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Planning Commission Staff Report

TO: PLANNING COMMISSION

FROM: CATHERINE LORBEER, AICP, ZONING ADMINISTRATOR *ajl*
(480) 503-6016, CATHERINE.LORBEER@GILBERTAZ.GOV

THROUGH: LINDA EDWARDS, AICP, PLANNING MANAGER *LE*
(480) 503-6750, LINDA.EDWARDS@GILBERTAZ.GOV

MEETING DATE: JULY 2, 2014

SUBJECT: UP13-07; REQUEST TO REVOKE A CONDITIONAL USE PERMIT
FOR EAST VALLEY PATIENT WELLNESS CENTER PERMITTING A
MEDICAL MARIJUANA DISPENSARY IN THE LIGHT INDUSTRIAL
(LI) ZONING DISTRICT, ON APPROXIMATELY 0.8 ACRES OF REAL
PROPERTY LOCATED AT 988 S. 182ND PLACE, DUE TO FAILURE
TO COMPLY WITH CONDITIONS OF THE USE PERMIT.

STRATEGIC INITIATIVE:	N/A
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RECOMMENDED MOTION

Make the Findings of Fact and Revoke UP13-07: Request to revoke a Conditional Use Permit for East Valley Patient Wellness Center permitting a Medical Marijuana Dispensary in the Light Industrial (LI) Zoning District, on approximately 0.8 acres of real property located at 988 S. 182nd Place.

APPLICANT/OWNER

Original Application

Duke Rodriguez
Cumbree Investments
17015 N. Scottsdale Rd., #125
Scottsdale, AZ 85255
(480) 246-5700
Duke@SoldbyDuke.com

Joel Ortega
160 W. Brooks
Gilbert, AZ 85233
(480) 235-4550
poolexcavation@yahoo.com

Current Information

Duke Rodriguez
16624 N. 90th Street #200
Scottsdale, AZ 85260
(480) 404-6699
Duke@UltraHealth.com

Gilbert Property Management LLC
988 S. 182nd Place
Gilbert, AZ 85296

BACKGROUND/DISCUSSION

History

Date	Action
<i>April 1, 2008</i>	Town Council adopted Resolution No. 2140 and approved A07-87 to annex an approximate 2.95 acre area including this site.
<i>June 10, 2008</i>	Town Council approved Z06-128, rezoning the 2.95 acre County Island to LI-Light Industrial conventional zoning district.
<i>July 28, 2011</i>	Town Council approved case Z11-05, the Medical Marijuana amendments to the LDC allowing dispensaries as a conditional use in Light Industrial and General Industrial zoning districts.
<i>June 5, 2013</i>	Planning Commission discussed case UP13-07 East Valley Patient Wellness Center dispensary at Study Session.
<i>June 13, 2013</i>	Case DR13-10 East Valley Patient Wellness Center dispensary was discussed at Design Review Board Study Session for site plan, building, landscaping, etc.
<i>July 3, 2013</i>	Planning Commission approved (6-0 vote) case UP13-07 East Valley Patient Wellness Center dispensary, subject to conditions.
<i>July 11, 2013</i>	Design Review Board approved (6-0 vote) case DR13-10, subject to conditions.
<i>June 4, 2014</i>	Planning Commission continued (4-3 vote) revocation case UP13-07 to the July 2, 2014 public hearing.

Overview

According to Section 5.404 of the Land Development Code (LDC), a use permit revocation may be initiated by the Zoning Administrator and revoked by the Planning Commission following a public hearing because of failure to comply with the conditions of the use permit.

In April of 2014, the Town began an investigation into whether the subject property was in compliance with the conditions outlined in Conditional Use Permit UP13-07, which authorizes the operation of a medical marijuana dispensary at 988 S. 182nd Place, Gilbert, Arizona 85296. Specifically, LDC Section 4.5014 and the conditions of approval state that “this Use Permit shall only become effective upon the Dispensary providing proof that the Dispensary is State-approved, certified and registered with the Arizona Department of Health Services pursuant to Arizona Revised Statutes, Title 36, Chapter 28.1.” See Attachment 1 for the Notice of Decision.

The Zoning Administrator has received information that the Applicant, Duke Rodriguez, is not the holder of the certificate for Community Health Analysis Area (CHAA) 77, and that Mr. Rodriguez and/or the property owner is not authorized to use the certificate issued to East Valley Patient Wellness Group. See Attachment 2 for related correspondence.

The issue to be decided by the Planning Commission is whether the project has violated one or more of the conditions of the use permit; specifically, if the project is authorized to use the current state-issued registration certificate to satisfy the licensing conditions required by the permit and under the LDC. The key question before the Commission is whether the project is currently authorized to rely on the registration certificate. Therefore, prior business dealings of the applicant are not relevant to the Planning Commission’s analysis if it determines that someone other than the applicant owns or controls the registration certificate and the applicant cannot provide proof that he is authorized to rely upon it.

PUBLIC NOTIFICATION AND INPUT

A notice of public hearing was published in a newspaper of general circulation in the Town, and an official notice was posted in all the required public places within the Town.

Original notice of the revocation hearing was given by first class mail as follows:

- (1) To the property owner of record;
- (2) To the property address; and
- (3) To the business address.

Staff has not received additional comments from the applicant or the public.

PROPOSITION 207

An agreement to “Waive Claims for Diminution in Value” Pursuant to A.R.S. § 12-1134 was signed on March 29, 2013 by the landowners of the subject site, in conformance with Section 5.201 of the Town of Gilbert Land Development Code. This waiver is located in the case file.

PLANNING COMMISSION STUDY SESSION

On June 4, 2014, the Planning Commission conducted a public hearing and heard testimony concerning revocation of the use permit. After extensive testimony and deliberations, some members of the Planning Commission questioned whether additional documentation about prior business relationships between the parties was available and whether concrete evidence can be presented that Mr. Rodriguez has the right to use a certificate on behalf of the East Valley Patient Wellness Group.

A motion was passed to continue the item to the July 2, 2014 public hearing.

FINDINGS

Staff provides the following finding of fact to substantiate revocation of UP13-07, a Conditional Use Permit for East Valley Patient Wellness Center permitting a Medical Marijuana Dispensary:

1. The project has violated one or more of the terms of conditions of the use permit; specifically, Condition No. 3, which states, "The Medical Marijuana Dispensary Use and the subject site shall comply with all Town of Gilbert codes as well as all requirements identified under Article 4.5014 of the Land Development Code or as amended prior to Certificate of Occupancy for the Medical Marijuana Dispensary."
2. The project has violated one or more of the terms of conditions of the use permit; specifically, Condition No. 4, which states, "This Use Permit shall only become effective upon the Dispensary providing proof that the Dispensary is State-approved, certified and registered with the Arizona Department of Health Services pursuant to Arizona Revised Statutes, Title 36, and Chapter 28.1".

STAFF RECOMMENDATION

Make the Findings of Fact and Revoke UP13-07: A Conditional Use Permit for East Valley Patient Wellness Center permitting a Medical Marijuana Dispensary in the Light Industrial (LI) Zoning District, on approximately 0.8 acres of real property located at 988 S. 182nd Place.

Respectfully submitted,



Catherine Lorbeer, AICP
Principal Planner/ Zoning Administrator

Attachments and Enclosures:

1. Findings of Fact
2. Previous Notice of Decision
3. Correspondence to Duke Rodriguez
4. Minutes from the June 4, 2014 Planning Commission Study Session
5. Information submitted by Wallin Hester, Attorneys at Law, on behalf of their client

FINDINGS OF FACT

Revocation of UP13-07 East Valley Patient Wellness Group

Staff provides the following finding of fact to substantiate revocation of UP13-07, a Conditional Use Permit for East Valley Patient Wellness Center permitting a Medical Marijuana Dispensary:

1. The project has violated one or more of the terms of conditions of the use permit; specifically, Condition No. 3, which states, “The Medical Marijuana Dispensary Use and the subject site shall comply with all Town of Gilbert codes as well as all requirements identified under Article 4.5014 of the Land Development Code or as amended prior to Certificate of Occupancy for the Medical Marijuana Dispensary.”
2. The project has violated one or more of the terms of conditions of the use permit; specifically, Condition No. 4, which states, “This Use Permit shall only become effective upon the Dispensary providing proof that the Dispensary is State-approved, certified and registered with the Arizona Department of Health Services pursuant to Arizona Revised Statutes, Title 36, and Chapter 28.1”.



**Revoke UP13-07
Attachment 2: Previous Notice of Decision
July 2, 2014**

Duke Rodriguez
Cumbree Investments
17015 N. Scottsdale Road
Scottsdale, AZ 85255

Subject: Use Permit 13-07

Dear Mr. Rodriguez:

On July 3, 2013, the Gilbert Planning Commission approved the above-referenced case UP13-07, East Valley Patient Wellness Center; Conditional Use Permit to allow a Medical Marijuana Dispensary in the Light Industrial (LI) zoning district, on 0.80 acres, located south and west of the southwest corner of Power Road and Warner Road, subject to the following conditions:

1. The Medical Marijuana Dispensary shall be in substantial conformance with Attachment #4 Site Plan, Attachment #5 Floor Plan, Attachment #6 General Regulations and Attachment #7 Security Plan, as approved by the Planning Commission at the July 3, 2013 Public Hearing.
2. Any later phase of development to modify, enlarge or expand the dispensary, shall require submittal of subsequent Use Permit application for review and approval by Planning Commission at a Public Hearing.
3. The Medical Marijuana Dispensary Use and the subject site shall comply with all Town of Gilbert codes as well as all requirements identified under Article 4.5014 of the Land Development Code or as amended prior to Certificate of Occupancy for the Medical Marijuana Dispensary.
4. This Use Permit shall only become effective upon the Dispensary providing proof that the Dispensary is State-approved, certified and registered with the Arizona Department of Health Services pursuant to Arizona Revised Statutes, Title 36, and Chapter 28.1.

This Use Permit is subject to all limitations, including termination provisions set forth in the Gilbert Land Development Code and in this Notice of Decision.

Please ensure public notice hearing signs are removed within one week of receiving this Use Permit.

If you have any questions regarding this Notice of Decision, please contact Al Ward (480) 503-6748 or by email at al.ward@gilbertaz.gov.

Thank You.

cc: Findings of Fact
Planning Commission Minutes of 7.3.13



Revoke UP13-07

Attachment 3: Correspondence to Duke Rodriguez July 2, 2014

May 15, 2014

Duke Rodriguez
Cumbree Investments
17015 N. Scottsdale Road, Suite 125
Scottsdale, AZ 85255

Duke Rodriguez
16624 N. 90th Street, #200
Scottsdale, AZ 85260

Subject: Revocation Proceedings for Use Permit 13-07

Dear Mr. Rodriguez:

On April 10, 2014, you met with Town of Gilbert staff in response to the Town's investigation into whether your property is in compliance with the conditions outlined in Conditional Use Permit UP13-07, which authorizes the operation of a medical marijuana dispensary at 988 S. 182nd Place, Gilbert, Arizona 85296. Staff asked that you supply proof that the medical marijuana dispensary planned for your property "is State-approved, certified and registered with the Arizona Department of Health Services (ADHS)," as required by UP13-07 and the Town's Land Development Code (LDC). At that time, you provided staff with a Medical Marijuana Dispensary Registration Certificate bearing the name "East Valley Patient Wellness Group – DBA: Ultra Health-Gilbert." This was the first time Town staff had seen this version of the certificate and, in light of that information, staff elected to defer plans to initiate revocation proceedings pending further investigation.

On April 29, 2014, following communication between the Town and Arizona Department of Health Services (ADHS), the Town received the enclosed letter dated April 25, 2014. The letter, addressed to Kathy Sanchez of East Valley Patient Wellness Group, LLC, confirms that the registration certificate for Community Health Analysis Area (CHAA) 77 was issued to her organization. It further confirms that ADHS does not recognize "Cumbre Investments, LLC, Ultra Health, LLC, or any other entity" as the holder of the certificate for CHAA 77. Additionally, ADHS included a copy of the registration certificate, appearing as it did as of April 25, 2014, with its letter. The enclosed certificate does not match the certificate you provided on April 10, 2014.

Given this new information, the Town has elected to proceed with revocation proceedings for UP13-07. The April 25, 2014 letter and its enclosure have been included with a packet of information that provides you with official notice of the revocation hearing pursuant to LDC § 5.404(C)(2).

If you have any questions regarding the above, you may contact Jack Vincent, Assistant Town Attorney, at (480) 503-6107.

Sincerely,

A handwritten signature in blue ink that reads "Catherine Lorbeer". The signature is fluid and cursive, with the first name "Catherine" and last name "Lorbeer" clearly distinguishable.

Catherine Lorbeer, AICP
Principal Planner/Zoning Administrator

cc: Jack Vincent, Assistant Town Attorney
Linda Edwards, Planning Manager



*Division for Planning and Operations
Administrative Counsel and Rules*

1740 W Adams, Suite 203
Phoenix, Arizona 85007-2670
(602) 542-1020
(602) 364-1150 FAX

JANICE K. BREWER, GOVERNOR
WILL HUMBLE, DIRECTOR

April 25, 2014

Kathy Sanchez, Principal Officer
East Valley Patient Wellness Group, LLC
2112 E Catamaran Drive
Gilbert, Arizona 85304

Re: Medical Marijuana Program

Dear Ms. Sanchez:

Pursuant to your request as the Principal Officer for East Valley Patient Wellness Group, LLC, to clarify ownership and authority to operate a medical marijuana dispensary, the Arizona Department of Health Services (ADHS) confirms that a dispensary registration certificate (DRC) was issued to East Valley Patient Wellness Group, LLC. Further, ADHS recognizes East Valley Patient Wellness Group, LLC, as the current and sole holder of the DRC for Community Health Analysis Area (CHAA) 77.

ADHS can confirm that it does not recognize Cumbre Investments, LLC, Ultra Health, LLC, or any other entity as a holder of the DRC for CHAA 77. A copy of the DRC, as of the date of this letter, is enclosed.

Sincerely,

A handwritten signature in black ink, appearing to read "JB", with a long, sweeping horizontal line extending to the right.

Jeff Bloomberg, Manager
Division for Planning and Operations, Administrative Counsel and Rules

JB:rl

cc: Richard Keyt
Juli Boles



East Valley Patient Wellness Group
988 S. 182nd Place, Gilbert, Arizona 85296

The dispensary applicant listed above has been issued a Medical Marijuana Dispensary Registration Certificate. This Registration Certificate is **not** an approval to operate. The holder is authorized to apply for an Approval to Operate in the State of Arizona. An application for Approval to Operate must be submitted, along with items described in A.A.C. R9-17-305, no later than 60 days prior to the Registration Certificate expiring. This certificate has been issued under the authority of Title 36, Chapter 28.1, Arizona Revised Statutes and pursuant to Title 9, Chapter 17, Article 3, Department of Health Services' rules and regulations.

THIS CERTIFICATE IS NOT TRANSFERABLE

Registration Certificate Identification Number: 00000063DCTB00283389

Issue Date: August 7, 2012

Expiration Date: August 7, 2014

A Registration Certificate issued by the Arizona Department of Health Services pursuant to A.R.S. Title 36, Chapter 28.1 and A.C.C. Title 9, Chapter 17 does not protect the holder from legal action by local, city, state, or federal authorities, including possible criminal prosecution for violations of federal law for the sale, manufacture, distribution, use, dispensing, possession, etc. of marijuana. The acquisition, possession, cultivation, manufacturing, delivery, transfer, transportation, supplying, selling, distributing, or dispensing medical marijuana under state law is lawful only if done in strict compliance with the requirements of the State Medical Marijuana Act ("Act"), A.R.S. Title 36, Chapter 28.1 and A.C.C. Title 9, Chapter 17. Any failure to comply with the Act may result in revocation of the Registration Certificate issued by the Arizona Department of Health Services, and possible arrest, prosecution, imprisonment, and fines for violation of state drug laws. The State of Arizona, including but not limited to the employees of the Arizona Department of Health Services, is not facilitating or participating in any way with my acquisition, possession, cultivation, manufacturing, delivery, transfer, transportation, supplying, selling, distributing, or dispensing medical marijuana.

THE ARIZONA MEDICAL MARIJUANA ACT DOES NOT AUTHORIZE THE HOLDER OF A DISPENSARY REGISTRATION CERTIFICATE TO CULTIVATE, POSSESS, OR SELL MEDICAL MARIJUANA PRIOR TO RECEIVING APPROVAL TO OPERATE FROM THE DEPARTMENT.

THE APPLICANT AGREES NOT TO OPERATE THE DISPENSARY UNTIL THE DISPENSARY IS INSPECTED AND THE APPLICANT OBTAINS

APPROVAL TO OPERATE FROM ADHS.

A handwritten signature in black ink, appearing to read "Will Humble", written over a horizontal line.

Will Humble, Director

Revoke UP13-07

Attachment 4: PC June 4, 2014 Minutes July 2, 2014

LYON'S GATE PHASE 11	
Minimum Lot Size (sq. ft.)	1,795 Minimum lot size
Maximum Height (ft)/Stories	36/3
Front Setback	10 *
Side Setback	0
Rear Setback	10
Maximum Lot Coverage (%)	
One story	65
Two/Three-Story	60**

* Allowance for a 3-foot tall courtyard wall

** Limited to 2 plans only

Chairman Wittmann announced that at that time the Planning Commission would go into a brief Executive Session and recess the public hearing.

Chairman Wittmann recessed the public hearing at 8:55 p.m.

Chairman Wittmann reconvened the public Hearing at 9:35 p.m.

UP13-07; REQUEST TO REVOKE A CONDITIONAL USE PERMIT FOR EAST VALLEY PATIENT WELLNESS CENTER PERMITTING A MEDICAL MARIJUANA DISPENSARY IN THE LIGHT INDUSTRIAL (LI) ZONING DISTRICT, ON APPROXIMATELY 0.8 ACRES OF REAL PROPERTY LOCATED AT 988 S. 182ND PLACE, DUE TO FAILURE TO COMPLY WITH CONDITIONS OF THE USE PERMIT.

Catherine Lorbeer, Town of Gilbert Zoning Administrator stated that July 2013, the Planning Commission approved a Conditional Use Permit to authorize the operation of a medical marijuana dispensary. The dispensary was to be located in the Light Industrial (LI) zoning district. An aerial of the site was displayed and it was pointed out that the location was just west of Power Road and north of Nunnelle. In April of this year the town received a complaint and began an inquiry into whether the property was in compliance with the conditions of the Use Permit. Specifically the Town was concerned whether the applicant supplied a valid dispensary registration certificate as required by code and the conditions of approval of the Use Permit. Based on the information received staff initiated the revocation proceedings and set the current public hearing for the Planning Commissions consideration and action. The Planning Commission may revoke the Conditional Use Permit because of failure to comply with the conditions of approval. Only one dispensary registration certificate is issued by the state for this part of the community known as Community Health Analysis Area or CHAA 77. The Arizona Department of Health Services (ADHS) has explained to town staff that they are prohibited by statute from revealing the identity of the certificate holder except to the actual holder of the certificate. Soon after staff received a copy of a letter from ADHS, which is in the packets, addressed to Kathy Sanchez responding to her inquiry about who controls the certificate for CHAA 77. This letter also states that A DHS does not recognize Cumbree Investments LLC or Ultra Health LLC or any other entity as the holder of the certificate for CHAA 77. Ms. Lorbeer said that she had handed out a response that staff received from the state showing that the certificate supplied by the applicant, Duke Rodriguez, to town staff on April 10, 2014 is not recognized by the state as valid. Therefore, the question before the Commission is whether the evidence supports the findings that the applicant has violated one or more terms of the conditions of the Use Permit. Staff is recommending that UP13-07 be revoked based on the findings of fact.

Chairman Wittmann invited the applicant to come forward.

Planning Commission
Regular Meeting 6-4-14

Jeffrey Kaufman, Attorney-At-Law, Scottsdale, AZ came forward. Mr. Kaufman stated that he represents Zone Properties which purchased the piece of property at issue after the Conditional Use Permit was granted in order to lease it or sell it for this dispensary. Zone Properties entered into a partnership agreement with Ultra Health which is Duke Rodriguez's company to participate in this venture and Mr. Rodriguez's company has a contract with East Valley Patient Wellness Group. Mr. Kaufman said that he believes that East Valley Patient Wellness Group brought the matter to the Commission's attention so that they could breach their contract with Zone Properties and Ultra Health so that they can come back and ask the Planning Commission at the next hearing to approve another site. They are asking the Commission to become complicit in their breach of contract action. This matter should be resolved in court.

Chairman Wittmann stated that they would be giving time limits of 20 minutes apiece for the applicant and for rebuttal.

Town Attorney Jack Vincent asked chairman Wittmann if she would like to invite the applicant to reserve time for rebuttal.

Mr. Kaufman stated that Mr. Rodriguez has documents that actually show that none of the people who were the original members of East Valley Patient Wellness Group are currently even involved in it. Kathy and David Sanchez have ousted the members of the Board of Directors of East Valley Patient Wellness Group and are attempting to breach their agreement with Ultra Health. To make matters worse, they are going to buy or rent property a few doors down and come back next month and ask the Planning Commission to approve a Conditional Use Permit for their property. From the point of view of the Town nothing is going to change; they are still going to have to have a medical marijuana dispensary but they are being asked to choose who is right and who was wrong in this dispute between the various partners in this venture. Mr. Kaufman urged the Commission to let the courts and the DHS determine who is wrong. There is no pressing need for the Commission to take action, especially without a full hearing where they can present additional materials as they have had very short notice of these proceedings. No one will be hurt if they deny the request to revoke the Conditional Use Permit.

Duke Rodriguez, Scottsdale, Arizona came forward. Mr. Rodriguez said that he was the original applicant on UP13-07. Mr. Rodriguez said that he was there when the process started in March 2013. He was at the initial meeting with the staff of the Town of Gilbert and some of the same people who are going to complain today were there for every hearing and supported the initial application which is the same application that got approved. What they have is a contractual issue of certain parties not liking where the deal went. They are not getting the answers that they want so they are asking the Planning Commission to revoke one and then create a window of opportunity to approve another. Mr. Rodriguez displayed a site plan map and pointed out that this was the property that was approved and was purchased and part of the transaction and which everyone agreed to and were part of, subject to one specific license. In April or March 2014 the group who came to the staff and said they had an issue in fact purchased a lot two lots down from the previously approved property. They purchased it because they thought they could convince the Planning Commission to switch and remove the license. The reason they can't submit the one that they have currently is because the law requires that they not be within 1000 feet of another dispensary. Once that lot is eliminated they will submit a new application that happens to be within 1000 feet of that location. That group went to DHS and had the original certificate modified and resubmitted to staff and no longer had the same name that it was before and they will confirm that it was modified. The new document is different than the first document. Mr. Rodriguez displayed an exhibit of a letter that was issued August 2012 from Arizona Department of Health Services. This award letter was issued for CHAA 77 and named three individuals who were the three original LLC members with that specific CHAA; Chris Miller, Enrico Fuentes, Alec Solar. Two of the three members have already signed and the third they could not contact. Those 2 original members said that they are in fact and the state recognizes them as the original board members. They have signed consent letters saying that they are the original board members and have been wrongfully removed by the same group that now replaces them, Kathy and David Sanchez. There are several lawsuits going back and forth. The original people got removed at the Arizona Corporation Commission. Licenses got changed. Throughout the entire process one thing has not been violated, which is that the same specific company is the only entity that can open at that location, East Valley Patient Wellness Group. No

violations have occurred yet because the facility is still being built and \$1 million has been invested and when the day of occupancy comes if they don't deliver license the Commission does not have to grant them a use permit. Mr. Rodriguez encouraged the Planning Commission to allow the courts to follow the process and don't create a new avenue that doesn't have to be created.

Vice Chairman Oehler asked if the dispensary had not yet opened.

Mr. Rodriguez said that was correct. A condition of opening is that they deliver a valid dispensary license.

Town Attorney Jack Vincent commented that the Chairman may wish to ask the public whether they would like to divide their 20 minutes among themselves.

Dane Nielsen, Wallin Hester Law Firm, Gilbert AZ, came forward on behalf of East Valley Patient Wellness Group, the actual holder of the dispensary registration certificate for CHAA 77. Mr. Nielsen said that the issue that they are looking at currently is who the dispensary registration certificate holder is according to Arizona Department of Health Services. If you look in the original application for UP13-07, it was the applicant as being Duke Rodriguez and the company being Cumbree Investments. It also says that the applicant has the dispensary registration certificate for CHAA 77 in east Gilbert. The issue is who has that CHAA. In the application, it says that Duke Rodriguez is the applicant and it also says that the applicant has the dispensary registration certificate for CHAA 77. Mr. Nielsen said that he was there to reiterate the Town staff's proposed revocation and provide further support for the letter that Town staff received from Arizona Department of Health Services. In that letter it establishes that Cumbree Investments is not the holder of the dispensary registration certificate for CHAA 77 and also confirms that East Valley Patient Wellness Group is the holder of that dispensary registration certificate. Due to the confidentiality statute of the Medical Marijuana Act which can be found in ARS 36 2801, the department was unable to provide an affidavit or further confirmation of the validity of the letter but they do have an affidavit of Kathy Sanchez who the letter was sent to stating that she did receive the letter and also the copy of the letter, which is unopened, that was sent to Kathy Sanchez. Mr. Nielsen gave the unopened letter to the Chairman. A copy of that letter is also part of the staff report.

Town Attorney Jack Vincent asked the Chairman if it had been clarified whether Mr. Nielsen had invited the Commission to open the letter.

Mr. Nielsen said that the Chairman could open the letter. The letter was unopened to prove that it actually came from the Arizona Department of Health Services. It is one more confirmation that the letter is authentic. The letter confirms that East Valley Patient Wellness Group is the holder of the dispensary registration certificate for CHAA 77. Further, the letter goes on to say that Cumbree Investments, the company who is listed on the application, is not the holder of the dispensary registration certificate as they claim to be in the application that was submitted last year, June 5, 2013 to the Planning Commission. There is litigation going on but that is something for a judicial body to decide and they are dealing with that. The scope is limited in the current hearing to whether they violated the Conditional Use Permit which they did because they lied on the application and were not holders of the dispensary registration certificate for CHAA 77. The Town granted UP13-07 on the belief that the applicants were the holder of the registration certificate which was not true as provided by Arizona Department of Health Services. Arizona Department of Health Services also confirmed that the applicant provided a copy of a dispensary registration certificate that had a DBA that mentioned one of their entities, Ultra Health, but the Arizona Department of Health Services has returned that and marked it void. The only name on the dispensary registration certificate is East Valley Patient Wellness Group. Mr. Nielsen said that it was important that the Use Permit was revoked because they do plan on applying for a new Conditional Use Permit for a property that is close which is all right to do as they are the rightful holders of the dispensary registration certificate for CHAA 77 in Gilbert and the State of Arizona has authorized East Valley Patient Wellness Group to open a dispensary.

Commissioner Cavenee asked if Mr. Nielsen knew why Mr. Rodriguez would think that he had a right to use the certificate or why he thought that he was a part of East Valley Patient Wellness Group. Does Mr. Rodriguez have a contract as he mentioned?

Mr. Nielsen said that Duke Rodriguez was brought into the venture acting as a real estate agent to find a piece of property that fit the qualifications required for a medical marijuana dispensary. He was acting as an agent for the East Valley Patient Wellness Group for the very limited role of finding a piece of property that met the needs.

Vice Chairman Oehler asked when the change in name on the certificate was made.

David Sanchez, Tempe Arizona, said that as far as when the DBA was issued, basically every license that is issued is issued with the same date as every other dispensary. The reason that the certificate with the DBA was issued was because they had given Mr. Rodriguez limited authority to talk to Arizona Department of Health Services and unbeknownst to them he supplied information that said that the Sanchez's agreed to put a DBA of Ultra Health on the certificate which neither Mr. or Mrs. Sanchez ever agreed to. As soon as they found out what he had done they contacted Arizona Department of Health Services and told them what the situation was and they corrected it. Every license that has been issued will have the same date of August 9 or August 12 and will have the same expiration date of August 7. The original license was issued to East Valley Patient Wellness Group. Mr. Sanchez said that he and his wife have been trying to get an application since January 2010. Within a two year period they were trying to find a location for a dispensary. Originally, certificates were supposed to be issued in 2011 but because of lawsuits filed by the governor it got delayed. Because of those issues a lot of professional people wanted their names off and wanted no part of it. A lot of the original certificates were changed for that reason. The Arizona Department of Health Services knows and recognizes this as they were there from day one. Beginning in January 2010 they were ramping up just trying to get locations going. In March 2013 they met with a couple of agents with Stone Pass Realty. They referred the Sanchez's to Duke Rodriguez to help them find a suitable location in Gilbert. When he found the location in question unbeknownst to the Sanchez's he placed it in his own LLC. From that point forward they have been at odds with Mr. Rodriguez because they were told over and over that it was going to be placed in East Valley Patient Wellness Group and it never was. Mr. Sanchez said that he can state and solemnly swear that there is not one single contact out there that they have signed or agreed to sign with Mr. Rodriguez or Ultra Health or Cumbree Investments. Mr. Rodriguez has given them several one-sided agreements that they basically did not want to do. They went back to the Arizona Department of Health Services for help with this issue and what they recommended was that that they bring it before the Town and they would back them as far as knowing who the original certificate holder is which is Kathy Sanchez. Arizona Department of Health Services said that the town would issue a revocation because it was brought forward under false pretenses. Mr. Sanchez said that they feel betrayed that someone who appears to be a professional would do this and basically hold them hostage so they couldn't open and that their whole plan was to delay them until he can come back in and reapply and now he's got the only spot in Gilbert that is approved. Mr. Sanchez stated again that no contract was ever signed with any of them.

Commissioner Cavenee asked if since the permit was issued have there been any improvements placed on the subject property.

Mr. Sanchez said that was not his property it was Mr. Rodriguez's property.

Commissioner Cavenee asked if there was a building there.

Mr. Sanchez said from his understanding there is not and it is still vacant land.

Commissioner Cavenee said that they had just heard that there was over \$1 million invested somehow and he was interested to understand that.

Mr. Sanchez said that would be a question for Mr. Rodriguez.

Chairman Wittmann commented that in the affidavit that they received from Kathy Sanchez it says that she is a resident of Scottsdale but the letter that they have says that she has a Gilbert address. Chairman Wittmann asked if Ms. Sanchez was a resident of Gilbert.

Mr. Sanchez said that Kathy Sanchez is a resident of Gilbert. Under the Arizona Corporation Commission they had originally used Stone Pass real estate office for the Corporation Commission address and that has not been changed. That address belongs to Stone Pass Realty and the broker that was present at the current hearing.

Vice Chairman Oehler said that Mr. Rodriguez was the broker and asked if there was another broker.

Mr. Sanchez said that to his knowledge Mr. Rodriguez was never a broker; he was an agent of the broker that was present in the audience. He said that their first meeting was with the broker and another agent who worked for Stone Pass. From that point they were referred to Mr. Rodriguez who was to assist them in finding a location. It was a total surprise that everything was put in his name and his LLC.

Dane Nielsen said that there is litigation that is going on that is dealing with these matters which are being discussed in court but basically they asked that the Planning Commission look at what is in front of them. The application says that the applicant, Duke Rodriguez, Cumbree Investments was in possession of a dispensary registration certificate for CHAA 77. Clearly what is in front of them says that East Valley Patient Wellness Group is in fact the holder and has always been the holder of that dispensary registration certificate. The applicant applied for UP13-07 knowing that he did not have the certificate. Mr. Nielsen asked that the Planning Commission revoke UP13-07.

Patricia Haugland, Gilbert Arizona, came forward. Ms. Haugland said that she was the owner of Stone Pass Real Estate and Dave and Kathy Sanchez did come to her office and asked if her company would be able to assist in locating a piece of property in the Town of Gilbert for the CHAA that they had the license for. At that time she and Duke Rodriguez had worked for the firm approximately 30 days and she in turn referred the Sanchez's to Mr. Rodriguez to represent them solely as a real estate agent. What then occurred was that Mr. Rodriguez met with Dave and Kathy Sanchez, got information about their business and about the medical marijuana industry and then went and looked up the real estate that was available in the town knowing that there was no other real estate in town for the Sanchez's to get approved by the city. After that occurred and Ms. Haugland found out all the information about what she believed to be fraudulent activity on the part of an agent that worked for her firm she immediately terminated Mr. Rodriguez's license. Ms. Haugland said that she wanted everyone to understand what her position was in terms of how she saw it unfold as an owner and broker of the company and watching his activities as it is at a minimum unethical.

Duke Rodriguez said in terms of Kathy Sanchez's address they have an envelope that said she is from Gilbert and an affidavit that says Scottsdale and this is the constant problem they have had with this group. All of those individuals have a vested interest in trying to steal a registration. He reiterated that the original license was issued to East Valley patient Wellness Group. He said Mr. Sanchez mentioned that Dr. Fuentes no longer wanted to participate but they didn't mention that Christopher Miller and Dr. Alec Solar would be glad to give affidavits as well that indicate that they have been defrauded by Mr. and Mrs. David Sanchez who are not original members. David Sanchez is not a member of the LLC and is not an original member. Mr. Rodriguez said that the Sanchez's asked him to put the property in Cumbree Investments and he has never testified that Cumbree has the license. Cumbree is the development company who agreed to develop the site subject to the license which was committed to this property specifically.

Commissioner Cavenee asked when the licenses got changed.

Mr. Rodriguez said the original license was issued in 2012 and was valid until November/October 2013 and had the original name of East Valley Patient Wellness Group with no DBA. Then the partners agreed to create Ultra Health which was created later. All of the parties marched over to Arizona Department of Health Services and got a new

license with the DBA Ultra Health. Then the partners didn't like the deal and went back to Arizona Department of Health Services and removed the DBA.

Commissioner Cavenee asked Mr. Rodriguez if he had an executed contract giving him the right to use this license.

Mr. Rodriguez said that they have an agreement, written documentation, and the file that allows them to continue to use the license. The Sanchez's would like to remove it and they are not going to allow them to remove it.

Commissioner Cavenee said they would like to remove what.

Mr. Rodriguez said that they would like to remove that contractual obligation.

Commissioner Cavenee asked Mr. Rodriguez's if he had an executed contract that delineates his role as more than a broker but as a partner with the right to utilize this license.

Mr. Rodriguez said that they have multiple agreements in writing, and they have never represented them only through real estate and to this date there has never been paid one commission for any real estate transaction.

Commissioner Cavenee said that was not his question. His question was did he have a contract to use this license.

Mr. Rodriguez said that he does have a contract.

Commissioner Cavenee asked why he did not present that contract, wouldn't that have been crucial.

Mr. Rodriguez said that he did not think they were going to get down to that kind of detail.

Commissioner Cavenee said that it seems to him that the crux of the matter is who has the right to utilize this license and represent the Use Permit, and proof of that relationship would have been crucial. That seems obvious.

Mr. Rodriguez said that was a valid point, however, they have had concerns about debating their case in front of the opposition's legal counsel in an open forum. He said that he did not feel that it was in his best interest to disclose what kind of legal tactics they intend to use to resolve the matter.

Chairman Wittmann said that the original Use Permit application was filed using Duke Rodriguez as the applicant and Cumbree Investments as the company. She asked staff if it was the Town's position that the name of the certificate holder should have been in that same name that was in the Use Permit or provide some sort of evidence that they have the right to use that certificate.

Catherine Lorbeer said that staff's focus is basically whether they have complied with code. The code says that they must supply proof of a state approved certification for the dispensary. When they met with Mr. Rodriguez he supplied the certificate that was handed out to the Commission which they then had confirmed by the state that it was not a valid certificate. In the Commission's packet there is a copy of the letter sent to Ms. Sanchez and attached is the certificate. Because the state will not reveal the identity of the certificate holder except to the certificate holder and that is the letter that was provided to the certificate holder and then provided to staff.

Mr. Rodriguez said that was not the license that was submitted the day the applicant submitted the document. That license did not exist; it was created afterwards and was voided afterwards. Ultra Health was not even created so a DBA could not have been used. The original applicant had East Valley Patient Wellness Group. Cumbree is not the licensee, the licensee are the three individuals on the certificate. Mr. Rodriguez said that this was not the only license that they have done like this. They have done this in other communities. This is how it works in Clifton; this is how it works in Safford. There is a difference between the license holder and the developer just like most real estate projects.

Commissioner Blaser asked who owns the property.

Mr. Rodriguez said that the property is held by another entity called Zone Properties. The property was originally owned by Joel Ortega who was the original applicant.

David Sanchez stated that Mr. Rodriguez had presented a card to him that he was the CEO and major shareholder of Zone Properties. He basically exchanged the property between Cumbree, one of his companies to Zone Properties, another one of his companies. Mr. Sanchez said to answer Mr. Rodriguez's question about the difference in Kathy Sanchez's address, he and his wife are separated and she does reside in Gilbert. Mr. Sanchez said that he can present the card that Mr. Rodriguez gave him that says he is the CEO of Zone Properties.

Mr. Rodriguez said that he has never been the CEO for Zone Properties.

Jeffrey Kaufman stated that he did not know what Mr. Rodriguez's past association was with Zone Properties but he could state now that the CEO of Zone Properties was Brian McLaren and that Zone Properties was a publicly traded company.

Catherine Lorbeer stated that she would like to clarify that the concern of staff is the focus on whether or not they are complying with code and according to the information most recently received on May 29, 2014 the certificate that was provided was shown as not valid. They must supply proof that they have a valid certificate and the certificate that was provided as shown as not valid. Mr. Rodriguez was asked to supply proof and he supplied a certificate to Town staff that had the DBA listed.

Chairman Wittmann said that in April the certificate was provided without a DBA to staff.

Ms. Lorbeer said no, it was with the original application in 2013 that the certificate was provided. A complaint was raised in the spring of 2014 so staff asked the applicant to supply proof and he supplied the certificate that listed the DBA as Ultra Health. After that the letter dated April 25 was forwarded to staff which is the letter from the state to the certificate holder confirming that they were the certificate holder and that the other parties were not and they attached a copy of the current certificate.

Chairman Wittmann said, so the original application and the use permit that was approved provided a certificate without the DBA and now they have confirmation from the state that that certificate that they provided is the same one that was provided as part of the Use Permit approval.

Ms. Lorbeer said that it was the certificate that was attached to the letter that was provided to the certificate holder which is not Mr. Rodriguez.

Vice Chairman Oehler said that he can't understand the middle certificate. He said that he understood that the first and the last certificate were the same one but that he was trying to understand the essence of the middle one with the DBA.

Catherine Lorbeer said that the essence of the middle one is that when asked to supply proof of a state approved certificate Mr. Rodriguez provided the one with Ultra Health and through staff's inquiries with the state it was confirmed that that is not a valid certificate.

Vice Chairman Oehler asked if the applicant who does the Use Permit has to have ownership of the certificate per Town's stipulations of the use permit.

Ms. Lorbeer said that it is not that he needs to be the owner of the certificate. As they described in the beginning, they had a relationship and a certificate was attached to the application which was approved. Then there was a

complaint that there was not a valid certificate held or that Mr. Rodriguez had permission or ability to put forth something he could use for his project. When he was then asked to supply the proof to staff because it is a condition of the approval and a requirement of the code, he provided one which is not valid. So they have to conclude that Mr. Rodriguez is not in a position to operate a dispensary at that location with a valid certificate as the applicant.

Mr. Rodriguez said that the state has control over license that goes out and he cannot change the name on any license. All that is happened is that the first one was approved that says East Valley. He never added DBA nor could he legally add DBA. He can provide a signed document from the Sanchez's that ordered Arizona Department of Health Services to add DBA. It doesn't matter, it's just a DBA. When staff asked him to provide a current copy he provided a current copy which was the DBA but it still had East Valley Patient Wellness Group.

Mr. Sanchez said that when they were going to apply to the Town of Gilbert when Duke said he had secured a spot Duke called him over and over and said that he needed a copy of their certificate and they provided it to him. Duke told them that it was going to be put in the Sanchez's name but he took it and presented it as his. If you look at whom the owners are of East Valley Patient Wellness Group you will see that he is not an owner and never has been and there is no signed agreement.

Dane Nielsen said that right now the dispensary registration certificate for CHAA 77 Is in the Name of East Valley Patient Wellness Group. Duke Rodriguez is not part of East Valley Patient Wellness Group and is not part of the dispensary registration certificate and therefore UP13-07 is issued for a piece of property that does not hold a license.

Town Attorney Michael Hamblin advised Chairman Wittmann to feel free to take charge of the meeting. He said that the meeting was in her control and it is not up to people to lineup to say what they wish to say. Mr. Hamblin said if the Chairman had a question for Mr. Rodriguez or wished him to make a final statement that would be appropriate but not on his own initiative.

Chairman Wittmann said that she had not opened the letter that was sealed; however, she would do that now.

Town attorney Jack Vincent said that if they were to open the letter they needed to provide a copy to Mr. Rodriguez and to his attorney so they would have an opportunity to view whatever evidence the Commission was viewing.

Chairman Wittmann said that the sealed letter was the same as the letter that they had in their packets.

Commissioner Peterson asked how they got a copy of a sealed letter.

Attorney Hamblin said that would be a question that they would need to address to the Sanchez's or their attorney.

Dane Nielsen said that Arizona Department of Health Services emailed a copy and then sent the letter through the mail. They provided staff with the emailed copy.

Commissioner Blaser asked if the East Valley Patient Wellness Group is at all a party to the piece of property in question.

Mr. Nielsen responded that it was not.

Attorney Hamblin said that appeared to be a new question and it might be appropriate to ask either Mr. Rodriguez or his attorney that same question.

Duke Rodriguez said that a license is issued to a specific address. The address on that license is 988 S. 182nd Place, the same exact property that was approved. The original members on the license are in support of that location.

David Sanchez said that the Arizona Department of Health Services does recognize Kathy Sanchez as the holder and principal officer of East Valley Patient Wellness Group.

Chairman Wittmann closed the public hearing

Commissioner Cavenue said that their scope is solely with regards to the Use Permit and whether or not the rules surrounding the Use Permit are being properly followed. They needed to focus on who has the right to use the license for this particular CHAA and his understanding was that the state recognizes the East Valley Patient Wellness Group as the rightful authority to own and operate this dispensary in CHAA 77. They specifically clarified that they do not recognize the other entities who applied for this Use Permit. Commissioner Cavenue said that it seemed pretty clear to him that the Use Permit was filed in error and if the only application is the one with the wrong user then it is not currently in compliance and should be revoked. He said that he also thinks that the letter from the state from Jeff Blumberg is fairly clear as to who is recognized as the rightful holder of the license and who can comply. He said that there is an undertow of feelings that goes with all this and they have to cast that aside and look solely at those documents submitted with the Use Permit upon which they need to make a decision if it is viable. He said that his opinion at this point is that this clearly needs to be revoked.

Vice Chairman Oehler asked staff if when they file for the application for the Conditional Use Permit for something like this does that person have to be the owner or user of the certificate or could it be a developer.

Ms. Lorbeer said that they often process applications where a developer serves as the applicant and have permission from the applicant to apply for the discretionary permits. In this instance one of the conditions that they must comply with in the code is to supply proof that they have a state approved certificate for CHAA 77 in order to operate. If the person who was represented as the applicant is not in a position to use a certificate to operate the facility then they can't be given a Use Permit because they cannot comply with the conditions of the Use Permit.

Commissioner Sippel said that what he was trying to get at when looking at the letter that was sent to Duke Rodriguez, Cumbree Investments on June 4 that does stipulate in number 4 that "the Use Permit shall only become effective upon providing proof that the center is state approved, certified or registered with the State Department of Health Services." He asked who that letter was really being sent to as all they have talked about is East Valley Patient Wellness Group. Did they initially give the Use Permit to Cumbree or to East Valley Patient Wellness Group?

Ms. Lorbeer asked if Commissioner Sippel was referring to the previous Notice of Decision that was issued when the Use Permit was originally approved.

Commissioner Sippel said he was referring to July 3, 2013.

Ms. Lorbeer said that it is staff's practice to issue a Notice of Decision after the Planning Commission takes action. They would have issued that Notice of Decision to the applicant who they have on record with the original application but these conditions run with the Use Permit. They embody the requirements of the Use Permit whoever the applicant is. Whoever is trying to operate a dispensary at that particular location must comply with those conditions.

Commissioner Sippel asked if they were saying that Mr. Rodriguez was that person or was East Valley Patient Wellness Group that body that applied for the Use Permit.

Commissioner Bloomfield said that when they get an application in there is room for an applicant and a name for an owner. He said that he was assuming that the Use Permit was issued to the owner, not to the applicant and were they one and the same in this case.

Ms. Lorbeer said that there is a project name of East Valley Patient Wellness Group and an applicant of Duke Rodriguez and the original property owner who was Joel Ortega. The Use Permit runs with the land not with the individuals. Whoever wants to establish a dispensary at this particular location where the Use Permit is assigned must be able to supply proof that they have the ability to operate under the state and in this instance they do not have that proof from the applicant.

Commissioner Sippel said that the applicant is Duke Rodriguez not East Valley Patient Wellness Group. He said that if you go on to the Arizona Department of Health website and look at CHAA 77 it states that on 6-6-13 there was an application submitted but nothing has been approved to operate. If you look at stipulation 4, this isn't even a certificate to operate it just says that to register a certificate is not an approval to operate and they won't get that until they get a C of O. Commissioner Sippel said that this has got to play itself out in court, they haven't even built anything yet.

Commissioner Peterson said that the key is that this certificate expires no later than 60 days prior to the registration of the certificate expiring and this expires August 7.

Town Attorney Jack Vincent reminded the Commission that the question before them was whether the applicant met all the conditions of the Conditional Use Permit. He said that he would point the Commission to term 3 which says that "the medical marijuana dispensary use and subject site shall comply with all Town of Gilbert codes as well as all requirements identified under article 4.5014 of the Land Development Code." If they refer to 4.5014 subpart D 4 it states that "a medical marijuana dispensary must supply proof the dispensary is state approved, certified and registered with the Arizona Department of Health pursuant to Arizona statutes." That requirement says nothing about C of O's and operations.

Commissioner Sippel said that it does in stipulation 3 in the letter. In the letter it says "of the land development code or as amended prior to certificate of occupancy."

Commissioner Peterson said that in the letter that was sent from Mr. Ward to Mr. Rodriguez after the use permit was approved in July 2013 that is what the 3rd stipulation says. If that is the case wouldn't they need to let the effective date play out and expire on its own or allow Mr. Rodriguez to come to them within 60 days with proof of C of O. She said that she did not believe they had enough information either way to make a decision.

Attorney Vincent said that the amended prior to certificate of occupancy modifies Land Development Code. The reason that is there is in the event that the LDC was changed or amended before the certificate of occupancy, they would have to be complying with the code at that time as it appeared.

Commissioner Peterson said that the expiration date of August 7 is before them and they have 60 days prior to that date. Wouldn't they need to let that date play out with the 4 stipulations that are in the letter that staff provided as Notice of Decision?

Mr. Vincent asked if that was because of the language about certificate of occupancy in the conditions.

Commissioner Peterson said in the conditions that they sent in the Notice of Decision, based upon the void certificate that matches the other one except for the DBA, in the void it that says that an application approval to operate must be submitted along with, etc., no later than 60 days prior to registration of certificate expiring. Both of those certificates say the same thing that they expire August 7.

Commissioner Cavenee commented that the letter from the State does specify that Kathy Sanchez is the recognized principle of East Valley Patient Wellness Group. He said that absent any other proof otherwise they are hearing from that entity that they do not authorize the use of the certificate by anyone else, specifically by the individual who applied for the Use Permit.

Commissioner Peterson said that Kathy Sanchez is the only one who hasn't spoken.

Commissioner Cavenee said that she was represented by legal counsel.

Commissioner Sippel said that he agreed that that individual probably owns the entity based on the letter. He said where he was getting hung up was that the entity was East Valley Patient Wellness Group assigned to that address.

Commissioner Cavenee said that the use permit is assigned to a piece of property but the state gives licenses to an operator or individual or group. They do not give it out to the land. They have to look at whether this Use Permit can be authorized and continue to move forward if it doesn't align with the entity that has the right to use this area, CHAA 77. He said that they have not gotten proof that the applicant has any affiliation with this group and in effect, from what he is seeing and for lack of a better term someone comes along and hijacks their license. He said that is what they are hearing from the registration certificate owner and the deal probably went bad. Given the statements heard currently he did not think that they could let this Use Permit continue to be active until they have the right registration certificate owner involved.

Commissioner Peterson said that the Use Permit isn't active anyway because there is not even a building there. If the decision is made right now those people will come in tomorrow and file for a different property under this certificate because it doesn't expire until 60 days from August 7. She said that they were making the final decision on the case right there right then without the court case or anything.

Commissioner Cavenee asked Commissioner Peterson to explain further.

Commissioner Peterson said that if they decide that Mr. Rodriguez definitively does not hold any interest in this group and take away that use permit, the other group will file tomorrow to get a use permit for a different piece of property using this certificate. If they don't file before Friday this registration will expire in 60 days.

Commissioner Cavenee asked what the alternative was. He clearly doesn't have the right to use it.

Commissioner Peterson said they could continue it for 30 days.

Commissioner Cavenee asked on what basis.

Chairman Wittmann said that they needed more information on who has rights and who is authorized.

Commissioner Peterson said that she thought it was awfully convenient that the complaint was made in March and that the letter was received by the other people in April. She said that based on what she had seen currently there are too many things that don't add up to where she can definitively say who is in control of East Valley Patient Wellness Group. It is also not attached to that address and who is attached to that address with that name.

Commissioner Cavenee said that he didn't think that it had anything to do with being attached to the address. The license is with the address.

Commissioner Peterson said they are deciding the Use Permit which is attached to the address. She said that they had only done two of these and she believed that they had to have C of O before they could get their license and full approval through the State of Arizona.

Commissioner Sippel said that if they must make a decision he agreed with Commissioner Peterson that a continuation may be okay but if there making that decision based solely on the difference of a DBA on a piece of paper he wasn't feeling it. He said he thought that it goes to the entity and the entity matches the ID numbers on

every document that they have. He said if they're talking about an entity providing documentation he believed that they have it and he also believed that it was going to play itself out on a C of O.

Commissioner Cavenee asked if the entity matches the person who applied for the Use Permit.

Commissioner Sippel said that their construction company is the one who applied for all the permits through Town of Gilbert building their new school but at the end of the day the nonprofit entity owns it.

Commissioner Cavenee said that they need proof of some legal relationship that allows Mr. Rodriguez to do this and that he is authorized in some fashion to use their license as their representative to apply for the Use Permit and if that can't be provided that, they can decide.

Chairman Wittmann said that she believed they need some proof that Mr. Rodriguez has the right to use the certificate at this particular address.

Commissioner Bloomfield said that another valid point is that Ms. Sanchez says that they do not have any control or interest in that property. The Use Permit is tied to the property but they do not have any control over it or any interest in it.

Commissioner Sippel said that he would be comfortable continuing the case based on being provided documentation that he currently has the authorization to do this.

Commissioner Blaser said that the 4th condition on the Conditional Use Permit indicates that the permit only becomes effective upon the dispensary providing proof that it is State approved. All that they have is a certificate indicating that this entity has the right to apply for approval for 60 more days. Maybe it would be a different argument if the building were constructed and were closer to a C of O.

Chairman Wittmann said that this is basically delaying the other party the right to apply for another location during the period of time until they find more concrete evidence that Mr. Rodriguez has the right to use a certificate on behalf of East Valley Wellness Group.

Commissioner Cavenee asked if they were prevented from applying for a Conditional Use Permit.

Chairman Wittmann said that they cannot apply for a Use Permit within 1000 feet of another location and this location currently exists.

Attorney Vincent stated that if an applicant fails to meet the deadline on the registration certificate the registration certificate is revoked and placed back in the lottery to be given to whoever draws it next.

A motion was made by Commissioner Brigitte Peterson and seconded by Vice Chairman Joshua Oehler to continue UP13-07 to the July 2, 2014 Planning Commission meeting.

Motion carried 4 – 3

**Aye – Chairman Jennifer Wittmann
Aye – Vice Chairman Joshua Oehler
Aye – Commissioner Kristofer Sippel
Aye – Commissioner Brigitte Peterson
Nay - Commissioner David Cavenee
Nay – Commissioner David Blaser
Nay – Commissioner Carl Bloomfield**

Planning Commission
Regular Meeting 6-4-14

Attorney Vincent commented that if those who intended to supply evidence at the July hearing would like to have their evidence in the staff report and in the packet there is a deadline for doing that and they can contact Catherine Lorbeer for details.

ADMINISTRATIVE ITEMS

Appointment of two Planning Commission Members to Behavioral Health Stakeholders Committee.

Chairman Wittmann appointed Commissioner David Blaser and Commissioner Brigette Peterson to the Behavioral Health Stakeholders Committee.

Minutes – Consider approval of the minutes of the Study Session and Regular Meeting of May 7, 2014.

A motion was made by Commissioner Kristofer Sippel and seconded by Commissioner David Cavenee to approve the minutes of the Study Session and Regular Meeting of May 7, 2014.

Motion carried 7 - 0

COMMUNICATIONS

Report from the Chairman and Members of the Commission on current events.

None

Report from Council Liaison

None

Report from the Planning & Development Services Manager on current events.

Planning Manager Linda Edwards stated that single family building permits for the month of April was 125 for Gilbert, 109 for Mesa, 59 in Queen Creek and 57 in Chandler. Greenfield Road continues to be closed for the Town to repair a sewer break. Gilbert is feeding Gilbert families and for the month of June there is a food drive with drop off sites at the Towns rec centers and fire stations and Albertson's is the Town's partner in that effort. Ms. Edwards said that she was sorry that they did not get to officially thank Kyle Powell for his service on the Planning Commission and they will continue to work with him as he provides information on other committees that he is involved in. The Council will be reviewing candidates for alternate at the end of June. Maria Cadavid was not present to be thanked but her badge number is 128 and today's employees who are joining the Town are at 4600 +.

ADJOURNMENT

Chairman Wittmann adjourned the meeting at 11:15 p.m.

Chairman Jennifer Wittmann

ATTEST:

Recorder Margo Fry

Planning Commission
Regular Meeting 6-4-14



*Division for Planning and Operations
Administrative Counsel and Rules*

1740 W Adams, Suite 203
Phoenix, Arizona 85007-2670
(602) 542-1020
(602) 364-1150 FAX

Revoke UP13-07
Attachment 5: Information from
Wallin Hester, on behalf of
Client
July 2, 2014

JANICE K. BREWER, GOVERNOR
WILL HUMBLE, DIRECTOR

April 25, 2014

Kathy Sanchez, Principal Officer
East Valley Patient Wellness Group, LLC
2112 E. Catamaran Drive
Gilbert, Arizona 85304

Re: Medical Marijuana Program

Dear Ms. Sanchez:

Pursuant to your request as the Principal Officer for East Valley Patient Wellness Group, LLC, to clarify ownership and authority to operate a medical marijuana dispensary, the Arizona Department of Health Services (ADHS) confirms that a dispensary registration certificate (DRC) was issued to East Valley Patient Wellness Group, LLC. Further, ADHS recognizes East Valley Patient Wellness Group, LLC, as the current and sole holder of the DRC for Community Health Analysis Area (CHAA) 77

ADHS can confirm that it does not recognize Cumbre Investments, LLC, Ultra Health, LLC, or any other entity as a holder of the DRC for CHAA 77. A copy of the DRC, as of the date of this letter, is enclosed.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeff Bloomberg".

Jeff Bloomberg, Manager
Division for Planning and Operations, Administrative Counsel and Rules

JB:rl

cc: Richard Keyt
Juli Boles

06/24/2014

Arizona Corporation Commission
State of Arizona Public Access System

9:12 AM

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Corporate Inquiry

File Number: L-1764718-5

Check Corporate Status

Corp. Name: EAST VALLEY PATIENT WELLNESS GROUP, LLC

Domestic Address

1307 E SOUTHERN AVE

MESA, AZ 85204

Statutory Agent Information

Agent Name: WHY PAY A LAWYER LLC

Agent Mailing/Physical Address:

3415 S MCLINTOCK #112

TEMPE, AZ 85282

Agent Status: APPOINTED 04/01/2013

Agent Last Updated: 04/18/2013

Additional Corporate Information

Corporation Type: DOMESTIC L.L.C.

Business Type:

Incorporation Date: 05/30/2012

Corporate Life Period: PERPETUAL

Domicile: ARIZONA

County: MARICOPA

Approval Date: 06/04/2012

Original Publish Date: 04/29/2013

Manager/Member Information

CANDICE MORALES
MANAGER17015 SCOTTSDALE RD #125
SCOTTSDALE, AZ 85255

Date of Taking Office: 06/21/2013

Last Updated: 09/12/2013

KATHY SANCHEZ
MANAGER17015 SCOTTSDALE RD #125
SCOTTSDALE, AZ 85255

Date of Taking Office: 04/01/2013

Last Updated: 09/12/2013

CANDICE MORALES

MEMBER

17015 SCOTTSDALE RD #125

SCOTTSDALE, AZ 85255

Date of Taking Office: 06/21/2013**Last Updated:** 09/12/2013

KATHY SANCHEZ

MEMBER

17015 SCOTTSDALE RD #125

SCOTTSDALE, AZ 85255

Date of Taking Office: 06/21/2013**Last Updated:** 09/12/2013

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(If gray button is not present, please check back later.)

Document Number	Description	Date Received
03797373	ARTICLES OF ORGANIZATION	05/30/2012
04236714	AMENDMENT	04/16/2013
04298916	PUB OF ARTICLES OF ORGANIZATION	04/29/2013
04248310	AMENDMENT	06/21/2013
04384397	AMENDMENT	09/11/2013
04578701	AMENDMENT	03/21/2014

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Amendments

Amendment Date	Amendment Type	Publish Date	Publish Exception
03/21/2014	AMENDMENT		WAIVE
09/11/2013	AMENDMENT		WAIVE
06/21/2013	AMENDMENT		WAIVE
04/01/2013	AMENDMENT		WAIVE

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*Division for Planning and Operations
Office of Administrative Counsel and Rules*

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Phoenix, Arizona 85007-2670
(602) 542-1020
(602) 364-1150 FAX

JANICE K. BREWER, GOVERNOR
WILL HUMBLE, DIRECTOR

March 14, 2014

Kathy Sanchez, Principal Officer
Holistic
45000 S. Lakeshore Drive, Suite 343
Tempe, Arizona 85285

RE: Medical Marijuana Program

Dear Ms. Sanchez:

Pursuant to the request of the dispensary certificate holder to clarify ownership and authority to operate a medical marijuana dispensary and cultivation site, the Arizona Department of Health Services (AZDHS) confirms that a dispensary registration certificate (DRC) was issued to Holistic Patient Wellness Group, LLC. Further, AZDHS issued an approval to operate to Holistic Patient Wellness Group, LLC to operate a dispensary and cultivation site and AZDHS recognizes them as the current and sole holders of the DRC.

AZDHS can confirm that it does not recognize Ultra Health, LLC as a holder of this or any other dispensary registration certificate.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeff Bloomberg".

Jeff Bloomberg, Manager
Division for Planning and Operations, Administrative Counsel and Rules

JB:jle

cc: Richard Keyt
Juli Boles



East Valley Patient Wellness Group
988 S. 182nd Place, Gilbert, Arizona 85296

The dispensary applicant listed above has been issued a Medical Marijuana Dispensary Registration Certificate. This Registration Certificate is **not** an approval to operate. The holder is authorized to apply for an Approval to Operate in the State of Arizona. An application for Approval to Operate must be submitted, along with items described in A.A.C R9-17-305, no later than 60 days prior to the Registration Certificate expiring. This certificate has been issued under the authority of Title 36, Chapter 28.1, Arizona Revised Statutes and pursuant to Title 9, Chapter 17, Article 3, Department of Health Services' rules and regulations.

THIS CERTIFICATE IS NOT TRANSFERABLE

Registration Certificate Identification Number: 00000063DCTB00283389

Issue Date: August 7, 2012

Expiration Date: August 7, 2014

A Registration Certificate issued by the Arizona Department of Health Services pursuant to A.R.S. Title 36, Chapter 28.1 and A.C.C. Title 9, Chapter 17 does not protect the holder from legal action by local, city, state, or federal authorities, including possible criminal prosecution for violations of federal law for the sale, manufacture, distribution, use, dispensing, possession, etc. of marijuana. The acquisition, possession, cultivation, manufacturing, delivery, transfer, transportation, supplying, selling, distributing, or dispensing medical marijuana under state law is lawful only if done in strict compliance with the requirements of the State Medical Marijuana Act ("Act"), A.R.S. Title 36, Chapter 28.1 and A.A.C. Title 9, Chapter 17. Any failure to comply with the Act may result in revocation of the Registration Certificate issued by the Arizona Department of Health Services, and possible arrest, prosecution, imprisonment, and fines for violation of state drug laws. The State of Arizona, including but not limited to the employees of the Arizona Department of Health Services, is not facilitating or participating in any way with my acquisition, possession, cultivation, manufacturing, delivery, transfer, transportation, supplying, selling, distributing, or dispensing medical marijuana.

THE ARIZONA MEDICAL MARIJUANA ACT DOES NOT AUTHORIZE THE HOLDER OF A DISPENSARY REGISTRATION CERTIFICATE TO CULTIVATE, POSSESS, OR SELL MEDICAL MARIJUANA PRIOR TO RECEIVING APPROVAL TO OPERATE FROM THE DEPARTMENT.

THE APPLICANT AGREES NOT TO OPERATE THE DISPENSARY UNTIL THE DISPENSARY IS INSPECTED AND THE APPLICANT OBTAINS

APPROVAL TO OPERATE FROM ADHS.

A handwritten signature in black ink, appearing to read "Will Humble", written over a horizontal line.

Will Humble, Director

AZ CORPORATION COMMISSION
FILED

AZ CORPORATION COMMISSION
FILED

AZ Corp. Commission

04236734

APR 11 2013

APR 10 2013

FILE NO. L-1764718-5 FILE NO. L-1764718-5

DO NOT WRITE IN THE SPACE BETWEEN THE TWO FILE NO'S

AZ CORPORATION COMMISSION
FILED

ARTICLES OF AMENDMENT
Read the Instructions (0112)

APR 10 2013

1. ENTITY NAME - give the exact name of the LLC as currently shown in A.C.C. records:

EAST VALLEY PATIENT WELLNESS GROUP, LLC

FILE NO. L-1764718-5

2. A.C.C. FILE NUMBER L-1764718-5

Read the A.C.C. file number on the upper corner printed stamp only fill in our website at <http://www.azcc.com/online/online.asp>

CHECK THE BOX NEXT TO EACH CHANGE BEING MADE AND COMPLETE THE REQUESTED INFORMATION FOR THAT CHANGE.

3. ☐ ENTITY NAME CHANGE - type in print the exact NEW name of the LLC in the space below:

4. ☐ MEMBERS CHANGE (REMOVE OR ADD MEMBERS) - see Instructions (0112) - Use one block per person - FOR MEMBERS CURRENTLY SHOWN IN A.C.C. RECORDS - list the name of each member being changed, and below that provide any other information for that member (such as a new address), then check all boxes that apply to indicate the change being made for that member. FOR NEW MEMBERS - in a separate block, list the name in the New Name block and give the address, and check the appropriate box. If more space is needed, complete and attach the Attachment Attachment for Members Form L004.

ENRIQUE CIFUENTES 2727 E. Baseline RD TOLU AZ 85305		CHARLIE LEE 1211 N. Country Club #6 1307 E. SOUTHERN AVE TOLU AZ 85305	
<input type="checkbox"/> Address change <input type="checkbox"/> Name change <input checked="" type="checkbox"/> Remove member		<input type="checkbox"/> Address change <input type="checkbox"/> Name change <input checked="" type="checkbox"/> Remove member	
ALEX DESOLER 2879 S. KEY BISCONE TOLU AZ 85305		<input type="checkbox"/> Address change <input type="checkbox"/> Name change <input checked="" type="checkbox"/> Remove member	

FORM
Rev 09/09

Arizona Corporation Commission • Department of State
April 1, 2013

9. ☐ ADDRESS KNOWN PLACE OF BUSINESS ADDRESS CHANGE

9.1 Is the NEW Arizona known place of (previously address the name on the street address of the statutory agent?

- ☐ Yes - go to number 10 and 11
☒ No - go to number 9.2 and 12

9.2 If you answered "No" to number 9.1, give it a NEW physical or street address (not a P.O. Box) of the known place of business of the LLC in Arizona:

BART VALLEY PATIENT WELLNESS GROUP, LLC		
1307 E BOUTHERN AVE		
Mesa		
88501-2 (zip)	AZ	85204
City	State or Province	Zip
Country		

10. ☐ DURATION CHANGE - check one to indicate the NEW duration of the period of the LLC:

- ☒ Perpetual
☐ The LLC's life period will end on this date: _____ (enter a date - mm/dd/yyyy)
☐ The LLC's life period will end upon the occurrence of this event: _____ (describe an event)


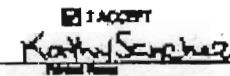
11. ☐ ENTITY TYPE CHANGE - If changing entity type, check one and follow instructions:

- ☐ Changing to a PROFESSIONAL LLC - number 12 must also be completed.
☐ Changing to a NON-PROFESSIONAL LLC (professional LLC becoming a regular LLC).

12. ☐ PROFESSIONAL SERVICES CHANGE - Describe the NEW type of professional services the professional LLC will render:

13. ☐ OTHER ASSIGNMENT - If an assignment was made that was not addressed by the check boxes on this form, then you must attach to these articles of Amendment a complete copy of the LLC's written assignment.

DISCLAIMER: By checking the box marked "I accept" below, I acknowledge under penalty of perjury that this document together with any attachments is submitted in compliance with Arizona law.

 ☒ I ACCEPT  4-8-13
 Statutory Agent: _____ Filing Date: _____ DAY MONTH YEAR

REQUIREMENTS - check only one and fill in the corresponding blank if signing for an entity:

<input checked="" type="checkbox"/> I am a MANAGING MEMBER of the LLC and I am signing individually as a manager or I am signing for an entity member named: <u>KATHY SANCHEZ</u>	<input type="checkbox"/> I am a NON-MANAGING MEMBER of the LLC and I am signing individually as a member or I am signing for an entity member named: _____
--	---

Filing Fee: \$100 (regular processing) Expedited processing - add \$150.00 to filing fee. All fees are non-refundable - see instructions. Add \$1.00 for each page over 10 pages (max 10 pages) for each document. In Arizona, that with the Arizona Corporation Commission provides a record and pay upon the public inspection. If you have questions about whether the information, please call the ARIZONA at (602) 542-4100 or 1-800-346-6814.	File At: Arizona Corporation Commission - Corporate Filings Section 1300 W. Washington St., Phoenix, Arizona 85007 File: 602-542-4100
---	---

5. ☒ **MANAGER CHANGE (CHANGE IN MANAGERS)** - See one block per person - FOR MANAGERS CURRENTLY SHOWN IN A.C.C. RECORDS - list the name of each manager being changed, and below that provide any new information for that manager (new name and/or address). Then check all boxes that apply to indicate the change being made for that manager. FOR NEW MANAGERS - in a separate block, list the name in the NEW Name block and give the address, and check the appropriate box. If more space is needed, complete and attach the Attachment Attachment for Managers form 1043.

Name currently shown in A.C.C. records JOSEPH SANCHEZ Address 1307 E. Southern Ave		Name currently shown in A.C.C. records PEDRO M. SOLIMAN Address 1307 E. Southern Ave	
Address 2 (optional) MESA	Address 3 (optional) MESA	Address 2 (optional) MESA	Address 3 (optional) MESA
City MESA	State AZ	City MESA	State AZ
<input type="checkbox"/> Address change <input type="checkbox"/> Name change	<input checked="" type="checkbox"/> Add as manager <input type="checkbox"/> Remove manager	<input type="checkbox"/> Address change <input type="checkbox"/> Name change	<input checked="" type="checkbox"/> Add as manager <input type="checkbox"/> Remove manager

6. ☐ **MANAGEMENT STRUCTURE CHANGE** - See Instructions 1015 - check only one box below and follow instructions:
☐ **CHANGING TO MANAGER-MANAGED LLC** - complete and attach the Manager Structure Attachment form 1042. The filing will be rejected if it is submitted without the attachment.
☐ **CHANGING TO MEMBER-MANAGED LLC** - complete and attach the Member Structure Attachment form 1041. The filing will be rejected if it is submitted without this attachment.

7. ☐ **STATUTORY AGENT CHANGE - NEW AGENT APPOINTED** - See Instructions 1018

7.1 REQUIRED - give the name (can be an individual or an entity) and physical or street address (not a P.O. Box) in Arizona of the NEW statutory agent: Statutory Agent Name (required) Address (optional) Address 1 Address 2 (optional) City State Zip	7.2 OPTIONAL - mailing address in Arizona of NEW Statutory agent (can be a P.O. Box): Address (optional) Address 1 Address 2 (optional) City State Zip
--	---

7.3 REQUIRED - the Statutory Agent Appointment form M002 must be submitted along with these Articles of Amendment.

8. ☐ **STATUTORY AGENT ADDRESS CHANGE - ADDRESS OF CURRENT STATUTORY AGENT** - complete 8.1 and/or 8.2:

8.1 NEW physical or street address (not a P.O. Box) in Arizona of the existing statutory agent: Address (optional) Address 1 Address 2 (optional) City State Zip	8.2 NEW mailing address in Arizona of the existing statutory agent (can be a P.O. Box): Address (optional) Address 1 Address 2 (optional) City State Zip
---	---

1994-1995

- EAST VALLEY PATIENT WELLNESS GROUP, LLC

3. **STATUTORY AGENT NAME** - give the exact name of the Statutory Agent appointed by the entity listed in number 1 above (this will be either an individual or an entity):

WHY PAY A LAWYER LLC

- 3.1 Check one item ☐ The statutory agent is an individual (natural person).
☒ The statutory agent is an entity.

STATUTORY AGENT SIGNATURE:

By the signature appearing below, the individual or entity named in number 3 above accepts the appointment as statutory agent for the entity named in number 1 above, and acknowledges that the appointment is effective until the entity replaces the statutory agent or the statutory agent resigns, whichever occurs first.

By checking the box marked "I accept" below, I acknowledge under penalty of perjury that this document, together with any attachments is submitted in compliance with Arizona law.

ACCEPT

12057, m 68 Richard S Barry 4-1-68

संस्कृत - चौकड़ें एवं पाठ्य

- ☐ **Individual as statutory agent:** I am signing on behalf of myself as the individual.

[illegible]

Filing Fee: none (regular processing)
Expedited processing - (available only if this form is submitted by fax) - add \$35.00 to filing fee.
All fees are non-refundable - see instructions.

Mail: Actara Corporation Convention - Corporate Filings Section
1360 N. Washington St., Phoenix, Arizona 85003
Fax: 602-543-4826

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For more information, visit our website: www.usnews.com. Call 800-368-6868. Fax 310-274-2000.

2000

Figure 4 (continued)

Arizona
Department of
Health Services

East Valley Patient Wellness Group

DBA: Ultra Health-Gilbert

988 S. 182nd Place, Gilbert, Arizona 85296

The dispensary applicant listed above has been issued a Medical Marijuana Dispensary Registration Certificate. This Registration Certificate is not an approval to operate. The holder is authorized to apply for an Approval to Operate in the State of Arizona. An application for Approval to Operate must be submitted, along with items described in A.A.C. R9-17-305, no later than 60 days prior to the Registration Certificate expiring. This certificate has been issued under the authority of Title 36, Chapter 28.1, Arizona Revised Statutes and pursuant to Title 9, Chapter 17, Article 3, Department of Health Services' rules and regulations.

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THE APPLICANT AGREES NOT TO OPERATE THE DISPENSARY UNTIL THE DISPENSARY IS INSPECTED AND THE APPLICANT OBTAINS

Juli Boles
Medical Marijuana Program Manager
AZ Dept. of Health Services

APPROVAL TO OPERATE FROM ADHS.

Will Humble, Director

DUKE RODRIGUEZ
CEO

16624 N. 90TH STREET #101 | SCOTTSDALE, AZ 85260
480.246.5700 | DUKE@ZONEDPROPERTIES.COM
WWW.ZONEDPROPERTIES.COM

ZONED PROPERTIES INC.

16624 N 90th St #101,
Scottsdale AZ 85260
877-360-8839

***ZONED PROPERTIES INC.
COMPANY INFORMATION AND DISCLOSURE STATEMENT***

Part A: General Company Information

As used in this disclosure statement, the terms "we", "us", "our", "ZDPY", "ZPI" and the "Company" means, Zoned Properties, Inc., a Nevada corporation.

Item I: The exact name of the issuer and its predecessor (if any).

Current since October 2, 2013:	Zoned Properties, Inc.
Before October 2, 2013:	Vanguard Minerals Corporation
Before September 19, 2007:	Knewtrino Inc.
Before May 2, 2006	Mongolian Explorations Ltd.

Item II: The address of the issuer's principal executive offices

Zoned Properties, Inc.
16624 N 90th St #101,
Scottsdale AZ 85260
Ph. 877-360-8839
E-mail: investorrelations@zonedproperties.com
Website: <http://www.zonedproperties.com>

Item III: The jurisdiction(s) and date of the issuer's incorporation or organization.

Zoned Properties, Inc. (the "Company") was incorporated in the State of Nevada, United States of America on August 25, 2003 in name of Mongolian Explorations Ltd. On May 2, 2006, the Company changed its name to Knewtrino Inc. On September 19, 2007, the Company filed Articles of Amendment to Articles of Incorporation with Secretary of State of Nevada to change its corporate name to Vanguard Minerals Corporation. On October 2, 2013, the Company changed its name to Zoned Properties Inc. to reflect its maturing business model that focuses on commercial property acquisition and development.

Part B: Share Structure

Item IV: The exact title and class of securities outstanding.

Security Symbol:	ZDPY
CUSIP Number:	98978X 109
Classes:	Common Stock
Authorized:	100,000,000
Outstanding:	23,674,009

Security Symbol:	N/A
CUSIP Number:	N/A
Classes:	Non-Convertible Preferred Stock
Authorized:	5,000,000
Outstanding:	700,000

Item V: Par or stated value and description of the security.

A. Par or Stated Value.

Common Stock: \$.001 per share

Non-Convertible Preferred Stock: \$.001 per share

B. Common or Preferred Stock.

1. For common equity, describe any dividend, voting and preemption rights.

Each share of Common Stock is entitled to one vote, which shares do not have pre-emptive rights. Dividends, if any, are declared at the discretion of the Board of Directors.

From inception, the Company has never declared or paid any cash dividends on shares of its common stock and the Company does not anticipate declaring or paying any cash dividends in the foreseeable future. The decision to declare any future cash dividends will depend upon the Company's results of operations, financial condition, current and anticipated cash needs, contractual restrictions, restrictions imposed by applicable law and other factors that the Company's board of directors deem relevant. Although it is the Company's intention to utilize all available funds for the development of its business, no restrictions are in place that would limit its ability to pay dividends. The payment of any future cash dividends will be at the sole discretion of the Company's board of directors.

2. For preferred stock, describe the dividend, voting, conversion and liquidation rights as well as redemption or sinking fund provisions.

On December 13, 2013, the Board of Directors of the Company authorized and approved to create a new class of its Preferred Stock consisting of 5,000,000 shares authorized, \$.001 par value. The voting rights, preferences and any qualifications, limitations, or restrictions of the Preferred Stock of Company are set forth below. There shall be no cumulative voting by Preferred Stock shareholders.

1. The shares are not convertible into any other class or series of stock.
2. The holders of the shares are entitled to fifty (50) votes for each share held. Voting rights are not subject to adjustment for splits that increase or decrease the common shares outstanding.
3. Upon our liquidation, the holders of the shares will be entitled to receive \$1.00 per share plus redemption provision before assets distributed to other shareholders.
4. The holders of the shares are entitled to dividends equal to common share dividends.
5. Once any shares of Preferred Stock are outstanding, at least 51% of the total number of shares of Preferred Stock outstanding must approve the following transactions:
 - a. Alter or change the rights, preferences or privileges of the Preferred Stock.
 - b. Create any new class of stock having preferences over the Preferred Stock.

- c. Repurchase any of our common stock.
- d. Merge or consolidate with any other company, except our wholly-owned subsidiaries.
- e. Sell, convey or otherwise dispose of, or create or incur any mortgage, lien, or charge or encumbrance or security interest in or pledge of, or sell and leaseback, in all or substantially all of our property or business.
- f. Incur, assume or guarantee any indebtedness maturing more than 18 months after the date on which it is incurred, assumed or guaranteed by us, except for operating leases and obligations assumed as part of the purchase price of property.

3. Describe any other material rights of common or preferred stockholders.

None.

4. Describe any provision in issuer's charter or by-laws that would delay, defer or prevent a change in control of the issuer.

None.

Item VI: The number of shares or total amount of the securities outstanding for each class of securities authorized.

Common Stock

Period end date:	April 15, 2014
Number of Shares Outstanding:	23,674,009
Number of Shares Authorized:	100,000,000
Public Float:	approximately 1,278,010
Total Number of beneficial Shareholders ⁽¹⁾ :	approximately 6
Total Number of Shareholders of Record:	88

Period end date:	December 31, 2013
Number of Shares Outstanding:	16,536,111
Number of Shares Authorized:	100,000,000
Public Float:	approximately 678,010
Total Number of beneficial Shareholders ⁽¹⁾ :	approximately 1
Total Number of Shareholders of Record:	31

Period end date:	December 31, 2012
Number of Shares Outstanding:	1,386,111
Number of Shares Authorized:	1,666,666
Public Float:	approximately 678,010
Total Number of beneficial Shareholders ⁽¹⁾ :	approximately 6
Total Number of Shareholders of Record:	30

⁽¹⁾ Shareholders currently hold more than 5%

Non-Convertible Preferred Stock ⁽²⁾

Period end date:	April 15, 2014
Number of Shares Outstanding:	700,000
Number of Shares Authorized:	5,000,000
Public Float:	0
Total Number of beneficial Shareholders ⁽³⁾ :	1
Total Number of Shareholders of Record:	1

Period end date:	December 31, 2013
Number of Shares Outstanding:	700,000
Number of Shares Authorized:	5,000,000
Public Float:	0
Total Number of beneficial Shareholders ⁽³⁾ :	1
Total Number of Shareholders of Record:	1

⁽²⁾ Created on December 13, 2013

⁽³⁾ Shareholder currently holds 100%

Part C: Business Information

Item VII: The name address of the transfer agent

Guardian Registrar & Transfer, Inc.
7951 SW 6th Street
Suite 216
Plantation, FL 33324

Note: Guardian Registrar & Transfer, Inc. is a registered transfer agent with the SEC

Item VIII: The nature of the issuer's business

A. Business Development:

The Company is a strategic real estate investment firm whose primary focus is acquiring commercial properties that face unique zoning challenges. Our diverse team of experienced professionals works to develop meaningful relationships with corporate and community partners. We focus on acquiring properties that have the potential to increase value within their surrounding communities and use turn-key development strategies to build long-term growth and value.

The Company targets commercial properties that can be acquired and potentially re-zoned for specific development purposes, including but not limited to medical marijuana dispensaries or cultivation facilities. The core of its business is in identifying and acquiring properties that exist within highly regulated zoning regions and may be candidates for re-zoning. This is an essential aspect of its overall growth strategy because the company targets uniquely zoned properties that are developed as candidates for specific industry operators. Once the properties have been acquired and/or re-zoned, their value may be substantially higher as demand for properties within the specific zoning region increases.

The Company manages a portfolio of properties that it owns and leases and provides direct development on each and every property it acquires. This can include complete architectural design and subsequent build-outs, general support, landscaping, general up-keep, and state of the art security systems.

1. The form of organization of the issuer:

Nevada C Corporation.

2. The year that the issuer (or any predecessor) was organized:

Incorporated in the State of Nevada, United States of America on August 25, 2003 in name of Mongolian Explorations Ltd

3. The issuer's fiscal year end date:

December 31

4. Whether the issuer (or any predecessor) has been in bankruptcy, receivership or any similar proceeding:

The Company has never been in bankruptcy or receivership.

5. Any material reclassification, merger, consolidation, or purchase or sale of a significant amount of assets:

The Company was originally incorporated in the State of Nevada, United States of America on August 25, 2003 in name of Mongolian Explorations Ltd.

In November 2007, the Company entered into an agreement with Coastal Uranium Holdings Ltd. to acquire its right and option to an undivided 50% right, title and interest in certain mineral claims in the Athabasca region of Canada for \$58,300 (CAD) plus 2,000,000 shares of the common stock of the Company. In addition, the Company agreed to take on the financial responsibility of Coastal Uranium Holdings Ltd. to fund development of the mineral property. That transaction has been rescinded.

In April 2008, the Company entered into a second agreement with Coastal Uranium Holdings Ltd. to acquire its 50% interest in mining claim S-110476 in the Athabasca region of Canada for \$250,000 (CAD) plus 4,000,000 shares of the common stock of the Company. In addition, the Company agreed to take on the financial responsibility of Coastal Uranium Holdings Ltd. to fund development of the mineral property. That transaction has been rescinded.

On April 20, 2010, the Company initiated a new line of business doing business as Vanguard Management in hopes that proceeds from management consulting would assist the Company in funding its mineral exploration as well as provide growth capital. The Company ceased this management consulting business in June, 2011. The Company did receive some cash and some stock in exchange for management consulting services. All this stock has been liquidated or returned. The Company did enter into a related party transaction with Genesis Venture Fund India I, LP that involved a swap of stock and management consulting services. That transaction has been rescinded.

In April 2010, the Company traded 1,000,000 common shares of Vanguard for 1,000,000 shares of a company, PEI Worldwide Holdings, Inc. On June 7, 2011, The Company completed a rescission whereby the 1,000,000 shares previously issued in exchange for the PEI shares were cancelled and the 1,000,000 shares of PEI were returned to PEI.

The Company was able to complete a financing for \$250,000 for sales of its common stock in June, 2011 and was actively working on the exploration of its Uranium Properties, which was expected to begin drilling and trenching in June 2012. The project was abandoned in 2012.

On January 8, 2014, the Company closed a Note Purchase and Loan Participation Assignment Agreement with and amongst two related parties of the Company and five individual investors, pursuant to which the Company issued 1,000,000 shares of common stock of the Company and two convertible promissory notes in total amount of \$170,000 to purchase a Promissory Note (referred to "Safford Note"), dated February 19, 2013, in the original principal amount of \$209,400 and with a maturity date of February 1, 2018, which is secured by a Mortgage/Deed of Trust on Real Property recorded March 5, 2013 in Document No. 2013-01174, of the Official Records of the County Recorder of Graham County, Arizona. On March 12, 2014, the Company sold the Safford Note on the Safford, Arizona dispensary location for a cash payment of \$210,500.

On January 22, 2014, the Company entered into a real estate purchase agreement with an individual resident of the State of Arizona, pursuant to which the Company acquired the land located in Gilbert Arizona for a total payment of \$300,000, of which \$250,000 was paid in cash, and \$50,000 was paid by issuing 16,667 shares of the common stock of the Company at a price of \$3 per share. Simultaneously, the Company issued 100,000 shares of common stock of the Company to Cumbre Investment LLC, a related party of the Company, to acquire its Right of First Refusal on the land. The transaction was completed and the title of the land was transferred to the Company.

On January 29, 2014, the Company entered into a purchase and consulting agreement with a related party of the Company, pursuant to which the Company acquired a permanent modular building located in Gilbert Arizona for total payments of \$675,000. Simultaneously, the Company issued 140,000 shares of common stock of the Company at a price of \$1 per share to the seller of the building to acquire a conditional use permit for the building. The transaction was completed and the title of the land was transferred to the Company.

On March 7, 2014, the Company entered into a real estate purchase agreement with Maryland LLC, an Arizona limited liability company, pursuant to which the Company acquired the property located in Tempe Arizona for total payment of \$4,600,000, of which \$2,500,000 was paid by cash and \$2,100,000 was seller carryback from Maryland LLC. The transaction was completed and the title of the land was transferred to the Company.

6. Any default of the terms of any note, loan, lease, or other indebtedness or financing arrangement requiring the issuer to make payments:

The Company has never defaulted on loans.

7. Any change of control:

In September of 2013, Marc Brannigan, an individual resident of the State of Arizona, acquired 15,000,000 shares of common stock of the Company, representing approximately 91.54% of the issued and outstanding voting power of the Company. The transaction resulted in a change in control of the Company.

On September 16, 2013, the Board of Directors of the Company appointed Marc Brannigan as President and Chief Executive Officer of the Company and Chairman of Board of Directors (sole director).

Simultaneously on September 16, 2013, Christopher Anzalone, the Company's former President and Director, resigned all his officer and director positions with the Company.

On March 31, 2014, the Board of Directors of the Company appointed Bryan McLaren as President, Secretary and Treasurer of the Company, and elected Lenny C Salgado as the sole director of the Board. Marc Brannigan resigned all his officer and director positions with the Company.

On April 3, 2014, the Board of Directors of the Company elected Irvin Rosenfeld and Bryan McLaren as directors of the Board.

8. Any increase of 10% or more of the same class of outstanding equity securities:

In September of 2013, Marc Brannigan, an individual resident of the State of Arizona, acquired 15,000,000 shares of common stock of the Company, representing approximately 91.54% of the issued and outstanding voting power of the Company. The transaction resulted in a change in control of the Company.

On December 20, 2013, the Board of Directors of the Company approved the issuance of 700,000 shares of preferred stock to a related party partially owned by the Company's President for professional services in connection with setting up the business with respect to commercial properties acquisition, management, and running the daily operations of the Company. The 700,000 shares of preferred stock are not convertible into any other class or series of stock, the holder of which are entitled to fifty (50) votes for each share held. Voting rights are not subject to adjustment for splits that increase or decrease the common shares outstanding.

During the first quarter of 2014, the Company issued 5,857,000 shares of restricted common stock at a price of \$1.00 per share to approximately 28 accredited investors pursuant to a private placement, exempt from registration pursuant to Rule 506(c) under the Securities Act of 1933, as amended. The total proceeds the Company received from this private placement were approximately \$5,857,000.

During the first quarter of 2014, the Company issued a total of 2,925,514 shares of common stock of the Company to settle the principal obligations of certain convertible notes payable – related parties in amount of \$329,413. The accrued interest was forgiven.

On April 14, 2014, the Board of Directors and its representative shareholders elected to retire 4,576,283 shares of common stock back into the company treasury.

9. Any past, pending or anticipated stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization:

On May 19, 2006, the Company filed Articles of Amendment to Articles of Incorporation with Secretary of State of Nevada to increase its authorized capital stock to 500,000,000 shares, \$0.001 par value.

On April 1, 2010, the Company filed Articles of Amendment to Articles of Incorporation with Secretary of State of Nevada regarding a 1:300 reverse split of its common stock. The authorized capital stock was reduced to 1,666,666 shares, \$0.001 per value;

On September 9, 2013, the Company filed Articles of Amendment to Articles of Incorporation with Secretary of State of Nevada to increase its authorized capital stock to 100,000,000 shares, \$0.001 par value.

On December 13, 2013, the Board of Directors of the Company authorized and approved to amend the Company's Articles of Incorporation in connection with an increase in authorized number of shares of Capital Stock, \$0.001 par value, of the Company from 100,000,000 shares to 105,000,000 shares, of which 5,000,000 shares, \$0.001 par value, were authorized and designated as a new class of its Preferred Stock.

10. Any de-listing of the issuer's securities by any securities exchange or deletion from the OTC:

On July 29, 2013, the Company filed Form 15 with Securities and Exchange Commission to voluntarily terminate its reporting status.

11. Any current, past, pending or threatened legal proceedings or administrative actions either by or against the issuer that could have a material effect on the issuer's business, financial condition, or operations and any current, past or pending trading suspensions by a securities regulator. State the names of the principal parties, the nature and current status of the matters, and the amounts involved:

There are no pending or threatened legal or administrative actions pending or threatened against the Company.

B. Business of Issuer.

The Company is a strategic real estate investment firm whose primary focus is acquiring commercial properties that face unique zoning challenges. Our diverse team of experienced professionals works to develop meaningful relationships with corporate and community partners. We focus on acquiring properties that have the potential to increase value within their surrounding communities and use turn-key development strategies to build long-term growth and value.

The Company targets commercial properties that can be acquired and potentially re-zoned for specific development purposes, including but not limited to medical marijuana dispensaries or cultivation facilities. The core of its business is in identifying and acquiring properties that exist within highly regulated zoning regions and may be candidates for re-zoning. This is an essential aspect of its overall growth strategy because the company targets uniquely zoned properties that are developed as candidates for specific industry operators. Once the properties have been acquired and/or re-zoned, their value may be substantially higher as demand for properties within the specific zoning region increases.

The Company manages a portfolio of properties that it owns and leases and provides direct development on each and every property it acquires. This can include complete architectural design and subsequent build-outs, general support, landscaping, general up-keep, and state of the art security systems.

The Company focuses on properties within the medical marijuana industry because we believe there will be surging demand in this industry, yet relatively few places that will be granted zoning approval for such use. Ultimately, this scenario should lead to high rental realization as compared to other real estate rental uses.

THE MARKET OPPORTUNITY FOR MEDICAL MARIJUANA

The retail marijuana market in the U.S. is estimated at approximately \$30 billion annually according to a recent cover story in the financial publication "Barron's. (Barron's cover story June 3rd 2013) Currently 21 states and the District of Columbia have legalized marijuana for medicinal use with Colorado and Washington also approving recreational use.

In a landmark decision, U.S. Attorney General Eric Holder announced on August 29, 2013 that the U.S. Justice Department would let the states of Colorado and Washington handle their own affairs when it comes to the legalization of recreational marijuana beginning in January.¹ This was and is seen as a positive step in the overall narrative of marijuana legalization in the U.S. for medicinal and recreational use.

The press coverage of medical marijuana has been encouraging recently. One example is Dr. Sanjay Gupta's op-ed titled "Why I Changed My Mind On Weed."² Gupta was a former opponent of medical marijuana until he saw the positive medicinal effects of the plant, especially on children with seizures and adults suffering

¹ Kevin Johnson and Raju Chebium, *Justice Department Won't Challenge State Marijuana Laws*, USA TODAY (Aug. 29, 2013 6:29 PM), <http://www.usatoday.com/story/news/nation/2013/08/29/justice-medical-marijuana-laws/2727605/>.

² Dr. Sanjay Gupta, *Why I Changed My Mind on Weed*, CNN.com (Aug. 8, 2013 8:44 PM), <http://www.cnn.com/2013/08/08/health/gupta-changed-mind-marijuana/index.html>.

from a variety of painful ailments. One child was having over 300 seizures per week despite being on seven different medications. Medical marijuana was the only medicine able to calm her brain and dramatically decreasing her seizures to two or three per month. That is just one of many cases that Dr. Gupta covered in his television documentary, “Weed.” In the program, he outlined the reasons why his opinion on the medicine has changed from dismissive to sympathetic of many patients’ need for the medicine. He went as far as to say, “We have been terribly and systematically misled for nearly 70 years in the United States, and I apologize for my own role in that.”³

As mentioned above, 21 states plus the District of Columbia have legalized the use of medical marijuana. CNBC predicts that by 2017, fourteen other states will make medical marijuana legal and states such as Colorado and Washington that have voted to legalize recreational marijuana have opened the door for other states to follow. When recreational use of cannabis becomes legal in Washington and Colorado in January, the national and international media attention on the subject will greatly intensify.

From a business perspective, medical marijuana is as close to a perfect crop as there is. It is a single product that in most cases allows its cultivators to operate, on average, with 50% margins or better, and there is incredible demand for the product in every market where it has been approved for medicinal and recreational use. The wholesale price in Arizona right now is anywhere from \$3,000-\$4,000 per pound, with some strains selling for as much as \$7,000 per pound in the retail sphere. Because of the immense financial opportunities this industry presents, many business-oriented individuals are attempting to invest in the medical marijuana industry. While these individuals have been wildly successful in other business endeavors, many do not realize the many challenges they will face from local municipalities who are doing everything in their power, such as enacting strict zoning and separation requirements, to ensure these facilities do not begin to operate in their neighborhoods.

Zoned Properties, Inc. (ZPI) is identifying and acquiring commercial properties that face unique zoning challenges in Arizona and other select states. We will acquire commercial properties that have been zoned for specific purposes such as medical marijuana dispensaries or cultivation facilities.

ZONED PROPERTIES, INC. – A UNIQUE REAL ESTATE INVESTMENT

Zoned Properties is uniquely positioned to benefit from the tremendous financial opportunities the medical marijuana industry presents without having to deal with the risk of actually cultivating, distributing, or dispensing medical marijuana, which is still illegal under federal law.

The company’s initial holdings and acquisition targets are in the state of Arizona. Unlike many other states that have legalized medical marijuana, Arizona’s program has some of the strictest regulations in the country and limits the amount of dispensaries that will be allowed to be open and operate within the state. While there are more medical marijuana dispensaries in Denver, Colorado than there are Starbucks, the entire state of Arizona can have a maximum of 126 operating dispensaries as the law is currently written.⁴

A recent report by Dr. Timothy Hogan⁵ predicted that the Arizona medical marijuana market would reach upwards of \$440 million in sales by 2016.⁶ It also states that by 2016, 112 dispensaries will be operational, the number of qualifying patients statewide will be approximately 105,000, and total medical marijuana sales will be in

³ *Id.*

⁴ *Denver Now Has More Marijuana Dispensaries Than It Does Starbucks*, Huffington Post (Sep. 5, 2011 6:12 AM), http://www.huffingtonpost.com/2011/07/06/medical-marijuana-denver-starbucks_n_891480.html; *White Mountain Health Center v. County of Maricopa*, 2012 WL 6656902 (Ariz. Sup. Ct 2012), available at <http://arizonamarijuanlawyers.com/wp-content/uploads/2012/12/Under-Advisement-Ruling-and-Writ-of-Mandamus3.pdf>.

⁵ Professor Emeritus of Economics at W.P. Carey School of Business at Arizona State University

⁶ Dr. Timothy Hogan, *The Economic Contribution of Arizona’s Regulated Medical Marijuana Dispensary Industry*, MEDICAL MARIJUANA BUSINESS DAILY (Mar. 19, 2013), available at http://mmjbusinessdaily.com/Dr_Hogan_Report_March_19_2013.pdf.

excess of \$440 million.⁷ Another interesting observation in Dr. Hogan's report is that at the height of maturity, he believes the market will have just 50 cultivation facilities serving the 112 open dispensaries.

ZPI believes there is much credence to be given to Dr. Hogan's report because, as discussed above, the state of Arizona has imposed very strict and specific zoning requirements for both dispensaries and cultivation facilities. These regulations provide a unique opportunity for savvy investors familiar with zoning law to acquire certain parcels, have them zoned or re-zoned, and create tremendous value. Once properly zoned for a medical marijuana cultivation facility, the property value increases exponentially because zoning requirements restrict the distance between each of these facilities. ZPI has already identified, qualified, and, in some cases, negotiated and acquired properties that are or can be zoned for medical marijuana growth or dispensary.

Details on some of the company's holdings and targets can be found below along with more detailed information on the Arizona medical marijuana market.

THE OPPORTUNITY FOR ZONED PROPERTIES IN ARIZONA

Arizona offers opportunities in addition to acquiring adequately zoned properties for medical marijuana facilities; water rights and assured water supply credits ("Water"). Water is a strong focus of ZPI. The company is in the process of implementing an acquisition strategy throughout Arizona, which includes the analysis of a variety of properties with significant Water value attached to the asset.

Once a property is acquired within the zoning requirements of a medical marijuana cultivation or dispensary location, ZPI can charge in some cases three to five times more than market value for rent because of the high-risk of use within the facilities. Cities and towns' strict zoning requirements make these properties extremely valuable, especially if they are large, free standing, or meet current zoning requirements for their use.

Arizona's medical marijuana program is still in its infant stages. There are ample property management and build-out opportunities for medical marijuana cultivation facilities and/or dispensaries. ZPI has realized this and is already working with multiple groups in Arizona that are in need of quality resources or experience to get these facilities operational. The need for expertise in the marketplace regarding uniquely zoned properties was one of the main catalysts in forming ZPI—there are so many opportunities in Arizona, but many investor groups lack the resources, knowledge, and expertise to see these projects through from start to finish.

1. The issuer's primary and secondary SIC Codes;

The Primary SIC Code for the Company is
6799 - Real estate investment and management

2. If the issuer has never conducted operations, is in the development stage, or is currently conducting operations:

The Company devotes substantially all of its efforts to establishing a new business, and there has been no significant revenue therefrom since incorporation. Accordingly, the Company's activities have been accounted for as those of a "Development Stage Enterprise" as set forth in Financial Accounting Standards Board Accounting Standard Codes 915 ("ASC 915").

The Company has already identified and qualified properties that are or can be zoned for medical marijuana growth or dispensary.

⁷ *Id.*

3. If the issuer is considered a "shell company" pursuant to Securities Act Rule 405:

The Company is not now and has never been a "shell company" as that term is defined in Rule 405 of the Securities Act.

4. The names of any parent, subsidiary, or affiliate of the issuer, and its business purpose, its method of operation, its ownership, and whether it is included in the financial statements attached to this disclosure statement.

The Company had no corporate subsidiaries as of the date of this Report. Zoned Properties is the sole member of two established Limited Liabilities Companies: Tempe Industrial Properties LLC, which is the owner of one real estate asset managed by the Company, and Gilbert Property Management LLC, which has no operating activities as of the date of this Report.

5. The effect of existing or probable governmental regulations on the business;

We are subject to applicable provisions of federal and state securities laws and to regulations specifically governing the real estate industry, including those governing fair housing and federally backed mortgage programs. Our operations will also be subject to regulations normally incident to business operations, such as occupational safety and health acts, workmen's compensation statutes, unemployment insurance legislation and income tax and social security related regulations. Although we will use our best efforts to comply with applicable regulations, we can provide no assurance of our ability to do so, nor can we fully predict the effect of these regulations on our proposed activities.

In addition, zoning commercial properties for specific purposes, such as medical marijuana dispensaries or cultivation facilities, is subject to specific regulations to the zoning requirements for the city, county and state related to any medical marijuana facility. We expect regulations to get tighter as time goes on.

In November 2010, voters passed the Arizona Medical Marijuana Act ("AMMA").⁸ The AMMA designates the Arizona Department of Health Services (ADHS) as the licensing authority for the program.⁹ ADHS is tasked with issuing Registry Identification Cards (RIC) to qualifying patients, designated caregivers, and dispensary agents, as well as selecting, registering, and providing oversight for nonprofit medical marijuana dispensaries.¹⁰ With permission from ADHS, qualifying patients or their caregivers may cultivate marijuana if the patient lives more than 25 miles from a dispensary. Currently over 95% of the state is covered within the 25-mile rule, which will eliminate the caregiver model that has been able to survive since the programs inception in 2010.

Qualifying patients can legally possess and purchase medical marijuana under Arizona law as long as they hold a RIC.¹¹ They acquire their medicine from non-profit medical marijuana dispensaries. These dispensaries acquire, possess, cultivate, manufacture, deliver, transfer, transport, supply, sell, and dispense medical marijuana.¹² Arizona is divided into 126 Community Health Assessment Areas (CHAA(s)) and each CHAA may only have one dispensary located within it.¹³ Dispensaries are the only place patients are legally allowed to purchase medical marijuana in Arizona. Arizona law permits the number of CHAAs to change based on the number of registered pharmacies in Arizona.¹⁴ In order to operate, a dispensary must have a Dispensary Registration Certificate and

⁸ White Mountain Health Center, 2012 WL 6656902.

⁹ *Report to Arizona Department of Health Services: First Annual Medical Marijuana Report*, ARIZONA DEPARTMENT OF HEALTH SERVICES at 3 (Nov. 8, 2012), <http://www.azdhs.gov/medicalmarijuana/documents/reports/az-medical-marijuana-program-annual-report-2012.pdf>.

¹⁰ *Id.*

¹¹ *Id.* at 3.

¹² *Id.* at 7.

¹³ White Mountain Health Center, 2012 WL 6656902.

¹⁴ *Report to Arizona Department of Health Services*, *supra* note 9, at 7. Arizona law permits one dispensary for every 10 licensed pharmacies in Arizona.

Approval to Operate Certificate from ADHS. The first dispensaries began operation in 2012, and it is anticipated that at maturity, there will be about 112 dispensaries statewide – one in each CHAA not part of one of Arizona’s Native American Indian Reservations.

6. An estimate of the amount spent during each of the last two fiscal years on research and development activities, and, if applicable, the extent to which the cost of such activities are borne directly by customers.

The Research and Development of the new technologies and products by the Company is an ongoing process. During the fiscal years ended December 31, 2013 and 2012, the Company had no R&D expenses incurred.

7. Costs and effects of compliance with environmental laws (federal, state and local):

Each state consisting of our properties are inspected by local and state officials and follow a strict list of guidelines.

8. The number of total employees and number of full-time employees.

The Company currently has 3 full-time employees.

Item IX: The nature of products or services offered.

1. Distribution methods of the products or services:

Not applicable

2. Status of any publicly announced new product or service:

The Company has already identified and qualified properties that are or can be zoned for medical marijuana growth or dispensary.

3. Competitive business conditions, the Issuer’s competitive position in the industry, and methods of competition:

We are a leader in our industry.

4. Sources and availability of raw materials and the names of principal suppliers:

Not applicable

5. Dependence on one or a few major customers:

Not applicable

6. Patents, trademarks, licenses, franchises, concessions, royalty agreements or labor contracts, including their duration; and

We are currently in the process of filing a supplemental trademark for the trademark called “Zoned Properties” with United State Patents and Trademarks Office.

7. The need for any government approval of principal products or services. Discuss the status of any requested government approvals.

Identifying and acquiring adequately zoned commercial properties for specific purposes, such as medical marijuana dispensaries or cultivation facilities, is subject to specific regulations to the zoning requirements for the city, county and state related to any grow or dispensary. We expect regulations to get tighter as time goes on.

Item X: The nature and extent of the issuer's facilities.

Part D: Management Structure and Financial Information

Item XI The name of the chief executive officer, members of the board of directors, as well as control persons.

A. Officers and Directors.

President, Treasurer and Secretary

1. Full Name: Bryan McLaren
2. Business Address: 16624 N 90th St #101, Scottsdale, AZ 85260
3. Employment history: Mr. McLaren has a dedicated history of work in the sustainability industry and in business development. Prior to his role as President/CEO of Zoned Properties, Inc. he was hired on as the Chief Sustainability Officer and VP of Operations. He has worked as a sustainability consultant for Waste Management, Inc., as a Project Manager at Arizona State University, and as a Sustainability Manager for Northern Arizona University.
4. Board memberships and other affiliations: Director
5. Compensation by the issuer: For his services with Zoned Properties, Mr. McLaren will receive compensation in the form of Salary at 8,500 dollars per month and restricted common stock at the level of 50,000 shares per year
6. Number and class of issuer's securities beneficially owned:

700,000 shares of Common Stock

Director

1. Full Name: Leonard C. Salgado
2. Business Address: 16624 N 90th St #101, Scottsdale, AZ 85260
3. Employment history: Mr. Salgado is an independent financial advisor with a long history of quality service to his clients. He is the Managing Member of Pinnacle Advisory Group, LLC and has held past positions as District Leader with Genworth Financial and as VP Personal Investment Officer with BBVA Compass Bank.
4. Board memberships and other affiliations: Director
5. Compensation by the issuer: For his services as Director, Mr. Salgado will receive compensation in the form of restricted common stock at a level of 10,000 shares per year of service.
6. Number and class of issuer's securities beneficially owned: None

Director

1. Full Name: Irvin Rosenfeld
2. Business Address: 16624 N 90th St #101, Scottsdale, AZ 85260
3. Employment history: Mr. Rosenfeld has over 26 years of experience in the financial industry and is an accomplished author. He is one of the longest standing survivors of the Federal Medical Cannabis Program and has appeared on dozens of television news programs and in print media.
4. Board memberships and other affiliations: Director
5. Compensation by the issuer: For his services as Director, Mr. Rosenfeld will receive compensation in the form of restricted common stock at a level of 10,000 shares per year of service.
6. Number and class of issuer's securities beneficially owned: None

Former President, Chief Executive Officer, Secretary and Director*

1. Full Name: Marc Brannigan
2. Business Address: 16624 N 90th St #101, Scottsdale, AZ 85260
3. Employment history: Mr. Brannigan is a financial consultant.
4. Board memberships and other affiliations: Director *
5. Compensation by the issuer: the Board of Directors of the Company awarded Marc Brannigan with a payment of \$71,250 for his salary as President and CEO of the Company during his service from September 16, 2013 through March 31, 2014.
6. Number and class of issuer's securities beneficially owned:

1,500,000 shares of Common Stock

* Mr. Brannigan resigned from all his positions and directorship of the Company on March 31, 2014.

B. Legal/Disciplinary History.

1. Conviction in a criminal proceeding or named as a defendant in a criminal proceeding: None.
2. Entry of an order, judgment, or decree, not reversed, suspended or vacated that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or bank activities: None.
3. A finding or judgment by a court (in civil action), the SEC, the Commodity Futures trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law: None.
4. The entry of an order by a self regulatory organization that permanently or temporarily barred, suspended or otherwise limited such person's involvement in any type of business or securities: None.

C. Disclosure of Family Relationships.

Not applicable

D. Disclosure of Related Party Transactions.

(A) *Safford Note*

On January 8, 2014, the Company closed a Note Purchase and Loan Participation Assignment Agreement with and amongst two related parties of the Company and five individual investors who are related parties, pursuant to which the Company issued 1,000,000 shares of common stock of the Company and two convertible promissory notes in total amount of \$170,000 to purchase a Promissory Note (referred to "Safford Note"), dated February 19, 2013, in the original principal amount of \$209,400 and with a maturity date of February 1, 2018, which is secured by a Mortgage/Deed of Trust on Real Property recorded March 5, 2013 in Document No. 2013-01174, of the Official Records of the County Recorder of Graham County, Arizona. On March 12, 2014, the Company sold the Safford Note on the Safford, Arizona dispensary location for a cash payment of \$210,500.

(B) *Convertible notes payable – Beneficial conversion features*

The Company borrowed funds to cover its daily operations, including but not limited to, consulting and advisory fees, accounting fees, legal fees, compliance fees and others, from MAC CAM LLC, a related party partially owned by the Company's President. The borrowings were evidenced by four convertible promissory notes, dated on September 30, 2013 ("September Note"), October 31, 2013 ("October Note"), November 30, 2013 ("November Note") and December 31, 2013 ("December Note"). The holder of the Notes has an option to convert all or any portion of the accrued interest and unpaid principal balance of the Notes into the common stock of the Company or its successors. The outstanding balances, interest rates, maturity dates and conversion prices of each note are set forth in the following table:

ZONED PROPERTIES, INC. - COMPANY INFORMATION AND DISCLOSURE STATEMENT
– April 15, 2014

	Outstanding Balance	Interest Rate	Maturity Date	Conversion Price
September Note	\$ 25,000	8%	Due on demand	\$0.05
October Note	52,518	8%	Due on demand	\$0.05
November Note	32,217	10%	November 30, 2014	\$0.05
December Note	49,678	10%	December 31, 2014	\$0.10
Total	<u>\$ 159,413</u>			
Remaining balance of discounts	<u>(79,121)</u>			
Net	<u>\$ 80,292</u>			

The conversion price associated with the Notes was determined based on the facts at the time whereby the Company had nominal trading volume for its stock and had negative shareholder equity at the time of issuance.

The Notes were discounted in amount of \$128,406 due to the intrinsic value of the beneficial conversion option. As of December 31, 2013, the aggregate carrying value of the Notes was \$80,292, net of debt discounts of \$79,121. The Company recorded interest expense related to the Notes of \$1,484 and amortization of debt discount in amount of \$49,285 during the year ended December 31, 2013. The interest expense of \$1,484 has been included under accrued liabilities.

(C) Convertible Notes Conversion

During the first quarter of 2014, the Company issued a total of 2,925,514 shares of common stock of the Company to settle the principal obligations of certain convertible notes payable – related parties in amount of \$329,413, including convertible notes payable of \$170,000 in connection with Safford Note disclosed above. The accrued interest was forgiven.

(D) Preferred Stock Issuance for Services Rendered

On December 20, 2013, the Board of Directors of the Company approved the issuance of 700,000 shares of preferred stock to a related party partially owned by the Company's President for professional services in connection with setting up the business with respect to commercial properties acquisition and management that face unique zoning challenges, and running the daily operations of the Company. The 700,000 shares of preferred stock are not convertible into any other class or series of stock, the holder of which are entitled to fifty (50) votes for each share held. Voting rights are not subject to adjustment for splits that increase or decrease the common shares outstanding.

E. Disclosure of Conflicts of Interest.

There are no conflicts of interest.

F. Compensation to Marc Brannigan, Former Sole Director, Chairman, President and CEO.

The Board of Directors of the Company awarded Marc Brannigan with a lump sum payment of \$71,250 for his salary as President and CEO of the Company during his service from September 16, 2013 through March 31, 2014.

Item XII: Financial information for the issuer's most recent fiscal period.

The unaudited balance sheets, statements of operations, statements of cash flows, statements of changes in stockholders' equity, and financial notes for the years ended December 31, 2013 and 2012 were previously filed on March 24, 2014.

Item XIII: Similar financial information for such part of the two preceding fiscal years as the issuer or its predecessor has been in existence.

The unaudited balance sheets, statements of operations, statements of cash flows, statements of changes in stockholders' equity, and financial notes for the years ended December 31, 2013 and 2012 were previously filed on March 24, 2014.

Item XIV: Beneficial owners.

Provide a list of the name, address and shareholdings of all persons beneficially owning more than five percent (5%) of any class of the issuer's equity securities.

As of April 15, 2014:

Preferred Stock

Name	Address	Number Of Preferred Shares	Percentage Of Class
MAC CAM LLC	3931 E. Orchid Lane Phoenix, AZ 85044	700,000	100.00%

Common Stock

Name	Address	Number Of Common Shares	Percentage Of Class
ALAN ABRAMS	3250 S. Arizona Ave #1023, Chandler, AZ 85248	3,200,000	13.51%
MARC BRANNIGAN	16624 N 90th St #200, Scottsdale AZ 85260	1,500,000	6.34%
CHRISTOPHER CARRA	16624 N 90th St #101, Scottsdale AZ 85260	2,200,000	9.29%
DUKE RODRIGUEZ	16624 N 90th St #200, Scottsdale AZ 85260	2,200,000	9.29%
GREG JOHNSTON	915 Stitch Road, Stevens, WA 98258	1,500,000	6.34%
M. J. TRUST	1794 Banyan Creek Circle N Boynton Beach, FL 33436	1,200,000	5.07%

Item XV: The name, address, telephone number, and email address of each of the following outside providers that advise the issuer on matters relating to the operations, business development and disclosure:

1. Investment Banker
None

2. Promoters
None

3. Counsel

The Law Offices of Harold H. Martin
Attorney at Law
19720 Jetton Road, 3rd Floor
Cornelius, NC 28031
Phone: (704) 464-9528
Fax: (704) 464-9051
Email: harold@martin-pritchett.com

4. Accountant or Auditor

Accountant:

Greentree Financial Group, Inc
7951 SW 6th Street Suite 216
Plantation, FL 33324
Phone: (954) 424-2345
Fax: (954) 424-2230
Email: tracylok@gtfinancial.com
www.gtfinancial.com

5. Public Relations Consultant(s)

None

6. Investor Relations Consultant

None

7. Any other advisor(s) that assisted, advised, prepared or provided information with respect to this disclosure statement - the information shall include the telephone number and email

None

Item XVI: Management's discussion and analysis or plan of operation.

A. Plan of Operation: Issuer's Plan of Operation for the next twelve months.

The Company is a strategic real estate investment firm whose primary focus is acquiring commercial properties that face unique zoning challenges. Our diverse team of experienced professionals works to develop meaningful relationships with corporate and community partners. We focus on acquiring properties that have the potential to increase value within their surrounding communities and use turn-key development strategies to build long-term growth and value.

The Company targets commercial properties that can be acquired and potentially re-zoned for specific development purposes, including but not limited to medical marijuana dispensaries or cultivation facilities. The core of its business is in identifying and acquiring properties that exist within highly regulated zoning regions and may be candidates for re-zoning. This is an essential aspect of its overall growth strategy because the company targets uniquely zoned properties that are developed as candidates for specific industry operators. Once the properties have been acquired and/or re-zoned, their value may be substantially higher as demand for properties within the specific zoning region increases.

The Company manages a portfolio of properties that it owns and leases and provides direct development on each and every property it acquires. This can include complete architectural design and subsequent build-outs, general support, landscaping, general up-keep, and state of the art security systems.

B. Management's Discussion and Analysis of Financial Condition and Results of Operations.

For the Years Ended December 31, 2013 and 2012 (Unaudited)

Revenues

The Company devotes substantially all of its efforts to establishing a new business, and there has been no significant revenue therefrom since incorporation. Accordingly, the Company's activities have been accounted for as those of a "Development Stage Enterprise" as set forth in Financial Accounting Standards Board Accounting Standard Codes 915 ("ASC 915").

Operating Expenses

We had operating expenses of \$336,547 and \$248,432 for the years ended December 31, 2013 and 2012, respectively. Operating expenses were in connection with our daily operation, including but not limited to, consulting and advising fees, accounting fees, legal fees, fees related to compliance, website development and others. The increase by amount of \$88,115 during 2013 was due primarily to the increase in consulting, legal and compliance fees after the change in control of the Company. In addition, the Company had stock based compensation of \$39,099 in 2013 in connection with the issuance of 150,000 shares of common stock to a consultant for professional services in connection with reporting compliance and corporate matters during 2013, and the issuance of 700,000 shares of preferred stock to a related party for setting up the business with respect to commercial properties acquisition and management that face unique zoning challenges, and running the daily operations of the Company. The stock based compensation was booked pro rata within the relative service periods.

Income/Losses

Net loss for the year ended December 31, 2013 was \$387,316, increased by \$180,030 compared to net loss of \$207,286 for the year ended December 31, 2012. The increase in net loss was primarily attributable to the increase in consulting, legal and compliance fees after the change in control of the Company. In addition, there was no income from debt forgiveness during 2013, compared to \$41,146 in 2012.

Impact of Inflation

We believe that inflation has had a negligible effect on operations since inception. We believe that we can offset inflationary increases in the cost of operations by increasing sales and improving operating efficiencies.

Liquidity And Capital Resources

During the years ended December 31, 2013 and 2012, net cash flows used in operating activities were \$297,448 and \$250,000, respectively. Negative cash flows in the year ended December 31, 2013 were due primarily to the net loss of \$387,316, offset by the non-cash expenses of \$88,384. Negative cash flows during the year ended December 31, 2012 were due primarily to the net loss of \$207,286, plus the decrease in accounts payable and accrued expenses in amount of \$33,714.

There was no cash flow from investing activities during the years ended December 31, 2013 and 2012, respectively.

During the year ended December 31, 2013, net cash flows provided by financing activities were \$309,413 due primarily to the proceeds of \$150,000 from sales of 15,000,000 shares of our Common Stock at price of \$.01 per share, plus the proceeds of \$159,413 from the loan of related party. Comparatively, we had net cash flows of \$250,000 provided by financing activities during the year ended December 31, 2012. We were able to complete a financing for \$250,000 for sales of our common stock in June, 2011 and the proceeds of this financing were released to us on August 15, 2012.

We had cash of \$11,965 on hand as of December 31, 2013. On the short-term basis, we will be required to raise a significant amount of additional funds over the next 12 months to sustain operations. On the long-term basis, we will potentially need to raise capital to grow and develop our business.

During the first quarter of 2014, the Company issued 5,857,000 shares of restricted common stock at a price of \$1.00 per share to approximately 28 accredited investors pursuant to a private placement, exempt from registration pursuant to Rule 506(c) under the Securities Act of 1933, as amended. The total proceeds the Company received from this private placement were approximately \$5,857,000.

C. Off-Balance Sheet Arrangements: None

Part E: Issuance History

Item XVII: List of securities offerings and shares issued for services in the past two years.

List below any events, in chronological order, that resulted in changes in total shares outstanding by the issuer (1) within the two-year period ending on the last day of the issuer's most recent fiscal year and (2) since the last day of the issuer's most recent fiscal year.

Between January 1, 2012 and December 31, 2012:

Restricted Common Shares Cancellation:

Number of shares cancelled: 233,333
Legend: Rule 144

Restricted Common Shares Issuance:

Number of shares issued: 0
Legend: Rule 144

Between January 1, 2013 and December 31, 2013:

Restricted Common Shares Issuance:

Number of shares issued: 15,150,000
Legend: Rule 144

Between January 1, 2014 and Present:

Restricted Common Shares Cancellation:

Number of shares cancelled: 4,576,283
Legend: Rule 144

Restricted Common Shares Issuance:

Number of shares issued: 11,714,181
Legend: Rule 144

Part F: Exhibits

Item XVIII: Material Contracts:

All material contracts are listed in the footnotes of the financial statements for the year ended December 31, 2013, which was previously filed on March 24, 2014.

Item XIX: Articles of Incorporation and Bylaws.

Articles of Incorporation and all the amendments were previously filed on November 4, 2013.

Bylaws was separately filed on November 4, 2013.

Item XX: Purchases of Equity Securities by the Issuer and Affiliated Purchasers.

None.

Item XXI Issuer's Certifications.

I, Bryan McLaren certify that:

1. I have reviewed this Information and Disclosure Statement of Zoned Properties, Inc.
2. Based on my knowledge, this Information and Disclosure Statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Information and Disclosure Statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this Information and Disclosure Statement.

Date: April 15, 2014

/s/ Bryan McLaren
Bryan McLaren, President