

The Virtue Center

Upscale Medical Marijuana Dispensary

Use Permit Application

Submitted: February 2011

**7301 E. Evans Rd.
Scottsdale, Arizona 85268**

Owner/Operator

OF&C Corporation
10405 E. Paradise Dr.
Scottsdale, AZ 85259

Applicant

Rose Law Group, pc
6613 N. Scottsdale Rd. Suite 200
Scottsdale AZ 85250

4-UP-2011
1ST: 2/10/2011

BACKGROUND

With the approval of Proposition 203 by the citizens of Arizona, the State has elected to compassionately allow patients suffering from certain debilitating disease and conditions, especially cancers and immunosuppressive disorders, to finally obtain a useful medicinal remedy by legal methods. These patients could be our mothers and fathers, sisters or brothers, children or grandchildren. The medical community sees this as a great and much needed opportunity to improve the health care and quality of life of our patients and fellow citizens.

Arizona officials have wisely chosen to avoid the dispensary models allowed in neighboring states, specifically California and Colorado, in favor of a more “clinical” approach. Patients deserve the security of a professional approach to the dispensary concept, where they can receive appropriate counseling, oversight, and their needed medicines without fear or embarrassment.

Three successful, established Physicians (Joel Colley, M.D. – Anesthesia/Pain Management, Frank Tindall, M.D. – Orthopedic Surgery, and Richard Strand, M.D. – Radiology) with over 100 “combined practice years” in Arizona formed OF&C Corporation, an Arizona non-profit entity to bring a “Medical Clinic” atmosphere to the vision for Medical Marijuana Dispensaries. Mr. Norman March, a successful Arizona business person for over 25 years shares their creative passions, and he has added strategic business acumen to the project. All directors have established successful enterprises in this state, and have agreed to **donate all profits in excess of usual and customary business expenses to qualified charities in Arizona**, including the proposed State fund to assist those in need of medicinal marijuana products who are unable to pay.

The Principals have a vast personal and professional experience administering to the pharmacological needs of patients who will qualify under the new laws to legally

receive the benefits of legalized marijuana products. OF&C Corporation envisions a “medicinal” movement toward more of the prepared/infused products that specifically target the symptoms to be treated, rather than the more traditional “combustible” delivery system. This is where we envision the industry standards residing. *We believe this to be the more legitimate and natural remedy focus for this industry.*

REQUEST

OF&C Corporation has secured an upscale business property in Scottsdale Airpark. The property owner can personally identify with the pain of chronic debilitating diseases, and he is supportive of the efforts and the mission of our team. This application is to request a Conditional Use Permit to allow for a medical marijuana dispensary at 7301 E. Evans Rd. **This facility, The Virtue Center, will serve as a medical marijuana dispensary ONLY.**

The Principals have committed to a site security plan that greatly exceeds the State requirements, allowing DHS designated officials open access to the monitoring system from their offices if they so desire. The delivery area is enclosed and secure, with no product transfer occurring in any open area. The “state of the art” alarm and monitoring system will provide efficient and complete security for both the staff and our patients (please refer to the site/security/alarm plan filed with the application). All products, with the exception of some prepackaged sealed “infused items” will be stored in a “steel caged” refrigeration system, which will allow no odors to emanate into the building. Our sanitation/waste management policy exceeds State and City guideline requirements.

With the “medical clinic” approach that the State and City envision, we will encourage our patients to adhere to an appointment schedule, thus there will be little

increased traffic noticed in the Scottsdale Airpark complex, itself a light industrial area. The daily activities of the clinic should easily blend into the normal milieu of business activities in this area, while allowing our patients easy access to the medicinal products they need and deserve. This site is conveniently located to all hospital campuses, including **The Virginia Piper Cancer Center**.

COMPLIANCE WITH ZONING ORDINANCE

The site conforms to the regulations included in the newly adopted Text Amendment. The property is zoned I-1 which allows medical marijuana dispensaries. There is no residential zoning R1-, R-2 and M-H within 500 feet of the site. There are no public, private and/or charter schools within 500 feet of the site. Therefore, this location meets all of the required separation setbacks outlined in the City's Ordinance and is ideal for a medical marijuana dispensary.

MEETS AND EXCEEDS CITY'S USE PERMIT CRITERIA

The Virtue Center meets and/or exceeds all of the use permit criteria set forth in the Scottsdale Zoning Code section 1.401.

- A. The granting of this Use Permit will in no way be detrimental to the public health, safety or welfare of the surrounding area.
 - 1. This use does not create damage or nuisance caused from noise, odor, dust, vibration or illumination. This operation will be run just as any upscale medical office is run. The Virtue Center will eliminate any

potential odor by storing the medical marijuana in industrial refrigerators.

2. No Impact on surrounding area from traffic. Patients of The Virtue Center will be required to schedule appointments to pick up their “prescriptions” to alleviate unusual volumes of traffic.

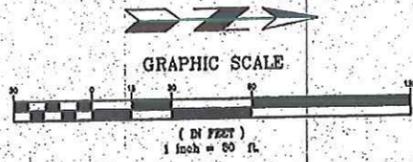
B. This use is compatible with surrounding uses. It is the goal of OF&C Corporation to establish an upscale medical office environment. Some of the other uses in the area include dental offices, medical offices, alarm companies and general offices.

C. This location meets all other additional conditions.

CONCLUSION

The Principals of OF&C Corporation believe in solid standards and appropriate rules and regulations. They are outstanding members of the community, well respected doctors and business men who will strive to bring nothing but the “best” to the City of Scottsdale.

REDFIELD RD



NOTES:

1. This Survey and Plat exceeds the required accuracy of 1 foot in 15,000 feet.
2. Per ALTA/ACSM Table A, Item #14 - No observable evidence of earth moving work, building construction or building additions within recent months.
3. Per ALTA/ACSM Table A, Item #15 - Changes in roadway right-of-way completed or proposed not verified - no observable evidence of recent street or sidewalk construction.
4. Per ALTA/ACSM Table A, Item #18 - Visual reconnaissance of the subject property by the Surveyor does not indicate obvious evidence of any unlicensed or substantial use of the site as a solid waste dump, pump or sanitary landfill, but does not negate the possibility of such which a subsurface investigation might uncover.

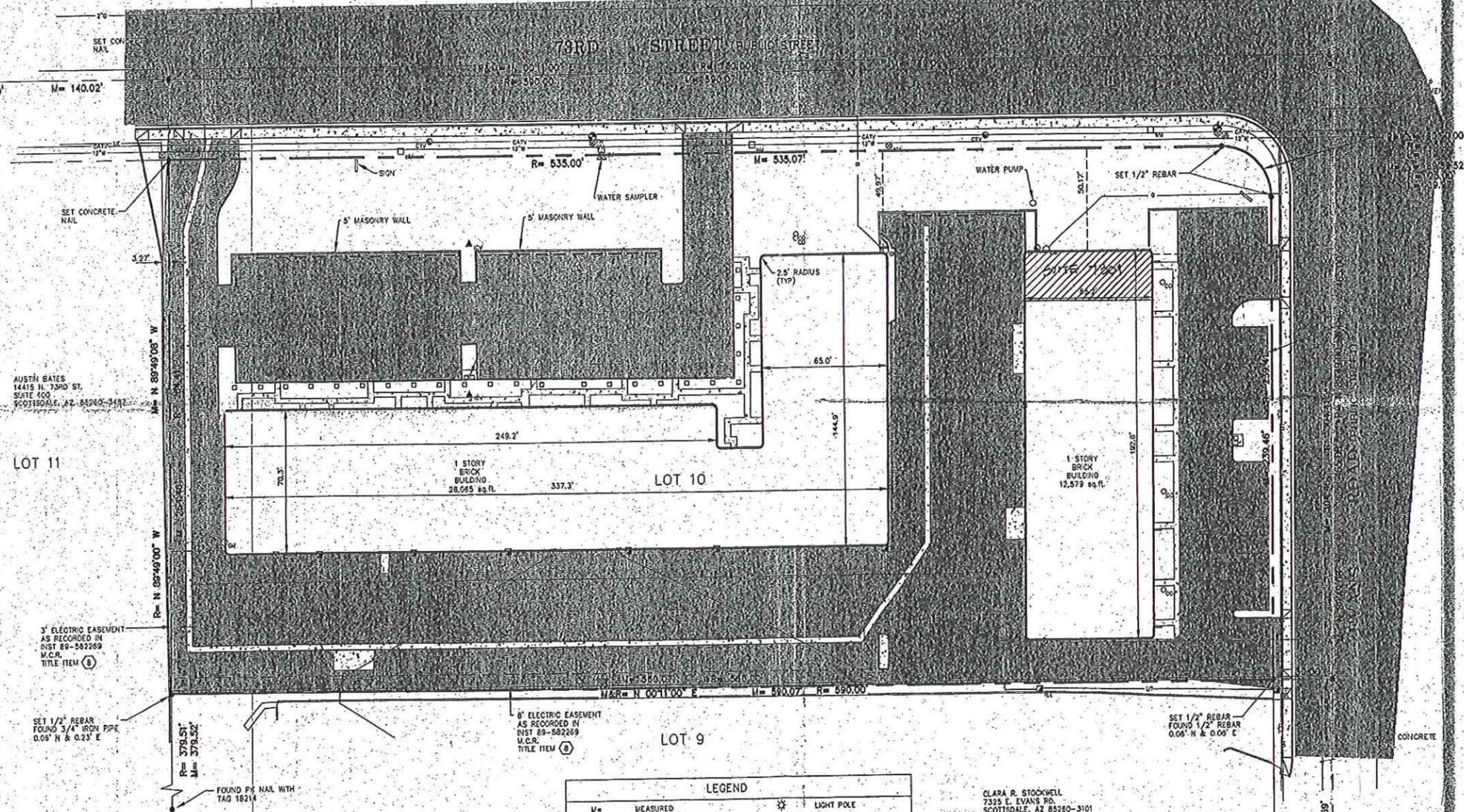
5. The aggregate area of the subject buildings do not occupy more than fifty percent (50%) of the total area of the subject lot as designated by the City of Scottsdale revised codes. Said buildings occupy twenty-seven percent (27%) of the subject area of said Lot 10.

PARKING MEASURED:

Standard - 100 Spaces
Disabled - 7 Spaces

PARKING REQUIRED:

As of this date the City of Scottsdale has yet to confirm parking requirements as per their latest revised codes.



AUSTIN BATES
14415 N. 73RD ST.
SUITE 100
SCOTTSDALE, AZ 85260-3437

LOT 11

LOT 10

LOT 9

3' ELECTRIC EASEMENT
AS RECORDED IN
INST 89-582289
M.C.R.
TITLE ITEM (C)

SET 1/2" REBAR
FOUND 3/4" IRON PIPE
0.06' N & 0.03' E

3' ELECTRIC EASEMENT
AS RECORDED IN
INST 89-582289
M.C.R.
TITLE ITEM (C)

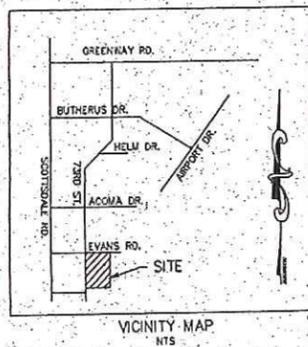
SET 1/2" REBAR
FOUND 1/2" REBAR
0.06' N & 0.09' E

CLARA R. STOCKWELL
7325 E. EVANS RD.
SCOTTSDALE, AZ 85260-3101

ADDRESS:

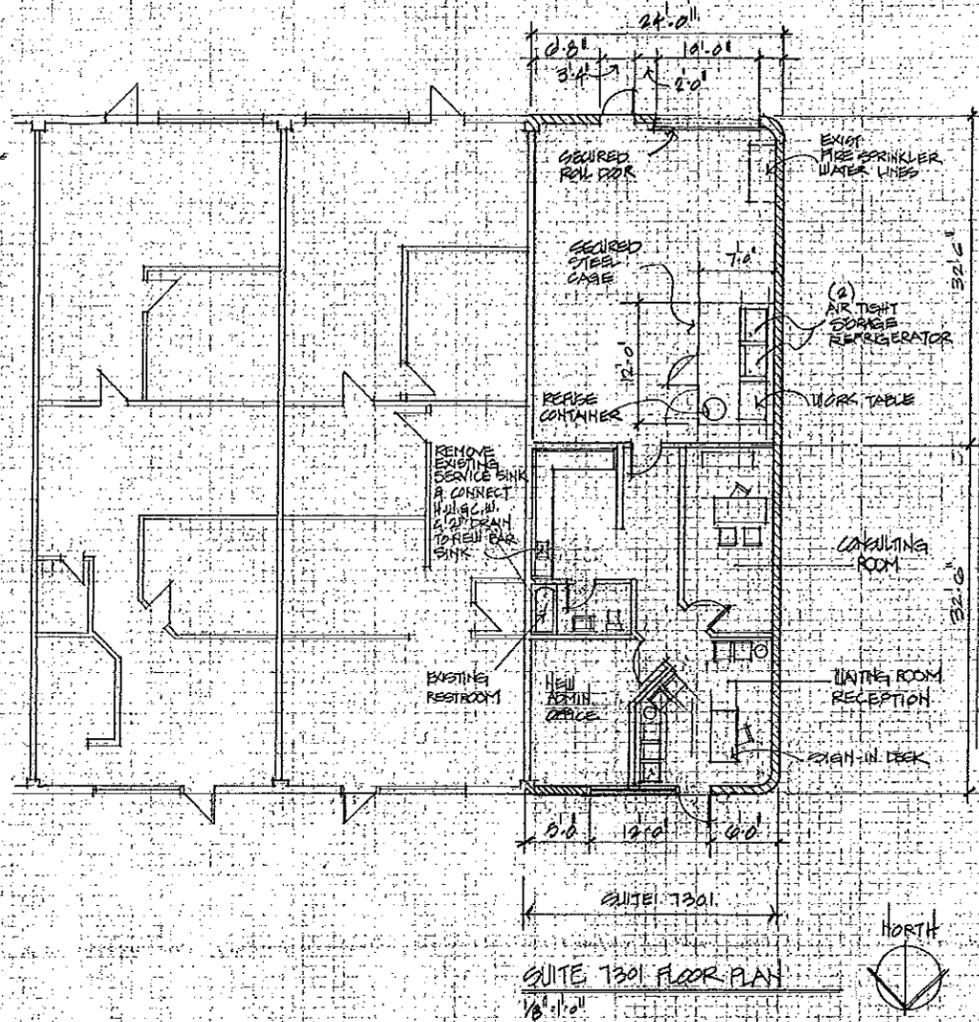
NORTH BUILDING
7301, 7303, 7305, 7307, 7309, 7311, 7313 AND 7315
E. EVANS RD., SCOTTSDALE, AZ 85260
SOUTH BUILDING
14415, 14431, 14423, 14425, 14427, 14429 AND 14431
N 73RD ST., SCOTTSDALE, AZ 85260

LEGEND			
M=	MEASURED	⊙	LIGHT POLE
R=	RECORDED	-G-	GAS LINE
ASPH	ASPHALT	○ _{GM}	GAS METER
CONC	CONCRETE	○ _{FR}	FIRE HYDRANT
SM	SEWER MANHOLE	○ _{WV}	WATER VALVE
CL	CLEANOUT	○ _{WM}	WATER METER
TR	TELECO RISER	△	SIGN
UT	UNDERGROUND TELECO	△	# OF PARKING SPACES
CRV	CABLE TV RISER	-W-	WATER LINE
UE	UNDERGROUND ELECTRIC	-S-	SEWER LINE
EM	ELECTRIC METER	-CATV-	CABLE TV



REVISED: 3-28-

4-UP-2011
1ST: 2/10/2011



OFFICE 780 S.F.
WAREHOUSE 780 S.F.

OWNER: OF+C CORP
1301 EAST EVANS
SCOTTSDALE, ARIZONA
85260

SUITE 7301 FLOOR PLAN

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FLOOR PLAN
SUITE 7301
1580 EAST GRAY ROAD
SCOTTSDALE, AZ
85260

DATE:	09-01-2010
DRAWN BY:	
REVISED:	
△	
△	
△	



THE VIRTUE CENTER

Upscale Medical Marijuana Dispensary

SECURITY – MAINTENANCE - OPERATIONS

**7301 E. Evans Rd.
Scottsdale, Arizona 85268**

Community Health Analysis Areas (CHAA)
CHAA – Tempe North
CHAA – ID. – 68
County – Maricopa

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The Virtue Center's Safety & Security Plans

Security of Property, employees, clients and the surrounding area is the main goal of The Virtue Center. We are using the rules of the AZ State Health Department and City of Scottsdale as a baseline/minimum to develop our security and safety guidelines. We are actively working together with the Scottsdale Zoning and Planning Department and the Scottsdale Police Department.

OF&C Corporation, the operator of The Virtue Center, has contracted with A Americam, a high end video and surveillance company that have developed an above and beyond system allowing 24/7 remote access by the State or local police (requirement TBD). A high end security alarm system to alert us and police of any compromise to the integrity of the building. The system will monitor all aspects of the operation from patient arrival to consulting rooms and secured storage area.

Security System Summary

The security plan The Virtue Center will utilize is a comprehensive security system designed to monitor and protect all potential areas. The main focus of securing the Virtue Center facility is in the following areas:

- Safeguard the storage of the medicine
- A secure environment for patients, staff and oversight groups
- A internal audit program (POS) for the entire operation tracking the patients, product handling and distribution
- Secured enclosed product delivery area

The security system at the center will also have:

- Video surveillance system all area's
- Access control system / electronic door buzzers & card swipe technology
- Centrally monitored alarm system and intrusion detection
- Outside lighting
- Locked and secured patient records
- Fire department lock box
- Police Department lock box
- Audit control and policy management system
- Off site data storage
- Computer system Lock Down Box's
- 2 ea. Smoke detectors

Alarm System

The OF&C Corporation will install a centrally-monitored alarm & intrusion detection system. The system selected is the DSC Power 832 Security System. The system will have 24/7 off site monitoring by C.O.P.S. Monitoring. www.copsmonitoring.com The system will be installed by A Americam Video Security Systems Inc. a local licensed, bonded and insured company with 25 years experience.

The system will be monitored 24/7 from a remote location. Monitoring devices will be on the front door, rear door, rolling garage door, roof motion detection and door to warehouse. All windows will have glass break sensors.

The secured product storage cage will have a dedicated door contact as well as a motion detector, vibration sensors, video monitoring and an internal panic button.

The alarm and intrusion detection system is designed to provide protection to the building, patients, staff and the assets of the OF&C Corp. The final system design will be pre-approved by the City of Scottsdale Police Department to verify complete compliance with all Codes and preferences of the Department. The system will include, at least the following components.

- Vibration sensors
- Glass breakage sensors
- Motion sensors
- Wireless panic key fob
- Cellular & radio back up monitoring and notification capabilities
- Secured, encrypted internet access services that allow alarm history, setup and system results
- System testing supervision
- Message notification capabilities (phone, cell, e-mail, Text)
- Electronic alarm activity reports
- 3 back up notification numbers
- 24 hour battery backup system

Access Control System:

The access control program is designed to protect the staff and provide easy and safe access for patients. The front door will be locked and only opened electronically by an internal staff member. A patient will be identified as safe after a visual inspection through a glass front window from the reception desk and from a video camera installed at the front door. This camera will be able to view the patient at the front door with maximum angle of view to ensure safety of us as well as the patient before being buzzed into our front lobby area.

Internal Doors:

All internal doors will be equipped with magnetic locking devices and will be released with proximity readers on the outside of the door. This includes access to the, product prep area, storage area and staff area's. In addition to the locking door mechanisms, access to the caged product area will be a card accessed identification system. This will assist in the product oversight and give us control of staff member's access. This will allow instant and accurate identification to ensure a person only has access to appropriate areas at the proper authorized time.

Exterior Doors:

Front Door: Locked at all times, opened electrically by internal employees. Locking hardware and door exit release system -complying with NFPA Fire Evacuation Codes

Rear Single Door: Locked at all times, opened electrically by internal employees. Locking hardware and door exit release -complying with NFPA Fire Evacuation Codes

Roll Door: Internally locked, 2"x 4" steel bar attached to wall at + 24" across drive in entrance. Only to be opened for delivery vehicles.

Widows: Internal motion sensors and glass break sensors tied to alarm system

Product Accessibility & Security:

Product cage:

The product cage will be permanently attached to the west brick interior wall and built to the State of Arizona's Department of Health Services guidelines.

Access to product cage will be granted only to approve staff members and protected by card access as well as video monitoring. All handling, breakdown and repackaging will be conducted behind the locked cage area. The activity will be video monitored and stored for 30 days.

As well as door locking devices and video, scheduled access control and password protection we will have an additional level of password and access protection in the system. Also the cage area will have a special "*Lever Lock with Request to Exit switch only*". This information will allow us to be able to create oversight reports. This will allow OF&C Inc. to closely monitor all activity to maintain the highest level of security. This system will also allow OF&C Inc., the City and State to closely monitor us to ensure compliance. Handling procedures to be defined in the M & P's.

Video Surveillance System

A Americam has designed The Virtue group a video system that exceeds the requirements of the Arizona Department of Health Services requirements. The system will have coverage of all entrances and exits of the building as well as coverage of limited access areas (the product cage) and repackaging table, consultation area's, product receiving area. The system includes:

- 7 ea. Unix DO VDIR 270 VF Mini Vandal Resistant IR Dome Camera's (inside)
- 2 ea. Sony CCD Dome Camera, Vandal resistant & 3 axis (Outside)
- 2 ea. 19 inch color TFT Monitors
- PC Based Digital Video Recording, 16 channels video, 4 channels audio
- 500 GIG HD, DVD Burner Tower
- A lock down, tamper proof box for the DVR recorder and computer server
- Uninterrupted Backup Battery/Surge Suppression/Line Conditioner (12 hour back up)
- All camera's are capable of producing a clear still photo from any image
- Recording resolution of 704 x 480
- Direct video of each point of sale desk for security as well as identification of qualifying patient or designated care giver purchasing product.
- Minimum of 30 days of video storage
- Visual and audible failure notification of failed equipment (4 hour response time from vendor)

Waste Management Plan

This facility is a dispensary location only. With a forecasted sale of about 50% to 60 % of the product being Infused products and 40% to 50% raw material the following practices will be practiced.

Infused Product:

OF& C Corporation will purchase raw product, log into system and supply to the bakery. Product will be returned to OF&C in a baked or liquid form. The product will be returned / or sold back from a locally approved bakery in predetermined amounts based on forecasted sales figures. If a product out lives it's shelf life, the product will be returned in its original package to the bakery. Thus, no waste.

Raw Product:

Raw product will be purchased from local approved growing facilities. Product will be divided up into a smaller quantity upon request from the patient. This will be done inside the locked cage are by the qualified consultant or Director. In the process of dividing up a smaller quantity from the larger container the possibility of having waste is almost non existent. This process will be conducted on a special table in the caged, secured area. If any flakes, crumbs or anything is seen the flakes, crumbs will be

scraped to the side and secured in a small jar or can. This jar or can will be weighed and product accounted for on a monthly basis and deducted from the inventory control system. The product will be log out of the system and transferred to our associated bakery for use in future. Thus, again, no waste.

Emergency Preparedness Plan

Panic Button Procedure

When any employee or the security system see's a panic button deployed, the security system will alert with an alarm sounding inside and outside the building. The police will be notified by the system. All doors will be locked electronically until a Director of OF&C or the police clear the panic situation. All Directors of the company and all employees will be notified via Text Message, Cell Phone and E-Mail.

Robbery Procedure

When any employee or the security system see's a potential robbery/security breach situation, the employee will use the panic button, or the system will begin the notification process. The security system will alert with an alarm sounding inside and outside the building. The police will be notified by the system. All doors will be locked electronically until a Director of OF&C or the police clear the robbery situation. All Directors of the company and all employees will be notified via Text Message, Cell Phone and E-Mail. A report will be generated to the police and kept on file.

Bomb Threat Procedure

When any employee receives a bomb or threat of any kind. The employee will use the panic button, and the system will begin the notification process. The security system will alert with an alarm sounding inside and outside the building. The police will be notified by the system. All doors will be locked electronically until a Director of OF&C or the police clear the robbery situation. All Directors of the company and all employees will be notified via Text Message, Cell Phone and E-Mail. A report will be generated to the police and kept on file.

External Disaster Plan

Any sign of a Natural Disaster like flood, tornado, monsoon, and earthquake ect.. OF&C will secure the building and notify the Scottsdale Police and vacate the premises.

Fire Procedure

The premise we are at has a fire sprinkler system with fire department notification. Our internal security system has and additional 2 smoke detectors linked to our security system. The system will notify the Scottsdale Fire and Police upon activation. All Directors of the company and all employees will be notified via Text Message, Cell Phone and E-Mail. A report will be generated to the police and kept on file.

Outside Lighting

The building we our leasing has a City of Scottsdale approved lighting system in place. OF&C feels this is adequate and does not plan to alter. The system does include, a dedicated light at the front door, a dedicated light at the back door, several large spotlights on the front roof, lighting the entire front walk and parking lot, a dedicated spotlight on the back of the building eliminating the back entrance as well as the entire rear parking lot.

Locked and Secured Patient Records

All paper records will be stored in a secure are. Paper records will be copied electronically and stored off premises, as well as all computer based documents. Any paper documents from our operation that need to be discarded will be shredded and put in the on premise trash facility.

Scottsdale Fire Department Lock Box

The fire department will be provided with a lock box and security codes to access the building at any time.

Scottsdale Police Department Lock Box

The Police Department will be provided with a lock box and security codes to access the building at any time.

Operations Plan

Patient arrives at Virtue Center,

Patient is visual screened at front door via the front window or video surveillance monitor. After it is concluded the patient is safe, they are bussed in the front door. The patient then presents their documents proving they are State approved. Patient is then escorted into a consultation room with a Qualified Condition Analysis Representative (QCAR). After the correct product is determined, the QCAR leaves the patient in the consulting room and access the secured area in back to retrieve the requested product. After returning the product is inspected by the patient and approved. At that time the payment is received. Payment will only be Credit Card and Check only, NO CASH. Patient is then escorted to front door and visually watched leave to ensure safety.

Operation plan check list:

1. Business use type: *Medical Marijuana Dispensary Only*
2. Days of Operation: *Monday to Saturday (or what State Regulations state)*
3. Hours of operation: *8:00 A.M. to 5:00 P.M. (or what State Regulations state)*
4. Number of employees
 - A. *Full time, indicate work shift: 3 people, from 8:00 a.m. to 5:00 p.m. Mon. to Sat.*
 - B. *Part time, indicate work shift: 3 people, from 10:00 a.m. to 3:00 p.m. Mon. to Sat.*
5. Other business officials on site if not employees: *Delivery personal only*
6. Customer characteristics
 - A. *Patron seating: 10 chairs in waiting room*
 - B. *Frequency and peak time of customer activity: 4 customers per hour with peak time from 10:00 a.m. to 3:00 p.m.*
7. Outdoor operations
 - A. *Explain all outdoor activities:*
 - B. *Parking: Walking to entrance and returning to car only*
 - C. *Loading: All deliveries of product will be done inside secured warehouse with door closed and locked until deliver is complete.*
 - D. *Storage: None*

- E. Display: *None*
 - F. Product demonstrations/testing: *None*
 - G. Activities that take place within areas that are walled but not roofed or covered: *None*
 - H. Other activities: *None*
8. Description of services activities such as parking lot sweeping, loading, trash hauling and similar associated activities: *None*
- A. Frequency of service Activities: Days of week, hours of day: *None*
 - B. Location of Service Activities relative to lower intensity uses: *None*
9. Description of refuse removal:
- A. The location of anticipated parking area for customers including those located off the site: *The on property parking is directly in front of suite*
 - B. b. The area surrounded the property that will be cleaned of debris by applicant: *None*
 - C. Time of day of refuse removal: *Tuesdays around 10:00 a.m.*
10. Description of activities that generate noise that will be apparent to/from adjoining properties: *None*
11. Description and documentation of how noise is abated: *Not applicable*
12. Proposal for Noise monitoring and maintenance of acceptable noise level: *Not applicable*
13. Schools only: *Not applicable*

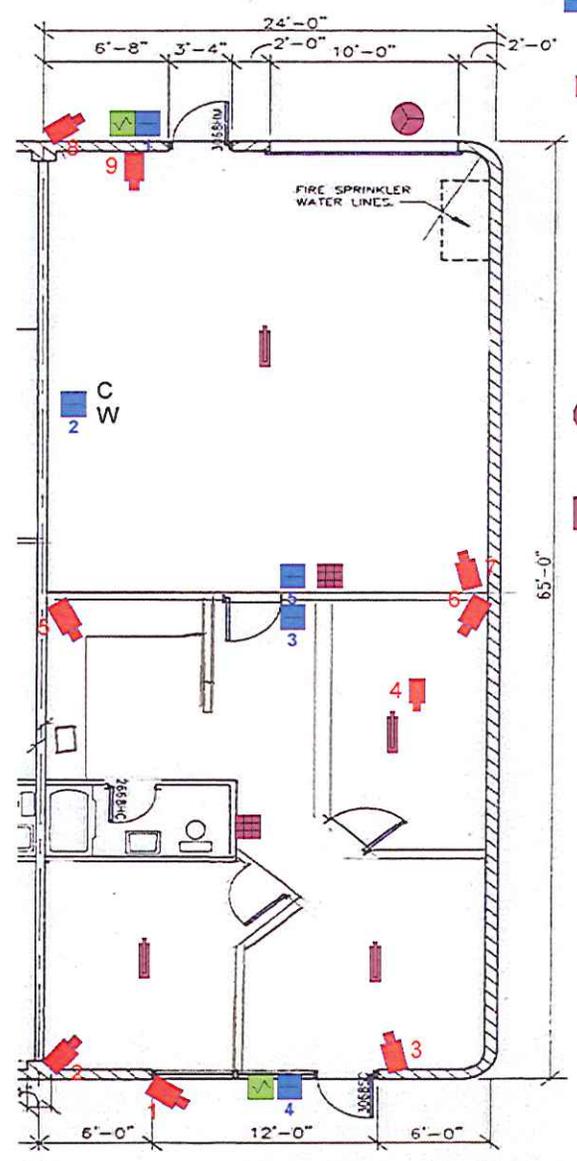
7301 E. Evans Rd.
Scottsdale, Arizona 85268

The Virtue Center

Upscale Medical Marijuana Dispensary

Security Layout

7301



Intercom
Talk/Open Door
From Any Phone

RFID
Card Reader

CCTV
Camera

Alarm
Keypad

Triple
Tech
Motion

Siren
Strobe

Wireless
Panic
Alarm
Remote

4-UP-2011
1ST: 2/10/2011