



**CITY OF LEMON GROVE**  
Development Services Department

"Best Climate On Earth"

Date: April 3, 2017

SUBJECT: Denial of Zoning Clearance Application ZC1-700-0007 for property located at 6302 Federal Boulevard, in the City of Lemon Grove (APN: 478-290-05).

On March 21, 2017, staff received the subject application to establish a medical marijuana dispensary (MMD) at the subject property in the City of Lemon Grove. The application has been denied for the following reasons, which may not be all inclusive:

- The property is located within 1,000 feet of a State-licensed family daycare home.

In order for staff to process a conditional use permit application for a MMD, the application must include all of the information required by Chapter 17.32 of the Lemon Grove Municipal Code, as well as the items listed on the City's MMD Planning Permit Checklist. Additionally, the location of the proposed MMD must comply with the zoning requirements and distance restrictions contained within Chapter 17.32. If any of the required items are missing, or if the proposed location does not meet the zoning requirements and distance restrictions, then staff cannot process a conditional use permit application. Please review the requirements of Chapter 17.32 and the MMD Planning Permit Checklist prior to submitting another application. Please also verify that the site chosen meets the distance restrictions established by Chapter 17.32. Staff's decision to deny this application may be appealed to the Lemon Grove City Council pursuant to Lemon Grove Municipal Code, Section 17.28.020(I). Appeals must be filed in writing within 10 calendar days of the date on this denial letter and must include a filing fee of \$75.00. Appeals must be filed using forms provided by the Development Services Department.

Respectfully,

David De Vries, Development Services Director



## PLANNING PERMIT APPLICATION

Development Services Department / Planning Division  
3232 Main Street, Lemon Grove, CA 91945  
Phone: 619-825-3805 Fax: 619-825-3818  
www.lemongrove.ca.gov

### APPLICATION REQUEST- SELECT ALL THAT APPLY - (SUBJECT TO OTHER PERMIT REQUIREMENTS)

- |  |   |
|--|---|
| <input checked="" type="checkbox"/> Zoning Clearance (ZC)        | <input type="checkbox"/> Tentative Parcel Map (TPM) - 4 or fewer lots |
| <input type="checkbox"/> Pre-Application (PA)                    | <input type="checkbox"/> Certificate of Compliance (CC)               |
| <input type="checkbox"/> Minor Use Permit (MUP)                  | <input type="checkbox"/> Zoning Amendment (ZA)                        |
| <input checked="" type="checkbox"/> Conditional Use Permit (CUP) | <input type="checkbox"/> Specific Plan Amendment (SPA)                |
| <input type="checkbox"/> Planned Development Permit (PDP)        | <input type="checkbox"/> General Plan Amendment (GPA)                 |
| <input type="checkbox"/> Minor Modification (MM)                 | <input type="checkbox"/> Modification of _____                        |
| <input type="checkbox"/> Variance (VA)                           | <input type="checkbox"/> Time Extension for _____                     |
| <input type="checkbox"/> Boundary Adjustment/Lot Merger (BA)     | <input type="checkbox"/> Appeal of _____                              |
| <input type="checkbox"/> Tentative Map (TM) - 5 or more lots     | <input type="checkbox"/> Substantial Conformance Review of _____      |
| <input type="checkbox"/> Other _____                             |   |

APPLICANT: [REDACTED]	PHONE: [REDACTED]
ADDRESS: [REDACTED]	FAX: [REDACTED]
[REDACTED]	EMAIL: [REDACTED]
PROPERTY OWNER: [REDACTED]	PHONE: [REDACTED]
ADDRESS: 6302 Federal Blvd	FAX:
Lemon Grove CA 91945	EMAIL:
CONTACT PERSON: [REDACTED]	PHONE: _____
ADDRESS: _____	FAX: _____
Same as above	EMAIL: _____

\*If applicant or property owner is a trust, partnership, or corporation, please attach record(s) of ownership listing all trustees, partners, or officers, as applicable.

PROJECT NAME: 6302 Federal Blvd MMD
PROJECT ADDRESS: 6302 Federal Blvd
ASSESSOR PARCEL #: 478-290-05-00 SITE ACREAGE: 0.94
DETAILED DESCRIPTION OF PROPOSED PROJECT USE, STRUCTURE, AND IMPROVEMENT:
USE: 2,500 SF OF EXISTING 13,646.97 SF TO BE CONVERTED TO MMD.
STRUCTURE: SINGLE-STORY INDUSTRIAL BLDG. w/ AREA OF 13,686.97 SF.
IMPROVEMENTS:
- INTERIOR REMODEL (PROJECT SUITE ONLY)
- MINOR EXTERIOR MODIFICATIONS
- PARKING LOT RE-STRIPING.
- PARKING LOT POLE LIGHTS
- EXTERIOR LIGHTING.

**APPLICANT CERTIFICATION:**

I hereby certify that the statements furnished in this application and in the supplemental materials present the data and information required for this project to the best of my ability, and that the facts, statements, and information presented are true and correct to the best of my knowledge. In addition, I grant permission to the City of Lemon Grove to reproduce submitted materials, including but not limited to plans, exhibits, photographs, and studies for distribution to staff, Planning Commission, City Council and other agencies in order to process this application.

Signature: [REDACTED]

Date: 3-18-17

Name (please print): [REDACTED]

Phone: [REDACTED]

**CONSENT BY PROPERTY OWNER**

If applicant is other than property owner, owner must sign consent to filing. Attach additional sheets if necessary. If property owner is a corporation or trust, a designee authorization letter is required.

I/We, as the owner(s) of the subject property, consent to the filing of this application. We further consent and hereby authorize City representative(s) to enter upon my property for the purpose of examining and inspecting the property in preparation of any reports and/or required environmental review for the processing of the application.

Signature: [REDACTED]

Date: 3/18/17

Name (please print): [REDACTED]

Phone: [REDACTED]

Signature: [REDACTED]

Date: [REDACTED]

Name (please print): [REDACTED]

Phone: [REDACTED]

**Note: This application being signed under penalty of perjury and does not require notarization.**

**TO BE COMPLETED BY PLANNING STAFF****APPLICATION PROCESSING:**

FILE #(s):

ACTION:

DATE:

☐ APPROVED☐ DISAPPROVED

FEES:

RECEIPT #:

☐ CONDITIONALLY APPROVED (See Below)

ZONE:

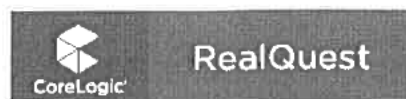
LAND USE DESIGNATION:

COMMENTS and/or CONDITIONS:

PERMIT NO.	ZC1-700-0007
Permit Type:	ZONINGCLEARANCE
Permit Status:	Applied
Issued Date:	3/21/2017



**Property Detail Report**  
**For Property Located At :**  
**6302 FEDERAL BLVD, SAN DIEGO, CA 92114-1406**

**Owner Information**

Owner Name: 6302 FEDERAL LLC  
 Mailing Address: 6302 FEDERAL BLVD, SAN DIEGO CA 92114-1406 C001  
 Vesting Codes: // CO  
 Purchase Principal Data

**Location Information**

Legal Description: 0.94 AC M/L IN LOT 13 TR CC012524  
 County: SAN DIEGO, CA APN: 478-290-05-00  
 Census Tract / Block: 30.03 / 1 Alternate APN:  
 Township-Range-Sect: Subdivision: RANCHO MISSION RE-PARTITION  
 Legal Book/Page: 478-29 Map Reference: 61-F5 /  
 Legal Lot: 13 Tract #: CC012524  
 Legal Block: 25 School District: GROSSMONT UN  
 Market Area: School District Name:  
 Neighbor Code: Munic/Township:

**Owner Transfer Information**

Recording/Sale Date:  
 Sale Price:  
 Document #:

Deed Type:  
 1st Mtg Document #:

**Last Market Sale Information**

Recording/Sale Date: 01/11/2017 / 12/20/2016 1st Mtg Amount/Type: \$642,500 / CONV  
 Sale Price: \$1,285,000 1st Mtg Int. Rate/Type: /  
 Sale Type: FULL 1st Mtg Document #: 15185  
 Document #: 15184 2nd Mtg Amount/Type: \$315,000 / CONV  
 Deed Type: GRANT DEED 2nd Mtg Int. Rate/Type: / ADJ  
 Transfer Document #: Price Per SqFt:  
 New Construction: Multi/Split Sale: MULTIPLE  
 Title Company: FIRST AMERICAN TITLE NCS  
 Lender: JP MORGAN CHASE BK NA  
 Seller Name: STEWART JAMES P & J F TRUST

**Prior Sale Information**

Prior Rec/Sale Date: /  
 Prior Sale Price:  
 Prior Doc Number:  
 Prior Deed Type:

Prior Lender:  
 Prior 1st Mtg Amt/Type: /  
 Prior 1st Mtg Rate/Type: /

**Property Characteristics**

Year Built / Eff: /  
 Gross Area:  
 Building Area:  
 Tot Adj Area:  
 Above Grade:  
 # of Stories:  
 Other Improvements: Building Permit

Total Rooms/Offices  
 Total Restrooms:  
 Roof Type:  
 Roof Material:  
 Construction:  
 Foundation:  
 Exterior wall:  
 Basement Area:

Garage Area:  
 Garage Capacity:  
 Parking Spaces:  
 Heat Type:  
 Air Cond:  
 Pool:  
 Quality:  
 Condition:

**Site Information**

Zoning: M Acres: 0.94 County Use: WAREHOUSING (743)  
 Lot Area: 40,946 Lot Width/Depth: x State Use:  
 Land Use: WAREHOUSE Commercial Units: 2 Water Type:  
 Site Influence: Sewer Type: Building Class:

**Tax Information**

Total Value: \$455,200 Assessed Year: 2016 Property Tax: \$7,752.14  
 Land Value: \$240,991 Improved %: 47% Tax Area: 15045  
 Improvement Value: \$214,209 Tax Year: 2016 Tax Exemption:  
 Total Taxable Value: \$455,200

**Parcel Map Report**  
 For Property Located At



**6302 FEDERAL BLVD, SAN DIEGO, CA 92114-1406**

View map - 478-29 , sheet 1

Parcel maps are viewed in a .TIFF image viewer. If you have any problems displaying a parcel map after clicking on a map link above, please contact our Customer Service Department at 866-774-3282.



Secretary of State  
Articles of Organization  
Limited Liability Company (LLC)

LLC-1

**IMPORTANT** — Read instructions before completing this form.

Filing Fee - \$70.00

Copy Fees - First plain copy free; Additional copies: First page \$1.00 & .50 for each attachment page; Certification Fee - \$5.00

**Important!** LLCs may have to pay an annual minimum \$800 tax to the California Franchise Tax Board. For more information, go to <https://www.ftb.ca.gov>.

FILED  
Secretary of State  
State of California

NOV 15 2016

This Space For Office Use Only

1. **Limited Liability Company Name** (See instructions — Must contain an LLC ending such as LLC or L.L.C. "LLC" will be added, if not included.)

6302 Federal LLC

2. **Business Addresses**

a. Initial Street Address of Designated Office in California - Do not list a P.O. Box	City (no abbreviations)	State	Zip Code
6420 Federal Boulevard, Suite C	Lemon Grove	CA	91945
b. Initial Mailing Address of LLC, if different than Item 2a	City (no abbreviations)	State	Zip Code

3. **Agent for Service of Process**

Item 3a and 3b: If naming an individual, the agent must reside in California and Item 3a and 3b must be completed with the agent's name and complete California street address.

Item 3c: If naming a California Registered Corporate Agent, a current agent registration certificate must be on file with the California Secretary of State and Item 3c must be completed (leave Item 3a-3b blank).

a. California Agent's First Name (if agent is not a corporation)	Middle Name	Last Name	Suffix
b. Street Address (if agent is not a corporation) - Do not list a P.O. Box	City (no abbreviations)	State	Zip Code
c. California Registered Corporate Agent's Name (if agent is a corporation) - Do not complete Item 3a or 3b			

4. **Management (Select only one box)**

The LLC will be managed by:

☐

One Manager

☐

More than One Manager

☒

All LLC Member(s)

5. **Purpose Statement (Do not alter Purpose Statement)**

The purpose of the limited liability company is to engage in any lawful act or activity for which a limited liability company may be organized under the California Revised Uniform Limited Liability Company Act.

6. The information contained herein, including in any attachments, is true and correct.

Organizer sign here

Jeffrey L. Anastas

Print your name here



I hereby certify that the foregoing  
transcript of \_\_\_\_\_ page(s)  
is a full, true and correct copy of the  
original record in the custody of the  
California Secretary of State's office.

NOV 16 2016

*sf*

Date: \_\_\_\_\_

*Alex Padilla*

ALEX PADILLA, Secretary of State



## ENVIRONMENTAL INITIAL STUDY

Development Services Department / Planning Division  
3232 Main Street, Lemon Grove, CA 91945  
Phone: 619-825-3805 Fax: 619-825-3818  
www.lemongrove.ca.gov

In order to comply with the requirements of the California Environmental Quality Act, it is required that you complete the attached Initial Study in order to assess the possible environmental impacts of your project.

**APPLICANT :**

**PHONE:**

**ADDRESS:**

**FAX:**

**EMAIL:**

**PROPERTY OWNER:**

**PHONE:**

**ADDRESS:**

6302 Federal Blvd

**FAX:**

Lemon Grove, CA. 91945

**EMAIL:**

**CONTACT PERSON:**

**PHONE:**

**ADDRESS:**

**FAX:**

**EMAIL:**

Attach a separate sheet listing all persons that make up a trust, partnership, corporation, or LLC and list authorized point of contact.

**PROJECT NAME:** 6302 Federal Blvd. Medical Marijuana Dispensary (MMD)

**PROJECT ADDRESS:** 6302 Federal Blvd. Lemon Grove, CA. 91945

**ASSESSOR PARCEL # (s):** 478-290-05-00

**ZONE:** LI - Light Industrial

**LAND USE:** Industrial and Retail (proposed)

### PROJECT DESCRIPTION:

Minor interior remodel of 2,500sf of an existing single-story industrial building to be converted into a Medical Marijuana Dispensary with minor exterior modifications to accommodate the proposed use, as well as the addition of a 6ft. high solid fence for refuse and recycle area and parking lot re-striping.

### PROJECT APPROVALS:

Discretionary Permits required from the City of Lemon Grove:

Previous Discretionary Permits granted by the City of Lemon Grove:

Permit#: 151963

Date of Approval: 10-28-1960

Permit#:

Date of Approval:

Other Permits required from:

Regional Jurisdictions: N.A.

State Jurisdictions: N.A.

Federal Jurisdictions: N.A.

If yes, please explain:			
<b>ENVIRONMENTAL SETTING:</b>			
<b>GEOLOGIC AND SOIL CONDITIONS</b>			
Any geologic or soils study on this project?		Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
If yes, please attach a copy.			
<b>TOPOGRAPHY AND GRADING</b>			
What percentage of the site has been previously graded: 100			
Existing Elevations 269'-300'	Min. Ft. 269	MSL	Max. Ft. 300 MSL
Existing Gradients 1 ft. increments	Min. % .5		Max. % 2.3
Slope Classifications: 0-10%			
Gradient	Existing Topography	After Grading	
0 – 10%	%	%	
11 – 25%	%	%	
< 25%	%	%	
Total	100%	100%	
Area to Be Graded ( Sq. Ft.): None			
Volume of Fill ( Cu. Yds.): None			
<b>HYDROLOGIC CONDITIONS AND WATER QUALITY</b>			
Is the Site located in a 100-year Flood Plain?		Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Site subject to inundation by the 100-year storm?		Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Describe any existing and proposed natural water courses/flood control/ drainage facilities:			
Existing concrete drainage channel along north (rear) property line to remain.			
Industrial Waste discharged:		Existing: None	
		Proposed: None	
<b>ARCHAEOLOGICAL RESOURCES</b>			
Are there any archaeological or fossil sites?		Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
If Yes, please explain:			
Proposed preservation measures:			
<b>HISTORICAL RESOURCES</b>			
Approximate construction year of Existing Structures			
Structure	Year	Determination Method	Demolished
Warehouse/office	1960		
<b>NOISE GENERATION</b>			
Can noise be heard outside the project site?		Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
If Yes please explain:			

List specific measures that have or will be incorporated into the project to minimize solid waste and sewage generation? (i.e., recycling, low-flow toilets, etc.)

Low-flow toilet and faucet.

#### SERVICES

##### Fire and Police

Lemon Grove Fire Department response time: 5 minutes

San Diego County Sheriff's Department response time:

5 minutes

##### Schools

How many school age children will be generated by the project? Hopefully none. Sex is not allowed on premises.

School	#	School Name	Distance
Elementary (K-6)	0		Miles
Middle School ( 7-8)	0		Miles
High School (9-12)	0		Miles

#### SPECIALIZED ENVIRONMENTAL STUDIES

In order to determine whether or not the proposed project will have a significant effect on the environment, it may be necessary for the City to obtain information in addition to that requested above. The environmental review process of your project will be expedited if you submit any appropriate technical studies at the time of the application submittal. If it is determined that a potential for significant effect exists in any particular area(s), preparation of one or more technical reports may be required.

Following the submittal of the application, the City will evaluate the proposed project to determine the level of environmental assessment which will be required. If the City determines that the project will not have a significant environmental impact, a Negative Declaration of environmental impact will be issued. If the City determines that the project may create one or more significant adverse environmental impacts, certain environmental studies or reports (e.g. traffic, noise, etc.) will be required. The applicant shall be responsible for obtaining the services of a qualified professional for the preparation of these environmental studies or reports. Said studies or reports shall describe the proposed project, environmental setting, potential adverse environmental impacts resulting from the project and recommend measures necessary to mitigate any adverse environmental impact to a level of insignificance. The recommended mitigation measures will be included as conditions of the project approval. This report shall also include a mitigation monitoring program. If the preparation of an Environmental Impact Report (EIR) is required said EIR shall be prepared consistent with Chapter 18.32 of the City of Lemon Grove Municipal Code and the City of Lemon Grove California Environmental Quality Act (CEQA) Guidelines.

#### PREPARATION:

All persons consulted in preparation of the application for environmental review:

Name	Agency	Position	Telephone #

Application completed by:

Signature

Date

03.18.17

Name

License(s) and Qualification(s) (if any):

Principal at TECHNE. Bachelor's of Science in Architecture.



# PLANNING PERMIT SUBMITTAL CHECKLIST (MEDICAL MARIJUANA DISPENSARY)

Development Services Department / Planning Division  
3232 Main Street, Lemon Grove, CA 91945  
Phone: 619-825-3805 Fax: 619-825-3818  
www.lemongrove.ca.gov

		OFFICE USE ONLY	
		COMPLETE	INCOMPLETE
Consult with a planner to check the items required for your initial submittal. Thereafter, submit all of the items required with your planning permit application. Include this form completed and signed with the submittal. Applications deficient of any checked items may prohibit your submittal.			
<b>PLAN PREPARATION GUIDELINES</b>			
<input checked="" type="checkbox"/>	Submit <u>8</u> sets of plans folded to 8 1/2 X 11.		
<input checked="" type="checkbox"/>	First sheet shall clearly state scope of work for entire project, including renovated landscape areas, and existing building(s) size(s) and land use(s).		
<input checked="" type="checkbox"/>	All plans shall be drawn on uniform sheets.		
<input type="checkbox"/>	Development plans shall be prepared by an architect or civil engineer licensed to practice in the State of California.		
<input checked="" type="checkbox"/>	All plans/maps shall be clearly labeled with sheet title, project name and project location.		
<input checked="" type="checkbox"/>	Completed application forms and fees.		
<input checked="" type="checkbox"/>	All plans shall be clear, scaled to a standard architect's or engineer's scale (1"=16' prohibited), and legible.		
<input checked="" type="checkbox"/>	All plan sheets (site, floor plans, elevations, landscape, grading, etc.) shall be consistent with each other.		
<b>SITE PLAN</b>			
<input checked="" type="checkbox"/>	Clearly state scope of work for entire project, including renovated landscape areas, and existing building(s) size(s) and land use(s).		
<input checked="" type="checkbox"/>	Name and address of developer, owner of record, and person who prepared the plan.		
<input checked="" type="checkbox"/>	Date of preparation and/or revisions.		
<input type="checkbox"/>	Precise legal description.		
<input checked="" type="checkbox"/>	North arrow oriented towards the top of the sheet and a legend identifying any symbols.		
<input checked="" type="checkbox"/>	Property line and dimensions.		
<input checked="" type="checkbox"/>	A vicinity map showing the precise location of the project. Show nearest cross streets on all sides of the project site, with approximate distances from the site.		
<input checked="" type="checkbox"/>	Show adjacent streets (distance between property line and centerline of streets).		
<input type="checkbox"/>	Street cross-sections.		
<input checked="" type="checkbox"/>	Right-of-way width, including existing width and area proposed to be dedicated.		
<input checked="" type="checkbox"/>	Dimensions and nature of all easements, labeled with recordation number.		
<input checked="" type="checkbox"/>	Existing topography on site with drainage flow lines, including natural ground (contours), trees, and drainage courses.		
<input type="checkbox"/>	Conceptual grading. Use San Diego Regional Standard Drawings for grading specifications.		
<input checked="" type="checkbox"/>	Street improvements (existing & proposed) fronting the property, including curbs, gutter, sidewalks, water lines, sewer lines, utility poles, fire hydrants, and street lights. Use San Diego Regional Standard Drawings for street specifications.		
<input checked="" type="checkbox"/>	Utility locations.		
<input checked="" type="checkbox"/>	Location and dimensions of existing and proposed buildings and structures.		
<input type="checkbox"/>	Improvements, property boundaries, and Map #s within 100 feet of the subject site.		

<input checked="" type="checkbox"/>	Parking layout with labeled stall size and location, aisles, driveway approaches, curb cuts, pedestrian access, and utility vehicle access.		
<input checked="" type="checkbox"/>	Handicap parking spaces and loading zones.		
<input checked="" type="checkbox"/>	Location, height, and materials of walls and fences (existing and proposed).		
<input checked="" type="checkbox"/>	Location of refuse areas, including wall and fence heights, and materials.		
<input type="checkbox"/>	Location of any outdoor storage areas and screening devices.		
<input checked="" type="checkbox"/>	Required and proposed setback dimensions and building separations.		
<input checked="" type="checkbox"/>	Conceptual landscape & irrigation labeled with irrigation location and type, plant species, size, and location, and ground cover type and depth below grade in compliance with Chapter 18.44. Location of all existing and proposed trees. Identify whether the trees are to be preserved, relocated or removed. Use San Diego Regional Standard Drawings for specifications.		
<input checked="" type="checkbox"/>	Label and dimension all surface improvements (e.g., walkways, driveways, patios, landscape areas). Note where existing topography is sloped or flat with drainage flow arrows.		
	<b>A tabular summary including the following:</b>		
<input checked="" type="checkbox"/>	Gross and net acreage.		
<input checked="" type="checkbox"/>	Gross floor area per building or unit and total floor area for all buildings.		
<input checked="" type="checkbox"/>	Proposed density (dwelling units per net acre for residential subdivisions and floor area ratio for commercial and industrial developments).		
<input checked="" type="checkbox"/>	Lot Coverage Ratio (percentage of site covered by all buildings and structures).		
<input checked="" type="checkbox"/>	Pervious Surface Coverage Ratio (post and pre-development percentage of lot covered by pervious surfaces).		
<input checked="" type="checkbox"/>	Required and proposed number of parking spaces, (covered, uncovered, and handicapped accessible, as applicable).		
	<b>FLOOR PLAN</b>		
<input checked="" type="checkbox"/>	Interior layout (labeled) and dimensions of all levels.		
<input type="checkbox"/>	Finished floor elevation of ground floors.		
<input checked="" type="checkbox"/>	Proposed demolition, provide square feet to be demolished.		
<input checked="" type="checkbox"/>	Location of all openings (windows and doors).		
	<b>ROOF PLAN</b>		
<input type="checkbox"/>	Dimensions of roof overhang(s).		
<input checked="" type="checkbox"/>	Location of rooftop equipment and screening.		
	<b>EXTERIOR ELEVATIONS</b>		
<input checked="" type="checkbox"/>	Illustrative elevations of all sides of all buildings and structures.		
<input type="checkbox"/>	Proposed and existing roof and siding materials labeled on each sheet of the elevations. Note if roof and siding materials will match existing buildings on-site.		
<input checked="" type="checkbox"/>	Proposed and existing building colors labeled on each sheet of the elevations.		
<input checked="" type="checkbox"/>	Heights of all structures (measured from average finished grade to peak of roof). Show finish floor MSL, finish pad MSL, finished grade, average finished grade, spot elevations within 5' of building footprint and dimensions to highest points of structure.		
<input checked="" type="checkbox"/>	Conceptual sign locations, sizes and type.		
<input checked="" type="checkbox"/>	Roof top equipment and screening treatment for rooftop equipment.		
<input type="checkbox"/>	Cross sections and architectural details.		
	<b>ADDITIONAL REQUIREMENTS</b>		
<input checked="" type="checkbox"/>	Environmental Initial Study application.		
<input checked="" type="checkbox"/>	Interior/Exterior site photographs.		
<input type="checkbox"/>	Photo Simulation/Perspective Drawing: A photo simulation or perspective drawing may be required in addition to photos.		



<input type="checkbox"/>	View/Line of Sight Study: A view/line of sight study may be required to show the project has adequate line of sight for vehicular circulation. This study shall be prepared and stamped by a licensed civil engineer.		
<input checked="" type="checkbox"/>	Preliminary title report and copies of recorded documents listed in Schedule B and easements plotted on an APN map.		
<input type="checkbox"/>	Chain of Title		
<input checked="" type="checkbox"/>	Copy of County Assessor Building Construction Records		
<input type="checkbox"/>	Licensed Land Survey		
<input type="checkbox"/>	Phase I and II Environmental Assessments		
<input type="checkbox"/>	Biological Assessment		
<input type="checkbox"/>	Cultural Resource Assessment		
<input type="checkbox"/>	Air Quality Study		
<input type="checkbox"/>	Parking Study		
<input checked="" type="checkbox"/>	STORMWATER BMPS. Intake Forms I-1, I-2, and I-3 must be filled out as applicable to the project. Projects requiring submittal of Form I-1 only are required to submit a complete Form I-1. Projects requiring submittal of Form I-2 require Construction Stormwater BMP Notes and Permanent Stormwater BMP Notes on their site plan. Projects requiring submittal of Form I-3 must provide a Storm Water Quality Management Plan and for projects without a Grading Plan, a separate Construction BMP Plan is required (pre- and post-construction impervious area is required to be shown on the plans).		
<input type="checkbox"/>	Geotechnical Study		
<input type="checkbox"/>	Acoustical Analysis/Noise Study		
<input type="checkbox"/>	Traffic Analysis		
<input type="checkbox"/>	Conceptual Grading Plan. Use San Diego Regional Standard Drawings for grading specifications.		
<input checked="" type="checkbox"/>	Conceptual Landscape & Irrigation Plans labeled with irrigation location and type, plant species, size, and location, and ground cover type and depth below grade in compliance with Chapter 18.44. Location of all existing and proposed trees. Identify whether the trees are to be preserved, relocated or removed. Use San Diego Regional Standard Drawings for specifications.		
<input checked="" type="checkbox"/>	Other materials as required (Reference Chapter 17.32 of the LGMC for further details): <ul style="list-style-type: none"> <li>✓ Completed City business license application</li> <li>✓ Dispensary Operations Manual and Standards including transaction and employee handling instructions and curriculum</li> <li>✓ Employee training manual</li> <li>✓ Live Scan background checks for all directors, employees, and volunteers submitted directly to City of Lemon Grove.</li> <li>✓ Names and contact information for dispensary director and community liaison</li> <li>✓ Names and contact information for all officers of any LLC with any ownership interest or operational interest in the proposed medical marijuana dispensary</li> <li>✓ Lighting plan</li> <li>✓ Fire flow analysis</li> <li>✓ Waste disposal plan</li> <li>✓ A weapons storage and use plan</li> <li>✓ Architect investigation and scope of work including requirements for proper ventilation to prevent mold and reduce odors to below a level of significance. Facility shall be in full compliance with Title 15 of the Municipal Code.</li> <li>✓ State Board of equalization seller's permit</li> <li>✓ A letter indicating any hazardous materials to be used or stored on site.</li> <li>✓ A letter detailing security provisions and how the applicable Building and Fire Code requirements will be achieved for emergency ingress and egress.</li> <li>✓ Completed and signed Medical Marijuana Source Agreements for each cultivator source</li> </ul>		

- 
- This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

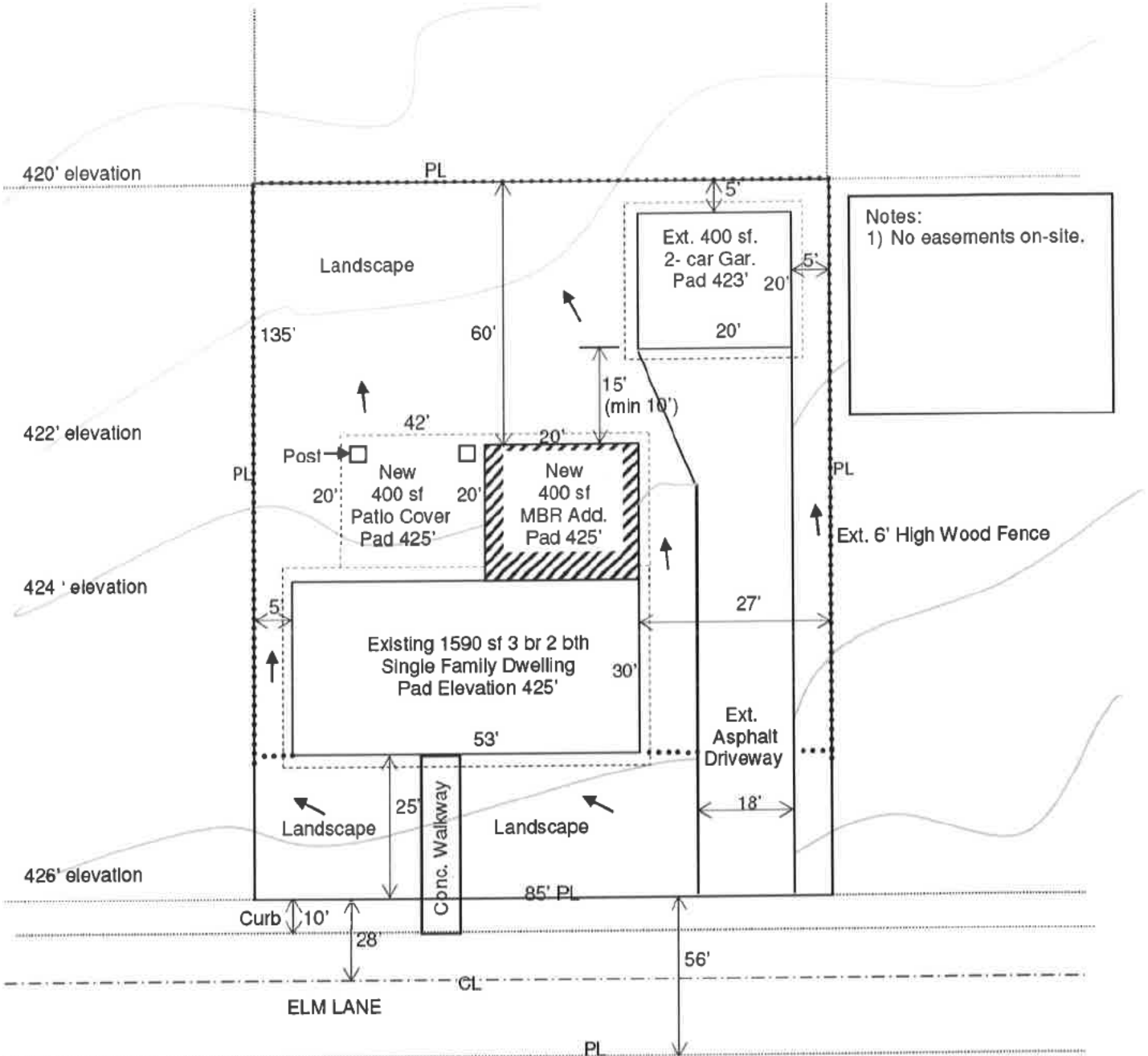
## DECLARATION

**Signature:**

Date: 02/29/17

[REDACTED]

## SAMPLE SITE PLAN



SITE ADDRESS:

APN:

EXISTING CONDITIONS: 1590 sf SFR w/  
400 sf 2-car garage

**SCOPE OF WORK:** 400 sf MBR Addition  
and 400 sf Patio Cover

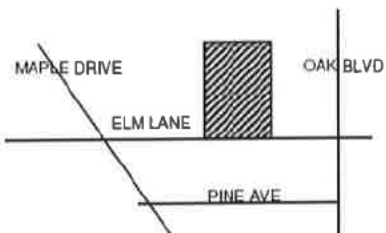
**OWNER:**  
NAME, MAILING ADDRESS, PHONE, EMAIL

**PREPARED BY:**  
**NAME, MAILING ADDRESS, PHONE, EMAIL**

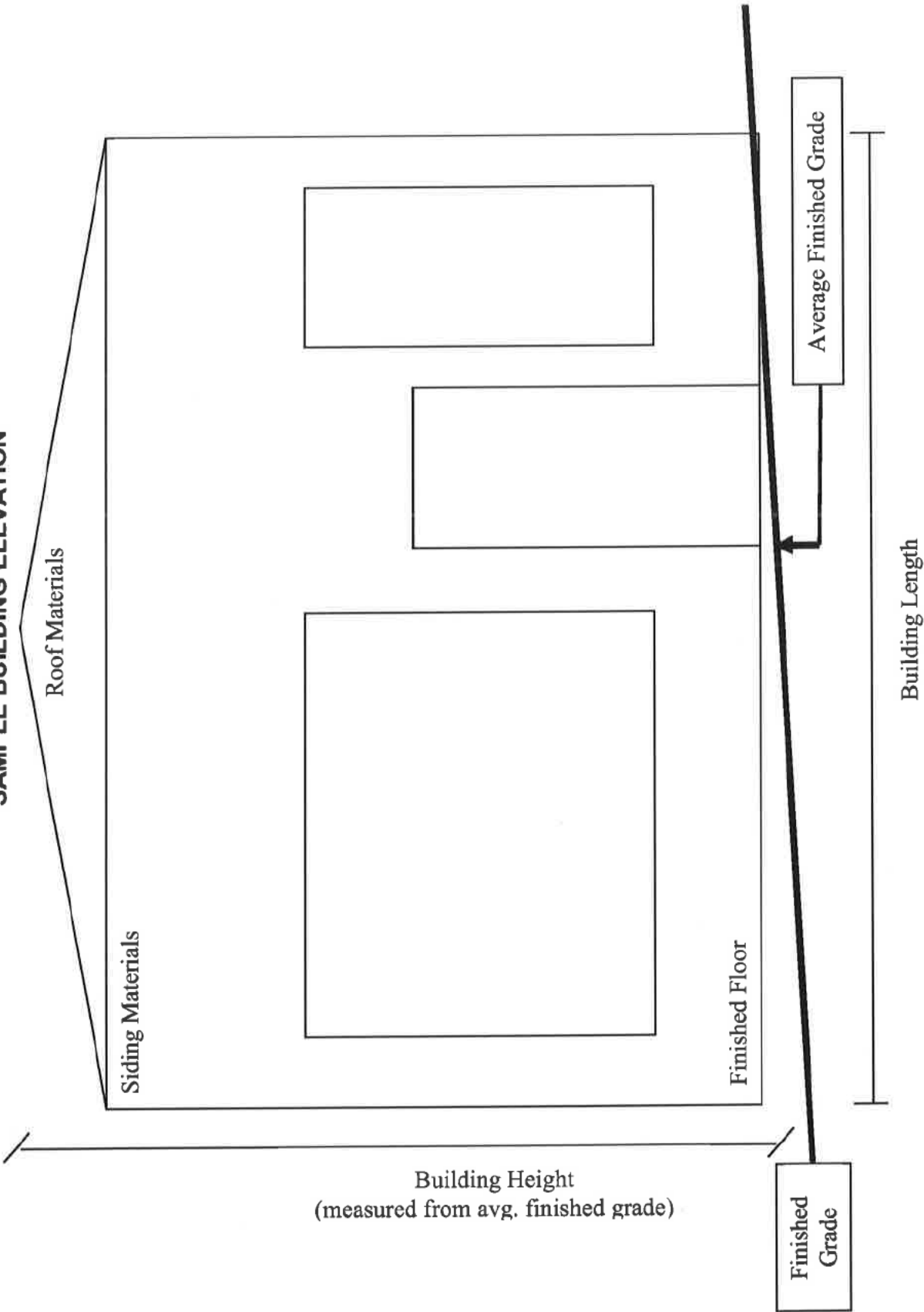




Scale 1"=50'

VICINITY MAP  
NO SCALE



# SAMPLE BUILDING ELEVATION



Applicability of Construction (Temporary) and Permanent (Post-Construction) Stormwater BMP Requirements (Stormwater Intake Form for all Development Permit Applications)		Form I-1
<b>Project Information</b>		
Project Address/Location: 6302 Federal Blvd. Lemon Grove, CA. 91945		
Brief Description of Work Proposed: Minor interior remodel of 2,500sf of an existing single-story industrial building in order to convert into a Medical Marijuana Dispensary (MMD) with the addition of a refuse and recycle area with a 6 ft. high solid fence and parking lot re-stripping.		
<b>Determination of Requirements</b>		
Answer each step below. Upon reaching a Stop, do not complete further Steps beyond the Stop. If additional forms are required, complete those additional forms and submit them along with this form as a complete set.		
Step	Answer	Progression
<b>Step 1:</b> Does the project consist exclusively of one or both of the activity types below? <ul style="list-style-type: none"> <li>• Project with no soil disturbance or change to building general exterior dimensions or structural framing. <i>Examples:</i> interior remodeling, electrical work, HVAC work, plumbing, etc.</li> <li>• Routine maintenance. <i>Examples:</i> roof repairs, pavement grinding, resurfacing existing roadways, routine replacement of damaged pavement (e.g., pothole repair), resurfacing or repairing existing sidewalks or pedestrian ramps, trenching and resurfacing associated with utility work, or rebuilding a structure to its original design after a fire or natural disaster.</li> </ul>	<input checked="" type="checkbox"/> Yes	<b>Stop.</b> No permanent storm water BMP plan is required. Review and sign the Stormwater Certification Statement.
	<input type="checkbox"/> No	Complete and attach Form I-2
<b>Certification</b>		
I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations. This application is signed under penalty of perjury and does not require notarization.		
Name of Person Completing this Form		Date Completed 3.16.2017
Role of Person Completing this Form	<input type="checkbox"/> Property Owner <input type="checkbox"/> Contractor <input type="checkbox"/> Architect <input type="checkbox"/> Engineer <input checked="" type="checkbox"/> Other: Designer / Agent	
Signature		

For additional information and to review the BMP Design Manual, visit  
<http://www.lemongrove.ca.gov/departments/development-services/stormwater>.

# TECHNE

DESIGN | DEVELOPMENT

## PHOTOGRAPHIC SURVEY 6302 Federal Blvd., Lemon Grove, CA



# TECHNE

DESIGN | DEVELOPMENT



# TECHNE

DESIGN | DEVELOPMENT





# TECHNE

DESIGN | DEVELOPMENT





6302 Federal Blvd., Lemon Grove, CA 91945

## Architect's Investigation and Scope of Work

Saturday, March 18, 2017  
Project: 6302 Federal Blvd. MMD

### Site information:

The project site consists of an irregular shaped lot with an approximate area of 40,946sf (0.94 acres) with a single-story industrial building with an area of approximately 13,686.97sf. The site also contains an asphalt paved parking lot as well as landscaping and a draining channel along the northwestern (rear) property line.

### Project Scope:

The project scope includes converting 2,500sf of the existing 13,686.97sf single-story industrial building into a Medical Marijuana Dispensary. The project suite is located on the northernmost portion of the building. Interior modifications in order to convert the existing space include non-structural walls, lighting, HVAC, finishes, etc... Furthermore the scope of work also includes re-stripping the existing parking lot in order to provide compliant parking stalls, drive aisles, bicycle parking, accessible parking stalls and an accessible path of travel. The parking lot area will also be provided with adequate lighting for safety. Improvements to the exterior of the structure include lighting, the addition of one door, and the infill of an existing large opening with a storefront system with fixed glass and one door.

### Ventilation and Mold Mitigation Strategy:

The proposed project consists of a retail space, reception, bathrooms and back-office space for the staff. None of these spaces will generate mold based on their use. The proposed HVAC system naturally reduces moisture in the air thus further mitigating any potential mold. The HVAC system will also comply with the latest version of the California Building Code and California Mechanical Code requirement by providing a specific amount of outside fresh air to be brought into the space thus ensuring the



appropriate air quality for the occupants. Proper ventilation will be provided through the measures described above.

**Odor Mitigation Strategy:**

Medical Marijuana in its fresh flower form has an odor which is not noxious or harmful in any manner. The project is designed with a “man-trap” layout on all entries and exits. Besides improving occupant safety, this layout also controls the transfer of air from interior to exterior thus preventing any potential odors from escaping the facility. Furthermore, the HVAC system will be provided with a charcoal filtration system in order to reduce the odors within the facility and to reduce any potential odors from escaping the facility. Any odor which might escape the facility, will be below a level of impact.

Sincerely,

A black rectangular box redacting the signature of Michael Morton.

Michael Morton AIA - CA License # C-19371

CALIFORNIA STATE BOARD OF EQUALIZATION

SELLER'S PERMIT



ACCOUNT NUMBER

NOTICE TO PERMITTEE:  
You are required to obey all  
Federal and State laws that  
regulate or control your  
business. This permit does  
not allow you to do  
otherwise.

IS HEREBY AUTHORIZED PURSUANT TO SALES AND USE TAX LAW TO ENGAGE IN THE  
BUSINESS OF SELLING TANGIBLE PERSONAL PROPERTY AT THE ABOVE LOCATION.  
THIS PERMIT IS VALID ONLY AT THE ABOVE ADDRESS.

THIS PERMIT IS VALID UNTIL REVOKED OR CANCELED AND IS NOT TRANSFERABLE. IF YOU SELL YOUR BUSINESS  
OR DROP OUT OF A PARTNERSHIP, NOTIFY US OR YOU COULD BE RESPONSIBLE FOR SALES AND USE TAXES  
DUE BY THE NEW OPERATOR OF THE BUSINESS.

Not valid at any other address

For general tax questions, please call our Customer Service Center at 1-800-400-7115 (TTY:711).  
For information on your rights, contact the Taxpayers' Rights Advocate office at 1-888-324-2798 or 1-916-324-2798.

BOE-442-R REV. 16 (11-14)

A MESSAGE TO OUR NEW PERMIT HOLDER

As a seller, you have rights and responsibilities under the Sales and Use Tax Law. In order to assist you in your endeavor and to better understand the law, we offer the following sources of help:

- Visiting our website at [www.boe.ca.gov](http://www.boe.ca.gov)
- Visiting a field office
- Attending a Basic Sales and Use Tax Law class offered at one of our field offices
- Sending your questions in writing to any one of our offices
- Calling our toll-free Customer Service Center at 1-800-400-7115 (TTY:711)

As a seller, you have the right to issue resale certificates for merchandise that you intend to resell. You also have the responsibility of not misusing resale certificates. While the sales tax is imposed upon the retailer,

- You have the right to seek reimbursement of the tax from your customer
- You are responsible for filing and paying your sales and use tax returns timely
- You have the right to be treated in a fair and equitable manner by the employees of the California State Board of Equalization (BOE)
- You are responsible for following the regulations set forth by the BOE

As a seller, you are expected to maintain the normal books and records of a prudent businessperson. You are required to maintain these books and records for no less than four years, and make them available for inspection by a BOE representative when requested. You are also expected to notify us if you are buying, selling, adding a location, or discontinuing your business, adding or dropping a partner, officer, or member, or when you are moving any or all of your business locations. If it becomes necessary to surrender this permit, you should only do so by mailing it to a BOE office, or giving it to a BOE representative.

If you would like to know more about your rights as a taxpayer, or if you are unable to resolve an issue with the BOE, please contact the Taxpayers' Rights Advocate office for help by calling toll-free, 1-888-324-2798 or 1-916-324-2798. Their fax number is 1-916-323-3319.

Please post this permit at the address for which it was issued and at a location visible to your customers.

CALIFORNIA STATE BOARD OF EQUALIZATION  
Sales and Use Tax Department

# COMMERCIAL-INDUSTRIAL BUILDING RECORD

Account No.

COMMON - CHUMET IND INC 2 QUAMAGATINE

ASSESSOR, SAN DIEGO COUNTY

Parcel No.

478-140-8

NAME

ADDRESS

6302

CELESTIAL BLVD

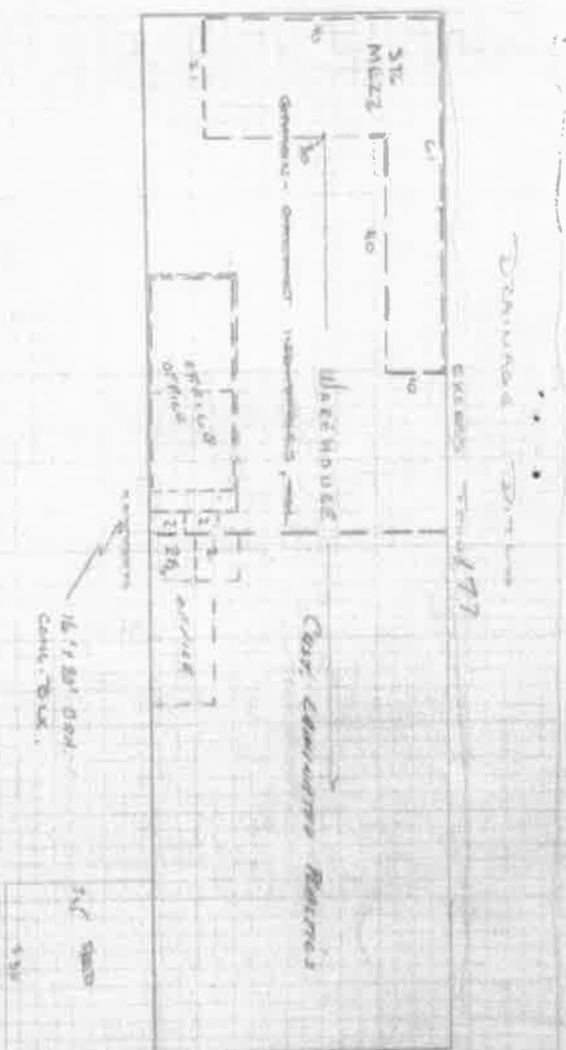
114B

SHEET 72 OF 12

CLASS & SHAPE		FRAME		TRUSSES		EXT. FINISH		ROOF		LIGHTING		FRONT		INTERIOR CONSTRUCTION		MATERIALS	
USE	DESIGN	WOOD	CONCRETE RAFT.	WOOD	HEAVY PLY	WOOD	SPRUE	SHED	SHED	STANDARD	BELOW STANDARD	GLASS IN	GLASS DOORS	GLASS DOORS	GLASS DOORS	GLASS DOORS	GLASS DOORS
Garage	USE	WOOD	CONCRETE RAFT.	WOOD	HEAVY PLY	WOOD	SPRUE	SHED <td>SHED</td> <td>STANDARD</td> <td>BELOW STANDARD</td> <td>GLASS IN</td> <td>GLASS DOORS</td> <td>GLASS DOORS</td> <td>GLASS DOORS</td> <td>GLASS DOORS</td> <td>GLASS DOORS</td>	SHED	STANDARD	BELOW STANDARD	GLASS IN	GLASS DOORS	GLASS DOORS	GLASS DOORS	GLASS DOORS	GLASS DOORS
Office	USE	WOOD	CONCRETE RAFT.	WOOD	HEAVY PLY	WOOD	SPRUE	SHED	SHED	STANDARD	BELOW STANDARD	GLASS IN	GLASS DOORS	GLASS DOORS	GLASS DOORS	GLASS DOORS	GLASS DOORS
Warehouse	USE	WOOD	CONCRETE RAFT.	WOOD	HEAVY PLY	WOOD	SPRUE	SHED	SHED	STANDARD	BELOW STANDARD	GLASS IN	GLASS DOORS	GLASS DOORS	GLASS DOORS	GLASS DOORS	GLASS DOORS

CONSTRUCTION RECORD		EFFECT.		APPR.		NORMAL % GOOD		RATING		SPECIAL FEATURES		MATERIAL OR TYPE		QUAL	
No.	Permits	For	Amount	Date	YEAR	YEAR	Age	Base	Total	%	Cond.	Appr.	From	Appr.	From
131945	Permits	For	Amount	Date	YEAR	YEAR	Age	Base	Total	% <td>Cond.</td> <td>Appr.</td> <td>From</td> <td>Appr.</td> <td>From</td>	Cond.	Appr.	From	Appr.	From
131945	Permits	For	Amount	Date	YEAR	YEAR	Age	Base	Total	% <td>Cond.</td> <td>Appr.</td> <td>From</td> <td>Appr.</td> <td>From</td>	Cond.	Appr.	From	Appr.	From

Scale: 1" = 30 Ft.



## MISCELLANEOUS STRUCTURES

STRUCTURE	FOUND. FLOOR	CHST.	EXT.	ROOF	DIM.	AREA UNIT
SKED	CONCRETE	ASTONISH STEEL	1/2" - 5/8"	3/4" - 5/8"	0	7500
AS2 FANT	ASTONISH	0				2750
		0				4750

## COMPUTATIONS

[illegible]

REMARKS: Oak grove, 100 yds. in field.  
Building restoration after fire, no "new"  
const. 1-7-88 K.C.



Scale: 1" = 20 ft.



### MISCELLANEOUS STRUCTURES

[illegible]COMPUTATIONS  $D = 54621$ [illegible]

Eden Pond

West Center 21

13pt / 12

DATE 11/1

7/5/91

$\frac{d}{dt} \left( \frac{1}{2} m v^2 \right) = \frac{1}{2} m \frac{d}{dt} (v^2)$

Amount Withd. - 44

---

---

---

---

---

---

16. Over Hours

100

100

---

---

---

---

---

---

---

---

---

1997

---

---

---

100

REMARKS: The Battery no. 126 overhauled.  
The Battery 127 is OK.

6302 FLENNL



## **OPERATING PROCEDURES**

### **I. TRANSPORTATION PROCESS**

Since the State of California will not begin issuing transportation licenses until January 2018 and due to the current lack of rules regarding transportation of medical cannabis, the Company has implemented the specific best practices for transportation. Our goal is to minimize adverse law enforcement consequences while lawfully transporting medical cannabis pursuant to the Medical Cannabis Regulation & Safety Act ("MCRSA").

Transporting from a medical cannabis cultivation or manufacturing site to a dispensary is a routine and necessary activity for us. We will ensure that our product is safely transported, not improperly seized by thieves or law enforcement, and not lost or stolen by employees by implementing the following procedures: establishment of proper training, meticulous documentation, and oversight for employees transporting medical cannabis.

Currently, medical cannabis businesses are required to operate under the collective model. This means that it is imperative that the employee transporting the product is both a member of the collective that is cultivating and/or manufacturing the cannabis product as well as a member of the collective that is operating the dispensary. Moreover, the Company requires that there be a Transportation Agreement between the medical cannabis businesses. Whether it is our own employee that is picking up the medical cannabis product or an employee of another collective, we require that the transporter always carry the following items: (i) documentation of the correct number of patients in our collective that cover the amount of weight in the vehicle; (ii) documentation that certifies the transporter is an employee/member of the licensed medical cannabis business/collective; (iii) documentation that certifies the licensed business is in good standing with the State; and (iv) documentation that authorizes that specific transport. (See attached Transportation Agreement.)

The Company additionally will ensure that each shipment will be weighed and documented before and after each trip. A chain of custody form will be used to ensure no medical cannabis is lost or stolen. The chain of custody form will also be used beyond the transportation phase to efficiently track the medicine. All medical cannabis shall be sealed and locked in a tamper-proof container, and placed inside a non-transparent bag prior to transport. Once the State issues transportation licenses, the Company shall contract with a licensed transporter for all transportation of medical cannabis to the dispensary. We will confirm that the transporter is licensed by both a local and State licensing authority before doing business with the transporter.

## **II. SOURCE OF MEDICAL CANNABIS**

The Company shall only dispense medical cannabis from the following sources:

**A. On-site Cultivation.** If the Company applies for and the City grants a Conditional Use Permit for on-site cultivation, the cultivation shall not exceed twenty-five percent (25%) of the dispensaries' total floor area and in no case exceed 1,500 square feet. The cultivation site shall also conform to the specific zone regulations, Section 17.24.060 Accessory Buildings and Uses, Section 17.32.100 of this Title, and applicable Building and Fire Codes. This Operations Manual shall be amended to contain information regarding the on-site cultivation including, but not limited to:

- i. Description of measures taken to minimize or offset energy use from the cultivation or processing of medical cannabis on-site; and
- ii. Description of chemicals stored or used; and
- iii. Description of any effluent discharged into the City's wastewater and/or storm water system.

**B. Licensed External Source.** Until one year following the date when the California State Bureau of Medical Cannabis Regulation begins accepting applications for licenses, or sooner, if such a deadline is set by the Bureau, the Company shall source their medical cannabis from cultivators and manufacturers that have obtained a local business license or equivalent document showing that the organization is operating in zoning and regulatory compliance from another jurisdiction for the medical cannabis cultivation or manufacturing. One year from the date that the California State Bureau of Medical Cannabis Regulation begins accepting applications for licenses, or sooner, if such a deadline is set by the Bureau, all sources of medical cannabis or medical cannabis products sold in the dispensary must also have a state license for their medical cannabis activities.

### **III. INVENTORY PROCEDURES**

The Company will bring a professional-level medical dispensary to Lemon Grove. The applicant/owners have over ten years operating a Pre-ICO, Proposition D compliant collective in the City of Los Angeles. The inventory will fall into one of five main categories: cannabis-infused edible products, lotions and topicals, concentrated cannabis, whole cannabis flower, and devices/paraphernalia to use the cannabis products (vape pens, rolling papers, lighters, etc.). Until the State begins licensing distributors, all inventory will be sourced directly from legal and licensed manufacturers and cultivators. All cannabis products will be tested and quality assurance will be provided pursuant to the standards set forth in MCRSA. The Company will also ensure that all cannabis products are packaged and labeled pursuant to California Business & Professions Code Section 26120 et seq.

#### **A. Packaging**

Cannabis will be packaged in plain, opaque, tamper-proof and child-proof containers. Packaging will not portray depictions of the product, cartoons or images other than the company's name and/or logo nor will it be packaged in a way that is appealing to children. Medical cannabis packaging will be tamper evident and child-resistant through the use of hinged lid containers, pop-top bottles, reversible cap vials, etc. Child resistant packaging will conform to federal consumer product safety regulations and ASTM standards.

If edible medical cannabis products are present on site, the medical cannabis dispensary facility shall first secure any approval from the County Health Department required for handling food products. Edible products distributed or sold by any medical cannabis facility shall not be produced, manufactured, stored, or packaged in private homes. All edible medical cannabis products shall be individually wrapped at the original point of preparation.

#### **B. Labeling**

The Company will place a legible, firmly affixed label on each package of cannabis that it prepares for sale. Each label will contain the following information in wording that is no less than 1/16 inch in size:

- i. Name and registration number of the certified patient and designated caregiver;
- ii. The name and registration number of our company, along with the facility name, telephone number and mailing address;
- iii. The certifying practitioner's name, address and phone number;
- iv. Dosing and administration instructions;
- v. The quantity of usable cannabis contained within the package;
- vi. Any recommendation or limitation by the practitioner as to the use of medical cannabis;
- vii. The date the medical cannabis was provided to the qualifying patient or primary caregiver;
- viii. The date that the company packaged the contents;

- ix. The batch number, sequential serial number and barcode to identify the batch associated with manufacturing and processing;
- x. The cannabinoid profile of the cannabis contained within the package, including THC and CBD levels;
- xi. A statement that the product has been tested for contaminants and that there were no adverse findings. This should include the date of testing;
- xii. A clear and unambiguous statement that the product is medical cannabis; and
- xiii. The following statement (including capitalization): "This product has not been analyzed or approved by the FDA. There is limited information on the side effects of using this product, and there may be associated health risks. Do not drive or operate machinery when under the influence of this product. KEEP THIS PRODUCT AWAY FROM CHILDREN."

### **C. Diversion Prevention**

A major concern of the medical cannabis community is the diversion of cannabis and cannabis products for nonmedical purposes. The Company has established various practices for preventing diversion across the facility. Preventing diversion will require daily counts and reconciliations pursuant to real-time inventory requirements. Variances in any inventory will be investigated and reported to the Department of Health and Law Enforcement within 24 hours of incident. The reason for losses will be detailed thoroughly pursuant to the company's inventory tracking system. Investigations will employ the use of records, inventory logs and security cameras/logs. Records cataloguing the transfer, acquisition or sale of cannabis between entities will be kept for a total of seven (7) years. To ensure accuracy, a monthly inventory of the cannabis will be performed for comparison to the required real-time inventory and, when substantial inventory is acquired, an annual comprehensive inventory will be completed and inventory repeated regularly thereafter. All inventories must minimally include date, summary of inventory findings, the names, signatures and titles of individual responsible for the inventory.

Storage will be conducted in a manner that prevents diversion of cannabis during the process of cultivation, preparation, transportation or analysis. The Company's storage of cannabis policies and procedures are compliant with all applicable rules and regulations set forth by the Department of Health. Employees will not be allowed to bring bags, backpacks or purses inside the work areas. Instead, employees will be issued clear cases for them to put their personal belongings into and for them to store inside of their lockers. Clear cases will allow personnel within the security department to inspect what the employee is bringing to work, such as knives, guns and unauthorized items. Equally important, clear cases will allow security department personnel to inspect what the employee is taking away from the facility and prevent theft/diversion by employees of cannabis and other company property. All employees will be required to wear company-issued uniforms without pockets. Uniforms create a professional environment. The absence of pockets prevents employee theft/diversion of cannabis, money and other company property.

#### **IV. QUALITY CONTROL PROCEDURES**

One of the most important aspects of the medical cannabis industry is ensuring the safety of patients and consumers by regulating product at the highest standards. The Company has crafted an enhanced product safety plan that meets and exceeds the consumer safety requirements in MCRSA to assure that consumer safety will never be an issue.

##### **A. Cannabis Testing**

The Company has established protocol for testing all cannabis and cannabis products. Testing ensures that all cannabis grown at the cultivation facility and all cannabis products processed at the manufacturing facility are safe and appropriately potent. The cannabis testing protocol established by the company complies with all state and local laws. Lab testing will be conducted for each lot of cannabis and cannabis products. Testing will be done by an independent, City approved, third party lab. This lab will provide: cannabinoid potency profiling, pesticide residue analysis, plant growth regulator screening, microbial contamination assays and heavy metal concentrations. Testing is pursuant with guidelines set forth by state and local laws. State independent laboratories must be licensed by the federal Drug Enforcement Administration (DEA) and approved for the analysis of medical cannabis by the City. Every lot will be lab tested and sample size will be representative of the batch size. All cannabis distributed for lab testing will be packaged in accordance with all laws. The facility will keep and maintain records documenting submission to the approved laboratories as well as the results from the testing for a period of seven (7) years. For purposes of testing cannabis and cannabis infused products, the Company will contract with multiple reputable independent laboratories that are accredited to International Organization for Standardization (ISO) 17025 by a third party accrediting body (e.g., A2LA or ACLASS) or certified, registered or accredited by an organization approved by the City.

- i. We will arrange for the independent laboratory to test cannabis and cannabis infused products for the cannabinoid profile (including THC, CBD and CBN) in accordance with the frequency required by the City.
- ii. The Company will arrange for the independent laboratory to test cannabis and cannabis infused products for contaminants as specified by the City, including but not limited to, mold, mildew, heavy metals, plant-growth regulators and the presence of non-organic pesticides in accordance with the frequency required by the City.
- iii. We will place test results and the date of testing on the label of the product.
- iv. We will maintain the results of all testing for a period of two (2) years.
- v. We shall implement further testing if required by the City.

Batches will be tested based on their specific concentration of Tetrahydrocannabinol (THC) and total Cannabidiol (CBD) and shall have a consistent cannabinoid profile. Testing must include information regarding the following cannabinoids: 1. Tetrahydrocannabinol (THC) 2. Tetrahydrocannabinol acid (THCA) 3. Tetrahydrocannabivarin (THCV) 4. Cannabidiol (CBD) 5. Cannabinadiolic acid (CBDA) 6. Cannabidivarin (CBDV) 7. Cannabinol (CBN) 8. Cannabigerol (CBG) 9. Cannbichromene (CBC) 10. Any other cannabinoid component at >0.1%

Any final medical cannabis product shall not contain less than ninety-five percent (95%) or more than one hundred-five percent (105%) of the concentration of total THC or CBD indicated on the label for this brand. During the period the samples are being tested, the facility will properly store the packaged raw cannabis until testing results have been provided. The product will be stored in a restricted access, secure room with video surveillance. This area is segregated from any other product storage areas to minimize cross contamination. The locked, secured room also has full climate control that maintains a cool temperature (68-70) and low relative humidity. These proper storage environments ensure product storage doesn't lead to product contamination, loss or diversion. Other than the samples provided to the testing facility, under no circumstances will any other samples or product be sold from batches with pending test results. Once the testing is complete, the testing facility will compliantly destroy the sample or any other samples provided that were not used for testing.

Testing for contaminants in the final medical cannabis product shall include, but shall not be limited to the following analyses: 1. E. Coli 2. Klebsiella 3. Pseudomonas (for products to be vaporized) 4. Salmonella 5. Streptococcus 6. Bile tolerant gram negative bacteria 7. Aspergillus 8. Mucor species 9. Penicillium species 10. Thermophilic Actinomycetes species 11. Aflatoxin 12. Ochratoxin 13. Antimony 14. Arsenic 15. Cadmium 16. Chromium 17. Copper 18. Lead 19. Nickel 20. Zinc 21. Mercury 22. Any pesticide/herbicide/fungicide used during production of the medical marihuana product 23. Any growth regulator used during production of the medical cannabis product 24. Any other analyte as required by the commissioner If the sample provided fails the testing requirements, the entire batch must be destroyed.

## **B. Recall Policy**

To prepare for the rare event of a product recall, the Company has established a recall policy that follows the Department of Public Health's food recall standard operating procedures. To reduce recalls, the Company will not distribute any cannabis or cannabis infused product until laboratory test results for each batch are received and the results are considered acceptable. The primary goal of a recall is to protect public health by removing products from commerce that have been determined to be unsafe. A recall plan can aid in the execution of a recall by apportioning duties, centralizing current contact information and providing prewritten templates for communications. Key individuals that will be participating in a company recall should review the recall plan and be familiar with the execution of the plan.

The Company will make every effort to release only product that meet quality standards. However, if it is determined that products have been released that potentially do not meet the highest safety standards, we will work with regulators to assist with the decision and

management of a potential recall, focusing immediately on customer safety as well as working to mitigate future risk. In the event of a recall, we will assist with dissemination of all of the communications and record keeping to ensure patient safety and minimize product loss, oversee product recall, implement notice requirements and retrieve recall data and reports from inventory, systems and vendors.

### **C. Notification of Affected Parties**

Notifications during a recall must be done in a timely manner. Patients should be notified at the earliest opportunity after the decision has been made to conduct a recall, always within 24 hours. Patients should be notified by the most effective method available. The notice of recall must include all relevant recall information. The Company will attempt to confirm receipt of the notice of recall from all consumers. A record of all communications should be maintained.

#### **i. Removal of Affected Product**

The procedure for product removal can be divided into three components including: removal, control and disposition of affected product.

Removal: All reasonable efforts must be made to remove affected products from commerce. Products in commerce should be detained, segregated and handled in a manner determined by the recalling firm. Products that are still in the Company's control (e.g. inventory located onsite, in transit, in off-site storage and in offsite distribution) should be detained and segregated. All quantities and identification codes shall be documented to assist in the reconciliation of product amounts.

Control of Recalled Product: When the Company chooses to retain a recalled product, control must be regained to prevent reentry of the product into commerce. All affected product returned will be clearly marked, not for sale or distribution, and stored in an area that is separated from any other food products. All quantities and identification codes shall be documented to assist in the reconciliation of product amounts.

Product Disposition: The final disposition of the recovered product must be determined. Options include redirection (products may be redirected for uses other than human consumption), destruction (products determined to be unsafe for human consumption may be destroyed or denatured, and disposed by appropriate means) and recondition (products may be reworked to remove the safety risk. For example, would be relabeling a product to declare an allergen originally omitted from the label). All quantities, identification codes and disposition shall be documented. In most cases, the company will dispose of the product through destruction.

## **V. SAFETY PROCEDURES**

### **A. Contract with Front Sight Security**

The Company has entered into a contract with Front Sight Security, a California state licensed security guard, to provide security services for the dispensary. The security guard shall provide services seven (7) days a week during all operating hours of the dispensary. These services include but are not limited to:

- i. keeping the emergency exits and fire doors closed, secured and always clear;
- ii. verifying that no smoke or fire is coming from any equipment or area of the building;
- iii. maintaining the safety and security of the parking area;
- iv. ensuring that illegal entry into the premises has not occurred or suspicious items have not been left on the site;
- v. recording round completion with times and comments;
- vi. signing the keys and equipment out at the beginning and in at the end of each shift;
- vii. checking IDs;
- viii. enforcing all policies of the business and local and state laws.

### **B. Additional Safety Measures**

In addition to contracting with Front Sight Security, the Company will take the additional security measures. The Company will have 24/7 camera monitoring, along with a high-end alarm system that will include motion, entry, temperature sensors. The reception area will have a security screen for the receptionist to have full visibility of the parking lot, lobby and shop area. The manager's office will also live streaming of the premises. Patients will enter the lobby and provide a form of California ID and their medical cannabis recommendation or state-issued ID card at the bulletproof receptionist window. After getting checked-in, patients will be buzzed into the security chamber. At this point the patient will be in the product showcase room. All medical cannabis will be behind glass cases and counters, which will only be accessible by the budtenders.

All product and safes will be secured in the storage area. The storage area itself will be reinforced with steel, plywood and drywall, and security doors. The product storage areas will be temperature controlled for product. All money and excess product will be kept in a safe that will be securely bolted to the ground.

The exterior will be well-lit with high output LED flood lights with dusk and dawn sensors. All of the exterior will be under recorded surveillance. The hours of operation will be well lit and displayed in a visible area. All access points will have a camera facing towards traffic. Exterior will have strategically placed cameras and warning signs, throughout the perimeter to deter any kind of loitering. We may install a speaker for security to interact with intruders or loiters.



Other additional security measures the Company shall include, but is not limited to, the following:

- i. secure product room with coded key entry and industrial grade multi lock deadbolts;
- ii. lock all secured areas equipped with keypad entry;
- iii. equip front desk window and reception area with bulletproof glass;
- iv. install a double-door chamber with magnetic and buzzer locks for entry into the product room;
- v. affix security cameras inside and around the premises with continuous, twenty-four (24) hour video surveillance;
- vi. position all video surveillance cameras to capture all areas of the premises outside of the building, entryways and exits of the building, and the product room and the storage rooms;
- vii. install alarm monitoring;
- viii. require that there will be no cash exchange between budtenders and patients;
- ix. require all cash will go to a secure window;
- x. ensure that all new patients will show their doctors medical recommendation or state medical cannabis ID card along with a valid California ID and have each new patient be recorded into the dispensary records.

## **VI. ADDITIONAL OPERATING STANDARDS**

- A.** The Company shall not dispense medical cannabis to an individual qualified patient or primary caregiver more than once a day;
- B.** The Company shall only dispense medical cannabis to an individual qualified patient or primary caregiver who has a valid, verified licensed physician's recommendation, and if appropriate, a valid primary caregiver designation. The Company shall verify that the licensed physician's recommendation is current and valid;
- C.** The Company shall not have on-site physician evaluations;
- D.** The Company shall display the client rules and/or regulations in a conspicuous place that is readily seen by all persons entering the dispensary. The client rules and/or regulations shall include, but are not limited to:
  - i.** Each building entrance to a dispensary shall be clearly and legibly posted with a notice indicating that smoking, ingesting or consuming medical cannabis on the Premises or in the vicinity of the dispensary is prohibited unless specifically authorized within the governing Conditional Use Permit.
  - ii.** The building entrance to a dispensary shall be clearly and legibly posted with a notice indicating that persons under the age of eighteen (18) are precluded from entering the premises.
  - iii.** The hours of operation for an authorized dispensary shall be limited to between 8:00 a.m. to 8:00 p.m. or as specified within the Conditional Use Permit.
  - iv.** The Company shall not permit the use or consumption of medical cannabis on-site unless specifically authorized under the Conditional Use Permit.
  - v.** The Company shall not permit the on-site display of unprocessed cannabis plants or representations of cannabis plants in any areas visible to the public;
  - vi.** All signage for the dispensary shall require a sign permit from the City prior to installation. Signage shall not include any terminology (including slang) or symbols for cannabis.
  - vii.** The Company shall only permit the distribution of medical cannabis plant material and medical cannabis manufactured products from licensed sources as allowed by the approved Conditional Use Permit. Such distribution shall be limited to qualified patients or primary caregiver;
- E.** The Company shall maintain on the premises an on-site training curriculum capable of meeting employee, agents and volunteer training needs. The minimum training curriculum shall include professional conduct, ethics, and state and federal laws regarding patient confidentiality; specific procedural instructions for responding to an emergency, including robbery or violent incident.
- F.** The Company shall maintain all necessary permits, and pay all appropriate taxes. The Company shall also provide invoices to cultivators and manufacturers to ensure tax liability responsibility;
- G.** The Company shall implement procedures as outlined in this approved Operations Manual;
- H.** The Company shall submit an "Annual Performance Review Report" for review and approval by the Development Services Director. The "Annual Performance Review

Report" is intended to identify effectiveness of the approved Conditional Use Permit, Operations Manual, and Conditions of Approval, as well as any proposed modification to procedures as deemed necessary. The Development Services Director may review and approve amendments to the approved "Operations Manual"; and the frequency of the "Annual Performance Review Report." medical cannabis cultivation and dispensing monitoring review fees pursuant to the current Master Fee Schedule shall accompany the "Annual Performance Review Report" for costs associated with the review and approval of the report.

- I.** The Company shall maintain 24-hour recorded video surveillance of the premises. Recordings shall be retained for 30-days for inspection by City staff. City staff must provide valid cause for viewing video surveillance. City staff must ensure that patient privacy is safeguarded. Video surveillance will not be shared with law enforcement except when formally requested as part of a law enforcement investigation directly involving the dispensary.
- J.** Sales of alcoholic beverages are prohibited.
- K.** Sales of tobacco and tobacco products are prohibited.
- L.** Sales of drug paraphernalia are prohibited.
- M.** The location of the dispensary shall include the installation of a centrally monitored alarm system
- N.** Lighting shall be installed to adequately light the exterior and interior of the dispensary premises while in conformance with 17.24.080£.2.

**ATTACHMENT A**  
**CALIFORNIA MEDICAL MARIJUANA COLLECTIVE**  
**Member Cultivation & Transportation Agreement**

**I. Preamble & Definitions**

**1.1 Parties to the Agreement and Effective Date**

This Agreement is made between \_\_\_\_\_ (hereinafter "Collective") and \_\_\_\_\_ (hereinafter "Member") both of which are sometimes referred to collectively herein as the "Parties." This Agreement is effective as of \_\_\_\_\_

**1.2 The Collective**

The Collective is organized under California Law for the purpose for helping to ensure that seriously ill Californians, as defined in Proposition 215, codified as California Health and Safety Code Section 11362.5(b)(1)(A), and by Senate Bill 420 codified as California Health and Safety Code 11362.7(h) have the ability to access and obtain marijuana for medical purposes where said use is deemed appropriate and recommended by a licensed physician in conformance with said laws.

The Collective consists of members who are "qualified patients" and "primary caregivers" entitled to possess and cultivate medical marijuana under the laws of the State of California, including in particular California Health and Safety Code Section 11362.765, 11362.77 and 11362.775.

**1.3 The Member**

The Member is in good standing of the collective and executed a membership agreement with the Collective dated \_\_\_\_\_. The Member is a qualified patient under California Health and Safety Code Sections 11362.5 and 11362.7(f), has been diagnosed with a serious illness for which cannabis provides relief and has received a recommendation from a licensed California physician to use medical cannabis and, as such, is legally able to use, possess and cultivate cannabis for medical purposes pursuant to California law.

The Member is a skilled and experienced farmer, cultivator and grower of botanical anodynes, with particular emphasis on medical grade cannabis. The Member and Collective recognize that not all members of the Collective have the skills, time, physical capability, land, space, facility, desire or other requirements necessary to cultivate medical marijuana for their own personal needs such that it is necessary for the members of the Collective, in accordance with California Health and Safety Code 11362.775 to "associate within the State of California in order collectively or cooperatively to cultivate marijuana for medical purposes."

## 1.4 Purpose of Agreement

It is the purpose of the Parties to this Agreement to collaboratively, cooperatively and collectively associate for the purposes of creating a closed circuit for the cultivation, transportation, distribution and access of cannabis for medical purposes on behalf of the Collective and its members, in accordance with California Health and Safety Code § 11362.775 and as such their respective and collective conduct should not be subject to state criminal sanctions under Section 11357, 11358, 11359, 11360, 11366, 11366.5, or 11570 of the California Health and Safety Code.

## 1.5 Definitions

- (a) **Qualified Patient** is defined as an individual residing in California who has received a recommendation for the use of medical cannabis from a physician in good standing in the practice of medicine. The recommendation must be based on a finding that the person's health would benefit from the use of cannabis in the treatment any illness for which cannabis provides relief, under California Health and Safety Code § 11362.5.
- (b) **Primary Care Provider** is defined as a care provider designated by a medical cannabis patient who consistently assumes responsibility for the housing, health, or safety of that person, pursuant to California Health and Safety Code 11362.5. In *People v. Mentch* (2008), the California Supreme Court determined that the care given must be independent of any assistance in taking medical cannabis, and that the care must occur at or before the time the caregiver assumes responsibility for assisting with medical marijuana.
- (c) **Cannabis** is defined as the dried mature processed flowers of a female cannabis plant or the plant conversion, in accordance with California Health and Safety Code 11362.77.
- (d) **Identification card** is defined as a document issued by the California Department of Health Services that identifies persons authorized to engage in medical use of marijuana and their primary caregiver, if any, pursuant to California Health and Safety Code §11362.7. This card is not mandatory but voluntary.
- (e) **Physician's Recommendation** is defined as a written or verbal recommendation under California law indicating that marijuana would be a beneficial treatment for a serious medical condition pursuant to California Health and Safety Code §11362.5(d).
- (f) **Collective** is not defined under California law but in Random House Unabridged Dictionary, 2006, the definition is "a business, farm, etc., jointly owned and operated by the members of a group." California Health and Safety Code § 11362.775 states that qualified patients may associate within the State of California in order collectively or cooperatively to cultivate marijuana for medical purposes.
- (g) **Member** is defined as a qualified patient or primary care provider, who has been accepted as a constituent of the Collective pursuant to a valid membership agreement.
- (h) **Exhibit A** refers to the authorized Member's Collective Membership Application, a sample of which is attached hereto and incorporated by reference herein to this Agreement.

(i) **Exhibit B** refers to the Collective's membership base information, which is attached hereto and incorporated by reference herein to this Agreement.

## **II. Authorization to Cultivate & Transport**

### **2.1 Authorization**

Pursuant to California Proposition 215, Senate Bill 420, California Health and Safety Code §11362.5 and § 11362.775, and the guidelines set forth by the Attorney General of the State of California, this Agreement, and in compliance therewith, Member is hereby authorized to cultivate and transport medical cannabis on behalf of this Collective and its members. In *People v. Colvin* (2012), the Appellate Court of the Second Appellate District determined that section 11362.775 applies to transportation of marijuana, that collectives and cooperatives may cultivate and transport marijuana in aggregate amounts tied to its membership numbers, and that member growers/cultivators can grow on or off site as long as the marijuana is distributed to the cooperative/collective members.

### **2.2 Quantity**

(a) **Individual Quantity.** Each qualified patient and primary care provider in this Collective, as previously defined in section 1.3(f) and hereinafter referred to throughout as "Member" may use an amount of medical cannabis reasonably necessary for their (or their charge's) personal medical needs. **Members are not subject to specific limits for their use of medical cannabis.** In *People v. Kelly* (2010), the California Supreme Court invalidated prosecution (of members) under California Health and Safety Code § 11362.77 to the extent that it impermissibly amends these rights by adding specific cannabis quantity limitations.

(b) **Collective Quantity.** When cultivating or transporting medical cannabis for a collective, an authorized collective member may provide a quantity of cannabis equal to a **reasonable aggregate amount tied to its membership numbers**, in accordance with the Attorney General Guidelines. Pursuant to this Agreement, Member is legally authorized to cultivate and transport the aggregate amount reasonably necessary to provide for this Collective's members. Collective has verified its patient members have current recommendations from physicians, and that the Collective's members are current California residents.

(c) **Documentation.** This Agreement, in conjunction with the attachments **Exhibits A and B**, shall be made readily available for review by state enforcement officials when transporting or cultivating cannabis on behalf of the Collective. Due to the strict privacy requirements as set out by the Health Insurance Portability and Accountability Act Privacy Rule (hereinafter "HIPAA"), however, patient records and recommendations will remain with the collective.

*i. HIPAA protects individuals' medical records and other individually identifiable health information, created, or received by or on behalf of covered entities, which include health care plans, clearinghouses, physicians, and business associates of these covered entities (hereinafter collectively referred to as "CEs"). HIPAA protects individuals' health information by regulating the circumstances under which CEs may use or disclose*

*patient information, and by requiring CE's to have safeguards in place to ensure they protect the privacy of patient health information.*

### **2.3 Exemption from Criminal Sanctions and Arrest**

(a) **Collective Exemptions.** In accordance with California Health and Safety Code § 11362.775, qualified patients and primary caregivers who associate within the State of California to cultivate and transport cannabis as a collective for medical purposes shall not be subject to criminal sanctions for any of the following:

- i. **Possession or Sale** of medical cannabis under California Health and Safety Code § 11357 & § 11359.
- ii. **Cultivation** of medical cannabis under California Health and Safety Code § 11358.
- iii. **Transportation and Distribution** of medical cannabis under California Health and Safety Code § 11360.
- iv. **Maintaining a Facility for Storage, Manufacture, Distribution, or Sale** of medical cannabis under California Health and Safety Code § 11366, § 11366.5, and actions for nuisance for this use under § 11570.

(b) **Identification Card.** In accordance with California Health and Safety Code § 11362.71 (e), an officer **may not arrest** a Member in possession of a valid identification card for possession, transportation, delivery, or cultivation of reasonable quantities of medical cannabis as enumerated above, unless they have reasonable cause to believe the card has been falsified. See also *People v. Kelly*.

(c) **Without Identification Card.** If an individual does not have an identification card, the Attorney General Guidelines indicate that the officers should review any written documentation to determine the validity of the medical use claim under the totality of the circumstances. If the officer reasonably believes that the cannabis is for medical use, the individual should be released and the cannabis should not be seized. **Please be advised, potential monetary damages may be awarded to Collective and Member (including attorneys' fees) if enforcement officers unlawfully seize or destroy medical cannabis.** See *County of Butte v. Superior Court* (2009).

(e) **Civil liability for violation of exemptions.** A California Appellate Court recently forced the County of Butte to pay a Member's attorney's fees, which equated to more than \$100,000.00. In *County of Butte v. Superior Court* (2009), the Third District Appellate Court found the sheriff's office liable for ordering the destruction of cannabis plants used for medical purposes that were lawfully grown for a Collective's Members. If a Member can show they had a legal right to possess, sell, grow, transport, or manufacture cannabis for medical purposes, using the reasonable aggregate amount of the medical cannabis tied to the Collective's membership numbers as set out in *People v. Kelly*, and a state enforcement official violates these rights, the Member has a right to bring (and will bring) an action for monetary damages against each individual law enforcement officer, as well as the enforcement branch involved in such unlawful conduct.

### III. Member Responsibilities

#### 3.1 Member Agreement

(a) **Membership Agreement.** Notwithstanding the following requirements and responsibilities, Member hereby agrees to strict compliance with all of the terms and conditions in Collective's Membership Application and agrees that the terms of such documents are incorporated by reference, except to the extent amended, superseded or contradicted by an express provision contained in this Agreement.

(b) **Legal Requirements.** Abide by all requirements and restrictions regarding medical cannabis as set forth in Proposition 215, SB420, California Health & Safety Code § 11362.5 (Compassionate Use Act) and § 11362.7, et seq (Medical Marijuana Program Act) in addition to all local regulations.

(c) **Contribution.** Possess the expertise, skill, know-how, ability, or financial resources to allow the Collective to grow safe, high-quality medical cannabis in accordance with the applicable laws of the State of California. The cultivation of medical cannabis does not require physical participation in the gardening process by all members of the Collective. Rather, some Members may "contribute financially, while others perform the labor and contribute through skill and know-how." See *County of Butte v. Superior Court*.

(d) **Acquisition, Transportation and Distribution.** Acquire cannabis for medical purposes (only) from other Collective members, and implement policies, procedures and protocols to ensure the medical cannabis is transported and **distributed only to other members of the Collective.** Pursuant to *People v. Mentch*, *People v. Colvin*, and the **Attorney General Guidelines**, the cycle should be a closed-circuit of medical cannabis cultivation, transportation, distribution and consumption with no purchases or sales to or from non-members.

(e) **Medical Use Only.** Prevent diversion of medical cannabis for any non-medical purposes at all costs. All Collective members, including those cultivating, transporting, distributing and warehousing medical cannabis for the Collective, must actively qualify as a qualified patient or primary care provider to participate in the Collective and to receive medical cannabis. **Non-member use or distribution is strictly prohibited.**

(f) **Expenses and Costs.** Members may be required to contribute funds or labor or share in the overall expenses and costs of the production and distribution of medical cannabis in order to participate in the Collective. All funds accrued by the Collective related to the production and distribution of medical cannabis will be reasonably redistributed back to the producing members after taking in consideration all costs and expenses of the Collective, including without limitation the operating costs, transportation costs, risk of loss, insurance, and other intangible costs of doing business of the Collective.

(g) **Services of Member.** The Collective hereby engages Contractor to (1) make available to Collective land and/or premises to which Contractor has a lawful right of possession upon which Collective can cultivate medical grade cannabis for the benefit of and distribution to Collective's members, using plants owned by and allocated to the collective by Collective's members



pursuant to the rights granted to the members pursuant to California law, and (2) coordinate with the Collective for the transportation of the medical grade cannabis to the Collective. Member retains the right to control the manner in which the services described herein are to be performed, when to do the work, what tools or equipment to use, where to purchase supplies and services, and all other details of the grow, provided however, that:

- i. All services to be performed by Member for the Collective must meet the Collective's specifications relating to the particular strain needs and preferences of its members or, if no specifications are given, must be performed in accordance with the custom of the trade providing such services.
- ii. Member has complete discretion and control regarding what persons (if any) to hire or assist with the services to be provided the Collective hereunder, except that any such workers providing assistance must be members of the Collective and have executed Membership Agreements.
- iii. Member agrees not to use any non-organic pesticides or toxic substances in the cultivation process.
- iv. The services provided hereunder related to Cultivation do not preclude Member from providing services to the Collective separate and apart from and unrelated to Cultivation services, in exchange for additional reimbursement pursuant to a separate agreement.

**(h) Reimbursement for Cultivation Services** In consideration of Member's service to the Collective during the time period in which this Agreement is in effect, including the devotion of his land and/or premises to the grow, the Collective will pay to Member a reimbursement fee, payable upon delivery, that takes into account the reasonable expenses to be incurred by Member, the value of the Member's premises, the value of the Member's time, the risk of Federal law enforcement prosecution, the Member's security, risk of loss including crop loss, insurance and the transportation of the medicine to the Collective and other costs and potential risks associated with the services to be provided by the Member.

**(i) No Employment Relationship.** It is the intent of the Parties that neither this Agreement nor any operation hereunder, shall be deemed to create a partnership, joint venture, employer-employee relationship or agency relationship between the Parties, nor shall either of the Parties have any authority to bind the other in any respect, it being intended that Member shall remain an independent contractor responsible for his own actions. Member is in no way restrained by this Agreement from providing similar service to other collectives in which he is a member of, except to the extent it compromises the quality of the services the Member agrees hereunder to provide to the Collective or jeopardizes the Collective's compliance with the protection under the California State laws applicable to medical marijuana.

**(j) Taxes.** Member shall pay their own individual California State and Federal taxes for any reimbursements received from Collective related to the Collective's production and distribution of medical cannabis amongst its members. Collective shall have no obligation to and will not

withhold any taxes on the reimbursement paid to Member hereunder, or to report any income or monies paid to Member pursuant to this Agreement to the IRS or the California Employment Development Department ("EDD"). Collective is not required to issue an IRS Form-1099 MISC to the Member but shall keep a record of all reimbursement to Member for State and Federal Tax reporting requirements.

(k) **Insurance.** The Parties agree that to the extent that insurance is available or desirable for the activities contemplated in this Agreement, that the Member shall have sole responsibility for obtaining insurance for the land or premises upon which the cultivation takes place, including insurance covering any loss with respect to the Member's equipment devoted to the cultivation.

(l) **Prohibited Conduct.** Member shall avoid possessing weapons at all times; and avoid scales and small bags for individualized packaging while transporting Collective's medical cannabis.

(m) **Cultivation.**

- i. Cultivate medical cannabis in an amount reasonably necessary for Members, using a reasonable aggregate amount of medical cannabis directly tied to the Collective's membership numbers as set out in *People v. Kelly*. See **Exhibit "B"**.
- ii. Secure the cannabis plants with sturdy lockable gates or doors to protect from burglary and theft. For indoor cultivation, the structure should be fully secured including windows, doors, roof latches, skylights and any other access points to the cultivation area.
- iii. Avoid nuisance complaints by blocking visibility of plants to the public and reducing aroma.
- iv. If required, submit to annual application submission, on-site inspections and compliance reviews.
- v. Destroy any waste product (i.e., portions of the plant not used for medicinal purposes) through composting, incineration or other method approved by the planning director in accordance with the California and local County Health and Safety Code(s).
- vi. Comply with the zoning regulations of the jurisdiction in which the cultivation is located.

(n) **When Member is Responsible for Transportation (initial \_\_\_\_\_ only if Member is providing transportation of medical cannabis to Collective)** *this does not apply if Member is not responsible for transportation.*

- i. Refrain from operating a motor vehicle for the transportation of the Collective's medical cannabis in a way that violates the California Vehicle Code, California Health & Safety Code, or California Penal Code.
- ii. Limit transportation of medical cannabis to an amount reasonably necessary for the Collective's Members, using a reasonable aggregate amount of medical cannabis directly tied to the Collective's membership numbers as set out in *People v. Kelly*. See **Exhibit "B"**.

iii. It is a violation of State and Federal law to transport medical cannabis across state lines at any time. Limit transportation of Collective medical cannabis to the State of California.

(o) **Additions.** Implement any additional protocols that the Collective may require, and abide by such additional protocols as amended, modified, or expanded from time to time.

### **3.2 Term**

**This Agreement shall automatically terminate upon the expiration of the Member's Physician's recommendation, unless a new recommendation is presented to the Collective.**

### **3.3 Termination**

This Agreement may be terminated by either Member or the Collective at any time and for any reason upon 30 days' written notice to the other party. Once this Agreement is terminated, Member's right to cultivate plants for the collective's member is extinguished, except to the extent that the Agreement is terminated in the middle of a cultivation or harvest cycle in which case Member shall be permitted to finish such cultivation or harvest cycle and any medicine derived from it is the property of the Collective and Member shall be enjoined from utilizing or disposing of it except to the Collective pursuant to this Agreement.

Failure to fulfill these enumerated requirements, or the terms and conditions of Collective's Membership Application, or to maintain lawful and active Collective membership status, shall result in the **immediate termination of this Agreement** and Member's membership interest in Collective. In the event of such termination, the terminated member shall no longer be authorized by Collective to cultivate or transport any medical cannabis on behalf of the Collective's membership. Continuing to cultivate and/or transport cannabis under such circumstances may subject the terminated member to arrest and/or incarceration by enforcement officers.

## **IV. Warranty and Acknowledgements**

### **4.1 Parties Joint Warranty**

The Parties warrant that they have abided by all applicable state and local laws and statutes, including but not limited to any and all statute and case law identified in this Agreement. The Parties further warrant that they are not currently in violation of any applicable state or local laws or statutes, and to their knowledge are not currently being investigated for or involved in any litigation concerning cannabis possession, cultivation, transportation or distribution.

### **4.2 Member Warranty**

Member warrants that they are a current Member of this Collective in good standing. Should Member discontinue membership in the Collective, or become ineligible to be in good standing with the Collective, then Member shall immediately stop possessing, cultivating, transporting, or distributing medical cannabis on behalf of Collective and its members, and this agreement shall

immediately become suspended until Member has returned to full membership status in good standing with Collective.

#### **4.3 Parties Acknowledgements**

Both Member and Collective acknowledge that the cultivation of any amount of marijuana is illegal under Federal Law. In the event either party becomes the subject of Federal law enforcement, raid or arrest, the other party shall have the right but not the obligation to terminate this Agreement immediately without notice as otherwise provided in this Agreement.

### **V. Confidential Information**

#### **5.1 Confidentiality**

Member acknowledges that Member may have access to certain confidential information concerning the Collective and its members, including but not limited to medical records, and members' personal or private information. Member expressly agrees that Member shall not communicate, disclose or make available any part of this information to any third party, except as legally required, to avoid arrest or prosecution, or to further the express interests of the Collective.

Member agrees that Member shall exhaust all best efforts to prevent inadvertent disclosure of this information at any time. Member further agrees that Member shall not copy or use, nor permit others to copy or use, directly or indirectly, any other member's information other than for the purpose of the actions as contemplated by this Agreement. Member shall take special care to prevent the inadvertent disclosure of this information.

Member acknowledges and agrees that all Collective property, including books, manuals, records, notes, contracts, member lists, member records, and account information, copies of any of the foregoing, and any equipment furnished to Member by the Collective, belong to the Collective and shall promptly be returned to the Collective upon termination of this Agreement.

While this Agreement remains in effect and after termination of this Agreement, the Collective shall not, without prior written authorization and consent of the Member, or as may otherwise be required by law or legal process, use or communicate or disclose any information regarding the location or identity of Member to any third party other than to officers and directors and legal counsel for the Collective.

#### **5.2 Non-Disclosure**

The Parties hereto understand and agree that the terms and conditions of this Agreement are proprietary and confidential. Neither party to this Agreement shall, either directly or indirectly, disclose or in any other way communicate to any person, company, or other entity, or use for his or her own benefit or the benefit of any other, any information contained in this Agreement. Any unlawful use or dissemination of this Agreement, including all intellectual property rights contained herein, may result in legal action, including, but not limited to, injunctive relief.

### **VI. Release and Limitation on Liability, Indemnification and Cooperation**

## **6.1 Release of Liability**

Each Party to this Agreement, and their respective subsidiaries, affiliates, and the officers, directors, employees, agents, assigns and each of them, hereby releases the other and each of them, jointly and severally, from any and all claims, losses, liabilities, damages, costs, suits or judgments, arising from an act and/or omission to act, whether negligent and/or intentional, related to the collective or cooperative cultivation, transportation, possession or distribution of medical cannabis.

## **6.2 Limitation on Liability**

In the event of termination by either of the Parties in accordance with any of the provisions of this Agreement, neither of the Parties shall be liable to the other because of the termination for compensation, reimbursement or damages on account of the loss of expenditures, investments, leases or commitments in connection with the business or goodwill of the Collective or Member. The Parties' sole liability under the terms of this Agreement shall be for any unpaid reimbursements as provided in this Agreement.

## **6.3 Indemnification**

Member agrees to indemnify the Collective and hold Collective harmless from and against all claims, liability, loss, damage and expense (including but not limited to legal fees) arising from or due to any claim alleging (i) the use of an pesticides or toxic substances in the cultivation process, (ii) conduct on the part of the Member in violation of any laws relating to possession, cultivation, possession for sale, transportation and/or sale of marijuana, in violation of California Health & Safety Code Sections 11357, 11358, 11359 and 11360 except to the extent such conduct is authorized by the terms of this Agreement, or (iii) any conduct in contravention of the Compassionate Use Act or Medical Marijuana Program Act (California Health & Safety Code Section 11362.5 et seq. ), and in particular California Health & Safety Code Section 11362.775 except to the extent such conduct is authorized by the terms of this Agreement.

## **6.4 Cooperation in Providing Defense**

Member and Collective each agree that, in the event one or the other party is subject to a State or local law enforcement investigation relating to the services provided in this Agreement, that the other party will voluntarily provide documentation and cooperation requested by the party being investigated and prosecuted for purposes of assisting that party in furnishing a legal defense to any charges related to this Agreement pursuant to the Compassionate Use Act or Medical Marijuana Program Act (California Health & Safety Code Section 11362.5 et seq. ), and in particular California Health & Safety Code Section 11362.775. Notwithstanding the foregoing, nothing in this Agreement shall obligate either party to provide testimony or waive rights to which that party may be entitled to, including the right against self-incrimination, except as required by law.

## **VII. Miscellaneous Terms and Conditions**

### **7.1 Entire Agreement**

This Agreement contains the entire agreement between Company and Member concerning the engagement of Member by Company and constitutes the complete and integrated contract expressing the entire agreement of Company and Member relative to the subject matter hereof and thereof. This Agreement supersedes all prior agreements, understandings, and communications between Member and the Collective, whether written or oral, express or implied, relating to the subject matter of this Agreement, and is intended as a complete and final expression of the terms of the agreement between Member and the Collective and shall not be changed or subject to change orally. The Parties further agree and acknowledge that neither they nor anyone on their behalf made any inducements, agreements, promises, or representations other than those set forth in this Agreement.

## **7.2 Modification**

No modification of or amendment to this Agreement, nor any waiver of any rights under this Agreement, shall be effective unless in writing signed by both parties.

## **7.3 Counterparts**

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument. The execution of this Agreement may be by actual or facsimile signature.

## **7.4 Non-Assignable**

Member agrees that their rights and obligations under this Agreement may not be transferred, delegated or assigned directly or indirectly, without prior written consent of the Collective. Any assignment made without the prior written consent of the Collective shall be null and void.

## **7.5 Severability**

The provisions of this Agreement are divisible. If any such provision of this Agreement is determined to be void, voidable, unenforceable, or invalid, that provision shall be deemed limited to the extent necessary to render it valid and enforceable and the remaining portions hereof and thereof shall be construed and enforced so as to best effectuate the intention of Parties at the time this Agreement was entered into and shall remain in full force and effect.

## **7.6 Advice of Counsel**

The Parties acknowledge that, in executing this Agreement, such Party has had the opportunity to seek the advice of independent legal counsel and has read and understood all of the terms and provisions of this Agreement. This Agreement shall not be construed against any Party by reason of the drafting or preparation hereof.

## **7.7 Construction and Governing Law**

The headings and/or captions used in connection with this Agreement are for reference purposes only and shall not be construed as part of this Agreement.

This Agreement shall be governed by and construed in accordance with the laws of the State of California, without regard to the principles of the conflicts of laws thereof.

### **7.8 Waiver**

No delay or omission by the Parties in exercising any right under this Agreement shall operate as a waiver of that or any other right. No waiver of any provision of this Agreement, or consent to any departure by the Parties from any provision of this Agreement, or consent to any departure by the Parties from any provision, shall be effective in any event unless it is in writing, designated a waiver, and signed by the party waiving the breach. Such a waiver shall be effective only in the specific instance and for the purpose for which it is given.

### **7.9 Costs and Expenses Acknowledgement**

Each party hereby agrees that all costs and expenses including Attorney's Fees relating to the duties and obligations set forth herein other than reimbursements and amounts payable relating to the cultivation and transportation of medical cannabis, shall be the sole obligation of each individual party to this Agreement.

## **VIII. Disclaimer**

**8.1 Please be advised**, despite California's medical cannabis laws and the terms and conditions of this Agreement, California medical cannabis cultivators, transporters, distributors or possessors may still be subject to arrest by state or federal officers and prosecuted under state or federal law. The Federal Controlled Substance Act (21 U.S.C. § 801) prohibits the manufacture, distribution and possession of cannabis without any exemptions for medical use.

**IN WITNESS WHEREOF**, the parties hereto have each executed this Agreement to be effective as of \_\_\_\_\_

COLLECTIVE: \_\_\_\_\_

Title: MANAGER

Sign: \_\_\_\_\_

Name: \_\_\_\_\_

MEMBER:

Sign: \_\_\_\_\_

Title: CULTIVATOR/MEMBER





EXHIBIT "A"

Collective's Membership Application

EXHIBIT "B"

Collective's Membership Base Information

---

Qualified members

In accordance with

California Health and Safety Code Sections

11362.5 and 11362.7(f)

## ON-SITE EMPLOYEE TRAINING MANUAL

### Essential Job Duties for All Employees:

- Greet and conduct new patient registration and verification with compassion, warmth and gentleness, in accordance with established procedure.
- Maintain patient database files and ensure all documents are current.
- Provide exceptional service to all patients; act as a resource for the Company's policies/procedures and local and state medical cannabis laws, regulations and any updates thereof; ensure all patients understand and follow the Company's policies and procedures.
- Maintains knowledge on the various strains of cannabis offered through the dispensary; Researches new and future strains, to be better familiar with the variety of products that are currently sold or will be sold.
- Possess a general knowledge of the approved qualifying medical conditions in order to have an understanding of the patient's symptoms and treatment objectives.
- Utilizes well-versed knowledge on all cannabinoids and how they affect the body.
- Educate patients on the various medical cannabis products offered to ensure all patients are receiving the correct medication that will best help their illness and/or condition.
- Recommend appropriate cannabis products, medication procedures and proper dosing in accordance with established guidelines to ensure positive patient experience.
- Creates and verifies patient order invoices with patient before preparation to ensure accuracy.
- Conduct patient follow-ups in accordance with established procedures to ensure patient experience with cannabis products and services meets and/or exceeds patient expectations; Document patient feedback using POS software immediately following conversation; Report any adverse/negative feedback to manager.
- Conduct each day's beginning/ending physical inventory of medical cannabis products in a timely and accurate manner, following established procedures; investigate any identified discrepancies and bring to resolution within 48 hours of finding.
- Assist in organizing and maintaining stock room and inventory, and maintains labeling system of each in-stock item, sample items and items to be destroyed.
- Assist in the receiving process of medical cannabis deliveries from licensed Illinois cultivation centers.
- Receive store and inventory supplies; unpack, sort, count and label merchandise, including items requiring special handling; notify management when levels are low.
- Restock and organize POS work station prior to dispensary opening in accordance with established procedure.
- Prepare medicated products and accessories for display and dispensing, assuring highest quality in appearance and presentation.
- Operate the cash register, scan items, bag merchandise and make/provide change for purchases; Maintain proper cash levels in register drawer.
- Balance the cash register and printing an accurate closing report at end of shift.
- Perform general reception duties including, but not limited to, answering and routing phone calls, and relaying messages in a timely manner.
- Assist with all dispensary housekeeping functions (i.e. cleaning, dusting, sweeping, mopping, emptying trash, etc.) to ensure an overall cleanliness of the limited/restricted access areas,

waiting room area, restroom and break room; Work with a variety of cleaning supplies and chemicals.

- Assist patients with special needs.
- Operate with integrity and honesty, adhering to all company policies and procedures as outlined in the Company's Employee Handbook, Operations Manual, Standard Operating Procedures, training materials and other publications.
- Retains thorough and comprehensive knowledge of special sales, discounts, and coupons.
- Report patient issues to manager when appropriate.
- Performs other duties as assigned by the dispensary Manager.

#### **Entering a New Member Patient into the System**

The following steps are to be taken in signing up a new member. Sign-up Paperwork is usually the responsibility of the front desk worker, and is usually completed while the new member is undergoing orientation. Check the physician's recommendation or state medical marijuana id card and government issue photo identification. Have a senior staff double check it if you are unclear about their qualifications. If there is any question about the validity of the recommendation, ask the prospective member if you can call the physician to confirm their recommendation. If the prospective member agrees, call the physician's office and verify that the candidate is indeed a patient there. If the prospective member does not agree, inform them that membership may not be granted. Consult with senior staff.

Request a photocopy of the recommendation or medical marijuana id card and government issue photo identification for our records. It is the individual's right to refuse the photocopying of these documents, though this disqualifies them for membership.

Next, have the member patient fill out and sign the membership contracts. Complete patient entry into database including name, contact information and a scanned copy of the recommendation or id card and photo id.

#### **Safe Handling of Medical Cannabis**

As an employee, it is important that you are aware of your workplace rules and regulations, and before you begin work you should familiarize yourself with your workplace safety protocols and procedures. If you have questions about your safety, or the safety of other employees, ask your employer or manager for additional instruction and training.

Make sure before you start work you are aware of the Company's rules and operating procedures. If you have concerns about whether the Company's rules and operating procedures comply with local and state rules and regulations, bring that to the Company's attention.

Always maintain adequate personal cleanliness, such as washing your hands before starting work and frequently throughout the day, and anytime they are contaminated. Make sure that the restrooms, handwashing stations, and other equipment necessary for the type of work being performed remains clean and sanitized at all times.

If you are sick, have a communicable disease, or have an open wound or sore, do not handle medical cannabis items and let the manager know right away.

Make sure your working area is clean, safe and suitable for the type of work you are expected to perform. If you have concerns about the general sanitation or workplace safety, bring them to the manager's attention.

#### **Money Flow Standard Operating Procedures (SOP)**

The purpose of this SOP is to control the flow of money inside the dispensary and ensure that proper protocols are followed to protect the staff, products and patients. This SOP establishes guidelines for a currency incoming and outgoing from the dispensary and is applicable to all employees performing tasks involving currency in the dispensary.

All currency coming in and out of the dispensary is monitored from the point the dispensary agent receives the currency to the point it is delivered to the dispensary's banking institution.

1. Patient will enter through the Patient door of the dispensary with currency or acceptable form of currency on hand;
2. The currency will travel with the Patient through the waiting area and into the dispensary area;
3. Once in front of a dispensary agent and purchase transaction is complete, patient will hand the dispensary agent currency or acceptable form of payment;
4. Dispensary agent will enter the information to the exact dollar amount into a state-of-the-art seed to sale tracking system. The software will be fully integrated with scales, label and receipt printers and a barcode scanner.
  - a. The software is a secured program that is password protected and also can be set for Biometric Fingerprint scanning to ensure only authorized personnel will be able to access secure documentation within the system. All the information is stored on a local server that is firewall protected from any outside presence.
  - b. The software has a biometric chain of custody module that logs every action in real time and the user who performed that action. It has the ability to integrate with scales to deter employee theft and human error. Every action is time stamped, which can be cross referenced with security cameras. All of these functions prevent diversion, abuse and illegal or unauthorized conduct relating to medical cannabis.
  - c. Within the software, there are numerous donation and inventory reports that can identify the exact time a donation was made, the items dispensed and the employee that made the transaction. Additionally, it requires that each patient be added to the system with all relevant information before a donation can be made. This information includes the quantity that the patient is allowed to purchase. Patient donation amounts can be automatically set within the system to prevent any transaction outside of permitted limits. The time donations occur can be set in the system to prevent donations outside of hours of operation.

- d. Each receipt that the software produces at the conclusion of a donation has a unique barcode that can easily be scanned to view the details of that donation. After a refund, the items are returned to the inventory count. The Company will have the ability to separate inventory in the system in order to quarantine the returned items. The software's reporting abilities allow the Company to track and monitor these actions. It also has the ability to contact patients via email or SMS text message that have purchased a particular product in the past.
- e. The software enables the business to collect, store and retrieve all data and activity. All inventory records, patient records, recall reports, donations/transaction records, product disposal records and all scanned documents can be accessed at any time (real time), either in-system or through the report creation tool. Though system actions can be adjusted or voided, at no time is any data ever fully deleted as the software maintains a log of every action, including adjustments and voids, so that the entire history of the system may be reconstructed. The availability and report ability of the system data enables the said entity to produce any information necessary for the City during an inspection or at the City's request.
- f. The software can adjust inventory and always require a reason for removal when utilizing the inventory adjustment feature. It has an auditing feature that can be used to track loss of product due to diversion or theft. Although the inventory can be adjusted or voided, at no time is any data ever fully deleted. The software maintains a log of every action, including adjustments and voids, so that the entire history of the system may be reconstructed. The availability and report ability of the system data enables the Company to produce any information necessary for the City during an inspection or at the City's request.
- g. The software's complete tracking of inventory items within a facility and the ability to notate the exact location of any individual item will streamline any inspections.
- h. With the software's robust real-time reporting infrastructure, any required records can be retrieved at any time. The system enables the business to collect, store and retrieve all data and activity.
- i. In the event of a recall, the software contains a "Plant/Inventory History Report" that can track everything about the plants and products from the time it was introduced in the facility. Tracking every gram contained in the lot, including but not limited to all purchases containing matter from the plant or product, the contact information for the cultivator and manufacturer, all vendor information and transport logs.
- j. The software can adjust inventory and always requires a reason for removal when utilizing the inventory adjustment feature. Product in need of quarantine can be separated from bulk and placed in the designated area. Inventory destruction can be initiated through the system requiring documentation of destruction purpose and/or approved method as well as the employee performing the action.

- k. Reports are retained beyond the five-year requirement and can be accessed indefinitely. In addition to storing information, the system also has the ability to create custom labels for cultivation, manufacturing and testing results.
- l. The Software enables the business to collect, store and retrieve all data and activity -- with respect to inventory records, inventory-tracking records, supplier records, patient records, client-records, employee records, recall reports, quarantine and waste reporting, donations/transaction records, disposal records and all scanned documents -- at any time (real time), either in-system or through the report creation tool.
- m. Within the software, there are a number of functions designed specifically for use with laboratory testing. The system captures all necessary quality assurance info, approved testing laboratory information and test results. All of this information is easily ported on to the inventory or product label for accuracy.
- n. The software label creation tool enables the Company to create custom container-client labels with any fields necessary to comply with applicable law. All aforementioned required fields can be added as variables. In addition, a user can add custom disclaimers and warnings. The system will automatically print the container-client specific label upon completion of the donation.
- o. The software's label creation tool enables licensed producers to create custom container-client labels with any fields necessary to comply with applicable law. All aforementioned required fields can be added as variables. In addition, a user can add custom disclaimers and warnings.
- p. The system has the ability to separate and quarantine products that do not meet the minimum standards for safety and brand consistency. If a product must be destroyed, the system will document the destruction in accordance with the operating plan.
- q. The system has the ability to implement a "Dispensary Agent on duty" parameter. Specified hours of operation can be put in place to prevent donations from occurring outside of these hours.
- r. Prior to any transaction taking place, a certified patient or designated caregiver must be verified and checked into the system.
- s. The software maintains a patient history log that can be accessed either directly from the patient profile or from the backend reporting.
- t. The software's label creation tool generates transaction specific information including all aforementioned criteria.
- u. Each product created can be assigned to a specific patient within the system. The unique identifier for any given product can be selected upon fulfillment of an order.
- v. The software is prepared for California to adopt the regulations specified in AB 266, AB 243 and SB 643 that require lab testing. Within the software, there are a number

of functions designed specifically for use with laboratory testing. This includes but is not limited to the following:

- i. Laboratory facility detail information options to notate lab credentials
- ii. Log and directly associate lab results with a specific lot or batch of product
- iii. Inventory adjustment logging for testing sample removals
- iv. Ability to separate products pending testing from available inventory
- v. Direct porting of lab results to product labels
- w. Cost of inventory can be entered into the system for specified product. Once donations have commenced, the system will be able to provide profit/loss margins for products donated. These records shall be retained indefinitely.
- x. The software retains all actions performed in the system indefinitely. All records that are captured by the system within a given registered organization are accessible upon request.
- y. Donation ticket reporting would provide this information and can be exported electronically.
- z. In conjunction with all captured patient information, the specified product donation information, as well as all aforementioned static fields, will be captured with each transaction.



## CODE OF BUSINESS CONDUCT AND ETHICS

### Overview

The Company is committed to the highest standards of business conducts and ethics. This code of business conduct and ethics reflects the business practices and principles that support this commitment. All employees are expected to read and understand the code and its application to their work.

Officers, managers and other supervisors are expected to promote a sense of commitment to the spirit and letter of the code. Managers are also expected to ensure that all vendors conform to standards when working for or on behalf of the Company. A manager's ability to promote and develop compliance will be a significant factor in evaluating performance. In addition, employees who make exemplary efforts to implement and uphold the Company legal and ethical standards will be recognized for their effort in their performance reviews. Nothing in the code alters the Company at-will policy.

The code cannot possibly describe every practice or principle related to honest and ethical conduct. The code addresses conduct that is particularly important to proper dealings with the people and entities with whom we interact, including our coworkers, clients, contractors, vendors, investors, the governments that regulate our activities and members of our community, and establishes our commitment to the highest ethical standards. From time to time we may adopt additional policies and procedures with which employees, officers and directors are expected to comply. However, it is the responsibility of each employee to apply common sense, together with his or her own highest personal ethical standards, in making business decisions where there is no stated guideline in the code or in our other policies and procedures. Unyielding personal integrity is the foundation of corporate integrity. The integrity and reputation of the Company depends on the honesty, fairness and integrity of every employee. Conduct by members of your immediate family, significant others or other persons who live in your household may potentially result in ethical issues to the extent that they involve the Company. Consequently, in complying with the code, you need to consider not only your own conduct, but also that of your immediate family members, significant others and other persons who live in your household.

We encourage you to ask questions and voice concerns without fear of any form of retaliation.

Violations of the code will not be tolerated. Any employee who violates the standards in the code may be subject to disciplinary action, up to and including termination of employment and, in appropriate cases, civil legal action or referral for criminal prosecution.

### Respect for Employees of All Backgrounds

As a Company employee, you are critical to our success, and we will treat you with fairness and respect. The Company is an equal opportunity employer. We do not tolerate discrimination against applicants or employees based on race, religion, gender, age, marital status, national origin, sexual orientation, citizenship status, or disability. We prohibit discrimination in decisions concerning recruitment, hiring, compensation, benefits, training, termination, promotions, or any other condition of employment or career development. We are committed to providing a work environment that is free from discrimination or harassment. We will not

tolerate the use of discriminatory slurs, unwelcome unsolicited sexual advances or harassment, or any other remarks, jokes or conduct that creates or fosters an offensive or hostile work environment. Employees at all levels of the organization must act with respect and civility towards clients, coworkers and outside firms. Being treated fairly means that managers will evaluate you according to your merits, not according to arbitrary factors.

#### **Legal Compliance**

Obeying the law, both in letter and in spirit, is the foundation of this code. Our success depends upon every employee operating within legal guidelines and cooperating with local and state authorities. It is therefore essential that you understand the legal and regulatory requirements applicable to your business unit and area of responsibility. While we do not expect you to memorize every detail of the relevant laws, rules, and regulations associated with your employment, we want you to be able to determine when to seek advice from others. If you have a question in the area of legal compliance, it is important that you talk with your manager or a compliance officer.

Disregard of the law will not be tolerated. Violation of local or state laws, rules and regulations may subject an individual, as well as the Company, to civil and/or criminal penalties. Be aware that conduct and records, including emails, are subject to internal and external audits, and to discovery by third parties in the event of a government investigation or civil litigation. It is in everyone's best interest to know and comply with our legal and ethical obligations.

#### **Maintenance of Corporate Books, Records, Documents and Accounts; Financial Integrity**

The integrity of the Company records depends on the validity, accuracy and completeness of the information supporting the entries to our books of account. Therefore, corporate and business records should be completed accurately and honestly. The making of false or misleading entries, whether they relate to financial results or test results, is strictly prohibited. the Company records serve as a basis for managing our business and are important in meeting our obligations to customers, suppliers, creditors, employees and others with whom we do business. Our accounting records are also relied upon to produce reports for our management, stockholders and creditors. As a result, it is important that our books, records and accounts accurately and fairly reflect, in reasonable detail, our assets, liabilities, revenues, costs and expenses, as well as all transactions and changes in assets and liabilities.

We require that: no entry be made in our books and records that intentionally hides or disguises the nature of any transaction or of any of our liabilities, or misclassifies any transactions as to accounts or accounting periods; transactions be supported by appropriate documentation; employees comply with our system of internal controls; and no cash or other assets be maintained for any purpose in any unrecorded or "off-the-books" fund.

In addition: no employee may take or authorize any action that would cause our financial records or financial disclosure to fail to comply with generally accepted accounting principles or other applicable laws, rules and regulations; and all employees must cooperate fully with our accounting and internal auditing departments, as well as our independent public accountants and counsel, respond to their questions with candor and provide them with complete and accurate information to help ensure that our books and records are accurate and complete.

Any employee who becomes aware of any departure from these standards has a responsibility to report his or her knowledge promptly to a manager or a compliance officer.

**Clarifying Questions and Reporting Possible Violations**

Even the appearance of impropriety can be damaging. If you encounter a situation and its appropriateness is unclear, please discuss the matter immediately and fully with your manager or the chief financial officer. If you are aware of a suspected or actual violation of code by others, you have a responsibility to report it. You are expected to promptly provide a compliance resource with a specific description of the believed violation, including information about the persons involved and the time of the violation. Whether you choose to speak with your manager or the chief financial officer, you may do so without fear of any form of retaliation. The Company will take prompt disciplinary action against any employee who retaliates against you, up to and including termination of employment.

Managers must promptly report any complaints or observations of code violations to the chief executive officer or chief financial officer. All reported code violations will be investigated promptly and with the highest degree of confidentiality possible. Your cooperation in the investigation will be expected. As needed, the chief financial officer will consult with the human resources director and the audit committee of the board of directors. If the investigation indicates that a violation of the code has occurred, the Company will take action that we believe appropriate. If we determine that an employee is responsible for a code violation, he or she will be subject to disciplinary action up to, and including termination of employment and, in appropriate cases, civil action or referral for criminal prosecution. Appropriate action may also be taken to deter any future code violations.

## EMERGENCY RESPONSE PLAN

The Company's Emergency Response Plan ("ERP") shall comply with the Lemon Grove Municipal Code and California Fire Code ("CFC") Section 401. The ERP shall include but not be limited to the following:

### First Aid and Medical Emergencies

The First Aid kit shall be located in the office. In the event that someone requires First-Aid, the employee with the highest level of First Aid training assumes command of the situation and directs others. Always remember, we deal with a lot of people who have blood borne illnesses. Use extreme caution whenever a situation involves bodily fluids, and keep members and staff who aren't assisting in treatment or cleaning well away from the area. If a situation requires an ambulance, call one immediately. This warrants closing distribution and the box temporarily, at the discretion of the manager. Any staff not engaged in treatment should evacuate all members, informing them that we will reopen as soon as the ambulance has left, and then put any medicine away. Any incident requiring the attention of a qualified first aid attendant should be recorded in detail as an "incident report" to be filed.

### Fire Response Plan

- Fire events. In the event an unwanted fire occurs on the property, the licensee or manager shall immediately report such condition to the fire department.
- Alarm activations. Upon activation of a fire alarm signal, employees or staff shall immediately notify the fire department.
- Delayed notification. A person shall not, by verbal or written directive, require any delay in the reporting of a fire to the fire department.
- Required plan implementation. In the event an unwanted fire is detected in a building or a fire alarm activates, the emergency plan shall be implemented.
- Making false report. A person shall not give, signal or transmit a false alarm.
- Emergency evacuation drills. The sounding of a fire alarm signal and the carrying out of an emergency evacuation drill in accordance with the provisions of CFC Section 405 shall be allowed.
- Unplanned evacuation. Evacuations made necessary by the unplanned activation of a fire alarm system or by any other emergency shall not be substituted for a required evacuation drill.
- Interference with fire department operations. It shall be unlawful to interfere with, attempt to interfere with, conspire to interfere with, obstruct or restrict the mobility of or block the path of travel of a fire department emergency vehicle in any way, or to interfere with, attempt to interfere with, conspire to interfere with, obstruct or hamper any fire department operation.
- Evacuation of buildings. Upon notification of fire, conduct of any fire drill, upon activation of the fire alarm, or upon orders of the fire authority having jurisdiction, buildings or structures within the scope of these regulations shall be immediately evacuated or occupants shall be relocated in accordance with established plans.