



Support your local merchants.

**AGENDA
REGULAR SESSION
MAYOR AND COUNCIL
473 S MAIN STREET, SUITE 106
WEDNESDAY, MARCH 2, 2016 at 6:30 P.M.**

Note: Council member(s) may attend Council Sessions either in person or by telephone, video, or internet conferencing.

1. **Call to Order**
2. **Roll Call**
3. **Pledge of Allegiance**
4. **Consent Agenda** – All those items listed below may be enacted upon by one motion and approved as consent agenda items. Any item may be removed from the Consent Agenda and considered as a separate item if a member of Council requests.
 - a) **Approval of the Minutes:**
 - 1) Regular Session – February 17, 2016
 - b) **Set Next Meeting, Date and Time:**
 - 1) Wednesday, March 9, 2016 at 5:30 p.m. Council Work Session
 - 2) Wednesday, March 16, 2016 at 6:30 p.m. Council Regular Session
 - 3) Wednesday, March 23, 2016 at 6:30 p.m. Council Hears Planning & Zoning Matters
 - c) **Possible approval authorizing the Marshal's Office to submit two grants to the Department of Homeland Security (DOHS) totaling approximately \$65,000.00. There is no match required; partial grant funding would be accepted.** Staff Resource: Marshal Nancy Gardner
 - d) **Possible approval for Finance Director to close the Yavapai Apache Nation Fund.** Staff Resource: Finance Director Mike Showers.
 - e) **Possible approval for Finance Director to change the name of the Donations Fund to the Restricted Use Fund.** Staff Resource: Finance Director Mike Showers.
 - f) **Possible approval for Finance Director to make the requested budget amendments as shown on the attached budget amendment form.** Staff Resource: Finance Director Mike Showers.
5. **Special Announcements and presentations:**
 - **Recognition of the following business:**
 - **Camp Verde Automotive**
 - **Camp Verde Water System Inc.**
 - **Verde Sol-Air Services**
 - **Babes Round-up**
 - **McDonald Brothers Construction**
6. **Call to the Public for Items not on the Agenda.**
7. **Public Hearing and Possible approval of Alternating Proprietorship for Heartwood Cellars, LLC – Valerie Lynn Wood, located at 4626 Old Highway 279, Camp Verde, AZ 86322.**
8. **Public Hearing and possible approval of Special Event Liquor License for the Verde Valley Ranger, Mounted Sheriffs' Posse-Catherine A Webster for the 2016 Spring Heritage Festival to be held on March 19-20, 2016.**

9. **Presentation and update by Yavapai College Vice President Steve Walker.**
10. **Discussion, consideration and possible approval for Finance Director to write-off the remaining portion of the Parks Fund loan payable to the General Fund and close the Parks Fund.** Staff Resource: Finance Director Mike Showers
11. **Discussion, consideration, and possible approval of Ordinance 2016-A416 an Ordinance of the Mayor and Common Council of the Town of Camp Verde, Yavapai County, Arizona, amending Section 3-2-6 of the Town Code regarding Town Attorney, Superseding 2002-A220.** Staff Resource: Direction from Council
12. **Discussion, consideration and possible direction to staff relative to proposed legislation by the 52nd State Legislature during its second regular session that convened on January 11, 2016.** Staff Resource: Russ Martin
13. **Call to the Public for items not on the agenda.**
14. **Council Informational Reports.** These reports are relative to the committee meetings that Council members attend. The Committees are Camp Verde Schools Education Foundation; Chamber of Commerce, Intergovernmental Association, NACOG Regional Council, Verde Valley Transportation Planning Organization, Yavapai County Water Advisory Committee, and shopping locally. In addition, individual members may provide brief summaries of current events. The Council will have no discussion or take action on any of these items, except that they may request that the item be placed on a future agenda.
15. **Manager/Staff Report** Individual members of the Staff may provide brief summaries of current events and activities. These summaries are strictly for informing the Council and public of such events and activities. The Council will have no discussion, consideration, or take action on any such item, except that an individual Council member may request that the item be placed on a future agenda.
16. **Adjournment**

Posted by:



Date/Time:

02-25-16 3:50 PM

Note: Pursuant to A.R.S. §38-431.03.A.2 and A.3, the Council may vote to go into Executive Session for purposes of consultation for legal advice with the Town Attorney on any matter listed on the Agenda, or discussion of records exempt by law from public inspection associated with an agenda item.

The Town of Camp Verde Council Chambers is accessible to the handicapped. Those with special accessibility or accommodation needs, such as large typeface print, may request these at the Office of the Town Clerk.

**(corrected item 15) DRAFT MINUTES
REGULAR SESSION
MAYOR AND COUNCIL
473 S MAIN STREET, SUITE 106
WEDNESDAY, FEBRUARY 17, 2016 at 6:30 P.M.**

Note: Council member(s) may attend Council Sessions either in person or by telephone, video, or internet conferencing.

1. Call to Order

Mayor German called the meeting to order at 6:30 p.m.

2. Roll Call

Mayor Charles German, Vice Mayor Bruce George, Councilor Robin Whatley, Councilor Brad Gordon, Councilor Jackie Baker, Councilor Jessie Jones-Murdock and Councilor Carol German were present.

Also Present

Marshall Nancy Gardner, Town Clerk Virginia Jones, Public Works Director Ron Long and Recording Secretary Lynn Riordan.

3. Pledge of Allegiance

Mayor German led the Pledge of Allegiance.

4. Consent Agenda – All those items listed below may be enacted upon by one motion and approved as consent agenda items. Any item may be removed from the Consent Agenda and considered as a separate item if a member of Council requests.

a. Approval of the Minutes:

- Work Session – January 29, 2016
- Special Session – February 3, 2016
- Regular Session – February 3, 2016

b. Set Next Meeting, Date and Time:

- Wednesday, February 24, 2016 at 6:30 p.m. Council Hears Planning & Zoning Matters
- Wednesday, March 2, 2016 at 5:00 p.m. Tour of Community Library
- Wednesday, March 2, 2016 at 6:30 p.m. Council Regular Session
- Wednesday, March 9, 2016 at 5:30 p.m. Council Work Session
- Wednesday, March 16, 2016 at 6:30 p.m. Council Regular Session
- Wednesday, March 23, 2016 at 6:30 p.m. Council Hears Planning & Zoning Matters

c. Possible approval and authorization to the Street Division of Public Works to purchase a used pull-type pneumatic compactor for an amount not to exceed \$15,000.00 Staff Resource Ron Long-Stacy Perry.

On a **motion** by Vice Mayor George, seconded by Councilor Jones-Murdock, the Council unanimously voted to approve the Consent Agenda.

5. Special Announcements and presentations: None

6. Call to the Public for Items not on the Agenda.

Steve Goetting, representing the Chamber of Commerce, addressed the Mayor and Council advising he attended the Chamber of Commerce meeting and VVREO quarterly meeting (open), requesting support from the Council for lobbying Yavapai College to have their culinary program based in Camp Verde, noting that Sedona has shown an interest in having the culinary program located in Sedona. Additionally, the Chamber of Commerce and VVREO is looking into a co-op with NAU for educational services in Camp Verde, which would be a substantial benefit to the community, local students, and all of the Verde Valley.

Marie DeClue, representing Verde Valley Senior Citizens Association, addressed the Mayor and Council requesting support and sponsorships for the annual March for Meals (supporting Meals on Wheels) which is scheduled for the third weekend in March. Ms. DeClue provided an informational hand-out to the Council regarding the fundraiser for Meals on Wheels – additional information can be obtained from Verde Valley Senior Citizens Association, Inc.

7. **Presentation by Chairman Thomas Beauty regarding the 12% distribution the Yavapai Apache Nation makes to local municipalities as required under Section 12 (d) of the Nation's Gaming Compact with the State of Arizona.**

Yavapai Apache Nation Chairman Thomas Beauty addressed the Mayor and Council, presenting a check to the Town in the amount of \$20,669.20. Chairman Beauty stated this contribution is made pursuant to Section 12(d) of the Gaming Compact, and there are no requirements or restrictions on the Town in allocating the use of funds. Chairman Beauty advised that the Nation(s) contribute to a benefits fund which is allocated and distributed by the Nation to Arizona education, trauma/emergency medical assistance, wildlife preservation and conservation, tourism, problem gaming programs and to Cities and Towns. Additionally, the Nations gaming in Arizona creates approximately 15,000 jobs which provides a positive contribution to Arizona's economy. Chairman Beauty thanked the Mayor and Council for their support of Yavapai Apache Nation. The Council thanked Chairman Beauty for all that the Nation has done for its members and the community.

8. **Presentation and update by APS Fire Mitigation Specialist Wade Ward regarding future pole clearance projects in the Verde Valley.**

Tracy Moore, APS Forestry Supervisor, addressed the Mayor and Council giving an overview regarding APS vegetation line clearance and the proposed APS three year rotating plan to mitigate the risk of wild fires caused by equipment or lines (damaged or down). This plan for clearance of vegetation will be at no cost to the Town, homeowners, and/or the forest service. The intent of this project is to reduce, and/or prevent, wild fires caused by equipment and/or lines.

9. **Presentation and update by Camp Verde Representative Steve King regarding the Yavapai College Verde Valley Advisory Committee.**

Steve King, Yavapai College Advisory Committee – Verde Valley - addressed the Mayor and Council advising the Advisory Committee had made 16 recommendations to the Yavapai College Board. Mr. King provided the Mayor and Council with a hand-out: The Verde Valley Board Advisory Committee Recommendations (a copy is available in the Town Clerk's Office) which includes recommendations, information, strategic plan, goals and strategy. Mr. King advised that although the Advisory Committee did not get a positive response to all of the recommendations, meetings will continue, communication remains open as the Yavapai College Board addresses these recommendations.

Council Discussion: Councilor Baker questioned the fees proposed by Yavapai College for dual enrollment of high school students, with Mr. King advising the \$10.00 per credit hour tuition for dual enrollment is scheduled for enactment in fall 2017. Councilor Gordon suggested a scholarship fund, program or foundation to assist those students who may not be able to afford the proposed fees. Councilor Whatley suggested the Advisory Committee and/or Yavapai College Board of Directors look into a program similar to the no-tuition program at Berea College (Madison County, Kentucky) which allows students to work for their tuition (sweat equity investment). Additional discussion covered the passing of the 2% increase in property tax for the College (Verde Valley Advisory Committee and the Town Council opposed the 2% increase) and introduction and establishment of a culinary program in Camp Verde. The Mayor and Council thanked Mr. King for his continued service to the community serving on the Advisory Committee.

10. **Discussion, consideration, and possible approval of Wine Festival License for the 2016 Spring Heritage Pecan and Wine Festival to be held at 473 S Main Street in Camp Verde on March 19-20, 2016. Applications include:**

- Alcantara LLC
- Oak Creek Vineyards & Winery
- Caduceus Cellars LLC
- Four Eight Wineworks
- Page Springs Cellars & Vineyards
- Arizona Stronghold Vineyards, LLC
- Prescott Winery
- Javelina Leap Estate Vineyard
- Pierce Wines Arizona LLC
- Clear Creek Vineyard & Winery
- Freitas Vineyard
- Chateau Tumbleweed
- Dancing Apache Ranch
- Burning Tree Cellars LLC

On a **motion** by Councilor German, seconded by Vice Mayor George, the council unanimously voted to approve all applications for the Wine Festival License, 2016 Spring Heritage Pecan and Wine Festival to be held on March 19-20, 2016.

Town Clerk Virginia Jones advised the Mayor and Council that all applications had been completed, that Verde Valley hosts 14 wineries, and all 14 want to participate in the Pecan and Wine Festival.

11. **Discussion, consideration and possible approval of re-appoint of Mr. Ed Lee for one year as Camp Verde's Citizen Liaison to the OLLI (Osher Lifelong Learning Institute) project.**

On a **motion** by Councilor Gordon, seconded by Vice Mayor George, the council unanimously voted to approve the re-appointment of Mr. Ed Lee for one year as Camp Verde's Citizen Liaison to the OLLI project.

Ed Lee, OLLI Representative/Camp Verde Liaison, addressed the Mayor and Council stating he was pleased to be considered for re-appointment; the OLLI program has proven to be very successful in Camp Verde and is not only benefiting Camp Verde residents, but all of the Verde Valley. Mr. Lee advised the preliminary discussions have begun regarding Camp Verde having its own OLLI council rather than just a campus for the Clarkdale council. If his re-appointment is approved, he would accept the re-appointment and will move forward in establishing a Camp Verde Council for OLLI.

12. **Discussion, consideration and possible approval of Ordinance 2016-A415, an Ordinance of the Mayor and Common Council of the Town of Camp Verde, Yavapai County, Arizona, amending the Town Code, Section 2-1-3 Assumption of Office and Section 2-2-2 Vice-Mayor.** Staff Resource: Virginia Jones

On a **motion** by Councilor Baker, seconded by Councilor German, the council unanimously voted to approve Ordinance 2016-A415.

Town Clerk Virginia Jones advised the Mayor and Council the Town Code required modification to meet the new State requirements for Assumption of Office for newly elected officials and appointment of the Vice-Mayor.

13. **Discussion, consideration and possible direction to staff to construct a policy and bring back to Council for approval, regarding individual Council members contacting the Town Attorney to**

include checks and balances to provide a methodology of transparent procedure at which Council members may contact Town attorney.

After substantial discussion, It was the **consensus** of the Mayor and Council to direct staff to construct and present to Council a written policy/procedure or present an Ordinance for Council consideration that sets a policy/procedure wherein Council Members may contact and obtain information, legal advice and/or direction from the Town Attorney 1) avoiding any appearance of impropriety and provide a methodology or transparency; 2) including direction for contacting, and incorporating participation with, the Town Clerk and/or Manager first to make a determination whether or not the issue in question is a matter that should be addressed by the Town Attorney or be placed on the Council Agenda; 3) thereafter, if it is determined that the Town Attorney should be consulted, the question or issue shall require a **written summary and response from the Town Attorney** and forwarded to the Town Clerk and/or Manager, the Mayor, and all Council Members; 4) requiring communication with the Town Attorney be collective (not individual); and 5) the policy shall include punitive damages (penalty) wherein a violation of the policy may result in the person or persons in violation of said policy to be personally liable for any Attorney fees incurred.

14. **Discussion, consideration and possible direction to staff relative to proposed legislation by the 52nd State Legislature during its second regular session that convened on January 11, 2016.** Councilor Whatley stated concerns and displeasure with the Legislature continuing to enact laws that are forced upon Cities and Towns, sometimes being in direct opposition of what the local ordinances direct and cause confusion for Cities and Towns and citizens of Arizona.

15. **Call to the Public for items not on the agenda.**

Linda Buchanan addressed the Mayor and Council advising she attended 30 of the last 32 Yavapai College Verde Valley Advisory Committee Meetings and there is no opportunity for public comment at the meetings or in any other format, providing the Council with a hand-out, and suggesting Yavapai College and the Verde Valley Advisory Committee take a look at Maricopa Community College, **stating it is not a** good example of how a community college and its administration should be designed and organized. Ms. Buchanan stated her belief in Yavapai College – Verde Campus should **not** have a separate administration. Ms. Buchanan also suggested the College, its campuses and students, should play a part in the economic development strategic plan.

Mayor German, after receiving no objection from Council Members, stated he would contact Steve King (Yavapai College Verde Valley Advisory Committee) requesting a format be set wherein public comment could either 1) be a part of their regular meetings and/or 2) set Public Forum meetings in each community for the public to comment and ask questions of the Verde Valley Advisory Committee members.

16. **Council Informational Reports.** These reports are relative to the committee meetings that Council members attend. The Committees are Camp Verde Fire District, Camp Verde Schools Education Foundation; Chamber of Commerce, Intergovernmental Association, NACOG Regional Council, Verde Valley Transportation Planning Organization, Yavapai County Water Advisory Committee, and shopping locally. In addition, individual members may provide brief summaries of current events. The Council will have no discussion or take action on any of these items, except that they may request that the item be placed on a future agenda.

Councilor Whatley – no report.

Councilor Gordon – advised that he and Tony Gioia (water rights liaison) have met and will be requesting water rights and issues be placed on the Agenda soon; he attended a Citizen's Water Advocacy Group meeting last Saturday; and he attended the Buffalo Soldier's at Fort Verde.

Vice Mayor George – advised he attended the quarterly VVREO meeting with Steve Ayres.

Mayor German – no report.

Councilor Baker – no report.

Councilor Jones-Murdock – no report.

Councilor German – stated concerns over the proposed fees/tuition for dual enrollment in Yavapai College. Councilor German attended the February 15, 2016 NAU meeting and provided a hand-out regarding the meeting and plans for proposed higher education opportunities in the Verde Valley.

17. **Manager/Staff Report** Individual members of the Staff may provide brief summaries of current events and activities. These summaries are strictly for informing the Council and public of such events and activities. The Council will have no discussion, consideration, or take action on any such item, except that an individual Council member may request that the item be placed on a future agenda.

Town Clerk Virginia Jones advised Ballots for the recall election had been mailed out – Ballot boxes are available at Town Hall and Yavapai Apache Nation, or the Ballots can be mailed in.

Adjournment. Mayor German, with no objection from Council, pronounced the meeting adjourned at 7:50 p.m.

Charles German, Mayor

Lynn Riordan-Recording Secretary

CERTIFICATION

I hereby certify that the foregoing Minutes are a true and accurate accounting of the actions of the Mayor and Common Council of the Town of Camp Verde during the Regular Session Mayor and Common Council of the Town Council of Camp Verde, Arizona, held on February 17, 2016. I further certify that the meeting was duly called and held, and that a quorum was present.

Dated this _____ day of _____, 2016.

Virginia Jones – Town Clerk

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Town of Camp Verde

Agenda Item Submission Form – Section I

Meeting Date: March 2, 2016

- Consent Agenda Decision Agenda Executive Session Requested
- Presentation Only Action/Presentation Special Session

Requesting Department: Marshal's Office

Staff Resource/Contact Person: Marshal Nancy Gardner

Agenda Title (be exact):

Request for approval, authorizing the Marshal's Office to submit two grants to the Department of Homeland Security (DOHS) totaling approximately \$65,000.00. There is no match required. Partial grant funding would be accepted

List Attached Documents:

Estimated Presentation Time:

Estimated Discussion Time:

Reviews Completed by:

- Department Head: Town Attorney Comments:

Finance Review: Budgeted Unbudgeted N/A

Finance Director Comments/Fund:

Fiscal Impact:

Budget Code: _____ **Amount Remaining:** _____

Comments:

Background Information:

The DOHS grants total approximately \$65,000. **One grant** will be for approximately \$45,000. For police radios – this will be a 4th phase to prior 3 years of grants received through DOHS for improvements with interagency operability. The objective of the grant is to enhance our radio coverage by replacing existing radios with public safety grade P25 capable radios. **The second grant** is also through DOHS however, focusing on emergency response for CVMO personnel for safety equipment such as PPE suits, gloves, shoe covers, disposable respirators, CBRN masks and gas masks totalling approximately \$20,000. The objective of the grant is to prepare for natural or man made disasters and outfitting employees with appropriate protective equipment. This is a no match grant and partial funding would be accepted.

Recommended Action (Motion): Instructions to the Clerk: (Suggested Motion): Approve the request to apply for the two DOHS grants, of the Mayor and Common Council of the Town of Camp Verde, Yavapai County, Arizona

4.d.



Town of Camp Verde

Agenda Item Submission Form – Section I

Meeting Date: March 2, 2016

- Consent Agenda Decision Agenda Executive Session Requested
 Presentation Only Action/Presentation

Requesting Department: Finance Dept.

Staff Resource/Contact Person: Mike Showers

Agenda Title (be exact): Possible approval for Finance Director to close the Yavapai Apache Nation Fund.

List Attached Documents: None

Estimated Presentation Time: N/A

Estimated Discussion Time: N/A

Reviews Completed by:

Town Attorney Comments: N/A

Department Head:

Budgeted Unbudgeted N/A

Fiscal Impact: There is no monetary impact to the Town.

Comments: See Background Information.

Background Information: The Yavapai Apache Nation (YAN) Fund was established to handle the annual funding from the casino and the corresponding expenses of those monies. There is no legal need nor reason to maintain these gifts separately as they are simply unrestricted donations from the Yavapai Apache Nation Tribe. The funding from the tribe has also changed such that maintaining a separate fund for these monies is not relevant. I am proposing the closure of this separate fund and simply receiving the YAN monies into the general fund where they are currently transferred to.

Recommended Action (Motion): Move to approve the Finance Director to close the Yavapai Apache Nation Fund.

Instructions to the Clerk: N/A.

4.E.



Town of Camp Verde

Agenda Item Submission Form – Section I

Meeting Date: March 2, 2016

- Consent Agenda Decision Agenda Executive Session Requested
 Presentation Only Action/Presentation

Requesting Department: Finance Dept.

Staff Resource/Contact Person: Mike Showers

Agenda Title (be exact): Possible approval for Finance Director to change the name of the Donations Fund to the Restricted Use Fund.

List Attached Documents: None

Estimated Presentation Time: N/A

Estimated Discussion Time: N/A

Reviews Completed by:

Town Attorney Comments: N/A

Department Head:

Budgeted Unbudgeted N/A

Fiscal Impact: There is no monetary impact to the Town.

Comments: See Background Information.

Background Information: The name donations fund would suggest that any, all and only donations are kept in this fund but in reality this fund is used exclusively for items that have certain restrictions on them which currently includes certain restricted traffic ticket revenues. Furthermore, not all donations may run through this fund as unrestricted/unencumbered donations will most probably be received in the general fund. Restricted Use would give a much better label for the actual use of this fund on financial statements including our year end audit.

Recommended Action (Motion): Move to approve the Finance Director to change the name of the Donations Fund to the Restricted Use Fund.

Instructions to the Clerk: N/A.

4.F



Town of Camp Verde

Agenda Item Submission Form – Section I

Meeting Date: March 2, 2016

- Consent Agenda Decision Agenda Executive Session Requested
- Presentation Only Action/Presentation

Requesting Department: Finance Dept.

Staff Resource/Contact Person: Mike Showers

Agenda Title (be exact): Discussion, consideration & possible approval for Finance Director to the requested budget amendments as shown on the attached budget amendment form.

List Attached Documents: 1) Budget Change/Re-Appropriation Form dated 3/2/16, 2) Prior council approvals

Estimated Presentation Time: N/A

Estimated Discussion Time: N/A

Reviews Completed by:

Town Attorney Comments: N/A

Department Head:

- Budgeted Unbudgeted N/A

Fiscal Impact: Only moving currently approved budget amounts or making Operating Transfers.

Background Information: Are necessary transfers and cosmetic adjustments for tracking actual expenses..

Recommended Action (Motion): Move to approve the Finance Director to the requested budget amendments as shown on the attached budget amendment form.

Instructions to the Clerk: N/A.

Town of Camp Verde

Budget Change/Re-Appropriation Form

Date: 3/2/2016

Council Agenda Date: 3/2/2016

Department Making Request: Finance

Department Head Approval: _____



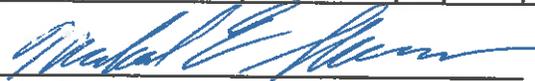
Account Transferred FROM

Fund	Department	Account Number	Account Name	Amount
01	170	710000	Consulting	18,000.00
03	000	800000	Equipment	7,700.00
01	000	550800	Op Trans Out	311.00
08	000	551500	Op Trans Out	37,000.00
03	000	850100	Verde Lakes Dr.	38,572.00

Account Transferred TO

Fund	Department	Account Number	Account Name	Amount
01	170	600000	Wages	16,530.00
01	170	601000	FICA	1,025.00
01	170	601100	Medicare	240.00
01	170	601300	SUTA	165.00
01	170	601400	Wcomp	40.00
01	110	712000	Contract Services	7,700.00
08	000	500101	Op Trans In	311.00
15	000	500800	Op Trans In	37,000.00
03	410	751650	Infrastructure Mnt	13,274.00
03	000	841120	Bashas Drain Chan	25,298.00

Finance Director Approval: _____



Date: 2/22/16

Comments: The first item is simply recategorizing consulting to wages, no impact on actual budget.
The 2 Operating Trans adjmnts do not have any effect on budget expenses as they are all revenue accountns
The transactions for the \$7,700 & \$38,572 adjmnts have already been approved by council (see attached).

YAVAPAI COUNTY FLOOD CONTROL DISTRICT

1120 COMMERCE DRIVE
PRESCOTT, AZ 86305
928.771.3197 PHONE
928.771.3427 FAX



10 S. 6TH STREET
COTTONWOOD, AZ 86326
928.639.8151 PHONE
928.639.8118 FAX

CHANGE ORDER INTERGOVERNMENTAL AGREEMENT FISCAL YEAR 2015/16

PROJECT: Town of Camp Verde – IGA for Verde Lakes Estates Drainage Improvements, Ph1

FCD Project#: FC0061

Date of Original Intergovernmental Agreement (IGA): September 8, 2015

AGENCY: Yavapai County Flood Control District

Change Order No. 1

COMMUNITY: Town of Camp Verde

Change Order Date: 12/07/15

The following changes shall be made to this Contract:

The Project added to this Contract is	<u>No Change</u>
The original IGA Contract Sum was	\$ <u>75,000.00</u>
Net change by previous Change Orders (+ or -)	\$ <u>0.00</u>
The Contract IGA Sum will be changed by	\$ <u>0.00</u>
Contract IGA Sum for FY 2015/16	\$ <u>75,000.00</u>

The term of this agreement will be extended to June 30th, 2016, and may be renewed for additional one year terms, until the completion of identified drainage improvements.

Comments: The Town of Camp Verde has requested a re-apportioning of the FY 15/16 IGA funding, with no additional funds to be added. Originally, the full amount of funding was requested to be spent within the Verde Lakes area of Camp Verde on a variety of drainage improvement projects. Change Order #1 is requesting the same funding to be split into three project areas with the following breakdown:

- Verde Lakes Estates. \$36,428.12
 - Faulkner Wash sediment removal: \$13,274.00
 - Finnie Flat/Bashas Drainage Channel work: \$25,297.88
- Total FY15/16 amount is still \$75,000.00

Yavapai County Flood Control District
1120 Commerce Dr.
Prescott, AZ 86305

Town of Camp Verde
CHARLES GERMAN, MAYOR
473 S. Main Street
Camp Verde, AZ 86322

By: Craig L. Brown
Craig L. Brown, Chairman
District Board of Directors

By: Charles German

Date: 12-9-15

Date: 10-28-2015

How to handle the \$5494 already spent in Bastas? Is it part of this \$25,300 or more \$5500 for misc projects back

**MINUTES
REGULAR SESSION
MAYOR AND COUNCIL
473 S MAIN STREET, SUITE 106
WEDNESDAY, SEPTEMBER 2, 2015 at 6:30 P.M.**

Minutes are a **summary** of the discussion. They are not verbatim.
Public Input is placed after Council discussion to facilitate future research.

1. **Call to Order**
Mayor German called the meeting to order at 6:30 p.m.

2. **Roll Call**
Mayor Charles German, Vice Mayor Bruce George, Councilors Robin Whatley, Brad Gordon, Jackie Baker, and Carol German were present. Jessie Jones was absent.

Also Present
Town Manager Russell Martin, Marshal Nancy Gardner, Public Works Director Ron Long, Library Director Kathy Hellman, Town Clerk Virginia Jones, and Recording Secretary Saepyo Choe.

3. **Pledge of Allegiance**
Mayor German led the Pledge.

4. **Consent Agenda** – All those items listed below may be enacted upon by one motion and approved as consent agenda items. Any item may be removed from the Consent Agenda and considered as a separate item if a member of Council requests.
 - a) **Approval of the Minutes:**
 - 1) Special Session – July 29, 2015
 - 2) Executive Session – July 29, 2015 (recorded)
 - 3) Special Session – July 31, 2015
 - 4) Executive Session – July 31, 2015 (recorded)
 - 5) Regular Session – August 5, 2015
 - 6) Work Session – August 12, 2015
 - 7) Special Session – August 14, 2015
 - 8) Executive Session – August 14, 2015 (recorded)
 - b) **Set Next Meeting, Date and Time:**
 - 1) Wednesday, September 9, 2015 at 5:30 p.m. Work Session
 - 2) Wednesday, September 16, 2015 at 6:30 p.m. Regular Session
 - 3) **FRIDAY, SEPTEMBER 18, 2015 8:00 A.M. -10:30 A.M. – SPECIAL/WORK SESSION-SETTING
MANAGER GOALS**
 - 4) Wednesday, September 23, 2015 at 6:30 p.m. Council Hears Planning & Zoning Matters-Cancelled
 - 5) Wednesday, September 30, 2015 at 5:30 p.m. Work Session
 - c) **Possible authorization to award Agreement 15-111, Townsite Phase III Road Construction Project to the apparent low bidder, Fann Contracting Inc. in the amount of \$309,128.00. Staff Resource: Ron Long**
 - d) **Possible authorization to proceed with two applications to Water Infrastructure Finance Authority (WIFA): State Route 260 for the Sewer Collection System Expansion Master Plan in the amount of \$35,000.00 and the Wastewater Treatment Plant Energy Efficiency Study in the amount of \$35,000.00. Staff Resource: Ron Long**
 - e) **Possible approval to close the Camp Verde Public Library on Monday October 12, 2015 for an all-staff training day and be open on Fort Verde Day, Saturday October 10,2015.**
 - f) **Possible approval of the re-appointment for Ronald C. Ramsey, Esq. as an Assistant Magistrate for Camp Verde Municipal Court for a two (2) year term, effective September 18, 2015 and setting an hourly pay rate of \$38.00 per hour on an as need basis with a three (3) hour minimum. Staff Resource Judge Paul Schlegel**

On a motion by Vice Mayor George, seconded by Jackie Baker, Council voted unanimously to approve the Consent Agenda, with the exception of item 4D, which Baker pulled for discussion.

timeline of staff actions, and the results of grants funds applied toward flood control. 27 homes were flooded in the Bull Pen Wash area on July 17th due to banks that were compromised over time from recreational vehicles and erosion. Staff arrived on site the day of the flood and began working, called for emergency services, and applied for a \$150,000 Emergency Watershed Protection Program grant. The grant was awarded on August 6th and funded on the 7th. The Town supplied \$50,000 in matching funds, work commenced on the August 10th, and was completed on the 21st. Two local contractors cleared 2400 feet of channel, built 450 feet of scour wall, reestablished the berm with the 19,000 cubic yards of sediment removed from the stream bed, and seeded the berm—all of which can now accommodate an 80 feet width flow. \$25,000 of leftover grants funds are being used to plant 70 trees indigenous to Bull Pen Wash. Plans include working toward a permanent easement to access the area for regular maintenance and to build a scenic walkway. Staff also intends to recommend ordinances for the Town Code and post signs, which will restrict recreational vehicle usage in water courses, in order to protect the investment. The presentation will become part of the public record.

Mayor German heard allegations that water coming off of the gypsum mine contributed to the flood. The Mayor and officials walked the property to evaluate the possibility of the allegation, and found that the property could have had no impact. Troy Odell further confirmed that the water came from further upstream of the mine.

Vice Mayor George commented that this was a great example of working together, quick work, and success. Mayor German commended Public Works and their Streets Department for their accomplishments. He said Camp Verde has six areas that need help with flooding, but he is confident that they know the process now and can resolve issues quickly.

11. **Discussion, consideration and possible approval of Budget amendment to allocate approximately \$30,000 of unallocated expenses in CIP fund to put in 3 hydrants and fund eCivis Grant software. Staff Resource: Russ Martin.**

On a motion by Robin Whatley, seconded by Brad Gordon, Council voted unanimously to approve the Budget amendment to allocate approximately \$30,000 of unallocated expenses in CIP fund to put in 3 hydrants and fund eCivis Grant software.

Whatley said Council discussed this issue in the Work Session. German asked how effective the eCivis software has been in increasing our number of grants. George replied that we have \$300,000 pending in possible grants. Martin replied that we can pay \$15,000 for eCivis this year or pay more for the next 3 years; it is cheapest to take advantage of this opportunity now.

12. **Update by Council Member Jackie Baker as the Town representative, and elected member of Arizona Municipal Risk Retention Pool (AMRRP) regarding the 2015 Election Ballot to the Board of Trustees and the Annual Members' Meeting.**

Baker reported that three people won reelection to the Board of Trustees: Jackie Walker from Kingman, Kelly Udal from Sahuarita, and Fred Carpenter from Payson. Whatley expressed preference for the Sedona candidate to be elected to represent the Verde Valley. Town Clerk Virginia Jones explained that they received the elections ballots one day and had to mail them back the following day due to a short timeline, so there was no chance to bring the decision before Council. Since Jackie Baker serves on the Board, they decided to go with her recommendations, but normally, there would be a discussion with Council first.

13. **Call to the Public for items not on the agenda.**

Debra Moody, representing Donna Moody, thanked Council for their flood control work in Verde Lakes and offered complete cooperation for further needs concerning the easement.

7.



Town of Camp Verde

Agenda Item Submission Form – Section I

Meeting Date: March 02, 2016

- Consent Agenda Decision Agenda Executive Session Requested
- Presentation Only Action/Presentation

Requesting Department: Clerk's Office

Staff Resource/Contact Person: Virginia Jones

Agenda Title: Public hearing, followed by discussion, Consideration and possible approval of Alternating Proprietorship Liquor License for Heart Wood Cellars, LLC/Valerie Lynn Wood, at 4626 Old Highway 279 Camp Verde AZ 86322.

List Attached Documents: –Liquor License Application for #20130000

Estimated Presentation Time: 5

Estimated Discussion Time: 5

Reviews Completed by:

Department Head: Virginia Jones Town Attorney Comments: N/A

Finance Department N/A

Fiscal Impact: None

Budget Code: N/A Amount Remaining: _____

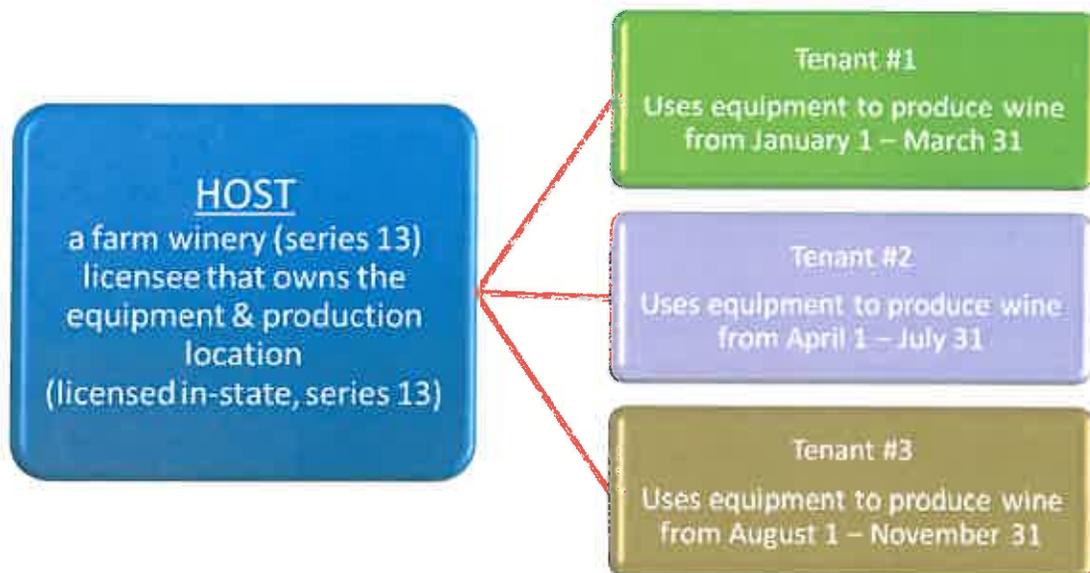
Comments:

Background Information: Application received and posted on 02-09-2016

Recommended Action: Approve Alternating Proprietorship Liquor License for Heart Wood Cellars, LLC/Valerie Lynn Wood, at 4626 Old Highway 279 Camp Verde AZ 86322

Instructions to the Clerk: Section II not required. Process application.

Alternating Proprietorships



Tenants may share the cost of purchasing or renting equipment at a licensed farm winery. Each tenant has a farm winery (series 13 or 2W) license and sells the finished wine product at their license location.



A.R.S. § 4-205.04(D)

Farm winery license Alternating Proprietorship

- permits “alternating proprietorships” if approved by TTB and
- defines “alternating proprietorships”



4-205.04. Farm winery license; issuance; regulatory provisions; retail site; fee

- A. The director may issue a farm winery license to any person who meets the requirements of subsection C of this section. Each location that engages in producing or manufacturing these products must obtain a separate farm winery license. The licensee may not transfer the farm winery license from person to person or from location to location.
- B. An applicant for a farm winery license, at the time of filing the application for the license, shall accompany the application with the license fee. Persons holding a farm winery license shall report annually at the end of each calendar year, at such time and in such manner as the director may prescribe, the amount of wine produced or manufactured by them during the calendar year. In addition to any provision of this title, if the total amount of wine produced or manufactured during the year exceeds the amount permitted annually by the license, the licensee shall apply for and receive a producer's license only upon surrender of the farm winery license or licenses.
- C. A person may be licensed as a farm winery to sell wine produced or manufactured if in a calendar year it produces at least two hundred gallons and not more than forty thousand gallons of wine and if the winery either holds a winery permit issued by the United States alcohol and tobacco tax and trade bureau or has a contract pursuant to subsection E of this section for the production or manufacturing of wine from grapes or other fruit grown on at least five producing acres of land owned or controlled by the applicant and the land has been devoted to fruit growing for at least three consecutive calendar years. A licensed farm winery may make sales and deliveries of wine only as specifically provided in this section and as follows:
1. A licensed farm winery may make sales and deliveries of wine to wholesalers licensed to sell wine under this title.
 2. A licensed farm winery may serve wine produced or manufactured on the premises for the purpose of sampling the wine. The wine may include wine produced pursuant to subsections D and E of this section.
 3. A representative of the licensed farm winery may consume small amounts of the products of the licensed farm winery on the premises for the purpose of sampling the wine. The wine may include wine produced pursuant to subsections D and E of this section.
 4. A licensed farm winery may sell to a consumer physically present on the premises wine produced or manufactured on the premises in the original container for consumption on or off the premises. The wine may include wine produced pursuant to subsections D and E of this section.
 5. A licensed farm winery may purchase and sell wine produced by another licensed farm winery for consumption on or off the premises only if the retail sale is to a consumer physically present on the premises of the farm winery, except that the sales of wine produced by another winery may not exceed twenty per cent of the farm winery's sales by volume. The percentage limitation shall not apply to wine produced pursuant to subsections D and E of this section.
 6. If the licensed farm winery is not otherwise engaged in the business of a distiller, vintner, brewer, rectifier, blender or other producer of spirituous liquor in any jurisdiction, the licensed farm winery may hold licenses prescribed in section 4-209, subsection B, paragraph 12 on the licensed farm winery premises or other retail premises. Except as provided in paragraph 5 of this subsection, the licensed farm winery shall purchase all other spirituous liquor for sale at the on-sale retail premises from wholesalers that are licensed in this state, except that a licensed farm winery may:
 - (a) Purchase wine from other farm wineries pursuant to paragraph 7 of this subsection.

(b) Make deliveries of the wine that the farm winery produces to the farm winery's own commonly controlled retail licensed premises.

7. A licensed farm winery that produces not more than twenty thousand gallons of wine in a calendar year may make sales and deliveries of the wine that the licensed farm winery produces to on-sale and off-sale retailers.

8. Notwithstanding section 4-244, paragraphs 3 and 7, an on-sale or off-sale retailer may purchase and accept delivery of wine from a licensed farm winery pursuant to paragraph 7 of this subsection.

9. A licensed farm winery that produces not more than twenty thousand gallons of wine in a calendar year may make sales and deliveries of wine that the licensed farm winery produces to consumers off of the licensed premises and that is ordered by telephone, mail, fax or catalogue, through the internet or by other means if all of the following apply:

(a) The purchaser of the wine provided the licensed farm winery with verification of the purchaser's legal age to purchase alcohol.

(b) The shipping container in which the wine is shipped is marked to require the signature on delivery of an adult who is of legal age to purchase alcohol and delivery confirmation.

(c) The wine is for personal use only and not for resale.

(d) The wine is delivered by the licensed farm winery or shipped by the licensed farm winery by a common carrier to a residential or business address other than a premises licensed pursuant to this title.

(e) The purchaser could have carried the wine lawfully into or within this state.

(f) The delivery is made by a person who is at least twenty-one years of age.

(g) The farm winery shall collect payment for the price of the spirituous liquor no later than at the time of delivery.

10. A licensed farm winery may make sales and deliveries as expressly permitted by sections 4-203.03, 4-203.04 and 4-244.04.

D. On application by one or more persons, the director may approve applications for grouping two or more farm winery licenses at one location under a plan of **alternating** proprietorships if a licensed winery has received approval of the **alternating proprietorship** by the United States alcohol and tobacco tax and trade bureau and the participating wineries operate under the regulations and guidelines that are issued by the United States alcohol and tobacco tax and trade bureau. Each participating winery shall be responsible for filing all reports that relate to its wine production or manufacturing with the United States alcohol and tobacco tax and trade bureau and the department.

E. A person otherwise qualified to receive a farm winery license may enter into a custom crush arrangement where a licensed winery produces or manufactures wine from grapes or other fruit supplied by the person. The winery receiving the fruit shall be licensed by the United States alcohol and tobacco tax and trade bureau and the department and shall be responsible for filing all reports that relate to its wine production or manufacturing with the United States alcohol and tobacco tax and trade bureau and the department. Each person supplying the grapes or other fruit shall first apply for and receive a farm winery license and shall report to the department all volumes of wine from its custom crush arrangements, which shall not be allocated to the gallonage of the receiving winery.

F. On application by a farm winery licensee, the director may authorize a farm winery licensee to operate up to two remote tasting and retail premises if:

1. The wine sold at the premises is limited to wine produced or manufactured by the licensed farm winery and wines produced or manufactured by other licensed farm wineries, including wines produced or manufactured pursuant to subsections D and E of this section. The farm winery may sell wine to a consumer physically present on the premises for consumption on or off the premises. Sales of wines not produced or manufactured by the farm winery shall be limited to no more than twenty per cent of the total sales by volume at that location. The percentage limitation shall not apply to wine produced pursuant to subsections D and E of this section.

2. The farm winery licensee:

(a) Remains responsible for the premises.

(b) Obtains approval for the premises from the local governing body before submitting an application to the department. A copy of an order from the local governing body recommending approval of the premises must be filed with the department as part of the application.

(c) Does not sublease the premises.

(d) Has an agent who is a natural person who meets the qualifications of licensure in this state.

(e) Meets the qualifications for a license pursuant to section 4-203, subsection A.

G. A farm winery licensee may hold a craft distillery license issued pursuant to section 4-205.10. The farm wine and craft distillery licensee may only produce distilled spirits up to a gallonage of one thousand gallons in a calendar year from fruit processed at the winery for the primary purpose of making wine. The farm wine and craft distillery licensee is subject to all other requirements of this section and section 4-205.10. The farm winery may provide sampling and sales of the distilled spirits pursuant to section 4-205.10, subsection C, paragraphs 2 and 3 on the same premises as the wine sampling and retail sales.

H. The farm winery is liable for any violation committed in connection with any sale or delivery of the wine. The rules adopted by the director pursuant to section 4-203, subsection J shall apply to the delivery of wine under subsection C, paragraph 9 of this section. An act or omission of any person who makes a sale or delivery of wine for a licensee under subsection C, paragraph 9 of this section is deemed to be an act or omission of the licensee for the purposes of section 4-210, subsection A, paragraph 9.

I. A farm winery that sells or delivers wine pursuant to this section shall:

1. Pay to the department of revenue all luxury taxes imposed pursuant to title 42, chapter 3 and all transaction privilege or use taxes imposed pursuant to title 42, chapter 5.

2. File all returns or reports required by law.

J. A delivery of wine by a farm winery to a purchaser in this state is a transaction deemed to have occurred in this state.

K. The director shall adopt rules in order to administer this section.

L. The director may charge an additional farm winery license fee adopted pursuant to section 4-209 for the issuance of licenses, authorizations or approvals pursuant to subsections D, E and F of this section.



Arizona Department of Liquor Licenses and Control

600 W Washington 5th Floor

Phoenix, AZ 85007

www.azliquor.gov

(602) 542-5141

THIS COPY IS REDACTED

Application for Liquor License
Type or Print with Black Ink

PUBLIC DISSEMINATION

16 FEB 2 09. LIC. RM 216

SECTION 1 This application is for a:

- Interim Permit (Complete Section 5)
- New License (Complete Sections 2, 3, 4, 13, 14, 15, 16)
- Person Transfer (Complete Section 2, 3, 4, 12, 13, 14, 16)
- Location Transfer (Bars and Liquor Stores Only)
(Complete Section 2, 3, 4, 11, 13, 14, 16)
- Probate/ Will Assignment/ Divorce Decree
(Complete Sections 2, 3, 4, 9, 13, 14, 16)
(Fee not required)
- Government (Complete Sections 2, 3, 4, 10, 13, 16)
- Seasonal

SECTION 2 Type of Ownership:

- J.T.W.R.O.S. (Complete Section 6)
- Individual (Complete Section 6)
- Partnership (Complete Section 6)
- Corporation (Complete Section 7)
- Limited Liability Co (Complete Section 7)
- Club (Complete Section 8)
- Government (Complete Section 10)
- Trust (Complete Section 6)
- Tribe (Complete Section 6)
- Other (Explain)

SECTION 3 Type of license

1. Type of License: FAMILY LIMITED PARTNERSHIP

LICENSE # 20 20130000

ALTERNATING PROPRIETORSHIP (20)

APPLICATION FEE AND INTERIM PERMIT FEES (IF APPLICABLE) ARE NOT REFUNDABLE
A service fee of \$25 will be charged for all dishonored checks (A.R.S. § 44-6852)

SECTION 4 Applicants

1. Individual Owner/Agent's Name: WOOD VALERIE LYNN
Last First Middle

2. Owner Name: HEART WOOD CELLARS, LLC
(Ownership name for type of ownership checked on section 2)

3. Business Name: HEART WOOD CELLARS, LLC
(Exactly as it appears on the exterior of premises)

4. Business Location Address: 4626 Old Highway 279, Camp Verde AZ 86322 Yavapai
(Do not use PO Box) Street City State Zip Code County

5. Mailing Address: 7580 E. Ranch View Road, Cornville AZ 86325
(All correspondence will be mailed to this address) Street City State Zip Code

6. Business Phone: 928-274-8126 Daytime Contact Phone: 928-274-8126

7. Email Address: heartwoodcellars@gmail.com

8. Is the Business located within the incorporated limits of the above city or town? Yes No

9. Does the Business location address have a street address for a City or Town but is actually in the boundaries of another City, Town or Tribal Reservation? Yes No

If Yes, what City, Town or Tribal Reservation is this Business located in: _____

10. Total Price paid for Series 6 Bar, Series 7 Beer & Wine Bar or Series 9 Liquor Store (license only) \$ NA

Fees: <u>100</u>	Application	<u>500</u>	Interim Permit	<u>500</u>	Department Use Only	<u>150</u>	Finger Prints	<u>150</u>	Total of All Fees
Is Arizona Statement of Citizenship & Alien Status for State Benefits completed? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No									
Accepted by: <u>[Signature]</u>	Date: <u>07/07/16</u>		License # <u>20130000</u>						

SECTION 5 Interim Permit

- If you intend to operate business when your application is pending you will need an interim permit pursuant to ARS § 4-203.01
- There **MUST** be a valid license of the same type you are applying for currently issued to the location or for the replacement of a Hotel/Motel license with a Restaurant license pursuant to A.R.S. § 4-203.01.

1. Enter license number currently at the location: _____
 2. Is the license currently in use? Yes No If no, how long has it been out of use? _____

Attach a copy of the license currently issued at this location to this application.

I, **VALERIE LYNN WOOD** declare that I am the CURRENT OWNER, AGENT, OR CONTROLLING PERSON on the stated license and location.
 (Print Full Name)

X _____
 (Signature)

State _____ County of _____

The foregoing instrument was acknowledged before me this

_____ day of _____
 Day Month Year

My Commission Expires on: _____
 Date

 (Signature of Notary Public)

SECTION 6 Individual, Partnership, J.T.W.R.O.S, Trust, Tribe Ownerships

EACH PERSON LISTED MUST SUBMIT A COMPLETED QUESTIONNAIRE, AN "APPLICANT" TYPE FINGERPRINT CARD AND \$22 PROCESSING FEE FOR EACH CARD.

Individual

Last	First	Middle	%Owned	Mailing Address	City	State	Zip Code

Is any person other than above, going to share in profit/losses of the business? Yes No
 If Yes, give name, current address, and telephone number of person(s). Use additional sheets if necessary.

Last	First	Middle	Mailing Address	City	State	Zip Code	Phone #

Partnership

Name of Partnership: _____

General-Limited	Last	First	Middle	%Owned	Mailing Address	City	State	Zip Code
<input type="checkbox"/> <input type="checkbox"/>								
<input type="checkbox"/> <input type="checkbox"/>								
<input type="checkbox"/> <input type="checkbox"/>								
<input type="checkbox"/> <input type="checkbox"/>								

J.T.W.R.O.S (Joint Tenant with Rights of Survivorship)

Name of J.T.W.R.O.S: _____

Last	First	Middle	Mailing Address	City	State	Zip Code

SECTION 6 - continued

TRUST

Name of Trust: _____

Last	First	Middle	Mailing Address	City	State	Zip Code

TRIBE

Name of Tribal Ownership: _____

Last	First	Middle	Mailing Address	City	State	Zip Code

SECTION 7 Corporations/ Limited Liability Co

EACH PERSON LISTED MUST SUBMIT A COMPLETED QUESTIONNAIRE AN "APPLICANT" TYPE FINGERPRINT CARD AND \$22 PROCESSING FEE FOR EACH CARD.

Corporation Complete Questions 1, 2, 3, 4, 5, 6, and 7

LLC Complete Questions 1, 2, 3, 4, 5, 6, and 7

1. Name of Corporation/ LLC: HEART WOOD CELLARS, LLC

2. Date Incorporated/Organized: 7/7/2015 State where Incorporated/Organized: ARIZONA

3. AZ Corporation or AZ LLC File No: L2018699 Date authorized to do Business in AZ: 8/5/15

4. Is Corp/LLC. Non Profit? Yes No

5. List Directors, Officers, Members in Corporation/LLC:

Last	First	Middle	Title	Mailing Address	City	State	Zip Code
Wood	Daniel	Bryan	Member	7580 E. Ranch View Road, Cornville, AZ			86325
Wood	Valerie	Lynn	Member	7580 E. Ranch View Road, Cornville, AZ			86325

(Attach additional sheet if necessary)

6. List all Stockholders / percentage owners who own 10% or more:

Last	First	Middle	%Owned	Mailing Address	City	State	Zip Code
Wood	Daniel	Bryan	50%	7580 E. Ranch View Road, Cornville, AZ			86325
Wood	Valerie	Lynn	50%	7580 E. Ranch View Road, Cornville, AZ			86325

(Attach additional sheet if necessary)

7. If the corporation/LLC are owned by another entity, attach an Organizational **FLOWCHART** showing the structure of the ownership. Attach additional sheets as needed in order to disclose the Officers, Directors, Members, Managers, Partners, Stockholders and percentage owners of those entities.

SECTION 12 Person to Person Transfer

Questions to be completed by Current Licensee (Bar and Liquor Stores Only- Series, 06, 07, and 09)

- 1. Individual Owner / Agent Name: _____ Entity: _____
Last First Middle (Individual, Agent, Etc)
 - 2. Ownership Name: _____
(Exactly as it appears on license)
 - 3. Business Name: _____
(Exactly as it appears on license)
 - 4. Business Location Address: _____
Street City State Zip
 - 5. License Type: _____ License Number: _____
 - 6. Current Mailing Address: _____
Street City State Zip
 - 7. Have all creditors, lien holders, interest holders, etc. been notified? Yes No
 - 8. Does the applicant intend to operate the business while this application is pending? Yes No
- If yes, complete Section 5 (Interim Permit) of this application; attach fee, and current license to this application.

9. I, (Print Full Name) ~~VALERIE LYNN WOOD~~ hereby authorize the department to process this Application to transfer the privilege of the license to the applicant provided that all terms and conditions of sale are met. Based on the fulfillment of these conditions, I certify that the applicant now owns or will own the property rights of the license by the date of issue.

I, (Print Full Name) _____, declare that I am the **CURRENT OWNER, MEMBER, PARTNER STOCKHOLDER or LICENSEE** of the stated license. I have read the above Section 12 and confirm that all statements are true, correct, and complete.

X _____
 (Signature of CURRENT individual Owner/Agent)

NOTARY

State of _____ County of _____
State County

The foregoing instrument was acknowledged before me this _____ day of _____, _____
Day Month Year

My commission expires on _____
Day/ Month/Year _____
Signature of NOTARY PUBLIC

SECTION 13 Proximity to Church or School

Questions to be completed by all in-state applicants **EXCLUDING** those applying for a **Series 5 Government, Series 11 Hotel/Motel, and Series 12 Restaurant licenses.**

A.R.S. § 4-207 (A) and (B) state that no retailer's license shall be issued for any premises which are at the time the license application is received by the director, within three hundred (300) horizontal feet of a church, within three hundred (300) horizontal feet of a public or private school building with kindergarten programs or grades one (1) through (12) or within three hundred (300) horizontal feet of a fenced recreational area adjacent to such school building. The above paragraph DOES NOT apply to:

- a) Restaurant license (§ 4-205.02)
- b) Hotel/motel license (§ 4-205.01)

- c) Government license (§ 4-205.03)
- d) Fenced playing area of a golf course (§ 4-207 (B)(5))

1. Distance to nearest School: 2 miles
(if less than one (1) mile note footage)

Name of School: Yavapai Apache Montessori

Address: 3580 Smith Ave, Camp Verde, AZ 86322

2. Distance to nearest Church: 1.4 miles
(if less than one (1) mile note footage)

Name of Church: Middle Verde Rock Church

Address: 2221 Reservation Loop Rd., Camp Verde, AZ 86322

SECTION 14 Business Financials

1. I am the: Lessee Sub-lessee Owner Purchaser Management Company

2. If the premise is leased give lessors:

Name: Caduceus Cellars, LLC

Address: P.O. Box 905, Jerome, AZ 86331
Street City State Zip

3. Monthly Rent/ Lease Rate: \$ 500.00

4. What is the remaining length of the lease? 4 yrs 0 months

5. What is the penalty if the lease is not fulfilled? \$ none or other: _____
(Give details-attach additional sheet if necessary)

6. Total money borrowed for the Business not including lease? \$ none

Please List Lenders/People you owe money to for business.

Last	First	Middle	Amount Owed	Mailing Address	City	State	Zip

(Attach additional sheet if necessary)

7. What type of business will this license be used for (be specific)?

Growing grapes, processing grapes to make wine, ageing and bottling wine to be sold for consumption on and off premises.

8. Has a license or a transfer license for the premises on this application been denied by the state with in the past (1) year? Yes No If yes, attach explanation.

9. Does any spirituous liquor manufacture, wholesaler, or employee have an interest in your business? Yes No

10. Is the premises currently license with a liquor license? Yes No

If yes, give license number and licensee's name:

License #: 13133031 Individual Owner /Agent Name: Maynard James Keenan

(Exactly as it appears on license)

SECTION 15 Restaurant or hotel/motel license applicants

1. Is there an existing Restaurant or Hotel/Motel Liquor License at the proposed location? Yes No
2. If the answer to Question 1 is YES, you may qualify for an Interim Permit to operate while your application is pending; consult A.R.S. § 4-203.01; and complete SECTION 5 of this application.
3. All Restaurant and Hotel/Motel applicants must complete a Restaurant Operation Plan form provided by the Department of Liquor Licenses and Control.
4. As stated in A.R.S. § 4-205.02. (H)(2), a Restaurant is an establishment which derives at least forty (40) percent of its gross revenue from the sale of food. Gross revenue is the revenue derived from sales of food and spirituous liquor on the licensed premises. By applying for this Restaurant Hotel/Motel, I certify that I understand that I must maintain a minimum of forty (40) percent food sales based on these definitions and have included the Restaurant Hotel/Motel Records Required for Audit form with this application.

(Applicant's Signature)

5. I understand it is my responsibility to contact the Department of Liquor Licenses and Control to schedule an inspection when all tables and chairs are on site, kitchen equipment, and, if applicable, patio barriers are in place on the licensed premises. With the exception of the patio barriers, these items are not required to be properly installed for this inspection. Failure to schedule an inspection will delay issuance of the license. If you are not ready for your inspection 90 days after filing your application, please request an extension in writing; specify why the extension is necessary; and the new inspection date you are requesting.

(Applicant's Initials)

SECTION 16 Diagram of Premises

Check ALL boxes that apply to your business:

- | | | |
|---|--|---|
| <input checked="" type="checkbox"/> Entrances/Exits | <input checked="" type="checkbox"/> Liquor storage areas | Patio: <input type="checkbox"/> Contiguous |
| <input type="checkbox"/> Walk-up windows | <input type="checkbox"/> Drive-through windows | <input type="checkbox"/> Non Contiguous |

1. Is your licensed premises currently closed due to construction, renovation or redesign? Yes No
If yes, what is your estimated completion date? _____

Month/Day/Year

2. **Restaurants and Hotel/Motel** applicants are required to draw a detailed floor plan of the kitchen and dining areas including the locations of all kitchen equipment and dining furniture. Place for diagram is on section 16 number 6.
3. The diagram (a detailed floor plan) you provide is required to disclose only the area(s) where spirituous liquor is to be sold, served, consumed, dispensed, possessed or stored on the premises unless it is a restaurant (see # 3 above).
4. Provide the square footage or outside dimensions of the licensed premises. Please do not include non-licensed premises such as parking lots, living quarters, etc.

As stated in A.R.S. § 4-207.01 (B), I understand it is my responsibility to notify the Department of Liquor Licenses and Control when there are changes to the boundaries, entrances, exits, added or deleted doors, windows, service windows or increase or decrease to the square footage after submitting this initial diagram.

 rw
(Applicant's Initials)

SECTION 16 Diagram of Premises – continued

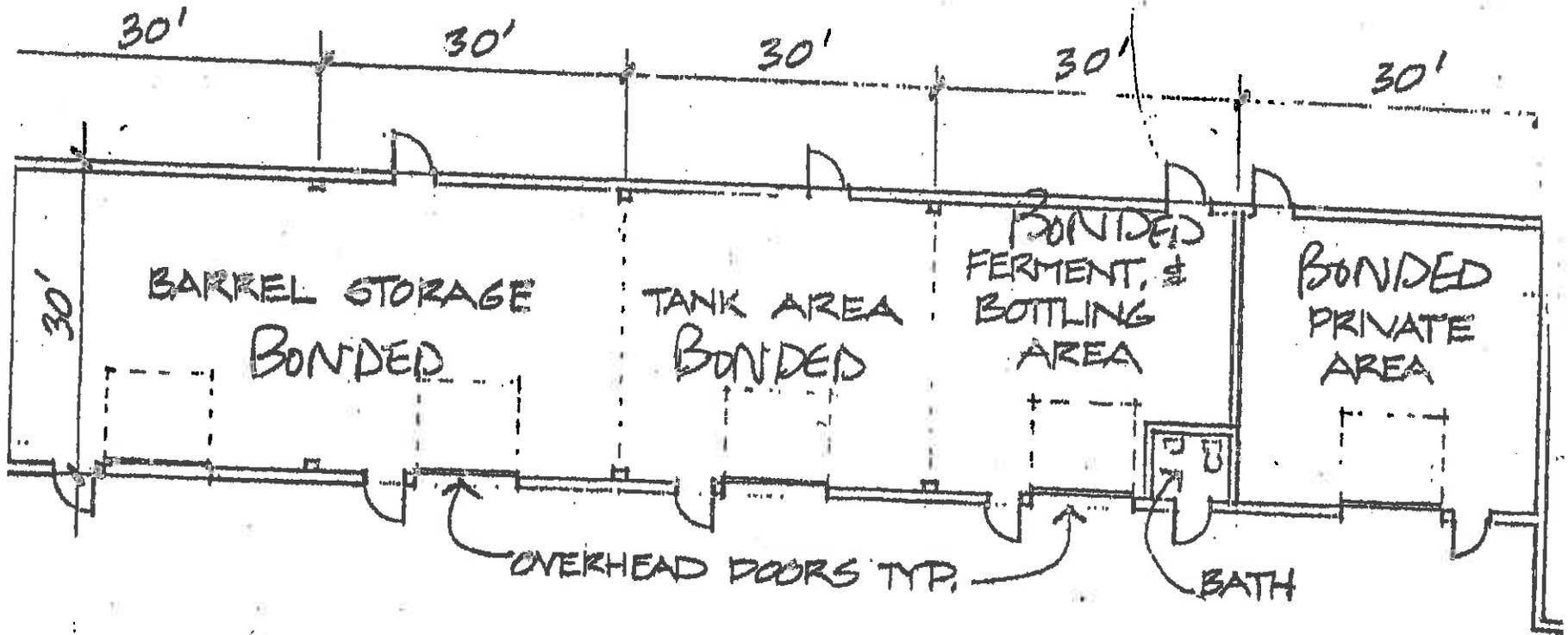
6. On the diagram please show only the areas where spirituous liquor is to be sold, served, consumed, dispensed, possessed or stored. It must show all entrances, exits, interior walls, bars, hi-top tables, dining tables, dining chairs, dance floor, stage, game room, and the kitchen. DO NOT include parking lots, living quarters, etc. When completing diagram, North is up ↑.

If a legible copy of a rendering or drawing of your diagram of the premises is attached to this application, please write the words "DIAGRAM ATTACHED" in the box provided for the diagram on the application.

DIAGRAM OF PREMISES

DIAGRAM ATTACHED

D 5000.29 P. 2



WINERY BUILDING PLAN
SCALE: 1" = 20'-0"

c.H

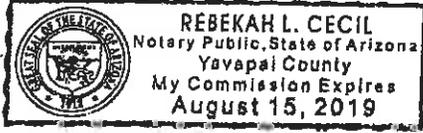
30'

DATE: 11/1/82

SECTION 17 SIGNATURE BLOCK

I, (Print Full Name) VALERIE LYNN WOOD, hereby declare that I am the Owner/Agent filing this application as stated in Section 4 # 1. I have read this application and verify all statements to be true, correct and complete.

X (Signature) Valerie L. Wood



State of Arizona County of Yavapai
The foregoing instrument was acknowledged before me this

18th of November, 2015

My commission expires on: 08/15/2019

Day Month Year
Rebekah L. Cecil
Signature of NOTARY PUBLIC

A.R.S. § 41-1030. Invalidity of rules not made according to this chapter, prohibited agency action; prohibited acts by state employees; enforcement; notice

B. An agency shall not base a licensing decision in whole or in part on a licensing requirement or condition that is not specifically authorized by statute, rule or state tribal gaming compact. A general grant of authority in statute does not constitute a basis for imposing a licensing requirement or condition unless a rule is made pursuant to that general grant of authority that specifically authorizes the requirement or condition.

D. THIS SECTION MAY BE ENFORCED IN A PRIVATE CIVIL ACTION AND RELIEF MAY BE AWARDED AGAINST THE STATE. THE COURT MAY AWARD REASONABLE ATTORNEY FEES, DAMAGES AND ALL FEES ASSOCIATED WITH THE LICENSE APPLICATION TO A PARTY THAT PREVAILS IN AN ACTION AGAINST THE STATE FOR A VIOLATION OF THIS SECTION.

E. A STATE EMPLOYEE MAY NOT INTENTIONALLY OR KNOWINGLY VIOLATE THIS SECTION. A VIOLATION OF THIS SECTION IS CAUSE FOR DISCIPLINARY ACTION OR DISMISSAL PURSUANT TO THE AGENCY'S ADOPTED PERSONNEL POLICY.

F. THIS SECTION DOES NOT ABROGATE THE IMMUNITY PROVIDED BY SECTION 12-820.01 OR 12-820.02.

JUL 07 2015

JUL 31 2015

LE NO. L-20181699

FILE NO. L-20181699

DO NOT WRITE ABOVE THIS LINE. RESERVED FOR ACC USE ONLY.

ARTICLES OF ORGANIZATION

Read the Instructions L0101

1. ENTITY TYPE - check only one to indicate the type of entity being formed:

LIMITED LIABILITY COMPANY
(entity name must contain the words "Limited Liability Company" or "LLC")

PROFESSIONAL LIMITED LIABILITY COMPANY
(entity name must contain the words "Professional Limited Liability Company" or "PLLC")

2. ENTITY NAME - see Instructions L0101 for full naming requirements - give the exact name of the LLC:

Heart Wood Cellars, LLC

3. PROFESSIONAL LIMITED LIABILITY COMPANY SERVICES - if and only if professional LLC is checked in number 1 above, describe the professional services that the professional LLC will provide (examples: law firm, accounting, medical):

4. STATUTORY AGENT for service of process - see Instructions L0101

4.1 REQUIRED - give the name (can be an Arizona resident or an Arizona-registered entity) and physical or street address (not a P.O. Box) in Arizona of the statutory agent:

4.2 OPTIONAL - mailing address in Arizona of Statutory Agent (can be a P.O. Box):

Valerie L. Wood
Statutory Agent Name

Attention (optional)
7580 E. Ranch View Road
Address 1

Address 2 (optional)
City Cornville State AZ Zip 86325

Attention (optional)
Address 1
Address 2 (optional)
City State Zip

4.3 REQUIRED - the Statutory Agent Acceptance form M002 must be submitted along with these Articles of Organization.

5. ARIZONA KNOWN PLACE OF BUSINESS ADDRESS:

5.1 Is the Arizona known place of business address the same as the street address of the statutory agent? Yes - go to number 6 and continue

No - go to number 5.2 and continue

5.2 If you answered "No" to number 5.1, give the physical or street address (not a P.O. Box) of the known place of business of the LLC in Arizona:

Attention (optional)		
Address 1		
Address 2 (optional)		
City	<u>AZ</u>	Zip
Country	<u>U.S.A.</u>	

6. **DURATION** - if the duration or life period of the LLC is perpetual (forever), then skip this section and continue to number 7 or number 8. Otherwise, check only one box below and fill in the corresponding blank:

- The LLC's life period will end on this date: _____ (enter a date)
- The LLC's life period will end upon the occurrence of this event: (describe an event)

COMPLETE NUMBER 7 OR NUMBER 8 - NOT BOTH.

7. **MANAGER-MANAGED LLC** - see Instructions L0101 - check this box if management of the LLC will be vested in a manager or managers (meaning one or more managers will run the company) and complete and attach ONLY the Manager Structure Attachment form L040. (Both members and managers will be listed on the Manager Structure Attachment.) The filing will be rejected if it is submitted without the attachment.

8. **MEMBER-MANAGED LLC** - see Instructions L0101 - check this box if management of the LLC will be reserved to the members (meaning all members will run the company together if there is no operating agreement stating otherwise), and complete and attach ONLY the Member Structure Attachment form L041. (All members will be listed on the Member Structure Attachment.) The filing will be rejected if it is submitted without the attachment.

9. **ORGANIZERS and SIGNATURE** - the individual or pre-existing entity submitting this document is the Organizer - list the name of the Organizer below. If the Organizer is an individual, that individual must sign below. If the Organizer is a pre-existing entity, provide the signature of the individual acting for that entity, then print the individual's name.

The person signing below declares and certifies under penalty of perjury that the information contained within this document together with any attachments is true and correct, and is submitted in compliance with Arizona law.

Organizer: Valerie L. Wood

Valerie L. Wood

Signature

7/3/15
Date

Printed Name (if different from Organizer) _____

Filing Fee: \$50.00 (regular processing) Expedited processing - add \$35.00 to filing fee. All fees are nonrefundable - see Instructions.	Mail: Arizona Corporation Commission Corporate Filings Section 1300 W. Washington St., Phoenix, Arizona 85007 Fax: 602-542-4100
---	--

Please be advised that A.C.C. forms reflect only the minimum provisions required by statute. You should seek private legal counsel for those matters that may pertain to the individual needs of your business. All documents filed with the Arizona Corporation Commission are public records and are open for public inspection. If you have questions after reading the instructions, please call 602-542-3026 or (within Arizona only) 800-345-5819.

DO NOT WRITE ABOVE THIS LINE; RESERVED FOR ACC USE ONLY.

MEMBER STRUCTURE ATTACHMENT

1. **ENTITY NAME** -- give the exact name of the LLC (foreign LLCs -- give name in domicile state or country):

Heart Wood Cellars, LLC

2. **A.C.C. FILE NUMBER** (if known):

Find the A.C.C. file number on the upper corner of filed documents OR on our website at: <http://www.azcc.gov/Divisions/Corporations>

3. **MEMBERS** -- give the name and address of all Members. If more space is needed, use another Member Structure Attachment form.

1. VALERIE L. WOOD			2. DANIEL B. WOOD		
Name			Name		
7580 E. Ranch View Road			7580 E. Ranch View Road		
Address 1			Address 1		
Address 2 (optional)			Address 2 (optional)		
Cornville	AZ	86325	Cornville	AZ	86325
City	State or Province	Zip	City	State or Province	Zip
Country	UNITED STATES		Country	UNITED STATES	
3.			4.		
Name			Name		
Address 1			Address 1		
Address 2 (optional)			Address 2 (optional)		
City	State or Province	Zip	City	State or Province	Zip
Country			Country		
5.			6.		
Name			Name		
Address 1			Address 1		
Address 2 (optional)			Address 2 (optional)		
City	State or Province	Zip	City	State or Province	Zip
Country			Country		
7.			8.		
Name			Name		
Address 1			Address 1		
Address 2 (optional)			Address 2 (optional)		
City	State or Province	Zip	City	State or Province	Zip
Country			Country		

Operating Agreement

HEART WOOD CELLARS, LLC an Arizona Limited Liability Company

This Operating Agreement (the "Agreement") is entered into on or as of July 7, 2015 by and among the Members listed on Exhibit A attached to this Agreement.

Recitals

- A. On July 7, 2015, Articles of Organization for HEART WOOD CELLARS, LLC (the "Company"), a limited liability company under the laws of the State of Arizona, were filed with the Arizona Secretary of State.
- B. The Members hereby adopt and approve this operating agreement for the Company on the following terms and conditions:

Agreement

Article I

Organizational Matters

- 1.1. **Name.** The Company shall conduct business under the name "HEART WOOD CELLARS, LLC." The Company may also conduct business under a fictitious name filed with State of Arizona – Office of the Secretary of State.
- 1.2. **Term.** The company's beginning date is the date that the Articles of Organization were filed. It is intended the Company will thrive in perpetuity. Article 9 provides for Dissolution methods.
- 1.3. **Office and Agent.** The Company shall continuously maintain an office and a registered agent within the State of Arizona. The principal office of the company shall be at 7580 E. Ranch View Road, Cornville, Arizona 86325 or such location as the Members may determine.
- 1.4. **Business of the company.** The Company shall engage in the following business, and any activities necessary or appropriate to carry out that business, unless all the Members approve a change in the Company's business: grape growing, wine making, consulting and sales of wine and related merchandise.

Article 2

Capital Contributions

- 2.1. **Capital Contributions.** Each Member shall contribute capital to the Company. No Member shall be required or permitted to make any additional contributions to the Company without the unanimous consent of the other Members.
- 2.2. **Capital Accounts.** The Company shall keep books and records which clearly show each Member's capital contributions and withdrawals ("Capital Account").

2.3 No Interest. The Company shall not pay any interest on capital contributions.

Article 3 Members

3.1 Members: Daniel B. Wood and Valerie L. Wood are Members and are also known as Founding Members.

3.1 Admission of Additional Members. Upon unanimous approval of the existing Members, additional members may be admitted into the Company on terms determined by the Members.

3.2 Withdrawals or Resignations. No Member may withdraw without the unanimous approval of the Members. However, if a Member's interest is based on providing services to the Company, that Member shall be allowed to withdraw or resign as a Member at any time upon six (6) months prior written notice to the Company. In the event of such withdrawal, such Member's Membership Interest is deemed to be the exact value of the Capital Contribution at the time it was made by the withdrawing Member. At the withdrawing Member's request, the initial Capital Contribution only, by that Member, will be returned in full six (6) months after withdrawal or one year after written notice was received, whichever is later.

3.3 Payments to Members. There will be no minimum or guaranteed payments to Members.

Article 4 Management and Control of the Company

4.1 Management and Powers. The intent of each Member is to actively engage in the Company management. Accordingly, each Member shall have full, complete and exclusive authority, power and discretion to manage and control the business, property and affairs of the Company, to make all decisions regarding those matters and to perform any and all other acts or activities customary or incident to the management of the Company's business property and affairs.

4.2 Limitations on Power of Members. Notwithstanding any other provisions of this Agreement, no debt or liability of more than \$5,000 may be contracted on behalf of the Company without the approval of both Members. The signature of all Members is required to sign contracts and obligations on behalf of the Company. Additionally, the unanimous approval of the Members must be obtained prior to:

- A. The merger of the Company with another business entity.
- B. The establishment of different Member classes.
- C. A change in the authorized businesses of the Company (Section 1.4),

- D. Any act which would make it impossible to carry on the ordinary business of the Company
- E. The confession of judgment against the Company
- F. Any other transaction described in this Agreement which requires the approval, consent or vote of all of the Members.
- G. The sale, exchange or other disposition of substantially all of the Company's assets occurring as part of single or multiple transactions or plan.

4.3 Member Approval. The "vote" or "approval" of the Members shall mean approval by a majority percentage of Membership Interest. Members shall vote or approve by their percentage interest as shown on Exhibit A of this Agreement. No annual or regular meetings of the Members are required.

4.4 Devotion of Time. The general nature of this business is seasonal. All Members are expected to devote the time and efforts required to meet or exceed Company goals and targets per the Company's business plan. During pruning, harvest, crush and festivals, the Company has signed up to participate in-full time best efforts required of all Members.

4.4 Noncompetition. Each Member agrees that (s)he will not be employed, concerned or financially interested, either directly or indirectly in any other business entity that is engaged in the same or similar business as that conducted by the Company. There are three exceptions: 1) the Yavapai College Southwest Wine Center, 2) seasonally assisting friends & colleagues when such assistance does not take away from the needs of the Company, 3) consulting work that does not take away from the needs of the Company.

4.5 Protection of Trade Secrets and Intellectual Property. Each Member acknowledges that the customer lists, trade secrets, processes, methods and technical information of the Company and any other matters designated by the majority of the Members are the Company's assets. Each Member agrees not to disclose any of these assets to anyone outside the Company, except with written consent by the Company, even if the Member withdraws from the Company.

4.6 Transactions between the Company and the Members. Any Member may enter into a contract or transaction with the Company with the approval of the majority of other Members. If there is a potential conflict of interest, this approval must be in writing.

Article 5

Allocations of Net Profits and Net Losses and Distribution

5.1 Allocations of Net Loss and Annual Distributions.

- A. **Net Loss.** Net loss for income tax purposes shall be allocated to Members in proportion to their Membership Interest.
- B. **Annual Distribution of Available Cash.** At the end of each calendar year the net profit of the Company, if any, must be distributed to the Members, pro rata according to their percentage interest per IRS requirements for an LLC.

Article 6
Transfer and Assignment of Interests

6.1 Transfer and Assignment of Interests. Members who wish to transfer, assign, convey or sell their Membership Interest must obtain unanimous written approval from the other Members. Each of the Founding Members retains a First Right of Refusal to obtain any and all Membership Interests for the total sum of the initial Capital Contribution made by the transferee and nothing more. If both Members execute their respective First Right of Refusal, the Membership Interest of the Transferee shall be split equally amongst both founding Members.

6.2 Substitution of Members.

The admission of a new Member shall not release the Member who assigned the Membership Interest from any liability that Member may have to the Company.

Article 7
Consequences of Death, Dissolution, Retirement or Bankruptcy of Member

7.1 Dissolution Event. Upon the occurrence of the death, the Company and/or the Remaining Members may purchase the deceased Member's Membership Interest as provided in this Article.

7.2 Purchase Price. The purchase price for the deceased Member's interest shall be the total sum of the initial Capital Contribution made by the Former Member. In the case of the two Founding Members, if both were still active Members at the time of the passing of one of these two Founding Members the other surviving Founding Member will immediately assume the Membership Interest of the deceased Member for zero cost resulting in zero tax consequence as a Right of Survivorship.

7.3 Notice of Intent to Purchase. Within fifteen (15) days after a Dissolution Event, each remaining Member shall notify the Members in writing of whether (s) he chooses to purchase a portion of the deceased Member's Interest, with the exception of the Right of Survivorship for the Founding Members. Each purchasing Member shall be entitled to purchase a portion of the deceased Member's Interest in the same proportion as their Membership Interest compared with the percentage interest of all Purchasing Members. If the Remaining Members fail to purchase the entire interest of the deceased Member, the company may purchase any remaining share of the deceased Member's Interest and a zero cost and tax consequence.

7.4 Payment of Purchase Price. The closing shall occur no later than 30 days following the determination of the purchase price. The Purchasing Members may pay all of the purchase in cash, or one fifth (1/5) at closing, with the remainder due in a negotiable promissory note, payable in four equal annual principal installments plus prevailing interest on the 14th of January of each year.

7.5 Closing of Purchase of Former Member's Interest. At the closing for the sale of a Former Member's Interest, the Former Member shall provide a document conveying their interest and representing that the interest is free of encumbrances.

Article 8

Accounting, Records, Reporting by Members.

8.1 Books and Records. The Company's books and records shall be kept using standard accounting methods for federal income tax purposes. The Company shall maintain at its principal office:

- A. A current Members list showing their full name and last known business or residence, their capital contributions, Capital Account balance and Membership Interest;
- B. A copy of the Articles of Organization and any and all amendments
- C. Copies of the Company's federal, state, and local income tax or information returns for the six (6) most recent taxable years;
- D. A copy of this Operating Agreement and any and all amendments;
- E. The Company's books and records as they relate to the internal affairs of the company for at least the current and past four (4) fiscal years.

8.2 Reports. By March 30th of each year, the Company shall prepare information necessary for the Members to prepare their annual federal and state income tax returns.

8.3 Bank Accounts. The Members shall maintain Company funds in one or more separate bank accounts in the name of the Company and shall not commingle the funds with any other person or entity. Any Member, acting alone, may endorse and deposit into the Company's accounts any checks made payable to the Company. The Members shall authorize one or more of the Members to sign checks and drafts in the Company's name.

8.4 Tax Matters for the Company. Daniel B. Wood is designated as "Chief Financial Officer" to represent the Company (at the Company's expense) in connection with all tax authorities. The Tax Matters Partner may spend Company funds for associated professional services and costs.

Article 9

Dissolution and Winding Up

9.1 Conditions of Dissolution: The company shall dissolve:

- A. Automatically twenty-five (25) years after filing of the Articles or Organization, unless the Members unanimously vote to continue the company.
- C. If the Members unanimously vote to dissolve the Company;
- E. Upon the sale of substantially all of the assets of the Company.

9.2 Winding Up. Upon the dissolution, the Company's assets shall be disposed of and its affairs wound up. After determining that all the known debts and liabilities of the Company have been paid, the remaining assets shall be distributed to the Members according to their

Capital Account balances, after taking into account income and loss allocations for the Company's final taxable year.

- 9.3 Limitations on Payments Made In Dissolution.** Except as otherwise specifically provided in this Agreement, each Member shall only be entitled to look solely at the assets of the Company for the return of his or her positive Capital Account balance and shall have no recourse against any other Member except as provided in Article 10.

Article 10 Indemnification

- 10.1 Indemnification of Agents.** The Company shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding by reason that (s)he was a Member, officer, employee or other agent of the Company to the fullest extent permitted by applicable law. The standard of the fiduciary duty each member is to act in the highest good faith to the Members and the Company. A Member may not seek to obtain an advantage in the Company affairs by misconduct, misrepresentation, concealment, threat or adverse pressure.

Article 11 Deleted

Article 12 Miscellaneous

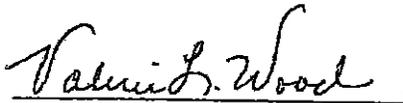
- 12.1 Complete Agreement.** This Agreement and the Articles of Organization constitute the complete and exclusive statement of agreement among the Members and replace and supersede all prior written and oral agreements among the Members. To the extent that any provision of the Articles of Organization conflict with any provision of this agreement, the Articles of Organization shall control.
- 12.2 Binding Effect.** Subject to the provisions of this Agreement relating to transferability, this Agreement will be binding upon and inure to the benefit of the Members and their respect successors and assigns.
- 12.3 Jurisdiction.** Each Member hereby consents to the exclusive jurisdiction of the state and federal courts sitting in Arizona in any action on a claim arising out of, under or in connection with this Agreement.
- 12.4 Severability.** If any provision of this Agreement shall be held invalid, the remainder of this Agreement shall not be affected.
- 12.5 Notices.** Any notice to be given or to be served upon the Company or any party hereto in connection with this Agreement must be in writing at the addresses shown on Exhibit A. Any party may designate any other address in substitution of the foregoing address by giving 5 days written notice to all Members.

- 12.6 Multiple Counterparts.** This agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which shall constitute one or the same instrument.
- 12.7 Amendments.** All amendments to this Agreement will be in writing and signed by all the Members.
- 12.8 Multiple Counterparts.** This agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which shall constitute one or the same instrument.
- 12.9 Attorney Fees.** In the event that any dispute between the Company, the Members or among the Members should result in litigation or arbitration, the prevailing party in such a dispute shall be entitled to recover from the other party all reasonable fees, cost and expenses of enforcing any right of the prevailing party, including without limitation, reasonable attorneys' fees and expenses.
- 12.10 Remedies Cumulative.** The remedies under this Agreement are cumulative and shall not exclude any other remedies to which any person may be lawfully entitled.

All of the Members of **HEART WOOD CELLARS, LLC**, an Arizona Limited Liability Company, have executed this agreement, effective as of the date written above.

MEMBERS:

Valerie L. Wood
Co-founder and Winemaker



Daniel B. Wood
Co-founder and Winegrower



Exhibit A

List of Members

<u>Name</u>	<u>Address</u>	<u>% Interest</u>
Valerie L. Wood	7580 E. Ranch View Road, Cornville, AZ 86325	50%
Daniel B. Wood	7580 E. Ranch View Road, Cornville, AZ 86325	50%

END

STATE OF ARIZONA



Office of the CORPORATION COMMISSION

The Executive Director of the Arizona Corporation Commission does hereby certify that the attached copy of the following document:

ARTICLES OF ORGANIZATION

consisting of 3 pages, is a true and complete copy of the original of said document on file with this office for:

HEART WOOD CELLARS, LLC
ACC file number: L-2018169-9

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the Arizona Corporation Commission on this date: October 16, 2015.



Jodi A. Jerich

Jodi A. Jerich, Executive Director

By: *Tanya Salinas*

Tanya Salinas

DEPARTMENT OF THE TREASURY - ALCOHOL AND TOBACCO TAX AND TRADE BUREAU

BASIC PERMIT

(Under Federal Alcohol Administration Act)

1. PERMIT NUMBER
AZ-W-21027

2. DATE OF PERMIT

01/27/2016

3. REGISTRY NUMBER (if applicable)
BWN-AZ-21024

4. DATE OF APPLICATION 12/25/2015



5. NAME AND ADDRESS OF PERMITTEE (Number and street, city or town, State and Zip Code)
HEART WOOD CELLARS, LLC

dba HEART WOOD WINERY

4626 OLD HIGHWAY 279
CAMP VERDE, AZ 86322

6. TRADE NAMES AUTHORIZED BY THIS PERMIT (Trade name approval does not constitute approval as a brand name for labeling purposes. If needed, list on reverse or use continuation sheet.)

*Used for Contract Bottling or Packaging/Branding Purposes

7. PERMIT GRANTED FOR (ONE TYPE OF OPERATION ONLY)

Pursuant to the application of the date indicated in item 4, you are authorized and permitted to engage, at the above address, in the business of:

- a. Distilled Spirits - distiller rectifier (processor) warehouseman and/or warehouseman and bottler and while so engaged, to sell, offer or deliver for sale, contract to sell or ship, in interstate or foreign commerce, the distilled spirits so distilled or rectified, or warehoused and bottled, or the wines so rectified,
- b. Wine - producer and blender blender and while so engaged, to sell, offer or deliver for sale, contract to sell or ship, in interstate or foreign commerce, the wine so produced or blended,
- c. Importer - importing into the United States the following alcoholic beverages:
while so engaged, to sell, offer to deliver for sale, contract to sell or ship, in interstate or foreign commerce, the alcoholic beverages so imported,
- d. Wholesaler - Purchasing for resale at wholesale the following alcoholic beverages:
while so engaged, to receive or to sell, offer or deliver for sale, contract to sell or ship, in interstate or foreign commerce, the alcoholic beverages so purchased.

This Permit is conditioned upon your compliance with the Federal Alcohol Administration Act; the Twenty-first Amendment and laws relating to its enforcement; all other Federal laws relating to distilled spirits, wine, and malt beverages, including taxes with respect to them; the Federal Water Pollution Control Act; and, all applicable regulations made pursuant to law which are now, or may hereafter be, in force.

This basic permit is effective from the date shown above and will remain in force until suspended, revoked, annulled, voluntarily surrendered, or automatically terminated.

THIS PERMIT WILL AUTOMATICALLY TERMINATE THIRTY DAYS AFTER ANY CHANGE IN PROPRIETORSHIP OR CONTROL OF THE BUSINESS, unless an application for a new basic permit is made by the transferee or permittee within the thirty day period. If an application for a new basic permit is timely filed, the outstanding basic permit will continue in effect until the application is acted on by the District Director, Alcohol and Tobacco Tax and Trade Bureau.

THIS PERMIT IS NOT TRANSFERABLE. ANY CHANGE IN THE TRADE NAME, CORPORATE NAME, MANAGEMENT OR ADDRESS OF THE BUSINESS COVERED BY THIS PERMIT, OR ANY CHANGE IN STOCK OWNERSHIP (MORE THAN 10%) MUST BE REPORTED TO THE NATIONAL REVENUE CENTER OR PUERTO RICO OPERATIONS OFFICE WITHOUT DELAY.

THIS IS AN

ORIGINAL PERMIT

AMENDED PERMIT

REASON FOR AMENDMENT

DATE OF AMENDMENT

SIGNATURE AND TITLE OF AUTHORIZED TTB OFFICIAL

FOR JOHN J. MANFREDA, ADMINISTRATOR

Kim Brindis

AUTHORIZED TRADE NAMES

PERMIT NUMBER: **AZ-W-21027**

REGISTRY NUMBER: **BWN-AZ-21024**

*Used for Contract Bottling or Packaging/Branding Purposes



16 FEB 2 11:41 AM 2015 NOV 23 11:41 AM 2015

State of Arizona
 Department of Liquor Licenses and Control
 800 W. Washington 5th Floor
 Phoenix, AZ 85007
 (602) 542-5141

QUESTIONNAIRE

Attention local governments: Social security and birth date information is confidential. This information may be given to law enforcement agencies for the purpose of background checks only.

Attention applicant: This is a sworn document. Type or print in black ink. An extensive investigation of your background will be conducted. False or incomplete answers could result in criminal prosecution and the denial or the subsequent revocation of a license or permit.

QUESTIONNAIRE TO BE COMPLETED BY EACH CONTROLLING PERSON, AGENT AND MANAGER. EACH PERSON COMPLETING THIS FORM MUST SUBMIT AN "APPLICANT" TYPE FINGERPRINT CARD AVAILABLE AT THIS OFFICE FINGERPRINTS ON FBI APPROVED CARDS (BLUE LINED) ARE ACCEPTED FROM LAW ENFORCEMENT AGENCIES, BONA FIDE FINGERPRINT SERVICES OR THE DEPARTMENT OF LIQUOR. THE DEPARTMENT OF LIQUOR CHARGES A \$13 FEE. IN ADDITION TO OTHER FINGERPRINT FEES, A \$22.00 DPS BACKGROUND CHECK FEE WILL BE CHARGED FOR EACH FINGERPRINT CARD. **The fees allowed by A.R.S. § 4-6852 will be charged for all dishonored checks.**

1. Check the appropriate box

Liquor License#: _____ (if the location is currently licensed)

<input checked="" type="checkbox"/> Controlling Person (complete questions 1-19) (Controlling Person or Agent must complete #21 for Manager)	<input checked="" type="checkbox"/> Agent (complete all questions except #14, 14a & 21, Controlling Person or Agent must complete #21)	<input type="checkbox"/> Manager
--	---	----------------------------------

2. Name: WOOD VALERIE LYNN Birth Date: _____
Last First Middle (NOT a public record)

3. Social Security #: _____ Driver License #: _____ State: ARIZONA
(NOT a public record)

4. Place of birth: _____ MI USA Height: 5-03 Weight: 135 Eyes: BRN Hair: BR
City State COUNTRY (not county)

5. Marital status: single married divorced widowed

6. Name of current/most recent spouse: WOOD DANIEL BRYAN Birth Date: _____
(list all for past 5-years, use additional sheet if necessary) Last First Middle Maiden (NOT a public record)

7. You are a bona fide resident of what state? ARIZONA If Arizona, date of residency: 1/2010

If you have been an Arizona resident for less than three (3) months, submit a copy of your Arizona Drivers license or voters registration card.

8. Daytime telephone number to contact you during business hours for questions: 928-274-8126

9. E-mail address: heartwoodcellars@gmail.com

10. Business Name: HEART WOOD CELLARS, LLC Business Phone #: 928-274-8126

11. Business Location Address: 4626 Old Highway 279, Camp Verde AZ Yavapai 86322
Street (do not use P O box) City State County Zip

12. List your employment or type of business during the past five (5) years. If unemployed, retired, student list residence address.

FROM Month/Year	TO Month/Year	DESCRIBE POSITION OR BUSINESS	EMPLOYERS NAME OR NAME OF BUSINESS (Street Address, City, State & Zip)
01/2010	CURRENT	CEO/President	Valerie Wood & Associates, LLC, 7580 E. Ranch View Road, Cornville, AZ 86325
04/2013	Current	Viticulture/Enology Technician	Yavapai College, 601 Black Hills Dr., Clarkdale, AZ 86324
1/2012	5/2015	Viticulture Enology Student, Yavapai College	7580 E. Ranch View Road, Cornville, AZ 86325

13. Indicate your residence address for the last five (5) years:

FROM Month/Year	TO Month/Year	Rent or Own	RESIDENTIAL Street Address (IF RENTED ATTACH ADDITIONAL SHEET WITH, NAME ADDRESS, AND PHONE NUMBER OF LANDLORD)	City	State	Zip
2/2011	CURRENT	Own	7580 E. Ranch View Road	Cornville	AZ	86325
10/2008	2/2011	Own	10740 E. Valley View Drive	Cornville	AZ	86325

(ATTACH ADDITIONAL SHEET IF NECESSARY)

16 FEB 2 11:41 AM 2015

If you checked the Manager box on the front of this form skip to # 15.

14. As a Controlling Person or Agent will you be physically present and operating the licensed premises? If you answered YES, how many hrs/day? 5, and answer #14a below. If NO, skip to #15. Yes No

14a. Have you attended a DLLC-approved Liquor Law Training Course within the past 5 years? (Must provide proof) If the answer to # 14a is "NO" course must be completed before issuance of a new license. Yes No

15. Have you been cited, arrested, indicted or summoned into court for violation of ANY law or ordinance, regardless of the disposition, even if dismissed or expunged, within the past five (5) years? (For traffic violations, only include those that were alcohol and/or drug related.) Yes No

16. Are there ANY administrative law citations, compliance actions or consents, criminal arrest, indictments or summonses PENDING against you or ANY entity in which you are now involved? Include only criminal traffic tickets and complaints. Yes No

17. Have you or any entity in which you have held ownership, been an officer, member, director or manager EVER had a business, professional or liquor application or license rejected, denied, revoked, suspended or fined in this or any other state? Yes No

18. Has anyone EVER filed suit or obtained a judgment against you, the subject of which involved fraud or misrepresentation? Yes No

19. Are you NOW or have you EVER held ownership, been a controlling person, been an officer, member, director or manager on any other liquor license in this or any other state? Yes No

If you answered "YES" to any Question 15 through 19 YOU MUST attach a signed statement. Give complete details including dates, agencies involved and dispositions.

SUBSTANTIVE CHANGES TO THE APPLICATION WILL NOT BE ACCEPTED.

20. I, VALERIE LYNN WOOD, hereby declare that I am the APPLICANT/REPRESENTATIVE filing this questionnaire. (Print Full Name of Applicant)
I have read this questionnaire and all statements are true, correct and complete.

x Valerie L Wood
(Signature)



My Commission Expires on: 08/15/2019

State Arizona County of Yavapai

The foregoing instrument was acknowledged before me this 18th day of November, 2015
Day Month Year

Rebekah L. Cecil
(Signature of Notary Public)

COMPLETE THIS SECTION ONLY IF YOU ARE A CONTROLLING PERSON OR AGENT APPROVING A MANAGER'S APPLICATION

21. The applicant hereby authorizes the person named on this questionnaire to act as manager for the named liquor license. The manager named must be at least 21 years of age.

(Print Name)

X _____
(Signature of Controlling Person or Agent)

State _____ County of _____

The foregoing instrument was acknowledged before me this _____ day of _____, _____
Day Month Year

(Signature of Notary Public)

My Commission Expires on: _____
Date



State of Arizona
Department of Liquor Licenses and Control
800 W. Washington 5th Floor
Phoenix, AZ 85007
(602) 542-5141

**ARIZONA STATEMENT OF CITIZENSHIP
OR ALIEN STATUS FOR STATE PUBLIC BENEFITS**

Title IV of the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (the "Act"), 8 U.S.C. § 1621, provides that, with certain exceptions, only United States citizens, United States non-citizen nationals, non-exempt "qualified aliens" (and sometimes only particular categories of qualified aliens), nonimmigrant, and certain aliens paroled into the United States are eligible to receive state, or local public benefits. With certain exceptions, a professional license and commercial license issued by a State agency is a State public benefit.

Arizona Revised Statutes § 41-1080 requires, in general, that a person applying for a license must submit documentation to the license agency that satisfactorily demonstrates the applicant's presence in the United States is authorized under federal law.

Directions: All applicants must complete Sections I, II, and IV. Applicants who are not U.S. citizens or nationals must also complete Section III.

Submit this completed form and a copy of one or more document(s) from the attached "Evidence of U.S. Citizenship, U.S. National Status, or Alien Status" with your application for license or renewal. If the document you submit does not contain a photograph, you must also provide a government issued document that contains your photograph. You must submit supporting legal documentation (i.e. marriage certificate) if the name on your evidence is not the same as your current legal name.

SECTION I - APPLICANT INFORMATION

INDIVIDUAL OWNER/AGENT NAME (Print or type) VALERIE LYNN WOOD

SECTION II - CITIZENSHIP OR NATIONAL STATUS DECLARATION

Are you a citizen or national of the United States? Yes No

If Yes, indicate place of birth:

City Flint State (or equivalent) MI Country or Territory USA

If you answered Yes, 1) Attach a legible copy of a document from the attached list.

2) Name of document: AZ DL
Go to Section IV.

If you answered No, you must complete Section III and IV.

SECTION III – ALIEN STATUS DECLARATION

To be completed by applicants who are not citizens or nationals of the United States. Please indicate alien status by checking the appropriate box. Attach a legible copy of a document from the attached list or other document as evidence of your status.

Name of document provided

Qualified Alien Status (8 U.S.C. §§ 1621(a)(1), -1641(b) and (c))

- 1. An alien lawfully admitted for permanent residence under the Immigration and Nationality Act (INA)
- 2. An alien who is granted asylum under Section 208 of the INA.
- 3. A refugee admitted to the United States under Section 207 of the INA.
- 4. An alien paroled into the United States for at least one year under Section 212(d)(5) of the INA.
- 5. An alien whose deportation is being withheld under Section 243(h) of the INA.
- 6. An alien granted conditional entry under Section 203(a)(7) of the INA as in effect prior to April 1, 1980.
- 7. An alien who is a Cuban/Haitian entrant.
- 8. An alien who has, or whose child or child's parent is a "battered alien" or an alien subject to extreme cruelty in the United States.

Nonimmigrant Status (8 U.S.C. § 1621(a)(2))

- 9. A nonimmigrant under the Immigration and Nationality Act [8 U.S.C. § 1101 et seq.] Nonimmigrants are persons who have temporary status for a specific purpose. See 8 U.S.C. § 1101(a)(15).

Alien Paroled into the United States For Less Than One Year (8 U.S.C. § 1621(a)(3))

- 10. An alien paroled into the United States for less than one year under Section 212(d)(5) of the INA

Other Persons (8 U.S.C. § 1621(c)(2)(A) and (C))

- 11. A nonimmigrant whose visa for entry is related to employment in the United States, or
- 12. A citizen of a freely associated state, if section 141 of the applicable compact of free association approved in Public Law 99-239 or 99-658 (or a successor provision) is in effect [Freely Associated States include the Republic of the Marshall Islands, Republic of Palau and the Federate States of Micronesia, 48 U.S.C. § 1901 et seq.];
- 13. A foreign national not physically present in the United States.

Otherwise Lawfully Present

- 14. A person not described in categories 1-13 who is otherwise lawfully present in the United States.
PLEASE NOTE: The federal Personal Responsibility and Work Opportunity Reconciliation Act may make persons who fall into this category ineligible for licensure. See 8 U.S.C. § 1621(a).

SECTION IV - DECLARATION

All applicants must complete this section.

I declare under penalty of perjury under the laws of the state of Arizona that the answers and evidence I have given are true and correct to the best of my knowledge.

VALERIE LYNN WOOD

Individual Owner/Agent Printed Name

11/23/15

Today's Date

Valerie Lynn Wood

Individual Owner/Agent Signature

EVIDENCE OF U.S. CITIZENSHIP, U.S. NATIONAL STATUS, OR ALIEN STATUS

You must submit supporting legal documentation (I.e. marriage certificate) if the name on your evidence is not the same as your current legal name.

Evidence showing authorized presence in the United State includes the following:

1. An Arizona driver license issued after 1996 or an Arizona non-operating identification card.
2. A driver license issued by a state that verifies lawful presence in the United States.
3. A birth certificate or delayed birth certificate showing birth in one of the 50 states, the District of Columbia, Puerto Rico (on or after January 13, 1941), Guam, the U.S. Virgin Islands (on or after January 17, 1917), American Samoa, or the Northern Mariana Islands (on or after November 4, 1986, Northern Mariana Islands local time)
4. A United States certificate of birth abroad.
5. A United States passport. ***Passport must be signed***
6. A foreign passport with a United States visa.
7. An I-94 form with a photograph.
8. A United States citizenship and immigration services employment authorization document or refugee travel document.
9. A United States certificate of naturalization.
10. A United States certificate of citizenship.
11. A tribal certificate of Indian blood.
12. A tribal or bureau of Indian affairs affidavit of birth.
13. Any other license that is issued by the federal government, any other state government, an agency of this state or a political subdivision of this state that requires proof of citizenship or lawful alien status before issuing the license.

ARIZONA
Driver License

Number [REDACTED]
Expires 01/14/2026
Date of Birth [REDACTED]
Issued 04/11/2011



Christina



Certification of Completion For Title 4 BASIC Liquor Law Training

On-sale
 Off-sale
15 NOV 23 19: 04: 22

On and Off-sale

A Certificate of Completion must be on a form provided by the Arizona Department of Liquor. Certificates are completed by a state approved training provider and, when issued, the Certificate is signed by the course participant.

The state requires a BASIC title 4 training as a prerequisite for MANAGEMENT Title 4 training or as a result of liquor law violation. Persons required to have Basic Title 4 training are listed at the base of this certificate. Licensees some time require BASIC Title 4 training a condition of employment.

A replacement Certificate of Completion for Title 4 training must be available through the training provider for two years after the training completion date.

Student Information

Valeia WOOD

(All names please print)
Valeia Wood
(signature)

08/07/2014

08/07/2017

Training Completion Date

Certificate Expiration Date

Training Provider Information

Affordable Alcohol Training DBA LIQUORExam.com

Company Name

PO Box 80734 Austin, TX 78708

Mailing Address

(512)796-3842

Daytime Contact Phone Number

I, **Edward McLean**, Certify that above named individual did successfully complete Title 4 BASIC Training in accordance with A.R.S. 4-112(G)(2) and Arizona Administrative Code (A.A.C)R19-1-103 using training course content and materials approved by the Arizona Department of Licenses and Control. I understand that misuse of this Certificate of Completion can result in the revocation of State approval for the Title 4 Training Provider named in this section as provided by A.A.C R19-1-103(E) and (F).

Instructor Signature

07 / 08 / 2014
Day Month Year

Persons required to complete BASIC & MANAGEMENT Title 4 training

- 1) Owner(s) actively involved in the daily business of a liquor-licensed business of a series listed below.
- 2) Licensees, agents and managers actively involved in the daily business of a series listed below.

- | | | | |
|------------------------|----------------------------|-----------------------|---------------------------------|
| In-state | Government(series 5) | Bar(series 6) Private | Beer & Wine Bar(series 7) |
| Microbrewery(series 3) | Liquor Store(series 9) In- | Club(series 14) | Hotel/Motel/w/restaurant(series |
| Conveyence (series 8) | state Farm Winery(series | | 11) Beer and Wine |
| Restaurant (series 12) | 13) | | store(series 10) |

Liquor license applications(initial and renewal) are not complete until valid Certificates of Completion for all required persons have been submitted to the department of Liquor.

The questionnaire(which designates a manager to a location) and the agent change from(which assigns a new agent to achieve liquor licenses) are not complete until valid Certificate of Completion for all required persons have been submitted to the Department of Liquor.

March 14, 2014

Certificate of Completion
For
Title 4 MANAGEMENT Liquor Law Training

A Certificate of Completion must be on a form provided by the Arizona Department of Liquor. Certificates are completed by a state-approved training provider and, when issued, the Certificate is signed by the course participant.
Basic Title 4 training is a prerequisite for MANAGEMENT Title 4 training. A valid Certificate of Completion for BASIC Title 4 training must be on file at the Department of Liquor and satisfactory completion of a State-approved BASIC Title 4 course must be verified by the training provider prior to issuing a Certificate of Completion for MANAGEMENT Title 4 training.
A replacement Certificate of Completion for Title 4 training must be available through the training provider for two years after the training completion date.

Student Information

Valerie L. Wood

Full Name (please print)

Valerie L. Wood

Signature

09-05-2015

Training Completion Date

09-04-2018

Certificate Expiration Date
(three years from completion date)

Training Provider Information

Professional Server Certification Corporation (PSCC)

Company Name

P.O. Box 192, Madison, South Dakota 57042

Mailing Address

1- (800) 247-7737

Daytime Contact Phone Number

I, Robert Graham, certify that the above named individual did successfully complete Title 4 MANAGEMENT Training in accordance with A.R.S. §4-112(G)(2) and Arizona Administrative Code (A.A.C.)R19-1-103 using training course content and materials approved by the Arizona Department of Liquor Licenses and Control. I understand that misuse of this Certificate of Completion can result in the revocation of State-approval for the Title 4 Training Provider named in this section as provided by A.A.C. R19-1-103(E) and (F).

Instructor Name (please print)

Robert V Graham

Instructor Signature

05 / 09 / 2015

Day Mo Year

Persons required to complete BASIC & MANAGEMENT Title 4 training: 1) owner(s) actively involved in the daily business operations of a liquor-licensed business of a series listed below
2) licensees, agents and managers actively involved in the daily business operations of a liquor-licensed business of a series listed below

In-state Microbrewery (series 3)
Conveyance (series 8)
Restaurant (series 12)

Government (series 5)
Liquor Store (series 9)
In-state Farm Winery (series 13)

Bar (series 6)
Private Club (series 14)

Beer & Wine Bar (series 7)
Hotel/Motel w/restaurant (series 11)
Beer & Wine Store (series 10)

Liquor license applications (initial and renewal) are not complete until valid Certificates of Completion for all required persons have been submitted to the Department of Liquor.

The questionnaire (which designates a manager to a location) and the agent change form (which assigns a new agent to active liquor licenses) are not complete until valid Certificates of Completion for all required persons have been submitted to the Department of Liquor.



16 FEB 2 Lic. Lic. PM 2:15

15 NOV 23 Lic. Dept PM 3:22

State of Arizona
Department of Liquor Licenses and Control
800 W. Washington 5th Floor
Phoenix, AZ 85007
(602) 542-5141

QUESTIONNAIRE

Attention local governments: Social security and birth date information is confidential. This information may be given to law enforcement agencies for the purpose of background checks only.

Attention applicant: This is a sworn document. Type or print in black ink. An extensive investigation of your background will be conducted. False or incomplete answers could result in criminal prosecution and the denial or the subsequent revocation of a license or permit.

QUESTIONNAIRE TO BE COMPLETED BY EACH CONTROLLING PERSON, AGENT AND MANAGER. EACH PERSON COMPLETING THIS FORM MUST SUBMIT AN "APPLICANT" TYPE FINGERPRINT CARD AVAILABLE AT THIS OFFICE FINGERPRINTS ON FBI APPROVED CARDS (BLUE LINED) ARE ACCEPTED FROM LAW ENFORCEMENT AGENCIES, BONA FIDE FINGERPRINT SERVICES OR THE DEPARTMENT OF LIQUOR. THE DEPARTMENT OF LIQUOR CHARGES A \$13 FEE. IN ADDITION TO OTHER FINGERPRINT FEES, A \$22.00 DPS BACKGROUND CHECK FEE WILL BE CHARGED FOR EACH FINGERPRINT CARD. The fees allowed by A.R.S. § 4-6852 will be charged for all dishonored checks.

1. Check the appropriate box

Liquor License#:
[] Controlling Person [] Agent
[] Manager
(Controlling Person or Agent must complete #21 for Manager)
(Complete all questions except #14, 14a & 21, Controlling Person or Agent must complete #21)

2. Name: WOOD DANIEL BRYAN
Last First Middle Birth Date:
3. Social Security #: Driver License #: State: ARIZONA
4. Place of birth: ALBUQUERQUE NM USA Height: 6-00 Weight: 200 Eyes: BLU Hair: BLOND

5. Marital status: [] single [x] married [] divorced [] widowed

6. Name of current/most recent spouse: WOOD VALERIE LYNN VERHELLE
Last First Middle Maiden Birth Date:
7. You are a bona fide resident of what state? ARIZONA If Arizona, date of residency: 1/2010

If you have been an Arizona resident for less than three (3) months, submit a copy of your Arizona Drivers license or voters registration card.

8. Daytime telephone number to contact you during business hours for questions: 928-274-8120

9. E-mail address: heartwoodcellars@gmail.com

10. Business Name: HEART WOOD CELLARS, LLC Business Phone #: 928-274-8120

11. Business Location Address: 4626 Old Highway 279, Camp Verde AZ Yavapai 86322
Street (do not use P O box) City State County Zip

12. List your employment or type of business during the past five (5) years. If unemployed, retired, student list residence address.
Table with columns: FROM Month/Year, TO Month/Year, DESCRIBE POSITION OR BUSINESS, EMPLOYERS NAME OR NAME OF BUSINESS (Street Address, City, State & Zip)

13. Indicate your residence address for the last five (5) years:
Table with columns: FROM Month/Year, TO Month/Year, Rent or Own, RESIDENTIAL Street Address (IF RENTED ATTACH ADDITIONAL SHEET WITH NAME ADDRESS, AND PHONE NUMBER OF LANDLORD), City, State, Zip

(ATTACH ADDITIONAL SHEET IF NECESSARY)

7/24/2015

If you checked the Manager box on the front of this form skip to # 15.

14. As a Controlling Person or Agent will you be physically present and operating the licensed premises? if you answered YES, how many hrs/day? 5 and answer #14a below. If NO, skip to #15. Yes No
14a. Have you attended a DLLC-approved Liquor Law Training Course within the past 5 years? (Must provide proof) If the answer to # 14a is "NO" course must be completed before issuance of a new license. Yes No

15. Have you been cited, arrested, indicted or summoned into court for violation of ANY law or ordinance, regardless of the disposition, even if dismissed or expunged, within the past five (5) years? (For traffic violations, only include those that were alcohol and/or drug related.) Yes No

16. Are there ANY administrative law citations, compliance actions or consents, criminal arrest, indictments or summonses PENDING against you or ANY entity in which you are now involved? Include only criminal traffic tickets and complaints. Yes No

17. Have you or any entity in which you have held ownership, been an officer, member, director or manager EVER had a business, professional or liquor application or license rejected, denied, revoked, suspended or fined in this or any other state? Yes No

18. Has anyone EVER filed suit or obtained a judgment against you, the subject of which involved fraud or misrepresentation? Yes No

19. Are you NOW or have you EVER held ownership, been a controlling person, been an officer, member, director or manager on any other liquor license in this or any other state? Yes No

If you answered "YES" to any Question 15 through 19 YOU MUST attach a signed statement. Give complete details including dates, agencies involved and dispositions.

SUBSTANTIVE CHANGES TO THE APPLICATION WILL NOT BE ACCEPTED

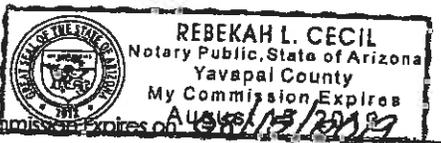
20. I, DANIEL BRYAN WOOD, hereby declare that I am the APPLICANT/REPRESENTATIVE filing this questionnaire. (Print Full Name of Applicant)
I have read this questionnaire and all statements are true, correct and complete.

X [Signature]
(Signature)

State Arizona County of Yavapai

The foregoing instrument was acknowledged before me this 18th day of November, 2015
Day Month Year

[Signature]
(Signature of Notary Public)



COMPLETE THIS SECTION ONLY IF YOU ARE A CONTROLLING PERSON OR AGENT APPROVING A MANAGER'S APPLICATION

21. The applicant hereby authorizes the person named on this questionnaire to act as manager for the named liquor license. The manager named must be at least 21 years of age.

(Print Name)

X _____
(Signature of Controlling Person or Agent)

State _____ County of _____

The foregoing instrument was acknowledged before me this _____ day of _____, _____
Day Month Year

(Signature of Notary Public)

My Commission Expires on: _____
Date

Certificate of Completion
For
Title 4 BASIC Liquor Law Training

On-sale
Off-sale
On- and off-sale

A Certificate of Completion must be on a form provided by the Arizona Department of Liquor. Certificates are completed by a state-approved training provider and, when issued, the Certificate is signed by the course participant.
The State requires BASIC Title 4 training only as a prerequisite for MANAGEMENT Title 4 training or as a result of a liquor law violation. Persons required to have BASIC Title 4 training are listed at the base of this Certificate. Licensees sometimes require BASIC Title 4 Training a condition of employment.
A replacement Certificate of Completion for Title 4 training must be available through the training provider for two years after the training completion date.

Student Information

Daniel B. Wood

Full Name (please print)

[Handwritten Signature]

Signature

10-12-2015

Training Completion Date

10-11-2018

Certificate Expiration Date
(three years from completion date)

Training Provider Information

Professional Server Certification Corporation (PSCC)

Company Name

P.O. Box 192, Madison, South Dakota 57042

Mailing Address

1- (800) 247-7737

Daytime Contact Phone Number

I, Robert Graham, certify that the above named individual did successfully complete

Instructor Name (please print)

Title 4 BASIC Training in accordance with A.R.S. §4-112(G)(2) and Arizona Administrative Code (A.A.C.)R19-1-103 using training course content and materials approved by the Arizona Department of Liquor Licenses and Control. I understand that misuse of this Certificate of Completion can result in the revocation of State-approval for the Title 4 Training Provider named in this section as provided by A.A.C. R19-1-103(E) and (F).

[Handwritten Signature]

Instructor Signature

12 / 10 / 2015

Day Mo Year

Persons required to complete BASIC & MANAGEMENT Title 4 training: 1) owner(s) actively involved in the daily business operations of a liquor-licensed business of a series listed below
2) licensees, agents and managers actively involved in the daily business operations of a liquor-licensed business of a series listed below

- In-state Microbrewery (series 3)
Conveyance (series 8)
Restaurant (series 12)

- Government (series 5)
Liquor Store (series 9)
In-state Farm Winery (series 13)

- Bar (series 6)
Private Club (series 14)
Beer & Wine Bar (series 7)
Hotel/Motel w/restaurant (series 11)
Beer & Wine Store (series 10)

Liquor license applications (initial and renewal) are not complete until valid Certificates of Completion for all required persons have been submitted to the Department of Liquor.

The questionnaire (which designates a manager to a location) and the agent change form (which assigns a new agent to active liquor licenses) are not complete until valid Certificates of Completion for all required persons have been submitted to the Department of Liquor.

Certificate of Completion
For
Title 4 **MANAGEMENT** Liquor Law Training

A Certificate of Completion must be on a form provided by the Arizona Department of Liquor. Certificates are completed by a state-approved training provider and, when issued, the Certificate is signed by the course participant.

Basic Title 4 training is a prerequisite for MANAGEMENT Title 4 training. A valid Certificate of Completion for BASIC Title 4 training must be on file at the Department of Liquor and satisfactory completion of a State-approved BASIC Title 4 course must be verified by the training provider prior to issuing a Certificate of Completion for MANAGEMENT Title 4 training.

A replacement Certificate of Completion for Title 4 training must be available through the training provider for two years after the training completion date.

Student Information

Daniel B. Wood

Full Name (please print)



Signature

10-12-2015

Training Completion Date

10-11-2018

Certificate Expiration Date
(three years from completion date)

Training Provider Information

Professional Server Certification Corporation (PSCC)

Company Name

P.O. Box 192, Madison, South Dakota 57042

Mailing Address

1- (800) 247-7737

Daytime Contact Phone Number

I, **Robert Graham**, Instructor Name (please print), certify that the above named individual did successfully complete

Title 4 MANAGEMENT Training in accordance with A.R.S. §4-112(G)(2) and Arizona Administrative Code (A.A.C.)R19-1-103 using training course content and materials approved by the Arizona Department of Liquor Licenses and Control. I understand that misuse of this Certificate of Completion can result in the revocation of State-approval for the Title 4 Training Provider named in this section as provided by A.A.C. R19-1-103(E) and (F).



Instructor Signature

12 / 10 / 2015
Day Mo Year

Persons required to complete BASIC & MANAGEMENT Title 4 training: 1) owner(s) actively involved in the daily business operations of a liquor-licensed business of a series listed below
2) licensees, agents and managers actively involved in the daily business operations of a liquor-licensed business of a series listed below

- | | | | |
|----------------------------------|----------------------------------|--------------------------|--------------------------------------|
| In-state Microbrewery (series 3) | Government (series 5) | Bar (series 6) | Beer & Wine Bar (series 7) |
| Conveyance (series 8) | Liquor Store (series 9) | Private Club (series 14) | Hotel/Motel w/restaurant (series 11) |
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The questionnaire (which designates a manager to a location) and the agent change form (which assigns a new agent to active liquor licenses) are not complete until valid Certificates of Completion for all required persons have been submitted to the Department of Liquor.

DEPARTMENT OF THE TREASURY
ALCOHOL AND TOBACCO TAX AND TRADE BUREAU (TTB)
WINE BOND

(Submit duplicate originals. See additional instructions on page 3.)

REGISTRY NUMBER
(Leave blank if new applicant)
BWN-AZ-21024
EFFECTIVE DATE
December 1, 2015

PRINCIPAL/OBLIGOR NAME AND PREMISES ADDRESS
(Number, Street, City, State, ZIP Code)

Heart Wood Cellars, LLC
4626 Old Highway 279
Camp Verde, AZ 86322

PRINCIPAL/OBLIGOR MAILING ADDRESS
(if different than Premises Address)

BOND KIND (Select only one)

ORIGINAL STRENGTHENING SUPERSEDING

EIN: 47-4923294

BOND COVERAGE (Select applicable box(es))

OPERATIONS \$ 1,000.00 DEFERRAL TOTAL PENAL SUM * \$ 1,000.00

*(Total Penal Sum equals OPERATIONS plus DEFERRAL Coverage on this bond. Deposited collateral must also equal Total Penal Sum.)

BOND CATEGORY (Select only one category (i.e. 'Surety,' 'Cash,' or 'Treasury Note/Bond') and complete corresponding items to right of selection.)

SURETY: SURETY NAME RLI Insurance Company BOND NUMBER LSM0813655

CASH: CHECK NUMBER(S) (i.e. personal check, cashier's check, money order, etc.)

TREASURY NOTE/BOND** TREASURY NOTE/BOND CUSIP NO. _____ TREASURY NOTE/BOND INTEREST RATE _____ %
TREASURY NOTE/BOND MATURITY DATE _____ TREASURY NOTE/BOND ISSUE DATE _____

** This bond is secured by the Treasury collateral (T-Note) described above or by a T-Note resulting from reinvestment of the full proceeds from the T-Note described above. T-Note collateral reinvestment automatically will occur upon maturity, unless the obligor notifies TTB in writing at least 45 days prior to the maturity date that the T-Note proceeds should not be reinvested and the obligor requests this bond be terminated.

Witness our hands and seals this 1st day of December, 2015. Signed, sealed, and delivered in the presence of-

CORPORATIONS, PARTNERSHIPS, OR LLCs:
State in which principal/obligor organized: _____

Impress principal/obligor's corporate or LLC seal or check the checkbox below.

The corporation/LLC has no seal.



By signing this document you acknowledge and agree to the terms and conditions described on page 2 of this form.

SURETY NAME RLI Insurance Company

SURETY REPRESENTATIVE SIGNATURE [Signature]

SURETY REPRESENTATIVE PRINTED NAME AND TITLE Sandra Drane Attorney In Fact

PRINCIPAL/OBLIGOR NAME Heart Wood Cellars, LLC

BY: Valerie L. Wood
PRINCIPAL/OBLIGOR REPRESENTATIVE SIGNATURE

PRINCIPAL/OBLIGOR REPRESENTATIVE PRINTED NAME AND TITLE Valerie L. Wood Member

SIGNATURE, WITNESS 1 (if no seal) [Signature]

SIGNATURE, WITNESS 2 (if no seal) [Signature]

Alterations made on this bond before and after execution were made with the consent of the Principal _____ and Surety _____ OR Obligor _____

DIRECTOR, NATIONAL REVENUE CENTER APPROVAL: ON BEHALF OF THE UNITED STATES, I APPROVE THE FOREGOING BOND WHICH HAS BEEN EXECUTED IN DUE FORM IN COMPLIANCE WITH THE APPLICABLE LAWS, REGULATIONS, AND INSTRUCTIONS.

SIGNATURE OF AUTHORIZED OFFICIAL, ALCOHOL AND TOBACCO TAX AND TRADE BUREAU
Kimberly S. Briedis
Digitally signed by Kimberly S. Briedis
DN: cn=US, o=U.S. Government, ou=Department of the Treasury, ou=Alcohol and Tobacco Tax and Trade Bureau, ou=People, serialNumber=102822, cn=Kimberly S. Briedis
Date: 2016.01.27.14:24:56 -0500

DATE APPROVED
01/27/2016

PURPOSE: The above principal/obligor has filed an application to operate, or is operating, the bonded wine cellar or bonded winery specified.

DEFINITIONS: Definitions pertinent to this bond:

PRINCIPAL. The proprietor of the wine premises covered by a surety bond.

OBLIGOR. The proprietor of the wine premises covered by a collateral bond.

COLLATERAL BOND. A bond secured by tangible assets such as cash or United States Treasury Bond or Note.

CONDITIONS: The above principal/obligor and surety (sureties) are bound independently and jointly for payment to the United States in the above amount of lawful money of the United States. In this bond, the terms principal/obligor or surety include the heirs, executors, administrators, successors, and assigns of the principal/obligor or surety. Additional wine bond conditions are below. (If this bond covers only tax deferral, only the wine bond conditions in clauses 1, 2, and 3(a), and the Additional Wine Bond Conditions below will apply.)

BULK WINE WITHDRAWN FROM CUSTOMS CUSTODY:

This bond covers the tax, for which the principal/obligor must become liable, on all wine withdrawn from customs custody in bulk containers and transferred to internal revenue bond at a bonded wine premises.

THE PRINCIPAL/OBLIGOR MUST:

- (1) Comply with all requirements of law and regulations, now or hereafter in force, relating to the activities covered by this bond;
- (2) Pay all penalties incurred and fines imposed for violations of law or regulations, now or hereafter in force, relating to the activities covered by this bond;
- (3) Pay all taxes (including any penalties and interest in respect of failure to file a timely return or to pay such tax when due) on wine removed from bonded premises: Provided, that up to \$500 of the operations coverage of a \$1,000 bond (\$1,000 operations coverage of a bond of \$2,000 or more) may be applied to taxes that have been determined, but not paid on wine removed from bonded premises;
- (4) Pay all taxes (including any penalties and interest) for which the principal/obligor may become liable with respect to the operation of the bonded wine premises, whether the transaction or operation on which liability is based occurred on or off the bonded wine premises, and on all wine, spirits, and volatile fruit-flavor concentrate, or any other commodity subject to tax under 26 U.S.C. Chapter 51, in transit to, or on the bonded wine premises;
- (5) Comply with all requirements now or hereafter in force, pertaining to all wine or wine spirits received at, removed from, or returned to the bonded premises free of tax;
- (6) With respect to wine withdrawn from the bonded wine premises without payment of tax as authorized by law (a) comply with all requirements of law and regulations,

now or hereafter in force relating thereto: and (b) as to the said wine or any part thereof withdrawn, for example, for exportation or for use on vessels or aircraft, or for transfer to a foreign-trade zone, or for transfer to a Customs Bonded Warehouse (CBW); and not exported, used or transferred, or otherwise lawfully disposed of or accounted for, pay the tax imposed thereon by law, now or hereafter in force, together with the penalties and interest; and

- (7) As the proprietor of an adjacent wine vinegar plant, pay all taxes, now or hereafter in force (including any penalties or interest), for which the principal/obligor may become liable with respect to the operation of the wine vinegar plant, and all wine now or hereafter in transit or on the premises of the wine vinegar plant.

ADDITIONAL WINE BOND CONDITIONS

CHANGE OF PREMISES: All stipulations, covenants, and agreements of this bond will extend to and apply to any change in the business address of the wine premises, the extension or curtailment of the premises, including the buildings thereon, or any equipment or any other change which requires the principal/obligor to file a new or amended application or notice, except where the change constitutes a change in the proprietorship of the business, or in the location of the premises. Further, this bond will continue in effect whenever operation of the wine premises is resumed from time to time following suspension of operations by an alternating proprietor.

TREASURY COLLATERAL BONDS: If this bond is filed as a collateral bond secured by a Treasury Note or Bond in an approved Department of the Treasury holding account, this bond is secured by the Treasury collateral identified on the face of the bond and any Treasury collateral resulting from rollover of the previous Treasury collateral. The Treasury collateral identified in this bond will automatically roll over upon maturity unless the obligor notifies the National Revenue Center at least 45 days prior to maturity.

DEFAULT: If the Principal/Obligor of a surety bond fails to fulfill any of the terms or conditions of this bond, the United States may seek compensation and pursue its remedies independently from either the principal/obligor or surety, or jointly from both. The surety hereby waives any right or privilege it may have of requiring, upon notice, or otherwise, that the United States will first commence action, intervene in any action of any nature whatsoever already commenced, or otherwise exhaust its remedies against the principal/obligor.

The surety further waives any right it may otherwise have to notice if TTB enters into an installment payment agreement for taxes, penalties, and/or interest with the Principal. Installment agreements are within the terms and conditions of the bond and do not affect TTB's ability to pursue all available remedies against the surety under the bond.

If the Obligor of a collateral bond fails to fulfill any of the terms or conditions of this bond, the United States may apply any outstanding tax liability (including any penalties or interest) against the collateral deposited.

EFFECTIVE DATE: If accepted by the United States, the bond will be effective according to its terms on and after the date without notice to the obligors. If no effective date is inserted in the space provided, the date of execution will be the effective date of the bond.

INSTRUCTIONS

1. File duplicate original bonds with the Director, National Revenue Center, Alcohol and Tobacco Tax and Trade Bureau, 550 Main St, Ste 8002, Cincinnati, OH 45202-5215.
2. The name, including the full given name, of each party to the bond will be given in the heading, and each party must sign the bond with such party's signature, or the bond may be executed in the party's name by an empowered attorney in fact.
 - a. In the case of a partnership, the partnership name, followed by the names of all its partners will be given in the heading. In executing the bond, the partnership name will be typed or written followed by the word "by" and the signatures of all partners, or the signature of any partner authorized to sign the bond for the firm, or the signature of an empowered attorney in fact. The name of the state in which the partnership is organized will be given in the space provided above the signature lines.
 - b. If the principal/obligor is an LLC, the LLC name will be given in the heading. In executing the bond, the LLC name will be typed or written followed by the word "By" and the signature and title of the managing member, any member authorized to sign the bond for the LLC, or an empowered attorney in fact. The name of the state in which the LLC is organized will be given in the space provided above the signature lines.
 - c. If the principal/obligor is a corporation, the heading will give the corporate name, the address of the principal business office, and the address of the premises. The name of the state in which the corporation is organized will be given in the space provided above the signature lines. The bond will be executed in the corporate name, immediately followed by the signature and title of the person authorized to act for the corporation.
 - d. In the case of an individual owner as a sole proprietor, the proprietor's full given name will be given in the heading. In executing the bond, the proprietor's full given name will be typed or written followed by the signature, or the signature of an empowered attorney in fact.
3. If the bond is signed by an attorney in fact for the principal/obligor, or by one of the members of a partnership, LLC, or association, or by an officer or other person for a corporation, there will be filed with the bond an authenticated copy of the power of attorney, or resolution of the board of directors, or an excerpt of the bylaws, or other document, authorizing the person signing authorization has been previously filed with the Director, National Revenue Center, Alcohol and Tobacco Tax and Trade Bureau.
4. The signature for the surety will be attested under corporate seal. The signature for the principal/obligor, if a corporation or LLC, also will be attested by seal if the corporation or LLC has a seal. If the corporation or LLC has no seal, that fact will be noted. Each signature will be made in the presence of two persons (except where corporate or LLC seals are affixed), who must sign their names as witnesses.
5. A bond may be given with (a) corporate surety authorized to act as surety by the Secretary of the Treasury, (b) by the deposit of Government obligations. A Government obligation is defined in 31 U.S.C. 9301 as "a public debt obligation of the United States Government and an obligation whose principal and interest is unconditionally guaranteed by the Government." Such obligations include Treasury notes or Treasury bonds, or by cash in the form of a check or similar legal tender made payable to the Alcohol and Tobacco Tax and Trade Bureau for deposit in an approved Department of the Treasury holding account.

Contact the National Revenue Center toll free at 1-877-882-3277 regarding allowable types of collateral.
6. If any alteration or erasure is made in the bond before or after its execution, check the box next to the alteration statement on page 1 and make sure that the Principal and Surety or Sureties OR Obligor initial the statement.
7. The penal sum named in the bond will be in accordance with 27 CFR Part 24.
8. If the bond is approved, a copy will be returned to the principal/obligor.
9. All correspondence about the filing of this form or any subsequent action, including termination, affecting this bond should be directed to the Director, National Revenue Center, Alcohol and Tobacco Tax and Trade Bureau, 550 Main St, Ste 8002, Cincinnati, OH 45202-5215 or 1-877-882-3277 (toll free).

PAPERWORK REDUCTION ACT NOTICE

This request is in accordance with the Paperwork Reduction Act of 1995. The information is used by the proprietor, or the proprietor and a surety company, as a contract to ensure tax payment. The information requested is required to obtain a benefit and is mandatory by statute (26 U.S.C. 5172).

The estimated average burden associated with this collection of information is 1 hour per respondent or recordkeeper, depending on individual circumstances. Comments concerning the accuracy of this burden estimate and suggestions for reducing this burden should be addressed to the Reports Management Officer, Regulations and Rulings Division, Alcohol and Tobacco Tax and Trade Bureau, Washington, DC 20220.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a current, valid OMB control number.



RLI Insurance Company
 P.O. Box 3967 Peoria IL 61612-3967
 Phone: (309)692-1000 Fax: (309)683-1610

POWER OF ATTORNEY
RLI Insurance Company

Bond No. LSM0813655

Know All Men by These Presents:

That the RLI Insurance Company, a corporation organized and existing under the laws of the State of Illinois, and authorized and licensed to do business in all states and the District of Columbia does hereby make, constitute and appoint: Sandra Drane in the City of Cottonwood, State of Arizona, as Attorney In Fact, with full power and authority hereby conferred upon him/her to sign, execute, acknowledge and deliver for and on its behalf as Surety, in general, any and all bonds, undertakings, and recognizances in an amount not to exceed One Million and 00/100 Dollars (\$ 1,000,000.00) for any single obligation, and specifically for the following described bond.

Principal: Heart Wood Cellars, LLC
 Obligee: National Rev Ctr Alc & Tobacco Tax & Trade Bureau Wine Unit
 Type Bond: Wine Bond
 Bond Amount: \$ 1,000.00
 Effective Date: December 1, 2015

The RLI Insurance Company further certifies that the following is a true and exact copy of a Resolution adopted by the Board of Directors of RLI Insurance Company, and now in force to-wit:

"All bonds, policies, undertakings, Powers of Attorney or other obligations of the corporation shall be executed in the corporate name of the Company by the President, Secretary, any Assistant Secretary, Treasurer, or any Vice President, or by such other officers as the Board of Directors may authorize. The President, any Vice President, Secretary, any Assistant Secretary, or the Treasurer may appoint Attorneys in Fact or Agents who shall have authority to issue bonds, policies or undertakings in the name of the Company. The corporate seal is not necessary for the validity of any bonds, policies, undertakings, Powers of Attorney or other obligations of the corporation. The signature of any such officer and the corporate seal may be printed by facsimile."

IN WITNESS WHEREOF, the RLI Insurance Company has caused these presents to be executed by its Vice President with its corporate seal affixed this 1st day of December, 2015.

ATTEST:

Cherie L. Montgomery
 Cherie L. Montgomery Assistant Secretary



Barton W. Davis
 Barton W. Davis Vice President

On this 1st day of December, 2015 before me, a Notary Public, personally appeared Barton W. Davis and Cherie L. Montgomery, who being by me duly sworn, acknowledged that they signed the above Power of Attorney as Vice President and Assistant Secretary, respectively, of the said RLI Insurance Company, and acknowledged said instrument to be the voluntary act and deed of said corporation.

Jacqueline M. Bockler
 Jacqueline M. Bockler Notary Public





RLI Insurance Company
 P.O. Box 3967 Peoria IL 61612-3967
 Phone: (309)692-1000 Fax: (309)683-1610

Acknowledgment of Surety

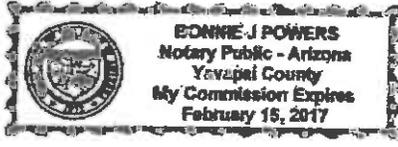
STATE OF Arizona
 COUNTY OF Yavapai } ss.

On this 1st day of December, 2015, before me, a Notary Public in and for said County, personally appeared Sandra Drane, personally known to me, who being by me duly sworn did say that he/she is the aforesaid Attorney In Fact of the RLI Insurance Company of Peoria, Illinois, a corporation duly organized and existing under the laws of the State of Illinois, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that the said instrument was signed, sealed and executed in behalf of said corporation by authority of its Board of Directors, and further acknowledge that the said instrument and the execution thereof to be a voluntary act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed by official seal the day and year last above written.

My Commission Expires:
Feb. 15, 2017

Bonnie J Powers
 Bonnie J Powers Notary Public



WINERY FACILITIES AGREEMENT

This Winery Facilities Agreement ("Agreement") dated November 19, 2015, is made between:

CADUCEUS CELLARS, LLC (the "Host Winery")
4626 OLD HWY 279, CAMP VERDE, AZ 86322
Telephone: 928-649-9293
Fax: 928-649-9129

And

HEART WOOD CELLARS, LLC (the "Alternating Proprietor")
7580 E. Ranch View Road, Cornville, AZ 86325
Telephone: 928-274-8126
E-mail: (collectively "the Parties").

AGREEMENT

1. Nature of Agreement. The Host Winery agrees to provide the Alternating Proprietor with space within its winery facility located at 4626 Old HWY 279, Camp Verde, AZ 86322 (the "Property"), which space shall be used for the Alternating Proprietor's bonded winery ("Designated Premises"). A description of the Designated Premises is attached hereto as Exhibit A, and made a part hereof.
2. Responsibilities of Parties. The Host Winery and the Alternating Proprietor each acknowledge that it is solely responsible for its own winemaking activities, winery record keeping and reporting, occupational and excise taxes and for any violation of applicable laws or regulations on its Designated Premises or any portion of the Alternated Premises during its periods of control.
3. Designated Premises. The Host Winery Premises agrees to provide space within the Property as may be required to establish and operate the Alternating Proprietor's bonded winery, to be operated under the Alternating Proprietor's winery license.
4. Alternating Premises. In addition to the Designated Premises being used by the Alternating Proprietor for its winery, the Host Winery will make available to the Alternating Proprietor equipment and facilities, including fermenting and storage tanks, barrel storage space, designated barrel working area(s) and the designated bottling area(s) (Alternating Premises) at mutually convenient times and for the duration of the Alternating Proprietor's status as a bonded winery. However in case of conflict, the Host Winery, after consulting with the Alternating Proprietor, will be the ultimate determinant

of the timing of use by the Alternating Proprietor, Host Winery and/or other parties. When such equipment and facilities are used as Alternating Premises, they will be under the control of the Alternating Proprietor.

5. Separate Responsibility and Control. Each Party acknowledges that it is solely responsible for its own winemaking activities, winery record keeping and reporting, qualification for bonded winery status, licensing of the Designated Premises and Alternating Premises for use as a bonded winery, occupational and excise taxes, winegrower's license, and for any violations on its premises or any portion of the Designated and Alternating Premises during its periods of control.

6. Independent Winemaking Business.
 - a. *Compliance with Law.* The Alternating Proprietor is solely responsible for and must manage and conduct independently-licensed winemaking activities in accordance with regulations promulgated by the Alcohol and Tobacco Tax and Trade Bureau ("TTB") with respect to the ~~alternation of~~ wine premises under 27 CFR § 24.136, and all rules and policies by the Arizona Department Liquor Control Commission ("AZDLLC") with respect to the operation of multiple winery licensees at shared winemaking premises pursuant to State law. The Alternating Proprietor must comply with all applicable local, state, and federal law, including but not limited to those with respect to the production, packaging, labeling, storage, use, transfer, sale, and distribution of its wine.

 - b. *Licensing.* The Alternating Proprietor must maintain all state and federal licenses and permits required for the performance of all of its obligations under this Agreement. The Alternating Proprietor shall deliver to the Host Winery a copy of its State Winery License and its TTB Basic Permit prior to the Commencement Date, as defined in Article 22 herein, and shall thereafter provide proof of appropriate extensions, modifications, and renewals. If either party has reason to know that such license may be subject to suspension, revocation, or cancellation at any time during the performance of obligations under this Agreement, it will promptly provide notice to the other.

 - c. *Taxes.* The Alternating Proprietor is responsible for and must timely pay all taxes levied and assessed against the Alternating Proprietor's grapes, wine, personal property, and operations located at or associated with the Host Winery's premises and this Agreement. The Alternating Proprietor must pay upon demand the full amount of any such taxes (including interest and penalties imposed thereon) that the Host Winery may become liable to pay as a result of this Agreement.

7. Winery Personnel. The Alternating Proprietor acknowledges that at any time Host Winery employees may perform services for the Alternating Proprietor on the Dedicated Premises or in the Alternating Premises, Host Winery and its employees are acting as the Alternating Proprietor's independent contractor, and the Alternating Proprietor shall provide written instructions for any such services and provide for personal supervision by the Alternating Proprietor.
8. Record Keeping. Alternating Proprietor acknowledges that it shall be responsible for performing all cellar record keeping required in connection with Alternating Proprietor's winery operation, including but not limited to records and reports concerning wine production, storage, bottling, shipping, tax determination, and tax reporting. Alternating Proprietor's records or "source documents" will be maintained by Alternating Proprietor as independent files in its computer and/or manual records to be located within its Designated Premises or at any other location so approved by the TTB. Alternating Proprietor hereby authorizes Host Winery to make copies of all records available for inspection by Host Winery or representatives of regulatory agencies, upon reasonable request.
9. Barrel Storage. Alternating Proprietor will supply barrels, barrel racks, pallets and break down vessels for storage of its wine. Alternating Proprietor shall provide written instructions for preparing its wine to go into barrels. A barrel topping schedule shall be worked out between the Alternating Proprietor and Host Winery.
10. Case Storage. Case storage will be billed monthly after a 3-month grace period post-bottling at \$0.40/case if not removed. Host Winery reserves the right to refuse case storage privileges at any time with thirty (30) days prior notice to Alternating Proprietor.
11. Bottles and Labels. The Alternating Proprietor must provide, at its own expense, all bottles and packaging materials, and all labels to be affixed to wine bottled at the Host Winery's facilities that comply in all respects with federal and state labeling requirements. The Alternating Proprietor will apply for approval of such labels from TTB. The Alternating Proprietor must obtain the applicable TTB Certificate of Label Approval before any of the Alternating Proprietor wine may be labeled at the Host Winery's facilities
12. Price. Payment terms for the use of the Designated Premises and the Alternating Premises are shown in Exhibit B attached hereto and made a part hereof.

13. Delivery of Grapes. The schedule for delivery of Alternating Proprietor's grapes to Host Winery will be determined by mutual consent of the Parties consistent with maximizing grape quality and the Host Winery capability. Alternating Proprietor will identify the grape varieties, appellation of origin, anticipated tonnage and approximate harvest dates prior to delivery to the Host Winery. If grapes are delivered using a method paid for by Host Winery (i.e. truck sharing), freight will be billed appropriately after harvest.
14. Liens. It is expressly agreed that title to such grapes that Alternating Proprietor delivers to Host Winery and the resultant wine shall remain with Alternating Proprietor free of any encumbrance, lien or security interest between Host Winery and any third party. However, Host Winery is granted a security interest by this agreement for all wines which Alternating Proprietor shall make at Host Winery's facility, which shall secure Alternating Proprietor's obligations hereunder and which shall remain in effect until Alternating Proprietor's obligations hereunder are fulfilled. Nothing in this provision shall limit Host Winery's rights or remedies, whether in law or equity.
15. Insurance. Alternating Proprietor shall obtain, at its sole cost and expense, insurance to be effective on or before the date that Alternating Proprietor delivers grapes to Host Winery. Such insurance shall cover Alternating Proprietor's grapes and wine processed and stored by Host Winery against damage or destruction by fire, theft, vandalism, act of God, or any other cause, for the period of time in which such wine is processed and stored at the Host Winery. Alternating Proprietor shall also maintain Commercial General Liability insurance. Host Winery shall provide, at its sole cost and expense, insurance effective during the entire term of this Agreement against damage or destruction by Host Winery or any other third parties by fire, theft, vandalism, act of God or any other cause to Alternating Proprietor's property, including but not limited to grapes, wine in barrel or bottled wine. Host Winery shall also maintain Commercial General Liability Insurance throughout this period. Each party shall provide a Certificate of Insurance to the other before the date Alternating Proprietor delivers grapes to the Host Winery as proof of existence of insurance, each party's Insurer shall be required to provide notice to the other party prior to any lapse in coverage so that party may, at its expense, reinstate such policy. In the event any premium is paid by one party to prevent the lapse of the other's policy, that premium shall be immediately payable to the party initially making the premium payment. Should Host Winery or Alternating Proprietor have any employees, each shall keep in effect Worker's Compensation insurance as required by law.

16. Removal of Bulk or Bottled Wine.

- a. Any Alternating Proprietor owned wine may be removed in bulk by Alternating Proprietor at any time during normal business hours, after 72-hour scheduling notice by Alternating Proprietor.
- b. Any Alternating Proprietor owned bottled wine may be removed by Alternating Proprietor any time during normal business hours, after 72-hour scheduling notice by Alternating Proprietor.
- c. In the event Alternating Proprietor is in breach of any of its obligations hereunder, it is agreed that Alternating Proprietor may not remove any wines without Host Winery's consent, and without executing such documents as Host Winery deems necessary to perfect Host Winery's security interest in said wines or to otherwise acknowledge the default or breach by Alternating Proprietor or to secure Alternating Proprietor's performance hereunder.
- d. Upon payment in full of the Base Host Fee, the Alternating Proprietor's wine may be removed by the Alternating Proprietor or its designated agent or common carrier at the Host Winery's facility for either: (a) a tax-free transfer, pursuant to State law, to another bonded wine facility for further production, aging and/or storage sufficient for marketing at retail; or (b) sale as tax-paid wine. Shipping equipment, vehicles and all transportation costs will at all times be the Alternating Proprietor's sole responsibility and expense. In the event that any state or federal privilege or excise tax is imposed upon the removal of the Alternating Proprietor's wine from the Host Winery's facilities, the Alternating Proprietor will be fully responsible for the payment thereof, including all interest and penalties that may be imposed, and the Alternating Proprietor must indemnify and hold the Host Winery harmless therefrom. Upon termination of this Agreement, the Alternating Proprietor must provide a location for transfer of any wine in bond.

17. Failure to Perform due to Certain Causes. In the event Host Winery is compelled to reduce suspend its operations or to cease performance of its obligations hereunder because of passage hereafter of any laws or regulations, or because of any legal or administrative proceedings of any government of government agency, court or administrative agency order, strikes, boycotts, lockouts, other labor disturbances, interruption of power, Host Winery's temporary or permanent lack or loss of processing capacity, fire, explosion, catastrophe, or crop failure or shortage as a result of uncontrollable actions of the elements, then Host Winery shall, while so affected, be

relieved to the extent thus prevented from performing its obligations hereunder. In such event, Host Winery shall take reasonable measures to remove the disability, if possible, and resume full performance hereunder at the earliest possible date. If the inability to perform continues for more than 10 days during the grape delivery season, or for more than 30 days at any other time, either Party may terminate this Agreement upon written notice to the other Party.

18. Cross-Indemnity. It is expressly agreed that in the event of any claim by any third party against Host Winery for any act or omission by Alternating Proprietor, then Alternating Proprietor shall defend, indemnify and hold Host Winery harmless from any and all such claims. It is expressly agreed that in the event of any claim by any third party against Alternating Proprietor for any act or omission by Host Winery or any third parties in connection with their use of the property, then Host Winery shall defend, indemnify and hold Alternating Proprietor harmless from any and all such claims.
19. No Representation. It is expressly agreed that Host Winery is making no representations or warranties, whether express or implies, as to the suitability of the premises for winemaking operations. Alternating Proprietor is relying solely upon its own investigation and experience in determining the suitability of the premises for its operations and for the quality of the resulting wines.
20. Relationship of Parties. It is understood, agreed, and intended by the Parties that in performing this Agreement, the Parties are each separately and independently carrying out their respective businesses, that this Agreement does not and shall not create or constitute a partnership or joint venture between them, or a principal/agent relationship, and that each is and shall be as to each other an independent contractor and not an employer/employee. This Agreement shall at all times be read, interpreted and applied in accordance with that intent.
21. Amendment. Any changes in this Agreement that may be reasonably required to carry out the understanding and intent of the Parties shall be promptly embodied in a supplement or amendment to this Agreement to be signed by both Parties. No change shall be valid unless it is in writing and is signed by both Parties.
22. Terms of Agreement. This Agreement shall have an initial term of one (1) year(s), commencing per the Commencement Date. This Agreement is subject to the Alternating Proprietor receiving from all necessary governing bodies, the required licenses, permits and bonds including but not limited to items noted in 6b. herein. The date in which all such licenses, permits and bonds are available and provided to the Host Winery and the date harvested grapes from 2016 are brought to the Property is deemed the

"Commencement Date" estimated to be June 1, 2016. This Agreement may be renewed for additional periods as agreed to by both parties in writing (the "Extended Term"). Even after termination, however, Host Winery may, upon agreement, continue to store and age wine up to the bottling date of all existing Alternating Proprietor wine which is already in existence at Host Winery's facilities.

23. Right to Terminate. Should either party to this agreement be in violation of any federal, state or local statute, law or regulation, or should either party make an assignment for the benefit of creditors, or should either party be in material breach of any of its obligations hereunder, the other party may, in its sole discretion, terminate this Agreement and enforce any unfulfilled obligations, including, but not limited to, recovering any monies owed by the other party.
24. Waivers. No failure or omission by either party to insist upon or enforce any of the terms hereof shall be deemed a waiver of such terms unless the same shall be in writing and signed by the waiving Party. Waiver of a term or default at any time shall not be deemed a waiver of any other term of default, or of the same term of default at another time.
25. No Assignment. Alternating Proprietor may not assign or transfer this Agreement whether voluntarily, or by operation of law, in whole or in part, without the prior written consent of the Host Winery. Any purported assignment or transfer without such consent shall be null and void at the option of the Host Winery.
26. Article Headings. The titles contained in article headings of this Agreement are merely for convenience and are not intended to give notice of all of the matter in the articles following such titles.
27. Severability of Agreement. If any part or parts of this Agreement are found to be unenforceable, the remainder shall be considered severable, shall remain in full force and effect, and shall be enforceable.
28. Governing Law. This Agreement shall be governed by, construed and enforced in accordance with, and be subject to, the laws of the state of Arizona.
29. Arbitration.
 - a. The Parties agree to provide written notice to one another of any controversy, claim or dispute arising out of this Agreement and further agree that upon receipt of written notification of such controversy, claim or dispute they shall make reasonable efforts within ten days from receipt of such written notification to

resolve the controversy, claim or dispute informally. After the 10-day period runs, if the matter is not resolved, the Parties sole recourse shall be binding arbitration to be administered under the Rules of the American Arbitration Association ("AAA") as modified by this Agreement or the subsequent agreement of the parties. Judgment on the award rendered by the arbitrator may be entered in and enforced by any court having jurisdiction thereof.

- b. ~~The number~~ of arbitrators shall be one, which person shall be neutral and an attorney admitted to practice law in the state of Arizona, and shall be mutually agreed upon by the Parties within thirty (30) days after a written request for arbitration by one party is delivered to the other party. In the event that the Parties cannot agree on an arbitrator, the arbitrator shall be selected within ten (10) days thereafter by the AAA from a list submitted by the Parties, with each party having the right to propose two names.
- c. The place of arbitration shall be Yavapai County, Arizona.
- d. Either party may make an application to a court of competent jurisdiction for an order enforcing this arbitration agreement or for injunctive relief to maintain the status quo until such time as the arbitration award is rendered or the controversy is otherwise resolved. Both Parties consent to the jurisdiction of the AAA.

30. Attorneys' Fees. In the event arbitration or other related proceeding is instituted to enforce or interpret any provision of this Agreement, the prevailing party will be entitled to recover such amount as the court or arbitrator may adjudge reasonable as attorneys' fees and expenses in litigation at trial or on any appeal, in addition to all other amounts provided by law.

31. Notices. All notices required by or related to this Agreement must be in writing and must be mailed by certified mail, overnight courier, delivered in person or sent by facsimile to the person or addresses first given above, or such other address as may be given by written notice to the other. Notice will be effective when actually delivered if in person, by overnight courier or by facsimile (with written confirmation report), or on the second (2) business day after depositing as certified mail.

32. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties have set their hands hereunto the day and year first herein above written.

HOST WINERY:
CADUCEUS CELLARS, LLC

By: Martha Lermann
Name: Martha Lermann
Title: Account Manager
Dated: 11/23/15

ALTERNATING PROPRIETOR:
HEART WOOD CELLARS, LLC

By: [Signature]
Name: Daniel Wood
Title: Wine Grower
Dated: 11/19/15

By: Valerie Wood
Name: VALERIE WOOD
Title: WINE MAKER
Dated: 11/19/15

EXHIBIT A
 DIAGRAM OF PREMISES INDICATING ALTERNATING AREAS

- CAD 5000.29 P. 2

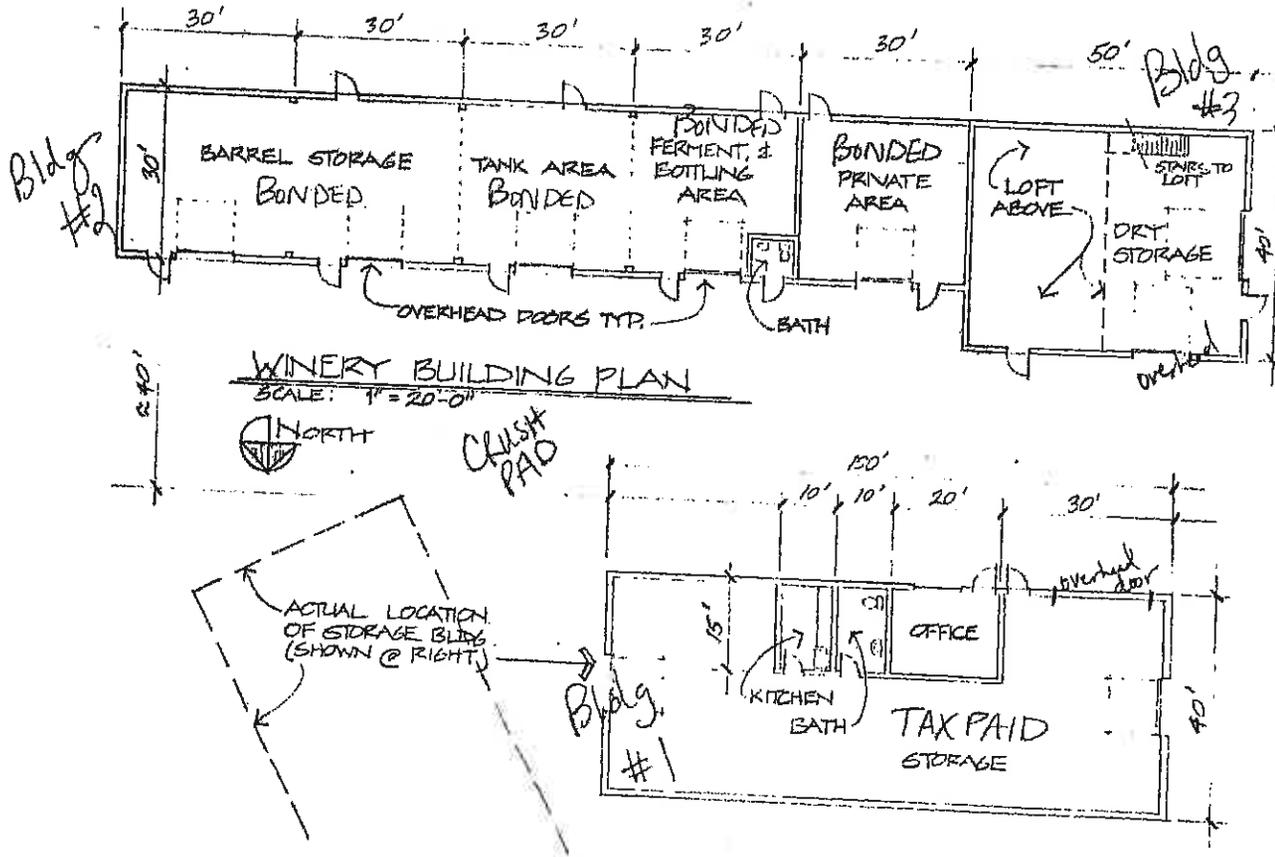


EXHIBIT B

PAYMENT TERMS

The Alternating Proprietor shall pay the Host Winery all sums when due, as set forth Below "Base Host Fee".

- (a) The Base Host Fee for the use of the Host Winery's facilities and equipment will be \$12.75 per gallon produced for a total, all-inclusive projected Base Host Fee of \$3,060.00 for each 12-month period during the Initial Term or the Extended Term, if any. Basic utilities are included in the Base Host Fee. The Alternating Proprietor shall also be entitled at no additional cost to reasonable use of all telephone, facsimile, internet, and other similar services.
- (b) 35% percent upon the Commencement Date, 35% percent on December 1; and remaining 30% plus any additional/shortage gallon processed, due on the following July 1, or upon bottling, whichever comes first. Monthly payment due on the 5th of each month.

8.



Town of Camp Verde

Agenda Item Submission Form – Section I

Meeting Date: March 02, 2016

- Consent Agenda Decision Agenda Executive Session Requested
- Presentation Only Action/Presentation

Requesting Department: Clerk's Office

Staff Resource/Contact Person: Virginia Jones

Agenda Title: Public hearing, followed by discussion, Consideration and possible approval of Special Event Liquor License for Verde Valley Rangers, Mounted Sheriffs' Posse/Catherine A. Webster Camp Verde AZ 86322 for 2016 Spring, Heritage Wine and Pecan Festival on March 19th, and 20th.

List Attached Documents: –Special Event Liquor License Application

Estimated Presentation Time: 5

Estimated Discussion Time: 5

Reviews Completed by:

Department Head: Virginia Jones Town Attorney Comments: N/A

Finance Department N/A

Fiscal Impact: None

Budget Code: N/A Amount Remaining: _____

Comments:

Background Information: Application received on 02-22-2016.

Recommended Action: Approve Special Event Liquor License Application for Verde Valley Sheriffs' Posse/Catherine A. Webster Camp Verde AZ 86322

Instructions to the Clerk: Section II not required. Process application.



Arizona Department of Liquor Licenses and Control
 800 W Washington 5th Floor
 Phoenix, AZ 85007-2934
 www.azliquor.gov
 (602) 542-5141

FOR DLLC USE ONLY

Event Date(s):
Event time start/end:
CSR:
License:

APPLICATION FOR SPECIAL EVENT LICENSE
 Fee= \$25.00 per day for 1-10 days (consecutive)
 Cash Checks or Money Orders Only

A service fee of \$25.00 will be charged for all dishonored checks (A.R.S. § 44-6852)

IMPORTANT INFORMATION: This document must be fully completed or it will be returned.

The Department of Liquor Licenses and Control must receive this application ten (10) business days prior to the event. If the special event will be held at a location without a permanent liquor license or if the event will be on any portion of a location that is not covered by the existing liquor license, this application must be approved by the local government before submission to the Department of Liquor Licenses and Control (see Section 15).

SECTION 1 Name of Organization: VERDE VALLEY Rangers, Mounted Sheriff's Pass

SECTION 2 Non-Profit/IRS Tax Exempt Number: 86-0669881

SECTION 3 The organization is a: (check one box only)

- Charitable Fraternal (must have regular membership and have been in existence for over five (5) years)
- Religious Civic (Rotary, College Scholarship) Political Party, Ballot Measure or Campaign Committee

SECTION 4 Will this event be held on a currently licensed premise and within the already approved premises? Yes No

Name of Business	License Number	Phone (include Area Code)
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SECTION 5 How is this special event going to conduct all dispensing, serving, and selling of spirituous liquors? Please read R-19-318 for explanation (look in special event planning guide) and check one of the following boxes.

- Place license in non-use
- Dispense and serve all spirituous liquors under retailer's license
- Dispense and serve all spirituous liquors under special event
- Split premise between special event and retail location

(If not using retail license, submit a letter of agreement from the agent/owner of the licensed premise to suspend the license during the event. If the special event is only using a portion of premise, agent/owner will need to suspend that portion of the premise.)

SECTION 6 What is the purpose of this event? On-site consumption Off-site (auction) Both

SECTION 7 Location of the Event: 75 E. Hollamon St, Camp Verde, YAVAPAI, AZ 86322
 Address of Location: 395 S. Main St, Camp Verde, YAVAPAI, AZ 86322
Street City COUNTY State Zip

SECTION 8 Will this be stacked with a wine festival/craft distiller festival? Yes No

SECTION 9 Applicant must be a member of the qualifying organization and authorized by an Officer, Director or Chairperson of the Organization named in Section 1. (Authorizing signature is required in Section 13.)

- Applicant: Webster Catherine A 8-4-1961
Last First Middle Date of Birth
- Applicant's mailing address: P.O. Box 2355 Camp Verde AZ 86322
Street City State Zip
- Applicant's home/cell phone: (928) 360-1207 Applicant's business phone: (928) 330-0820
554- Zip
- Applicant's email address: webster610@gmail.com (All small letters)

SECTION 10

1. Has the applicant been convicted of a felony, or had a liquor license revoked within the last five (5) years?
 Yes No (If yes, attach explanation.)

2. How many special event licenses have been issued to this location this year? 0
 (The number cannot exceed 12 events per year; exceptions under A.R.S. §4-203.02(D).)

3. Is the organization using the services of a promoter or other person to manage the event? Yes No
 (If yes, attach a copy of the agreement.)

4. List all people and organizations who will receive the proceeds. Account for 100% of the proceeds. The organization applying must receive 25% of the gross revenues of the special event liquor sales. Attach an additional page if necessary.

Name Verde Valley Rangers Mounted Sheriff's Posse Percentage: 100 %

Address P.O. Box 2866 Camp Verde, AZ 86322
Street City State Zip

Name _____ Percentage: _____

Address _____
Street City State Zip

5. Please read A.R.S. § 4-203.02 Special event license; rules and R19-1-205 Requirements for a Special Event License.

Note: ALL ALCOHOLIC BEVERAGE SALES MUST BE FOR CONSUMPTION AT THE EVENT SITE ONLY.
"NO ALCOHOLIC BEVERAGES SHALL LEAVE SPECIAL EVENT UNLESS THEY ARE IN AUCTION SEALED CONTAINERS OR THE SPECIAL EVENT LICENSE IS STACKED WITH WINE /CRAFT DISTILLERY FESTIVAL LICENSE"

6. What type of security and control measures will you take to prevent violations of liquor laws at this event?
 (List type and number of police/security personnel and type of fencing or control barriers, if applicable.)

Number of Police 4 Number of Security Personnel _____ Fencing Barriers

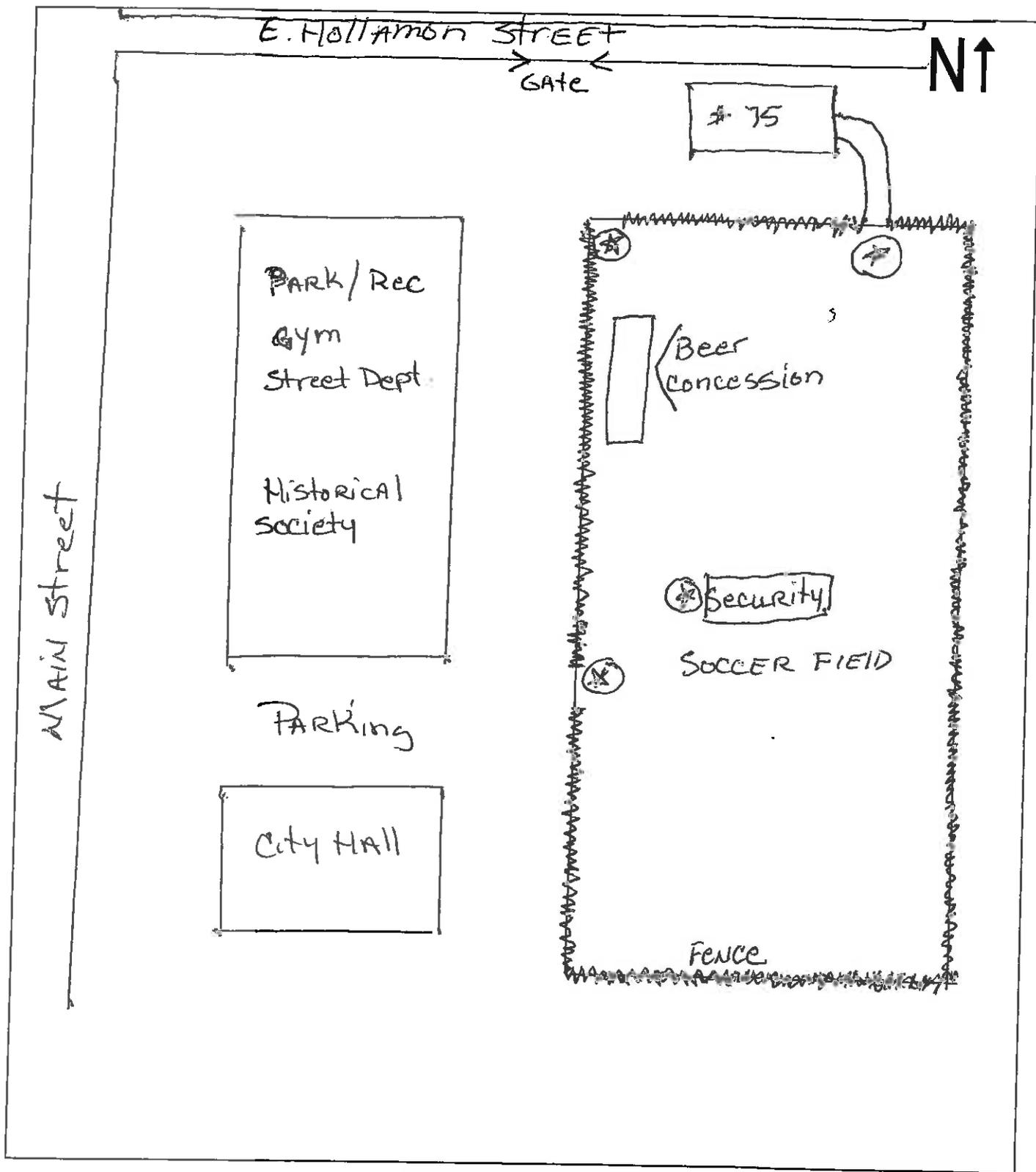
Explanation: _____

SECTION 11 Dates and Hours of Event. Days must be consecutive but may not exceed 10 consecutive days.
 See A.R.S. § 4-244(15) and (17) for legal hours of service.

PLEASE FILL OUT A SEPARATE APPLICATION FOR EACH "NON-CONSECUTIVE" DAY

	Date	Day of Week	Event Start Time AM/PM	License End Time AM/PM
DAY 1:	<u>MARCH 3-19-2016</u>	<u>Saturday</u>	<u>10 AM</u>	<u>7 pm</u>
DAY 2:	<u>3-20-2016</u>	<u>Sunday</u>	<u>10 AM</u>	<u>5 pm</u>
DAY 3:	_____	_____	_____	_____
DAY 4:	_____	_____	_____	_____
DAY 5:	_____	_____	_____	_____
DAY 6:	_____	_____	_____	_____
DAY 7:	_____	_____	_____	_____
DAY 8:	_____	_____	_____	_____
DAY 9:	_____	_____	_____	_____
DAY 10:	_____	_____	_____	_____

SECTION 12 License premises diagram. The licensed premises for your special event is the area in which you are authorized to sell, dispense or serve alcoholic beverages under the provisions of your license. The following space is to be used to prepare a diagram of your special event licensed premises. Please show dimensions, serving areas, fencing, barricades, or other control measures and security position.



SECTION 13 To be completed only by an Officer, Director or Chairperson of the organization named in Section 1.

I, (Print Full Name) Catherine Ann Webster declare that I am the APPLICANT filing this application as listed in Section 9. I have read the application and the contents and all statements are true, correct and complete.

X Catherine Ann Webster Event Coordinator 2/22/16 928-300-1720
 Signature Title/ Position Date Phone Number

The foregoing instrument was acknowledged before me this 22nd of FEBRUARY 2016
 Day Month Year

State ARIZONA County of YAVAPAI

My Commission Expires on JUNE 15, 2019
 Date

[Signature]
 Signature of Notary Public

JULIE M. SCOTT
 Notary Public - Arizona
 Yavapai County
 My Commission Expires JUN 15, 2019

SECTION 14 This section is to be completed only by the applicant named in Section 9.

I, (Print Full Name) _____ declare that I am the APPLICANT filing this application as listed in Section 9. I have read the application and the contents and all statements are true, correct and complete.

X _____
 Signature Title/ Position Date Phone Number

The foregoing instrument was acknowledged before me this _____
 Day Month Year

State _____ County of _____

My Commission Expires on: _____
 Date

 Signature of Notary Public

Please contact the local governing board for additional application requirements and submission deadlines. Additional licensing fees may also be required before approval may be granted. For more information, please contact your local jurisdiction: http://www.azliquor.gov/assets/documents/homepage_docs/spec_event_links.pdf.

SECTION 15 Local Governing Body Approval Section

I, _____ recommend APPROVAL DISAPPROVAL
 (Government Official) (Title)

On behalf of _____
 (City, Town, County) Signature Date Phone

FOR DEPARTMENT OF LIQUOR LICENSES AND CONTROL USE ONLY

APPROVAL DISAPPROVAL BY: _____ DATE: ____/____/____

A.R.S. § 41-1030. Invalidity of rules not made according to this chapter; prohibited agency action; prohibited acts by state employees; enforcement; notice

B. An agency shall not base a licensing decision in whole or in part on a licensing requirement or condition that is not specifically authorized by statute, rule or state tribal gaming compact. A general grant of authority in statute does not constitute a basis for imposing a licensing requirement or condition unless a rule is made pursuant to that general grant of authority that specifically authorizes the requirement or condition.

D. THIS SECTION MAY BE ENFORCED IN A PRIVATE CIVIL ACTION AND RELIEF MAY BE AWARDED AGAINST THE STATE. THE COURT MAY AWARD REASONABLE ATTORNEY FEES, DAMAGES AND ALL FEES ASSOCIATED WITH THE LICENSE APPLICATION TO A PARTY THAT PREVAILS IN AN ACTION AGAINST THE STATE FOR A VIOLATION OF THIS SECTION.

E. A STATE EMPLOYEE MAY NOT INTENTIONALLY OR KNOWINGLY VIOLATE THIS SECTION. A VIOLATION OF THIS SECTION IS CAUSE FOR DISCIPLINARY ACTION OR DISMISSAL PURSUANT TO THE AGENCY'S ADOPTED PERSONNEL POLICY.

F. THIS SECTION DOES NOT ABROGATE THE IMMUNITY PROVIDED BY SECTION 12-820.01 OR 12-820.02.

9.

YAVAPAI COLLEGE COMMUNITY UPDATE



FROM THE DESK OF DR. PENNY WILLS

With the thaw of spring, and the rush of returning students, we see the world of higher education changing at a rapid pace.

So as we greet this semester, we are also focusing on ways to position YC for the future. We're already updating and incorporating best practices in evolving areas like developmental education, dual enrollment, career pathways, online courses, and business/industry standards.

Change is constant – and it can be intimidating – but it's easier when you strongly believe in your mission. At YC, our priority is our students. And the faculty and staff base our decisions on what will benefit our students, now and in the future.

Speaking of changes: Our search for a new Vice President for Instruction and Student Development continues to move forward. We hope to conclude the search in March, with a start date for our new Vice President near the end of the semester.

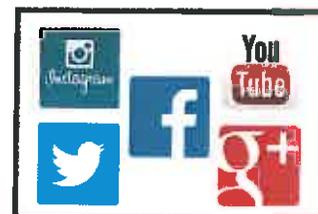
In 2015, Yavapai College embarked on year one of our new five-year strategic plan. This year's action plans focus heavily on strategies to increase student graduation rates and connect graduates to careers in their field of study. The College is also developing action plans to strengthen our marketing, recruiting, and community engagement capabilities. All these activities include measurable goals, so we can track and document our progress.

Keeping up with the pace of change also means expanding our ability to offer transferrable, effective online classes to our students. We've joined the National Council for State Authorization Reciprocity Agreements (SARA), to authorize reciprocity for online classes, so students can seamlessly take courses from Yavapai College.

This is just the tip of the iceberg at YC. As Yavapai County's academic and cultural center, we always have a lot going on and we want to continue improving our communication and outreach to the communities we serve. So please, stay connected! I encourage you to subscribe to our monthly YC e-Newsletter, follow us on social media and check in at yc.edu for the latest news, events and class schedules.

Let's continue the conversation:

If you want to know more about any of our projects at Yavapai College, please reach out. We're always happy to meet with you or your group to answer questions and hear ideas. Just call Karen Jones at 928-776-2307 to invite a Yavapai College rep to one of your meetings.



QUALITY

AFFORDABLE

EDUCATION



AROUND OUR DISTRICT

Here's what we're working on as we begin our Spring 2016 semester.

PRESCOTT CAMPUS

The Prescott campus is abuzz with activities and events this spring. The art gallery continues to attract the public with distinguished offerings including the upcoming Spring Faculty Exhibition. Our state-of-the-art library is preparing to celebrate its 40th anniversary as a member of the Federal Depository Library Program (FDLP), which means we offer free access to government library materials. The residence halls are thriving as busy students engage in a safe community where they can develop quality study skills and meet new people.

Building renovations to the Regional Economic Development Center will equip our REDC staff to engage more effectively with local businesses. Onsite improvements at the Osher Lifelong Learning department will make the building more functional for both the staff and our growing number of lifelong learners.

VERDE VALLEY CAMPUS

Yavapai College will continue its collaboration with the University of Arizona at the DK Ranch. If you haven't seen it, the ranch is an ideal setting for hands-on, experiential learning. And YC and the University of Arizona are developing curricula in a variety of areas, including animal science, fisheries, and natural resources and conservation.

In the coming year, the Verde Valley Campus will partner with local high schools and the Valley Academy for Career and Technical Education to expand opportunities for students seeking skills to enter the workforce.

The Southwest Wine Center tasting room is now open to the public. We proudly offer five types of student-crafted wines for sampling – Viognier, Grenache, Syrah, Merlot and Petite Syrah – and we'd love you to drop by for a taste.

SEDONA CENTER

The Sedona Center is scheduled for renovation in 2016-17. Physical improvements will include exterior painting, roof replacement and more.

On the programming side, the College is conducting focus groups and stakeholder meetings to discuss community needs and refine our offerings at the center. We want to review and improve our credit and non-credit courses, and develop programs that better meet the area's educational and economic priorities.

CAREER & TECHNICAL EDUCATION CENTER (CTEC)

Our Career & Technical Education (CTE) programs continue to attract students from all over the state and even the nation! Drawn by YC's strong 90.5% job placement percentage, Tech Ed programs have become an attractive option for many. By pairing high job placement with career coaching assistance, CTE gives our students a competitive edge in Arizona's job market.

CTE Highlight Programs



Unmanned Aircraft Systems (UAS)

Launched this spring, the Unmanned Aircraft Systems program quickly reached capacity as students are eager to learn about this emerging industry. In the United States, unmanned flight is projected to become a multi-billion dollar, private-sector industry over the next ten years. YC's program is both online and airborne, with flights conducted in FAA-approved airspace at the Chino Valley Agribusiness Center.



Motorcycle Technology

CTEC's popular motorcycle classes are back with a remodeled building and new instructor Bill Hamm of CycleZona. The initial class has filled to capacity for spring, and Bill is excited to teach a curriculum that will include Ultra Terrain Vehicles (UTVs), as well. The UTV industry has exploded in recent years as drivers and tourists gravitate to four-wheel adventure vehicles.



Prescott Campus Aerial



Verde Valley Campus



Sedona Center Courtyard



CHINO VALLEY AGRIBUSINESS CENTER

Spring is a very busy time at the Agribusiness Center. Our lineworker students are honing their job skills and prepping their résumés as graduation nears. The greenhouse is humming as horticulture students learn entrepreneurial skills by growing, harvesting, and selling produce at the Prescott Farmers Market and the upcoming Spring Plant Sale. Our aquaculture students are redesigning and installing new tanks in their fisheries lab, and our equine program is working with the Yavapai Humane Society to integrate the new CV Equine Rescue Center into its offerings. Keep up the great work, Chino Valley!



Chino Valley Center Greenhouse

FRESCOTT VALLEY CENTER

The Prescott Valley Center has realigned its staff to provide more streamlined and efficient student services. The Emergency Management and Fire Science (FSC) degree programs have enhanced their partnership with Central Yavapai Fire District; and the Firefighter Certification Academy has moved into the center, providing better classroom facilities for its students. FSC has also increased its marketing initiatives to expand its student base.



Prescott Valley Center

REGIONAL ECONOMIC DEVELOPMENT CENTER (REDC)

The REDC has expanded capacity to include Career Coaches and Adult Basic Education, areas that utilize economic and labor research to both train and place individuals.



REDC Employment Services

The Center also unveiled a new [Employment Services webpage](#) that will serve as a portal for students to connect with jobs. The site's interactive features include online bulletin boards where employers can place inquiries and list opportunities for internships and apprenticeships.

EVENTS AT THE PAC AND ON THE VERDE

This spring, the Performing Arts Center's popular YCPAC Presents series includes renowned performers like Brian Regan (Feb. 28), the Women of Ireland (March 21), Jackson Browne (May 9) and Alton Brown (May 14). We're also looking forward to the upcoming art gallery exhibition, "Issues in Print: Published Works by Brian Stauffer."



Brian Regan in Concert

In addition to great live acts, both the Verde and Prescott campuses offer satellite broadcasts of productions from the New York Metropolitan Opera, Moscow's Bolshoi Ballet and the National Theatre in London. Find out more by visiting the PAC's website: www.ycpac.com

In other news, the Music Department announced its spring musical, "The Music Man," at the Yavapai College Performing Arts Center, March 17-20.

FINANCIAL AID / RECRUITING

In this day and age, with education so critical in the job market, too many students never reach college because they lack the funds. That's why YC's Financial Aid Office and Student Development Division seek to assist every high school senior in the county. Our Early College Days events, held this spring at the Prescott and Verde campuses, offer assessments, tours, and college readiness briefings to an estimated 1,000 Yavapai County high school students. We are increasing early recruiting efforts as well, with more than 700 tours scheduled for middle and elementary school students.



High School Tours

We continue to expand our academic advising in Yavapai County high schools, with one-on-one services available at Mingus, Camp Verde, Sedona, BMHS, Bagdad, Ashfork, Mayer, Tri-City Prep, Chino Valley and AAEC, and group advising and program presentations at Prescott High School.



ATHLETICS

In 2015, YC placed 44 student athletes on the Athletic Director's Honor Roll (3.0 GPA or higher), the baseball team competed in the NJCAA World Series; the Roughrider volleyball squad advanced to the NJCAA National Championship for the first time in YC history; and the soccer team won their 27th ACCAC Championship. Congratulations to all our athletes!

On deck for spring: YC's baseball and softball teams. The first softball home game and conference doubleheader of the season will be Tuesday, February 2, against Paradise Valley Community College. Baseball's home opener is on Monday, February 15, against Salt Lake Community College. We encourage everyone to support our Roughriders!

IN CLOSING

I hope this brings you up-to-speed on YC's Spring 2016 plans. And I'd like to leave you with a small infographic (below) that reminds us why Yavapai College is the best place to receive a high-quality education through both credit and non-credit programming.

As always, if there's anything you'd like to know more about, please call Karen Jones at (928) 776-2307. We look forward to hearing from you.



Dr. Penny Wills
President
Yavapai College

Yavapai
COLLEGE
life explored



YC By the Numbers

1,510

Number of YC degrees and certificates awarded in the 2014-2015 academic year

No. 1

Arizona ranking of Yavapai College for its overall affordable online offerings and the affordability of its online Paralegal Studies program

24

Percent of YC full-time faculty members who have Ph.D.s vs. national community college average of 13 percent

90.5

Average job placement percentage/rate of graduates/completers of Yavapai College tech ed programs (Aviation, Diesel, Electrical & Instrumentation, etc.)

82

Percent of Yavapai County residents who agree with the statement, "YC makes Yavapai County a better place to learn, to work and to live."

3.29

Cumulative GPA of YC students who transferred to universities like U of A, ASU & NAU, ranking them in the 90th percentile of all community college transfer students nationwide

5-star

Quality rating of Yavapai College's Del E. Webb Family Enrichment Center (FEC), the only center in Northern AZ to attain the highest rating from Quality First (QF)

FOLLOW US TODAY.





Agenda Item Submission Form – Section I

Meeting Date: March 2, 2016

Consent Agenda Decision Agenda Executive Session Requested

Presentation Only Action/Presentation

Requesting Department: Finance Dept.

Staff Resource/Contact Person: Mike Showers

Agenda Title (be exact): Discussion, consideration & possible approval for Finance Director to write-off the remaining portion of the Parks Fund loan payable to the General Fund and close the Parks Fund.

List Attached Documents: 1) Refunding Agreement – 3/6/08, 2) Revised Refunding Agreement – 5/10/10, 3) Minutes from 3/05/08 Council Meeting

Estimated Presentation Time: 5 mins

Estimated Discussion Time: 5 mins

Reviews Completed by:

Town Attorney Comments: N/A

Department Head:

Budgeted Unbudgeted N/A

Fiscal Impact: There is no monetary impact to the Town.

Background Information: There is no current valid reason for the existence of the Parks Fund. It seems to have been established coinciding with the purchase of the community park property and the establishment of the inter-Town loan of \$832,000 in March of 2008 between the Parks Fund and the General Fund.

As for the loan, there is no reasonable mechanism for repayment of this note. Money for the repayment has only come from general Town revenues allocated to the Parks fund. The circular reasoning of this concept does not present a valid repayment source nor any reason for the loan in the first place. Furthermore, there is no current funding being allocated to the parks fund.

Second, this fund is not being used for any purpose other than to transfer current equity back to the general fund for parks related expenses. There is no compelling reason for this fund to exist at this time.

Recommended Action (Motion): Move to approve the Finance Director to write-off the remaining portion of the Parks Fund loan payable to the General Fund and close the Parks Fund.

Instructions to the Clerk: N/A.

REFUNDING AGREEMENT

The aggregate sum of Eight Hundred Thirty-Two Thousand Dollars (\$832,000) shall be transferred from the Town Parkland Acquisition Fund to the Town of Camp Verde General Fund, Local Government Investment Pool Account pursuant to the payment terms set forth below:

Terms of Repayment: Payable on a Quarterly basis with fifty thousand dollars being tendered each quarter beginning on October 1, 2008 and continuing on a quarterly basis thereafter until the full amount of the funds borrowed, that being Eight Hundred Thirty-Two Thousand Dollars (\$832,000), is repaid in full.

APPROVALS



Mayor

3/6/08

Date

Attest:

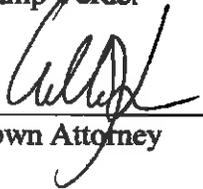

Town Clerk

3-14-08

Date

Determination of Counsel

The foregoing agreement has been reviewed by the undersigned attorney for the Town of Camp Verde, who has determined that the agreement is in proper form and is within the powers and authority granted under the laws of this State to the Town of Camp Verde.



Town Attorney

3/11/08

Date

REVISED REFUNDING AGREEMENT

This Revised Refunding Agreement is to modify the Refunding Agreement adopted by Council on March 5, 2008 that stated as follows:

The aggregate sum of eight hundred thirty-two thousand dollars (\$832,000) shall be transferred from the Town Parkland Acquisition Fund to the Town of Camp Verde General Fund, Local Government Investment Pool Account pursuant to the payment terms set forth below:

Terms of Repayment: Payable on a quarterly basis with fifty thousand dollars being tendered each quarter beginning on October 1, 2008 and continuing on a quarterly basis thereafter until the full amount of the funds borrowed, that being eight hundred thirty-two thousand dollars (\$832,000), is repaid in full.

This revision serves to include the provision that the Parks Fund shall make payments to the General Fund when cash resources are available for repayment. In times when the cash resources are not available for repayment, the repayment period will be extended until a time in which cash resources are available for repayment.

APPROVALS



Mayor

5-10-10
Date

Attest:

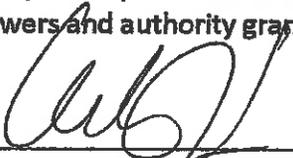


Town Clerk

5-20-10
Date

Determination of Counsel

The foregoing agreement has been reviewed by the undersigned attorney for the Town of Camp Verde, who has determined that the agreement is in proper form and is within the powers and authority granted under the laws of this State to the Town of Camp Verde.



Town Attorney

5/11/10
Date

**MINUTES
REGULAR SESSION
MAYOR AND COUNCIL
TOWN OF CAMP VERDE
COUNCIL CHAMBERS
WEDNESDAY, MARCH 5, 2008
6:30 P.M.**

Minutes are a summary of the actions taken. They are not verbatim.
Public input is placed after Council motions to facilitate future research.
Public input, where appropriate, is heard prior to the motion.

1. **Call to Order**
The meeting was called to order at 6:33 p.m.
2. **Roll Call**
Mayor Gioia, Councilors Smith, Garrison, Kovacovich and Elmer were present. Vice Mayor Hauser and Councilor German were absent.

Also Present: Town Manager Mike Scannell, Town Attorney Bill Sims, Parks & Recreation Director Lynda Moore, Library Director Gerry Laurito, Town Clerk Debbie Barber, and Recording Secretary Margaret Harper.
3. **Pledge of Allegiance**
The Pledge was led by Smith.
4. **Consent Agenda** -- All those items listed below may be enacted upon by one motion and approved as consent agenda items. Any item may be removed from the Consent Agenda and considered as a separate item if a member of Council requests.
 - a) **Approval of the Minutes:**
 - 1) February 26, 2008 -- Retreat/Form with Yavapai-Apache Nation Tribal Council
 - 2) February 21, 2008 -- Joint Work Session Camp Verde Sanitary District
 - 3) February 20, 2008 -- Regular Session
 - 4) February 13, 2008 -- Joint Work Session Parks & Rec
 - b) **Set Next Meeting, Date and Time:**
 - 1) Joint Special Session with Sanitary District -- March 6, 2006 at 5:00 p.m.
 - 2) Joint Work Session with Library Advisory Commission -- March 12, 2008 at 6:30 p.m.
 - 3) Regular Session -- March 19, 2008 at 6:30 p.m.
 - 4) Council Hears Planning & Zoning -- March 26, 2008 at 6:30 p.m.
 - c) **Possible authorization for the Mayor to sign a withdrawal form to transfer \$93,217.39 from the Library-Endowment-Fund MARY LYON'S FUND banking account at AmTrust Bank to the Town's general banking account at Wells Fargo Bank for reimbursement of expenditures for the Library Master Plan Design.** (Staff Resource: Michael Scannell)
 - d) **Possible acceptance of Dee Whitt's resignation from the Trails & Pathways Commission and presentation of a Certificate of Appreciation for her service.**
 - e) **Possible appointment of Carol German to serve on the Design Review Board as the Planning & Zoning representative for a 6-month period.** (Staff Resource: Michael Scannell)
 - f) **Possible authorization for the Mayor to sign a Special Event Liquor License for the Highland Games, Welsh League of Arizona, to be held on Saturday March 29, 2008 from 10:00 a.m. to 5:00 p.m.** (Staff Resource: Lynda Moore)
 - g) **Possible authorization for the Mayor to sign a letter for transmittal (with the site and parcel map) to Arizona State Parks seeking a "Waiver of Retroactivity for Acquisition Projects" for a 118-acre Community Park.** This waiver will assist in the property purchase through a Heritage Grant. (Staff Resource: Michael Scannell)
 - h) **Possible authorization to transfer \$832,000 from the Town's General Fund Local Government Investment Pool account to the Town's Wells Fargo bank account for distribution to Yavapai Title for the purchase of 118.7 acres from the Government Services Administration for the Community Park.** (Staff Resource: Michael Scannell)

- i) **Possible authorization for the Mayor to execute a Refunding Agreement in order to memorialize the terms and conditions of the \$832,000 inter-fund loan between the Town's General Fund and the Town's Parkland Acquisition Fund.** (Staff Resource: Michael Scannell)
- j) **Possible approval of a Qwest Corporation Underground Utility Easement Agreement for an in consideration of \$10.00 and authorization for the Mayor to sign the document and all other escrow closing documents for the 118-acre Community Park.**
- k) **Consideration, and possible approval of Ordinance 2008-A350, an ordinance of the Town Council of the Town of Camp Verde, Yavapai County, Arizona, establishing a policy of conducting Criminal Record Checks for prospective Town employees and volunteers.** This ordinance will supersede Ordinance 2000-A170. (Staff Resource: David R. Smith)
- i) **Discussion, consideration, and possible direction to staff to go out to bid to hire a consultant to prepare a Master Plan for the Community Park, located at the 118-acre site, Parcel A, purchased from the U.S.F.S.**
On a motion by Smith, seconded by Kovacovich, the Consent Agenda was unanimously approved as presented, with Items 4.f), h), j) and i) pulled for discussion.

(Items pulled for separate consideration and action)

- f) **Possible authorization for the Mayor to sign a Special Event Liquor License for the Highland Games, Welsh League of Arizona, to be held on Saturday March 29, 2008 from 10:00 a.m. to 5:00 p.m.**

On a motion by Smith, seconded by Kovacovich, the Council voted 4-1 to authorize the Mayor to sign a Special Event Liquor License for the Highland Games, Welsh League of Arizona, to be held on Saturday March 29, 2008 from 10:00 a.m. to 5:00 p.m.; with a 'no' vote by Garrison.

The Council discussed the issue of liquor at Town events as well as the upcoming event which Parks & Recreation Director Moore said is no longer a Town-sponsored event. During the discussion Garrison continued to state her opinion that liquor should not be served at those events; a suggestion was made that the Council could reconsider at a later date the current policy regarding liquor at Town events.

- h) **Possible authorization to transfer \$832,000 from the Town's General Fund Local Government Investment Pool account to the Town's Wells Fargo bank account for distribution to Yavapai Title for the purchase of 118.7 acres from the Government Services Administration for the Community Park.**

On a motion by Smith, seconded by Garrison, the Council unanimously authorized the transfer of \$832,000 from the Town's General Fund Local Government Investment Pool account to the Town's Wells Fargo bank account for distribution to Yavapai Title for the purchase of 118.7 acres from the Government Services Administration for the Community Park.

Garrison had requested this item be pulled because she understood there were some individuals who wanted to speak on the issue. However, when **Tim Sykes** and **Maureen Pastine** each started to comment, the Mayor pointed out that this was not the item for input regarding location of the Library. There was no further discussion.

- i) **Possible authorization for the Mayor to execute a Refunding Agreement in order to memorialize the terms and conditions of the \$832,000 inter-fund loan between the Town's General Fund and the Town's Parkland Acquisition Fund.**

On a motion by Kovacovich, seconded by Elmer, the Council unanimously authorized the Mayor to execute a Refunding Agreement in order to memorialize the terms and conditions of the \$832,000



Agenda Item Submission Form – Section I

Meeting Date: March 2, 2016

- Consent Agenda Decision Agenda Executive Session Requested
- Presentation Only Action/Presentation

Requesting Department: Council Direction

Staff Resource/Contact Person: Manager Russ Martin

Agenda Title (be exact): Discussion, consideration and possible approval or Ordinance 2016- A416 an ordinance of the Town of Camp Verde, Yavapai County, Arizona, amending Section 3-2-7 of the Town Code regarding Town Attorney. Superseding 2002-A220

List Attached Documents: Draft Ordinance 2016-A416
Copy of Chapter 7 of current Town Code
Copy of Minutes

Estimated Presentation Time: N/A

Estimated Discussion Time: 5 Minutes

Reviews Completed by:

- Department Head:** Virginia Jones **Town Attorney Comments:** N/A
- Finance Department** N/A

Fiscal Impact:
Budget Code: _____ **Amount Remaining:** _____
Comments:

Background Information: During the Regular Session Council meeting of February 17, 2016 Council directed staff to bring back a policy regarding individual Council members contacting the Town Attorney to include checks and balances to provide a methodology of transparent procedures at which Council members may contact the Town Attorney. The Attorney was contacted and he suggested adding to the Town Code the following verbiage.

'When the Town Attorney is a contract attorney, each individual Council Member (other than the Mayor) must coordinate any contact with the contract Town Attorney through the Town Manager, unless the contact involves a possible charge against the Town Manager or a conflict of interest of the Town Manager, in which case the individual Council Member must coordinate any contact with the contract Town Attorney through the Mayor.'

Additionally staff also feels it is important to recognize the cost associated with Council/Mayor calls directly charged so all Town Council is aware, since June 2014 these calls have cost approximately \$3000.

Recommended Action (Motion): Move to Approve Ordinance 2016- A416 an ordinance of the Town of Camp Verde, Yavapai County, Arizona, amending Section 3-2-7 of the Town Code regarding Town Attorney. Superseding 2002-A220

Instructions to the Clerk: process Ordinance, Update Code



ORDINANCE 2016-A416

**AN ORDINANCE OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF CAMP VERDE, YAVAPAI COUNTY, ARIZONA, AMENDING SECTION 3-2-7 OF THE TOWN CODE REGARDING TOWN ATTORNEY.
Superseding 2002-A220**

Whereas, The Town Code description for the Town Attorney needs to be updated and clarified and,

NOW THEREFORE, BE IT ORDAINED BY THE MAYOR AND COMMON COUNCIL OF THE TOWN OF CAMP VERDE AS FOLLOWS:

Section 1. Section 3-2-7 Town Attorney is amended to read:

Section 3-2-7 Town Attorney

- A. Office Established.** The office of Town Attorney is hereby established. The Town Attorney shall be appointed by a majority vote of the Council on the basis of ability and shall hold office pursuant to Sections 3-1-3.A and 3-1-3.B of this code.
- B. Powers and Duties.**
1. The Town Attorney is the administrative head of the legal department under the direction and control of the Council.
 2. The Town Attorney shall act as the legal counselor and advisor of the Council and other Town officials. The Town Attorney shall give his opinion in writing when requested. Major issues should be subject to Council review and majority direction. Any request that is estimated by the Town Attorney to exceed two (2) hours to complete will be considered a major issue that should be placed on the agenda.
 3. If there is a legal issue concerning an agenda item, the Town Attorney may be requested by the Mayor, after direction by the Council, to provide a written opinion to Council, call for a vote for an Executive Session, or to discuss the matter with the interested Council Member in private, rather than give impromptu opinions during the meeting. The Town Manager may also request a formal written opinion in advance of a meeting regarding minor issues. This would not prevent the Attorney from responding to questions on procedures, or explaining the provisions of forms or documents related to the agenda items.
 4. The Town Attorney shall draft and/or review deeds, contracts, conveyances, ordinances, resolutions, and other legal instruments when required. Major issues should be subject to Council review and majority direction. Any request that is estimated by the Town Attorney to exceed two (2) hours to complete will be considered a major issue that should be placed on the agenda.
 5. The Town Attorney shall approve or disapprove as to form, in writing, all documents submitted to the Town Attorney.

6. The Town Attorney shall return, within ten days, all ordinances and resolutions submitted to him for consideration, with the Town Attorney's approval or disapproval as to form noted thereon, together with his reasons therefore if disapproved.
7. The Town Attorney shall handle or monitor all suits, actions, or causes where the Town is a party and report to the Council, when required, the condition of any suit or action to which the Town is a party. Any contract or consulting attorney or legal representative shall report to the Town Attorney who will act as liaison to the Council. No individual Council Member shall be allowed to directly contact contract attorneys **WHO MUST REPORT TO THE TOWN ATTORNEY. WHEN THE TOWN ATTORNEY IS A CONTRACT ATTORNEY, EACH INDIVIDUAL COUNCIL MEMBER (OTHER THAN THE MAYOR) MUST COORDINATE ANY CONTACT WITH THE CONTRACT TOWN ATTORNEY THROUGH THE TOWN MANAGER, UNLESS THE CONTACT INVOLVES A POSSIBLE CHARGE AGAINST THE TOWN MANAGER OR A CONFLICT OF INTEREST OF THE TOWN MANAGER, IN WHICH CASE THE INDIVIDUAL COUNCIL MEMBER MUST COORDINATE ANY CONTACT WITH THE CONTRACT TOWN ATTORNEY THROUGH THE MAYOR.** In the event of conflict of interest or unavailability, the Town Manager shall be liaison to that specific item.

Section 2. All Ordinances or parts of ordinances adopted by the Town of Camp Verde in conflict with the provisions of the ordinance or any part of the code adopted herein by reference, are hereby repealed, effective as of the day this ordinance is effective.

Section 3. This ordinance is effective upon completion of publication and any posting as required by law.

PASSED AND APPROVED by a majority vote of the Town Council of Camp Verde, Arizona, this 2nd day of March 2016.

Approved as to Form:

William Sims, Town Attorney

Charles German – Mayor

Attest:

Virginia Jones – Town Clerk

2. Direct preparation of improvement districts and coordinates work and studies for improvement projects.
3. Direct abandonments and acquisition of right-of-way for public improvements such as streets, alleys, sewers and drainage ways.
4. Review and approve plans, permits, and specifications for Town construction contracts; direct and advise inspectors of construction projects under his jurisdiction; interpret construction plans and specifications.

SECTION 3-2-7 TOWN ATTORNEY (2002-A220)

- A. Office Established.** The office of Town Attorney is hereby established. The Town Attorney shall be appointed by a majority vote of the Council on the basis of ability and shall hold office pursuant to Sections 3-1-3.A and 3-1-3.B of this code.
- B. Powers and Duties.**
1. The Town Attorney is the administrative head of the legal department under the direction and control of the Council.
 2. The Town Attorney shall act as the legal counselor and advisor of the Council and other Town officials. The Town Attorney shall give his opinion in writing when requested. Major issues should be subject to Council review and majority direction. Any request that is estimated by the Town Attorney to exceed two (2) hours to complete will be considered a major issue that should be placed on the agenda.
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 4. The Town Attorney shall draft and/or review deeds, contracts, conveyances, ordinances, resolutions, and other legal instruments when required. Major issues should be subject to Council review and majority direction. Any request that is estimated by the Town Attorney to exceed two (2) hours to complete will be considered a major issue that should be placed on the agenda.
 5. The Town Attorney shall approve or disapprove as to form, in writing, all documents submitted to the Town Attorney.
 6. The Town Attorney shall return, within ten days, all ordinances and resolutions submitted to him for consideration, with the Town Attorney's approval or disapproval as to form noted thereon, together with his reasons therefore if disapproved.
 7. The Town Attorney shall handle or monitor all suits, actions, or causes where the Town is a party and report to the Council, when required, the condition of any suit or action to which the Town is a party. Any contract or consulting attorney or legal representative shall report to the Town Attorney who will act as liaison to the Council. No individual Council Member shall be allowed to directly contact contract attorneys. In the event of conflict of interest or unavailability, the Town Manager shall be liaison to that specific item.

ARTICLE 3-3 (RESERVED FOR FUTURE USE)

10. Discussion, consideration, and possible approval of Wine Festival License for the 2016 Spring Heritage Pecan and Wine Festival to be held at 473 S Main Street in Camp Verde on March 19-20, 2016. Applications include:

- Alcantara LLC
- Oak Creek Vineyards & Winery
- Caduceus Cellars LLC
- Four Eight Wineworks
- Page Springs Cellars & Vineyards
- Arizona Stronghold Vineyards, LLC
- Prescott Winery
- Javelina Leap Estate Vineyard
- Pierce Wines Arizona LLC
- Clear Creek Vineyard & Winery
- Freitas Vineyard
- Chateau Tumbleweed
- Dancing Apache Ranch
- Burning Tree Cellars LLC

On a **motion** by Councilor German, seconded by Vice Mayor George, the council unanimously voted to approve all applications for the Wine Festival License, 2016 Spring Heritage Pecan and Wine Festival to be held on March 19-20, 2016.

Town Clerk Virginia Jones advised the Mayor and Council that all applications had been completed, that Verde Valley hosts 14 wineries, and all 14 want to participate in the Pecan and Wine Festival.

11. Discussion, consideration and possible approval of re-appoint of Mr. Ed Lee for one year as Camp Verde's Citizen Liaison to the OLLI (Osher Lifelong Learning Institute) project.

On a **motion** by Councilor Gordon, seconded by Vice Mayor George, the council unanimously voted to approve the re-appointment of Mr. Ed Lee for one year as Camp Verde's Citizen Liaison to the OLLI project.

Ed Lee, OLLI Representative/Camp Verde Liaison, addressed the Mayor and Council stating he was pleased to be considered for re-appointment; the OLLI program has proven to be very successful in Camp Verde and is not only benefiting Camp Verde residents, but all of the Verde Valley. Mr. Lee advised the preliminary discussions have begun regarding Camp Verde having its own OLLI council rather than just a campus for the Clarkdale council. If his re-appointment is approved, he would accept the re-appointment and will move forward in establishing a Camp Verde Council for OLLI.

12. Discussion, consideration and possible approval of Ordinance 2016-A415, an Ordinance of the Mayor and Common Council of the Town of Camp Verde, Yavapai County, Arizona, amending the Town Code, Section 2-1-3 Assumption of Office and Section 2-2-2 Vice-Mayor. Staff Resource: Virginia Jones

On a **motion** by Councilor Baker, seconded by Councilor German, the council unanimously voted to approve Ordinance 2016-A415.

Town Clerk Virginia Jones advised the Mayor and Council the Town Code required modification to meet the new State requirements for Assumption of Office for newly elected officials and appointment of the Vice-Mayor.

- * 13. Discussion, consideration and possible direction to staff to construct a policy and bring back to Council for approval, regarding individual Council members contacting the Town Attorney to

include checks and balances to provide a methodology of transparent procedure at which Council members may contact Town attorney.

After substantial discussion, it was the consensus of the Mayor and Council to direct staff to construct and present to Council a written policy/procedure or present an Ordinance for Council consideration that sets a policy/procedure wherein Council Members may contact and obtain information, legal advice and/or direction from the Town Attorney 1) avoiding any appearance of impropriety and provide a methodology or transparency; 2) including direction for contacting, and incorporating participation with, the Town Clerk and/or Manager first to make a determination whether or not the issue in question is a matter that should be addressed by the Town Attorney or be placed on the Council Agenda; 3) thereafter, if it is determined that the Town Attorney should be consulted, the question or issue shall require a written summary and response from the Town Attorney and forwarded to the Town Clerk and/or Manager, the Mayor, and all Council Members; 4) requiring communication with the Town Attorney be collective (not individual); and 5) the policy shall include punitive damages (penalty) wherein a violation of the policy may result in the person or persons in violation of said policy to be personally liable for any Attorney fees incurred.

14. **Discussion, consideration and possible direction to staff relative to proposed legislation by the 52nd State Legislature during its second regular session that convened on January 11, 2016.** Councilor Whatley stated concerns and displeasure with the Legislature continuing to enact laws that are forced upon Cities and Towns, sometimes being in direct opposition of what the local ordinances direct and cause confusion for Cities and Towns and citizens of Arizona.

15. **Call to the Public for items not on the agenda.**

Linda Buchanan addressed the Mayor and Council advising she attended 30 of the last 32 Yavapai College Verde Valley Advisory Committee Meetings and there is no opportunity for public comment at the meetings or in any other format, providing the Council with a hand-out, and suggesting Yavapai College and the Verde Valley Advisory Committee take a look at Maricopa Community College, as it is a good example of how a community college and its administration should be designed and organized. Ms. Buchanan also suggested the Verde Valley Campuses need their own administration and should not be governed by Prescott. Ms. Buchanan also suggested the College, its campuses and students, should play a part in the economic development strategic plan.

Mayor German, after receiving no objection from Council Members, stated he would contact Steve King (Yavapai College Verde Valley Advisory Committee) requesting a format be set wherein public comment could either 1) be a part of their regular meetings and/or 2) set Public Forum meetings in each community for the public to comment and ask questions of the Verde Valley Advisory Committee members.

16. **Council Informational Reports.** These reports are relative to the committee meetings that Council members attend. The Committees are Camp Verde Fire District, Camp Verde Schools Education Foundation; Chamber of Commerce, Intergovernmental Association, NACOG Regional Council, Verde Valley Transportation Planning Organization, Yavapai County Water Advisory Committee, and shopping locally. In addition, individual members may provide brief summaries of current events. The Council will have no discussion or take action on any of these items, except that they may request that the item be placed on a future agenda.

Councilor Whatley – no report.

Councilor Gordon – advised that he and Tony Gioia (water rights liaison) have met and will be requesting water rights and issues be placed on the Agenda soon; he attended a Citizen's Water Advocacy Group meeting last Saturday; and he attended the Buffalo Soldier's at Fort Verde.

Vice Mayor George – advised he attended the quarterly VVREO meeting with Steve Ayres.

Mayor German – no report.

Councilor Baker – no report.

Councilor Jones-Murdock – no report.

Councilor German – stated concerns over the proposed fees/tuition for dual enrollment in Yavapai College. Councilor German attended the February 15, 2016 NAU meeting and provided a hand-out regarding the meeting and plans for proposed higher education opportunities in the Verde Valley.

17. **Manager/Staff Report** Individual members of the Staff may provide brief summaries of current events and activities. These summaries are strictly for informing the Council and public of such events and activities. The Council will have no discussion, consideration, or take action on any such item, except that an individual Council member may request that the item be placed on a future agenda.

Town Clerk Virginia Jones advised Ballots for the recall election had been mailed out – Ballot boxes are available at Town Hall and Yavapai Apache Nation, or the Ballots can be mailed in.

Adjournment. Mayor German, with no objection from Council, pronounced the meeting adjourned at 7:50 p.m.

Charles German, Mayor

Lynn Riordan-Recording Secretary

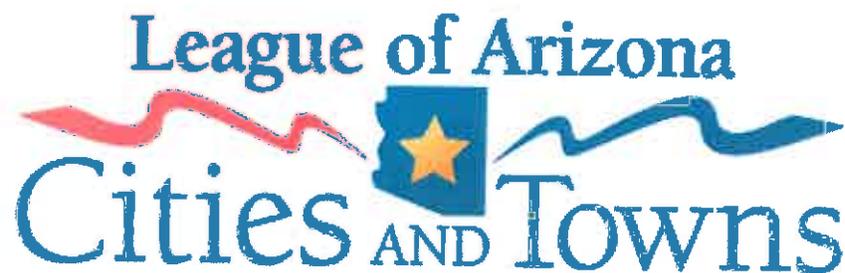
CERTIFICATION

I hereby certify that the foregoing Minutes are a true and accurate accounting of the actions of the Mayor and Common Council of the Town of Camp Verde during the Regular Session Mayor and Common Council of the Town Council of Camp Verde, Arizona, held on February 17, 2016. I further certify that the meeting was duly called and held, and that a quorum was present.

Dated this _____ day of _____, 2016.

Virginia Jones – Town Clerk

12.



— Legislative Bulletin —

Issue 5 - February 12, 2016

Legislative Overview

Today marks the 33rd day of the 2016 session. The Legislature was in high gear this week, with long committee and floor sessions. There is one more week for bills to be heard in their chamber of origin.

All deadlines have passed for bill introduction. To date there have been 1219 bills introduced, with 105 memorials and resolutions. This is an increase of approximately 5% over last year's totals. There are 694 House bills and 525 Senate bills. So far, only a single bill has been signed: HB2468 (internet crimes against children; appropriation).

PSPRS

The package of bills that reform the Public Safety Personnel Retirement System (PSPRS), **SB1428**, **SB1429** and **SCR1019**, passed out of a special meeting of the House Insurance Committee on Thursday by votes of 7-1 each. The League testified in support of the package as the best solution for reforming the state pension system for public safety personnel. Cities and towns have the most members in the system and have the largest unfunded liability. The bills create a new Tier 3 for future employees—those hired after July 1, 2017 - and include a question that should appear on the May 17th special election ballot that changes the Permanent Benefit Increase (PBI) to an annual COLA for existing employees and retirees. The bills passed out of the full House on Thursday. SB1428 was amended on the House floor and will likely have final action in the Senate on Monday.

Photo Radar

On Tuesday, **HB2122, technical correction; technical registration board** had a strike-everything amendment related to photo enforcement and driver's license suspension. Sponsored by Representative J.D. Mesnard (R - Chandler), the bill would prohibit a license suspension for a failure to appear in court violation on a photo enforcement ticket. The League was opposed as removing the suspension would essentially take the enforcement out of the photo radar system. The bill passed the House Transportation and Infrastructure Committee by a vote of 5-3 and now moves on to the House Rules Committee.

Sanctuary Cities

HB2223, prohibited money transfers; information sharing, passed the House Government and Higher Education Committee on Thursday by a vote of 6-3. The bill is sponsored by Representative Jay Lawrence (R - Scottsdale) and would penalize cities and towns that do not follow federal immigration law by withholding shared revenue. The League testified that there are no sanctuary cities in Arizona and was therefore neutral. The bill proceeds to the House Rules Committee.

business. The bill also addresses concerns of self-regulation of businesses within cities. The League is neutral on the bill. It now goes to the Rules Committee.

Photo Enforcement

Two bills related to photo traffic enforcement passed their respective committees this week. **HB2540, prohibition; photo radar** gained approval from the House Transportation and Infrastructure Committee by a vote of 5-4. Sponsored by Representative Kelly Townsend (R - Mesa) the bill would ban all type of photo enforcement, including speed, red light and school zone cameras. **SB1520, S/E: photo enforcement; voter approval** passed the Senate Public Safety and Military Technology Committee with a vote of 4-1. Sponsored by Senator Steve Smith (R - Maricopa) the measure would send to a municipality's voters the question of retaining photo enforcement. The League opposed both bills, as cities that continue to use photo enforcement can cite safer conditions in their communities, and those that have removed it have already listened to their constituents without having to go to an election. Both measures go on to the Rules Committee.

Drones

SB1449, unmanned aircraft; prohibited operations, passed two Senate Committees this week. Sponsored by Senator John Kavanagh (R - Fountain Hills), the bill prescribes various regulations associated with unmanned aircraft, or drones. Cities and towns are greatly restricted from adopting their own ordinances in the bill, so the League is working with the bill's proponents to ensure that municipal concerns are addressed. As such, there will continue to be amendments to the bill. SB1449 passed the Senate Transportation Committee 5-1, and the Senate Judiciary Committee 7-0. The bill now goes to the Rules Committee.

Firearms and the Federal Government

Sponsored by Representative Anthony Kern (R - Glendale) **HB2300, firearms; prohibited governmental activities** prohibits state or local governments from enforcing or using resources to aid in the enforcement of federal laws related to personal firearms. The League opposed the bill as it could impede cooperative activities between federal and local law enforcement related to firearms. The measure passed the House Judiciary Committee by a vote of 4-2, and moves to the Rules Committee.

Immigration

HB2024, S/E immigration laws; attorney fees, sponsored by Representative Mark Finchem (R - Tucson) prohibits the awarding of attorney fees to the prevailing party if the prevailing party is a governmental entity in a case involving enforcing immigration law. The League opposed as there could be frivolous lawsuits that occur where the municipalities prevail, but under this bill would not be able to recover attorney fees. The bill passed the House Federalism and States' Rights Committee by a vote of 5-2, and now goes to the Rules Committee.

Legislative Bill Monitoring

(All bills being actively monitored by the League [can be found here.](#))

HB2497: local governments; permits; equipment

HB2540: prohibition; photo radar

SB1520: S/E photo radar; voter approval

SB1449: unmanned aircraft prohibited operations

HB2300: firearms; prohibited governmental activities

HB2024: S/E immigration laws; attorney fees

SB1523: truth in taxation; levy increases

SB1350: S/E online homesharing; administration; definitions

SB1487: state law; local violations; penalties

SB1524: regulatory actions; limitations

HB2350: occupational disease; post-traumatic stress disorder

HB2026: S/E tax exemption; single family dwellings

Legislative Bulletin is published by the League of Arizona Cities and Towns.
Forward your comments or suggestions to league@azleague.org.