Unreasonably interferes with an employee's work performance or creates an intimidating, hostile or otherwise offensive environment.

Sexual harassment may take different forms. The following examples of sexual harassment are intended to be guidelines and are not exclusive when determining whether there has been a violation of this policy:

- Verbal sexual harassment includes innuendoes, suggestive comments, jokes of a sexual nature, sexual propositions, lewd remarks and threats; requests for any type of sexual favor (this includes repeated, unwelcome requests for dates); and verbal abuse or "kidding" that is oriented toward a prohibitive form of harassment, including that which is sexual in nature and unwelcome.
- Nonverbal sexual harassment includes the distribution, display or discussion of any written or graphic material, including calendars, posters and cartoons that are sexually suggestive or show hostility toward an individual or group because of sex; suggestive or insulting sounds; leering; staring; whistling; obscene gestures; content in letters and notes, facsimiles, e-mail, photos, text messages, tweets and

Internet postings; or other form of communication that is sexual in nature and offensive.

- Physical sexual harassment includes unwelcome, unwanted physical contact, including touching, tickling, pinching, patting, brushing up against, hugging, cornering, kissing and fondling and forced sexual intercourse or assault.

Courteous, mutually respectful, pleasant, noncoercive interactions between employees, including men and women, that are appropriate in the workplace and acceptable to and welcomed by both parties are not considered to be harassment, including sexual harassment.

Retaliation

No hardship, loss, benefit or penalty may be imposed on an employee in response to:

- Filing or responding to a bona fide complaint of discrimination or harassment.
- Appearing as a witness in the investigation of a complaint.
- Serving as an investigator of a complaint.

Retaliation or attempted retaliation in response to lodging a complaint or invoking the complaint process is a violation of this policy. Any person who is found to have violated this aspect of the policy will be subject to sanctions up to and including termination of employment.

Consensual Romantic or Sexual Relationships

Herbal Wellness Center and Organica Patient Group, Inc. strongly discourages romantic or sexual relationships between a manager or other supervisory employee and his or her staff (an employee who reports directly or indirectly to that person) because such relationships tend to create compromising conflicts of interest or the appearance of such conflicts. In addition, such a relationship may give rise to the perception by others that there is favoritism or bias in employment decisions affecting the staff employee. Moreover, given the uneven balance of power within such relationships, consent by the staff member is suspect and may be viewed by others or, later, by the staff member as having been given as the result of coercion or intimidation. The atmosphere created by such appearances of bias, favoritism, intimidation, coercion or exploitation undermines the spirit of trust and mutual respect that is essential to a healthy work environment. If there is such a relationship, the parties need to be aware that one or both may be moved to a different department, or other actions may be taken.

If any employee of Herbal Wellness Center and Organica Patient Group, Inc. enters into a consensual relationship that is romantic or sexual in nature with a member of his or her staff (an employee who reports directly or indirectly to him or her), or if one of the parties is in a supervisory capacity in the same department in which the other party works, the parties must notify the human resource director or other appropriate corporate officer. Because of potential issues regarding quid pro quo harassment, Herbal Wellness Center and Organica Patient Group, Inc. has made reporting mandatory. This requirement does not apply to employees who do not work in the same department or to parties who do not supervise or otherwise manage responsibilities over the other.

Once the relationship is made known to Herbal Wellness Center and Organica Patient Group, Inc., the company will review the situation with human resources in light of all the facts (reporting relationship between the parties, effect on co-workers, job titles of the parties, etc.) and will determine whether one or both parties need to be moved to another job or department. If it is determined that one party must be moved, and there are jobs

in other departments available for both, the parties may decide who will be the one to apply for a new position. If the parties cannot amicably come to a decision, or the party is not chosen for the position to which he or she applied, the parties will contact human resources, which will decide which party should be moved. That decision will be based on which move will be least disruptive to the organization as a whole. If it is determined that one or both parties must be moved, but no other jobs are available for either party, the parties will be given the option of terminating their relationship or resigning.

Bullying, Wanton Aggression, Intimidation

Definitions

Workplace bullying - repeated and unreasonable behavior directed towards a worker or a group of workers that creates a risk to health and safety.

Repeated behavior - the persistent nature of the behavior and can involve a range of behaviors over time contributing to bullying and intimidating behavior.

Unreasonable behavior - behavior that a reasonable person having considered the circumstances, would see as unreasonable, including behavior that is victimizing, humiliating, intimidating or threatening.

Principles

The workplace Bullying, Wanton Aggression and Intimidation Policy is underpinned by the following principles:

1. Workplace bullying and intimidation is not condoned at Herbal Wellness Center and Organica Patient Group, Inc.
2. All employees have a mutual and equal responsibility to abide by Herbal Wellness Center and Organica Patient Group, Inc. anti-harassment policy.
3. All claims of bullying, wanton aggression and intimidation will be managed respectfully of all parties involved in the matter.
4. The principles of procedural fairness and equity apply in the management of claims.
5. All information gathered to resolve a claim will be treated as privileged information.
6. If workplace bullying behavior involves physical violence or assault, the matter must be reported to the Police.
7. Where practical claims of bullying will be resolved at a local workplace level. Where this is not successful or it is deemed inappropriate, the matter will be escalated.
8. Managers or supervisors who fail to act on incidents and reports of workplace bullying and intimidation may be in breach of Herbal Wellness Center and Organica Patient Group, Inc. policies.

Complaint Process

Herbal Wellness Center and Organica Patient Group, Inc. will courteously treat any person who invokes this complaint procedure, and the company will handle all complaints swiftly and confidentially to the extent possible considering the need to take appropriate corrective action. Lodging a complaint will in no way be used against the employee or have an adverse impact on the individual's employment status. Because of the damaging nature of harassment to the victims and to the entire workforce, aggrieved employees are strongly urged to use this procedure. However, filing groundless or malicious complaints is an abuse of this policy and will be treated as a violation.

Confidentiality

During the complaint process, the confidentiality of the information received, the privacy of the individuals involved and the wishes of the complaining person will be protected to as great a degree as is legally possible. The expressed wishes of the complaining person for confidentiality will be considered in the context of the company's legal obligation to act on the charge and the right of the charged party to obtain information. In most cases, however, confidentiality will be strictly maintained by the company and those involved in the investigation. In addition, any notes or documents written by or received by the person(s) conducting the investigation will be kept confidential to the extent possible and according to any existing state or federal law.

Complaint Procedure

Herbal Wellness Center and Organica Patient Group, Inc. has established the following procedure for lodging a complaint of harassment, discrimination or retaliation. The company will treat all aspects of the procedure confidentially to the extent reasonably possible.

1. An individual who feels harassed, discriminated or retaliated against may initiate the complaint process by filing a complaint in writing with Herbal Wellness Center and Organica Patient Group, Inc.'s human resource (HR) director. No formal action will be taken against any person under this policy unless HR has received a written and signed complaint containing enough details to determine if the policy may have been violated. The complainant (the employee making the complaint) may obtain the complaint form from the HR department. If a supervisor or manager becomes aware that harassment or discrimination is occurring, either from personal observation or as a result of an employee's coming forward, the supervisor or manager should immediately report it to the HR Manager.
2. Upon receiving a complaint or being advised by a supervisor or manager that violation of this policy may be occurring, the HR Manager will notify the company and review the complaint with the company's legal counsel.
3. Within five working days of receiving the complaint, the HR Manager will notify the person(s) charged [hereafter referred to as "respondent(s)"] of a complaint and initiate the investigation to determine whether there is a reasonable basis for believing that the alleged violation of this policy occurred.
4. During the investigation, the HR director, together with legal counsel or other management employees, will interview the complainant, the respondent and any witnesses to determine whether the alleged conduct occurred.
5. Within 15 business days of the complaint being filed (or the matter being referred to the HR Manager), the HR Manager nor other person conducting the investigation will conclude the

investigation and submit a written report of his or her findings to the company.

6. If it is determined that harassment or discrimination in violation of this policy has occurred, the HR Manager will recommend appropriate disciplinary action. The appropriate action will depend on the following factors: a) the severity, frequency and pervasiveness of the conduct; b) prior complaints made by the complainant; c) prior complaints made against the respondent; and d) the quality of the evidence (e.g., first-hand knowledge, credible corroboration).
7. If the investigation is inconclusive or if it is determined that there has been no violation of policy, but potentially problematic conduct may have occurred, the HR Manager may recommend appropriate preventive action.
8. Within five days after the investigation is concluded, the HR Manager will meet with the complainant and the respondent separately, notify them of the findings of the investigation, and inform them of the action being recommended.
9. The complainant and the respondent may submit statements to the HR Manager challenging the factual basis of the findings. Any such statement must be submitted no later than five working days after the meeting with the HR Manager in which the findings of the investigation are discussed.
10. Within 10 days from the date the HR Manager meets with the complainant and respondent, the company will review the investigative report and any statements submitted by the complainant or respondent, discuss results of the investigation with the HR Manager and other management staff as may be appropriate, and decide what action, if any, will be taken. The HR Manager will report the company's decision to the complainant, the respondent and the appropriate management assigned to the department(s) in which the complainant and the respondent work. The company's decision will be in writing and will include findings of fact and a statement for or against disciplinary action. If disciplinary action is to be taken, the respondent will be informed of the nature of the discipline and how it will be executed.

Prohibited Behavior

Herbal Wellness Center and Organica Patient Group, Inc. does not and will not tolerate any type of harassment of our employees, applicants for employment, or our customers. Discriminatory conduct or conduct characterized as harassment as defined below is prohibited.

The term harassment includes, but is not limited to, slurs, jokes, and other verbal or physical conduct relating to a person's gender, ethnicity, race, color, creed, religion, sexual orientation, national origin, age, disability, marital status, military status or any other protected classification that unreasonably interferes with a person's work performance or creates an intimidating, hostile work environment.

Sexually harassing behavior includes unwelcome conduct such as: sexual advances, requests for sexual favors, offensive touching, or other verbal or physical conduct of a sexual nature. Such conduct may constitute sexual harassment when it:

- 1 is made an explicit or implicit condition of employment
- 2 is used as the basis for employment decisions
- 3 unreasonably interferes with an individual's work performance, or

- 4 creates an intimidating, hostile or offensive working environment.

The types of conduct covered by this policy include demands or subtle pressure for sexual favors accompanied by a promise of favorable job treatment or a threat concerning employment.

Specifically, it includes sexual behavior such as:

- 1 repeated sexual flirtations, advances or propositions
- 2 continued and repeated verbal abuse of a sexual nature,
- 3 sexually related comments and joking, graphic or
- 4 degrading comments about an employee's appearance
- 5 or displaying sexually suggestive objects or pictures
- 6 including cartoons and vulgar email messages, and
- 7 any uninvited physical contact or touching, such as patting, pinching or repeated brushing against another's body.

Such conduct may constitute sexual harassment regardless of whether the conduct is between members of management, between management and staff employees, between staff employees, or directed at employees by nonemployees conducting business with the Company, regardless of gender or sexual orientation.

Harassment by Nonemployees

Herbal Wellness Center and Organica Patient Group, Inc. will also endeavor to protect employees, to the extent possible, from reported harassment by nonemployees in the workplace, including customers, clients and suppliers.

Complaint Procedure and Investigation

Any employee who wishes to report a possible incident of sexual harassment or other unlawful harassment or discrimination should promptly report the matter to the Human Resources Department immediately.

Herbal Wellness Center and Organica Patient Group, Inc. will conduct a prompt investigation as confidentially as possible under the circumstances. Employees who raise concerns and make reports in good faith can do so without fear of reprisal; at the same time employees have an obligation to cooperate with Herbal Wellness Center and Organica Patient Group, Inc. in enforcing this policy and investigating and remedying complaints.

Any employee who becomes aware of possible sexual harassment, other harassment or other illegal discrimination against others should promptly advise the Human Resources Department or any other appropriate member of management.

Anyone found to have engaged in such wrongful behavior will be subject to appropriate discipline, which may include termination.

Retaliation

Any employee who files a complaint of sexual harassment, other harassment or other discrimination in good faith will not be adversely affected in terms and conditions of employment and will not be retaliated against or discharged because of the complaint.

In addition, we will not tolerate retaliation against any employee who, in good faith, cooperates in the investigation of a complaint. Anyone who engages in such retaliatory behavior will be subject to appropriate

discipline, up to and including termination.

Training

Herbal Wellness Center and Organica Patient Group, Inc. will establish proper training for all employees concerning their rights to be free from sexual harassment, other harassment and other discrimination and steps they can take to stop it.

Workplace Violence

The following are prohibited and will not be tolerated of any employee on Herbal Wellness Center and Organica Patient Group, Inc premises or while on Herbal Wellness Center and Organica Patient Group, Inc business:

- a. Any direct or indirect harassing, intimidating, abusive or threatening language, actions or behavior.
- b. Any direct or indirect plan, threat or act of violence, injury, death or property damage (including, but not limited to fistfights, wrestling or other forms of physical fighting with or without weapons).
- c. Possession, use or display of a weapon on company premises or while on company business.

Any employee violating this policy will be subject to disciplinary action, up to and including termination of employment.

Breaks

General

Employees are may take 1, 30-minute unpaid break for meals during each work period.

Breaks may be asserted at staggered times, within reason, depending on the flow of business and so as not to interrupt the same, to allow department coverage and not to exceed 2 ten-minute breaks per 8-hour shift.

Flexible Work Hours & Telecommuting

The company has established a flexible work arrangement program for employees whose departments and jobs are suited to it.

With a manager's approval, you may be allowed to begin and end your workday earlier or later than generally established hours or to arrange to telecommute. To maintain a flexible work arrangement, employees must ensure business needs are met and adhere to attendance and punctuality policies as needed (i.e., meetings, functions, etc.)

- . Such arrangements may be established, changed or discontinued at the Company's discretion.

General Pay Information

Certain deductions will be made in accordance with federal and state laws.

Outside Employment

Because of Herbal Wellness Center and Organica Patient Group, Inc.'s obligations to its customers, the

Company must be aware of any concurrent employment you may have to determine whether or not it presents a potential conflict.

Serving on any public or government board or commission qualifies as employment for purposes of this policy, regardless of whether such service is compensated.

Before beginning or continuing outside employment, employees are required to complete a questionnaire detailing the involvement with the other employer and to obtain the written approval of their managers and Human Resources Department. Failing to obtain prior approval as described may be cause for disciplinary action, up to and including termination. Employees who are on leave of absence, including FMLA leave or Workers' Compensation leave are prohibited from having outside employment during their leave.

Overtime

Because of the nature of work, employees may be asked to work overtime on weekends or holidays or additional hours during the regular workday and are expected to comply with such requests.

Overtime compensation is paid to all nonexempt employees at one and one-half times their straight time rate for **all hours worked** in excess of 40 hours per week.

If you are nonexempt, you must receive authorization from your manager before working overtime. And after you have worked overtime, you must enter it on a timesheet by the day after it is accrued.

Overtime pay is based on **actual hours worked**. Time taken for lunch or dinner is not included as time worked for purposes of computing overtime. And time off on holidays, sick leave, vacation leave, personal leave, training seminars or any leave of absence will not be factored in as hours worked when calculating overtime.

Assigned or effective department managers must submit their desires to have any of their subordinate's work overtime to the Human Resources Department via the Overtime Approval Request Form. Human Resources will weigh the circumstances against financial and alternate viable options before deciding to approve, deny or recommend other avenues of aid—which might include asking the department manager to assume the burden of what may be lacking in the department for the time being.

Pay Schedule

Employees will be paid every other Friday. If the regular payday falls on a holiday, payday will be the last regular workday before the holiday.

The pay week starts on Sunday at 12:00 AM and includes all work you perform up to Saturday at 11:59 PM.

Any pay-related discrepancies realized upon receipt of employee's paycheck must be immediately communicated and, depending on the nature of the discrepancy, must allow a reasonable amount of time to research, review and correct any mistakes thereof.

Performance Evaluations, Reviews and Salary Increases

Supervisors and employees are strongly encouraged to discuss job performance and goals informally any time.

Additionally, formal performance reviews will be conducted to provide both supervisors and employees with the opportunity to discuss job tasks, identify and correct weaknesses, encourage and recognize strengths, and

discuss positive, purposeful approaches for meeting goals.

Progression and performance reviews will be conducted as follows:

- First Review – 180 days from *the* initial hire date.
- Further Reviews – Conducted annually beyond the 180th day employed.
- Each review carries the potential of a salary increase ranging from three (3) percent up to eight (8) percent depending on the assessment

Time Records

All non-exempt employees must keep accurate time records by completing timesheets or punching a time clock when entering or leaving the building, including coming and going during lunch periods. Tampering with, falsifying or altering timecards or punching another employee's timecard will result in disciplinary action, up to and including discharge. Failing to record work time may also result in disciplinary action.

As it relates certain salaried employees, especially on-site management, these employees are also required to utilize the time company time clock when at work.

For payroll purposes, time is rounded to the nearest quarter of an hour.

Work Hours

Herbal Wellness Center and Organica Patient Group, Inc. generally follows a work schedule of 40 hours per week. The normal workweek is determined based upon the business needs for the position you are hired for . It is highly encouraged that employees make a concerted effort to show up 15 minutes in advance of their start time to avoid haste or not being able service, our business demands immediately upon starting one's shift.

Conduct Standards

Company Equipment and Vehicles

When using Herbal Wellness Center and Organica Patient Group, Inc. property, including computer equipment or hardware, exercise care, perform required maintenance and follow all operating instructions, safety standards and guidelines.

Notify your supervisor if any equipment or machines appear to be damaged, defective or in need of repair. This prompt reporting could prevent the equipment's deterioration and could also help prevent injury to you or others. Should you have questions about the maintenance and care of any workplace equipment, ask your supervisor.

If you use or operate equipment improperly, carelessly, negligently or unsafely, you may be disciplined or even discharged. In addition, you may be held financially responsible for any loss to Herbal Wellness Center and Organica Patient Group, Inc. because of such mistreatment.

Company Property

Please keep your work area neat and clean and use normal care in handling company property. Report any broken or damaged equipment to your manager at once so that proper repairs can be made.

You may not use any company property for personal purposes or remove any company property from the premises without prior written permission from the Human Resources Manager.

Conduct Standards & Discipline

Herbal Wellness Center and Organica Patient Group, Inc. expects every employee to adhere to the highest standards of job performance and of personal conduct, including individual involvement with company personnel and outside business contacts.

The Company reserves the right to discipline or discharge any employee for violating any company policy, practice or rule of conduct. The following list is intended to give you notice of our expectations and standards. However, it does not include every type of unacceptable behavior that can or will result in disciplinary action. Be aware that Herbal Wellness Center and Organica Patient Group, Inc. retains the discretion to determine the nature and extent of any discipline based upon the circumstances of each individual case.

Employees may be disciplined or terminated for poor job performance, including, but not limited to the following:

- unsatisfactory quality or quantity of work
- repeated unexcused, unreasonable absences or lateness
- failing to follow instructions or Company procedures, or
- failing to follow established safety regulations, implicit, explicit or otherwise.

Employees may also be disciplined or terminated for misconduct, including, but not limited to the following:

- falsifying an employment application or any other company records or documents
- failing to record working time accurately or recording a co-worker's timesheet
- insubordination or other refusal to perform
- using vulgar, profane or obscene language, including any communication or action that violates our policy against harassment and other unlawful forms of discrimination or adverse behavior
- disorderly conduct, fighting or other acts of violence
- misusing, destroying or stealing company property or another person's property
- possessing, entering with or using weapons on company property
- possessing, selling, using or reporting to work with alcohol, controlled substances or illegal drugs present in the employee's system, being adversely impaired by the same or otherwise so unfit to work, on company property or on company time
- violating conflict of interest rules
- disclosing or using confidential or proprietary information without authorization
- violating the Company's computer or software use policies, and
- being convicted of a crime that indicates unfitness for a job or presents a threat to the Company or its employees in any way.

Discretionary Disciplinary Sanctions

Employees are expected to meet Herbal Wellness Center and Organica Patient Group, Inc. standards of performance, ethics, and professionalism. Herbal Wellness Center and Organica Patient Group, Inc. follows a progressive discipline philosophy which is designed to, whenever possible, give employees who fail to meet

standards an opportunity to improve. As part of progressive discipline, areas of concern are clearly explained to employees, clear action steps for improvement are outlined, and a follow-up is scheduled to review progress. Progressive discipline is a constructive way to improve employee performance; however, with each occurrence potentially requiring discipline, the severity of the sanction increases to include suspension and/or termination. The level at which disciplinary action begins is determined by the immediate supervisor, in coordination with Human Resources, based upon the facts related to the conduct in question. The following outlines various steps in the progressive discipline plan.

- o For disciplinary actions under Levels I, II, write a "memo to the file". This documentation is to be completed by the Manager and signed by both the manager and the employee. If the employee refuses to sign, that should be indicated on the memo and witnessed by another party. After the form is signed, inclusion in the employee's personnel files.
 - LEVEL I FORMAL DISCUSSION A formal discussion is used to coach an employee when there is a problem in an employee's job performance or instances of minor misconduct or offenses in the workplace. It is the supervisor's responsibility to assure that the employee understands exactly what the performance, conduct, and/or workplace problem is. Further, the supervisor must outline job expectations and what changes are necessary to meet the performance standard. It is important that the employee has an opportunity to participate in a solution to the problem, that the employee is offered guidance or training to help resolve the situation, and that the employee realizes the significance and seriousness of the situation and need for change.
 - LEVEL II VERBAL WARNING The verbal warning level of the disciplinary procedure is generally utilized for misconduct that occurs after the formal discussion. A verbal warning may be issued without a formal discussion should the misconduct warrant such action. A summary of the oral warning should be documented on the disciplinary form and signed.
 - LEVEL III WRITTEN WARNING The written warning is generally issued for misconduct that occurs after a verbal warning. A written warning may be given instead of a verbal warning should the misconduct warrant such action. Should a written warning be issued in progression to a previous warning, the warning should be referenced.
 - LEVEL IV SUSPENSION A suspension (with or without pay) may be imposed should misconduct continue after a written warning has been issued. A suspension may be the first level in the disciplinary procedure should the misconduct warrant such action. A disciplinary suspension is without pay and is imposed to emphasize to the employee the seriousness of the situation and the fact that improvement is required, or termination of employment will be coordinated. The employee should be notified of a suspension in writing, using the disciplinary form found on the Human Resources website, with terms of the suspension clearly stated. No annual or sick leave will be earned during any suspension.

Note: An employee under investigation (such as in a harassment charge investigation) may be suspended with pay pending the completion of the investigation. A suspension during an investigation may be converted to a disciplinary suspension without pay or termination at the conclusion of the investigation if findings dictate that level of disciplinary action.

- **LEVEL V TERMINATION** While Herbal Wellness Center and Organica Patient Group, Inc. may use any of the above levels prior to termination, termination may also be the first level of the disciplinary action should the misconduct warrant such action as allowed by the state of Arizona as a “right to work” state. Determinations will be based on factors such as severity, frequency, and degree of deviation from expectations. Because of the great variety of situations that may arise, Herbal Wellness Center and Organica Patient Group, Inc. may need to make decisions related to employment outside of the progressive disciplinary procedures. When an employee is terminated for cause, the employee shall be removed from the payroll and lose any and all accrued Herbal Wellness Center and Organica Patient Group, Inc. benefits

Herbal Wellness Center and Organica Patient Group, Inc. is not bound to escalate each individual disciplinary action starting from Level I, nor confined to utilizing each individual disciplinary step. Escalations are determined violation by violation and it is possible, depending on circumstances, that an employee can be suspended or even terminated for a first offense depending on the nature of the employee’s actions and/or its impact on business.

Dating in the Workplace

Supervisors and employees under their supervision are not allowed to form romantic or sexual relationships. Such relationships create the impression of impropriety in terms and conditions of employment and can interfere with productivity and the overall work environment.

If you are unsure of the appropriateness of an interaction with another employee of the Company, contact the Human Resources Department for guidance. If you are encouraged or pressured to become involved with a customer or employee in a way that makes you feel uncomfortable and is unwelcome, you should also notify the Human Resources Department immediately. No customer or employee of this company has the right to subject any employee to sexual or other unlawful harassment, including requests for sexual favors, sexual advances, offensive touching, and any other unwanted verbal, graphic, conduct or communications of a sexual nature.

You should also be aware of, and are expected to comply with, Herbal Wellness Center and Organica Patient Group, Inc.’s policy against sexual and other forms of illegal harassment in the workplace.

Appropriate action, which may include a transfer or reassignment, leave of absence, suspension or termination, will be taken against those who violate this policy.

Dress Policy

Appropriate, relative workplace attire is required wherever an employee is assigned. Suppliers and customers visit our offices and our clients' and we wish to put forth an image that will make us all proud to be Herbal Wellness Center and Organica Patient Group, Inc. employees. Be guided by common sense and good taste. Specific standards may be required by Herbal Wellness Center and Organica Patient Group, Inc.' and/or our clients' respectively. Our general policy is to dress for your day.

Company will provide 2 company shirts upon hire. Employee may purchase more if they desire after that time. Where designated, employee must wear company-style shirts with tastefully presentable jeans or slacks.

Americans with Disabilities Act

It is Herbal Wellness Center and Organica Patient Group, Inc.'s policy that we will not discriminate against qualified individuals with disabilities about any aspect of their employment. Herbal Wellness Center and Organica Patient Group, Inc. is committed to complying with the American with Disabilities Act of 1990 and its related Section 504 of the Rehabilitation Act of 1973. Herbal Wellness Center and Organica Patient Group, Inc. recognizes that some individuals with disabilities may require accommodations at work. If you are currently disabled or become disabled during your employment, you should contact your manager to discuss reasonable accommodations that may enable you to perform the essential functions of your job.

Drug and Alcohol Policy

Herbal Wellness Center and Organica Patient Group, Inc. strives to maintain a workplace free of drugs and alcohol and to discourage drug and alcohol abuse and impairment by its employees. Misuse of alcohol or drugs, or sometimes even too strong of a doctor- prescribed dose of medication for employees can impair the ability of employees to perform their duties, appearance, as well as adversely affect our customers' and customers' confidence in our company. It is important to note that this policy addresses alcohol, non-prescribed substances, as well as prescription drugs, alike, which can impair the employee's appearance, performance or overall functionality. At times, even medications used as prescribed, due to the company's Zero Tolerance on Non-Prescription Substance Abuse *and* Zero Tolerance Prescription Impairment standard, may also warrant disciplinary action.

Alcohol

Employees are prohibited from using or being under the influence of alcohol while performing company business for Herbal Wellness Center and Organica Patient Group, Inc., while operating a motor vehicle in the course of business or for any job-related purpose, or while on company premises or a worksite.

Illegal Drugs

Herbal Wellness Center and Organica Patient Group, Inc. employees are prohibited from using or being under the influence of illegal drugs while performing company business or while on a company facility or worksite. You may not use, manufacture, distribute, purchase, transfer or possess an illegal drug while in Herbal Wellness Center and Organica Patient Group, Inc. facilities, while operating a motor vehicle for any job-related purpose or while on the job, or while performing company business. This policy does not prohibit the proper use of medication under the direction of a physician; however, misuse of such medications is prohibited. This

includes non-prescribed medication which would otherwise be legal if prescribed by a doctor.

Prescribed Medication

As it relates to these medications, Herbal Wellness Center and Organica Patient Group, Inc. understands and endorses the safe and sound use of doctor-prescribed medication as directed at home or at work. However, as part of our Impairment Policy, and in compliance with the Americans with Disabilities Act, if an employee's prescribed medication renders them visually or functionally impaired, Herbal Wellness Center and Organica Patient Group, Inc. retains the right to, first, make reasonable accommodations as to their work capacity, be it their employment role, responsibilities, hours, shift, adjustments in salary where practical after changes. Where accommodations are impractical to the business, or impairment due to prescription dosages compromises the integrity or overall service to the company, Herbal Wellness Center and Organica Patient Group, Inc. may terminate the employment relationship all together after having assessed in good faith reasonable accommodations—to no avail.

Disciplinary Action

Employees who violate this policy may be disciplined or terminated, even for a first offense. Violations include refusal to consent to and comply with testing and search procedures as described.

Searches

Herbal Wellness Center and Organica Patient Group, Inc. may conduct searches for illegal drugs, company property not premised to be in the employee's possession, much less, concealed while doing so, or alcohol on company facilities or worksites without prior notice to employees. Such searches may be conducted at any time. Employees are expected to cooperate fully.

Searches of employees and their personal property may be conducted when there is reasonable suspicion to believe that the employee has violated this policy or when circumstances or workplace conditions justify such a search. Personal property may include, but is not limited to, purses, boxes, briefcases, as well as any Herbal Wellness Center and Organica Patient Group, Inc. property that is provided for employees' personal use, such as desks, lockers, and files.

An employee's consent to a search is required as a condition of employment and the employee's refusal to consent may result in disciplinary action, including termination.

Drug Testing

Herbal Wellness Center and Organica Patient Group, Inc. may require a blood test, urinalysis, hair test or other drug or alcohol screening of employees suspected of using or being under the influence of drugs or alcohol or where other circumstances or workplace conditions justify such testing. The refusal to consent to testing may result in disciplinary action, including termination.

Ethical and Legal Business Practices

Herbal Wellness Center and Organica Patient Group, Inc. expects the highest standard of ethical conduct and fair dealing from each employee, officer, director, volunteer and all others employed with the Company. Our reputation is an asset, and we must continually earn the trust, confidence and respect of our suppliers, our members, our customers and our community.

This policy provides general guidance on the ethical principles that we all must follow, but no guideline can anticipate all situations. You should also be guided by basic honesty and good judgment and be sensitive to others' perceptions and interpretations.

If you have any questions about this policy, consult your supervisor or manager. Exceptions to this policy may be made only by the Human Resources Department.

You are expected to promptly disclose to the management of the company anything that may violate this policy. We will not tolerate retaliation or retribution against anyone who brings violations to management's attention.

Complying with Laws and Regulations

All our activities are to be conducted in compliance with the letter and spirit of all laws and regulations. You are charged with the responsibility of understanding the applicable laws, recognizing potential dangers and knowing when to seek legal advice.

Giving and Receiving Gifts

You may not give or receive money or any gift to or from a supplier, government official or other organization. Exceptions may be made for gifts that are customary and lawful, are of nominal value and are authorized in advance.

You may accept meals and refreshments if they are infrequent, are of nominal value and are in connection with business discussions.

If you do receive a gift or other benefit of more than nominal value, report it promptly to a member of management. It will be returned or donated to a suitable charity.

Employee Privacy and Other Confidential Information

Herbal Wellness Center and Organica Patient Group, Inc. collects only personal information about employees that relates to their employment. Only people with a business-related need to know are given access to this information, and the employee, coupled with the Human Resources Department must authorize any release of the information to others. Personal information, other than that required to verify employment or to satisfy legitimate investigatory or legal requirements, will be released outside the company only with employee approval.

If you have access to any confidential information, including private employee information, you are responsible for acting with integrity. Unauthorized disclosure or inappropriate use of confidential information will not be tolerated.

Accounting and Financial Reports

Herbal Wellness Center and Organica Patient Group, Inc.'s financial statements and all books and records on which they are based must accurately reflect the Company's transactions. All disbursements and receipts must be properly authorized and recorded.

You must record and report financial information accurately. Reimbursable business expenses must be reasonable, accurately reported and supported by receipts.

Those responsible for handling or disbursing funds must assure that all transactions are executed as authorized and recorded to permit financial statements in accord with Generally Accepted Accounting Principles.

Account and Customer Information

Employees are prohibited from distributing account, client, and/or customer information to anyone, in any form, except the named account holder, client or customer.

Compliance

Employees who fail to comply with this policy will be disciplined, which may include a demand for reimbursement of any losses or damages, termination of employment and referral for criminal prosecution. Action appropriate to the circumstances will also be taken against supervisors or others who fail to report a violation or withhold relevant information concerning a violation of this policy.

Grievances

Employees are encouraged to bring concerns, problems and grievances to management's attention. You are also obligated to report any wrongdoing of which you become aware to your manager or, if the situation warrants, to any Herbal Wellness Center and Organica Patient Group, Inc. officer.

Insider Trading

In addition to our general obligation to observe the law, one of the most important responsibilities of all Herbal Wellness Center and Organica Patient Group, Inc. employees is to protect the company's reputation for ethical and honest dealing. Our reputation could be irreparably damaged if inside information is inappropriately disclosed such that it adversely affects our company or in the same way client or any other company with whom we have a relationship. Bearing this in mind, you are forbidden from sharing or disclosing company information in any way that could be deemed insider trading or give the appearance of such conduct.

Progressive Discipline

Herbal Wellness Center and Organica Patient Group, Inc. retains the discretion to discipline its employees. Oral and written warnings and progressive discipline up to and including discharge may be administered as appropriate under the circumstances.

Please note that Herbal Wellness Center and Organica Patient Group, Inc. reserves the right to terminate any employee whose conduct merits immediate dismissal without resorting to any aspect of the progressive discipline process.

Smoking Policy

Smoking is prohibited inside Herbal Wellness Center and Organica Patient Group, Inc. facilities.

All employees, clients and other visitors are expected to comply with this policy, and employees who violate it may be disciplined.

Should you have a question, complaint or dispute about smoking in the workplace, contact Human Resources Department.

Workplace Solicitation

To promote a professional and collegial workplace, prevent disruptions in business or interference with work, and avoid personal inconvenience, Herbal Wellness Center and Organica Patient Group, Inc. has adopted rules about soliciting for any cause and distributing literature of any kind in the workplace.

Employees may not solicit on Herbal Wellness Center and Organica Patient Group, Inc. property or use company facilities, such as e-mail, voicemail or bulletin boards during working time for solicitation. This policy applies to collecting funds, requesting contributions, selling merchandise, gathering employee signatures and promoting membership in clubs or organizations.

Working time means time during which employees are expected to be actively engaged in their assigned work; it does not include scheduled meal or break periods.

You may solicit another employee only if both you and the other employee are not on working time, and you may distribute literature only in nonworking areas and while not on working time to other employees who are not on working time.

Nonemployees may not make solicitations or distribute literature at any time.

Herbal Wellness Center and Organica Patient Group, Inc. may grant limited exemptions from these rules for charitable purposes at its discretion.

Zero Tolerance for Workplace Violence

Herbal Wellness Center and Organica Patient Group, Inc. has a zero-tolerance policy concerning threats, intimidation and violence of any kind in the workplace either committed by or directed to our employees. Employees who engage in such conduct will be disciplined, up to and including immediate termination of employment.

Employees are not permitted to bring weapons of any kind onto company premises or to company functions. Any employee who is suspected of possessing a weapon will be subject to a search at the company's discretion. Such searches may include, but not be limited to, the employee's personal effects, desk and workspace.

If an employee feels he or she has been subjected to threats or threatening conduct by a coworker, vendor or customer, the employee should notify his or her supervisor or another member of management immediately. Employees will not be penalized for reporting such concerns.

Leave

Family Medical Leave (FMLA)

Family and Medical Leave

You are eligible for family and medical leave if you have worked for Herbal Wellness Center and Organica Patient Group, Inc. for at least 12 months and have put in at least 1,250 hours during the 12-month period before the leave is to begin.

Reasons for the Leave

You are entitled to take up to 12 workweeks of unpaid leave:

- to attend to the birth, adoption or foster care placement of your child
- to attend to the serious health condition of your child, spouse or parent, or
- to receive care for your own serious health condition.

A serious health condition means an illness, injury, impairment, or physical or mental condition during which you are incapable of working that involves either:

- treatment requiring inpatient care in a hospital, hospice or residential care facility, or
- continuing treatment by a health care provider for a condition that lasts more than three consecutive days, or for pregnancy or prenatal care or for a chronic health condition which continues over an extended period of time, requires periodic visits to a health care provider and may involve occasional episodes of incapacity, such as serious asthma or diabetes.

It also includes a permanent or long-term condition such as Alzheimer's, a severe stroke and terminal cancer. In addition, leave may be used to cover absences due to multiple treatments for restorative surgery or for a condition which would likely make you incapable of working for more than three days if not treated, such as chemotherapy or radiation treatments for cancer.

Substituting Paid Leave

You must substitute accrued PTO for family and medical leave. And if the request for leave is due to your own serious health condition, you must first exhaust all PTO. Any accrued PTO will then be used. Your total FMLA leave time, which may include PTO, may not exceed 12 weeks. The Company has the right to designate such leaves as running concurrently with FMLA leave.

Types of Leave

Leave due to the birth or placement of a child in your home for adoption or foster care must be taken in one continuous 12-week segment and must be taken within 12 months of the birth or placement of the child. You may take leave due to your own or a family member's serious health condition in:

- one continuous 12-week segment
- an intermittent schedule, such as one day off each week, or
- a reduced schedule, such as beginning two hours late, twice a week.

Notice of Leave

If your need for leave is foreseeable, you must give 30 days prior notice if possible. If you do not give such notice, the leave may be delayed for up to 30 days.

If your need for leave is due to a planned medical treatment, make every attempt to schedule the treatment so as not to unduly disrupt the work of your department. If your need for leave is not foreseeable, you must request it as soon as practicable, no later than two business days after the need for leave arises.

Medical Certification

If leave is requested due to your own or a family member's serious health condition, you must provide medical certification from an appropriate health care provider. The medical certification must include the date on which the condition began and its probable duration. You may be denied leave if you do not provide satisfactory certification. Herbal Wellness Center and Organica Patient Group, Inc. may also require a second opinion or third opinion regarding certification of a serious health condition, at our expense.

Outside Employment

You may not work for outside employers while on family and medical leave with Herbal Wellness Center and Organica Patient Group, Inc.

Returning to Work

If your leave is due to your own medical condition, you are required to provide medical certification that you can resume work before returning. Both you and your health care provider must complete a Return to Work Medical Certification.

Upon returning to work, you will ordinarily be entitled to be restored to your former position or to an equivalent position with the same pay if possible. If you do not return to work at the end of the leave and do not notify Herbal Wellness Center and Organica Patient Group, Inc. of your status, you may be terminated.

Misrepresenting Reasons for Leave

If you intentionally misrepresent the reasons for requesting family and medical leave, you may be discharged.

Bereavement Leave

Full-time employees who have worked at Herbal Wellness Center and Organica Patient Group, Inc. for at least 1 year are permitted up to 5 consecutive excused absences to attend the funeral of an immediate family member, which includes a spouse, child, brother, sister, parent or grandparent.

Eligible employees may be permitted to use available PTO for the duration of their bereavement if they wish to be paid for their time away for the death of a relative who is not an immediate member-including an aunt, uncle, nephew, niece, brother-in-law, sister-in-law or parent-in-law.

Your supervisor must approve all bereavement time, and the Company may request verification of the facts surrounding the leave and grant or deny the leave as deemed appropriate. Bereavement leave will not be paid if it occurs when the employee is on vacation or leave of absence, absent due to illness or injury, or not working due to a paid holiday.

Military Leave

Pursuant to the Uniformed Services Employment and Reemployment Rights Act (USERRA), Herbal Wellness Center and Organica Patient Group, Inc. prohibits discrimination against persons because of their service in the Armed Forces, the Army National Guard and the Air Force National Guard when engaged in active duty for training, inactive duty training, or full-time National Guard duty, the commissioned corps of the Public Health

Service, and any other category of persons designated by the President in time of war or emergency.

Employees who are members of the National Guard can take up to 30 days of paid leave in a two-year period when called for training.

Jury Duty

Herbal Wellness Center and Organica Patient Group, Inc. supports employees in fulfilling their civic responsibilities by serving jury duty when required and fully compensates them for up to 3 days of time they are required to serve.

However, you must inform your supervisor as soon as possible after receiving a jury summons so that arrangements can be made to accommodate your absence. And you will be expected to report for work during your jury service whenever the court schedule permits.

Insurance benefits will ordinarily remain in effect and unchanged for the full term of your jury duty absence.

Time Off from Work in Connection with Court Cases

We recognize that an employee might be subpoenaed or otherwise required to serve as a witness in court cases or arbitrations. Employees called to testify will not be paid for the time they are away from work as a result of their participation in a court case or arbitration but may use available vacation and personal days to cover their time away from work. Absence as a result of participation in a court case or arbitration will be treated the same as absence for any other reason and employees must comply with the company's policy regarding attendance. If you are called to serve as a witness, notify your manager as soon as possible.

Time Off to Vote

Employees who are eligible to vote but do not have enough time outside of regular working hours to vote in a statewide election, may request time off to do so. The time off will be. Such time off will be granted at your supervisor's discretion.

General Employment

Employee Classifications

Employees at Herbal Wellness Center and Organica Patient Group, Inc. are either full-time salary, full-time hourly or part-time hourly.

Part-time employees work fewer than 30 hours per week. Unless specifically stated, part-time employees are not afforded any benefits other than wages; for example, they do not accrue paid time off (PTO).

All other employees are full-time.

Your supervisor will verify whether you are a full-time or part-time employee, and whether you are exempt or non-exempt. Exempt employees are not entitled to overtime under the Fair Labor Standards Act, while non-

exempt employees can qualify for this pay.

Employee Records

An employee's personnel file consists of the employee's employment application, withholding forms, reference checks, emergency information and any performance appraisals, benefits data or other appropriate employment-related documents.

It is the employee's responsibility to notify the Payroll Department or Human Resources of any changes in name, address, telephone number, marital status, number of dependents, military service status, beneficiaries or person to notify in case of an accident.

Misrepresentation of any fact which you have provided information for on your application, in your personnel file, or any other document is enough reason for dismissal. Personnel records are considered company property and are not available for review by employees.

Employee Referrals

To encourage and reward employees who refer qualified candidates for full-time positions, Herbal Wellness Center and Organica Patient Group, Inc. sponsors an employee referral incentive program. All full-time employees are eligible to participate.

If Herbal Wellness Center and Organica Patient Group, Inc. hires the referred candidate within 90 days of the referral date, the Company will award \$100, minus applicable tax withholdings and deductions, to the referring employee. Payment will be made approximately 120 days after the date the candidate was hired, provided both individuals are then active employees of the Company.

Employment of Relatives

Herbal Wellness Center and Organica Patient Group, Inc. may hire relatives of employees where there are no potential problems of supervision, safety, security, morale or potential conflict of interest. Relatives include an employee's parent, child, spouse, domestic partner, sibling, cousin, in-laws and step relationships.

Employees who marry or become related will be permitted to continue to work if there are no substantial conflicts. Reasonable accommodations will be made when possible in the event a conflict arises.

Introductory (Probationary) Period

The first 90 days of employment are an Introductory Period for both the employee and the Company. However, during and after this period, the work relationship will remain at will.

This time period allows you to determine if you have made the right career decision and for Herbal Wellness Center and Organica Patient Group, Inc. to determine whether your initial work performance meets our needs. Your manager will monitor your work performance, attitude and attendance during this time, and be available to answer any questions or concerns you may have about your new job.

PTO does not accrue during this period.

The Introductory Period may be extended at management's discretion.

As it relates to assignments with our client, HWC, your probationary period will last 90 days from the original hire date, with HWC assuming the cost(s), on your behalf, for acquiring your Arizona Department of Health Services (ADHS) mandatory Dispensary Agent Card (DAC)—namely, the application fee. At present, the DAC application processing fee is five-hundred dollars (\$500.00 USD). Should your employment with Herbal Wellness Center and Organica Patient Group, Inc. ever be terminated or you voluntarily part ways prior to the end of the probationary period, we reserve the right to recover whichever portion of the application fee that is feasible from your final payroll check—the remainder, if any, due immediately on your own accord.

Job Postings & Promotion

Herbal Wellness Center and Organica Patient Group, Inc. has a job posting program to inform employees of available staff positions. Herbal Wellness Center and Organica Patient Group, Inc. will fill job vacancies whenever possible by promoting qualified employees from within the Company.

To apply for a posted position, an employee must:

- have completed any mandatory Introductory Period at a satisfactory performance level
- meet the minimum requirements for the position, and
- not have received written correction counseling within the past 90 days; employees who have received a verbal warning may also be prohibited from applying.

Employees interested in applying for a posted position should submit a memorandum with an updated resume to indicating interest in the position. Qualified employees must inform their managers that they have applied for the job. Candidates will be judged on individual performance, conduct, experience, and potential. Length of service, although considered, shall not be the sole determining factor in selecting candidates for promotion.

Herbal Wellness Center and Organica Patient Group, Inc. has the discretion to fill job vacancies from outside if we consider that circumstances call for outside recruitment.

Reference/Background Checks

Herbal Wellness Center and Organica Patient Group, Inc. conducts reference and background checks on all new employees. Employees who have falsified information on their employment applications will be disciplined, which could include termination. Applicants who have provided false information may be eliminated from further consideration for employment.

Termination, Resignation and Discharge

General

Unless expressly proscribed by statute or contract, employment with Herbal Wellness Center and Organica Patient Group, Inc. is on an "at will" basis and may be terminated with or without cause or notice. Similarly, employees are free to resign their employment at any time. If at any time it is necessary for an employee to resign his or her employment with the Company, Herbal Wellness Center and Organica Patient Group, Inc. requests at least two weeks notice. Failure to provide notice may lead to forfeiture of accrued vacation or other benefits at the discretion of Herbal Wellness Center and Organica Patient Group, Inc.

Any employee who is discharged by Herbal Wellness Center and Organica Patient Group, Inc. shall be paid

only wages accrued to the effective date of the separation.

Transfers & Relocation

To meet business needs, Herbal Wellness Center and Organica Patient Group, Inc. may occasionally need to transfer employees to a different department, shift or location. Employee requests for transfers will be accommodated where possible.

Contact your immediate supervisor for help or information about transfers.

Safety & Emergency

Fire Safety

Every employee is responsible for recognizing potential fire dangers and taking an active role in preventing fires.

Employees are required to observe all OSHA safety requirements and regulations. Flammable materials are to be stored in covered metal containers. Employees should not block any fire doors, fire exits, fire extinguishers, windows or doorways. Review the fire escape routes posted in each work area.

Safety

Herbal Wellness Center and Organica Patient Group, Inc. is committed to maintaining a safe and healthy environment for all employees. Report all accidents, injuries, potential safety hazards, safety suggestions and health and safety related issues immediately to your manager.

If you or another employee is injured, contact your supervisor or manager immediately. Seek help from outside emergency response agencies, if needed. Contact information is posted.

You must complete an Employee's Claim for Worker's Compensation Benefits Form if you have an injury that requires medical attention. If your inquiry does not require medical attention, you must still complete a Supervisor and Employee Report of Accident Form in case medical treatment is later needed and to ensure that any existing safety hazards are corrected. You can obtain the required forms from Human Resources Department.

A federal law, the Occupational Safety and Health Act, requires that we keep records of all illnesses and accidents that occur on the job. OSHA also provides for your right to know about any health hazards which might be present on the job.

In addition, the state Workers' Compensation Act also requires that you report any illness or injury caused by the workplace, no matter how slight. If you do not report an injury, you may jeopardize your right to collect workers' compensation payments as well as health benefits.

You can get the required reporting paperwork from Human Resources Department.

Company Communications & Technology

Bulletin Boards

Check all the bulletin boards regularly to obtain important information about company events and policies. Only Herbal Wellness Center and Organica Patient Group, Inc. employees should use company bulletin boards. Management must approve all postings. See Human Resources Department to obtain approval for a bulletin board posting.

Social Media Policy

This policy provides guidance for employee use of social media, which should be broadly understood for purposes of this policy to include blogs, wikis, microblogs, message boards, chat rooms, electronic newsletters, online forums, social networking sites, and other sites and services that permit users to share information with others in a contemporaneous manner.

PROCEDURES

The following principles apply to professional use of social media on behalf of Herbal Wellness Center and Organica Patient Group, Inc. as well as personal use of social media when referencing Herbal Wellness Center and Organica Patient Group, Inc.

- Employees need to know and adhere to the Company's Policy Handbook when using social media in reference to Herbal Wellness Center and Organica Patient Group, Inc.
- Employees should be aware of the effect their actions may have on their images, as well as Herbal Wellness Center and Organica Patient Group, Inc.'s image. The information that employees post or publish may be public information for a long time.
- Employees should be aware that Herbal Wellness Center and Organica Patient Group, Inc. may observe content and information made available by employees through social media. Employees should use their best judgment in posting material that is neither inappropriate nor harmful to Herbal Wellness Center and Organica Patient Group, Inc., its employees, or customers.
- Although not an exclusive list, some specific examples of prohibited social media conduct include posting commentary, content, or images that are defamatory, pornographic, proprietary, harassing, libelous, or that can create a hostile work environment.
- Employees are not to publish, post or release any information that is considered confidential or not public. If there are questions about what is considered confidential, employees should check with the Human Resources Department and/or supervisor.
- Social media networks, blogs and other types of online content sometimes generate press and media attention or legal questions. Employees should refer these inquiries to authorized Herbal Wellness Center and Organica Patient Group, Inc. spokespersons.
- If employees find encounter a situation while using social media that threatens to become antagonistic, employees should disengage from the dialogue in a polite manner and seek the advice of a supervisor.
- Employees should get appropriate permission before you refer to or post images of current or former

employees, members, vendors or suppliers. Additionally, employees should get appropriate permission to use a third party's copyrights, copyrighted material, trademarks, service marks or other intellectual property.

- Social media use shouldn't interfere with employee's responsibilities at Herbal Wellness Center and Organica Patient Group, Inc. Herbal Wellness Center and Organica Patient Group, Inc.'s computer systems are to be used for business purposes only. When using Herbal Wellness Center and Organica Patient Group, Inc.'s computer systems, use of social media for business purposes is allowed (ex: Facebook, Twitter, Herbal Wellness Center and Organica Patient Group, Inc. blogs and LinkedIn), but personal use of social media networks or personal blogging of online content is discouraged and could result in disciplinary action.

- Subject to applicable law, after-hours online activity that violate this Company Policy Handbook or any other company policy may subject an employee to disciplinary action or termination.

- If employees publish content after-hours that involves work or subjects associated with Herbal Wellness Center and Organica Patient Group, Inc., a disclaimer should be used, such as this: "The postings on this site are my own and may not represent Herbal Wellness Center and Organica Patient Group, Inc.'s positions, strategies or opinions."

- It is highly recommended that employees keep Herbal Wellness Center and Organica Patient Group, Inc. related social media accounts separate from personal accounts, if practical.

Communication with Press or Media

Media inquiries in relation to Herbal Wellness Center and Organica Patient Group, Inc. must be handled in accordance with the following guidelines:

Inquiries regarding a specific transaction should be referred to the individual or individuals in charge of the matter; if they are not available, the Senior Management of the company.

All other inquiries should be referred to the Senior Management of the company, who will respond directly or designate another spokesperson and who will also help draft or direct an appropriate response if necessary.

This policy covers all forms of responses to the media, including off-the-record and anonymous statements.

Software Policy

Herbal Wellness Center and Organica Patient Group, Inc. regulates employees' use of its computer software.

You may not duplicate any licensed software or related documentation for use, either on Company premises or elsewhere, unless expressly authorized to do so by written agreement with the licensor. And you may not provide licensed software to anyone outside the Company. Employees should be aware that the illegal duplication of software may result in the filing of criminal copyright charges by the owners of the copyrights and can subject both the employee and the company to liability.

All software that Herbal Wellness Center and Organica Patient Group, Inc. acquires must be purchased and licensed. Upon delivery, all software must be registered properly by and installed. You may not load personal software on Herbal Wellness Center and Organica Patient Group, Inc. computers.

Use of Company Communication Systems

Because Herbal Wellness Center and Organica Patient Group, Inc. reserves the right to access any personal communication without prior notice, employees should not use company systems to transmit any messages or to access any information that they would not want a third party to hear or see. Although incidental and occasional personal use of the company's systems is permitted, any such personal use will be treated the same as all other communications under this policy. However, employees are always prohibited from accessing or downloading information from the Internet for personal use.

Telephone Usage

The telephone system (including voicemail) at Herbal Wellness Center and Organica Patient Group, Inc. is the property of the company and is provided for business purposes. Herbal Wellness Center and Organica Patient Group, Inc. may periodically monitor the usage of the telephone systems to ensure compliance with this policy. Therefore, employees should not consider their conversations on the company's telephone system to be private.

Personal Mail

All mail delivered to the company is presumed to be related to company business. Mail sent to you at the company will be opened by the office and routed to your department. If you do not wish to have your correspondence handled in this manner, please have it delivered to your home.

Employee Benefits

The Company currently offers Medical, Dental, Vision, and Supplemental Life Plans. Additionally, the Company offers a \$20,000 Life/AD&D policy at no cost to the employee.

Regular full-time employees as defined by their job description in a position that includes insurance benefits, are eligible to enroll in Medical, Dental, Vision and Life coverage along with their qualifying dependents. This coverage will take effect on the first of the month following 60 days of employment.

All employees enrolled will have their share of cost deducted from their bi-weekly paycheck.

COBRA BENEFITS

The Federal Consolidated Omnibus Budget Reconciliation Act (COBRA) gives employees and their qualified beneficiaries the opportunity to continue health insurance coverage under the Company's health plan when a "qualifying event" would normally result in the loss of eligibility.

Some common qualifying events are resignation; termination of employment; death of an employee; a reduction in an employee's hours; leave of absence; divorce or legal separation; and a dependent child no longer meeting eligibility requirements.

Under COBRA, the employee or beneficiary pays the full cost of coverage after a qualifying event at the Company's group rates plus an administration fee for continuation coverage. The Company provides each eligible employee with a written notice describing rights granted under COBRA when a qualifying event occurs. The notice

contains important information about the rights and obligations of the employee and/or beneficiary(ies). Failure to timely comply with the notice may result in a loss of insurance coverage. It is imperative that each employee keep the Company apprised of the status of his/her family life and age of dependents.

The Company's COBRA program is administered by the Company's Broker.

Reimbursement for Parking and Taxis

Herbal Wellness Center and Organica Patient Group, Inc. will reimburse employees for parking and taxi fare spent while working during the weekends, company functions, events, etc. where such reimbursement can be legitimately applied to necessary company business.

Travel & Expenses

Employees will be reimbursed for all reasonable and necessary expenses they incur while traveling or engaging in other legitimate company endeavors, pending prior approval, for Herbal Wellness Center and Organica Patient Group, Inc. Use your discretion, but try to keep costs low.

You must record all travel and business activities on the Company's Expense Report Form and submit it to the accounting department. If business travel requires you to be out of the office for an extended period, your report must cover the duration of your time away.

All Expense Report Forms should be submitted to the accounting department no later than 3 business days after return from time away.

Worker's Compensation

Herbal Wellness Center and Organica Patient Group, Inc. provides insurance to compensate for any illness or injury an employee might suffer while working on company premises, traveling on official company business, or attending an activity officially sponsored by the Company. If you become ill or injured, please get medical attention at once.

You must also report the details to your supervisor immediately. And you must complete a report for every injury, no matter how small, to keep the coverage in force and to get any benefits or other compensation to which you may be entitled.

Vacation & Holidays

While Herbal Wellness Center and Organica Patient Group, Inc. does observe scattered holidays throughout the year in which, for each one, individual memos are sent out company-wide well in advance to employees informing them precisely when and how those observances will affect their work schedule, Herbal Wellness Center and Organica Patient Group, Inc. does not currently offer paid-holidays.

Paid Time Off

Full Time Salaried & Hourly Employees:

Employees begin accruing PTO/Sick Time hours on their first day of employment. Employees may begin using their available PTO/Sick Time hours after ninety (90) days of employment from the initial hire date.

Fulltime Salary & Hourly Employees Payroll accrual schedule is as follows:

1st year - Accrue 3.08 Hours/pay	80	3.08	
2nd year - Accrue 3.38 Hours/pay	88	3.38	1st Anniversary
3rd year - Accrue 3.69 Hours/pay	96	3.69	2nd Anniversary
4th year - Accrue 4.00 Hours/pay	104	4.00	3rd Anniversary
5th year - Accrue 4.31 Hours/pay	112	4.31	4th Anniversary
6th year - Accrue 4.62 Hours/pay	120	4.62	5th Anniversary
7th year - Accrue 4.92 Hours/pay	128	4.92	6th Anniversary
8th year - Accrue 4.92 Hours/pay	136	5.23	7th Anniversary

Part-Time Hourly Employees Payroll accrual schedule is as follows:

1st year - Accrue 1.54 Hours/pay	40	1.54	
2nd year - Accrue 1.69 Hours/pay	44	1.69	1st Anniversary
3rd year - Accrue 1.85 Hours/pay	48	1.85	2nd Anniversary
4th year - Accrue 2.00 Hours/pay	52	2.00	3rd Anniversary
5th year - Accrue 2.15 Hours/pay	56	2.15	4th Anniversary
6th year - Accrue 2.31 Hours/pay	60	2.31	5th Anniversary
7th year - Accrue 2.46 Hours/pay	64	2.46	6th Anniversary
8th year - Accrue 2.62 Hours/pay	68	2.62	7th Anniversary

Employees may carry over up to 40 hours of PTO/Sick Time hours from any prior period over to the next anniversary year.

Part-Time Hourly Employees do not accrue for PTO currently.

OPEN DOOR POLICY

Herbal Wellness Center and Organica Patient Group, Inc. has an Open-Door Policy for all employees, which provides an internal procedure to present work-related concerns, ideas or suggestions. The Open Door Policy is designed to encourage employees to communicate their concerns, ideas, or suggestions to their supervisors and also to provide them with the option of carrying their concern to the next higher level of management, to Human Resources, or to senior management without retaliation or fear of retaliation.

The Open-Door Policy is intended to provide effective communications within the Company but is not intended as a contractual right to any due process or grievance procedure.

GUIDELINES:

Normal Procedure

- Employees are encouraged to discuss their concerns, ideas or suggestions with their supervisor. The supervisor knows more about the employee and the job than anyone else and is in the best position to handle the situation quickly and satisfactorily. Often, frank and open communication about a situation is the easiest way to address it.
- **First**--The employee should discuss the matter with his/her supervisor (unless, due to the nature of the matter, the employee cannot discuss it with his/her supervisor, then the Employee should discuss it with

the next level manager). The supervisor should act to resolve and answer the concern. If an employee feels a concern, idea, or suggestion has not received the attention it deserves, then...

- **Second**--The employee should attempt to resolve the matter with the next level of management within the local facility because they are best able to work out a satisfactory solution for all concerned. However, if an Employee feels that a satisfactory answer still has not been received, continue to the next levels of management, or...
- **Third**--The employee may address the matter with any other manager he or she chooses.

The Human Resources Manager is available to assist the employee at anytime and with any level of management in pursuing the resolution of a matter under the Open-Door policy. Upon request, the Human Resources Manager may also assist the manager/supervisor in understanding reasons for the matter raised through the Open-Door procedure and provide guidance and information on policies, benefits, etc.

Direct Referral to Corporate Management

- There may be times when an employee may wish to submit a statement in writing for consideration by a specific level of management. The written statement should be as specific as possible and identify the employee.
- The Company will provide the employee with a confidential answer in writing, usually within ten working days from the receipt of the statement, when possible and appropriate.

Management Responsibility

- All members of management have a basic responsibility to see that Open-Door matters are considered carefully and seriously and that an answer is promptly given.
- Management also has the responsibility to ensure that no Employee is penalized for exercising his or her privilege to utilize the Open-Door policy.

While the above procedure is preferred, any employee, at any time, and for whatever reason, has the right to bring up an issue of concern directly to the Senior Management and further up the chain of command within the organization if need be.

PROCEDURES AZDHS REQUIREMENTS

- 3.10 Business Records**
- 3.20 Inventory Control**
- 3.20 Accepting Donation**
- 3.30 Acquiring MM from Another Dispensary**
- 3.40 Disposal of Usable Marijuana**
- 3.50 Qualifying Patient Records**
- 3.60 Denial of Sale due to Expired/Invalid/Void Card**
- 3.70 Delivery Option**
- 3.80 Patient Education & Support**
- 3.90 Using Medicine Sensibly**
- 4.00 Be Safe**
- 4.10 Side Effects / Contraindications for Medical Marijuana**

- 4.20 Drug Interactions
- 4.30 Impact of MMJ on Opioid Use
- 4.40 Techniques for Use of Medical Marijuana & Paraphernalia
- 4.50 Dispensary Agent Turnover Notification Policies
- 4.60 Dispensary Assets & Cultivation Security Policies
- 4.70 Policies and Procedures for Medical Director
- 4.80 Dispensing Medical Marijuana
- 4.90 Qualifying Patient Records
- 5.00 Inventory Control System
- 5.10 Inventory Control System Documentation Requirement
- 5.20 Monthly Inventory Procedures
- 5.30 Inventory Discrepancies
- 5.40 Cash Handling and Inventory Security
- 5.50 Product Labeling & Analysis
- 5.60 Security
- 5.70 Edible Food Products
- 5.80 Food Preparation Checklist
- 5.90 Cleaning & Sanitation
- 6.00 Physical Plant (Facility)
- 6.10 Physical Plant (Facility) Modifications
- 6.20 Arizona Department of Health Services Online (AZDHS) System Outage
- 6.30 Point-of-Sale (POS) Outage
- 6.40 Suggestions to the Company
- 6.50 Accepting Inventory / Merchandise from Vendors
- 6.60 Inventory Daily Audit at Dispensary
- 6.70 Inventory Bi-Weekly Reconciliation
- 7.0 Employee Identification (DA Cards)
- 8.0 Non-Dispensary Agents (non-employees)
- 9.0 Testing procedures for marijuana product (Analysis of Medical Marijuana or a Marijuana Product)

R9-17-310(A)(2)(b)

3.11 Business Records Keeping:

- o Herbal Wellness Center and Organica Patient Group, Inc. will use commercial software applications in conjunction with our inventory control system, to track all records of assets and liabilities, monetary transactions, journals, ledgers, and supporting documents, including agreements, checks, invoices, and vouchers.
- o Any and all manual documents that are not an electronic file or scanned into our computer system will be stored in a locked file cabinet. Only authorized dispensary agents will have access to these files.

- o Records will be made available to the Department for review upon request.

3.20 Inventory Control

R9-17-310(A)(2)(c)

3.21 Tracking MM:

- o Herbal Wellness Center and Organica Patient Group, Inc. intends to utilize inventory-tracking software to ensure compliance with all Inventory Control Policies, Procedures and State Reporting Requirements.
- o All marijuana inventories including each day's beginning inventory, acquisitions, harvests, sales, disbursements, disposal of unusable marijuana, and ending inventory will be taken daily.

3.22 Packaging MM:

- o Use the digital scale on the preparation table located in the access-card locked Inventory room. Scales are calibrated by 3rd parties to assure weights are accurate.
- o Wear appropriate gear such as gloves and mask
- o Use sealable pouch with the preprinted AZDHS warning statement
- o Uses appropriate bag size for MM:
 - Jars labeled AZ 1gram is to be used for packaging 1 gram
 - Jars labeled AZ 1/8 oz is to be used for packaging 3.5 grams
 - Jars labeling AZ ¼ oz is to be used for packaging 7 grams
 - Jars labeling AZ ½ oz is to be used to packaging 14 grams
- o Every new strain will start with the same start out amount:
 - 20 Jars x 1 gram
 - 10 Jars x 3.5 grams

Put 3 grams in Sample Jar and displace Sample

- o Weight the bulk and write it down on the label the date, weight, and initial
- o Log Sample in the Sample Log
- o Enter conversion in ERP system and print package label
- o Place barcode label on the jar- Barcode labels will include:
 - The producer License/ID#
 - The Batch #
 - Package ID #
 - Harvest Date
 - Vendor Type

- Strain Name
- Gross Weight
- Net Weight
- Barcode

3.20 Accepting Donation of MM from QP/DCG that Authorized to Cultivate

3.21 Only Dispensary Manager or Operations Manager are Authorized to Acquire MM

- Make copy of the QP/DCG and verifies the card status with AZDHS database. If card is active, we can accept donation
- Fill out the donation form including:
- Description of MM (amount, strain, chemical additives)
- Name of QP/DCG and Reg #
- Date of Acquisition
- No money or anything of value in exchange for MM
- Signature of QP/DCG
- Name, signature of DA and Reg# accepting MM

3.30 Acquiring MM from another Dispensary - Only Dispensary Manager or Operations Manager are Authorized to Acquire MM

- Before placing order, have a copy of the providing Dispensary's License, DA providing MM card on file.
- Provide the other Dispensary a copy of Herbal Wellness' License, Tax Resale License
- Provide copy of Dispensary Agent cards that will be accepting or picking up order
- Use info@herbalwellnesscenter.com email to place orders
- Have the correct payment amount for the order available upon picking up/ accepting delivery

3.40 Disposal of Unusable Marijuana

Only Dispensary Manager and Inventory Manager are authorized to DISPOSE

UNUSABLE MARIJUANA

Policy & Procedure Handbook

1. Handle with gloves/ Use Universal Precaution
2. Weight the unusable Marijuana or Product
3. Record the discard samples weight
4. Record any discrepancy weight in gram
5. Record reason for weight lost. If within reasoning, skip step 6, go to step 7
6. **If the discrepancy is due to suspected criminal activity by a Dispensary Agent, contact Herbal Wellness Dispensary Manager, Department and local law Enforcement Authorities.**
7. Turn on Electric Coffee Grinder
8. Pour unusable Marijuana in the Electric Coffee Grinder
9. Take the shredded material in bucket and transfer them to the “Danger - Hazardous Waste” Jar
10. Pour Household Bleach in and let them soak for 72 hours (3 Days)
11. AFTER 3 DAYS
12. Handle with gloves/ Use Universal Precaution
13. Empty waste in a heavy-duty sealable bag, sealed and put it inside another heavy-duty trash bag
14. Discard in the trash dumpster outside the dispensary
15. Record date of disposal of unusable Marijuana
16. Disposed product, for Cultivation Locations where applicable, is segregated from regular refuse and removed from licensed or approved haulers.

3.50 Qualifying Patient Records

R9-17-310(A)(2)(d)

3.51 Purchases. Herbal Wellness utilizes ERP application for all MMJ purchases and record keeping.

3.52 Denial of Sale due to Impairment

3.53 Herbal Wellness employees are trained in recognizing signs and symptoms of substance abuse/impairment.

3.54 For the purpose of denying MM; Impaired is defined as: A patient with observed Diminished Physical or Mental Function, which any reasonable person would be concerned for the patient’s and public safety.

3.55 Once DA determined that QP/DCG impairment puts themselves and other at risk, the DA must report to the onsite manager for verification.
Manager complete the Refusal of Medical Marijuana Form.

3.56 Make copies and give one to patient, instruct the QP to contact their Certifying Physician as soon as possible.

- 3.57 Send one copy to certified physician if possible.
- 3.58 Manager file form in the Refusal of Medical Marijuana Binder

3.60 Denial of Sale due to Expired/Invalid/Void Card

- o If patient presented an expired/invalid/void card at check in, must make an entry of “Refusal of Medical Marijuana” in the ERP system.
- o Complete the Refusal of Medical Marijuana Form.
- o Make copies and give one to patient, instructing the QP to contact their Certifying Physician as soon as possible.
- o Send one copy to certified physician if possible.
- o Manager file form in the Refusal of Medical Marijuana Binder

3.70 Delivery Option

- o Currently, Herbal Wellness Center and Organica Patient Group, Inc. is not exercising the option for delivery service. In the future, Herbal Wellness Center and Organica Patient Group, Inc. may provide deliveries to patient or caregivers in cities/towns that do allow for off-site deliveries. Prior to the first delivery, Herbal Wellness Center and Organica Patient Group, Inc. will be responsible for submitting updated Policies & Procedures reflecting the new delivery service.

3.80 Patient Education & Support

R9-17-310(A)(2)(e)

4.0 Herbal Wellness Center and Organica Patient Group, Inc. will strive to be an educational resource for our patients so they can get the most out of their medicine. Whether it is a one on one consultation with one of our trained Dispensing Agents about strain selection or learning more about the marijuana plant itself, we are here to help. Our patients will receive educational material about medical marijuana, educational material about the laws in Arizona regarding medical marijuana, email notifications, and even tracking sheets for patients to track their own effects from each strain. Herbal Wellness Center and Organica Patient Group, Inc. will have a medical director on call or on-site during hours of operation to tend to our patients’ medical needs whenever necessary.

4.1 Herbal Wellness Center and Organica Patient Group, Inc. will offer a wide variety of educational material to inform our patients, the general public and anyone else that may inquire about medical marijuana and related products.

4.2 We will offer the following educational materials:

- o Print out detailed information on different marijuana strains including species of the plant such as Indica, Sativa, and Hybrids. The six major Cannabinoids THC, CBD, CBN, CBG, CBC,

THCv, potency and its effects

- o Patient Material will include:
 - Method of Consuming Medical Marijuana:
 - o Smoking including pros and cons
 - o Vaporizing including pros and cons
 - o Edibles including pros and cons
 - AZDHS Warnings Statement: “ARIZONA DEPARTMENT OF HEALTH SERVICES’ WARNING: Marijuana use can be addictive and can impair an individual’s ability to drive a motor vehicle or operate heavy machinery. Marijuana smoke contains carcinogens and can lead to an increased risk for cancer, tachycardia, hypertension, heart attack, and lung infection. KEEP OUT OF REACH OF CHILDREN AND UNAUTHORIZED INDIVIDUALS.
 - A statement that using medical marijuana in public places is prohibited.
 - Risks and side Effects/Contraindications of MM including use/ operation of a vehicle/heavy machinery, caring for children and job performance
 - Drug Interaction/Medical Issues
 - Alternative Medical Options including Yoga, Acupuncture and Hypnotherapy
- o Log page maintained by the QP/DCG in which the QP/DCQ may tracks the use and effect of specific MM strains and product and its routes of administration.
- o A rating scale for pain, cachexia or wasting syndrome, nausea, seizures, muscle spasms, and agitation
- o Informative printout on varying medical marijuana subjects:
 - Signs and Symptoms of Substance Abuse- its warning signs, tolerance, dependency, withdrawal, loss of control
 - A listing of substance abuse programs and referral information in alphabetical order
 - Helping a family member or friend struggling with substance abuse
- o Cards explaining the different strains available and which strain is right for your symptoms. We will also have hand out explaining the medical marijuana laws in Arizona and how to safely comply with those laws.
- o All Herbal Wellness Center and Organica Patient Group, Inc. Dispensary Agents will be knowledgeable in every area of medical marijuana in Arizona, so any patient in our dispensary will be able to ask for assistance or information.

3.90 Using Medicine Sensibly

3.91 Like any medicine, medical marijuana can be misused. Recognizing signs, symptoms of substance abuse including tolerance, dependency and withdrawal are important. Excessive or inappropriate use can contribute to problems including medical issues, sleepiness, overeating, and time management issues. Please refer to the “Signs/ Symptoms of Substance Abuse” and “Listing of Substance Abuse Programs and Referral Information” in this handout.

Try Alternative Medical Options such as Yoga, Acupuncture, and Hypnotherapy. Always listen to the advice of your doctor and use good judgment when using medical marijuana. Adults should use medical marijuana as part of a healthy, balanced, and responsible lifestyle.

The decision to use medical marijuana should be made freely, and not as a result of social pressure. These guidelines help identify ways of using medical marijuana in a positive way.

Medical Marijuana users should be well informed about its effects on themselves and others. These effects include both legal and health risks and personal consequences.

Never use medical marijuana as an excuse for antisocial or irresponsible behavior. Medical Marijuana users should model and reward responsible use, particularly with new users.

3.92 Develop sensible medical marijuana use limits for your self-based on personal, health, situational, and cultural factors. It is important to be objective about your personal medical marijuana use and listen to the constructive advice of others.

Use of medical marijuana by children is inappropriate and should be discouraged. Medical Marijuana use should contribute to, rather than detract from, a patient's health, wellbeing, creativity, work, relationships, and social obligations.

4.00 Be Safe

4.01 Tell as few people as possible that you are a registered medical marijuana patient. Only mention that you are a patient when it gives you protection. Other person who may be with you are not protected from civil or criminal penalties.

4.02 As with any drug, marijuana works differently for every patient. Effectiveness depends on dosage and method of consumption. Some patients use only small amounts of marijuana for relief while others require more.

4.03 Although no one has overdosed on Marijuana, it may conflict with other medications and possible interactions should be discussed with your certifying physician for potential side effects.

4.04 Herbal Wellness Dispensary Agents undergo rigorous, and ongoing training in order to help you develop a dosing regimen of appropriate strain and delivery methods to best meet your needs.

4.10 Side Effects / Contraindications for Medical Marijuana

4.11 ARIZONA DEPARTMENT OF HEALTH SERVICES' WARNING: "Marijuana use can be addictive and can impair an individual's ability to drive a motor vehicle or operate heavy machinery. Marijuana smoke contains carcinogens and can lead to an increased risk for cancer, tachycardia, hypertension, heart attack, and lung infection. KEEP OUT OF REACH OF CHILDREN".

1. Smoking in public is strictly prohibited.
2. Side effects/contraindications for Medical Marijuana including operation of a motor vehicle, heavy machinery, caring for children and job performance.

4.12 Marijuana is one of the safest medicines: it is impossible to consume enough to produce a toxic effect in the body. However, if you are unfamiliar with it, there are some effects, which you should be aware of so that you can use it more effectively.

4.12.01 Uneasiness. Marijuana usually has a soothing and comforting effect on the mind. Sometimes, however, people do experience feelings of anxiety. If this happens to you, there are several things you can do. Try to stay in environments where you feel naturally comfortable. If you feel anxious, sit or lie down, breathe deeply, and relax. If you have loved ones with you, hold each other for a while. If you have a pet, hold or stroke it. Eating will often quickly reduce the feeling of anxiety. Then, the next time you use it, try reducing your dosage. Because of our social training, you may have feelings of guilt. Know that you have a right to your medicine.

4.12.02 Hunger & Thirst. Many patients use marijuana to stimulate appetite. If you are not using marijuana for this purpose, drink water or juice. If you wish to eat, eat good nourishing food rather than sweets.

4.12.03 Redness in the Eyes. This will not hurt you. If you must go out in public and are concerned about others' reaction to the redness, wear sunglasses or use eye drops.

4.12.04 Drowsiness. If marijuana makes you sleepy, take a nap if you can and wish to. As with all medicines that can produce drowsiness, don't drive or operate heavy machinery.

4.12.05 Sleeplessness. If you find that you can't sleep for a while after using marijuana, try reducing your dosage and avoid using it for about two hours or so before you want to sleep.

4.12.06 Short-term Memory Loss. Sometimes people find it difficult to carry on a complicated conversation, keep track of details, or perform complex tasks. If this happens to you, schedule your time so that you don't have to do these things when using your medicine.

4.12.07 Giddiness. Many people find that things, which normally don't seem funny, become quite amusing when they use marijuana. Most people enjoy this effect. If you must deal with situations where humor would be inappropriate in your judgment, schedule your time so that you don't have to deal with them when you are taking your medicine.

4.20 Drug Interactions

- THC metabolized by microsomal oxidation to several hydroxylase metabolites (11- hydroxyl-THC pharmacologically active) by CYP2C9 and CYP3A4
- May be more critical for oral administration
- CYP2C9-mediated metabolism

ENDOGENOUS CANNABINOID SYSTEM

Endocannabinoids and their receptors found throughout body: brain, organs, connective tissues, glands, and immune cells.

In each tissue, the cannabinoid system performs different tasks; goal is always homeostasis.

When cannabinoid receptors are stimulated, a variety of physiologic processes occur

CB1 receptors: nervous system, connective tissues, gonads, glands, organs

CB2 receptors: immune system and associated structures

Endocannabinoids are substances our bodies make naturally to stimulate CB1 and CB2

Anandamide
2-arachidonoylglycerol (2-AG)

DOSING OF MARIJUANA

%THC in MMJ	Daily Dosage to = 2.5mg - 90mg THC
10% THC	0.15g - 5.55g
15% THC	0.12g - 3.69g
20% THC	0.08g - 2.79g
25% THC	0.04g - 2.25g
30% THC	0.01g - 1.86 g
Low < 7mg Medium 7-18mg High < 18mg	Wide Variation in THC or CBD dose needed to produce effects and patient dependent Review of 165 studies attempted to normalize THC dose

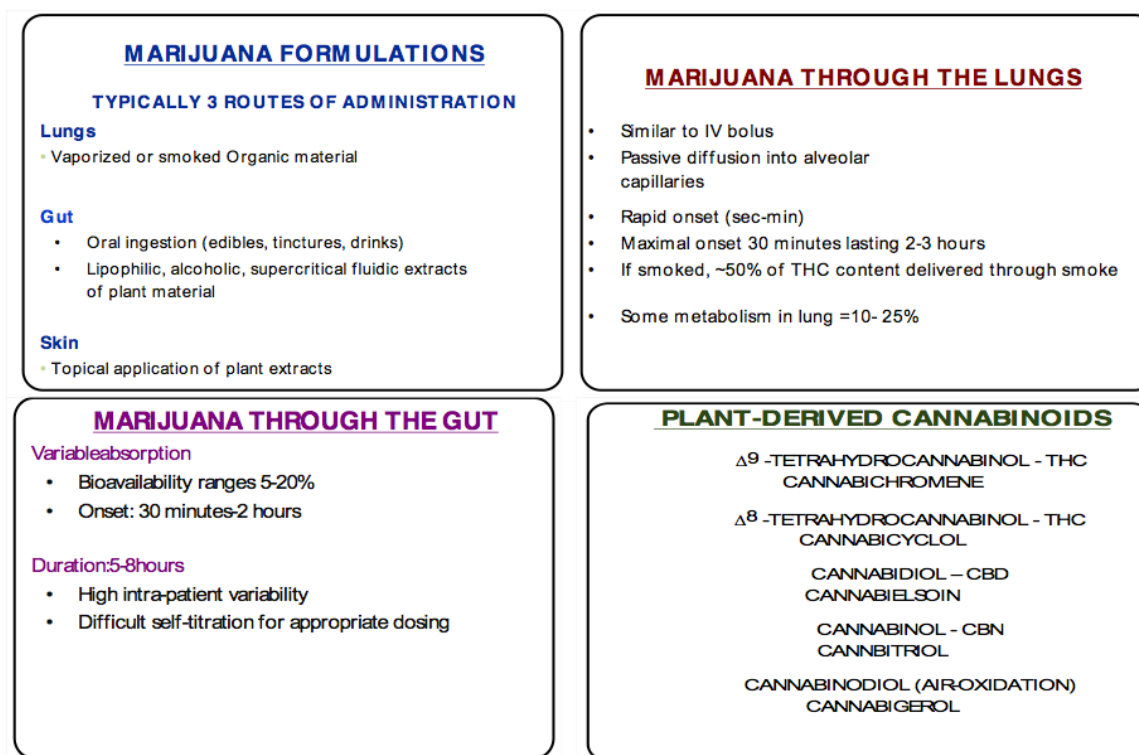
- o Tricyclic antidepressants (tachycardia, delirium)
- o Selective serotonin re-uptake inhibitors (manic symptoms)
- o CYP3A4-mediated metabolism
- o Protease inhibitors (reduction in indinavir and nelfinavir concentrations may or may not be clinically significant)
- o Sildenafil (myocardial infarction or pulmonary hemorrhage)
- Warfarin
 - o Increased INR reported with frequent marijuana use
- CNS depressant (additive depressant affects)
 - o Barbiturates, alcohol, benzodiazepines, antihistamines, narcotics

4.30 Impact of MMJ on Opioid Use

- When used in conjunction with opioids, cannabinoids can lead to greater cumulative relief of pain and potential reduction of opiate use
- Comparisons in analgesia:
 - o 10 mg THC less effective than 60 mg codeine
 - o 20 mg THC more effective than 120 mg codeine
- Prevent development of tolerance to and withdrawal from opiates and potentially rekindle opiate analgesia after a prior dosage has become ineffective
- Potentially less dangerous than opiates (no direct death)

4.40 Techniques for Use of Medical Marijuana & Paraphilia

4.41 Methods of Consumption of Medical Marijuana. Medical marijuana can be consumed in various



ways resulting in slightly different effects, such as the length of time to take effect and the length effectiveness.

4.42 Smoking. The most traditional method of consuming medical marijuana has been to smoke dried flowers and leaves of the plant in a pipe, as a rolled cigarette or through a water pipe.

Pros: Smoking marijuana provides a rapid and effective method of delivery

Cons: Smoking marijuana has the potential to cause lung cancer and burning of the throat
If you choose to smoke medical marijuana, try the following strategies to reduce some of its risks.

4.43 Medicate with more potent medical marijuana. Smoking medical marijuana with a higher TCH content reduces exposure to irritating tars, since less medical marijuana is required to reach the effective dosage.

4.44 Vaporizing. Vaporizers allow patients to separate cannabinoids from plant matter without inhaling smoke. Vaporizing is a healthier alternative to smoking because it diminishes the potential of causing lung cancer and burning of the throat. Vaporizing is an effective method of delivery, but patients must exercise caution when vaporizing and wait a few minutes to feel the full effects before inhaling more marijuana.

4.45 Don't hold your breath. Holding your breath after inhaling medical marijuana smoke does NOT absorb more THC. Doing so will only coat your lungs with more tar. When smoking medical marijuana, inhale deeply, then immediately exhale.

Pros: Vaporizing marijuana is a healthier method of consumption than smoking Cons: Vaporizers are more expensive than other methods of consumption

4.46 Edible Marijuana-infused food products are a great method of consumption. Although edibles can take longer to take effect, they result in a longer effect than smoking or vaporizing. When taken on an empty stomach, edibles will take effect faster than ingestion immediately following a meal. As with vaporizing, using edibles requires caution until the patient feels the full effect of the marijuana, as it is difficult to predict how strong an edible will be for any patient. Examples of edible forms are:

- Sweets, such as cookies, brownies, cakes and candies
- Tinctures are alcohol-infused solutions used by dropping directly under the tongue or mixed into liquids***

Pros: Edibles are a tasty method of consumption that offers a wide variety of recipe

Cons: Using edibles as your delivery method results in about a one-hour delay to take effect

***While these methods of consumption are listed, “concentrate” such as medical marijuana tincture, topical solutions and honey oil and hash might fall under Criminal Code. While we can’t provide legal advice as to whether a certain conduct is punishable under the Criminal Code, (only an individual’s or entity’s legal counsel can do this.) on August 30th, 2013 Mr. Will Humble, Director of Arizona Department of Health Services has blogged about “Marijuana v. Medical Marijuana”

“... “Medical Marijuana” is defined as the “resin extracted from any part of a plant of the genus medical marijuana” and “Medical Marijuana” is listed as a narcotic drug according to the Criminal Code in A.R.S. § 13-3401(4) and (20) (w). In other words, registered identification card holders and dispensaries may be exposed to criminal prosecution under the Criminal Code for possessing a narcotic drug if the card holder or dispensary possesses resin extracted from any part of a plant of the genus Medical Marijuana or an edible containing resin extracted from any part of a plant of the genus Medical Marijuana. If you’re concerned that your conduct may expose you to criminal prosecution, you may wish to consult an attorney.”

4.50 Dispensary Agent Turnover Notification Policies R9-17-310(A)(9)

4.51 Herbal Wellness Center and Organica Patient Group, Inc. will provide written notice to the AZDHS MM program of any termination of Dispensary Agent and or any misconduct within 10 days in the event of:

4.51.01 Dispensary Agent no longer serves as PO/BM of the Dispensary

4.51.02 Dispensary Agent no longer serves as MD of the Dispensary

4.51.03 Dispensary Agent no longer is employed by the Dispensary

4.51.04 Dispensary Agent no longer provides volunteer services for the dispensary

4.60 Dispensary Assets & Cultivation Security Policies: R9-17-310(A)(13) to R9-17-310(B)

4.61 Herbal Wellness Center and Organica Patient Group, Inc. will not lend any part of the dispensary's income or property without receiving adequate security and rate of interest.

4.62 Herbal Wellness Center and Organica Patient Group, Inc. will not purchase property for more than adequate consideration in money or cash equivalent.

4.63 Herbal Wellness Center and Organica Patient Group, Inc. will not pay compensation for salaries or other compensation for personal services that is in excess of a reasonable allowance.

4.64 Herbal Wellness Center and Organica Patient Group, Inc. will not sell any part of the dispensary's property or equipment for less than adequate consideration in money or cash equivalent.

4.65 Herbal Wellness Center and Organica Patient Group, Inc. will not engage in any other transaction that results in a substantial diversion of the dispensary's income or property.

4.66 Herbal Wellness Center and Organica Patient Group, Inc. will cultivate marijuana in an enclosed/locked facility, once a cultivation site is decided upon.

4.70 Policies and Procedures for Medical Director

Dispensary Assets & Cultivation Security Policies: R9-17-310(A)(13) to R9-17-310(B)

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4.70 Policies and Procedures for Medical Director

R9-17-313

4.71 Herbal Wellness Center and Organica Patient Group, Inc. will strive to be an educational resource for our patients so they can get the most out of their medicine. As Herbal Wellness' Medical Director, the doctor is expected to perform these duties:

- During business hours, Medical Director will be available by phone or on site.
- Developing and Training DA agents on Patient Education/ Support Policies and Procedures every 12 months on:

R9-17-313(C)(1)

- o All medical marijuana subjects including but not limited to:
 - Informing QPs/DCGs risks, benefits, side effects of medical marijuana (MM)
 - Recognizing signs/symptoms of substance abuse
 - Refusing marijuana to anyone suspected of impairment or abusing MM

- MD assists in development and improvement process for patient education/ support

R9-17-313(C)(2)

- Provide oversight for the development and dissemination of educational materials for qualifying patients and designated caregivers regarding:

R9-17-313(D)(1)

- o Alternative medical options such as Hypnotherapy or Acupuncture
- o Side effects/contraindications for MM (including use/operation of a motor vehicle/heavy machinery, caring for children, job performance)
- o Notifying physician who provided written certification for MM if side effects/contraindications occur
- o Potential for differing strengths of MM strains/products potential
- o Drug-to-drug interactions

- o Techniques for use of MM and paraphernalia
- o Different methods, forms, and routes of administration
- o Signs/symptoms of substance abuse (including tolerance, dependency, and withdrawal)
- o Listing of substance abuse programs and referral information
- Development and dissemination of system for QP/DCG to document QP's pain/ condition including:
R9-17-313(D)(2)
 - o Logbook / Log Notes to track use and effect of MM strains and products
 - o Universal rating scale for pain/conditions
 - o Guidelines for self-assessment or assessment of QP by DCG
 - o Guidelines for reporting use/symptoms to treating physician
 - o All DA Training Materials are in the MD Handbook
- MD provides oversight for the development and dissemination of policies/procedures for refusing MM to individuals who appear to be impaired or abusing MM
R9-17-313(D)(3)
- **MEDICAL DIRECTOR WILL NOT PROVIDE WRITTEN CERTIFICATION FOR ANY QUALIFYING PATIENTS.**
R9-17-313(E)

4.80 Dispensing Medical Marijuana

R9-17-314

4.81 Dispensing / Sales

- o Patient enters storefront door under video surveillance.
- o Patient enters waiting/check-in room required to give Herbal Wellness Dispensary Agent an Arizona Medical Marijuana Registry ID card with surveillance camera aimed directly at entrance and check in window.
- o New Patient is required to give Herbal Wellness Center and Organica Patient Group, Inc. Dispensary Agent an Arizona Medical Marijuana Registry Card and Valid State Issued Identification Card or AZ Driver's License. The Dispensary Agent will verify the QP/DCG's identity then start an electronic file for the patient and scan the card into the system. If purchasing Cannabidiol (CBD) only, patient will not be required to have an Arizona Medical Marijuana Registry Card but will need to provide a valid Arizona State Driver's License or State Issued I.D.

- o The Dispensary Agent will offer appropriate Patient education/support materials
R9-17-314(2)
- o Patient's medical marijuana registry card and driver's license will be scanned, verified by a dispensary agent prior to admittance to the secured dispensing area. Each new patient will be required to complete necessary paperwork before entering the display area. All patients or caregivers will be required to show identification each time they enter the dispensary and must be scanned into the system.
- o Herbal Wellness Center and Organica Patient Group, Inc. Dispensary Agent will scan their registry ID card, verifies the qualified patient's or caregiver's identity, and scan their registry ID card into the AZDHS website to verify the card is "ACTIVE" and they are within their legal limits (Currently 2.5oz, per 14 calendar days) to purchase medical marijuana at our dispensary by looking up the patient on the state setup database.
- o Once the patient is verified, an Herbal Wellness Center and Organica Patient Group, Inc. dispensary agent will grant the patient access to the secured display/dispensing area. Only the number of patients that can be assisted by dispensary staff at any one time will be allowed in the dispensing area. The patients will be allowed into the dispensing area in the order they arrived in the waiting room, unless a patient is required to fill out paperwork on site.
- o Once in the display/dispensing areas there will be a display counter containing medical marijuana samples. **Patients Will Not Be Allowed to Handle the Medicine Directly.** The dispensary agent will offer appropriate patient educational materials while assisting patient. The patient will then select their medication and dispensary agent will Check Out customer at that time.
- o The patient will start making their desired order of medical marijuana or related products from the dispensing area with surveillance camera aimed directly at the patient.
- o Herbal Wellness Center and Organica Patient Group, Inc. Dispensary Agent will scan their registry ID card, into the AZDHS website to verify the card is "ACTIVE" and they are within their legal limits to purchase medical marijuana prior to completing the transaction.
- o All of the following information will be recorded into the medical marijuana electronic verification system during a patient's visit to our dispensary:
 - o The amount of medical marijuana dispensed
 - o Whether the medical marijuana was dispensed to the qualifying patient or to the qualifying patient's designated caregiver
 - o The date and time the medical marijuana was dispensed
 - o Dispensary Agent's registry ID Name
- o Dispensary's Registry ID Number

- o Patient will exit the dispense area through another door located across from the dispensing counter with surveillance camera aimed directly at dispensing counter and door.

4.90 Qualifying Patient Records

R9-17-315

5.31 All employees are required to follow HIPAA guidelines when handling confidential patient information. Failure by anyone to follow these guidelines may result in disciplinary action up to and including discharge.

- o Each QP who receives MM must have a proper QP record established and maintained
R9-17-315(A)(1)
- o All qualified patient records must be entered in ERP system, under the appropriate Dispensary Agent User ID, and must include:
R9-17-315(A)(2) & R9-17-315(C)(1)
 - o Only an authorized dispensary agent can record all qualified patient records, per policy and procedure.
 - o The current date & signature of the authorized dispensary agent handling the patient records
 - o The dispensary agent's registry ID number
 - o Patient's name,
 - o Patient's date of birth,
 - o If applicable the patient's caregiver
 - o Documentation of Patient Education and Support Materials Provided to QP or DCG
R9-17-315(C)(2)
 - Including Description and Date
 - o And once all records are entered, they are to be final, so no changes can be made to the patient record.
- o If an electronic signature is used to sign an entry, the dispensary agent whose signature the electronic codes represents is accountable for the use of the electronic signature.
R9-17-315(A)(3)
- o Only an authorized dispensary agent can access all qualified patient records. The dispensary agent in charge of patient records will be educated on the policies and procedures regarding patient confidentiality. There will be a ZERO TOLERANCE policy for any misuse of patient records or information.
R9-17-315(A)(4)
- o Patient records will be made available to the Department for review upon request.
R9-17-315(A)(5)

- Confidential patient information will be filed in locked filing cabinets and only authorized Herbal Wellness Center and Organica Patient Group; Inc. dispensary agents will be allowed access.

R9-17-315(A)(6)

- All patient records will be kept on site in locked filing cabinets for (5) years from the qualified patient's or, if applicable, the qualified patient's caregiver's last request for medical marijuana or related products from Herbal Wellness Center and Organica Patient Group, Inc.

R9-17-315(A)(7)

- If a qualifying patient's records are kept electronically, Herbal Wellness Center and Organica Patient Group, Inc. will ensure that there are safeguards to prevent unauthorized access.

R9-17-315(B)(1)

- All patient record entries must be made with a date and time stamp from an internal clock.

R9-17-315(B)(2)

- Denial of Sale Documentation must include

R9-17-315(C)(3)

- Date
- Name of QP or DCG
- Registry ID # of QP or DCG
- Reason for Denial of MM

5.00 Inventory Control System

R9-17-316

5.01 Herbal Wellness Center and Organica Patient Group, Inc. intends to utilize inventory-tracking software to ensure compliance with the following policies and procedures:

- Herbal Wellness Center and Organica Patient Group, Inc. shall designate one (1) dispensary agent who will have oversight of the dispensary's inventory control system and shall provide written documentation of the designation.

R9-17-316(A)

- The dispensary shall only acquire marijuana from the dispensary's cultivation site, another dispensary or their cultivation site, a qualifying patient or designated caregiver.

R9-17-316(B)

- If picking up, follow Dispensary Policies and Procedures for Trip Plan for Transporting MM

5.10 Inventory Control System Documentation Requirements

R9-17-316(C)

- Herbal Wellness Center and Organica Patient Group, Inc. will utilize inventory-tracking software to ensure compliance with daily beginning inventory, daily ending inventory, acquisitions, harvests, sales, disbursements and disposals

R9-17-316(C)(1)

- For acquiring MM from a QP or DCG

R9-17-316(C)(2)

- a. Description of MM (including amount/strain)
- b. Name & Registry ID # of QP/DCG providing the MM
- c. Name & Registry ID # of Dispensary Agent(s) receiving the MM for the Dispensary
- d. Date of Acquisition

- For acquiring MM from another Dispensary

R9-17-316(C)(3)

- a. Description of MM (including amount/strain)
- b. Name & Registry ID # of the Dispensary providing the MM
- c. Name & Registry ID # of the Dispensary Agent(s) providing the MM
- d. Name & Registry ID # of Dispensary Agent(s) receiving the MM for the Dispensary
- e. Date of Acquisition

- For each batch of marijuana cultivated

R9-17-316(C)(4)

- a. Batch #
- b. Whether batch originated from marijuana seeds or cuttings
- c. Origin/Strain of marijuana seeds or cutting planted
- d. Number of marijuana seeds or cutting that were planted
- e. Date Marijuana seeds or cuttings were planted
- f. List of chemical additives, nonorganic pesticides, herbicides, and fertilizers used in the cultivation
- g. Number of plants grown to maturity
- h. Harvest Information
 - i. Date of Harvest
 - ii. Final processed usable marijuana yield weight
 - iii. Name/Registry ID # of Dispensary Agent responsible for Harvest
- i. Disposal of unusual MM Including
 - i. Description of and reason for the marijuana disposal
 - 1. Including # of failed or unusable plants
 - ii. Date/Method of Disposal
 - iii. Name/Registry ID # of Dispensary Agent responsible for Disposal

- For providing MM to another dispensary:
R9-17-316(C)(5)
 - a. Description of MM (including amount, strain, Batch #)
 - b. Name & Registry ID # of the Dispensary receiving the MM
 - c. Name & Registry ID # of the Dispensary Agent(s) receiving the MM
 - d. Date Provided
- For receiving edible MM infused food products from another dispensary:
R9-17-316(C)(6)
 - a. Description of edible food product
 - i. Total Weight of edible food product
 - ii. Estimated amount & Batch # of MM in each edible food product
 - b. Total estimated amount and Batch # of MM infused in the edible food product
 - c. Name & Registry ID # of the Dispensary & Dispensary Agent(s) providing the MM
 - d. Name & Registry ID # of the Dispensary & Dispensary Agent(s) receiving the MM
 - e. Date Provided to the receiving Dispensary

5.20 Monthly Inventory Procedures

- At least once every 30 calendar days the individual designated as being responsible for oversight of the dispensary's inventory control process shall complete an inventory audit according to generally accepted accounting principles
R9-17-316(D)
- All usable and unusable marijuana will be weighed on high quality digital scales.

5.30 Inventory Discrepancies

- Inventory counts are to match those recorded into the dispensary's inventory control software. If for any reason the inventory counts do not match those entered into the database Herbal Wellness Center and Organica Patient Group, Inc. will immediately determine the cause of the discrepancy and take corrective action.
R9-17-316(D)(1)
- If the discrepancy is due to suspected criminal activity by a dispensary agent, Herbal Wellness Center and Organica Patient Group, Inc. will immediately contact the Department and local law enforcement authorities.
R9-17-316(D)(2)
 - All daily and monthly inventory logs will be kept at the dispensary location for (5) years from the date of the document.
R9-17-316(E)(1)
 - All inventory logs will be available to the Department for review upon request.
R9-17-316(E)(2)

5.40 Cash Handling & Inventory Security

- All money and inventory, except for small amounts in the dispensing area during operation hours, will be kept in a safe room with combination lock.
- The safe is in a security wall room with a security door. The safe will hold all money and as much inventory as possible.
- A minimum amount of \$140 will be put into the registers each morning by the supervisor of that area. At the end of each day that money will be counted twice by dispensary agent and the supervisor and put into the safe. *All credit card sales slips will be collected and counted twice by the dispensary agent and supervisor once credit card sales are possible.* All sales from that day will be logged into the money inventory log.
- All money is to be counted twice by two different supervisors to ensure the amount is correct.
- In the Cultivation Center, throughout the growing process, inventory will be taken and documented daily. Cultivated inventory, or each batch, ready to be packaged and sold will be taken into the safe/security room.
- Cultivated marijuana will be weighed on high quality digital scales and placed into corresponding containers based on weight and strain.
- The containers will then be put into the safe room and locked. The door to the safe room is to be locked whenever the safe is open.
- An inventory log will be filled out each time inventory is taken or changes. The inventory control dispensary agent will fill this out.
- Inventory will be taken to the dispensing area on an as needed basis. Each day the counseling area will start with a small amount of each strain for display purposes. All large and pre-packaged medical marijuana will be kept in the dispensing room.

5.50 Product Labeling & Analysis

R9-17-317

5.51 Information on Each Label: Every medical marijuana product produced and sold by Herbal Wellness Center and Organica Patient Group, Inc. to QP or DCGs will have a product label visibly attached to it. Each label will clearly state the following:

R9-17-317(A)

- o The Registry ID Number of Herbal Wellness Center and Organica Patient Group, Inc.
- o The Amount, Strain, and Batch number of MM

- o Every label/package will also clearly show the following statement: “ARIZONA DEPARTMENT OF HEALTH SERVICES’ WARNING: Marijuana use can be addictive and can impair an individual’s ability to drive a motor vehicle or operate heavy machinery. Marijuana smoke contains carcinogens and can lead to an increased risk for cancer, tachycardia, hypertension, heart attack, and lung infection. KEEP OUT OF REACH OF CHILDREN” if not preprinted on bag
- o If not cultivated by Herbal Wellness Center and Organica Patient Group, Inc., whether it was obtained from a caregiver, patient or other dispensary
- o The Date of Manufacture, Harvest or Sale.
- o A list of any chemical additives, including nonorganic pesticides, herbicides, and fertilizers, used in the cultivation and production of the medical marijuana
- o The Patient or Caregiver’s Name
- o The registry ID number of the qualifying patient.

5.52 Information on Each Label provided to another dispensary: Every medical marijuana product produced and sold by Herbal Wellness Center and Organica Patient Group, Inc. to another dispensary will have a product label visibly attached to it. Each label will clearly state the following:

R9-17-317(B)

- o The registry ID number of Herbal Wellness Center and Organica Patient Group, Inc.,
- o The Amount, Strain, and Batch number of MM
- o The date of manufacture, Harvest or sale.
- o A list of any chemical additives, including nonorganic pesticides, herbicides, and fertilizers, used in the cultivation and production of the medical marijuana

5.53 Edible Product Labels: Edible food products will be labeled with all the above information (R9-17-317(A)) as well as the total weight of the edible food product.

R9-17-317(C)

5.54 Product Analysis: Upon request from the Department, Herbal Wellness Center and Organica Patient Group, Inc. will provide a sample of the dispensary’s medical marijuana inventory or enough quantity to enable the Department to conduct an analysis of the medical marijuana.

R9-17-317(D)

5.60 Security

R9-17-318

5.61 The Purpose is to establish guidelines to provide a working environment that is safe, and to reduce any perceived or actual risk of harm for Board members, staff, volunteers, patients, caregivers, contractors, service users and others visiting Herbal Wellness Dispensary/ Dispensary’s Cultivation Site.

5.62 Once opened, the Dispensary’s Cultivation Site must be in an enclosed, locked facility only accessible by POs, BMs, and authorized DAs.

R9-17-318(A)

5.63 Only authorized Dispensary Agent(s) can transport MM, plants, paraphernalia between the Dispensary and any of the following:

R9-17-318(B)

- Dispensary's Cultivation Site
- A Qualifying Patient
- Another Dispensary

5.64 Before transporting, the authorized Dispensary Agent completes a trip plan that includes:

R9-17-318(C)(1)

- Name of Dispensary Agent in Charge of Transport
- Date and Start Time of Trip
- Description of MM/plants/paraphernalia being transported
- Anticipated Route of Transport

5.65 Before transporting, the authorized Dispensary Agent provides a copy of the trip plan to the Dispensary.

R9-17-318(C)(2)

5.66 During transport, the authorized Dispensary Agent must:

R9-17-318(D)

- Carry a copy of the Trip Plan for duration of trip
- Uses vehicle with no MM identification
- Has means of communication with Dispensary for duration of trip
- Ensures MM/plants/paraphernalia are not visible

5.66.01 Blank Copy of Trip Plan

TRIP PLAN FOR TRANSPORTING MM FORM

TRIP PLAN FOR TRANSPORTING: () MEDICAL MARIJUANA, () EDIBLES

NAME OF AGENT IN CHARGE OF TRANSPORT:

_____, REG ID# _____

DATE: _____ **START TIME:** _____

DESCRIPTION OF TRANSPORT:

WEIGHT: _____ TYPE: _____

STRAIN _____

WEIGHT: _____ TYPE: _____

STRAIN _____

WEIGHT: _____ TYPE: _____

STRAIN _____

PICK UP MM FOR DISPENSARY FROM: () OTHER DISPENSARY () QP/DCG

DELIVERY MM TO () OTHER DISPENSARY () QP/DCG

REG ID# _____

SIGNATURE _____

AMOUNT: \$ _____

ANTICIPATED ROUTE:

ANY CHANGES TO TRIP PLAN:

END TIME OF TRIP: _____ **DA/TRANSPORT**

SIGNATURE _____

TRIP PLAN COORDINATED BY DISPENSARY AGENT:

_____ **AGENT ID**

5.67 After transport, the authorized Dispensary Agent enters end time of the trip and any changes to the Trip Plan on the Trip Plan.

R9-17-318(E)

5.68 The Dispensary must maintain all Trip Plan documents. The Dispensary must provide copies of Trip Plan documents to AZDHS upon request.

R9-17-318(F)(1) & (2)

5.69 We will work with local law enforcement officials to maintain the correct protocol before, during and after a security issue. Our buildings will contain the following security equipment:

R9-17-318(G)

- Third Party Security System: We contracted a third-party security system monitoring company to provide and install all our security equipment. Technical System LLC will be monitoring 24 hours per day, 7 days a week to detect unauthorized intrusion.
- Cameras: Cameras will be installed at necessary locations to comply with state regulations. These include entrances and exits, all security door areas, at the check-in window, at all point of sale locations, in the designated room holding our safe, and inside every cultivation room in our cultivation facility with the ability to clearly record images in low light conditions. All security cameras will be positioned in such a manner as to get the best facial image of anyone in the areas listed above. All security cameras will have a recording resolution of at least 704x480.
- Monitor: A 19” or greater call-up monitor will be in the designated safe/security room with access only available to approved dispensary agents.
- Video Printer: A video printer capable of immediately producing a still photo from any video camera image will be located alongside the monitor in the designated safe room.
- Storage of Video Camera Recordings: All video camera recordings not stored electronically will be kept locked up in our safe for at least 30 calendar days and will be available to the Department and local police enforcement upon request.
- Power Backup: All video cameras and recording equipment will be run on emergency power to ensure that they all still operate for at least 5 minutes during a power outage.
- Failure Notification System: A failure notification system will be installed to provide audible and visual notification of any failure in the electronic monitoring system.
- Panic Buttons: Panic buttons will be installed (1) in the check-in office behind the security glass, (2) in the dispensing area, and (1) in the cultivation site in a central location. All employees will be aware of the location and proper use of the panic buttons.
 - Panic Alarm Activation
 - Panic alarms come with one button to activate the alarm: Press the button

o When to Use the Alarm

- Activate the alarm to notify Security by pressing the button(s) if you feel threatened or see another person in need of assistance.

o Notes:

- Panic alarms are programmed to work in designated areas only. Be sure to know the boundaries for your activation area.
- Security Services checks the alarms regularly to ensure they are powered and operating properly.

• Preventing and Responding to Workplace Violence Safety Tips and Guidelines
Security Policies & Procedures During Operating Hours:

- o The first Herbal Wellness Center and Organica Patient Group, Inc. employee to arrive to open the dispensary or cultivation site will need to enter a predetermined code into the security device next to the front door to disable the alarm system. That employee will then check the security cameras and tapes to ensure they are all functioning properly and swap out any video recordings for new ones if needed.
- o All surveillance cameras will be operational 24/7 and a 19" or greater central call-up monitor will be in the designated safe room (off limits to employees), with a video printer capable of immediately producing a clear still photo from any video camera image.
- o A self-closing and locking security door will be operational in the check-in/waiting room entering the dispensing area.
- o Silent panic button devices will be strategically located in the dispensary and cultivation site to alert our 3rd party security vendor of any intrusions.
- o Security and safety procedures will be taught extensively and thoroughly to all Herbal Wellness Center and Organica Patient Group, Inc. Dispensary Agents.
- o All areas that are restricted access will be clearly marked as such and secured to allow access only by designated personnel with identification and any unauthorized personnel found in restricted areas will be reprimanded accordingly.
- o Access to cultivation facilities shall be limited to board members, principal officers, and authorized dispensary agents and shall be granted only upon proper identification as such.

- Loitering- In order to maintain a comfortable environment, safety and wellbeing of our customers and employees, Herbal Wellness prohibits individuals and/or groups of individuals loitering, i.e. to linger idly or aimlessly, or linger on the Dispensary/ Dispensary's Cultivation's premises with no intention to

utilize our amenities.

- o Patrons shall not loiter in the Dispensary/ Dispensary's Cultivation's parking areas or grounds, including the front of the Main Dispensary. For the purposes of this policy, loitering means staying in such an area for more than 15 minutes while not engaged in dispensary activities, such as purchasing from the dispensary or waiting for a ride after using the dispensary or similar activity.
- o Persons violating this policy will be banned from Herbal Wellness
- o Herbal Wellness Center and Organica Patient Group, Inc. will not allow any loitering and will work with local law enforcement if necessary, to implement best practices to prevent it.

• Security Policies & Procedures During Off Hours:

- o The last Herbal Wellness Center and Organica Patient Group, Inc. employee to leave the dispensary or cultivation facility will be required to activate all security devices and lock all doors and windows.
- o All windows will have activated sensors to alert the third-party security vendor of any intrusions.
- o All windows will be protected with adequate security measures.
- o The exterior of the buildings will be well lit. Lights will be positioned to facilitate surveillance and to ensure maximum security at all entrances and exits during the night.

5.70 Edible Food Products

R9-17-319

5.71 Pending written authorization from the Department, Herbal Wellness Center and Organica Patient Group, Inc. will be preparing marijuana-infused food items including but not limited to baked goods, tinctures, butter, and topical treatments.

R9-17-319(A)(1)

- All items will be individually packaged in safe and clean child-resistant packaging.
- All items will be labeled showing details of the contents.
- All food item packages will be stored in a commercial refrigerator to ensure maximum freshness.
- Herbal Wellness Center and Organica Patient Group, Inc. plans on obtaining a State Certified Food Processing License and operating a FDA approved kitchen. **We will also adhere to the specific state guidelines for operating a licensed kitchen in a safe and clean manner. Including, but not limited to, 9 A.A.C 8, Article 1**

R9-17-319(A)(2)

- Herbal Wellness Center and Organica Patient Group, Inc. will employ a chef or qualified person to prepare all of our food products. We will have all our recipes and methods reviewed by the proper authorities to ensure the safety of our potential customers.

- The proper authorities to ensure compliance with State guidelines will also inspect the kitchen itself. According to those guidelines, the following criteria will be met in the kitchen:
 - o All windows and doors of kitchen will have screens.
 - o Flooring will be smooth, safe and sanitary.
 - o Walls and ceilings will be well built with washable surfaces, making cleaning easier.
 - o Counters and food contact surfaces will be made of stainless steel, or a similar non-absorbent, corrosion-resistant material.
 - o The sink will be a two-bay sink made of corrosion resistant material.
 - o The kitchen will be equipped with hot and cold-water supply.
 - o Trash receptacles will always be covered.
 - o The kitchen will be equipped with a refrigerator and freezer, both of which will have an easy to read thermometer.
 - o All food items stored in the refrigerator or freezer will be covered or wrapped.
- Herbal Wellness Center and Organica Patient Group, Inc.'s kitchen will meet FDA guidelines for food processing.
- Any employee working in the kitchen shown to have, or appears to have an illness, open lesion, or any other abnormal source of microbial contamination will be removed from the kitchen and food preparation area. Such employees will be required to report these issues to the appropriate supervisor.
- Any employee working in the kitchen will adhere to strict cleanliness and hygiene guidelines including but not limited to:
 - Wear a clean apron to cover clothing.
 - Maintain adequate personal cleanliness.
 - Wash hands thoroughly with disinfectant soap, followed by hand sanitizer, before preparing food items or when leaving kitchen area and coming back.
 - All loose personal items such as jewelry that may fall into food during preparation must be removed and stored in the designated area prior to engaging in food preparation.
 - All other personal items will be stored in designated areas outside of the kitchen area.
 - When necessary, kitchen employees will be required to wear kitchen rubber gloves.
 - Kitchen employees will wear hair restraints if it is determined that it will be an issue during food preparation.
 - Eating food, chewing gum, drinking beverages, or using tobacco in the kitchen area will be strictly prohibited.
 - Any employee perspiration, hair, cosmetics, and skin lotions will be strictly regulated by Herbal Wellness Center and Organica Patient Group, Inc. so as not to contaminate any food products.
 - Any employee working in the kitchen will receive proper training in food handling techniques.

5.80 Food Preparation Checklist:

- ✓ All utensils, cooking pans, bowls and mixing blades will be disinfected by either hand washing with anti-bacterial soap and 170-degree F water, or a commercial grade dishwasher.
- ✓ Floor will be swept and mopped with anti-bacterial floor soap or bleach mixed with hot water.

- ✓ Ensure the refrigerator is at or below 45 degrees F, and the freezer is at or below 0 degrees F.
- ✓ Sanitize all counters and food prep surfaces with a bleach/water mixture.

5.81 If the marijuana-infused edible is prepared by another dispensary, Herbal Wellness Center and Organica Patient Group, Inc is responsible for obtaining/maintaining a copy of that dispensary's written authorization from the AZDHS to prepare marijuana-infused food products

R9-17-319(A)(3)

5.82 If the marijuana-infused edible is prepared by another dispensary, Herbal Wellness Center and Organica Patient Group, Inc is responsible for ensuring the food products are sold/dispensed according to 9 A.A.C. 8, Article 1

R9-17-319(A)(4)

5.83 Regardless of preparation location or source, Herbal Wellness Center and Organica Patient Group, Inc is responsible for the content and quality of any edible food products sold or dispensed by the Dispensary.

R9-17-319(B)

5.90 Cleaning & Sanitation

R9-17-320

5.91 Physical Plant Cleanliness: Herbal Wellness Center and Organica Patient Group, Inc. will ensure that all areas and equipment used for the cultivation, harvest, preparation, packaging, storage, infusion, or sale of medical marijuana are maintained in a clean and sanitary condition.

R9-17-320(A)

- All areas of the buildings, not just those areas for cultivating medical marijuana, will be kept securely protected from flies, dust, dirt, and all other contamination.
- Refuse or waste products incident to the manufacture, preparation, packing, selling, distributing, or transportation of medical marijuana are removed from the dispensary and cultivation site as required to maintain a clean condition.
- All trucks, trays, buckets, other receptacles, platforms, racks, tables, shelves, knives, saws, cleavers, other utensils, or the machinery used in moving, handling, cutting, chopping, mixing, canning, packaging, or other processes will be cleaned daily using the proper anti-bacterial cleaning products.
- All edible food products will be securely covered in their appropriate packages and stored in airtight plastic containers in a refrigerator or freezer to keep fresh and away from possible contaminants.

5.92 Personal Cleanliness. All dispensary agents working at Herbal Wellness Center and Organica Patient Group, Inc. will follow strict cleanliness guidelines, which if not followed can lead to disciplinary action. Each dispensary agent will abide by the following cleanliness rules:

- All dispensary agents will wash hands and any exposed portion of the dispensary agent's arms in the hand washing sink before entering the dispensary or cultivation site

R9-17-320(B)(1)

- Before preparing medical marijuana including working with food, equipment, and utensils, during preparation as often as necessary to remove soil and contamination and to prevent cross-contamination when changing tasks, after handling soiled equipment or utensils, after touching bare human body parts other than the dispensary agent's clean hands and exposed portions of arms, and after using the toilet room.
- When deemed necessary by the lead grower, all dispensary agents will be required to take a shower on site before entering the cultivation site. Adequate changing areas, towels, soap and anything else needed during this process will be provided. Shoe covers, aprons or haz-mat suits will be provided, when necessary, for dispensary agents working in the cultivation areas.
- If working directly with preparation of MM or infusion of marijuana into non-edible products, the Dispensary Agent will:

R9-17-320(B)(2)

- Be required to keep their nails trimmed, filed, and maintained so that the edges and surfaces are cleanable.
- All dispensary agents will be required to wear hospital grade rubber gloves when handling medical marijuana directly or any equipment or material used in the cultivation of medical marijuana. When rubber gloves are not being worn each dispensary agent will not have fingernail polish or artificial fingernails on the dispensary agent's fingernails.
- All dispensary agents working directly with the preparation of medical marijuana or the infusion of marijuana into non-edible products will be required to wear protective apparel such as coats, aprons, gowns, or gloves to prevent contamination.
- All dispensary agents will be required to come to work wearing a clean set of clothes that are appropriate for their assigned tasks. Clean clothes will be provided on site if a dispensary agent is found to be dressed in an unclean manner.

R9-17-320(B)(3)

5.93 Reporting Health Hazards:

- All health hazards or potential health hazards that may adversely affect the safety or quality of any medical marijuana will be reported by the dispensary agent or appropriate supervisor to the dispensary's medical director.

R9-17-320(B)(4)

- If the medical director determines that a dispensary agent's health condition may adversely affect the safety or quality of the medical marijuana, that dispensary agent will be prohibited from direct contact with any medical marijuana or equipment or materials for processing medical marijuana until the

medical director determines the dispensary agent's health condition will not adversely affect the medical marijuana.

R9-17-320(B)(5)

6.00 Physical Plant

R9-17-321

6.01 On-Site Parking: Our dispensary and cultivation facility provides ample on-site parking to comply with city and local codes.

R9-17-321(B)

6.02 Building Structure: The dispensary is approximately 2,300 square feet with one secure entrance. The front of the dispensary is a waiting room and check-in area with a security-monitored storefront. All dispensaries related activities including product sales and storage would be conducted in a highly secured area, which includes security walls and a limited access security door.

R9-17-321(C)

6.03 Toilets & Fixtures: There are two (2) ADA compliant toilet room in the dispensary and cultivation facility, with a flushable toilet, mounted toilet tissue, a sink with running water, soap dispenser, and disposable, single-use paper towels in a mounted dispenser. The dispensary facility has one (1) hand-washing sink not accessible to the public, not located in a toilet room.

R9-17-321(C)(1) to R9-17-321(C)(3)

6.04 Material Storage Areas: The dispensary and cultivation facility have storage room for packaged marijuana and related products in the Secured Lock room. This storage area must be free of any toxic/flammable materials.

R9-17-321(C)(4)

6.05 Marijuana Storage Areas: There will be a designated secure lock room for preparation and packaging of medical marijuana in the cultivation facility. This room will contain cleanable surfaces and tables for preparing and packaging the medical marijuana, as well as packaging containers, leaf clippers, disposal containers for unusable marijuana, digital weighing scales, and large storage bins with designated package amounts labeled on the front for storage of pre-packaged medical marijuana. This area is only used for the preparation/packaging of MM.

R9-17-321(C)(5)

6.06 Commercial Devices at a Dispensary or Dispensary's Cultivation Site:

R9-17-321(D)

- Dispensary will ensure that all devices are licensed or certified per A.R.S. code 41-2091
- Dispensary will maintain documentation of the license or certification
- Dispensary will provide a copy of the license or certification to AZDHS upon request

6.10 Physical Plant Modifications

6.11 Herbal Wellness, Inc. will promptly notify AZDHS by submitting a Notice of Modification of Approved Facility form to AZDHS of its intent to materially or substantially change, alter, or modify its approved dispensary and cultivation facility if the physical change, alteration, or modification consist of, but are not limited to the following:

- Any structural modification of an approved facility where the modification results in an expansion of the approved area beyond the plans and specifications on-file with the Department at the time of obtaining the original approval.
- The sealing off, creation of or relocation of a common entryway, doorway or passage or other such means of ingress or egress.

6.12 Herbal Wellness, Inc. will not commence any physical change, alteration, or modification to its approved dispensary and cultivation facility without first submitting a Notice of Modification of Approved Facility to AZDHS and receiving approval from AZDHS.

6.13 Herbal Wellness, Inc. will be responsible for obtaining all applicable local and zoning approvals for any approved physical changes, alterations, or modifications to its approved dispensary or cultivation facility.

6.13 Herbal Wellness, Inc. will abide by all conditions stated in any Notice of Modification of Approved Facility that is submitted to and approved by AZDHS. In the event Herbal Wellness, Inc. intends to change, alter, or modify its approved dispensary or cultivation facility in a manner that departs from any approved modifications, then Herbal Wellness, Inc. will promptly file and submit a new Notice of Modification of Approved Facility form to AZDHS and not undertake such modifications until it receives approval from AZDHS and has received the applicable zoning requirements.

6.20 Arizona Department of Health Services Online (AZDHS) System Outage

6.21 Immediately stop all sales.

6.22 Post sign(s) in plain sight about the exterior of the building politely and apologetically informing patients that systems are down and that purchases are suspended until AZDHS is restored.

6.23 Contact corporate informing them of the system outage and coordinate a viable interim solution that is consistent with any and all AZDHS regulations. (Revised 5/10/16)

6.24 Dispensary staff should use this time to polish their sales methodology, clean the store, undergo relevant training to improve as an employee and continue their education as it relates to this industry.

6.30 Point-of-Sale (POS) Outage

6.31 Immediately stop all sales.

6.32 Post sign(s) in plain sight about the exterior of the building politely and apologetically informing patients that systems are down and that purchases are suspended until system is restored.

6.33 Contact corporate and inform them of the outage.

6.34 Contact ERP tech support to pursue troubleshooting techniques to resolve the problem. If problem persists, then the Manual Patient Transaction Form must be utilized to proceed with the transaction.

6.35 Verify customers 2-week-weight allotment.

6.36 Proceed with the sale using the Manual Patient Transaction Form.

- Patient Transaction Form should contain patient name, products being purchased, SKU number, quantity of each product being purchased, any applicable discounts, subtotal, sales tax and grand total and payment method.

6.37 Accept payment from customer and give correct change along with printed Manual Patient Transaction Form.

6.38 If patient is paying via credit card, attach receipt to printed Manual Patient Transaction Form.

6.39 As soon as the system is restored; each Budtender are responsible for entering all their manual transactions. Managers will be responsible for ensuring that each transaction has been entered accurately.

6.40 Suggestions to the Company

6.41 From Customers: Suggestion box is in reception area with suggestion forms right next to it.

6.42 From Employees: Employees may email the store manager at any time with any ideas they may have.

6.50 Accepting Inventory/Merchandise from Vendors

6.51 Vendor arrives at dispensary with product(s) and accompanying purchase order.

6.52 Ask for vendor's Dispensary Agent card and make a copy.

- Verify order. If there are any items missing, store manager will contact the vendor to arrange the delivery of the difference.
- If count is correct, dispensary will accept the goods and pay for them accordingly.

6.53 Scan all invoices, payment method, DA cards, and save in designated Dropbox folder. Fill out and sign vendor's trip log.

6.60 Inventory Daily Audit at Dispensary

6.61 In an effort to reduce shrinkage, an audit will be conducted daily at each individual Budtender station at the beginning and end of each shift.

6.70 Inventory Bi-Weekly Reconciliation

6.61 After store is closed, dispensary management team will conduct a full inventory audit of all items in store.

6.61.01 Any discrepancies will be entered in the system and adjusted at that time.

- Prior to close, closing staff will begin preparing grouping like-products by SKU # for easy.
- Assigned scribe needs to print an inventory audit sheet from system for each counter. This can be found in the inventory tab.
- After store is closed, dispensary management will conduct a full inventory of all items.
- Management will begin counting items by barcode.
- As items are verified, another management team member will trail the previous counter by re-counting and verifying once more.
- At counts end, all count-data will be merged into a master list via roundtable call out and entered by an assigned scribe.

7.0 Employee Identification (DA Cards)

7.1 All employees must of Herbal Wellness Center and Organica Patient Group must always have a Policy & Procedure Handbook

valid State of Arizona issue DA card on their person. Failure to have a valid card on your person will result in disciplinary action up to and including possible termination.

7.2 Employees working in the cultivation and dispensary must always have their card visible.

7.3 Managers are to check and verify that their team members always have their DA Card on and displayed.

7.3 DA cards are stored in the work area at the end of each shift. Employees should not take the DA card with them when leaving the premise, unless they are operating as a delivery staff.

8.0 Non-Dispensary Agents (non-employees)

8.1 From time to time it will be necessary for non-employees to perform work at the facility. The Non-Dispensary Agents must always be accompanied and supervised by an Employee (DA).

8.2 All Non-Dispensary Agents must provide their name, driver's license (or other government approved identification card) and the purpose or his or her visit at the dispensary or cultivation facility, which will be recorded into Herbal Wellness Inc.'s internal records system, for both the dispensary and cultivation facilities, and the same shall be reviewed for compliance by management on a routine basis to ensure ongoing compliance with AZDHS requirements and all applicable rules.

8.3 Under no circumstances are Non-Dispensary Agents allowed to touch or be in contact with any medical marijuana or marijuana products in any form.

8.4 Non-Dispensary Agents that provide reoccurring services; security guards, electricians, plumbers will be required to obtain a DA card issued within the guidelines of the State of Arizona.

9.0 Analysis of Medical Marijuana or a Marijuana Product

A. Beginning on November 1, 2020, before offering a batch of medical marijuana or of a marijuana product for sale or dispensing to a qualifying patient or designated caregiver, a dispensary shall ensure that each batch of medical marijuana or marijuana product is tested in compliance with requirements in R9-17-404.03, R9-17-404.04, and Table 3.1.

B. A dispensary shall ensure that:

1. Until laboratory testing has been completed and testing results received by the dispensary that comply with requirements in R9-17-404.03, R9-17-404.04, and Table 3.1, a batch of marijuana or of a marijuana product is stored in a location away from medical marijuana and marijuana products offered for dispensing;
2. Only one sample of each batch of medical marijuana or marijuana product is collected according to ANSI/ASQ Standard Z1.4 (2018), General Inspection Level II, incorporated by reference, including no

future editions, and available at <https://asq.org/quality-resources/z14-z19>, including:

- a. Use, as applicable, of one of the following sampling methods:
 - i. Top, middle, and bottom sampling using a sample thief, a device consisting of two nested tubes with one or more aligned slots through which a sample may be collected and then sealed into the inner tube by rotating the outer tube;
 - ii. Star pattern sampling from the top, middle, and bottom of each storage container;
 - iii. Collecting discrete incremental units of a batch, such as every tenth unit or every twentieth drop;
or
 - iv. Quartering until the sample reaches the size specified in subsection (B)(3); and

- b. For sampling methods specified in subsections (B)(2)(a)(i) through (iii), quartering the volume of the aggregated portions collected to obtain the sample size specified in subsection (B)(3);
 - 3. The size of the sample provided to a laboratory is sufficient for testing and, if necessary, retesting;
 - 4. Each sample in subsection (B)(3) is packaged in a container made of the same material that would be used for dispensing;
 - 5. Each packaged sample is labeled with the:
 - a. The dispensary's registry identification number;
 - b. The amount, strain, and batch number of the medical marijuana or marijuana product;
 - c. The storage temperature for the medical marijuana or marijuana product; and
 - d. The date of sampling;
 - 6. A packaged sample in subsection (B)(4) is submitted to a laboratory that:
 - a. Has a laboratory registration certificate issued by the Department, and
 - b. Is approved for testing by the Department for an analyte for which testing is being requested;
 - 7. Except as specified in subsections (C)(1) or (3)(b), as applicable, the samples in subsection (B)(4) are tested for each analyte specified in Table 3.1 by a laboratory that is approved by the Department for testing the analyte;
 - 8. Only batches of marijuana or marijuana products for which laboratory testing results in subsection (B)(7) are in compliance with the requirements in R9-17-404.03, R9-17-404.04, and Table 3.1 are offered for sale or dispensing; and
 - 9. Except as provided in subsection (C), any batch of marijuana or marijuana product that does not comply with the requirements in R9-17-404.03, R9-17-404.04, and Table 3.1 is remediated, if applicable, or destroyed according to policies and procedures.
- C. If a dispensary receives a final report of testing, specified in R9-17-404.06(B)(3), from a laboratory that indicates that a batch of marijuana or marijuana product does not comply with the requirements in R9-17-404.03, R9-17-404.04, and Table 3.1, the dispensary:
- 1. Within seven days after receiving the final report of testing, may request retesting of the remaining portion of the sample in subsection (B)(4) for all analytes that do not comply with the requirements in R9-17-404.03, R9-17-404.04, and Table 3.1 by a second, independent laboratory that is approved by the Department for testing the analytes;
 - 2. If the final report of testing from the second, independent laboratory indicates that any analyte tested for according to subsection (C)(1) does not comply with the requirements in R9-17-404.03, R9-17-404.04, and Table 3.1, shall remediate, if applicable, or destroy the batch of marijuana or marijuana product according to policies and procedures;
 - 3. If the final report of testing from the second, independent laboratory indicates that all analytes tested for according to subsection (C)(1) comply with the requirements in R9-17-404.03, R9-17-404.04, and Table

3.1:

- a. Shall ensure that the batch of medical marijuana or marijuana product is not offered for sale or dispensing; and
 - b. May request retesting of the remaining portion of the sample in subsection (B)(4) for the analytes that do not comply with the requirements in R9-17-404.03, R9-17-404.04, and Table 3.1 by a third, independent laboratory that is approved by the Department for testing the analytes; and
4. If the dispensary requested retesting of the remaining portion of the sample in subsection (B)(4) for an analyte by a third, independent laboratory according to subsection (C)(3)(b):
- a. If the final report of testing from the third, independent laboratory indicates that the analyte tested for according to subsection (C)(3) complies with the requirements in R9-17-404.03, R9-17-404.04, and Table 3.1, may offer the batch of medical marijuana or marijuana product for sale or dispensing; and
 - b. If the final report of testing from the third, independent laboratory indicates that an analyte tested for according to subsection (C)(3) does not comply with the requirements in R9-17-404.03, R9-17-404.04, and Table 3.1, shall remediate, if applicable, or destroy the batch of medical marijuana or marijuana product according to policies and procedures.
- D.** A dispensary shall ensure that remediation of a batch of marijuana or of a marijuana product that has undergone laboratory testing and does not comply with the requirements in R9-17-404.03, R9-17-404.04, and Table 3.1:
- 1. Is performed according to policies and procedures,
 - 2. Uses a method that is appropriate to address an analyte not in compliance with Table 3.1, and
 - 3. Does not introduce or produce a substance in a concentration that is known to be harmful to humans.
- E.** If a batch of medical marijuana or a marijuana product is remediated, a dispensary shall submit samples from the remediated batch for laboratory testing according to subsection (B).
- F.** A dispensary shall provide to the Department upon request a sample of the dispensary's inventory of medical marijuana or a marijuana product of sufficient quantity to enable the Department to conduct an analysis of the medical marijuana or marijuana product.

Table 3.1. Analytes

Key:

CAS Number = Chemical Abstract Services Registry number

CFU = Colony-forming unit, a method to estimate the number of viable bacteria or fungal cells in a sample

A. Microbial Contaminants			
Analyte	Maximum Allowable Contaminants	Required Action	
<i>Escherichia coli</i>	100 CFU/g	Remediate and retest, or Destroy	
<i>Salmonella</i> spp.	Detectable in 1 gram	Destroy	
<i>Aspergillus flavus</i> <i>Aspergillus fumigatus</i> <i>Aspergillus niger</i> <i>Aspergillus terreus</i>	Inhalable: Detectable in 1 gram	Remediate and retest, Remediate and use for preparing an extract or a concentrate, or Destroy	
Mycotoxins: Aflatoxin B1, B2, G1, and G2 Ochratoxin A	Marijuana product, except a marijuana product intended for topical application, prepared from an extract or concentrate of medical marijuana: 20 µg/kg (ppb) of total aflatoxins 20 µg/kg (ppb) of ochratoxin	Destroy	
B. Heavy Metals			
Analyte	Maximum Allowable Concentration	Required Action	
Arsenic	0.4 ppm	Remediate and retest, or Destroy	
Cadmium	0.4 ppm		
Lead	1.0 ppm		
Mercury	1.2 ppm		
C. Residual Solvents			
Analyte	CAS Number	Maximum Allowable Concentration	Required Action
Acetone	67-64-1	1,000 ppm	Remediate and retest, or Destroy
Acetonitrile	75-05-8	410 ppm	
Benzene	71-43-2	2 ppm	
Butanes (measured as the cumulative residue of n-butane and iso-butane)	106-97-8 and 75-28-5, respectively	5,000 ppm	
Chloroform	67-66-3	60 ppm	
Dichloromethane	75-09-2	600 ppm	

Ethanol	64-17-5	5,000 ppm	
Ethyl Acetate	141-78-6	5,000 ppm	
Ethyl Ether	60-29-7	5,000 ppm	
Heptane	142-82-5	5,000 ppm	
Hexanes (measured as the cumulative residue of n-hexane, 2-methylpentane, 3-methylpentane, 2,2-dimethylbutane, and 2,3-dimethylbutane)	110-54-3, 107-83-5, 96-14-0, 75-83-2, and 79-29-8, respectively	290 ppm	
Isopropyl Acetate	108-21-4	5,000 ppm	
Methanol	67-56-1	3,000 ppm	
Pentanes (measured as the cumulative residue of n-pentane, iso-pentane, and neo-pentane)	109-66-0, 78-78-4, and 463-82-1, respectively	5,000 ppm	
2-Propanol (IPA)	67-63-0	5,000 ppm	
Propane	74-98-6	5,000 ppm	
Toluene	108-88-3	890 ppm	
Xylenes (measured as the cumulative residue of 1,2-dimethylbenzene, 1,3-dimethylbenzene, and 1,4-dimethylbenzene, and the non-xylene, ethyl benzene)	1330-20-7 (95-47-6, 108-38-3, and 106-42-3, respectively, and 100-41-4)	2,170 ppm	

D. Pesticides, Fungicides, Growth Regulators

Analyte	CAS Number	Maximum Allowable Concentration	Required Action
Abamectin	71751-41-2	0.5 ppm	Remediate and retest, or Destroy
Acephate	30560-19-1	0.4 ppm	
Acequinocyl	57960-19-7	2.0 ppm	
Acetamiprid	135410-20-7	0.2 ppm	
Aldicarb	116-06-3	0.4 ppm	
Azoxystrobin	131860-33-8	0.2 ppm	
Bifenazate	149877-41-8	0.2 ppm	
Bifenthrin	82657-04-3	0.2 ppm	
Boscalid	188425-85-6	0.4 ppm	
Carbaryl	63-25-2	0.2 ppm	
Carbofuran	1563-66-2	0.2 ppm	
Chlorantraniliprole	500008-45-7	0.2 ppm	
Chlorfenapyr	122453-73-0	1.0 ppm	
Chlorpyrifos	2921-88-2	0.2 ppm	

Clofentezine	74115-24-5	0.2 ppm	
Cyfluthrin	68359-37-5	1.0 ppm	
Cypermethrin	52315-07-8	1.0 ppm	
Daminozide	1596-84-5	1.0 ppm	
DDVP (Dichlorvos)	62-73-7	0.1 ppm	
Diazinon	333-41-5	0.2 ppm	
Dimethoate	60-51-5	0.2 ppm	
Ethoprophos	13194-48-4	0.2 ppm	
Etofenprox	80844-07-1	0.4 ppm	
Etoxazole	153233-91-1	0.2 ppm	
Fenoxycarb	72490-01-8	0.2 ppm	
Fenpyroximate	134098-61-6	0.4 ppm	
Fipronil	120068-37-3	0.4 ppm	
Flonicamid	158062-67-0	1.0 ppm	
Fludioxonil	131341-86-1	0.4 ppm	
Hexythiazox	78587-05-0	1.0 ppm	
Imazalil	35554-44-0	0.2 ppm	
Imidacloprid	138261-41-3	0.4 ppm	
Kresoxim-methyl	143390-89-0	0.4 ppm	
Malathion	121-75-5	0.2 ppm	
Metalaxyl	57837-19-1	0.2 ppm	
Methiocarb	2032-65-7	0.2 ppm	
Methomyl	16752-77-5	0.4 ppm	
Myclobutanil	88671-89-0	0.2 ppm	
Naled	300-76-5	0.5 ppm	
Oxamyl	23135-22-0	1.0 ppm	
Paclobutrazol	76738-62-0	0.4 ppm	
Permethrins (measured as the cumulative residue of cis- and trans- isomers)	52645-53-1 (54774-45-7 and 51877-74-8)	0.2 ppm	
Phosmet	732-11-6	0.2 ppm	
Piperonyl_butoxide	51-03-6	2.0 ppm	
Prallethrin	23031-36-9	0.2 ppm	
Propiconazole	60207-90-1	0.4 ppm	
Propoxur	114-26-1	0.2 ppm	
Pyrethrins (measured as the cumulative residue of pyrethrin 1, cinerin 1 and jasmolin 1)	8003-34-7 (121-21-1, 25402-06-6, and 4466-14-2)	1.0 ppm	
Pyridaben	96489-71-3	0.2 ppm	

Spinosad	168316-95-8	0.2 ppm	
Spiromesifen	283594-90-1	0.2 ppm	
Spirotetramat	203313-25-1	0.2 ppm	
Spiroxamine	118134-30-8	0.4 ppm	
Tebuconazole	107534-96-3	0.4 ppm	
Thiacloprid	111988-49-9	0.2 ppm	
Thiamethoxam	153719-23-4	0.2 ppm	
Trifloxystrobin	141517-21-7	0.2 ppm	

E. Potency

Analyte	Labelling	Required Action
Tetrahydrocannabinolic acid (THC-A)	Label claim is not within +/- 20 % of tested value	Revise label as necessary
Delta-9-tetrahydrocannabinol (Δ 9-THC)		
Cannabidiolic acid (CBD-A)		
Cannabidiol (CBD)		

F. Herbicides

Analyte	Maximum Allowable Contaminant	Required Action
Pendimethalin	0.1 ppm	Remediate and retest, or Destroy

Acknowledgement of Receipt and Understanding

I acknowledge that I have received the Herbal Wellness Center and Organica Patient Group, Inc. Employee Policy and Procedure Handbook and that I have read and understand the policies.

I understand that this Handbook represents only current policies and benefits, and that it does not create a contract of employment. Herbal Wellness Center and Organica Patient Group, Inc. retains the right to change these policies and benefits, as it deems advisable.

Unless expressly proscribed by statute or contract, my employment is "at will." I understand that I have the right to terminate my employment at any time, with or without cause or notice, and that the Company has the same right. I further understand that my status as an "at will" employee may not be changed except in writing and signed by the Senior Management of the Company.

I understand that the information I come into contact with during my employment is proprietary to the Company and accordingly, I agree to keep it confidential, which means I will not use it other than in the performance of my duties or disclose it to any person or entity outside the Company. I understand that I must comply with all the provisions of the Employee Policy and Procedure Handbook to have access to and use Company resources. I also understand that if I do not comply with all provisions of the Employee Policy and Procedure Handbook, my access to Company resources may be revoked, and I may be subject to disciplinary action up to and including discharge.

I further understand that I am obligated to familiarize myself with the Company's safety, health, and emergency procedures as outlined in this Employee Policy and Procedure Handbook or in other documents.

Signature

Date

Please Print Your Name

Medical Marijuana Dispensary Off-Site Cultivation Security Plan

924 N. Tweedy Road
APN 408-02-021 & 408-02-022

1. Facility Information:

- a. Facility physical address: 924 N. Tweedy Road, Eloy, Arizona, APN 480-02-021 & 480-02-022
- b. Facility type: Medical Marijuana Cultivation

2. Facility Security

a. Third Party Security System:

A third-party security system monitoring company, Titan Security, will be contracted to provide and install all security equipment. The Third-Party Security Company will monitor the facility 24 hours per day, 7 days a week to detect unauthorized intrusion including full camera coverage.

b. Security Equipment:

The following security equipment will be utilized on site:

i. Security Cameras:

a. Camera Installation:

Cameras will be installed at necessary locations to comply with state regulations. These include entrances and exits, all security door areas, at the check-in window, in the designated room holding our safe, and inside every cultivation room in our cultivation facility with the ability to clearly record images in low light conditions.

b. Positioning:

All security cameras will be positioned in such a manner as to get the best facial image of anyone in the areas listed above.

c. Recording Resolution:

All security cameras will have a recording resolution of at least 704x480.

d. Operation:

All surveillance cameras will be operational 24/7 and a 19" or greater central call-up monitor will be in the designated safe room (off limits to employees), with a video printer capable of immediately producing a clear still photo from any video camera image.

e. Storage of Video Camera Recordings:

All video camera recordings not stored electronically will be kept locked up in our safe for at least 30 calendar days and will be available to the Department and local police enforcement upon request.

ii. **Security Monitors**

A 19" or greater call-up monitor will be in the designated safe/security room with access only available to approved dispensary agents.

iii. **Video Printer:**

A video printer capable of immediately producing a still photo from any video camera image will be located alongside the monitor in the designated safe room.

iv. **Panic Buttons:**

a. **Installation of Panic Buttons**

Buttons will be installed (1) in the check-in office behind the security glass, (2) in the dispensing area, and (1) in the cultivation site in a central location. All employees will be aware of the location and proper use of the panic buttons.

b. **Panic Alarm Activation**

Panic alarms come with one button to activate the alarm: Press the button.

c. **Circumstances to Use the Alarm**

Activate the alarm to notify Security by pressing the button(s) if you feel threatened or see another person in need of assistance.

d. **Secured Areas:**

Panic alarms are programmed to work in designated areas only. Staff will be trained on the boundaries for the activation area.

e. **Maintenance:**

A security service will check the alarms regularly to ensure they are powered and operating properly.

v. **Silent Panic Button Devices**

Silent panic button devices will be strategically located in the cultivation site to alert the third-party security vendor of any intrusions or safety concerns.

c. **Self-Closing and Self-Locking Security Doors:**

Self-closing and locking security door will be operational in the check-in/waiting room entering the dispensing area.

d. **Restricted Access Areas:**

All areas that are restricted access will be clearly marked as such and secured to allow access only by designated personnel with identification.

Access to cultivation facilities shall be limited to board members, principal officers, and authorized dispensary agents and shall be granted only upon proper identification as such.

Any unauthorized personnel found in restricted areas will be reprimanded accordingly.

3. **Security Breach**

In the event of a security breach, full cooperation with local law enforcement officials will be required before, during and after a security issue or breach.

4. **Power Backup:** All video cameras and recording equipment will be run on emergency power to ensure that they all still operate for at least 5 minutes during a power outage.

5. **Failure Notification System:** A failure notification system will be installed to provide audible and visual notification of any failure in the electronic monitoring system.

6. **Employee Security Policies & Procedures During Operating Hours:**

i. Daily Security Procedures Upon Opening Cultivation Site:

a. Disable the alarm:

The first employee to arrive, to open the cultivation site, must enter a predetermined code into the security device next to the front door to disable the alarm system.

b. Review functioning of security camera, tapes, and recordings

That employee will then check the security cameras and tapes to ensure they are all functioning properly and swap out any video recordings for new ones if needed.

ii. Daily Security Procedures Upon Closing Cultivation Site:

a. Ensure any remaining employees and staff have exited the facility

b. Enable the alarm:

The last employee to leave the cultivation site, must enter a predetermined code into the security device next to the front door to enable the alarm system.

7. **Staff Training:**

Security and safety procedures will be taught extensively and thoroughly to all Herbal Wellness Center, Inc. Dispensary Agents.

Medical Marijuana Dispensary Off-Site Cultivation Waste Disposal Plan

924 N. Tweedy Road
APN 408-02-021 & 408-02-022

In order to dispose of any marijuana remnants or byproducts (“Marijuana Waste”), the applicant will adhere to the following procedures and applicable state and local laws and regulations:

1. Facility Information:

- a. Facility physical address: 924 N. Tweedy Road, Eloy, Arizona, APN 408-02-021 & 408-02-022
- b. Facility type: Medical Marijuana Cultivation

2. Waste Process by Type:

a. Cannabis Plants and Flower Waste

For Marijuana Waste consisting of cannabis plants and flower, the process includes grinding the waste into a container and incorporating non-medical waste into the mixture.

b. Packaging, Containers, And Labels

All packaging, containers, and labels will be shredded and mixed with other Marijuana Waste.

3. Waste Processing:

a. Process Location:

All Marijuana Waste processing will take place in a limited access, secured area of the facility.

b. Waste Storage:

The Marijuana Waste will be stored in a secure area, not accessible by any unauthorized persons until it is ready for pickup.

c. Waste Collection/Retrieval/Pick up:

The Marijuana Waste will be picked up and disposed of by a third-party professional waste disposal company.

d. Waste Records:

The Marijuana Waste will be documented pursuant to Arizona Department of Health Services guidelines. Such documentation will include the: description of and reason for disposal; date of disposal; method of disposal; and identity of the individual responsible for the disposal.

Medical Marijuana Dispensary Off-Site Cultivation

Odor Control Concept Plan

1. Facility Information:

- a. Facility physical address: 924 N. Tweedy Road, Eloy, Arizona, APN 408-02-021 & 408-02-022
- b. Facility type: Medical Marijuana Cultivation

2. Odor Mitigation Practices

Mitigation Practices will all be based on industry-specific best control technologies and best management practices.

3. Engineering Controls:

a. Inline Recirculating Fans and Carbon Filters System Design:

i. Use of Inline Recirculating Fans and Carbon Filters:

Odor Control Concept Plan includes the use of inline recirculating fans with plasma filters located throughout the facility.

ii. Location, Ducting, and Filters Utilized:

The recirculating fans will be located at the sources of contamination and ducted to plasma filters.

iii. Replacement and Maintenance Protocol

Each system will be maintained and replaced per manufacturer requirements.

iv. Exhaust Outlets and Distance Requirements:

The facility will contain exhaust outlets on the roof located at a distance exceeding 10 feet from the property lines, operable openings into a building, mechanical air intakes and above adjoining grade. The exhaust outlets utilized are from the restroom exhaust fans with an airflow of 75 cfm each.

b. Space Pressurization System Design

i. Use of Space Pressurization:

Space pressurization will be utilized to contain odors within the building.

ii. Location of Pressurization:

Odor will be contained within the work area through space pressurization. The work area is always kept at neutral space pressure and adjacent corridors are always kept on positive pressure. The pressure differential between the two spaces shall maintain the Marijuana odors to the work area.

iii. Replacement and Maintenance Protocol:

Each system will be maintained and replaced per manufacturer requirements.

4. Training:

Employees will be trained on the odor control systems in place and necessary odor mitigation practices.

5. Complaint Tracking System:

A record of odor-related complaints will be maintained and addressed by staff. The record will contain how, when and who made the complaint.

New Gen Eloy Medical Marijuana Cultivation Location

RE: CUP 2021-009 for APN 480-02-021 & APN 480-02-022

The Citizen Participation Plan

March 24, 2021

The citizen participation plan is intended to meet the City of Eloy requirement that citizen participation is ensured in conjunction with a General Plan Amendment, rezoning request and Conditional Use Permit application for the proposed New Gen Eloy Medical Marijuana Cultivation Location (“Project”).

Owners within 300’ of the parcel, where the proposed Project will be located shall be notified by the City of Eloy, by first class mail, of the scheduled Public Hearings with the Planning and Zoning Commission and City Council.

The applicant will provide, to the city, a list of owners within 300’ of the subject site. The list of owners will include parcel numbers, current ownership and mailing addresses as available on the Pinal County Assessor’s website. A parcel map from the assessor’s site with the 300’ buffer illustrated will be provided to the City. Any HOA’s and registered neighborhoods within the public notification area will be included in the notification list along with interested parties registered with the city.

Stamped envelopes with labels of the identified property owners will be provided to the city. Staff will prepare and mail a copy of the public notice to the property owners. The applicant will prepare a letter, initiating the citizen participation process, notifying the applicants of the requests.

The applicant will meet with any interested parties as it relates to the requested entitlements.

The city staff, at the applicant’s expense, will publish notification of the public hearings in a newspaper, as required by state statute.

The Planning and Zoning Commission will hold a public hearing, where interested citizens may ask questions and speak in favor or opposition to the requested actions. The City Council will hold a public hearing, where interested citizens may ask questions and speak in favor or

opposition to the requested actions. A Citizen Participation Report will be provided to staff prior to the notice of public hearing.



Helix Engineering, LLC
Engineering / Surveying / Consulting

April 9, 2021

SUBJECT: APN 408-02-022 & 408-26-009

RE: Distance measurements for zoning

To whom it may concern,

I Michael Thompson, a land surveyor registered in the State of Arizona, do hereby certify to the following:

The distance from the Southerly most property line of parcel 408-02-022 to the Northerly most property line of parcel 408-26-009 is 848.5 feet.

The distance from the Southerly most face of building of parcel 408-02-022 to the Northerly most property line of parcel 408-26-009 is 1307.2 feet.

Reference: "SADDLEBACK RANCHES" CAB B SL 145
"ELOY INDUSTRIAL PARK UNIT TWO PHASE I" CAB E SL 054



Michael J. Thompson, RLS 25090