PURSUANT TO A.R.S. §38-431.01, THE GILA COUNTY BOARD OF SUPERVISORS WILL HOLD AN OPEN MEETING IN THE SUPERVISORS’ HEARING ROOM, 1400 EAST ASH STREET, GLOBE, ARIZONA. ONE OR MORE BOARD MEMBERS MAY PARTICIPATE IN THE MEETING BY TELEPHONE CONFERENCE CALL OR BY INTERACTIVE TELEVISION VIDEO (ITV). ANY MEMBER OF THE PUBLIC IS WELCOME TO ATTEND THE MEETING VIA ITV WHICH IS HELD AT 610 E. HIGHWAY 260, BOARD OF SUPERVISORS’ CONFERENCE ROOM, PAYSON, ARIZONA. THE AGENDA IS AS FOLLOWS:

SPECIAL MEETING - TUESDAY, OCTOBER 31, 2017 - 2:00 P.M.

1. CALL TO ORDER - PLEDGE OF ALLEGIANCE

2. REGULAR AGENDA ITEMS:

   A. Information/Discussion/Action to affirm, modify, or reverse the decision of the Gila County Hearing Officer regarding Community Development Division Complaint No. CP1705-005 (Ray Stephens/Trident Winery). (Scott Buzan)

3. CALL TO THE PUBLIC: Call to the Public is held for public benefit to allow individuals to address the Board of Supervisors on any issue within the jurisdiction of the Board of Supervisors. Board members may not discuss items that are not specifically identified on the agenda. Therefore, pursuant to A.R.S. §38-431.01(H), at the conclusion of an open call to the public, individual members of the Board of Supervisors may respond to criticism made by those who have addressed the Board, may ask staff to review a matter or may ask that a matter be put on a future agenda for further discussion and decision at a future date.

4. At any time during this meeting pursuant to A.R.S. §38-431.02(K), members of the Board of Supervisors and the County Manager may present a brief summary of current events. No action may be taken on information presented.
IF SPECIAL ACCOMMODATIONS ARE NEEDED, PLEASE CONTACT THE RECEPTIONIST AT (928) 425-3231 AS EARLY AS POSSIBLE TO ARRANGE THE ACCOMMODATIONS. FOR TTY, PLEASE DIAL 7-1-1 TO REACH THE ARIZONA RELAY SERVICE AND ASK THE OPERATOR TO CONNECT YOU TO (928) 425-3231.

THE BOARD MAY VOTE TO HOLD AN EXECUTIVE SESSION FOR THE PURPOSE OF OBTAINING LEGAL ADVICE FROM THE BOARD’S ATTORNEY ON ANY MATTER LISTED ON THE AGENDA PURSUANT TO A.R.S. §38-431.03(A)((3).

THE ORDER OR DELETION OF ANY ITEM ON THIS AGENDA IS SUBJECT TO MODIFICATION AT THE MEETING.
Regular Agenda Item 2. A.

Special BOS Meeting

Meeting Date: 10/31/2017

Submitted For: Scott Buzan, Community Development Division Director

Submitted By: Marian Sheppard, Clerk of the Board

Department: Community Development

Information

Request/Subject

Appeal Hearing on Gila County Hearing Officer's Decision on Community Development Division Complaint No. CP1705-005.

Background Information

Ray Stephens is the owner and operator of Trident Winery that is located at 3465 N. Harps Way, Pine, Arizona. On July 26, 2017, a Notice of Violation/Summons was served on Mr. Stephens and Julie La Magna which states, "Conducting a commercial business in R1 (Residential One) zoning is not allowed." On July 28, 2017, a Revised Notice of Violation/Summons was served on Mr. Stephens and Ms. La Magna which states, "Operating a wine tasting and retail wine sales in R1 (Residential One) zoning without an approved Conditional Use Permit."

On September 8, 2017, Donald Voakes, Gila County Hearing Officer, conducted a hearing on Gila County Community Development Division Complaint No. CP1705-005 (Ray Stephens, Julie La Magna/Trident Winery). The case involved a violation of Section 103.1 (A) - Structures and Uses of the Gila County Zoning Ordinance, which states "No building or other structure shall be erected, altered, or moved, nor shall any land or building be used, designed or intended to be used for any purpose or in any manner other than is included among the uses hereinafter listed as permitted in the district in which such structure or land is located, except that any structure may be removed from any property."

At the conclusion of the hearing, Hearing Officer Voakes ruled in favor of the Gila County Community Development Division. On September 21, 2017, Hearing Officer Voakes signed the Final Judgment which states, 1. The Defendants shall be fined in the amount of $750.00 immediately, for said zoning violation.
2. The Defendants are ordered to bring the violating property into compliance with Gila County Zoning Ordinance. This includes: A. Immediate Cease and Desist of the wine tasting activity, and retail wine sales on the Harps Way property; this does not involve the wine production or the cannery operations.

3. The Defendant shall be fined in the amount of $100.00 every day following September 8, 2017, that the property does not comply with Gila County Zoning Ordinance.

4. If this Final Judgment is recorded with the Gila County Recorder's Office, the above-listed fines may be turned over to a collection agency for collection purposes.

In accordance with Gila County Ordinance No. 05-01 - Gila County Hearing Officer Rules of Procedure, on September 15, 2017, The Webb Law Group on behalf of Mr. Stephens submitted a written request to Gila County to appeal the Hearing Officer's decision before the Gila County Board of Supervisors.

Also in accordance with Ordinance No. 05-01, the record of this matter was presented to the Clerk of the Board on October 3, 2017. On October 5, 2017, a certified letter was mailed to Mr. Brandon Cote, Attorney for The Webb Law Group, and hand-delivered to Jefferson Dalton, Gila County Deputy Attorney, Civil Bureau Chief, who is the Board of Supervisors’ legal counsel, notifying each attorney of the hearing date, time and location with the Board of Supervisors. The letter also included notification that a written memorandum may be submitted no later than October 24, 2017, as to the reason the Board of Supervisors should affirm, modify, or reverse the final decision of the Hearing Officer. The memorandum shall not raise new facts or issues not previously presented before the Hearing Officer.

On October 24, 2017, the Clerk of the Board received an Appellant's Memorandum from The Webb Law Group on behalf of Mr. Stephens, and an Appellate Memorandum from Mr. Dalton on behalf of the Board of Supervisors.

**Evaluation**

The Defendant has correctly followed the procedures outlined in Ordinance No. 05-01 to request a hearing before the Board of Supervisors regarding a decision rendered by the Gila County Hearing Officer on Community Development Division Complaint No. CP1705-005; therefore, the appellate review by the Board of Supervisors has been granted and set for this date, time and location.
Conclusion
A hearing has been set for this date regarding the Gila County Hearing Officer's decision on Community Development Division Complaint No. CP1705-005.

Recommendation
N/A

Suggested Motion
Information/Discussion/Action to affirm, modify, or reverse the decision of the Gila County Hearing Officer regarding Community Development Division Complaint No. CP1705-005 (Ray Stephens/Trident Winery).

(Scott Buzan)

Attachments

Webb Group - Memorandum
Gila County - Memorandum
October 23, 2017

Marian Sheppard
Clerk of the Board of Supervisors
1400 E. Ash Street
Globe, AZ 85501
SENT CERTIFIED

RE: Appellant’s memorandum, complaint CP1705-005

**Factual Summary**

Ray Stephens is one of the owners of Trident Winery. Ray applied for a conditional use permit (hereinafter “CUP”) to operate a cottage business out of the property located at 3465 Harps Way in Pine, Arizona in 2014. The CUP was approved by the Gila County Board of Supervisors on May 6th, 2014. The conditional use permit was granted with the following conditions:

1. That no more than three employees that are nonresidents may be employed at any given time.
2. That the current floor area being used in the business, in the basement of the home is acceptable with no expansions into other areas of the home.
3. That prior to initiating the winery business the applicant shall submit approval to operate from the Gila County Health Department.
4. No business activities or advertising shall be visible from the roadway or adjacent properties.

5. That the use does not cause any sustained or unpleasant or unusual noises or vibrations or noxious fumes or odors, or cause any parking or traffic congestion in the immediate neighborhood.

6. No on-street parking.

7. Prior to opening the winery business, the applicant shall submit a copy of a Series 13 Domestic Farm Winery License issues by the Arizona Department of Liquor Licenses and Control. CUP-14-02.

Ray received a Notice of Violation/Summons on 7/26/2017 which alleged a violation of section 103.1(A) of the Gila County Development Ordinance. More specifically, the violation alleged that Ray was “Conducting a commercial business in R1 Zoning is not allowed.” Mr. Stephens put both of his businesses on hold when he received this Notice. He stopped his cannery and he stopped making wine, because of the vague language in the Notice. At the hearing held on 9/8/17, Mr. Scott Buzan testified that he had a conversation with Ray stating it was okay to continue canning and producing wine, but Ray was nervous to proceed without something in writing.

Approximately one week later Ray received a revised Notice of Violation/Summons. That notice states that the nature of the violation was “Operating a wine tasting and retail wine sales in R1 Zoning without an approved Conditional Use Permit.” Further, this Notice states that it was hand delivered to Ray on 7/28/17, but testimony from Jade Kaufman and Ray confirmed that it was indeed sent via the US Postal Service. Ray’s businesses subsequently lost thousands of dollars because he was concerned about operating either of his businesses.
At the hearing Ray admitted that he was in violation of his CUP by having a Trident Winery sign displayed at the Harps Way property. He promptly painted over the sign, and Mr. Buzan confirmed at the hearing that Ray promptly complied prior to the deadline to cure of 8/18/2017.

The other allegation was that Ray was operating a wine tasting room out of the Harps Way property. The evidence proffered to prove this allegation consisted of an outdated webpage advertising a tasting room. Ray testified that the tasting room was located at a different location and was properly licensed. Ray further testified that that tasting room was shut down earlier this year. Ray’s former tasting room is not the subject of this underlying complaint.

Ray testified that he was not operating a tasting room at the Harps Way property as of 7/26/17, 7/28/17, 8/18/17, or even as of the date of the hearing. He testified to this under oath. Mr. Buzan testified that no one from the County went to the Harp’s Way Property to conduct an investigation as to whether there was indeed an operational tasting room. It seems that the only evidence the Hearing Officer relied on when making his decision was that of an audience member who testified under oath. A neighbor of the Harps Way property said that at some point earlier this year, an unidentified person in a vehicle stopped to ask her where the tasting room was. This was unreliable evidence, and even if there was an unidentified person searching for the Trident Winery tasting room it does not confirm that there was in fact a tasting room at Trident Winery.

Finally, Ray testified that he did host a large, private party for friends shortly before he received the violation. Ray did not take any money to host this party, and it was purely a private, not a business, event. Ray suspected that this party angered his neighbors and was one of the issues leading to this alleged Violation.
Argument

There was no evidence presented at the hearing on 9/8/17 that proved Ray was in violation of Section 103.1 (A) of the Gila County Development Ordinance, or of his CUP, after the resolution date of 8/18/17. Ray admitted to one violation of his CUP, which was promptly rectified prior to the resolution date.

The County testified that they had not sent inspectors to the Harps Way property, and as such the County had no first-hand evidence that Ray was operating a tasting room. The County did not have any email or testimonial evidence from someone who attended a wine tasting at the Harps Way property. The County only presented speculative, unreliable, and vaguely circumstantial evidence that Ray was operating a tasting room at some point in the past. Ray admitted he operated a fully licensed and approved tasting room at a different property. Finally, none of the proffered evidence was from the time period spanning the date of the initial Notice of Violation/Summons through the resolution date of 8/18/2017.

Ray swore under oath that he had not operated a tasting room at the Harps Way property any time after the Notice of Violation/Summons was served on him on 7/26/17. He swore that he was not operating a retail sales operation after the aforementioned date. Ray has been put in the somewhat impossible situation of proving a negative, where the only proof could come from a County inspection that never happened.

Conclusion

Ray requests that the Board of Supervisors vacate the final judgment of the Hearing Officer which was signed on September 21st, 2017. Ray requests that the $750 fine be vacated, along with the fine for any ongoing violations in the amount of $100 per day. Finally, Ray
requests that the Board find that he is was fully compliance with his CUP and the Gila County
Development Ordinance Section 103.1(A) as of the resolution date of 8/18/2017.

The Webb Law Group

____________________________________
Brian Webb, Attorney for Ray Stephens
GILA COUNTY BOARD OF SUPERVISORS

COUNTY OF GILA, Plaintiff,                               Violation No: 103.1(A)

vs.                                                 Complaint No.: CP1705-005

STEPHENS, RAY &                                      Tax Parcel No.: 301-19-007R
LAMAGNA, JULIE

APPELLATE MEMORANDUM

Gila County requests the Gila County Board of Supervisors to affirm the decision of the Gila County Hearing Officer, Don Voakes, entered September 21, 2017.

This request is supported by the following memorandum of facts and legal authorities.

1. Factual and Procedural History

   a. Stephens was granted a conditional use permit for production of wine on the property but not a tasting room.

      Ray Stephens filed an “Application for Conditional Use Permit” with the Gila County Community Development Division Planning and Zoning Department on May 18, 2014 for his residence at 3465 N. Harps Way, Pine Arizona (Gila County Parcel No. 301-19-007R). The property is zoned R1-D12. Stephens applied for a conditional use permit to add fruit wine to the foods he already produced on the property and added: “There will be no retail sales from this location ....” (Exhibit A\(^1\), Exhibit 2\(^2\), Pg. 4; emphasis added.)  On April 2,

\(^1\) All exhibits that refer to a letter refer to the attachments to this Memorandum.

\(^2\) All exhibits that refer to a number refer to the exhibits presented during the hearing of September 8, 2017.
2014, public hearings were noticed before the Gila County Planning and Zoning Commission and the Gila County Board of Supervisors regarding the production of wine on the property. (Exhibit B, Exhibit 3, Pg. 5.) The commission approved the application on April 17, 2014 and the board approved it on May 6, 2014; it allowed the Stephens to produce wine at this residence, subject to conditions (“The Board of Supervisors is of the opinion that the approval of this Conditional Use Permit would be harmonious or compatible with neighboring uses through the application and maintenance of qualifying conditions.” Exhibit C, Exhibit 7, Pg. 6.) One condition was: “Prior to operating the winery business, the applicant shall submit a copy of a Series 13 Domestic Farm Winery License issued by the Arizona Department of Liquor Licenses and Control.” Stephens filed an application for a liquor license. (Exhibit C, Exhibit 7.) Section 15 of the application requires a detailed floor plan to disclose where liquor is to be “sold, served, consumed, [or] dispensed … on the premises ….” His diagram does not indicate any areas for sales, service, consumption or dispensing wine but indicates only production and storage of wine.

b. Steven’s advertised a “Classy Indoor Tasting Room” on the property.

On May 19 at 7:06 a.m., Steven’s Trident Winery website advertised its address as 3465 Harp’s Way Pine Arizona, 85544 and gave the following public message:

An Announcement, The deal fell through to get us into the new facility here in Pine. Not to fear, We have an alternative location. We are remodeling a building on the winery property and will have the tasting room on the winery property itself. Our Grand opening will be Jun 2nd. Stay tuned for more details.”

(Emphasis added. Exhibit D, Exhibit 9, Pg. 20)

Stephens not only intended to establish a tasting room, but he did establish one as shown by the winery’s website printout of June 5, 2017 which stated: “Classy Indoor Tasting Room” featuring fruit and other wines at 3465 Harp’s Way, Pine Arizona 85544, listed
Steven’s phone number of (928) 642-0618, and specified the tasting room’s hours of operation. (Exhibit E, Exhibit 9, Pg. 21) The phone number is the same one he put on his application for conditional use permit and the liquor license. The address is the street address of the subject property. The website has a red Google marker on a map for finding the tasting room.

On September 7, 2017, the Trident Winery website continued to advertise its “Classy Indoor Tasting Room” at 3465 Harp’s Way, Pine Arizona 85544 and changed the hours of operation to appointment hours . (Exhibit F, Exhibit 9, Pg. 22). Steven’s phone number continued to be on the advertisement, now twice: once for the winery and a second time for an appointment for wine tasting.

c. **Nyiri-Verdugo testified at the hearing that Stephens indicated he had a wine tasting room.**

A neighbor, Josephine Nyiri-Verdugo testified of the following conversation she had with Stephens (Exhibit G, Transcript. Pg. 43-44, Lines 16-25 and 1-4):

Nyiri-Verdugo: I said to him, this is what I’m hearing Ray that you are having a wine tasting business as well as the production and they said well we have no place to go right now. And I said well no one wants to see anyone lose their business or lose their livelihood, is that not true.

Stephens: I don’t know.

Nyiri-Verdugo: You don’t know? Okay.

Stephens: No 1 – I don’t remember the conversation.

Nyiri-Verdugo: Oh, okay. (inaudible). Anyway, um, I said no one wants to see that and I don’t have a problem with the business, with the production or even a temporary measure to which Julie and Ray both said, a temporary situation is all it’s going to be. ... I confronted a couple that was walking after several people had driven up and down there, uh, that day. ... And I’m rarely home on the weekends. ... so I was sitting on my deck and I asked them, I said, oh you new residents because I know
there’s building going up. They said, “No, we’re here for the wine tasting.” And I said, I didn’t think that was open and they said, “Oh yeah . . . .”

2. **Legal Authority and Argument**

A permissive zoning ordinance, like Gila County’s, functions to prohibit uses of land unless they are expressly permitted as primary uses or are accessory to a permitted use. *Windham v. Alford*, 129 NH. 24, 523 A.2d 42 (1986). The conditional use for this land is wine production—not wine tasting. Wine tasting couldn’t be an accessory use because Steven’s application for conditional use was limited to *production*, the public was put on notice of a requested conditional use only as to *production*, and the board approved only a “cottages industry to produce wine . . . .” (Emphasis added.)

There was evidence upon which the hearing officer could reasonably rely that Steven’s was operating a tasting room. Josephine Nyiri-Verdugo testified that she asked Stephens if he was operating a tasting room and he did not deny it; he just said “we have no place to go right now.” Moreover, in the hearing itself Nyiri-Verdugo asked Steven “is that not true” and, he did not deny it; instead, he just said: “I don’t know” and “I don’t remember . . . .” In addition Nyiri-Verdugo testified Stephens admitted: “it’s a temporary situation.” From this testimony, the hearing officer could reasonably infer that Stephens was operating a tasting room on July 22, 2017.

The evidence further indicates that Steven’s began advertising on June 2, 2017, that the property had a “Classy Tasting Room,” and he continued to so advertise through September 7, 2017. That evidence alone allows the inference that it was open on July 22, 2017 and in use on that date.

Even if no person ever went to the tasting room, the advertising itself was a continuing violation of the conditional use permit. This is so because the conditional use permit allows only those uses that are either expressly allowed or are subordinate accessory uses, and
having a “Classy Wine Tasting Room” was not allowed. The fact that the property was being advertised as having a wine tasting room potentially had immediate negative impact on the residential nature of the neighborhood, for example property values.

Stephens could have sought a conditional use permit for a tasting room but he chose not to take such action.

3. Conclusion

There was evidence the hearing officer could have relied on to find a violation of the conditional use permit for wine production. The hearing officer did not abuse his discretion when he made his finding that the Harps Way property was in violation of Gila County Zoning Ordinance 103.1(A). And it was reasonable for the hearing officer to find that the Defendants violated the ordinance on July 22, 2017 and enter judgement against them.


GILA COUNTY ATTORNEY
Bradley D. Beauchamp

By: Jefferson R. Dalton
Attorneys for the State

A copy of the foregoing mailed on ______________, 2017, to:

The Clerk of the Gila County Board of Supervisors
The Webb Law Group
121 E. Birch Ave., #201
Flagstaff, AZ 86001
We wish to take a portion of the fruit we currently make into jams etc, and turn it into wine. This is to take place in the as yet unused portion of our existing food processing facility. All of our wines will be fruit wines in nature, and not necessarily grape wines.

The hours of operation will remain unchanged 8 am to 4 pm

There will be no retail sales from this location, as with our food processing facility. The property location does not lend itself to retail sales.

The impact on the surrounding properties will remain the same as it is now. There have been zero issues to date with neighbors, noise etc, and we fully expect it to remain the same.

Our future development plans would be that when we outgrow this facility, we would move to another, larger, location and continue to do business from that location.

All operations of the winery will take place indoors.

If there are any questions, please feel free to ask. Thanks, Ray Stephens, and Julie La Magna, Owners, Urban Survival.

Ray Stephens 18 Feb 2014

Ray's not yet world famous (canned foods) and Ray's not yet world famous (wine) will both be under the umbrella of Trident Winery, Urban Survival

enclosure
Exhibit B
Affidavit of Publication

State of Arizona
County of Gila

Marc Marin, or his authorized representative being first duly sworn deposes and says: That he is the Publisher of the Arizona Silver Belt and the San Carlos Apache Moccasin newspapers, located at 298 North Pine Street, Globe, Arizona 85501, or mail: P.O. Box 31, Globe, Arizona 85502.

The above stated newspapers are published weekly in Globe, in the State of Arizona, County of Gila and that the following described __√___ legal, or ___ advertising was duly published.

GILA COUNTY PLANNING AND ZONING COMMISSION AND GILA COUNTY BOARD OF SUPERVISORS

NOTICE IS HEREBY GIVEN that the Gila County Planning and Zoning Commission will hold a public hearing on Thursday, April 17, 2014 beginning at 10:00 a.m., at the Gila County Conference Room, located at 610 East Hwy 260 in Payson, AZ.; And the Gila County Board of Supervisors will hold a public hearing on this application on May 6, 2014 at 10:00 a.m. at the Gila County Courthouse-Board of Supervisors Hearing Room, located at 1400 East Ash Street, Globe, AZ.

Public Notice

CPUP-14-02 Ray Stephens: Owner is requesting permission to add fruit vines to the foods they already produce on Gila County Tax Parcel 301-19-007R located at 3405 N Harps Way, Pine, AZ. Property is currently zoned R1-D12 and the current use of property is commercial food processing facility, residence.

Information on the above case is available for review in the Gila County Community Development Department located at the Public Works Administration Building, 745 N. Rose Mofford Way, Globe, AZ, or 608 E. Hwy 260, Payson, AZ. Comments can be sent to rgoold@gilacountyaz.gov

Gila County Planning and Zoning

(s) By: Robert Gould, Director

A printed copy of said legal or advertising is attached hereto and was published in a regular weekly edition of said newspaper (and not a supplement thereof) for 1 consecutive weeks in the __√___ Arizona Silver Belt newspaper, and/or the ___ Arizona Silver Belt newspaper. The dates of publication being as follows, to wit:

April 2, 2014

Marc Marin
Publisher

State of Arizona
County of Gila

The foregoing instrument was acknowledged before me April 2, 2014, by Marc Marin.

BETHEL JEAN BAKER
Notary Public - State of Arizona
GILA COUNTY
My Commission Expires December 31, 2019

Notary Public

My Commission Expires: December 31, 2015

Exhibit 3
CP1705-005 Stephens
Pa 5
Exhibit C
Arizona Department of Liquor Licenses and Control  
800 West Washington, 5th Floor  
Phoenix, Arizona 85007  
www.azliquor.gov  
602-542-5141

APPLICATION FOR LIQUOR LICENSE  
TYPE OR PRINT WITH BLACK INK

Notice: Effective Nov. 1, 1997, All Owners, Agents, Partners, Stockholders, Officers, or Managers actively involved in the day to day operations of the business must attend a Department approved liquor law training courses or provide proof of attendance within the last five years. See page 6 of the Liquor Licensing requirements.

SECTION 1  This application is for a:  
☐ MORE THAN ONE LICENSE  
☐ INTERIM PERMIT Complete Section 5  
☐ NEW LICENSE Complete Sections 2, 3, 4, 11, 13, 15, 16  
☐ PERSON TRANSFER (Bars & Liquor Stores ONLY)  
Complete Sections 2, 3, 4, 11, 13, 15, 16  
☐ LOCATION TRANSFER (Bars and Liquor Stores ONLY)  
Complete Sections 2, 3, 4, 12, 13, 15, 16  
☐ PROBATE/WILL ASSIGNMENT/DIVORCE DECREE  
Complete Sections 2, 3, 4, 9, 13, 16 (fee not required)  
☐ GOVERNMENT Complete Sections 2, 3, 4, 10, 13, 15, 16

SECTION 2  Type of ownership:  
☐ J.T.W.R. O.S. Complete Section 6  
☐ INDIVIDUAL Complete Section 6  
☐ PARTNERSHIP Complete Section 6  
☐ CORPORATION Complete Section 7  
☐ LIMITED LIABILITY CO. Complete Section 7  
☐ CLUB Complete Section 8  
☐ GOVERNMENT Complete Section 10  
☐ TRUST Complete Section 6  
☐ OTHER (Explain)

SECTION 3  Type of license and fees  
LICENSE #s:  #13  
1. Type of License(s): Domestic Farm License  
   $144.00  
2. Total fees attached: Department Use Only  
   $144.00  

APPLICATION FEE AND INTERIM PERMIT FEES (IF APPLICABLE) ARE NOT REFUNDABLE.  
The fees allowed under A.R.S. 44-6852 will be charged for all dishonored checks.

SECTION 4  Applicant  
Mr. Stephens, Jr. Ray  
1. Owner/Agent's Name:  
   (Insert one name ONLY to appear on license)  
   (Exactly as it appears on Articles of Inc. or Articles of Org.)
3. Business Name:  
   Trident Winery  
   ( Exactly as it appears on the exterior of premises)
4. Principal Street Location  
   34165 Hwy 99 S. Pine  
   City:  
   County:  
   Zip:
5. Business Phone: 928-642-0618  
   Daytime Phone: 928-778-0912  
   Email:  
6. Is the business located within the incorporated limits of the above city or town? ☑YES ☐NO
7. Mailing Address:  
   1111 S. 1st Ave  
   Aca st.  
   State:
8. Price paid for license only dual, beer and wine, or liquor store:  
   $ 750 Type:

DEPARTMENT USE ONLY  
Fees: 
   Application  
   Interim Permit 
   Site Inspection  
   Finger Prints  
   144.00 TOTAL OF ALL FEES

Is Arizona Statement of Citizenship & Alien Status For State Benefits complete? ☑YES ☐NO

Accepted by:  
Date: 1/4/14  
Lic. #: 13043003

1/1/2013

Exhibit 7  
CP1705-005 Stephens
SECTION 5  Interim Permit:  

1. If you intend to operate business when your application is pending you will need an Interim Permit pursuant to A.R.S. 4-203.01.

2. There MUST be a valid license of the same type you are applying for currently issued to the location.

3. Enter the license number currently at the location: ____________________________

4. Is the license currently in use? ☐ YES ☐ NO  If no, how long has it been out of use? ____________________________

ATTACH THE LICENSE CURRENTLY ISSUED AT THE LOCATION TO THIS APPLICATION.

I, ________________________, declare that I am the CURRENT OWNER, AGENT, CLUB MEMBER, PARTNER,
MEMBER, STOCKHOLDER, OR LICENSEE (circle the title which applies) of the stated license and location.

X ______________________
(Signature)

State of: ____________________ County of: ____________________

The foregoing instrument was acknowledged before me this ______ Day of ______ Month ______ Year

(Signature of NOTARY PUBLIC)

SECTION 6  Individual or Partnership Owners:

EACH PERSON LISTED MUST SUBMIT A COMPLETED QUESTIONNAIRE (FORM LIC0101), AN "APPLICANT," TYPE FINGERPRINT CARD, AND $22 PROCESSING FEE FOR EACH CARD.

1. Individual:

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<th>Middle</th>
<th>% Owned</th>
<th>Mailing Address</th>
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Partnership Name: (Only the first partner listed will appear on license) Ray Stephens Jr.

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<th>Middle</th>
<th>% Owned</th>
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<td>51</td>
<td></td>
<td></td>
<td>POB 1461 Pine Az 85546</td>
<td></td>
<td></td>
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<tr>
<td>☐ ☐ La Magna Julie Ann</td>
<td>49</td>
<td></td>
<td></td>
<td>POB 1461 Pine Az 85544</td>
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2. Is any person, other than the above, going to share in the profits/losses of the business? ☐ YES ☐ NO

If Yes, give name, current address and telephone number of the person(s). Use additional sheets if necessary.

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Exhibit 7
CP1705-005  Stephens
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SECTION 7 Corporation/Limited Liability Co.: 

EACH PERSON LISTED MUST SUBMIT A COMPLETED QUESTIONNAIRE (FORM LIC0101), AN "APPLICANT" TYPE FINGERPRINT CARD, AND $22 PROCESSING FEE FOR EACH CARD.

☐ CORPORATION Complete questions 1, 2, 3, 5, 6, 7, and 8.
☐ L.L.C. Complete 1, 2, 4, 5, 6, 7, and 8.

1. Name of Corporation/L.L.C.: 
   (Exactly as it appears on Articles of Incorporation or Articles of Organization)

   ________________________________

2. Date Incorporated/Organized: ___________ State where Incorporated/Organized: ___________

3. AZ Corporation Commission File No.: _______________________ Date authorized to do business in AZ: ___________

4. AZ L.L.C. File No: _______________________ Date authorized to do business in AZ: ___________

5. Is Corp./L.L.C. Non-profit? ☐ YES ☐ NO

6. List all directors, officers and members in Corporation/L.L.C.:

<table>
<thead>
<tr>
<th>Last</th>
<th>First</th>
<th>Middle</th>
<th>Title</th>
<th>Mailing Address</th>
<th>City</th>
<th>State</th>
<th>Zip</th>
</tr>
</thead>
</table>

   (ATTACH ADDITIONAL SHEET IF NECESSARY)

7. List stockholders who are controlling persons or who own 10% or more:

<table>
<thead>
<tr>
<th>Last</th>
<th>First</th>
<th>Middle</th>
<th>% Owned</th>
<th>Mailing Address</th>
<th>City</th>
<th>State</th>
<th>Zip</th>
</tr>
</thead>
</table>

   (ATTACH ADDITIONAL SHEET IF NECESSARY)

8. If the corporation/L.L.C. is owned by another entity, attach a percentage of ownership chart, and a director/officer/member disclosure for the parent entity. Attach additional sheets as needed in order to disclose personal identities of all owners.

SECTION 8 Club Applicants:

EACH PERSON LISTED MUST SUBMIT A COMPLETED QUESTIONNAIRE (FORM LIC0101), AN "APPLICANT" TYPE FINGERPRINT CARD, AND $22 PROCESSING FEE FOR EACH CARD.

1. Name of Club: ______________________ Date Chartered: ___________
   (Exactly as it appears on Club Charter or Bylaws)

   (Attach a copy of Club Charter or Bylaws)

2. Is club non-profit? ☐ YES ☐ NO

3. List officer and directors:

<table>
<thead>
<tr>
<th>Last</th>
<th>First</th>
<th>Middle</th>
<th>Title</th>
<th>Mailing Address</th>
<th>City</th>
<th>State</th>
<th>Zip</th>
</tr>
</thead>
</table>

   (ATTACH ADDITIONAL)
SECTION 9  Probate, Will Assignment or Divorce Decree of an existing Bar or Liquor Store License:

1. Current Licensee's Name: ____________________________
   (Exact as it appears on license)

2. Assignee's Name: ____________________________
   Last  First  Middle

3. License Type: ____________________________
   License Number: ____________________________
   Date of Last Renewal: ____________________________

4. ATTACH TO THIS APPLICATION A CERTIFIED COPY OF THE WILL, PROBATE DISTRIBUTION INSTRUMENT, OR DIVORCE DECREE THAT SPECIFICALLY DISTRIBUTES THE LIQUOR LICENSE TO THE ASSIGNEE TO THIS APPLICATION.

SECTION 10  Government: (for cities, towns, or counties only)

1. Governmental Entity: ____________________________

2. Person/designee: ____________________________
   Last  First  Middle  Contact Phone Number

   A SEPARATE LICENSE MUST BE OBTAINED FOR EACH PREMISES FROM WHICH SPIRITUOUS LIQUOR IS SERVED.

SECTION 11  Person to Person Transfer:

Questions to be completed by CURRENT LICENSEE (Bars and Liquor Stores ONLY-Series 06,07, and 09).

1. Current Licensee's Name: ____________________________
   (Exact as it appears on license)
   Last  First  Middle

2. Corporation/L.L.C. Name: ____________________________
   (Exact as it appears on license)

3. Current Business Name: ____________________________
   (Exact as it appears on license)

4. Physical Street Location of Business: Street
   City, State, Zip

5. License Type: ____________________________
   License Number: ____________________________

6. If more than one license to be transferred: License Type: ____________________________
   License Number: ____________________________

7. Current Mailing Address: Street
   (Other than business)
   City, State, Zip

8. Have all creditors, lien holders, interest holders, etc. been notified of this transfer? ☐ YES ☐ NO

9. Does the applicant intend to operate the business while this application is pending? ☐ YES ☐ NO  If yes, complete Section 5 of this application, attach fee, and current license to this application.

10. I, ____________________________, hereby authorize the department to process this application to transfer the
    privilege of the license to the applicant, provided that all terms and conditions of sale are met. Based on the fulfillment of these conditions, I certify that the applicant now owns or will own the property rights of the license by the due date of issue.

    I, ____________________________, declare that I am the CURRENT OWNER, AGENT, MEMBER, PARTNER
    STOCKHOLDER, or LICENSEE of the stated license. I have read the above Section 11 and confirm that all statements are
    true, correct, and complete.

    ____________________________
    (Signature of CURRENT LICENSEE)

    ____________________________
    State of________ County of________
    The foregoing instrument was acknowledged before me this
    _______ _______ _______ _______
    Month  Year

   My commission expires on: ______

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SECTION 12  Location to Licenses
APPLICANTS CANNOT OPERATE UNDER A LOCATION TRANSFER UNTIL IT IS APPROVED BY THE LMIC.

1. Current Business:
   Name
   Address

2. New Business:
   (Physical Street Location)
   Name
   Address

3. License Type: ______________________
   License Number: ______________________

4. If more than one license to be transferred: License Type: ______________________
   License Number: ______________________

5. What date do you plan to move? ______________________
   What date do you plan to open? ______________________

SECTION 13  Questions for all in-state applicants excluding those applying for government, hotel/motel, and restaurant licenses (series 5, 11, and 12):

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

   a) Restaurant license (§ 4-205.02)
   b) Hotel/motel license (§ 4-205.01)
   c) Government license (§ 4-205.03)
   d) Fenced playing area of a golf course (§ 4-207 (B)(5))

1. Distance to nearest school: ______________________ ft.
   Name of school: Pine Elementary
   Address: 8866 N Pine Creek Dr Pine, AZ 85544
   City, State, Zip

2. Distance to nearest church: ______________________ ft.
   Name of church: Church on Randall Place
   Address: 6338 W Randall Pl Pine, AZ 85544
   City, State, Zip

3. I am the: ☐ Lessee  ☐ Sublessee  ☐ Owner  ☐ Purchaser (of premises)

4. If the premises is leased give lessor's Name
   Date Owns
   Address: 3640 N Hwy 87 Pine, AZ 85544
   City, State, Zip

4a. Monthly rental/lease rate $ ______________________
4b. What is the remaining length of the lease 2 yrs. 9 mos.
   or other N/A
   (give details - attach additional sheet if necessary)

5. What is the total business indebtedness for this license/location excluding the lease? $ ______________________
   Please list lenders you owe money to.

6. What type of business will this license be used for (be specific)? Farm Winery Operation
SECTION 13 - continued

7. Has a license or a transfer license for the premises on this application been denied by the state within the past one (1) year? □ YES □ NO If yes, attach explanation.

8. Does any spirituous liquor manufacturer, wholesaler, or employee have any interest in your business? □ YES □ NO

9. Is the premises currently licensed with a liquor license? □ YES □ NO If yes, give license number and licensee's name:
   License #: N/A (exactly as it appears on license) Name: N/A

SECTION 14 Restaurant or hotel/motel license applicants:

1. Is there an existing restaurant or hotel/motel liquor license at the proposed location? □ YES □ NO
   If yes, give the name of licensees, Agent or a company name:

   Last Name: N/A First Name: N/A Middle Name: N/A and license #: N/A

2. If the answer to Question 1 is YES, you may qualify for an Interim Permit to operate while your application is pending; consult A.R.S. § 4-203.01; and complete SECTION 5 of this application.

3. All restaurant and hotel/motel applicants must complete a Restaurant Operation Plan (Form LIC0114) provided by the Department of Liquor Licenses and Control.

4. As stated in A.R.S. § 4-205.02.G.2, a restaurant is an establishment which derives at least 40 percent of its gross revenue from the sale of food. Gross revenue is the revenue derived from all sales of food and spirituous liquor on the licensed premises. By applying for this □ hotel/motel □ restaurant license, I certify that I understand that I must maintain a minimum of 40 percent food sales based on these definitions and have included the Restaurant Hotel/Motel Records Required for Audit (form LIC 1013) with this application.

   N/A applicant's signature

   As stated in A.R.S § 4-205.02 (B), I understand it is my responsibility to contact the Department of Liquor Licenses and Control to schedule an inspection when all tables and chairs are on site, kitchen equipment, and, if applicable, patio barriers are in place on the licensed premises. With the exception of the patio barrier, these items are not required to be properly installed for this inspection. Failure to schedule an inspection will delay issuance of the license. If you are not ready for your inspection 90 days after filing your application, please request an extension in writing, specify why the extension is necessary, and the new inspection date you are requesting. To schedule your site inspection visit www.azliquor.gov and click on the "Information" tab.

   N/A applicants initials

SECTION 15 Diagram of Premises: (Blueprints not accepted, diagram must be on this form)

1. Check ALL boxes that apply to your business:
   - Entrance/Exits
   - Liquor storage areas
   - Patio: □ Contiguous
   - Drive-in windows
   - Non Contiguous

2. Is your licensed premises currently closed due to construction, renovation, or redesign? □ YES □ NO
   If yes, what is your estimated opening date? N/A

3. Restaurants and hotel/motel applicants are required to draw a detailed floor plan of the kitchen and dining areas including the location of all kitchen equipment and dining furniture. Diagram paper is provided on page 7.

4. The diagram (a detailed floor plan) you provide is required to disclose only the area(s) where spirituous liquor is to be sold, served, consumed, dispensed, possessed, or stored on the premises unless it is a restaurant (see #3 above).

5. Provide the square footage or outside dimensions of the licensed premises. Please do not include non-licensed premises, such as parking lots, living quarters, etc.

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

   N/A applicants initials

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SECTION 15 Diagram of Premises

4. In this diagram please show only the area where spirituous liquor is to be sold, served, consumed, dispensed, possessed or stored. It must show all entrances, exits, interior walls, bars, bar stools, hi-top tables, dining tables, dining chairs, the kitchen, dance floor, stage, and game room. Do not include parking lots, living quarters, etc. When completing diagram, North is up.

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

SECTION 16 Signature Block

Ray Stephens Jr., hereby declare that I am the OWNER/AGENT filing this application as stated in Section 4, Question 1. I have read this application and verify all statements to be true, correct and complete.

[Signature]

State of Arizona
County of Gila

The foregoing instrument was acknowledged before me this 15th of May 2014

My commission expires on: 19/2/2018

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Trident Winery
May 19 at 7:06am

An Announcement, The deal fell through to get us into the new facility here in Pine. Not to fear, We have an alternative location. We are remodeling a building on the winery property and will have the tasting room on the winery property itself. Our Grand opening will be Jun 2nd. Stay tuned for more details. 😊

Trident Winery updated their cover photo
Yesterday at 9:15am

Exhibit 9
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We may very well be the most unconventional winery in the United States.

TASTING ROOM

CHANGING THE WAY YOU THINK ABOUT
Wine
ONE BOTTLE AT A TIME

- Fruit Wines
- Medicinal Wines
- Wild Wines
- Meads
- All Organic
- No Added Sulfites

- In Beautiful Pine, AZ
- Classy Indoor Tasting Room
- Relaxed Outdoor Courtyard

Address
5466 Harp's Way, Pine AZ 85544

Phone
(928) 642-0618

HOURS OF OPERATION

Monday - Thursday
By Appointment Only

Friday
12pm - 6pm

Saturday
Noon - 6pm

Sunday
Noon - 6pm

Exhibit 9
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We may very well be the most unconventional winery in the United States.

TASTING ROOM
CHANGING THE WAY
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- Fruit Wines
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ALL ORGANIC, NO ADDED SULFITES

- In Beautiful Pine, AZ
- Classy Indoor Tasting Room
- Relaxing Outdoor Courtyard

Trident Winery Tasting Room

Map data ©2017 Google Imagery ©2017, DigitalGlobe, Landsat / nicos, USDA Fi Report a map error

Address
3465 Harp's Way, Pine AZ 85544

Phone
(928) 642-0618

Please Call for an Appointment
(928) 642-0618
(928) 978-0912

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Exhibit G
notation, "Come on up but you can come to visit" sorry my voice is going. Um, also on, May 24th they're concerned about it being a retail establishment, it said quote "stop on by and stock up. We will not be selling direct to the public except mail delivery." I believe he meant, well, not direct but to the public. If you're coming up to stock up, I seriously doubt they're giving it away. Um, and the fine - the $100 fine that Joe had mentioned, uh, per day that, uh, would certainly be after August 23rd if they're going to retail, which is what it said, "Stock up." Thank you.

DV: Anybody else. (inaudible). Sir, state your name, where do you live?

RG: Right, I'm Roger Simpson. I live on Terra Hope Drive, Terra Pines which is very close to where he keeps his operation. I have two concerns. The first concern is I don't believe that, uh, retail sales in a neighborhood area is appropriate. The other concern is the safety of the roads coming in. There are only two ways off of Harp's Gravel to get there. They're both basically single lane dirt roads, one of which has a blind corner that people drive too fast. Over the years at least three different times I've practically been hit there with somebody driving too fast. So I don't believe there's safe access and I do not believe that it's a proper use in a neighborhood. I don't have a problem with production, but not the retail issue. Thank you.

DV: Yes ma'am? Name and where you live.

JN: I am Josephine Nyiri-Verdugo and I live on the corner of Terra Pine Drive and Hilltop and we've just recently moved there. We're there about a year ago (inaudible) a year. And I have spoken with Ray and Julie, um, a couple of times, once with Julie. She's come over our home and our home is always open to everyone so I try to weigh both sides of the story. And then one evening we sat outside and we talked and I'm from New York and I am very straight forward and I said to him, this is what I'm hearing Ray that you are having a wine tasting business as well as the production and they said well we have no place to go right now. And I said well no one wants to see anyone lose their business or lose their livelihood, is that not true.

RS: I don't know.

JN: You don't know? Okay.

RS: No I - I don't remember the conversation.

JN: Ok, okay. (inaudible). Anyway, um, I said no one wants to see that and I don't have a problem with the business, with the production or even a temporary measure to which Julie and Ray both said, a temporary situation is all it's going to be. And I said, well, that's fine but the moment that, you know, I see people tearing up the road because it is a very narrow road. That is the only access out of my home is on Hilltop. I paid once to have that road repaired because of normal traffic. I'm not going to pay to have it done again. And we even discussed a gate, all these types of things. So I didn't have a problem with it if it
was a temporary measure but it doesn’t appear to be a temporary measure. And I did, I confronted a couple that was walking after several people had driven up and down there, uh, that day. And I’m rarely home on the weekends. I visit in the valley so I was sitting on my deck and I asked them, I said, oh you new residents because I know there’s building going up. They said, "No, we’re here for the wine tasting." And I said, I didn’t think that was open and they said, "Oh yeah." I said, "Okay, well just be careful of the elk cause there was a bunch of elk standing in my yard. I said, “Just be careful.” So, to me, that was a concern. And it is with concern that I saw somebody just wandering in my back yard and when my husband approached them and said, "Hey, (inaudible) can I help you. Oh, no we’re just looking around. Looking around for what? So, I’m a little concerned about (inaudible), you know, as a neighborhood and the road so temporary thing I don’t have an issue with. If it’s going to be a permanent thing, absolutely not.

DV: Thank you. Anybody else?

WH: Can I - I’m sorry.

DV: In the back, state your name and where you live please.

WH: My name is Wanda Harp.

DV: Okay.

WH: And I live on Harp’s Way. Harp’s Way is a private road. My husband and I own that ten foot wide road, the whole length of a five acres lot. We own it, it’s private, but we allow Ray Stephens to use it as a driveway into his property if he wants and the next house down which is the Haggerty people and that’s the only way they can get into their property and it’s the only way I can get into my property because I’m on the tail end.

DV: Okay.

WH: Well, it bothers me that that is private property and he is using it in his advertising for his winery. His winery on Harp’s Way and Harp’s Way is a private road. I don’t know what my rights are as an owner of private property being used by someone else for a possible business. It is supposed be a residential area and not a commercial area. Those are the things that worry me. I don’t like - and, here is another thing. The road as it comes down to where I am comes down because we live on the side of the mountain, comes down and people will be looking for Trident Winery and they will drive down my road and into my driveway into my house and then when they have to go back up, they don’t know how to drive on a dirt road going uphill without their tires going like this and making deep places in my road. Now this is people that don’t have any business coming down to my house because they’re looking for his business and they go past his business and come down to my house and then have to go back up again. Those are concerns of mine and I don’t mind if he has a wine tasting business. I just don’t want it on Harp’s Way in a residential district. I have nothing against the fact that he wants a - a business. I applaud